

# Implications of the crisis for data

- Key information gaps: financial interlinkages and concentration of exposures
- Template developed using gap analysis informed by crisis timeline
- Key question: what additional information was needed before and after crisis in order to identify risks and develop policy response?
- Some examples...



# Examples of key questions during the crisis (1)

## Liquidity strains in funding markets

- Heightened perceptions on counterparty credit risk in interbank markets
- Increase in risk premia for liquidity and uncertainty
- Lending maturities shortened
- Severe disruption in securitisation markets
- Investors pull back fearing additional price falls



# Examples of key questions during the crisis (1)

## Liquidity strains in funding markets

- Which institutions have short-term funding profiles?
- Which are dependent on securitisation markets?
- Which have low liquidity ratios?
- On which providers / markets are these institutions dependent?

### Institution – Aggregate data

#### Exposures:

- Country
- Sector
- Instrument
- **Maturity**
- Currency

#### Funding:

- Country
- Sector
- **Instrument**
- **Maturity**
- Currency

### Institution – Institution data

#### Exposures:

- Instrument

#### Funding:

- **Instrument**
- **Maturity**

### Structural data



# Examples of key questions during the crisis (2)

## Lehman files for bankruptcy

- Concerns over capital in face of commercial real estate exposures meant counterparties increasingly reluctant to roll over wholesale funding
- Lehman's failure led to further increase in market stress in interbank markets
- The complex and cross-border nature of Lehman's business made it more difficult for creditors to determine exposures, and some investors lost access to funds
- Widespread contagion to other financial institutions, including US MMMFs



# Examples of key questions during the crisis (2)

## Lehman files for bankruptcy

- What are other institutions' exposures to Lehman?
- What are Lehman's asset positions and where might fire-sales occur?
- Which other institutions have similar exposures / business models to Lehman?

### Institution – Aggregate data

#### Exposures:

- Country
- Sector
- Instrument
- Maturity
- Currency

#### Funding:

- Country
- Sector
- Instrument
- Maturity
- Currency

### Institution – Institution data

#### Exposures:

- Instrument

#### Funding:

- Instrument
- Maturity

### Structural data



## Examples of key questions during the crisis (3)

### RMC money fund 'breaks the buck'

- Many MMMFs suffered customer withdrawals after some funds made losses on Lehman CP.
- Plus other MMMF clients switched away from funds that invest in private debt
- As a result, the amount / maturity of credit to banks by MMMFs contracted



# Examples of key questions during the crisis (3)

## RMC money fund ‘breaks the buck’

- How dependent are other institutions on funding from (US) money funds?

### Institution – Aggregate data

#### Exposures:

- Country
- Sector
- Instrument
- Maturity
- Currency

#### Funding:

- **Country**
- **Sector**
- Instrument
- Maturity
- **Currency**

### Institution – Institution data

#### Exposures:

- Instrument

#### Funding:

- Instrument
- Maturity

### Structural data

