

Session 3: I-I data templates

Benefits of I-I data
UK FSA Experience

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I-I data: UK experience

- I-I funding template introduced 2010 as part of new liquidity reporting package
- I-I credit exposure via Large Exposures template and ad hoc to support crisis management and stress testing
- I-I funding template provides:
 - Top 30 counterparties for each of wholesale deposits and repo (60 counterparties in all)
 - Weighted average residual maturity for each counterparty
- Supports identification of wholesale funding risk, i.e.:
 - Identification of concentrations
 - Firm and market-wide
 - Understanding of stickiness of funding
 - Dependent on nature and creditworthiness of counterparty

I-I funding data UK experience

- In practice, template has also helped to identify:
 - Firms failing to set risk appetite for funding concentrations
 - Overreliance on term funding
- Although mainly micro-prudential, also supports macro-prudential work:
 - Common funding counterparties
 - Central clearers as counterparties
- Reporting quality has been good – except where firms lack strong approach to managing counterparty funding risk
- Limitations of template have been:
 - Lack of common counterparty identifier
 - Consolidation basis means main counterparties are intra-group