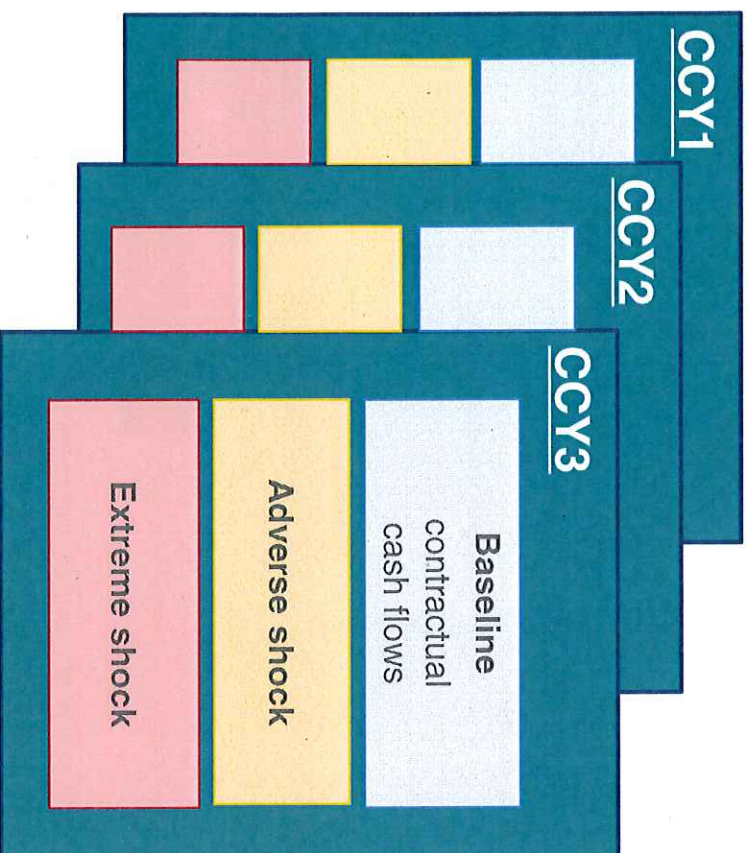


# Overview of the FX template specificities

- Worksheet contains up to nine maturity ladder tables



**for each relevant currency**  
(up to three)  
**Baseline, Adverse shock** and  
**Extreme shock** assumptions  
should be filled

# Deep-dives: FX mismatches

## Objective

Address potential relevant currency mismatches

## Summary of approach

Entities	Templates	Scenarios	Currencies
<b>Group level</b> (consolidated)	<b>Main maturity ladder</b> + extra "computed" line with NLP with / without FX swaps for that specific currency	<b>Base case</b> + <b>Adverse &amp; Extreme shocks</b>	<ul style="list-style-type: none"> <li>- Currencies to be covered identified by current rule driving regulatory reporting (<b>FX &gt; 5%</b> <u>liabilities</u>)</li> <li>- Up to 3 significant currencies</li> </ul>

Handwritten notes: A box containing "EUR" and "USD" is crossed out with a large 'X'. To the right of the box, "EUR" is written with an arrow pointing to it. Above the box, "51" is written.

# Deep-dives: collateral mobilisation

## Objective

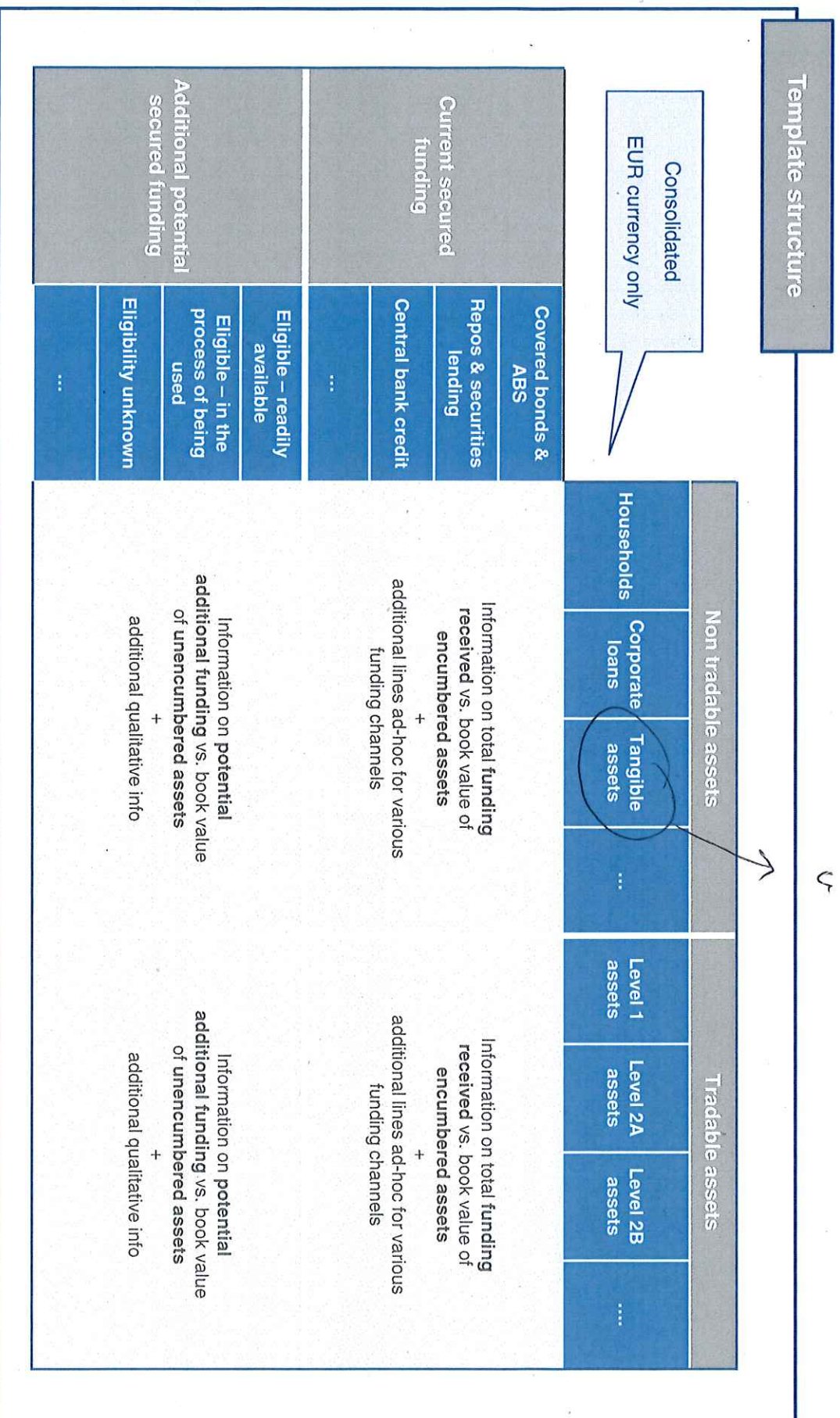
Assess ability to timely and effectively mobilise collateral when and where needed

## Summary of proposed approach

Entities	Templates	Scenarios	Approach
<b>Group level</b> (consolidated)	<b>Ad-hoc template</b> to be replicated for <b>EUR currency only</b>	<b>Status quo</b> (as of reference date)	<ul style="list-style-type: none"> <li>Estimate the <b>amount of additional CBC</b> that banks could generate out of existing <b>assets</b></li> <li>Collect information on <b>existing secured funding transactions</b> as means to assess figures provided by banks on the capacity to generate additional collateral</li> </ul>



# Deep-dives: collateral mobilisation



# Additional memo items information items to be collected in order to complement LIST

Topic	What shall be collected	Topic	What shall be collected
Sensitivity analysis - liquidity impact on selected items due to changes in interest rates	<ul style="list-style-type: none"> <li>Banks shall report cash flows of assets in counterbalancing capacity for a shift in the Interest Rate Swap curve, for the three most significant FXs (EUR included)</li> </ul>	Additional information request for quality assurance purposes	<ul style="list-style-type: none"> <li>Banks shall report additional information for their counterbalancing capacity, their deposit breakdown and their contingencies</li> </ul>
Risks to liquidity linked to margined derivatives and securities financing transactions	<ul style="list-style-type: none"> <li>Banks shall report market values of initial margins posted and received for financial transactions either cleared through CCPs or not</li> </ul>	Additional information request on the Intra-group liquidity deep-dive	<ul style="list-style-type: none"> <li>Banks shall provide comments, if any, on the Intragroup liquidity deep-dive and in particular on the consolidation perimeter of the EA Subgroup and the three extra-EA Subgroups</li> </ul>
Risks to liquidity linked to non-margined derivatives and securities financing transactions	<ul style="list-style-type: none"> <li>Banks shall report gross and net values of non-margined derivatives and Securities Financing Transactions (SFTs)</li> </ul>	Additional information request on the Collateral mobilisation deep-dive	<ul style="list-style-type: none"> <li>Banks shall report additional information for Internal structures / operations, Internal / external audit, Risk management and monitoring, Collateral swaps, and cash collateral</li> </ul>
Risks to liquidity linked to prime brokerage operations	<ul style="list-style-type: none"> <li>Banks shall report market value of securities lent to prime brokerage clients and cash lent (i.e. margin financing) to prime brokerage clients</li> </ul>	Additional information request on the FX liquidity deep-dive	<ul style="list-style-type: none"> <li>Banks shall provide breakdown by-currency of liabilities for on and off balance sheet liabilities to assess also the relevance of off-balance sheet instruments (such as FX or XCCY swaps)</li> </ul>
Risks to liquidity linked to concentration of funding	<ul style="list-style-type: none"> <li>Banks shall report top 10 counterparties for deposits, repurchase agreements and intragroup funding</li> </ul>		



# Contents

- 1 Introduction
- 2 Overview of the exercise
- 3 Main template
- 4 Shock factors
- 5 Deep dive analyses
- 6 **Preliminary overview of the Quality Assurance process**
- 7 Next steps

# Quality Assurance activities to focus on data quality and peer benchmarking

EXAMPLE

## Data Quality checks

Data quality checks could address:

- **Completeness**
  - e.g. are all fields filled (if only with zeros) and do they add up where applicable?
- **Implausible values / data format**
  - e.g. outlier test for incorrect scaling
  - e.g. no letters (n/a etc.) where numbers are expected
- **Consistency within the LiST template**
  - e.g. consistency of maturity ladder items with specific memo items
- **Consistency with other info sources**
  - e.g. consistency with LCR reporting, COREP C66, public info, etc.

## Benchmarking / other checks

Other checks may address:

- **Compliance with methodological assumptions**
  - e.g. re-calculation of flows based on shock factors
- **Benchmarking** of key variables
  - e.g. relative materiality of different types of deposits (per business model); ratio of operational/ non-operational deposits; average impact of rating downgrade etc.

No Top-down View

**Banks will be asked to re-submit templates if they contain inconsistent, incomplete, or otherwise inappropriate data.**



# Email communication during the exercise

- LiST 2019 will be conducted **centrally** by a dedicated team of supervisors

**LiST team**      main contact point for banks during the exercise



[2019 LiST@ecb.europa.eu](mailto:2019_LiST@ecb.europa.eu)

- Most immediate interaction: banks shall nominate a **main contact person** and an **alternate** by **7 December 2018**
- **Exchange of emails between the ECB and banks needs to follow the TLS secured protocol**
  - Please check with your IT Department that the TLS protocol has been implemented for your bank and ensure that the contact person and alternate both have a TLS email address
  - In case the TLS has not been set up please contact the LiST team **as soon as possible** providing technical points of contact. This is key since the process of setting up TLS requires technical departments from both sides to exchange documentation and requirements.



# Contents

- 1 Introduction
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- 7 Next steps

## Next steps...

February 2019	<p>Launch of exercise, possibly through a telco with banks, press and analysts</p> <ul style="list-style-type: none"> <li>- Final version of template and instructions shared with banks</li> <li>- Further details on QA process</li> </ul>
Launch + 6 weeks	<p>Remittance date for data request for all participating banks and start of the Quality Assurance phase</p> <ul style="list-style-type: none"> <li>- Ex-ante inclusion of data quality checks</li> <li>- Ex-ante listing of external data points</li> </ul>
Until approx. May 2019	Quality Assurance interactions with banks
Q3 2019	First outcomes feed into the supervisory dialogue (timeline tbd)
H2 2019	<p>Disclosure of aggregate results, if any</p> 