Liquidity regulation

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Information Classification: PUBLIC
The liquidity coverage ratio (LCR)

- Does one size fit all?
- Is there more to liquidity risk?
One metric is insufficient

Basel ‘Additional monitoring tools’

- Contractual balance sheet profile
- Currency risk
- Concentration of funding
- Availability of unencumbered assets
- Market related tools
The net stable funding ratio (NSFR)

- Structural balance sheet metric
- Revised proposals seek consistency and to reduce the 1 year cliff effect.
Disclosure

Increased transparency

- Liquidity coverage ratio and encumbrance disclosures
- Enhanced Disclosure Task Force
- Requirements from national supervisors

...but are there consequent risks that need managing?