SIFIs and data gaps: seeing the forest and the trees

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Data gaps and systemic linkages

Key lessons crisis:
- Systemic risk underestimated (subprime, AIG, Iceland)
- Great uncertainty in crisis management (Lehman, AIG)

Part of the solution: better data

FSB WG on Data Gaps & Systemic Linkages
Data gaps and systemic linkages

SIFIs’ key role in global financial system

Old system
Data gaps and systemic linkages

SIFIs’ key role in global financial system

Modern system
Data gaps and systemic linkages

Major gaps
- Need to better understand interconnections & network
- Need to better identify risk concentrations & funding dependencies
- Need to better monitor links to non-bank intermediaries (shadow banks)
- Need to better understand financial innovation & complexity

Better data sharing to strengthen supervision and macroprudential analysis
Data gaps and supervision

Need to improve supervision of SIFIs

→ both *global* and *national* SIFIs

**G-SIFI framework**
- Identification of (new) G-SIFIs
- Monitoring risks
- Cooperation in supervisory colleges
- Cooperation in crisis management groups (CMGs)
- Recovery & resolution plans
## Data template

<table>
<thead>
<tr>
<th>Institution-to-institution</th>
<th>Institution-to-aggregate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bilateral credit exposures &amp; funding dependencies</td>
<td>Credit exposures &amp; funding dependencies: countries, sectors and markets</td>
</tr>
<tr>
<td>Network risks and resilience</td>
<td>Risk concentrations and vulnerabilities</td>
</tr>
<tr>
<td>Weekly</td>
<td>Quarterly</td>
</tr>
</tbody>
</table>
Questions that can be addressed:

- Which G-SIFIs are heavily exposed to Irish government debt or Spanish banks?

- Are links between banks and hedge funds intensifying?

- Do G-SIFIs have growing risk concentrations to common players?

- Which G-SIFIs have similar funding profiles to failing institutions (like Lehman)?
Implementation: 3 stages

Phase 1
- I-A: Existing bank data (BIS-IBS)
- I-I: Bilateral exposures
  - end 2012*

Phase 2
- I-A: Restructured BIS/IBS
- Basic funding
- I-I: Extended to funding
  - end 2013*
  - + Funding & greater granularity

Phase 3
- I-A: Granular exposures and funding data
  - end 2014*
  - Full template

*Indicative
Thank you