



Jersey Financial  
Services Commission

# Appendix D: Funding Concentration Guide

Consultation Paper No.3 2017  
Basel III: Liquidity Management

[Draft] Guide on the reporting of funding concentrations

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# 1 Overview

## 1.1 Consultation

- 1.1.1 This document outlines draft requirements relating to the provision of detailed information on funding concentrations. It is intended to incorporate this within the *JFSC's* prudential reporting requirements from December 2018. (For more details see **Section 4.9** of the consultation paper). The introduction is provided in full, which outlines the nature of data requested, with the exact format to be determined nearer to the implementation date – the final guide will be provided at least 6 months prior to the implementation date.

## 1.2 Introduction

- 1.2.1 This document specifies prudential reporting on funding concentrations. It is intended to provide information relevant to the assessment of liquidity, alongside consideration of the *LCR*.
- 1.2.2 Three sets of data are required to be provided:
- 1.2.2.1 Funding liabilities sourced from each significant counterparty;
  - 1.2.2.2 Funding liabilities sourced from each significant product/instrument; and
  - 1.2.2.3 Asset and liability amounts by significant currency
- 1.2.3 In each of the three cases, the total amount for each reportable item is required to be provided, together with a breakdown for the following five time horizons:
- i. 30 days or less (*LCR/LMR* time horizon)
  - ii. more than 30 days to 3 months
  - iii. more than 3 months to 6 months
  - iv. more than 6 months to one year and
  - v. more than 1 year.
- 1.2.4 Section 2 addresses reporting of funding by *significant counterparties*.
- 1.2.5 The amount reported must be calculated by aggregating the total of all types of liabilities to a single counterparty or group of connected or affiliated counterparties, as well as all other direct borrowings, both secured and unsecured, which the bank can determine arise from the same counterparty.
- 1.2.6 A “*significant counterparty*” is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the *JIB's* total balance sheet. A group of connected counterparties is, in this context, defined in the same way as for a “Large Exposure”, as set out in the Banking Codes.

- 1.2.7 Intra-group deposits and deposits from related parties should be reported.
- 1.2.8 For connected parties, report for the group and any individual counterparties that cross the threshold (see Section 2 for full details).
- 1.2.9 Section 3 addresses reporting of funding by *significant product*
- 1.2.10 The amount reported must be calculated by aggregating the total funding derived from each individually significant funding instrument/product, as well as by calculating groups of similar types of instruments/products. (See Section 3 for full details).
- 1.2.11 A *significant product* is defined as a single instrument/product or group of similar instruments/products that in aggregate amount to more than 1% of the *JIB's* total balance sheet.
- 1.2.12 Section 4 addresses reporting of funding by *significant currencies*.
- 1.2.13 A currency is considered “significant” if the aggregate liabilities denominated in that currency amount to 5% or more of the *JIB's* total liabilities.
- 1.2.14 For each currency, a breakdown of flows is required using groupings of categories defined in either (1) the “*LCR/LMR Guide*” or (2) the ‘*HQLA Guide*’ (see Section 4 for full details). In each case, only flows in that currency are reportable.