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Nota di contenuto	Liquidity Management; Contents; Acknowledgements; Introductory Note; 1 Funding and Market Liquidity; 1.1 Liquidity in the Financial Markets; 1.1.1 Definition of funding and liquidity risks; 1.2 Managing Liquidity Risk; 1.2.1 Liquidity risks framework; 1.2.2 Chief Risk Officers role; 1.3 Regulatory Frameworks; 1.3.1 Total net cash outflows; 1.3.2 Long-term funding requirements; 1.3.3 Banks funding; 1.3.4 Funding through securitization; 1.3.5 Behavioural changes of customers or investors; 1.3.6 Payment systems; 1.3.7 Correspondent and custody activities; 1.3.8 Accounting treatment and liquidity 1.3.9 Diversification of funding sources 1.3.10 Rating agency approaches to internal methodologies; 1.3.11 Transparency to the market; 1.3.12 Contingency plans; 2 Short-Term Funding; 2.1 Cash Flow Ladder; 2.1.1 Contractual cash flows; 2.1.2 Rules for mapping flows on the maturity ladder; 2.1.3 Flows without contractual certainty; 2.1.4 Unexpected cash flows; 2.1.5 Funds available for refinancing; 2.1.6 Funds transferability; 2.1.7 Total ladder calculation; 2.2 Liquidity Coverage Ratio; 2.2.1 Regulatory prescriptions; 2.2.2 Liquid assets available for refinancing 2.2.3 Total net cash outflows in the upcoming month 2.3 Liquidity Risk Indicators; 2.3.1 Using indicators; 2.3.2 Testing indicators; 2.3.3

Government bond yield curves and cross-spreads; 2.3.4 Credit default swap levels; 2.3.5 Foreign exchange cross-values; 2.3.6 Central bank refinancing; 2.3.7 Crisis indicators; 2.3.8 Risk aversion indexes; 2.4 Intraday Liquidity Risk; 2.4.1 Intraday liquidity management; 2.4.2 Cooperative mechanism; 2.4.3 Analysing the possible impact of the stressed scenario on intraday liquidity risk; 2.4.4 Haircuts to pledges; 2.4.5 Monitoring requirements
2.4.6 Structural and intraday liquidity needs 2.4.7 Payment systems liquidity saving features; 2.4.8 Intraday liquidity risk in the case of Lehman Brothers; 2.4.9 Some intraday liquidity monitoring indicators; 2.4.10 Intraday liquidity stress scenarios; 2.5 Funding Concentration; 2.5.1 Significant counterparties; 2.5.2 Significant instruments/products; 2.5.3 Significant currencies; 2.5.4 Time buckets; 2.6 Measuring Asset Liquidity; 2.6.1 Standard liquidity ratio; 2.6.2 Determining implied spread; 3 Long-Term Balance; 3.1 Structural Funding; 3.1.1 Determining the available funding
3.1.2 Required stable funding for assets 3.2 Customer Deposit Modelling; 3.2.1 Regulatory approaches on deposit stability; 3.2.2 Depositor behaviours; 3.2.3 Modelling assumptions and impacts on funding costs; 3.2.4 Dynamic regression models; 3.3 Stress Testing and Scenario Analysis; 3.3.1 Using stress testing to improve banks' own risk governance; 3.3.2 Liquidity stress testing rationale; 3.3.3 Improving controls; 3.3.4 Stress testing methodology; 3.3.5 Reverse stress testing; 3.3.6 Scenario analysis; 3.3.7 Internal capital and stress testing; 4 Liquidity Value At Risk
4.1 Market Liquidity Effects

Sommario/riassunto

"Robust management of liquidity risk within the changing regulatory framework Liquidity Management applies current risk management theory, techniques, and processes to liquidity risk control and management to help organizations prepare in case of future economic crisis and changing regulatory framework. Based on extensive research conducted on banks' datasets, this book addresses the practical challenges and critical issues that frequently go unmentioned, and discusses the recent impact of sovereign crises on banks' liquidity processes and approaches. Market practices and regulatory stances are reviewed and compared to bank treasuries' response to liquidity crunches, refinancing risks are explored in the context of Basel 3, and alternative funding is analyzed in terms of resilience and allocation. Coverage includes the recent crisis, new regulations, and the techniques, processes, and strategies banks use in managing liquidity risk. The 2008 and 2010 crises brought liquidity risk out of the shadows as even profitable and well-capitalized banks were swept away with breathtaking speed. This book reviews modeling and internal process design in the context of the structural change in market conditions on banks' refinancing and control requirements, helping readers rethink and re-design their organization's approach to liquidity risk. Understand the new liquidity regulatory framework and the implications for banks Study the latest liquidity measurement models, with stress testing and scenario analysis Discover the effect of liquid financing markets and possible lasting impacts Compare market liquidity and warning signals that detect further deterioration With much of the world still reeling from history, it's important that liquidity risk become a major focus going forward. This practical guide provides valuable information, but also real, actionable steps that can be taken today to forecast and mitigate risks with an eye toward greater stability and security. Liquidity Management is a thorough, comprehensive guide to a more robust management of liquidity risk"--
