Senior Supervisors Group

Progress Report on Counterparty Data

January 15, 2014

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Mr. Mark Carney, Chairman
Financial Stability Board
Bank for International Settlements
Centralbahnplatz 2
CH-4002 Basel
Switzerland

Dear Mr. Carney:

I am pleased to send you this report of the Senior Supervisors Group (SSG), "Progress Report on Counterparty Data." The document summarizes the insights and experiences gained from the SSG's "Top 20" Counterparty project, which began in 2008 in response to the financial crisis. This counterparty exposure data collection program had two primary aims: to inform supervisors of the level of and changes in significant bilateral derivatives and other counterparty exposures and to enhance the ability of firms to produce accurate and timely counterparty information.

Our observations in this report indicate that firms' progress toward consistent, timely, and accurate reporting of top counterparty exposures fails to meet supervisory expectations as well as industry self-identified best practices. Data quality is of particular concern. Additionally, we believe that the supervisors of these firms must prioritize the effort within the scope of their own work and commit to impressing upon firms the importance of being able to quickly and accurately aggregate top counterparty exposures. The SSG will continue to monitor and review these practices periodically to ensure their effectiveness going forward.

The successful transition of the Top 20 Counterparty project from the SSG to the newly established, independent, and permanent International Data Hub at the Bank for International Settlements represents a milestone in the development of critical data collection and analysis. We believe that the Financial Stability Board's strong leadership in the transition and shared governance of this effort will lead not only to greater communication of vital information for supervisors and policymakers but also to a more heightened focus on improving firms' ability to aggregate and report their counterparty exposures in a consistent, timely, and accurate manner.

Sincerely,

Sarah Dahlgren
Chair

CONTENTS

EXECUTIVE SUMMARY: *SOME* PROGRESS, BUT STILL NOT THERE

Five years after the financial crisis, progress on timely and accurate counterparty risk measures has been largely unsatisfactory.

Large, complex financial organizations can potentially engage in a broad array of financial transactions with a wide range of counterparties. It is therefore critical for these organizations to understand and manage counterparty exposures. Challenges understanding exposures can arise when a firm operates through many of its own legal vehicles, which in turn conduct business with many external entities, including some that may ultimately be owned by or affiliated with the same counterparty. Many firms discovered during the financial crisis that they could not aggregate counterparty exposures quickly and confidently, which limited their ability to make prudent business decisions in fast-moving markets and resulted in confusion and concern across the marketplace.

National supervisory authorities observed from these experiences that large financial firms had difficulty quickly and accurately aggregating counterparty exposures at the group level. In response, the Senior Supervisors Group (SSG)[1] sponsored a new counterparty exposure data collection program—known as the "Top 20" Counterparty project—during the crisis. The project aimed to inform supervisors across jurisdictions of the levels of and changes in significant bilateral derivatives and other counterparty exposures as well as to enhance their ability to respond. The Top 20 project began in late 2008 and continued through the financial crisis and the recovery.

Despite this initiative, we note that five years after the crisis large firms have made only some progress achieving timely and accurate measures of counterparty risk. Importantly, progress has been uneven and remains, on the whole, unsatisfactory. Given the rising need for accurate and timely counterparty data in firms' own and in supervisory stress-testing plans as well as in other areas of supervisory work, such as collateral management, the lack of firms' progress is even more pronounced.

In March 2013, the Top 20 project transferred to a more comprehensive program administered by a new International Data Hub at the Bank for International Settlements (BIS). At this juncture, we take this opportunity to share insights and experiences from the project. This "Progress Report on Counterparty Data" includes background on the project, reporting expectations, and observations by supervisors and from firms' self-assessments. It also provides context and analysis to support two high-level, critical observations:

- **Five years after the financial crisis, firms' progress toward consistent, timely, and accurate reporting of top counterparty exposures fails to meet both supervisory expectations and industry self-identified best practices. The area of greatest concern remains firms' inability to consistently produce high-quality data.**
- **Supervisors of systemically important financial institutions and other firms that manage significant numbers or volumes of counterparty exposures should prioritize this effort within the scope of their own work. They should commit to impressing on their firms the importance and expectation of being able to quickly and accurately aggregate top counterparty exposures.**

[1] The Group includes senior supervisory authorities of major financial services firms in Canada, France, Germany, Italy, Japan, the Netherlands, Spain, Switzerland, the United Kingdom, and the United States.

ORIGIN OF THE SSG'S TOP 20 COUNTERPARTY PROJECT

The project is a data collection and supervisory reporting program created in response to the financial crisis.

The early stages of the financial crisis were marked by shortcomings in data aggregation and in timely reporting of counterparty risk–both to firms' own management and to supervisors. Incomplete and delayed risk capture combined with sharply moving markets to create confusion about levels, sensitivities, and, in some cases, direction of counterparty exposure. Those problems constrained the ability of firms' management to execute appropriate risk mitigation and capital conservation transactions and deprived supervisors of critical information needed to understand the true scale of interconnected exposures. The significant gaps in reliable counterparty credit data were one of many post-crisis weaknesses addressed by the Financial Stability Board, which has made improvements in data quality, risk management, and regulatory reporting a keystone of its multipronged reform agenda.

In response to the experiences of the crisis, in late 2008 the Senior Supervisors Group launched the Top 20 Counterparty project, a data collection and supervisory reporting program for the largest, most systemically important firms supervised by SSG members.

The project's goals were twofold:

- to provide supervisory authorities across jurisdictions with confidential information about large firms' exposure to each other and to common counterparties, the objective being to highlight concentrations and changes in bilateral exposure relationships that warrant further attention; and
- to test, and track over time, the ability of firms to produce accurate and timely counterparty exposure information across legal entities and products.

Initially, the SSG collected daily, global counterparty credit data for reporting firms' largest twenty exposures to each of three distinct types of counterparties: banks, nonbank financial institutions, and nonbank corporate counterparties. Data requested included not only counterparty credit risk exposure to derivatives and securities financing transactions but also exposure to traditional lending, short-term money placements, and issuer risk. Gross risk exposures were offset by any credit hedges or collateral. While supervisors recognized that some firms would need to adapt their systems and processes to fulfill the data request, they nonetheless agreed that the firms were of sufficient size and complexity to meet these standards over time. Using these data, we approximated direct and indirect potential financial losses on institutions and identified and measured changes in peer relationships.

Top 20 Is Now Top 50

This "Progress Report on Counterparty Data" follows the March 2013 transition of counterparty data collection and analysis from the SSG to a newly established, independent, and permanent International Data Hub at the BIS. With the move, the Top 20 Counterparty report has expanded into a more comprehensive Top 50 Counterparty report.[2] It represents a milestone in the development of critical data collection and analysis for global, systemically important financial institutions and other global financial institutions.

HIGH-LEVEL OBSERVATIONS

With the transition to Top 50 reporting, we offer a few observations on progress made and the important work that lies ahead.

Counterparty reporting should be a standardized process.

Counterparty reporting for management and supervisors should be the product of standardized, repeatable, and highly automated processes. While some firms have developed their information technology infrastructure further to support improved counterparty reporting, many still rely on time-consuming and error-prone manual processes.

[2] The Top 50 Counterparty report continues to capture credit exposure across the same product types as the Top 20 Counterparty report did. Modifications focus on streamlining requested metrics, clarifying data definitions for exposures already being reported, and capturing additional granularity to aid in data analysis and interpretation. Supervisors expect more systemically important firms to participate in the Top 50 program. See the appendix for more information on the reporting firms and metrics captured in the report.

Firms have made insufficient progress improving data quality.

Firms should be farther along in their capacity to accurately report risk exposure. They have improved their data capture systems and can provide more complete and timely data; however, data accuracy is still noticeably deficient at many institutions. If firms cannot produce accurate data during relatively benign times, they would be unlikely to do so during periods of market stress, when exposures could be volatile and resources are operating under high-pressure conditions.

Firms and supervisors that have prioritized this effort have shown an improved understanding of risk.

On a positive note, some firms that were the most challenged initially in meeting SSG reporting expectations improved their counterparty credit risk reporting processes and integrated Top 20 Counterparty reporting into their ongoing risk monitoring. These firms demonstrated an ability to gather and aggregate data quickly and accurately, with an improved understanding of their own counterparty exposures and potential concentrations. These improvements included data quality checks that facilitated self-identification and remediation of data issues.

Similarly, we note that firms whose supervisors prioritized the Top 20 Counterparty report as a critical regulatory tool performed better against the benchmark standards identified in this report than their peers did.

Supervisory and Industry Work on Best Practices

Public and private sector groups are working to build awareness of risk management.

Frequent aggregation and reporting of critical counterparty exposure information, such as data collected in the Top 20 Counterparty report, is a common supervisory expectation and risk management best practice.

Accordingly, the Senior Supervisors Group has published several documents on risk management best practices, beginning in March 2008 with "Observations on Risk Management Practices during the Recent Market Turbulence." The report assessed the risk management practices that helped make some firms better equipped than others to withstand market stresses in fall 2007. We released a follow-up report in October 2009, "Risk Management Lessons from the Global Banking Crisis of 2008," which explored critical risk management practices warranting improvement across the financial services industry. The report also raised the concern that changes to firms' risk management practices might not be sustainable as memories of the crisis faded and pressures to contain costs or pursue revenue opportunities increased. The report was followed by 2010's "Observations on Developments in Risk Appetite Frameworks and IT Infrastructure," which provided a critical assessment of improvements in formal risk appetite frameworks and highly developed information technology infrastructures as well as identified a need for greater improvement in firms' ability to aggregate data across their operations.

Other interested parties also worked to build awareness of risk management. In August 2008, for example, the private sector Counterparty Risk Management Policy Group III, or CRMPG III, recognized the deficiencies in the industry's ability to monitor and manage counterparty exposures effectively. The Group noted in its report, "**Containing Systemic Risk: The Road to Reform**," that industry leaders expect firms to be able to monitor firmwide counterparty risk exposures to institutional counterparties within hours. While firms have made some progress, five years later the issue of timely and accurate data aggregation remains a significant area of concern. The Basel Committee on Banking Supervision (BCBS) made reference to the supervisory expectation of fast and automated firmwide aggregation of risk data in its January 2013 report "**Principles for Effective Risk Data Aggregation and Risk Reporting**." While the BCBS paper was issued almost five years after the financial crisis, its themes and takeaways build on previous guidance and industry expectations and reemphasize the point that many firms still need to make significant progress on fundamental counterparty credit risk management and reporting practices. In fact, the BCBS followed up this past December with a report detailing "**Progress in Adopting the Principles for Effective Risk Data Aggregation and Risk Reporting**," which highlights similar findings as those in our SSG report, namely, that firms must "upgrade IT systems and governance controls," while making greater progress in their "risk data accuracy, completeness, timeliness and adaptability."

Benchmark Standards: Evaluating Reporting Institutions

Firms are expected to perform at high levels against three critical benchmarks.

The various public and private sector publications on risk management best practices point to a common set of expectations for *timeliness and frequency, data aggregation,* and *data quality*. The assessment of participating firms' performance against these expectations was undertaken by the SSG Secretariat[3] based on Top 20 Counterparty reporting through the end of 2012. As a supplement to the reported data, the nineteen participating firms completed an ongoing, annual self-assessment of their reporting processes, data capture, and challenges associated with contributing to the Top 20 Counterparty report.

Timeliness and Frequency

> **"Banks' credit systems should generate aggregate and up-to-date risk data on an end-of-day basis while maintaining accuracy and integrity. In times of stress, all relevant and critical credit, market, and liquidity exposure reports should be available within a short period of time, possibly intraday."**
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> *CRMPG III – "Containing Systemic Risk: The Road to Reform," Section IV.6a*

Timeliness and frequency refers to firms' ability to contribute to the Top 20 Counterparty report with the frequency required by the SSG, with an appropriate lag. In 2012, the benchmark for timeliness and frequency of submissions required firms to provide reports on a weekly basis with a lag of trade date plus three business days (T+3) or better.

In 2008, the lack of timely ad hoc data or firm MIS reports influenced our initial decision to require strict, daily reporting for the Top 20 Counterparty project, at a T+2 lag. The goal of daily reporting was to ensure that firms could produce critical information quickly, particularly during stress events. In April 2011, we reduced the required reporting frequency of weekly submissions to T+3 or better, with the expectation that firms would maintain the ability to report data daily in a stressed environment. Supervisors also expected firms to perform more robust data quality assurance (DQA) given the additional time, with the goal of improving data quality.

Data Aggregation

> **"Banks should capture and aggregate all material risk data across the banking group. Data should be available by business lines, legal entity, asset type, industry, region, and other groupings, as relevant for the risk in question, that permit identifying and reporting risk exposures, concentration, and emerging risks."**
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> *BCBS – "Principles for Effective Risk Data Aggregation and Risk Reporting, Principle 4 – Data Completeness"*

The SSG evaluated firms' ability to aggregate and consolidate exposure data according to the Top 20 Counterparty report instructions based on self-reported capabilities in the annual self-assessment. In 2012, the three criteria for data aggregation capabilities included the following:

- capturing at least 95 percent of exposures to reported counterparties globally and by business line;
- reporting seven critical metrics as requested and defined in the instructions; and
- updating seven critical counterparty metrics according to the following schedule: derivatives-related fields (daily), credit valuation adjustments (CVA; weekly), repo (daily), securities lending (daily), traditional lending-related fields (monthly), short-term money placements (daily), and issuer risk (daily).

[3] The Federal Reserve Bank of New York serves as Secretariat for the Group; it compiled and reported on the Top 20 Counterparty data on the SSG's behalf until the March 2013 transition to the BIS International Data Hub.

Data Quality

> **"Banks should be able to generate accurate and reliable risk data to meet normal and stress/crisis reporting accuracy requirements. Data should be aggregated on a largely automated basis so as to minimize the probability of errors. Supervisors expect banks to measure and monitor the accuracy of data and to develop appropriate escalation channels and action plans to be in place to rectify poor data quality."**
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> *BCBS – "Principles for Effective Risk Data Aggregation and Risk Reporting, Principle 3 – Accuracy and Integrity," Paragraph 40*

Data quality refers to the adequacy of report submissions, including data accuracy. Performance against this metric provides the SSG with confidence in the ability of firms to produce high-quality data on a consistent basis.

We assessed firms on the number and severity of data issues identified during a given year as well as over time. Data issues designated as "high severity" could materially affect the output of our analysis; those designated as "low severity" did not materially affect the output. However, these issues required manual intervention in what is an otherwise automated upload process, delaying the analysis and increasing the probability of user error.

BENCHMARK ANALYSIS: RESULTS

Timeliness and Frequency

The majority of reporting firms have met SSG benchmark standards by demonstrating an ability to report consolidated top counterparty exposures weekly on a T+3 basis.

As of 2012, thirteen of the nineteen firms (68 percent) met SSG benchmark standards for timeliness and frequency, submitting weekly reports on a T+3 basis or better. Canadian banks led all peers by submitting consistently on a T+2 basis at the request of their supervisors. However, some firms, primarily E.U. banks, still struggled to meet the standards. In 2012, five E.U. banks could not submit the report with a T+3 lag. Two E.U. banks did not submit the report weekly, but rather biweekly and monthly, respectively, at substantial lags.

Firms that successfully submitted weekly data on a T+3 basis observed that enhanced automation has aided timely reporting. In 2012, 85 percent of firms had 80 percent or more automated data feeds, compared with 68 percent of firms in 2011 and 56 percent of firms in 2010. Banks with relatively less significant portfolios have shown the most improvement in automated report production.

Many of the same firms that were challenged to provide daily data in 2008 through 2010 also struggled to meet weekly requirements from 2011 onward. The primary reason for late submission was insufficient time to conduct internal data quality checks following aggregation across systems or locations, due to the manual nature of investigating large movements in the data. The SSG Secretariat also noted that institutions whose supervisors prioritized the Top 20 Counterparty exercise were more likely to produce the report at the required frequency and in a timely manner or to improve their reporting capabilities rapidly until they were able to do so. Taken together, supervisors remained skeptical of some firms' ability to aggregate exposures more frequently than weekly, particularly during times of market stress.

After the move to weekly reporting in 2011, one U.K. and one U.S. firm continued to contribute to the Top 20 Counterparty report daily for internal reporting and management purposes while submitting to the SSG on the same weekly schedule as the other firms. This gave supervisors additional comfort about the ability of these firms to submit these data on a daily basis during times of market stress, as the infrastructure surrounding the increased reporting is already in place and functioning during times of relative calm.

Data Aggregation

Overall, firms have made progress aligning with SSG benchmark standards by capturing all material risk exposures requested in the Top 20 Counterparty report. But gaps remain for several firms to fully meet Top 20 data aggregation expectations.

Since 2008, firms have made substantial progress in their ability to aggregate data for completing the Top 20 Counterparty report. This progress was particularly notable in their improved ability to capture exposures globally and by business line, aggregate data to the ultimate parent level, incorporate new and meaningful counterparties (such as central counterparties), and report critical metrics as defined in the instructions. Early aggregation issues such as the omission of fields or failure to report exposures have largely been resolved. However, challenges remain, particularly in updating certain critical metrics like CVA on a sufficiently frequent basis. Given that the Top 20 report contains a subset of counterparties to which firms have exposure, these ongoing challenges call into question firms' ability to aggregate exposure for all counterparties.

With respect to exposures, data capture improved over the life of the reporting project, as all nineteen firms self-reported that their submissions captured at least 95 percent of exposures to counterparties globally and by business line in 2012. This was a significant improvement from 2010 and 2011, when only 75 percent and 90 percent of firms, respectively, met this standard.

When it came to reporting critical metrics as defined in the instructions, sixteen firms (84 percent) self-reported meeting this criterion in 2012, compared with 70 percent in 2010. One E.U. firm significantly lagged its peers, as it could not report five of the seven critical metrics as defined in the instructions.

With respect to updating critical metrics per benchmark frequencies, only nine firms (47 percent) were able to do so on a sufficiently frequent basis in 2012. This reflects poor progress compared with 44 percent in 2010, when critical metrics were required to be updated daily. In 2012, eight E.U., one U.S., and one Canadian firm could not update all seven critical metrics per benchmark frequencies.

More specifically, in 2012 eighteen firms (95 percent) self-reported the ability to update their derivatives exposures daily. One E.U. firm updated certain, but not all, of its exposures on a daily basis. Similar to prior years, CVA was the most challenging metric for firms to report, with less than half (47 percent) able to update this metric weekly. One E.U. firm reported that it only calculates this critical counterparty risk metric quarterly, down from monthly in 2011. Similarly, another E.U. firm now calculates CVA monthly, as opposed to daily in 2011. A third E.U. firm does not calculate CVA at all.

In 2012, eighteen firms (95 percent) self-reported that they could update their securities financing transaction exposures daily. One E.U. firm and one Canadian firm remained unable to separate securities lending and repo exposures, reporting both in the securities lending field. This has been a challenging metric for these two firms since the inception of their reporting.

Similar to 2011, all nineteen firms were able to update traditional lending exposures monthly and short-term money placement exposures daily per benchmark standards. Eighteen firms (95 percent) could update their issuer risk exposure daily.

Data Quality

Recurring data errors indicate that many firms are below SSG benchmark standards for data quality and cannot measure and monitor the accuracy of the data they submit or rectify quality issues in a timely manner.

Categorizing data quality issues in Top 20 reporting required the SSG Secretariat to evaluate the materiality, in addition to the root causes, of the errors identified through its data quality assurance process. We attribute the poor data quality observed in 2012 to 1) data aggregation issues that have not been remedied by advances in automation capabilities at reporting institutions and 2) a breakdown in controls and governance associated with the Top 20 Counterparty process.

While we note that the level of high-severity data issues has decreased over the life of the Top 20 Counterparty project, the frequency of data errors has not diminished proportionally to firms' reported improvements in aggregation and automation capabilities over time. The most commonly observed quality issues are large data spikes or large anomalies in the historical data trend, which are generally flagged during our DQA processes and should be easily identified by reporting institutions prior to submission of the report. In 2012, fourteen of the nineteen firms (74 percent) reported challenges conducting adequate and timely DQA prior to report submission. Furthermore, thirteen firms (68 percent) reported challenges investigating large movements and trends in data prior to submission. Common reasons cited include issues associated with data reconciliation across systems and confirmation of figures with subject matter experts across locations.

Breakdowns in controls and governance procedures around the Top 20 Counterparty reporting process have also contributed to a decline in data quality standards. In 2012, the SSG noted that two U.S. firms reverted to providing poorer data than in previous years – primarily due to turnover in the areas producing the report, which led to lapses in quality controls. Combined, these issues raise supervisory concerns about firms' ability to provide accurate data during periods of stress.

While the overall quality of data submitted during 2012 declined, several firms did improve over the course of the project. Several E.U. firms reviewed any weekly exposure movements that exceed a given dollar threshold and one E.U. firm tailored these thresholds to the various counterparty types captured in the template. Two U.S. firms and one U.K. firm employed a similar practice, investigating any exposure movements that exceed predefined percentage changes. Another U.S. firm held a monthly call to discuss reporting issues identified by either the SSG Secretariat or the bank.

Finally, as the project progressed we observed an uptick in the number of self-reported data errors and revised data submissions by several firms. The data errors provided supervisors with a better understanding of specific firms' data quality issues as well as greater comfort in the quality of their data and processes. This outreach by firms is invaluable, as there are many data errors that cannot be identified through DQA by a third party.

NEXT STEPS FOR SUPERVISORS

Significant work remains for supervisors as well.

The ability to aggregate exposures to top counterparties in a timely and accurate manner is a supervisory expectation and a critical business need for systemically important financial institutions and other firms that manage significant numbers or volumes of counterparty exposures. Supervisors of systemically important financial institutions and other firms that manage significant numbers or volumes of counterparty exposures should prioritize this effort within the scope of their own work and commit to impressing upon their firms the importance of this expectation.

As firms continue to make progress in counterparty risk reporting and risk management, supervisors should provide them with feedback and peer perspective on their data aggregation, reporting, and counterparty risk monitoring abilities. We expect supervisors should need to commit more time and resources for the process to achieve the desired results now that they are liaising directly with the International Data Hub. To that end, supervisors should conduct ongoing monitoring or periodic examinations of firms' processes to confirm the validity of the reporting process and the accuracy of the data.

CONCLUSION

There is much room for improvement.

The "Progress Report on Counterparty Data" provides a valuable update on supervisory efforts to improve counterparty credit risk management in large, systemically important financial institutions. It comes on the heels of five years of Top 20 Counterparty report production and the successful transition of project management from the SSG Secretariat to the BIS International Data Hub. As we outline in this report, while firms have made progress in certain key areas of counterparty risk management, on the whole current practices fail to meet supervisory expectations or industry self-identified best practices for timely and accurate reporting of top counterparty exposures.

Firms' difficulties producing the Top 20 Counterparty report accurately and on time may reflect their inability to aggregate exposure to all counterparties. While some firms involved in the project met all supervisory expectations for timeliness and frequency, data aggregation capabilities, and data quality, others failed to make as much progress as expected. Going forward, supervisors will expect firms to continue to devote time and attention to the infrastructure necessary to aggregate and update exposures accurately and in a timely manner. This includes the ability to thoroughly review data quality and trend analysis to identify data anomalies. Attention is even more critical now, given the evolution from the Top 20 to the Top 50 Counterparty report, which is challenging firms to provide exposure data on a more granular and precise basis.

Firms should continue to prioritize controls and governance even in times of relatively well-functioning and stable markets. They should integrate recurring regulatory requests, such as completing the Top 20/Top 50 Counterparty reports, into their ongoing risk management control process, rather than view these reports as "one-off" requests outside the scope of ongoing risk management.

Finally, supervisors must make it a high priority for the firms they oversee to aggregate and report exposures in a timely and accurate fashion. Neither supervisors nor firms should lose sight of this critical piece of risk management, particularly as memories of the financial crisis begin to fade.

Appendix: Reporting Firms and Requirements

As of December 2012, the Top 20 Counterparty reporting network comprised nineteen global financial institutions from eight SSG member jurisdictions.

Country	Supervisory Authority	Firm Name	Start of Official SSG Reporting
Canada	Office of the Superintendent of Financial Institutions (OSFI)	Bank of Nova Scotia	March 2010
		Royal Bank of Canada	March 2010
		Toronto Dominion	March 2010
France	Autorité de Contrôle Prudentiel et de Résolution (ACPR)	BNP Paribas	October 2008
Germany	Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)	Deutsche Bank	October 2008
Italy	Banca d'Italia (Bd'I)	Intesa Sanpaolo	September 2010
Spain	Banco de España (BdE)	Banco Bilbao Vizcaya Argentaria (BBVA)	January 2011
		Banco Santander	July 2010
Switzerland	Financial Market Supervisory Authority (FINMA)	Credit Suisse	October 2008
		UBS	October 2008
United Kingdom	U.K. Prudential Regulation Authority (PRA)	Barclays	October 2008
		HSBC	November 2008
		Royal Bank of Scotland	October 2008
United States	Federal Reserve Board of Governors; Federal Reserve Banks of New York and Richmond; Office of the Comptroller of the Currency (OCC); Securities and Exchange Commission (SEC)	Bank of America	October 2008
		Citigroup	October 2008
		Goldman Sachs	November 2008
		JPMorgan Chase	October 2008
		Morgan Stanley	November 2008
		Wells Fargo	October 2008

Counterparties Captured

The Top 20 counterparty template requested counterparty exposure data for top-twenty banks and broker-dealers, top-twenty nonbank financial institutions, and top-twenty nonbank corporations.

Reporting Frequency

Firms were instructed to report the template daily with a T+2 or better time lag from October 2008 through March 2011, and weekly with a T+3 or better time lag from April 2011 through December 2012. They were expected to aggregate data globally and by business line and at the consolidated entity level (aggregation across all connected entities for which the parent provides an explicit guarantee or implicit support for reputational or other reasons). Firms were also expected to update all counterparty names and exposures with each submission.

Data Captured in the Top 20 Counterparty Report

OTC derivatives: Gross MTM (after counterparty netting), collateral held, net MTM (includes excess collateral), credit valuation adjustment (CVA), potential exposure (varies by institution methodology)

Securities lending: Current exposure, potential exposure

Repurchase agreements: Current exposure, potential exposure

Traditional lending: Four fields, including unfunded and funded amounts, by secured or unsecured

Short-term money placements: One field, including interbank lending, deposits, other short-term unsecured placements

Net issuer risk: One field, including equity securities, fixed-income securities, net credit default swap (CDS) positions

Credit hedges: Notional value of single-name hedges