

<b>Client</b>	The client is an global Investment and Merchant Bank with subsidiaries in the United Kingdom		
<b>Project Name</b>	Intra-group Liquidity Application		
<b>Project Start Date</b>	December 2009	<b>Project End Date</b>	February 2010
<b>Industry</b>	<input checked="" type="checkbox"/> Commercial banking	<input type="checkbox"/> Insurance	
	<input type="checkbox"/> Fund Custody & Investment Services	<input checked="" type="checkbox"/> Investment banking	
	<input type="checkbox"/> Private banking	<input type="checkbox"/> Asset and wealth management	
	<input type="checkbox"/> Retail banking	<input type="checkbox"/> Corporate	
	<input type="checkbox"/> Broker / Dealer		
<b>Category of Service</b>	<input type="checkbox"/> Mergers & Acquisitions	<input checked="" type="checkbox"/> Regulatory compliance and reporting	
	<input type="checkbox"/> Portfolio risk management	<input type="checkbox"/> Business process creation	
	<input checked="" type="checkbox"/> Specialised risks	<input type="checkbox"/> Training and people change	
	<input type="checkbox"/> Data Quality	<input type="checkbox"/> System selection and implementation	
<b>The Challenge</b>	<p>The client has a number of subsidiaries in the United Kingdom. In the wake of the adoption of Policy Statement 09/16, <i>Strengthening Liquidity Standards</i>, the client requested advantage to assist the client in:</p> <ul style="list-style-type: none"> <li>evaluating the benefits and feasibility of applying for intra-group liquidity modifications (mismatch banks and full-scope BIPRU investment firms); and</li> <li>drafting the modification applications, if required.</li> </ul>		
<b>Approach and Solution</b>	<p>avantage evaluated the merits and feasibility of applying for a modification. advantage evaluated whether it is realistic to expect that the subsidiaries would have sufficient liquidity capacity, particularly in a stressed environment, not to have to rely on the Group without holding a significant liquidity buffer, i.e. evaluating the amount of “trapped liquidity” and how significant a drain this could be on operating performance. In addition, advantage evaluated the reporting advantages that would be gained from liquidity modifications. advantage also reviewed whether the client could demonstrate compliance with the requirements to obtain an intra-group liquidity modification. After careful consideration and engagement with the Financial Services Authority, the client and advantage determined that self-sufficiency and compliance with the regime set out in PS 09/16 would be the preferred option.</p>		
<b>Results and Benefits</b>	<ul style="list-style-type: none"> <li>Thorough evaluation of the merits of applying for whole-firm and intra-group liquidity modifications;</li> <li>Action plan to implement PS 09/16 requirements in the absence of intra-group liquidity modifications.</li> </ul>		
<b>Software used</b>	Not applicable		

