



Risk and Compliance Case Study **AMBIT LIQUIDITY RISK MANAGEMENT**

Achieve More Through Liquidity Risk Reporting: Yorkshire Building Society

Overview

U.K.'S Yorkshire Building Society needed a solution to help it better forecast and manage its future liquidity to support its growth and regulatory compliance.

Yorkshire Building Society, the second largest mutual in the U.K. with £38 billion in balance sheet assets, needed the ability to forecast its liquidity coverage ratio (LCR) according to a variety of stress scenarios in order to comply with its own management information and regulatory demands. However, its existing spreadsheet-based system did not have that functionality.

The firm, which already used FIS' Ambit Asset Liability Management solution for multi-dimensional analysis of the balance sheet across the organization, turned to FIS again. It chose FIS' Ambit Liquidity Risk solution. Ambit Liquidity Risk manages liquidity risk reporting and helps the bank comply with U.K. regulatory rules as well as Basel III and the Capital Reporting Requirements Directive (CRD IV), the European regulatory standards on bank capital adequacy and liquidity.

Ambit Liquidity Risk offers improved forecasting of forthcoming business and market scenarios, which helps Yorkshire Building Society to better price, manage and allocate liquidity internally and within the U.K. market. The solution provides the bank with a view of liquidity that combines a forecasted LCR under stress and forms part of its overall pricing strategy for new investments.

In making its choice, Yorkshire Building Society cited the solution's ability to provide accurate liquidity monitor metrics for U.K. regulatory reporting, its flexibility to meet

internal reporting requirements, and FIS' experience in helping firms address European regulation. FIS was also able to replicate the bank's cash flows as calculated by its existing system.

Business challenges

- Yorkshire Building Society needed a solution that could help it forecast and manage its future liquidity in line with continued growth and regulation.
- It needed to comply with regulatory reporting requirements, including Basel III and CRD IV.

Our solution

- FIS' Ambit Liquidity Risk solution offers robust management of the firm's liquidity profile and forecasted cash flow analysis.
- FIS' Ambit Liquidity Risk solution assists Yorkshire Building Society with Individual Liquidity Adequacy Assessment and Liquidity Coverage Ratio reporting.
- FIS' Ambit Liquidity Risk solution feeds liquidity profiles, pricing and funding needs into the firm's risk appetite framework directly affecting business incentives and cost allocation.
- FIS' Ambit Liquidity Risk solution helps shape Yorkshire Building Society's pricing strategy for new investments.

Results

- Yorkshire Building Society has a forecasted view of liquidity and overall liquidity requirement.
- Because the firm can manage a vast set of scenarios under differing stress test frameworks, it can more effectively establish quality and quantity of current and projected liquidity buffer, directly affecting business strategies, pricing policies and internal cost allocation.
- A detailed, daily liquidity profile document provides management with a summary of existing and forecasted liquidity profiles, cost impacts, risk analysis and funding needs.

About FIS' Ambit

The Ambit Risk and Performance helps retail and commercial banks to gain a centralized view of risk, liquidity, capital and profitability across the enterprise so banks can be prudent in their decision making, yet strategic for maximized returns. The solution suite offers modular solutions for asset liability management, liquidity risk, capital management, operational risk and credit risk management. For more information, please visit www.fisglobal.com/ambit

About FIS

FIS is a global leader in financial services technology, with a focus on retail and institutional banking, payments, asset and wealth management, risk and compliance, consulting and outsourcing solutions. Through the depth and breadth of our solutions portfolio, global capabilities and domain expertise, FIS serves more than 20,000 clients in over 130 countries. Headquartered in Jacksonville, Florida, FIS employs more than 55,000 people worldwide and holds leadership positions in payment processing, financial software and banking solutions. Providing software, services and outsourcing of the technology that empowers the financial world, FIS is a Fortune 500 company and is a member of Standard & Poor's 500® Index. For more information about FIS, visit www.fisglobal.com

