



REGULATORY REPORTING

FIS BALANCE SHEET MANAGER
FORMERLY AMBIT FOCUS

Introduction

Since the onset of the financial crisis, the growing regulatory reporting requirements have been putting increased pressure on the daily operations of banks and financial institutions in Europe. Leaving aside the costs of non-compliance, the introduction of new regulations has been raising banks' spending due to the need for hiring more staff and implementing new, often unfamiliar, technology solutions. According to Chartis, the industry-wide cost of risk data aggregation and regulatory reporting operations and technology constitutes about \$70 billion¹.

Moreover, the growing complexity of regulation puts more pressure on banks' Treasury and ALM departments, when it comes to the calculation-intensive reports in the areas that require specialized knowledge and the use of analytical software tools, such as:

- Liquidity risk (LCR/NSFR, ALMM)
- Interest rate risk (IRRBB)
- Funding gap (Funding Plans)
- Capital and income stress testing (EBA Stress Test)

Considering that in many cases the production of such reports is highly manual and that they are rarely driving business decision-making in a treasury department's day-to-day activity, the process turns out to be highly inefficient and very costly.

The Regulatory Reporting tool of FIS® Balance Sheet Manager (formerly Ambit Focus) helps the banks to address this challenge by automating the production of all non-core reports. Thus, it allows to free up treasury and ALM team time and resources in order to focus on the core activity of the department, such as optimizing net interest margin (NIM), liquidity use, and funding costs for the bank.

The high-performance solution comes with the clearly defined data model that allows seamlessly integrating data from various entities and sources, preconfigured setup and process automation, key metrics calculation, audit and validation functionalities, and the possibility of report output in multiple formats.

While helping to operationalize the complete reporting process to ensure cost and time savings, the solution also provides important strategic benefits, including forecasting and simulation capabilities, in-depth analytics of key results, and flexibility for user-driven simulations, which help the banks both in ensuring ongoing compliance and in driving value of core business.

Advantages of Balance Sheet Manager Regulatory Reporting Tool:

- Standard templates and rules maintained by FIS
- Clearly defined list of required attributes to meet regulatory needs, facilitating data delivery
- All required key results are available within Balance Sheet Manager
- Automatic population of the report templates
- Possibility to drill into computed reports to validate results

¹ Chartis Research. Counting and Cutting the Cost of Compliance: How to accurately assess the cost of Risk Data Aggregation and Regulatory Reporting. April 2018.



Key features and benefits

Automated process

The Balance Sheet Manager Regulatory Reporting tool allows to streamline the complete reporting flow from data upload, through the result calculation, to the production of the report.

By automating the process to a high extent, the solution helps business users to remove manual effort, save time, as well as decrease operational risks and potential errors.

Facilitated data delivery

To address intertwined treasury and ALM regulatory reporting requirements, FIS' solution is based on the comprehensive and well-documented data model that is derived from the business logic of the reporting templates. The detailed data dictionary provides the bank's IT clear instructions for data delivery, facilitating data mapping and allowing to save time in data input across various entities and source systems.

Standardized rules and templates

Standardized reporting logic is enabled by pre-defined business rules throughout the reports, leveraging consistent data, results and models across all the templates. The standard setup is provided and maintained by FIS, helping banks to smoothen the implementation and achieve ongoing compliance.

Key results availability

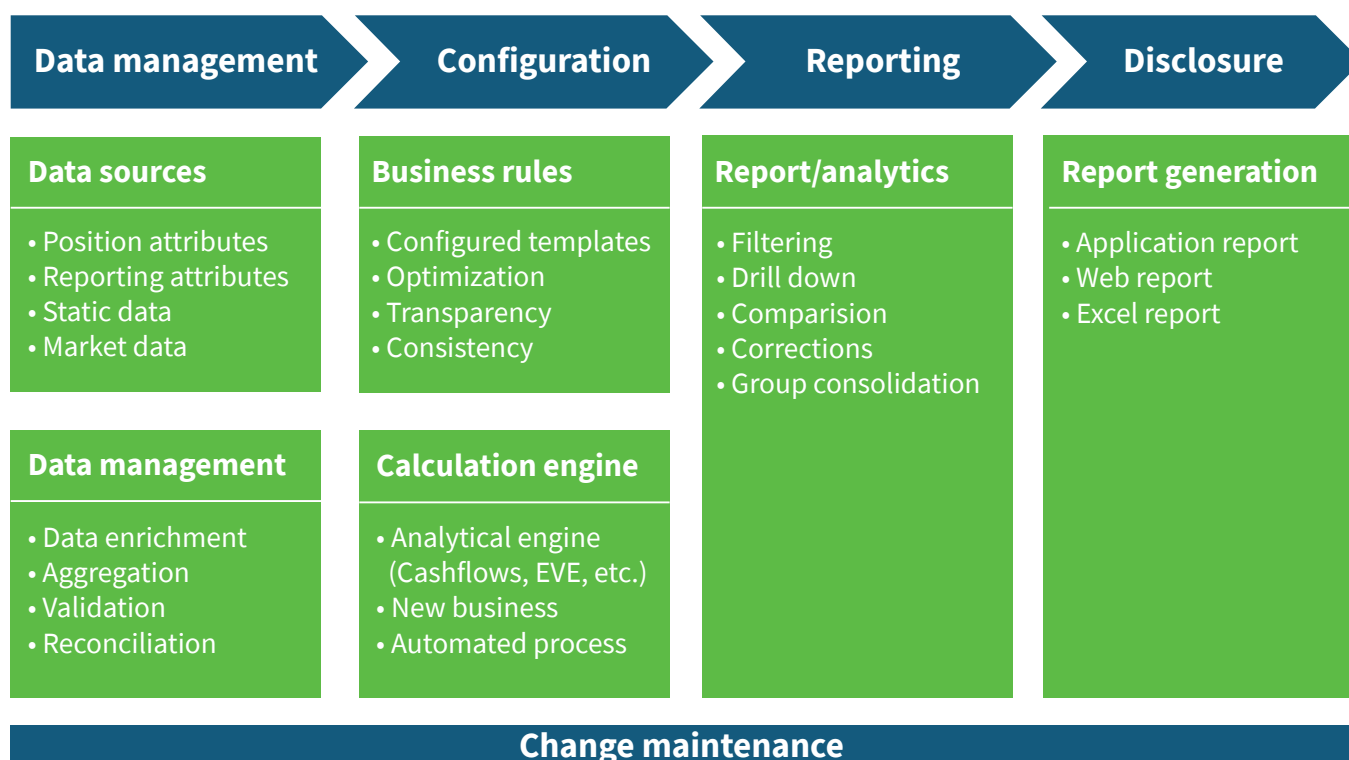
All required results are calculated by the solution itself, leveraging Balance Sheet Manager engine to compute key metrics (market values, cash flows, etc.) based on initial transaction data, perform the necessary simulations, and provide the business users with comprehensive analytical capabilities.

As such, it is not necessary for the bank to send the results from third party tools, which saves effort in inputs mapping while ensuring consistency and transparency of results.

Report generation and validation

The solution automatically populates regulatory reporting templates in a variety of formats. In addition, it provides business users with extended report and dashboard views offering analytic capabilities such as drill down and filtering, to ensure accuracy of results before submission.

The solution allows publishing the reports in various formats for access by business users or publishing on the institution's web portal (XLS, PDF, HTML).



Strategic benefits

While helping banks to address imminent concerns regarding regulatory reporting, – delivering the complete report through an automated cost- and time-efficient process – the solution also provides essential long-term advantages, including:

- Continuous maintenance by FIS, including updates for ongoing regulatory transformations
- Forecasting and simulation capabilities, enabling proactive management of regulatory indicators. For example, liquidity ratios such as LCR/NSFR can be simulated including the effect of what-if decisions, budgeted new business issuance, multiple scenarios or strategies etc., which helps to optimize the costs of liquidity holding for the institution
- Analytical capabilities and flexibility for user-driven adjustments, which allow quickly adapting to unanticipated regulatory changes or ad hoc quantitative study requests, such as ECB exercises.
- Synergy between treasury, risk and finance departments in the effort to manage the risks and generate value of the balance sheet under given regulatory restrictions.

Why choose Balance Sheet Manager?

Our solution provides the following benefits:

- Full integration of balance sheet management, empowering risk measurement across different departments
- Best-of-breed solution, enabling banks to take risk management beyond compliance and focus on performance
- Modular platform, allowing combinations of out-of-the box functionalities for:
 - ALM
 - Stochastic ALM
 - Liquidity risk
 - Market risk
 - Hedge accounting
 - IFRS 9 impairment and credit adjusted ALM
 - Funds transfer pricing
- Intuitive and user-friendly interface
- Multi-dimensional planning and reporting

CASE STUDY:

An independent French bank with the balance sheet of over 5.5 billion euros focused on retail banking and consumer finance, auto finance, consumer credit, and deposits, chose Balance Sheet Manager regulatory reporting service to help them meet the regulatory reporting challenges and reduce the process complexity through end-to-end automation.

The client's current in-house infrastructure lacked the level of straight-through processing (STP) and automation that they required to efficiently produce regulatory reports with the large volume of requirements imposed by the regulator.

FIS helped by offering a complete regulatory report package including advisory in data mapping, production and automation of key reports (including among others ALMM and Liquidity ratios), and ongoing updates to ensure future compliance. Balance Sheet Manager's risk reporting services help the client offload a huge amount of monthly and quarterly reports and maintain and prepare them for submission. The regulatory reporting as a service's fully automated process flow was a clear innovative solution for the client, not only enabling them to lift their regulatory reporting burden but also help streamline the workflow process and reduce TCO.



About FIS

FIS is a leading provider of technology solutions for merchants, banks and capital markets firms globally. Our employees are dedicated to advancing the way the world pays, banks and invests by applying our scale, deep expertise and data-driven insights. We help our clients use technology in innovative ways to solve business-critical challenges and deliver superior experiences for their customers. Headquartered in Jacksonville, Florida, FIS is a Fortune 500® company and is a member of Standard & Poor's 500® Index.



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