

AMBIT FOCUS REGULATORY REPORTING

Regulatory Reporting as a Service

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.

FIS' Treasury & ALM Regulatory Reporting Automation tool 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 OFFERED BY FIS' TREASURY AND ALM 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 Ambit solution
- 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

FIS' Treasury & ALM 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

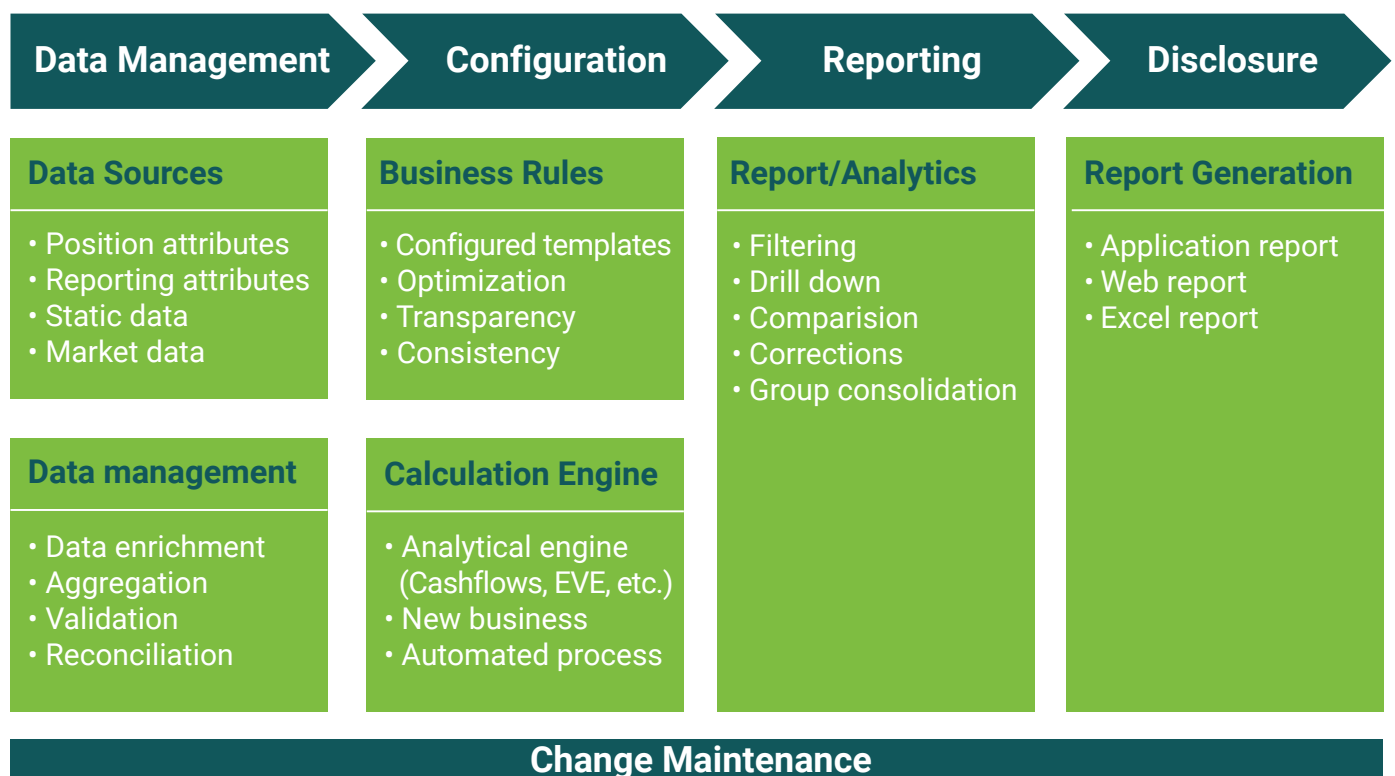
All required results are calculated by the solution itself, leveraging Ambit Focus engine to compute key metrics (market values, cash flows, etc.) based on initial transaction data, perform the necessary simulations, and provide the business users with comprehensive analytical capabilities.

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 Ambit Focus?

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 FIS' Ambit Focus 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. Ambit'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' Ambit Risk and Performance

FIS' Ambit Risk and Performance Management suite of solutions gives you a centralized view of risk, liquidity, capital and profitability across the enterprise so that you can be prudent in your decision making yet strategic for maximized returns. Ambit Risk and Performance Management offers modular solutions for asset liability and market risk management, liquidity risk management, regulatory compliance and economic capital management, operational risk management and credit risk management. For more information, visit www.fisglobal.com/ambit

About FIS' Risk Solutions

FIS' risk solutions cover collateral management, liquidity, asset and liability management, market and credit risk and capital management. As a complete solution suite that supports a firm's end to end risk management requirements, these solutions help aggregate risk data, set the risk appetite and forecast enterprise-wide risk activities and performance. This helps firms better understand and forecast regulatory impacts on funding, trading and asset allocation across all risk classes to lower total cost of ownership and drive competitive performance from compliance. For more information, please visit www.fisglobal.com/enterpriserisk.

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 53,000 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.



www.fisglobal.com



twitter.com/fisglobal



getinfo@fisglobal.com



linkedin.com/company/fisglobal

©2018 FIS

FIS and the FIS logo are trademarks or registered trademarks of FIS or its subsidiaries in the U.S. and/or other countries. Other parties' marks are the property of their respective owners. 574022

