

RISK AND COMPLIANCE

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Empowering the Financial World
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FIS

Take Control of Risk

FIS' Adaptiv is a robust, scalable and future-proofed risk infrastructure

Risk has moved centre stage. Far from being a reporting function, the understanding and management of risk is now fundamental to the reputation and performance of financial institutions.

Internally, senior management depends on a credible, integrated view of market and credit risk – right across the firm. Post facto reporting is no longer enough. Only a real-time, auditable risk picture can reconcile the imperatives of security and profitability.

Externally, national and supranational regulators are demanding greater transparency, detail and timeliness in risk analysis and reporting. New and imminent regulations are testing to the limit systems designed for an earlier risk era. Growing expectations of counterparties and investors only add to the pressure.

In this new era, success depends on keeping pace with change and controlling risk at both macro and micro levels. FIS' Adaptiv is a robust, scalable and future-proofed risk infrastructure. A proven suite of solutions combines to meet your internal and external risk challenges today – and in the future.

Adaptiv gives you real risk control.

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Perfect Transparency

Adaptiv delivers unprecedented transparency

Risk models – the data and assumptions underlying them – are under increasing scrutiny: opacity is history. The new, urgent demand for transparency requires your risk methodology to be fully documented and auditable. The Basel committee makes these requirements explicit in its ‘model risk’ recommendations.

Models and analytics have to be walked-through right down to code level: inputs highlighted, derived values explained and all calibration steps laid open for risk managers, regulators and others stakeholders. This is a challenge too far for many legacy systems.

Adaptiv configures so different groups have real-time access to exactly the information they need: raw market data, calibration outputs, set-up assumptions, documents, models – even underlying code. Real-time shared access to the building blocks of risk models helps your risk takers and risk managers work together, while satisfying both senior management and regulators’ scrutiny.

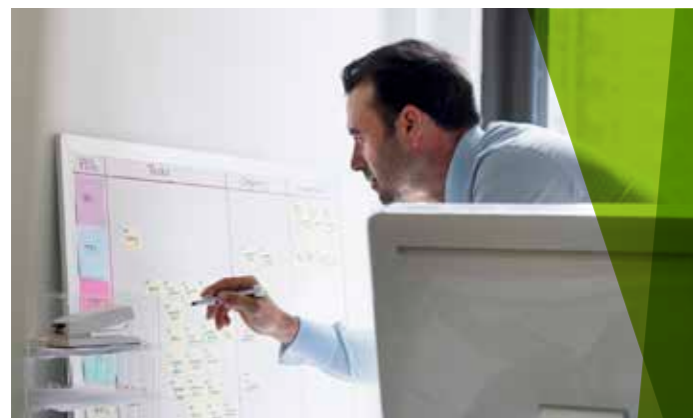
On Time, All the Time

Adaptiv is a risk infrastructure that can keep the pace with regulatory change

Nothing is more useless than out-of-date risk information. Strategic and trading functions depend on a clear and timely picture of risk to inform decisions. Without such a picture, risk data is devalued and risk management will fail to take its place at the heart of business decision-making.

The challenge is to deliver timely and accurate risk measures when they are needed – not when they become available. That means handling growing volumes and continually reflecting a fast-changing business environment – and staying ahead of national and international regulatory change.

Grid technology is the answer but tick-box compatibility is not enough. Adaptiv is built and tested to make full use of grid optimization, using all the power of the grid to deliver the most scalable risk engine yet. Adaptiv is a risk infrastructure that can keep the pace with regulatory change.



Whatever markets and regulators throw at you, Adaptiv responds.

Stay Ahead of Errors

The key is an open and transparent audit

Adaptiv can deliver more accurate risk numbers.

You are only as good as your data. Building risk measures on inaccurate data compounds errors – and is a major source of friction between departments. Robust policies can protect the integrity of your models but real-time systems can still be fed with inaccurate trade data from front office trading platforms.

Here, you need to maintain the trade as booked across STP systems, while at the same time correcting the risk numbers to deliver the accurate, trusted risk picture that managers and traders depend upon.

The key is an open and transparent audit. Adaptiv lets you correct trade data and re-run analytics, giving managers

and traders the risk information they need, while not (initially) affecting the trade as booked in the wider enterprise system. All parties can then view original and corrected numbers side-by-side.

Flowing Around the Business

Configure Adaptiv to fit with your risk requirements

Adaptiv can generate the most robust, in-depth and timely risk analysis – but these numbers must also be distributed in the right way, to the right people around the business. The big challenge here is that different audiences need different information.

Senior managers want a bird’s eye view of both market and credit risk. Traders and other risk takers need individual book reports, while heads of desk need to see their teams’ positions in the wider context. Risk analysts demand the full range of enterprise risk measures and the ability to drill down to look at the underlying drivers of each and risk.

You can design as many individual Adaptiv dashboards as you need, each showing precisely the information that each function requires. As well as delivering tailored, easy-to-use information, Adaptiv’s online dashboards offer a simple way to distribute this vital information.



You configure Adaptiv to fit with your risk requirements.

For Risk Professionals: the Complete Picture

Adaptiv brings focus to risk management

Risk managers trust Adaptiv to deliver the full depth of data, across market and credit risk, in a format that is easy to interrogate and analyze. It's simple to set time periods to help you identify emerging trends and stress test positions.

Market risk covers traditional risk management, firm-specific stress testing and all metrics required by regulators (an ever-expanding list). Adaptiv dashboards display market data stresses and highlight the marginal contributions by trade, book and individual risk factor. You can set flags on reports and quickly drill down to uncover the real sources of risk.

On the credit risk side Adaptiv supports both traditional exposure measures such as Potential Future Exposure, regulatory measures such as EEPE and newer metrics for risk-based pricing such as Credit Value Adjustment. Within the framework you can easily move down to individual counterparties and look at live netting positions against agreements, thereby increasing the transparency of risk.

Zoom In, Zoom Out

Proven today, prepared for tomorrow

For senior management Adaptiv risk dashboards display real-time, at-a-glance positions across the business. All regulatory requirements can be included, as well as key metrics for risk statements made to stakeholders (including investors and ratings agencies). This is a tailored, high-level view that gives senior management transparency and control.

Risk takers have different needs and Adaptiv is easily configured so that traders can look at an enterprise-wide VaR – and then zoom in on their own contribution to that number. Stress and sensitivity testing allows traders to back-test new trading ideas.

From the wide strategic view right down to the individual tactical level, Adaptiv allows users to interrogate the models and the market data behind them, bringing credibility to risk management and minimising friction between departments.

Limits and 'what ifs'

Limits are a central part of any good risk infrastructure. Adaptiv lets you set and monitor limits against all risk measures, define them as active or passive, then set alerts and design report flows wherever limits are breached. New counterparties are automatically assigned limits.

Good limits help manage and mitigate live risks – but what lies just around the corner? Adaptiv's 'what if' scenario testing allows both risk managers and risk takers to test potential trades and strategies in 'as live' conditions. 'Sandboxes' empower traders to try out ideas and see the impact of new risks on existing positions.

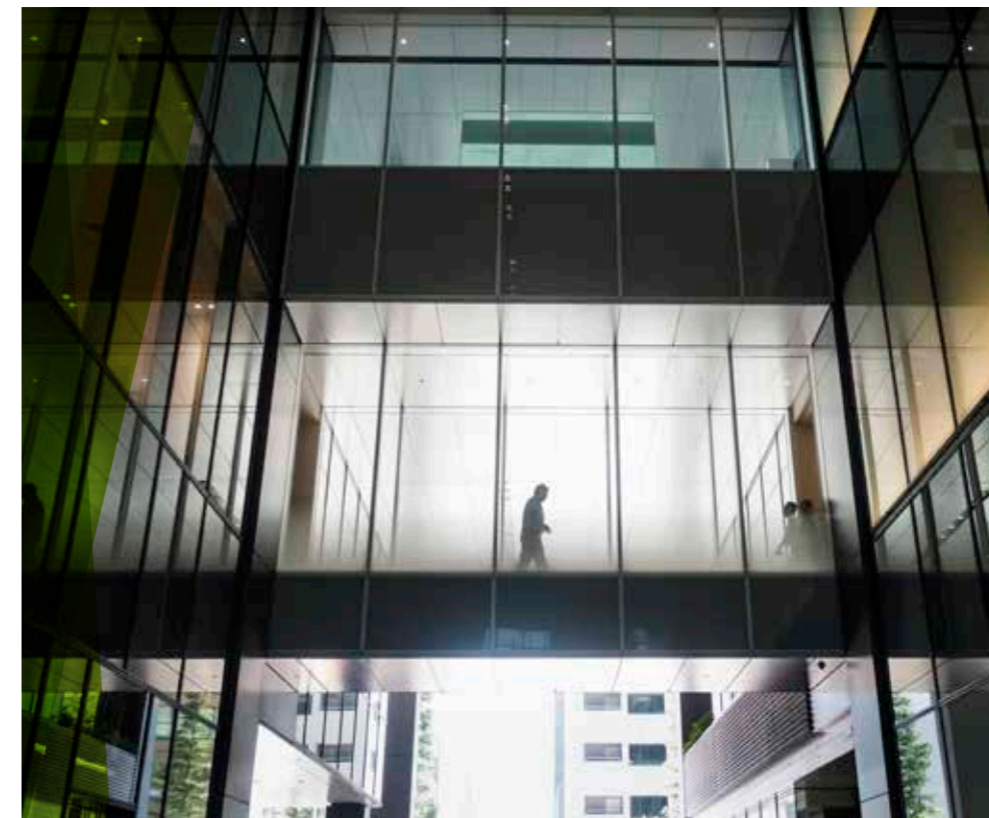
Adaptiv keeps you on top of risk – now and in the future.

Adaptiv's risk infrastructure embeds the proper consideration of risk in your business.

Management and traders can see all key data in real time, delivering visibility and control. Regulators and other stakeholders have the reassurance that risk rules and policies are being monitored. Powerful tools let you test future scenarios.

Crucially Adaptiv's flexible, scalable architecture ensures that you are ready for whatever the future brings. FIS' strength, investment and commitment to risk professionals, means that Adaptiv creates the optimal risk infrastructure today – and in the future.

Adaptiv places the understanding of risk where it needs to be – right at the centre of your business.



About FIS' Adaptiv

FIS' Adaptiv provides enterprise-wide credit and market risk management and operations solutions for financial services institutions. Adaptiv assists institutions of varying size and complexity to deploy technology to meet both internal and regulatory requirements for risk management and operational control. Adaptiv helps financial services institutions from the banking, hedge fund, asset management, insurance and corporate sectors with its deep understanding of risk management and operational processes. For more information, visit www.fis.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 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



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