

## CLIENT SPOTLIGHT: A Middle Eastern Bank Engages Moody's Analytics to Deliver Comprehensive Regulatory Capital Compliance

A Middle Eastern Bank is leveraging Moody's Analytics to:

- » Cost effectively deliver and maintain Basel II and III compliance
- » Streamline regulatory reporting processes
- » Enhance business decision-making through superior business insight
- » Reduce operational risk by automating the Basel II and III compliance process
- » Improve operational effectiveness by using one source of regulatory capital data for decision-making across the business

For more information about Moody's Analytics Solutions for Basel I, II & III, please visit:

[moodyanalytics.com/RiskAuthority](http://moodyanalytics.com/RiskAuthority)

### Delivering Comprehensive Regulatory Capital Compliance in the Middle East.

The bank's growth has mirrored the growth experienced throughout Saudi Arabia's banking sector. To help manage this sustained growth, the bank's regulator has been at the forefront of implementing Basel III. It set an implementation date for Basel III of January 1 2013, with its regulated banks due to report under Basel III in due course.

The bank recognized that this change in the regulatory landscape, together with its ambitious commercial strategy and wish to become internal ratings-based (IRB) compliant, challenged the way it managed its regulatory capital data, its capital calculations and its regulatory reporting. The bank's management realized its largely manual compliance and reporting processes could benefit from being automated, to enhance the accuracy of its regulatory capital calculations and its regulatory reports. Its management also recognized that a more streamlined and automated regulatory capital management process could help deliver enhanced risk management, superior business insight, and reduced cost of capital.

Having reviewed its options, the bank selected Moody's Analytics to deliver its regulatory capital management and reporting solution.

### Enterprise Data Consolidation

The bank's management understood that consolidating all its data into a central data platform was key to delivering streamlined and accurate regulatory capital compliance and reporting. The bank's substantial growth in recent years had been underpinned by a diverse array of systems and applications, with its critical regulatory capital data distributed widely across the bank.

Leveraging the solution's advanced 'Export-Transform-Load' functionality, the bank was able to smoothly consolidate all its regulatory capital data from its three source systems into a centralized datamart - the RiskFoundation™ data platform. Importantly for the bank, this approach did not disrupt the business, ensuring that business as usual was maintained as the bank enhanced its regulatory compliance and reporting systems.

### Straightforward Regulatory Capital Calculations

The RiskFoundation data platform and the RiskAuthority™ solution enabled the bank to perform accurate and timely regulatory capital calculations for credit risk, even as the bank has grown in size. The RiskAuthority solution came with built-in calculations for Basel II regulations, and provided the bank with a smooth roadmap for implementing Basel III in due course. These built-in formulas give the customer an out-of-the-box solution that reduced the cost, time and risks of implementing a regulatory compliance solution. These built-in calculations also provided a robust platform for the bank's regulatory reports, as well as management reporting requirements and balance sheet management.

## CLIENT SPOTLIGHT:

# A Middle Eastern Bank Engages Moody's Analytics to Deliver Comprehensive Regulatory Capital Compliance

## Delivering Integrated Local and Global Regulatory Reporting

A significant challenge facing the bank was the need to provide regulatory capital reports to both its regulator and its stakeholders. Its regulator had its own reporting requirements under Basel II, which required the bank to submit up to 16 regulatory reports, throughout the year, in the Microsoft Excel® format.

The Moody's Analytics solution's ability to automate data consolidation, calculate its regulatory capital ratios and to report using templated and custom reports ensured that the bank was able to easily accommodate its regulator and its stakeholders, and deliver accurate and consistent reports. The streamlined, end-to-end process eliminated many challenging compliance issues for a bank that was focused on building and managing its business.

## Complete Enterprise Visibility and Management Control

In addition to streamlining compliance, the bank recognized that automating its regulatory capital management would help augment its overall business management.

Consolidating all its regulatory capital data allowed the bank to fully reconcile its risks with its balance sheet. It enabled the bank's senior management to understand its risks, and ensure the bank was properly capitalized to meet the needs of both the regulator and the business. The solution helped the bank to optimize its regulatory capital, to reduce its overall cost of capital, while still maintaining compliance.

The solution's powerful data 'drill down' capabilities allowed the bank's senior management to understand the breadth and depth of the risks they were managing. It enabled them to make fully informed, risk-based management decisions, based on the bank's risk appetite and business strategy. This insight allowed them to generate more strategic options for the direction of the business and enhance its competitive position.

## Delivering End-to-end Regulatory Compliance and Management Control

Moody's Analytics Regulatory Capital Management Solution has helped the bank to streamline and optimize its Basel II compliance and provide a roadmap for complying with Basel III. It has provided a powerful reporting solution for both its key stakeholders and given its management a comprehensive toolset to manage its risks, its capital and its business strategy.

© Excel is a registered trademark of Microsoft Corporation in the United States and/or other countries

## ABOUT MOODY'S ANALYTICS

Moody's Analytics, a unit of Moody's Corporation, helps capital markets and credit risk management professionals worldwide respond to an evolving marketplace with confidence. The company offers unique tools and best practices for measuring and managing risk through expertise and experience in credit analysis, economic research and financial risk management. By offering leading-edge software and advisory services, as well as the proprietary credit research produced by Moody's Investors Service, Moody's Analytics integrates and customizes its offerings to address specific business challenges.

### CONTACT US

Visit us at [moodyanalytics.com](http://moodyanalytics.com) or contact us at a location below:

#### AMERICAS

+1.212.553.1653  
clientservices@moody.com

#### EMEA

+44.20.7772.5454  
clientservices.emea@moody.com

#### ASIA (EXCLUDING JAPAN)

+85.2.3551.3077  
clientservices.asia@moody.com

#### JAPAN

+81.3.5408.4100  
clientservices.japan@moody.com

Copyright © 2013, Moody's Analytics, Inc. All Rights Reserved.