

## CLIENT SPOTLIGHT: European Bank Leverages Moody's Analytics for Consolidated FINREP Reporting

A European Bank Leverages  
Moody's Analytics for  
Consolidated FINREP  
Reporting

- » Cost effectively deliver and maintain FINREP compliance
- » Streamline regulatory reporting processes
- » Reduce operational risk by automating the FINREP compliance process

For more information about Moody's Analytics Solutions for Basel I, II & III , and COREP/ FINREP reporting please visit: [moodyanalytics.com/RiskAuthority](http://moodyanalytics.com/RiskAuthority)

A European-based bank, that offers a broad range of services in banking, asset management, wealth management, and corporate finance, has selected Moody's Analytics to help it manage its Financial Reporting (FINREP) requirements.

The Bank has grown rapidly in the last 10 years, evolving from a local bank offering savings and mortgage products to a bank offering a broad range of retail and corporate banking services. These encompass asset management activities, private banking, corporate financing, life insurance operations, and credit card, as well as traditional savings and mortgage products.

### Streamlining Regulatory Compliance and Costs

Like many banks following the banking crisis, this bank has had to respond to significant changes in its regulatory environment and a considerably more challenging business climate. As the bank had grown rapidly, its new lines of business developed their own data infrastructures, processes and systems. This could be justified during the period of rapid growth, before the crisis. However, with the advent of Basel III and a more challenging business environment, the bank's senior management recognized that the bank needed a more centralized approach to managing its systems and processes, as well as its regulatory and business reporting. To address these demands, the bank's senior management has developed a new strategy which consolidates many core corporate services, including its regulatory compliance systems. The aim is to maintain the quality of core services to the business and its customers, while also reducing its cost base.

In parallel to this, the bank is addressing new regulatory requirements, including the FINREP reports required by the European Banking Authority (EBA). FINREP requirements include 33 reports covering consolidated balance sheet information and consolidated income statements.

### Siloed Data, Manual Processes

The diverse structure of the bank's business units meant that its key finance data is distributed in multiple silos across the business. Additionally, the bank had developed multiple data standards and formats that made consolidating financial data to deliver FINREP reports a time consuming and costly challenge. The bank's management also recognized that this siloed approach to managing data made it difficult for them to maintain the bank's data quality standards, potentially compromising the quality of the reports submitted to their regulators.

While the bank's staff had experience complying with an array of banking regulations, the bank's management recognized that its existing, manual processes were likely to be overwhelmed by the new demands of FINREP reporting.

Having reviewed their options, the bank's senior management has selected Moody's Analytics FINREP reporting solution to help create, validate and distribute the reports.

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### Implementing a FINREP Reporting Solution

The core of the bank's FINREP reporting solution leverages Moody's Analytics RiskFoundation™ data platform. Utilizing powerful application mapping capabilities, it will seamlessly integrate into the core applications that the bank uses to run its multiple business units. The RiskFoundation platform will help the bank to consolidate its key risk and finance data covering counterparty risks, general ledger, currency exposure, off-balance sheet information and other data that the bank needs to consolidate, calculate and submit its FINREP reports. The platform embeds comprehensive data quality checks and assists the bank in its effort to provide accurate results to its regulators, stakeholders and management. Powerful automated workflow and auditing processes will allow the bank's management to efficiently review, approve and control changes made to the calculations and results.

This approach, leveraging centralized finance data, will help the bank implement a solution quickly, meeting demanding time and budget constraints. It will enable the bank to leverage its investment in its existing core banking systems, reducing the cost of complying with the FINREP regulations. It will also allow the bank to continue business as usual while it implements its enhanced regulatory reporting infrastructure. This will reduce the cost, time and risk of implementing a FINREP reporting solution.

### Regulatory and Business Reporting

Integrated with the RiskFoundation data platform, Moody's Analytics Regulatory Reporting Module consolidates FINREP results and populates the reporting templates that will deliver the bank's 33 FINREP reports to its regulator in the required extensible business reporting language (XBRL) format. These templates are maintained, so that as the bank's primary regulator changes its FINREP reporting requirements, or the bank develops its business model, its managers can remain confident that they are delivering the FINREP reports in a manner consistent with FINREP reporting requirements and on time. The automated workflow and audit processes assist the bank's management in its efforts to efficiently deliver results that are accurate and fully validated.

This centralized approach to data management and reporting will also enable the bank's senior management to have a consolidated and consistent view of their financial data across the whole business. It will help them make better-informed decisions about the direction of the business.

### 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.

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