



## Article

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# Moody's Analytics Wins Balance Sheet Management Award

Written by Chartis Research

In a post-Basel market, succeeding with balance sheet risk management is crucial for avoiding holding excessive capital returns and missing out on revenue-generating opportunities. The vendors servicing this market are on a mission to help firms centralize data and models to effectively manage risk and optimize assets and cashflow. This year it is Moody's Analytics winning the RiskTech100® award for Balance Sheet Risk Management.

The vendor leads the way with its integrated RiskConfidence™ platform, which streamlines processes by enabling firms to cover asset and liability management, funds transfer pricing, liquidity risk management, and business and regulatory reporting all within the same system. Nicolas Kunghehian, Director and Solutions Specialist at Moody's Analytics, says cost optimization and regulatory reporting have been key focus areas for customers in recent times, and this has strengthened the business case for moving to a single platform that covers all these functions. Operating with a single system is more convenient for clients, and easier from a scalability perspective, explains Kunghehian.

With an integrated platform, firms are looking at the same data for all transactions and are better positioned to manage different types of reporting and risk, all of which affect the balance sheet.

"The transaction data [being] used to assess credit risk, liquidity risk and interest rate risk is the same," says Kunghehian, and by leveraging Moody's Analytics, "they can do a lot for the three types of risk at the same time."

The integrated platform approach also benefits clients when it comes to pricing individual transactions, as firms are looking at an increasing number of metrics, and having the metrics in the same platform helps streamline operations and improve accuracy. "You need to have very granular information," says Kunghehian, adding that the requirements are also changing year on year.

To take balance sheet risk management a step further, Moody's Analytics has this year also stepped up into the cloud. At the start of the year, the vendor's first customer was live on RiskConfidence in a cloud environment, which offers faster implementation times and automatic upgrades. The appetite for cloud offerings is increasing, according to Kunghehian, and customers can benefit from new features without making changes internally.

For balance sheet management technology this is particularly relevant, Kunghehian says, as "each time there's a stress-test exercise there's something new required from the supervisor," and internal requirements are also changing. Moody's Analytics is working on adding both new modules and new data, with focus areas being introducing data and services relating to credit spread risk and more advanced tools for Monte Carlo simulations.

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