

CLIENT SPOTLIGHT:

One of the World's Most Recognized Banks Turns to Moody's Analytics for Basel III Compliance

Leverage Moody's Analytics Regulatory Capital Management Solution to:

- » Cost effectively deliver and maintain Basel III compliance
- » Streamline regulatory reporting processes
- » Enhance business decision-making through superior business insight
- » Reduce operational risk by automating the Basel 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

About The Company

The investment banking division of a top three global bank has implemented Moody's Analytics Basel III compliance solution. The division provides mergers and acquisition advice, corporate finance, as well as investment management, trading and transaction services to corporate and finance clients in over 50 countries. Its parent bank has assets of over \$2 trillion, and focuses on both established and faster growing markets, aiming to be 'where the growth is'.

Preparing the Organization for Basel III

As the 2013 Basel III deadline approached, the bank wanted to maintain its position as a global leader by becoming an early adopter of the regulations. It wanted to streamline its regulatory capital management and reporting to achieve early compliance, and further enhance its enterprise risk management. In 2011, its investment banking arm turned to Moody's Analytics to meet these requirements and address its most critical issues.

Calculating its Basel III Capital Requirements

The investment banking division uses the Advanced IRB Approach for Basel III compliance. It needed a solution to consolidate its regulatory credit risk data from multiple systems located across its global operations. The solution had to be flexible and open enough to integrate into a broad range of back-end systems, which included asset management, credit and debt management, and foreign exchange. Additionally, the investment bank required a powerful calculation engine to handle the large amount of data it needed for its calculations.

Streamlined Regulatory Reporting

Managing regulatory reporting for over 50 countries presented unique challenges. The reporting infrastructure had been built to meet the demands of Basel I & II. The predominantly manual processes used to create, validate and submit reports would have been ineffective to meet the increased quality and quantity of reporting under Basel III, especially the COREP reporting required for Basel III in Europe. The leadership team wanted to have a more streamlined and consolidated reporting solution, that reduced reliance on expensive and error-prone manual processes on legacy systems. To enhance operational efficiency, the leadership team wanted to make extensive use of automated workflow processes. These would allow hundreds of users across the business to review and approve reports encompassing their regulatory capital ratios, internal business reporting, as well as data quality and consistency.

Improving Data Quality

The leadership team recognized that improved data quality would create more accurate results. Consolidating the investment bank's risk data into a single source would assure accurate and consistent calculations and reports. A single data source would also enhance data quality by delivering comprehensive data cleansing and auditing capabilities.

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Enterprise Visibility

The leadership team also wanted more sophisticated insight into its enterprise wide risks and how its regulatory risks affected its overall cost of capital. Having a single source of data would enable its risk managers, finance managers, as well as its senior management, to have a consistent and accurate view of its risks. Leveraging this insight would allow them to generate more strategic options for the business and help its management take more fully risk-informed decisions.

About the Moody's Analytics Solution

Once it reviewed its options, the leadership team selected Moody's Analytics regulatory capital calculation and regulatory reporting solution to deliver Basel III compliance. The team valued its breath of coverage of the regulations, its powerful calculation, reporting and workflow capabilities and its ability to seamlessly integrate into the bank's existing infrastructure.

The Moody's Analytics Basel III compliance solution calculates, consolidates and reports an organization's regulatory capital risks, covering credit, market, liquidity, concentration and operational risks. It offers a truly integrated and comprehensive solution, covering centralized data management, fast and accurate regulatory capital calculations and integrated regulatory and management reporting.

The solution leverages an award-winning technology platform that has over 130 customers globally. With Moody's Analytics you can be confident you have the strongest solution in place to manage your organization's local and global Basel I, II and III requirements.

The Benefits of Partnering with Moody's Analytics

The investment bank reaped significant benefits from collaborating with Moody's Analytics:

- » Streamlined Basel III compliance – integrated data consolidation, regulatory capital calculation and reporting from one solution.
- » Reduced implementation risk – leveraging built-in capital calculation formulas and pre-built reporting templates reduces the time, cost and risk of implementing Basel III.
- » Enhanced operational effectiveness – leveraging a single source of data enables managers to make fully informed and consistent decisions across the business.
- » Reduced operational risk – leveraging automated processes reduces the scope of costly mistakes and operational risks.
- » Superior business insight – easy-to-use data drill-down capabilities allow users to understand detailed trends in the business and identify opportunities for new strategic initiatives.

ABOUT MOODY'S ANALYTICS

Moody's Analytics helps capital markets and 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 providing leading-edge software, advisory services, and research, including the proprietary analysis of Moody's Investors Service, Moody's Analytics integrates and customizes its offerings to address specific business challenges.

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