

AXIOMSL™

**Navigating Risk and Regulatory
Maze with a Clearer Vision**

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www.axiomsl.com

Introduction to Company and Clients

Company and Vision

AxiomSL

- Company founded in 1991
- Regional hubs: Singapore, New York, London and 13 other locations around the world, including Israel
- Privately held

Vision

- **Best** regulatory and risk reporting solution
- **One global** Platform
- **Holistic vision** V silo approach
- **Dynamic data model**/no black box
- **Flexible**, transparent, auditable
- **Change Management Platform**
- **Vendor Independence**
- **Partnership** approach
- **Continual re-investment**



Industry Awards



Credit Suisse & AxiomSL were named joint winners for the Compliance Risk Technology Implementation of the Year award for 2016 during The Asian Banker Risk Management Awards Programme. Credit Suisse extended its strategic partnership with AxiomSL through the introduction of the Liquidity Coverage Ratio (LCR) liquidity reporting programme at a time when AxiomSL already had an established footprint in the bank's capital reporting space.



Best Implementation at a Sell-Side Firm
Winner
AxiomSL

AxiomSL won the Best Implementation at a Sell-side Firm category in the 2016 Sell-side Technology Awards. The award has been given to AxiomSL for the highly successful implementation of its solution for Bank of England (BOE) statistical reporting requirements at Standard Chartered Bank in London. The BOE solution was implemented at Standard Chartered in six months, allowing the bank to go live one month ahead of schedule.



AxiomSL was voted Best Reporting System Provider by financial services practitioners in the 2015 Waters Rankings. AxiomSL was chosen ahead of 20 other nominees in a competitive category in the annual ranking of financial technology companies, which is organized by Waters magazine. The result was decided by a poll that was only open to practitioners at financial firms.

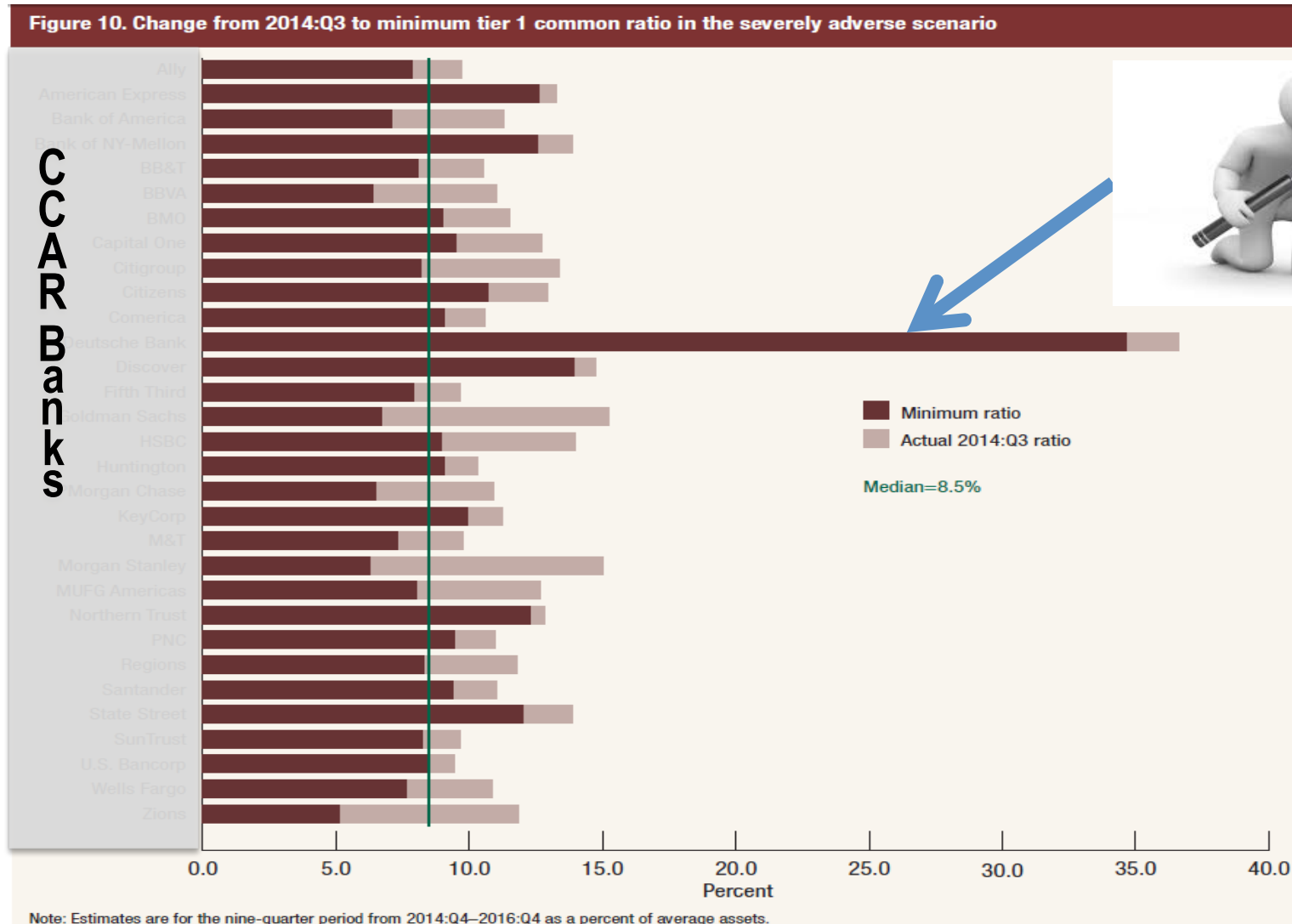


Morgan Stanley

AxiomSL received the "Best Reporting Initiative" Award at the 10th annual American Financial Technology Awards (AFTAs), hosted by Waters Technology. This award recognized AxiomSL for the implementation of its strategic regulatory platform at Morgan Stanley in the USA. The AFTAs recognize excellence in the deployment and management of financial technology within the asset management and investment banking industries.

Severely Adverse Scenario - 2015

Figure 10. Change from 2014:Q3 to minimum tier 1 common ratio in the severely adverse scenario

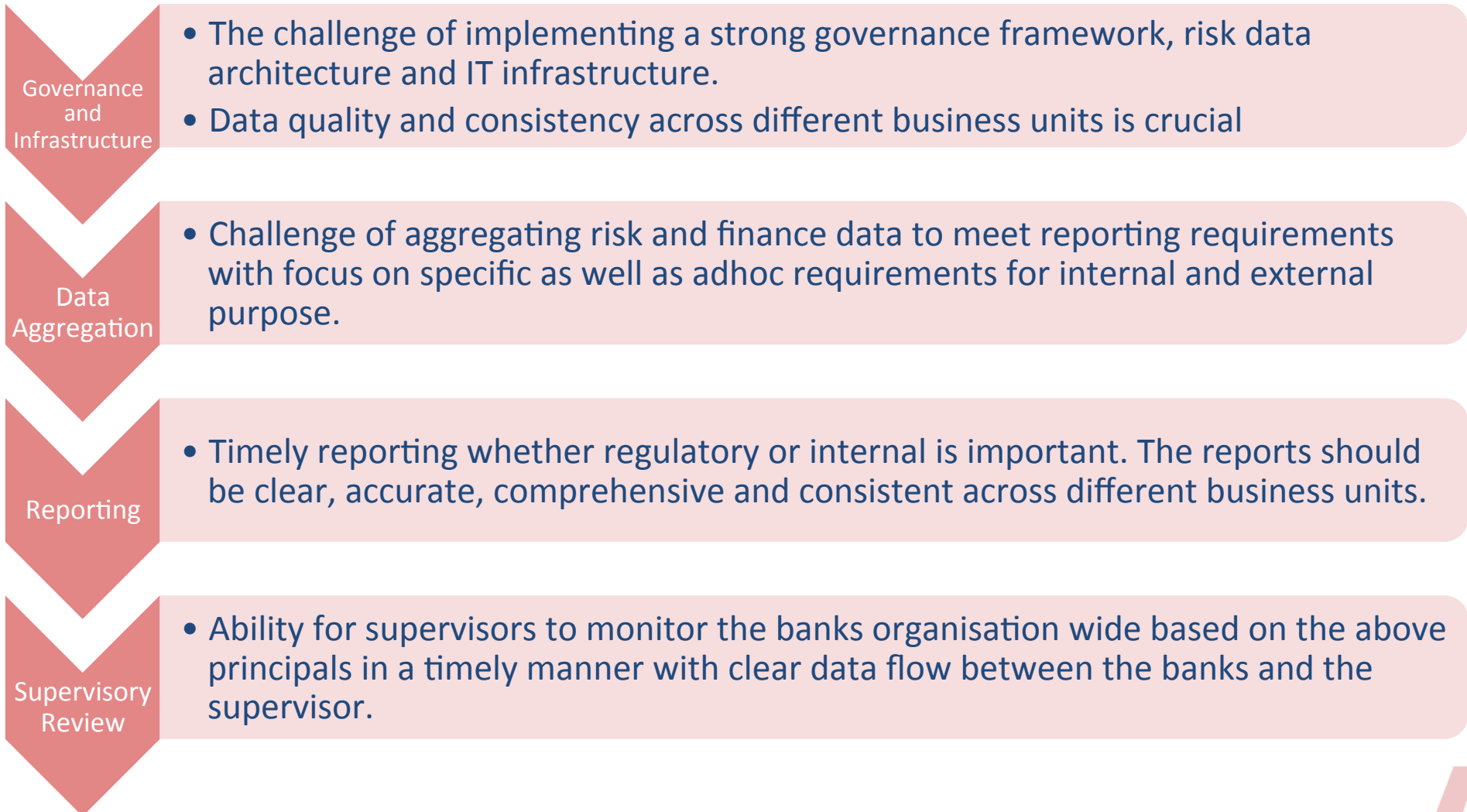


Note: Estimates are for the nine-quarter period from 2014:Q4–2016:Q4 as a percent of average assets.

- **Overarching governance and infrastructure**
 - 1. Governance
 - 2. Data architecture & IT infrastructure
- **Risk data aggregation capabilities**
 - 3. Accuracy and integrity
 - 4. Completeness
 - 5. Timeliness
 - 6. Adaptability
- **Risk reporting practices**
 - 7. Accuracy
 - 8. Comprehensiveness
 - 9. Clarity and usefulness
 - 10. Frequency
 - 11. Distribution
- **Supervisory review, tools & cooperation**
 - 12. Review
 - 13. Remedial actions and supervisory measures
 - 14. Home/host cooperation



Challenges of BCBS 239



XBRL Reporting Challenges

- 1 In Europe many banks have struggled with CRD IV reporting as XBRL functionality does not sit at the heart of their reporting solution
- 2 Bank of Israel would inevitably release regular amendments and updates to the XBRL taxonomy which banks must be quick to adapt
- 3 Access to previous submissions in the version it was submitted during a regulatory audit
- 4 Consolidate data from multiple data sources to ensure it is ready for submission in not just XBRL but other formats such (such as XML) which dominate other countries covering group as well as entity reporting
- 5 Constant change in validation rules need pose a significant challenge for banks who then have to ensure multiple data points are reconciled

Data Lineage Challenge

- 1 Data in organisations are unstructured. According to experts 80-90% of data is unstructured.
- 2 Accessing huge volumes of data quickly with the ability to access the data at very granular level. Current run times to access relevant data is extremely high.
- 3 Accessing data across complex solutions. Data is distributed across multiple databases and multiple systems. Debugging such huge volumes is a big challenge.
- 4 Ability to segregate and analyse sensitive vs non sensitive data.
- 5 Current infrastructure does not give visibility of data duplications across multiple systems as well as the ability to identify redundant systems / databases

- Improve **governance** structures that enhance monitoring and oversight
- Establish a consistent and sustainable calculation & reporting **process**
- Increase **control** over reporting data accuracy and completeness
- Implement a **strategic** platform for cross border/function regulatory requirements
- Better **automation** to minimise reliance on manual processes
- **Contain** the spiralling cost of regulatory and compliance challenges





- Expensive ***pure documentation efforts***
 - Remember Sox ?
 - It is often as expensive to build and maintain documentation as it is to improve your systems and architectures.
- Expensive ***non-integrated analytical tools***
 - There are tons of these. They are never kept up and become expensive to maintain. Look for technology platform that provides this for regulatory reporting
- Focusing on the ***big data project*** and forget what is required now, next week, next month.
 - The BULK of big data projects fail.
 - Start small and expand your data project
- Keeping systems and manual processes that are ***difficult to maintain***

Regulators now have access to more data and insights which expose and lack of join across an organisation ...

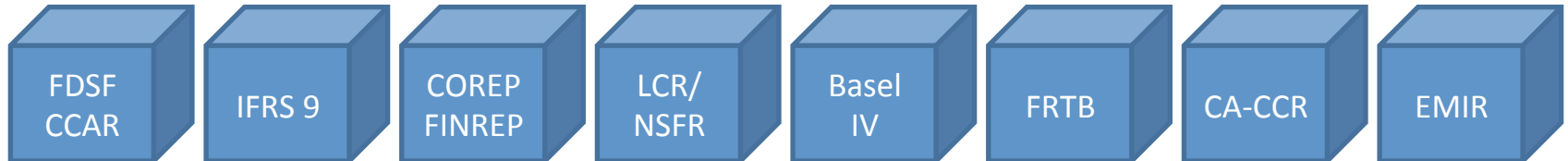
So start with *the disclosures ... then the data*

Control the



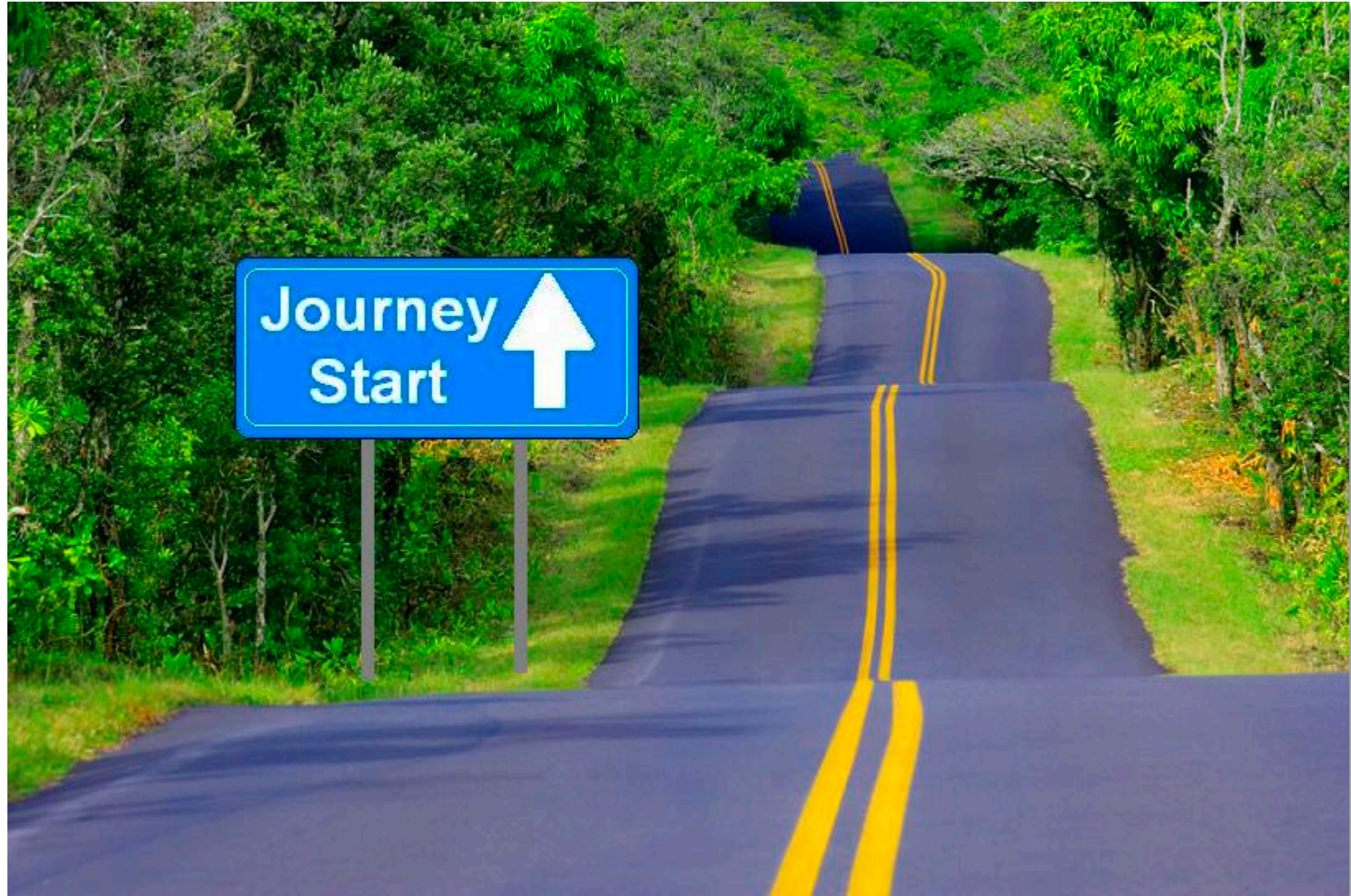
- Start with what the regulators see and review
- Reconcile and confirm reported data
- Recognise that you're not going to remove all the silos
- Recognise that you're not going to fix all the data issues
- Know what you are reporting is plausible
- Don't forget to reconcile with what the board sees.

Why not start with the data?



BIG DATA ?

- Reports are always required NOW;
- Deal with the 'as-of-now' data position;
- Reconcile and understand current reporting;
- Recognise that data requirements will always be changing;
- As complexity grows, automation becomes a necessity to manage the volume and granularity of data;
- How would you manage inorganic growth?
- You will never be ready if you focus on long term data strategy.



What do you want from platform ?



Technology Platform Should Provide Data Lineage



- Platform should :
 - Meet as-at-now data requirements
 - Evolve as your data and reports evolve
 - Help lower your compliance costs
 - Reconcile at the exit
 - Support the reconciliation rules across reports
 - Reconcile at the granular (if possible)
 - Bring together your data (in whatever format)

Risk

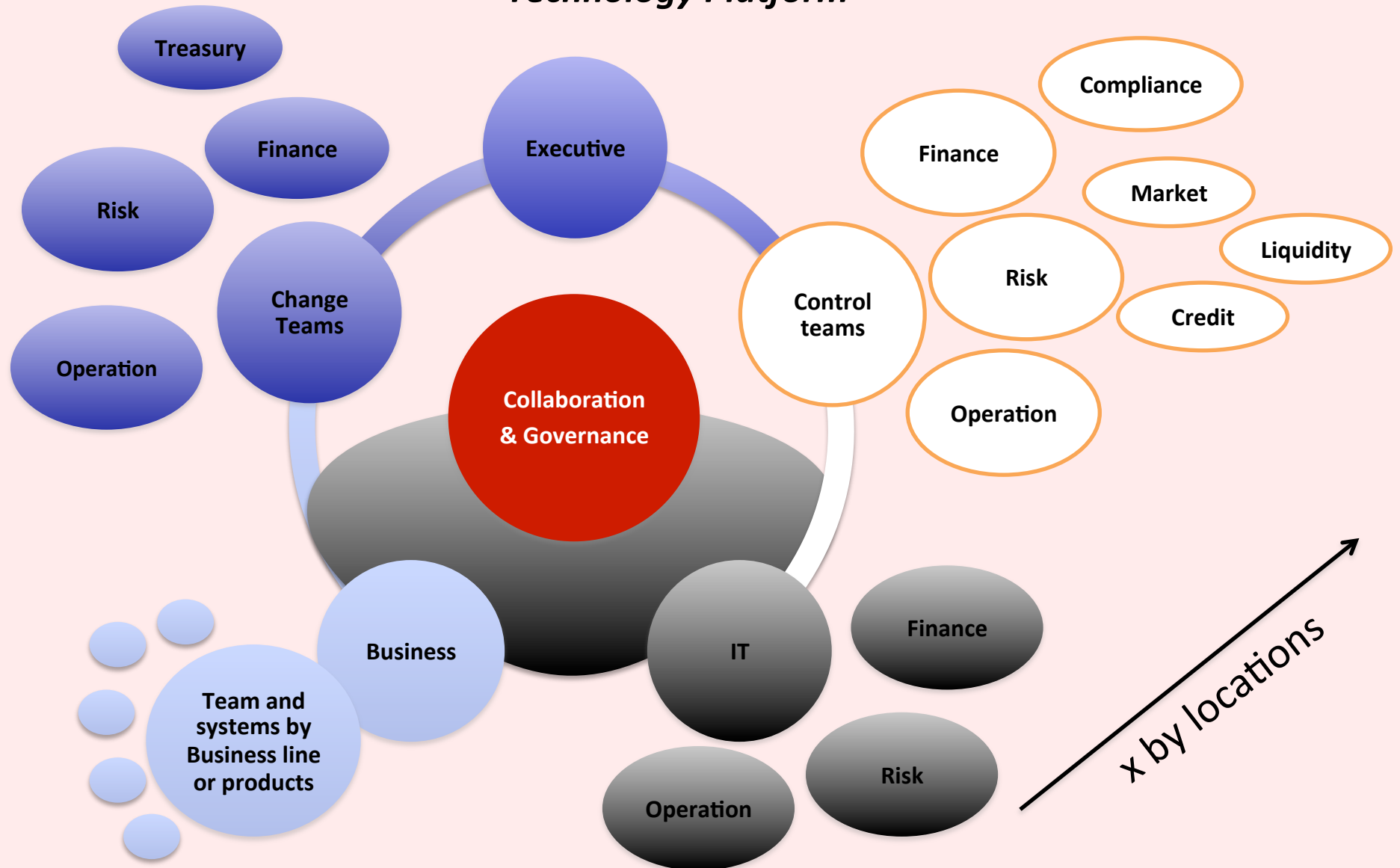
Financial

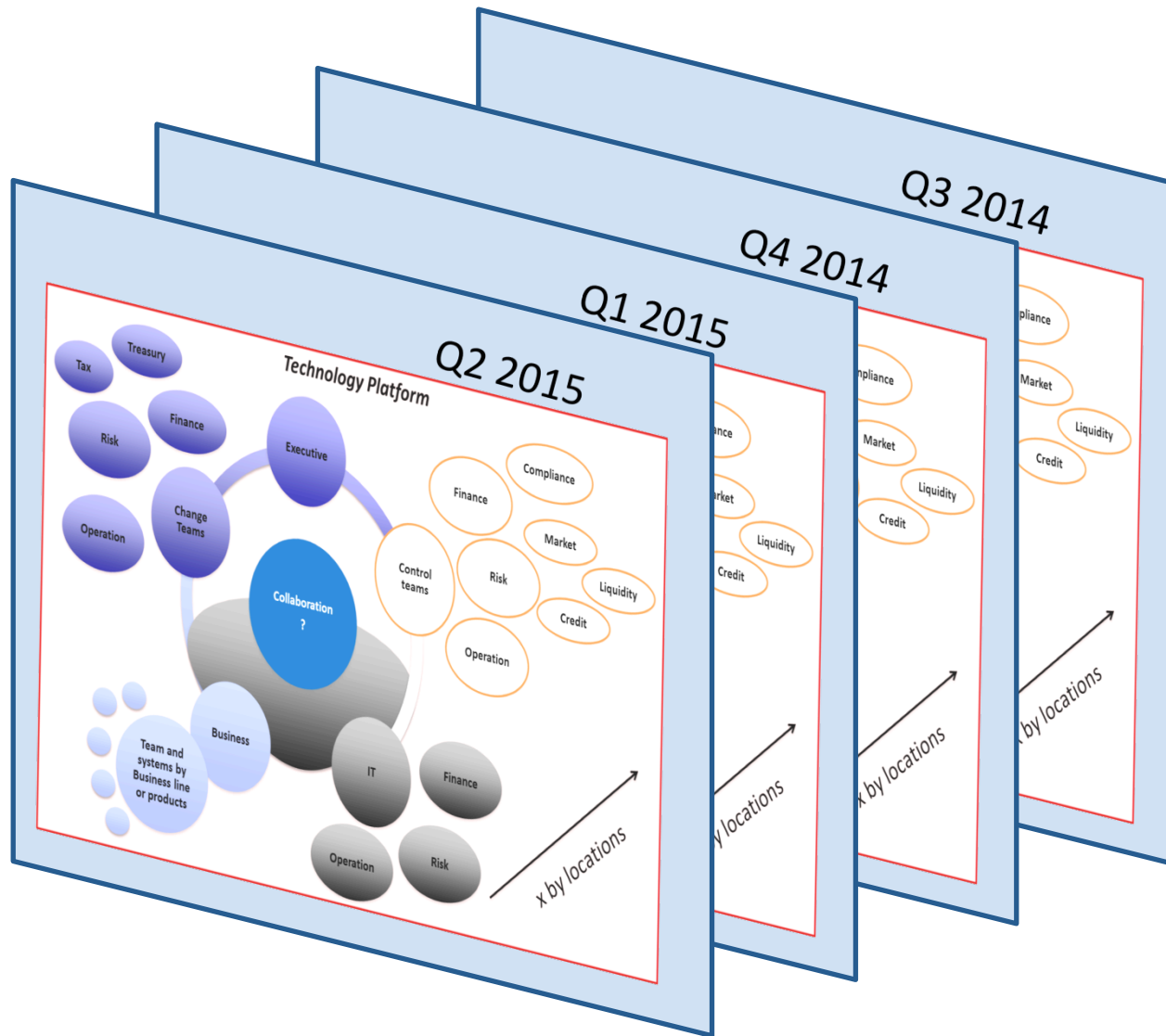
Liquidity

Operational

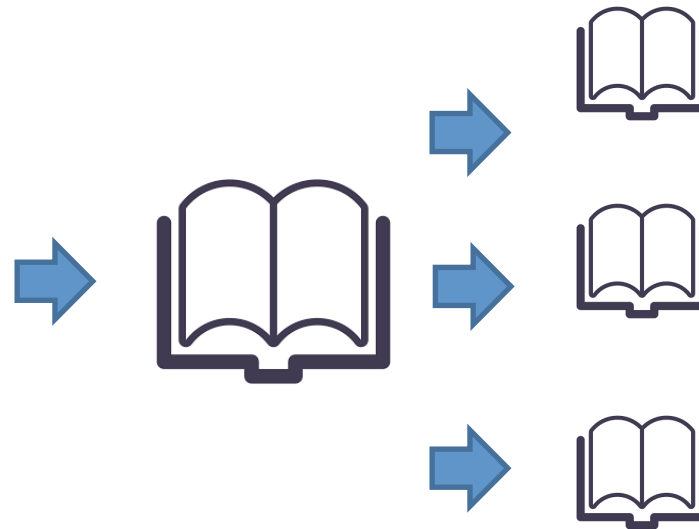
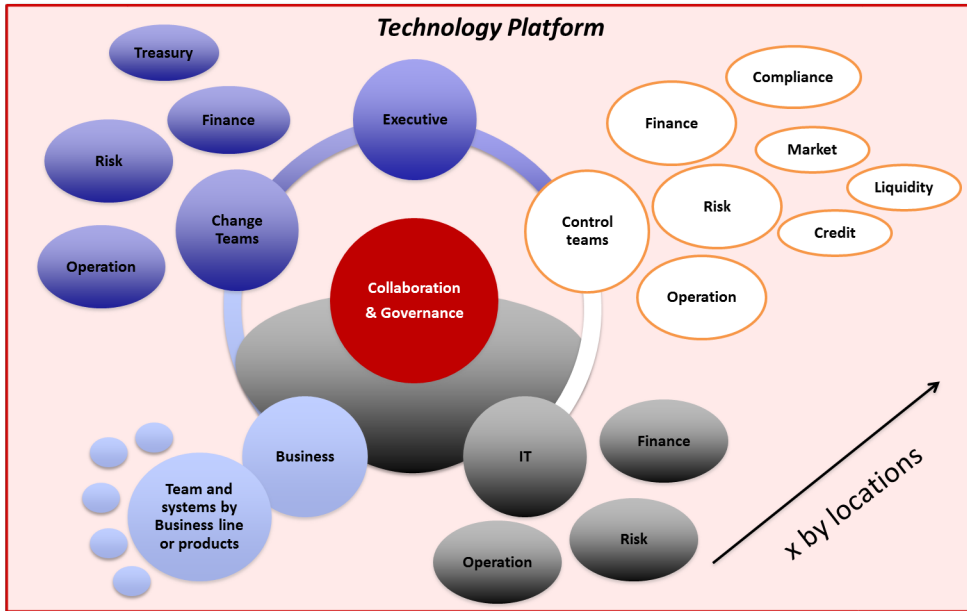
New requirements requiring greater collaboration

Technology Platform





- Beyond go live
 - You need to adapt
 - You need to be able to review
 - You need to manage change
- Framework should evolve as you improve your data infrastructure
- Versioning should cover
 - Reports
 - Mappings
 - Aggregations and disaggregation
 - Data lineage
 - Interpretations
 - Regulatory rules

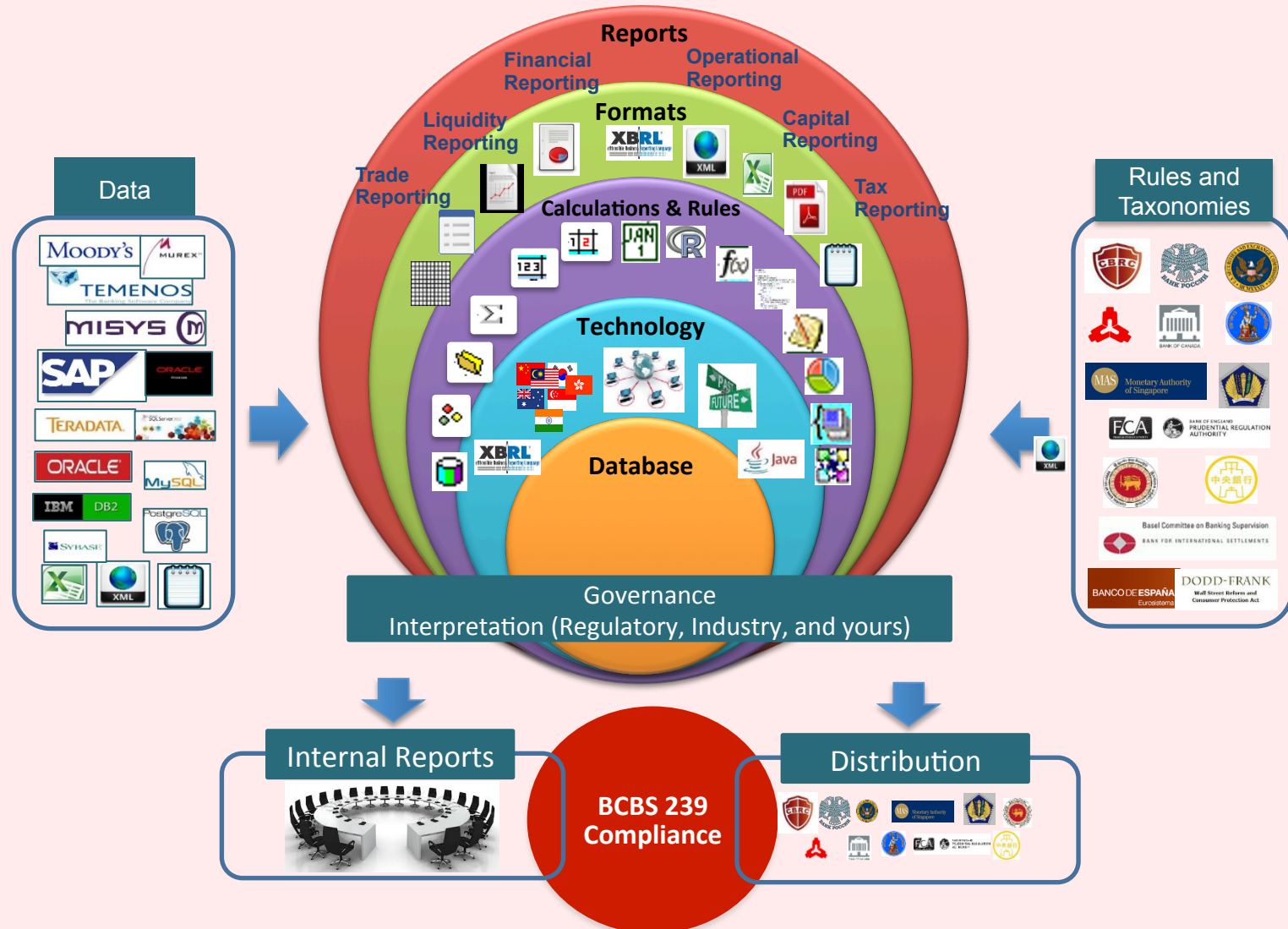


- Regulatory Rules
- Bank Interpretations
- Disclosure commentary

- Interpretations & Rule book report

- Data Owners Review and Sign-off
- Aggregators Review and Sign-off

Technology Platform



- Start with Exit
 - Select a platform that will facilitate
 - Collaboration
 - Version control
 - Accessibility and on-going maintenance
 - Deliver data lineage
 - Reconciles Regulatory and Risk Disclosures
 - Supports governance
 - Build confidence
 - High light inaccuracies
 - Meet change
 - Support Global Coverage
 - Support you on your journey
- ✓ **Overarching governance and infrastructure**
 - ✓ 1. Governance
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Q&A

For more information, please visit www.axiomsl.com

Americas

APAC

EMEA

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Thank you!

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