



Solution Primer

Financial Services

OneSumX Business Analytics

'Fire-drill' is a term frequently used to describe the all-consuming exercise required within financial institutions to respond to an urgent and unexpected request from senior management or supervisors. Even some regular annual processes follow the same pattern of total disruption to day-to-day functions and responsibilities.

Given the siloed nature within many organizations, fire-drills requiring a broad set of inputs from a wide range of systems, teams and disciplines are the most disruptive and most time-consuming as the up-front co-ordination required to ensure consistent assumptions into those various teams and systems, and the ultimate reconciliation of multiple sets of results from those multiple systems adds a further

layer of complexity, operational risk, effort (frequently manual) and delay.

Within some parts of a financial organization, for instance a foreign branch, access to relatively simple what-if analysis relating to a single area or risk-type can require an arduous process and take weeks. Ironically, the information requested is frequently only made available after the decision that required it has had to be made.

Whether the need is for a quick answer to a relatively simple, single 'silo' question or for a more holistic view of the combined effect on Risk, Return, Liquidity and Capital Adequacy, frequently current systems are poorly-placed to supply the answer before it is too late to take the necessary action.

OneSumX Business Analytics

Wolters Kluwer understands the time and effort that goes into producing and cleansing the data that feeds the Risk, Finance and Regulatory Reporting elements of its OneSumX solutions, and the value of the output of those modules. We also appreciate that these results and inputs represent a 'goldmine' of invaluable information.

OneSumX Business Analytics provides a quick yet powerful way to leverage the data and results held in the OneSumX platform and other external data sources, to reap the benefit of the effort that went into generating that information, thereby improving ROI on existing infrastructure, complying with the supervisory demands for use of such data in decision-making and delivering the ability for all levels of the financial organization to operate in a more agile, responsive and forward-looking way.

There are many ways in which this new capability can address a wide set of business needs, ranging from operational to strategic:

- Tracking of unexpected or large changes in exposure concentrations, capital requirements and portfolio rating migration;
- Risk appetite monitoring, analysis and alerts;
- Simple and fast what-if analysis around the effects on future regulatory capital requirements and concentration risk of potential or proposed new business growth, portfolio migration and rating shifts, or combinations of these;
- Liquidity survival horizon stress testing;
- Forward-looking risk, return, capital adequacy and liquidity ratio estimation under a variety of market factor and/or macro-economic scenarios;
- Balance sheet optimization, e.g. for ROE, RAROC, capital ratios or combinations of multiple target capital, liquidity and profitability ratios.

OneSumX Business Analytics provides a framework within which financial institutions can define and quantify the effect of any number of risk factor stresses, macro-economic scenarios, business model changes or simple new business projections, but includes pre-built reports and interactive dashboards.

A set of reports address many of the simpler single-silo needs around operational concerns, risk appetite and basic what-if analysis, including:

- Simple trend analysis
- Exception reporting
- Risk-based limit monitoring
- Risk-appetite monitoring
- Risk projections

The included dashboards apply bottom-up and top-down models to provide a holistic, forward-looking view of the organization's business model, under ad-hoc combinations of growth, risk factor and macro-economic scenarios via:

- Balance sheet projection
- Risk projection
- Income and return projection
- RAPM projection
- Capital adequacy and liquidity projection and simulation under user-defined growth inputs
- Optimization under user-defined scenarios for profitability, ROE, capital adequacy targets

These dashboards also enable firms to project the capital charge that FRTB, IFRS 9, CECL,

Powerful visualization and analysis in seconds and minutes

To allow our clients to make more efficient and thorough use of that goldmine of information, our fully supported Business Analytics solution provides powerful analysis in seconds and minutes, rather than days and weeks, through the combination of bottom-up and top down models and full exploitation of the rich underlying data, which can support extensive interpolation and sensitivity analysis.

Top-down and bottom-up analysis

The use of these top-down 'challenger-style' models not only enables sanity checking of bottom-up results, but allows for much faster speed of response. The models will better equip organizations to quickly plot a course to navigate around financial storms before they hit, rather than measure their effect in detail after they have wreaked their havoc.

SA-CCR, IRRBB and a myriad of other global regulations will have, allowing for necessary changes and adjustments to be made within the business well ahead of time.

From contract level data management, through to risk, liquidity, income calculation and cost allocation and final regulatory reporting, OneSumX provides unique end-to-end consistency of data, assumptions and analysis. With this as a foundation, OneSumX Business Analytics provides a tool to use that goldmine of data and results to its fullest extent, thereby supporting a wide range business needs and regulatory expectations.



OneSumX Business Analytics Trend Analysis



OneSumX Business Analytics



About Wolters Kluwer

Wolters Kluwer (WKL) is a global leader in professional information, software solutions, and services for the healthcare; tax and accounting; governance, risk and compliance; and legal and regulatory sectors. We help our customers make critical decisions every day by providing expert solutions that combine deep domain knowledge with specialized technologies and services. Wolters Kluwer reported 2019 annual revenues of €4.6 billion.

The group serves customers in over 180 countries, maintains operations in over 40 countries, and employs approximately 19,000 people worldwide. The company is headquartered in Alphen aan den Rijn, the Netherlands. Wolters Kluwer shares are listed on Euronext Amsterdam (WKL) and are included in the AEX and Euronext 100 indices. Wolters Kluwer has a sponsored Level 1 American Depositary Receipt (ADR) program. The ADRs are traded on the over-the-counter market in the U.S. (WTKWY).

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When you have to be right