



Basel III- CRD IV- COREP/FINREP Reporting

The financial crisis revealed vulnerabilities in the regulation and supervision of the banking system at a European and global level. The response to this situation was provided by the Basel Committee on Banking Supervision (BCBS) in the form of Basel III. The EU response to Basel III has seen the existing CRD replaced with a new regulatory framework including a Regulation (CRR) and a Directive (CRD IV). The regulation includes both a harmonised reporting framework called COREP and FINREP as well as a single prudential rulebook for use across the EU - replacing the national regulators specific interpretation of Basel capital calculations and regulatory returns.

The new common COREP and FINREP reporting framework and the CRD IV single rulebook represents a step change in how financial institutions across the EU are regulated. Firms are being forced to re-examine how they are managing and produce both calculations and reports; in particular, why have local rather than EU-wide calculation and reporting platforms?

AxiomSL benefits:

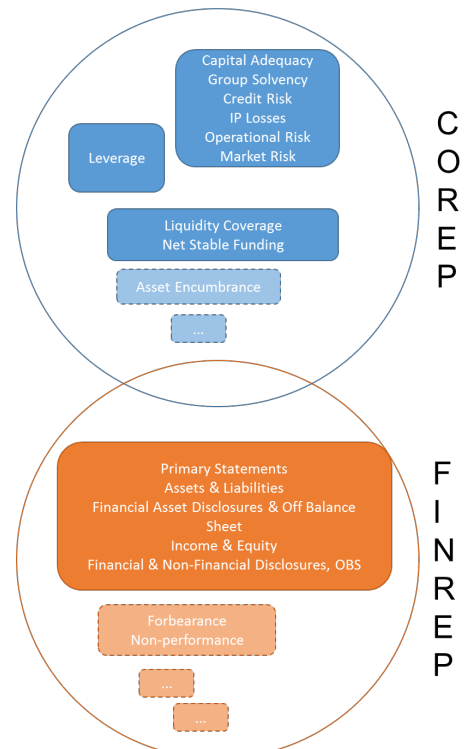
- Multi-jurisdictional XBRL taxonomy management
- Empowers clients with a flexible, transparent, auditable and performance-driven product;
- Strategic data-driven solution with complete transparency, drill down and clear audit trail;
- Delivers a single global platform that accommodates multi-jurisdictional and multi-faceted reporting requirements;
- Interfaces with clients existing business systems and processes;
- Accommodates future compliance and reporting needs in a timely and efficient manner.

CRD IV reporting challenges:

The new regulatory framework represents a move to a multi-dimensional framework where focus on capital, previously the only prudential reference, is expanded to include liquidity and leverage metrics. The challenge facing firms in terms of meeting new metrics and satisfying tougher capital conditions is daunting, however, a bigger obstacle is proving that the new requirements are being met.

These key reporting challenges include:

- Templates now cover capital adequacy (own funds, credit risk, market risk and operational risk), large exposures, liquidity and leverage ratios;
- A nine-fold increase in the number of data points reported to each regulator;
- The EBA XBRL taxonomy changes how reports are delivered. An entire data model is now reported, not just individual reports;
- Regulatory data management re-think as new granular data will impact most upstream-systems;



CRD IV challenges continued:

- Reporting business processes need to be changed to accommodate both how data and reports are signed-off and how various data owners review their data in the EBA data point model (DPM);
- The granular feeds and common reporting are forcing improved reconciliation across reports and regulators;
- With increased disclosure becomes increased expectation for audit and attestation forcing a re-think about data lineage, transparency, and controls;
- Finally, in order to contain spiralling costs, firms are being forced to look at the regulatory reporting process at a regional or enterprise level rather than by report, regulator, or jurisdiction.

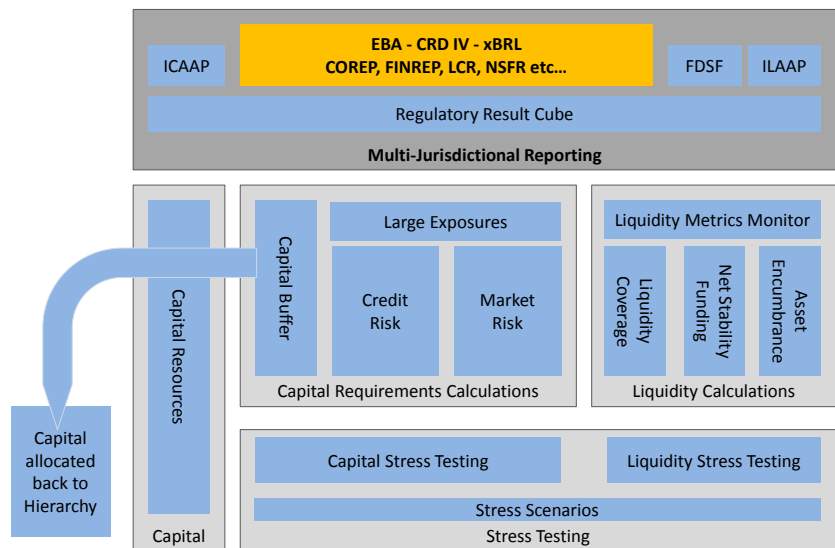
AxiomSL CRD IV solution:

AxiomSL’s ControllerView platform assists firms in addressing all of the reporting challenges posed by the new CRD IV (COREP, FINREP, LCR, LE, LR, NSFR) framework and XBRL taxonomy. Our robust data-driven solution operates from a single platform, which means that clients can integrate data and workflows from a myriad of disparate sources into a single transparent data structure and infrastructure across any reporting requirement or any jurisdiction.

Our approach empowers firms to meet any new regulatory demands while lowering their overall supervision costs. In 2012, AxiomSL made significant investments in its platform to manage any XBRL regulatory taxonomy. We now provide both a 1st generation report focused submission framework using csv, xls, or xml formats plus a 2nd Generation XBRL taxonomy manager which fully supports the harmonised CRD IV framework across the entire EU or any new XBRL taxonomy defined by the regulators.

AxiomSL has been delivering solutions for global regulatory calculation and reporting to a wide array of financial institutions for over 20 years. Our cross enterprise multi-jurisdictional platform won the Asian Banker Award with Deutsche Bank in 2012 for our APAC regulatory calculation and reporting solution. With the CRD IV framework, the question firms should be asking is why have any local reporting solutions when one can use a proven integrated platform to meet all common reporting needs.

CRD IV CALCULATION AND REPORTING MODULES



AxiomSL platform provides:

- Capital Requirement Calculations
- Tests for Capital Deductions
- LCR & NSFR calculator
- Multi-jurisdictional reporting
- Dynamic dashboard
- Variance & trend analysis
- Cashflow generation engine
- Liquidity and capital stress testing