

OVERVIEW BROCHURE

# OneSumX<sup>®</sup> Performance Management

## Performance Management

Financial institutions are under increasing pressure to provide transparent information to different stakeholders. The finance function is often being reshaped by external pressures into an efficient machine, with a need for high-tech components and finely-tuned steering.

Markets, management, auditors and regulators are all asking finance to produce ever greater amounts of sensitive and detailed information, as rapidly as possible. At the same time finance is under pressure internally to bring more value to the global strategy.

Firms are also facing a new requirement to analyze data to forecast the impact of future events and the risks they might generate. In the current environment, a backwards-looking approach by finance teams and predominance of manual budget processing is therefore no longer sufficient.

To stay ahead of the competition a financial institution needs to closely monitor cash flows in a way that it can drill down into different departments, products or trading desks. Information needs to allow assessment of performance but also provide indicators to trigger changes when managing the organization's risk taking and making strategic decisions.

Achieving this in a global, fast-moving world, means a lot of the time-consuming operational activities must be optimized to unleash their analytical potential. The data needed to make this happen is often scattered within the organization, so centralizing the presentation of data to support strategic decision-making and to support operational processes becomes key.

The requirements to optimize performance management of a business consist of six key elements. These different elements form the performance management and strategic analytics approach a business needs to take in order to continue to meet the challenges within the market both with an internal as an external view.

**DEFINE** – A financial institution must define its strategy in order to drive the business. That strategy will be the key driver of decision making and analysis of the organization. To support this, the firm must be able to effectively set and adapt budgets, and also develop the basis for impact scenarios. By providing the tools for these tasks, such as limit management, the OneSumX solution suite provides the function to support budgeting, but going further, allows the firm to see potential impacts and breaches of the budgets, and take the necessary action.

**MASTER BUSINESS DATA** – To make effective strategic decisions, managers need a way of digesting the different data their organization holds in a consolidated and centralized way. This is a challenge as information is traditionally scattered among different systems and departments. The first step for getting access to both finance and risk data

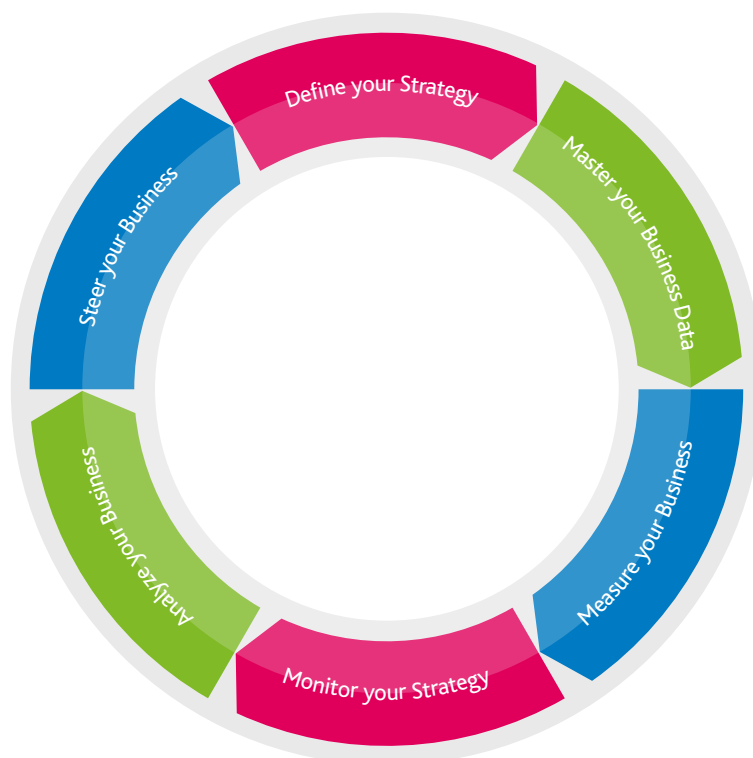
is gathering it in a central repository, which OneSumX provides by having a central data architecture in order to create a 'single version of the truth'.

**MEASURING YOUR BUSINESS** – Cost analysis, cost management and the ability to assign different costs to the different departments or products is a fundamental step in assessing performance. Basic cost allocation or more advanced 'activity-based costing' can help in the process, while the solution's engine will give the necessary flexibility to determine the allocation and activity drivers in order to facilitate a more accurate and transparent view.

**MONITOR YOUR BUSINESS** – Profitability measurement and key performance indicators are important factors for any financial institution. The calculation of profitability will require the necessary inputs from risk factors and the funding costs on one side and the revenues generated on the other side, for each product or department. OneSumX provides the flexibility and transparency to define hierarchies such as these and calculate key performance indicators in the past, present and future.

**ANALYSE YOUR BUSINESS** – The ability to access the full spectrum of information makes it possible to deliver improved analysis. Increasingly specific analyses are needed, combining different kind of analytics. Adaptability is key in allowing different users to construct their own analysis to better assess the effect of a strategy, which OneSumX's flexible reporting tools support.

**STEER YOUR BUSINESS** – Having a clear view of your current position and the likely impact of future events through the use of forecasting tools, means that preparation can be made by adjusting budgets, planning and simulations, possibly leading to the defining of new or improved strategies.



The OneSumX solution suite addresses the different performance management requirements needed to facilitate operational, analytical and strategic decision-making processes.

### Integrated Granular Business Data

All data specific to the financial industry and to the requirements of finance are modeled and managed within the finance, risk, and reporting data layer, with full data management capabilities, validation and reconciliation supported by full valuations and data enrichments. Our data architecture manages the business data that finance accounts for, enabling the bidirectional link between business and finance.

### Valuation Management

The OneSumX suite includes various valuations of precise simulations for different markets such as fair value and book values. It also includes sensitivities to risk aspects. This is necessary for dynamic budgeting and forecasting which is supported by different market valuations using the variety of methods that conform to market standards, such as Monte Carlo simulation.

### Allocation Engine & Activity Based Costing

This calculation engine will make it possible to transfer any revenue or expense from one cost /profit center to another, using allocation logic. This logic is also integrated with our advanced subledger functionality, which allows visualization of the finance figures in a performance-wide context.

### Financial Planning, Budgeting Control

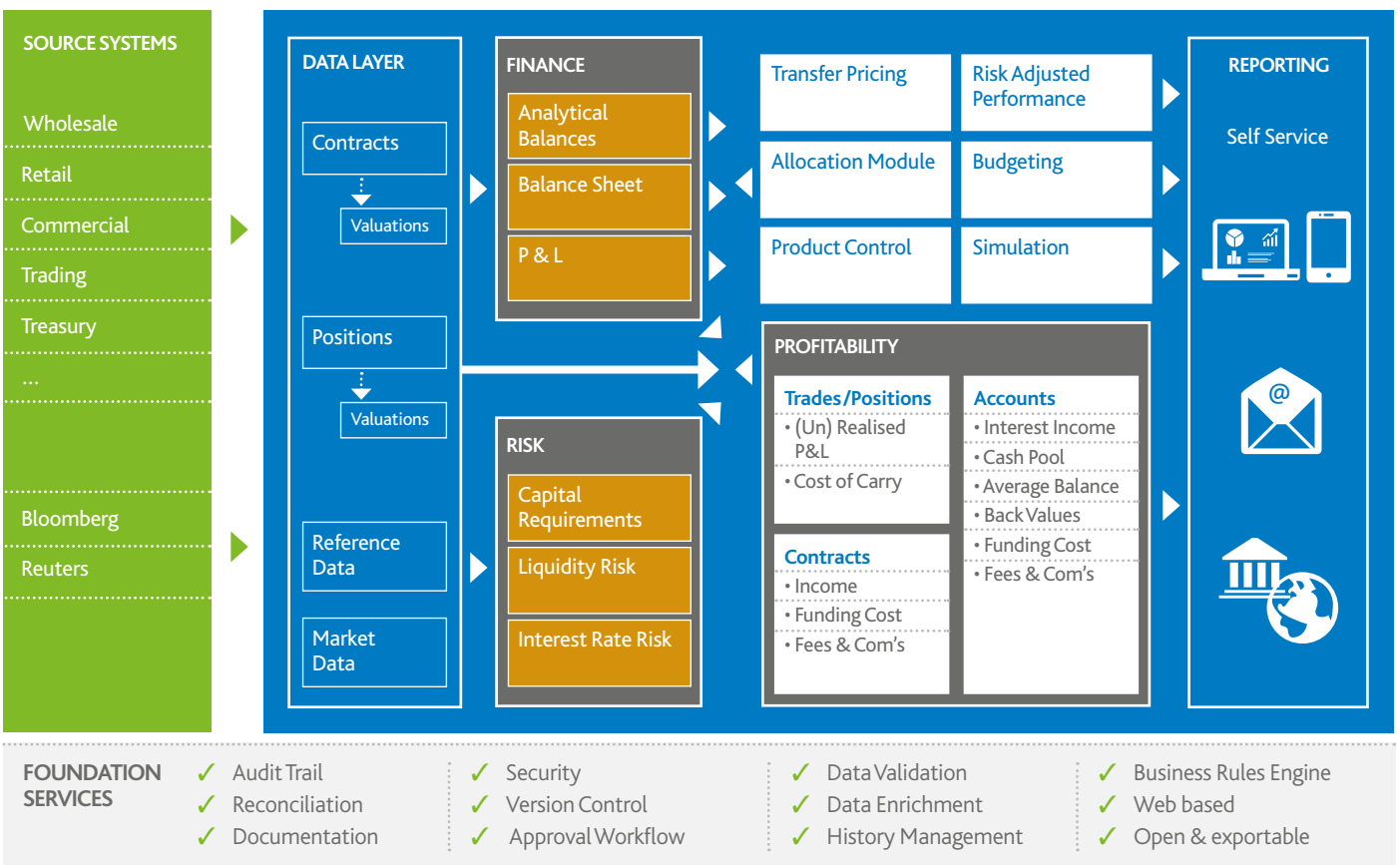
OneSumX enables strategic planning through simulations, taking into account the various factors influencing balance sheet and P&L. Strategic planning can then be translated into planning and budgets. Forecasting and monitoring functionality enable management to be in control at all times and to take appropriate decisions as soon as needed.

### Position Management and Product Control

OneSumX supports position management as well as consolidation, at data as well as at finance level, in order to create different levels of granularity and positions which facilitate monitoring, assessment and correction by enabling strategic and analytical reporting. The solution also supports product control by automating intra-day P&L production and attribution, granular reconciliation of multiple sources, limits and price verification. Its trade and P&L adjustments workflow improves control and reduces risks, ensuring timely reporting of P&L and KPI's.



## OneSumX for Performance Management and Strategic Analytics



### Transfer Pricing

The transfer pricing framework is closely related to the risk framework. Similar compared to how a well-explained profitability and P&L provide insight into post-P&L treatment, transfer pricing provides the 'ex-ante' funding rate construction: The transfer module will calculate the transfer price.

### Profitability and Net Interest Income

Profitability on different levels, such as product profitability and department

profitability, is calculated using a funding and revenue comparison into either a net profit or net loss. Next to this calculation the solution provides an overview of the expected profitability compared to the actual figures. OneSumX also provides data editors, tools to edit funding rates as well as additional cost expectations to do profitability simulations.

### Risk Adjusted Performance

The solution will represent the performance based on risk sensitivities in order to frame it against the different exposures taken by the entity. Actuals, taking into account the risk attributions, and performance figures are both calculated.

## Limit Judgement

Limits can be built in with a fixed number or dynamic limits depending on predefined limit policies. These policies can be defined using a flexible rules engine in order to detect all breaches and statuses. These limits are set within a hierarchy of structures which can be maintained and altered within the solution. As a consequence, management reports provide a view of limits and limit breaches on different control levels within the organization.

## Ratios, KPI Monitoring and Audit

The KPI dashboard provides end users with a configurable set of measures, offering a drill-through capability and workflow support in order to monitor, audit and record commentary for the full P&L process.

## Hierachies and Information Disclosure

Embedded in the solution is a flexible reporting layer which holds not only the KPI's but also integrated finance and risk data, to match specific management reporting needs.

With the self-service business intelligence tools, an organization can easily change the reports according to their current information needs, allowing focus on analytical reporting capabilities to support strategic decisions.



Wolters Kluwer Financial Services OneSumX Performance Management solution performs the full range of industry-specific calculations and processes to streamline performance and key management disclosures in a fast, transparent and fully-controlled way. It further supports firms in their strategic planning, budgeting and forecasting through simulations and analytics.

The unique data architecture manages business data specific to the finance industry, data that the advanced subledger balances account for. The bidirectional link between business and finance data at granular level guarantees complete reconciliation, audit trail and accurate reporting across the business to support strategic decisions.

The flexibility of the Wolters Kluwer Financial Services OneSumX suite of solutions is unanimously valued by our customers because it provides the ideal fit to their business situation, optimizing effectiveness, speed, accuracy and resources. OneSumX' flexibility is part of our unique value proposition and allows adaption to the fast-moving market environment where new entities and products are continuously created on the business side, and in turn new calculations and reporting requirements developed on the regulatory and management information side.





## ABOUT WOLTERS KLUWER FINANCIAL SERVICES

Wolters Kluwer Financial Services provides more than 15,000 customers worldwide with risk management, compliance, finance and audit solutions that help them successfully navigate regulatory complexity, optimize risk and financial performance, and manage data to support critical decisions. With more than 30 offices in 20 countries, our prominent brands include: AppOne®, ARC Logics®, AuthenticWeb™, Bankers Systems®, Capital Changes, CASH Suite™, FRSGlobal, FinArch, GainsKeeper®, NILS®, OneSumX®, TeamMate®,

Uniform Forms™, VMP® Mortgage Solutions and Wiz®. Wolters Kluwer Financial Services is part of Wolters Kluwer, which had 2013 annual revenues of €3.6 billion (\$4.7 billion), employs 19,000 employees worldwide, and maintains operations in over 40 countries across Europe, North America, Asia Pacific, and Latin America. Wolters Kluwer is headquartered in Alphen aan den Rijn, the Netherlands. Its shares are quoted on Euronext Amsterdam (WKL) and are included in the AEX and Euronext 100 indices.

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