SOLUTION PRIMER

OneSumX® FOR LIQUIDITY RISK
LIQUIDITY COVERAGE RATIO (LCR) AND 2052

Today, U.S. regulators are moving forward with initiatives that will require financial institutions to reassess their liquidity risk management, moving from a prescriptive approach to a much more complex and detailed process.

One of the biggest pain points for financial institutions is the shift in the way the liquidity coverage ratio (LCR) is calculated and reported to federal regulators. Gathering the required data attributes, creating classifications and running calculations has evolved into a tremendously complicated and time consuming task. Added to that, regulators are demanding transparency and auditability into an organization's LCR process at such a level of detail that they must be able to point to the individual inputs that created each classification.

While the finalization of the LCR rule marks a milestone, these initiatives are just a stepping-stone toward a comprehensive regulatory reform program aimed at enhancing the liquidity risk management practices of U.S. financial institutions. Like CCAR before it, as LCR continues to evolve, banks will face an increased need to build a sustainable and flexible reporting infrastructure to meet regulators growing demands for transparency and data lineage.

Meet Liquidity Reporting Requirements

Although LCR is based on the liquidity standard adopted by the Basel Committee on Banking Supervision, the U.S. version is much more stringent in some aspects. And, as regulators apply greater pressure on financial institutions' ability to manage their LCR, it is becoming increasingly important for firms to be able to assess and monitor liquidity risk effectively.

However, staying ahead of the liquidity curve is a huge undertaking for any financial institution. Capturing every requirement of the LCR is challenging. Tasks, such as identifying and extracting the many different data points from source systems and creating detailed classifications using combinations of that data to run calculations, are difficult and time consuming.

OneSumX for Liquidity Coverage Ratio provides financial institutions with the technical and functional tools and infrastructure they need to meet liquidity reporting requirements and dynamically measure liquidity risk. OneSumX also facilitates greater visibility into HQLA and Net Cash Flow, enabling management to take control for effective decision making and mitigate any potential exposures or shortfalls.

Financial institutions not only need to submit a wider range of information to their regulators, but the depth and detail of the information required is also greater. Our OneSumX for Regulatory Reporting solution can help financial institutions manage the transparency and auditability of their data collection by providing drill back functionality. This feature allows users to click on any item within the report to track back to its origination. The solution also allows financial institutions to re-run past reports to monitor the impact of regulatory changes on their LCR, enabling them to evaluate what type of assets to hold and those to release.

As further guidance emerges on FR 2052 (a) and (b), it appears as if the LCR and 2052 reporting processes will be very similar. OneSumX for Regulatory Reporting helps eliminate duplicate work by enabling financial institutions to leverage the common processes of their LCR reporting for use with their 2052 reporting requirements.

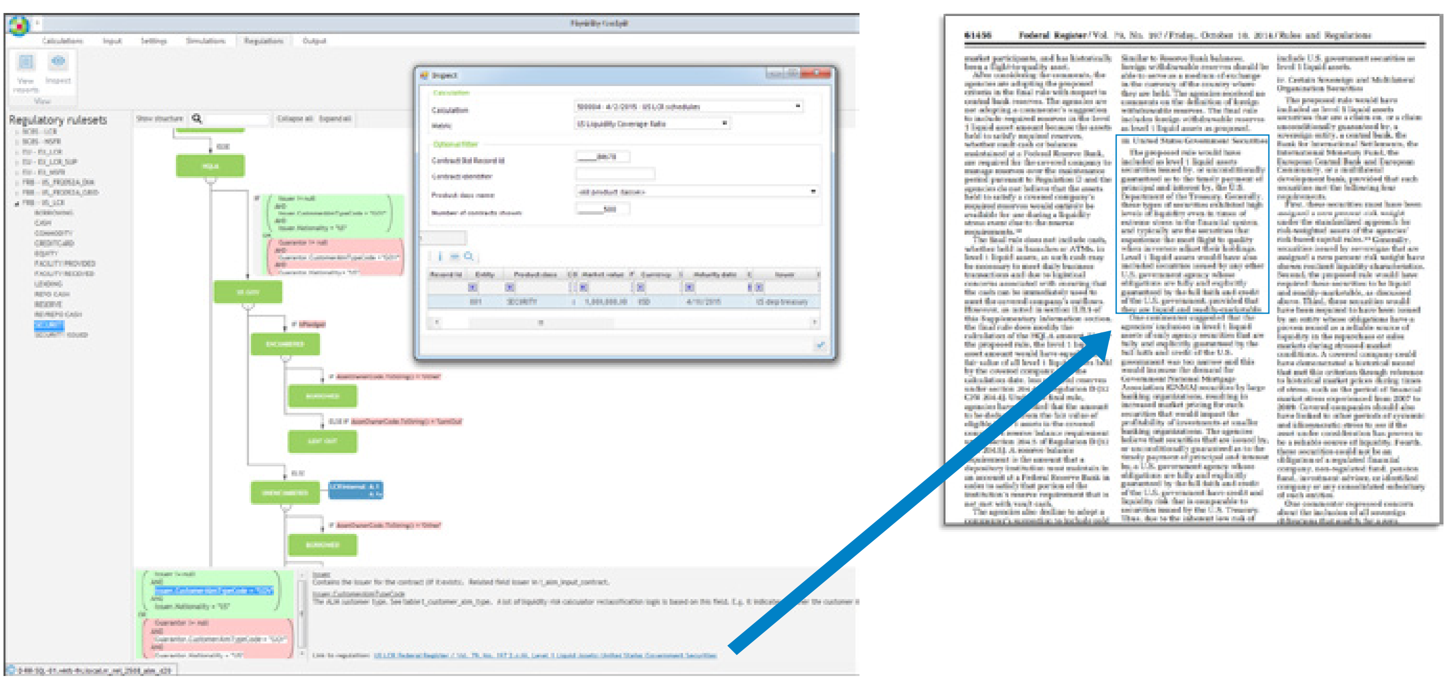
Gain a Real Competitive Advantage

LCR reporting has evolved into a complex data and classification logic exercise, making it increasingly difficult and burdensome for financial institutions to manage. In fact, the Federal Reserve Board estimates that LCR reporting could possibly reach 396,120 person hours per year. Wolters Kluwer Financial Services provides solutions that can help financial institutions tackle an undertaking of this size and complexity, while making the right decisions when it comes to managing liquidity risk.

Our comprehensive OneSumX solution is scalable and can manage different demands relating to data volume and granularity, allowing financial institutions to address the changing reporting requirements of multiple stakeholders. Most importantly, OneSumX can assist with the cumbersome data collection and classification work as well as help maintain it in accordance with evolving regulatory requirements.

Moving forward, we anticipate tremendous evolution in the LCR and FR 2052 reporting requirements. Similar to CCAR, these requirements could potentially change on an almost monthly basis. As part of our regulatory update service, our in-house compliance experts continually monitor and interpret these changes and provide software patches to keep financial institutions compliant.

With greater visibility and control over liquidity risk across their business, our OneSumX solution helps financial institutions gain a real competitive advantage, enabling them to make business decisions that are in alignment with their strategic objectives and risk tolerance.



ABOUT WOLTERS KLUWER FINANCIAL SERVICES

Whether complying with regulatory requirements or managing financial transactions, addressing a single key risk, or working toward a holistic enterprise risk management strategy, Wolters Kluwer Financial Services works with customers worldwide to help them successfully navigate regulatory complexity, optimize risk and financial performance, and manage data to support critical decisions. Wolters Kluwer Financial Services provides risk management, compliance, finance and audit solutions that help financial organizations improve efficiency and effectiveness across their enterprise. With more than 30 offices in 20 countries, the company's prominent brands include: AppOne®, AuthenticWeb™, Bankers Systems®, Capital Changes, CASH Suite™, GainsKeeper®, NILS®, OneSumX®, TeamMate®, Uniform Forms™, VMP® Mortgage Solutions and *Wiz*®. Wolters Kluwer Financial Services is part of Wolters Kluwer, which had 2014 annual revenues of €3.7 billion ($4.9 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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