

## Automating Basel III Reporting Requirements for a British Multinational Banking and Financial Services Company



### Summary

We helped a British multinational banking and financial services company to comply with regulatory Basel III requirements mandated by PRA. We developed an automated MicroStrategy solution that enables users to assess risks associated with intraday liquidity and foreign currencies. Our client is now in possession of a solution that is user-friendly and costs significantly less than readily available regulatory risk compliance platforms.

### Industry

Banking and Financial Services

### Users

Risk Controllers, Internal Auditors

### Technologies

MicroStrategy, Hive, Teradata

### Team Size

6 InfoCeptions  
1 Client Associate

### InfoCeptions Accelerators or Assets Used

Dashboard Development Best Practices

### → The Challenge

Our client is a multinational banking and financial services company that wanted an efficient means of complying with Prudential Regulation Authority (PRA) mandated Basel III reporting requirements. They were looking for a solution to enable their users in achieving the following three objectives –

- Comply with PRA's intraday liquidity reporting requirements on a daily basis
- Demonstrate the ability to perform stress testing for different foreign currency holdings
- Enable internal risk controllers to monitor risks across all geographies and foreign currencies while tracking large value payments

To fulfill their regulatory obligations, our client was contemplating on using AxiomSL, an enterprise data management platform that provides out of the box regulatory compliance features. However, their assessment of AxiomSL revealed that it was not as user-friendly as required for optimal adoption. Also, our client preferred a more economical alternative to AxiomSL.

Our client needed a solution that could easily cater to regulatory reporting requirements in a cost-effective manner while enabling internal risk audits. From an internal and external sharing perspective, it was important for the new solution to be able to export reports in Excel, PDF, XML and XBRL formats. For instance, the PRA accepts reports exclusively in XML format.

### → The Solution

Our client had conceptualized a system that could provide read-only data to authorized users. We recommended a MicroStrategy solution to not only provide authorized access, but also go beyond basic reporting to provide effortless analytical capabilities. We established a single version of the truth database to provide accurate and efficient analysis. It works seamlessly with MicroStrategy to enable on-demand access to insights.

We used MicroStrategy customizations to generate exact replicas of PRA reporting templates. The customizations helped us create PRA equivalent templates that enable foreign currency holding analysis. Also, we used VI dashboards to put users in control of slicing and dicing data with self-service reporting capabilities. The dashboards have enabled them to monitor control risks more effectively.

Our solution enables users to perform stress testing by feeding parameters to evaluate foreign currency deviation from the required threshold and assess the impact on intraday liquidity movements. It plays a critical role in avoiding the possibility of defaulting on payments at any given point of the day.

The solution enables users to make adjustments while maintaining an audit trail to ensure accountability and facilitate approvals. It helps in making necessary adjustments before sharing reports that contain precise and current information with the PRA.

### → The Results

We successfully delivered a solution that acts as a single interface to meet all our client's objectives and provide a 360-degree view of all Basel III requirements. Key benefits of our solution are –

- Users can generate stress testing results within just 10 minutes without depending on IT
- Our MicroStrategy solution costs just a fraction as compared to AxiomSL
- Users can quickly assess risk exposure to foreign currencies and banks
- Users can make better decisions about maintaining foreign currency levels and negotiate better deals with other banks
- Manual efforts have reduced drastically due to automated reporting
- It caters to all reporting requirements in a completely secure manner
- Ensures transparency by maintaining an audit trail whenever manual adjustments occur