



Solution Primer

Financial Services

OneSumX EBA & Local Regulatory Reporting

The extent of regulatory reporting requirements that every credit institution and investment firm in EMEA are expected to adhere to has increased significantly in recent years with the introduction of CRD IV and AIFMD to name just two examples.

These institutions are not only required to submit accurate and consistent returns by the set deadlines, but they need to find business models that can also deliver operational efficiency and flexibility in order to establish and maintain compliance in the midst of an increasing rate of regulatory reporting change and dynamic markets. To achieve operational efficiency institutions are faced with significant business challenges:

- What reports do we need to submit?
- What data is required?
- What data transformation is required?
- What regulations do we need to read and track?

- How can we control and monitor the process for creating, checking and signing off returns?
- How much budget should we allocate to implement new regulations and changes to existing regulations and to be compliant with them?

It is commonplace for firms to have more than one regulatory reporting platform as these challenges have typically been addressed through a series tactical “bolt-on” solutions that often created a silo effect. When looking across the whole firm these disparate solutions actually deliver inconsistent data, mapping and calculation engines that ultimately deliver inconsistent returns that are impossible to reconcile. Point solutions might deliver against short-term project budgets, but in the long run they cost firms significantly in terms of duplication of skills, data and engines, and inflexible and inefficient business models.

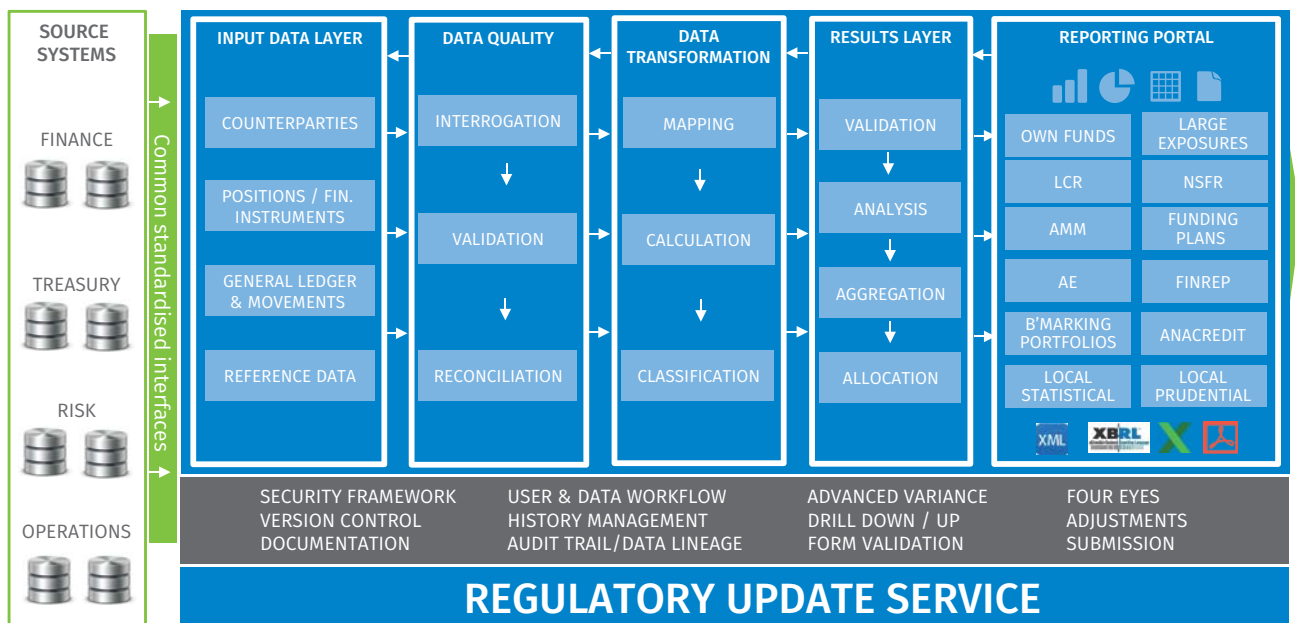
EBA and Local Regulatory Reporting

The first challenge when developing a central platform for regulatory reporting is to satisfy

harmonized reporting e.g. CRD IV, and local reporting obligations e.g. Bank of England Statistical reporting (UK) and Kreditnehmerstatistik (Germany), by creating a data model which abstracts from the final reporting requirement. Our solution addresses this by only needing a financial contract once – from there the solution will ensure that the contract is reported on each individual cell in every report that it needs to be reported on consistently and accurately, applying all transformation and calculation logic as required by the respective regulator in a transparent and auditable way.

The second challenge is keeping the regulatory content up-to-date. In OneSumX Regulatory Reporting, content is defined as the sum of;

- **Calculation engines:** Calculation of outcomes in accordance with regulatory rules for over 700 financial products e.g. CRD IV Pillar 1 capital requirements, CRD IV liquidity haircuts and inflow/outflow scaling factors;
- **Allocation rules:** Aggregation of results from data mapping and calculations processes in order to populate cells on the face of the regulatory return with the correct values and in a consistent manner;
- **Regulatory Reports:** Over 4,000 regulatory returns across more than 31 jurisdictions with full audit, drill down/up and “four eyes” principle for manual adjustments are implemented in our solution;
- **Validation rules:** Application of regulatory defined and firm-specific intra-form and cross form validation checks in order to guarantee the integrity of reported items prior to submission;
- **Submission format:** Generation of output for delivery to the regulator in the format specified by the National Competent Authority (NCA) e.g. XML, XBRL, PDF, XLSX.
- **Data requirements:** Definition of what data institutions need to be compliant with their regulatory reporting obligations, based on the scope of their operations;
- **Data mapping:** Transformation of raw data from source system into regulatory classifications;



OneSumX Regulatory Reporting Functional Architecture

| 2016 Regulatory Changes | | | | | | | | | | | | | |
|---|----------------------------------|-----|--|---|-----|--|-----|------------|--|-----|-----|-------------|--------|
| Information up-to-date as of 18th July 2016 | | | | | | | | | | | | | |
| COUNTRY | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | JAN 17 |
| AUSTRIA | | | SmartCube I ESSC, PKW nGAAP deposit guarantees A to C | | | FINREP nGAAP on solo for significant entities Central accounts register BMF | | | Delegated Act Liquidity, SmartCube II FMS Central accounts register BMF | | | EBA Tax 2.5 | |
| BELGIUM | BE Pillar II report 90:30 update | | | Payment Statistics New Reporting Deadline | | FINREP GAAP on solo for significant entities | | MIR Update | | | | | |
| NETHERLANDS | | | | | | | | | | | | | |
| FRANCE | | | | | | | | | | | | | |
| POLAND | | | | | | | | | | | | | |
| SPAIN | | | | | | | | | | | | | |
| PORTUGAL | | | | | | | | | | | | | |
| UK | | | | | | | | | | | | | |
| IRELAND | | | | | | | | | | | | | |
| GERMANY | | | | | | | | | | | | | |
| ITALY | | | | | | | | | | | | | |
| HUNGARY | | | | | | | | | | | | | |
| LUXEMBOURG | | | | | | | | | | | | | |
| UAE | | | | | | | | | | | | | |
| CZECH REPUBLIC | | | | | | | | | | | | | |
| SLOVAKIA | | | | | | | | | | | | | |
| FINLAND | | | | | | | | | | | | | |
| ISRAEL | | | | | | | | | | | | | |

Example of our regulatory change roadmap for 2016

OneSumX Regulatory Reporting is the leading solution globally. For the last four years Wolters Kluwer has been voted the Number one regulatory reporting software in the Chartis Risk Tech 100 survey.

Our regulatory content is delivered on a modular basis covering over 16 jurisdictions, across EMEA – this equates to over 4,000 regulatory returns

OneSumX Regulatory Reporting contains several EBA modules to satisfy CRD IV reporting requirements:

1. COREP: Own Funds, Losses from Immovable Property and Leverage Ratio
2. Large Exposures
3. Net Stable Funding Ratio (NSFR)
4. Liquidity Coverage Ratio (LCR)
5. FINREP: GAAP and IFRS
6. Asset Encumbrance
7. Annual Funding Plans
8. Additional Monitoring Metrics for Liquidity

9. Supervisory Benchmarking Portfolios
10. Disclosure Reporting

In Europe there are more than 400 live customers benefiting from 25+ years investment in our solution. Our local experts keep the rich content up-to-date, and over 150+ Professional Services consultants are on hand to assist our customers in an increasingly fast changing and complicated regulatory reporting environment.

Our solution delivers the right combination of technology, content and support to address regulatory reporting challenges and deliver operational efficiency, accuracy and consistency for a predictable annual cost. Customers that invest in OneSumX Regulatory Reporting then have a sound foundation to extend into the areas of governance, risk management, finance and compliance to leverage a fully reconciled and signed-off single source of truth that matches the information being used by their respective regulator.

About Wolters Kluwer

Wolters Kluwer N.V. (AEX: WKL) is a global leader in information services and solutions for professionals in the health, tax and accounting, risk and compliance, finance and legal sectors. We help our customers make critical decisions every day by providing expert solutions that combine deep domain knowledge with specialized technology and services.

Wolters Kluwer reported 2015 annual revenues of €4.2 billion. The company, headquartered in Alphen aan den Rijn, the Netherlands, serves customers in over 180 countries, maintains operations in over 40 countries and employs 19,000 people worldwide.

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 program. The ADRs are traded on the over-the-counter market in the U.S. (WTKWY).

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Contact information:

APAC:

Wolters Kluwer
4 Robinson Road, #11-01
Singapore 048543

EMEA:

Wolters Kluwer
25 Canada Square, 41st Floor,
Canary Wharf,
E14 5LQ London,
United Kingdom

Americas:

Wolters Kluwer
130 Turner Street,
Building 3, Fourth Floor,
Waltham, MA,
U.S.

For more information about our solutions and organization, visit WoltersKluwer.com, or for our financial services solutions, visit WoltersKluwerFS.com.