

Financial Institutions and Management Consultants have been struggling with executing an integrated Finance and Risk transformation framework for a decade now. In 2013, Basel Committee and the Financial Stability Board published BCBS 239 – 14 Principles for Effective Risk Data Aggregation and Risk Reporting, to enhance banks’ ability to identify and manage bank-wide risks.

Although the guidelines articulated “what” Banks needed to do “in principle”, but it left out the “how” or methodology to implement such a disruptive and cross-functional change.

enableIT’s Risk Management team has adopted a methodology called “*Holistic Risk View*” to implement this change across Finance, Risk and Treasury. Data Governance and Technology Strategy are major drivers in achieving a Target Operating Model and required regulatory outcomes. Above all, this approach enables financial institutions establish a good business practice.



# Holistic Risk View

## Data Management

- *Type:* Client, Trade, Market, Reference, Risk, Results
- *Process:* Acquisition, Enrichment, Adjustments Quality and Control

## Technology Platforms

Moody's Analytics

Vena Solutions

Workiva Wdesk

SAS

## Risk

### Credit Risk

#### *Process*

- Identification & Measurement
- Rating and Credit Analysis
- Concentration
- Credit Limits & Approval
- Credit Monitoring
- Mitigation

#### *Metrics*

- CVA Capital Charge
- Stressed EEPE
- Stressed PD
- Wrong Way Risk
- Collateral(Margin) & Netting
- Country Risk
- Credit Rating
- Securitization
- Concentration
- Exposure

### Market Risk

#### *Process*

- Identification & Measurement
- Position Monitoring
- Limits & Approval
- Market Monitoring
- Excess Management

#### *Metrics*

- Exposure
- Sensitivities
- Market Position Calc.
- PnL
- Price
- Valuation
- Gap Risk

## Finance

- Tax
- Accounting Policies
- Accounting Operations
- Financial Controls

## Treasury

- Capital Management
- Funding Management
- Cash Management
- ALM(IR, Liquidity Risk, and FX Risk)
- Hedge Accounting
- Fund Transfer Pricing

## Management Reporting

- Board Reporting
- Committee Reporting
- Control Reporting
- Balance Sheet
- Capital
- Portfolio
- Funding and Liquidity
- RWAs

## Regulatory Reporting

- FRB
- OCC
- DOJ
- CFTC
- Rating Agencies
- MRA/MRIA

### Operational Risk

#### *Process*

- Identification & Measurement
- Monitoring & Reporting
- Governance/Controls
- Crime/Fraud Prevention
- Mitigation

#### *Metrics*

- Advanced Measurement Approach (AMA)
- Control Measures
- Loss Process

### Model Risk

#### *Process*

- Model Inventory
- Independent Model Validation
- Identifying types and sources of risk ( Data, Estimate, Use)
- Reporting
- Mitigation

#### *Metrics*

- Model Averaging Vs. Worst Case
- Model Risk Exposure
- Position Limits and Valuation Reserves

### Legal and Regulatory Risk

- KYC & AML Compliance
- CCAR Stress Test
- FATCA
- DFAST
- Volcker

## Decision Support

Competitor Analysis, Pricing, Forecasting, Investment Appraisals, Performance Management, Business Advisory