



Take ownership of risk management and do more than just react. With the regulatory environment today, requirements from the likes of Basel II/III, demand an enterprise-level solution that provides financial institutions the ability to run sophisticated risk analytics and deliver results that ensure more profitable, risk-informed decisions to ensure greater efficiency and transparency.



Regulatory frameworks, such as Basel II and III, impose strenuous compliance and reporting requirements that create many challenges for financial institutions. Only organizations that have a sophisticated and comprehensive understanding of all their business activities are able to leverage more complex and advanced approaches in assessing and mitigating their risk exposures.

Temenos' Enterprise Risk Management (ERM) solution is part of the Risk and Compliance product family and is underpinned by the Temenos Advanced Analytics Platform. ERM offers specifically developed modules for Exposure and Counterparty Risk Management, Basel II/III compliance, Assets and Liabilities Management (ALM) and Liquidity, Market Risk and advanced Treasury portfolio analytics.

Benefits of Enterprise Risk Management



Globally, Celent expects the growth of risk management and risk-related regulatory compliance technology spending to hit \$72 billion in 2019.

CELENT

"Navigating the Risk and Regulatory Maze with Clearer 20/20 Vision" by Cubillas Ding. 2016.



Enterprise Risk Management

Enterprise Risk Management functionality

All Enterprise Risk Management modules are based on the common Temenos Advanced Analytics Platform. Our offering includes the following modules:

ALM & Liquidity Management

Full Basel II/III compliance addressing the new challenges around liquidity compliance from the Liquidity Coverage Ratio (LCR)/Net Stable Funding Ratio (NSFR) requirements.

Standard Package

- Balance sheet modelling
- Interest rates, FX rates and yield curves modelling
- Asset Liability Committee (ALCO) Reporting
- Advanced cash flows and simulation engine including CPR scenario

Advanced Package

- Real-time Liquidity Analytics
- Central bank availability and eligibility rules engine
- Cash flow simulations
- Cash flow generation
- Balance sheet scenarios

LCR/NSFR Reporting

Full Basel III LCR/NSFR Reporting

Regulatory Capital

Credit Risk, Exposure and Counterparty Management aims to provide simple functionalities to comply with Regional Basel II/III requirements.

Standard Package

- Out-of-the-box, regionalized solution
- Calculate risk-weighted assets and regulatory capital requirements
- Real-time exposures and limits monitoring

Advanced Package

- RAROC
 - IRB Approaches
 - Capital Allocation/Optimization
- Customer Analytics:
- Customer rating
 - Customer Segmentation
 - Customer Probability of Default and rating
- Transaction Analytics:
- Transaction pooling
 - Transaction rating and scoring

IFRS 9 Analytics

Statistical Models for Expected Loss (EL), Unexpected Loss (UL), Loss Given Default (LGD) and customer lifetime Probability of Default (PD)

COREP/FINREP Reports Packages

Pre-packaged reports to address COREP CRD IV regulatory reporting requirements

Market Analytics

A complete framework for portfolio risk management and advanced pricing functionalities for treasury and capital market financial instruments.

Standard Package

- Portfolio Risk Analytics
- Treasury Portfolio Analytics
- Vanilla Products Analytics
- Derivatives Products Analytics & Pricing
- Risk Benchmarking
- Performance Allocation
- Portfolio Optimization

Analytical Tools

- Value at Risk (VaR) calculation models (Covariance, Historical and Monte Carlo)
- Advanced VaR sensitivity model (incremental & marginal)
- Stress testing
- Illiquid Securities Pricing
- Yield Curves

Fraud Detection Analytics



Operational risk mitigation provided by Temenos' partner - NetGuardians.

- Internal/external fraud
- Real-time detection
- User behavior analytics
- Pattern-based intelligence
- Predictive analytics
- Profiling



Enterprise Risk
Management

Temenos customers
achieve a higher level
of working capital
and reduce their
capital consumption
by up to **37%**.

Enterprise Risk Management Analytics Packages

Enterprise Risk Management offers tailored content packages for specific banking verticals including the following:



Retail

- Online customer segmentation
- Online customer scoring and rating
- Multi-variable, multi-purposes scoring engine
- Retail lending products simulation and risk/profitability metrics
- Loan profitability simulation using interest rate/constant pre-payment ration scenario
- Customer overall ROC



Corporate

- Online customer segmentation
- Online customer scoring and rating
- Corporate lending products simulation and risk/profitability metrics
- Customer intra-day liquidity position



Wealth

- Online portfolio valuation (vanilla and derivatives products)
- Portfolio Greeks calculation
- Portfolio VaR metrics & trends analysis
- Portfolio P/L and Prices History Analysis