

RISKNUCLEUS®

## ENTERPRISE RISK MANAGEMENT

Release Date : Jan 2021

### ENTERPRISE RISK MANAGEMENT FUNCTIONALITY DOCUMENT

RiskNucleus® ERM offers a simple, user-friendly, cost-effective and extremely dynamic platform to help organizations simplify data management and internal and prudential risk reporting based upon Basel and local regulatory guidelines.



# KEY FUNCTIONALITIES

## RISKNUCLEUS® ERM

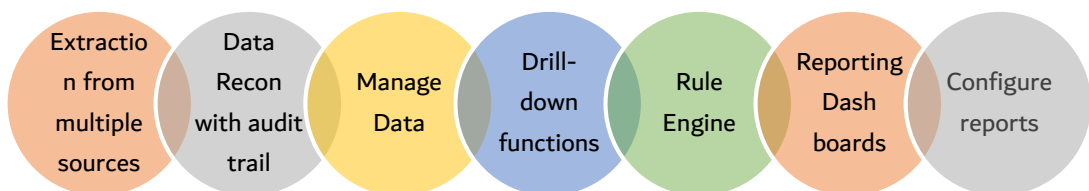
Fast evolving global regulatory landscape with augmented Basel III requirements on capital and liquidity has left many financial institutions struggling to manage enhanced data maintenance and risk reporting requirements. Existing practices are neither equipped to handle many of the new data requirements nor capable of being cost-effectively customized for this purpose.

### WHY AUTOMATE?

- Standardize classification and categorization across the organization: products, accounts, customers, etc.
- Consolidate data from sources within the organization and outside
- Improve risk communication through the use of a common risk framework
- Utilize resources more efficiently
- Enable scalability: Utilize available data for additional purposes and allow more data to be accumulated if necessary
- Place necessary controls over the reporting framework

RiskNucleus® ERM's comprehensive functionalities can help financial institutions optimize their risk infrastructures while reducing compliance costs by delivering automated regulatory compliance for Basel II and III. It encompasses credit, market, liquidity, concentration and operational risks. It offers an integrated end-to-end Basel III solution, covering data capture and integration, data management, regulatory capital calculations, and reporting engines.

### Key Features



## Data Capture & Integration

Import data from multiple sources in various formats through configurable templates or direct integration with existing systems. RiskNucleus® Extract, Transform & Load features organizes existing reporting systems by replacing spreadsheets and manual work with streamlined, automated single data reporting source.

## Data Checks & Validation

Multiple data validation checks ensures completeness and accuracy of source data. The system also generates an exception report showing errors in uploading data.

## Data Review & Reconciliation with Audit Trail

Full audit trail and transparency from source to submission. Review data that is uploaded/ imported into the system. Reconciliation and adjustment entries can be passed in the system with track of each change.

## Data Management

Provides a perfect data management solution for all input and output files. Modify imported data and add new or missing attributes to ensure data completeness and accuracy. Achieve all input and output files with logs for future reference.

## Drill-down Functionality To Inspect

## Data Elements

Use the built in drill-down functionality to inspect the data behind all key calculations, and extract a variety of system-generated reports. The system gives complete control over data which can be used to check and analyze key numbers with drill down up to customer transaction level.

## Rule Engine & Formula Builder

Use the powerful Formula Builder and Rule Engine modules to configure formulae directly linked to the Risk Data Mart, enabling automated calculation of complex ratios and other risk metrics for use in Basel III Capital Adequacy, Prudential Reporting and Internal Reporting modules.

# KEY FUNCTIONALITIES

## RISKNUCLEUS® ERM

### Parameterization of Key Calculations

Unique feature of RiskNucleus® ERM application is that it allows users to modify regulatory values that are seldom changed by themselves rather than requiring a development work if it had been hardcoded in the software.

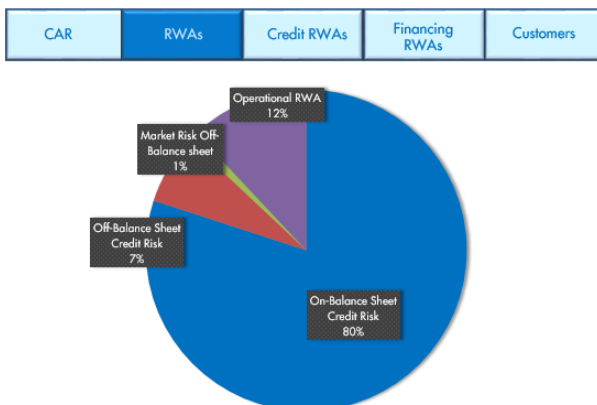
For example supervisory estimates of EAD and LGD in F-IRB Approach for Basel Calculation.

A range of pre-configure graphs and charts displays data in the form that can be used for management reporting. It can further be modified to include new graphs/charts. It has a unique drill down feature to inspect the data elements or further graphs/charts can be expanded within the graph.

### Pre-configured Reports

The system comes pre-configured to generate a number of reports, including exposure monitoring, liquidity analysis, maturity gap analysis, exposure concentration, investment analysis and many more. Additional reports can be configured on demand. The system allows extraction of Internal & External reports in formats as required by the user.

### Composition of Risk Weights



## Enterprise Risk Measurement & Reporting

BenchMatrix's RiskNucleus® - Enterprise Risk Management offers a simple, user-friendly, cost-effective and extremely dynamic platform. It is capable of automating end to end process and reduces hassle and stress for users.

### Basel II & III

Ensure compliance with local and global risk reporting guidelines. The system is fully aligned with Basel II, Basel III and CRD IV risk weighted assets and regulatory capital calculations along with all reporting requirements, comprehensively covering not only the necessary data needs, but also the myriad of preliminary transformations necessary to prepare risk reports.

### Liquidity Monitoring Tools

The system is configured to meet latest Basel guidelines on stable funding requirements including LCR and NSFR calculations and reporting

#### CAPITAL ADEQUACY RATIO

- Capital Adequacy Returns
- Leverage Ratio
- Dashboards

#### ALM

- Liquidity Gaps
- Re-pricing Gaps
- Modelling for Maturity of Non-Contractual Assets & Liabilities

#### LIQUIDITY MONITORING

- NSFR
- LCR
- Other Monitoring Tools

#### STRESS TESTING

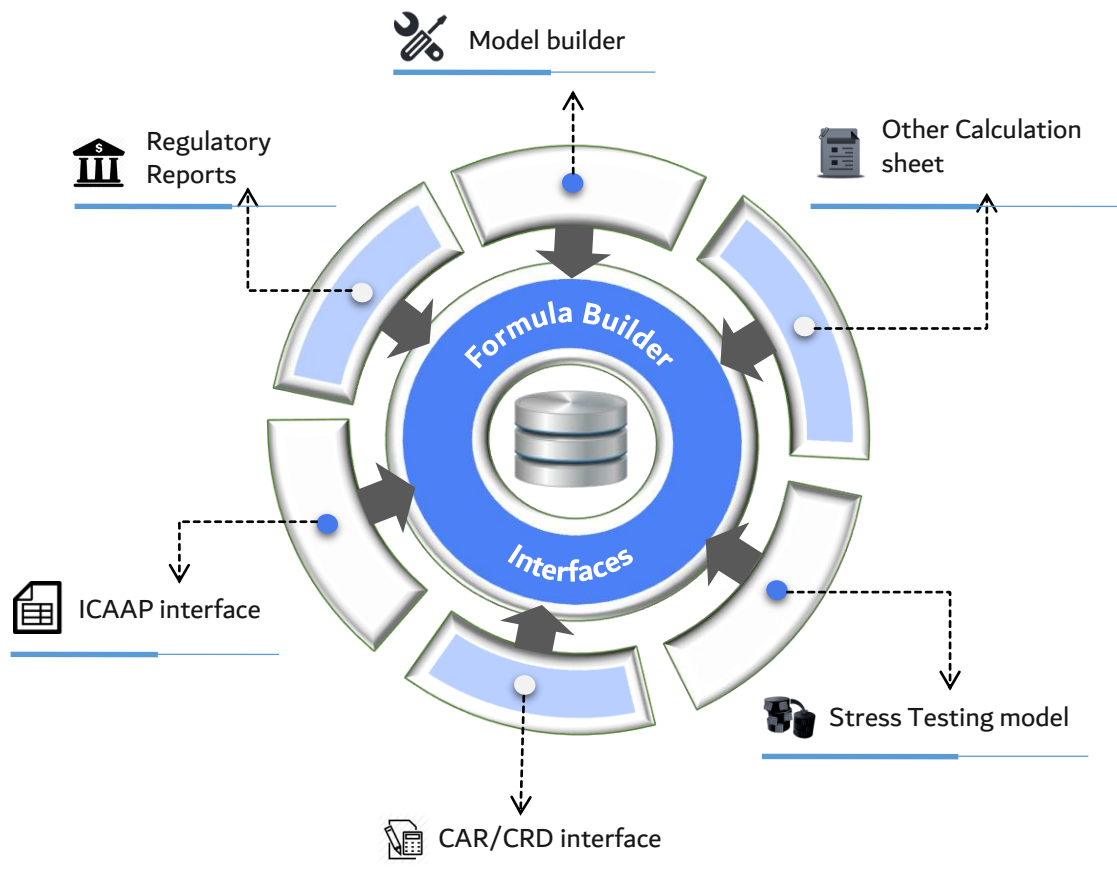
- Regulatory Stress Testing
- ICAAP
- Sensitivity Analysis

# IMPLEMENTATION METHODOLOGY

## RISKNUCLEUS® ERM

The challenges involved in automating regulatory return in a Financial Institution are manifold. The fact that different risk aspects and business activities are affected and different approaches for calculation are used makes the implementation complex. Over and above that incongruous and indeterminate data sources makes it all the more challenging. Efforts to implement a fully integrated solution not only requires input from risk management but also several other departments.

Timely and well defined project set-up is crucial in order to identify all areas of activities and aspects to be considered. With the expertise that Benchmatrix has in implementation of automation projects, coupled with our broad knowledge of the banking industry, equip us to support any particular requirements in a way that is customized to specific business needs.



### RISKNUCLEUS® PRODUCT SUITE

RiskNucleus® is a web-based, modular fully configurable and integrated application that streamlines the process of:

- **Consumer Loan Origination & Risk Rating** – Loan origination, credit approval management, credit policy, limit monitoring, financial documentation management, risk rating models, notifications, and integration with core systems.
- **Corporate/Commercial/SME Loan Origination, Risk Rating & Credit Administration** – Credit policy management, credit approval management, collateral management, ORR & FRR models, financial spreadsheets, facility and limit management, post granting functions, pricing models and exception monitoring.
- **Regulatory Compliance** – Regulatory compliance analysis, rulebook libraries, audit observations, self assessments, correspondences, action tracking and reports.
- **Anti-Money Laundering** – Watch list screening, transaction monitoring, customer due diligence and risk assessment, scenario management and reporting.
- **Corporate Governance** – Streamlines the entire process of shareholder, board and management meetings to save time, effort & cost whilst ensuring accountability and good corporate governance.
- **Enterprise Risk Management** – Pre-configured reports, capital adequacy ratio, liquidity ratios, data capture & integration, and data management.
- **Operational Risk Management** – Loss data & analytics, risk assessment, control testing, key indicators, and reports.
- **Market & Liquidity Risk** – Structural liquidity analysis, liquidity stress testing, exposure monitoring, funding analysis, flexible ratio analysis, and limit monitoring
- **Business Continuity Management** – Business impact analysis, business continuity strategy, crisis management, disaster recovery, plan monitoring, review and testing
- **Learning Management** – Customizable courses, question bank, exam management, certificates, dashboards, reports, delegated user management, and profile based workflow

With high-standard and easy-to-integrate technology, a simple and user-friendly interface, and comprehensive functionalities, RiskNucleus® will simplify the process of risk & compliance management at your organization and enable you to focus on your strategic business objectives.

# ABOUT US

## COMPANY PROFILE

**BenchMatrix is a leading advisory services and automated GRC solutions provider with a focus on developing practical and customized approaches to risk management for organizations.**

### CONTACT US

#### Head Office, Bahrain

Syed Muhammad Waqas Alam  
Office 63, Building 2317,  
Road 2830, Block 428, Al Seef,  
Manama, Kingdom of Bahrain  
waqas.alam@benchmatrix.com  
M: +973 3513 9689

#### United Arab Emirates & Kuwait

Sanju Francis  
Business Centre, Building C,  
3rd Floor, Dubai Logistics City,  
United Arab Emirates  
sanju.francis@benchmatrix.com  
M: +965 555 09074  
M: +971 50 1292279

#### Kingdom of Saudi Arabia

Sultan Malki  
3373, Abdulaziz Alkhurajiy,  
Alzahra District, Jeddah  
Kingdom of Saudi Arabia  
sultan.malki@benchmatrix.ca  
M: + 966 55 031 3461

#### Pakistan

Taimur Kaleem  
3<sup>rd</sup> Floor, Lakson Square Building No.3,  
Sarwar Shaheed Road,  
Karachi, Pakistan.  
taimur.kaleem@benchmatrix.com  
M: +92 332 5432689

#### Canada

Noman Zahid  
Unit 6B, 108 Ahrens St W, Kitchener, ON,  
N2H 4C3  
noman.zahid@benchmatrix.com  
D: +1 (647) 546-1985

# BenchMatrix >

BenchMatrix is a leading advisory services and automated GRC solutions provider with a focus on developing practical and customized approaches to risk management for organizations.