

# Brex<sup>IT</sup> Solutions

German Engineering for European Market



# Your Brexit Challenges and Our Brex<sup>IT</sup> Solutions

- On 23 June 2016 people of UK have **voted to leave the EU**.
- Financial Institutions from UK, EU and Third Countries have started to develop scenarios and to decide which way to go to keep business running or even to **expand business**.
- After the 'big' decisions have been made the **next steps** need to be taken.
- For your **German hub** you need proper solutions for your data & IT, the German regulatory environment, risk management, accounting and AML.



- For hundreds of banks **msgGillardon** is the **trusted supplier** for solid **software** solutions on the one hand and high end **business consulting** on the other hand.
- In Germany we offer leading regulatory reporting solutions (**BAIS**). For many years banks trust in our margin calculation (**MARZIPAN**) and bank management software (**THINC**). 
- Our experienced **business consultants** will guide you through all of the relevant regulatory and accounting requirements and will find suitable solutions for your needs. 



## Main Goals

- Understand the specific German regulators' requirements for IT systems.
- Implement an efficient and secure IT environment which also supports your future growth

## Your Challenges

- **IT:** Compatible, scalable and proven software is a key for your German hub. Depending on your Brexit-Strategy you need the flexibility to either connect German systems to your host country systems or to run the systems on a stand alone basis. Specific German regulatory requirements in terms of IT handling need to be met as well (MaRisk, BAIT).
- **Data:** You need solid processes and systems for data storage and data analysis as a basis for client handling, internal margin calculations and external reportings. Data storage and processing need to fulfill specific German and European regulatory requirements as well, specifically in terms of data protection reasons (EU DSGVO) and Risk Data Aggregation (BCBS 239).

## Our Solution

- **Products:** We offer highly integrable and scalable software. Our solutions cover margin calculations, ALM, risk and liquidity management tools as well as regulatory reporting engines. For these products we are very proud to recognize a high market coverage for the German market. We are the trusted supplier for a wide range of banks in Germany. 
- **Integration Services:** For all of these products our consultants for Business IT-Alignment support the integration of software into your specific IT environment and make sure that you are happy with your customized solution. Due to our Centers of Competence we also make sure that all of our products reflect the latest technical and regulatory requirements. 



## Main Goals

- Identify and understand specific German regulatory requirements and reportings
- Reflect these specific German requirements within your written procedures and processes

## Your Challenges

- **Capital Requirements, ICAAP and ILAAP:** You need customized solutions for capital, risk and liquidity management. Large exposure and concentration risks need to be handled efficiently.
- **Processes and Controls:** All of your processes and controls have to meet specific and strict German requirements (MaRisk).
- **Competencies and Skills:** Board members and employees need to understand the specific German Regulatory Requirements.
- **Specific German Reportings:** For the specific German Regulatory Reportings (Bista, FinaRisikoV, etc.) you will need adequate tools and technical skills.

## Our Solution

- **Products:** We are key provider for Regulatory Reporting Solutions (CoRep, FinRep, AnaCredit) in Germany. Our software BAIS is the first choice for many banks in Germany. Due to our combined technical and functional competencies we have a very deep understanding of regulatory requirements and reportings. 
- **Business Consulting:** Our Center of Competence for Regulatory Reporting and Compliance will guide you through the German and European regulatory requirements. Our long-standing relationship with the German regulator and the German Association of Foreign Banks in Germany is your safe harbour to do the right things here in Germany. 



## Main Goals

- Understand the new business model and the German market and its customers
- Re-calibrate your current ICAAP and ILAAP process to reflect the new situation

## Your Challenges

- **Internal Capital Adequacy Assessment Process:** Internal Capital Adequacy is an ongoing constant process which needs to be aligned to your strategy and operating model of your new hub in Germany.
- **Internal Liquidity Adequacy Assessment Process:** Equally to ICAAP for your new German hub you need a customized ILAAP which is aligned to the parent company and the group.
- **Internal Models and Risk Indicators:** If you use Internal Models you need a re-calibration of your models to reflect the new business model and the specific German market and regulation.
- **Supervisory Review and Evaluation Process:** ICAAP and ILAAP need to be aligned with SREP requirements to avoid capital add-ons.

## Our Solution

- **Products:** Our Capital, Risk and Liquidity planning tools make it easy to monitor and steer the most relevant risk and performance indicators. We are able to match and connect these tools with your external reportings. These tools have strong drill down functions so you get transparency when you need it. 
- **Business Consulting:** Our highly skilled business consultants bring in a wide range of practical experiences when it comes to ICAAP, ILAAP and Pillar 1 / IRBA. We prepare banks for SREP and other audits by the Regulator to make sure that you get the best possible results and to support you in keeping your relationship to the regulatory authorities excellent. 



## Main Goals

- Understand the specific German accounting rules
- Implement an easy but also scaleable solution for potential growth in the future

## Your Challenges

- **Processual environment:** For your German hub you need to consider the generally accepted principles of computer-based accounting systems (GoBS). Also, a bunch of specific requirements of the German Institute of Public Auditors need to be met, like the „Generally accepted accounting principles for the use of information technology" (IDW RS FAIT 1) to get the auditors certificate.
- **Functional Requirements:** German authorities will ask for annual tax accounts based on German local GAAP. Your host GAAP must be transformed to German GAAP or German GAAP needs to be transformed to your host GAAP. Also, German GAAP is the basis for some specific German regulatory reportings.

## Our Solution

- **Products:** Together with our partners from the finance industry we have developed a pioneering single platform where we have combined various calculation engines for accounting, regulatory reporting and risk management under one roof (EGP). 
- **Business Consulting:** Our highly skilled business consultants will support you to implement your accounting solution or will support to integrate EGP into your IT environment. We will also help when it comes to GAAP conversions or preparing reporting packages for your host country. 

## Main Goals

- Understand the specific German market and its customers
- Calibrate the current AML infrastructure for a risk based AML monitoring for the German market

## Your Challenges

- **Knowing your new customers:** When running your business in Germany you not only required to know the German exposed persons but also specific German market insights to fulfill the AML requirements.
- **Access to specific German databases:** As every market the German market is special as well. Thus, you need access to the specific databases to be able to ascertain the economic beneficiary.
- **Risk based analysis and ongoing monitoring:** You need to calibrate your current processes and systems for the German market situation to the required risk-based AML procedures.

## Our Solution

- **Products:** With our AML solution msg.BPC we have developed a tool to automate the monitoring and identification process for your customers. Our solution can be linked to your current databases. Detailed reports help to fulfill your documentation requirements.
- **Business Consulting:** Our consultants will give advise to guide you through the specific requirements of the German regulator when it comes to AML. We bring in practical experience from various implementation projects for AML infrastructure.

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