HCLTech | Supercharging Progress™

Enhancing regulatory reporting for a leading financial services organization

Streamlining risk management and compliance through automation and data governance

A Fortune 500 financial services group, specializing in serving the U.S. Military and their families, faced challenges in meeting stringent BCBS239 regulations for Risk Data Aggregation and Reporting. The organization sought a partner to help automate Key Risk Indicators (KRIs) and develop a robust data infrastructure for regulatory compliance. HCLTech's expertise in business analysis, data governance and visualization enabled the financial services group to enhance risk management, improve operational efficiency, and ensure compliance with regulatory requirements.

The Challenge:

Meeting stringent regulations and enhancing risk management

The bank had grown substantially in recent years, resulting in increased scrutiny under BCBS239 regulations. An OCC audit identified critical weaknesses in the bank's risk infrastructure, leading to a consent order to address these issues. The bank was required to focus on approximately 120

"Tier 1" regulatory reports, ensuring compliance and certification for these reports and the underlying data infrastructure.

These 'Tier 1' reports are first worked on to be compliant and certified along with the underlying data infrastructure.

Key Risk Indicators (KRIs)

- Key Risk Indicators (KRIs) is a metric that indicates the level of exposure to the given risk. It is a measurable predictor of unfavourable events that can impact an organization. These are managed by Board of Directors and Senior Risk Officer (SRO)
- KRIs program focuses on delivering data infrastructure that will enable for trusted reporting and analytics.
- KRIs can be classified as tactical and automated KRI's

  - Tactical KRIs are manual in nature, where the data is received by external sources or manually pulled and manually calculated.
  - Automated KRI translates the requirement of the tactical KRI into an automated solution by using approved data sources with appropriate governance and controls to achieve the trusted results need by the organization.

The Objective:

Automate KRIs and develop a robust data infrastructure

The bank aimed to develop alerts and trigger limits for KRIs and establish a data infrastructure capable of retrieving five years of monthly data. The KRI automation program was divided into four stages, each with specific milestones representing evidence artifacts

Data Requirements   Gathering   ELT development   Visualization   Certification

The Solution:

Comprehensive approach to risk management and compliance

HCLTech's team played a crucial role in performing business analysis and requirements gathering. They ensured data governance and compliance by developing the ELT process and managing product migration. The team loaded all relevant historical data into appropriate tables to enable the development of visualizations.

They also designed and developed visualization models based on organizational standards, promoting dashboards from the lab to QA and ultimately to production. Lastly, they facilitated report certification and documentation of key entities for data governance.

The Impact:

Improved risk management, operational efficiency and regulatory compliance

The collaboration with HCLTech resulted in several key benefits for the financial services organization. It provided an objective and clear measure of risk exposure and its evolution, helping to identify the root causes of risk events to reduce reaction time and operational issues. The solution acted as a catalyst for decision-making and forecasting, maximizing operational

efficiency by focusing on risk awareness, accountability and mitigation. The developed reports used data compliant with data quality and governance standards, ensuring compliance with BCBS 239 regulations. Finally, the standardized Tableau dashboards provided a future-proof solution for all KRI reporting.

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