

zeb/

# zeb/**base.II**

Ensuring regulatory compliance

base.II

# zeb//control –

## Increasing earnings, managing risks

An efficient management of financial service providers requires flexible information, planning and analysis tools. The zeb//control product range provides the technical support for managing a multitude of financial controlling, risk measurement and monitoring, accounting and value management tasks.

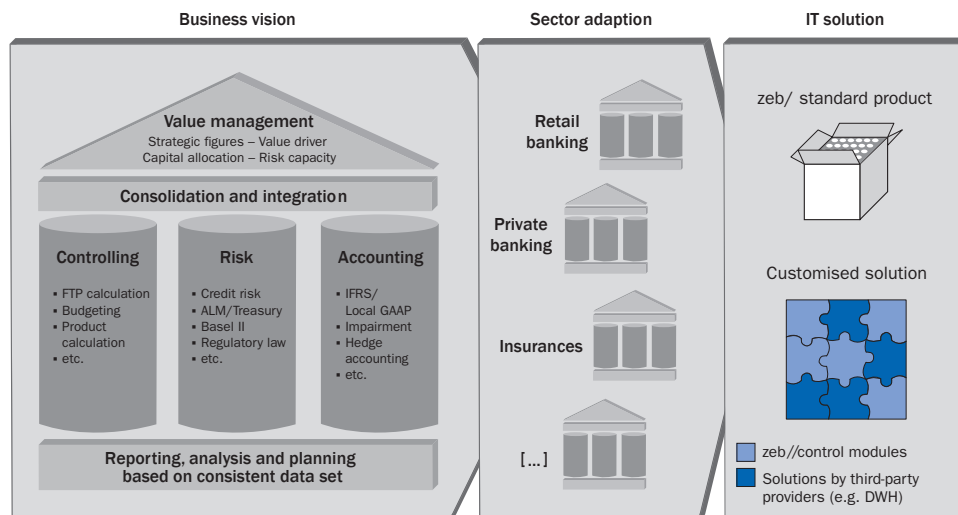


Fig. 1: Functional and technical zeb//control framework

Today the functional challenge – in addition to the required methodological excellence in sub-areas – consists of the consolidation of financial figures across functional areas and strategic business segments. The requirements resulting from various business models are covered by industry-specific adaptations.

In order to ensure flexible and sustainable applicability in this complex context, the technical realisation of zeb//control is based on the SOA principle. The user can define the product range configuration and the standardisation of individual modules freely, enabling a fast integration in existing IT architectures.

The various zeb//control configurations prove to be efficient in daily applications in a multitude of innovative nationally and internationally operating banks. The close interaction of functional and technical expertise is a key success factor for all implementation projects.



## zeb/basel.II – Ensuring regulatory compliance

Compliance with regulatory reporting requirements pushes most IT structures to their performance limits. This innovative and highly flexible Basel II product package has proven its worth in practice for many years. All the legal requirements are analysed at an early stage and supported in timely releases so that you always have a regulatory-compliant solution.

zeb/basel.II covers all approaches for calculating credit risk (standardised approach and internal ratings-based approaches) and operational risks and allows you to process all the product and collateral types relevant for Basel II.

## Flexible configuration of the solution

In zeb/basel.II, customer-specific structures and Basel II parameters are freely configurable. For example, the calculation approaches selected, national and bank-specific discretions as well as customer-specific product structures can be easily laid down in the configuration interface and filed so that audit acceptability is ensured.

In addition, the solution has full multi-client capability, i. e. it can save the configuration settings (such as discretions) separately for each client created. Moreover, the software provides comprehensive support for group consolidation.

## Loss database for collecting loss information

In particular, approval of the IRB approaches requires a gapless history of loss data. zeb/basel.II supports the identification of defaults in line with Basel II and, triggered by events, builds a history of Basel II-relevant cases in a loss database. The criteria used for default identification can be freely configured so that the solution can be integrated in all customer-specific environments.

As a result, the system computes the actual values of the parameters PD, LGD and CCF “at the push of a button”. On the one hand, they are used for parameter estimation and, on the other hand, for the required comparison with the regulatory parameters.

# Traceability of results

The introduction of the Basel II rules has substantially raised the complexity of capital requirement calculations. Therefore, zeb/basel.II allows the user to trace the individual calculation results in detail. In a web administration interface, the user can display the details of each calculation step together with the relevant intermediate results for each account to ensure full traceability. The presentation of the individual calculation steps is oriented to the logical course of processing for each account during the calculations.

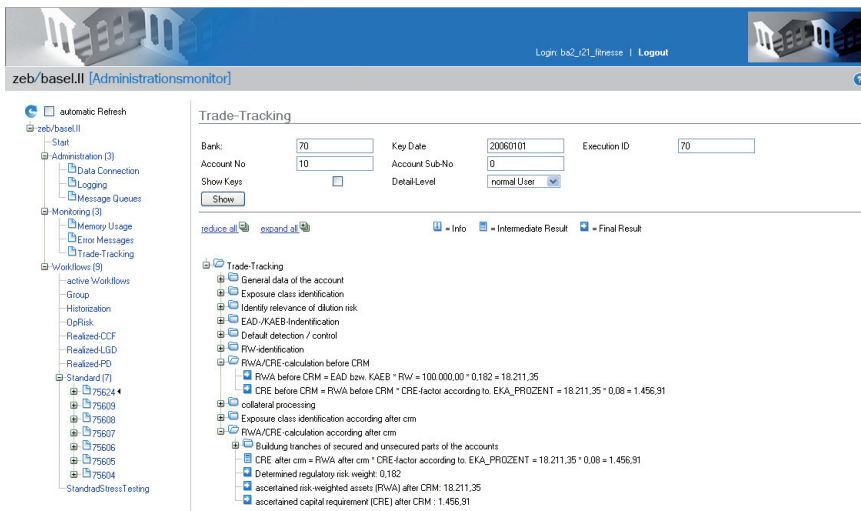


Fig. 2: Example of a top management report

## A modern reporting module permits detailed result analyses

The adequacy of the credit institutions' liable capital has enormously increased in importance against the backdrop of developments in the financial markets. The focus is increasingly on the message sent by the ratios calculated to rating agencies, business partners and investors. Under these circumstances, options for analysing all relevant factors influencing the regulatory parameters constitute a key requirement for reporting solutions so that the user is able to identify long-term and short-term potentials for optimising the bank-specific tier I ratio. To meet these demands, zeb/basel.II uses the efficient reporting module of zeb/control. In addition to standard reports (e.g. for the top management) included in the software, the users can also define customised queries for analyses.

The reports designed in line with the credit risk reporting forms of COREP present the results for the ratios required by the Solvency Regulation. In addition, thematic reports provide a detailed overview of the bank's current risk situation.

The individual reports can be easily exported from the web interface to the PDF, Excel and PowerPoint formats for archiving purposes. Furthermore, the data relevant for regulatory reporting can be transferred to standard reporting interfaces or transmitted to the central bank in the XML format.

Management-Summary

DEMO BANK

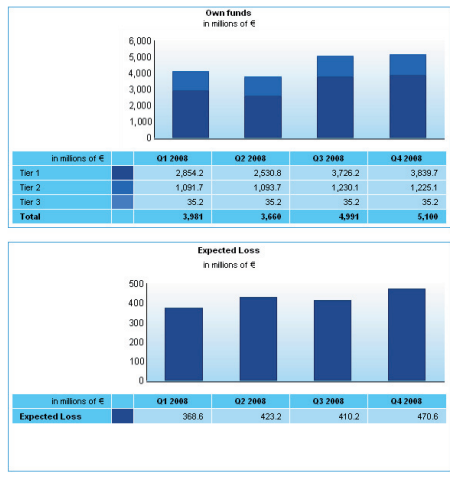
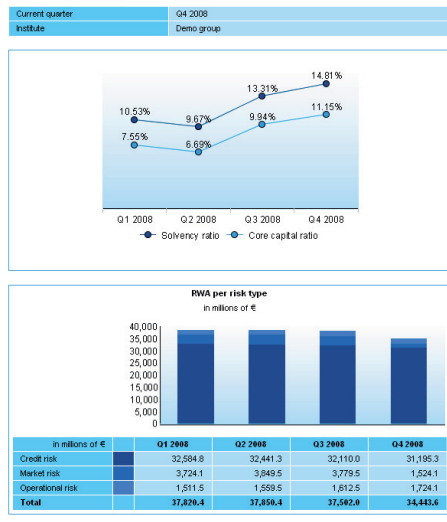


Fig. 3: Example of a top management report

Apart from the pre-defined regulatory reports, the users can very easily create and save target-group-specific queries on the underlying database. Thereby, they can analyse the regulatory reporting data over time and break down the data by freely selected criteria (e.g. risk weighting, PD classes, maturities, currencies). These analysis options make a key contribution to the early identification of risk drivers.

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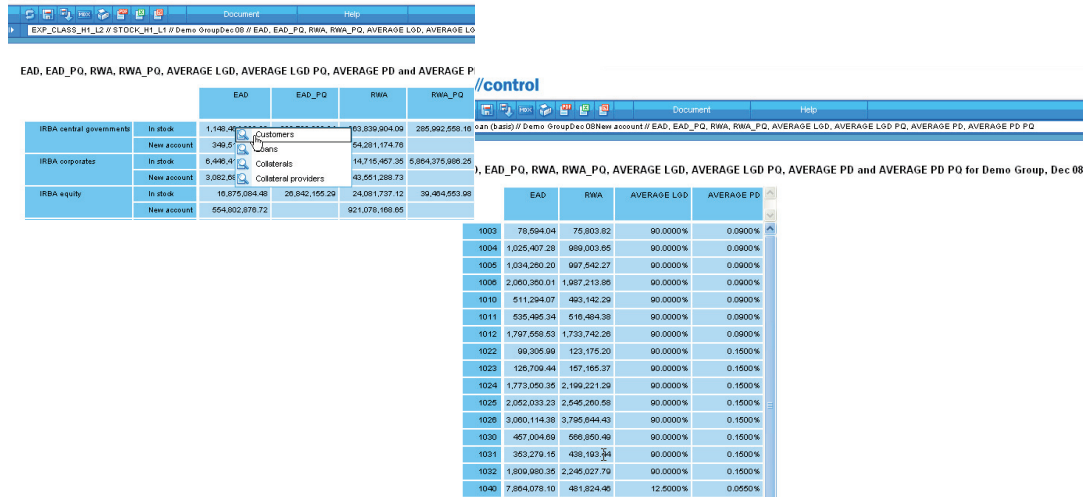


Fig. 4: Drill-down to individual records from a customised query

## Technical basis

zeb//control uses a platform-independent and scalable J2EE architecture that easily integrates into existing processes and system environments. The package includes an extensive authorisation system. An advanced web front-end system enables users to work timely and efficiently and provides for a safe and distribution free operation for administrators.

## Our methodology

The introduction of zeb//control is based on our proven customising approach model that includes all administrative and operative project management issues. In addition, our project committees ensure that our clients are always perfectly informed about the project status. The overall introduction process includes our independent and certified quality management. The competent zeb/ support staff is of course available for further questions even after the completion of the project.

## Your advantages at a glance

- With zeb//control, you use a controlling system based on integrated and consistent data that supports you in all bank-wide risk management, Basel II and IFRS issues.
- Based on long-standing experiences in the field of regulatory reporting, zeb/basel.II delivers comprehensive functionalities in a sophisticated software package. It permits the efficient processing of all products across the approaches available as well as detailed analyses of the result data.
- The flexibility of zeb//control enables you to easily adapt reports as well as structures according to your institute's individual requirements and to existing concepts.
- The modular zeb//control structure allows for an optimised alignment to specific conditions and the integration into existing processes and IT system environments.
- You use tailor-made software solutions offering a holistic solution through the combination of state-of-the-art technologies with cutting-edge know-how.
- You benefit from competent consulting based on long-term experience in developing and implementing business-critical applications for financial service providers.

# zeb//control –

## Increasing earnings, managing risks

**zeb//control compass** – Optimising strategy, increasing business success

- Value-oriented top management reporting across all functional areas
- Value-driver simulations and planning incl. cause analysis
- Focus on strategic figures (e.g. RORAC, TSR, etc.)

**zeb//control profit** – Precise profitability management

- Transparent and customisable return presentation
- Extensive and practically proven standard reporting
- Ex ante and ex post calculation of all contribution margin levels

**zeb/integrated.bank-planner** – Centralised and decentralised planning

- Integration of market division and central planning
- Comfortable support of top-down and bottom-up processes
- Automated proposal and allocation of plan values

**zeb/credit.risk-manager** – Identifying risks, optimising profit

- Analysis of the portfolio structure
- Optimisation of the risk/return structure
- Flexible scenario analyses

**zeb/integrated.treasury-manager** – Improving net interest income, planning actions

- Integrated present-value- and period-oriented ALM
- Comprehensive action simulation
- Structural liquidity planning

**zeb/portfolio.risk-manager** – Actively managing and assessing risks

- Compliance with legal trading requirements
- Position keeping and VaR measurement
- Integrated real-time limit system

**zeb/basel.II** – Ensuring regulatory compliance

- Coverage of standard and IRB approaches
- Loss data base with default management
- Interface to common reporting systems

**zeb/operational.risk-manager** – Managing and monitoring operational risks

- Systematic capturing of loss data
- Risk measurement by self-assessment
- Risk indicators as an early-warning system

**zeb/ifrs** – Meeting regulations confidently

- Categorisation, valuation and posting of all transactions in line with IAS 39
- Impairment for all types of IFRS value adjustment, including unwinding effects
- Cash-flow und fair-value hedge accounting

**zeb//control warehouse** – Creating an uniform database

- Uniform and consistent database
- Open architecture for flexible extension and integration
- Automatic identification of faulty data in plausibilisator

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