

Client	The client is an international bank with European roots with a clear focus on consumer and commercial clients in some key local markets and a global focus on select multinational corporations and financial institutions, as well as private clients.
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Project Name	Regulatory Requirements for Asset Securitisation
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Project Start Date	March 2007	Project End Date	March 2008
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Industry	<input checked="" type="checkbox"/> Commercial banking	<input type="checkbox"/> Insurance
	<input type="checkbox"/> Investment banking	
	<input checked="" type="checkbox"/> Private banking	<input type="checkbox"/> Asset and wealth management
	<input checked="" type="checkbox"/> Retail banking	
		<input type="checkbox"/> Corporate

Category of Service	<input type="checkbox"/> Performance measurement and monitoring	<input checked="" type="checkbox"/> Regulatory compliance and reporting
	<input type="checkbox"/> Portfolio risk management	<input type="checkbox"/> Business process improvement
	<input type="checkbox"/> Specialised risks	<input type="checkbox"/> Training and people change
	<input type="checkbox"/> Data Quality	<input type="checkbox"/> System selection and implementation

The Challenge	<p>The Basel II Accord imposes requirements for minimum regulatory capital held for the credit risk associated with asset securitisation. The client is a leading participant in the asset securitisation market, having significant exposures to traditional and synthetic programmes as originator, sponsor and investor. To be compliant at the advanced level, new enrichment data, calculations, systems, processes and reporting needed to be implemented. Without successful and timely accomplishment of these, the bank would not realise the reductions in capital requirements intended to be achieved by some of its securitisation transactions.</p> <p>The client asked advantage to manage the asset securitisation project for the European Business Unit, the one with the predominant share of its worldwide programmes, and to transition Basel II asset securitisation reporting into Product Control in the UK.</p>
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Approach and Solution	<p>avantage provided the consistent core of the project in a number of facets and through a series of phases:</p> <ul style="list-style-type: none"> • Definition of the growing inventory of programmes in the scope of responsibility; • Documenting the structure of the programmes and detailing the client’s roles in them; • Sourcing previously unavailable asset data programme and the underlying asset enrichment information; • Specifying the forms of communication and data transfer, and matching and allocation algorithms, for cross-jurisdictional business unit programmes; • Interfacing with system developers and testing the strategic solution; • Building the tactical calculator to model the asset securitisation programmes, determine regulatory capital requirements, relief generation, and reporting approaches;
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	<ul style="list-style-type: none"> • Soliciting appropriate stakeholders and securing agreements on policy and approach; • Defining ongoing and monthly processes to continue in Product Control and other functional areas; • Transferring knowledge to the business-as-usual resources; • Regularly reporting progress to the various senior stakeholders (e.g., Group Basel II asset securitisation project, Business Unit Basel II project, UK Finance).
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Results and Benefits	The client has successfully commenced external reporting and realised the reductions in capital requirements intended to be achieved by some of its securitisation transactions.
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Software used	Not applicable.
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