

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.
---------------	---

Project Name	Basel II Advanced Internal Ratings Based (IRB) Approach
---------------------	---

Project Start Date	June 2007	Project End Date	March 2008
---------------------------	-----------	-------------------------	------------

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

The Challenge	<p>The Basel II Accord imposes new standards for risk measurement and capital adequacy. For the client to achieve 'Advanced' status in this area, new data models, calculations and systems needed to be put in place. This placed tremendous change pressure on the organisation. Additionally, the client formed a new project within the business-as-usual (BAU) functions.</p> <p>avantage was engaged to develop and manage the Basel II project team, incorporating the Basel II BAU team and Asset Securitisation team. The team was required to deliver Pillar 1 reporting and control processes, involving all aspects of delivery from project management, subject matter expert (SME) knowledge, process and tool development, training and handover to BAU staff. Additionally, the project team was responsible for the delivery of the Basel II parallel runs during 2007 until such time as these processes were handed over to the relevant BAU teams at the end of Q3, 2007.</p> <p>avantage continues to provide SME and project management resources for the second phase of the Basel II project.</p>
----------------------	---

Approach and Solution	<p>At the initial stage of the project, advantage consultants provided the core of the following functions:</p> <ul style="list-style-type: none"> • Facilitated, managed and coordinated internal and external parallel runs by completing any data sourcing and file preparation; • Detected and rectified all data integration and data quality issues; • Reviewed business validation exception logs and executed asset completeness reconciliation; • Performed analytical review of integrated data and Risk Weighted Asset results; and • Prepare signoff reporting suite and obtained relevant business unit signoffs.
------------------------------	---

	<p>On an ongoing basis, avantage consultants are responsible for:</p> <ul style="list-style-type: none"> • Ensuring compliance with Basel II requirements; • Maintaining the scope of activities and the roadmap for develop plans; • Implementing the Business Unit Target Operating Model (TOM); • Liaising with UK host regulator; • Monitoring the progress of the implementation of tactical host reporting solutions developed by Services IT; • Facilitating change management where new data requirements or common reference data is required by a host regulator; • Project management of Basel II BAU and project teams; • Oversight of BU EU Basel II Training & Education; • Conducting gap analyses (regulatory, business, functional and data) to support 'Advanced' status; • Finalising the transition of Asset Securitisation solution and process to BAU for Basel II reporting purposes; • Co-ordinating data quality improvements; • System testing, integration testing and acceptance testing (end-to-end) and parallel run.
--	---

Results and Benefits	<p>As the client's UK portfolio is the largest and most complex within Europe, much emphasis has been placed on the quality of the work completed by the project team. Feedback throughout the year has been extremely positive, with avantage being the first choice when additional resources have been required. This has also been evidenced by all consultants having their contracts renewed and extended.</p> <p>It is anticipated that many of the designs and initiatives developed by avantage consultants will be used by the client in the future.</p>
-----------------------------	--

Software used	Not applicable.
----------------------	-----------------