

Brex^{IT} Solutions

German Engineering for European Market

Your Brexit Challenges and Our Brex^{IT} Solutions

- On 23 June 2016 the people of the UK **voted to leave the EU**.
- Financial Institutions in the UK, the 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**.
- Once the 'big' decisions are 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** both of solid **software solutions** and of high-end **business consulting**.
- In Germany we offer leading regulatory reporting solutions (**BAIS**). For many years, banks have trusted in our margin calculation (**MARZIPAN**) and bank management software (**THINC**). 
- Our experienced **business consultants**  will guide you through all the relevant regulatory and accounting requirements and will find suitable solutions for your needs.

IT & Data



Main Goals

- Understand the specific German regulator's requirements on IT systems
- Implement an efficient and secure IT environment that 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 those of your host country 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 reporting. Data storage and processing need to fulfil specific German and European regulatory requirements as well, specifically in terms of data protection (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 acknowledge 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 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 customised solution. With our Centers of Competence we also make sure that all our products take the latest technical and regulatory requirements into account. 

Regulatory Compliance



Main Goals

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

Your Challenges

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

Our Solution

- **Products:** We are the key provider of regulatory reporting solutions (CoRep, FinRep, AnaCredit) in Germany. Our BAIS software 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 reporting. 
- **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 for correct procedures here in Germany. 

Risk Management



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 that needs to be aligned to your strategy and the operating model of your new hub in Germany.
- **Internal Liquidity Adequacy Assessment Process:** In addition to ICAAP for your new German hub, you need a customised ILAAP that is aligned to the parent company and the group.
- **Internal Models and Risk Indicators:** If you use internal models, you need to re-calibrate your models to reflect the new business model and the specific German market and regulations.
- **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 reporting. They have strong drill-down functions that ensure you get transparency when you need it. 
- **Business Consulting:** Our highly skilled business consultants bring in a wide range of practical experience when it comes to ICAAP, ILAAP and Pillar 1 / IRBA. We prepare banks for SREP and other audits by the regulator to make sure you get the best possible results and to support you in maintaining an excellent relationship to the regulatory authorities. 

Accounting



Main Goals

- Understand the specific German accounting rules
- Implement an easy but also scalable 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 number of specific requirements of the German Institute of Public Auditors need to be met, such as the “Generally Accepted Accounting Principles for the Use of Information Technology” (IDW RS FAIT 1), in order to acquire 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 reporting.

Our Solution

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

Anti Money Laundering and Know Your Customer



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, to fulfil the AML requirements you are required not only to know the exposed German persons but also to have specific insights into the German market.
- **Access to specific German databases:** Just like every market, the German market has its own special characteristics. You thus need access to the specific databases to be able to ascertain the economic benefits.
- **Risk-based analysis and ongoing monitoring:** You need to re-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 fulfil your documentation requirements. 
- **Business Consulting:** Our consultants will give advice 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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