

Factsheet – NeoLimits

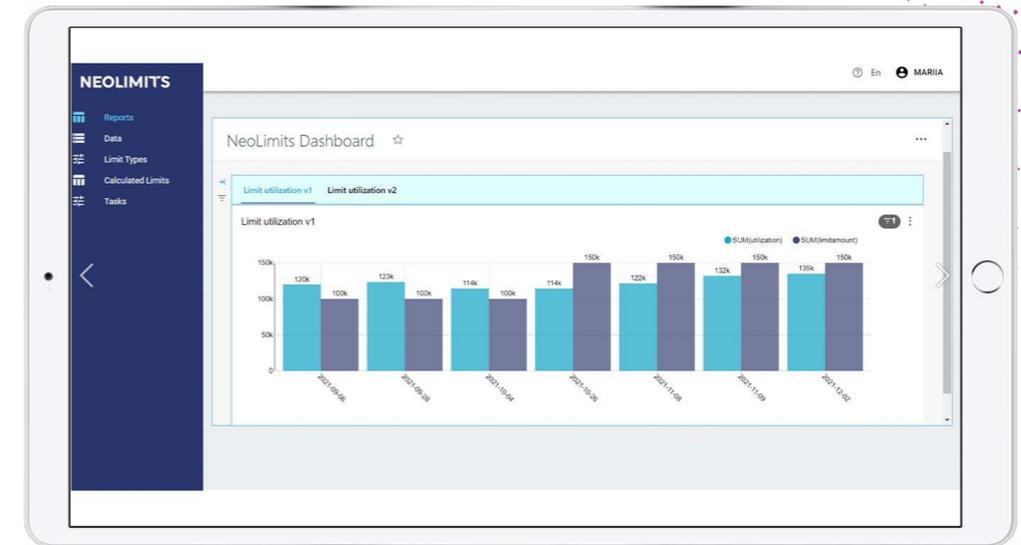
Make informed decisions concerning metrics to enable fast limits data delivery and modeling

Set and control banking book limits including Interest Rate Risk in the Banking Book, counterparty, country and industry limits, as well as limits for indicators like Liquidity Coverage Ratio, Net Interest Income and Economic Value of Equity.

The banking industry is faced with the need to be compliant with regulatory requirements and to be agile to ensure an on-time response to fast-changing market conditions. Banks must also implement policy limits that target maintaining Interest Rate Risk in the Banking Book (IRRBB) exposures consistent with their risk appetite, which exposes the bank to regulatory limits breaches and penalties.

Existing solutions are hard to generalize and extend. The impact of extreme events such as Covid-19, require dynamic limits reassessment for ensuring the reliability of metrics and outstanding hedging strategies.

NeoLimits application helps banks to meet these challenges. It reacts rapidly to changes in the external environment and dives deeper into analytics, while covering regulatory limits and metrics.



NeoLimits Dashboard seen above

How it works

NeoLimits is a cloud-based solution that helps financial institutions collect and analyze internal and regulatory risk metrics. The app offers a fully automated limit control process from data import to report generation, as well as limit events notification, prospective modelling and 4-eyes approval workflow.

NeoLimits app allows the banks to set banking book limits including Interest Rate Risk in the Banking Book (IRRBB) limits, to consolidate metrics control and manage them in one system. This allows financial institutions to make informed decisions concerning internal and external metrics, aggregated or on a deal level, giving fast delivery of limits data and limits

modelling. App provides risk officers with an option to control risk appetite utilization by using excess management and 4-eyes approval processes.

The solution is fully integrated with Finastra's Fusion Risk core system, however due to its open data model it accepts information from any other system. It is compliant with the IRRBB limits, as well as any other metrics calculated by Fusion Risk such as Liquidity Coverage Ratio (LCR), Net Interest Income (NII) and Economic Value of Equity (EVE). NeoLimits collects data from the system and performs interim calculations to evaluate indicators for limit setting. Flexible reporting tool shows evolution of ratios over time and helps to make relevant decisions to adjust risk management approach.

Why NeoLimits?



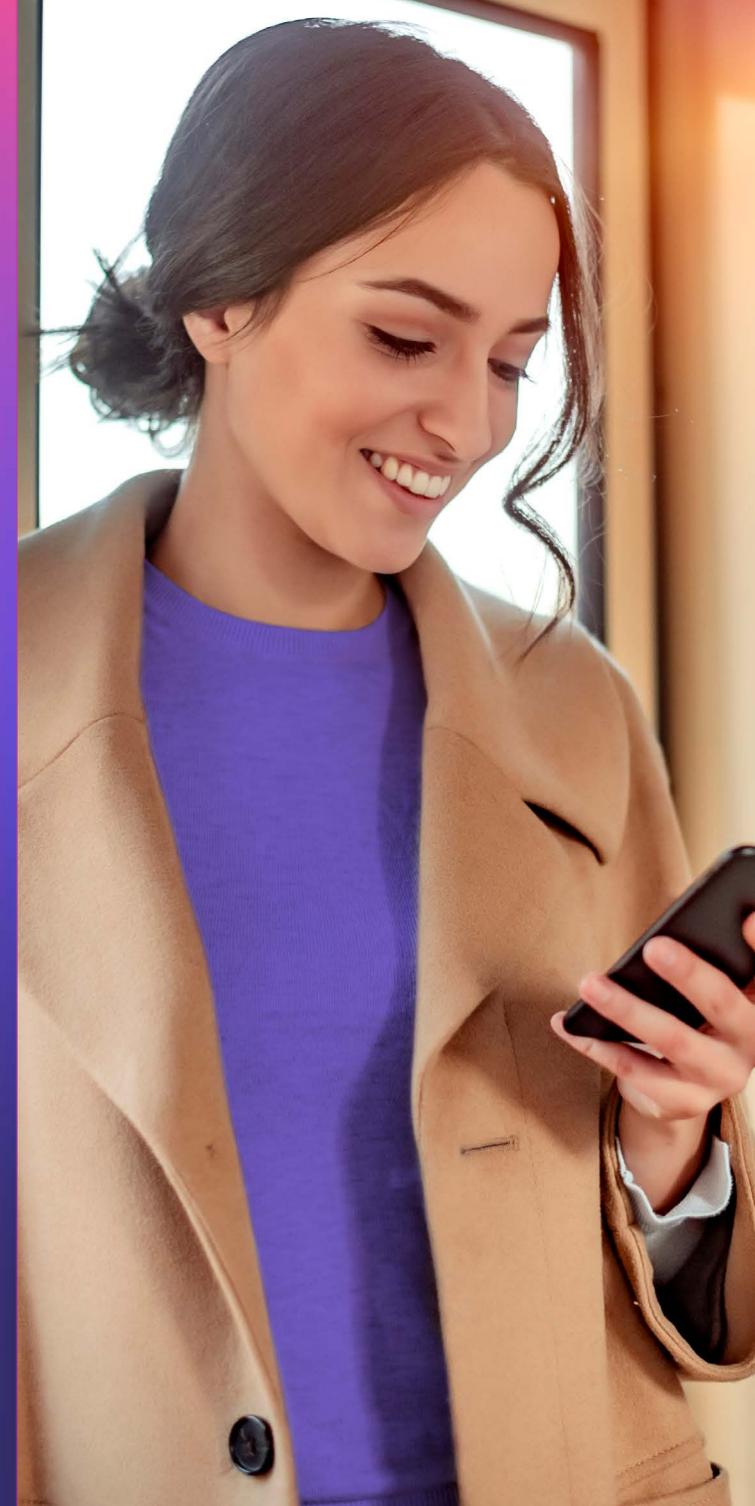
Leverage full limits banking book monitoring including IRRBB limits, as well as analytics for limits gaps and other metrics delivered from Fusion Risk (LCR, NII, EVE). Open data model allows to consolidate indicators from different sources.



Overcome complexity by flexibility & transparency with quick data transfer, limits calculation and notification services for dynamic and accurate decisions. Prospective modelling helps measure the impact of a new or modified deal on the limits, breach or not regulatory limits.



Seamless native integration with Fusion Risk to deliver the required market data using FusionFabric.cloud platform. Use the friendly and aggregated User Experience Platform (UXP) for process controlling for various risk type. It is fully managed as a service.



NeoLimits ensures up to 40% reduction in time to prepare information for decision-making and make the process more transparent.

Key benefits



Increase revenue

Measure accurately the overall level of capital with both the actual measured level of risk and its risk appetite, considering the impact on internal capital of potential changes in the economic value and future earnings resulting from changes in interest rate.



Improve efficiency

The solution is fully managed as a service which improves connectivity to set limits dynamically and to detect emergent risks. Highly customized dashboards give the ability to drill down into the headline figures and run self-defined analyses. Native integration from Finastra's Fusion Risk ensures on-time data delivery.



Reduce cost

Limits utilization compared to policy limits will lead to faster management decisions, better controls and reduce risk of regulatory penalties. This covers both limits monitoring for risk factors (IR, FX, CR) and key metrics such as LCR, NII and EVE, so banks can manage its costs pro-actively.



Reduce risk

Improve limits predictability and optimize risk appetite by providing granularity and transparency inputs. Understand how and why enhancing the auditable experience and developing plans of action in a timely manner address the exposure.

Contact us

About Finastra

Finastra is building an open platform that accelerates collaboration and innovation in financial services, creating better experiences for people, businesses and communities. Supported by the broadest and deepest portfolio of financial services software, Finastra delivers this vitally important technology to financial institutions of all sizes across the globe, including 90 of the world's top 100 banks. Our open architecture approach brings together a number of partners and innovators. Together we are leading the way in which applications are written, deployed and consumed in financial services to evolve with the changing needs of customers. Learn more at finastra.com

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