



## SAS® STRESS TESTING ARCHITECTURE ASSESSMENT

### ■ Key Benefits

- **Holistic Review of your Risk Valuation Processes:** Including your architecture, data sources and an evaluation of the challenges within your existing framework. We also include a full assessment of all your portfolios, risk factors and positions data by risk engine and department.
- **Ensure Compliance:** Our assessment provides an overview of your readiness to remain compliant in a rapidly changing economic climate.
- **Speed Future Project Delivery:** Our documented review provides a visual workflow tracing risk measures from your final reports back to your source data. This will accelerate future projects.
- **Reduce Project Risks and Control Costs:** Deliverables from this assessment will enable you to easily and efficiently target areas of your current environment that require upgrading.

In the current economic climate, most organisations are experiencing significant change, be it from mergers and acquisitions which lead to increased size and complexity, or rationalisation leaving them exposed to unstructured IT systems built from a mix of tools.

The SAS® Stress Testing Architecture Assessment will help your organisation unravel this complex environment and prepare you for recent developments in the FSA requirements for holistic stress testing.

### Service description

The SAS Stress Testing Architecture Assessment is a thorough evaluation of your company's portfolio stress testing architecture, which will help your company bridge the gap between its current stress testing operations and where it needs to be to meet changing FSA regulations.

The Assessment is not intended to recommend a replacement for your current system, but will assess the strengths and weaknesses of your current processes to evaluate whether your institution can achieve a holistic approach to stress testing.

Such an approach involves the mapping of your current risk valuation processes to a single point of control and corresponding results for stress tests, hence building transparency into your framework.

During the assessment our consultants will work with you to perform an end-to-end assessment of the architecture and processes in place to run your portfolios.

This service will be a first step towards helping you meet your compliance targets. Also included is an estimation of efforts for the implementation of our recommendations using the SAS Stress Testing Integration Service in your current environment. This will enable you to fully meet your compliance goals.

### Service activities

Over the course of the project, SAS consultants will:

- Run a project initiation workshop to define scope and align with the regulatory requirements specific to your institution
- Conduct workshops and assessments to review your architecture, data sources, market data and portfolios
- Ascertain and assess reverse stress testing requirements
- Interview key 'C-level' staff to assess gaps in the current technical system which need to be addressed.



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## Service deliverables

Once the project is completed, SAS architecture consultants will provide you with:

- A 'gap analysis' detailing the gap between your current framework and where you need to be to achieve FSA compliance
- A roadmap defining the strategic approach required to achieve a framework for standardising stress tests
- A template of results for each system detailing the minimum values returned by all systems
- A template of inputs into risk engines detailing the requirements needed to run scenarios for all the bank's systems
- A high level project plan and architecture
- A breakdown and estimate of effort required to implement the SAS® Stress Testing Implementation Service.

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## Estimated duration

Duration will vary in line with your particular requirements, the number and complexity of your valuation systems; the number of portfolios, types, risk factors and defined data sources; the complexity of the valuation and stresses required..

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## Estimated price

Price depends upon various factors: level of effort, required skills or expertise, market demands and business strategy. Contact your SAS Account Manager to determine the estimated price and duration of this service, and for more information about related services. All travel and expenses are additional.

## ■ Recommended Extras

The SAS® Stress Testing Integration Service is the next step in the process to ensure regulatory compliance for stress testing. SAS Stress Testing Integration provides your institution with an integrated solution to stress test your entire portfolio by building a framework around the various portfolio valuation engines to allow for a single point of definition of your corporate stress test, along with a single set of results for all portfolios.

The result is consistency in stress testing across portfolios providing a holistic view of your exposures, in a defined and transparent framework.



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MARLOW BUCKS SL7 2EB +44 1628 486933 [WWW.SAS.COM/UK](http://WWW.SAS.COM/UK)

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