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Regulatory Capital Management

SAS is ranked as a leader in advanced analytics and AI.

SAS software is open, cloud-based, unified and powerful.

SAS has customers in 147 countries.

SAS software is installed at more than 83,000 customer sites.

The Issue

Banks worldwide need to calculate and report regulatory capital based on the Basel capital norms published by the Basel Committee on Banking Supervision (BCBS). Along with the Capital Requirements Directives and Regulations in the European Union, banking regulators in other jurisdictions have been following the Basel rules for their own local regulatory frameworks.

Managing regulatory risk in a constantly changing environment is increasingly complex and requires speed, efficiency and agility. Banks need an end-to-end solution for regulatory capital that allows them to manage the complexities of regulatory capital calculation and reporting processes in an integrated and reliable framework.

The Challenge

Growing demands from regulators. Banks are being exposed to unprecedented regulatory scrutiny with new and stricter regulatory requirements. The highly flexible nature of the SAS solution allows you to easily remain up-to-date and compliant with the latest regulatory changes.

Insufficient flexibility and speed. The current banking system landscape is fragmented, costly, unstable and not agile enough to deliver under time pressure. The SAS solution's high-performance calculation engine speeds up execution cycles by accelerating run times.

Lack of auditability. Many banks lack the right tools to enable effective governance, control and transparency. With the SAS solution, you'll satisfy regulatory obligations and ensure full compliance and traceability of calculations while accommodating varying interpretations of the applicable regulatory frameworks across multiple jurisdictions.

Our Approach

Banks need to proactively manage regulatory capital using a single management environment covering Basel III Capital Accord and Capital Requirements Regulations (CRR) for all credit risk calculation approaches. SAS approaches this problem by providing software and services that help you:

- **Satisfy regulatory obligations.** Ensure full compliance and traceability of calculations.
- **Get to results quicker by reducing runtimes.** Our high-performance calculation engine accelerates execution cycles.
- **Shape the solution to fit your specific needs.** Leverage our calculation engine while ensuring low maintenance costs.
- **Achieve other credit risk objectives.** Leverage existing assets and applications as you migrate toward an integrated centralized risk environment.
- **Capitalize on the flexibility of the underlying SAS® Risk Stratum platform.** Use it to grow and anticipate future risk reporting requirements and regulatory changes.
- **Process large data sets in near-real time.** Harness distributed, in-memory processing to create and run models. Once results are available, perform on-the-fly aggregations and drilldowns.
- **Adapt to change.** Add on new functionality as needs and regulations change.

The SAS® Difference

SAS offers pre-configured calculations for regulatory credit risk measurement and management, as well as data integration, data quality tools and simulation capabilities. You can store bank-wide portfolio and counterparty data for all historical time points, show calculation lineage, support multiple use cases and simulations and leverage capabilities for:

- **Comprehensive data management.** The interactive, point-and-click SAS Data Integration environment and integrated metadata reduce the need for custom coding, testing and maintenance.
- **Support for regulatory calculations.** This includes Basel and the European regulatory frameworks and all regulatory credit risk approaches, including securitizations and counterparty credit risk.
- **Parallel processing with the SAS Infrastructure for Risk Management execution platform.** It enables complete audit and system transparency. Its robust data model stores analysis output and supports full auditing and historization.
- **Exploration and visualization with SAS Visual Analytics.** Calculate results based on granular outputs across different management dimensions.

Everything runs on the SAS Risk Stratum platform in an open, configurable, auditable and highly adaptable manner.

For more information, please visit SAS Solution for Regulatory Capital.