**MONOCLE**

# BASEL IV
# READINESS ASSESSMENT AND IMPLEMENTATION

## SOLUTION

- *Basel IV readiness for credit risk across data, calculation engine and processes*

## BANKING AREA

- Regulatory Capital and Reporting Areas Including:
  - Treasury & Capital Management
  - Credit Risk Reporting

## SKILL SETS

- SQL
- Data Analysis, Data Quality And Data Governance
- Report Building

## THEMES

- Regulatory Advisory
- Process Optimisation
- Staff Upskilling

## INSIGHTS

- Its crucial to fully understand the product specific nature of various types of sourced data
- A data model must be standardised and agnostic to any up or downstream system
- Banks should not focus on short term needs, but built for future proof, flexible capabilities

## OVERVIEW

A large retail bank required assistance with identifying gaps and preparing for the Basel IV Credit Risk requirements. The scope included the entire regulatory data lineage from sourcing to calculation to reporting, where Monocle was asked to interpret regulations, assess data gaps and quality, and make recommendations in light of regulatory impacts.

Monocle first summarised all changes between the previous and new Basel framework impacting the bank, and then developed a standardised data model capturing all attributes needed for Basel IV credit risk calculations. We then proceeded to update the current calculation engine to make it fully Basel IV capable. Lastly, Monocle designed the processes to integrate source data via the optimized data model into a calculator and automated current and new reporting requirements.

## RESULTS



Simplification and automation of end-to-end processes

Future proof Basel IV compliant system

Guidance on regulatory decisions and capital impact

## KEY SKILLS REQUIRED

- Knowledge of Basel and local regulation regarding credit risk
- Knowledge of a broad range of banking products and their respective regulatory treatment
- Relational data modelling and analysis skills, coupled with strong SQL coding

## TESTIMONIAL

" *Monocle's expertise was indispensable in enhancing our regulatory function's capability* "

*Head: Group Regulatory Reporting*

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