



IRRBB

Managing your interest rate risk right

A fresh take on risk and valuation

The regulatory landscape for IRRBB is rapidly changing. Are you up to date?

GAP ANALYSIS

PREPAYMENT AND EARLY REDEMPTION RISK

NON-MATURITY DEPOSITS MODELLING

ECONOMIC VALUE OF EQUITY VS NET INTEREST INCOME

With the entry in force of the 2019 EBA guidelines, IRRBB presents new challenges impacting your Banking Book. The new framework imposes a dual view on interest rate risk, with the aim to protect both the capital (Economic Value of Equity) and the profitability (Net Interest Income) of your institution. The regulator has also raised the expectations for the modelling of behavioural optionalities such as prepayment risk and non-maturity deposits.

Having a second look at your processes, dealing with identification, measurement, monitoring and controlling has thus become increasingly important.

Our IRRBB service is a comprehensive modular approach guaranteeing compliance and addressing data, analytics, modelling and reporting issues. It extends from identifying the IR risks in the Banking Book and assessing the potential gaps, to designing measurement and monitoring solutions. In addition, it tackles the automation of risk processes, the framing of effective internal controls and the design of management information systems, ensuring a strong comprehensive governance of IRRBB.



For more information, visit www.finalyse.com/irrbb

Benefits

- Identification of gaps compared to regulatory and internal requirements, and proposal of a remediation plan.
- Solid and transparent IRRBB management.
- More accurate analysis of balance sheet dynamics, closer to its economic value, resulting in business added value (more accurate capital allocation, transfer pricing, ...)
- Enhanced modelling of the optionalities in the balance-sheet, on both assets (prepayment risk, cap/floors, ...) and liabilities (non-maturity deposits) side
- Time and effort efficient processes, minimising operational risks and reducing cost
- Increased control over, and ownership of, risk data

Motivation

A well-designed IRRBB framework can prove essential for your business models' success. When regulatory changes affect this framework, having a second look can be key for smart and efficient compliance. Finalyse brings you tailored expertise through a proven track record of 30 years of experience in ALM projects.

AMSTERDAM

BRUSSELS

BUDAPEST

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