

# TimeScape™ EDM+ IFRS 9 Data Management Solution

## INDUSTRY CHALLENGES

Mandatory adoption of IFRS 9 at the beginning of 2018 will prompt a number of data management challenges. Firms required to comply with the new accounting standards will need to pay particular attention to validating inputs and outputs of credit risk models, as financial statements become considerably more sensitive to credit quality.

## THE SOLUTION

TimeScape EDM+ is a complete enterprise data management platform that addresses the data management challenges prompted by IFRS 9.

### *Classification*

TimeScape EDM+ can help firms implement IFRS 9 classification standards using a clear methodology. All financial assets and liabilities can be categorised based on their cashflow characteristics and business model, which in turn determine how they are measured on financial statements. The platform can capture all of the nuances within the classification rules and make sure they are applied consistently. Records and audit trails are also maintained to support retrospective analysis.

### *Asset Impairment*

The move to IFRS 9 will make financial statements significantly more sensitive to credit quality, as firms will be forced to recognise larger portions of expected credit losses up front. TimeScape EDM+ caters to the multi-faceted nature of credit risk analysis by integrating data from any number of sources.

Furthermore, requirements to adopt a new classification schema for assets and liabilities and model hedging relationships will drive the need for consistent data and a collaborative approach across finance and risk management functions.

All of those model inputs are then passed through stringent validation and cleansing processes, ensuring firms only feed credit risk models with high quality data. Model outputs are then also run through validation processes to highlight any potential inaccuracies that may require recalibration of the models.

### *Hedging*

Hedge accounting is the final pillar of IFRS 9 and also poses significant data management challenges. TimeScape EDM+ enables firms to model the relationship between hedged items and their corresponding hedging instruments, ensuring all qualifying criteria are met, proper documentation is recorded from the outset of the hedge, and each hedging relationship is monitored to make sure they remain effective (highlighting any tracking error or breakdown in correlations).

## CUSTOMER BENEFITS

TimeScape EDM+ services all of your stakeholders' data management requirements – from C-level executives taking strategic decisions, through to heads of finance and risk management on the front line. With the ability to manage even the most complex datasets, the platform enables your enterprise to stay one step ahead of ongoing regulatory obligations or business-driven requirements.

### *Agile*

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TimeScape EDM+ is agile at its core. It supports a powerful data model that can be configured to incorporate even the most complex OTC structures and easily adapts to new business logic and workflows. It is simple to deploy, with pre-built adapters to integrate data from virtually any source. And it is agile in its distribution options, with interfaces to leading business intelligence tools, data distribution platforms and a wide range of applications.

### *Collaborative*

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As a centralised platform that everyone can access, TimeScape EDM+ provides your enterprise with a single version of the truth. It breaks through siloed delivery of IT and data, and supports true enterprise-wide workflows. Even if different teams decide to price the same instrument using slightly different models or data inputs, knowing those differences and having clear insights into data lineage means they can quickly reconcile any discrepancy.

### *Business-Focused*

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TimeScape EDM+ serves the whole enterprise. It doesn't matter if you're a board-level executive, finance or risk manager - you get straightforward access to consistent, validated, cleansed data via your choice of interface, including Excel, Microsoft Power BI and Tableau BI, as well as a range of leading risk management systems, proprietary analytical models developed in Numerix, Matlab, R or F#, or other proprietary and third party applications.

### *Comprehensive*

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TimeScape EDM+ covers all asset classes. It supports a complete range of vendor feeds. It integrates with different business intelligence tools, pricing and risk engines, programming languages and applications. It supports complex objects, data types and analytics. And it supports complex workflows - with adaptive validation rules and exception handling processes that can be prioritized based on factors most important to your business.

### *Future-Proof*

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Xenomorph has architected TimeScape EDM+ to be future proof by focusing on two qualities. First, the platform can easily adapt to new requirements, whatever the future holds. Second, we maintain backwards compatibility for our APIs, which ensures a smooth migration path for future upgrades. Our vision of future proofing means preparing you for future change, while ensuring you are not forced into change when it is not necessary.

### *Cost Effective*

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TimeScape EDM+ offers market-leading capabilities, but is extremely cost effective compared to rival solutions given its flexibility in addressing such a wide range of business, regulatory and IT challenges.