



IFRS 9 compliance model execution time reduced by 20%+ through enhanced programming

Industry case study: banking and financial services

Challenges

- Highly regulated financial industry
- SAS platform with existing SAS models offering little documentation or notation
- Little version control
- Existing models taking hours to run every month
- Slow production of IFRS 9-critical outputs
- Complicated coding made it impossible for in-house staff to maintain models internally.

Solutions

- Comprehensive model documentation
- Reduced volume of code thanks to best practice techniques for streamlining original models
- Documentation and commentary to fully explain models.

Benefits

- Report production time reduced by over 20%
- Compliance with stringent IFRS 9 legislation, reducing business risk
- Reduced volume of code
- Internal employees empowered to support the models themselves
- Full auditability of future model amendments
- Simplified model management to enable internal teams to administer everyday updates
- Backups for disaster recovery.



Essential SAS model optimisation to generate significant internal efficiencies in IFRS 9-critical reporting.

Background

Serving almost 1.5 million customers and employing almost 1,000 staff, Secure Trust Bank (STB) plays a significant role in the banking industry. It provides banking solutions for individuals, as well as a commercial finance division to support its business customers.

The banking industry itself is heavily regulated, including IFRS 9. A range of new provisioning models have been implemented by STB to comply with the IFRS 9 standard required by the European Banking Authority (EBA).

Business issue

STB uses its SAS platform to generate month-end reports for all business lines, ensuring they remain compliant with the finance industry's stringent IFRS 9 regulation. The models STB were using were time-consuming to run (sometimes taking up to five hours to complete), delaying the production of the final reports. The models were also extremely complex, making it challenging for them to be maintained in-house.

Underlying causes

The complexities of model maintenance and processing times were due to inefficient coding, including duplications of steps and little documentation to describe the processes. Additionally, with no process for version-control in place, there was no way to revert to a previous model in the case of any problem.

Vision

STB was keen to improve the efficiency of its existing models in order to reduce the time required to produce these essential reports. Additionally, they wanted models that their in-house team would be able to maintain and administrate themselves.

Having chosen Amadeus for previous successful SAS projects, STB chose Amadeus as their supplier of choice for this work.

Amadeus solution delivered

Amadeus focused on optimising two of the customer's existing models. This involved stripping out duplicate coding to streamline the model itself, utilising best practice methods and introducing important commentary throughout. After completion of the projects, Amadeus also wrote comprehensive documentation for STB, outlining exactly what work had been completed.

Results

Having successfully completed the initial motor finance project, STB then asked Amadeus to carry out the same process on their retail finance model, before moving on to Phase 2, further optimising each. Ultimately, these model modifications led to significant benefits for STB:

- Processing times reduced by over 20%, enabling increased team efficiency in the production of future insights to meet IFRS 9 legislation
- Comprehensive backups of past programming for reference in the face of unexpected situations or for disaster recovery
- Simpler models and clear documentation to allow internal teams to be more self-supporting
- Traceable actions to ensure full auditability of future amendments to the models.

As a future improvement to these models, STB is now considering a project to fully automate these models, enabling processing to occur outside of work hours. This would allow the customer to maximise efficiency during office hours. It would run jobs conditionally, based on the success of previous jobs, centralising management and simplifying maintenance.

Amadeus' solution has enabled Secure Trust Bank to save critical time in the production of month-end model updates, improving efficiency and leaving staff time to focus on other tasks.

About Amadeus Software – trusted analytics experts

Founded in 1989, Amadeus has an impressive history of supporting its customers in maximising their Return on Investment from data through the application of data analytics and data science across its key business services.



SAS Software | Consultancy | SAS Training | Managed Services | Graduate Placement

Amadeus partners leading providers within the industry, including SAS, Microsoft and AWS, to ensure our customers receive the best solution to meet their challenges. These solutions can be across any main programming language, such as SAS, Python, R or SQL.

Amadeus Software Limited, The Old School Hall, 11 Wesley Walk, Witney, Oxfordshire, OX28 6ZJ
+44 (0) 1993 848010 | info@amadeus.co.uk | www.amadeus.co.uk