

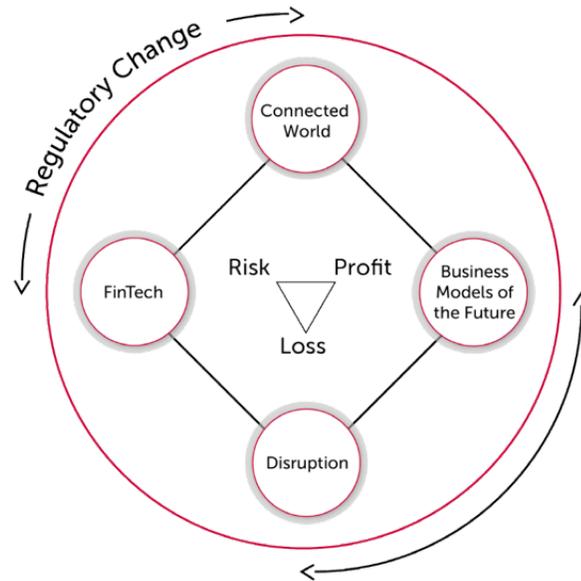
The background of the slide features a composite image. On the left, a person's silhouette is shown from the chest up, holding a tablet computer. The person's head is filled with a blue and white globe. The background behind the person is a hazy, high-angle view of a modern city with numerous skyscrapers. The overall color palette is light and airy, with soft blues, greys, and whites.

Regulatory readiness through digital transformation

Integrated supply chain

Business landscape

Financial services institutions are currently challenged with managing their profitability and growth while maintaining regulatory compliance. At the same time, they want to be able to confront new entrants riding the wave of disruptive "FinTech". Some are looking at regulatory compliance as an opportunity to fundamentally improve the way they run their businesses and re-orient their people, processes and technology to not just be "regulatory ready" but also, at the same time, be informed, intelligent, innovative and agile to cope with the business challenges of tomorrow.



Common challenges for most banks and financial institutions



Transparency is paramount

Knowing where each number reported for regulatory compliance comes from is the key to transparency. Whether it is a trade, an element of market data or the details of calculations used by the quants, banks have reacted to regulations such as Dodd Frank or MIFID to retrospectively trace all the information back. Wouldn't it be nice to have all the information you need in one place from Day 1?



Fragmented customer/counterparty view

Encountering various parts of the business trade with a common customer or counterparty without the knowledge of the consolidated view of transactions can be a challenge. Having a joined up view is important from a number of angles including: profitability, satisfaction, risk and exposure. Wouldn't it be great to understand your exposure to your next big counterparty before it goes under?



Disconnected modeling

It is still cost prohibitive for most banks to use the same models and reference information for front office and back office risk computation. While the Fundamental Review of the Trading Book (FRTB) addresses this from the point of view of calculating the expected shortfall, a more holistic approach (albeit more expensive in the short term) can address this to a large extent, which is easier said than done. Is now a good time to start looking at unifying models and underlying reference data?



New regulation = New program

Every new major regulation is kicking off a new program of work at most banks. These organizations are spending millions of dollars on people, process and technology to spin off every new stream of activity. And, oddly enough, there is significant commonality in the underlying information requirements for most of these regulations. Wouldn't it be better if we tried instead to build a foundation that addresses all of it holistically?

How Hitachi can help

Hitachi Consulting brings years of experience of delivering data management platforms across a variety of industries including financial services. In recent years Hitachi Consulting has lent its experience to some of the largest financial institutions in the world to build regulatory compliance platforms ranging all the way from front-office near-real time market risk aggregation and analytics platforms for traders to middle/back office platforms for regulatory reporting. Our frameworks and accelerators will de-risk and expedite the delivery of your key programs to help you on your way to achieving your compliance milestones on-target and within budget. These frameworks include:

- Real-time Risk Aggregation and Analytics
- Risk and Regulatory Reporting Data Lake
- Investor 360 and Customer Data Governance
- Data Governance in a Big Data World

- Implementation Advisory for Regulatory Programs covering:
 - Program Management
 - Data Strategy, Design and Modelling
 - Big Data Readiness and Rollout
 - Reporting and Visualization
 - Advanced Analytics and Machine Learning

Hitachi Consulting specializes in Management Consulting, Technology Solution and Outsourcing services. We are ready to assist the financial services industry to overcome these challenges and to achieve better results through better information and better performance.

About Hitachi Consulting

Hitachi Consulting is the global solutions and professional services organization within Hitachi Ltd., a global innovation leader in industrial and information technology solutions and an early pioneer of the Internet of Things. Hitachi Consulting is a business integrator for the IoT era and a catalyst for digital transformation. Using our deep domain knowledge, we collaborate with clients to help them innovate faster, maximize operational efficiency and realize measurable, sustainable business and societal value. As a consulting-led solutions company, we can help you leverage data as a strategic asset to drive competitive differentiation, customer loyalty and growth. To learn more, visit www.hitachiconsulting.com.