



# **FPC** | Financial Product Center

**Product Database for the Governance  
of the Information and Process  
Management for Financial Products**



**The Financial Industry in the Area of Conflict between Competition and Regulatory Requirements:**

Tightened supervisory standards force banks and insurance companies to consolidate their business processes. The financial industry rationalizes its product business in order to remain competitive and compliant regulatory with regulatory requirements. Additionally a strong trend towards more complex trading and retail products has become evident over the last few years.

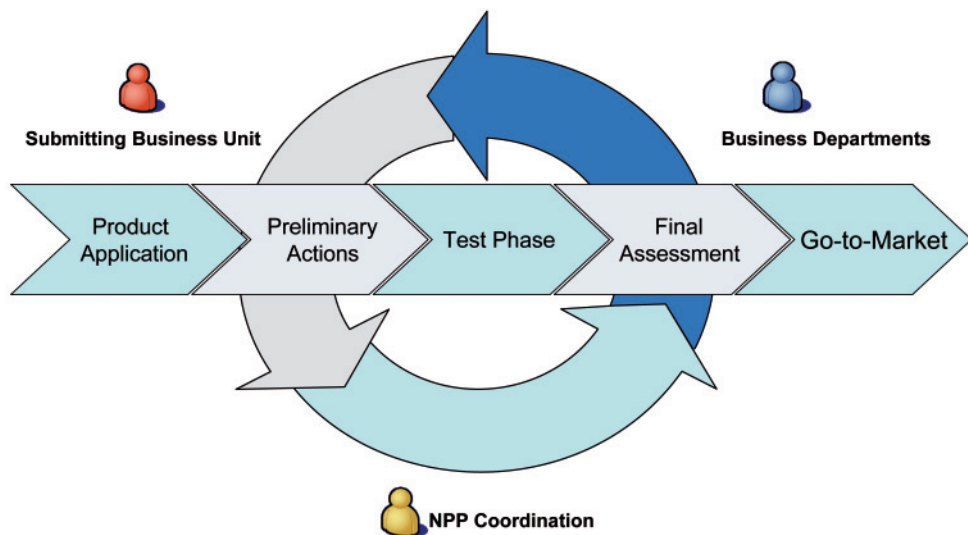
This development requires effective governance and controlling of the product portfolio as well as a high level of transparency of the cross-departmental business processes.

Supervisors oblige financial institutions to assure that new financial products fulfill regulatory requirements, such as the German Minimum Requirements for Risk Management (MaRisk), and that the "new product process" is fully documented before they are offered to the market. Hence a transparent and consistent management of all product information across the enterprise becomes increasingly important from an economic and strategic viewpoint.

**FPC – Enterprise-wide Platform for Trading and Retail Products**

FPC (Financial Product Center) is an IT solution for the centralized information and process management for financial products such as trading and retail products. It facilitates financial institutions enterprise-wide access to information about all available products as well as the management of the data. Additionally FPC supports the establishment of a structured process for the introduction of new products or changes to existing ones. By using FPC financial institutions benefit from the creation of a consistent terminology and the optimized transparency of business processes. The regulatory documentation requirements are fulfilled at the same time without any additional effort. All relevant product details are available in a structured, classified and context-driven fashion at enterprise level any time.

**Holistic Process Solution**



# Product Database for the Governance of the Information and Process Management for Financial Products

## Modules

### Module Trading Products (FPC-PT) / Module Retail Products (FPC-PC)

- Documentation and versioning of products, applications and approvals
- Customizable workflows
- Granular access rights (e.g. read / write access)
- Historization and traceability following the requirements of the MaRisk
- Extensive search functions for the quick allocation of product information
- Automated e-mail notification system for the process information support

### Module Reporting (FPC-PA)

- Ad-hoc, time and event-driven reports available
- Graphical representation of analyses
- Import and export of queries and Microsoft Excel templates

### Module File Repository

- Central repository for data and files
- Categorization/classification of data possible
- Extensive search functions for the quick allocation of data and files
- Historization of create, update and delete actions

### Optional Questionnaire Functionality

- Structured creation and execution of surveys
- Flexible design of questions and questionnaires
- Questionnaire release functionality for individual employees and/or organizational groups

## Risk Matrix

The screenshot displays the 'Enter record (Trading Product)' form in the FPC system. The product name is 'Future Bond'. The form is divided into two main risk sections:

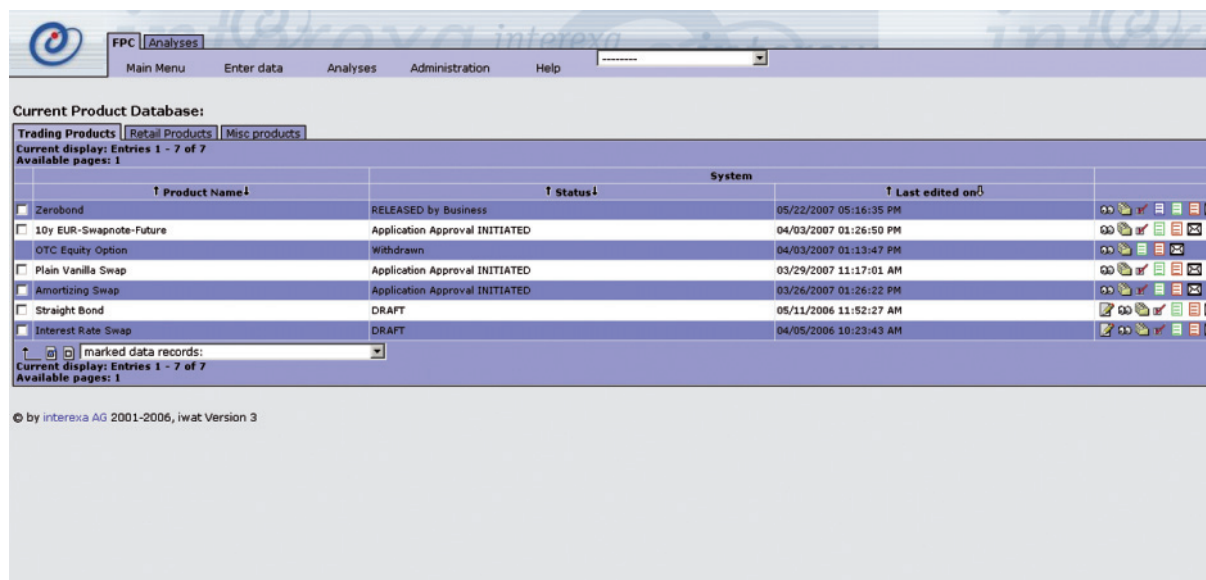
- Market Risk:** Includes dropdowns for IR Risk (Yes), FX Risk (Yes), Equity Risk (Yes), Option Risk (No), and Commodity Risk (No). A 'Description' field is present on the right.
- Counterparty Default Risk:** Includes a table for 'Issues by Others' (Long/Short) and 'Own Issues' (Placement/Repurchase).
 

Risk Category	Issues by Others		Own Issues	
	Long	Short	Placement	Repurchase
Issuer/CPY Risk	No	Yes	No	Yes
CPY Risk				
• Principal Risk	Yes	Yes	Yes	Yes
• Settlement Risk	No	Yes	No	No
• Prepayment Risk	No	No	No	No

 A 'Description' field is also present on the right.

At the bottom, there are navigation buttons: Save, Save & New, Discard, Import, and Set.

## Product Overview



The screenshot displays the FPC interface with a navigation menu (Main Menu, Enter data, Analyses, Administration, Help) and a 'Current Product Database' section. The database is filtered to show 'Trading Products' and displays a table with the following data:

Product Name	Status	System	Last edited on
Zerobond	RELEASED by Business		05/22/2007 05:16:35 PM
10y EUR-Swapnote-Future	Application Approval INITIATED		04/03/2007 01:26:50 PM
OTC Equity Option	Withdrawn		04/03/2007 01:13:47 PM
Plain Vanilla Swap	Application Approval INITIATED		03/29/2007 11:17:01 AM
Amortizing Swap	Application Approval INITIATED		03/26/2007 01:26:22 PM
Straight Bond	DRAFT		05/11/2006 11:52:27 AM
Interest Rate Swap	DRAFT		04/05/2006 10:23:43 AM

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### FPC – Efficiency through Functionality and high Information Density

FPC serves as a central product catalogue, as a management information system (MIS) and as a product reference and analysis system.

FPC fulfills all requirements for a comfortable management and comprehensive governance of all product related information.

FPC offers a wide range of features for maintaining and managing product specific information, such as:

- Definition of product related actions / measures
- Documentation of all guidelines for the market conformity check
- Specification of product related guidelines for the balance sheet and P&L handling as well as for external and internal reporting
- Description of all IT systems handling the product, the reconciliation of the product data between these systems
- Storage of process charts
- Workflow support for the approval process for new products based on the customer requirements
- Documentation of the "New Product Process" (NPP)
- Link to master agreements
- Generation of reports and analyses for the management
- Complete indexing of all products including brief description and product versions
- Listing of all approved currencies/markets depending on trading areas and strategies, surrounding conditions and responsible departments
- Overview of all product inherent risks (market risk, counterparty risk etc.)
- Description of the pricing formula and its input parameters

## Flexible Workflow Definition

Current display: Entries 1 - 3 of 7  
Available pages: 1 - 2 - 3 - >>

All  
Nobody  
NPC Coordination

Current display: Entries 1 - 3 of 7  
Available pages: 1 - 2 - 3 - >>  
[NEW]

**Workflow Structure**

From	To	DRAFT (Submitting Business Unit)	FINAL (Submitting Business Unit)	RELEASED by Business (NPC Coordination)	Application ACCEPTED (NPC Coordination)	Application Approval INITIATED (Task Force)	Application APPROVED by UNITS (NPC Coordination)	FINALLY APPROVED for TEST Phase (NPC Coordination)	APPROVED for PRODUCTION (Nobody)	Rejected (NPC Coordination)	Withdrawn (Nobody)
DRAFT (Submitting Business Unit)	FINAL (Submitting Business Unit)	Save product as "FINAL" (Responsible)	*	*	*	*	*	*	*	*	Withdrawn (NPC Coordination)
FINAL (Submitting Business Unit)	RELEASED by Business (NPC Coordination)	Release Product (Responsible)	*	*	*	*	*	*	*	*	Withdrawn (NPC Coordination)
RELEASED by Business (NPC Coordination)	Application ACCEPTED (NPC Coordination)	Accept application (Responsible)	*	*	*	*	*	*	*	*	Withdrawn (NPC Coordination)
Application ACCEPTED (NPC Coordination)	Application Approval INITIATED (Task Force)	Send to Business Units (Responsible)	*	*	*	*	*	*	*	*	Withdrawn (NPC Coordination)
Application Approval INITIATED (Task Force)	Application APPROVED by UNITS (NPC Coordination)	Approve with Condition (Responsible)	*	*	*	*	*	*	*	*	Withdrawn (NPC Coordination)
Application APPROVED by UNITS (NPC Coordination)	FINALLY APPROVED for TEST Phase (NPC Coordination)	Final approval NPC User Coordination (Responsible)	*	*	*	*	*	*	*	*	Withdrawn (NPC Coordination)
FINALLY APPROVED for TEST Phase (NPC Coordination)	APPROVED for PRODUCTION (Nobody)	Approval of NPC Committee (Responsible)	*	*	*	*	*	*	*	*	Withdrawn (NPC Coordination)

### Advantages – Why FPC?

#### Cross-departmental / enterprise-wide benefits:

- Authoritative product library with unique product definitions
- Redundancy-free overview of all products/markets and their approval status
- Time, cost and resource savings when launching new products through enterprise-wide controlled access to product specific information and process documents and workflow support

#### Benefits for the product management:

- Complete support for the entire new product process (NPP)
- Flexible system-based involvement of all relevant organizational units
- Dynamic information flow between all involved parties
- Shortened time-to-market through process optimization

#### Benefits for the risk management, accounting and compliance departments:

- Overview/description of all product related data for the risk controlling, the balance sheet disclosure and the treatment within the external reporting
- Securing regulatory compliance when launching new products via the workflow-based approval process

#### Benefits for the internal audit:

- Support for the efficient audit for regulatory compliance by full historization and traceability of all captured, updated and deleted data items.



## Our clients

Commerzbank  
Landesbank Rheinland-Pfalz

### Benefits for the sales and marketing departments:

- Direct access to an authoritative and fully documented product library as a reliable decision-making basis for a successful distribution

### Benefits for the IT department:

- Time, cost and resource savings through the usage of a web-based database solution at enterprise level instead of having several heterogeneous systems causing high maintenance costs

## Technology

The FPC technology is:

- web-based, resulting in no additional installation and maintenance costs
- platform independent, hence compatible with all common operating systems, databases, servers and browsers

Moreover the underlying technology allows for:

- Easy customization of data structures, graphical user interface (GUI), access rights, reporting features and processing guidelines
- High data security standards by using encrypted data transfer (SSL) and a customizable, role-based access control system (ACL)
- Highly scalable and multi-processor support
- Comfortable user management
- Customizable process workflow
- User-defined reports and analyses
- True multi-client and multi-language capabilities allow for deployment at enterprise level



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