

ADDACTIS® PILLAR³ SOLUTION



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Reporting challenges in the Solvency II framework

The need for **transparency** and **control of financial institutions** is constantly increasing. This is particularly true for Solvency II regulations in which reporting to the authorities and to the market plays a central role. Moreover, collection of data is intended to help compare financial institutions and prevent systemic risks. Consequently, reporting under Solvency II is facing several difficult challenges:

- First, the number of data to be reported is significant and could even grow in the years to come.
- Second, the aggregation of all data collected requires a high level of standardization of the description of each and every data.
- Third, the facts to be reported are multi-dimensional and each fact is assigned several characteristics.
- Last but not least, facts are inserted in a web of reciprocal relationships and have to be consistent with one another.

To make comparison between financial institutions easier and to speed up data exchange between authorities and companies, the **XBRL language** has been chosen by most of the control authorities (EIOPA, EBA ...). However, Solvency II actuaries want to add value by analyzing reports and indicators and not with a complex and technical language like XBRL.

Having one single framework enabling to track each data, to analyze reports easily and to hide XBRL's complexity is therefore the key to succeed in Solvency II projects.

ADDACTIS® Worldwide has developed a reporting tool, **ADDACTIS® Pillar3**. This platform will guide you in all steps from data collection to reporting. Thanks to a dedicated database, a full back-up is provided, enabling to come back to reports previously produced at any time.

ADDACTIS® Pillar3 solution overview

ADDACTIS® Pillar3 is a business oriented solution ...

- ... adapted to your **business**
 - with the ability to create Solo and Group entities;
 - embedding all reports, LoBs, Currencies: you just need to select once and for all the one corresponding to your business;
 - embedding a code dictionary tailored to your entities.
- ... adapted to your **team**
 - with specific access rights that can be setup for as many users as needed;
 - with a database architecture which enables team work;
 - by tracking all actions in the audit trail with comments.
- ... adapted to your **architecture**
 - the solution can be installed locally or on a server;
 - you can create as many databases as needed (e.g. a database dedicated to tests and another to production);

- projects can be fed with several input formats (xls; csv; templates; SQL).

Choosing your architecture, creating the entities, adjusting the rights has to be done only once after database installation and after a structural change in your company. After these initial settings, generating XBRL reports and narrative reports can be done simply in only 5 steps:

1. Project settings;
2. Data input;
3. Input validation;
4. Dashboard;
5. Delivery.

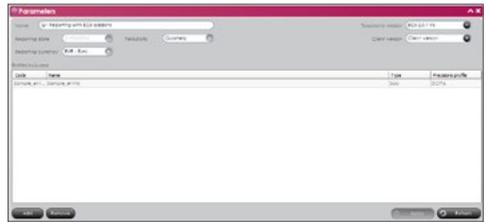
These 5 main steps are described in detail below.



1) Project settings

A project contains reports for a periodicity and one entity. It is linked to a taxonomy containing the reports and validations defined by the control authority. The taxonomies are prepared by **ADDACTIS® Worldwide** to minimize XBRL complexity for the end user. In particular, XBRL tag's mapping is already included in the taxonomy.

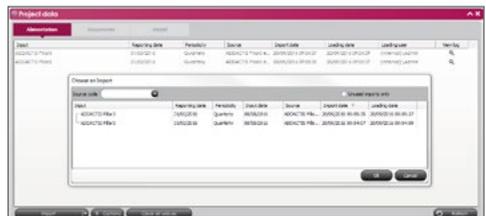
Moreover, precision profiles meeting control authorities requirements are prepared by **ADDACTIS® Worldwide**, so that the user just needs to select the one corresponding to its entity.



2) Data input

ADDACTIS® Pillar3 offers 3 import modes to feed the project:

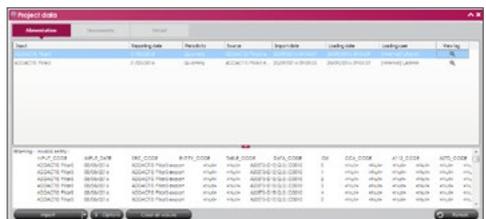
- Load from file
 - *Microsoft® Excel and csv files import in a standard format*
- Load from templates
 - *Microsoft® Excel QRT import*
- Load from database
 - A dataset previously imported
 - A dataset coming from an ETL
 - A dataset coming from **ADDACTIS® Modeling** or **ADDACTIS® Workflow**



All these modes can be combined allowing a lot of flexibility.

3) Input validation

For each project, several datasets can be used. For each data input, **ADDACTIS® Pillar3** performs some checks about data consistency and produces a log listing the potential errors and warnings. If there are some errors, the dataset will not be imported in the reports. This step enables therefore to perform some validations on data consistency early in the reporting process. In particular, the values restrictions for strings are tested during this step.

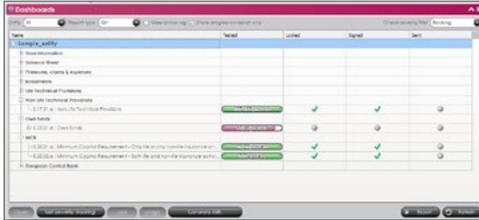


4) Dashboard

Before XBRL generation, 3 validation steps have to be performed:

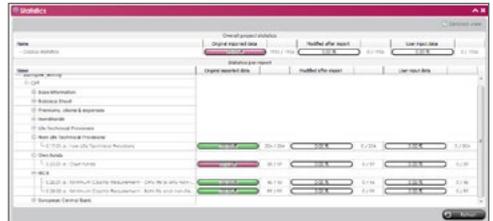
- Run the control authority's checks;
- Lock the values of the reports;
- Sign the reports.

These steps allow therefore validation according to the four-eye principle.



All reports can be exported in a **Microsoft® Excel** workbook. Moreover, all signed reports can be converted in XBRL in only one click!

A lot of features are available to help experts analyze reports and follow projects progression.



Moreover, each report can be displayed with a detailed audit trail for each cell:

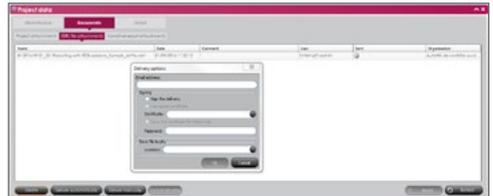


A color indicates if the data has been imported (in white), entered manually (in yellow) or changed after an import (in red). An overview of the origin of the data in the report can be displayed helping the user to track the multiple data sources feeding the report. Each data can also be commented. All modifications and comments are tracked in the audit trail.

5) Delivery

This is the fifth and last step of your project. The frame displays the XBRL files and narrative reports produced for your project.

Each XBRL generated specifies the list of exported reports. An XBRL file or a narrative report up to date according to project state can be directly sent to regulator platform after being eventually electronically signed.



ADDACTIS® Pillar3 solution features

ADDACTIS® Pillar3 is/has:

- **An integrated tool:** The entire reporting process can be carried out within the same application. This makes it easier to understand the decisions made by another member of the actuarial or accounting team, to share projects and reports and to correctly interpret results.
- **Easy to use:** ADDACTIS® Pillar3 is a very flexible compliance tool with a user friendly interface.
- **Transparent:** A full audit trail is provided for all changes made during the project. This audit trail can be displayed for the whole database and for each report's cell. ADDACTIS® Pillar3 also allows printing and exporting all reports.
- **Full back-up:** with ADDACTIS® Pillar3 the entire compliance process is integrated and documented.

Previous projects can be consulted at any time.

- **A narrative reports generator** to produce reports corresponding to the figures in your projects.

The solution is adapted to team work thanks to the database and to flexible rights definition. The dedicated user and profile management feature allows controlling access to the system and organizing the reporting process between your departments.

ADDACTIS® Pillar3 solution IT requirements

ADDACTIS® Pillar3 is an independent software solution without any external components or dependencies. It works on any recent Windows platform (Windows 7 or later / Windows server 2008 or later) with standard requirements on hardware for this kind of solutions. Local and server licenses are available for the product.

All software products are ADDACTIS® Worldwide full property and have no external dependency.



The ADDACTIS® Way

