

# Clarity Management Group helps major global bank meet CCAR requirements with Cutover



1.

## Problem: Failure to meet CCAR requirements

CCAR (Comprehensive Capital Analysis and Review) is a United States regulatory framework introduced by the Federal Reserve to assess, regulate, and supervise large banks and financial institutions. CCAR attestation is a complex end-to-end process that requires a chain of human attestations and needs systemic support. Most organizations have built their own (very different) tools to attempt to deal with this.

Clarity Management Group worked with a major global bank that had previously failed to meet its CCAR requirements for three years running. This meant they were unable to pay dividends or expand their presence in the US.

2.

## CCAR reporting is vital but complex

CCAR reporting is made more complex by multiple mergers and acquisitions. The bank that Clarity Management was working with had recently acquired a smaller bank in the US in the hopes of expanding into the US market. However, they didn't have clear visibility of all their systems, where data belonged, and who owned the systems. They needed good quality data and data models to pass CCAR.

The global distribution of the parties involved added to this complexity. The bank had multiple organizations working in multiple countries that had only been recently introduced to each other after the merger. Different organizations in different places with different management tools that lacked established lines of communication made organizing CCAR reporting even more of a challenge.

This lack of visibility and communication created delays. Individuals were only aware of their part in the process flow i.e. who they were supposed to be receiving a file from and who they were supposed to hand it to. It could take 7-12 days after the end of the month to do a file, so downstream recipients would usually not check for the file until about 15 days after the end of the month. This led to dragged-out handovers and if someone needed a piece of information quickly there was no way of knowing where in the processing flow it was.

3.

## Solution: How did Cutover make a difference?

Cutover enabled the bank to fill in the gaps and create better visibility, communication, and systems of record for the huge amount of human attestations required for CCAR. By automatically creating a record of all file transfers and data handoffs and making the entire process transparent, Cutover made it easier to accurately report to regulators. This visualization also enabled the team to see where delays were occurring and optimize the process further.

Automated notifications removed the delays between handoffs because there was no elapsed time between one task being completed and the next task starting. As a result, month-end closures are now happening 40% faster than before and, with the right tools and processes in place, the bank is able to meet its CCAR requirements.

**40%** Faster month end closures