

CASE STUDY

MünchenerHyp Builds Future-Proof Reporting Platform for MiFID II and Beyond



The Regulatory Reporting implementation has been an excellent model of partnership between MünchenerHyp, Finbridge and Finastra.”

Thomas Raab
Project Manager, MünchenerHyp

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At a Glance

Solution

- Regulatory Reporting
- Fusion Post-Trade

Partner



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Thomas Raab

Project Manager, MünchenerHyp

About MünchenerHyp

Münchener Hypothekenbank eG (MünchenerHyp) provides residential and commercial property financing solutions in partnership with the Cooperative Financial Network (Genossenschaftliche FinanzGruppe Volksbanken Raiffeisenbanken) cooperative banking groups. Founded as a cooperative bank in 1896, MünchenerHyp has evolved into a modern mortgage provider that is active in both national and international markets.

The Challenge

Europe's capital markets have faced significant regulatory changes in recent years, including the introduction of the Markets in Financial Instruments Directive II (MiFID II) and the European Market Infrastructure Regulation (EMIR). As MünchenerHyp worked to prepare its people and processes for this far-reaching transformation, the bank needed the right partners and technology to help it drive compliance and take advantage of the opportunities offered by the new regulatory landscape.

The Solution

MünchenerHyp chose the Regulatory Reporting solution from Finastra to meet the post-trade transaction and transparency reporting requirements of MiFID II and the associated Markets in Financial Instruments Regulation (MiFIR). The bank worked with implementation partner Finbridge to deploy Regulatory Reporting against a tight compliance deadline. MünchenerHyp has integrated the solution with its front-office Fusion Post-Trade trading system, gaining an end-to-end platform with the ability to support regulations such as EMIR and the Securities Financing Transactions Regulation (SFTR) in the future.

The Result

MünchenerHyp has gained a comprehensive, reliable platform for delivering on MiFID II and MiFIR reporting demands, streamlining its path to compliance and reducing risk. With a highly automated and expertly configured off-the-shelf solution, the bank reduces the time and cost spent on complex pre-analysis work, and can meet demands for real-time reporting.

muenchenerhyp.de/en



Choosing the Finastra solution definitely streamlined our path to compliance.”

Robin Welsch

Head of IT Applications – Capital Markets, Treasury
MünchenerHyp

MünchenerHyp paved the way to on-time compliance with MiFID II and MiFIR regulations using the Finastra Regulatory Reporting solution

The Challenge

For financial services firms, 2018 is a year of multiple regulatory deadlines, including MiFID II, which is fundamentally transforming capital markets trading across the whole of the EU.

As MünchenerHyp geared up for MiFID to come into effect, the bank needed to make major changes – not just to trading platforms and processes, but to its operating model and ways of working.

Thomas Raab, Project Manager at MünchenerHyp, explains: “MiFID II was not just a compliance exercise for us. It has major strategic implications and requires major changes to almost all aspects of capital markets trading.”

Robin Welsch, Head of IT Applications for Capital Markets and Treasury at MünchenerHyp, adds: “The sheer scale and speed of reporting required meant that a manual, spreadsheet-based approach was simply not feasible. And while we already had a reporting system in place to meet EMIR obligations, we couldn't easily extend this to cover other regulations like MiFID II.”

The Solution

Seeking a system that could both meet its immediate MiFID II reporting needs and help address future regulatory reporting demands, MünchenerHyp selected the Regulatory Reporting solution from Finastra.

“We had already seen good results from deploying Fusion Post-Trade from Finastra to support front-office trading,” notes Robin Welsch. “Choosing Regulatory Reporting allowed us to integrate the two solutions to form an end-to-end platform, supported by a single vendor.”

Thomas Raab adds: “The Finastra Regulatory Reporting solution delivered all the standard interfaces we needed right out of the box, meaning that we didn't have to dedicate internal resources to development. This saved us money and made for a quick and straightforward deployment, which was crucial as we had a very strict timeline for MiFID II compliance.”

Regulatory Reporting reports all relevant instruments from MünchenerHyp's Fusion Post-Trade systems to the Approved Publication Arrangements (APA) and Approved Reporting Mechanism (ARM) repository services. These are then transmitted to National Competent Authorities (NCAs) for validation.

Streamlined Compliance

By choosing an expertly integrated and pre-configured solution from Finastra, MünchenerHyp avoids costly and complex pre-analysis work.

“The pre-analysis and mapping features provided by Regulatory Reporting are very helpful when it comes to preparing and submitting reports,” comments Thomas Raab. “They save our teams a huge amount of expense and effort.”

With a comprehensive regulatory reporting system now in place, MünchenerHyp can achieve compliance in an efficient way. Considering that the financial penalties for non-compliance with MiFID II can be as high as [€5 million, or 10% of global turnover](#), this robust approach is helping the bank potentially avoid a huge amount of cost and risk.

Robin Welsch says: “Given the complexity and scope of MiFID II, it would have been a challenge for us to fully understand and enforce the regulatory reporting requirements without a system designed for this precise purpose. Choosing the Finastra solution definitely streamlined our path to compliance.”

Importantly, MünchenerHyp's new reporting system can be expanded to support other regulations, such as EMIR and the SFTR, offering the bank a future-proof platform for its reporting needs.

Support from Finastra and implementation partner Finbridge helped MünchenerHyp to successfully cross the line into MiFID II compliance



Finastra and Finbridge were instrumental in helping us to deliver a working solution before the deadline for MiFID II compliance.”

Thomas Raab

Project Manager, MünchenerHyp

Proven Partnership

MünchenerHyp worked closely with Finastra and implementation partner Finbridge to successfully deliver the project ahead of the MiFID go-live.

Thomas Raab recalls: “We had to incorporate many last-minute changes from regulators in the run-up to the MiFID deadline. Finbridge took the lead in communicating these requirements to the development team at Finastra, who worked continuously to integrate the changes.”

“Finastra and Finbridge were instrumental in helping us to deliver a working solution before the deadline for MiFID II compliance,” he concludes.

“The Regulatory Reporting implementation has been an excellent model of partnership between MünchenerHyp, Finbridge and Finastra. Our combined team was very target-oriented, and demonstrated excellent commitment and collaboration.”

About Finastra

Finastra unlocks the potential of people and businesses in finance, creating a platform for open innovation. Formed in 2017 by the combination of Misys and D+H, we provide the broadest portfolio of financial services software in the world today – spanning retail banking, transaction banking, lending, and treasury and capital markets. Our solutions enable customers to deploy mission critical technology on premises or in the cloud. Our scale and geographical reach means that we can serve customers effectively, regardless of their size or geographic location – from global financial institutions, to community banks and credit unions. Through our open, secure and reliable solutions, customers are empowered to accelerate growth, optimize cost, mitigate risk and continually evolve to meet the changing needs of their customers. 48 of the world's top 50 banks use Finastra technology. Please visit finastra.com

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Corporate Headquarters

4 Kingdom Street
Paddington
London W2 6BD
United Kingdom
T: +44 20 3320 5000

