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**Solution primer**

# OneSumX Liquidity Risk

In recent years, long-term, systemic market disruptions and funding needs of contingent contracts have led to regulators placing greater focus on liquidity risk within firms. This makes the effective monitoring and management of liquidity risk a priority for financial organizations as a result.

# OneSumX Liquidity Risk

Effective liquidity risk management requires the establishment of a robust liquidity risk management framework (i.e. strategy, policy and practices) ensuring sufficient liquidity. This includes the maintenance of a cushion of unencumbered, high quality liquid assets able to withstand stress events, including the loss of both secured and unsecured funding sources.

Our OneSumX Liquidity Risk solution provides standard and customized liquidity (cash flow) projections and reporting, including

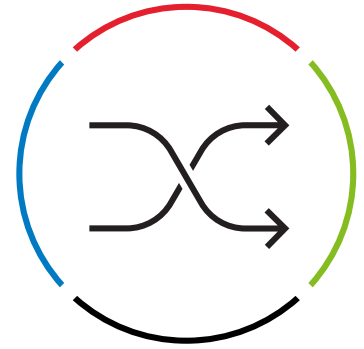
## Stress scenarios for liquidity risk

OneSumX Liquidity Risk allows users to define and apply deterministic and stochastically driven stress scenarios on the integrated Market, Credit/Counterparty and Behavior risk factors to identify their impact in both Market and Funding Liquidity.

## Static liquidity gap

Our solution enables organizations to calculate the anticipated cash-flows decomposed by principal and interest over the remaining term of existing financial contracts (contractual liquidity) with several reporting options

- **Marginal liquidity gap** displaying the anticipated net in-flow/out-flow of cash per time period over the remaining term to maturity
- **Cumulative liquidity gap** showing the anticipated cumulated cash-flow including the capability to predict future liquidity problems for the financial institution
- **Residual liquidity gap** illustrating the open anticipated cash balance at any point in time over the remaining term to maturity



### Contingency gap

Our solution enables organizations to assess the contingency of cash-flows and distinguishes between market contingency and behavioral contingency of cash-flows, such as replication of cash-flows, drawing of credit lines and option payments, for

- Marginal liquidity
- Cumulative liquidity
- Residual liquidity

### Dynamic gap

OneSumX Liquidity Risk allows financial institutions to assess the anticipated cash flows in deterministic and probabilistic dynamic analysis taking into account the behavior and strategies of the institution.

### Cash management/margining

Analysis and pricing of a broad spectrum of derivative contracts including the calculation of margin cash flows.

### Systemic and concentration risks

Impact analysis of both funding and market liquidity on systemic and concentration risk.

The reporting of the portfolios and accounts of balance sheet items on the asset and liability side in our solution can be set into relation, depending on the asset's liquidity and funding status, allowing the derivation of liquidity ratios and funding diversification.

Several regulatory liquidity standard reports are available in our solution, including Liquidity coverage ratio (LCR) Net stable funding ratio (NSFR), and Individual Liquidity Guidance (ILG) amongst others. Within these reports, Liquidity events and ratios can be structured and presented based on templates or customized OLAP and dashboard reporting.

All financial instruments are mapped into our solution. Financial events referring to liquidity are calculated based on past and current conditions, as well as future assumption in market, credit and behavioral characteristics, resulting in an accurate presentation of impact to both market and funding liquidity. The liquidity results are reported on a dashboard view accessible to risk analysts, liquidity managers, regulators and decision makers.

Our comprehensive solution combines a risk management/stress engine and regulatory reporting platform which enables firms to monitor, manage and report liquidity risk. In addition, our solution allows firms to build and develop a library of stress tests fully complying with regulatory reporting requirements.

*All financial instruments are mapped into our solution. Strategies and stress scenarios can be performed to identify their impact to both market and funding liquidity.*



### About Wolters Kluwer

Wolters Kluwer (EURONEXT: WKL) is a global leader in information, software solutions and services for professionals in healthcare; tax and accounting; financial and corporate compliance; legal and regulatory; corporate performance and ESG. We help our customers make critical decisions every day by providing expert solutions that combine deep domain knowledge with technology and services.

Wolters Kluwer reported 2023 annual revenues of €5.6 billion. The group serves customers in over 180 countries, maintains operations in over 40 countries, and employs approximately 21,400 people worldwide. The company is headquartered in Alphen aan den Rijn, the Netherlands.

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Learn more about the OneSumX for Finance, Risk and Regulatory Reporting solutions. [Click here.](#)

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