

The SIFT logo consists of the word "SIFT" in a bold, white, sans-serif font, centered within a red square. The background of the entire page is a blurred image of a hand holding a pen over a calculator and a spreadsheet.

SIFT

By SIFT ANALYTICS GROUP

E-Book

Modern Solutions for
Modern Problems

- To optimize the finance portfolio
- To automate finance processes
- To solve complex finance reporting

Finance Analytics

Reporting, Analytics & Dashboard



Headquartered in Singapore since 1999, with over 500 corporate clients in the region, SIFT Analytics is your trusted partner in delivering reliable enterprise solutions, paired with best-of-breed technology throughout your business analytics journey. Together with our experienced teams, we will journey with you to integrate and govern your data, predict future outcomes and optimize decisions, and achieve the next generation of efficiency and innovation.

Data has the answers

Organizations have realized the need for evolving and challenging new ways to optimize more holistically and to ensure they stay ahead of change and stand out.

As such, companies that are already practicing data analytics have discovered new ways to improve and build on existing advantages, thereby strengthening their business capabilities.

For companies not yet investing in analytics solutions, the opportunity cost of waiting will only grow.

Continue reading as you will witness how analytics has been benefitting the transformed healthcare industry that is proven very practical to the business.

Transforming Finance Data

Finance leaders are turning to analytics to find new sources of growth, gain actionable insights and tackle their most critical issues.



Over the past decades, SIFT has worked closely with both public and private BSFI organizations. Study SIFT use cases and find the right solutions for your organization's needs.

You will be guided on:

- Page 5. Real Estate Planning
- Page 6. Reconciliation from Systems
- Page 7. Demand Planning and Forecasting
- Page 8. Loan Portfolio Overview
- Page 9. Portfolio Amount and Risk Rating
- Page 10. Interest Growth Vs Changes in Portfolio Risk
- Page 11. Automate Monthly Reports
- Page 12. Organization Group Reporting

How Analytics is Changing Finance Industry

In a competitive financial services landscape, analytics arms finance leaders to drill down into key financial signals and KPIs and review them on a regular daily basis. Lacking of insights or manual tasks that take too much time are some of the challenges that finance leaders faced today.

You can tackle these challenges head-on - by helping you to gain the insight you need to put your best foot forward and implement best practices that will help ensure success. With analytics, you are able to:

- ▲ Improve overall organizational performance – with executive-level insight into metrics that focus on growth, operational specifics, and performance
- ▲ Collaborate more effectively – with powerful data sharing capabilities that allow you to share insights with colleagues using any device and coordinate activities throughout the enterprise
- ▲ Make better strategic decisions for steering the organization in right direction – with unimpeded access to information and the ability to freely associate with the data in a way that empowers you to make new discoveries
- ▲ Comply with regulations and report to stakeholders – with vastly improved information transparency and the flexibility to zero in on whatever data may be relevant for existing and emerging reporting requirements



Real Estate Planning

When it comes to real estate investments, FP&A departments should be maintaining data and reports to understand the best location for new real estate and how these properties will impact financial statements from an income and expenses point of view.

50% reduction in monthly manual processes



COMMON ISSUES:

- Choosing a location for an office, store, or other property can be a complex process with long-term consequences
- Companies may need to leverage third-party data sets with information on location, potential consumers, competitors, etc.
- Site and location analysis can be elaborate and involve sales forecasting, cannibalization models, analog models, site feature scores, etc.

Solution

Enhance your real estate planning with built-in connectors to major GIS systems and unified spatial intelligence capabilities sets that allow you to answer questions about location potential.

Customer Success Story

A commercial real estate services firm created an automated data pipeline that reduced manual processes by 50% to identify trends and potential investment properties.

Reconciliation from Systems

System reconciliation compares two sets of records to make sure that figures are correct and match. As part of the FP&A function, it's important to ensure that data from multiple systems reconcile correctly and that the data in these systems are correct in the first place.

600 hours saved per year on pricing validations



COMMON ISSUES:

- Rigid structures and applications might be in place for consolidating and reconciling data from financial systems, making it difficult to fit the needs of various departments
- End users can't re-engineer processes — they can only manage reports and business workflows but not data prep, calculations, or structure maintenance
- Processes usually only work with out-of-the-box system

Solution

Reconcile data, such as from assets and liabilities, using a standardized and automated process to get in front of issues faster and have more time following up on identified outliers.

Customer Success Story

A health and wealth solutions and benefit administrator improved the accuracy of pricing validations through automation while speeding up delivery times and saving 600 hours/year.

Demand Planning and Forecasting

Demand planning helps companies produce and deliver their products more efficiently by forecasting the demand for a product or service. The process involves data collection, statistical analysis of metrics, modeling to predict demand, scenario planning to account for uncertainty, and collaboration with multiple stakeholders, such as suppliers and manufacturers.

75 hours per day saved across departments



COMMON ISSUES:

- Data is required from all parts of the organization, but it's often difficult to get the right data and get it on time
- Accessing and protecting data is challenging, especially when much of the data is maintained in spreadsheets across teams of people
- Getting data in different formats and then cleansing and merging is a time consuming, manual effort

Solution

Connect data sources, prepare data, and apply advanced analytics, including predictive and prescriptive analytics, so you can forecast demand more accurately to decide the best product mix and production quantities.

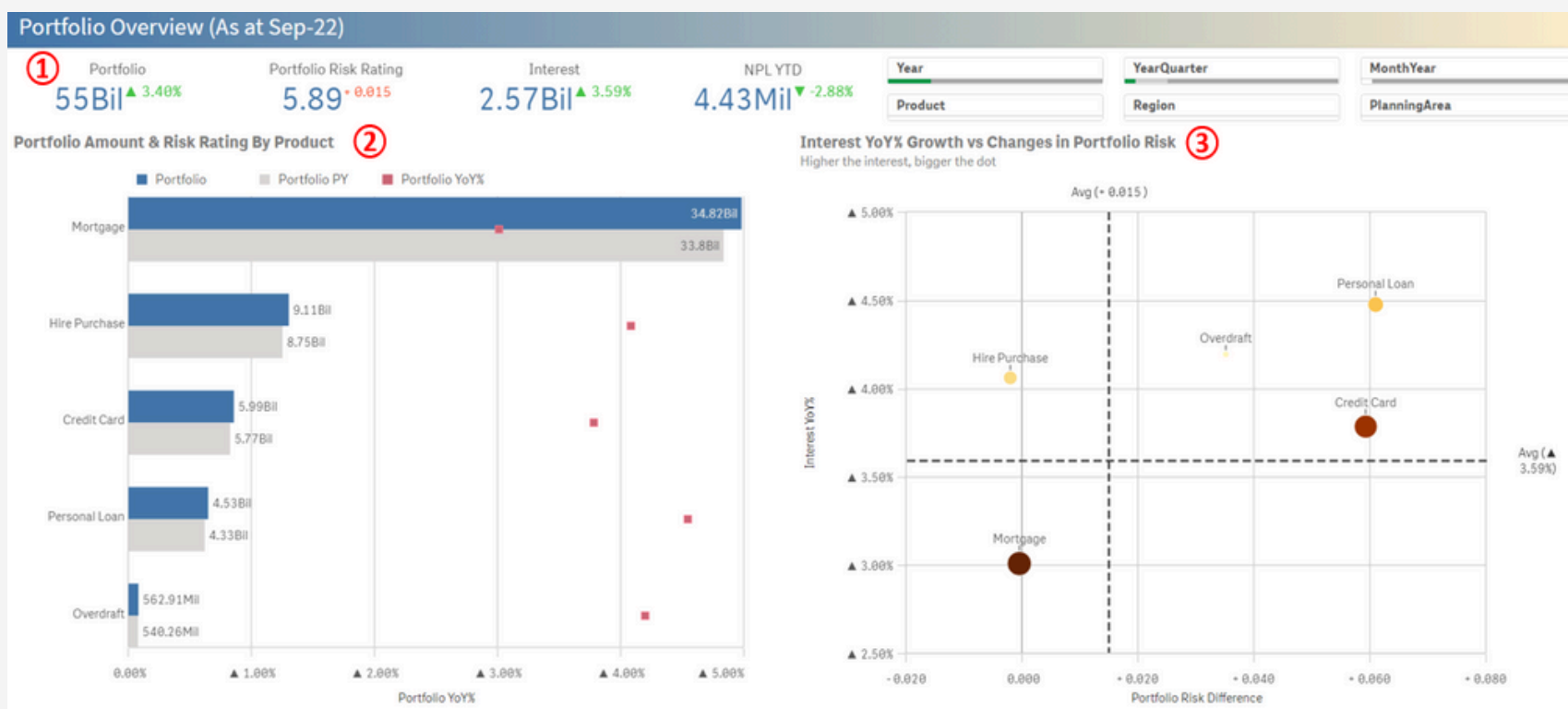
Customer Success Story

A semiconductor company reduced its effort of preparing, publishing, and distributing reports to less than 1% of what it was before, saving 75 hours per day across departments

Bank Case Study - Loan Portfolio Overview

The growth of the bank loan portfolio is crucial as it is the primary source of interest income. Hence, most banks may focus on growing their loan portfolio as part of their achievement in annual reports that drive future interest earnings growth.

Banks should be prudent in growing loan portfolios with overall risk in check without losing profitability.



Portfolio: 55Bil ▲ 3.40% Portfolio Risk Rating: 5.89 +0.015 Interest: 2.57Bil ▲ 3.59% NPL YTD: 4.43Mil ▼ -2.88%

These Key Performance Indicators (KPIs) are used to monitor the growth of the loan portfolio as well as the health & profitability of the loan portfolio. It may answer the following questions.

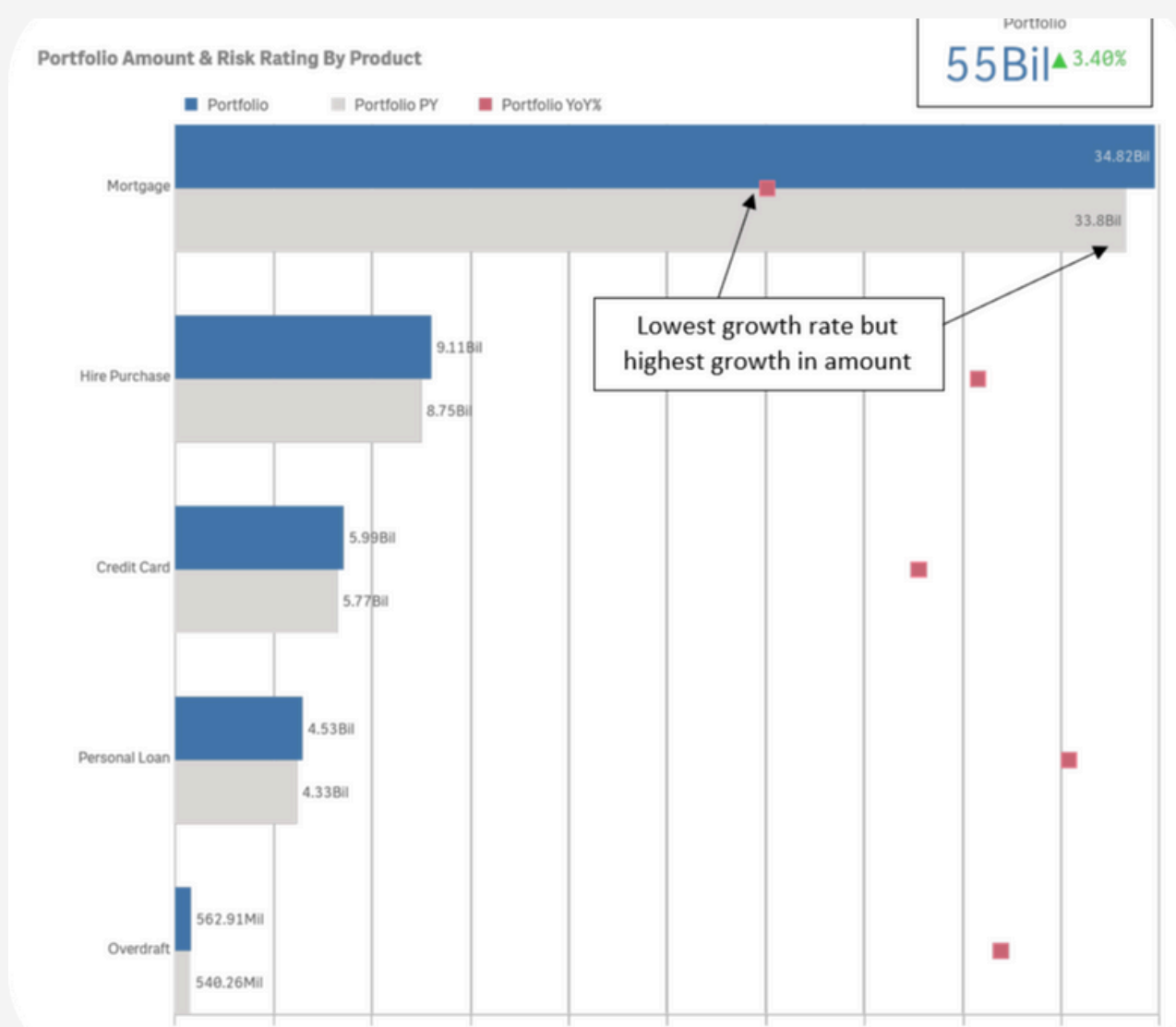
- ▲ Does the loan portfolio grow over the year? What is the rate of growth?
- ▲ Does the portfolio grow as expected?
- ▲ Is the portfolio becoming riskier?
- ▲ Does interest grow over time?
- ▲ Is non-performing loan (NPL) manageable and under control?

By referring to these 4 KPIs, the bank is heading in a favorable direction but with a riskier portfolio as of September 2022. Let's investigate the cause of a riskier portfolio with charts/visualization below.

Portfolio Amount and Risk Rating

For any portfolio, the appropriate level of risk must first be determined. And then the portfolio risk needs to be calculated to make sure it lies within that level of risk.

Risk Rating reflects the overall risk for a portfolio of investments.



Referring to the bar chart, the mortgage has the biggest chunk of the portfolio and the lowest portfolio growth. Mortgage contributes most of the increase in loan amount (≈ 1 billion) and hence it is the main driver for growth.

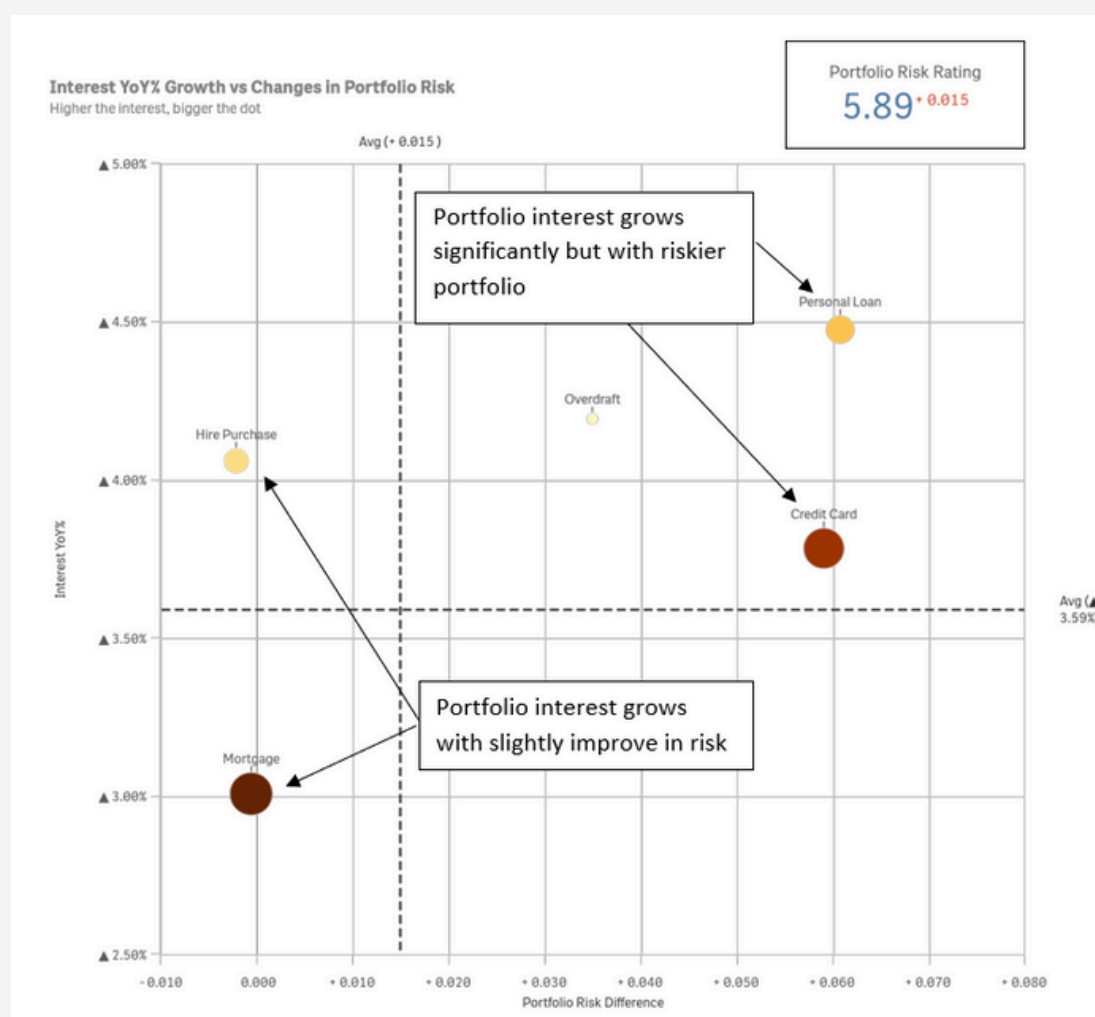
- ▲ Identify and track key portfolios and the growth rates
- ▲ Provides insight into the gains and losses of the portfolio

Although a portfolio's exposures can be identified with some certainty, the potential losses that could arise from those exposures are unknown. There is a way that can be observed - on the next page.

Interest Growth vs Changes in Portfolio Risk

Optimize portfolio risk by taking into account the interest growth over the years and using these insights to drive decision-making

Take control of your interest growth and portfolio risk.



This scatter plot shows that Y-axis (Vertical axis) indicates the interest growth over the year while X-axis (Horizontal axis) indicates changes in portfolio risk over the year. The dots represent loan type respectively and size with interest amount proportionally.

Mortgage and hire purchase portfolios have healthy growth in terms of loan amount and interest amount with improvement in the overall risk. This situation implies that more prospects with good creditworthiness are accepting the loans offered by a bank.

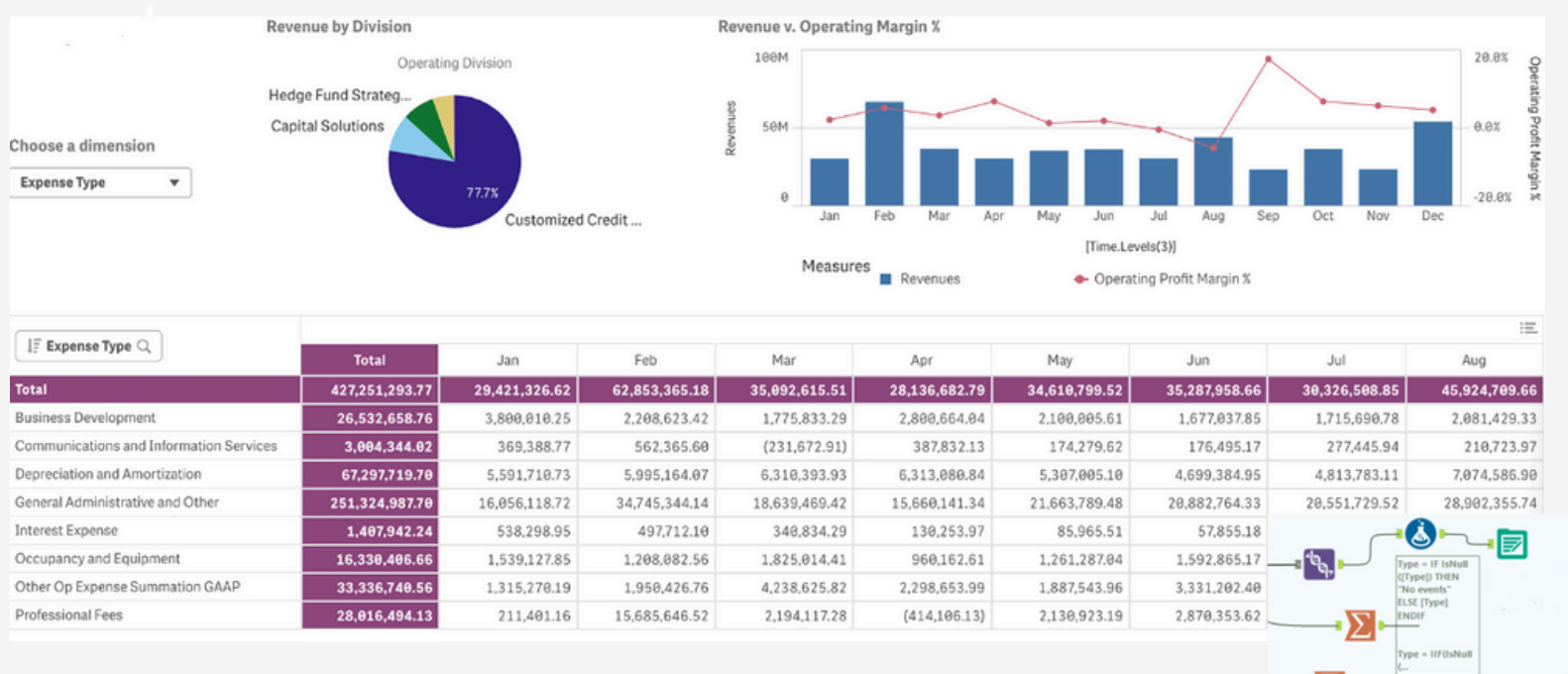
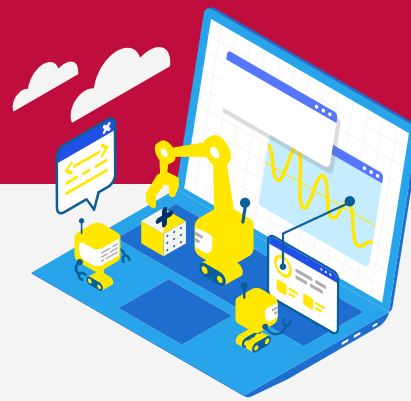
In contrast, credit card and personal loan portfolios experience a significant growth in interest income but the risk is not mitigated well. Hence, including new overall riskier credit cards and personal loans leads to riskier overall loan portfolios. It raises to following questions

- ▲ Should the credit policy be further tightened up for unsecured loans?
- ▲ What is the segment/demography/source of the new borrowers with high-risk ratings? How to avoid engaging them?
- ▲ What initiatives should we take to ensure the future repayments of those with high default risk?

Automate Monthly Reports (Contest Engine)

An automated report is a management tool used by professionals to create and share organizational reports at a specific time interval making their work easier, faster, and more effective.

Automated reporting reduces the time-consuming task of copying data from multiple platforms to create reports.



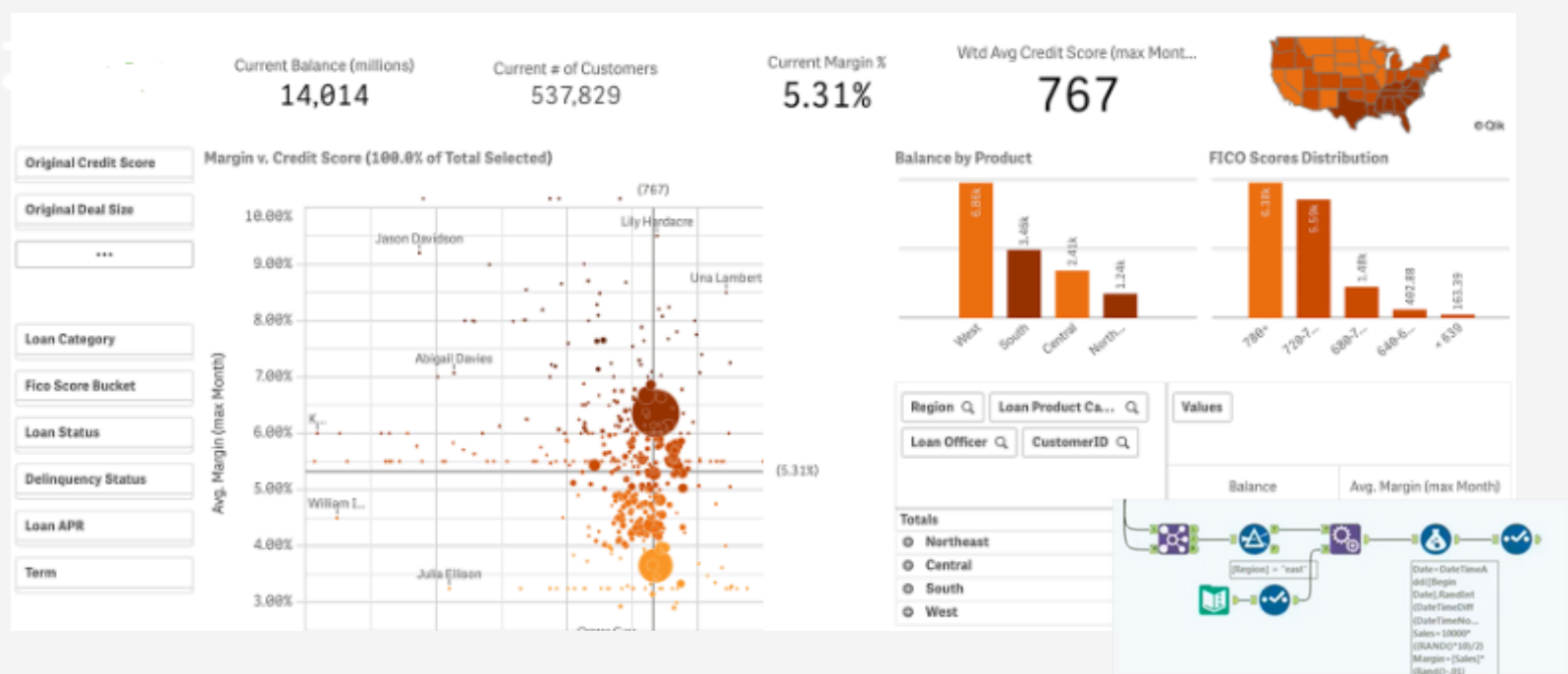
Business users can now reduce the time and effort spent calculating the qualifications and metrics. Monthly reports that previously requires days to generate can now be produced daily in less than an hour. Manual work is now automated and business users can optimize their time, using their free time to do more and focus on other processes.

- ▲ Accurate statistics and timely reports can also provide clarity and insights to management on business performance and sales. This can help management to formulate and strategize any necessary actions to support agents in their sales engagement activities.
- ▲ The results were output into a data mart for other application usage, such as dashboarding to remind agents of target achievement, and future analytic or reporting purposes.
- ▲ In addition to the creation of workflows, an Analytic App was also designed for users to execute the workflow through a user interface. This allows the users the flexibility to run the workflow on an ad-hoc basis for checking when necessary.

Organization Group Reporting

Streamline complex insurance reporting while optimizing the process of Group Operation, Finance Sales, Actuarial, and, Reinsurer.

Consolidate and report in real-time.



The action here is to replace the existing Excel macro to extract, cleanse and transform data from 18 different billing input templates and historical month's data to produce reports for Group Operation, Finance, Sales, Actuarial, and Reinsurer.

The workflow will replace the existing Excel macro process that requires technical coding knowledge. It has become a legacy process and working with it was extremely challenging and time-consuming, especially when catering to new changes in the dataset.

▲ With this initiative to move into another platform, the no-code/low-code, graphical drag-and-drop user interface in Alteryx allows users to maintain and change the workflow easily. This enables non-technical users to self-serve and generate reports for their needs moving forward as data preparation, cleaning, and blending from disparate sources becomes easier.

▲ The workflow also requires lesser run time and can be run when required. The output for each department is generated all at once in a single click, which was a significant improvement from the legacy process that requires the users to generate the reports individually and conduct manual checks. This thus enhances the organization's operational efficiency and accuracy.

▲ Reporting departments that are looking to automate their processes can leverage analytics software to create repeatable workflows that can quickly cleanse, prepare, blend, and transform the data through a graphical user interface platform.

#AskSIFT



6295 0112



edwina.hun@sift-ag.com



www.sift-ag.com