

# Get the Inside Scoop on a Major Bank's Finance and Risk Transformation

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## BB&T is...

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- A values-driven highly profitable growth organization. While we have had a very successful merger history, our primary focus is on organic growth; nonetheless, we are well positioned for strategic opportunities.
- Our fundamental strategy is to deliver the best value proposition in our markets. Recognizing value is a function of quality to price, our focus is on delivering high quality client service resulting in the Perfect Client Experience.
- Our over-arching purpose is to achieve our vision and mission, consistent with our values, with the ultimate goal of maximizing shareholder returns.

# Finance Transformation

## Mission & Vision

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### Finance Transformation Mission

*Create a highly performing skilled team focused on implementing the “Best of the Best” finance and risk, reporting and data infrastructure enabled by technology, controlled processes, and strong governance, to ensure flexibility, quality and control in a rapidly changing regulatory environment.*

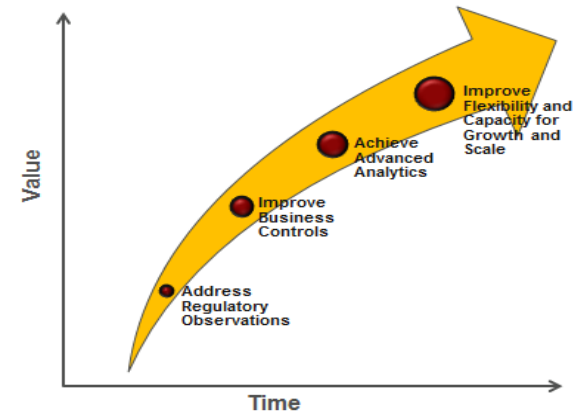
### Finance Transformation Vision

To effectively integrate BB&T’s Financial and Risk architecture ***into a single, scalable, flexible platform which provides ONE Source of the Truth for financial data and methodology*** in support of SEC, Regulatory, Tax, and Management Reporting and Analytics

# Our Finance Transformation: Why?

- The Financial Group business and corporate accounting processes were decentralized and supported by an older General Ledger application
- Accounting logic and technical support was decentralized; therefore, internal changes created a reactive environment for Regulatory reporting.
- Improve reconciliation processes and data quality.
- Capital, Funds, Financial and Internal Management methods and reporting were using different processes and data sources to satisfy different requirements and regulatory directives.

Based on decisions to centralize accounting and reporting for Finance, and due to the limited growth and scalability of the current system, the decision was made to replace the current General Ledger, Asset Accounting, Accounts Payable systems and all necessary interfaces with SAP's integrated finance and risk platform, which will support the bank's finance and risk processes/reporting requirements.



# How we will be Positioned for Success

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## Accelerated reporting cycles

- Near real-time accounting and reporting
- Nimbleness in provisioning new data/report needs

## Remediate current issues associated with in-flight Regulatory directives

- Ability to quickly provision and persist consistent, reliable, reconcilable data
- Ability to quickly add or change approaches, methods, interpretations

## Remediate Aged Technology

- Replace legacy ledger
- Replace current reporting framework

## “ONE Source of the Truth” to Remediate current data/methodology persistence and unification issues

- Elimination of one-off access and SAS/SQL databases
- Centralization of data source and methods; streamlined data flow
- Standardization of data dictionary for users

## Quickly respond to constantly changing Regulatory requirements

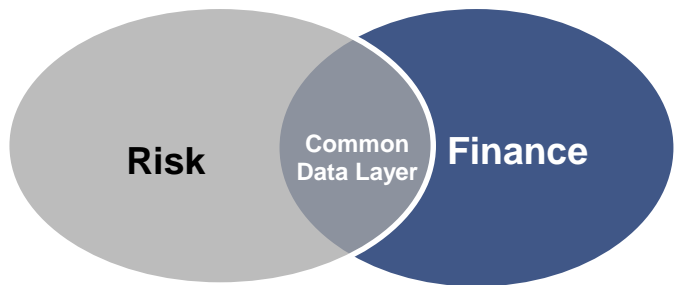
- Enable flexible and rapid reaction to new and upcoming Regulatory changes

# Integrated Finance and Risk Management

## Leverage Common Data across Finance and Risk Methodologies



### Integrated Finance and Risk Management



“Regulatory liquidity risk reports will have to be produced at least monthly with the ability... to be delivered weekly or even daily.”

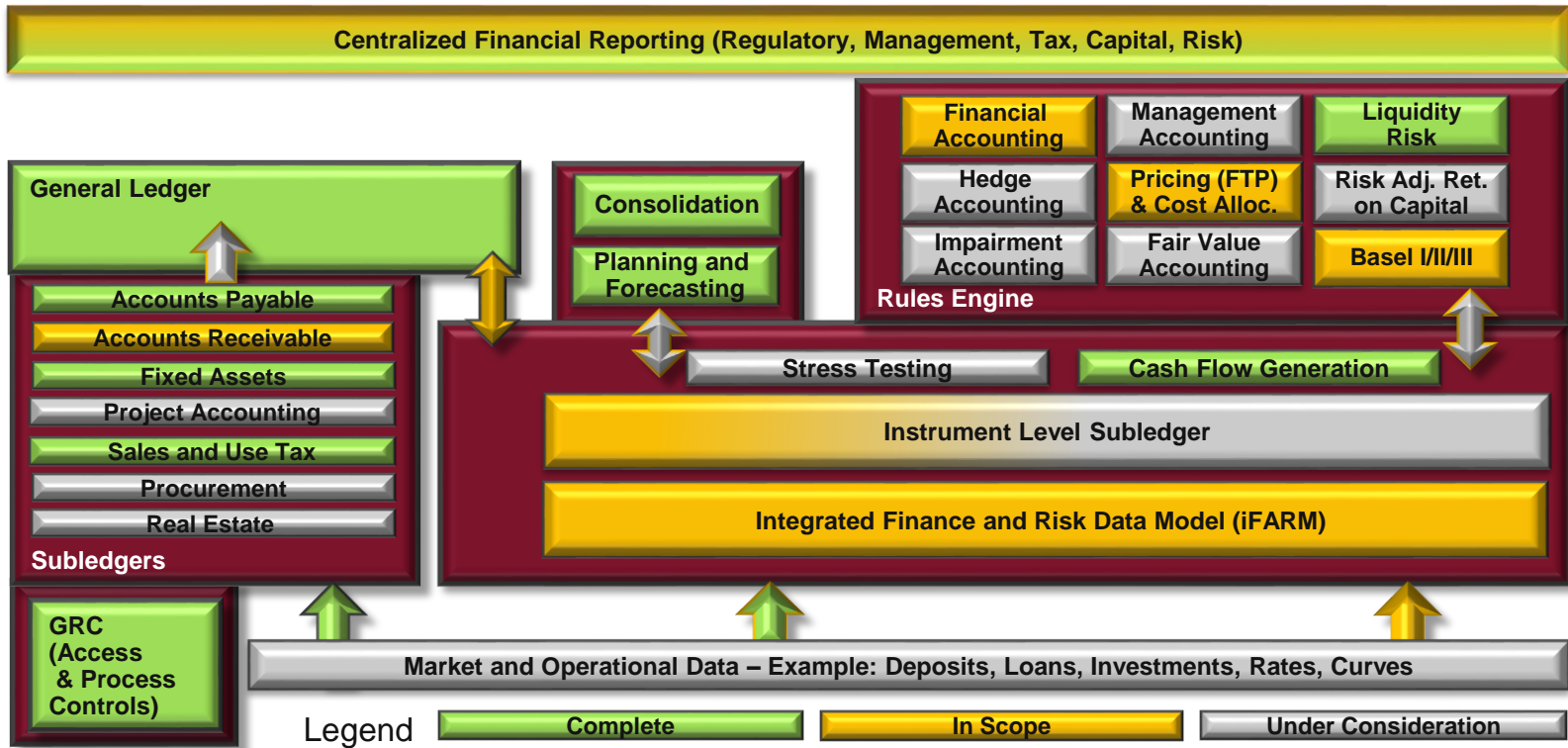
- Moody's Analytics, January 2011

### Business Capabilities

<b>Common Data Layer</b>	<b>Accounting, Finance and Profitability</b>	<ul style="list-style-type: none"><li>Accounting rules engine (AFI)</li><li>Funds transfer pricing</li><li>Cost allocations</li><li>Financial close</li></ul>
	<b>Planning and Forecasting</b>	<ul style="list-style-type: none"><li>Top-down and bottom-up</li><li>Advanced Analytics</li></ul>
	<b>Liquidity / Treasury Management</b>	<ul style="list-style-type: none"><li>Liquidity and downstream reporting (Daily LCR calculations)</li><li>Instrument-level cash flows</li><li>Aggregated cash flows (e.g. by company / business / product)</li><li>Advanced Analytics and Reporting</li></ul>
	<b>Integrated Reporting (Future)</b>	<ul style="list-style-type: none"><li>Management reporting (e.g., RAROC)</li><li>Statutory / disclosure reporting</li><li>Regulatory reporting, stratification</li></ul>

**A comprehensive, accurate and timely common data layer enables financial and risk capabilities, and ensures consistent data use throughout BB&T.**

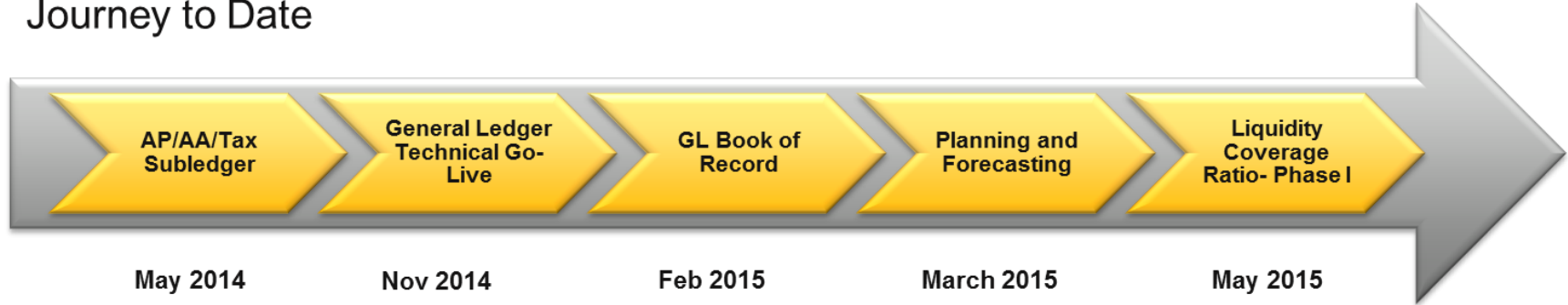
# High-Level Business Architecture – Target State



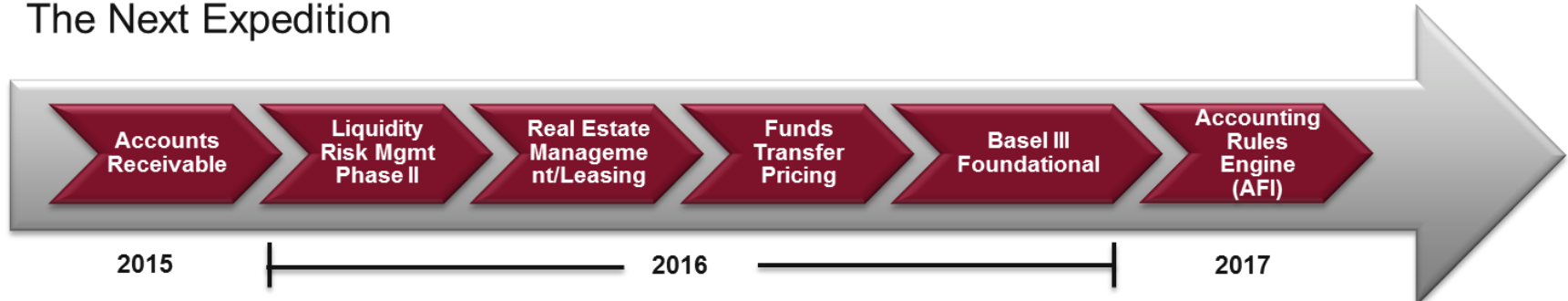
# Our Finance Transformation Journey



## Journey to Date



## The Next Expedition





# ProjectOne by Numbers



**5** The Number of Consecutive **SUCCESSFUL** Go-lives in 12 months

**12** Months from Issuance to market for complex Liquidity requirements

Ran 6 months of production dailies and 2 full months of parallel

The Number of Productive HANA based systems **2**

**+200** The Number of Experts from +7 Companies working as One Team

The number of actual user issues across ~18,000 users in 3 Legal month-end cycles and 2 BPC forecast cycles **476**

**0** The number of high/critical incidents during GL Book of Record go-live



## Questions – After the Session

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