

# The ALTO\* Investment platform meets the challenges facing insurers

In an environment of ever-lower rates, insurers must adapt their management strategies and increase their operational efficiency. On the other hand, regulatory pressure is increasing, requiring accurate risk analysis, capital management and reporting. In order to address these issues, insurance companies are increasingly using technology by equipping themselves with cutting-edge portfolio management systems.

The many functional and regulatory challenges require insurers to have a high-performance portfolio management tool that integrates front-office analysis and accounting data to steer their financial management in a prospective way. Thus, the manager is able to accurately manage his activity, monitor the return on his positions, control risk ratios, calculate the cost of capital, obtain a projected accounting result, etc. To date, few solutions on the market offer a complete vision that meets the challenges facing insurers. Amundi Technology, Amundi's strategic business line, makes the ALTO\* Investment platform available to external clients, with insurance functionalities that integrate the new requirements of insurance management.

**ALTO\* Investment** is Amundi's Portfolio Management System (PMS), a front-to-middle solution offering a 360° view of assets, enabling portfolio and risk analysis and the management of middle-office operations. Amundi Technology provides asset management companies and insurance companies with this modular platform so that they can analyze and manage portfolios, simulate the impact of orders, make investment decisions, measure performance and control exposures and risks. ALTO\* Investment is an industrial and integrated platform that covers insurance needs from management to reporting. In addition, the ALTO\* Investment platform is interfaced with a Solvency II tool that allows the implementation of the Solvency II standard model to calculate SCR and the impact of market stress.

*“Within ALTO\*, the manager will be able for instance to control the regulatory capital charge limits, monitor the return on his positions, control his risk ratios, calculate the cost of capital or obtain a projection of his accounting result.”*

**Gilles Le Corsu, Head of Insurance Solutions & Fiduciary Management Solutions**

ALTO\*'s insurance functionalities are based on the latest accountant's inventory received from custodians (CACEIS, BPSS, Sogecap, etc.). These positions are then enriched with all transactions and corporate actions in order to have a real-time view of the FIFO stack. ALTO\* Insurance also recalculates the accounting indicators (TRAA, unrealized +/- value, impact on the capitalization reserve) enabling managers to have a real-time view of their portfolios and to simulate the impact of a purchase or sale on the accounting aggregates.

The ALTO\* Investment platform also includes a Reporting module that enables the production of client reports. ALTO\* Reporting is based on management, risk and performance views and enables the creation of white-label templates (reporting, pitchbook, etc.) in the desired format (PDF, xls, csv, etc.) that can be used for both operational and regulatory monitoring purposes.

ALTO\* Insurance functionalities are used daily by Amundi's insurance management teams for both the Crédit Agricole Group and external clients. Amundi's insurance management thus represents more than 450 billion euros in assets under management. They are open to external clients through Amundi Technology's offers.

To date, ALTO\* Insurance manages French standards and the functionalities available within ALTO\* Insurance are as follows :

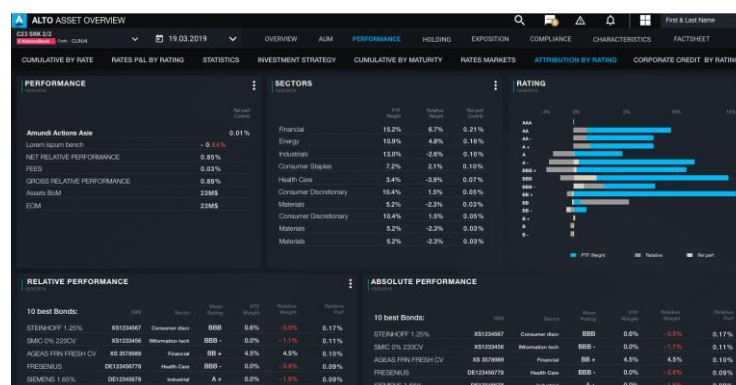
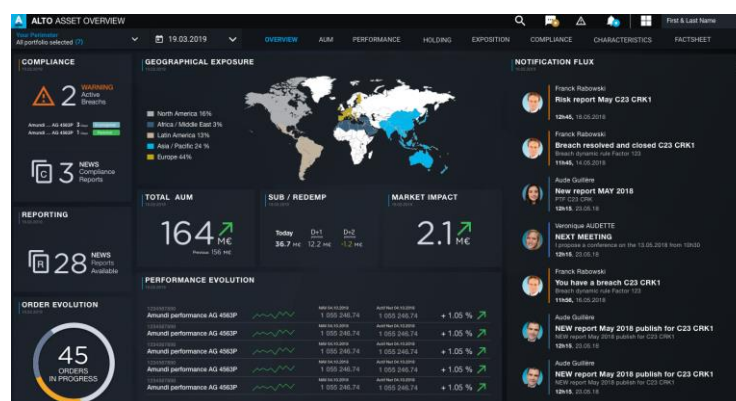
- Integration from the accounting tools of the FIFO stacks, of various characteristics (clean purchase price, settlement date, etc.) and accounting indicators such as the Net Book Value, the Yield-To-Maturity, etc.
- Real-time enrichment of the FIFO stack with the latest transactions and corporate actions
- Estimation of the accounting valuation of positions
- Calculation of indicators (Yield-To-Maturity, Market Value, Net Book Value, Cost Price, etc.)
- Calculation of the unrealized or realized capital gain or loss (impact on the capitalization reserve based on the discounted market value for fixed rates)
- Aggregation of accounting indicators at portfolio level
- Simulation of buy and/or sell orders and recalculation of accounting indicators
- Creation of shock scenarios (by sector, by country of risk, etc.)
- Projection of the Yield-To-Maturity based on a reinvestment rate assumption.
- Estimation of financial products by major bond asset class
- Control of risk constraints in accounting valuation and regulatory capital charge limits (market SCR)
- Aggregation and valuation of several portfolios in FIFO. Analytical calculations thus become multi-portfolio.

ALTO\* Investment is a constantly evolving platform integrating new and innovative functionalities in line with market trends. In order to offer insurance managers a platform adapted to their needs, ALTO\* can be adapted in the medium term or at the request of clients, taking into account new local accounting standards and IFRS.

## ALTO\* Investment

ALTO\* Investment is Amundi's Portfolio Management System (PMS) covering the entire Asset Management value chain and providing a 360° portfolio view for all asset classes. Amundi Technology offers outsourced solutions for technology & operations and makes the ALTO\* Investment platform available to external asset managers and institutional investors.

ALTO\* users can, for example, analyze and manage portfolios, simulate the impact of orders, make investment decisions, perform middle office operations, measure performance, monitor exposures and risks.



\*Amundi Leading Technologies & Operations