

Accelerating a Single View of Risk with Data Virtualization for Financial Services

The recent financial crisis exposed a number of shortcomings in how companies managed risk over the years, including the need to consolidate individual risk practices into an enterprise organization. It also exposed significant gaps in the data and information integration needed to support enterprise risk management, limiting the ability of companies to monitor systemic risk enterprise-wide and ensure regulatory transparency. Board members are placing more pressure and accountability on Chief Risk Officers to be more involved in daily risk operations and provide updates on their risk positions at an enterprise level and at any given moment.

New regulations, including the Dodd-Frank Act, will require companies to have a consolidated view of their risk positions to satisfy new provisions for monitoring systemic risk. Although the details are not set, large bank holding companies with total assets greater than \$50 billion will also be required to submit their data to the new Office of Financial Reporting within the current year. Recent amendments to Basel II and the announcement of Basel III will require G20 banks to increase existing capital reserve requirements to 4.5 percent by 2015 then to 7 percent going forward. They also require the introduction of a new leverage ratio, a framework for countercyclical capital buffers, measures to limit counterparty credit risk, and short- and medium-term quantitative liquidity ratios, all to ensure liquidity at an enterprise level to avoid another credit fiasco.

These deadlines and demands from both regulators and senior management will have significant impacts on technology organizations, which are constantly asked to do more with less while the demand for data and information increases every day. One would think that with years of building data warehouses and advancements in risk technologies, companies would have achieved a single view of risk. Unfortunately, that is not the case.

According to a survey of nearly 40 major banks, only 14 percent of the executives who responded said they had a consolidated view of risk.¹ Years of siloed risk management practices, ongoing mergers and acquisitions, new business systems, and rising data volumes have contributed to this fragmentation of risk in the enterprise. IT organizations could adopt traditional data integration methods, including data consolidation and replication. However, these options limit success and increase both costs and risks that businesses want to avoid.

¹ Ernst & Young's second annual study on risk governance entitled *Navigating the Crisis* – 2008

Quickly Achieving a Single Complete View of Risk with Data Virtualization

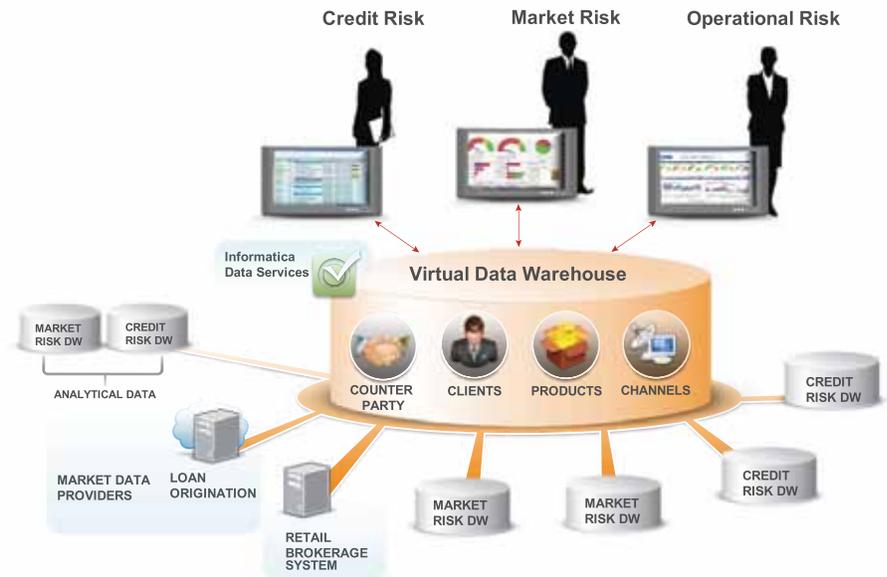


Figure 1: Single View of Risk with Data Virtualization

Informatica allows you to rapidly create and deliver a single view of risk to downstream risk and compliance applications, reporting, and business intelligence applications without the time, cost, and complexity of traditional data integration methods. Powered by Informatica® Data Services, your organization can directly and quickly access and merge data across numerous systems, including transactional, transient, or temporary data that you cannot store in a data warehouse.

Informatica offers the industry's first solution that hides and handles complexity by making many different data sources look like one to the requesting business application. Data virtualization benefits both business and IT by hiding and handling the complexity of delivering one complete view of data, while insulating them from change. Combined with Informatica Data Quality™, this solution enables companies to leverage comprehensive data profiling and rules management to ensure that data captured and delivered virtually is certifiably accurate for downstream consumption.

Informatica for Data Virtualization: Key Benefits

- **Up to 5x faster access to data for risk and compliance** with reusable logical data objects, rapid connectivity and onboarding, and intuitive tools to promote business and IT collaboration
- **Up to 3x lower development and maintenance costs** providing integrated rich ETL-like complex data transformations and data cleansing and insulating changes to physical sources
- **Improved productivity** through a zero-code model-driven environment to develop, deliver, and reuse data services for various users and applications and hundreds of prepackaged data transformations
- **Increased ROI** by leveraging Informatica Data Services across other IT projects, including master data management, data migration, and SOA deployments

Customer Case Study

A major Latin American bank underwent several mergers and acquisitions in a short time. To satisfy ongoing regulatory reporting requirements with local and international regulators, the bank quickly needed a consolidated view of existing credit, operational, legal, and market risk data across the acquired companies. Each organization had numerous data marts, data warehouses, and data sources containing huge amounts of data and questionable data quality levels across each source, making visibility into risk a nightmare. Additionally, each organization had different reporting tools requesting data in different combinations and permutations. Business groups required this consolidated view in a matter of weeks, which conflicted with their IT organization's initial estimates of eight months.

By leveraging Informatica Data Services, they were able to connect to these data sources and deliver an initial view of consolidated risk data within less than two weeks. In addition, they were able to access a consolidated view of risk through a virtual layer, allowing the business to meet its regulatory commitments and reduce the costs and risks of physical data consolidation.

Learn More

Learn more about the Informatica Platform. Visit us at www.informatica.com or call +1 650-385-5000 (1-800-653-3871 in the U.S.).

About Informatica

Informatica Corporation (NASDAQ: INFA) is the world's number one independent provider of data integration software. Organizations around the world gain a competitive advantage in today's global information economy with timely, relevant and trustworthy data for their top business imperatives. More than 4,200 enterprises worldwide rely on Informatica to access, integrate and trust their information assets held in the traditional enterprise, off premise and in the Cloud.



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