

Financial Services Information Integrity Management

Powered by DataDNA™

Financial Institutions are under extreme pressure to more effectively manage risk. With the advent of the new Basel III regime, the release of the Basel Committee on Banking Supervision (BCBS) “Principles for Effective Risk Data Aggregation and Risk Reporting” (aka, BCBS 239, or the “14 Principles”), the Federal Reserve’s Comprehensive Capital Analysis and Review (CCAR), the restrictions laid down by national regulators like the Financial Industry Regulatory Authority (FINRA) and the Dodd-Frank Wall Street Reform and Consumer Protection Act in the US, it is critically important that institutions be able to identify and utilize the ‘right’ data for controlling risk.

Assessments of risk depend fundamentally on data: data on counterparties, markets and internal operations. Therefore, to comply with regulatory requirements, institutions will need to better manage the reference data that is used for holistic risk calculations. Regulators understand that an institution’s ability to manage its business (and quantify and manage risk) depends directly on the quality and relevancy of the information used.

BIG DATA, WITH INTEGRITY

The volume of relevant data is soaring exponentially, and retention requirements for regulation and litigation further compound the problem. Yet, the benefits of having improved risk management and increased regulatory compliance are clear when they can be achieved efficiently and sustainably, through software automation.

When information has transparency its integrity can be undeniably verified and it gives institutions and regulators the assurance that what is conveyed in data is trustworthy. Diginome’s Financial Services

“Risk aggregation and risk IT is now a topic for senior management and the board, particularly because it is now relevant to strategic decisions such as M&A, new strategic initiatives, and new products; it is also important because of the significant decisions that must be made with respect to the trade-offs among quality, limitations, and other factors.”*

Information Integrity Management application powered by DataDNA enables total trust in data, and in that capacity provides:

- A complete, unified and up-to-date view of information integrity that spans all monitored applications and sources
- Granular heredity and context of each monitored data value at the data event level
- Real-time exposure of suspect data values, with ability to trace backward and forward along the data value chain to identify root causes and downstream effects
- De facto rules, for pattern recognition and learning
- The ability to certify data and validate compliance reporting

CONTINUOUS AND COMPLETE INTEGRITY AWARENESS

The FSII application leverages DataDNA’s unique and patented capabilities to efficiently and continuously monitor information integrity across systems and applications and establish a complete and accurate history of datum-level events. (See also the DataDNA datasheet).

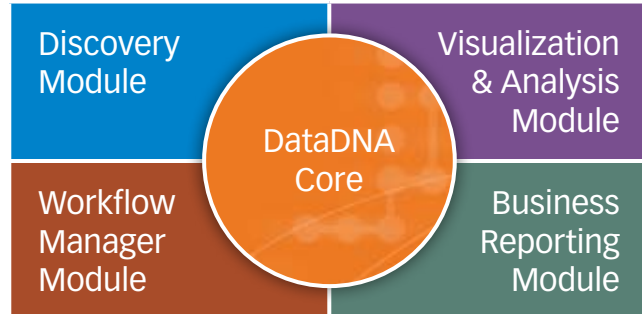
The primary focus of the FSII application is to automate an institution’s ability to provide trustworthy information and thereby reduce risks, costs and inefficiencies associated with poor information integrity. It monitors the integrity of every key data element (KDE) according to established and de facto business rules, and exposes errors in real time. In addition, it allows the business stakeholder to easily visualize these issues via several obedience and workflow reporting methods (e.g., business rules, visualization & analysis views, and interactive/browser-based features).

*From “It’s not just about getting your ratios right: Basel’s far-reaching new risk IT requirements,” McKinsey & Company, January 2013



COMPONENTS

The FSIIIM application includes four modules surrounding the DataDNA core. The application is designed to be business user friendly, and so validates information according to business rules.



FEATURES & FUNCTIONS

MODULE	FUNCTION
DataDNA Core	<p>DataDNA Engine – Maintain and configure metadata definitions, physical mapping of business elements into tables/columns from target data source, relationship between data elements and listener/agent APIs installed at targeted data source; wizard, UI tools to simplify setup and maintenance of metadata definitions for KDEs</p> <p>DataDNA Repository – Maintain metadata definitions, business rules, contextual data and recorded events; enable querying for ad hoc and canned reporting/analysis; enable porting of data to alternative data sources</p> <p>Rules Engine – validate data events against defined rules; leverage pre-defined financial services business rule templates for quick implementation; dynamically update/modify templates</p> <p>Triangulation Manager – Discover and correlate data relationships across disparate data sources in search of errant or missing information as established during data events; identify and reconcile specific data records or transactions being monitored; perform analyses of statistical and contextual references to improve the trustworthiness and soundness of the results</p>
Discovery Module	Conduct discovery/assessment to help institutions identify, define and map metadata definitions and lineage across targeted data sources; provide visualization for exposed KDEs; provide for reassessment, as needed
Visualization and Analysis	Provide granular visualization and forensics of identified integrity errors with drill down, exploration, navigation, dashboarding, and canned and ad hoc reporting
Workflow Manager	Organize and delegate the identified KDE errors to be resolved; manage the correction process and authenticate that the correction process of KDEs has been done accurately
Business Reporting	Provide a portal with framework for integration and presentation of results; aggregate and personalize data; provide scorecard view and operational reporting



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