

Client	The client is an international bank with European roots with a focus on consumer and commercial clients in some key local markets and a global focus on select multinational corporations and financial institutions, as well as private clients.
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Project Name	Basel II Reference Data Solutions
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Project Start Date	October 2004	Project End Date	June 2005
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Industry	<input checked="" type="checkbox"/> Commercial banking	<input type="checkbox"/> Insurance
	<input type="checkbox"/> Investment banking	
	<input checked="" type="checkbox"/> Private banking	<input type="checkbox"/> Asset and wealth management
	<input checked="" type="checkbox"/> Retail banking	
		<input type="checkbox"/> Corporate

Category of Service	<input type="checkbox"/> Performance measurement and monitoring	<input checked="" type="checkbox"/> Regulatory compliance and reporting
	<input type="checkbox"/> Portfolio risk management	<input type="checkbox"/> Business process improvement
	<input type="checkbox"/> Specialised risks	<input type="checkbox"/> Training and people change
	<input checked="" type="checkbox"/> Data Quality	<input type="checkbox"/> System selection and implementation

The Challenge	<p>The Basel II Accord (the “Accord”) imposes new standards for risk measurement, capital adequacy, and transparency that require greater consistency and integrity in banks’ information systems. In this instance, the client lacked the data that was either comprehensive enough, accurate enough or with a long enough history to allow them to meet the Accord’s requirements. Moreover, data was held in multiple databases with different data structure in various business areas of the bank and/or different geographical locations.</p> <p>avantage was engaged to assist with the development and implementation of a reference data strategy that would enable the client to address the reference data issue in the source systems. The key challenge was to normalise the client sources and transform reference data that power the front, middle and back office systems and processes.</p>
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Approach and Solution	<p>Our approach to this challenge began with developing a clear definition of reference data. In this instance, reference data comprised the fundamental details on every customer, security, and transaction, but not the operational data required for transaction processing. It was mainly static information consisting of critical data components that identify, qualify, and enrich the transactions, and enable business processes and workflows in the front office, middle office, and back office.</p> <p>The next step was to achieve an acceptable level of data quality by organising a data cleansing programme. The process systematically removed or corrected the reference data that was incomplete, inaccurate, duplicated, or improperly formatted, in order to achieve referential integrity. This work was completed with the ‘golden source’ owners. The result was a database for static data that was more complete, more</p>
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	<p>accurate, and more reliable.</p> <p>The final stage was to develop a new governance and operating model This model would support the full data management lifecycle, leading to 'golden copy' data. It was designed to acquire, cleanse, enrich, and distribute data that has been through the rigorous cleansing process. A key element of the operating model was to work closely with downstream operations to ensure that future information was properly channelled by developing and implementing adequate governance.</p>
Results and Benefits	<p>The client achieved a more advanced standard of data quality bringing order to the seemingly infinite stores of disparate data and applications. Through a comprehensive programme, the client began to meet the challenges of data management while minimising business disruption and achieving compliance with regulatory requirements.</p>
Software used	<p>Not applicable.</p>