



What Do Banks, Insurance Companies
and Manufacturers Have in Common?
FICO TONBELLER!

FICO TONBELLER – The Industry Expert in the Area of GRC

NORD/LB

The **Norddeutsche Landesbank-Girozentrale (NORD/LB)** is an international credit institution with a strong focus on North Germany. As the state bank of the federal states Lower Saxony and Saxony-Anhalt, Nord/LB supports the public sector in local authority financing. Nord/LB is also the central savings bank in both federal states and in the federal state of Mecklenburg-Western Pomerania. Apart from that, NORD/LB also does traditional banking business, e.g. project, ship and aircraft financing, financial markets and both corporate and private customer business. The company seats in Hanover, Brunswick and Magdeburg mark the bank's roots in their owner states.

Management Intelligence at NORD/LB:

Management cockpits provide right information to manage liquidity and risk

Right and Critical Information Fast and Widely Available

Achieving adequate revenues while simultaneously optimizing the risk situation is a demanding task for the management of a bank and the supporting instruments employed. Economic action while facing the compliance rules stipulated by Basel III requires control of immense complexity and dynamics. Often, companies do not lack information to create a decision base. It is rather the superfluous and irrelevant data that lead decision makers astray. Employees are forced to start laborious searches for the 'right' information at the 'right' time. In view of the exploding data volume and an increasingly complex data structure, this procedure is indeed limited, especially if decisions have to be made, because markets are changing at an ever faster pace.

This challenge has been met by NORD/LB through six different management cockpits conceived and implemented with the help of FICO TONBELLER.

Regarding financing and risk controlling, liquidity and credit risk management, the web-based cockpits meet the high requirements for the deployment of correct and critical information. It was the goal of NORD/LB to create a recipient-oriented solution that disburdens users from laborious manual search for data and ratios in heterogeneous information and data structures. The required information was to be accessible everywhere and comprehended at one single glance.

A central location was set-up that compiles standardized data from divergent sources and provides ratios in a uniform way to the operative sectors as management cockpits. For technical implementation of the cockpits, responsibility lies with ORG/IT.

Efficient and High Performance Data Integration

The decision to implement the project with Siron®Enterprise Cockpit Designer (Siron®ECD) of FICO TONBELLER was a quick one. NORD/LB has been using FICO TONBELLER products successfully for a long time and opted for Siron®ECD due to that positive experience.

Siron®ECD is a Management Intelligence solution for integration, analysis, preparation and visualization of data and helps managers plan and decide in real-time.

Nord/LB started creating cockpits to monitor concentration risks in financing and risk controlling. This was followed by the creation of the two liquidity cockpits: LCT for the treasury and LCR for the financing and risk controlling sector. The cockpit continually manages the liquidity ratios, regarding revenue and risk, and is used as a central liquidity, analysis, and reporting tool for financing and risk controlling at NORD/LB.

Deployed products

Siron® MI-Suite, Siron®ECD, XJTek Anylogic

Fields/user

Risk controlling, treasury, liquidity management

Task

- Set up a reporting for the management board/overall bank management
- Create a central database for critical data and ratios
- Plan and make decisions in real-time
- Set up a recipient-oriented reporting

Advantages

- Compliance with statutory requirements (e.g. Basel III)
- Cockpit for efficient treasury, liquidity management, credit risk management
- Single point of truth for ratios
- Role-based THIN client solution

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Since Siron®ECD was used for the first time at NORD/LB, first steps had to be taken for ORG/IT to see how the IT environment of NORD/LB fits in and what are the particularities in deploying various data sources for the cockpits. It was also to be made sure where the data resided that the specialized departments had defined to be the contents of the management cockpits. To deploy data for all cockpits, Siron® solutions were used to realize a complex ETL process, which extracts and transfers data directly from the upstream systems or from the data pool of NORD/LB.

During the preliminary work and the implementation, the team of NORD/LB was supported by consultants of FICO TONBELLER.

Professional Visualization Supports Overall Bank Management

There is a central data pool at NORD/LB that contains all necessary data for finance and risk control cockpits. Based on specifications for the ratios to visualize, made by the technical departments, this central location merges relevant data from various sources into a Sybase database and makes it directly available to Siron®ECD for data preparation and visualization. Since there was no central data management, data supply was significantly more complex for the LCT treasury cockpit. Information from various data sources were to be deployed. All three cockpits are used for management reporting and thus contribute to the overall management of the bank. The integrated role-based access and release process ensures the required confidentiality and integrity.

Furthermore, a simulation component has been added to the treasury cockpit. XJTek Anylogic is a solution for scenario simulation that is used for modeling, simulation, and optimization of complex problems. NORD/LB uses XJTek Anylogic to optimize instruments for refinancing. NORD/LB has also created control cockpits for further departments that contain classical management information for credit risks.

Management Cockpits Planned for Further Departments

Says Tobias Braml, ORG/IT: „Together with the employees of FICO TONBELLER, we have laid the technological foundations and created the cockpits that supply our users with critical information. After making ourselves familiar with Siron®ECD and verifying the requirements from the specialized departments, we have achieved quick results. Both the FICO TONBELLER consultants on site and the development team have implemented our requirements for Siron®ECD within a short period of time. We are very satisfied with the course of the project and the collaboration,“ Braml points out.

But it is not only the IT department that created management cockpits. In the meantime, the specialized departments create their own cockpits themselves. These are to be widely used following the test period. Complementary training courses have already been held on the premises of NORD/LB and can be performed on a regular basis in the future.

Tobias Braml explains: „At present, more than 150 users are entitled to use the existing cockpits. We are confident that their use will become more frequent and intense in the future, since acceptance of the cockpits is high in the specialized departments. Users are disburdened from laborious manual tasks and have more time for their genuine tasks and important decisions. By implementing the cockpits, we have built a central source of information that automatically provides the appropriate data for the respective recipient.“

Following the positive experience, NORD/LB plans to extend the use of the management cockpits. To this end, more functionality will be added to existing systems. Requests from users and requirements from the specialized departments will be implemented and there will be more options for deployment. It is the long-term goal of NORD/LB to deploy a management cockpit that is capable of including entire banking units, providing the responsible employee with all critical ratios at a glance and to contribute to the overall management of the bank.