

# Governing risk data aggregation and risk reporting



*Addressing bank regulatory imperatives with IBM InfoSphere Information Governance Catalog*

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## Highlights

- Formulate a common risk data vocabulary across the organization
  - Deliver trusted and meaningful information to the organization
  - Generate insight from data and trace risk data reporting
  - Respond to regulatory requirements more rapidly
  - Prepare for future regulatory requirements
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Banks today are continuously challenged to meet rigorous regulatory requirements. They must implement strict governance programs that enable them to comply with a wide variety of regulations stemming from the financial crisis that began in 2007, including the Dodd-Frank Act, Basel Committee on Banking Supervision regulations, the General Data Protection Regulation (GDPR), the Revised Payment Services Directive (PSD2) and the revised Markets in Financial Instruments Directive (MiFID2).

Many of these new regulations are spurring banks to rethink how data from across the enterprise flows into the aggregated risk and capital reports required by regulatory agencies. Data must be complete, correct and consistent to maintain confidence in risk reports, capital reports and analytical analyses. At the same time, banks need ways to monetize, grant access to and generate insight from data.

To keep pace with regulatory changes, many banks will need to reappportion their budgets to support the development of new systems and processes. Regulators continually indicate that the banks must be able to provide, secure and deliver high-quality information that is consistent and mature.

## Keeping up with regulatory requirements for risk management with IBM

IBM® InfoSphere® Information Server can help banks keep up with the ever-changing regulatory landscape while also driving business value. This platform helps ensure the use and dissemination of credible and governed information through a common data catalog that measures up to regulatory expectations and general business requirements.



InfoSphere Information Server supports Governance 2.0. Traditionally, governance was driven and mandated through IT policies and practices, often as an afterthought and held suspect by development and architecture teams. Today, businesses are being tasked with delivering data in real time for self-service analytics. Accessibility to data is critical, and the application of governance—for data access, data quality or data privacy—is now the responsibility of the business, generally through the office of the chief data officer.

InfoSphere Information Server can help satisfy the requirements for Governance 2.0. It introduces discovery and classification services that create a holistic data catalog for users to unlock insights, deepen the understanding of information, and gain visibility into the usage and dependency of information. These services can help the business pinpoint personally identifiable information (PII), adopt policies and rules for their governance, conduct intelligent searches, and monitor the application for governance and enactment of rules.

InfoSphere Information Server can help banks develop and implement the foundational elements for any governance implementation and establish trust across key data systems. Those foundational elements include the ability to:

- Provide a common business language for defining and making known the language of the business
- Document business policies and processes that define the regulation or specification
- Designate stewardship for defining the ownership and responsibility of information
- Capture the usage and consumption of data in the form of lineage reporting

With InfoSphere Information Server, banks can create that foundation quickly and cost-efficiently. They can use data to populate the financial reporting, capital reporting and risk reporting engines they use to publish reports for regulatory agencies. As a result, banks can help ensure trust and confidence in these reports and analytical models.

## **Building a shared data catalog and a documented set of policies and rules**

InfoSphere Information Server includes IBM InfoSphere Information Governance Catalog, which allows banks to share a catalog across varied systems, application and data stores. The catalog helps users gain a better understanding of information and requirements. At the same time, it fosters collaboration between business and IT by maintaining a strong data governance and stewardship program that turns data into trusted and valued information. Bank teams can use the trusted data for risk data reporting, analytical modeling and capital analysis.

InfoSphere Information Governance Catalog allows users to play an active role in information-centric projects. Users can collaborate with teams without the need to access complex source systems or applications. This level of governance and collaboration helps produce more accurate decisions and enables users to more readily capture business opportunities. The result is a bank with a consistent understanding of information, what it means, how it is used and why it can be trusted.

## **Establishing a common business language and policies to foster trust**

For risk aggregation and risk reporting projects, banks must establish a common business language and set policies that foster consistency, enhance collective understanding and strengthen alignment with business directives. Wherever information will directly affect a required regulatory report, the bank must be able to demonstrate how it arrived at the conclusion that the data is correct, consistent and complete. It is not enough simply to document business policies and requirements or terms. Banks must actively review and manage those policies and terms, and make them accessible to everyone.

InfoSphere Information Governance Catalog helps bank teams create, review and approve a business glossary to support a common language. It also helps teams construct governance policies and rules that enable the documentation of regulations and information specifications.

InfoSphere Information Governance Catalog provides a collaborative environment that requires nothing more than a web browser. Within this environment, users can search for and investigate the meaning, requirements, structure and

usage of important information assets. By leveraging business-driven integration and governance, including InfoSphere Information Governance Catalog capabilities for capturing consistent business policies and rules, users can be more confident when exploring, integrating and analyzing or making data-driven decisions. InfoSphere Information Governance Catalog enables compliance with defined governance policies and rules, demonstrating the implementation and enforcement of rules (Figure 1).

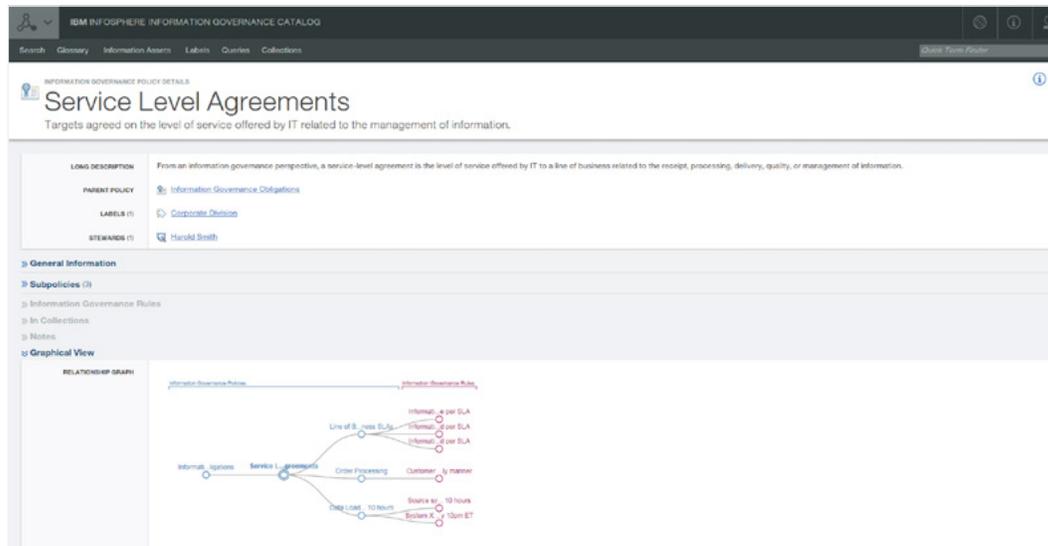


Figure 1. A governance rule related to the implementation of a governance regulation displayed in InfoSphere Information Governance Catalog. The display includes other related policies and rules, governed assets implementation details and a visualization relating the rule to its policy and implementation source. A user can hover the cursor over any related item to view additional details about that item, including the operational results of the implementation rules.

## Maintaining trust and confidence in data by tracing its lineage

The ability to trace data as it flows across the information landscape is fundamental in establishing confidence and trust in the completeness and correctness of that data. Traceability reports that show data lineage are critical in compliance and regulatory frameworks, because they accurately capture the history and origin of information (Figure 2). They answer key questions surrounding the usage or consumption of data:

- Where did the information originate (in which transactional or source system)?
- How was the information transformed or aggregated (through which tool or application)?
- What were the quality score, implementation model and additional facets of each data item?
- Which policies and rules have been implemented against each data item? And what were the operational results of those policies and rules?
- Who is the owner of each data item?

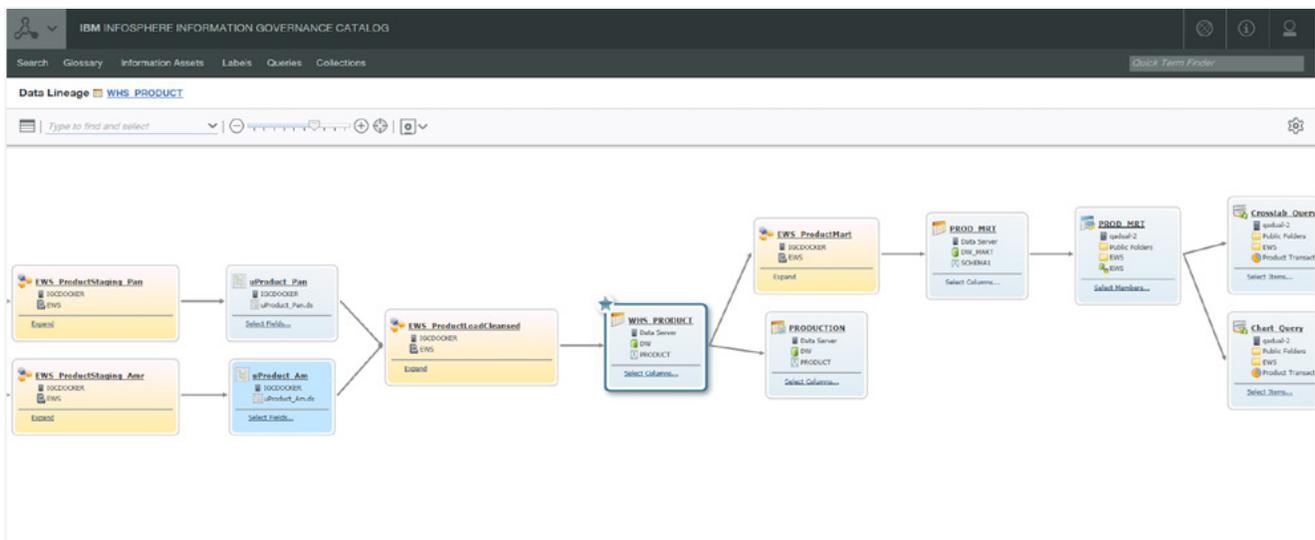


Figure 2. A data lineage report that traces data across the information landscape and that is used within an analytical report and risk engine. By hovering over individual elements on the graph, the user can get information about related terms, assets and governance rules. Users can also apply filters to narrow the elements of the report. The report may be saved as an Adobe PDF document for easy distribution and consumption.

InfoSphere Information Governance Catalog allows banks to filter, customize and deliver lineage reporting to regulators and corporate officers. Reports trace data across applications and data warehouses back to source systems. And they surface the processes and transformations that occurred along the way (Figure 3). These lineage reports promote data governance by establishing information responsibility and accountability.

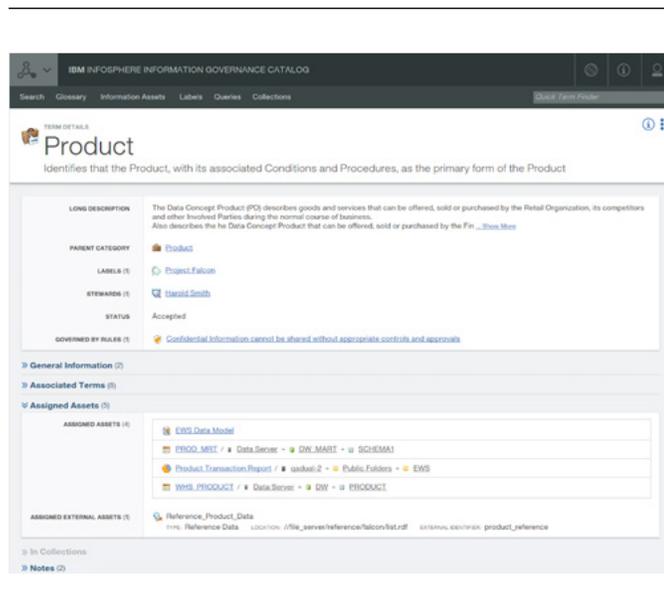


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## Gaining a more complete view of risk

Whether you are one of the Global Systemically Important Banks (G-SIB) or a Domestic Systemically Important Bank (D-SIB), InfoSphere Information Server and InfoSphere Information Governance Catalog can help you address continuously evolving regulatory requirements through effective risk aggregation and risk reporting.

With InfoSphere Information Server and InfoSphere Information Governance Catalog, you gain a more comprehensive and complete view of information while mitigating risk. You can uncover the meaning, requirements, structure and consumption of data to maintain compliance while also driving business development and growth opportunities.

## Why IBM InfoSphere?

InfoSphere Information Server provides comprehensive capabilities to help banks organize, understand and deliver information, fostering collaboration and encouraging a standardized governance.

Many banks already use InfoSphere Information Server, IBM InfoSphere DataStage®, IBM InfoSphere QualityStage® and IBM InfoSphere Information Analyzer for data governance, data profiling, data quality and data integration. InfoSphere Information Governance Catalog offers additional benefits, including a common and governed data catalog, a process for the curation and publication of governance terms and policies, data lineage reporting and visibility into data quality metrics related to policies and rules.

IBM understands that banks have many systems from multiple vendors. We offer heterogeneous support for solutions through open and published application programming interfaces (APIs) and open interfaces. That support enables banks to extend the catalog, allowing for the introduction of specific systems and applications, while maintaining and applying a common set of terms and policies or inclusion within data lineage reporting. This approach allows banks to leverage metadata from non-IBM sources. In addition, IBM Services and IBM Business Partners are available to help build solutions where greater customization is required.

Download a [trial edition](#) of InfoSphere Information Governance Catalog today, and learn how to support and deliver upon the basic tenets of governance and manage a data catalog to benefit users searching for information. The trial edition includes several step-by-step guides that explain and allow you to experience the process for drafting a glossary or set of policies, loading data into a catalog, or supporting data lineage and compliance reporting.

### For more information

To learn more about InfoSphere Information Governance Catalog and download a trial edition, contact your IBM representative or IBM Business Partner, or visit: [ibm.com/us-en/marketplace/information-governance-catalog](http://ibm.com/us-en/marketplace/information-governance-catalog)

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