

Delivering consistency and control to ING

Case Study

Executive summary

ING chose Asset Control's AC Plus to cleanse, validate and transform data prior to feeding it to business applications. The installed system serves 6 data applications and approximately 2,000 business users in ING's core market risk management, credit risk management and product control operations.



Highlights

- Annual savings of \$400,000+ thanks to improved data vendor management
- External/internal auditors satisfied by strong audit trails and transparency of validation rules
- 85% reduction in data management specialist headcount
- The ability to move quickly and avoid risk on new market opportunities through swift transfer of data to business users
- Rapid, stress-free provision of consolidated weekly reports to the ING Board and the European Central Bank

Business challenge

Prior to using Asset Control's AC Plus platform, ING's business units had individual responsibility for sourcing, cleansing, validating and delivering data to downstream applications.

This gave each unit access to their data, but different processes were being applied, resulting in incomparable figures. ING subsequently spent considerable time and effort creating consolidated financial reports and risk projections for senior management and regulators (e.g. the ECB) accounting for these differences.

Furthermore, ING was facing demands from internal and external auditors to provide audit trails to track all changes to data used for reporting.

Establishing a central repository

ING recognised there was a need to have a central repository where all data would be acquired, cleansed, validated and transformed before being fed to business applications.

The first area of the business to benefit from the repository would be market risk management, but the intention was to have an enterprise-level repository serving data to all business units and applications.

ING sought a solution flexible enough to source data from multiple vendors in order to include data from niche providers with more accurate data for particular instrument types.

They needed an efficient cleansing and validation process which could get data out to applications in as little as 20 minutes, and to be able to serve data to applications in multiple formats over multiple protocols.

The system also needed to be easily scalable. Although the initial implementation would serve just one area of the business, ING's vision was to create an Enterprise Data Management solution that would provide consistent, cleansed data to every area of its operations.

ING also required an 'open' system for which it could buy or easily develop modules to handle complex, specialist functionality such as yield curve calculations.

Asset Control was the only supplier to address all ING's requirements, with an initial proof of concept confirming the flexibility and functionality of AC Plus.

ING was also impressed by the positive referrals it received from existing customers and the business and technical understanding shown by staff.

For well over a decade, AC Plus has been repeatedly tested against the market as more of ING's business units introduce centralised data management. Throughout this time it has continued to demonstrate that it is the best option for unmatched flexibility, functionality and speed.

“ We've been able to extend the range of data supported by AC Plus because it's a very flexible product that allows you to set up new requirements very quickly, whether for existing applications or a whole new business area. ”

MARKET DATA MANAGER
ING

“ With AC Plus, we can respond in days rather than weeks to requests from the business to change the way data is processed or presented. ”

MARKET DATA MANAGER
ING

Asset Control solution

AC Plus cleanses, consolidates and serves data to half a dozen applications and approximately 2,000 business users in ING's core market risk management, credit risk management and product control operations

Every day, 3 main batches of data are sourced, cleansed and validated within as little as 20 minutes, from up to 12 external vendors and internal sources.

ING also makes use of Asset Control's solutions to calculate yield curves, and uses rules within AC Plus to perform supplementary calculations before serving data to applications in XML format.

ING first implemented AC Plus over 10 years ago, rolling it out in a single area of the business. It now serves data to applications spread across 6 business units, including the aforementioned core operations, with the data management department creating data spreadsheets in AC Plus for modelling purposes.

Benefits

Asset Control's data management system enabled ING to pass external and internal audits easily, while quickly and cost-effectively delivering cleansed pricing, market, reference and derived data to downstream applications.

It has also helped ING monitor the quality of each data vendor feed and the extent to which that data is being used by the business. This allows the data management department to hold meaningful discussions with clients about which vendors to use for particular data items. One outcome of these meetings resulted in a \$400,000 (€300,000) per year cost saving for one single application, simply by switching data vendors.

Naturally, over the course of several years, ING has needed to extend the range of data it handles through AC Plus. Having started with two external data feeds, the system now takes in data from almost a dozen external vendors, including niche and internal feeds.

All data can be served to downstream applications in multiple formats over multiple protocols, of which ING mainly uses XML files formatted with stylesheets.

AC Plus can easily handle even the most demanding data requirements, such as complex decision trees for pricing feeds and asset classes associated with client mandates.

ING also benefits from off-the-shelf modules from Asset Control, for example allowing them to handle yield curve interpolation.

"Asset Control understands the market, which means it offers a good range of modules on top of the core product and you don't have to build everything from scratch," says their Market Data Manager. "At the same time, AC Plus's flexibility means you can build what you need quickly if there isn't already a module for it."

As an example, ING introduced an historical VaR simulation model for market risk management, which uses credit spread data on top of yield curves.

Success from support

All ING's data can be delivered by an extremely small team under the Market Data Manager's direction, consisting of just 3 in-house developers, a database controller, and 3 analysts who set up new instruments and curves, maintain and cleanse data. ING's success can be said to be in part due to the support received from Asset Control.

"There's always been great co-operation between ING and Asset Control and we help each other out," says the Market Data Manager. "They are really good listeners – we tell them what we need and they incorporate it into their AC Plus roadmap. In return, when we've built interfaces for our needs, they'll sometimes incorporate them into the product so other users can benefit from them."

Asset Control's centralised financial data management system enables ING to pass external and internal audits, while quickly and cost-effectively delivering cleansed pricing, market, reference and derived data to downstream applications.

AC Plus simplifies the delivering of consolidated reporting to the ING Board and regulators and delivers cost savings in its data management function, helping ING move quickly to take advantage of new market opportunities.



About Asset Control




Asset Control has been the leader in providing supremely reliable, high performance systems for the management of financial data since 1991, helping financial organisations deliver high-quality reference, market and risk data to the people and applications that need it – on time, all the time.

Serving the world's most successful financial institutions including top-tier banks and investment managers, as well as growing firms across global markets, our software and operational expertise makes processing and reporting possible sooner, with absolute accuracy, and total consistency.

Our systems track every data element from the point of capture to final delivery, giving banks and asset managers the ability to manage costs and achieve the highest standards of data governance. Whether it is for regulatory compliance, portfolio valuation, or risk management, we deliver data with unequalled efficiency, transparency and integrity.

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