

Better Performance Management with IBM Cognos 8 BI and the IBM Banking Data Warehouse

Two Industry Leaders, One Powerful Result for Financial Services

The financial services industry has experienced unprecedented challenges. Industry demands such as the need to provide higher levels of customer service, understand changing customer requirements, respond to price pressures from stiff competition, and reduce operating costs are ongoing business imperatives. The 21st century, however, has brought new issues to the forefront that are compounding these challenges. The financial services industry has been shaken by trust and credibility questions and must acknowledge:

- The threat of regulatory compliance-related sanctions including Sarbanes-Oxley, Basel II, and the US Patriot Act.
- The financial strains of a flattening yield curve, a shrinking mortgage market, and the challenge of maintaining an even balance between risk and loan volumes.
- The agility required to shift from product-centric business models to customer-focused solution-based strategies aimed at increasing wallet share and facilitating demand generation for fee and non-fee based services.

As a result financial services institutions have been forced to completely rethink their business and technology strategies.

The solution to these challenges lies in access to and disclosure of accurate, timely, and transparent information. IBM's Banking Data Warehouse (BDW) and IBM Cognos 8 Business Intelligence (BI) provide financial institutions with a single enterprise-wide infrastructure with pre-defined banking-specific content. This pre-defined content can address issues such as customer relationship analytics, profitability analysis, risk management requirements, and the data consolidation aspects of compliance issues such as Basel II, Sarbanes Oxley, and IAS.

IBM and Cognos, an IBM company, the respective leaders in data warehousing (DW) and business intelligence, provide the information foundation needed to address these and other challenges. IBM's BDW provides unparalleled data

warehousing capabilities, including support for compliance. Cognos business intelligence solutions allow financial institutions to analyze and report on the IBM BDW information with industry-leading ease, creating the transparency, accuracy, and speed of information that decision-makers need.

The value proposition

Deploying IBM Banking DW solutions and IBM Cognos 8 BI together enable financial services institutions to:

- Create an enterprise compliance infrastructure that provides a holistic approach to satisfying Sarbanes-Oxley, Basel II, the Patriot Act, and other regulatory requirements.
- Unite customer information into a single view, allowing deeper customer knowledge and enhanced cross-sell opportunities.
- Consolidate credit, market, and operational risk information into an enterprise-wide view and distribute it to risk managers, enabling more effective risk management.

Infrastructure for compliance

Compliance is far-reaching and affects many areas of an organization. Combining IBM and Cognos solutions allow companies to manage compliance and optimize performance management information across their extended enterprises.

IBM component overview

IBM BDW provides a scalable, flexible, and low risk approach to enterprise-wide DW development. The IBM components mainly consist of logical pre-defined business-specific data models and associated generators to enable the content to be quickly implemented in specific database environments. The main components of this architecture include:

Predefined Central Warehouse Model: A set of comprehensive entity-relationship models and associated methodologies to enable organizations to create a scalable and flexible enterprise-wide data repository for all business intelligence needs.



A Credit Risk Analysis Scenario with IBM Cognos 8 BI

Predefined Data Mart Designs: A series of data mart designs that enable organizations to quickly identify and agree on specific business requirements, and translate them into data mart, and associated data warehouse database designs. Once generated these data warehouse and data mart designs can then be visualized using IBM Cognos 8 BI.

In addition to the Cognos solutions and the IBM Industry Data Models, a typical data warehouse engagement will also enable the leveraging of experienced IBM Global Services Consultants and IBM technology such as DB2® and WebSphere®.

Cognos component overview

Cognos offers the most complete set of performance management capabilities in the industry. Cognos software lets companies drive performance through planning, monitor it through scorecards, and understand it through business intelligence—all delivered in a seamless environment. Cognos performance management components include:

Reporting and Dashboards. Users can create, modify, and distribute any report the company requires—invoices, statements, weekly sales and inventory reports, from any data source for consistent fact-based decision-making. With dashboards can view and analyze complex data in intuitive graphical formats, including dashboard layouts, geographical maps, pie or bar graphs, or 3D graphs.

Analysis and ad-hoc query: Online analytical processing (OLAP) allows users to explore large volumes of summarized data in a variety of formats and drill through to the details they need.

Scorecarding: Scorecards deliver measurable metrics that let users know immediately where they stand, enabling them to manage their performance.

Event detection: Time-critical business intelligence is automatically delivered to decision-makers through e-mail and wireless technologies, allowing them to focus on what needs immediate attention.

Enterprise Planning: Cognos software provides users with an integrated, best-in-class solution for planning, budgeting, forecasting, modeling, consolidation, and financial reporting.

Performance management gives a company visibility into its history and its future. With IBM Cognos 8 BI and IBM, financial services companies can know where they have been, see where they are now, and know where they are going. With a core business intelligence and data warehousing foundation, the best possible decisions can be made. Investing in performance management software not only allows companies to meet compliance regulations, it is an investment in better business decisions.

IBM and Cognos industry roadmap

Building on the industry specific data modeling delivered within IBM BDW solution, IBM Cognos 8 BI provides unparalleled access and visibility into a company's most valuable information assets. Combining the IBM BDW and Cognos 8 BI helps financial services companies to identify their most profitable customers, products, branches, and channels. It also exposes opportunities to cross-sell services, anticipate future needs, and devise marketing programs that offer well-aligned products and services to retail or wholesale banking customers.

Advantages

Strategic Performance Management Approach

Strategy selection and execution can only be achieved by interacting with appropriate information, defining clear objectives, and managing performance. Taking a strategic approach to collating and distributing essential information will seamlessly allow the vision of performance management to become a reality that will significantly increase global business performance and profit.

Fast Answers to Functional Requirements

Addressing specific business issues at a functional level is an established and pragmatic approach to delivering business value in reduced timescales. Fast delivery of the right information to the right audience enables essential business decisions to be made quickly with increased confidence. Whether the questions relate to risk analysis, product or customer profitability, or channel management, BI and data warehousing at a functional level delivers proven return on investment (ROI). These functional areas include:

- Profitability
- CRM
- Risk
- Asset & Liability
- Compliance

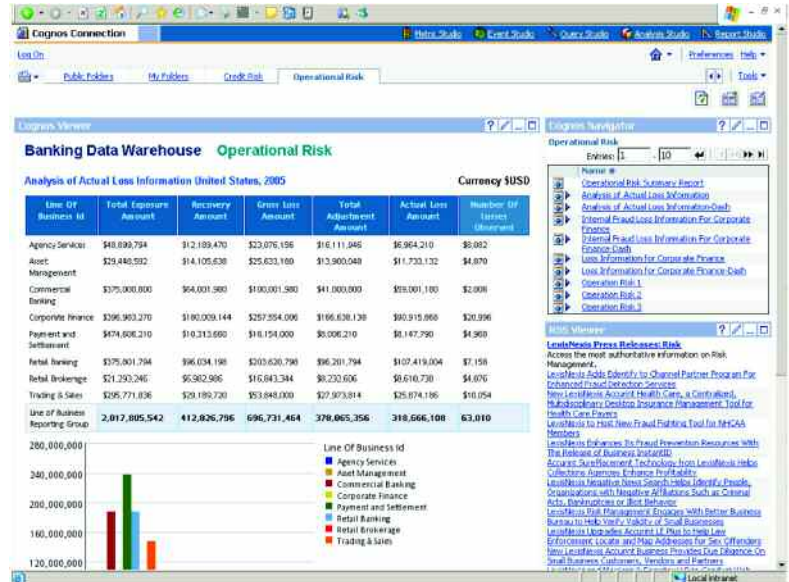
Integrated, Enterprise-Wide Insight

Cost savings, increased productivity, and performance management at a functional level should not be where the advantages end. Providing all of this, plus a reduced cost of ownership, streamlined information management, and easy global deployment—irrespective of location or language on an enterprise level—will leverage the information already within functions to facilitate better decision-making and establish an aligned set of objectives across the organization.

Why IBM and Cognos?

The deployment of mission-critical solutions dictates the use of dependable partners. IBM and Cognos each have a proven track record in the financial services sector for delivering unmatched project success. Specifically, IBM and Cognos jointly provide:

- Financial services experience to thousands of customers.
- The comfort of dealing with two exceptionally stable companies.
- Accelerated project implementation as a result of the existing working relationship and pre-integration of the respective solutions and associated components.
- A best practice business intelligence infrastructure leveraging a proven architecture, open standards, and associated components.
- Reduced project risk in BI implementations due to the extensive project management experience of both IBM and Cognos.



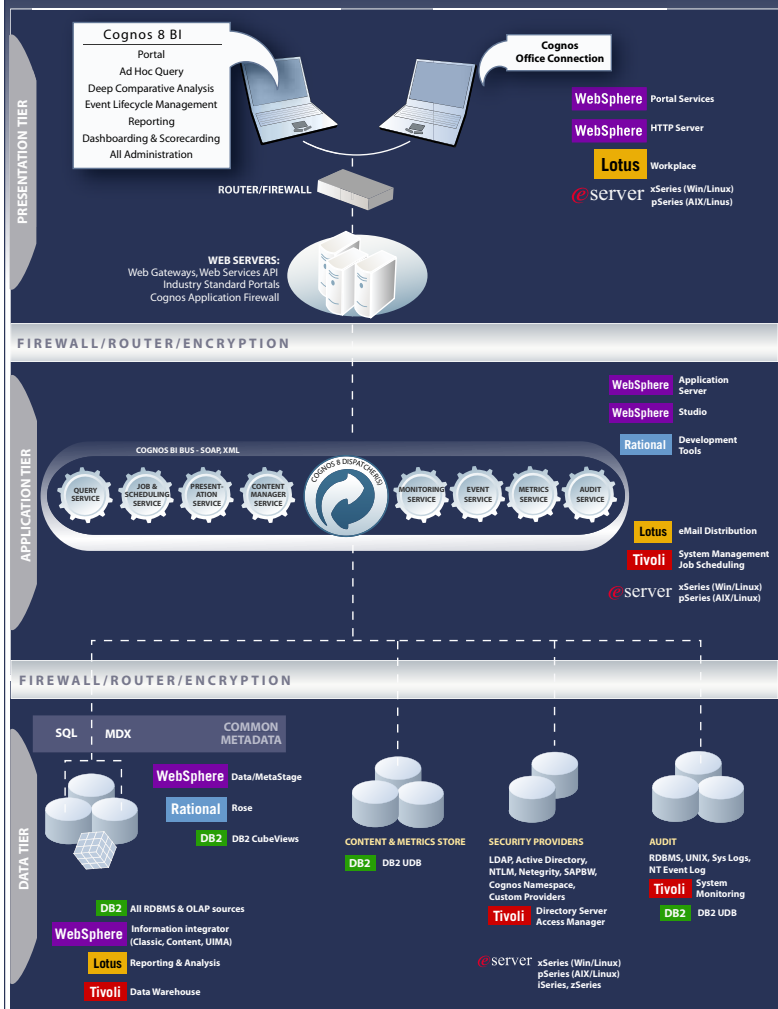
An IBM Cognos 8 BI Operational Risk Analysis Report



A Branch Performance Analysis Dashboard created with IBM Cognos 8 BI

Building on a relationship that spans decades, Cognos has been elevated to IBM's Strategic Alliance program—IBM's highest tier partner status. As part of the strongest partnership agreement in our history, Cognos will work closely with IBM to further enhance and optimize Cognos BI products for IBM hardware, software, and services. The

Cognos 8 BI for IBM Information On Demand



IBM Cognos 8 BI Product Integration

depth of the Cognos-IBM relationship means that Cognos products, along with their IBM technologies, are validated to run smoothly, quickly, and reliably. Together Cognos and IBM market comprehensive business intelligence offerings that can help customers break down the walls that divide their business information assets, improve corporate performance management, and drive profitability. Cognos software leverages IBM DB2 Universal Database™, DB2 Warehouse Manager, DB2 OLAP Server™, DB2 Cube Views™, IBM WebSphere Application Server, IBM WebSphere Portal, IBM WebSphere Information Integrator, and IBM WebSphere Data Integration Suite, and is available on IBM eServer pSeries® and xSeries® systems (Windows®, AIX®, and Linux®). Data can be accessed from all IBM eServer platforms including iSeries®, pSeries, xSeries, and zSeries®.

While both companies combine the right products, Cognos and IBM also have a depth of hands-on industry expertise. Financial services leaders choose Cognos, including nine of the top 10 banks in the U.S. and Europe. These industry leaders are joined by over 1,000 banks, insurance companies, and financial services institutions that use Cognos to power their performance.

Bringing together Cognos and IBM unites two technology leaders for one powerful result: an on-demand real-time BI environment that helps financial services effectively drive profitability and success.

For more details or to contact Cognos:

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URL: http://www.cognos.com/solutions/data/ibm/banking_warehouse.html

About IBM

IBM offers a suite of industry-specific data warehouse solutions for the banking, insurance and telecommunications industries. These solutions incorporate the industry-specific structures, experiences, and best practices gained from hundreds of data warehouse engagements worldwide.

About Cognos, an IBM company

Cognos, an IBM company, is the world leader in business intelligence and performance management solutions. It provides world-class enterprise planning and BI software and services to help companies plan, understand and manage financial and operational performance. Cognos was acquired by IBM in February 2008. For more information, visit <http://www.cognos.com>.

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Visit the Cognos Web site at www.cognos.com

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