

Case Study : European Bank: Data Hierarchy Management

Scope

A leading European bank, in order to better manage the risk exposure of various counterparties available in their local database, wanted to link all counterparties to their corresponding parent companies. The process included:

- Searching the hierarchy of a given Entity group from Annual Reports, Corporate sites, Government regulatory sites, Stock Exchanges and official publications.
- Building the hierarchy after confirming the Ultimate Parents.
- Searching the corporate site for old names, new names, mergers, acquisitions, takeovers, joint ventures, spinoffs, etc.
- Then matching the hierarchy with the data provided by the client.
- And preparing the final output in the format as required by the client.

Methodology

- ODA built and maintained a top-to-bottom legal hierarchy, linking obligors in INSIGHT system
- ODA team of analysts created a hierarchy tree of different entity groups by mapping subsidiaries that were already present in the database to their ultimate parent
- 2600 entity groups were structured with 60,000 entities as subsidiaries
- **Phase I** A dedicated team of 20 FAs with requisite skill-sets was formulated to work on the project.
- **Phase II** A dedicated team of 15 FAs worked dedicatedly for tracking Corporate Actions on counter-parties

Benefits to client

- Updated and enriched counterparty database
- Accurate legal hierarchies to inform credit risk exposure calculations, reporting and limit monitoring
- Automated counterparty setup for front office systems (by matching against entity database)

Added value to client

- Well-established expertise in offering similar solutions.
- Strict management of data security.
- Ability to deliver cost-effective solutions with high quality