

CASE STUDY



SpareBank 1

Industry

Financial Services

Profile

SpareBank 1 Forsikring is part of the SpareBank 1 Alliance (the second largest finance group in Norway). It is the third largest supplier of pension products in Norway. It was originally a life and non-life insurance company but was re-established in 2019 as a pension-only company. SpareBank 1 is a Norwegian alliance and brand name for a group of 14 independent savings banks. The alliance is organized through the holding company SpareBank 1 Gruppen AS, owned by the participating banks. This alliance makes for Norway's second-largest bank, with total assets of US \$70 billion, 352 branches, 6,300 employees, and more than 300,000 customers, with its head office in Oslo, Norway. The banks in the alliance distribute SpareBank 1 Group's products and collaborate in key areas such as brands, work processes, expertise development, IT operations, and system development.

SpareBank 1 Forsikring: Expediting Data Delivery and Enabling New Use Cases

In an increasingly challenging business and regulatory environment, SpareBank 1 Forsikring revamped its data platform to make it more agile and better able to serve emerging depreciation and amortization (D&A) use cases. Read on to understand how the Denodo Platform, as a central component, powers this new data platform.

Business Need

Over the last many years, there have been significant changes in the external and internal business environments of SpareBank 1. The bank itself, along with IT technologies and business practices, have evolved, albeit not always in tandem. Just in 2019, the non-life and life insurance businesses in SpareBank 1 and DNB (the largest bank in Norway) were merged, giving rise to the new insurance entity Fremtind Forsikring. SpareBank 1 Forsikring was left with only the pension products, and needed a completely new data and analytics solution, as the existing data and analytics solutions was to be used by Fremtind Forsikring only.

Increasing regulations in the financial services industry in turn increased the reporting obligations for a variety of internal and external stakeholders. Anti-money-laundering regulations, to help detect and report suspicious activities related to money laundering and terrorist financings, such as securities fraud and market manipulation, became a top priority. SpareBank 1 Forsikring also operates in an intensely competitive market, and to maintain a competitive lead over the others, it has to continually build new products and services and offer improved customer experiences. However, the data infrastructure, which is immensely crucial to meet these changing needs, lacked the flexibility to support these new business requirements and eventually became a bottleneck for change.

Under the new anti-money-laundering (AML) legal requirements, Sparebank1 followed with "extended customer approach1," which entailed differentiated approaches to risk assessment for each customer. This involved scoring every new customer registration on the risk of money laundering and terrorist financing and accordingly, deciding on the countermeasures. The score calculation relied on data that had to be gathered from a variety of data sources, such as whitewash registers, politically exposed persons (PEP) databases, and sanctions lists — essentially a significant amount of data being sourced from external data providers. However, the traditional data warehouse at SpareBank 1 Forsikring, with a 3-to-4-layered architecture, was not agile enough to support these requirements and the new business use cases that the bank envisioned. SpareBank 1 needed a new data platform that could efficiently integrate data from all kinds of heterogeneous data sources, deliver the data to the consuming applications, regardless of their vendor origin, provide the flexibility to add new data sources as quickly as needed, support various input/output formats and tools, shorten time-to-delivery of data integration projects, support modern data and analytics use cases, and ensure that the data infrastructure is secure, well-governed, and intuitive enough to promote a self-service data-sharing culture within the organization.

“

“The introduction of the Denodo Platform at SpareBank 1 Forsikring has given us far better flexibility to quickly deliver data from internal and external sources to support analytical user needs, as well as to implement new use cases with real-time data such as the anti-money laundering (AML) solution.”

- Dagfinn Roed, Product Owner, Information Platform at SpareBank 1 Forsikring



The Solution

To speed up development processes and remove complexities in managing and maintaining the data solutions, SpareBank 1 conceived of a new agile data platform that would rely on data virtualization technology. The Denodo Platform, a leading solution in the data virtualization and data integration space, became the obvious choice. The Denodo Platform, with over 175 data adapters, is compatible with almost any data source system and analytics application.

The new data platform at SpareBank 1 is called the Information Platform of Pension (IPP). As seen in Figure 1, the data virtualization platform gathers and consolidates data from all kinds of external and internal sources systems and makes the data available for reporting and analytical purposes to tools like Tableau and Power BI. Knowit, a Denodo Partner, along with several other system integrators, supported SpareBank 1 Forsikring in analysis, design, and implementation of the IPP platform. Knowit has substantial experience in data warehousing as well as in systems integration and systems implementation.

The information platform is open and flexible and is expandable to support future business opportunities. The platform uses Denodo APIs against public registers, PEP and sanctions lists, address washing, real rights holders, etc., to gather relevant data and calculate the risk score for the customers. SpareBank 1 is also using the Denodo Platform catalog to make it easier for its users to access the relevant data for themselves without having to go through the data integration teams. Currently, the Denodo Platform serves the data requirements of SpareBank 1, along with the traditional ETL-based data warehouse built on SQL-Server. Soon, the traditional data warehouse will be entirely decommissioned, and all the data will be integrated and delivered through the Denodo Platform.

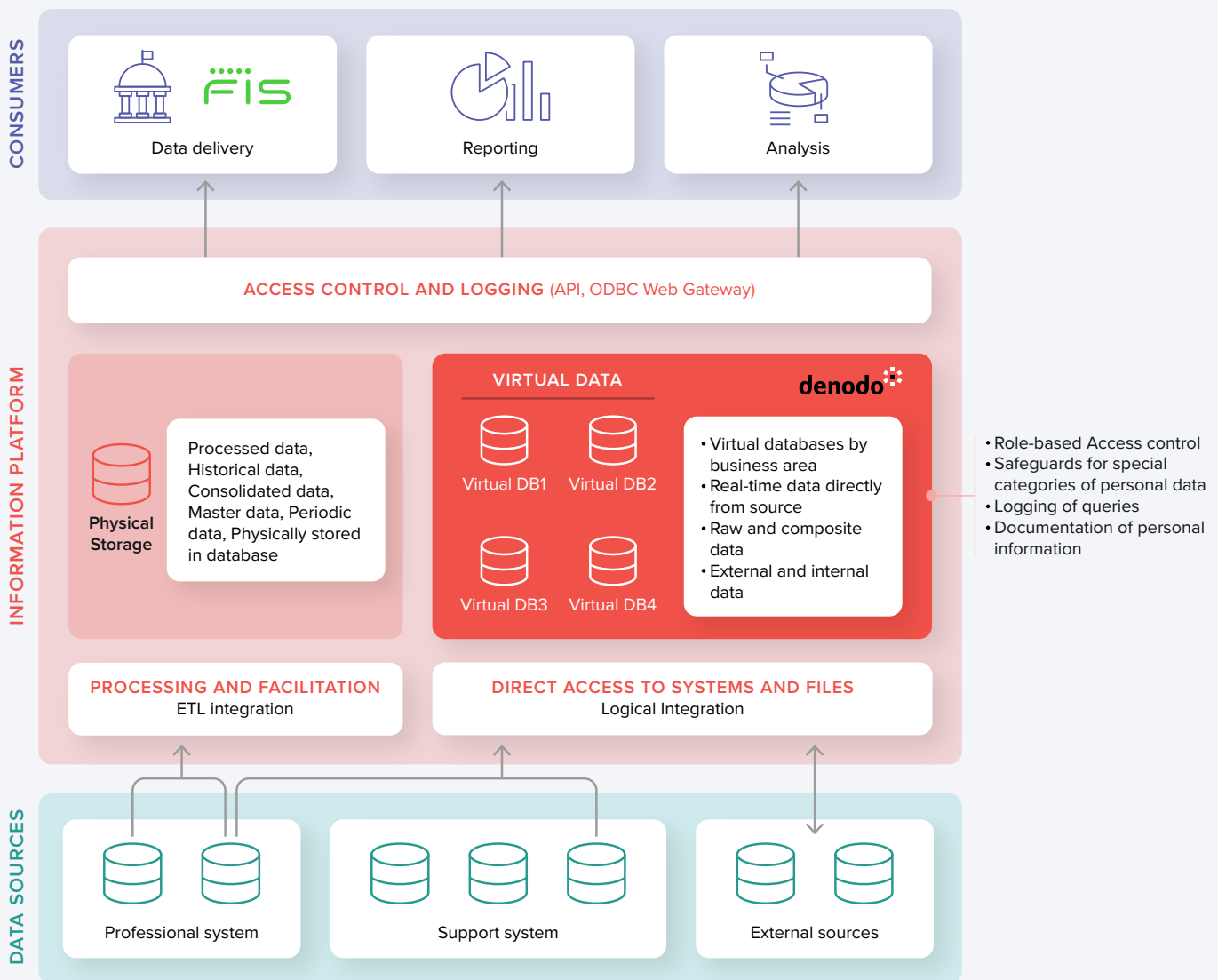


Figure 1: The Information Platform of Pension (IPP) at SpareBank 1 Forsikring is centered around the Denodo Platform, which provides logical data integration and delivery with role-based access control and data catalog capabilities.

Benefits:

1. The Denodo Platform has enabled fast, cost-effective data delivery while enabling data analysts to add any number of data sources for ad-hoc analysis and the building of new insurance products.
2. The AML use case, enabling SpareBank 1 to perform real-time verification of new customer registrants, was implemented in a record time of 3 months, with the help of the Denodo Platform, as compared to traditional data integration platforms, which may take up to 12 months to implement similar use cases.

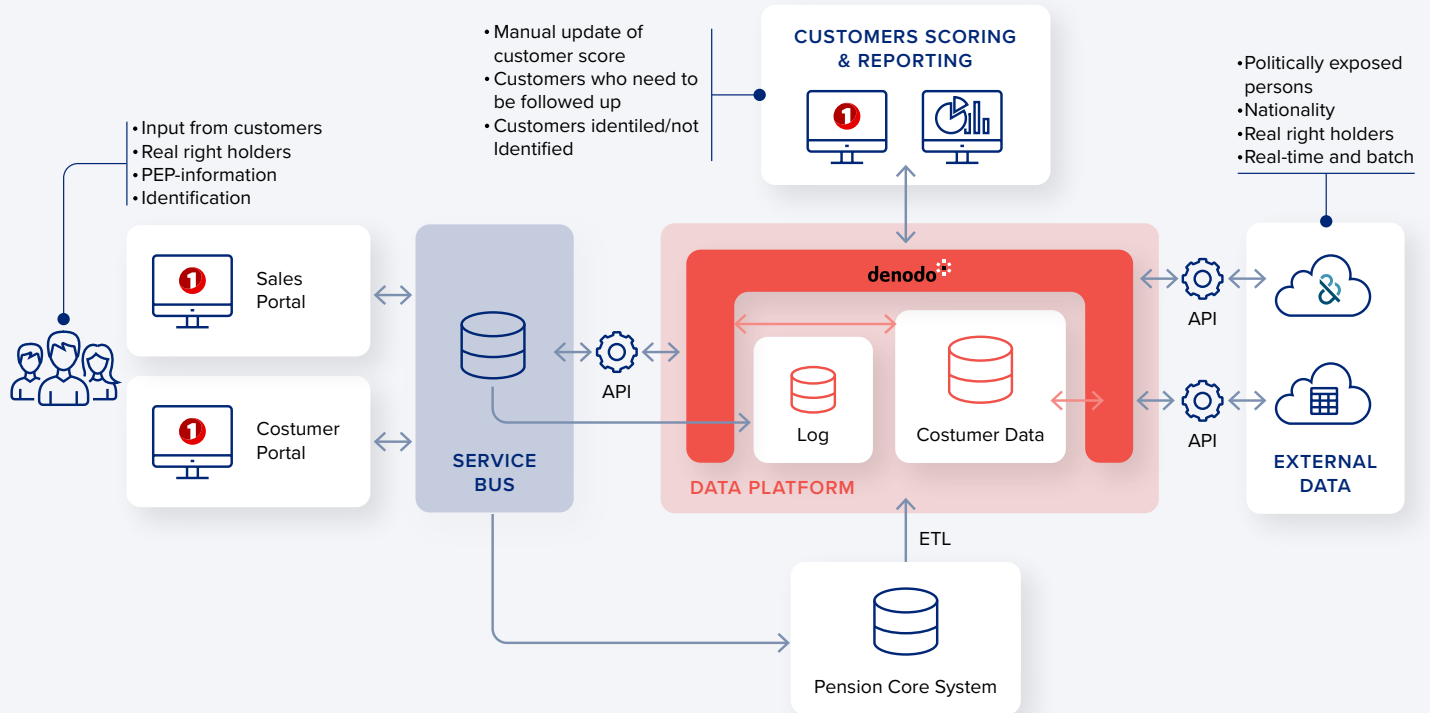


Figure 2: Blueprint of the AML solution at SpareBank 1 Forsikring

3. A broader and faster data reach has provided for better basis and preparation for Solvency II and IFRS reporting.
4. The right access controls and security policies provided by the Denodo Platform has enabled better data governance at SpareBank 1, and it also helped the bank to meet GDPR requirements.

About Knowit

knowit

Knowit, established in 1990, is a consultancy firm that supports companies and organizations in digital transformation. With a unique combination of competence in IT, design, communication, and management, it develops innovative and sustainable solutions that contribute to high business value for its clients. Currently, it has around 3,800 employees in Sweden, Norway, Denmark, Finland, Germany, and Poland. Since 1997, Knowit is listed on the Nordic Stock Exchange in Stockholm. On the Web: <https://www.knowit.eu/>

denodo

Denodo is a leader in data management. The award-winning Denodo Platform is the leading data integration, management, and delivery platform using a logical approach to enable self-service BI, data science, hybrid/multi-cloud data integration, and enterprise data services. Realizing more than 400% ROI and millions of dollars in benefits, Denodo's customers across large enterprises and mid-market companies in 30+ industries have received payback in less than 6 months.