



The Banking Industry
Architecture Network (BIAN)

Newsletter

1 // March 2010

Dear Friends of BIAN,

the previous weeks and months have been extremely busy for all BIAN members and now we are pleased to share with you some of the recent BIAN achievements:

The Focus Project has resulted in valuable deliverables in the Payments and Business Partner domains. The team has come up with additional recommendations around the BIAN Architecture Foundation, including guidelines and templates. The findings are currently being evaluated by BIAN members, and will be important input for our BIAN strategy and roadmap – shaping our future direction.

In addition, the Analytics and Lending working groups have successfully finalized the planned deliverables in their corresponding domains. The documents are currently being reviewed to ensure the high quality of BIAN work products prior to publication.

Let me take this opportunity to thank all BIAN members who actively contributed to these achievements. We will let you know as soon as the new results have been released for publication.

The featured article in this edition of the BIAN newsletter focuses on the valuation of profitability as a key factor for success in Finance and Risk Management. It will give you some insights into the recent work accomplished by the BIAN working group Analytics.

Feel free to forward this newsletter to colleagues and friends in your company or other interested organizations.

With best regards,

Karin Fischenbeck
Secretary General, BIAN e.V.

1 | BIAN Secreteriat and Organisation

New BIAN Working Group: "Quality Assurance"

The BIAN Quality Assurance Working Group is an internal body suggested by the BIAN Architecture Committee. The Working Group ensures the quality check and optimizes the review process of BIAN deliverables by leveraging business expertise, guidelines and templates.

The first deliverables shortly being reviewed by BIAN subject matter experts are



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About BIAN

BIAN is a 'not for profit' organisation which seeks to accelerate the adoption of Service Oriented Architecture (SOA) in the banking industry by promoting convergence towards a common services landscape and

documents created by Working Group Lending. Another review session currently being scheduled will focus on deliverables finalized by Working Group Analytics. These review sessions are also a unique opportunity for additional BIAN subject matter experts to get actively involved in current topics, and to ensure the high quality of BIAN deliverables.

We welcome this new BIAN Working Group and look forward to a successful collaboration.

Your Feedback is requested!

In the previous BIAN newsletter it was announced that we would like to get your view on what BIAN has been achieved and what particular benefits you have gained through the community's outputs.

Therefore, we would like to ask you to take part on the survey which will start in the next few weeks. The survey questions will focus on SOA adoption and your view on the BIAN results. You will receive an email from BIAN including a link to a questionnaire. The questionnaire will also be posted on the BIAN Homepage. As BIAN is only as good as the value it provides, your feedback is very valuable input to further shape and refines our way forward in the next few months and years.

Many thanks in advance for your collaboration

2 | Communication and Marketing

BIAN Strategy and Roadmap

During the previous Core Team Meeting in February 2010, there was a clear understanding that the BIAN strategy and roadmap needs to be adjusted to reflect the unique value BIAN creates for its members and the banking industry in general. The enhanced strategy will incorporate both the assessment of the Focus Project findings and recommendations, as well as the recently announced collaboration with standards organizations like IFX Forum. It will also ensure that the BIAN working mode is streamlined in order to fully leverage the valuable time and contribution of the BIAN subject matter experts. A dedicated taskforce was established to assess and incorporate the ideas and visions of BIAN members. The enhanced strategy and roadmap will be presented to the BIAN General Assembly end of May 2010.

BIAN at IDC Event in Madrid

Johan Smessaert, Head of Retail Change Belgium, ING, made a speech about ING's SOA approach and the bank's engagement in BIAN at the IDC SOA Event in Madrid on March 25, 2010. Speaking to more than 100 participants he shared with the audience why ING joined BIAN and what the benefits are for the bank. The presentation received excellent feedback.

BIAN Banking Summit in London

BIAN plans a Banking Summit beginning of June 2010 in London to introduce the organization to important key players of the banking industry. Major topics will be the next BIAN deliverables and the adoption of findings and results by BIAN members. BIAN representatives will talk about their benefits joining the association, and why they are actively engaged.

Please feel free to contact us if you would like to have some further information on the event: email info@bian.org. We will be pleased to provide you with additional details.

semantic standards which makes it easier and more cost-effective to integrated such services. [more](#)



Becoming a member

BIAN is an open association for the banking industry. Banks, software vendors and service providers are all very welcome to join our association. The membership of banks is particularly appreciated due to their special role in this industry. [more](#)



Next BIAN Events

June 9 - 10, 2010
7th CoreTeam Meeting
Milan, Italy

June 11, 2010
Architecture Committee
and Architecture Working
Groups
Milan, Italy

[more](#)



BIAN Members:

- Axon
- Callatay & Wouters
- Capital Banking Solutions
- CGI
- Credit Suisse
- Deutsche Bank
- FERNBACH
- ifb
- IKOR
- ING
- innobis
- Microsoft
- Postbank
- SAP
- Standard Bank S. A.
- Steria Mummert
- SunGard
- Swift
- Syskoplan
- Temenos
- zeb
- ZKB

BIAN Homepage

BIAN is currently working on the enhancement of the BIAN Homepage. In the upcoming weeks the BIAN Homepage will be renewed with a fresh design to enhance the clearness and the structure of the content.

We look forward to your feedback on the new design.

3 | BIAN CoreTeam Meetings

The 6th Core Team Meeting took place on February 3 – 4, 2010 at SAP Headquarters in Walldorf, Germany.

The meeting was attended by close to 50 participants, and followed by the BIAN Architecture Board meeting on February 5. New participants invited to join an introductory day and gain valuable insights into BIAN to facilitate their on-boarding.

Important topics of the BIAN, such as the association's ambitious targets with regard to the strategy and roadmap, messaging and communication in 2010 were discussed. A major element of the meeting was the interactive updates from the various service definition and architecture working groups. The valuable findings and recommendations of the BIAN Focus Project were eagerly examined by the BIAN Members.

Member presentations by SunGard and SAP outlined their adoption of BIAN thinking and deliverables within their companies, and how they are going to leverage BIAN in the future. A guest presentation demonstrated a successful standardization example from the telecommunications industry.

Many thanks to all BIAN members for their active contributions, which will help accelerate our collaboration in various areas and aspects.

The next Core Team Meeting is scheduled for June 9 – 11, 2010 and will take place in Milan, Italy. BIAN Members will receive an invitation with detailed information after Easter.

4 | BIAN next results

Finalization of the BIAN Focus Project

The BIAN Focus Project started in August 2009 with the objective to support and enhance the service definitions and delivery. Thilo Liebermann and Guy Rackham successfully finalized the Focus Project in February 2010. Based on their valuable findings and recommendations for the BIAN service definitions work groups, BIAN will continue in specification on different levels by leveraging improved design artefacts, guidelines, tooling and repository. A detailed project plan to incorporate the findings into the BIAN governance and working mode is currently prepared for the BIAN Board Meeting and the BIAN General Assembly.

BIAN next deliverables

Thanks to the successful work of the BIAN Focus Project, the next deliverables of BIAN working groups are planned to be published within the next few months. These will include additional service definitions from the BIAN Working Group Payments and the first deliverables from the BIAN Working Groups Lending and Analytics.

Watch out for announcements and have a closer look at the featured article in

this newsletter to learn more about the results of the Working Group Analytics.

We welcome any feedback on our results. Please use the feedback form which you can download after registration on the BIAN homepage to send us your comments.

[Register for BIAN results >>](#)

5 | Featured Article



Subdomain 'Profitability Valuation' – Actual Status and Next Steps

by Thomas Börner, Dirk Kruse, Martin Erdelmeier, Herbert Rohlfing

The valuation of profitability is a key factor for success in Finance and Risk Management. In order to assure consistency in results, profitability analysis should be regarded as a bundle of services that can be implemented following SOA principles. The working group "Profitability Valuation" within the business area "Analytics" and the business domain

"Finance& Risk Valuation" delivered first results such as service group definitions, an object model as well as parameters, communication patterns and conditions for service operations.

This article is based on the results of the working group, especially the sub domain level 1 document 'Profitability Analysis' and the two level 2 documents regarding the Funds Transfer Pricing (FTP) and standard cost allocation service operations. All documents have been approved by the BIAN architecture committee.

The service operations "funds transfer pricing" and "cost allocations" are relevant for the lifecycle of a contract, from planning and origination to reporting and event handling (e.g. rollover or unscheduled payments). Typical use cases for profitability analysis services are profitability planning processes, precosting and post processing at month's (period-) end. Hence profitability analysis services can be implemented following SOA principles in order to ensure consistency in controlling results.

Profitability analysis within a bank is based on the philosophy, that each individual contract can hypothetically be funded through the market, either directly as market rate pricing or indirectly through the banks treasury department (Funds Transfer Pricing). Following this methodology, the controller is able to define the funding costs for an asset or the funding income of a liability product.

In combination with the interest costs or revenues contributed by accounting, the controller is able to calculate the net interest margin. In order to provide a contribution margin (scheme) for a customer, a product or an organizational unit of the bank - the service operation "Cost Allocation" will assign e.g. standard and risk costs to reflect the bank's operations.

Profitability valuation in general is based on single contract level. However, aggregated costing is possible as well. Services like cash flow generation, NPV calculation or market data provision are being considered part of cross analytical

data and methods, resp. reference data. Reporting is provided by Enterprise Level Reporting, Strategy and Management.

With the level 2 definitions the working group has delivered service group definitions, an object model as well as parameters, communication patterns and conditions for service operations. Next step will be the modeling of the processes for funding and standard costing in swim lane diagrams. Furthermore we intend to discuss and verify the results mentioned above with banks and controlling departments interested in a SOA based approach for profitability analysis services.

In addition to the involvements of banks, our plans for 2010 are to intensify the collaboration with other service groups in order to further specify the collaboration and communication patterns across the BIAN service landscape.

For feedback and further information, please contact us by the following email address: info@bian.org.

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