

Platform™

Landesbank Baden-Württemberg chose Platform products for Financial Services to increase performance of critical business applications

Overview

LBBW is critically dependent on its ability to manage the risk associated with the huge volume of loans, securities and other financial products that make up its customers' accounts.

Challenge

LBBW's existing computer resources were insufficient to support the timely, efficient performance of its data-intensive risk management application.

Solution

Platform products for Financial Services

Results

- Platform increased the risk department's effective computing power by clustering its existing computers into a single, virtual resource
- Platform parallelized and accelerated critical calculations in LBBW's business-critical risk management process
- Efficient utilization and distribution of existing computing resources saved 80% of the time needed for key compute-intensive processes
- Platform ensured optimal use of the entire IT infrastructure and guaranteed high-quality results

Landesbank Baden-Württemberg (LBBW) was established on January 1, 1999, as the result of a merger between Südwestdeutsche Landesbank Girozentrale (est. 1916), Landesgirokasse Öffentliche Bank und Landessparkasse (est. 1818) and Landeskreditbank Baden-Württemberg Marktteil (est. 1924).

One of the LBBW's most important business areas is its risk management department. The critical business processes conducted by this group are heavily dependent on a custom application developed by the bank that determines risk using a complex mathematical calculation. Due to the sheer volume of data that needs to be processed however, LBBW was finding that the computing resources it currently had available were insufficient. To perform these critical risk calculations in a timely, efficient manner required more computing resources than LBBW currently had available.

LBBW chose Platform products for Financial Services to manage the existing resources in LBBW's risk technology department more effectively. By simply clustering LBBW's existing hardware, Platform dramatically increased the availability of computing capacity and reduced the time required to perform a risk assessment by 80 percent.

Business Challenge

As part of the merger that formed LBBW, the information technology systems of the three original institutions were integrated into a single, standardized IT environment. During this initiative, it was necessary to integrate the banks' risk management processes 'on the fly' since processes such as risk measurement and the determination of interest risk positions had to remain fully functional at all times in order to maintain service levels for the users.

To ensure the continuation of these business-critical risk management processes during this integration, the bank's risk technology department, led by Dr Peter Oellers, developed a custom application that determines risk ratios using a Monte Carlo simulation, a complex mathematical procedure for approximating profit and loss distribution. A critical aspect of this procedure is the calculation of future cash flows for more than a million interest-bearing transactions, such as loans and securities accounts. However, doing this in a timely, efficient manner required more computing resources than LBBW had available.

"Not only did we have a problem on our hands," says Thomas Keller, LBBW Controller, "we were also under considerable time pressure. We realized that we had an immediate need for greater computing capacity."

Solution

After a detailed analysis of potential cluster solutions, LBBW selected Platform products for Financial Services to optimize the IT resources in its risk technology department to increase the available computing power for its risk management application.

"The banking and finance industry is predestined for grid computing solutions. Our business processes can be parallelized and thus made faster and more efficient than ever before. Thanks to Platform, we achieved time savings of 80 percent in our risk management processes. Our risk assessments take significantly less time. Another important criteria for our decision was the solution's ease of use. It was not necessary to make code changes to any of our applications."

Dr Peter Oellers

Head of Risk Technology

Platform made it possible to create an effective computing cluster based on simple and inexpensive hardware instead of requiring specialized, expensive computer systems. In LBBW's case, Platform products ensure optimal capacity utilization by automatically distributing individual calculation tasks over LBBW's 16 existing HP Vectra VL 400 computers running Windows NT.

"Platform dramatically increased the availability of computing capacity. In addition, the crash of one computer does not affect the system and computing capacity is maintained," Dr Oellers adds.

Even though Platform products for Financial Services took only one hour to install, Platform Services guided the project from planning through implementation, advising the bank on software strategies and requirements definition throughout the entire process. An important additional factor in LBBW's decision to use Platform was the ease with which they were able to port applications on several computers without requiring code modifications, as would have been the case if they had chosen a solution using the more generic Message-Passing Interface (MPI) technology often found in parallel computing solutions.

Platform reduced the time needed for risk assessment calculations by 80 percent; and made it possible for LBBW to conduct risk-relevant calculations crucial for the bank's core business simultaneously on multiple computers, and conduct the necessary calculations in parallel instead of sequentially.

Platform products for Financial Services ensures optimal utilization of the resources of an existing IT infrastructure and dynamically assigns resources according to requirements. Bottlenecks are identified and removed before they have any impact, and the effective management of LBBW's computing capacity significantly improves the performance of its risk management application, allowing users to work more productively.

By making better use of its existing hardware resources, LBBW invested in Platform products for Financial Services and created an architecture that is already grid-capable, thus preparing a simple migration path to the virtualization of its IT infrastructure.

Customer Site

Landesbank Baden-Württemberg (LBBW) is a universal bank and international commercial bank, serving both retail and wholesale banking customers. In addition to being the central bank for the savings banks in the state of Baden-Württemberg, LBBW also functions as a savings bank for the state capital, Stuttgart.

With a group balance sheet total of EUR 320 billion as of December 31, 2002, 218 branches in Baden-Württemberg and additional offices in Germany's major cities, as well as more than ten thousand employees (within the immediate corporate group), LBBW is the biggest bank in southwest Germany. It is one of the country's ten biggest credit institutions and one of the top fifty banks worldwide. LBBW has headquarters in Stuttgart, Karlsruhe and Mannheim, as well as a stock exchange office and other branches in the German financial centre Frankfurt/Main.



About Platform Computing

Platform Computing's intelligent, practical enterprise grid software solutions help organizations optimize IT resources to Accelerate Intelligence™. We plan, build, run and manage grids that link IT to core business objectives, and help our customers improve service levels, reduce costs and enhance business performance. With industry-leading partnerships and a strong commitment to standards, we are at the forefront of grid software development, propelling over 1,600 clients toward powerful insights that create real, tangible business value. For more please visit www.platform.com.



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