

# Risk – the only certainty in your life

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Risk Analytics - IBM





Risk Management is all about Identifying Risks ...





## Knowing your risk appetite



# And putting in controls



## So what is Risk ?

### Basel Definition:

“The probability of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events”



**Processes:** errors, complexity, policy, internal fraud, capacity

**People:** integrity, competence, management, communication, security

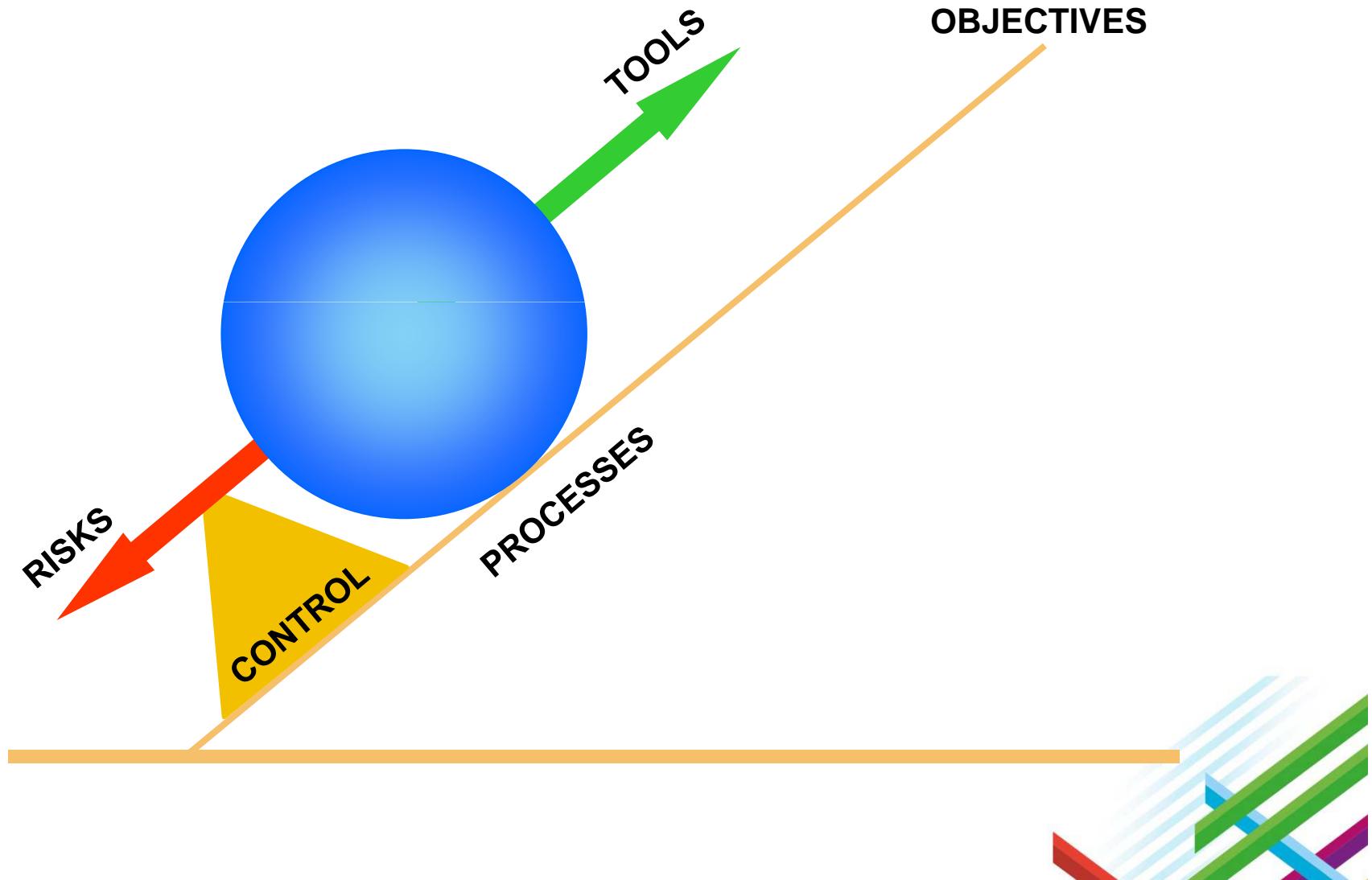
**Systems:** integrity, confidentiality, availability, capacity

**External:** external fraud, legislation, reliance on third parties, competition, reputation, natural disasters, terrorism





# Managing Risk alone will not make you achieve your Objectives



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## Putting Risk into the heart of the organisation

*to  
ct?*





## Foundations of a successful Risk Environment

- Governance Model
  - Define the risks
- Decide on a Common Approach
  - Processes
  - Common risk rating & taxonomy
  - Centralized libraries
- Choose the correct tools
  - Business and IT
  - Standardized reporting





# Why Action Now?





**Generate  
More Revenue**

**Reduce Risk**

**Predict Future Outcomes  
with Greater Confidence**

**Lower Costs**



# External Influences

*Market Forces are Driving New Needs*



**Data explosion**



**The shift of power to  
the consumer**

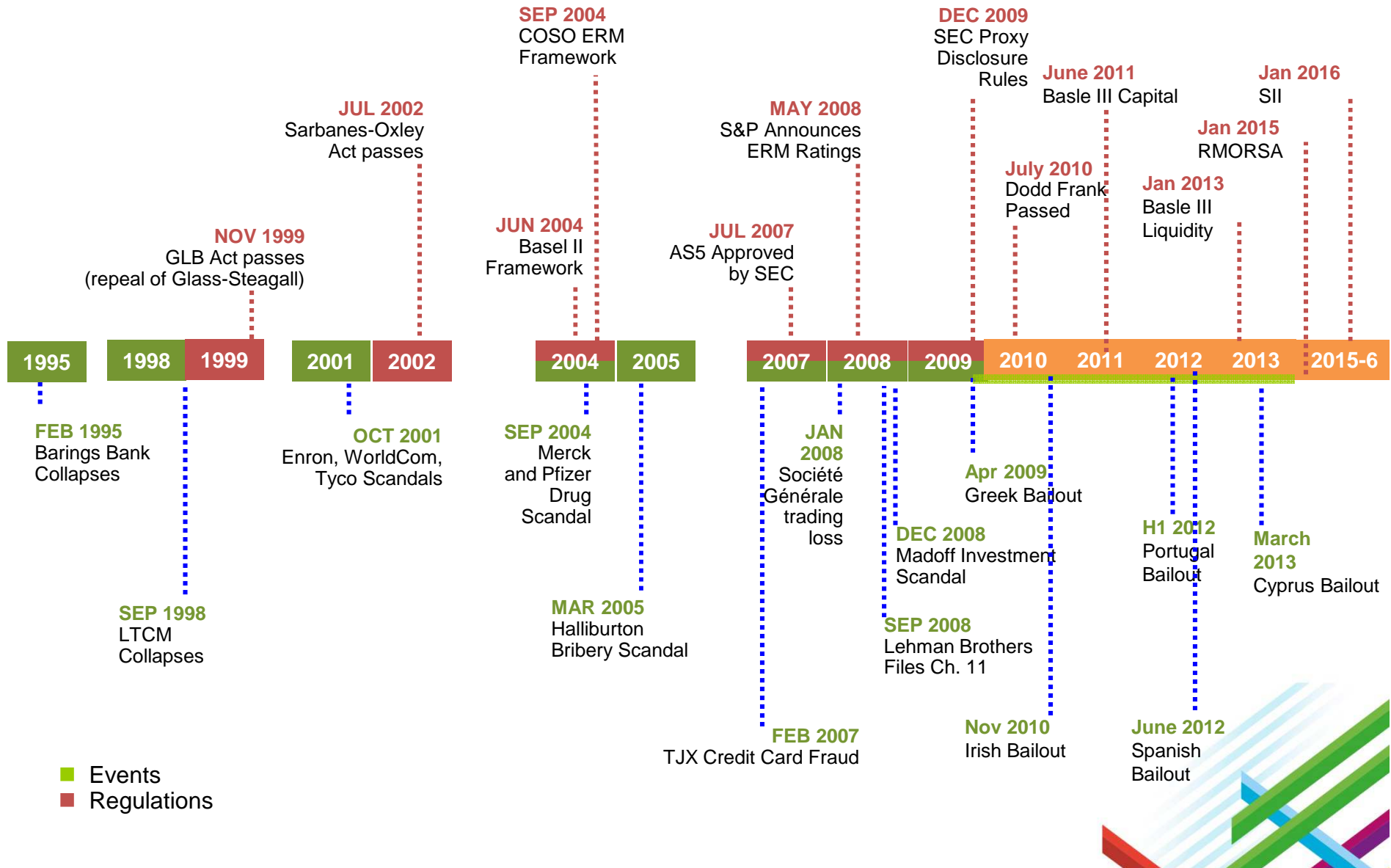


**Pressure to do more  
with less**

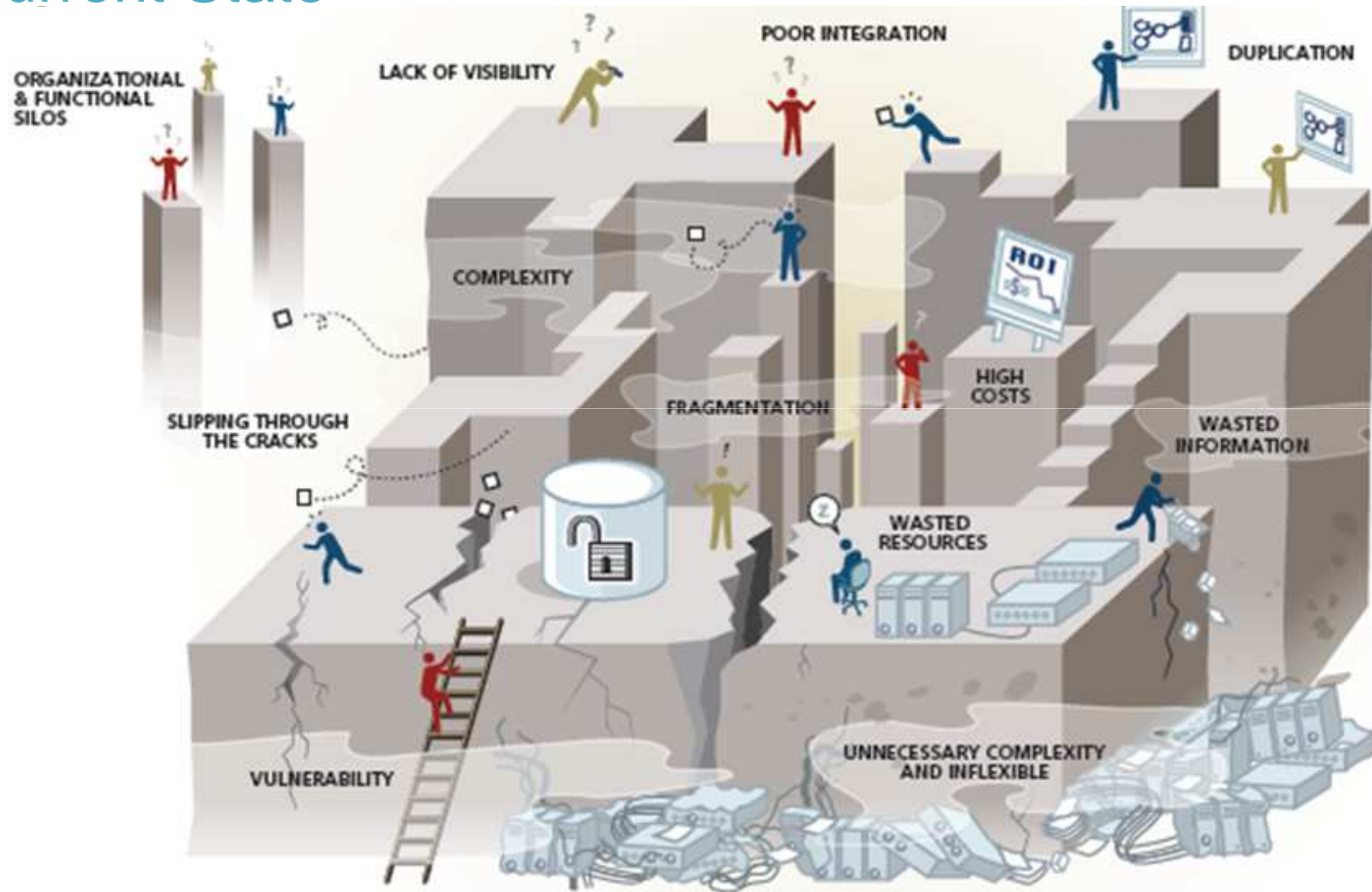




# Regulation is intensifying



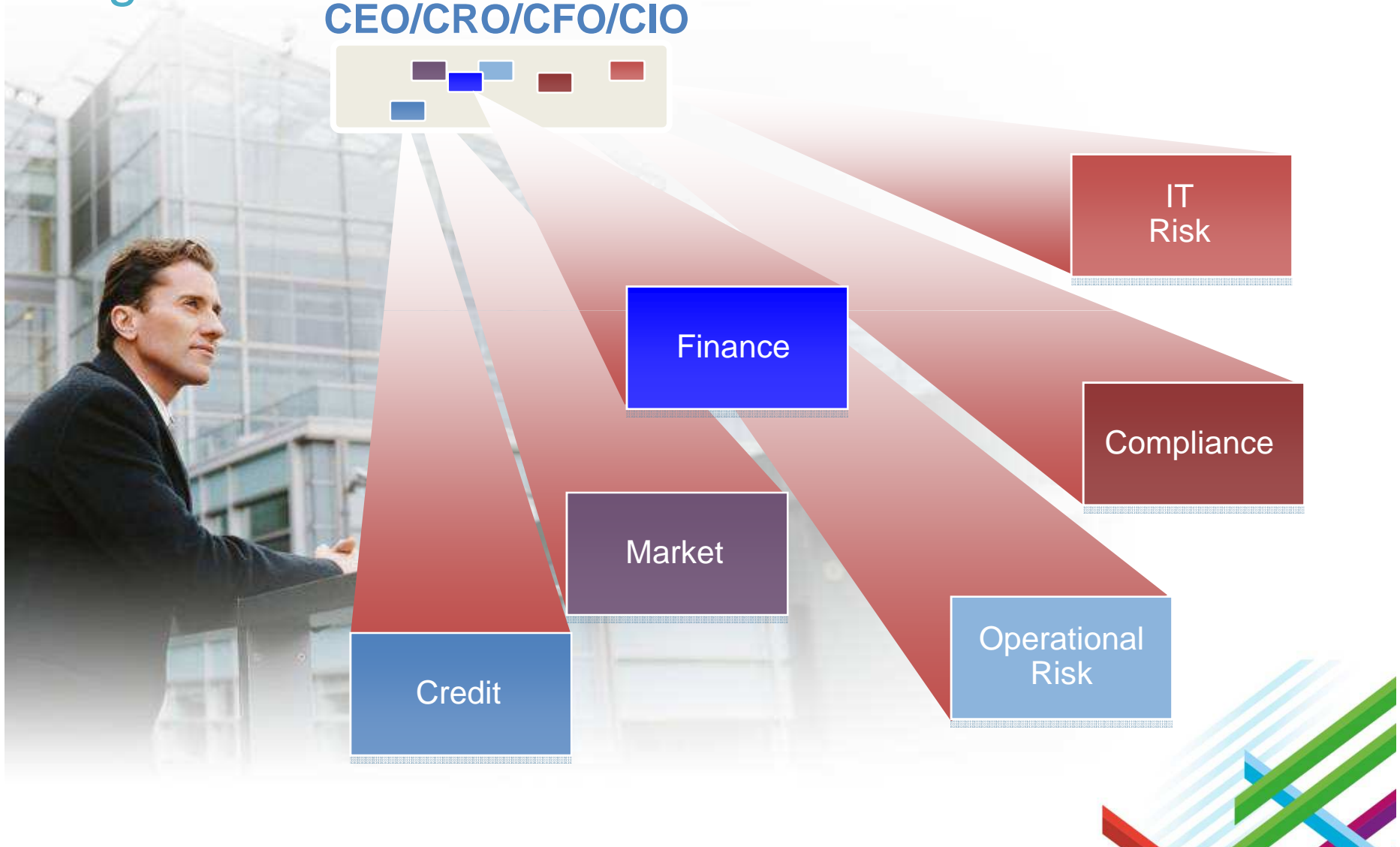
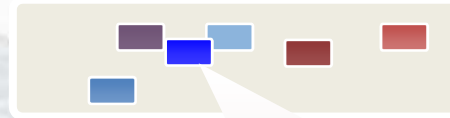
# Current State





# Most companies are struggling with information fragmentation

CEO/CRO/CFO/CIO

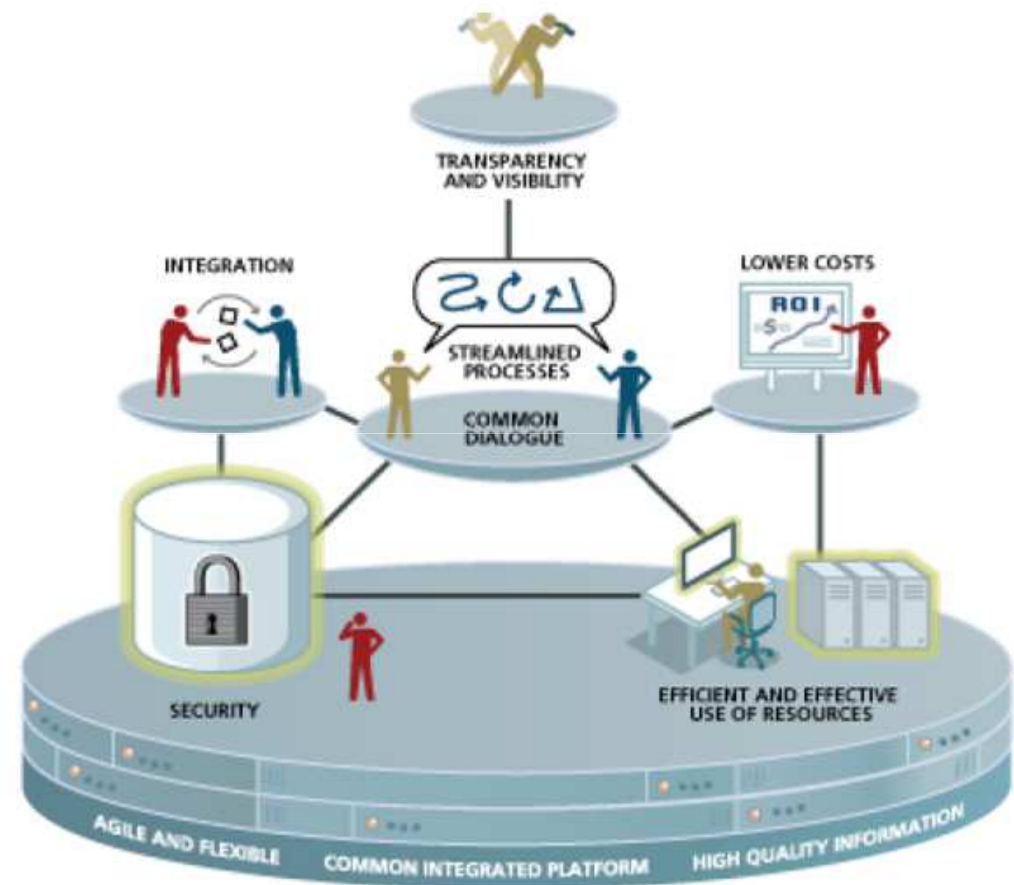


## Desired Future State

1. Enhanced performance
2. Improved efficiency
3. Risk reduction

### By having:

- *Integrated Performance & Risk Management*
- Transparency & visibility
- Coordinated transactions & shared data



# The smarter business - requirements for success

**Optimize enterprise risk management**

Strategic Business Planning



**Create a customer-focused enterprise**

Consumer Analytics



**Increase flexibility and streamline operations**

Branch / Agent Performance



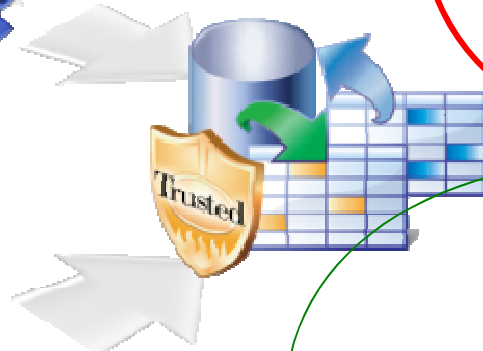




# Turn information into actionable insights

## Risk Governance

- Policy & Compliance
- Process Mapping
- Centralized Libraries
- Key Risk Indicators
- External Factors



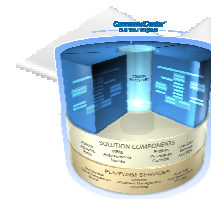
## Enterprise Data Management

- Trade Information
- Ratings
- Market Data
- Internal & Derived Data



## IBM Risk Analytics

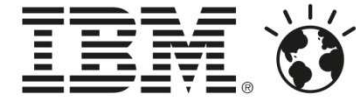
- Strategic Business Planning
- Integrated Risk Management
- Economic Capital and Solvency II
- Cashflow and Risk Modelling
- Collateral and Credit Life Cycle Management




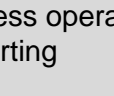


## IBM Governance Risk & Compliance

- Operational Risk
- IT Governance
- Internal Audit
- Regulatory Compliance





# Smarter Risk Management

Challenge	Achieved outcomes	Where we've done it
<b>Regulatory Compliance</b>	Improved standardization of processes across the group. Reduce the regulatory burden Better and easier consolidation of information. Well-managed business (Solvency II)	<b>Allianz</b> 
<b>Improve visibility across the group</b>	Improved visibility and control Enterprise-wide integrated solution Aggregate reporting at all levels.	<b>AVIVA</b> 
<b>Optimize risk and compliance</b>	<ul style="list-style-type: none"><li>Provide financial institutions with insight into all risk types across the enterprise</li><li>Actively manage the risk associated with the bank's business operations</li><li>Regulatory Reporting</li></ul>	<b>KBC</b> 
<b>Automated Collateral Management</b>	Improved profitability per counterparty Operational Efficiency Transparency and control	<b>Belfius</b> 





## What's Next ?

- How HESS turned Big Data into Relevant Data: An ILG Approach  
*Gareth Maetyard, Sales Leader Europe, StoredIQ*
- How E&Y leverage Open Pages in their audit practice  
*Frank Leenders, Director, Risk Advisory Services, Ernst & Young*
- *How Belfius formed Business Partnerships to grow its business and manage regulations*  
*Philippe Thonnard, Head of Control & Support Financial Markets, Belfius Bank*



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Thank You & Enjoy !

