

# IBM Software Group

## Risk Adjusted Profitability Performance Blueprint



### Solution Description

The IBM Cognos Risk Adjusted Profitability Performance Blueprint makes integrated risk management and financial planning a reality. The Blueprint helps financial institutions integrate risk information with an enterprise-wide, distributed profitability management process.

### Features & Benefits

The Risk-Adjustment Profitability Performance Blueprint provides risk-adjusted planning and forecasting at the product level, across multiple dimensions with risk measures that include:

- Risk Adjusted Return on Capital (RAROC)
- Economic capital
- Probability of default
- Loss given default
- Expected loss

### Value Proposition

Activity-based management and costing capabilities for key customer, product and business segments provide accurate, reliable profitability planning and reporting data. This enables:

- Risk-adjusted revenue and expense planning that incorporates activity-based costing methodologies.
- Multidimensional scenario planning that incorporates activity costs, letting users compare the financial impact of several business options and take action on the most profitable course.

Multi-dimensional risk management and profitability reporting and analysis is available through the IBM Cognos Risk Cockpit. With this risk-management reporting and analysis solution, financial institutions can combine the power of the IBM Banking Data Warehouse with IBM Cognos 8 Business Intelligence.

#### IBM Segment

- Cognos

#### Business Function

- Performance Management

#### Target Industry

- Banking and Financial Markets

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