

# Teradata for Enterprise Risk Management

## Move beyond a focus on Basel II and compliance to reap the strategic and significant value of Enterprise Risk Management

How can your enterprise benefit from integrating risk management data? You can:

- > Make important changes to business activity based on cost and capital efficiency resulting from risk-adjusted performance measurement, which is key to superior performance in mature markets where competition is intense.
- > Achieve a single view of customer value as well as risk, in aligning risk management and financial information.
- > Move risk management from being a reactive support function to a proactive key player in corporate development and strategic planning.

- > Enable rapid internal decision-making by shortening the reporting time cycle on important data from across the enterprise, as well as satisfying regulators, investors, and other external constituencies.
- > Arm finance with timely, accurate data to inform capital budgeting, capital allocation, and capital structuring decisions that are critical to your company's valuation.

A Teradata solution is perfectly positioned to meet the demanding requirements of the largest institutions for true enterprise risk management, with its massively

parallel processing capabilities that enable it to serve virtually unlimited numbers of simultaneous users as their active data warehouse. No more waiting for informa-



tion to creep through the myriad risk systems and complex, hard-to-comprehend data and business process environments to produce a report that, at the time of its printing, no longer has any value.

Teradata Corporation has achieved unprecedented business benefits for many customers, and has allowed executives to not only report numbers rapidly and confidently to the CEO and Board of Directors, but also focus on the more strategic and value-added aspects of their roles. Chief Risk Officers have said that we've enabled them to be more proactive in their roles. One technology executive put it simply: "Teradata gave me my weekends back."

**Teradata's robust Enterprise Risk Management Data Warehouse and Analytic Platform** is your comprehensive answer to today's data management and analysis problems. It establishes a *single authoritative data environment* to ensure accuracy, consistency, and auditability across business lines, while creating a *dynamic, scalable analytical environment* serving the broad and deep analytical needs of thousands of simultaneous end users *without compromise*.

The value of Teradata lies in its ability to go beyond simply fulfilling Basel II and Enterprise Risk Management, however, to being the complete solution for lifecycle management of all data from across a global financial institution. It serves numerous clients in this manner today, providing a single view of the enterprise to meet their demanding business requirements now and well into the future.

# Teradata for Enterprise Risk Management

Most importantly, Teradata’s proven capabilities go well beyond serving your organization’s risk management function: the same data warehouse that houses your enterprise risk information can also serve the other business lines and functions of your company, such as sales and marketing, finance, legal, and others. Providing end-to-end data lifecycle management and reducing total cost of ownership for your enterprise in a single data warehouse, Teradata enhances your company’s return on investment as our data management capabilities are virtually unending.

## Key Enterprise Risk Management Components

Teradata products that support the Enterprise Risk Management offer include:

**Teradata Platform** – Teradata Database on Teradata Servers with customer services in support.

**Financial Services Logical Data Model (FS-LDM)** – Our thorough FS-LDM with Basel II extensions, used by clients as a reference to create their physical data model.

**Teradata Value Analyzer** – A rules-based engine for calculating profitability results that provides output that allows bank officers to compare the profitability of accounts at a very granular level (risk calculations included), and provides a wide range of functionality for bottom-up calculations and top-down apportionment.

**Teradata Warehouse Miner** – A comprehensive in-database warehouse mining tool.

**Teradata Meta Data Services** – Provides a framework for storing, retrieving, viewing, and customizing the Teradata solution metadata, with utilities and APIs for metadata management and customiza-

tion, and pre-packaged meta models with capabilities to also add application-specific models.

**Teradata Profiler** – Used to address end-to-end data quality issues and improvements for clients.

**Teradata Analytic Data Set Generator** – Includes all functions of Profiler, plus more advanced functions in building analytic data sets.

## Professional Services

We have a global network of industry experts, sales professionals, and professional services consultants who share knowledge and support your success, and employ numerous Basel II and enterprise risk management experts across all our global regions.

Teradata also has an extensive list of professional service offers centered on our core competency of centralized data management, including:

- > Risk Data Gap Assessment
- > Data and Analytical Architecture
- > Data Modeling Design and Consolidation
- > Application Data Mapping and Integration
- > Rule Definition Workshop and Implementation
- > Analytic Modeling

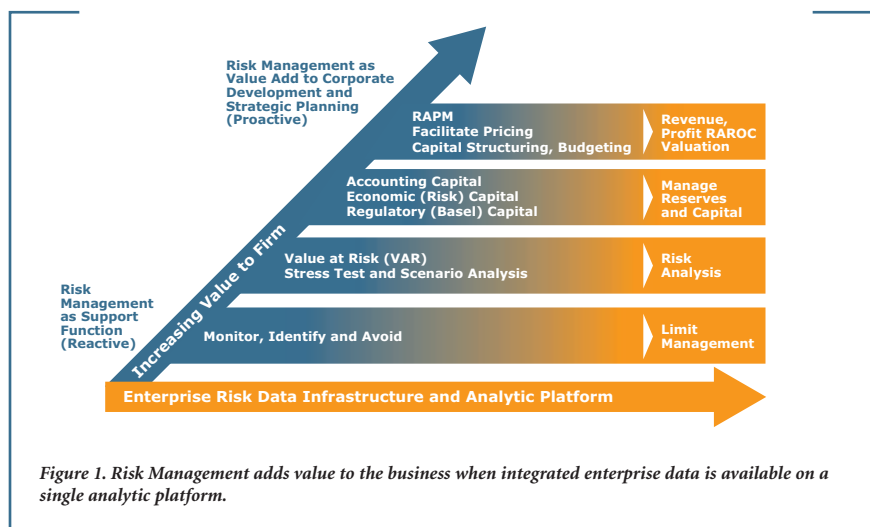


Figure 1. Risk Management adds value to the business when integrated enterprise data is available on a single analytic platform.

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- > Business Intelligence Architecture and Tool Evaluation
- > ETL Design and Implementation
- > Data Mining Services

Our consultants understand what it takes to complete an enterprise risk management program from vision through to implementation. This knowledge has been formalized in Teradata's Enterprise Risk Program Implementation Methodology (ERPIM). The ERPIM allows us to:

- > Engage business consulting, systems integration, and vendor application partners of our client's choosing in a clear dialogue to set and manage expectations during the project.
- > Provide an all-encompassing roadmap as a model for your programs.
- > Identify for you where we have dependencies on receiving information from other groups within the overall program.
- > Highlight where the critical milestones exist to enable you to manage risk mitigation plans very carefully should dates slip on one or more portions of the program.
- > Employ systems integration and vendor application partners of our client's choosing in a clear dialogue to set and manage expectations during the project.
- > Use as a tool to educate others on what is required in an overall ERM program, through customer workshops and other opportunities.

## Accelerators

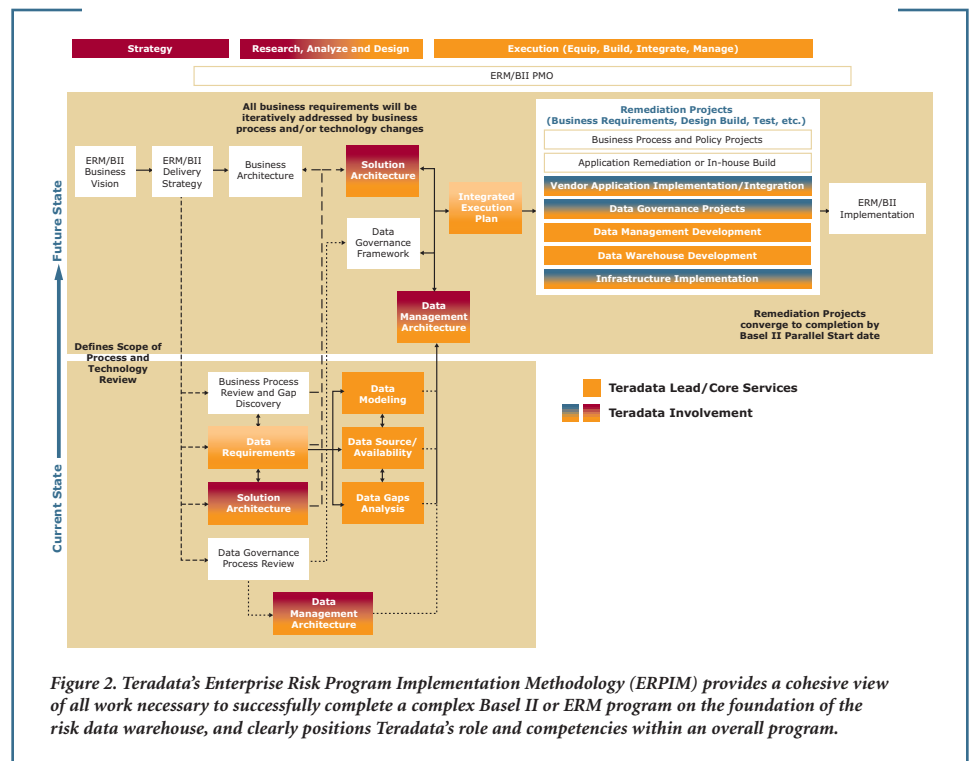
Teradata professionals have developed other invaluable assets besides the ERPIM that are used on professional services engagements to accelerate the delivery process and ensure successful completion of your projects. A few of these include:

**Basel II Data Catalogue** – Teradata's tool encompassing all data elements required by and referenced in the Basel II Accord, used during risk data gap assessment and other services to highlight missing data and allow for remediation efforts to begin.

**Risk Solution Architecture** – Our reference architecture outlining the most efficient and effective approach to Basel II compliance and used as a springboard to achieving enterprise risk management.

**The Enterprise Data Warehouse Roadmap** – Our business planning tool used to determine priority for data migration to the data warehouse based on business factors and priorities that you provide.

**Teradata Solutions Methodology** – Proven, reusable project templates to



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accelerate the data warehouse build in a successful manner.

Does your organization use many different software programs from risk management vendors, or need additional functionality that warrants acquiring other vendors' applications? Whether for regulatory capital calculation, regulatory reporting, Risk Adjusted Return on Capital (RAROC) measurement, risk modeling, or regulatory reporting, Teradata will work with all vendors to assure seamless data movement and the most efficient environment for your risk and regulatory reporting business processes and operations.

If you want to build your own analytics – whether parameter models, capital calculations, or similar straightforward analytics to work against high volumes of data – Teradata provides a robust platform and the technologies with which such work can be achieved in the high-performance environment of an active data warehouse.

Extending the data warehouse to accommodate important data from your vendor applications is key to your achieving true enterprise risk management. We've helped clients to integrate the data models of various risk management applications that

interact with the data warehouse, including:

- > Algorithmics
- > SunGard
- > IRIS riskpro
- > SAS

Our mapping of these vendors' models to the Teradata FS-LDM assures accelerated integration of those applications with the Teradata risk data infrastructure. We've already done the work so you can focus on more important aspects of your program.

Teradata will engage with the business consulting firm or systems integrator that you choose for certain aspects of the program, such as PricewaterhouseCoopers, Mercer Oliver Wyman, Accenture, Meridien, and others. In a complex environment of enterprise risk management, it's not uncommon for us to work effectively with several partners at a time.

Several global financial services companies are using the Teradata risk data warehouse infrastructure and analytic platform, enabling them to meet the demanding timelines of compliance with the new Basel framework, and positioning enterprise data to satisfy future regulatory requirements from an optimal central

location. With a solid foundation in Teradata as the data infrastructure and analytic platform for compliance through to full enterprise risk management, our satisfied customers look to the future. The possibilities are endless.

There is great opportunity to create shareholder value through enterprise risk management, and getting there takes one step at a time. Teradata understands what it takes, and has put time and expertise into developing a roadmap to success. For more information about your roadmap to success, visit [Teradata.com](http://Teradata.com) or contact your Teradata representative.

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