

Integrated Enterprise Risk Management Solution for Capital Markets

Need of the hour: A fresh approach to Enterprise Risk Management (ERM)

The recent meltdown in the global economy has resulted in banks and financial institutions taking a much closer look at the importance of market risk management, asset liability management, and proactive risk prevention & control. In many organizations, the following challenges impede successful implementation of an enterprise-wide risk management strategy:

- ✦ Lack of transparency in departmental risk reporting, deviation assessment, and monitoring leading to ineffective senior management oversight
- ✦ A heterogeneous technology landscape and disparate risk systems
- ✦ Incomplete definition of enterprise risk leads to poor qualitative modeling
- ✦ Ever-changing industry regulations and industry practices

Perot Systems: Helping you reassess Enterprise Risk Management

Most in house risk assessment strategies are based on day-to-day challenges as well as risks related to capital adequacy ratios and other parameters.

We advocate a more holistic approach to risk management, based on the best practices available as well as the regulatory framework in the market to create a future ready approach to ERM. To fully understand all the dimensions that contribute to its risk profile, leading organizations like yours need a long-term strategy with consistent, ongoing investment in people, information architecture, data, and models.

For instance, capital market participants are moving towards modeling of correlation risk of credit defaults to be future ready. The approach and focus areas are going to be:

- ✦ Modeling Liquidity & Pricing risk
- ✦ Identifying quantifiable measures of risk appetite to meet internal & external expectations
- ✦ Key risk indicators, Scorecard, Loss data & Scenario building are emerging as key measurement methodologies for managing operational risk

Perot Systems Service Offerings: Be Future Ready

Our service offerings include:

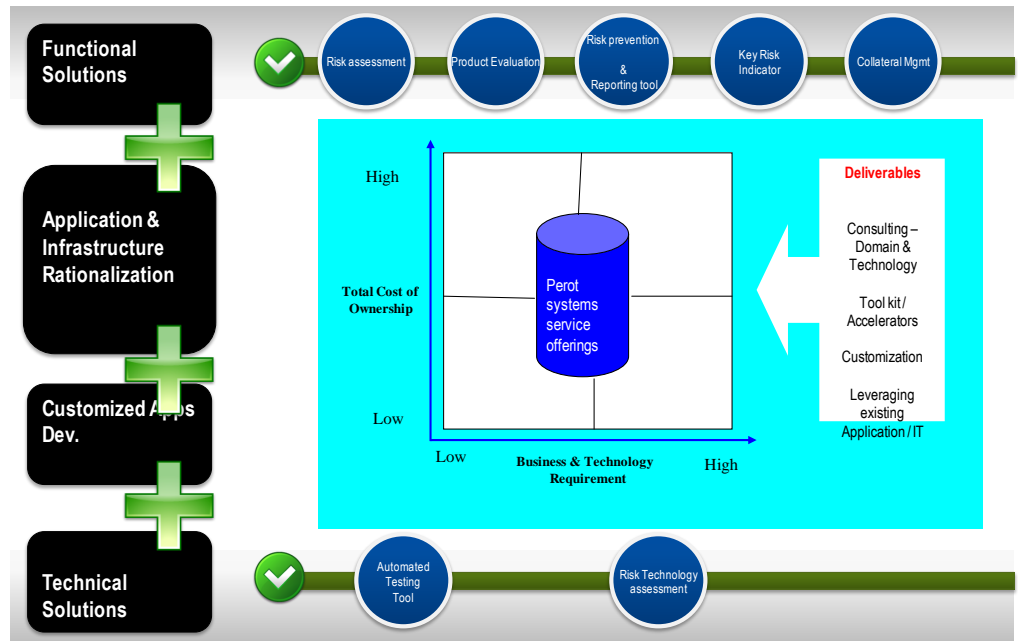
- o Current Scenario Assessment and risk strategy formulation
- o ERM: Build vs. Buy Analysis
- o Implementation Support
 - ERM product evaluation; ERM product implementation, integration and development
 - Application rationalization, migration, support, and maintenance
 - QA/Automation

The Perot Systems Advantage

1. Solution Accelerators to help clients manage risk dynamically with cost and time efficiency.
 - ✓ Risk assessment tool
 - ✓ Product evaluation tool – functional evaluation
 - ✓ Key risk indicators
 - ✓ Operational risk prevention and control tool
 - ✓ Collateral management approach and best practices
2. Experienced resources: Strong team with rich and diverse risk-related experience
3. Industry experience: Long term relationships with leading Capital market participants to help them achieve their Risk management goals

Our services add value

Perot Systems has the ability to recommend the right ERM solution and seamlessly integrate this with IT infrastructure and business process services to provide an end-to-end ERM solution. Our functional and technical solution accelerators, coupled with ERM expertise, result in a smooth transition to the desired ERM solution. We help identify future state risk requirements, perform gap analysis and develop ERM solutions to address gaps and meet business requirements.



A Case in Point where Perot Systems helped a client succeed

We provided rationalization and technology solutions to mitigate credit risk for a leading investment bank that is one of the world's largest wealth managers.

- We:
- ❖ Developed bespoke applications for an OTC derivatives settlement system
 - ❖ Delivered counter-party netting solutions
 - ❖ Set up an auto-generated documentation system to control credit risk
 - ❖ Mitigated settlement risk

For more information about our Integrated ERM Solution or other solutions for your business or organization, contact your Perot Systems account representative or one of our global offices.

Perot Systems Value Proposition

- Real-time risk management to address the following issues :
 - ✓ KYC compliance and internal risk measurement fulfillment
 - ✓ Compliance with Anti Money Laundering (AML) act by plugging the loopholes in the client on-boarding process
 - ✓ Client satisfaction parameters index scored and measured on an on-going basis
 - ✓ Integration of KYC and AML with Account Opening procedures
- Regular operational risk metrics and analytics through a pre-defined operation process flow and operational risk dashboard
- Transparency and audit trails that increase visibility of key processes such as client on-boarding
- Lower operational cost along with improved productivity and reduced cycle time

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