

# PRICING AND RISK ANALYTICS

SOLUTION BRIEF



## 38%

of chief risk officers surveyed cited lack of systems and data as a top organizational challenge.<sup>1</sup>

## 73%

of financial services institutions are currently investing in regulatory compliance solutions.<sup>2</sup>

## 90%

cost savings is possible with open source solutions.<sup>3</sup>

## BUSINESS BENEFITS

- Improve agility and speed
- Improve risk analysis and competitive edge
- Reduce the complexity of compliance reporting
- Run efficiently and adapt gracefully

## INTRODUCTION

Market conditions are constantly changing and regulatory requirements limit your ability to take fast action. New technologies and the rapid pace of innovation offer opportunity for growth, but can also introduce uncertainty. In this environment, it is extremely difficult to quickly and accurately calculate and predict pricing and risk profiles.

Pricing and risk calculations are often slow and complicated because many of the software solutions in use today are inflexible and cannot be easily updated. These closed solutions hinder your ability to adjust to constantly changing market conditions and compliance requirements and to accurately predict risk profiles. In addition, new scale-out storage solutions running on commodity hardware can more efficiently store the massive volume of data you need for compliance and provide the speed and accuracy you need to stay competitive.

As a risk analyst, you need to be able to change business rules rapidly, easily access data of any type from any source, make complex calculations in real time, and store large volumes of data.

Red Hat can help with a software stack that uses the latest open source software technologies to provide risk analytics that are flexible, fast, easy to change, and cost-efficient.

## RED HAT RISK ANALYTICS

A Red Hat risk analytics solution combines the power of industrial-grade versions of the latest open source software for cloud, mobility, analytics, virtualization, and containers to provide you with powerful risk analytics functionality. The risk analytics solution enables you to be a “citizen developer,” giving you the ability to do much more on your own without having to involve IT resources. The solution allows you to:

- Quickly change business rules and reports.
- Access disparate data sources without having to deal with complexity.
- Quickly and accurately perform complex calculations with vast amounts of data.
- Securely store large amounts of data for compliance.

## BENEFITS FOR RISK ANALYSTS

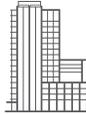
### IMPROVE AGILITY

With Red Hat’s risk analytics solution, you can modify business rules rapidly and execute them in real time. This provides the agility needed to keep up with changing compliance issues and market conditions. In addition to improving decision making, executing complex pricing and risk analytics in real time helps you reduce failed transactions, quickly take advantage of market opportunities, and eliminate operational waste. Standardizing on the risk analytics solution from Red Hat also gives your IT organization the ability to continuously use the latest big data, analytics, and cloud technologies to give you even better accuracy and greater ability to quickly respond to changes in the marketplace.

<sup>1</sup> Ernst & Young, “Remaking financial services: risk management five years after the crisis,” 2013.

<sup>2</sup> Red Hat / TechValidate survey data, March, 2017

<sup>3</sup> The Times, “Barclays snubs tech titans to save billions,” January, 2013.



## ABOUT RED HAT

Red Hat is the world's leading provider of open source software, providing the low-latency, high-throughput infrastructure needed for risk analytics to compete in today's environment.

## REMAIN COMPETITIVE AND IMPROVE RISK ANALYSIS

Risk analysis is central to every decision in the financial services industry. With increased regulation, new competition, and mounting pressure to minimize costs, financial institutions need to improve and adapt their risk analysis systems and methods. The powerful combination of the risk analytics platform's real-time execution, data extraction, and data normalization capabilities dramatically simplifies the process and improves the accuracy of predicting the pricing and risk profile of various combinations of assets on a daily or multiday basis. In addition, the flexible, user-defined reporting functionality allows more proactive decision making to maintain your competitive edge.

## STRENGTHEN COMPLIANCE

Red Hat's reliable technology and broad portfolio of trusted open source solutions provides the agility that you need to respond to the changing regulatory landscape. With Red Hat open, scalable storage, you can easily store the massive amounts of data required to maintain regulatory compliance. Red Hat storage gives you easy-to-access, long-term data retention of both the analytics reports and the data used to generate the reports. The risk analytics solution's powerful reporting functionality also streamlines the process of making remediation and look-back exercises less daunting.

## RUN EFFICIENTLY AND ADAPT GRACEFULLY

With a Red Hat solution, your IT organization can take advantage of the latest, most innovative technology to solve your business challenges. Because Red Hat software solutions are open, it is easier to incorporate other solutions from niche software or hardware vendors to add new, flexible capabilities like machine learning and artificial intelligence. Red Hat's risk analytics solution also uses the latest developments in software development and cloud, so your IT organization can respond faster to requests for feature enhancements and other change requests that require development efforts. The solution also moves workloads seamlessly across on-premise, private cloud, public cloud, and hybrid cloud environments to quickly meet performance and data demands, while maintaining stringent security levels to comply with regulatory requirements.

## CONCLUSION

The open Red Hat risk analytics solution makes risk analytics actionable. You can quickly define sophisticated business rules to keep up with changing market conditions and compliance regulations. Accessing huge volumes of data from disparate sources and executing complex, real-time risk analytics is vastly simplified, enabling you and your IT organization to rapidly respond to the business' need for change, innovation, and growth. In short, with Red Hat's risk analytics solution you can analyze and manage pricing and risk faster, more accurately, and more cost-effectively than ever before.

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