

Outsourcing portfolio risk analysis

Risk Integrated, which provides quantitative risk analysis software, solutions and consultancy to the financial services industry, has launched a service that allows lenders to outsource their risk analytics for commercial real estate lending.

Risk and portfolio managers can now send their anonymous portfolio data to the Risk Integrated team of analysts. Using the Specialized Finance System (SFS), Risk Integrated will analyse the data and create a detailed analysis at the deal-level for grading and loan structuring, and at the portfolio-level for stress-testing and Advanced Basel capital.

In addition, by outsourcing the risk analysis of a portfolio, particularly the commercial real estate assets, banks can meet regulatory requirements and quickly receive detailed, actionable risk reports. These can be used to manage the portfolio, identify problem assets, test restructuring options, and report the results to senior management and external agencies.

Dr Yusuf Jafry, CTO at Risk Integrated, said: “In an effort to reduce costs and implementation time, financial institutions are seeking to leverage outsourced specialist services as a part of their overall IT strategy.

“By allowing our team to conduct their risk analytics, institutions can focus their internal resources on core business functions to gain a competitive advantage.”

Dr Chris Marrison, who is the CEO at Risk Integrated, commented: “Financial institutions have a legal obligation to better understand and report their risks.

“At the core of our new offering is the SFS technology that has been used by financial institutions for more than a decade to create reliable, actionable analytics.”

The service is offered on a case-by-case or recurring basis, and meets the needs of small to medium size banks that might not have the resources to create detailed analytics of the risk in their portfolio.