





# CIO Risk Management 2014 Solution Providers

20 Most Promising Risk Management Solution Providers for Capital Market

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With the capital market landscape shifting rapidly and investment gaining momentum, regulators are struggling to keep pace with the technology advancements in the global capital markets. The regulatory reforms have become ever more stringent, and risk management requirements and technologies have taken a new leap.

The complexity of risk has changed and so have the solutions to mitigate it. Today meeting the risk management requirements demand intelligent, sound, and quick decisions. Organizations can achieve this objective by having the access and visibility into the required information at the shortest possible time. And technology has played an important role in countering risk by shortening the time and effort required to disseminate the vast amounts of information.

For banks and capital market-security firms, return to growth has become a challenge due to low interest rate environment and enhanced reporting requirement. The financial institutions therefore require sophisticated strategies and solutions to gain industry insights, and transform their businesses to differentiate and reach operational excellence. To make this possible software vendor should combine its capital markets expertise with technology solutions that could leverage domain knowledge to provide innovative, integrated solutions to its clients.

As the technology race is accelerating, we have looked through a number of software providers that are at the forefront of tackling challenges of the capital market industry.

In this special edition of CIO Review magazine, we have included capital market technology players that possess deep understanding of how the market operates and have based its growth on its technology strategy. With markets becoming global and capital market instruments becoming complex in nature, state-of-the-art risk management solutions provided by these companies have proved to be of immense value to counter risk.

We present to you CIOReview's 20 Most Promising Capital Market Risk Management Solution Providers for the year 2014.



Numerix

## Novel Insights with Cross-Asset Pricing and Risk Analytics

Challenges excite Steven R. O'Hanlon, the CEO at Numerix, so much so that when organizations feared the consequences of 2008 crisis, O'Hanlon saw an opportunity in that. Resembling the unique perspective and valor of David who came up triumphant against Goliath in the Biblical story, Numerix took up the challenge and pioneered the pricing approach for developing risk management solutions, while most legacy companies approached client's problem from a risk perspective alone and built models insular to that. Numerix, headquartered in New York City, is an analytics institution providing cross-asset solutions for derivatives risk management, valuation and pricing.

"We are the litmus test for pricing. We can price any kind of deal, from simple to the most exotic structure and manage risk against it in a holistic manner. Because of our unique pricing ability, we have been able to successfully extend our analytics capabilities to risk, a move that's generated 20 percent of total billings over the past two years. We see this as a huge growth engine," expressed O'Hanlon.

The Numerix CrossAsset analytic platform can be scaled to meet client's needs, from stand-alone desktop installations to enterprise-wide deployments required for a single asset class or a complete cross-asset solution. It offers pre/post-trade pricing of financial derivatives; accurate risk numbers across all asset classes; and provides insight into counterparty risks such as credit valuation adjustment, debt valuation adjustment, and potential future exposure.

The company has recognized that with trading and collateralization decisions becoming more aligned, its solution stack should focus on the requirements of the front office, and the integration of real time risk and collateral valuations into pre-trade analytics. The Numerix CrossAsset platform is underpinned by the Numerix CrossAsset Library. Its comprehensive collection of models and methods and rich features can be extended with Numerix CrossAsset Server to both sell-side and buy-side firms for all enterprise requirements—from front office to compliance and regulatory reporting. The server component utilizes open

source components and market standard interfaces to make it adaptable to any client infrastructure and can be run on internal grids or via public or private clouds.

Through the instant analysis of large volumes of complex and dynamic data, financial and insurance institutions can achieve a timely, more accurate view of risk enterprise-wide and

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make informed business decisions with confidence. Numerix empowers clients with the applicable coverage and advanced functionality needed for daily risk assessment, providing models that preserve the distribution of prices and are efficient to compute.

Strengthened by four pillars—human capital, intellectual property, its economic model, and an efficient distribution scheme, Numerix has attained a client base of over 700 clients and 90 partners across more than 25 countries that rely on the company for speed and accuracy in valuing and risk managing financial instruments. Numerix credits its dual distribution strategy for the vast customer base and O'Hanlon adds, “We

have direct and indirect channels of distribution which has allowed us to become one of the most well recognized analytics companies in the world. Adding to it is our decision to shift from term licensing model to subscription model which has been embraced and adopted by all our clients.”



Steven R. O'Hanlon