

Cover Story



Numerix

*Offering Pricing, Risk
Analysis & Trade Management
in Real-Time*

Steven O'Hanlon
President & CEO

Most people associate the fintech industry with financial services sectors such as payments, remittance, peer-to-peer lending, and personal financial management. But over the course of the last few years, a new kind of fintech activity emerged in the capital market space. What happened? The capital markets industry entered into a state of flux as seismic shifts, brought about in large part by the complexities and huge costs associated with regulatory changes, fundamentally altered the way banks conducted over-the-counter derivatives trading and significantly impacted their bottom line. A different kind of technological innovation was needed in the form of cross-asset front-to-back solutions that provided banks with platforms that enabled system consolidation and enhanced capabilities across trading, risk management, processing, and accounting. As a result, banks were looking to connect with fintech firms such as **Numerix** that were capable of developing the right, value-added solutions.

Numerix Responds to Changing Trends

In response to the changing industry landscape, Numerix developed a product offering that centered around risk technology that addressed the front office trading, middle office risk management and back office treasury and collateral functions inside of banks. Its technology solutions also address trading trends within the buy-side community, providing solutions specifically for hedge funds and asset managers.

Numerix's flagship offering is the ***Numerix Oneview Enterprise Platform***. Numerix Oneview is a dynamic platform built on a cutting-edge architecture and data models, with a highly flexible and scalable engine at its core. A wide range of business applications sits on top of the platform, providing key functionality for the pricing, valuation, trade management, risk management and distribution of derivatives products. Oneview is the only real-time cross-asset platform that puts the front office first while driving analytic consistency across all business lines. With this platform, users can understand and manage enterprise-level exposure to any risk, across large and diverse portfolios comprised of vanillas to exotics from any asset class. Oneview optimizes capital, collateral, funding and other variables to maximize enterprise profitability while minimizing risk.

Numerix's Motivating Force: The CEO

Steven O'Hanlon has spent his 35-year career in leadership positions, growing startups and SMBs across the financial services technology industry. He has a passion for entrepreneurship, leadership, and innovation. Today, O'Hanlon is focused on promoting a digital mindset and driving success.

"We are in a pivotal point in the capital markets industry. Disruptive technological forces are challenging traditional financial services businesses, consumer demands and priorities are changing, economic, political, and market shifts are squeezing revenues, and regulatory uncertainties are raising serious questions about longstanding operational and legacy technology models," asserts Mr. O'Hanlon. "Banks and other financial institutions need to find a way to move forward. Transformation is not a choice for them. It is a mandate to survive."

Being a visionary and adaptive innovator, Mr. O'Hanlon has led Numerix to develop and acquire the type of solutions needed to help firms meet their transformation needs. This has positioned Numerix today for its most exciting and rewarding stage of growth.

In terms of his approach to the market, Mr. O'Hanlon applies a fluid business model that grows and changes with the demands of the capital markets. At its foundation, the model focuses on maintaining and building a streamlined, targeted products and services platform, and developing a talent pool that includes a deep and strong brain trust of quants, software engineers, and technology platform architects. This approach helps to ensure that Numerix continuously develops the new solutions needed to



We provide
banking solutions
that offer superior
performance,
exceptional agility,
optimal functionality,
and which satisfy
regulators.



help firms meet their transformation needs, and in ways not matched in the fintech industry.

Another cornerstone of Mr. O'Hanlon's ambitious plans for Numerix is to pursue acquisitions. As an entrepreneur and business leader, he always keeps his eye out for breakthrough and differentiating opportunities that could either help Numerix improve its technological capabilities in ways that help it leapfrog over its competitors or that offer immediate penetration into new markets.

An Advocate of Cloud Computing

Team Numerix firmly believes there is great potential for banks to benefit from cloud computing. This is not just from a data, analytics, computational and cost control point of view, but also to help develop, and solidify reputational and competitive standings. While banks generally appear to lack cloud maturity, and many are just in the early stages of cloud adoption, Numerix expects that there will soon be more widespread acceptance.

One reason banks are starting to embrace cloud technology is to help facilitate addressing regulatory demands, particularly those posed by FRTB (Fundamental Review of

the Trading Book). FRTB represents the most significant market risk regulatory change in at least the last decade, and it manifestly changes the way banks run their trading businesses and will require changes to the technology infrastructures that need to support it.

In response, Numerix built Numerix FRTB, a high-performance FRTB solution that helps banks transform their front and middle offices to comply with the corresponding regulations. Numerix uniquely built Numerix FRTB on Microsoft cloud technology and its companion app is now available on Microsoft AppSource.

Strategies of a Fintech Leader

Numerix's strategies are based on its own mission: *Be driven to innovate, driven to enter new markets, driven to transform, and driven to strike out at new opportunities.* Team Numerix believe this approach positions the company for sustained success over the long term. As the players in the financial services industry are anticipated to dramatically transform over the near to medium term, so will the landscape of fintech. In response, Numerix will focus on the type of rapid solution development and large scale innovation that is unmatched in the industry. *As the fintech ecosystem evolves, Numerix is determined to emerge as one of its undisputed leaders.*

In fact, Nuimerix can already make that claim: it has been awarded the most accolades in the industry.

Blockchain Is Gaining Attention

Numerix understands that blockchain technology is increasingly being perceived as potentially critical for the future of financial services companies, and so is looking at many use cases right now. For instance, the company is conducting research on how blockchain can be used for trading and settlement systems, and learning what its client base is thinking. Numerix is in partnership discussion with an emerging blockchain company for the purpose of exploiting its technology within Oneview. Team Numerix will closely observe where all this goes and how it may connect with its current and future technology priorities.

Client Success Stories

The following case studies reflect the range of fintech solutions and services Numerix provides for the global capital markets.

- A reserve bank in APAC selected Numerix Oneview for the transformation of its Treasury Systems strategy. The



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selection of Oneview was based on the platform's ability to provide market standard trade valuation, position and collateral management, alongside enhanced risk and performance reporting to aid in effective decision making and to reduce key operational and market risks.

- An audit and accountancy firm based in France utilized a Numerix analytics tool to meet derivatives pricing, modeling, and insurance actuarial needs. The firm particularly appreciated that the Numerix solution offered unparalleled flexibility for structuring, pricing and managing any instrument type, including complex derivatives and structured products.
- For a London-headquartered multinational bank and financial services firm, Numerix replaced legacy systems and instituted a new market making platform with a state-of-the-art infrastructure that delivered lower costs through automation and that rapidly supported new and evolving market structures and regulatory regimes.

Future Path

“For Numerix, fintech is about innovation and transformation,” says Mr. O’Hanlon. “So, the company’s objective now and into the future is to continue to deliver game-changing innovation and enable successful transformation for its clients. This will require that Numerix continually build the technology solutions that meet the needs and demands of whatever the next evolutions will be in the capital markets.”

In addition to being committed to the exploration and development of fintech technologies, Numerix will also continue to be committed to partnerships—with both its financial institution clients and other fintech firms. The former will be about establishing superior client relationships that last over the long term, and the latter will be about collaborating in order to better enable technology enhancements and to keep a grasp on emerging technologies. [b](#)