

COMPANY DETAILS

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# Delivering Enterprise Analytics Solutions for Today's Financial Markets

Founded in 1996, Numerix is the market's leading provider of risk analytics technology for the pricing, structuring, modelling and valuation of any derivative instrument, or portfolio. Headquartered in New York, Numerix works with over 700 clients and 90 partners across more than 26 countries. CEO Steve O'Hanlon, EVP of Sales, Joseph Saporito and CMO, James J. Jockle discuss how the Oneview Enterprise Platform is helping to solve today's business challenges.

**N**umerix is the leader in financial technology solutions supporting risk calculations, pricing and trading across all areas of the enterprise. With the industry's broadest instrument coverage spanning cross-asset and hybrids, commodities, credit, equity, fixed income, FX, life and inflation solutions, Numerix brings together unparalleled expertise across all asset classes and engineering disciplines.

One of the company's many innovative products is the Numerix Oneview Enterprise Platform, which helps organizations transform their current business process by integrating and aligning front office analytics with middle office risk management activities. Through the platform institutions can generate risk-informed pricing in the front office in complete alignment with market risk management, operations and regulatory reporting. Numerix also offers a comprehensive set of analytics for complying with financial regulations such as the new standards for managing minimum capital requirements for market risk.

Steve O'Hanlon, Chief Executive Officer and President at the firm discusses the financial challenges of this new regulation, known as FRTB or Fundamental Review of the Trading Book. He explains how Numerix can solve some of the challenges that exist in the early stages of FRTB decision making.

The regulatory burdens of today are increasing costs across the board and putting banks in a position where they need to determine what businesses lines will remain viable. With Numerix, assessing FRTB's impact on different trading desks and lines of business is a relatively easy first step to take.

"Under FRTB banks need to understand what businesses will thrive and succeed in the future, and which will need to be reshaped and restructured. To do this, they need the right software in place; a solution that supports a business process that's optimized to provide better, and faster decisions."

### Helping Banks Transform the Front and Middle Office to Comply with FRTB

Numerix FRTB is available now and ready to help banks assess FRTB's impact on their overall and desk-level capital requirements. Numerix FRTB can assist with strategic decision-making in early stages, and provides a high performance cloud-based solution for ongoing FRTB compliance.

"The analysis has to be done for banks to figure out exactly what the impact is going to be. Banks are underestimating how difficult this is, and in some cases do not have the resources, domain expertise, attention and focus to perform this analysis on their own. Numerix is teaming the best of quantitative and financial engineering, along with a platform which is ready to go and has the capacity to prove that it can handle the largest banks. Our approach gives CEOs, CROs and board members time to decide where to focus, where to spend their money and how they can transform their business."

FRTB should not just be viewed as a regulatory headache – proactive adopters of Numerix FRTB can experience positive P&L impacts and achieve competitive advantages. The true cornerstone elements of the FRTB early stage regulation is having a solution for the Standard Approach and the Internal Model approach.

One of the main challenges of FRTB, according to Joseph Saporito, EVP of Sales, is front office and middle office alignment of models for P&L attribution under the internal model approach.

Numerix FRTB supports calculations required for the Internal Models Approach, and runs IMA calculations for all business units from desk level to enterprise level. Numerix FRTB makes using IMA simpler and relatively pain-free, so banks who would normally use SA have an opportunity to use IMA to lower capital charges.

Another important thing to note about this platform is the powerful technology which underpins it. Numerix FRTB cloud-based SaaS deployment enables quick time-to-market for integrating into existing IT infrastructures. Scalability of the cloud calculates daily capital numbers in minutes instead of hours.



"Technology is a strategic enabler in FRTB transformation projects – and Numerix FRTB is the perfect technology solution to assist banks through each stage of their transformations."

The systems that are required for the future are much different than the systems banks have had in place for years. The market is seeing a shift where regulation is serving as a catalyst for transformation of existing systems. As FRTB is adopted some institutions undoubtedly will be left behind if they do not explore dynamic solutions that are flexible and have an intuitive workflow.

"We believe that our solution is well suited to the smallest banks that have not got started as well as powerful enough to meeting the needs of the largest banks. Between the platform, the performance and our knowledge of FRTB we have a complete solution, regardless of where the banks are in the process."

Lastly, James J. Jockle, Chief Marketing Officer explains how Numerix is dedicated to solving the problems of FRTB in a much broader way, for a much larger client base.

"We have been very mindful of our clients of low cost, flexibility and scalability. The market requires a platform which looks at market, credit risk and counterparty credit risk in a holistic way within an institution. Millions of dollars will be spent on an institution by institution basis in software, hardware and data. The critical thing for institution management is to work with smart companies like Numerix, who can benefit a wide, diverse client base."

As Numerix celebrates 20 years, the company's footprint may have changed but their continued dedication for innovation has not. From starting out as a small team of PhDs to a global company with more than 200 employees, Numerix continues to break new ground with holistic enterprise solutions for risk management.

