

Best Sell-Side Credit Risk Product

Numerix

Numerix, it seems, can do no wrong when it comes to the Sell-Side Technology Awards in general and the best sell-side credit risk product in particular. This win makes it four in a row for the New York-based specialist risk provider, making it the only recipient of this award since the SST Awards were launched back in 2013.

With the consolidation of XVA pricing adjustments into pre-trade prices, including capital costs (KVA) and margin (MVA), and bilateral margin requirements becoming more crystalized, not to mention the revised *Fundamental review of the trading book* (FRTB) framework for market risk capital requirements published by the Basel Committee on Banking Supervision, scheduled to be implemented in January 2019, there are a lot of data requirements common across the pricing XVA and market risk spaces.

Numerix Oneview is the result of Numerix having observed a natural progression/expansion of these various risk elements and responding to these developments by way of providing a single, integrated platform designed to support all of these components in a consistent, unified manner. According to Numerix, Oneview is designed to enable the rapid deployment of pricing and risk analytics and supports pre-trade decision support, XVA pricing adjustments, market risk analytics (such as VaR/expected shortfall and scenario analysis, stressed VaR, and back-allocated VaR), P&L attribution, real-time limits management, and exposure measures for counterparty risk management. The Oneview dashboard allows managers to slice and dice multi-dimensional datasets to provide instant response times for complex risk and optimization calculations.

Adopting a consolidated philosophy enables Numerix core services and internal departments to be aligned with its single-stack analytics platform. This enables Numerix analytics to be interoperable, flexible and transparent and for Numerix to adapt to meet customized business requirements. Oneview has also evolved in terms of scalability for large calculations for both pricing and counterparty credit risk, as well as performance and customizability. Enhancements extend to how market data is managed around the entire platform, how aggregation services are performed, and the web-based front-end where Oneview can be accessed from any device.

Numerix, thanks to its continued domination of the best sell-side credit risk product category in these awards, and its consistent track record in the annual Buy-Side Technology Awards and the Waters Rankings, also wins this year's best sell-side technology provider of the year category, which it shares with SmartStream, the first year that the final and most prestigious category of the Sell-Side Technology Awards has been shared (see page 61). If the all-singing, all-dancing enterprise risk management platform does currently exist, then Oneview is its name.

—VBA



James Jockle, Peter King, and Dennis Sadak

“
Numerix Oneview is the result of Numerix having observed a natural progression/expansion of these various risk elements and responding to these developments by way of providing a single, integrated platform designed to support all of these components in a consistent, unified manner.

Can your Organization's IT Infrastructure Support FRTB?

A Checklist of FRTB Priorities in Focus:

✓ **Changes to Market Risk Capital Charges**

- Potential changes are anticipated to be significant
- How could this impact your derivative business strategy going forward?

✓ **Methodology**

- Trading/Banking book boundary changes—presumptive lists and qualification criterion (“intended purpose”) for being in Trading Book

✓ **Support for Standardized Approach**

- SA is mandatory and must be used as fallback/benchmark

✓ **Expected Shortfall vs. VaR**

- VaR becomes Expected Shortfall (ES) for Modellable Risk Factors
- Move from Stressed VaR to Stressed ES for Non-Modellable Risk Factors
- Additional scenarios potentially required

✓ **Changes to Liquidity Horizons (As Set by the Regulator)**

- Integration of Market Liquidity Risk
- Incorporate Liquidity horizons from 10d to 250d

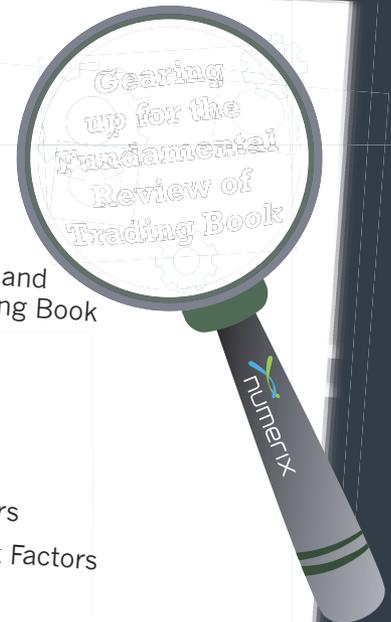
✓ **Support for Residual Risk Add-On**

✓ **Model Validation**

- P&L Attribution
- Backtesting
- Validation of Internal Model Method (IMM) at desk level

✓ **Default Risk Charge**

- Measures capital requirements for default
- To be calculated in Standardized Approach (SA) and Internal Model Approach (IMA)



Numerix can help. Learn more about how your organization can prepare for the IT, computational and data challenges ahead.



Sell-Side Technology Awards 2016
waterstechnology

Best Sell-Side Technology Provider of the Year
Winner
Numerix

Sell-Side Technology Awards 2016
waterstechnology

Best Sell-Side Credit Risk Product
Winner
Numerix

www.numerix.com/frtb/waterstechmay16