SUNGARD CAPITAL MARKETS & INVESTMENT BANKING

PROVEN TODAY, PREPARED FOR TOMORROW ADAPTIV RISKBOX: ADVANCED RISK CONTROL

BEST PRACTICE RISK – DELIVERED OUT OF THE BOX

Most market players are exposed to large and complex derivatives' exposures, using derivatives well beyond simple internal hedging and treasury activities. Tens, even hundreds of thousands of open positions are now business as usual for many banks and securities houses.

High trade volumes originating from multiple front office systems put stress on risk management systems and processes. This adds to existing pressures caused by the need to both comply with Basel III and to respond to intense scrutiny from regulators and investors. The key requirement is for a central system to aggregate risk across business lines and provides consolidated enterprise risk reporting and control.

Adaptiv Riskbox is specifically designed to meet this need, giving you an 'out of the box', easy to deploy solution for advanced control of both credit and market risk. Adaptiv Riskbox utilizes our proven Adaptiv Analytics simulation engine to give the power of a tier one solution in a simple, pre-configured package.

Adaptiv Riskbox is the faster route to a robust and compliant risk infrastructure.

MORE ACCURATE RISK ANALYSIS

Regulators are increasingly insisting upon the use of advanced risk control metrics such as simulation based VaR (value-at-risk), stress testing, IRC (incremental risk charge), PFE (potential future exposure) and regulatory and pricing requirements relating to CVA (credit value adjustment). It is also clear that these measures and controls need to co-exist with dealers' activities, balancing business growth with prudent decision-making. Risk needs to be controlled in order to expand the business.

The focus on counterparty credit risk has led many institutions to adopt CVA as a primary measure and direct P&L contribution to their trading activities. Correctly pricing CVA and managing the bank's exposure to CVA volatility is essential to maintaining competitiveness and sound risk control. Based on Adaptiv's Analytics powerful calculation engine for CVA, multiple sensitivities can be generated daily or on demand to help hedge and explain changes to the P&L. That means better management of credit risk, lower CVA volatility and optimized counterparty selection.

Many 'strung-together' risk systems are unable to generate the level of detail required to understand the true picture of risk, thereby frustrating traders and damaging the credibility of the risk department. Any shortcuts or out-of-date methodologies are being picked up by regulators keen to see banks in their territory coming up the curve to market best-practice.

Adaptiv Riskbox covers all the market risk and counterparty credit exposure calculations needed for internal model approval. And because Adaptiv Riskbox can run everything in a single controlled environment, it promotes shared transparency between dealers and risk professionals. Unlike many 'black box' systems, Adaptiv Riskbox makes it simple to navigate and drill down into risk numbers – from calculation initiation to end results.

Adaptiv Riskbox delivers the models, methods and measures you can depend on.

ACCURACY AND SPEED

Speed – in generating official risk numbers – is an essential part of good risk management. A comprehensive, timely and reliable market risk report is the end goal. Yet many institutions are struggling to even produce a first cut of the numbers ready for the morning risk meeting. Some are taking days to create the official VaR position. Too much time is spent preparing, checking and correcting the numbers leaving precious little time to act on them. Adaptiv Riskbox is built to manage the daily workflow and deliver risk reports on time. You can monitor feeds, identify errors and process corrections from within a single application.

In traditional systems, an error means the entire calculation has to be run again, leaving dealers working to an incomplete risk picture. Adaptiv Riskbox is different: when you find an error you can incrementally apply the correction and only run the relevant part of the calculation. It can be the difference between half an hour and half a day.

The combination of end-of-day workflow management and intra-day corrections tools help risk managers process, authorize and release approved data. It’s easy to audit and recreate results for regulatory approval.

Adaptiv Riskbox puts risk professionals in control.

REDUCING PROJECT RISK

Many institutions understand the need to improve their risk infrastructure but some are wary of yet another major IT implementation. You need certainty that any new risk solution can be implemented on time and on budget. Project risk and total cost of ownership are key considerations in the selection process.

Adaptiv Riskbox delivers proven best practice risk management in a pre-configured package. Choosing such a system reduces the amount of customization and therefore the overall implementation time.

Adaptiv Riskbox offers a single database and data model across cash, OTC and exchange-traded derivatives. Built to a low latency design, Adaptiv Riskbox is built using modern technologies such as grid computing, 64-bit, .NET and multi-threading. This enhances the power of your risk management tool: you get consolidated exposures in real time from a solution that utilizes the most advanced technology, protecting your investment way into the future.

Adaptiv Riskbox is a comprehensive solution for today and tomorrow.

ADAPTIV RISKBOX – EMPOWERING THE BUSINESS

Adaptiv Riskbox consolidates risk right across your business, creating a shared transparency between dealers, risk professionals and senior management. Adaptiv Riskbox puts banks in control of their business.

Fast to implement, Adaptiv Riskbox remains agile. Extensibility makes it easier to incorporate new products and models, while grid computing lets you switch on power as and when you need it, catering for future product innovation and trading growth.

SunGard's strength, investment and commitment to risk management mean that Adaptiv creates the optimal risk solutions today – and in the future.

ABOUT ADAPTIV

SunGard's Adaptiv provides enterprise-wide credit and market risk management and operations solutions for financial services institutions. Adaptiv assists institutions of varying size and complexity to deploy technology to meet both internal and regulatory requirements for risk management and operational control. Adaptiv helps financial services institutions from the banking, hedge fund, asset management, insurance and corporate sectors with our deep understanding of risk management and operational processes.

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