

Reprinted from

# Risk

RISK MANAGEMENT | DERIVATIVES | REGULATION

www.savvysoft.com  
DECEMBER 2009



## Compliant thinking

Savvysoft is the #1 Derivatives Analytics vendor six times in a row



*Amidst the biggest period of financial turmoil since the Great Depression, Risk polled derivatives users worldwide to determine the best technology vendors. New York-based Savvysoft, which has gained an intensely loyal following, is the #1 ranked Derivatives Analytics vendor for the sixth straight year. By Clive Davidson*

# Compliant thinking

## New financial

markets regulation is coming thick and fast. The Basel Committee on Banking Supervision has already announced plans to introduce an incremental risk charge and stressed value-at-risk measure, and is preparing to finalise proposals on a leverage ratio, capital buffer and a quantitative liquidity charge. Regulators have put greater emphasis on counterparty credit risk exposures, enterprise risk management, stress testing and accurate market data, while the UK Financial Services Authority finalised new liquidity rules in October, which will place a huge reporting burden on financial institutions of all sizes.

On virtually all fronts, banks will need to improve accuracy, transparency, integration, efficiency of processing and data storage. For those that relied on a

disparate conglomeration of systems developed internally and purchased from third-party vendors, the push to achieve a consistent, enterprise-wide view of risk will pose particular challenges. All this comes at a price, and banks are gearing up to meet the costs of these projects. A survey of 824 institutions, published in November by London-based Chartis Research, revealed that 66% plan to increase their risk technology expenditure by 10% or more in 2010. But with the memory of the financial crisis and the multi-billion dollar losses still fresh in the mind, banks are more discerning than ever in choosing where to spend their money.

In this environment, this year's *Risk* technology rankings throw up few surprises.

In tenth position overall is New York-based Savvysoft, a vendor that continues to punch far above its weight and has gained an intensely loyal following, which is reflected in its number one position in cross-asset pricing and risk analytics, and second places in credit, rates and structured products pricing and risk analytics.

So how does a tiny outfit such as Savvysoft continue to hold a top-10 position in the *Risk* rankings? One

reason is continuous product development. Savvysoft has extended its product range from its core pricing and risk analytics to add the Stars portfolio management risk and accounting system, as well as pricing and hedge accounting services. Savvysoft president Rich Tanenbaum believes another of the keys to success is anticipating industry requirements – for instance, counterparty credit measurement and the calculation of market-implied default probabilities, where it has had offerings for several years. However, in the current turmoil, Savvysoft is focusing on clients' present needs. "We feel it's more efficient in these volatile times to concentrate our efforts on the problems people have now, rather than the problems they might have in the future," says Tanenbaum.

Many vendors have been able to react quickly to the changing shape of the industry and develop systems that meet many of the requirements of their customers, particularly around the areas of enterprise risk management, counterparty credit and liquidity risk. With regulatory change continuing at speed, technology firms will have to continue to adapt to ensure their products are relevant. ●



"We feel it's more efficient in these volatile times to concentrate our efforts on the problems people have now, rather than the problems they might have in the future"

Rich Tanenbaum, Savvysoft

## OVERALL

Rank	Vendors	1st places	2nd places	3rd places
1	Thomson Reuters	6	7	10
2	Murex	5	10	7
3	Algorithmics	4	8	3
4	Moody's Analytics	3	1	1
5	SunGard	2	2	1
6	CCH Sword	2		
7	Calypso	2		2
8=	Fiserv	2		
8=	Sophis	2		
10	Savvysoft	1	3	1
11=	Bloomberg	1	1	1
11=	Misys	1	1	1
13=	Numerix	1		
13=	EBS	1		
15	Barx		1	
16	SAS			4
17=	Markit			1
17=	DB Autobahn			1

## How the poll was conducted

*Risk* polled thousands of banks, hedge funds, pension funds, insurance companies and corporate treasurers for this year's technology rankings, and received 2,437 valid responses. Respondents were asked to vote for the technology vendors that provide the best product offering across a number of categories, including enterprise risk management, risk capital calculation, front- to back-office trading systems, and pricing and analytics.

Participants were asked to base their votes on functionality, usability, performance, return on investment and reliability. Nominated technology companies were awarded three points for a first-choice vote, two for a second-choice vote and one point for a third-choice vote. Only technology end-users were allowed to vote. *Risk* conducted a comprehensive due diligence process and disqualified any votes that were felt to be unfair.

## PRICING AND ANALYTICS

### Cross-asset

31 companies cited

2009	2008	Vendors	%
1	1	Savvysoft	14.4
2	2	Murex	13.9
3	4	Thomson Reuters	12.1
4		Numerix	10.1
5	5	Calypso	8.9

### Rates

25 companies cited

2009	2008	Vendors	%
1	2	Thomson Reuters	17.1
2	1	Savvysoft	16.7
3	3	Murex	14.5
4	5	Bloomberg	11.0
5		Fincad	8.5

### Structured products

22 companies cited

2009	2008	Vendors	%
1	1	Numerix	13.6
2	2	Savvysoft	12.5
3	5	Thomson Reuters	11.6
4	3	Calypso	9.6
5	4	Murex	8.7

### Credit

33 companies cited

2009	2008	Vendors	%
1	1	Murex	17.3
2	3	Savvysoft	15.1
3		Thomson Reuters	14.1
4	2	Calypso	12.4
5	4	Numerix	10.7

### Commodities

38 companies cited

2009	2008	Vendors	%
1	1	Murex	15.5
2	3	Bloomberg	15.3
3	2	Thomson Reuters	13.8
4	4	Savvysoft	10.1
5		Sophis	8.9

1+1+1+1+1+1= #1

**Savvysoft**

**#1 in customer satisfaction**

**6 years and counting.**

What has your derivatives analytics vendor done for you lately?

In the last 6 years, in surveys from Euromoney to Risk magazine, Savvysoft has won more #1 rankings than any other derivatives analytics provider in the world. In the latest Risk survey, we've done it again: #1 in Cross Asset, and in virtually every other category, we again finished in the top 3. So if you're looking for analytics, risk management and trading systems, an ASP, implied default probabilities, pricing services, FAS 133/159/157, CICA 3865, IAS 39 hedge accounting software, or the world's first Libor Market Model that doesn't use Monte Carlo, give us a call at +1-212-742-8677 and experience what it's like to be an exceptionally satisfied customer.