

SimCorp Acquires Advanced Pricing Capabilities with F3 SDK

Highlights

Client

SimCorp

Business objectives

Expand derivatives coverage while leveraging existing infrastructure

Requirements

An analytics solution capable of integrating with their existing generic trade representation language.

FINCAD solution

F3 SDK

FINCAD features

- Generic trade representation
- Rapid first-order sensitivities
- Future-proof

Success factors

- FINCAD Client Services
- Ease of integration
- Accuracy

The Challenge

SimCorp, a leading provider of highly specialized software and financial know-how for the financial sector, has been working with financial institutions for more than 30 years. SimCorp Dimension, its software platform for the investment management community, is the world's most advanced front-to-back seamless processing system for investment management.

SimCorp needed a solution to expand their system's derivatives coverage without negatively impacting the infrastructure used by existing functionality or adversely affecting their customers.

Specifically, SimCorp needed a future-proof valuation and risk analytics solution that would integrate seamlessly with SimCorp Dimension's generic trade representation language* framework. Also, SimCorp required a vendor with an excellent reputation for supplying accurate and reliable derivatives analytics.

* The generic trade representation language used in SimCorp Dimension is delivered by LexiFi SAS (www.lexifi.com).

FINCAD's Solution

FINCAD's F3 technology met all of SimCorp's technical requirements.

The solution was driven by F3 — FINCAD's comprehensive, cross-asset class derivatives valuation and risk technology. SimCorp focused on expanding the credit coverage and utilized F3 SDK's flexible architecture to value more complex and structured products as part of their XpressInstruments solution.

F3 SDK is architected to be completely generic and isolates the concepts of a product, the modeling assumptions used to describe its evolution, and the numerical method of valuation. Small building blocks can then be connected together through a simple user interface, making it possible to model and price virtually any kind of trade.

Additionally, F3 SDK enables analytical first order risk for all market data inputs and quotes with Universal Risk Technology™ (URT). With URT, SimCorp provides its customers with the advanced risk analytics needed in today's volatile markets—on demand.

About FINCAD

An established leader with more than 25 years of experience, FINCAD provides innovative and trusted financial analytics software to organizations worldwide.

With deep market understanding, a client-centered business approach, and unmatched quantitative and software engineering expertise, FINCAD is uniquely positioned to lead the market in enterprise valuation and risk technology. FINCAD serves more than 1,000 organizations across the globe. To learn more about FINCAD's award-winning solutions, please visit fincad.com.

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The Results

By integrating F3 SDK into SimCorp Dimension, SimCorp was able to expand its derivatives coverage quickly and meet the constantly changing needs of its customers.

With a custom solution developed by FINCAD Client Services, SimCorp was able to deliver complex instrument structuring with the generic trade representation language used in their framework. Information could pass from XpressInstruments to the FINCAD Analytics engine to obtain value and risk figures for the trade. SimCorp was able to leverage its initial investment in their generic trade representation language, knowing that the connector technology is able to adapt and expand as their needs change.

The flexible and powerful nature of F3 SDK made integrating FINCAD Analytics simple and augmented SimCorp Dimension's coverage to include valuation and risk analytics for sophisticated derivatives. Using F3 SDK meant that SimCorp could focus on its core business. The object-oriented architecture of the technology and the ability to support multithreaded and grid processing mean the F3 SDK will deliver the performance and scalability required by SimCorp's customers.

With F3 technology, SimCorp's customers get access to timely and accurate derivative valuation and risk analytics. Customers can rapidly price positions, reduce operational risk, and simultaneously improve efficiency. Lastly, SimCorp's customers can have confidence that, with an F3 SDK embedded solution, product coverage is virtually unlimited—delivering a future-proof solution.

"FINCAD derivatives pricing expertise perfectly complements SimCorp Dimension, allowing us to offer our customers access to timely, accurate, and proven pricing for credit and other more complex derivatives seamlessly from their existing SimCorp Dimension solutions."

Søren G.A. Pedersen, Vice President of Partner Development, SimCorp

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