



# Beyond Compliance:

## Analyze & Optimize with the FRTB Accelerator

- An award-winning FRTB analytics solution at your fingertips
- Go to production within a month
- Integrate with your existing architecture
- Reduce your hardware and DevOps costs





Many banks today have a solution in place to report their risk metrics in compliance with FRTB. However, after a few months or a couple of years working with their chosen technology, many organizations discover that the solution they adopted is not enough. While most technologies on the market are able to fulfill the regulatory requirements in a narrow sense, they often fall short of meeting the business team's actual needs. What worked when FRTB calculations were run weekly or monthly proves to be simply not good enough on a day-to-day basis.

## The needs of the business go beyond regulatory reporting

There are three functions that an efficient FRTB solution must be able to fulfill: Report, Explain and Optimize. While all FRTB solutions can perform the first, many of them are lacking when it comes to the second and third.

**Reporting** is what every solution made for FRTB can do: calculating risk figures and generating reports at the right level of aggregation, ready to be sent to internal and external auditors. With the data volumes involved with FRTB, it already represents a challenge but it is simply not enough.

**Explaining** is the most critical need for business users. Both in the spirit and in the practice of FRTB, reporting accurate risk figures in a timely fashion isn't sufficient. Regulators also ask for

detailed explanations of those figures, request that banks test alternative stress scenarios and demonstrate the accuracy of their models - particularly with the Internal Models Approach. With a solution that only reports, business teams end up scrambling to answer those requests as best as they can, falling back on other tools such as Excel or PowerBI, which are simply not designed to analyze data at this scale.

**Optimizing** is the ultimate goal for business leaders and executive managers. Beyond reporting and explaining, optimization of the capital charge is where growth and profitability reside. The framework of FRTB creates many decision points that are crucial to improving performance: How best to organize or reorganize portfolios? What would be the impact of changing positions or making certain trades? How can we improve our models? Optimization requires a higher capability for analysis that, today, only ActiveViam's FRTB Accelerator can deliver.

## Organizations that cannot explain and optimize under FRTB will be left behind

Considering the complexity and scale of the change that FRTB represents, it made sense for many banks to focus their efforts on delivering a Minimum Viable Product (MVP): a functioning, compliant reporting solution.

However, practice has shown that you need to go further. It is simply not sustainable to have risk managers spend hours every day using inadequate tools to perform analyses that are, in fact, required by the regulator. It is not only a waste of time and talent, it leaves the door open for delayed or inaccurate reporting that can negatively impact the relationship with regulators, or worse, lead to fines.

Furthermore, companies that do not have the analytical capabilities to optimize their risk management and, by extension, their capital charge, risk falling behind other, better equipped organizations. How to get ahead if you cannot efficiently simulate different scenarios to choose the best outcome, while your competitors do it dozens of times a day?

The question then is: what to do? Very few software solutions are capable of scaling up seamlessly from a reporting role to deep and precise analytics without having ballooning resources dedicated to them. At a time when most banks are trying to reduce hardware and DevOps costs, starting such a new complex and time-consuming FRTB project may be unsustainable.

## Developing new analytics capabilities on a short timeline and a tight budget

ActiveViam's FRTB Accelerator represents an attractive offering for any bank looking to drastically improve their analytics capabilities within a short timeframe, while keeping their costs under control.

The FRTB Accelerator can be used to build or replace your risk analysis and reporting system top to bottom, or simply complement your existing reporting capabilities with much improved analytics. It adapts to your architecture and always delivers the same outcome: putting into the hands of business users and executive managers the tools they need to maximize productivity and profitability.

The FRTB Accelerator is in production today at many banks of all sizes around the world, including HSBC, [Erste Bank](#), CIBC and Mizuho. It has successfully passed the ISDA FRTB SA Regulatory Benchmarking Unit Test. It has even been selected by one of the most important global regulators to serve as the benchmark against which to test other banks' architectures.

Available as SaaS or on-premise, the FRTB Accelerator can run on any Cloud platform or in-house hardware and be fully deployed within 4 to 6 weeks.





## The future of market risk analytics

Organizations who want to outsmart the competition in their trading strategies must take the long-term view for their market risk architecture. FRTB ultimately is just one step to doing that and was an opportunity for many companies to finally bring their systems in line with modern standards.

FRTB has created a new, level playing field. Simply meeting its requirements only puts you in the middle of the pack. To get ahead, the time is ripe to expand capabilities and onboard new technology. The Cloud has reached maturity for the financial industry and makes the best technologies now not just available, but also scalable, affordable and quick to deploy. It is for this new world that the FRTB Accelerator was designed, not just to walk along with the rest, but to run ahead.

## Runs anywhere

The FRTB Accelerator can be deployed under several configurations that all bring the same benefits. Reach out to our team of experts to find the setup that will work best for your organization.

### > On-premise:

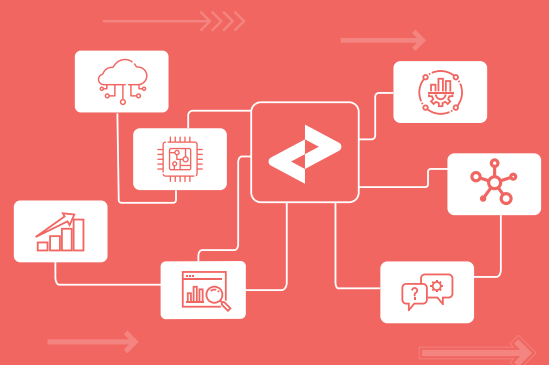
Our FRTB Accelerator can be deployed on a large variety of hardware that are able to provide the requisite capabilities. We have partnerships in place with most global providers to ensure compatibility.

### > In the Cloud:

We have extensively tested the FRTB Accelerator on all the main cloud platforms (Azure, AWS, Google Cloud...). Several customers have in fact deployed it in production on those platforms.

### > As SaaS:

We can provide the FRTB Accelerator under a managed services contract. This configuration offers the fastest time-to-production while giving you complete control over your investment.





# About ActiveViam

Founded by a group of industry experts, ActiveViam understands the data analytics challenges faced by financial institutions across trading desks, risk, and compliance.

That is why we pioneered the use of high performance analytics in finance, helping the largest investment banks, asset managers and hedge funds make better decisions, explain results with confidence, and simulate the impact of their decisions. We are not generalists.

Our mission is to deliver train-of-thought analysis on terabytes of data in the most cost-effective way so our customers can explain their results with confidence and model the scenarios that will optimize their business.

We are a pure player specializing in risk data analytics for one of the fastest-moving and most regulated industries with a presence in the world's leading financial market places – London, New York, Singapore, Sydney, Hong Kong, Paris and Frankfurt.

Our 160 employees take pride in being experts in developing and supporting a purpose-built analytics technology that has been recognized as “FRTB Product of the Year” by Risk and by Waters Technology as the “Best Sell-Side Credit Risk Product.”

For more information please visit: [www.activeviam.com](http://www.activeviam.com)

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