

Product profile

Verasis Risk

A Risk and Regulatory Management System for Treasury

The environment for financial institutions has changed. Both regulators and investors increasingly require organisations to measure and manage the risk in their businesses. There is a demand to comply with best risk management practices and this is coupled with a number of additional challenges:

- Co-ordination of multiple trading systems
- The explosion in regulatory requirements – reporting, compliance, capital and management
- Shifts in risk assessment and testing practises- standard, scenario and shock
- Constant technological changes – the capture, processing, storage and dissemination of data and management information

The Challenge

Changing Markets and Trading Systems

The growth in the number of asset classes and the many variations within existing asset classes has meant that:

- Institutions have implemented new trading systems and platforms

- Legacy systems have been enhanced and extended

The new or enhanced trading system and the new asset classes then have to be “incorporated” into the internal risk, financial, regulatory and MIS solutions. This creates a plethora of logistical and technical issues for the finance and middle office areas:

- How does the institution deal with the differences that inevitably arise between the pricing sources used and the methodologies applied by different systems
- How is the new or enhanced trading application integrated with all existing risk, financial, regulatory and MIS solutions? Are new systems required to meet these new challenges?

Regulatory Environment

The external regulatory regime is in a state of flux at local, regional and global levels. Some of the changes can be foreseen and prepared for – others cannot.

- How can an institution future proof itself?

- How can an institution prepare for the next generation of regulatory requirements from the various stakeholders that impact on the business?

Risk Methodology

The turbulence of the market over the last few years has led to a re-think of risk assessment and potential market scenarios. With “once in a century” market scenarios occurring, historic correlations and assumed relationships are being tested.

- How does an institution test, retest, stress and shock test the implications of changes to the assumptions and correlations in the business model
- How does an institution perform these tests across multiple asset classes maintained on multiple applications

Old Technology

The single constant factor of technology is change. How does an institution leverage modern technology when the sources of data are legacy systems?

About Verasis

Verasis represents a new generation of software systems and was developed by Veratec Limited, a software company operating exclusively in the banking and finance sector.

The company was founded in 2000 to demystify, simplify and consolidate the complex operational issues surrounding risk and regulatory management by utilising the latest software standards available.

Veratec recognized that the proactive measurement and management of multiple risk and regulatory disciplines did not necessitate the implementation of multiple risk and regulatory requirements; but to consolidate these requirements into a single integrated application.

To facilitate this approach, the Verasis Management Team has garnered extensive global experience in strategic and senior consultancy roles across the financial services sector.

Our management team’s keen understanding of our clients’ requirements coupled with a dynamic and flexible focus enables us to develop, manage and deliver solutions to our clients’ business challenges.

Our proven implementation and support methodology delivers an efficient low risk, low-cost implementation allowing a firm to focus on what it does best.

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Verasis Risk delivers clarity, consistency, transparency and cost effectiveness to multiple Risk and Regulatory business processes from a single integrated system.

Solutions

Verasis Risk has been designed and architected to allow financial institutions and treasury business units to:

- Leverage modern technology to provide clients with the ability to collect, collate, calculate and distribute the information from multiple trade sources across a range of Risk disciplines including:
 - Historical Simulation Value at Risk
 - Market data risk (Interest rate, FX Rates, Volatility, Price)
 - Credit Risk
 - Liquidity Risk
 - Counterparty Risk
 - Asset & Liability management
 - Hedge effectiveness

- Consolidate multiple Risk, Regulatory and Management disciplines into a single integrated application and consequently deliver:
 - Cost effectiveness by reducing head count and system requirements (single valuation methodology, single data warehouse, single application environment, single set of interfaces)
 - Clarity by combining a configurable multi-format reporting engine with standard multi-level drill down architecture, allowing users to isolate and communicate results and issues quickly and effectively. Verasis Risk delivers reporting that is flexible, functional, and integrated
 - Consistency by ensuring that the same market data, methodologies and math libraries are used for valuation

and processing within all functional business components

- Transparency by providing full and open access to valuation data, trade and market data via logical, intuitive and configurable desktop
- Verasis Risk is User Friendly, highly flexible and with a full Excel Link
- User Adaptability by allowing specific access rights and individual user chosen view
- Verasis Risk can be tailored to fit seamlessly into any environment and is easily integrated and implemented
- Verasis Risk ensures business continuity by managing multiple time zones, multiple currencies, and multiple business lines
- Verasis Risk can be offered as an ASP Model

