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RANKINGS 2012

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In a close race to the top of this year's *Asia Risk* technology rankings, IBM Risk Analytics took the top spot for risk management overall. Clive Davidson **reports**

The increasing maturity of Asia's financial services inevitably means greater investment in technology. Although Asian banks, more resilient since the home-grown problems of the 1990s, fared relatively well during the recent US/European-centred crisis, they nonetheless are having to implement onerous regulatory changes that in many cases require new or upgraded risk and reporting systems.

The growing sophistication of clients at every level, from retail investors to corporate derivatives users to hedge funds and other asset managers, means that institutions have to improve the services they provide. And all this is happening in an increasingly competitive environment, with local banks challenging foreign firms, as well as each other and the established financial centres such as Hong Kong and Singapore facing the rise of South Korea, Malaysia, Indonesia and other markets.

Against this background, it is not surprising to see that Asian institutions are opting for the most advanced technological tools and infrastructure available. As the 2012 Asia Risk technology vendor rankings show, Asian end-users are highly discriminating in the systems they choose for their specific requirements, from pricing commodities and credit derivatives to managing risk and

Mina Wallace, IBM Risk Analytics

collateral. In almost every category, the winning vendors would also be found supporting business at the most sophisticated banks and buy-side firms in the US and Europe.

Get with the Algorithm

Toronto-based IBM Algorithmics, recently acquired by IBM, is once again one of the leading risk system specialists in the Asia Risk rankings, taking fifth place overall and topping the market risk management, enterprise-wide risk management, regulatory

capital calculation and collateral management categories. The company's clients are under ongoing pressure from regulators, rating agencies and investors to have improved risk management policies, practices and supporting systems in place, says Mina Wallace, executive vice-president, Asian operations, at IBM Algorithmics.

"But at the same time the regulatory environment itself is evolving so fast that these policies, practices and systems have to be dynamic and able to keep pace with regulatory change," she says. Particular areas of focus of leading banks have been collateral and credit management, where traders and financial analysts are seeking real-time information to make better trading decisions. "We've also been working with several central banks in the region as they upgrade their own risk management systems to match global best practices and provide an example for the banks they regulate," says Wallace.

It is clear from this year's Asia Risk rankings that only those technology vendors that have a significant commitment and presence in the region are likely to succeed in a market that is both demanding and discriminating. Pressures on banks and buy-side firms show no signs of letting up, and that means the region's technology vendors will not be able to rest on their laurels either. ●

Overall results

Risk management – overall

2012	2011	Vendor
1	**(2)**	**IBM Algorithmics**
2	(1)	Misys
3	(3)	Murex
4		SunGard
5		SAS

Methodology

Asia Risk surveyed technology users in Asia in July. Respondents were asked to nominate the companies that provide the best products across a range of categories covering: *risk management*; *derivatives pricing and risk analytics*; *trading systems*; and others.

For each category, voters were asked to nominate a top three. Companies were then ranked according to the number of first place, second place and third place votes they received (with three points awarded for a first place vote, two points for a second place vote and one point for a third place vote).

For the overall categories, votes from individual categories were aggregated, and weighted according to the methodology above, and then converted into a percentage. *Asia Risk* verified the validity of votes and discounted invalid votes.

Risk management

Enterprise-wise risk management / cross-risk integration

2012	2011	Vendor
1	**(4)**	**IBM Algorithmics**
2	(1)	Misys
3	(2)	Murex
4		SunGard
5	(5)	SAS

Credit risk management

2012	2011	Vendor
1	(1)	Murex
2	(2)	Misys
3	**(4=)**	**IBM Algorithmics**
4	(4=)	SunGard
5		Calypso Technology

Market risk management

2012	2011	Vendor
1	**(1)**	**IBM Algorithmics**
2	(2)	Misys
3	(3)	Murex
4	(5)	SunGard
5		Bloomberg

Liquidity risk management

2012	2011	Vendor
1	(5)	Murex
2	(1)	Misys
3=		**IBM Algorithmics**
3=	(4)	SunGard
5	(2)	Moody's Analytics

Regulatory capital calculation and management

2012	2011	Vendor
1	**(2)**	**IBM Algorithmics**
2	(1)	Misys
3	(3)	Moody's Analytics
4=	(4)	SAS
4=	(5)	Oracle

Economic capital calculation and management

2012	2011	Vendor
1	(1)	Moodys Analytics
2	(3)	Misys
3	**(2)**	**IBM Algorithmics**
4		SAS
5		SunGard

Operational risk management

2012	2011	Vendor
1	(1)	Misys
2	**(3)**	**IBM Algorithmics**
3		SAS
4	(2)	SunGard
5	(5)	Oracle

Asset and liability management

2012	2011	Vendor
1	(1=)	SunGard
2	(3)	Misys
3	**(1=)**	**IBM Algorithmics**
4	(4)	Moody's Analytics
5		QRM

Other

Collateral management

2012	2011*	Vendor
1		**IBM Algorithmics**
2		Murex
3		Misys
4		Calypso Technology
5		SunGard

Not in 2011 rankings

Implementation efficiency

2012	2011	Vendor
1	(2)	Murex
2	(1)	Misys
3		Calypso Technology
4		**IBM Algorithmics**
5		SunGard

After-sales service

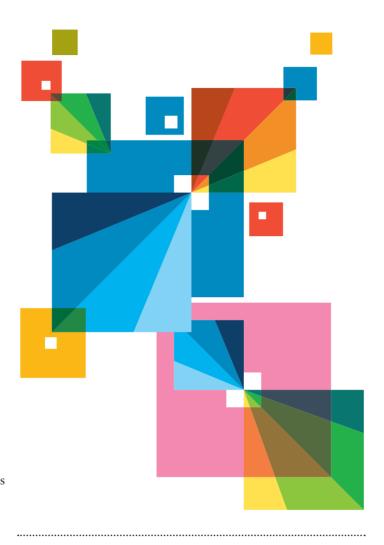| 2012	2011	Vendor
1	(1)	Murex
2	(2)	Misys
3	**(5)**	**IBM Algorithmics**
4=		Calypso Technology
4=	(4)	Bloomberg

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IBM RISK ANALYTICS

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