

Case Study : US Based Global Bank: Credit Risk Management System

Scope

The bank had centralized management of uncovered credit risk for all investment trades at a special desk. In addition to hedging trades, to cover the credit risk, the desk also executes fixed income trading. A hybrid Excel/Java application was being used by the desk for trade and market data management, pricing and risk/hedge calculations and reporting. Their current system was a standalone application. Data integrity was maintained externally through version controlled Excel worksheets. This architecture raised concerns from internal auditors on grounds of data security, audit control and scalability.

Methodology

- A dedicated team of 12 resources was formulated based on a combination of onshore and offshore team deployment.
- For the project a Service Oriented Architecture (SOA) based solution was proposed using the technology components, Java Messaging (JMS), J2EE Application server (Weblogic 8), ORM persistence tool (Hibernate 3), Database server (Oracle), and Reporting tool (Actuate).
- ODA built an application based upon centralized application server that migrated data to an industry standard RDBMS solution. Client applications communicate with the centralized application through a messaging server. The standalone application was converted into an enterprise-wide collaborative platform with shared real-time data stored in a relational database with minimal impact to the user experience and implemented reporting functions using standard reporting tools.

Benefits to client

- Real-time data sharing
- Security and audit control
- Data workflows
- Centralized and automated reporting

Added value to client

- In-depth knowledge of the financial industry specifically trade execution, pricing and portfolio management
- Optimal technology architecture offering distributed scaling, security, authorization and audit control while also delivering performance improvement.
- Ability to deliver cost-effective solutions with high quality (project delivered at less than half the cost estimated by internal resources)
- A reputation for adherence to strict deadlines.