



How Société Générale CIB supports the growth of its Global Fixed Income and Currencies business

The Challenge

As Société Générale CIB was entering new markets, trade volumes were soaring. There was a need to prepare the FIC systems for the future. Four years ago, the Rates IT department recognized that the incumbent infrastructure did not cope with the increase in volumes. Performance suffered. The team also anticipated that the system would not be scalable enough to effectively support the expansion in Asia and North America. Network usage was identified as an issue.

The existing system then consisted of a set of risk calculation systems, sourcing live trades from all trade capture systems and calculating risk sensitivities. Those were published into an OLAP cube which was used by traders to visualize their risk in real-time through their client workstation. Several core processes such as P&L calculations, data enrichment and bucketing were carried out from within the traders' workstations, mostly through Excel pivot tables.

This architecture had a number of shortcomings, with performance being amongst the most significant: Whenever a trader made a new deal, risk engines computed a set of new risk measures and the central OLAP cube was updated accordingly.

Because the OLAP cube structure was not designed to handle delta-based refreshes, the user interface had to pull back the aggregation region in its entirety at each new query. This network-intensive architecture translated into slow response times, with certain measures requiring up to a few tens of seconds to complete.

There was clearly a risk that our IT system would not effectively support the international growth of the Rates business if no change was undertaken.

Charles Brandolini - Director Fixed Income and Rates technology at Societe Generale Corporate & Investment Banking

The Strategy

The IT Rates department implemented ActiveViam's in-memory aggregation engine, Atoti+ in two phases, Real Time Risk Aggregation and Centralizing the Business Logic pertaining to P&L. During the first phase, Société Générale used Atoti+ to build a central risk repository for rates derivatives and to aggregate risk measures on the fly. Later, in the second phase, the bank centralized the business logic pertaining to P&L, allowing them to perform real-time P&L calculations on Rates Derivatives Products. This would allow them to deliver accurate P&L figures at any time during the day.

The Results

After implementing Atoti+, Société Générale was able to immediately see impact across the business and IT departments. The business side was now able to absorb more trading demands from clients, have the ability to generate incremental margins through real-time visibility into risk and P&L as well as have 100% P&L accuracy and accelerated deal stamping. On the IT side of the house, they now had scalability on a global scale, a centralized architecture, decoupled from source systems, consistent deployment of new business rules and the ability to leverage the same technology for other scopes.

“Since we’ve adopted ActiveViam’s Atoti+ as our central aggregation and calculation technology, we have the confidence that each trader, each risk manager, each head of desk has a consistent view of risk and P&L.”

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.”

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