

Asia sets the pace

Technology suppliers throughout Asia are increasingly customising their technology services to meet the demands of clients in the region and exporting these techniques to Europe and the US. Against this backdrop, Thomson Reuters has overhauled Murex as the leading supplier in Asia, as voted by our readers. By Clive Davidson

Thomson Reuters has benefited from a substantial investment in its derivatives trading and risk management suite of products and regional support infrastructure, taking top spot in *Asia Risk's* third annual technology rankings. With first places in 13 categories, New York-based Thomson Reuters has built a commanding lead over its rivals. It brushed aside the winner of the survey for the previous two years, Paris-based Murex.

Thomson Reuters made impressive strides with its revamped risk management technology – following the co-development and implementation of its market risk management system Kondor Global Risk at Development Bank of Singapore (DBS) in 2006.

John Palmiero, Hong Kong-based head of trading and risk management for Asia at Thomson Reuters, says his company had under-invested in its risk product suite and was falling behind its competitors. That was three years ago. Then the company gave the risk division a war chest – Palmiero would reveal only that it was “a large amount” – to upgrade its existing systems or buy new technology.

Among the most significant investments were the purchase of California-based derivatives trading and risk specialists Application Networks in 2006, whose Java-based technology has given Thomson Reuters a flexible framework for delivering its applications; and an overhaul of Kondor Global Risk to give it credibility in the enterprise risk arena. The company also upgraded the back-office module of its Kondor+ cross-asset trading system, enabling it to compete as a stand-alone product. The system, Kondor+ Trade Processing, won 25 clients in 2007. And Thomson Reuters launched Kondor+ Structured Products, a design, pricing and risk management tool bought by 14 financial firms in the past year.

“[Thomson Reuters] made a very big investment in our risk business, not just so that we would catch up, but to enable us to move ahead of our competitors,” says Palmiero, who joined in 2006 at the time of the new investment to develop the company’s software business in Asia. In 2007, financial information specialist Thomson acquired Reuters, but all the derivatives trading and risk technology is essentially from the Reuters side of the business.

Asia has not been incidental to Thomson Reuters’ technology upgrades. The Kondor+ Trade Processing development was in large part driven by demand from the region, and six of the initial users of system were in Asia, mostly in Singapore and Taiwan. “A lot of the system’s teething problems occurred here in Asia, so our developers had to pay attention to them,” says Palmiero. Meanwhile, DBS – the first client for Kondor Global Risk – played a significant role in the design and development of the product, he says.



John Palmiero, Thomson Reuters: has benefited from big spending

Opinions vary as to how much the subprime crisis and subsequent credit crunch across North America and Europe have affected Asia and the market for derivatives trading and risk technology.

While the full impact of the US and European financial crisis has yet to be felt in the region, the leading technology vendors have in general performed well over the past 12 - 18 months. Thomson Reuters says its Asian business grew 50% in 2007, with 11 clients signing up.

After-sales service

Meanwhile, two factors continue to play a critical role in the success of vendors in the region. One is the ability to implement and support systems, not just deliver them. The other is reputation. As Palmiero of Thomson Reuters says, one botched implementation can put a vendor out of the running for future contracts in that country for five years or more.

Top 10 overall vendors

| 2008 | 2007 | Vendor | 1st places | 2nd places | 3rd places | Points |
|------|------|-----------------|------------|------------|------------|--------|
| 1 | 2 | Thomson Reuters | 13 | 3 | 1 | 46 |
| 2 | 1 | Murex | 4 | 12 | 1 | 37 |
| 3 | 8 | Misys | 4 | 1 | 9 | 23 |
| 4 | 3 | SunGard | 1 | 6 | 0 | 15 |
| 5 | 4 | Calypso | 1 | 1 | 3 | 8 |
| 6 | - | Fermat | 1 | 1 | 2 | 7 |
| 7= | 5= | Algorithmics | 0 | 0 | 5 | 5 |
| 7= | - | Sophis | 1 | 1 | 0 | 5 |
| 9= | - | Bloomberg | 0 | 1 | 1 | 3 |
| 9= | 7 | NumeriX | 0 | 1 | 1 | 3 |

Note: Points are awarded as follows: 3 for a first place, 2 for a second, 1 for a third.

Pricing and risk analytics – overall

| 2008 | Vendor | 1st places | 2nd places | 3rd places | Points |
|------|-----------------|------------|------------|------------|--------|
| 1 | Thomson Reuters | 5 | 0 | 1 | 16 |
| 2 | Murex | 1 | 6 | 0 | 15 |
| 3= | NumeriX | 0 | 1 | 1 | 3 |
| 3= | Sophis | 1 | 0 | 0 | 3 |
| 5= | Calypso | 0 | 0 | 2 | 2 |
| 5= | SunGard | 0 | 1 | 0 | 2 |

This category did not appear in last year's survey as an overall table

Trading systems – overall

| 2008 | Vendor | 1st places | 2nd places | 3rd places | Points |
|------|-----------------|------------|------------|------------|--------|
| 1 | Thomson Reuters | 3 | 3 | 0 | 15 |
| 2 | Murex | 3 | 2 | 1 | 14 |
| 3 | Calypso | 1 | 1 | 1 | 6 |
| 4 | Misys | 0 | 0 | 5 | 5 |
| 5 | Sophis | 0 | 1 | 0 | 2 |

This category did not appear in last year's survey as an overall table

Risk management

Market risk management

Vendors cited: 34

| 2008 | Vendor | % of votes |
|------|-----------------|------------|
| 1 | Thomson Reuters | 26.22 |
| 2 | Murex | 19.84 |
| 3 | Misys | 14.10 |
| 4 | SunGard | 9.64 |
| 5 | Calypso | 8.37 |

Limit checking

Vendors cited: 36

| 2008 | 2007 | Vendor | % of votes |
|------|------|-----------------|------------|
| 1 | 2 | Thomson Reuters | 35.53 |
| 2 | 1 | Murex | 18.99 |
| 3 | 3= | Misys | 10.68 |
| 4 | - | SunGard | 10.42 |
| 5 | 3= | Calypso | 6.65 |

Collateral management

Vendors cited: 30

| 2008 | Vendor | % of votes |
|------|-----------------|------------|
| 1 | Thomson Reuters | 17.87 |
| 2 | Murex | 14.13 |
| 3 | Algorithmics | 13.67 |
| 4 | SunGard | 12.60 |
| 5 | Misys | 12.53 |

Back office

Vendors cited: 32

| 2008 | Vendor | % of votes |
|------|-----------------|------------|
| 1 | Thomson Reuters | 25.75 |
| 2= | Misys | 16.58 |
| 2= | Murex | 16.58 |
| 4 | Calypso | 11.49 |
| 5 | SunGard | 8.74 |

Data vendors

Vendors cited: 23

| 2008 | Vendor | % of votes |
|------|--------------------|------------|
| 1 | Thomson Reuters | 45.59 |
| 2 | Bloomberg | 26.96 |
| 3 | GFI | 6.37 |
| 4 | Markit | 5.33 |
| 5= | Intex | 4.24 |
| 5= | Telekurs Financial | 4.24 |

Pricing and risk analytics

Commodities

Vendors cited: 22

| 2008 | 2007 | Vendor | % of votes |
|------|------|-----------------|------------|
| 1 | 2 | Thomson Reuters | 26.78 |
| 2 | 1 | Murex | 20.66 |
| 3 | - | Bloomberg | 9.97 |
| 4= | - | SunGard | 8.77 |
| 4= | - | Calypso | 8.77 |

Credit

Vendors cited: 32

| 2008 | 2007 | Vendor | % of votes |
|------|------|-----------------|------------|
| 1 | - | Thomson Reuters | 27.75 |
| 2 | 1 | Murex | 19.04 |
| 3 | 3 | Calypso | 11.13 |
| 4 | 5 | Misys | 10.61 |
| 5 | 4 | NumeriX | 7.46 |

Cross-asset

Vendors cited: 25

| 2008 | 2007 | Vendor | % of votes |
|------|------|-----------------|------------|
| 1 | 5 | Thomson Reuters | 26.84 |
| 2 | 1 | Murex | 21.46 |
| 3 | - | Misys | 10.26 |
| 4 | 2 | NumeriX | 11.02 |
| 5 | - | Bloomberg | 9.40 |

Currency

Vendors cited: 27

| 2008 | 2007 | Vendor | % of votes |
|------|------|-----------------|------------|
| 1 | 2 | Thomson Reuters | 37.20 |
| 2 | 1 | Murex | 20.27 |
| 3 | 4= | NumeriX | 9.04 |
| 4 | - | Bloomberg | 7.10 |
| 5 | - | Misys | 6.85 |

Interest rates

Vendors cited: 25

| 2008 | 2007 | Vendor | % of votes |
|------|------|-----------------|------------|
| 1 | 2 | Thomson Reuters | 31.29 |
| 2 | 1 | Murex | 21.81 |
| 3 | 5 | Misys | 12.74 |
| 4 | 4 | Bloomberg | 10.10 |
| 5 | 3 | NumeriX | 7.77 |

Trading systems (front-to-back-office)

Currency

Vendors cited: 27

| 2008 | 2007 | Vendor | % of votes |
|------|------|-----------------|------------|
| 1 | 1 | Thomson Reuters | 31.00 |
| 2 | 2 | Murex | 19.67 |
| 3 | - | Misys | 10.65 |
| 4 | 3 | Calypso | 7.26 |
| 5 | - | SunGard | 6.51 |

Equities

Vendors cited: 24

| 2008 | 2007 | Vendor | % of votes |
|------|------|-----------------|------------|
| 1 | - | Thomson Reuters | 27.31 |
| 2 | 4 | Sophis | 22.73 |
| 3 | - | Misys | 13.38 |
| 4 | 2 | Murex | 10.58 |
| 5 | - | Calypso | 8.23 |

Interest rates

Vendors cited: 26

| 2008 | 2007 | Vendor | % of votes |
|------|------|-----------------|------------|
| 1 | 1= | Thomson Reuters | 21.78 |
| 2 | 1= | Murex | 16.55 |
| 3 | 3= | Misys | 13.26 |
| 4 | 3= | Calypso | 8.16 |
| 5= | 5 | Bloomberg | 7.41 |
| 5= | - | SunGard | 7.41 |

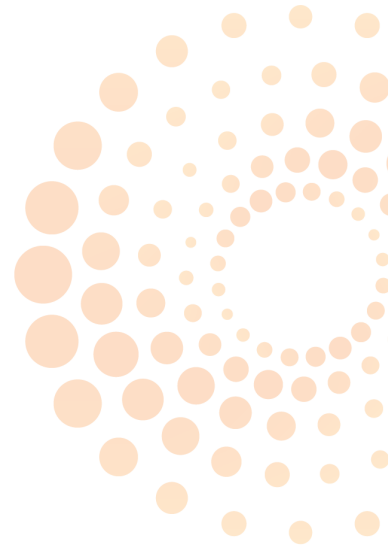
How the survey was conducted

Asia Risk surveyed technology users in Asia in July and received 1,186 responses, a near-fivefold increase on last year's 240. Respondents were asked to nominate the companies that provide the best products across categories such as market risk, credit risk, trading systems, analytics and front-to-back-office systems, based on functionality, usability, performance, return on investment and reliability. Asia Risk verified the validity of votes and discounted invalid votes.

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THOMSON REUTERS NAMED TOP TECHNOLOGY VENDOR ASIA RISK TECHNOLOGY RANKINGS 2008



Thank you to all our clients who voted Thomson Reuters #1 as their preferred vendor of choice



- ✓ #1 Market Risk Management
- ✓ #1 Limit Checking
- ✓ #1 Back Office
- ✓ #1 Data Vendor
- ✓ #1 Collateral Management
- ✓ #1 Pricing and Risk Analytics: Cross-asset
- ✓ #1 Pricing and Risk Analytics: Commodities
- ✓ #1 Pricing and Risk Analytics: Credit
- ✓ #1 Pricing and Risk Analytics: Rates
- ✓ #1 Pricing and Risk Analytics: FX
- ✓ #1 Trading Systems: Equities (front-to-back office)
- ✓ #1 Trading Systems: FX (front-to-back office)
- ✓ #1 Trading Systems: Rates (front-to-back office)

Thomson Reuters is the largest provider of risk and trade management solutions globally servicing over 750 financial institutions. Our solutions offer sophisticated, tailored functionality at every step of the trade – from STP enabled front-to-back trading systems to enterprise wide risk management – allowing our customers to efficiently manage their market, credit and operational risks.

We have the global reach and local expertise that is required of a long term strategic partner with more than 950 risk professionals in 83 countries. And with more than 20 years of experience, you can rely upon Thomson Reuters' proven track record of delivering complex solutions to meet your exact requirements.



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