

Total Return Swaps (TRS) Management System

Client

A top ten global investment bank

Business Area

Prime services, middle office, front office

Asset Classes

Equities, Equity Derivatives, FI Derivatives, Loans

Technology Set

Oracle, J2EE, Spring, Struts, Jasper Reports, Oracle Reports, Groovy

Integration

Misys LoanIQ, Bank-wide Prime Brokerage system, FX data provider

User Profile

Synthetic Equity, Trading/TRS, Structured Credit Finance, Prime Brokerage, Alternative Asset Financing departments (100+ users)

Geography

US and UK

Relationships status

Ongoing ODC, T&M

Services Provided

Development Q/A Team

Team Size

Up to 5 team members

Duration

5+ years

Summary

Develop an application that supports Total Return Swap (TRS) contract management with price calculation, tracking, analysis metrics, configuration and reporting.

Business Challenge

A top ten global investment bank needed to transform its existing TRS management system to comply with new business requirements and to take advantage of the latest technical innovations.

In addition to managing the contract specifications, the system had to fulfill the following functional and technical requirements:

1. Real-time access to market and credit risk data
2. Track reference rates, reference assets, capital gains and losses, and structured transactions
3. Maintain audit data such as source, status and other characteristics of the swap transaction
4. Provide both pre-defined and ad-hoc reporting
5. Migrate to a web-based technical platform

Luxoft Delivered Solution

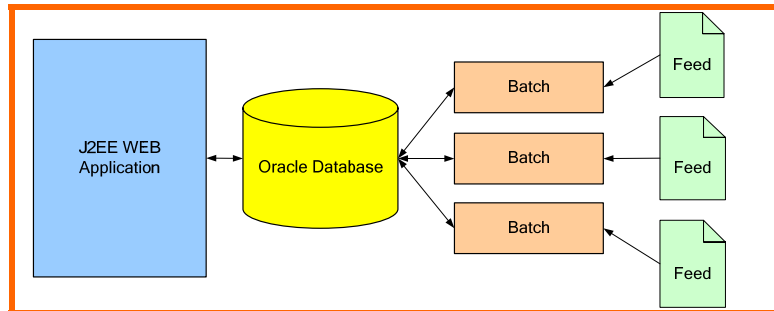
The small team of Luxoft developers successfully redesigned the existing system, providing a highly adaptable architecture that would support rapidly changing business needs. In addition, short development iterations allowed quick, early deployment of the most urgent business functionality. Luxoft's engineers developed solid architectural and technical solutions that maintained the system reliability throughout continuous enhancements. The key features of the new system include:

A flexible architecture that facilitates rapid development of new and updated business lines

- A dedicated reporting subsystem with customizable scheduling and delivery capabilities
- Support for multiple format sets in the inbound data feeds
- Advanced batch data processing components that execute the complex business logic required for processing total return swap
- A J2EE, web-based user interface

- A robust security subsystem to authenticate and authorize users who access the system via public internet channels

Figure 1: TRS System Architecture



Benefits

With Luxoft's technical expertise and advanced business domain knowledge, the client realized the following benefits:

- A flexible and scalable system architecture that provides the client with the ability to expand the current application to support emerging business needs
- All functional and technical requirements were delivered on time and within the project budget
- A highly accessible and secure platform for TRS contract management and reporting wherever internet access is available
- Automated updates to the swap positions

Customer Feedback

Detailed feedback is available upon request.