

"DataSynapse has built its business on a grid computing platform that allows customized applications to use virtualization and automation to share IT resources in a heterogeneous environment...as organizations become more mature in managing IT services over time, a natural inclination is to optimize by consolidating and reducing costs."

- Gartner, Cool Vendors in IT
Operations, 2006

Challenge

Many of the largest financial services organizations rely daily upon compute-intensive, business-critical Trading and Risk applications, which require high performance processing power that is both scalable and reliable. Capital markets thrive on complexity, and sell-side institutions rely on high-volume, complex trades to generate profits. The ability to master highly complex scenarios is the key to generating profits and delivering new structured products to market fast and effectively. In an increasingly competitive industry, maintaining high margins on new products demand increasing compute capacity to run highly complex pricing and risk models accurately and reliably.

- Risk figures that are critical to traders must be available at the start of the trading day; late data or processing bottlenecks significantly impact the window available for the traders to carry out profitable business – significantly impacting the bottom line.
- Complex and compute-intensive applications such as pricing scenarios for structured derivatives can often take hours to run. This leads to significant lag times from the time a sales representative contacts a customer to the time a quote could be delivered. This latency translates into missed profit generation opportunities for the institution.
- Batch-oriented applications "stove piped by trade" can result in unproductive allocation of system resources. While some areas of the computing environment are idle, other parts require additional capacity driven by volume growth and complexity.
- Too often, business-critical applications – a combination of home built applications and third party ISV products each with their own proprietary distributed computing software – reside on static and siloed systems. Traditionally, the only way to meet increasing demand for processing power is to replicate the systems and purchase new, dedicated and costly hardware for each individual application.
- In order to guarantee that enough processing power is available during surges in demand, IT resources are over-provisioned to provide sufficient "headroom." This over-provisioning of resources, as well as new hardware purchases, leads to an increase in IT spend for support personnel, bloating total cost of ownership (TCO).
- Finally, the challenge is magnified by the global nature of Trading and Risk. Expensive hardware platforms are replicated across geographies and time zones, resulting in expensive resources lying idle during non-working hours.

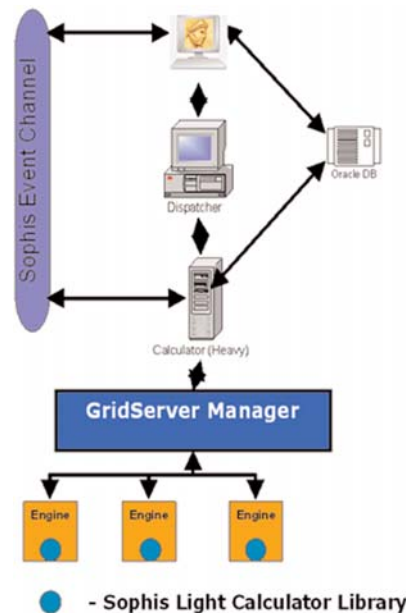
BNP Paribas has reaped the benefits of DataSynapse's GridServer technology and created new revenue-generating opportunities. "With GridServer, we've generated new business opportunities, reduced cycle times, and enabled greater transaction capacity, all driving revenue growth," Shah remarked. "Application virtualization is making us money, period."

- Dipak Shah
Head of Structured Credit IT
BNP Paribas - UK

Sophis

Sophis is a leading provider of cross-asset, front-to-back risk and portfolio management solutions. In 2006, Sophis confirmed its strong position on both sides of the market, by adding 20 new buy-side clients and five new sell-side clients, bringing its client base to 50 banks, 45 hedge funds and ten asset managers.

Sophis RISQUE is a cross asset front-to-back office solution that enables investment banks to implement true straight-through processing across their trading activity. The combination of wide instrument coverage, high performance, flexibility, open and scalable architecture, and user friendliness makes RISQUE a unique global system used by many of the powerhouses in derivatives and structured products trading. The system enables users to develop, trade, and risk manage a wider variety of instruments across asset classes, with particular focus on supporting cross-asset needs that have increased due to the growing market for complex derivatives. RISQUE features data management, pricing, portfolio management and risk analysis tools. It also helps sell-side institutions increase the efficiency of their high volume flow business operations through improved back office capabilities. As Emmanuel Fruchard, director of fixed income and credit at Sophis said, "One of the challenges faced by structured product solution providers is the ability to accommodate increasingly larger positions and more complex calculations."



Sophis worked with DataSynapse to deliver an advanced grid computing offering to the Sophis customer base. Now Sophis clients will be able to run the market-leading RISQUE solution within a highly scalable environment that optimizes available system and data resources across the organization. GridServer will guarantee workload execution and respond to changing business requirements in real-time, satisfying the volatile and unpredictable demand for compute processing power. Sophis's RISQUE platform allows market makers to create new hybrid products and to bring them to the market quickly.

As the dominant supplier of application virtualization to the Financial Services industry, we are proud of our unparalleled ecosystem of ISV application partners. Each of our Trading

and Risk ISV's has undertaken to develop, deliver, maintain and support a plug and play interface to DataSynapse GridServer®. This commitment guarantees that DataSynapse customers can obtain maximum value from their investment by adding new third party applications to their real-time infrastructure as quickly and as painlessly as possible.

Solution Joint Benefits

The combined solution makes it possible for Sophis pricing, risk, compliance and processing engines to be distributed to multiple CPUs on multiple machines, whether they are dedicated to running the simulations, or are machines that are not currently being fully used. Because the integration is already done, there is no additional development necessary and very little implementation or configuration work to be done, thereby slashing the total cost of ownership.

The ROI for this joint solution:

- Significant application performance gains: from time-to-build and deploy to improvements in scalability and resiliency
- Increased revenues: through expanded capabilities, product offerings and accelerated time-to-market for new complex derivatives
- Capacity On-Demand: to scale the Kondor+ application without any modifications to the implementation
- Increased trading volumes: providing the ability to trade larger volumes and provide key traders with valuable, reliable and accurate risk figures throughout the trading day
- Cost Reduction and Containment: reduction in operating and capital costs and ongoing cost avoidance through shared and aggregated IT resources, based on business needs. IT silos can be broken down, increasing sharing and utilization of existing resources across multiple applications while providing dramatically improved application performance and response time.

About Sophis

Sophis provides cross-asset and fully integrated front-to-back-office solutions to buy and sell-side institutions. Sophis was founded in 1985 and is established in London, Paris, New York, Frankfurt, Dublin, Hong Kong and Tokyo. The company's philosophy is to design flexible, open and scalable solutions. Sophis systems are used by 100+ leading financial institutions worldwide, including Abbey National, AXA IM, Bank of China International, Barclays Capital, Bank of East Asia, BNP Paribas AM, CALYON, IXIS CIB, Fortis, HSBC, HVB, ING, KBC, Nomura Securities, RaboBank, Royal Bank of Canada and SEB. www.sophis.net

About DataSynapse

DataSynapse, Inc. is a global provider of application virtualization software. The company's flagship products, GridServer® and FabricServer™, virtualize business-critical applications and adaptively provision them across a real-time infrastructure. DataSynapse drives business agility through shared services, helping clients reduce the cost and complexity of their IT infrastructure. The company is headquartered in New York City.