

Centurion Bank of Punjab to use SuperDerivatives model

The Centurion Bank of Punjab (CBP) will be deploying the world's leading derivatives solution provider, SuperDerivatives platforms, to manage foreign or exotic options and calculate exposure, involving asset classes like credit, foreign currency and interest rates.

According to a release issued here Friday, the application of the pricing model of SuperDerivatives will help in benchmarking the derivatives pricing and will be used in strengthening the 'bank's risk and portfolio management capabilities, in its process of expanding the fee-based services involving interest rates derivatives'.

SuperDerivatives, popularly called SD-Banks, is used by banks world over as it introduces transparency in the trading of derivative classes, including foreign currency, interest rates, equities, commodities, energy and credit.

Moreover, it provides prices, which help the traders do the daily business. The model also helps the reporting banks in complying with the stringent, accounting, auditing and banking standards set by Basel-II that requires fair market revaluation.

Hemant Pardikar, head of risk (section) of CBP, said: 'SD-Banks will help us in managing the multi-asset portfolios better and also calculate exposure in real time. Even in SD-IR (SuperDerivatives Interest Rates) module will help in providing the bankers with true market prices for even the most complex structures.'

CBP at present is offering retail, small and medium enterprises and corporate banking products and services, across the nation.

According to Omer Hevlin, sales director of SuperDerivatives, 'The SD-Banks model is fast gaining popularity among Indian banks.'

He added that since the first Indian option trade in 2003, 'SD-Banks has been the key provider of effective risk management solutions in India.'

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