


BANQUE & FINANCE

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Banking Solutions 2012



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new trends in practice

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for a safe drive

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A sharp eye on financial products

To harness the power of unlimited access to information in order to provide transparency in the world of financial products is the mission set to cfinancials.com



The best innovative products are the ones that seem obvious the minute they are introduced. The kind of product that hits the nail on the head with such efficiency, that as soon as it's out there, life without it seems unfathomable. Think Google. So here's a simple concept: a search engine for all financial products, presenting the data in a clear standard format and assessing it according to one universal risk rating methodology. Imagine how accessible the capital markets would be with such a tool. Financial products would be made into a mere commodity, easy to examine and to understand... transparent. ➤

► This concept - to harness the power of unlimited access to information in order to provide transparency in the world of financial products - is the mission of cfinancials.com. The founder and CEO, Michael Heijmeijer, with twenty years of experience in capital markets, is not afraid to see big. 'We want to completely change the landscape of financial products.' It's the trait of a leader in his field, to demonstrate the ability to break down the issues and elements of a complex sector into a simple vision that addresses the needs of all. Heijmeijer's aim is to make cfinancials.com the reference for professionals, institutions and individuals alike. If his proprietary universal risk rating for financial products passes the test of time and gains the trust of such a broad audience, then who can blame him for thinking big? Cfinancials.com could indeed become the next Internet era revelation, the Google of the capital markets. That's for the vision. In terms of delivery, cfinancials.com are well on their way. Launched in Switzerland in 2009, the company has succeeded, through significant investment, industry knowledge and contacts, in creating a unique database of 12 million financial products, enhanced with product intelligence and formatting. The company's 27-strong team of developers, marketers and strategists has created an offering that is truly unique, for a number of reasons:

- There is no other database so complete. Hundreds of product issuers, data companies and investment banks, including ThomsonReuters, Six Telekurs, Interactive Data Corporation and Dow Jones, contribute to Cfinancials' database, making it the largest repository of financial product intelligence in the world. The time and investment that it has taken for the company to pull off such a feat puts them in a league of their own. 99% of products traded on standard platforms are shown on the site.
- There is no other portal in this sector with such storage, technology and processing power.
- There is nothing else out there to rival the concept of an objective, universal risk rating tool. Period. Cfinancials.com has developed a proprietary tool that computes price and



product risk and volatility triggers associated with financial products. It is effective because of the power of its technology and the sheer size of the database it feeds off. In addition, it takes into account modern media impact, integrating product-related information and news from all forms of media including tweets, blogs and forums into the analysis. "We don't provide product recommendations. We don't sell stories. This is raw, objective, cutting-edge product intelligence and it works", states Heijmeijer.

- The presentation and formatting of information delivered is equally important. Each financial product is broken down to display all its constituent parts - the underlying assets as well as the individual components of the structure are displayed. Each component is then evaluated with appropriate indicators such as price, yield to maturity, price differential, credit default swaps (CDS), earnings per share (EPS), volatility, price-earnings ratio (P/E), dividend yield, correlation and dividend payout. Each indicator is complemented with a visual representation and graphics such as pie charts. That is transparency for you. Heijmeijer draws the comparison between financial products and cars. You need to know the value and origin of every component to get the full view of the vehicle's exact worth.

What has been the response so far? A number of institutions, fund managers and investment banks have already bought into the

concept and purchased access to customized tools offered by cfinancials.com. The next phase will be to change the offering in order to make the Rating product accessible to all types of audience, online through the website. The search functionality across all financial products is already online, and can be used without the need to even create an account. Due to be re-launched by the end of the year, the website will still provide access on the one hand to its free search engine, which will then include the end-of-day risk rating. Access to the full Rating product will be available according to different subscriptions, punctual or monthly, and the pricing will make these accessible to every type of audience.

In an industry already heavily regulated and under fire to become even stricter, a company such as cfinancials.com, offering a product that is aimed at both institutions and individuals, is advancing in choppy waters and has to be sure to run a tight ship. The Rating product is already compliant with MIFID directives. Furthermore, the company has generated interest from the people who are actually writing the rules on a European scale, and that has got to be a tough test. The potential of the Rating product in terms of one universal risk rating that can be attached to all financial products is clearly apparent for the regulating authorities. Watch this space.

In the current climate of investment banker bashing, with the main criticism being lack of transparency, cfinancials.com appears as a knight in shining armour. Not only does this website aim to demystify the capital markets and ensure that everyone can find detailed, objective information on all financial products in one place. It also aims to give us a tool, the Rating, that could become so universally accepted that one might even imagine it as a tradable commodity in its own right. Best of all, cfinancials.com is proposing to do all this partly for free. If the company can pull this off financially, build the brand and gain essential consumer trust, there may come a day when we'll have forgotten how financial products were ever traded without cfinancials.com. That's a lot of coulds, aims and ifs - let's hope cfinancials.com go all the way, because they advance brandishing transparency as the prize for all. ■

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