

## **SWISS BIG THREE JOIN FORCES TO CREATE RISK LAB.**

Credit Suisse, Swiss Bank Corp. and Union Bank of Switzerland have joined forces to establish a partnership which will research risk management problems the banks encounter in the global markets, according to **Peter Reiser**, executive director-controlling at SBC in Zurich. The partnership will work in conjunction with the **Swiss Federal Institute of Technology** in Zurich to establish the project, which the banks dubbed the 'risk lab.' The lab will develop quantitative models and approaches to address global risk management issues, he said.

The work of the risk lab could be used to help banks establish internal capital requirements for their derivatives positions, according to **Hans-Peter Bauer**, head of global derivatives at UBS in Zurich. There is plenty of room for further research into aggregate risk and issues of price distribution, he noted. Specific research areas have yet to be determined, said officials. One motivation for the project is that banks have an interest in developing Zurich as a center of financial research to attract qualified financial expertise from which they could possibly hire, Reiser said.

The three banks are extending invitations to other Swiss banks, Swiss regulators and Swiss academia to join the effort and help determine areas of research, said Reiser. It is likely that the research will be published but participating banks will have first call on it, so that they can act on any conclusions he said.