

Model and trading strategies optimization

Our understanding of your needs

xVA successful implementation is at the crossroads of strategic priorities, organizational challenges and methodological formalization

Strategic priorities for the business

- › Identify key organizational priorities and relevant metrics
- › Balance organizational goals with budgets and timelines
- › Price accurately and in a timely manner and manage associated risks (market, counterparty, funding) adequately
- › Reallocate xVA charge per trade in line with what has been priced and charged to avoid future potential costly adjustment

Organizational challenges for the xVA desk

- › Integration and collaboration between Trading, Risks, Product Control, Treasury, Collateral Management and other relevant groups
- › Find the best suitable organisation: centralized desk or decentralized to books
- › Discuss and arbitrate xVA pricing & hedging requirements
- › Define what the collateral management and optimization goals are
- › Assess how the limits strategy will evolve and Review/design incentive framework
- › Set the performance requirements - daily, pre-trade/real-time, intra-day, etc.

Implementation of the pricing and billing methodology

- › Model calibration and sensitivities calculation, Data quality & cleansing (e.g. CSA Data)
- › Disseminate pricing awareness within Macquarie: training, presentations, billing
- › Methodology to avoid double-counting, unusable approximations and numerical noise in exposures projections
- › Appropriate methodology for allocating costs to each trade/book/desk
- › Modelling all aspects of a CSA, including break clauses, rating triggers, etc.
- › Models agility for continuous integration of market best practices and regulatory constraints

Why CH&Cie is the right partner to consider establishing a FVA/xVA desk

CH&Co. offers to clients a disciplined M&A approach to deal-making and brings expertise to all elements of the deal value chain

	CH&Co. strenghts	Key success factors
<p>①</p> <p>Expertise <i>A unique reference in terms of xVA implementation</i></p>	<ul style="list-style-type: none">› A unique expertise of markets, products and regulatory framework through the quantitative scientific profiles and former market practitioners› Deep experience from former xVA business practitioners› Ability to provide insights on market best practices thanks to conferences run on xVA topics	<ul style="list-style-type: none">✓ Simple and effective project on-boarding through quantitative and business backgrounds of our consultants✓ Expertise in models & methodologies used in the calculation of OIS Discounting, FVA, EEPE, xVA or prudential ratios and associated issues (input, calibration, IT costs / time ...)✓ Ability to zoom in on process / complex products with a thorough understanding of change drivers and xVA interdependencies✓ A deep knowledge of xVA functional and methodological questions
<p>②</p> <p>CIB's environment <i>A long and fruitful collaboration with CIB's across the world</i></p>	<ul style="list-style-type: none">› A deep knowledge of people, functions, systems, process and governance across CIBs organization› A proven track record in assisting prestigious CIBs in multiple transformation, optimization and quantitative projects› A tool box ready to use and adaptable to the needs of Macquarie	<ul style="list-style-type: none">✓ Time/cost gains in project structuring, approach, methodologies and deliverables thanks to extensive knowledge of the environment✓ A capacity to leverage on positive experiences and relationships with stakeholders✓ Pragmatism and result-orientation will be key to ensure deadlines are respected
<p>③</p> <p>Previous successful desk implementation <i>Experienced and complementary consultants</i></p>	<ul style="list-style-type: none">› Our consultants have an extensive understanding of Capital Markets processes, developed from both project experience and operations› Most of them have already demonstrated their result-orientation on previous assignments› A strong ability to design and implement organizational and methodological solutions, adapted to our client specific organization	<ul style="list-style-type: none">✓ A Project Management toolkit ready to use will facilitate the preparation of committee materials, the monitoring of implementation, the design of KPIs and KRIs etc.✓ Detailed diagnostic work for the establishment of a xVA desk: Study the profile of counterparty risk (maturity, concentration, ...), Design desk mandate, Impact Simulation, Review of CSA✓ A comprehensive approach to organisational and implementation levers, vouching for tangible and long lasting results



Geneva



London



Paris



Niort



Budapest



New York



Montreal



Hong Kong



Singapore



Frankfurt

<http://www.chappuisalder.com>