

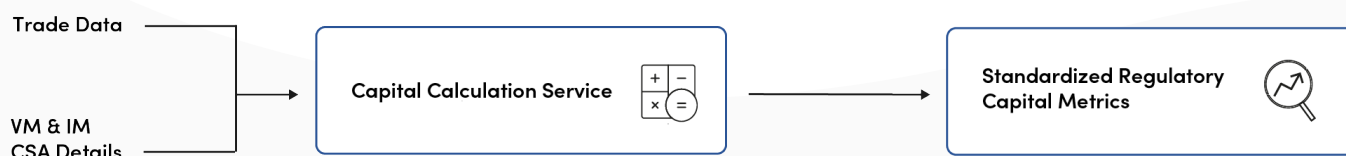
Capital Calculation Service

Leverage industry standard tools for capital calculation

The Capital Calculation Service is part of the AcadiaPlus Risk Suite of services. AcadiaPlus is a feature rich open platform for collateral, margin and risk mitigation serving Sell-side, Buy-side and Fund Administrators.

Acadia offers a Capital Calculation Service that leverages a client's trade data to generate regulatory capital metrics per industry-standard definitions and methodologies. The same trade data used for Acadia's IM Risk Generation Service can be re-purposed for the Capital Calculation Service.

We know that complying with the latest Margin and Capital regulations can be burdensome. It requires your firm to have access to experienced resources, investment in IT systems, a complete set of historical market data and a thorough understanding of the requirements in a timely and repeatable process. Acadia brings firms a unique and cost-effective service for capital calculations that can be put in place alongside or as a substitute for costly internal processes.



The Capital Calculation Service uses a Client's ORE XML trade data in combination with IM and VM CSA details (e.g. MTAs, Thresholds, etc.) to generate daily regulatory capital metrics according to standardized regulatory prescriptions.

Key Features

- Calculate the following standardized regulatory capital metrics as prescribed by global regulators (e.g. Basel Committee on Banking Supervision) for all positions/counterparties:
 - Fundamental Review of the Trading Book (Standardized Approach) ("FRTB-SA"), as prescribed by BCBS 265/d457.
 - Counterparty Credit Risk (Standardized Approach) ("SA-CCR"), as prescribed by BCBS 279.
 - Credit Value Adjustment basic and standardized approaches ("BA-CVA" and "SA-CVA", respectively), as prescribed by BCBS MAR50 (Future enhancement).
 - Standardized Market Risk Capital ("SMRC") deduction to adjusted net capital, as prescribed by CFTC Reg. 1.17.
- Capital calculation procedure automatically generates required valuations, sensitivity reports and detailed intermediate result files for applicable capital metrics on a daily basis.

Key Benefits

- Lower cost through community-led development and market data mutualization
- Increases operational alpha as the same trade data used for Acadia's IM Risk Generator service can be re-purposed for Capital Calculation.
- Validation of internal processes – can be run alongside or as a replacement for costly internal processes, or to determine fallback capital requirements if seeking Internal Model Approval.
- Standardized regulatory capital metrics can satisfy various allowable capital approaches under multiple different regulatory capital regimes (e.g., Bank-Based Capital Approach, Net Liquid Asset Capital Approach, etc.)
- Daily calculation feeds internal financial planning and regulatory reporting requirements
- Future risk and optimization services from Acadia will consider total balance sheet optimization across margin and capital requirements together under a common cost efficiency framework, e.g., "what-if" tools, risk dashboards, portfolio rebalancing, etc.

Book a demo or contact us for more information.

Email info@acadia.inc or visit acadia.inc

Acadia is the leading industry provider of integrated risk management services for the derivatives community. Its central industry standard platform enables a network of banks and other derivatives firms to improve efficiency and mitigate costs across the entire trade life cycle. Backed by 16 major industry participants and market infrastructures, Acadia is used by a community of over 1600 firms exchanging more than \$1 trillion of collateral on daily basis via its margin automation services.

Acadia is a registered trademark of AcadiaSoft, Inc.

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