

triCalculate^{IM ANALYTICS}

The initial margin (IM) rules will potentially affect thousands of firms in 2019 and 2020. Those coming into scope are faced with a variety of operational challenges around the calculation and exchange of IM. Now, triCalculate can help you prepare and make more informed IM business decisions with comprehensive IM analytics.

TODAY'S PLANNING, TOMORROW'S SUCCESS

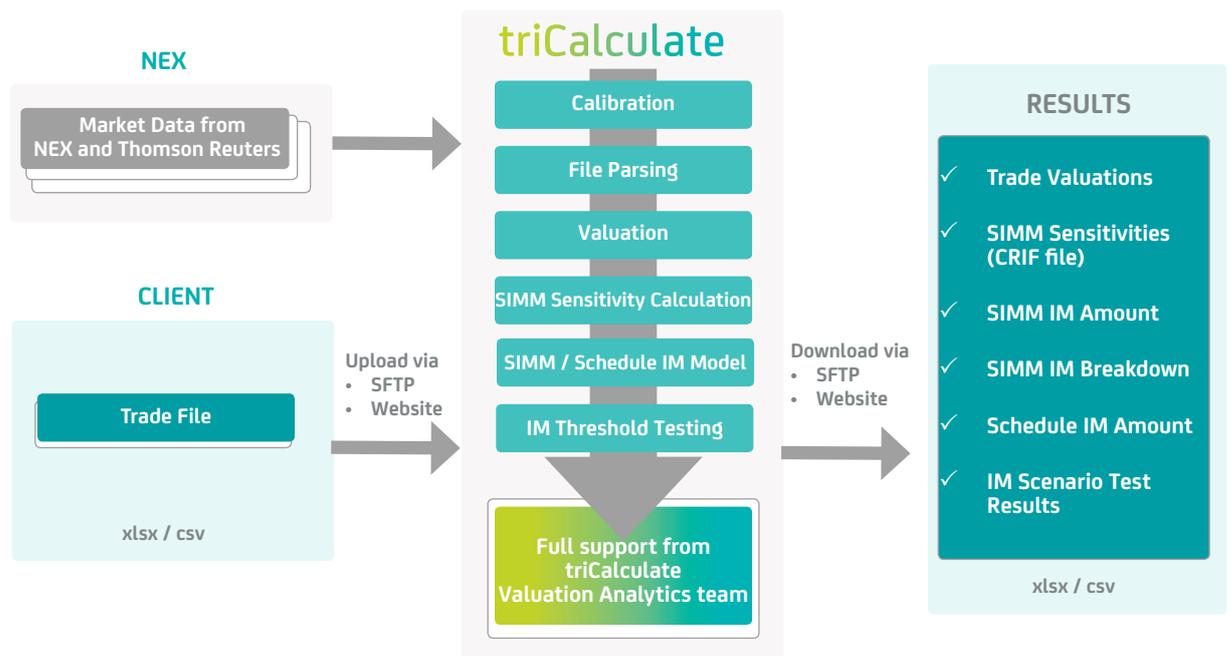
triCalculate IM Analytics provides crucial insight into your options for IM calculation, helps identify and prioritise in-scope counterparties and aids trading decisions to reduce future IM costs.

PROVEN, COMPREHENSIVE, AND CUSTOMISABLE

triCalculate's IM Analytics are customisable to your requirements and can be provided on a periodical or ad-hoc basis. With no upfront fees, all that's required to get started is a simple trade file in any format, representing a real or hypothetical portfolio.

HOW IT WORKS

triCalculate IM Analytics helps clients who are in-scope or preparing to be in-scope for the IM rules understand their IM exposure:



WITH TRICALCULATE IM ANALYTICS YOU CAN DETERMINE:

SIMM™ VS SCHEDULE

You must decide to use either the schedule or the ISDA Standard Initial Margin Model (SIMM™) calculation method as it needs to be pre-agreed with your counterparties. triCalculate supports both methodologies and can help in the SIMM™ vs. schedule decision-making process with analytics on the effects of each methodology on IM costs.

SIMM™ SAMPLE

| party_id | counterparty_id | silos | risk_class | sensitivity_type | bucket | trade_count | pledgor_im | secured_im |
|----------|-------------------|---------|------------|------------------|--------|-------------|---------------|---------------|
| DEMO | TEST COUNTERPARTY | | | | | 13 | 4,984,065,924 | 4,853,965,789 |
| DEMO | TEST COUNTERPARTY | RatesFX | | | | 13 | 4,984,065,924 | 4,853,965,789 |
| DEMO | TEST COUNTERPARTY | RatesFX | FX | | | 9 | 4,575,607,489 | 4,509,875,243 |
| DEMO | TEST COUNTERPARTY | RatesFX | FX | Vega | | 4 | 511,334,995 | 511,334,995 |
| DEMO | TEST COUNTERPARTY | RatesFX | FX | Vega | EURGBP | 2 | 128,754,147 | 128,754,147 |
| DEMO | TEST COUNTERPARTY | RatesFX | FX | Vega | USDGBP | 2 | 421,254,187 | 421,254,187 |
| DEMO | TEST COUNTERPARTY | RatesFX | FX | Curvature | | 4 | 65,732,246 | 0 |
| DEMO | TEST COUNTERPARTY | RatesFX | FX | Curvature | EURGBP | 2 | 3,763,165 | 3,763,165 |
| DEMO | TEST COUNTERPARTY | RatesFX | FX | Curvature | USDGBP | 2 | 9,876,162 | 9,876,162 |
| DEMO | TEST COUNTERPARTY | RatesFX | FX | Delta | | 9 | 3,998,540,248 | 3,998,540,248 |
| DEMO | TEST COUNTERPARTY | RatesFX | FX | Delta | USD | 7 | 3,937,210,387 | 3,937,210,387 |
| DEMO | TEST COUNTERPARTY | RatesFX | FX | Delta | EUR | 2 | 306,188,572 | 306,188,572 |
| DEMO | TEST COUNTERPARTY | RatesFX | IR | | | 13 | 554,090,546 | 554,090,546 |
| DEMO | TEST COUNTERPARTY | RatesFX | IR | Delta | | 13 | 554,090,546 | 554,090,546 |
| DEMO | TEST COUNTERPARTY | RatesFX | IR | Delta | GBP | 11 | 493,780,945 | 493,780,945 |
| DEMO | TEST COUNTERPARTY | RatesFX | IR | Delta | USD | 7 | 200,343,189 | 200,343,189 |
| DEMO | TEST COUNTERPARTY | RatesFX | IR | Delta | EUR | 2 | 42,152,650 | 42,152,650 |

SCHEDULE SAMPLE

| party_id | counterparty_id | Asset class | IM requirement (% of notional exposure) | trade_count | Gross IM | Party Mtm | NetReplacementCost Pledgor Party | GrossReplacementCost Pledgor Party | NetReplacementCost Secured Party | GrossReplacementCost Secured Party | pledgor_im | secured_im |
|----------|-------------------|----------------------------------|---|-------------|---------------|-----------|----------------------------------|------------------------------------|----------------------------------|------------------------------------|---------------|---------------|
| DEMO | TEST COUNTERPARTY | Credit: 0-2 year duration | 2 | 0 | 0 | 0 | | | | | | |
| DEMO | TEST COUNTERPARTY | Credit: 2-5 year duration | 5 | 0 | 0 | 0 | | | | | | |
| DEMO | TEST COUNTERPARTY | Credit 5+ year duration | 10 | 0 | 0 | 0 | | | | | | |
| DEMO | TEST COUNTERPARTY | Commodity | 15 | 0 | 0 | 0 | | | | | | |
| DEMO | TEST COUNTERPARTY | Equity | 15 | 0 | 0 | 0 | | | | | | |
| DEMO | TEST COUNTERPARTY | Foreign Exchange | 6 | 8 | 3,155,478,000 | -512,666 | | | | | | |
| DEMO | TEST COUNTERPARTY | Interest Rate: 0-2 year duration | 1 | 2 | 504,250,000 | 1,266,000 | | | | | | |
| DEMO | TEST COUNTERPARTY | Interest Rate: 2-5 year duration | 2 | 3 | 852,638,000 | -17,800 | | | | | | |
| DEMO | TEST COUNTERPARTY | Interest rate: 5+ year duration | 4 | 0 | 0 | 0 | | | | | | |
| DEMO | TEST COUNTERPARTY | Other | 15 | 0 | 0 | 0 | | | | | | |
| DEMO | TEST COUNTERPARTY | | | 13 | 4,512,366,000 | 735,534 | 0 | 925,000 | 735,534 | 899,500 | 1,804,946,400 | 4,018,842,084 |

YOUR FUTURE IM COSTS

It's essential to understand what your IM cost will be so you can manage expectations. triCalculate IM Analytics allows you to identify a suitable portfolio for your first week's, month's, and year's worth of trading and simulate your IM cost across all eligible relationships, allowing a more accurate depiction of your IM cost.

WHICH COUNTERPARTIES ARE IN-SCOPE AND WHEN

You will have to actively exchange regulatory IM with all in-scope counterparties that exceed the IM threshold. You do not have to physically post IM until your IM amount to be posted or collected breaches this threshold. triCalculate IM Analytics can help you prioritise setting up your IM agreements where you anticipate this threshold to be breached sooner rather than later.

HOW TO REDISTRIBUTE RISK

triBalance can help simplify your OTC derivatives portfolios and reduce funding costs of meeting initial margin obligations. triBalance achieves this through multilateral rebalancing of counterparty risk exposures. The service is available for FX, rates and equity risk classes and can optimise across both bilateral and cleared relationships.

BRINGING IT ALL TOGETHER WITH A SEAMLESS IM SOLUTION

With triCalculate IM Analytics providing the insights you need to decide your IM calculation method, identify and prioritise in-scope counterparties and reduce IM funding costs, you can then utilise TriOptima's seamless IM solution to calculate your inputs, manage your margin calls and resolve your disputes.

FIND OUT MORE

To find out more, email info@trioptima.com or contact your local TriOptima office.

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