

SA-CCR and IMM: Counterparty Risk and Capital Floors

Understanding the latest surrounding SA-CCR and the impact on measuring counterparty credit risk exposure as well as the capital floor on IMM

Marriot West India, London

28th – 29th November 2016

 Interactive Conference Workshop
on 28th November 2016

Counterparty Risk in the new regulatory world: IMM, SA-CCR and FRTB-CVA

Led By

Thomas Obitz

Director

Risk Transform

Attending this Premier **marcus evans** Conference will Enable you to

- **Establish** methods dealing with the capital floor for IMM and solutions to calculate SA-CCR into IMM
- **Explore** a practical implementation timeline and proactive techniques to overcome challenges presented by SA-CCR
- **Clarify** the latest developments of SA-CCR and the impact on vanilla, hybrid and bespoke products
- **Assess** the SA-CCR in conjunction with wider capital regulations such as FRTB, Leverage Ratio and Initial Margin
- **Examine** the impact of SA-CCR on capital, RWA and capital sensitive products

Learn from Key Practical Case Studies

- **RBS** explore how banks can calculate the SA-CCR into the IMM
- **Deutsche Bank** examine how to update counterparty risk systems to the SA-CCR
- **JP Morgan** translate the Basel III SA-CCR text for European banks
- **Banque de France** compare the SA-CCR with FRTB
- **Lloyds Banking** assess the viability of capital sensitive products under the SA-CCR

Business Development Sponsor



Adjust your business models according to your **bank's portfolio** to achieve **the best outcome from the SA-CCR**



In The Chair

Arthur Rabatin

Head of Counterparty and Funding
Risk Technology
Deutsche Bank

Expert Speakers Panel

Arthur Rabatin

Head of Counterparty and Funding
Risk Technology
Deutsche Bank

Richard Rossmann

Head of Change for Counterparty
Credit Risk
Deutsche Bank

Hansjorg Schmidt

Principal Supervisor,
Internal Models Counterparty Risk
European Central Bank

Gael Robert

Head of Risk Analytics
Mizuho

Matteo Rolle

Head of Capital
and Collateral Optimisation
Lloyds Banking

Mark Sweeting

Credit Standardised
Rules Change Lead
Credit Suisse

Michael Upward

Head of Counterparty Risk
Nordea

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Private BANKING

Rita Gnutti

Head of Model Market and
Counterparty Risk
Intesa Sanpaolo

Gilles Artaud

Deputy Head of Counterparty Risk
Credit Agricole

Vladimir Chorniy

Senior Technical Lead,
Enterprise Risk Architecture
BNP Paribas

Jacek Bregulla

Group Wide Credit Risk Platform,
Group Risk Data Office
Unicredit

Rasmus Ulrich Engelstad Sørensen

Chief Analyst, Market Risk
Nykredit

Mark Connolly

Senior Manager,
Credit Risk Regulatory Practice
Murex

28th November 2016

08.30 Registration and Coffee

09.00 Opening Address from the Chair

Arthur Rabatin

Head of Counterparty and Funding Risk Technology
Deutsche Bank

DEALING WITH THE NEW CAPITAL FLOOR PRESENTED BY SA-CCR

09.15 **Calculating SA-CCR into your bank's IMM**

- How to calculate the exposure to internal models under SA-CCR
- What banks with an IMM need to know about SA-CCR
- Ensure your IMM has the correct level of capital requirement mandated by SA-CCR

Richard Rossmanith

Head of Change for Counterparty Credit Risk
Deutsche Bank



PANEL DISCUSSION

10.05 **Is the IMM still valuable under the SA-CCR?**

- SA-CCR or IMM: Finding the best fit for your bank's portfolio
- Is the IMM redundant under the new capital floor presented by SA-CCR?
- Importance of IMM: Why the IMM is still useful for banks with substantial derivative portfolio
- Is it worth banks going through the lengthy process of getting approval for their IMM?
- The unintended consequences of SA-CCR

Panelists

Michael Upward

Head of Counterparty Risk
Nordea

Vladimir Chorniy

Senior Technical Lead, Enterprise Risk Architecture
BNP Paribas

10.55 **Speednet**

An Excellent opportunity to speak directly with your peers and network effectively. Exchange your views and business cards.

11.10 **Refreshme**

SA-CCR IMPLEMENTATION TIMELINE AND TECHNIQUE

11.25 **Case Study**

Overcome the practical challenges presented by a data heavy calculation

- Collecting the data for inputs of the SA-CCR calculation
- Source and verify the data: Ensure it meets the high quality data standards
- Can your bank spring off from the work done to risk data under the BCBS 239?
- Trade and collateral data requirements: The rich description needed for each trade

Jacek Bregulla

Group Wide Credit Risk Platform, Group Risk Data Office
Unicredit

12.15 Lunch

13.15 **Update counterparty risk systems to the SA-CCR**

- Addressing the data challenge across trade and reference data
- Synergies between margining and SA-CCR
- Integrating components: Front office pricing and capital calculations
- Managing commercial benefits from regulatory requirements

Arthur Rabatin

Head of Counterparty and Funding Risk Technology
Deutsche Bank



PANEL DISCUSSION

14.05 **Change management of CEM and SA to SA-CCR**

- How does the SA-CCR compare to the CEM and SA?
- Understanding how to cope with a change in methodology
- Why was the IMM the better option to the CEM and SA?

Panelists

Rasmus Ulrich Engelstad Sørensen

Chief Analyst, Market Risk
Nykredit

Mark Sweeting

Credit Standardised Rules Change Lead
Credit Suisse

Mark Connolly

Senior Manager, Credit Risk Regulatory Practice
Murex

14.55 **Refreshme**

SA-CCR: A REGULATORY MANUAL

15.25 **Recent regulatory developments in the CCR area**

- FAQs on SA-CCR: What do you need to know about the SA-CCR so far?
- Updates of CVA requirements
- Regulatory view on the relation between -CCR and IMM

Hansjorg Schmidt

Principal Supervisor, Internal Models Counterparty Risk
European Central Bank

16.15 Closing Comments from the Chair and End of Day One

Who Should Attend

From Banks:

Heads of:

- Counterparty Credit Risk
- Counterparty Exposure Management
- Counterparty Credit Risk Quant
- Market Risk
- Risk

29th November 2016

08.30 Registration and Coffee
Arthur Rabatin
Head of Counterparty and Funding Risk Technology
Deutsche Bank

09.00 Opening Address from the Chair

ASSESS THE SA-CCR IN CONTEXT OF OTHER CAPITAL REGULATIONS

09.15 **Case Study**
Evaluate the SA-CCR alongside initial margin

- Interaction of SA-CCR and initial margin: How do the two fit together
- Similarities and differences between both capital regulations
- Effectively managing two binding constraints

Gilles Artaud
Deputy Head of Counterparty Risk
Credit Agricole

MACRO VIEW OF THE CONSEQUENCES OF SA-CCR

10.05 **Effect of SA-CCR on capital and RWA**

- Sharp increase in capital costs: What this means for your bank?
- Surge in exposure and capital charge: How can banks handle this?
- How will SA-CCR impact prudential measures such as RWA

Rita Gnutti
Head of Model Market and Counterparty Risk
Intesa Sanpaolo

10.55 **Refreshme**

PANEL DISCUSSION

11.25 **Impact of SA-CCR on counterparties with no credit rating and netting agreement**

- Increase in capital costs for counterparties without netting agreement
- How the SA-CCR will benefit counterparties with collateralised agreement
- Conservative default rating presented to counterparties with no rating
- Treatment of counterparties with no credit rating as a high credit risk: How this will increase cost of those counterparties and trades

Gael Robert
Head of Risk Analytics
Mizuho

12.15 Lunch

Business Development Opportunities

Does your company have services, solutions or technologies that the conference delegates would benefit from knowing about? If so, you can find out more about the exhibiting, networking and branding opportunities available by contacting:

Alyona Ring, Sponsorship Manager, **marcus evans** London
Tel: +44 (0) 20 3002 3214
Email: AlyonaR@marcusevansuk.com

13.15 **Asses viability of capital sensitive products under SA-CCR**

- Capital requirements of products: Understand the impact of SA-CCR on individual assets
- What products are favourable?
- Optimise SA-CCR to unlock these benefits

Matteo Rolle
Head of Capital and Collateral Optimisation
Lloyds Banking

14.05 **Refreshme**

PRACTICAL ROUNDTABLE DISCUSSIONS

14.35 **SA-CCR Within the Bigger Picture**

Each practical round table lasts 30 minutes throughout the afternoon as an opportunity to network on a more intimate level. Delegates will be able to join discussions and speak to experts in these areas about their individual concerns.

Table One
Understand the importance of the SA-CCR in the Leverage Ratio calculation: What is the impact?

Matteo Rolle
Head of Capital and Collateral Optimisation
Lloyds Banking

Table Two
SA-CCR and FRTB: How do the two relate
Speaker to be Announced

Table Three
Interaction between SA-CCR and other capital regulations: Initial margin

Gilles Artaud
Deputy Head of Counterparty Risk
Credit Agricole

16.30 Closing Comments from the Chair and End of Day Two

Counterparty Risk in the new Regulatory World: IMM, SA- CCR and FRTB-CVA

28th – 29th November 2016



WORKSHOP

COUNTERPARTY RISK IN THE NEW REGULATORY WORLD: IMM, SA-CCR AND FRTB-CVA

- 16.30 Registration and Coffee
- 17.00 Workshop Leader's Introduction and Opening Remarks
Thomas Obitz
Director
[Risk Transform](#)
- 17.15 **Counterparty risk in the new regulatory world: IMM, SA-CCR and FRTB-CVA**
- Relationship between SA-CCR and FRTB-CVA
 - Relationship between FRTB-CVA and FRTB-MR
 - Evolution of the Counterparty Risk Charge – Add-ons, CEM and SA-CCR
 - Impact of SA-CCR on capital charges
 - SA-CCR Methodology
- 18.00 **Refreshme**
- 18.15 **Implementing SA-CCR**
- New data requirements
 - Project setup
 - Comparison of SA-CCR and IMM methodology
 - Why not IMM?
 - Discussion: Experience and challenges
- 19.00 Closing Remarks from the workshop leader

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Speaker Profiles

Vladimir Chorniy started his career in finance as a founding member and later led Credit Risk Analytics team in Barclays Capital. In 2006 he joined BNP Paribas, where he headed Risk Methodology and Analytics team responsible for methodologies covering counterparty risk (EE/PFE models), market risk (VAR, IRC, CRM), credit value adjustment, capital calculations and exotic derivative treatment. His next role was Head of Risk Modelling Strategy for Group Risk Management. In his current position as Senior Technical Lead he takes responsibility for strategic projects such as FRTB, IHC and margined trading. Vladimir holds a Ph.D. in Physics from Cambridge University.

Gilles Artaud has been working in investment banking for the last 20 years, where he held various positions within Quant, Front Office and Risk Department, working all along on many underlying types, pricing, validation, capital, market and credit risk topics. After five years as head of Counterparty Credit Risk Methodology in Credit Agricole CIB where he set in place the methodology and library for CCR and CVA, he's now Deputy to the Head of the Counterparty Credit Risk Department. His current "hot" topics are XVAs (CVA DVA FVA AVA MVA...) and impact of new regulatory requirements, among which most recent are initial margins on non-cleared transactions and FRTB.

Rita Rosaria Gnutti is the Head of Market and Counterparty Risk Internal Models in the Risk Management department of Intesa Sanpaolo. Ms. Gnutti has been in the Risk Management function for the last 12 years and is also responsible for the Market and Counterparty Risk Architecture, regulatory reporting for Market and Counterparty Risk and the "Market Data Management Team" who covers scenario generation for internal models. Ms. Gnutti's main achievements in the regulatory area relate to development, use test, and application for approval for regulatory purposes of Internal Models: Basel 2.5 for the trading book; Internal Model for Specific Risk under Basel 2.5; Internal Model for Counterparty Credit Risk under Basel 3. Prior to joining Risk Management Ms. Gnutti was responsible for projects relating to the trading rooms, covering from the front office point of view and OTC derivatives operations. Ms. Gnutti holds a Degree in Economics at Università Cattolica del Sacro Cuore Milano where she achieved a high score of 110/110 cum laude. She has also gained the 'Premio Agostino Gemelli' reward as top graduate for the 1992 Academic Year.

Hansjörg Schmidt holds a PhD in experimental particle physics and worked 15 years in a major German bank in risk control on the development of internal models for market and counterparty risk. In 2010 he joined the German Federal Financial Supervisory Authority BaFin working for model supervision in the department Quantitative Risk Modelling and for regulation of credit and counterparty risk in BCBS subgroups. In 2014 he joined the Internal Models division in the Directorate General Microprudential Supervision IV of European Central Bank.

Jacek Bregulla achieved a diploma in Economics at university in Bonn in 2007 (Rheinische Friedrich-Wilhelms-Universität) and Pre-diploma in Physics at university in Bonn in 2010. His focus is on econometrics using market risk data. He previously did an Internship in rating modelling department at WGZ Bank in Düsseldorf in 2009 and started professional career at UniCredit in Munich in 2010 during project One4C (linkup of UniCredit Italy to the group credit risk platform). Since December 2011 Senior Associate in newly formed unit Group Credit Risk Platform. Since January 2016 team lead 'Risk Data Transformation' as part of unit Group Credit Risk Platform in new structure Group Data Office (GDO). Some of his current focuses include single point of contact for Holding as well as Subgroups regarding Credit Risk Methodology on regulatory and managerial Group Credit Risk platform (GCRP) calculations; evolution of GCRP functional design of unique Credit Risk Methodology (Basel III, Upcoming regulatory changes etc.) across the UniCredit Group and GCRP Governance Processes like Demand, Change and Incident Management.

Rasmus Ulrich Engelstad Sorensen is Chief Analyst and lead regarding the fundamental review of the trading book in Nykredit. It is Rasmus's second time at Nykredit where he has previously worked with the implementation of an internal model for counterparty credit risk and capital requirements in the trading book. Prior to joining Nykredit for the second time, Rasmus worked at Danske Bank. Rasmus earned a bachelor's degree in Economics and Business Administration, and holds a master's degree in Finance from the University of Aarhus.

Matteo Rolle finished his MSC in physics and worked 3 years and a half in equity derivatives Algo Trading in Italy and then moved to London. After a short experience as a quant in option market making he ended up in Lloyds where he is currently employed. In Lloyds he spent 2 years as a CVA/FVA quantitative researcher during which he ended up making a lot of work from a quantitative and regulatory perspective for the repo desk as well as the CVA desk. At the beginning of 2014 he joined the repo desk as a Collateral Optimisation Trader and has been responsible for capital and collateral optimization trades such as clearings, compressions, setting up Bilateral Independent Amounts and Initial Margins, for choosing and sourcing the collateral to post for initial and variation margin for CCPs and CSAs. He is now heading the Capital and Collateral Optimisation desk.

Sponsor Profiles

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