# The following is for Informational Purposes Only and is not in sync with our environment. You do not need to do any of the Exercises but reading it will deepen your understanding.

# Exercise1: PL vector extraction from FO System with aggregation in Fusion RISK

The Bank has a core system in place and just want to configure extraction from existing core system to FR for aggregation and Display.

The purpose is to configure a Var run for eligible risk factor. By the same way PL extraction and possibly Stress-testing can be configured.
The risk factors are to be assigned by liquidity horizon and asset classes.

| Risk Class | Risk Factor Category | 10 | 20 | 40 | 60 | 120 |
|---|---|---|---|---|---|---|
| Interest Rate | Interest rate –domestic currency of a bank: EUR, USD, GBP, AUD, JPY, SEK, and CAD | x | | | | |
| | Interest rate other currencies | | x | | | |
| | Interest rate ATM volatility | | | | x | |
| | Interest rate (other than yields and ATM volatility) | | | | x | |
| Credit Risk | Credit spread –sovereign (IG) | | x | | | |
| | Credit spread –sovereign (HY) | | | x | | |
| | Credit spread –corporate(IG) | | | x | | |
| | Credit spread –corporate(HY) | | | | x | |
| | Credit spread –structured (cash and CDS) | | | | | x |
| | Credit (other) | | | | | x |
| FX | FX rate-liquid currency pairs | x | | | | |
| | FX rate (other currency pairs) | | x | | | |
| | FX volatility | | | x | | |
| | FX (other) | | | x | | |
| Equity | Equity price (large cap) | x | | | | |
| | Equity price (small cap) | | x | | | |
| | Equity price (large cap) volatility | | x | | | |
| | Equity price (small cap) volatility | | | | x | |
| | Equity (other) | | | | x | |
| Commodity | Energy price | | x | | | |
| | Precious price | | x | | | |
| | Other commodities price | | | | x | |
| | Energy price volatility | | | | x | |
| | Precious metal price volatility | | | | x | |
| | Other commodities price volatility | | | | | x |
| | Commodity (other) | | | | | x |

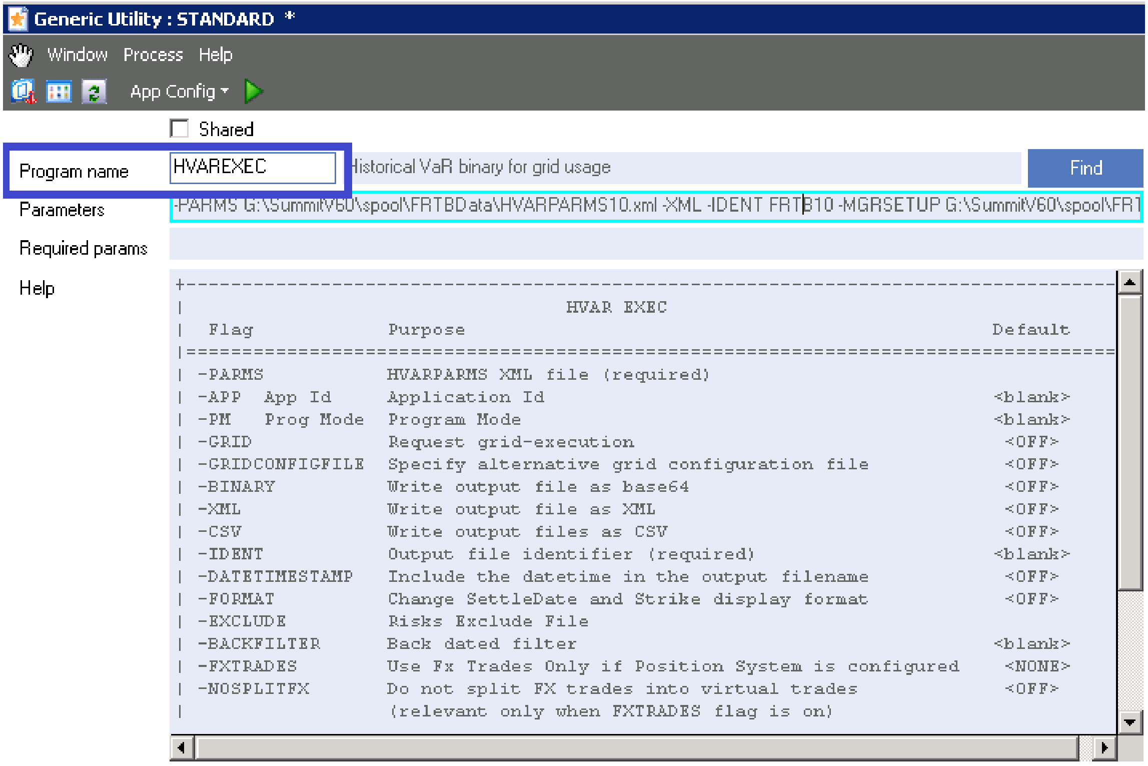
## Connect to the environment

1. Login information:

   Not provided as it’s a sample onl

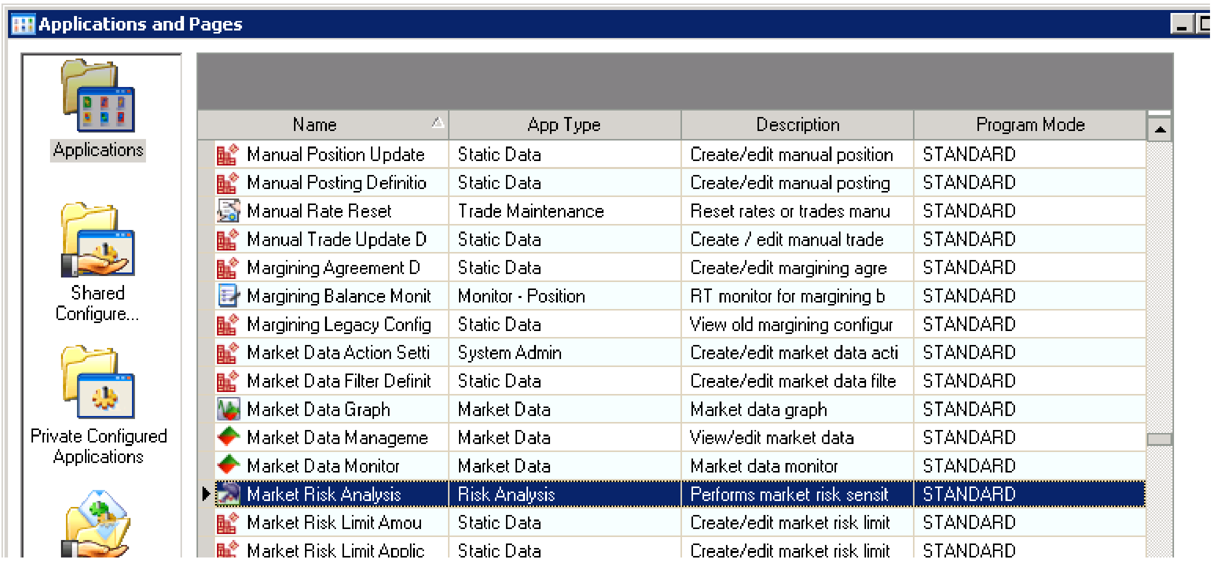
# Exercise 1: run PL vector extraction from summit on existing configuration foR existing set of trades

Go to the Summit Hvar Exec

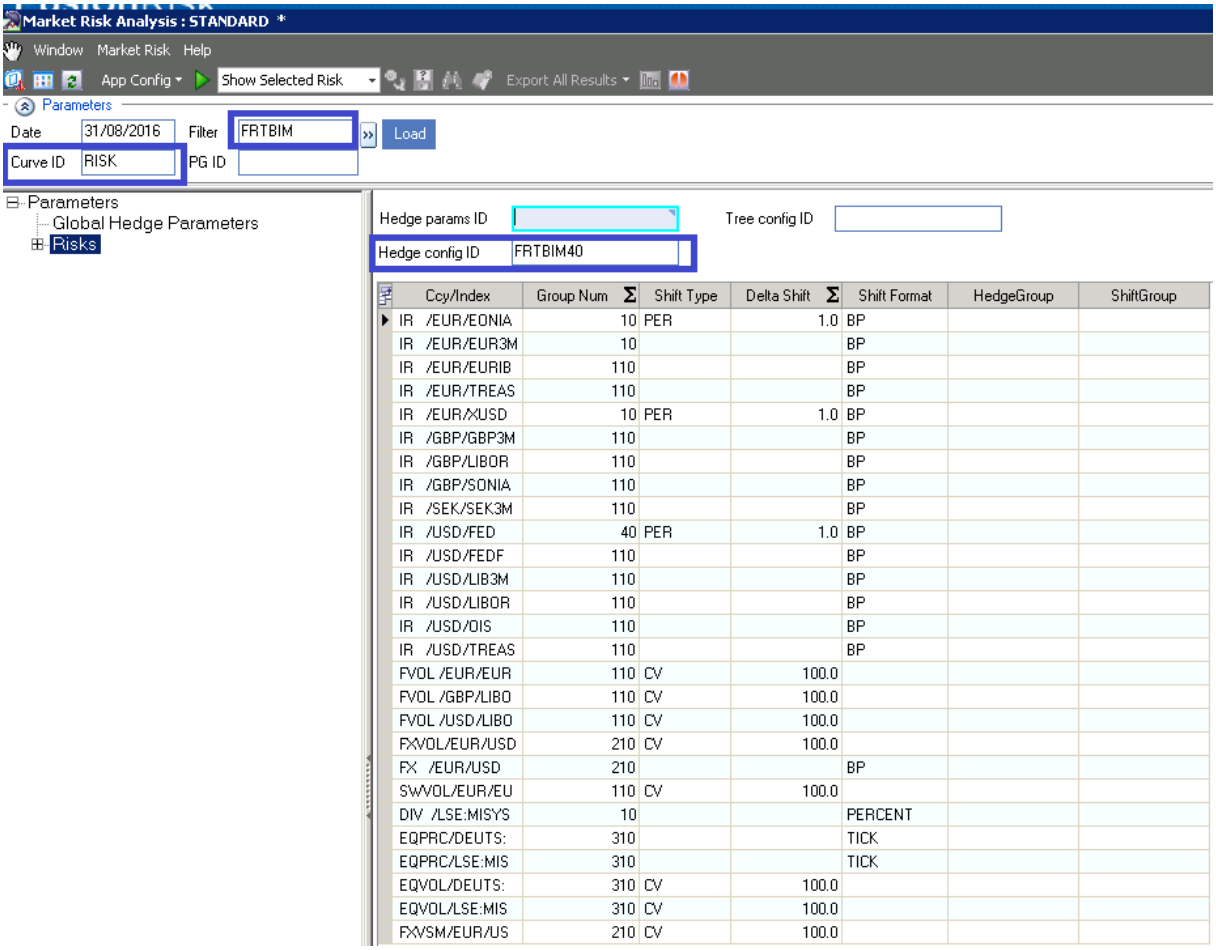



***__Check the Var configuration for all liquidity horizon:__***

Go into market risk analysis

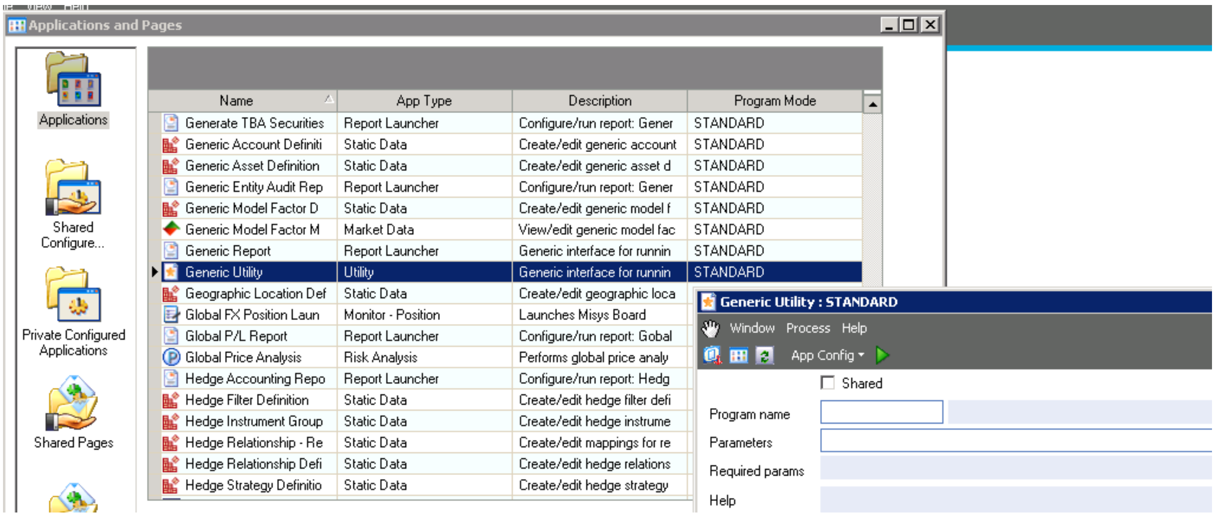



Select Filter, Curve ID and Hedge config ID, look at the risk factor assigned for this 40 day horizon against regulatory classification.




***Run different Var reports for the different liquidity horizon***

Go into Generic utility




Run different historical var for various liquidity horizon:

**File locations will change for our environment.**

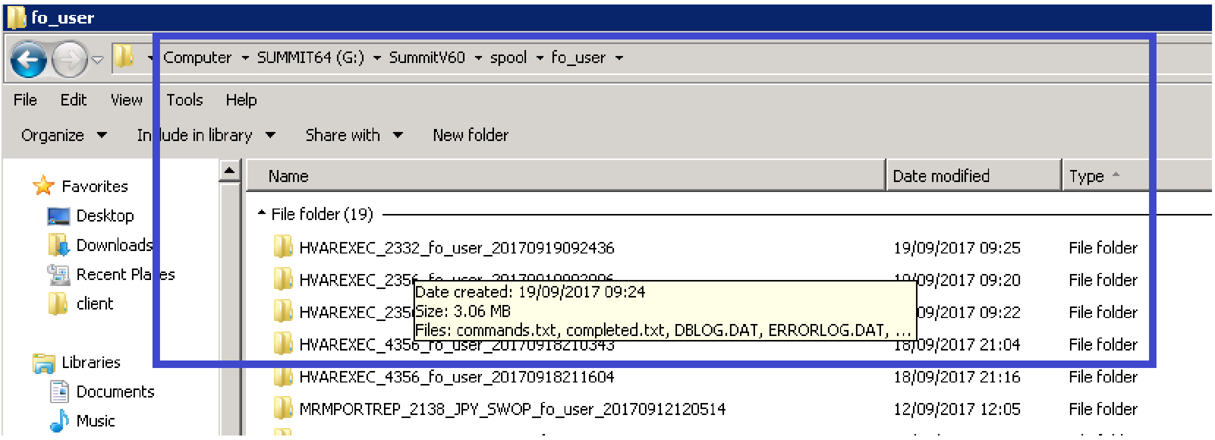
**HVAREXEC** -PARMS G:\SummitV60\spool\FRTBData\HVARPARMS10.xml -XML -IDENT FRTB10 -MGRSETUP G:\SummitV60\spool\FRTBData\mgrsetup_attributes.xml

**HVAREXEC** -PARMS G:\SummitV60\spool\FRTBData\HVARPARMS20.xml -XML -IDENT FRTB20 -MGRSETUP G:\SummitV60\spool\FRTBData\mgrsetup_attributes.xml

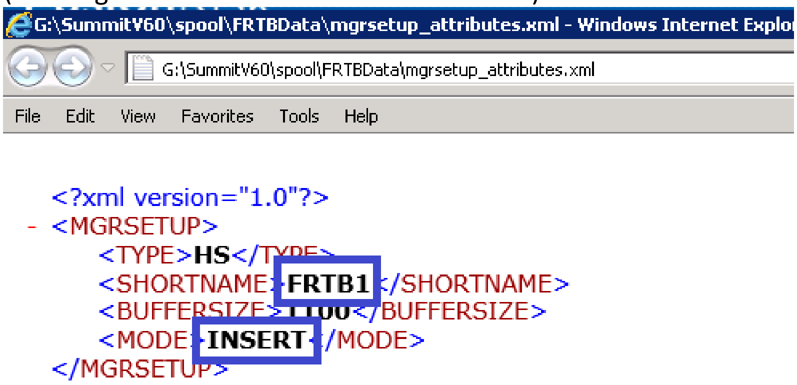
**HVAREXEC** -PARMS G:\SummitV60\spool\FRTBData\HVARPARMS40.xml -XML -IDENT FRTB40 -MGRSETUP G:\SummitV60\spool\FRTBData\mgrsetup_attributes.xml

**HVAREXEC** -PARMS G:\SummitV60\spool\FRTBData\HVARPARMS60.xml -XML -IDENT FRTB60 -MGRSETUP G:\SummitV60\spool\FRTBData\mgrsetup_attributes.xml

Result is stored under: G:\SummitV60\spool\fo_user




The name of the PL Attribute is in the file G:\SummitV60\spool\FRTBData\mgrsetup_attributes.xml (You might create one different for each run)




**As we are not using Fusion Risk we just need to generate the files with the P&L vectors so our IMA server can generate the IMA charges.**

## Appendix

hvar_RGRP_STT_VAR_10D_STT_MGR.xml

hvar_RGRP_STT_VAR_10D_STT.xml

hvar_RGRP_STT_VAR_20D_STT.xml

hvar_RGRP_STT_VAR_20D_STT_MGR.xml

HVARPARMS10_STT.xml

runES20_STT.cmd

runES10_STT.cmd

mgrsetup_attributes_20D_STT.xml

mgrsetup_attributes_10D_STT.xml

HVARPARMS20_STT.xml

replacePvRiskClassL.py

parallelExecution.zip