Model Risk Management & Model Validation | Acadia  
  
  
  
  
  
  
  
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From full-scale validation to specific review programs, we utilize proprietary tools and frameworks that reflect the latest industry and regulatory standards.Book a meeting >Book a meeting >Setup & InformationWhat is ORE?In this video, we give an overview of what is Open-source Risk Engine (ORE):- How it was created (i.e. its history....Watch Video >How to install ORE?In this video, we explain how to install and test Open source Risk Engine (ORE) in Windows. This is the first video that anyone should watch when wanting to install ORE. This involves the download of ORE repository....Watch Video >View complete playlist >Files ConfigurationTrades XML FilesIn this video, we walk you through the ORE XML trade detail specification, which serves as the primary input into OREâs pricing and risk calculations. In the context of ORE, these XML capture the individual trade economics for any type of OTC derivatives instrument.....Watch Video >How to change the reporting currency?In this video we explain how to change the reporting currency (i.e. the currency in which the trades are collateralized) when pricing a trade. While this seems trivial, it becomes quite complex when .....Watch Video >General Configuration & Master FileIn this video, we explain the general setup of ORE and in particular, how the master file (usually called 'ore.xml') contains all information regarding the other input files. It is recommended to watch this video when starting to learn.....Watch Video >View complete playlist >Trades & AnalyticsInterest Rate SwapIn this video, we explain how to setup ORE to price an interest rate swap. In particular, we describe the following inputs files:- Master (or ore.xml)....Watch Video >Equity Option with Implied Volatility SurfaceIn this video, we explain how to setup ORE to price an equity option with implied volatility. This is good video to watch for beginners as it goes a bit more in detail regarding the connection between.....Watch Video >View complete playlist >Technical FinanceVideo TitleFirst bit of video description....Watch Video >Video TitleFirst bit of video description....Watch Video >Video TitleFirst bit of video description....Watch Video >View complete playlist >Specialist ExpertiseWe have deep experience in a variety of models including:Validation of Counterparty Credit Risk IMM modelsMarket Risk Models IMAInitial Margin (ISDA SIMMâ¢) ModelsStructured Credit Valuation and Risk ModelsFront Office Valuation ModelsPrudent ValuationOther services you might be interested inOpen Source ISDA SIMMâ¢ models >Model Risk Management >Regulatory Compliance >Finance & Accounting >Risk Model Development >Model Risk Management & Model Validation Case StudiesModel Validation Front Office pricing at leading Nordic financial services groupEngagement Goal: A client required a build of an independent Model Validation Unit for Counterparty Credit Risk, including policy, structure of validation activities, detailed validation tasks, approval and reporting processes, as well as the implementation and execution of the first complete model validation cycle.âProject Description:Quaternion lead the implementation of an independent model validation unit, covering the organizational setup, policy definition, process setup, including approval and reporting processes, and definition of detailed validations scope. Our client passed internal and independent audits by the regulator with regards to the compliance of its model validation activities.Front Office Pricing Models for global financial institutionEngagement Goal: A global client required an independent model validation of their front office pricing model suite, covering all main product classes, i.e., Interest Rates, FX, Commodities and Equities.âProject Description:Quaternion provided an independent quantitative model validation and benchmarking for a complete front office pricing suite. The model validation activities led to a major improvement program for the central components of the pricing models. Model Validation Front Office pricing at leading Nordic financial services groupEngagement Goal:A client required an independent model validation of front office mark-to-market methodology, taking into account all main product classes, including: Interest Rates, FX, Commodities and Equities.âProject Description:Quaternion Quant Services provided an independent quantitative model validation and benchmarking for a front office mark-to-market valuation for a wide spectrum of derivative securities across all main product classes. Quaternion implemented itâs Open-Source Risk Engine (ORE) as a benchmarking tool to independently verify the front office valuations.Swiss-based Tier 1 Global Investment BankEngagement Goal:A bank required an independent model validation of an internal risk and valuation system for structured finance securities such as Asset-Backed Securities (ABS), Mortgage-Backed Securities (MBS), Commercial MBS, Residential MBS, Credit Default Swap (CDS) on ABS and Total Return Swap on ABS.âProject Description:Quaternion Quant Services provided an independent quantitative and qualitative validation of the bank's system used for marking and sensitivity analysis of structured finance securities. The bank's solution is based on a third-party vendor library and, therefore, the specifics needed to be taken into account. The validation included integration tests, input slider tests and consistency checks of the various marking metrics (yield, discount margin, Z-spread), the sensitivities (CD01, DV01) as well as WAL, duration and convexity. To validate that optionality is appropriately captured, we also performed consistency checks and benchmarks of the calculation of option adjusted spread (OAS) and its sensitivities (OAD, OAC). Quaternion delivered a full validation report in compliance with the bank's model governance policy.Introduction to the Open Source Risk ProjectWatch this short video to learn more about the Open Source Risk Project. Roland Lichters, formerly Co-Founder of Quaternion and now Co-Head Quantitative Services at Acadia walks you through ORE's history, project and analytics scope and demonstrates how to get started quickly with ORE.Check out the ORE Academy for a full library of learning materials to discover all the possibilities within ORE.Learn more with ORE AcademyMeet our Quant Services team and learn about their expertiseMeet the team >Meet the team >Stay up to date with Acadia's bi-monthly Market Insights  
  
  
  
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