

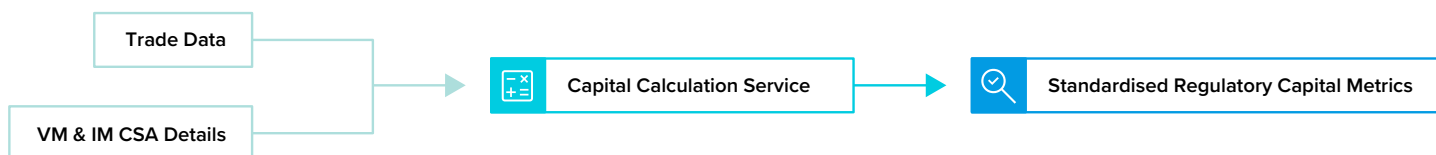
Capital Calculation Service



Leverage industry standard tools for capital calculation

We offer 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 our 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. We bring 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 standardised regulatory prescriptions.

Key Features

- Calculate the following standardised 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 (Standardised Approach) (“FRTB-SA”), as prescribed by BCBS 265/d457
 - Counterparty Credit Risk (Standardised Approach) (“SA-CCR”), as prescribed by BCBS 279
 - Credit Value Adjustment basic and standardised approaches (“BA-CVA” and “SA-CVA”, respectively), as prescribed by BCBS MAR50 (Future enhancement)
 - Standardised 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 mutualisation
- Increases operational alpha as the same trade data used for our 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
- Standardised 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 optimisation services from Post Trade Solutions will consider total balance sheet optimisation 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 contact_posttradesolutions@lseg.com

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