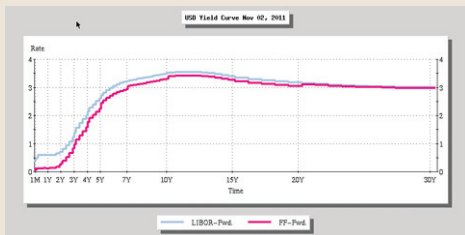


# Advanced OIS discounting analysis



## Coherent multi-curve platform for comprehensive valuations & risk



USD OIS forward curve automatically generated based on integrated OIS swap data.

As the OTC derivatives market moves towards central clearing, the overnight indexed swap (OIS) rate is increasingly seen as the benchmark 'risk free' rate for discounting such products.

Principia enables those looking to assess the impact of OIS discounting across all instrument types, to do so in a robust and flexible multi-curve environment. This includes full OIS curve construction, dual curve calibration, tenor/basis swap OIS-based curve adjustments and the integration of OIS discounting into volatility calibration.

OIS discounting can be accessed from Principia's web platform to quickly and comprehensively evaluate the impact on derivative positions.

### OIS discounting using Principia SFP

- **Multi-curve** - coherent framework for curve construction and valuations.
- **Construct OIS discount curves** (for USD, EUR etc).
- **Dual calibration** - Incorporates OIS discounting into Libor curve bootstrapping.
- **Curve construction control** - Build curves from OIS rates and/or OIS vs Libor basis swap spreads.
- **Basis, tenor and cross currency** - Curves calibrated assuming OIS discounting.
- **Volatilities** - OIS discounting

embedded in volatility and model calibration.

- **Analyze curve arbitrage** - Derive one set of curve benchmarks from another set (e.g. derive OIS vs Libor from OIS all-in rates).
- **Daily market data and curves** - To deliver automatic MTMs; including basis spread, tenor spreads, OIS, volatilities, and market skews.
- **Valuations** - Accurately price your swaps or derivatives incorporating OIS-adjusted projected LIBOR and OIS discounting.
- **Options and Swaptions** - Support separation of OIS discount between option payoff and underlying swap or bond for Swaptions.
- **Risk** - Assess the impact of OIS rates and calculate OIS - Libor spread risk sensitivity.
- **Integration** - Flow valuations and cashflow projections into risk, mark-to-market and accounting.
- **Flexibility** - Switch OIS discounting on or off for ad-hoc valuations, or persistently for any position, the entire portfolio or a sub-set of valuables.

For more information about OIS Discounting in Principia SFP, contact us:

**US** 120 Broadway - Suite 1340, New York, NY 10271. Tel: +1 (212) 480 6359

**UK** New London House - 2<sup>nd</sup> Floor, 6 London Street, London, EC3R 7LP. Tel: +44 (0) 20 3741 9527

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# PRINCIPIA

# Software-as-a-Service

## OIS Impact Analysis via the web

Principia SFP Software-as-a-Service (SaaS) provides access to the full breadth of functionality within Principia SFP as standard, without the need for extensive customization or costly infrastructure maintenance.

Your software setup is hosted and maintained on Principia owned hardware, each client accessing a dedicated, highly secure server via the web.

Principia SFP SaaS provides an out of the box, standardized derivative management environment.

Dedicated functionality satisfies the valuation, risk management and compliance requirements of financial markets today, in a proven framework that increases operational efficiency.

### Benefits include:

- Go live from day one for rapid time to market; realize rapid time to value
- Eliminate hardware maintenance overheads and resources to increase focus on your core business
- Reduce Total Cost of Ownership
- Connect via the internet with no on-site installation
- Benefit from Principia Software Services including free functional upgrades, data backups and dedicated online client support
- Short term initial subscription and optional monthly renewals.

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