

Risk Suite

Suite overview

Developed by peer recognised industry experts, Lacima's risk metrics accurately model the whole portfolio, including the unique behaviour of energy market prices, the complexities of financial hedge contracts and the operational constraints of physical assets such as for power generation and gas related facilities.

Use stochastic single, multi-factor and hybrid risk models to calculate and report all the relevant key market and credit-based risk metrics available.

Value-based metrics:

Mark-to-market
Delta VaR
Historic simulation VaR
Monte Carlo VaR
Potential Future Exposure

Cash flow based metrics:

Revenue-at-risk
Earnings-at-risk
Cash Flow-at-risk

Business benefits and key functional features

- **Benefit** from software which is designed, implemented and supported by a peer-recognised team of risk and quantitative specialists
- **Feel confident** that your thermal, wind and hydro power plants as well as gas storage facilities and pipelines are fully integrated into your risk calculations
- **Gain a single consistent view of risk** across all commodities, regions and disparate ETRM systems as well as portfolios that contain both complex financial hedge contracts and physical assets
- **Perform in-depth analysis** with comprehensive drill down to splice and dice by any attribute such as region, book, commodity and counterparty
- **Incorporate your own valuation routines** and simulation engines into our risk framework or simply use our models
- **Conduct** sensitivity analysis, stress tests, what-if and scenario analyses across portfolios
- **Perform hedging analysis** to determine the best hedging strategies
- **Measure credit exposure** for the potential of default over user-defined time horizons
- **Implement with no costly replacements** of existing deal capture systems and databases
- **Benefit from fixed price integration** tailored to your environment with no hidden costs

The most comprehensive commercially available range of market and probabilistic credit risk metrics developed specifically for the energy markets.

Integrate easily with any ETRM system. Benefit from seamless data transfer and consolidated reporting.

- **Achieve full transparency** with published analytics methods readily available to clients
- **Take advantage** of extensive report building and processing capabilities

Key systems features

- Integrate easily with any energy trading and risk management (ETRM) system and benefit from seamless data transfer and consolidated reporting
- Upload data (including market curves, historical data, valuations and previous runs) automatically and quickly
- Manage all your data – any previous results can be recreated as all data is saved
- Manage forward quotes and create forward curves
- Export results and analyse risk factors with ease
- Enjoy the flexibility of a spreadsheet within an application environment providing all the security and controls for good risk management practice and auditability

Models and methodologies

Lacima's models are developed and implemented by peer recognised experts.

- All parameters, forward curves and asset data requirements can be easily and efficiently managed within the application
- All model parameters can be auto-calibrated to historic spot or forward prices
- All risk metrics can be implemented with a range of stochastic single, multi-factor and hybrid models

The Risk Suite is a suite of risk management solutions within Lacima Analytics – Lacima's groundbreaking application for energy risk management, valuation and optimisation. Each suite or single solution can be delivered individually or combined seamlessly with any other suite(s) and solution(s) in Lacima Analytics to create an answer tailored to your specific needs.

About Lacima

Lacima is a specialist provider of software and advisory services dedicated to valuation, optimisation and risk management for global energy markets. We help you to maximise your profit potential and make more informed decisions by providing tools that yield more accurate valuations, hedging analysis and risk exposure analysis for portfolios of financial contracts and physical assets.

Clients of our software and services include structuring, valuation and

risk teams in vertically integrated energy companies, energy retailers, financial institutions and large energy consumers in Europe, North America and Australasia.

Our software solutions have been developed and implemented by peer-recognised experts in energy analytics, offering an unparalleled level of expertise and personalised support.

For further information, visit www.lacimagroup.com
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