Example of previous assignment:

Strategic Asset Allocation for Bank & Insurance group

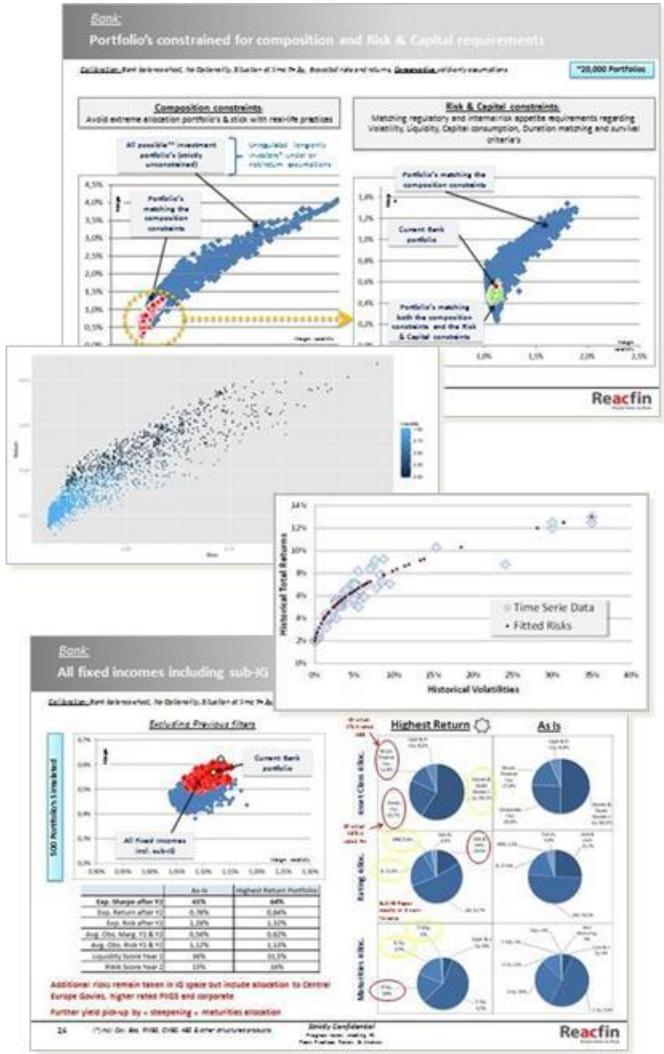
All dummy numbers & graphs for illustrative purposes only

Client Situation

- European Retail Bank with material insurance activities
- Aims at optimizing its asset allocation for both banking and insurance businesses
- Conservative risk profile materially constrained by board defined Risk Appetite
- Current allocation materially concentrates the portfolio in local Govies

Issues

- Strong 'natural' unbalance between assets and liabilities durations
- Limited excess capital available
- Regulatory, accounting and Risk Management constraints
- Limited view on non-Govies asset classes & peers practices



Reacfin's Contribution

- Exhaustive mapping and categorization of investable asset classes (using a benchmark based approach)
- Robust methodology for Risk, Returns & Correlations calibration
- Peers benchmarking through tailored surveys
- Modeling of portfolio dynamics under constraints of Capital consumption (both Basel II/III and Solvency II), Liquidity requirements, Accounting volatility, etc.
- Optimization both in Value & for NII for businesses independently and at bank-insurance group level

Results

- Robust target model portfolio's for bank and insurance along 4 key dimensions (Asset types, Maturities, Ratings and Sectors)
- Proposal for rationale reinvestment rules depending on prevailing market conditions
- Introduction of new asset classes
- Improved NII, expected Total Return and Sharpe Ratio
- Asset allocation tool in R and in Excel