Eskom	**Group IT Scope of Work** **Financial Risk Management Analysis**

1. Scope of work/Business requirements

- 3 x Licences
- Maintenance and Support to include:
    - Provision of latest updates (patches, fixes, corrections)
    - Provide the latest software version upgrades
- Portfolio Risk Management Instruments (see Addendum 1)
- The software provided must be able to integrate with Microsoft Excel (2016 or later)
- Vendor must assist with changing the current spreadsheets to support the new calculations – Eskom Treasury Department currently manages 30 Workbooks being used and 500 worksheets
- Training must be provided.

DOCUMENT ACKNOWLEDGEMENT

By signing this document, the people listed record their agreement on the contents of this document.

	Name:	Tshilidzi Catlyn
Information System Support Manager	**Signature:**	
	Date:	26/01/2022
	Name:	Mugeshen Covenden
Solution Support Manager	**Signature:**	
	Date:	26/01/2022
	Name:	Rebecca Shabalala
Senior Advisor Info Systems	**Signature:**	
	Date:	26/01/2022

Eskom	**Group IT Scope of Work** **Financial Risk Management Analysis**

Instruments, Functions and Curves

Commodity	**Fixed Income**	**Credit**	**Foreign Exchange**	**VALUE-AT-RISK**
Options	**Money market Instruments**	**Asset swaps**	**Options**	**Calculate VaR**
Asian	FRA	**Credit Default Swaps (CDS)**	Asian	**Calculate volatility and correlation matrices**
Lookback	Discount Instruments	**Loan Credit Default Swaps**	Lookback	
Spread	Interest at Maturity	**Credit linked notes**	Spread	
Vanilla	**Non-callable bond coverage (fixed rate)**	Fixed or floating	Vanilla	
Swaps/Swaptions	Coupon step-up/down/rollercoaster	Par rates and spreads	Swaps/Swaptions	
Forwards	Amortising	**User Defined Credit Strutures**	Variance	
User Defined Commodity Structures	Zero coupon	**Market Related Credit Structures**	**Forwards**	
Market Related Commodity Structures	**Non-callable bond coverage (floating rate)**		**User Defined Foreign Exchange**	
	Vanilla & user-defined		**Market Related Foreign Exchange Structures**	
	Amortising			
	Government and corporate bonds			
	amortizing FRNs			
	User Defined Fixed Income Structures			
	Market Related Fixed Income Structures			
Inflation	**Interest Rate**	**Functions**	**Curve Building Methods**	
Generic inflation bond functions	**Asset swaps–vanilla & crosscurrency**	**Date generation/adjustment/flexible weekend DEF**	**Swap curves**	
Emerging market inflation curves	**Swaps**	**Greeks & risk sensitivities**	**Bond**	
Inflation swaps: year-on-year, zero coupon	Vanilla/amortizing swaps	Implied volatility	**SIFMA**	
Inflation indexed bonds (South African Convention)	Percentage of LIBOR swaps	DV01	**OIS**	
Par Rates	Credit Value Adjustment (CVA)	Implied calculations	**Separate discount and forward curves**	
User Defined Inflation Structures	**Swaptions**	**Volatility, strike, rates, etc.**	**Basis Curves**	
Market Related Inflation Structures	**Forward Rate Notes (FRNs)**	Goal seek on any parameter	**User Defined Curves**	
	Term structure models	**Risk measures: Greeks**	**Marker Related Curves**	
	Par swap analysis		**Transition from Libor to SOFR**	
	User Defined Interest Rate Strutures			
	Market Related Interest Rate Structures			
	SOFR rates			

Addendum 1 - Portfolio Risk Management Instruments