

Core Valuation

Jabatix Core Valuation consists of various calculation kernels. Each kernel deals with the calculation of a specific measure/ratio.

On a high-granular level, a distinction can be made between two types of measurements:

- **Measure based on cash flows, such as**
 - FV based on the Discount Cash Flow Method
 - FV with constant credit spread based the Discount Cash Flow Method
 - *Amortised cost, including remaining open amortisation and amortisation portion for a specific period*
 - *Effective Interest Rate*
 - *Initial Residual Spread (InRS)*
 - *Risk Provisions based on Recovery Cash flows*
 - Recoverable Amount
 - Exposure at Default
 - Unwinding
 - *Interest accrual*
- **Statistical measures for which statistical methods are used for calculation, for example**
 - Probability of Default based on historical performance data for customers
 - Loss given default based on historical performance data for customers
 - Option price models

Beside the different types of measurement also different valuation approaches are supported.

For each valuation approach finally a specific figure is provided. Hence the software provides also detailed figures which are considered during the calculation. Doing so the software follows the [philosophy of separation of valuation elements](#).

A list of general valuation elements can be found [here](#).

Please note: a general valuation element covers calculations which are valid for various finance and risk requirements. Whenever a specific finance or risk requirement requires a specific setting for calculating a general valuation element, a separate valuation element is provided. For example the valuation element "[Effective Interest Rate \(EIR\)](#)" contains the mathematical approach and processing to calculate the EIR in a standard way. GAAP specific settings when to recalculate the EIR for subsequent measurement, a GAAP-specific figure is provided. For IFRS e.g. the figure "[Effective Interest Rate \(EIR\) IFRS](#)" is provided which considers IFRS-specific settings during applying the figure "[Effective Interest Rate \(EIR\)](#)".