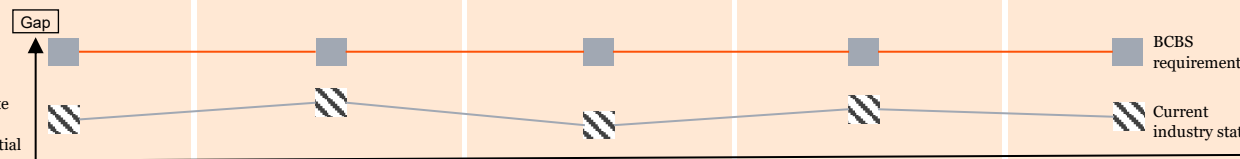




Readiness assessment: BCBS guidelines on counterparty credit risk management

The new BCBS guidelines on counterparty credit risk (CCR) management for banks aim to improve existing industry practices in **due diligence**, **exposure measurement** and **stress testing**, as well as **risk governance and culture**. While the guidelines have not yet been transposed into Swiss legislation, the regulator **expects** supervised **banks** to **consider** the **practices** proposed by the BCBS.

Do you already have a strategy to stay ahead of the curve? We can assist you in assessing your CCR management, identifying improvement opportunities, and implementing effective solutions for lasting compliance.

BBS best practices	Due diligence	Credit risk mitigation strategy	Stress testing framework	Exposure measurement	Risk culture and governance
	Informed credit risk management through due diligence in counterparty onboarding and monitoring	Collateral and exposure management by means of robust (initial and variation) margin frameworks	Regular and adequately granular CCR stress tests to explore adverse events	Exposure measurement and model evaluations capturing wrong-way risk, leverage and concentration	Strong governance and risk-aware culture to ensure linkage between accountability and decision metrics
Challenges	Maintain continuous vigilance and data quality amid evolving counterparty conditions.	Adapt CCR margins dynamically based on counterparty relationship and exposure.	Robust, granular scenario design as well as timely ad hoc tests	Detect, specify and model wrong-way risk.	Cultivate a consistent, adaptive, organisation-wide risk-aware mindset.
Overall readiness					
	Illustrative chart: Our view of overall readiness for the new BCBS's CCR guidelines among banks in Switzerland				

Our offer – how PwC can support you

We work with you to develop and implement clear, effective, and efficient solutions depending on your needs:

- ✓ Establishing a robust CCR governance framework aligned with BCBS standards for clear accountability.
- ✓ Benchmark, gap and impact analytics to assess current CCR processes and risk factors.
- ✓ Optimising collateral and margin frameworks for effective collateral management.
- ✓ Independent CCR-framework reviews to validate risk models and measurement approaches.

Your PwC contacts



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