



FX Risk Advisory

Bespoke assistance with your FX risk management program or strategy

We offer support throughout all stages of risk management:

FX risk discovery and quantification

Back-testing of risk management strategies

Analysis of hedge product tradeoffs

Benefits of ASC 815/830 accounting

Ongoing management and validation of program

Do you have any pain points related to working with foreign currencies?

If no, then:

- Would you like to understand how adverse currency moves may impact your key performance metrics: top-line revenues, cash burn rates, OpEx margins, IRRs?
- Are you receiving pressure from overseas customers or vendors to move away from U.S. dollar pricing? Have you considered the benefits of non-USD pricing or incorporating risk-sharing agreements into long-dated business contracts?
- When planning ahead, did you know you can receive a 'discount' for locking-in rates today for future purchases of some currencies and, at times, a boost for locking-in a rate to sell certain currencies?
- As you expand global operations, are you aware of the implications of key decisions you must make regarding choice of subsidiary, functional currency determination, and overall global corporate structure?
- Are you aware that over 60 percent of US small cap technology companies hedge their currency risk once they are public?¹

If yes, then:

- Have you considered "natural hedging" alternatives, such as invoicing revenues in currencies that you currently have expenses in or prefunding multicurrency accounts (MCAs) in advance of future foreign currency needs?
- Do you want to know what hedging tools are available to address FX risk and alleviate pain points?
- Would you like access to a model or quantitative framework to identify and quantify currency risks and understand the value proposition of hedging?
- Would you like to better understand the potential accounting impact of using hedging strategies for FX risk and the benefits of ASC 815/830 hedge accounting adoption?
- Do you need guidance in writing an FX risk management policy or preparing content for a board presentation to seek approval for an FX risk management policy?
- Have you benchmarked your practices related to currency management to other innovation sector companies at your stage in the life cycle?

¹ SVB Report: Data Insights - Currency Management, Ivan Asensio, April 20, 2020

Questions/Ready to get started?

Please contact your SVB FX Advisor or Ivan Oscar Asensio, Head of FX Risk Advisory at iasensio@svb.com

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Foreign exchange transactions can be highly risky, and losses may occur in short periods of time if there is an adverse movement of exchange rates. Exchange rates can be highly volatile and are impacted by numerous economic, political and social factors, as well as supply and demand and governmental intervention, control and adjustments. Investments in financial instruments carry significant risk, including the possible loss of the principal amount invested. Before entering any foreign exchange transaction, you should obtain advice from your own accounting, tax, financial, legal and other advisors, and only make investment decisions on the basis of your own objectives, experience and resources.

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