

Endorsements for Malcolm Kemp's book titled **Market Consistency: Model Calibration in Imperfect Markets**

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Endorsements for *Market Consistency* from leading commentators include:

"In a period in which there is considerable confusion about 'what the market has to say' this work is a timely, comprehensive, up-to-date and lucid treatment of all the concepts and techniques needed for marking assets and liabilities to market across all financial service disciplines. With its unique all-inclusive scope it is sure to become a standard reference for bankers, insurers, fund managers and academics in finance."

Professor Michael Dempster, Centre for Financial Research Statistical Laboratory, University of Cambridge.

"This excellent and very timely book might reasonably have been entitled *How I Learned to have an Adult Relationship with Financial Markets*. I heartily commend this valuable contribution to present global debates on regulation of banks and others. It should be on the bookshelves of regulators and accounting standard-setters as well as of general managers and non-executive directors of banks, insurers, and asset managers. It will be a valuable tool in support of the education of the actuaries, accountants, risk managers and asset managers of the future. It is very up to date and should stand the test of time in future. A very welcome addition to the literature."

Seamus Creedon, Consultant, KPMG LLP.

"Malcolm Kemp has written a very timely book on market-consistent valuation and model calibration. Given the recent market developments and the upcoming changes in regulation in the EU (Solvency II), the issue of market-consistent valuation has become a very hot topic. Kemp not only gives a review of the relevant literature and offers in-depth discussion of all the relevant issues surrounding market-consistent model calibration, but also offers a practitioner's perspective. I feel this gives the book great added value."

Antoon Pelsser, Professor of Actuarial Science, University of Amsterdam.

"This is a very timely book that will repay careful reading, and help to develop insurance companies' and model designers' thinking in the run-up to the implementation of Solvency II. Many tricky topics are covered in a helpful and clear way, which can only improve the quality of communication between the actuarial and accounting professions."

Kathryn Morgan, Fellow of the Institute of Actuaries.

"Malcolm Kemp has done a great job - he has put together views from different perspectives, in an excellent and comprehensive way. This book provides big and important support for actuarial practitioners, and certainly for other mathematical professions as well."

Christoph Krischanitz, President of the Actuarial Association of Austria and Chairman of WG "Market Consistency" Groupe Consultatif Actuariel Europeen.

"This is a timely and learned book on a highly topical subject and contains many valuable insights. The scope is wide-ranging, providing an overarching framework for the 'principles and practices of market consistency' and showing clearly how different elements of financial practice fit together within this framework. There is recognition that markets rarely exhibit all the qualities needed to make the application of market consistency straightforward and clear guidance on how to combine market information with reasoned judgement. This book should make a significant contribution to the debate

on the use of market consistency and to improving the quality of market consistent valuations derived in practice.”

Colin Wilson, Head of Investment & Risk, Government Actuary's Department.

“The financial world more than ever needs clarity of communication in setting business strategy, enterprise risk management, regulatory supervision and more generally in providing advice to Board Directors and senior management. Through Market Consistency Malcolm Kemp has brought together great clarity in developing a rigorous framework of well-defined terms, concepts and principles. The book is structured to be of value to practitioners in advanced finance as well as financial practitioners who are less mathematically inclined. Large parts of the book should be essential reading for Board Directors responsible for their organisation’s enterprise risk management, and equally for financial practitioners advising those Directors.”

Tony Hewitt, Programme Director, MSc Actuarial Finance, Imperial College Business School.

“The recent liquidity crisis has led many to call into question market consistent methods. In this comprehensive and accessible account the author successfully addresses the challenges posed to both the theoretical justification for and practical application of such approaches across a range of disciplines.”

Paul Fulcher, Managing Director, Risk Advisory, UBS Investment Bank.