WBS

Advanced CVA Workshop

London: 28th & 29th March 2011

This workshop provides TWO booking options

Register to ANY ONE day of the workshop

Register to BOTH days of the workshop and receive £200 discount

10% Early Bird Discount Before 31st December 2010

Workshop Summary:

Audience:

Practitioners (quants, traders, risk controllers) and academics with basic knowledge of CVA and counterparty exposure modelling, wishing to extend their expertise to an intermediate / advanced level.

Focus:

Combination of practical and business experience with advanced mathematical modelling.

Presenters:

Day 1:

Giovanni Cesari, Managing Director, Global Head of CVA Quant Team, UBS
Zlatko Filipovic, Executive Director, CVA Quant Team, UBS
Niels Charpillon, Director, CVA Quant Team, UBS

Day 2:

Jon Gregory, Partner, Solum Financial Partners
Peter Whitehead, Director, Group Valuation Oversight, Deutsche Bank

All delegates will receive a complimentary copy of the Springer 2010 publication: Modelling, Pricing, and Hedging Counterparty Credit Exposure by G. Cesari, J. Aquilina, N. Charpillon, Z. Filipovic, G. Lee.

Day 1: Advanced Course on CVA and Counterparty Exposure Modelling and Hedging by Giovanni Cesari, Zlatko Filipovic and Niels Charpillon, UBS

09:00 – 10:30 / Counterparty Credit Exposure

Introduction to Credit Exposure

• **Definitions and basic concepts**
• **Typical exposure measures: PFE, EPE, Expected Shortfall**
• **General mathematical framework**

Computational Methodologies

• **Add-ons**
• **Semi analytical formulas**
• **Monte Carlo framework and scenario consistency**
• **Simple simulation models for vanilla products**

Hands-on Workshop: Computing Exposure for Simple Products

• **FX and Equity options, interest rate and cross currency swaps**
• **Credit derivatives: CDS and CDOs**

Portfolio Modelling and Risk Mitigation

• **Netting vs. no-netting**
• **Break clauses**
• **Triggers**
• **Collateralization**

10:30 – 10:45 Break

10:45 – 12:30 / CVA

Introduction to CVA

• **Definition and basic concepts**
• **Default probabilities**
• **Desk organization**

Mathematical Representation

• **Link with EPE**
• **C-CDS representation**
• **CVA and DVA representation**
• **Pricing measure vs. real measure**

Hands-On Workshop: CVA Computation Examples

12:30 – 13:30 Lunch

13:30 – 15:15 / Hedging Counterparty Exposure and CVA

Hedging CVA and Counterparty Exposure

• **Default hedging and jump to default**
• **Static vs. dynamic hedges**
• **Computing sensitivities: credit and market sensitivities, cross gammas, vega theta**

Hands-On Workshop: Hedging Examples

Wrong Way / Right Way risk

• **Including wrong way risk in exposure and CVA computation**
• **C-CDS approach**
• **Alternatives**

CVA and Exposure Allocation

15:15 – 15:30 Break

15:30 – 17:00 / Advanced Modelling and Integration

Computing Exposure and CVA for Exotic Products

• **Generalization to products with callability features**
• **The American Monte Carlo approach**

Advanced Models for Underlying Scenario Generation: FX, Equity, Interest Rate, Credit

• **General mathematical framework: hybrid models**
• **The basic component: Interest rate models**
• **Inclusion of skew**
• **Model trade-offs: portfolio vs. single product trade off**

System Architecture

• **Combining mathematical with computational framework**
• **Payoff languages**

CVA and Credit Exposure for Collateralized Portfolios

• **Modelling CSA agreement features and close-out risk**
• **Cost of collateral**

Combining CVA / DVA / Cost of Funding / Cost of Collateral

• **An integrated approach**
• **Using multiple curves**
• **Hedging strategies**

Day 2: Advanced CVA Workshop

09:00 – 12:30 / Jon Gregory, Solum Financial Partners

The Complexities of CVA

• **The impact of CSAs**
• **DVA**
• **Wrong way risk**
• **CVA greeks and hedging CVA**
• **Regulation**
• **Unintended consequences of CVA**

10:30 – 11:00 Break

Practical Issues in Managing CVA

• **How to run a CVA desk**
• **Challenges in hedging CVA**
• **Using DVA**
• **Profit centre or utilty?**
• **How much can actually be hedged?**
• **The pragmatic approach to CVA management**

12:30 – 13:30 Lunch

13:30 – 16:45 / Peter Whitehead, Deutsche Bank

Session 1: CVA, OIS Discounting and Funding

• **Impact of the Credit Crisis on IR Curves**
• **Review of Cashflow Discounting**
• **The Two Curves Approach**
• **The Choice of Discount Rate**
• **CVA, Liquidity and Funding**
• **Review of Industry Practice**
• **Accounting Implications**

15:00 – 15:15 Break

Session 2: Regulation

• **Origins and Consequences of the Credit Crisis**
• **The Regulatory Response to the Credit Crisis**
• **CVA Regulatory Requirements**
• **Industry Feedback to the "Basel 3" CVA-related Regulatory Proposals**
• **The Final "Basel 3" CVA Requirements**
• **Accounting and Disclosures**

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Workshop Fee:

☐ Any One day: £1099 + UK VAT

☐ Both days: £1998 + UK VAT
(Including £200 Discount)

☐ Early Bird Discount: 10% Before 31st December 2010

☐ 70% Academic Discount (FULL-TIME students only.)

Delegate details:

Company:	
Name:	
Position:	
Name:	
Position:	
Name:	
Position:	
Department:	
Address:	
Country:	
Phone:	
E mail:	
Date:	
Signature:	

To register please fax the completed booking form to:

Fax: +44 (0) 1273 201360

Flight details:
All delegates flying into London on the morning of the event are reminded that they should arrive 30 minutes before the workshop starts for registration. The hotels West End location is approximately 1 hour from all 3 main London airports, Heathrow, Gatwick and City. Returning flights should equally allow for the events finishing time.

Sponsorship:
World Business strategies Ltd, offer sponsorship opportunities for all events,
E-mail headers and the web site.
Contact Sponsorship: +44 (0) 1273 201352

Disclaimer:
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Cancellation:
By completing of this form the client hereby enters into a agreement stating that if a cancellation is made by fax or writing within two weeks of the event date no refund shall be given. However in certain circumstances a credit note maybe issued for future events.

Prior to the two week deadline, cancellations are subject to a fee of 25% of the overall course cost.

Discount Structure:
The discount is available on any day permutation, and can be combined across delegates within the same company (only at the time of booking and not retrospectively).

Registration:
Tel: +44 (0) 1273 201352
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