



Counterparty Credit Risk:  
The New Challenge for Global  
Financial Markets by Jon Gregory

London: 15th – 16th March 2010

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This workshop provides TWO booking options

Register to ANY ONE day of the workshop

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# Day 1: Counterparty Credit Risk: The New Challenge for Global Financial Markets

Presenter: Jon Gregory, Independent Consultant

All delegates will receive a complimentary copy of the Wiley 2009 publication: Counterparty Credit Risk: The new challenge for global financial markets by Jon Gregory.

## Introducing Counterparty Risk

- A history of counterparty risk
- The development of the OTC derivatives market
- Risk mitigation methods
- The credit derivatives market
- Wrong-way risk
- Lessons from the crisis

## Mitigating Counterparty Risk

- Default remote entities
- Close-out
- Netting
- Collateral
- Additional termination events

## Quantifying Credit Exposure

- Defining credit exposure
- Expected exposure (EE), potential future exposure (PFE) and expected positive exposure (EPE)
- Exposure simulation methodologies
- Accounting for netting
- Accounting for collateral

## Pricing Counterparty Risk - Credit Value Adjustment (CVA)

- Default probability and recovery rate
- Defining CVA
- Computing CVA
- Bilateral CVA
- Netting – incremental and marginal CVA
- CVA and collateral

Day schedule:	09:00 – 17:00
Break:	10:30 – 10:45
Lunch:	12:30 – 13:30
Break:	15:15 – 15:30

# Day 2: Counterparty Credit Risk: The New Challenge for Global Financial Markets

## Hedging Counterparty Risk

- Static hedging
- Contingent credit default swaps (CCDS)
- Hedging exposure components
- Hedging credit components
- Gamma and cross gamma
- Hedging and bilateral CVA
- Hedging collateralised positions

## Portfolio Level Counterparty Risk

- Double default and CCDS
- Random exposures in a portfolio context
- Computation of unexpected losses due to counterparty risk
- Introducing the alpha factor
- Basel II

## Wrong-way Risks, Central Counterparties

- Wrong-way risk in interest rate, FX and commodity products
- Modelling approaches for wrong-way risk
- Credit default swaps (CDS)
- Credit derivatives portfolio products
- Monoline insurers
- Central counterparties (CCPs)
- The validity of central clearing

## Managing Counterparty Risk in a Financial Institution

- Results from survey of 20 banks on CVA practices
- Organisational aspects
- Mechanics of pricing
- Technology aspects
- CVA desk – insurance company or trading desk?

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<b>Break:</b>	<b>15:15 – 15:30</b>



**Workshop Fee:**

Any One day: £1099 + UK VAT

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

30% discount Academic delegates

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To register please fax the completed booking form to:

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**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.

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

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