Regulatory Counterparty Credit Risk:
CVA under Basel III and IFRS 13
by Jon Gregory

London: 11th & 12th February 2013

This workshop provides TWO booking options

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Early Bird Discounts: 20% Before 21st December 2012 / 10% Before 18th January 2013
ABOUT THE PRESENTER:

Dr. Jon Gregory is a consultant specialising in counterparty risk and credit derivatives. Until 2008, he was Global Head of Credit Analytics at Barclays Capital based in London. Jon has worked on many aspects of credit modelling over the last decade, being previously with BNP Paribas and Salomon Brothers (now Citigroup).

In addition to publishing papers on the pricing of credit risk and related topics, he was in 2001 co-author of the book “Credit: The Complete Guide to Pricing, Hedging and Risk Management”, short-listed for the Kulp-Wright Book Award for the most significant text in the field of risk management and insurance. He is author of the book “Counterparty Credit Risk The Next Challenge for the Global Financial Markets” published by Wiley Finance in December 2009. Jon has a PhD from Cambridge University.

Introduction

- History and definitions
- Accounting and Basel III regulatory capital rules
- Quantifying CVA
- CVA and valuation

Exposure at Default

- Defining credit exposure
- Expected exposure (EE), potential future exposure (PFE) and expected positive exposure (EPE)
- Simple EAD approaches
- IMM methodology
- Impact of netting and collateral

Default and Credit Spreads

- Defining default probability
- Historical data
- Market-implied default probabilities
- Recovery rates
- Mapping methods

CVA and DVA

- CVA formulas
- Examples
- Incremental and marginal CVA
- CVA for collateralised positions
- Bilateral CVA and DVA
- Monetising DVA

Day schedule: 09:00 – 17:00
Break: 10:30 – 10:45
Lunch: 12:30 – 13:30
Break: 15:15 – 15:30
Counterparty Risk Capital Requirements

- Default risk capital charge
- PFE at the portfolio level
- Basel III modifications (IMM)
- Basel III and CVA VAR
- CVA VAR example

Wrong-way Risk

- Examples and empirical evidence
- Portfolio wrong-way risk
- Trade-level wrong-way risk
- The impact of collateral and DVA

Central Counterparties

- Multilateral netting
- The mechanics of trading through a CCP
- Margining and the loss waterfall
- Important CCP questions
- CCP capital charges

Managing CVA

- How to manage CVA
- Dynamic hedging and CVA Greeks
- Correlation and cross gamma
- DVA and the “basis book” approach
- The impact of hedging on counterparty risk capital

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### Workshop Fee Structure:

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70% Academic Discount (FULL-TIME Students Only)

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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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