Master of Science in Finance and Banking

WHEN THEORY MEETS PRACTICE

A series of meetings with experienced professionals on key topics in Finance and Banking organized by Stefano Herzel (University of Rome Tor Vergata) and Luca Lotti (Cassa Depositi e Prestiti)

2. COUNTERPARTY RISK AND VALUATION ADJUSTMENTS

Francesco Guerrieri

(CDP, Head of Credit and Counterparty Risk)

In the last ten years, commonly used derivatives pricing methods have undergone several major changes aimed at the inclusion of several "valuation adjustments". The main driver of this trend was probably the ever-increasing attention to counterparty credit risk and funding costs due to the financial crisis which begun in 2007-2008 (start of the US subprime mortgage crisis). After "CVA" (credit valuation adjustment) and "DVA" (debt valuation adjustment), several other adjustments were introduced – among these the "FVA" (funding valuation adjustment) – leading the generic name of "XVA". We give an overview of the meaning and purpose of valuation adjustments, along with some practical examples of how they are applied.

Thursday, November 23
14:30-16:00
at Sala del Consiglio
(Building B, 2° floor).

A refreshment will be served after the talk.

School of Economics
via Columbia, 2

Università di Roma Tor Vergata

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The meeting is open to all

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A.Y. 2017-2018