



INFORMATIONS
PRATIQUES

FORMAT
Présentiel

MODE DE PARTICIPATION
Paris
ILB - Palais Brongniart,
28 place de la Bourse,
75002 Paris

DATE
Tuesday 22 September
2015 8h30 10h30

LIEU
ILB - Palais Brongniart,
28 place de la Bourse,
75002 Paris
Paris

PARTICIPATION
0 €

INSCRIPTION
www.aefr.eu

CONTACT
contact@aefr.eu
01 70 98 06 53

Matinale

Valuation: KVA and FVA - A new approach

Speakers : Claudio Albanese, Chairman Global Evaluation - Moez Mrad, Head of Credit & XVA quantitative research, CA-CIB

In the aftermath of the crisis, banking operations are being rewired around metrics called KVA (Capital Value adjustment) and FVA (Funding Value Adjustment).

Register

Invitation

Intertwined with the CVA (Credit Valuation Adjustment) and developed to quantify costs of capital and debt financing, the KVA/FVA metrics are the object of a lively debate and standard setting process that is reshaping investment banking. In this talk, we review how banks can benefit from applying these metrics in a number of areas, including:

- **Transferring of the costs of capital and debt financing to clients**
- Remunerating capital at a given hurdle rate
- Managing sustainable dividend policies
- **Designing non-overlapping risk capital charges for default risk, CVA/FVA volatility risk, model risk, etc**
- Identifying stress scenarios with major impact on cost of funding
- Quantifying the capital consumption for trades and setting trading limits
- **Setting up effective CVA/FVA hedges to reduce cost of capital**
- **Offer appealing opportunities to investors by means of structured credit trades with negative KVA/FVA**

Claudio Albanese is a former academic with a doctoral degree from ETH Zurich and professorships at the University of Toronto and Imperial College. He currently leads Global Valuation, a vendor of XVA software-hardware solutions. He recently authored a number of articles in the XVA space which are attracting debate and media attention.

Moez Mrad will share its experience from a banking concrete perspective. He will provide an overview about modelling challenges that arise when computing MVA and KVA.