

FVA

OIS

DVE

DVA

KVA

KVA

# KVA (CAPITAL VALUATION ADJUSTMENT) AND FVA (FUNDING VALUE ADJUSTMENT): PRICING AND HEDGING

FVA

OIS

DVE

DVA

KVA

KVA

JUNE 2019  
MEXICO CITY





**GIOVANNI NEGRETE**  
TRADER CVA-xVA  
SANTANDER GLOBAL BANKING

Giovanni Negrete is currently responsible of the xVA desk (Credit Valuation Adjustment (CVA), Debit Valuation Adjustment (DVA) and Liquidity Valuation Adjustment (LVA)) in Banco Santander Mexico.

Previously, he was in the same desk at Santander Global in the Madrid office. Before Santander, he was Senior Trader of the Exotic Options Trading books in Banesto.

Giovanni holds a Ph.D. in Applied Statistics to Economics from the UNED in Spain, he holds a Master's degree in Quantitative Finance from the Escuela de Analistas Financieros Internacionales (AFI) and a Master's degree in Economic Analysis and Financial Economics from the Universidad Complutense in Madrid.

**OBJECTIVE:**

Explain and discuss possible adjustments in the valuation of derivatives resulting from funding and capital consumption.

**COURSE DESCRIPTION:**

The need or justification of incorporating, in the valuation of derivatives, additional adjustments to the ones currently made for credit risk will be introduced, through the explanation of practical concepts.

**TOPICS:**

1. Capital Value Adjustment (KVA):
    - a. What is the capital?
    - b. KVA by replication and different approaches.
    - c. KVA vs. minimum profitability measures.
    - d. Cost of capital.
  
  2. Funding Valuation Adjustment (FVA):
    - a. What is FVA?
    - b. FVA by replication.
    - c. Derivatives funding sources.
    - d. Collateralized curves and collateral value adjustment (CollVA).
    - e. Incorporation of FVA in the valuation.
-

**PRICE: \$15,000.00 Mexican Pesos + Tax (16%)**

**Duration: 7 hours (1 Session)**

**Venue: *Universidad Panamericana Campus Santa Fe***  
Antonio Dovalí Jaime 75, piso 6, Santa Fe, CDMX.

## REQUIREMENTS

- Graduated from an economic and/or administrative career.
- Preferably working in Financial Institutions.
- Participants should bring a laptop.

## PAYMENT METHODS:

1. Bank Transfer in US Dollars (Foreign Institutions)

BANK: BBVA Bancomer

BRANCH NUMBER: 0956

SWIFT: BCMRMXMM

BENEFICIARY: RiskMathics, S.C.

ACCOUNT NUMBER: 0121 8000 11 0583 0066

2. Credit Card: VISA, MASTERCARD or AMERICAN EXPRESS.

IMPORTANT NOTICE: There will be no reimbursements.



## Registration

**E-mail: [derivatives@riskmathics.com](mailto:derivatives@riskmathics.com)**

**Teléfonos: +52 (55) 5638 0367**

**y +52 (55) 5669 4729**

**FOLLOW US**  
RiskMathicsFI



**WWW.RISKMATHICS.COM**