

# THE MS2DISCOVERY INTERDISCIPLINARY RESEARCH INSTITUTE

WATERLOO | CANADA

## A practical look at counterparty credit risk and xVA

**Karl Wouterloot | Scotiabank**

The Counterparty Credit Risk (CCR) Measurement group at Scotiabank Global Risk Management is a multifaceted team serving both front and back-office functions. This team is responsible for computing Potential Future Exposure for over the counter trading facilities, Scotiabank's Internal Model Method for regulatory capital, along with Credit and Funding Value adjustments (xVAs). These risk measures and pricing adjustments are computed in real time, and our analytics platform is a key part of trade pricing and the decision making process. At the core of these analytics is a powerful Monte Carlo simulation engine, which uses a risk-neutral pricing framework to model a market with over 1000 assets. Also, this engine leverages the bank's distributed computing system. This talk will look at the current state of the industry for CCR measurement, along with some of the computational and mathematical challenges faced by practitioners in the field.



Karl Wouterloot has a Combined Honours Bachelor of Science degree in Biophysics and Mathematics from the University of British Columbia. He is an alumnus of Wilfrid Laurier University where he completed his Master of Science in Financial Mathematics under the supervision of Dr. Joe Campolieti and Dr. Roman Makarov. Karl is currently a Senior Manager in the Risk and Capital Analytics group at Scotiabank in Toronto. His focus is on counterparty credit risk simulation and xVA models.

Contact at the MS2Discovery Research Institute: Joe Campolieti (Host of the speaker, Tecton 7)

**Refreshments will be provided**

**September 29, 2015**

**4-5pm | Location: SBE 1230**

The MS2Discovery Seminar Series: [www.ms2discovery.wlu.ca/seminar](http://www.ms2discovery.wlu.ca/seminar)  
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