



Numerix is proud to join with PRMIA to present the OIS Discounting Master Class Video Series

The series is a collection of on-demand Master Class video lectures which provide hands-on technical instruction for pressing challenges around OIS discounting.

PART I: OIS DISCOUNTING - VALUATION APPROACHES RE-EXAMINED

In Part I of the OIS Discounting Master Class Video Series, participants will learn about the recent paradigm shift in derivative valuation practices from single curve LIBOR discounting to a dual curve/multi-curve approach.

Presenters Moorad Choudhry and Olga Us will discuss best practices and important considerations in implementing an OIS discounting approach.

[PRESENTATION I - Two Curves: Libor, OIS and Multi-Currency Option](#)

Approximately 20 minutes

Presenter: Moorad Choudhry – Author, Principles of Banking and Professor at the Department of Mathematical Sciences, Brunel University

In this video lecture, Mr. Choudhry will address:

- *Post-Crisis Convention*
- *CSA Optionality and Collateral Value*
- *Collateral Funding and Multi-Currency Curve*
- *Hybrid Curve*
- *Asymmetry and Funding Value*

[PRESENTATION II - OIS Discounting - Valuation Approaches Re-examined](#)

Approximately 30 minutes

Presenter: Olga Us – Senior Quantitative Analyst, Numerix

In this video lecture, Ms. Us will address:

- *Curve Construction Practices in Different Jurisdictions in a Multi-Curve Framework*
 - *OIS Discounting Curve Construction in UDS and EUR Markets*
 - *Construction of Projection Curves*
 - *Construction of Basis Curves*
- *Cross Currency Considerations*
 - *Cross Currency Curve Construction*
 - *Cross Currency Swap Pricing*
- *Pricing of Non-Linear Interest Rate Structures*
 - *Swaptions and Swaption Volatility Surfaces*
 - *Caps and Floors and Their Volatility Surfaces*



PART II: OIS DISCOUNTING & FUNDING CURVES IMPACT ON P&L FOR RISK MANAGERS

In Part II of the OIS Discounting Master Class Video Series, participants will learn about the relationship between Overnight Index Swap (OIS) discounting and Funding Valuation Adjustment (FVA). The video lectures will offer insights into the pricing challenges present in the evolving funding dynamics for OTC Derivatives - including complications from optionality embedded in Credit Support Annexes (CSAs).

Presenters Moorad Choudhry and Ion Mihai breakdown the fundamentals of OIS discounting and FVA, then we explore interplay between these two concepts in the true cost of funding OTC Derivatives.

[PRESENTATION I - Derivative Funding Costs, Funding Policy and FVA](#)

Approximately 20 minutes

Presenter: Moorad Choudhry – Author, Principles of Banking and Professor at the Department of Mathematical Sciences, Brunel University

In this video lecture, Mr. Choudhry will address:

- *Funding Value Adjustment (FVA)*
 - *Incorporating FVA*
 - *Portfolio FVA*
- *Funding Curve Construction*
 - *Funding Profile*
 - *Funding Spread Curve Construction*
- *FVA Calculation*
- *FVA and Funds Transfer Pricing*
 - *FVA & FTP*
 - *Derivatives Funding Policy*
 - *Derivative Funding Positions (DFP)*
- *Conclusions*

[PRESENTATION II - Funding Valuation Adjustment for OTC Derivatives](#)

Approximately 30 minutes

Presenter: Ion Mihai, PhD, Client Technical Solutions Group, Numerix

In this video lecture, Mr. Mihai will address:

- *Collateral discounting and Risk-Neutral Discounting*
 - *Adoption of OIS Discounting*
 - *What Does Discounting Have to Do with a Collateral Agreement?*
- *Credit Support Annex*
 - *Embedded Optionality*
 - *Utopian CSA vs Real World CSA*
- *A Primer on Value Adjustments*
 - *FVA*
 - *Effective Funding Rate*
- *Can You Pass on this Charge?*
- *Regulation*
- *Summary and Conclusions*