

The Working Group on Risk - CREAR, with the support of the IDS dpt, Institut des Actuaire, Labex MME-DII and the group BFA (SFdS), has the pleasure to invite you to the Seminar by:

Prof. Eckhard PLATEN
Director of the Chair in Quantitative Finance
University of Technology Sydney (Australia)

May 4, 2016, 12:30pm – 1:30pm
EEE - ESSEC La Défense (CNIT) – Amphi 220

Benchmark Approach To Finance

This lecture introduces into the benchmark approach that provides a general framework for financial modelling by employing the numeraire portfolio as benchmark and numeraire. It provides a unified treatment of portfolio optimization, derivative pricing and risk management. A diversification theorem allows forming a proxy for the numeraire portfolio. The benchmark approach extends the classical asset pricing theories, opening new possibilities for long term risk management, relevant to e.g. pensions, insurance, financial planning and regulation. The real world price is characterising the minimal possible price, below those of other pricing rules. The richer modelling framework of the benchmark approach leads naturally to tractable, realistic long term models. It will be explained how the approach differs from the classical risk neutral approach. Examples on long term and extreme maturity derivatives demonstrate how long dated contracts can be less expensively priced and hedged than suggested by classical theory.

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Prof. Eckhard PLATEN
Director of the Chair in Quantitative Finance
University of Technology Sydney (Australia)



Professor Eckhard PLATEN holds the Chair in Quantitative Finance at the University of Technology Sydney. He initiated and has been chairing the annual international conference series on Quantitative Methods in Finance for more than 20 years. He has a PhD in Mathematics from the Technical University in Dresden and obtained his Dr Sc from the Academy of Sciences in Berlin, where he was heading the Sector Stochastics at the Weierstrass Institute. He was the Founding Head of the Centre for Financial Mathematics at the Institute of Advanced Studies at the Australian National University in Canberra and is Honorary Professor of this University. He is also an Honorary Professor of the University of Cape Town. He is the Past President of the Bachelier Finance Society the professional organization for Mathematical Finance and Quantitative Finance. Professor Platen is co-author of three books on simulation methods, a fourth book on his innovative benchmark approach, and a fifth book on functionals of multidimensional diffusions with applications to finance, all at Springer Verlag. He has authored more than 180 papers in finance, insurance and applied mathematics and serves on the editorial boards of seven international journals, including Mathematical Finance and Quantitative Finance, and the Springer-Bocconi book series. His main interests are in the extension and application of his benchmark approach with focus on pensions, long dated insurance contracts and high growth long term investments.



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