A Functional Itô's Calculus Approach to Convex Risk Measures with Jump Diffusion

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Highlights

- A functional Ito's calculus approach is adopted to evaluate convex risk measures.
- A non-Markovian jump-diffusion model is considered.
- Functional partial differential-integral equations for convex risk measures are obtained.
- An entropic risk measure is also considered.
- Partial differential-integral equations for convex risk measures are obtained in the Markovian case.