

THE BANKING ACADEMY

Continuing Education for Practising Financial Services Professionals

In association with Vinod Kothari Consultants P Ltd

The Asian Banker Diploma in Structuring, Pricing & Trading Interest Rate & FX Derivatives



28-30 March 2012, Singapore | 2-4 April 2012, Hong Kong

Key Learning Outcomes

This programme is designed to achieve the following goals:

- Understand the macroeconomic environment in Asia and the implications for your FX and interest rate derivative business
- Examine in depth best-practice modeling techniques for maximum profitability and minimum risk exposure
- Learn to manage and mitigate your exposure to risk in FX and IR derivatives
- Devise and structure a competitive pricing framework
- Refine your options trading strategies
- Develop innovative and competitive strategies for interest rate and FX futures and forwards

Features of this training programme

- Each section of this comprehensive programme will be supported by individual and group exercises and case studies
- Limited class size: Class size is limited to 30 delegates to ensure effective one-to-one interactivity



Multiple Booking
Discount Price



All participants will
receive a Course
Certificate

Who Will Benefit

This important training is designed to mobilize a wide range of senior professionals whose collective skills are vital for derivatives structuring in the organisation, including:

Directors, Heads and Managers responsible for:

- Derivatives structuring / trading
- Interest rate / FX trading
- Interest rate / FX solutions
- Interest rate / FX sales & marketing
- Risk
- Fund & portfolio management
- Financial analysis

The Monetary Authority of Singapore (MAS) administers Financial Training Scheme (FTS) grants to financial sector organisations that sponsor eligible Singapore based participants to training programmes that meet qualifying criteria. For more details, please visit www.mas.gov.sg, or contact the MAS at 6229-9396 or fsdf@mas.gov.sg

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The Asian Banker Diploma in
**Structuring, Pricing & Trading
 Interest Rate & FX Derivatives**

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Maximise your competitiveness whilst mitigating your risk through best-practice strategies for the structuring, pricing and trading of derivatives.

The need to manage risk and exposure to changes in currency and interest rates has always been fundamental to good corporate governance, be it for a financial institution managing its assets or for one of its corporate clients. Here in Asia, the importance of having competitive strategies in place to manage FX and interest rate exposure has never been so vital. The uncertainties surrounding global economies mean that both financial institutions and their corporate clients need to have their risks hedged in a waterproof manner. At the same time, the growth in Asian economies means that the demands on financial institutions from their corporate clients for such derivative products has never been greater and thus banks need to meet their clients' needs effectively or else lose market share.

Throughout this intensive 3-day training course, attendees will be led through every component of a holistic interest rate and FX derivatives structuring and pricing strategy, both for the needs of your institution and for those of your corporate client. From the developing regulatory demands to precisely understanding your clients' specific needs. Managing the particularities of volatility in today's turbulent climate will be under scrutiny, as too will be the fundamentals of best-practice pricing. The intricacies of derivatives modelling will be explored in depth and of course the various types of derivative instruments for interest rates and FX will be examined in the minutest of detail.

The format of this 3-day intensive training course will be a mixture of interactive exercises and scenarios, group discussions, real case studies, focused tuition, and practical problem-solving.

Agenda at a glance

Day 1		Day 2		Day 3	
0830-0900	Registration	0900	Managing and mitigating your exposure to risk in FX and IR derivatives	0900	Focus on interest rate and FX futures and forwards
0900	An examination of the macroeconomic environment in Asia and the implications for your FX and interest rate derivative business		Coffee break		Coffee break
	Coffee break		Managing and mitigating your exposure to risk in FX and IR derivatives (Continued)		Focus on interest rate and FX futures and forwards (Continued)
	An examination of the macroeconomic environment in Asia and the implications for your FX and interest rate derivative business (Continued)	1230-1400	Lunch		Lunch
1230-1400	Lunch	1400	Devising and structuring a competitive pricing framework		Maximising your organisation's profitability through best-practice swap strategies
1400	Best-practice modeling techniques for maximum profitability and minimum risk exposure		Tea break		Tea break
	Tea break		Refining your options trading strategies		Structuring your FX and interest rate derivatives framework and processes in your institution for maximum competitiveness
	Best-practice modeling techniques for maximum profitability and minimum risk exposure (Continued)	1730	End of Day Two		End of Program
1730	End of Day One				

About your Course Director



Your course director Vaidyanathan Krishnamurthy is an associate of Vinod Kothari Consultants P Ltd., a leading resource provider in the field of advanced topics in finance. He has worked with JPMorganChase Bank in Hong Kong, New York, and Singapore and has been advising financial institutions and corporates in Asia-Pacific region on hedging and risk management. He specializes in Fixed Income, Foreign Exchange and Credit Derivative products. He has also advised corporates in Telecom, Media and Technology space on acquisition financing, capital structure advisory, alternative investments, divestiture, and debt restructuring. He is also conducting training for students undertaking CFA and FRM (GARP) examinations.

He holds a bachelors degree in Electrical Engineering from Indian Institute of Technology (IIT), Kanpur, and an MBA from Indian Institute of Management (IIM), Ahmedabad. He is a certified Chartered Financial Analyst (CFA) from the CFA Institute, Charlottesville, and a Financial Risk Manager (FRM) by the Global Association for Risk Professionals (GARP), New York.

With his vast and in-depth knowledge on financial topics, Vaidya Nathan is training and carrying out workshops on various topics like Quantitative Fixed Income Research program, Financial Statement Analysis, Interest Rate Derivatives, Basel II, Financial Modeling in Excel and so on. The practical courses rendering simple and thorough understanding of the subject have been his USP. He has conducted public & private workshops for and on behalf of Deutsche Bank, Dun & Bradstreet, Genpact, Citibank, Lehman Brothers and the likes.

Register today

This is one of the best-designed diploma programmes to provide Asian financial institutions with the tools and expertise necessary to effectively structure and trade their FX and interest rate derivative offerings for maximum competitive advantage.

Register today by completing the registration form below or contact Mr Gerald Rubio tel: +65 6236 6514 or email grubio@theasianbanker.com for more information.

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28-30 March 2012, Singapore | 2-4 April 2012, Hong Kong

Day 1 – Wednesday 28th March 2012, Singapore | Monday 2nd April 2012, Hong Kong

0830-0900 Registration

0900 An examination of the macroeconomic environment in Asia and the implications for your FX and interest rate derivative business

- Analysis of Asian and global movements in prices, rates and volatilities
- Policies and actions of regional central banks and their impact on interest rates
- Exploring the current market scenario impacting the structure, pricing and risk management of derivatives
- Impact of Renminbi liberalization on FX derivatives
- Outlook for Asian interest rate markets
- The Asian market for derivative products: Identifying and overcoming the obstacles to cross-border trade
 - Examining the differences in regulation across jurisdictions and how this hinders derivatives trading
 - The road to standardization
 - Overcoming the lack of transparency in derivatives trading
 - Volatilities in interest rates, yields, and bond prices
- Developing regulatory requirements across the region and the impact on your derivatives trading strategy
 - Impact of Basel III
 - Incremental risk charge
 - What chance increased counter-party clearing for OTC products?

Coffee break

...continued

- Understanding the derivative needs of your corporate client
 - Determining the risk appetites of your clients
 - Hedging strategies and requirements
 - What do exporters demand from FX derivative products?
 - What contracts are being traded and how are they being priced?
 - Corporates vs financial institutions – Determining your key clients
 - Strategies for embedding derivatives into structured products
 - Loans
 - Securitisations
 - Project finance

Scrutiny of practical case studies

1230-1400 Lunch

Best-practice modeling techniques for maximum profitability and minimum risk exposure

- Risk modeling
 - Model validation
 - Model risk
 - Model risk measurement
 - Stress testing
 - Setting parameters
 - Model calibration
- Interest rate modeling methodologies
 - Effectively applying traditional drift and shock terms to the Black-Scholes model
 - Modelling structures and strategies:
 - Interest rate caps
 - Floors
 - Bond options
 - Swap options

Tea break

...continued

- Volatility modeling
 - What drives rates volatility?
 - Developed markets
 - Emerging markets
 - Stochastic volatility modeling
 - Correlation modeling
 - Interaction between correlation and volatility
 - Estimating and interpreting volatility and correlation
 - Use of historical data
 - Exploring implied volatility
 - Volatility of volatility

Practical modelling exercises

1730 End of Day One

Day 2 – Thursday 29th March 2012, Singapore | Tuesday 3rd April 2012, Hong Kong

- 0900 Managing and mitigating your exposure to risk in FX and IR derivatives**
- Mitigating counterparty risk
 - Pricing and hedging counterparty risk
 - Methodologies for structuring derivatives transactions to reduce exposure to counterparty risk
 - Mitigating 'wrong-way' counterparty risk
 - Credit risk management
 - Current exposure and potential future exposure (PFE)
 - Credit risk of swaps
 - Credit risk of options
 - Measuring and managing probability of default
 - Netting techniques to reduce credit risk
 - Cross border / cross product netting strategies

Coffee break

...continued

- Collateral management
 - Effectively selecting and valuing collateral
 - Accurately measuring the collateral exposure
 - What constitutes acceptable collateral?
 - Collateral modeling
 - Collateral and derivative pricing
 - Role of collateral in third party clearing
 - Unilateral vs bilateral collateral agreements
 - Examining the role of collateral in credit rating and impact on your overall portfolio

Interactive discussion on best-practice risk mitigation strategies

1230-1400 Lunch

1400 Devising and structuring a competitive pricing framework

- No-arbitrage pricing
- Measuring risk premia
- Pricing risk
 - LIBOR risk
 - Counterparty risk
- Pricing risk taking into account your own risk of default
 - Measuring debt value adjustment
 - Asset liability modelling
- Incorporating the cost of funding into your derivatives pricing

Practical pricing exercises

Tea break

Refining your options trading strategies

- Best-practice options modelling
- Volatility positions
- Time spreads
- Exploring the assumptions and limitations of the original Black-Scholes pricing formula
- Option pricing focus:
 - Average rate
 - Contingent options
 - Basket options
 - Forward start options
 - Pricing exotic structure options
- Vol skews pricing
- Option pricing sensitivities
- Constructing and utilizing replicating portfolios for options
- Hedging strategies for options positions
- Scenario analyses
- Portfolio insurance strategies

Interactive discussion and case studies on best-practice options trading

1730 End of Day Two

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Day 3 – Friday 30th March 2012 Singapore | Wednesday 4th April 2012, Hong Kong

0900 Focus on interest rate and FX futures and forwards

- Pricing futures and forwards
 - Futures pricing models
- Risk management for futures and forwards
- Successfully hedging futures and forwards positions
- Forward Rate Agreements – Structuring and pricing
 - Accurate calculation of forward rates
- Currency futures

Coffee break

...continued

- Interest rate futures and forwards
 - Understanding movements and volatilities of interest rates, yields and bond prices
 - Devising the yield curve
 - Incorporating volatility
 - Structuring and pricing for expansions
 - A scrutiny of bond cash flows and price sensitivities and implications for interest rates
 - Short-term interest rate futures
 - Pricing and arbitrage
 - Long-term interest rate futures

Practical case studies on innovation in futures and forwards

Lunch

Maximising your organisation's profitability through best-practice swap strategies

- Best-practice in building the discount curve
- Swap pricing techniques
 - Pricing collateral
 - Cost of funding
 - Impact of convexity
- Integrating credit risk into your swap pricing
- A focus on interest rate swaps
 - Pricing various swap structures
 - Step-up coupon
 - Stub period
 - Forward start
 - Others
- Structuring and pricing swaptions
- Cross-currency swaps
 - Use of cross-currency basis swaps
 - Pricing short-term forward exchange swaps
 - Long-term currency swaps
 - Methodologies for accurately valuing foreign assets
 - Structuring a foreign asset package
 - Cross currency swap valuation

Tea break

Structuring your FX and interest rate derivatives framework and processes in your institution for maximum competitiveness

- Relationship between derivatives function, credit-counterparty desk and funding unit
- Optimal efficiency in the processing and settlement of derivatives
- Impact of CCP introduction
- Portfolio management and allocation
 - Cross-border portfolio management: Challenges and opportunities
 - Use of technology
- Cross-asset derivatives
 - Mixed volatility dynamics
 - Calibration and pricing of long-dated multi-asset products
 - Model types and strategies

Interactive discussion covering key features of the course proceedings

End of Program

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Registration Form

PLEASE FAX COMPLETED FORM TO +65 6236-6530 or email to grubio@theasianbanker.com

Dr / Mr / Mrs / Ms / Other:	Family Name:	Name:
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REGISTRATION FEE PER DELEGATE (Banks)	Date & Venue	Early Bird Rate	Course Fee
<input type="checkbox"/> Yes, I would like to confirm my registration for 'The Asian Banker Diploma In Structuring, Pricing & Trading, Interest Rate & FX Derivatives'	<input type="checkbox"/> 28-30 March 2012, Singapore	<input type="checkbox"/> USD 4,800	<input type="checkbox"/> USD 5,200
	<input type="checkbox"/> 2-4 April 2012, Hong Kong		

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Payment Terms

The Registration fee includes admission to training room, refreshments and lunches during the training course, course materials and online access to speakers' presentation. It does not cover accommodation or travel /personal expenses. Full payment of registration fee must be made within 5 working days upon receipt of invoice. The Asian Banker reserves the right to refuse admission if payment is not received in full and on time prior to the event.

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Fee:

- Includes admission to all training sessions, refreshments, lunches and training kit
- Does not include accommodation, travel expenses and hotel transfers

Note:

- Government taxes and bank charges are to be borne by the delegate.
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- The workshop to be held in Singapore will be subjected to 7% GST for Singapore-based companies.

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