



DATES

May 23, 30 & June 6, 2020
Saturdays
9:00 am - 5:00 pm

PROGRAM FEE

Php 17,700.00 (Early Eagle Rate until May 9)
Php 19,200.00 (Regular Rate)

HOW TO REGISTER Online

www.cce.ateneo.edu

Email

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sales.cce@ateneo.edu

Call

+63(2)830.2039

Schedules and prices may change without prior notice.

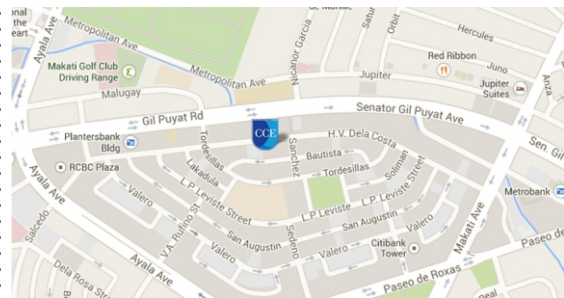
Fundamentals of Derivatives

Package inclusions:

- Program fee
- Training Kit
- AM/PM snacks
- Lunch
- Certificate of course completion

Venue:

Ateneo de Manila University - Salcedo Campus
3/F Ateneo Professional Schools Bldg.,
130 H.V. Dela Costa St., Salcedo Village,
Makati City, Philippines



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January 15, 2020



ATENEO DE MANILA UNIVERSITY
GRADUATE SCHOOL OF BUSINESS



financial management

Fundamentals of Derivatives

May 23, 30 & June 6, 2020

 CENTER FOR CONTINUING EDUCATION

As of December 2010, the outstanding OTC derivative contracts reached an unimaginable \$601 trillion size. Over the past few years, the use of derivatives as the preferred method for hedging and risk management has increased. The importance of the derivatives market was highlighted in the 2008 financial crisis when excessive and improper use led to a global financial meltdown. The critical lesson of the past crisis understands derivative transactions are becoming more important than ever. Acquire holistic understanding of derivatives to become a modern financial practitioner.

This comprehensive introductory course on derivatives will focus on the economics, pricing, risk management, accounting and regulatory environment of derivative transactions. It also includes intensive application sessions to apply the practical concepts in spreadsheets particularly for pricing & valuation, risk management and hedge effectiveness testing.

A unique feature of this course is its alignment to the derivative course requirements of the Financial Risk Manager (FRM) Level 1 Exam (30%), derivatives section of the Chartered Financial Analyst (CFA) Level 1 Exam (Study Session 15) and CFA Level 2 Exam (Study Session 12).

Fundamentals of Derivatives

objectives

After the course, you will:

1. Understand the basic mechanics and applications of the basic derivative contracts: forwards, swaps, and options;
2. Learn basic fundamental concepts in the pricing and valuation of financial derivative transactions;
3. Be able to implement pricing and valuation techniques in Microsoft Excel;
4. Be introduced to the implications of recent regulations which will impact financial derivative practice in the coming years (BSP Circular 594, Basel III, Dodd Frank Act);
5. Be introduced to basic market, credit and operational risk management techniques for derivative transactions (VaR, Credit Valuation Adjustment-CVA, EVT and Stress Testing);
6. Be familiar with basic rules in accounting for derivative transactions under PAS No. 39 and be able to implement hedge effectiveness testing in Excel; and
7. Understand the developments of hedge accounting rules under IFRS 9.

who should attend

Traders	Risk Management Officers
Product Control Specialist	Accounting/Finance Staff
Treasury Personnel	Auditors (Internal and External)
CFA Level 1 and Level 2 Candidate	Financial Risk Manager (FRM) Exam Candidate

program director



MS. MARI TONI BAUTISTA is currently Vice President under Financial Market Sales in ING Bank N.V. Manila Branch. She has established her career footing in banking and finance for more than nine years, holding various posts in asset management, fixed income and derivatives trading, and sales and structuring.

Prior to this, she held other posts, such as Head of Corporate Desk and Product Development Head of Security Bank Treasury, Derivatives and Structured Products Dealer of Banco de Oro (BDO) Private Bank Treasury, Foreign Currency Portfolio Officer of the Bank of the Philippine Islands Financial Markets Group, and Fixed Income Trader of the ING Bank N. V. Manila Branch.

program content

I. Building blocks of derivative contracts

- A. Introduction to derivatives
 1. What are derivatives?
 2. The basic building blocks: forwards, swaps and options
 3. Applications of derivative contracts
 4. Introductory issues in understanding derivative transactions
 5. Regulatory environment of derivatives –an introduction (BSP Circular 594, Basel III, Dodd Frank Act intro)
- B. Forwards: Mechanics and valuation
 1. Basic mechanics of forward contracts
 2. Applications of forward contracts
 3. Regulatory requirements of forward contracts
 4. Introductory valuation concepts for forward contracts
 5. Application: Valuation of FX forward, gold forward contracts
- C. Interest rate swaps: Mechanics and valuation
 1. Basic mechanics of interest rate swaps
 2. Applications of interest rate swaps
 3. The concept of comparative advantage
 4. Valuation of interest rate swaps
 5. Application: Hedging using interest rate swaps
- D. Cross currency swaps: Mechanics and valuation
 1. Basic mechanics of CCS
 2. Applications of CCS
 3. Regulatory requirements of CCS transactions
 4. Valuation of CCS contracts
 5. Application: Transforming asset liability profile using cross currency swap contracts

II. Building blocks of derivative contracts

- A. Options: Mechanics and valuation
 1. Introduction to option contracts
 2. Fundamental concepts in option valuation
 3. Mathematics of option pricing
 4. Black-scholes model
 5. Monte carlo simulation
 6. Binomial option pricing model
 7. Implementing black scholes, monte carlo and binomial option pricing in excel
 8. Application: Valuing employee stock option contracts
 9. Option trading game

III. Special topics on derivatives

- A. Accounting for derivative transactions
 1. IAS 39 on derivatives
 2. Hedge accounting rules
 3. Hedge effectiveness testing techniques
 4. Case study: Hedge accounting for forward, swaps and options
- B. Regulatory developments for derivative contracts
 1. BSP rules on FX derivatives
 2. BSP circular 594
 3. Dodd Frank Act
 4. Basel II and Basel III
- C. Risk management of derivative transactions
 1. Market risk (Value-at-risk for forwards, swaps and options)
 2. Greeks for options
 3. Credit risk (Credit valuation adjustment for derivative transactions).
 4. Operational risk (Internal control for derivative contracts)