



ATENEO DE MANILA UNIVERSITY
GRADUATE SCHOOL OF BUSINESS
CENTER FOR CONTINUING EDUCATION



Financial Management

ONLINE PROGRAM

FUNDAMENTALS OF DERIVATIVES

November 13, 20, & 27, 2021

Synchronous sessions via Zoom

Asynchronous sessions via access to the AteneoBlueCloud (Canvas LMS)



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ABOUT AGSB-CCE

The Ateneo Graduate School of Business - Center for Continuing Education (AGSB-CCE) was established to complement the existing Ateneo-BAP Institute of Banking, a consortium between the Ateneo de Manila University and the Bankers Association of the Philippines. It was initially known as the Basic Leadership Program (BLP) until the name was changed to Continuing Professional Education (CPE) and then finally, to Center for Continuing Education (CCE).

Under AGBS, CCE takes an active role in addressing specific industry concerns that require immediate, purposeful, and focused response. As an industry resource and partner, CCE offers continuing professional development programs that are workplace-based with immediate take-away value. Methodologies are based on business simulation, practical exercises and applications, case analyses, and focused discussions. Courses are designed, developed and delivered by industry practitioners who are noted experts in their respective fields. Together, AGBS and CCE support the Ateneo mission to promote excellence, integrity and service.



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

OBJECTIVES

Successful completion of this course enables the participant to:

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

FUNDAMENTALS OF DERIVATIVES

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 global financial crisis (GFC) when excessive and improper use of these products led to a global financial meltdown. The critical lesson of the 2008 GFC is that we should understand derivatives deeply first prior to us engaging in and selling these products.

This comprehensive introductory online course on derivatives will focus on the economics, pricing, risk management, accounting and regulatory environment of derivatives transactions. It will also include case studies surrounding risk exposures of corporations and how we can use derivatives to mitigate these risk exposures.

PROGRAM OUTLINE

- I. Introduction to Derivatives**
 - A. What are derivatives?
 - B. The basic building blocks: forwards, swaps and options
- II. Forwards: Mechanics and Valuation**

- A. Basic mechanics of forward contracts
 - B. Applications of forward contracts
 - C. Regulatory requirements of forward contracts
 - D. Introductory valuation concepts for forward contracts
 - E. Application: Valuation of FX Forward
- III. Interest Rate Swaps: Mechanics and Valuation**
 - A. Basic mechanics of interest rate swaps
 - B. Applications of interest rate swaps
 - C. Valuation of interest rate swaps
 - D. Application: Hedging using interest rate swaps
- IV. FX Swaps and Cross Currency Swaps: Mechanics and Valuation**
 - A. Basic mechanics of FX Swaps & CCS
 - B. Regulatory requirements of FX Swaps and CCS transactions
 - C. Valuation of CCS contracts
 - D. Application: Transforming Asset Liability Profile Using Cross Currency Swap Contracts
- V. Credit Default Swaps: Mechanics and Valuation**
 - A. Basic mechanics of CDS
- VI. Options: Mechanics and Valuation**
 - A. Introduction to options
 - B. Fundamental concepts in options valuation
 - 1. Binomial Option Pricing Model
 - 2. Black Scholes Model
 - 3. Monte Carlo Simulation
 - C. Option Structures
 - 1. Leveraged Forwards, Collar, Capped Forwards
 - D. Bond Options
 - E. Interest Rate Options
- VII. Derivatives Documentation**
 - A. ISDA Master Agreement
 - B. Credit Support Annex
- VIII. Regulatory Developments for Derivative Contracts**
 - A. BSB Rules on FX Derivatives2
 - B. BSP Circular 594

RESOURCE PERSON



MS. MARI TONI BAUTISTA

Ms. Mari Toni Bautista has established her footing in the banking industry for more than 10 years wherein she held various posts such as Derivatives and Structured Products Chief Dealer in BDO Private Bank, Head of Corporate Sales in Security Bank Treasury and Vice President handling Financial Markets Sales in ING Bank N.V. Manila Branch.

Currently, she is Director, handling Financial Markets Sales, in Standard Chartered Bank Philippines. Further to this, she has always been an advocate for continuing learning. She has been a resident resource speaker for Ateneo CCE handling topics such as Risk Management in Banking, Fundamentals of Derivatives and Business of Treasury – Banking Series. She is also a resident review instructor in the CFA Level 1 review class, handling the fixed income and derivatives modules.

Ms. Bautista graduated with a Masters in Applied Mathematics major in Mathematical Finance from the Ateneo de Manila University. She is a Chartered Financial Analyst, a Certified Treasury Professional and an SEC Certified Fixed Income Salesman.

FUNDAMENTALS OF DERIVATIVES

PROGRAM DETAILS

November 13, 20, & 27, 2021
Saturdays
8:30 am - 4:00 pm
via **ZOOM**

PROGRAM FEE

Php 15,000.00 (*Early Eagle Rate until October 30*)
Php 16,500.00 (*Regular Rate*)

**Schedules and prices may change without prior notice.*

INCLUSIONS

- Digital copies of the materials can be accessed through AteneoBlueCloud (Canvas LMS)
- Digital Certificate of Completion

REGISTER NOW!

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SCAN CODE
TO REGISTER



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EXCELLENCE