



## Derivative Credit Risk Judgment and Management

The Derivative Credit Risk Judgment and Management seminar offers an overview of how to analyze cash flows for a single transaction, aggregate cash flows for all derivative products, ascertain peak credit exposures, determine accurate derivative credit costs, contrast derivative trading with derivative credit risk and achieve consensus among traders and credit officers as they develop policies and systems to govern derivative transactions.

The concepts and techniques offered in these seminars are useful not only for identifying derivative credit risk within a counterparty's overall credit risk but also for refining credit policies. The seminar outlines steps for gradually implementing increasingly sophisticated techniques for measuring, costing and managing derivative exposure.

### Available Session(s):

|   |                 |             |
|---|-----------------|-------------|
| <b>25-Aug-2008 -- 27-Aug-2008</b>         | New York        | USD \$3275  |
| NY Institute of Finance -<br>Downtown     | 9:00am - 4:30pm | Mon Tue Wed |
| Instructor(s):[Jack Foster; ]             |                 |             |
| <b>14-Oct-2008 -- 16-Oct-2008</b>         | Stamford        | USD \$3275  |
| NY Institute of Finance -<br>Stamford, CT | 9:00am - 4:30pm | Tue Wed Thu |
| Instructor(s):[Jack Foster; ]             |                 |             |

### Targeted Audience

Credit officers, credit administrators and derivative salesmen and traders

### Special Offer

Clients who register for this course will receive a complimentary 6 month subscription to the Financial Times and FT.com. The Financial Times is the world's most respected financial newspaper providing a broad assessment on finance, business and the industrial sector. Subscriptions will start within 6-8 weeks of the application process, and are limited to one per client. For questions about your subscriptions call 800-628-8088 or email [uscirculation@ft.com](mailto:uscirculation@ft.com). US and Canada enrollees only.

## Advance Preparation

No advance preparation required.

## Prerequisites

No previous derivative experience is required

## Learning Objectives

Students will be able to:

- Apply an analytical framework that defines the stages required to clarify derivative credit risk
- Construct the cash flows for individual derivatives transactions as well as evaluate the reasons for hedging
- Apply a model that compares, equates and aggregates cash flows for swaps, forwards, options, etc.
- Employ ratings, default grids and cost of capital assumptions to determine accurate credit costs for derivatives transactions
- Evaluate differences between derivative trading and derivative credit risk
- Review derivative documentation and evaluate the credit risk of participants in derivative markets

## Follow-Up Courses

Credit Portfolio Risk Management

Credit Default Swaps: From Vanilla to Exotic

**Level:** Basic

**CPE Credits:** 21.0

**Instructional Method:** Group-Live

## Detailed Outline

### Day 1

- Introductions and objectives
- Understanding and assessing ratings and risk factors
- Financial institution rating analysis and methodology
- Background on derivatives
- Capturing derivative benefits

### Day 2

- Derivative credit exposure measurement
  - Introduction to JPMorganChase - part 1
  - Workshop on JPMorganChase - part 1
  - Group presentations - part 1
  - Introduction to JPMorganChase - part 2
  - Workshop on JPMorganChase - part 2
  - Group presentations - part 2
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**Day 3**

- Introduction to Fannie Mae case
- Workshop on Fannie Mae case
- Group presentations
- Introduction to Washington Mutual, Inc. case
- Workshop on Washington Mutual, Inc. case
- Group presentations
- Program wrap up

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