

INTEREST RATE SWAPS. . . *In Plain English*SM

*A practitioner's guide to what they are
and how to use them.*

A ONE DAY CRASH COURSE FOR:

- Swap Practitioners
- Treasury Support Managers
- Internal/External Auditors
- Regulators/Compliance Staff
- Financial Controls Staff
- Middle Office Staff
- Financial Service Vendors
- Corporate Treasurers

***Seminar attendees learn to construct, price, hedge,
and value swaps based on market yield curves.***

Swaps have proven to be one of the most successful financial innovations in history. Due to their flexibility **swaps continue to play a central role across the spectrum of financial markets and instruments** from plain vanilla IRS to structured products and credit derivatives. **This makes an understanding of the nature of swaps essential.** In this one-day, hands-on introductory course, TRCI presents the basics of using and valuing swaps in the context of interest rate and currency markets.

Session Topics Include:

- ✓ The zero curve and swap valuation
- ✓ Par and asset Swaps
- ✓ Swaps, optionality, and structured products
- ✓ Calculation of swap and forward swap rates
- ✓ The swap curve and the treasury curve
- ✓ ISDA and credit risk

SATURDAY PROGRAMS AVAILABLE

**Call 973-284-6068 or 212-886-1827 for Times & Dates
or visit our Websites at:
www.TRCDirect.com or www.TreasuryResources.org**

What previous participants had to say about

TRCI SEMINARS

About the Presentations:

- "The topics it covered were excellent. It answered the questions behind trading strategies. Most important, the topics discussed were brought down to a level that everyone can understand."
- "The content was quite comprehensive and provided a solid foundation ... (the) emphasis on the need for appropriate policies that integrate the performance requirements for all departments was particularly meaningful."
- "The best historical view of the market I've ever heard in a summary format. Voluminous information presented clearly at all times."

About the Speakers:

- "Was well presented by people who really know the business."
- "All the speakers were very well prepared and sensitive to needs of participants ... all topics were introduced in different ways for better understanding."
- "The speakers were very explicit and made the lectures as easy as possible. They also made it a lot of fun."
- "Organized, enthusiastic and knowledgeable ... but most of all understandable."

About TRCI Seminars:

- "A good rounding out of information for veterans and a good crash course for novices."
- "Without question, (the seminar) should be a requirement for key players in various areas ... the most practical and timely training (I've) attended."
- "Probably the best money my company has spent on a seminar in a long time."

Participants from these organizations have benefited from attending

TRCI SEMINARS

ABN Amro Bank, NV	Cargill, Inc.	Hamilton Bank	Postipankki, Ltd.
ANZ Bank	Cariplo Bank	Harris Trust and Savings Bank	Prime Associates
Allied Irish Bank	Champion Mortgage Co., Inc.	Howard Hughes Medical Institute	Rabobank
American Express Bank International	Chase Manhattan Bank	Huntington National Bank	Republic National Bank
AmSouth Bank	CIT Group	IBJ Schroder International Bank	Ross Capital Markets Ltd.
Arab Banking Corp.	Citibank	Instinet Corp.	Royal Bank of Canada
Asahi Bank	Comerica Bank	J P Morgan	Royal Bank of Scotland PLC
Atlantic Container Line	Commerce Bank	Key Bank	Salomon Brothers, Inc.
B.H.F. Bank A.G.	Comp. Financiere de CIC et de	Kredietbank	SE Bank
BP America	l'Union Europeene	Landesbank Hessen-Thuringen	Scotia Capital Markets
Banca Commerciale Italiana	Compass Bank	Girozentrale	Seoul Bank
Banca Nazionale Dell'Agricoltura	Conference of State Bank Supervisors	Long Term Credit Bank of Japan	SG Hambros
Banco Bradesco S.A.	Corestates Bank N.A.	The MacGregor Group	Societe Generale
Banco Central de Venezuela	Coults & Co.	M&T Bank	South Capital Co.
Banco Del Pacifico, S.A.	Cowen & Co.	MTB Bank	Standard Chartered Bank
Banco Exterior de Espana	Credit Commercial de France	Mees Pierson N.V.	State Bank of India
Banco Industrial de Venezuela	Credit Industriel et Commercial	Mellon Bank	State National Bank
Banco Nacional de Obras y Servicios	Credit Lyonnais	Merita Bank	State Street Bank & Trust
Publicos	Credit Suisse First Boston	Met Life	Stolart Partners Ltd.
Banco Popular Dominicano	Creditanstalt Bankverein	Midas Kapiti International	Sumitomo Bank Ltd.
Banco Real	Darier Hentsch Private Bank	Mitsubishi Trust and Banking	Sun Trust Banks
Banco Rio de la Plata S.A.	Den Danske Bank	Money Gram	Svenska Handelsbanken
Banco Santander International	Den Norske Bank	Monte del Paschi di Sienna	Swedbank
Bangkok Bank Ltd.	Deutsche Morgan Grenfell	Morgan Guaranty	Swiss Bank Corp.
Bank Austria	Donaldson Lufkin & Jenrette, Inc.	Municipal Market Data	T. Rowe Price Assoc.
Bank Brussels Lambert	Dow Jones Telerate Inc.	National Australia Bank	Technical Data
Bank of Boston	Dresdner Kleinwort Benson	National Bank of Canada	Telus Corp.
Bank Hapoalim	EBS Dealing Resources	National Bank of Commerce	Texas Commerce Bank
Bank of Nova Scotia	Elkins McSherry Co., Inc.	NationsBank	TIAA-CREF
Bank of Tokyo-Mitsubishi Ltd.	F.H.L.B. - Office of Finance	NatWest PLC	Thompson Vision
Bank of Yokohama Ltd.	Federal Home Loan Mortgage Assoc.	NCM Capital Management	Tokai Bank
Bank One	Ferrier Lullin Bank & Trust	Nesbitt Burns Securities, Inc.	Toronto Dominion Securities (USA) Ltd.
Bankers Trust Co.	Fifth Third Bank	New York State Comptroller's Office	Transamerica Corp.
Banque Nationale de Paris	First of America Bank	Nissho Iwai American Corp.	Unibank A/S
Banque Sudameris	First Bank N.A.	Norddeutsche Landesbank	Union Bank of Switzerland
Barclays Bank PLC	First Financial Caribbean Corp.	Oceanic Bank and Trust Ltd.	U.S. Bank of Washington
Barnett Bank	First Interstate Bank	Office of the Comptroller of the	West Merchant Bank
Bayerische Landesbank	First Union Bank	Currency	West One Bank
Bayerische Vereinsbank	Forest City Finance	Old Kent Bank	Westpac
Boatmans National Bank	GE Capital	Oppenheimer Capital	Wrightson Associates
Bordier International Bank & Trust Ltd.	Government Development Bank for	PNC Bank, NA	YMCA Retirement Fund
The Boston Company	Puerto Rico	Paribas Capital Markets	
C.I.B.C. Wood Gundy	Greenwich Capital	PineBank	

COURSE OUTLINE & STRUCTURE

Skills-set test administered and reviewed prior to course. Results are used to enable TRCI to deliver the program at an appropriate level. Results are not kept.

I. ORIGIN AND DEVELOPMENT OF SWAPS (1/2 HOUR)

Discussion of how swaps developed in response to restrictions on international capital flows.

Back to back and parallel loans.

II. INTEREST RATE SWAPS (1-1/2 HOURS)

Structure of Plain Vanilla Swap

Definitions of Terms and ISDA

Pricing Conventions

Relationship to FRAs, Futures and Cash Market Transactions

Credit Exposure of Swaps

Variations in Swap Structure

Amortizing, Accreting, Index Amortizing

Floating Rate Indices

Reset Frequency

III. VALUATION & SENSITIVITY (2 HOURS)

Yield Curve Basics

Forward Rates

Zero Rates

Swap Rates

Duration

Value at Risk

IV. FUNCTIONS AND APPLICATIONS OF IRS (1 HOUR)

IRS in Asset/Liability Management

Application in Portfolio Management

V. CURRENCY SWAPS (1-1/2 HOURS)

Basics of Currency Swaps

Comparison with traditional FX Swaps

Applications in Foreign Exchange Risk Management

Valuation of Currency Swaps

VI. WORKSHOP (1 HOUR)

Participants solve Excel based problem from a selection of topics.

VII. CONCLUSION (1/2 HOUR)

Summary of above discussions and applications of swaps to interest rate and currency markets emphasizing their central role as a vehicle for the transfer and transformation of risk.

PRESENTERS

Timothy F. Scala specializes in capital markets, risk management, and trading room policy, procedure, control and other issues surrounding the trading function. He has been involved in the financial markets since 1969, and has extensive experience in stock, currency, fixed income, cash, futures and options arbitrage. He also designed & produced seminars for TRCI, the most notable of which is *Trading for Non-Traders*, a staple of many institutions.

Past positions have included serving as Treasury Manager for a major regional bank, Director for a major money brokering firm and Product Development and Marketing Manager for a leading financial software services company.

Mr. Scala has established a capital markets department for marketing foreign exchange, money market, investment, risk management and derivative products to corporate clients; established a trading operation for a major regional bank; traded various currencies and derivatives for banks; established a currency options and futures arbitrage unit for a New York investment house and headed the User Interface Development Team for a trading software product. He has also assisted leading international law firms in cases involving institutional trading, often testifying as an expert.

Mr. Scala has served as a member of the Board of Directors for FOREX USA, a non-profit organization for the foreign exchange and money market industry. He organized an annual Junior Traders seminar on behalf of FOREX USA, which has helped train over 1,400 trading professionals. Mr. Scala has appeared as a regular weekly guest on CNBC's "Market Wrap"; has co-authored a bi-weekly market newsletter; and co-produced a weekly financial segment on a regional news radio station.

His comments have appeared in *Time*, *Barron's*, *The Wall Street Journal*, *American Banker*, *Newsweek International*, and other major financial publications.

Steve Sheehy has been involved in financial markets as a practitioner since 1980, Mr. Sheehy has supplemented this activity with TRCI since 1995. He has given seminars on financial arithmetic, fixed income, foreign exchange, mortgage and asset backed securities, repos, swaps, options and other interest rate and FX derivatives. During his tenure as trader, chief dealer, or portfolio manager, he has had hands-on experience in all of these areas.

In addition to trading and risk management roles, he has designed Excel/VBA or C++ applications to aid in the structural analysis, valuation, and management of a variety of portfolios and trading books as well as simplified applications for use in seminars. Mr. Sheehy holds an M.A. degree in financial economics.

TRCI has been featured in TIME Magazine, American Banker and Securities Operations Letter.

UPCOMING TRCI SEMINARS

Trading for Non-TradersSM - May 14-17, 2003, Somerset, NJ

The TRCI program that illuminates crucial trading and risk-management issues for individuals without trading experience.

Risk Management. . .in Plain EnglishSM - Call for Dates & Times

A one-day crash course that provides a concise, non-technical introduction to the risk management process.

Financial Markets & Market Based Products for Private BankersSM - Call for Dates & Times

The seminar for professionals that recognize the increasingly complex demands of the high net worth investor.

**Saturday
programs
available**

Fixed Income Trading 101SM - Call for Dates & Times

The TRCI program that covers the critical building blocks of fixed income markets.

Please call TRCI's seminar information lines for additional details:

973-284-6068 or 212-886-1827

or visit our websites at

www.TRCIdirect.com or www.TreasuryResources.org

REGISTRATION, PAYMENT AND CANCELLATION DEADLINES

Registration Deadline: Registration will be granted on a **space available** basis and will be accepted through 3 p.m. on the fifth business day prior to the start date of the seminar.

Payment Deadline: All fees must be received at least three business days prior to the start date of the seminar. Admission to the program will not be granted unless all relevant fees have been received.

Cancellation Deadline: Written/faxed/E-mail cancellations received through 5 p.m. on the fifth business day prior to the start date of the seminar will be accepted and any fees paid will be refunded. Cancellations received after 5 p.m. on the fifth business day, through 5 p.m. on the third business day prior to the start date of the seminar will be subject to a cancellation fee of \$250.00. Refunds will not be provided for absentees, or cancellations received after 5 p.m. on the second business day prior to the start date of the seminar. Substitutions (written, faxed, E-mailed or telephoned) will be accepted through 5 p.m. on the third business day prior to the start date of the seminar.

HOW TO REGISTER:

1. Please review carefully the **Registration, Payment and Cancellation Deadline** section above.
2. **Registration Fee:** The registration fee for the program is \$795. Registration is not complete until your registration fee has been received. Group discounts available for 5 or more.
3. Complete the registration form below for all individuals attending from your organization. This form may be photocopied.
4. Fax the completed registration form to (973) 284-6068.
5. Use the hard copy of this form to process your company's check for the registration fee.
6. Mail your registration fee along with the hard copy of your registration form to:
Treasury Resources Consulting & Investigating, Inc., 3128 Pacific Coast Highway #29, Torrance CA 90505
7. For more information or to confirm the receipt of your registration form and/or fee, please call (973) 284-6068.

INTEREST RATE SWAPS . . .In Plain EnglishSM

Registrant #1

Name _____ Title _____
 Company _____
 Address _____
 City _____ State _____ Zip _____
 Telephone _____ Fax _____ E-Mail Address _____

Registrant #2

Name _____ Title _____
 Company _____
 Address _____
 City _____ State _____ Zip _____
 Telephone _____ Fax _____ E-Mail Address _____

Registrant #3

Name _____ Title _____
 Company _____
 Address _____
 City _____ State _____ Zip _____
 Telephone _____ Fax _____ E-Mail Address _____

ABOUT TRCI

TRCI trains bankers, salespersons, corporate treasury staff, accountants, operations professionals, traders, auditors and regulators in the areas of capital markets, risk management and policy and control issues; assists senior management in the identification, quantification and management of financial risks, both domestically and internationally; provides law firms with investigative services and litigation support.

Clients and seminar attendees who have benefited from TRCI's expert services include international financial institutions, technology companies, corporations, auditing/management consulting firms and regulators.

Experience

Two decades of front and back office experience have given TRCI's consultants an expansive grasp on the issues facing the areas of risk-taking, risk management, trading, sales, management and operations.

Their backgrounds have spanned every major financial market including international fixed-income, equity, currency, options, futures and other derivatives.

TRCI has successfully:

- Trained policy makers and federal and state regulators;
- Designed in-house training seminars for financial and non-financial organizations;
- Assessed institutional risk management capabilities and advised on the formulation of risk tolerance;
- Developed appropriate policies, procedures and controls for trading operations;
- Investigated unauthorized trading activities;
- Aided clients in the liquidation of international securities and currency portfolios;
- Advised legal counsel in cases involving institutional trading activities;
- Rendered veteran opinions on trading procedures and controls and presented expert testimony in cases involving fraud by institutional traders.

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