Risk Management…*in Plain English* SM

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

AN ABSOLUTE NECESSITY FOR:

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

A real world perspective on the business of measuring, managing and allocating risk.

Risk Management as a distinct field within finance has grown rapidly. The primary impetus for this growth has been the implementation of the *Basle Capital Accord* which continues to expand in both scope and complexity. As financial firms seek to measure and model their risks in such a way as to minimize distortion and avoid being penalized by over-simplification, the techniques employed have become of necessity more sophisticated and even, at times, arcane.

TRCI offers a non-technical seminar designed to help close the growing gap between the increasingly formalistic approach required by risk measurement and the risk management process as a whole. The course seeks to address this problem through a two fold approach: 1) an appreciation of the distinction between risk measurement and risk itself and 2) a basic understanding of the approaches and tools developed to model risk which have become an essential part of the lexicon of financial market participants.

Does everyone involved in supporting the Risk Management function throughout your organization fully understand and appreciate its objectives and methodology?

Session Topics Include:

- ✓ Factors influencing financial market movements
- ✓ Evolution of Risk Management
- ✓ The Basle Accord –Risk based Regulation
- ✓ Value @ Risk
- ✓ Risk adjusted return
- ✓ Risk budgeting

Saturday Programs Available

Call 973-284-6068 or 212-886-1827 for Times & Dates

Or visit our website at www.trcidirect.com

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

Course Outline & Structure

I. Risk and Response: A Chronology

A comprehensive discussion of market events, financial innovation as a response to market action, and the evolution of risk-based financial regulation, supervision, and management

II. A Typology of Risk

A discussion of risk types based on real-world illustrative examples. Participants will learn to identify and articulate the types of risk, their interaction, tractability, and mitigation. Major risk types include:

Price Risk	Credit Risk
Basis Risk	Model Risk
Currency Risk	Operational Risk
Liquidity Risk	Yield Curve Risk
Interest Rate Risk	Funding Risk

III. Risk Measurement and Management

A survey of major approaches to measuring (and managing) risk

- Statistical Tools
  - Normal probability distribution
  - Mean and variance
  - Confidence Intervals
  - Covariance and correlation
  - Stability of parameters
- Capital Asset Pricing Model
  - Diversification
  - Efficient frontier
- Duration/convexity framework for interest rate products
- Options Delta/gamma
- Value at Risk: Benefits and Limitations
  - Risk Aggregation
  - Backtesting
  - Stress Testing
- VAR and it variants
  - Delta Normal
  - Historical
  - Monte Carlo

IV. Risk and Return

- Capital as a scarce resource
- Concept and measurement of risk adjusted return
- Risk and capital allocation: Risk Budgeting

Saturday Programs Available

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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 for 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***

A list of TRCI Seminars, available periodically or for Internal Programs:

Trading for Non-Traders℠

Interest Rate Swaps…*in Plain English*℠

Financial Markets and Market-Based Products For Private Bankers℠

Fixed Income Trading 101℠

For Additional Information please call 212-886-1827

Or visit our website at **www.trcidirect.com**

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 Deadlines** 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., 8200B Bulls Ferry Road Suite 8, North Bergen, NJ 07047
7. For more information or to confirm the receipt of your registration form and/or fee, please call (973) 284-6068.

Registrant #1

N a m e ____ **Title** ________________________

Company ____

Address ____

City ______________________________________ **State**____________ **Zip**__________________

Telephone _______________ **Fax** _______________ **E -Mail Address** ____________________________

Registrant #2

N a m e ____ **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 of 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.

TRCI Treasury Resources Consulting & Investigating, Inc.

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