

Summary of B&B Course Offerings in 2012

Trends for 2012

- **Back to basics:** Economic and regulatory uncertainty has caused market participants to focus on reducing the need for complex transactions. Accordingly, market participants are focusing more on the liquid cash and derivative products and investment strategies.
- **Structured products:** At the same time, investors are showing renewed but tentative interest in the vanilla end of the structured product spectrum as there is value for those who understand the risks and returns involved. Uncertainties around capital requirements given Basel III mean these structures are simpler in structure and less complex.

The following courses are our most popular but not an exhaustive list of what we can provide. Most courses are available in North America and Europe. All courses can be tailored to suit.

Level	Title
Product Overview	<ul style="list-style-type: none"> ▪ Financial Markets Overview ▪ Credit Markets Overview ▪ Fixed Income and Currency Markets Overview ▪ Derivatives Overview ▪ Securitization Overview ▪ Commodities Overview (<i>London only</i>) ▪ Hedge Fund Overview ▪ Private Equity Overview ▪ Capital Markets Overview
Introductory	<ul style="list-style-type: none"> ▪ Time Value of Money and Bond Maths ▪ Interest Rate and FX Derivatives ▪ Credit Analysis ▪ Credit Default Swaps <ul style="list-style-type: none"> ○ No correlation products ▪ Leveraged Loans and LCDS ▪ Private Equity and LBOs ▪ Equity Derivatives ▪ Commodity Derivatives (<i>London only</i>) ▪ Energy and Energy Derivatives (<i>London only</i>) ▪ Precious and Base Metals Half-Day (<i>London only</i>) ▪ High Yield Investing ▪ Bank Regulatory Capital Half-Day
Intermediate	<ul style="list-style-type: none"> ▪ Credit Trading Strategies <ul style="list-style-type: none"> ○ Focused on flow products ▪ Structured Credit Derivatives <ul style="list-style-type: none"> ○ Focused on correlation products ▪ CDO Risks, Returns and Litigation ▪ Asset Backed CDS ▪ Intermediate Swaps ▪ FX Options (<i>London only</i>) ▪ Intermediate Excel Modelling for Finance ▪ Financial Engineering – Structured Fixed Income Products (Excel-based) ▪ Financial Engineering – Structured Equity Products (Excel-based) ▪ Counterparty Credit Risk

**Advanced**

- Structured Credit Trading
 - Correlation trading focused
- Hedge Fund Trading Strategies
- Options Trading Strategies
- Credit Options Trading Strategies
- Structured Credit Hybrids
- Advanced Excel Modelling for Finance

**Soft Skills &
Specialized
Programs**

- Sales Skills, Presentation Skills, Executive Coaching
- One-on-one – training for new hires to senior executives. The focus is to supplement the participant's derivative, product, and/or markets knowledge.
- Analyst and Intern Training Programs - We design and host programs for new-hires across discipline and asset class. The program can run from 1 week to 2 months and be tailored to business needs.
- Competency Testing Design – Design of domain expertise exams for post program internal certification
- Blended Learning Design – Combining B&B instructor led programs with existing on-line learning and B&B pre and post learning material to create a full learning program
- Advanced Programs for Sales Forces – Product-oriented programs that are quick, engaging and advanced to meet sales force requirements.
- 5 Day Intensive Programs - Asset class specific programs ranging from beginner concepts to advanced investment strategies in a short time period.

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About B&B

Training methodology

- Our courses focus on the practical realities of the market, rather than taking an excessively mathematical or academic approach.
- A review of pricing fundamental involves intuition rather than a discussion of models – unless explicitly requested/stated.
- The course style is discussion and case study based rather than pure lecture, allowing the participants to think through the products themselves and thus gain a more intuitive understanding of the market.
- All trainers are vetted and “trained” to be excellent trainers in addition to being experts on the topic. They are also regularly tested and evaluated to maintain our high standards.

B&B Business Overview:

- B&B was founded in 2004 and is a partnership of experienced and respected financial market professionals who uniquely have recent, relevant market experience.
- B&B partners and consultants are experts across asset classes (equity, fixed income, credit, commodities and alternatives) with a focus on derivatives and structured products.
- All B&B business to date has been through word of mouth. References are available upon request.
- B&B educates clients from basic through advanced financial products, spanning:
 - Trading, structuring, sales and marketing, and management
 - Over 9,000 course participants and 900 training days since 2004
- We provide independent expert opinions in derivative litigations, specializing in:
 - Structured notes
 - Credit derivatives and securitization
 - Counterparty risk
- We also provide strategic consultancy services, tailored to suit clients' individual requirements, specializing in:
 - Structured products across asset classes
 - Credit derivatives and securitization
 - High yield, leveraged and distressed loans
 - Hedge funds and private equity
 - Commodities and commodity derivatives
 - Risk management (credit, market, liquidity)

Sample Course Outline: Counterparty Credit Risk

Scope and Objectives

- **Lehman Brothers' bankruptcy and AIG's bailout brought the concept of counterparty risk to light** across a variety of products. Market participants who were aware of master, collateral and netting agreements (such as ISDA, CSA, etc.) in principle had to quickly understand and apply them.
- Post Lehman and AIG, and given continuing concerns about counterparty risk, it is **important for those involved in** both the execution and operations of **transactions to understand how they work if their counterparty defaults.**
- Even more important is to understand the risk to, and collateral agreements in place with, a counterparty and **how to hedge or manage those risks in order to put preventative measures in place before a default is even a concern.**
- In this course participants will:
 - Review how the cash and derivative markets work and why banks manage so much counterparty credit risk
 - Analyze the risk profile of counterparty credit risk, breaking it down into market risk, credit risk and liquidity risk
 - Analyze the process of liquidating derivative trades post a counterparty default, including the general sequence of events laid out in master agreements, and how collateral and cross margining work
 - Use various derivative examples as case studies to illustrate the concepts of counterparty risk and liquidation
 - Discuss the current focus and trends in the market

Target audience

- This course has been designed for audiences from front office through to operations, who are already familiar with cash and derivative products but need a better understanding of derivative markets and how they generate counterparty credit risk. The purpose is to give them a high level overview of the key issues and concerns around counterparty credit risk.

Topics not included

- Pricing and modelling derivatives

The objective of this course is to provide a high level overview of counterparty credit risk and the process in the event a derivative counterparty defaults. A discussion of pricing and modelling derivatives is beyond the scope of this course, but could be discussed in a follow-up course.

Training methodology

The course will focus on the practical realities of the market, rather than taking an excessively mathematical or academic approach. The course will blend discussion with case studies allowing the participants to think through the concepts and thus gain a more intuitive understanding of them.



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Course Agenda

Introduction

- What recent events have put counterparty risk in the spotlight
- Why counterparty credit risk is mostly about derivative counterparty risk
 - Counterparty credit risk in funded trades vs. derivatives

This section will discuss the concept of counterparty risk at large and why derivative counterparty risk is the key focus, and will help the trainer gauge the knowledge level of participants.

How derivative markets work

- How and why banks intermediate
 - Tailored vs. standardized trades
- Banks key counterparties vs. the universe of counterparties
 - Clients vs. interbank counterparties
- Review of the derivative products with the largest risk profiles
 - Key interest rate products
 - Key cross currency interest rate products
 - Key credit default swap products

Case study: Trading IRS, FX, and CDS

This section will review the dynamics of the derivative markets and how and why counterparty risk is generated.

Identifying counterparty credit risk

- What is "exposure"
 - Current vs. potential future exposure
 - Credit vs. market risk
 - The behaviour profile of different derivative types
- Managing the exposure
 - CVA
 - Regulatory capital
 - Credit Limits
 - Hedging strategies

Case study: Identifying Counterparty Credit Risk

Case study: Hedging Counterparty Credit Risk

This section will detail the types of risks that banks manage and describe the different ways the risk is managed.

The legal framework

- The master agreements (ISDA plus a few other standards)
 - The key tenets of ISDA and how they impact the risk
- How do collateral agreements work (CSAs in particular)?
 - Independent Amounts, Thresholds, Margin Calls
- Does cross margining apply?
 - How does it work?

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- Legal docs vs. practice
- What are the master agreement procedures when a counterparty defaults?

Case study: Netting Exposures

Case study: Calculating collateral haircuts

Case study: When do losses happen

Case study: Contesting withholding payments

This section will detail the legal and documentary framework used to trade derivatives and what it means in practice.

Current markets

- Current state of markets and calls for greater regulation
- Central clearing for CDS
- Central counterparties for all swaps

Case study: Current regulation proposal ramifications

This section will discuss where we are in current markets with respect to derivatives, and will review the recent initiatives to reduce counterparty risk and increase market transparency and the pros and cons of those initiatives.

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Evaluation Comments for B&B Trainers

"Comprehensive case studies and "challenging" tasks. Too much is never enough. Excellent, very valuable. Presale reports were very valuable, Explanation of terminology was 1st class and concept of CDOs was easy to understand."

- From a top tier investment bank employee

"For 9-10 hours a day I felt engaged, challenged and focused at all times... I can't remember the last time I've been able to do that for even one-third of the time we spent... and to do that for 4 days straight!"

- From a large US hedge fund employee

"The pace of course was appropriate so was the duration. The case studies were definitely very useful. Moreover trainer's background as a market practitioner meant that she could give a unique insight into the concepts / theory helping with the understanding gained. The course was excellent and it would be good to have a follow up with the same trainer."

- From a top tier investment bank employee

"I enjoyed the course, the trainer was very effective. Having a trainer who was formerly a trader helped in providing a lot of market-based information that combines theory, practice & relevant case studies. Very good overview of product and market situation."

- From a top tier investment bank employee

"The best facilitator I have had. She really knew the subject matter well and taught it in a way that was very understandable. I would love to take more classes with her."

- From a top tier investment bank employee

"Very good presentation and delivery. Great course as an overview left me wanting to learn more about credit derivatives. It was a stimulating informative session. Very good course!"

- From a regional European bank

B&B Partners in the Media

CDS clearing initiatives and competition, Creditflux, December 2010 excerpt:

"ICE got a head start because it worked with the dealers right from the start", says [Anu Munshi](#), partner at B&B Structured Finance in London. "But there is a question over whether having one dominant player is a good thing from a competition point of view and also in terms of risk management."

Interview with Kim Greenhouse, Explaining Credit Default Swaps, March 6, 2010

[Terri Duhon](#) and [Betsy Mettler](#) speak to Kim Greenhouse from www.itstrainmakingtime.com about the evolution and applications of CDS and their place in current markets.

A comprehensive overview of the history and uses of derivatives in general and credit default swaps in particular, and a discussion of counterparty risk and the role of exchanges.

B&B on Thomson CDS auction, Reuters, October 7, 2009 excerpt:

"Regulators will be watching this very carefully," said [Betsy Mettler](#), a partner at consultancy B&B Structured Finance.

"Given this is the first restructuring under a new system, and given the industry is trying to get away from the negative view of credit default swaps, there is a lot of pressure around this auction," she said.

Interview with Tim Harford from BBC News, August 21, 2009

[Terri Duhon](#) is interviewed by Tim Harford of BBC news on the abuses and misuses of credit default swaps and structured credit products.



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B&B Partners

Terri Duhon

Terri Duhon is a market professional with almost 17 years of experience in financial markets with an expertise in risk management of derivatives and structured products. She graduated from MIT in Maths in 1994 and immediately joined JPMorgan as an interest rate derivatives trader in New York. In 1998, she moved to Credit Derivatives and Structured Products at JPMorgan and was instrumental in developing the credit derivative market as well as building the BISTRO business: a cutting edge securitization technique pioneered by JPMorgan. In that role she was responsible for setting up the first trading, operations and risk management of structured credit products. Later she moved to London and helped to build the European Structured Finance Business. In that role she was also the global risk manager for the counterparty credit risk book for all derivatives at JPMorgan in securitizations. In 2002, she joined ABN AMRO for 2 years as the Global Head of Structured Credit, focusing on the origination and risk management of structured credit products. Terri left in May 2004 to found B&B Structured Finance Ltd. where she has led expert witness teams for securitization litigation in both NY and London, assisted fund managers in assessing the risks of new asset classes as well as managed over 900 days of training globally for financial institutions in derivatives and structured products with a focus on the risk management of those products.

Anu Munshi

Anu Munshi has 14 years experience in financial markets starting with 8 years in structured credit at JPMorgan in the US, Asia and Europe. She started her career in New York structuring emerging market derivative products, following which she focused on credit derivatives within emerging markets. She then moved to Singapore as product manager for credit derivatives, CDOs and ABS for JPMorgan in Asia. She developed a market for these products, educating clients and distributing structured credit to Asian investors where there had been little knowledge or activity before. Anu moved to London in 2003 to set up the SPV notes business for JPMorgan in Europe, structuring and marketing credit-linked, asset-backed and hybrid notes. She was instrumental in developing the new generation of credit derivative products at JPMorgan including constant maturity CDS and options on CDS and synthetic tranches of CDOs. Anu joined B&B in summer 2005 and has since undertaken a variety of derivatives- and securitization-focused consulting projects, provided an expert opinion in several derivatives litigation cases, and conducted numerous training assignments in Europe, North America and Asia. Anu graduated with a BA in Economics and Mathematics from Franklin & Marshall College, Pennsylvania.

Betsy Mettler

Betsy has 14 years of financial markets experience starting in investment banking at JPMorgan, with 7 years focused on developing the Credit Derivative market. Betsy began her career at JPMorgan in equity and fixed income syndicate coordination role and then moved to Debt Capital Markets. In 2000, she joined the innovative structured credit products team to manage the execution of their repackaging and structured securitization products. Moving into a marketing role, Betsy continued the growth of participants in the credit derivative market by working on the development and distribution of new products including the credit derivative indices. She moved to London in 2004 to lead JPMorgan's European Credit Derivatives Marketing effort and was instrumental in the establishment of a traded tranch index market. In 2005 and 2006, Betsy sold credit and derivatives products to UK Hedge Funds. Betsy joined B&B in summer 2006 and has since undertaken several derivatives and securitization consultancy projects as well as numerous training assignments in Europe and North America. Betsy received a Bachelors of Arts degree in Economics from the University of Virginia.

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B&B Associates

Victor Adams

Vic Adams has worked in the derivatives market for over 20 years, with senior roles and experience in systems development, trading, sales and FAS 133/IAS 39 accounting standards. In 1988, he moved to Toronto-Dominion Bank in New York to establish their interest rate options trading desk. Vic developed and implemented the bank's first derivatives pricing system as well as the risk management and accounting policies the trading desk deployed. After joining Chemical Bank in their corporate marketing group specializing in shipping, he was recruited in 1993 to build Wachovia Bank's derivative products distribution and was instrumental in creating new markets and product applications such as municipal structures (defeasance, escrow, DSR), exotic fixed income, and cross-currency fixed income derivatives. In 1998, he joined Bank of America where he headed derivative sales to the Healthcare Industry structuring and tailoring solutions such as cross-currency debt-linked structures, asset securitization hedging and liability management. He consults for public companies and private borrowers in the implementation of hedging programs. Vic speaks frequently at industry conferences and private seminars about the use of derivatives in taxable and tax-exempt financings. Vic holds a BA from the University of Chicago and an MBA from Northwestern University's Kellogg Graduate School of Management.

Martha Gelnow

Martha is a communication skills expert with 25 years of business management experience in major corporations with the last 10 years of advising senior executives in communication strategies and skills that drive business results. With experience at all levels of organizations, Martha specializes in consulting and training executives in leadership communication, executive presence, pitching, presentation, selling, negotiation, conference and media coaching, and one-on-one coaching. It is through her experience and keen observation of people struggling to achieve greatness in their roles that Martha is incisive in her interpretation of the issues at hand. Throughout her coaching engagements, she detected that individuals build their presence both physically and vocally and because of her deep interest in theatre, she embarked on further exploration into her observation. Over the years Martha has studied voice, movement, improvisation and acting technique. This led her to take part in a two-year acting conservatory Masters program in New York City where she has successfully completed her thesis. Here Martha was able to break down into finer parts what physically and vocally can be done to create the natural, authentic and credible physical presence of an effective leader. Martha has experience across all industries. Her activities consist of helping leaders build deeper relationships with clients at senior levels; training in successful presenting and selling techniques; preparing bankers and analysts for a variety of internal and external communication; creating effective pitch books with persuasive key messages; preparing senior executives for road shows and high-stakes pitches; and preparing speakers for industry conferences. Previously, Martha spent seven years at Rogen International, a global communication-consulting firm.

Richard Gommo

Richard is a veteran of the derivatives markets, now well into his second decade of designing and constructing structured products and hedges for corporate and institutional customers. He currently runs an asset management firm focusing on HNWI. He has worked in London, Chicago, Frankfurt and Johannesburg for a range of international AAA banks. His experience includes Assistant Treasurer and Head of Product Development, Financial Engineering and Risk Control at Barclays Corporate Bank. He previously held positions as Head of Financial Engineering for Bayerische Landesbank London, and Director of Structured Products at Standard Bank, Johannesburg. Prior to this he worked at Mitsubishi Finance and Continental Bank. He has lectured extensively in Europe, North America, Africa and the Middle East on capital markets. Richard graduated from Peterhouse, Cambridge in 1985 with a degree in Geological Sciences, working initially in seismic exploration for gold in South Africa. As the father of young triplets, searching for gold remains an essential hobby.

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Megan Ruff

Megan has spent 10 years in investment banking at JPMorgan and Deutsche Bank. She began her career in the Leveraged Finance Group at JPMorgan, assisting companies structure, market, and sell high yield bonds. Many of her top clients were large private equity firms using the bonds as part of LBO financing. In 2001, Megan was selected to train new analysts and associates. She was integral in developing the curriculum and delivering the training to over 500 new investment banking hires. In 2002, Megan joined the Credit Derivatives trading desk as one of the industry's first desk analysts. She was responsible for credit analysis and desk positioning across all industries and up and down the capital structure. She joined Deutsche Bank in 2004 as the primary decision maker for the CDS desk's proprietary trading book (loans, bonds, CDS, equity) and to assist in the transition from publishing analysts to the desk analyst model, which has now become the industry standard. Megan joined B & B in summer 2008. Megan graduated with Honors from Lafayette College and received a BA in Business and Economics and Minored in International Politics.

Richard Senior

Richard was head of securitization origination at BGB for 10 yrs. He joined BGB after 9 years at Chemical investment bank (now JPMChase). Before joining the securitization group, Richard was responsible for the UK structured Finance Group (SFG), completing property related and other structured transactions, particularly involving the use of derivatives and insurance. Prior to that he worked at ICI and Morgan Grenfell, after graduating from Oxford University. He structured and funded his first securitization transaction (CMBS) in 1989, and has originated structured and distributed a wide variety of asset-backed and tax-based transactions, in Europe from Finland to Spain. He regularly speaks on securitization related topics at international conferences and seminars, and contributes to articles and publications such as the International Securitization Review. Richard specializes in securitization advisory work, and has advised on transactions, including several trade receivables deals, car loan risk management for a large European Bank, refinancing for an international property bank, and advised a sparkasse on a CDO. Richard has also advised on the successful refinancing of a factoring company and a servicer evaluation by a rating agency. He is a qualified accountant (ACMA) and a fluent French and German speaker.

Martyn Turner

Martyn Turner spent nineteen years in investment banking before moving into consulting and training in 2005. During that time he worked for a number of international investment banks, starting as a bond analyst (Merrill Lynch), through risk management, risk advisory (Paribas) into structuring and sales (Bankers Trust), and has covered interest rates, foreign exchange and commodities. The common theme during his career has been the extensive use of financial models as a way of exploring ideas and solving problems. His first Excel model to be deployed within a bank was a small value-at-risk system in 1989, since when the scale and complexity has grown with the power of Excel, and includes a multi-currency asset swap system, derivative optimization model and various value-at-risk systems. In addition he has also designed and built models for clients (corporates, supranationals and Central Banks) including cheap/dear analysis and cashflow-at-risk models. Over the years Martyn has run numerous training seminars (both in-house and for clients), has been a regular speaker at international conferences, and contributed various articles for publication in the financial and commodity press. In addition to consulting and training, Martyn is an Executive Director of Global Energy Horizons. He received both his BSc in Mathematics and his MSc in Statistics from London University.

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