

Internship Training Program

Program Overview

Scope and Objectives:

- A program targeted at interns in financial institutions to educate them in financial markets and products.
- The program will take participants from an introduction to financial markets and derivatives to an overview of Microsoft Excel and financial modelling.
- By familiarizing participants with the basics of financial products this program will arm them with the starting knowledge necessary to commence their roles at their organizations.
- As this program is open to interns across financial institutions, it will allow various firms to pool their analysts into a single training program to maximise cost effectiveness.
- In incorporating interns from various financial institutions, the program will give participants the opportunity to meet with their counterparts at other organizations and develop a network at an early stage in their careers.
- The program will assign each participant with a pass or fail grade at the end that will be reported to their relevant managers.

Training methodology:

- The program will focus on the practical realities of the market, rather than taking an excessively mathematical or academic approach
- It will include extensive class discussions on how current events relate to the theory, and will incorporate case studies and modelling in Microsoft Excel to make the learning process interactive, practical and relevant

Program Agenda

DAY 1: INTRODUCTION TO FINANCIAL MARKETS

Scope: This day sets the stage by mapping out the key players and products in financial markets.

On this day participants will:

- Understand why financial markets exist, and what the key market participants and various asset classes are
- Review market terminology and conventions

Agenda:

- Introduction
- Key market participants
 - Retail vs. commercial
 - Buyside vs. sellside
- Internal banking constituents
 - Proprietary traders vs. market makers
 - Sales
 - Structuring
 - Research
 - Operations and infrastructure
- Key terminology
 - Assets vs. liabilities
 - Debt vs. equity
 - Going long vs. going short
 - Bid-offer
 - Hedging
 - Primary vs. secondary markets
- Key asset classes
 - Equities
 - Interest rates
 - Foreign Exchange
 - Credit
 - Commodities

End of day debate:

- Would you buy equity or debt in today's market?

DAY 2: INTRODUCTION TO DERIVATIVES

Scope: Given the increased use of derivatives by all market participants and the recent attention they have been receiving, a basic understanding of derivatives is crucial for anyone in financial markets.

On this day participants will:

- Understand the evolution, uses and risks of derivative products across asset classes

- Agenda:**
- Time value of money
 - Review of $FV = PV \times (1+R)^t$ formula and its rationale
 - Concept and importance of Present Value (PV) and Mark-to-Market (MTM)
 - Futures/Forwards
 - Concept of fixing prices for a future date
 - Swaps
 - PV of both legs of a swap should be equal
 - Introduction to the concept of positive and negative swap MTM
 - Options
 - Comparing options to forwards
 - Option terminology
 - Key inputs for option valuation

- End of day discussion:**
- Are derivatives to blame for the financial crisis?

DAY 3: INTRODUCTION TO MICROSOFT EXCEL AND FINANCIAL MODELLING

Scope: With financial products and derivatives becoming increasingly complex, it has become ever more important to be able to understand how some of the standard models work and how to use them.

On this day participants will:

- Understand how basic financial models work without needing a PhD
- Learn to create practical and useful models using Microsoft Excel

Agenda:

- Building financial models
 - Key categories of Microsoft Excel functions
 - Financial
 - Logic and Choose
 - Dates
 - Lookup and Indirect
 - Using data tables for sensitivity and repeat calculations
- Key financial model intuition
 - Statistical functions
 - Arrays and matrices
 - Data analysis Toolpak
 - Designing a Simulation model
 - Random numbers
 - Solver and Goal Seek

End of day project:

- Calculating option prices for key input changes



About B&B

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 structured and exotic 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 6,000 course participants and 600 training days since 2004
- 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)

B&B Partners

Terri Duhon is a market professional with 14 years of experience in financial markets. She graduated from MIT in Maths in 1994 and immediately joined JPMorgan as an interest rate derivatives trader in NY. 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 1999 she originated and priced one of the first CDOs of ABS/MBS and pioneered the first synthetic ABS/MBS documentation. Later she moved to London and helped to build the European Structured Finance Business with a focus on managed synthetic transactions and single tranche trades which lead to an explosion in structured credit derivative business globally. In that role she was also the global risk manager for the SPV counterparty credit risk book for all derivatives at JPMorgan in securitizations. In 2002, she joined ABN AMRO for 2 years to help build a global structured credit business which pioneered the CDS index products as well as credit CPPI structures. Terri left in May 2004 to found B&B Structured Finance Ltd. In the last four years, she has lead expert witness teams for securitization litigation in both NY and London, assisted fund managers preparing marketing materials and rating agency due diligence for new securitization deals as well as managed over 600 days of training globally for financial institutions in derivatives and structured products.

Anu Munshi has 11 years experience working 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 CMCDs and options on CDS and synthetic tranches of CDOs. Anu joined B&B in summer 2005 and has since undertaken several derivatives and securitization consultancy projects as well as numerous training assignments in Europe, North America and Asia. Anu graduated with a BA in Economics and Mathematics from Franklin & Marshall College, Pennsylvania. While at B&B, she has conducted several courses globally and has undertaken a variety of derivatives- and marketing-focused consulting projects.

Betsy Mettler has 11 years of financial markets experience starting in investment banking at JPMorgan, with 7 years focused on developing the Credit Derivative market. In 1999, after two years in an equities and fixed income syndicate coordination role, Betsy joined JPMorgan's innovative structured credit products team to manage the execution of their repackaging and structured securitization products. In 2001, 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 spring 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. While at B&B, she has developed and undertaken numerous training assignments in the US and Europe.

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