

# CORE

Catch On Risk Essentials in  
volatile markets

## CORE Risk Management Training

Practical Course in Risk Management

A **RISK MANAGEMENT LEARNING PLATFORM** for financial professionals

Integrating **TOP TEAMS** from global financial centers

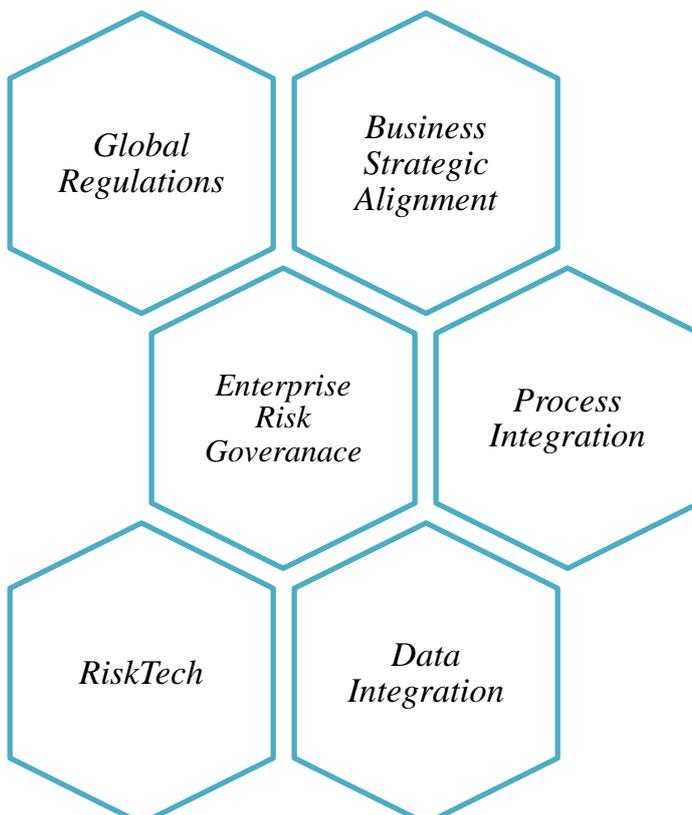
Covering the most watched issues in global financial markets

**PRACTICAL COURSES** with **INTERNATIONAL CASE DISCUSSION**  
and **SIMULATION EXERCISES**

New ways to **UNDERSTAND TRENDS** and **MANAGE RISKS**

Seamlessly integrating **REGULATIONS, STRATEGIES, OPERATIONS,**  
**PROCESSES, DATA,** and **TECHNOLOGY** related to financial risk  
to meet the risk management knowledge needs of practitioners in different areas

Join CORE and stand at the forefront of financial risk control!



✓ International finance/risk trends

✓ Derivative risk management

✓ International risk assessment

✓ Balance sheet management

✓ Integrated stress testing

✓ Digital risk management trends

※Information for other  
courses in the CORE series will  
be announced – stay tuned!

## 6/5 (Wed.) 09:30-16:30

As margin thresholds fall, more and more trading entities will be required to meet initial margin (IM) regulatory requirements in September 2020. IM calculations are complex, and different models, investment portfolios, and market parameters can produce inconsistent results. ISDA has released its Standard Initial Margin Model (ISDA SIMM™) to reduce inconsistencies in calculations between traders. In this activity, authoritative derivatives experts will be specially invited to deeply analyze the SIMM and MVA methods and their impact on derivative pricing, capital accrual, and related collateral management practices, helping financial practitioners quickly master SIMM. Everyone is invited to participate!

### Teaching Methods:

This course uses group teaching, with in-depth case discussions aided by interactive and practical computer simulation exercises, to help students learn the key points of SIMM.

### Agenda:

Time	Content
09:30-09:35	Welcome Remarks by TABF
Morning 6/5	Introduction to Initial Margin <ul style="list-style-type: none"> <li>▪ Collaterals</li> <li>▪ Variation Margin (VM)</li> <li>▪ MPoR and the reason for IM</li> <li>▪ Differences between IM &amp; VM</li> <li>▪ Different approaches to compute VaR/IM</li> <li>▪ Bilateral IM &amp; SIMM</li> </ul>
	SIMM Methodology <ul style="list-style-type: none"> <li>▪ Motivations: less dispute/discrepancies</li> <li>▪ Sensitivity based</li> <li>▪ Hierarchy of product classes, risk factor and buckets</li> </ul>

	<p>Inputs to SIMM</p> <ul style="list-style-type: none"> <li>▪ Input format (CRIF)</li> <li>▪ Some examples of CRIF</li> <li>▪ Pre-processing of sensitivities to CRIF</li> </ul>
<p>Afternoon 6/5</p>	<p>SIMM Examples/Exercises (require excel)</p> <ul style="list-style-type: none"> <li>▪ Calculate &amp; compare SIMM against schedule IM on</li> <li>▪ IR trades examples</li> <li>▪ Credit</li> <li>▪ Portfolio example</li> </ul>
	<p>Impacts of IM</p> <ul style="list-style-type: none"> <li>▪ Seniority of derivative creditors</li> <li>▪ Capital Requirements</li> <li>▪ Collateral Management</li> <li>▪ Funding cost of IM (MVA)</li> </ul>
	<p>MVA</p> <ul style="list-style-type: none"> <li>▪ Derivatives Valuation after the financial crisis and XVA</li> <li>▪ Margin Requirement reduces CVA and FVA but it requires</li> <li>▪ Issues in computing MVA</li> <li>▪ MVA Challenges</li> </ul>
	<p>Conclusion and Q&amp;A</p>

## Speaker:

### **Dr. Soetojo Tanudjaja**

Soetojo has an extensive experience as a Quantitative analyst, mostly in Fixed Income and hybrid derivatives. He obtained his PhD in Financial Mathematics from the University of New South Wales in Australia.

In 1994, he joined Citibank in London as a junior Quant in the Fixed Income desk. Since then he had worked in several investment banks such as Lehman Brothers, Bear Stearns, and JP Morgan. During this time, he researched and implemented several interest rate models, including the HJM, Libor market model. He also implemented pricing and risk management for hybrid exotics such as the Power Reverse Dual Currency.

Since late 2014, he has worked as a consultant to implement XVAs and partial FRTB for Simplex Inc., a major financial software developer in Japan, including modeling CVA & DVA correctly, incorporating Wrong Way Risk, and avoiding overlap between DVA & FVA. He has also worked on SIMM, MVA, & capital requirements (standard approaches such as SA-CCR and Internal Model).

Training experience:

In Aug 2017 he gave a training course for TABF on Advanced Counter Party Credit Risk, including XVAs and Capital Requirements.

In Mar 2018, he did a training course for the Hong Kong SFC on XVA Practices and Implementation Issues.

## Dr. Osamu Tsuchiya



Osamu obtained his Theoretical Physics PhD. from the University of Tokyo, and has over 20 years of Wall Street experience. He is currently a Principal at Simplex Inc., the largest fintech company in Japan, covering major financial institutions. Based in Japan, he has worked for Dresdner Kleinwort and Citigroup as a rates and hybrid derivatives quant analyst. He has also worked in XVA modeling, and also has experience working as a financial risk management consultant for Ernst and Young. He is a frequent speaker at financial derivatives training courses and conferences, including the 8<sup>th</sup> XVA conference London, organized by WBS, in March 2019. During the conference, he illustrated the linkage between ISDA SIMM and MVA, an important topic for the next phase of initial margin research. He has also published several financial derivatives papers including *Unveiling FVA; Simple Cash Flow analysis with Counterparty and Own Default for Funding Value Adjustment* and *Two-Factor Hull-White Model Revisited: Correlation Structure for Two-Factor Interest Rate Model in CVA Calculation*.

Recently, Osamu published a well-received book entitled *A Practical Approach to XVA* from World Scientific.

### ▲ Organizer:

Taiwan Academy of Banking and Finance

### ▲ Date and Time:

2019/06/05 (Wednesday) 09:30-16:30

### ▲ Fee:

**NTD 6,600** per participant. Registrants in groups of three or more or using Study Points get 10% off (the two discounts cannot be used concurrently), for a fee of **NTD 5,940 or 594 Study Points.**

### ▲ Who should participate:

- ✓ Representatives of regulators such as the FSC, central bank, and Ministry of Finance
- ✓ Supervisors and personnel of financial associations and related entities
- ✓ Financial product trading, design, and sales, capital market, risk management, compliance, and internal audit practitioners and department heads in financial institutions
- ✓ Lawyers, accountants, and accountant managers

#### ▲ Registration:

Online registration/event link:

<http://service.tabf.org.tw/tw/user/2019CORE/>

- ▲ To cancel registration, please notify the TABF customer service center in writing by 2019/05/31. Any changes or adjustments will be announced by SMS or E-mail.
- ▲ TABF reserves the right to change the schedule or topic of the event. Any changes will be posted on the website.