



PRM Associate Certificate

Development for Finance Professionals™

A Blended-Learning Program from ACF Consultants



Welcome to ACF Academy's Open Enrollment Programs

ACF Consultants have a solid reputation for delivering innovative, top-quality training for some of the largest and most demanding financial institutions in the world. ACF Consultants are global leaders in the creation of cutting-edge financial simulations and interactive eLearning for the global financial markets.

We are the first premier financial training company to offer open seminars using our uniquely blended learning techniques.

Blended learning is a fundamental principle of the ACF approach to training. Our seminars offer a fully integrated, multi-faceted learning experience which ensures that knowledge is applied in practice and retained effectively. We limit the numbers attending each program to maximise the benefit for each delegate. Passive learning is kept to a minimum, and the emphasis is on delegates achieving a true understanding of the key concepts, and how they are applied in the real world.



Blended Learning

Blended learning is at the heart of our training philosophy. A dynamic blend of highly interactive **eLearning** using **Acumen**, top quality **instructor-led training**, and realistic and exciting **simulations** creates the most effective and motivating training methodology available anywhere.

Firm foundations are laid with highly interactive eLearning and dynamic instructor-led training. Hands-on workshops and simulation are then used throughout the programs allowing delegates to put theory into immediate and realistic practice.



Instructor Led Training

Our instructor-led training is of the highest quality, and we invest heavily in research and development. Our professional written materials complement trainers with first-rate communications skills, an excellent academic background and sound markets knowledge.

Our expert instructors are skilled in the art of transferring knowledge, and we make use of a variety of creative training techniques to maintain energy and focus.

We are committed to achieving exceptional results.



PRM Associate Certificate

ACF's training program for delegates studying for the **PRM Associate Certificate** uses our unique **blended-learning methodology** which integrates eLearning, instructor-led sessions, and hands-on practical application.

Program Objectives

The principal objectives of the seminar are to:

- Give delegates a clear understanding of the **principles** and **practices** of **risk management**
- Provide a thorough grounding in the concepts of **risk** and **return**
- Ensure that delegates understand the workings of each of the major **financial instruments** and **markets**, and the underpinnings of **modern finance theory**
- Demonstrate the **benefits** of **hedging** and the different ways in which **efficient hedges** can be **constructed**
- Explore the principles of bank **Asset and Liability Management (ALM)**
- Discuss **risk management practices** in **market**, **credit**, and **operational risk**, and in **corporate governance**
- Examine **cases** where risk management has failed
- Review current **best practices**
- Ensure that delegates are **thoroughly prepared** for the **PRM Associate Certificate** exam

Training Methods

Our blended-learning program comprises the following steps:



- **Pre-Course Preparation using Acumen eLearning system** – Delegates will have access to the relevant courses from the extensive Acumen eLearning System library. Acumen facilitates efficient preparation for the instructor-led sessions, and offers convenient revision for the PRM Associate Certificate exam itself.
- **Intensive Instructor-led Training** – This intensive three-day program will provide thorough training for the PRM Associate Certificate, and will cover every aspect of the syllabus. During the various sessions, delegates will have the opportunity of discussing more difficult areas, trying hands-on practical exercises to test and consolidate knowledge, and dealing with any difficulties encountered in the online learning.
- **Mock Examination** – At the end of the intensive three-day program, delegates will sit a shortened version of the full three-hour PRM Associate Certificate exam to gain practice at the type of questions which are asked. The instructor will fully de-brief the mock exam so that delegates can see the reasons behind any answers they have got incorrect.



- **Post-Course Revision and Review** – Delegates will have continuing access to the Acumen eLearning courses for further revision and review. In addition, they can contact the instructor by email for answers to specific questions about the syllabus or the exam.

Learning Resources

On joining ACF's PRM Associate Certificate Training Program, delegates will enjoy full access to:

- **The Essentials of Risk Management** – the main reference source for the PRM Associate Certificate.
- Extracts from the **Professional Risk Managers' Guide to Financial Markets and Risk Management Practices** – which supplement the Essentials of Risk Management.
- A series of **case studies** and **workshop exercises** – each with a fully worked model answer – to illustrate the calculations involved in pricing and risk measurement.
- The complete **Acumen eLearning system library**, comprising around 200 courses and over 600 modules.
- A complete set of **presentation materials** on every topic covered by the instructor-led sessions, comprising around **1,000 professionally-produced slides** explaining every topic
- **AcumenAssess** – our online testing and appraisal system pre-loaded with questions on PRM Associate Certificate topics.
- The **Acumen Learning Portal** – with the complete set of learning resources, all in one easy-to-access place

PRM Associate Certificate

The three-hour PRM Associate Certificate exam is split into the following eight sections:

Section	Name	No. of questions	Percentage
A	Risk Management, Risk and Return	12	13%
B	Governance and PRMIA Standards	11	12%
C	Financial Markets	12	13%
D	Interest Rate Risk and Hedging	8	9%
E	Market Risk Management and ALM	12	13%
F	Retail and Commercial Credit Risk Management	12	13%
G	Operational Risk Management and Performance Measures	11	12%
H	Case Studies	12	13%

The intensive three-day instructor-led session, complemented by the Acumen eLearning System, will cover the entire syllabus, as in the following details...



Course Outline

Day One

Section A: Risk Management, Risk and Return

- Definition of financial risk
- Role of the risk manager
- Risk terminology
- Types of risk: Market, Credit, Operational, Reputational, Legal, Business, Liquidity
- The balance between risk and reward
- Risk-adjusted returns
- Implementing a financial risk management program
- Hedge accounting
- Hedging at Merck
- Diversification
- Portfolio theory
- The efficient frontier
- The value of a call option

Section B: Governance and PRMIA Standards

- Importance of governance
- Role of the Board of Directors
- Typical financial risk management structure
- Basic risk management policies
- Importance and meaning of an Escalation Policy
- Role of external parties (external audit, regulators, "the market")
- The seven core PRMIA Governance Principles
- How the PRMIA Governance Principles apply to the Board
- How the PRMIA Governance Principles apply to the finance and accounting function
- How the PRMIA Governance Principles apply to the risk management department
- PRMIA Standards of Best Practice, Conduct and Ethics for Professional Risk Managers
- Positive role of risk management in the business process
- Basic operations of the PRMIA organization and practices

Section C: Financial Markets

- Money markets
- Bond markets
- Stock markets
- Foreign exchange markets
- Futures markets
- OTC markets
- Commodities markets
- Energy markets



Section D: Interest Rate Risk and Hedging

- Definition of interest rate risk
- Yields and bond prices
- The yield curve and bond prices
- Duration and convexity
- Risk of a single security
- Portfolio risk
- Principles of swaps
- Principles of options
- Caps and floors
- Swaptions
- Exotic options
- Financial engineering

Section E: Market Risk Management and ALM

- Notional amounts of exposure
- Option "Greeks"
- The concept of Value at Risk (VaR)
- Value at Risk and risk limits
- Determining Value at Risk measures
- When VaR doesn't work
- Stress testing and extreme events
- Scenario planning
- Liquidity risk
- What is ALM?
- Role of the ALCO
- Funding gaps
- Duration gaps
- Liquidity risk in banks
- Funds Transfer Pricing (FTP)

Section F: Retail and Commercial Credit Risk Management

- Role of the credit officer
- Retail credit risk
- Credit scoring
- Default, default rates and loss rates
- The value of a customer
- Securitization and risk transfer
- Pricing risk
- Role of rating agencies
- Credit ratings
- Migration of credit ratings
- Internal rating scores and methods
- Basic financial measures in a loan risk assessment
- Loss Given Default (LGD)
- Counterparty credit risk
- Credit models
- Risk of a single credit
- Portfolio credit risk



- Credit VaR
- CreditMetrics
- MKMV models
- Actuarial and reduced-form models
- Overview of credit derivatives

Day Three

Section G: Operational Risk Management and Performance Measures

- Operational loss
- Quantifying operational loss
- Link between operational and other risks
- Key risk indicator
- Key risk driver
- Framework for analysing operational risk
- Implementing an operational risk framework
- Implementing a scenario-based process for assessing and quantifying operational risks
- Assessing risks from new business processes, products or change management initiatives
- Mitigation and mitigation techniques
- Role of insurance in operational risk transfer
- Risk capital
- Core uses of risk capital
- Risk capital vs. regulatory capital
- RAROC
- Uses of RAROC in business decision making

Section H: Case Studies

- The US S&L Crisis
- Continental / Penn Square
- Metallgesellschaft
- Orange County
- Riggs Bank
- LTCM
- California Power Crisis
- Bankgesellschaft Berlin
- Credit Lyonnais
- NAB FX Options
- Barings Bank
- WorldCom
- Banker's Trust
- Daiwa
- G30 Report and Recommendations
- Governance lessons
- Market risk lessons
- ALM lesson
- Credit risk lessons
- Operational risk lessons
- Governance lessons

Mock Examination and Review

PRM Associate Certificate



www.ACFacademy.com

Registration Form

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If you are interested in any financial training seminars, please visit our website(s) at:

www.acfacademy.com
www.acfconsultants.com

Accreditation: ACF Consultants Ltd is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

State Boards of Accountancy have final authority on the acceptance of individual courses for CPE Credit.

Complaints regarding registered sponsors may be addressed to the National Registry of CPE Sponsors, 150 Fourth Avenue North, Suite 700, Nashville, TN 37219-2417. Website: www.nasba.org.

Fees: The fee for each seminar is per participant, inclusive of refreshments, lunches and seminar materials.

Course fees do not include applicable tax, transportation, or hotel accommodation, unless otherwise indicated.

Preferential rates may be available; please mention our seminar when booking with the hotel.

Payment must be received in full at least 30 days prior to the start of the seminar.

Special prices

(participants are only eligible for one of the following):

- 5% reduction when an individual registers 60 days or more prior to the commencement of a seminar
- 10% reduction when 2 or more individuals from an organization register for the same seminar
- 10% reduction when an individual registers for more than one seminar at a time

Cancellation Policy:

Cancellations may be made up to 30 days in advance of the seminar, after which date refunds cannot be given.

Notification must be received in writing by letter, fax, or email. In the event of a participant not being able to attend, a substitution may be made at no extra cost. We reserve the right to amend the prices, or cancel a seminar at any time.

Refund Policy: For further information on our refund and complaint policy, please contact us.

I WISH TO ATTEND THE FOLLOWING PROGRAM

- London Chicago
 New York Toronto

Dates: _____

Course Schedule - Classes run from 9am - 5pm. Lunch, and morning and afternoon refreshments are provided daily. Venue details will be provided on receipt of registration form.

HOW DID YOUR HEAR ABOUT THE PROGRAM?

- Colleague Client's Company Email Google
 ACF's Event ACF's Rep ACFacademy.com
 NASBA Advertising Financial Times

DELEGATE DETAILS

Name: _____
Title: _____
Department: _____
Company: _____
Address: _____
City: _____ State/County: _____ Zip/Postcode: _____
Country: _____
Telephone: _____ Fax: _____
E-mail: _____

ADDITIONAL DELEGATE DETAILS

Name: _____
Title: _____
Department: _____
Company: _____
Address: _____
City: _____ State/County: _____ Zip/Postcode: _____
Country: _____

PAYMENT DETAILS

Payment Method: VISA Master Card Invoice me at the address listed above

Card #: _____ Expiration: _____
CVC: _____

Cardholder Name: _____

Signature: _____
(signature required)

