



CENTRAL BANK OF EGYPT  
Egyptian Banking Institute

# ACI Dealing Preparation Course

Investment and Treasury



3800-5



In-Class



48 hours

## Course Description:

The ACI Dealing Certificate is a foundational program that allows candidates to acquire a working knowledge of the structure and operation of the major foreign exchange and money markets as well as their core products (cash, forwards, and derivatives), and the basic skills required for competent participation, including the ability to apply the fundamental mathematics used in these markets. Candidates should also be able to apply the Model Code to their situations. The ACI Dealing Certificate is the benchmark examination for treasury personnel and for those whose work requires an understanding of the working environment within the treasury department of their institutions.

## Target Audience:

Asset Traders, Treasury Sales, Treasury Middle Office and Operations, Asset Managers, Market and Liquidity Risk personnel, and Compliance Officers requiring a better understanding of the financial markets.

## Course Objectives:

The ACI Dealing Certificate is a precursor to the ACI Diploma. In addition to the topics outlined below, candidates will be expected to be up-to-date with the latest events and changes in the markets.

## Course Outline

- Basic Interest Rate Calculations.
- Cash Money Markets.
- Foreign Exchange.
- Forward-forwards, FRAs, and Money Market Futures & Swaps.
- Options.
- Principles of Asset & Liability Management.
- Principles of Risk.

### 1. Basic Interest Rate Calculations

To understand the principles of the time value of money. To be able to calculate short-term interest rates and yields, including forward-forward rates, and to use these interest rates and yields to calculate payments and evaluate alternative short-term funding and investment opportunities.

### 2. Cash Money Markets

To understand the function of the money market, the differences and similarities between the major types of money market instruments, and how they satisfy the requirements of different types of borrowers and lenders. To know how each type of instrument is quoted, the quotation, value date, maturity, and payment conventions that apply, and how to perform standard calculations using quoted prices. Given the greater inherent complexity of repos, a good working knowledge is required of its nature and mechanics.

### 3. Foreign Exchange

To understand and be able to apply spot exchange rate quotations. To understand basic spot FX dealing terminology and the role of specialist types of intermediaries. To recognize the principal risks in spot and forward FX transactions. To calculate and apply forward FX rates and understand how forward rates are quoted. To understand the relationship between forward rates and interest rates. To understand time options. To be able to describe the mechanics of outright forwards, FX swaps, and forward-forward FX swaps, explain the use of outright forwards in taking currency risk, and explain the use of FX swaps in rolling spot positions, hedging outright forwards, creating synthetic foreign currency assets and liabilities, and in covered interest arbitrage. To display a good working knowledge and understanding of the rationale for NDFs. To be able to recognize and use quotes for precious metals, and demonstrate a basic understanding of the structure and operation of the international market in precious metals.

### 4. Forward-forwards, FRAs, and Money Market Futures & Swaps

To understand the mechanics of, and how to use, money market interest rate derivatives to hedge interest rate risk.

### 5. Options

To understand the fundamentals of options. To recognize the principal classes and types, and understand the terminology, how they are quoted in the market, how their value changes with the price of the underlying asset, and the other principal factors determining the premium, how the risk on an option is measured, and how they are delta hedged. To recognize basic option strategies and understand their purpose.

### 6. Principles of Asset & Liability Management

To understand the fundamentals of Asset & Liability Management as a practice of managing and hedging risks that arise due to mismatches between the asset side and



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the liability side of the balance sheets of a bank. To explain how the main risk factors, like funding and liquidity risk, market risk (FX, Interest Rate, Equity, Commodity, etc.), credit risk, leverage risk, business risk, and operational risk, are interrelated and how they affect the balance sheet of a financial institution. To describe common risk management and hedging techniques that help control these effects, and to understand how these techniques are used to set up a state-of-the-art ALM approach.

### **7. Principles of Risk**

To understand why risk is inherent in banks' business models and why effective risk management is a key driver for a bank's success. Candidates will be able to describe major risk groups: credit, market, liquidity, operational, legal, regulatory, and reputational risk. They will understand the significance of risk groups for different banking businesses and units. Candidates will also get an overview of methods and procedures needed to manage these risk types and extend their understanding to different risk/return profiles of shareholders, regulators, and debt providers.

### **Assessment Strategy:**

No final evaluation is required, as the participants will be directly examined through ACI.

### **Course Language:**

English

### **Prerequisites:**

There are no specified entry requirements. However, you need to be satisfied with your ability to study in English at Level 3.

### **Instructors' Bio:**

**Mr. Ibrahim Barie** holds a B.Sc. degree in Economics from Cairo University, and he is a banking and finance professional with a demonstrated history of working in the treasury sector. He has ten years of experience, skilled in Securities valuation, Asset management, Treasury, Trading, and Asset & Liability Management. He holds a Graduate Diploma in Banking from the London School of Economics and an MSc in Finance from the University of York, UK. He has extensive experience in training through which he introduced the Chartered Financial Analyst Program "CFA" at Misr International University "MIU", and he is an adjunct faculty member at both the American University in Cairo "AUC" and London School of Economics "LSE" international program at Arab Academy for Science and Technology. He is a certified instructor at the Egyptian Banking Institute (EBI) for treasury courses and the Credit Certificate Program. He is now the Head of Fixed Income & Money Market at Arab Investment Bank and specializes in trading local and international fixed income securities.