

# FINANCE FOR CORPORATIONS

**Bachelor in Economics BIE SEP-2023 FFC-Ec.1C.OPT.M.A**

Area Finance

Number of sessions: 15

Academic year: 23-24

Degree course: FOURTH

Number of credits: 3.0

Semester: 1º

Category: OPTIONAL

Language: English

Professor: **EVA BALLESTE MORILLAS**

E-mail: eballeste@faculty.ie.edu

## **EVA BALLESTE MORILLAS**

Eva Ballesté has a solid professional experience of more than 20 years in Financial Management, Business Development and Operations in listed companies related to the transport, energy and infrastructure sectors such as Alstom, Endesa France, Puentes Group and in several companies of the Saudi group Amiantit. She is currently a member of the Board of ADIF Alta Velocidad and AENA SME SA.

In the academic-institutional field, she is a founding member of the School of Economic Intelligence of the Universidad Autónoma de Madrid and an Advisory Member of the Board of Directors of the Spanish Exporters and Investors Club.

Most of her research is in the discipline of finance, the subject of her doctoral thesis, but she has also researched other areas motivated by her professional experience: economic intelligence and digital transformation.

Professor Ballesté doctoral thesis is a deep work regarding project finance, Public-private partnership contracts, capital markets and concessions.

### **ACADEMIC BACKGROUND**

- Board of Directors Program: the good Governance , IC-A, 2022
- Board of Directors Program (Corporate Governance), PwC-W2W, 2020
- Board of Directors Program (Corporate Governance), Esade Business School, 2018
- Ph.D in Economics, UNED, 2013
- IE Business School Executive Master´s, Financial Management, 2007
- Copenhagen Business School Bachelor of Business Administration – BBA (one year erasmus exchange), Business/Managerial Economics, 2003
- Universidad Alfonso X El Sabio Bachelor of Business Administration (B.B.A.), Accounting and Finance, 2002

### **ACADEMIC EXPERIENCE**

- Adjunct professor since 2011 in finance and economic control department

- He has teaching experience at Universidad Pontificia de Comillas-ICADE, UNED, UAM and IE Business School

### **CORPORATE EXPERIENCE**

- Currently she is member of the Board of Directors of AENA and ADIF-AV
  - Parts and Repairs Business Unit Management, Alstom Transporte, 2017 – February 2022
  - Financial Sales and Business Development Director, Alstom Transporte, 2012 – 2016
  - Economic-Financial Director of Concessions, Grupo Puentes, 2006 – 2012
  - Previous: Manager controller in Endesa and Amiantit
  - She has participated in large corporate operations of merger, sale and acquisition of assets
  - She has worked in the implementation of control systems in the area of finance, commercial and operations of large corporations
- eballeste@faculty.ie.edu

### **PREREQUISITES**

Not applicable

### **SUBJECT DESCRIPTION**

The course is extremely practical and considers traditional approaches to finance, including the main financial statements, and the difficulties that conventional accounting poses for future managers and directors.

The idea is to apply financial tools to take good and smart decisions: identify the components of a budget, identify costs relevant for a decision, calculate profitability, solvency, liquidity, and ratios to measure the performance of a company.

A company's capital structure is crucial to maximizing the value of the business. Its structure can be a combination of long-term and short-term debt and/or common and preferred equity. The ratio between a firm's liability and its equity is often the basis for determining how well balanced or risky the company's capital financing is.

This course is a powerful tool to advance in your potential executive career.

### **LEARNING OBJECTIVES**

- Understand the financial statements and how are the financial statements are used for valuation.
- A greater understanding of financial performance of a company.
- Understand and use the investment criteria as IRR, NPV.
- Understand the shareholder value principles.
- How to grow up in sales and invest via feasible projects and opportunities.
- Applying financial tools to strategic decision.

### **TEACHING METHODOLOGY**

<b>Learning Activity</b>	<b>Weighting</b>	<b>Estimated time a student should dedicate to prepare for and participate in</b>
Lectures	20.0 %	15.0 hours
Discussions	20.0 %	15.0 hours
Exercises in class, Asynchronous sessions, Field Work	20.0 %	15.0 hours
Group work	20.0 %	15.0 hours
Individual studying	20.0 %	15.0 hours
<b>TOTAL</b>	<b>100.0 %</b>	<b>75.0 hours</b>

## **PROGRAM**

### **SESSION 1 (LIVE IN-PERSON)**

Fraud in the financial statements

The professor will provide a ppt presentation and a case to analyze.

*Book Chapters: Financial Statements: The Elements of Managerial Finance (HBS 5788BC-PDF-ENG)*

### **SESSION 2 (LIVE IN-PERSON)**

Best Practices to avoid bad investments

The professor will provide a ppt presentation

*Practical Case: Balance Sheet Detective (HBS INS167-PDF-ENG)*

### **SESSION 3 (LIVE IN-PERSON)**

Developing a Gross margin model as a successful strategy

The professor will provide a ppt presentation

*Book Chapters: Avoiding Rocks and Hard Places: Your Gross Margin Model--Developing a Gross Margin Model that Will Generate Competitive Advantage (HBS 5359BC-PDF-ENG)*

### **SESSION 4 (LIVE IN-PERSON)**

Valuation through ratios and common mistakes in real life

The professor will provide a ppt presentation

*Technical note & tutorials: Company Valuation through ratios (FIN020139-U-ENG-HTM)*

### **SESSION 5 (LIVE IN-PERSON)**

Return rate and financial engineering

The professor will provide a ppt presentation

*Technical note: Finance Reading: Time Value of Money (HBS 8299-PDF-ENG)*

### **SESSION 6 (LIVE IN-PERSON)**

The importance of WACC

The professor will provide a ppt presentation

*Technical note & tutorials: The Optimal Capital Structure (FIN020160-U-ENG-HTM)*

*Practical Case: Marriott Corp.: The Cost of Capital (HBS 298101-PDF-ENG)*

## **SESSION 7 (LIVE IN-PERSON)**

How to build a strong business valuation model (I)

The professor will provide a ppt presentation

*Technical note: Introduction to Cash Flow Valuation Methods (HBS 295155-PDF-ENG)*

## **SESSION 8 (LIVE IN-PERSON)**

How to build a strong business valuation model (II)

The professor will provide a ppt presentation

*Book Chapters: You Can't Always Trust the Numbers: The Art of Finance (HBS 4940BC-PDF-ENG)*

## **SESSION 9 (LIVE IN-PERSON)**

Project Finance

The professor will provide a ppt presentation

*Practical Case: Infrastructure Finance: The Sydney Cross City Tunnel (HBS HKU691-PDF-ENG)*

## **SESSION 10 (LIVE IN-PERSON)**

Project Finance (II)

The professor will attach you in the campus exercises to practice project finance schemes.

## **SESSION 11 (LIVE IN-PERSON)**

KPIs to assure the financial performance in the business opportunities

Article:

*Article: Turning Great Strategy into Great Performance (HBS R0507E-PDF-ENG)*

## **SESSION 12 (LIVE IN-PERSON)**

Innovative Financial Solutions and Special Purpose Entities

The professor will attach you in the campus a ppt presentation

## **SESSION 13 (LIVE IN-PERSON)**

Sustainable Finance Strategy

The professor will attach you in the campus a ppt presentation

## **SESSION 14 (LIVE IN-PERSON)**

Summary session

WORK GROUP PRESENTATIONS

## SESSION 15 (LIVE IN-PERSON)

Final Exam

### EVALUATION CRITERIA

criteria	percentage	Learning Objectives	Comments
Final Exam	50 %		
Workgroups	30 %		
Class Participation	20 %		

### RE-SIT / RE-TAKE POLICY

#### GENERAL OBSERVATIONS

Each student has four attempts over two consecutive academic years to pass this course. For every BIR Program mandatory class aside from the IR Unplugged and BIR Electives, students are required to obtain the minimum grade of 5 required to pass the course. Students whose grade in the Final Exam (or the largest assignment) is below 5 will fail the course. The rule applies to whichever assignment carries the greatest weight to the final grade. Dates and location of the final exam will be posted in advance and will not be changed.

Students must attend at least 70% of the sessions. Students who do not comply with the 70% attendance rule will receive a 0.0 on their first and second attempts and go directly to the third one (they will need to enroll in this course again the following academic year).

Students who are in the third or fourth attempt must contact the professor during the first two weeks of the course.

The Bachelor's in International Relations pursues to develop the knowledge, skills and attitudes for bringing transformative and sustainable change in today's world. Therefore, all the courses follow the principles of sustainability and diversity. Firstly, this course considers the agenda 2030 and builds upon the Sustainable Development Goal X, Y and Z (Define goals here). Secondly, this course is committed to an inclusive learning environment and looks to be enriched and enhanced by diversity along numerous dimensions, including race, ethnicity and national origins, gender and gender identity, sexuality, class and religion.

#### ATTENDANCE

In-person attendance is mandatory at IE University, as it is an essential factor of IE's learning methodology. While we do closely monitor attendance in each course, we also consider our students responsible for their own agenda and commitments, as adult university students.

With that in mind, each student may miss up to 30% of the sessions within a given course and still maintain the possibility of passing that given course. This 30% "buffer" is to be used for any absences, such as: illnesses, personal emergencies, commitments, official/governmental matters, business and/or medical appointments, family situations, etc. Students should manage their various needs, and situations that may arise, within that 30% buffer. If a student is absent to more than the allowed 30% of the sessions (regardless of the reason), s/he will obtain a 0.0 grade for that course in both the ordinary and extraordinary calls of the current academic year, and s/he will have to retake the course during the following academic year.

Please pay close attention to your attendance. The program strongly encourages attending 100% of the sessions as it will improve your learning outcomes, it will increase the class performance and it will benefit your participation grade. Noncompliance with deadlines for Non-Classroom Learning activities or assignments will result in an absence for the session.

Extreme cases involving emergencies such as: extended hospitalizations, accidents, serious illnesses and other cases of force majeure, are to be consulted with the Program Management ([bir.biemadrid@ie.edu](mailto:bir.biemadrid@ie.edu)) for assessment of the situation and corresponding documentation, in order to support and guide each student optimally.

For more information about the university attendance policy, please check; <https://www.ie.edu/student-guide/bir/policies-and-guidelines/attendance/>

### **RETAKE POLICY**

Any student whose weighted final grade is below 5 will be required to sit for the retake exam to pass the course (except those not complying with the attendance rules, whom are banned from this possibility).

Grading for retakes will be subject to the following rules:

- The retakes will consist of a comprehensive exam or equivalent assignment. The grade will depend only on the performance on this exam; continuous evaluation over the semester will not be taken into account.
- Dates and location of the retakes will be posted in advance and will not be changed.
- The exam/assignment will be designed bearing in mind that the passing grade is 5 and the maximum grade that can be attained is 8 out of 10.

### **PLAGIARISM / ACADEMIC HONESTY**

Plagiarism is the dishonest act of presenting another person's ideas, texts or words as your own. This includes in order of seriousness of the offense: providing faulty sources; copy-pasting material from your own past assignments (self-plagiarism) without the instructor's permission; copy-pasting material from external sources even while citing them; using verbatim translations from sources in other languages without citing them; copy-pasting material from external sources without citing them; and buying or commissioning essays from other parties.

IEU students must contact the professor if they don't know whether the use of a document constitutes plagiarism. For help with your academic writing, contact the Writing Center ([writingcenter@faculty.ie.edu](mailto:writingcenter@faculty.ie.edu)). The professor will also advise the student on how to present said material. All written assignments must be submitted through Turn-it-in, which produces a similarity report and detects cases of plagiarism. Professors are required to check each student's academic work in order to guarantee its originality. If the originality of the academic work is not clear, the professor will contact the student in order to clarify any doubts. Students using external tutorial support should report it to the professor and the BIR Program from the moment they began receiving this support. In the event that the meeting with the student fails to clarify the originality of the academic work, the professor will inform the Director of the Bachelor Program about the case, who will then decide whether to bring the case forward to the BIR Academic Review Panel. Very high similarity scores will be automatically flagged and forwarded to the Academic Review Panel. Plagiarism constitutes a very serious offense and may carry penalties ranging from getting a zero for the assignment to expulsion from the university depending on the severity of the case and the number of times the student has committed plagiarism in the past.

### **BEHAVIOR RULES**

Please, check the University's Code of Conduct [here](#). The Program Director may provide further indications.

### **ATTENDANCE POLICY**

Please, check the University's Attendance Policy [here](#). The Program Director may provide further indications.

## **ETHICAL POLICY**

Please, check the University's Ethics Code [here](#). The Program Director may provide further indications.



## **GLOBAL BANKING**

### **Bachelor in Economics BIE SEP-2023 GLBA-Ec.1C.OPT.M.A**

Area Finance

Number of sessions: 15

Academic year: 23-24

Degree course: FOURTH

Number of credits: 3.0

Semester: 1º

Category: OPTIONAL

Language: English

Professor: **CARLOS GARCIA HIGUERA**

E-mail: [cgarciah@faculty.ie.edu](mailto:cgarciah@faculty.ie.edu)

### **Dr. Carlos García Higuera is a former Senior Management, COO & CFO, of BNPParibas in Spain.**

As COO and CFO, during more than 20 years, Carlos has been BNPPARIBAS COMEX member - from 2001 to 2022-. He has also participated in multiple high level boards within the Group. Previously he worked for Deutsche Bank, Ernst & Young and Banco Sabadell in several management roles.

He has a Phd in Financial Economics from the Universidad Autónoma de Madrid, a Bachelor's degree in Computer Science from the "Tecnológico de Monterrey", a PDG from IESE Business School and a MBA from ICADE.

During his administration, Carlos has contributed to the growth of the Group net income in Spain (which has multiplied by 4), becoming the most profitable international bank at country level and leader in many business lines. The productivity levels achieved together with the implementation of solid and reliable operational controls have been an essential trademark of this journey.

Carlos has led several mergers, acquisitions and integration projects, reaching substantial synergies while fostering a new integrated culture among the teams. He has promoted the bank's transformation by launching process optimization - based on Lean and robotics - and he has actively been a sponsor adapting new ways of working such as : Group Coaching, Flex Working, High Performance Team Management and Digital Transformation. Multiple ideas, solutions and tools developed locally have been extended to other countries within the group as a benchmark.

In his most recent executive position, Carlos was in charge of Finance, IT, Facilities, Procurement, Operational Control, Client Management & Operations. In addition he was in charge of the Madrid Service Centers (Finance, IT & OPS), **leading a team of more than 1000 professionals.**

The professor will be available for office hours upon student's request.



E-mail: [cgarciiah@faculty.ie.edu](mailto:cgarciiah@faculty.ie.edu)

## **PREREQUISITES**

The course is open to every student from every Bachelor program. Although it is finance related, no previous technical knowledge is required. This said, a general understanding/feeling/intuition of the financial world and a genuine interest in it will help the student make the most of each session.

## **SUBJECT DESCRIPTION**

The Financial Services industry plays a key role in economy transformation. Specifically, Global Banking, through its main purpose to accompany both Corporates and Institutions in its continuous adaptation to a rapidly changing world.

After a questionable performance during the global financial crisis (2007 – 2009) that undoubtedly had a severe impact in the Global Banking reputation, substantial worldwide regulatory efforts have been undertaken to transform the industry in order to support safety and soundness, protect the real economy, increase transparency, protect the clients while fostering efficiency.

Following a long period with persistent low interest rates, recently the sector has suffered an important crisis mainly due to a quick and sudden high inflation scenarios. In addition, the continuous entrance of new fintech players, the increase in M&A activity, the pandemic and the digitalization boom are leading factors towards a deep transformation to gain efficiency, create more suitable products banking crisis in US and Europe for clients, while achieving a deep technological and unprecedented transformation. Both effects are favouring an unprecedented wave of consolidation in all parts of the world significantly reducing the number of players.

This course will aim to provide a practical understanding of the Global Banking Industry, with a specific approach on its clients, organization, trends, regulatory context and main products. The proposal is particularly well suited for those students pursuing a professional career in Finance (such as Investment Banking, Asset Management, or Wealth Management) aiming to gain an edge and a deeper understanding of the Global Banking Industry

## **LEARNING OBJECTIVES**

This course will provide students with an introduction to the main solutions proposed by the Global Banking industry to Corporates and Institutions. In order to do so the primary focus of the course will be to explain how this sector is organized, its main challenges and restrictions, a description of the products and tailor-made solutions offered to clients, while providing a view of the industry's professional roles and opportunities.

This Global Banking Knowledge will provide the student an understanding of markets, products, processes systems, clients and regulation, including an examination and understanding of the recent past and the challenges to be faced in the future.

## TEACHING METHODOLOGY

IE University teaching method is defined by its collaborative, active, and applied nature. Students actively participate in the whole process to build their knowledge and sharpen their skills. Professor's main role is to lead and guide students to achieve the learning objectives of the course.

The course will be based on lectures, readings, exercises, videos and real-life cases.

All sessions are mostly based on real – life examples.

Group work is oriented to class presentations on current topics, products, news and trends provided two weeks in advance.

Short assignments / discussion topics will be provided after each session in order to assess the class evolution.

Learning Activity	Weighting	Estimated time a student should dedicate to prepare for and participate in
Lectures	30.67 %	23.0 hours
Discussions	16.0 %	12.0 hours
Exercises in class, Asynchronous sessions, Field Work	18.67 %	14.0 hours
Group work	13.33 %	10.0 hours
Individual studying	21.33 %	16.0 hours
TOTAL	100.0 %	75.0 hours

## PROGRAM

### SESSION 1 (LIVE IN-PERSON)

#### Sustainability Topics:

- Governance
- Economic Development

#### SESSION 1 – INTRODUCTION TO GLOBAL BANKING INDUSTRY

Current Concerns, Adverse News, Scandals, Value Proposal, Risks & Trends

### SESSION 2 (LIVE IN-PERSON)

#### Sustainability Topics:

- Governance

#### SESSION 2 – GLOBAL BANKING – ROLES & STRUCTURE

Main Global Banking Organization Proposals

### SESSION 3 (LIVE IN-PERSON)

#### SESSION 3 – PROFITABILITY – KEY PERFORMANCE INDICATORS

Introduction to Global Banking Ratios & Financial Statements

## **SESSION 4 (LIVE IN-PERSON)**

### **Sustainability Topics:**

- Environment
- Governance
- Social Challenge
- Economic Development

### **SESSION 4 – RISK MANAGEMENT & REGULATORY TRENDS**

Main Global Banking Risks, Capital Requirements and trends.

## **SESSION 5 (LIVE IN-PERSON)**

### **Sustainability Topics:**

- Environment
- Governance
- Social Challenge
- Economic Development

### **SESSION 5 – PROFESSIONAL ETHICS & COMPLIANCE**

Importance of AML / CFT Regulation – Know Your Client – Know Your Activity

## **SESSION 6 (LIVE IN-PERSON)**

### **Sustainability Topics:**

- Environment
- Governance
- Social Challenge
- Economic Development

### **SESSION 6 – TRANSACTION BANKING: GLOBAL CASH MANAGEMENT**

Value Proposal, New Products & Services, Innovation Trends and Digital transformation

## **SESSION 7 (LIVE IN-PERSON)**

### **Sustainability Topics:**

- Environment
- Governance
- Economic Development

### **SESSION 7 – TRANSACTION BANKING: TRADE FINANCE SOLUTIONS**

Supply Chain, Export Finance, Documentary Operations & International Guarantees.

## **SESSION 8 (LIVE IN-PERSON)**

### **Sustainability Topics:**

- Environment
- Economic Development

### **SESSION 8 – INTERNATIONAL CORPORATE FINANCING 1**

Introduction to Wholesale Corporate Bank Lending – Working Capital Facilities

Covenants

**Intermediate Test**

**SESSION 9 (LIVE IN-PERSON)**

**Sustainability Topics:**

- Environment
- Economic Development

**SESSION 9 – INTERNATIONAL CORPORATE FINANCING 2**

Syndicated Loans

Project Finance, Asset Finance, Acquisition & Leverage Finance

**SESSION 10 (LIVE IN-PERSON)**

**Sustainability Topics:**

- Governance
- Social Challenge

**SESSION 10 – ADVISORY & CORPORATE FINANCE 1**

IPO & M&A “Buyer” and “Seller” Advisory Services

**SESSION 11 (LIVE IN-PERSON)**

**Sustainability Topics:**

- Governance
- Social Challenge

**SESSION 11 – ADVISORY & CORPORATE FINANCE 2**

Hostile Takeovers & Valuation

**SESSION 12 (LIVE IN-PERSON)**

**Sustainability Topics:**

- Environment
- Governance
- Social Challenge
- Economic Development

**SESSION 12 – WEALTH & ASSET MANAGEMENT SERVICES**

Concerns, Challenges, Trends and Value Proposal

**SESSION 13 (LIVE IN-PERSON)**

**Sustainability Topics:**

- Environment
- Governance

**SESSION 13 – GLOBAL MARKETS 1 – ROLES & FIXED INCOME**

Debt Capital Markets, FICC hedging solutions, trends & derivatives proposals

## SESSION 14 (LIVE IN-PERSON)

### Sustainability Topics:

- Environment
- Governance
- Social Challenge
- Economic Development

## SESSION 14 – GLOBAL MARKETS 2 (EQUITY) - ESG GB CHALLENGES

Research, Securities & Prime Services, Brokerage & Derivative Solutions  
ESG trends, regulation and current challenges in Global Banking Industry

## SESSION 15 (LIVE IN-PERSON)

### SESSION 15 – GLOBAL BANKING CAREER - CONCLUSIONS

*Final Exam*

## EVALUATION CRITERIA

The objectives and skills of this course will be pursued through a combination of tutorial sessions, class presentations, assignments, debates and case study exercises. Students will be requested to prepare in advance the assigned topic presentations and to participate in formal and/or informal discussions.

criteria	percentage	Learning Objectives	Comments
Final exam	30 %		
Intermediate Exam	20 %		
Assignments	20 %		Assignments to reinforce concepts
Group presentation and group work	20 %		Preparation, Quality, Teamwork, Participation and Timing
Assistance + Discussions	10 %		Assistance + In class proactive attitude

## RE-SIT / RE-TAKE POLICY

### THIRD CALL POLICY:

Any student in their third call of a course, also known as a "Retaker" or "Re-Sit", is obliged to observe the following rules:

- Third call students must contact their professors before or during the first session to ask which work and or \*sessions will be required to obtain a passing grade. The professor will determine which work will be required in their course.  
\*(e.g. when presenting group work, sitting for examinations or other work done in class).
- Retakers are exempt from failing the call due to absences; however, they are not exempt from work the professor designates as necessary to obtain a passing grade. This means some sessions may be mandatory to attend in order to complete the work within.
- Students in their third call are responsible for managing the conflicts in their schedule, should

students need advice on how to manage their conflicts they should visit the program office.

### **EXTRAORDINARY EXAMINATION POLICY:**

Any student whose weighted final grade is below 5 will be required to sit for the extraordinary exam to pass the course (except those not complying with the attendance rules, whom are banned from this possibility).

Grading for retakes will be subject to the following rules:

- The extraordinary call will consist of a comprehensive exam or equivalent assignment. The grade will depend only on the performance on this exam; continuous evaluation over the semester will not be taken into account.
- Dates and location of the retakes will be posted in advance and will not be changed.
- The exam/assignment will be designed bearing in mind that the passing grade is 5 and the maximum grade that can be attained is 8 out of 10.

## **BIBLIOGRAPHY**

### **Compulsory**

- Roy C Smith, Ingo Walter, Gayle De Long. *Global Banking*. Oxford. ISBN 9780195335934 (Digital)

### **Recommended**

- Glenn Arnold. *The Financial Times guide to banking..* Pearson Education.. ISBN 9780273791843 (Digital)

- Arnold Glenn. *:Financial TimesGuide - Financial Markets*. Pearson. ISBN 9780273730002 (Digital)

- Dill Alexander. (2021). *Bank Regulation, Risk Management and Compliance: Theory, Practice and Key Problem Areas*. Informa Law. ISBN 9780367521370 (Digital)

- Damodaran Aswath. *On Valuation*. Wiley Finance. ISBN 0471108979 (Digital)

## **BEHAVIOR RULES**

Please, check the University's Code of Conduct [here](#). The Program Director may provide further indications.

Please refer to IE behavior rules policy

## **ATTENDANCE POLICY**

Please, check the University's Attendance Policy [here](#). The Program Director may provide further indications.

Attendance Policy

2023-2024

IE Policy Applicable for Bachelor Degree and Master Degree Programs

## **ETHICAL POLICY**

Please, check the University's Ethics Code [here](#). The Program Director may provide further indications.



# MARKETS & INVESTORS RELATIONS

IE University

Professor: **PEDRO GONZÁLEZ PARDO**

E-mail: pgonzalezp@faculty.ie.edu

Academic year: 23-24

Degree course: FOURTH

Semester: 1<sup>o</sup>

Category: OPTIONAL

Number of credits: 3.0

Language: English

## PREREQUISITES

## SUBJECT DESCRIPTION

In this increasingly changing and competitive world, it is critical to establish strong and reliable communication channels between listed companies and its stakeholders. This is where the Investor Relations role stands, establishing lines of communication that allow honest, effective and transparent communication with the market. The performance of this duty will allow the market to issue a judgment that should be consistent and aligned with the fair value of the company.

This course will establish the fundamentals of the Investor Relations role while discussing and analyzing real cases. We will learn how companies build and maintain strong, transparent relationships with investors, analyzing the different types of investors, the main annual communication events and the interaction with investors, sell-side and buy-side.

## OBJECTIVES AND SKILLS

Investor Relations professional combines a global perspective, finance, and communication skills to effectively manage the flow of information between companies and the market.

At the end of the program the students should be able to understand the elaboration process behind the main documents that companies use in their communication strategy and how interaction with shareholders is structured. These lessons can be used in a large variety of business situations, as IR departments are fully integrated with several areas of the company.

## METHODOLOGY

The course is designed in a practical and interactive way. Students will actively participate in discussions in class. Much of the learning will depend on engagement and active participation during classes.

Teaching methodology	Weighting	Estimated time a student should dedicate to prepare for and participate in
Lectures	2.67 %	2 hours
Discussions	10.67 %	8 hours
Exercises	4.0 %	3 hours



Group work	40.0 %	30 hours
Other individual studying	42.67 %	32 hours
TOTAL	100.0 %	75 hours

## PROGRAM

### SESSION 1 (LIVE IN-PERSON)

#### **Investor Relations fundamentals**

The importance of the Investor Relations role.

Main players (Analysts, Institutional investors, Sales, Retail shareholders) and main annual events (Quarterly results, Capital Market Day, Annual General Meeting).

### SESSION 2 (LIVE IN-PERSON)

#### **Equity story**

The importance to have a compelling equity story that shares your track record, the financial strength, strategy and commitments in a competitive environment that boosts the credibility among investors and the market.

Equity story.

Investor Update.

### SESSION 3 (LIVE IN-PERSON)

#### **Corporate access**

Understanding how to design an annual communication plan, shareholders and investors targeting. Relationship with investment banks.

### SESSION 4 (LIVE IN-PERSON)

#### **Communication with the Market (I)**

Description of the main communication events that the companies hold with the Market (Quarterly results, Capital Market Day, Annual General Meeting, Roadshows).

Quarterly results: understanding the process and materials prepared during previous days as part of Results presentation (press release, speech, webcast, Q&A) along with all the steps taken the day of quarterly results' release (filings, opening lines to analysts, Webcast with analysts)

Case of studies: Shell, BP, Iberdrola.

### SESSION 5 (LIVE IN-PERSON)

#### **Communication with the Market (II)**

Annual General Meeting (AGM): proxy advisors (voting recommendation), activism.

Capital Market Day: providing strategy update and financial information to the market

Sustainability Day: sharing company sustainability best practices whit investors.

Case of studies: Activism - Elliot Hedge Fund in Hess.

### SESSION 6 (LIVE IN-PERSON)

#### **Roadshows: Investor meetings and conferences**

Understanding how meetings with investors (one to one and group meeting) are performed, the ad-hoc materials used and main dynamics.

## **SESSION 7 (LIVE IN-PERSON)**

### **Our relationship with the Sell-Side and Buy-Side**

Know all about Workshops and Sales teaching activity, its dynamics and objectives pursued.  
Main valuation methods used by analysts (focus on energy sector).

## **SESSION 8 (LIVE IN-PERSON)**

### **“One day in the office”**

Know how a regular day in the office looks like: market review, analysis of analysts' reports, answer investor calls/queries, share price monitoring, among others.  
Case of studies: Deep dive on analysts' reports.

## **SESSION 9 (LIVE IN-PERSON)**

### **ESG investors**

ESG investors (environmental, social and governance).  
Profile and evolution of ESG Shareholder base. The increasing importance of ESG matters.  
How the ESG investors has changed the IR role. Risk and opportunities. Engagement as an effective and bidirectional tool.  
ESG Rankings and their importance within investor's community.  
Case of studies: ESG controversies, Camisea Project – Perú.

## **SESSION 10 (LIVE IN-PERSON)**

### **Retail shareholders**

Who they are and main differences with institutional investors.  
Channels of communication with retail shareholders.  
Case of studies: Repsol en Acción (Retail Shareholder community).

## **SESSION 11 (LIVE IN-PERSON)**

### **Crisis management**

How to manage communication in a crisis situation: importance of being ready before crisis, trained speakers through drills, consolidated relationships with stakeholders.  
Case of studies: communication during Industrial accidents (BP – Macondo accident, Iqoxe).

## **SESSION 12 (LIVE IN-PERSON)**

### **Website – Investor section**

How to communicate effectively through the website.  
Main contents in the “Investor section” (Equity story, News and filings, Results and reporting, Investor presentations, Financial calendar, dividend information...).  
Tools for investors: Apps, total shareholder return, value of your investment.  
Case of studies: analysis companies websites.

## **SESSION 13 (LIVE IN-PERSON)**

### **Current and Future Trends**

How the covid pandemic has changed patterns and potential evolution, ESG investors gaining momentum, MIFID II impact, relevance of social media, metaverso.  
Case of studies: Impact of social media: Shell buying Russian oil crude. Elon Musk making Tesla private (controversy). American Airlines – guitar case.

## SESSION 14 (LIVE IN-PERSON)

### Final project presentations I

Final project presentations: You will be asked to present the Equity Story of a listed company to the rest of the class as if they were the Sell-Side Analysts - Investors. Further information will be provided in the second session.

## SESSION 15 (LIVE IN-PERSON)

### Final project presentations II and final exam

Final project presentations (continuation).

Final exam: multiple choice.

## EVALUATION CRITERIA

Criteria	Percentage	Comments
Class Participation	20 %	50% attendance, 50% active participation
Group Presentation	40 %	You will be asked to present the Equity Story of a listed company to the rest of the class as if they were the Sell-Side Analysts and Investors
Final Exam	40 %	Multiple choice exam

## PROFESSOR BIO

Professor: **PEDRO GONZÁLEZ PARDO**

E-mail: [pgonzalezp@faculty.ie.edu](mailto:pgonzalezp@faculty.ie.edu)

Pedro has more than 20 years of professional experience in the Energy sector, specialized on Strategy, M&A and Investor Relations at corporate level.

- He joined Repsol, a Spanish global multi-energy company with Marketcap of €23 B, in 2001 as Planning and Control Analyst in the Chemical business.

- He has worked in Repsol's Corporate Strategy and M&A division for more than 10 years, being actively involved in the elaboration and delivery of several Strategic Plans, M&A transactions, Business Modelling and Competitive Intelligence activities.

- Currently Investor Relations Manager at Repsol. He joined 7 years ago and has led different projects, such as analyzing analysts valuation models, performing sales teaching, engaging with investors at national and international roadshows, delivering of quarterly results information and the monitoring of analyst's view of Repsol and O&G industry, among others.

- He holds a Bachelor's Degree in Economics from Universidad de Navarra.

## OTHER INFORMATION

# **SUSTAINABLE BANKING**

**IE University**

Professor: **MARIA ELENA LANCIEGO PEREZ**

E-mail: mlanciego@faculty.ie.edu

Academic year: 23-24

Degree course: FOURTH

Semester: 1<sup>o</sup>

Category: OPTIONAL

Number of credits: 3.0

Language: English

## **PREREQUISITES**

No prerequisites needed

## **SUBJECT DESCRIPTION**

Sustainability has become a trending topic in the news and public discourse. Despite its evident social impact, few may understand its actual meaning and objectives.

Therefore, a sustainable company is one that, in addition to seeking profitability, takes care of the way it does so. It has a long-term vision, taking into account not only its shareholders, employees and other stakeholders, but also the environment in which it operates.

We live in an ever-changing environment to which we must adapt, with global impacts such as the Covid-19 pandemic, which has caused a global economic crisis. However, it has also accelerated a green, social and digital recovery.

In this context of instability, risks, and global changes, it is necessary to set goals so that all social agents, governments and companies move in the same direction. For this reason, major initiatives such as the Paris Agreement, or the 2030 Agenda for sustainable development, have become necessary global agreements. They have very specific objectives, which encourage greater scrutiny of companies, and their responsibility in the face of humanity's challenges.

Companies have been incorporating the sustainability agenda into their strategy and professional activity. The challenge is enormous, but so are the opportunities that come with it.

As a result of the 2030 Agenda and the Paris Agreement in 2015, and to get companies in the financial sector involved in achieving these goals, numerous initiatives have emerged which apply to the financial sector. One of the most relevant is the Task Force on Climate-Related Financial Disclosures (TCFD). This group, supported by the Global Financial Stability Board, was created to develop a framework of common understanding about the risks and opportunities derived from climate change, and the potential impacts on the financial status of companies.

Banking sector actively promote sustainable development, applies the Equator Principles, and must be a signatory of the Principles for Responsible Banking , making a commitment to them. In addition to the standards developed for financing, investment and insurance, and as a result of the United Nations Environment Programme Finance Initiative (UNEPFI), the Net-Zero Banking Alliance (NZBA), has been created.

The European Union is leading the development of policies that favor sustainable finance. In particular, the European Commission is publishing regulations that establish a global reference in terms of sustainability within the financial sector, such as the Action Plan on Sustainable Finance, published in 2018, which contributes to meeting the SDGs and the Paris Agreement.

Regulation plays an important role in the gradual integration of the business ESG criteria, but there are also other important actors that promote transparency of an organization's sustainable management. These actors are the ESG rating agencies that provide information about companies to investors and capital markets, who are incorporating this information into their investment decisions to obtain a better return / risk ratio.

Sustainability has become a fundamental pillar for the creation of long-term value for companies, banking must now redefine and design their strategy and operating processes to respond to the changes, needs and expectations both of the market and of society.

In the case of environmental services, helping and advising clients in the transition to a low-carbon economy, integrating environmental factors into the products offered and risk analysis, and supporting the growth of sustainable finance.

At the level of Social factors, when it comes to financial institutions imply designing, developing and providing products and services to all potential clients, ensuring access to the financial system, financing that meets their credit needs, and promoting resilience through financial education.

Ensure effective corporate governance, means the creation of shareholder value and efficient capital allocation, while taking into account the expectations of all stakeholders with whom the organization engages (i.e., NGOs, investors and ESG analysts, etc).

Managing ESG aspects allows a control of risks that potentially have an impact on the financial statements of companies, but also represent an opportunity for innovation in processes and talent management.

We will understand along the course how banking is incorporating sustainability in its day-to-day activities, taking ESG criteria into account both internally (with its employees and its activities) and externally (considering its relationship with groups of interest, and opportunities for products and customer service).

## **OBJECTIVES AND SKILLS**

- The goal of the course is to understand the role of finance, banking system in a sustainable economy.
- The aim will be to provide an overview and get deeper understanding through a theoretical and practical knowledge of the foundations of Sustainable Finance, and the role played by investors, businesses and stakeholders.
- We will cover the different perspectives to be taken into account in the development of sustainable finance, such as trust, fiduciary responsibility, risk, opportunity, regulation, assets classes and ESG integration.
- The role of climate change as a catalyst for sustainable finance: sectors most exposed to the energy transition, adaptation and mitigation strategies, climate scenarios, carbon footprint.
- We will focus on sustainable products, investments, insurance, green bonds; as well as the role of investors, regulators, supervisors, ESG providers, Rating agencies, etc
- The current state of sustainable finance in the main markets, its implications and evolution from a regulatory perspective, taxonomy, benchmarks, reporting requirements and finally
- How all this will transform the Business Model in the banking sector, focusing in internal governance, risk approach, Capital consumption and liquidity impacts.

## **METHODOLOGY**

Teaching methodology	Weighting	Estimated time a student should dedicate to prepare for and participate in
Lectures	33.33 %	25 hours
Discussions	20.0 %	15 hours
Exercises	13.33 %	10 hours
Group work	20.0 %	15 hours
Other individual studying	13.33 %	10 hours
TOTAL	100.0 %	75 hours

## PROGRAM

### SESSION 1 (LIVE IN-PERSON)

#### An introduction to the ESG fundamentals and its implication in Sustainable Finance

Article: "Breaking the Tragedy of the Horizon – climate change and financial stability" (Lloyd's of London, 29 September 2015)

Article: Fiduciary duty in the 21st century. (PRI (Principles of Responsibility Investment), 2015)

Working Paper: FTSE Russell Stewardship, Transition and Engagement Program for Change (2018 STEP Change Report)

Article: Sustainability as BlackRock's New Standard for Investing: (BlackRock (2020).)

- 1.- Definition of sustainability based concepts, different approaches to ESG investing, its characteristics and the role that ESG plays.
- 2.- The role of climate change in macro economy environment
- 3.- Describe the benefits and challenges to organizations of adhering to good practice in ESG, and the linkage with the financial system stability: cost reduction and efficiency increase, reduce risk of fines, repercussions of investee's externalities, and ability to benefit from megatrends.
- 4.- How to put ESG in practice: investment decisions, shareholder engagement, and public policy engagement.

### SESSION 2 (LIVE IN-PERSON)

#### The ESG Market

Working Paper: Deutsche Bank (2012). Sustainable Investing: Establishing Long-Term Value and Performance. (Deutsche Bank (2012))

Working Paper: Fiduciary Duties of Investment Intermediaries. (Law Com No 350)

Article: Who Owns the Assets? Developing a Better Understanding of the Flow of Assets and the Implications for Financial Regulation. (BlackRock (2014))

- 1.- Brief introduction to the market size, scope, geography, strategy, investor type, asset class.
- 2.- ESG integration and market drivers, (investors demand, regulation, public awareness, data and processing improvements..)
- 3.- Key drivers and challenges for ESG integration among stakeholders in the investment industry (asset owners, asset managers, fund managers, financial services providers, policy makers and regulators, investees, governments and civil society).

### SESSION 3 (LIVE IN-PERSON)

## **ENVIRONMENTAL FACTORS**

*Article: Pathways to net zero: scenario architecture for strategic resilience testing and planning. (Principles for Responsible Investment (PRI) (2020))*

*Article: "More than half of all CO2 emissions since 1751 emitted in the last 30 years". (Institute for European Environmental Policy (2020).)*

- 1.- Climate change Mitigation and Adaptation measures
- 2.- Systemic impact of climate risks on the financial system, climate related physical and transition risks.
- 3.- International climate and environmental agreements and conventions, climate policies, International, regional, and country level policy and initiatives. Carbon pricing (Emission trading system and Carbon taxation)

## **SESSION 4 (LIVE IN-PERSON) ENVIRONMENTAL FACTORS**

*Working Paper: Guidance on Scenario Analysis for Non-Financial Companies. (Task Force on Climate-related Financial Disclosures (TCFD) (2020).)*

*Working Paper: Emissions Gap Report 2020. (United Nations Environment Programme (UNEP) (2020).)*

Impacts of environmental issues on potential investments opportunities: Corporate and project finance, Public finance initiatives, Asset Management.

## **SESSION 5 (LIVE IN-PERSON) ENVIRONMENTAL FACTORS – A Quantitative approach**

In this session we will review how Climate Change is embedded in a Financial Institution, materiality assessment synthesis, credit /liquidity/operational risks/ Heat map / Climate Exposure of Portfolio, etc from a quantitative financial perspective.

## **SESSION 6 (LIVE IN-PERSON) SOCIAL FACTORS**

*Other / Complementary Documentation: Observation and exclusion of companies. (Norges Bank Investment Management (2019))*

*Article: Everyone Included Social Impact of COVID-19. (United Nations (2020).)*

- 1.- Understand the systemic relationships between banking business and social issues, including globalization, AI, Inequality and wealth, digital disruption, changes to work, demographics, health and longevity. Covid-19 pandemic impact.
- 2.- Potential impacts of current megatrends in climate change, transition risk, water scarcity, pollution, mass migration, degradation of natural resources and ecosystem services

## **SESSION 7 (LIVE IN-PERSON) SOCIAL FACTORS**

*Article: Why and how investors should act on human rights. (PRI (2020).)*

*Article: How COVID-19 is changing global value chains. (UNCTAD (2020).)*

- 1.- Identify material social factors for investors: EU taxonomy for sustainable activities, materiality or risk assessment,



2.- Internal and external social factors, its impacts in product liability, consumer protection, (data privacy and security), Stakeholder opposition...

## **SESSION 8 (LIVE IN-PERSON)**

### **GOVERNANCE FACTORS: An understanding of governance factors, key characteristics**

*Working Paper: Guidance on Board Effectiveness. (Financial Reporting Council (2018).)*

*Article: Accounting for climate change. (Principles for Responsible Investment (PRI) (2020).)*

*Working Paper: Environmental, social and governance (ESG) survey. (CFA Institute (2017).)*

- 1.- Evolution of corporate governance frameworks, roles and responsibilities, systems and processes, shareholder engagement and minority shareholder alignment
- 2.- Key characteristics of effective corporate governance, Board structure, diversity, effectiveness and independence.
- 3.- Executive remunerations, performance metrics and KPIs, status in the banking system.
- 4.- Impact of governance on Investment opportunities: public finance, companies, infrastructure / private vehicles, social impact.
- 5.- How to incorporate governance into investment and stewardship processes

## **SESSION 9 (LIVE IN-PERSON)**

### **GOVERNANCE FACTORS**

In this session, we will have a guest speaker that is a Board Member of one of the Top EU Banks, president of the ESG Commission, to share his views on how the Bank is approaching the ESG relevant topics, main challenges and next steps.

## **SESSION 10 (LIVE IN-PERSON)**

### **Engagement and Stewardship**

*Working Paper: UK Stewardship Code. (Financial Reporting Council (2020).)*

*Article: How ESG Engagement Creates Value for Investors and Companies – Executive Summary. (PRI (2018).)*

- 1.- Explain the main principles and requirements of stewardship codes and how it applies to institutional assets management firms.
- 2.- How is achieved in practice
- 3.- Methods to establish an engagement approach: goal setting, hosting, managing expectations, working towards agreement, escalation techniques, proxy voting
- 4.- Different types of engagement across a range of asset classes.

## **SESSION 11 (LIVE IN-PERSON)**

### **ESG Analysis, valuation and Integration**

*Working Paper: Fiduciary Duty in the 21st Century. (United Nations Global Compact, UNEP FI and PRI et al. (2019).)*

*Working Paper: Global Perceptions of Environmental, Social and Governance Issues in Investing. (CFA Institute (2017).)*

- 1.- Understanding of ESG analysis, valuation and integration
- 2.- Analyse how ESG factors may affect industry and company performance, security valuation across a range of asset classes.



3.-Apply a range of approaches to ESG analysis and integration across a range of asset classes.

## **SESSION 12 (LIVE IN-PERSON)**

### **ESG in Portfolio Construction – index & benchmarks**

*Book Chapters: “Handbook on Sustainable Investments: Background Information and Practical Examples for Institutional Asset Owners”. Research Foundation Books, 2017(5). (CFA Institute and Swiss Sustainable Finance (2017).)*

- 1.- Explain approaches for how internal and external ESG research and analysis is used by portfolio managers to make investment decisions.
- 2.- Explain main indices and benchmarking approaches applicable to sustainable and ESG investing.

## **SESSION 13 (LIVE IN-PERSON)**

### **ESG in Portfolio Construction – asset classes**

*Working Paper: Scenario Analysis for Systemic Climate Risk: The Case for Assessing the Impacts of Climate Change on Macro-economic Indicators Used by Institutional Investors. (Climate Finance Advisors and Ortec Finance (2019))*

*Article: Aligning Expectations: Guidance for Asset Owners on Incorporating ESG Factors into Manager Selection, Appointment and Monitoring. (Principles for Responsible Investment (PRI) (2013).)*

- 1.- Understand how integrating ESG within portfolios to manage risk and generate returns
- 2.- Apply ESG to main asset classes (alternative investments, equities, fixed income)

## **SESSION 14 (LIVE IN-PERSON)**

### **Investment Mandates, portfolio analytics and reporting – An analytical approach**

In this session, students will analyze a real case of how an Asset Management company develop its methodology based on scoring, internal research and how it translate ESG in the different types of portfolio strategies, index and benchmarks, as well as how to conduct the engagement and reporting according to investors mandate.

## **SESSION 15 (LIVE IN-PERSON)**

### **Group presentations and discussions**

In the last session of the course, the students will present their group projects.

Students will work in teams to study the risk and opportunities, how the ESG factors/ market/ stakeholders / affect the business model and the financial position of the Bank of their choice.

## **BIBLIOGRAPHY**

### **Recommended**

- Dirk Schoenmaker and Willem Schramade. (2019).. *Principles of Sustainable Finance*.. Oxford University Press. ISBN 9780198826606 (Digital)

- Karen Wendt. *Responsible Investment Banking*. Springer 2015. ISBN

## EVALUATION CRITERIA

Criteria	Percentage	Comments
Class Participation	30 %	Students will have an active participation in the classes with questions and comments
Individual Work	20 %	Students are encouraged to read the materials before the class
Final Exam	50 %	

## PROFESSOR BIO

Professor: **MARIA ELENA LANCIEGO PEREZ**

E-mail: [mlanciego@faculty.ie.edu](mailto:mlanciego@faculty.ie.edu)

**MARIA ELENA LANCIEGO PEREZ**

E-mail : [mlanciego@faculty.ie.edu](mailto:mlanciego@faculty.ie.edu)

Office Hours: Fridays 8.00-10.00 AM

Elena Lanciego is a seasoned international executive in the financial sector and banking industry with over 28 years of professional experience. At Banco Santander SA she is currently working in the Strategy and Corporate Development area focuses on acquisitions and corporate deals, previously she has been designing customized financial solutions and risk management strategies for private clients globally. Prior to this role she worked as advisor to the CEO at Santander Bank. She has a deep international career working in EEUU; Switzerland and Asia, with 5 languages spoken including mandarin Chinese. She also held various positions along the Santander Group, as Executive member in 6 Global Divisions, 3 Countries worldwide, focusing on a range of financial and economic issues. Elena holds a dual MBA in International Business from the University of Deusto & Adolfo Ibañez, as well as a seniority program for executive leaders at the IESE and Stanford University, she recently joined a program for Board Members at IESE and KPMG. She is a Finance and Economics graduate from the University of Salamanca (Spain).

Strong ESG& Diversity believer, member of Diverity &Tech transformation communities in SAN, Committee member of BEST a SAN Foundation for Women Empowerment in Africa.

## OTHER INFORMATION

### FAILING GRADE AND REASSESSMENT

When students receive a Fail in a course, they have the opportunity to present themselves for reassessment in order to earn the necessary credits toward graduation.

The reassessment of students should be scheduled between 5 and 10 working days after the review session takes place.

# TREASURY MANAGEMENT

**IE University**

Professor: **MIGUEL MARTI ROMERO**

E-mail: [mmarti@faculty.ie.edu](mailto:mmarti@faculty.ie.edu)

Academic year: 23-24

Degree course: FOURTH

Semester: 1<sup>o</sup>

Category: OPTIONAL

Number of credits: 3.0

Language: English

## PREREQUISITES

There is no specific prerequisites besides some willingness to learn and work.

Finance backgrounds help but are not essential. We will learn / review all the concepts from scratch.

## SUBJECT DESCRIPTION

This course analyses the role and task performed by any Corporate Treasury department at any general business.

Is an introduction to some of the most relevant issues in finance covered from the very beginning so anyone can follow.

The course focus on the volatile currency market (Fx). The relationship between currencies, interest rates, inflation and purchasing power.

Introduces how to value, compare and measure foreign investments exposed to the previous mentioned volatile currency rates and interest markets.

Allows you to learn who to deal with foreign exchange risks. How to measure the exposures that company have and how to use derivatives (Forwards, and Options) for hedging those.

Is a great opportunity for additional finance background or non finance careers.

## OBJECTIVES AND SKILLS

Following this course, students should be able to understand and learn about the following key topics from scratch:

1. Foreign exchange markets. How to deal with Foreign Exchange (Fx) risks.
2. International Parity Conditions and their effects on Fx and Interest rates.
3. International ventures and financing risks associated.
4. International Projects; Cost of capital and Cross Border Valuation.
5. Corp. Finance and business models complexities for international environments.
6. Hedging foreign currencies with derivatives. Futures, forwards, options and swaps.
7. Foreign Exchange exposure. Calculating the impact and learning appropriate hedging techniques for each type of exposure.

## METHODOLOGY

We will address the previous mentioned concepts, objectives and skills through

1. Few Technical Notes.
2. Some real Cases edited by the very most awarded academies.
3. Some practice with one Group and one individual assignment.

Teaching methodology	Weighting	Estimated time a student should dedicate to prepare for and participate in
Lectures	40.0 %	30 hours
Discussions	26.67 %	20 hours
Exercises	20.0 %	15 hours
Group work	13.33 %	10 hours
Other individual studying	0.0 %	0 hours
TOTAL	100.0 %	75 hours

## PROGRAM

### SESSION 1 (LIVE IN-PERSON)

#### **Globalization and Foreign Exchange Markets and Transactions.**

This Technical Note (TN) allows to understand the basics out of the Foreign Exchange (FX) market (the mechanism, slang and essentials).

The origins of the foreign exchange market, calculating Exchange rate impacts, appreciation, depreciation, cross exchange rates, BID and ASK (Spread)...

Also introduces the reason for those changes in terms of Parity Conditions and the main Foreign Exchange Transactions (Forwards, Futures, SWAPS and Options) which will be covered during this course.

**You must read the TN and check if you understand the exercises given before class!**

*Technical note: Foreign Exchange Markets and Transactions (HBS 205016-PDF-ENG) (Optional)*

### SESSION 2 (LIVE IN-PERSON)

#### **International Parity Conditions and Exchange Rates Determination.**

Domestic firms are also impacted by the global economy and the global markets. Even small business must think global. It's all connected.

Firms with only domestic operations and domestic financing can be dramatically affected by the currency and interest markets.

Changes in the international market conditions have significant impacts in local economies and domestic business.

Understanding Parity Conditions allows to anticipate future events in domestic or local markets.

Key concepts: Forward Parity, Interest Rate Parity, Fisher Effect and Purchasing Power Parity (PPP).

**You must read the TN before class.**

*Technical note: Parity Conditions in International Markets (HBS UV2538-PDF-ENG) (Optional)*

### SESSION 3 (LIVE IN-PERSON)

## **Globalization and Foreign Exchange Markets and Transactions II**

Following our previous sessions, through this Technical Note we will review in more detail the main FX Transactions and Instruments (derivatives) used by the top management to deal with currency volatility.

Understanding Cross Exchange Rates and Triangular Arbitrages.

Key concepts:

Spot transactions. (The Spot market).

Deeper understanding of the Forward transactions (The Forward market).

Introduction to derivatives: Forwards, NDFs, Futures, SWAPS and Options for hedging purposes.

You must read the TN and check if you understand the exercises given before class!

*Technical note: Foreign Exchange Market, Background Note and Problem Set (HBS 287033-PDF-ENG) (Optional)*

## **SESSION 4 (LIVE IN-PERSON)**

### **Debt financing I**

Financing a new business abroad with a mature subsidiary through and the Joint Venture advantages and disadvantages.

The CASE considers how a mature subsidiary should refinance itself with attention to the currency characteristics of its debt, the switch from Project Finance to corporate Finance, the difficulties on the relationships between parent company and its subsidiary and the necessity of legal rules and requirements in constraining financing plans. Faces the very common issues big corporation faces in an international environment.

**You must read the CASE before class while asking yourself how would you face the issues presented by the protagonist.**

*Practical Case: The Refinancing of Shanghai General Motors (A) (HBS 204031-PDF-ENG) (Optional)*

## **SESSION 5 (LIVE IN-PERSON)**

### **International Debt Financing II**

We will explore Equity listings alternatives in different international markets towards financing.

We will learn some quick company valuation standards.

We will check the value of a great company like Nestle by adding up each part of its business using multiples like EV/EBITDA.

Please read the Technical Note first and then read and prepare Nestle's case as per below indicated.

You should try to look for the motivations for Nestle to spin-off Alcon.

Try to identify why does Nestlé want to list ALCON. Answer if you were the management team where would you list ALCON. In the US or Switzerland

What is an appropriate valuation for Alcon? Also for Nestle without ALCON (considering that L'Oréal stake value is given).

*Technical note: Cross Border Listings and Depositary Receipts (HBS 204022-PDF-ENG) (Optional)*

*Practical Case: Nestle and Alcon, The Value of a Listing (HBS 205056-PDF-ENG) (Optional)*

*Other / Complementary Documentation: Nestle and Alcon--the Value of a Listing, Spreadsheet Supplement (HBS 205715-XLS-ENG) (Optional)*

You should try to look for the motivations for Nestle to spin-off Alcon.

Try to identify why does Nestlé want to list ALCON. Answer if you were the management team where would you list ALCON. In the US, Switzerland or both?

Look for an appropriate valuation for Alcon? Also for Nestle without ALCON (considering that L'Oreal stake value is given). Use the exhibits given in excel for additional calculations in terms of Multiples.

## **SESSIONS 6 - 7 (LIVE IN-PERSON)**

### **International Debt Financing III**

WACC or hurdle rate. Discounting cash flows for valuation purposes. Cross Border Valuation, Internationalizing the cost of capital.

Following our previous session in terms of valuation, we will learn in this session how to evaluate international companies and projects adjusting the cost of capital and the cash flow streams.

These projects will take place in emerging markets. We will also learn some of the risks they face and how the management usually tackles them when investing abroad.

*Technical note: Note on Cross-Border Valuation (HBS 292084-PDF-ENG) (Optional)*

*Practical Case: Globalizing the Cost of Capital and Capital Budgeting at AES (HBS 204109-PDF-ENG) (Optional)*

*Other / Complementary Documentation: Globalizing the Cost of Capital and Capital Budgeting at AES, Spreadsheet Supplement (HBS 204707-XLS-ENG) (Optional)*

## **SESSIONS 8 - 9 (LIVE IN-PERSON)**

### **Cross Border Valuation, Internationalizing the cost of capital I**

Doing business in challenging situations, business models to address the problems.

The case explores the opportunities of doing business in China and also the challenges, including weak distribution channels, long credit cycles, and the scarcity of local capital and how BabiCare's model addresses such imperfections.

Key Concepts: Evaluate fit between an entrepreneurial business model and the culture of emerging market country, examine venture capital funding in an emerging market setting and explore how valuation based on subscriber model works and how it allows insight into the critical success factors for a business.

Please read the Technical Note first and then prepare the case as per below indicated.

*Technical note: Subscriber Models (HBS 205061-PDF-ENG) (Optional)*

*Practical Case: Growing Up in China: The Financing of BabyCare Ltd. (HBS 204029-PDF-ENG) (Optional)*

*Other / Complementary Documentation: Growing Up in China: The Financing of BabyCare Ltd., Spreadsheet Supplement (HBS 204709-XLS-ENG) (Optional)*

You should try to build the Subscriber Model for BabyCare using the information given in the case and the exhibits attached.

## **SESSIONS 10 - 11 (LIVE IN-PERSON)**

### **Large cross border M&A deal.**

We will review how to value a global mature company. Explore risks and benefits associated with cross-border transactions.

Understanding how to translate future foreign sales as part of the valuation model.

*Practical Case: This Bud's for Who. The battle for Anheuser-Busch (HBS UV6934-PDF-ENG) (Optional)*

*Other / Complementary Documentation: This Bud's for Who? The Battle for Anheuser-Busch, Spreadsheet Supplement (HBS UV6937-XLS-ENG) (Optional)*

You should try to find out how much should InBev be willing to pay to acquire Anheuser-Busch's shares using projections given in exhibit 4.

## **SESSION 12 (LIVE IN-PERSON)**

### **Hedging I. Transactional, Translational and Commercial Exposures.**

This Case covers the example of a company with subsidiaries in foreign countries facing several exposures when exchange rates change.

The value of the company assets, liabilities and cash flows are all affected by movements in exchange rates. We will deal with transaction and translation exposures in this session.

Please read the Technical Note first and then prepare the case as per below indicated.

*Technical note: Note on Transaction and Translation Exposure (HBS 288017-PDF-ENG) (Optional)*

*Practical Case: OSG Corporation: Risk Hedging Against Transaction Exposures (HBS HKU618-PDF-ENG) (Optional)*

You should try to decide if you would hedge those exposures and how would you do so. Which hedging instruments would you use.

## **SESSION 13 (LIVE IN-PERSON)**

### **Hedging II. Foreign Exchange Risks: Hedging alternatives.**

This case looks after the identification of foreign exchange exposures (e.g., accounting vs. transaction vs. economic exposures), and the objectives of a rational risk management program.

Students become familiar with the mechanical and economic differences between hedging with FX forwards versus FX options.

Also introduces the accounting impacts out of those derivatives Mark To Market (M2M) known as "Hedge Accounting".

*Practical Case: FX Risk Hedging at EADS (HBS 213080-PDF-ENG) (Optional)*

## **SESSION 14 (LIVE IN-PERSON)**

Hedging III. Foreign exchange Transactional and Translational Exposure.

General Motors has exposure to significant Canadian dollar debt in its Canadian subsidiary, affecting the profit and loss (P&L) account of the US parent company.

It also has massive exposure to Argentinian Pesos through its Argentinian subsidiary with an ARS currency about to depreciate massively.

In this case we will review again how to hedge these risks.

*Practical Case: Foreign Exchange Hedging Strategies at General Motors (HBS 204024-PDF-ENG) (Optional)*

## **SESSION 15 (LIVE IN-PERSON)**

Final Exam

## **BIBLIOGRAPHY**

### **Recommended**

- Geert J Bekaert, Robert J. Hodrick. *International Financial Management*. 2nd edition. Prentice Hall Series in Finance.. ISBN 0132162768 (Printed)



- David K.Eiteman, Arthur I.Stonehill, Michael H.Moffett. *Multinational Business Finance*. 15th edition. Pearson International Edition. ISBN 9781292270081 (Printed)

- TIM Weithers. *A Practical Guide to Foreign Exchange Markets*. Wiley Finance. ISBN 9780471732037 (Printed)

## EVALUATION CRITERIA

Criteria	Percentage	Comments
Class Participation	20 %	
Group Presentation	20 %	
Individual Presentation	20 %	
Final Exam	40 %	

## PROFESSOR BIO

Professor: **MIGUEL MARTI ROMERO**

E-mail: [mmarti@faculty.ie.edu](mailto:mmarti@faculty.ie.edu)

### **MIGUEL MARTI ROMERO**

Miguel (Michael) Marti has developed his professional career around the financial markets industry by leading some of the top Treasury departments for over 12 years.

International corporations like Airbus (the manufacturing aircraft company) and FRV (one of the oldest worldwide leading renewable companies) allowed Michael to obtain a broad experience in the financial markets, a key area for any business.

With a deep background in finance and with a broad experience acquired as Head of Treasury at FRV, his professional career is being well recognized by his peers and colleagues. Last year, he became a member of the Group Treasurers´ Exchange, an organization that brings together seventy (70) of the leading Group Treasurers in Europe to discover new ideas and make new connections in order to find solutions and strategies to the highest priority challenges in the main areas managed by treasury.

Currently Michael is determined to share with you his knowledge and experiences in the financial markets, driving you with passion through this magnificent course where all the corporations, individuals, products and services offered in the market are impacted (because almost every corporation or family saves money, seeks financial resources, and faces the challenge to invest their returns or savings) across the different alternatives in the markets.

Michael holds an Executive MBA degree from the IESE Business School, a bachelor´s degree in Economics from the Universidad Autónoma de Madrid (UAM) and a Treasury Specialization Degree from the IEB University.

## OTHER INFORMATION



## INTERNSHIP

### IE University

Professor: **ANTONELLA FAZIO**

E-mail: afazio@faculty.ie.edu

Academic year: 23-24

Degree course: FOURTH

Semester: 1<sup>st</sup>

Category: OPTIONAL

Number of credits: from 6 to 30

Language: English

## PREREQUISITES

IE University and the partner organization hosting the internship must sign an Educational Cooperation Agreement prior to the start of the internship.

The Agreement outlines the relationship between the student, the collaborating organization, and the University. The Agreement must be followed, whether the internship was obtained through the IE Careers department or directly by the student.

The student may not do the internship at an organization where he/she has a prior or current contractual relationship or a close family connection, played a founding role, holds shares, or retains any ownership.

IE University cannot sign an Educational Cooperation Agreement if the internship is scheduled to end more than two months after the student's expected graduation date (if, for instance, the student is expected to finish in July of their 4<sup>th</sup> year, the internship could not continue after the 30<sup>th</sup> of September).

If the internship takes place outside of the Spanish territory, the student must inform the University at least (15) days prior to departure so insurance can be arranged.

Some countries require visas for curricular internships. In such cases it is the student's responsibility to research and obtain the visa, although the Student Services Office may provide support. IE University and the partner organization hosting the internship must sign an Educational Cooperation Agreement prior to the start of the internship.

The Agreement outlines the relationship between the student, the collaborating organization, and the University. The Agreement must be followed, whether the internship was obtained through the IE Careers department or directly by the student.

## SUBJECT DESCRIPTION

Curricular internships are considered part of the students' academic training and are supervised by the university. They are designed to give students the opportunity to apply the knowledge and skills they have acquired during their course work in a professional context, to learn the working practices of a professional organization, and to be exposed to real-life business activities and situations. The curricular internship helps prepare students for future professional activities, facilitates their employability, and promotes their entrepreneurial abilities.

The internship is considered an elective course. The student may choose among the following options (the student may work more hours if the student, the professional tutor, and the academic tutor agree):

- A 6 ECTS internship, requiring a minimum of 180 hours of work
- A 15 ECTS internship, requiring a minimum of 450 hours of work
- An 18 ECTS internship, requiring a minimum of 540 hours of work
- A 30 ECTS internship, requiring a minimum of 900 hours of work

Curricular internships should be carried out during the last final semesters of the last academic year of the Program when their elective credits are allocated. However, students may begin their internships as early as the end of the previous academic year to complete the hours necessary to obtain the number of credits they have selected.

## OBJECTIVES AND SKILLS

- Deepen and apply knowledge and skills previously acquired studied in coursework
- Specialize in a specific area within the field of Economy
- Become familiar with different methods of analysis
- Apply theoretical knowledge in a professional context

## METHODOLOGY

The student is responsible for carrying out the curricular internship according to the rules laid out in the Educational Cooperation Agreement, and in accordance with the general policies of IE University and of the collaborating organization, including but not limited to all policies related to respect and confidentiality.

At the beginning of the internship, the student will join the collaborating organization at the agreed upon date. Thereafter, he or she will comply with the agreed upon schedule, in accordance with the attendance policy established in the Educational Cooperation Agreement.

The collaborating organization will assign a professional tutor who will be responsible for supporting, supervising, and evaluating the student in the professional context throughout the internship. The professional tutor will provide assistance to the student to resolve issues of a professional nature that are relevant to the fulfillment of the internship.

IE University will assign an academic tutor to provide academic support for the student over the course of the internship. The professional tutor and the academic tutor will coordinate the activities established in the Educational Cooperation Agreement, including any necessary adjustments.

Throughout the internship, the student will maintain contact with the academic tutor according to the procedure proposed by the tutor at the beginning of the internship and will communicate any issues that might arise during the internship.

The student's performance and development in the internship will be evaluated through a final evaluation report completed by the professional tutor, as well as a midterm essay and a final reflective essay graded by the academic tutor. The number of hours dedicated to the different activities below will depend on whether the student is doing the internship for 6, 2, 5, or credits.

Please consult the Additional Documentation section of your online Campus to take a look at the expected distribution of your workload during your internship.

Teaching methodology	Weighting	Estimated time a student should dedicate to prepare for and participate in
Lectures	0.0%	0 hours
Discussions	0.0%	0 hours
Exercises	0.0%	0 hours
Group work	0.0%	0 hours
Other individual studying	0.0%	0 hours
TOTAL	0.0%	450 hours

## PROGRAM

SESSION 1

SESSION 2

SESSION 3

SESSION 4

SESSION 5

SESSION 6

SESSION 7

SESSION 8

SESSION 9

SESSION 10

SESSION 11

SESSION 12

SESSION 13

SESSION 14

SESSION 15

SESSION 16

SESSION 17

SESSION 18

SESSION 19

SESSION 20

SESSION 21

SESSION 22

SESSION 23

SESSION 24

SESSION 25

SESSION 26

SESSION 27

SESSION 28

SESSION 29

SESSION 30

SESSION 31

SESSION 32

SESSION 33

SESSION 34

SESSION 35

SESSION 36

SESSION 37

SESSION 38

SESSION 39

SESSION 40

SESSION 41

SESSION 42

SESSION 43

SESSION 44

SESSION 45

SESSION 46

SESSION 47

SESSION 48

SESSION 49

SESSION 50

SESSION 51

SESSION 52

SESSION 53

SESSION 54

SESSION 55

SESSION 56

SESSION 57

SESSION 58

SESSION 59

SESSION 60

SESSION 61

SESSION 62

SESSION 63

SESSION 64

SESSION 65



SESSION 66

SESSION 67

SESSION 68

SESSION 69

SESSION 70

SESSION 71

SESSION 72

SESSION 73

SESSION 74

SESSION 75

SESSION 76

SESSION 77

SESSION 78

SESSION 79

SESSION 80

SESSION 81

SESSION 82



SESSION 83

SESSION 84

SESSION 85

SESSION 86

SESSION 87

SESSION 88

SESSION 89

SESSION 90



## EVALUATION CRITERIA

0% -Midterm Reflection Essay.

The Midterm questionnaire is a touchpoint that confirms that the first half of the internships is following the contract details. As such it should cover answer the following:

- Why did you choose this internship?
- What were your expectations prior to beginning the internship? In what ways has your experience aligned with or diverged from those expectations?
- What have you learned so far and what challenges have you faced?
- How can you apply specific concepts and skills from your course work to what you are experiencing during the internship?
- What are your goals for the remainder of the internship?

50% -Final Reflection Essay. An 8-10page 12-pt font double-spaced analytical reflection evaluated by the academic tutor.

The Final Reflection Essay picks the Midterm structure asking the student to reflect on their growth and experiences for at least 8 pages report and on their experience in the internship overall. As such it should cover answer the following:

- What additional skills or knowledge did you develop in this internship since you wrote the mid-term essay?
- In what ways apart from those discussed in the previous essay can you apply specific concepts and skills from your course work to what you are experiencing the internship?
- What were some of the challenges that you came across in the internship? How did you address them and what did you learn in the process?
- How do you think your experience in this internship will affect your future professional or academic path?
- Overall, how would you change your experience and how were you changed by it?

50% -Professional Evaluation. A report providing an overall evaluation of the student's work performance by the professional tutor.

### Obtaining a "Fail" grade.

The academic tutor may give the student a failing grade in the ordinary call in the following cases:

- 1 If the final essay does not meet the minimum requirements or if the evaluation of the collaborating organization does not justify a passing grade.
- 2 If the student fails to deliver the midterm and or final essays or any other documentation required by the academic tutor on time and under the conditions specified without a justified cause.
- 3 If the student fails to show up for work the minimum of hours agreed with the professional tutor or to deliver the scheduled essays by the agreed deadlines. If the student cannot fulfill the agreed

upon schedule because of illness and/or IE policy for justified absences such absences must be justified with proper documentation to both professional and academic tutors.

4 Furthermore, students will receive a failing grade if they fail to meet their agreed-upon obligations with the collaborating institution including but not limited to those regarding attendance schedule responsibilities confidentiality or other internal rules.

Students will fail their corresponding credit load in the following cases:

- The student is made redundant by the collaborating institution due to breach of contractual obligations.
- The student decides to end their internship before the completion date specified in the Agreement or prior to fulfilling the number of hours needed to receive the corresponding credits. It is of foremost importance that any issues faced by the student be communicated to the Professional Tutor prior to student's informing the collaborating institution of their desire to resign.
- The student fails to start a previously confirmed mandatory curricular internship.

Criteria	Percentage	Comments
Individual Work	0%	Midterm Reflection Essay
Final Exam	0%	Final Reflection Essay
Other	0%	Professional Evaluation

## **PROFESSOR BIO**

### **ANTONELLA FAZIO**

Antonella Fazio currently works at IE Business school in a research project on illegal pharma. She studied Economics (BA and MA). She completed her PhD in History at the European University Institute focusing on economic history. She has also been a postdoctoral researcher in the department of Economics of the Universidad de los Andes and at SMAG and CriDIS at Université Catholique de Louvain (UCL – Belgium) and has been an adjunct professor in economics. For several years she was a researcher at the Center of Economic development, Universidad de los Andes. Antonella has a special interest in empirical research and quantitative methods. Her research interests include political and social economy, development and economic and business history. Before working at IE, she joined the European Parliament within the Robert Schuman traineeship program. Previously, she has worked as economic advisor at the City Council of Bogota as well as in an EU Legal Consultancy based in Brussels.

Professor ANTONELLA FAZIO

E-mail [afazio@faculty.ie.edu](mailto:afazio@faculty.ie.edu)

## **OTHER INFORMATION**

If you wish to contact me or arrange a meeting use my email address [afazio@faculty.ie.edu](mailto:afazio@faculty.ie.edu)