

Securitisation & Covered Bonds Master Class

**12th – 14th Jan, 2011, Kolkata,
India**

- Coverage on alternative forms of on-balance sheet securitisation, synthetic securitisation
- Our 6 day Securitisation School is considered as one of the most comprehensive and complete training program on securitisation and covered bonds anywhere in the world – well established, drawing participants from all over the world every time. This Master Class is a shorter version of the 6 day school that would give a brief introduction on securitization, covered bonds and stress on the cashflow modeling structuring.
- It is a 100% practical course and participants would be expected to work on excel sheets

Venue: Leading star hotel, Kolkata, India

To register, email at

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Organized by

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Securitisation and Covered Bonds Master Class

Vinod Kothari Consultants presents the Securitisation and Covered Bonds Master Class, a 3 day version of the Securitisation and Covered Bonds School.

As impartor of training on structured finance, securitisation, credit derivatives, leasing, etc., our success is almost peerless. From the nerve-center of World financial markets to developing economies, we have been at variety of places, and have addressed variety of groups – bankers, investment bankers, regulators, lawyers, rating agencies, investors, students, etc.



The Previous Securitisation Schools:

The Securitisation School is our regular feature. All our past securitisation schools have received an overwhelming response drawing participants from different countries. Here is an idea about our scorecard: the past participants thoroughly enjoyed the 6-day training course that gave inputs on every conceivable issue relating to securitisation. 85% of the participants rated the course as “Excellent”. On a rating scale of 1-16, 50% of the participants rated the faculty at 16, and 90% of the participants rated the faculty between 13 to 16 (the “excellent” boundary). Though the daily routine was tough, participants enjoyed it thoroughly.

Our residential training courses are recognized as a global brand and have drawn participants from the USA, UK, Germany, Japan, Hong Kong, Sydney, Singapore, South Africa, Eastern Europe, British Virgin Islands, Kenya, Nigeria, Sri Lanka, Bangladesh, Gulf, Pakistan, Philippines, Indonesia, Malaysia, etc

Focus on Cash flow Modeling

The Master Class delves deep into the cashflow modeling and we spend more time on hands-on cashflow modeling, which has been the highlight feature of past schools.

Most competitively priced event

This event might stand out as one of the most competitively priced event on financial topics in the market. Event producers would charge similar price for a two-day non-residential course, and regrettably, in several cases the faculty is your workshop leader himself.

If training costs matter to you, this course is the simplest buy-out. After adding the cost of travel to the venue (please do allow our travel agent to suggest you convenient flight routes), the course will be cheaper than any other non-residential course of much smaller duration.

What allows us to price the event so cheap? As there is no intermediating event producer, we save a lot of money and transfer the savings to you. Besides, we have taken advantage of very tightly priced hotel package, again, to your advantage

Course fees per participant:

Residential	
Overseas participants	USD 1500
Indian participants	Rs. 60000/-
Non-residential	
Overseas Participants	USD 1650
Indian Participants	Rs. 45000/-

Overseas participants may pay by credit card or bank remittance. For payment by credit card, do write back to us.

Course fee includes:

- 3- days’ Tuition
- Residential accommodation for maximum n+1 nights, one room per person
- Breakfast and lunch for the duration of the course
- Course materials including comprehensive presentation materials

Venue:



Calcutta (Kolkata) is a bustling city in the eastern part of India, with a rich colonial and cultural heritage. The city has several unique faces: the cultural capital of India; the place where Mother Teresa worked for the "poorest of the poor"; a city where every 5th

person or so is a poet or litterateur, singer or fine artist; a city where architectural beauties of the British empire are preserved in elegance. Calcutta is easily connected with international destinations: direct flights from Singapore, Bangkok, Dubai, Frankfurt, London etc. In addition, overseas travelers may find travel connections from Delhi or Mumbai.

Why should you participate?

If you have anything to do with securitisation, covered bonds or asset-backed funding, and getting inputs on this very important financial instrument is on your wish list, you would find it extremely sensible to join this event.

The residential course allows us to make the most of the available time and we involve you to workings, work on projects, etc. We will hand-hold you in learning modeling and structuring for securitisation.

The workshop will provide inputs from both investors’ viewpoint, as also issuers’ viewpoint. **We do issue a participation certificate.** We have happily noted that practitioners from over the world have proudly displayed our participation certificate at their workstations.

About your faculty:



Vinod Kothari is internationally recognized as author, trainer, consultant and expert on specialized financial subjects, viz., securitisation, credit derivatives, accounting for financial instruments, etc. As such, he lectures all over the world. The locations where he has lectured on these subjects include New York, Washington, London, Milan, Singapore, Hong Kong, Sydney, Colombia (South America), South Africa, Malaysia, Jordan, Egypt, Dubai, Kuwait, Sri Lanka, Bangladesh, etc., besides almost every important location in India.

And we have handled very diverse groups – from rating agency professionals in Malaysia, to group of investors in Sydney, to tax officers in South Africa, to group of lawyers in India, to executives of the World's largest securitisation agency in Washington, to a group of quants in New York.

Consulting assignments:

Vinod Kothari claims extensive consulting experience in securitisation – offering comprehensive securitisation-related consulting services to a variety of clients including originators, investors, IT companies, etc. Apart from one-off services to several companies in different countries, Vinod Kothari has been retained by an Indian rating agency for structured finance ratings. Vinod Kothari had been retained by Govt. of Jordan for suggesting and working on funding for a high-profile low-cost housing project. Vinod Kothari has been currently engaged as a consultant by a micro finance company in Egypt for their Leasing venture.

Author of Books:

- **Credit Derivatives and Structured Credit Trading, 2009 edition:** This is one of the very few comprehensive texts on credit derivatives and is read all over the World.
- **Securitisation: The Financial Instrument of the Future**, Third edition 2006: Published by Wiley, this highly popular book runs over nearly 1000 pages, and is an internationally-read publication. The book has received rave reviews from readers and reviewers all over. The book explains securitisation techniques in lucid details and includes comprehensive coverage on multi-faceted issues relating to securitisation and international case studies to illustrate different aspects of securitisation.
- **Introduction to Securitisation by Frank J. Fabozzi and Vinod Kothari**, July 2008 outlines the basics of securitization, addressing applications for this technology to mortgages, collateralized debt obligations, future flows, credit cards, and auto loans. The authors present a comprehensive overview of the topic with experience they have gathered through years of interaction with practitioners and graduate students around the world. This book contains coverage of such key topics as: structuring agency MBS deals and non-agency deals, credit enhancements and sizing, using interest rate derivatives in securitization transactions, asset classes securitized, operational risk factors, implications for financial markets, valuation of MBSs and ABSs, and applying securitization technology to CDOs.
- **Securitisation, Asset Reconstruction and Enforcement of Security Interests**, 2010 Third edition: This book is a detailed commentary on the law by the same name enacted in India. Besides a thorough and incisive commentary on the law, the book contains generic chapters dealing in detail with the law of enforcement of security interests in global context.
- **Lease Financing and Hire purchase** (4th edition, 1996): This book, first published in 1985, is widely recognised as the bible on leasing in the continent and has been the most popular text on the subject for last 15 years. The book runs over 2000 pages and has elaborate contents on leasing, hire purchase and similar credit agreements.
- Author of 3 Chapters in Handbook of Finance, (editor Frank Fabozzi), published by Wiley, USA
- **Reviewing Editor - Guide to the Companies Act, 1956, A. Ramaiya, 17th Edition, 2009**

Articles:

- Vinod Kothari's articles on asset-based finance, securitisation etc. have appeared in several national and international journals including Duke Journal of Comparative International Law (USA), US Banker (USA), Exportrader (Spain), Trade and Forfeiting Review (UK), Journal of International Banking Law and Regulation (UK), Equipment Finance Journal (USA), MonitorDaily (USA), Analyst (India), etc.
- Vinod Kothari also contributes to Euromoney's yearbooks on leasing and securitisation.

Lecturing:

- Regular speaker at professional institutes,
- Visiting faculty at Indian Institute of Management, Joka, Calcutta for several years. Currently, offering a course on structured finance, rated as one of the most popular courses (last term had 130 registrations).
- Guest faculty at National University for Juridical Sciences: the subject taught here are insolvency and credit interest enforcement laws in India and other countries. The course included a comparative study of the insolvency and creditors' rights in USA, UK and Australia.

Websites

Vinod Kothari owns and runs some of the World's most popular websites on specialized financial subjects:

- Securitisation: <http://vinodkothari.com>
- Credit derivatives: <http://credit-deriv.com>
- Leasing and asset-backed financing: <http://india-financing.com>
- Asset reconstruction companies: <http://india-financing.com/arc/>

Positions

Vinod Kothari has been retained by the Asian Development Bank, Manila for two important projects: to advise the Govt. of India on reforming secured lending law in India; and to develop securitisation-related legal framework in the Asian region.

Vinod Kothari is the Director of Association of Leasing and Financial Services Cos., a body of over 500 top leasing companies in India and is editor of its Newsletter Fin-n-lease.

Vinod Kothari is the former Chairman of the Institute of Company Secretaries of India.

Vinod Kothari is the Executive Director of the Asian Securitisation Forum

Awards

In 1987, a voluntary organisation of Calcutta chose him as the Outstanding Young Person of Calcutta in the field of Finance and Taxation. Vinod Kothari won several academic awards.

About the workshop

It is for a quick understanding of securitisation basics, basics of covered bonds, transaction structures, structuring for various asset classes. The Master Class is dedicated to cashflow modeling. **Knowledge of Excel is compulsory for this Module.** We have earlier run this module in several countries and found it very interesting. Understanding the cashflow mechanics of securitisation allows you to understand intricacies of securitisation. The whole concept becomes crystal clear as you see the numbers running before you. A MUST for practitioners.

A typical training day's routine

We will take full advantage of a residential course to provide participants quality training inputs, supplemented by time-tested methods that enhance efficiency and energy. Each training day starts at 9.00 AM and ends at about 5.30 PM. A typical day's routine goes as follows:

9.30 AM – 1:00 PM: Tuition (with tea/coffee breaks)

1:00 PM – 2:00 PM: Lunch

2:00PM – 5:30 PM Tuition, followed by practical exercises, discussions and assignments (with tea/coffee breaks)

Course outline

Transaction Modeling

12th -14th January, 2011

Day 1: Concepts, motivations, do's and don'ts, experiences sweet and sour

Session 1: Getting the fundas right

- Is it so different or just corporate finance re-stated?
- Securitisation as a self-standing mini-corporation
- Corporate finance and securitisation: parity and disparities
- The special purpose vehicle as an embodiment of assets
- Motivations in securitisation and Limitations in securitisation
- Default and recovery studies in securitisation instruments. Rating transition histories. Sad episodes in global securitisation and lessons to be learnt.
- The Securitisation Hall of Fame, and that of Shame – case studies and anecdotes from the real world

Session 2: Introduction to securitisation structures:

- Isolation of cashflows.
- Credit enhancing the cashflows
- Pass through and pay through mechanism
- Nature of reinvestments
- Pay down structures, structural triggers

Session 3: Introduction to credit derivatives

Introduction to credit derivatives and synthetic assets. Credit derivatives: meaning- Types of credit derivatives- Mechanics of credit default swap- Main terms of a credit default swap- Standard documentation for credit default

Session 4: Securitisation Structures - Get to the crux: understand the cash flows

Understanding RMBS structure:

How regulation and agencies shape RMBS structures: differences between US, UK, Australian and other countries' RMBS structures. US RMBS market - agency and non-agency issuance. UK RMBS deals. The Australian RMBS system. Case study: A US private label RMBS. Comparing RMBS and covered bonds;

Day 2 :

Session 5: Understanding CMBS structures:

Key elements of CMBS structure: the value of commercial real estate; valuation methods. Deal structures and bullet loan payouts. Arbitrage CMBS deals.

Session 6: Auto loan and other asset finance structures:

Plain vanilla auto loan and equipment lease deals: typical features. Typical risks in asset finance business. Modeling delinquency and prepayment risks. Credit enhancements.

swaps- Credit events- Settlement methods- Mechanics of a TROR swap- TROR swap- Credit linked notes- Credit derivatives and financial guarantees- Credit derivatives and insurance - Motivations for the protection buyer- Motivations for the protection seller- Factors that may limit the growth of credit derivatives.

Session 7: Collateralised Debt Obligations: Overview of the concept –

Concept of securitisation - concept of collateralized loan obligations (CLOs), collateralized bond obligations (CBOs) and collateralized mortgage obligations (CMOs) - Development of CDO market - Securitisation in general and CDOs - Basic process of CDOs - typical CDO collateral - Economic rationale of CDOs as a correlation risk.

Session 8: Covered bonds structures

Covered bonds as alternative form of on-balance sheet securitisation – covered bonds and securitisation - SPV and non-SPV structures. Advantages and disadvantages of covered bonds vis a vis securitisation. Combining covered bonds with securitisation

Day 3:

Session 9: Synthetic securitisations

Using synthetic securitisation for risk transfers. Advantages and limitations of synthetic structures. Combination of covered bonds and synthetic structures.

Session 10: Credit card and other revolving asset deals

Essential nature of revolving credits: a securitised working capital. Extent of originator dependence in revolving type deals. Key risks and structural mitigation.

Session 11: Synthetic securitisation structures:

Key differences between cash and synthetic CLOs/CDOs and other asset-backed deals. Balance sheet and arbitrage deals. Portfolio building and Asset selection criteria. Structural mitigants against leverage. Paydown structures in CLOs: importance of paydown to maintain weighted average cost.

Session 12: Future flows structure:

Future flows: securitisation or cash flow trapping devices? Performance risk in future flows and their relevance for ratings arbitrage. Domestic and cross border future flows. Will future flows be truly bankruptcy remote?

[Each participant or groups of participants will be required to build models on Excel with both classroom and real-life deal data. **We encourage participants to bring their own laptops, but for those who are unable, we will provide stand-by PCs at no extra cost**]. **Proficiency in Excel is a MUST. We will intimate in advance the financial and other functions that we intend to use. If you are using a non-English version of Excel, it is important for you to familiarize yourself with the English equivalents.**

Key elements of modeling: understanding how cash comes in; how cash is allocated. Allocation of cash for expenses, service fees and credit enhancements; allocation of cash for investor payouts.

Basics building blocks of securitisation structures: credit enhancements, pay down structures, pass through and bond structures. Cash and synthetic structures. Securitisation and loan structures.

Introduction to individual projects: each participant is expected to execute a project at the end of the School.

Building models for classroom transactions: Cashflow schematics – pass through structure with just one class of investment. Understanding the payback structure of pass through transactions. Asset liability mismatches in securitisation. Economic argument of the pass through

structure. Bringing in credit enhancements. Stress testing the transaction.

Investor perspective of securitisation: The payback structure. Impact of prepayments. Understanding of extension and contraction risk. Duration and weighted average maturities as investor analytics.

Modeling of real life transactions RMBS models, CMBS models, Auto loan transactions. CDO modeling.

We will take each participant through the model building exercise and hope that every participant will develop requisite understanding of securitisation modeling.

We develop simulation-based models for developing probability distributions for variety of asset-backed transactions and corporate loan pools.

We also model risk of business cycles, correlation, and volatilities.

**For registration and details, contact:
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REGISTRATION FORM
Securitisation and Covered Bonds Master Class - 2011

KOLKATA
12 – 14 January, 2011

1.Name _____
Designation _____
Qualification _____ Signature _____
2.Name _____
Designation _____
Qualification _____ Signature _____
Name of the Organisation _____

Address: _____

City: _____ Pin Code: _____
Telephone: _____
E-mail _____ Fax _____

Enclosed (Check one):

(Cheque)

(Demand Draft)

(Cash)

For fees details check the enclosed brochure.

Payment may be made by Cheque/remittance favouring **VINOD KOTHARI CONSULTANTS PVT LTD.** Foreign participants may make direct remittance using their credit card. Please contact us for credit card payment instructions.

Cancellation made upto 5 days before the event will be entitled to refund of 75% of the fee paid. No refund will be made for cancellations.

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