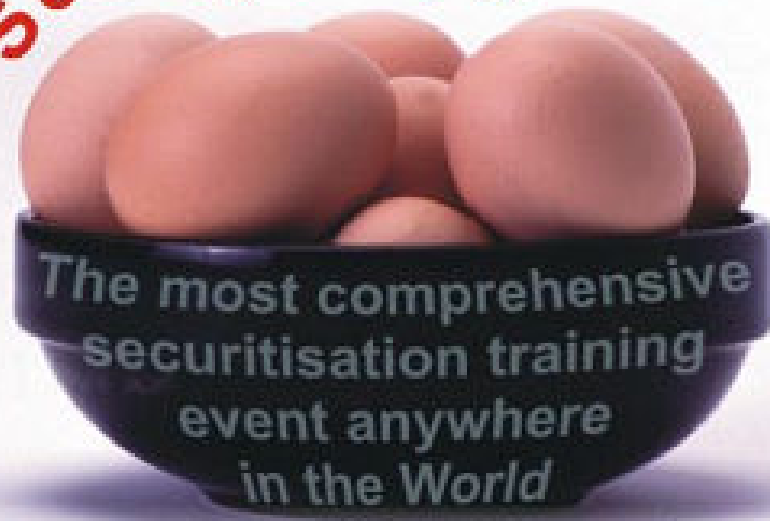


Securitisation Training



The Seventh

Securitisation School

Complete inputs for securitization Professionals



- This is by far the most comprehensive and complete training program on securitisation anywhere in the World.
- The School is now a regular feature. The earlier Schools have been a big success with participants from several countries participating in each.
- The whole package is **most competitively priced**: others charge you twice the price we charge for half the duration.
- You may choose one or more modules (2 days each), or sign up for the full course of 3 modules.

October 3-9 at Taj Bengal or similar

A 7-day residential package
(with 6 days of training)

Organised by:

VINOD KOTHARI CONSULTANTS PVT LTD.

1012 Krishna 224 AJC Bose Road, Kolkata (Calcutta) 700 017, India

Phone 91-33-22811276/22817715/22813742

Fax 91-33-22811276/ 22813742

US\$ 2750

(Including staying)

The 7th Securitisation School

An international training course on securitisation – the only one that prepares to jump headlong into this financial instrument of the future

Vinod Kothari Consultants presents the 7th Securitisation School.

As imparter 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 now a 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 (16 being the best), 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 now recognized as a global brand and have drawn participants from the USA, UK, German, Japan, Hong Kong, Sydney, Singapore, South Africa, Eastern Europe, British Virgin Islands, Kenya, Nigeria, Sri Lanka, Bangladesh, Gulf, Pakistan, Philippines, etc.

Most competitively priced event

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

Course fees per participant:

	Complete package	Any two modules	Any one module
Overseas participants	USD 2750	USD 2000	USD 1100
Indian participants	Rs. 100000/-	Rs. 75000/-	Rs. 40000/-

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

Course fee includes:

- 6-days’ Tuition (two days per Module)
- Residential accommodation in a 5-star hotel (Hotel Taj Bengal or similar) for maximum n+1 nights, one room per person, with complimentary pick up from Calcutta airport
- Breakfast and lunch for the complete duration (n+1 days)
- 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. The venue will be a 5-star hotel in the city. Calcutta is easily connected with international destinations: direct flights from Singapore, Bangkok, Dubai, Kuala Lumpur, Amman, London etc. For any assistance with travel itinerary, excursions, extra nights, domestic or international bookings, etc., please contact our travel agent listed at <http://vinodkothari.com/secwork.htm>.

Why should you participate?

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

As the coverage is very comprehensive, you will emerge with complete inputs on securitisation, including synthetic securitisation. The residential course allows us to make the most of the available time and we involve you to workings, work on at least one project per person (which will end up with presentations on the last day, and there is a cash prize for the best presentation), etc. We will hand-hold you in learning modeling and structuring for securitisation. We equip you with understanding of the legal, taxation, accounting and regulatory complexities as well.

The workshop will provide inputs from both investors’ viewpoint, as also issuers’ viewpoint. **We do issue a**

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.

participation certificate, and we hope it would be of personal value to you.

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:

9.00 AM - 1.00 PM: Tuition (with tea/coffee breaks)

1:00PM -2:00PM: Lunch

2:00PM - 5.30 PM Tuition, followed by practical exercises, discussions and assignments (with tea/coffee breaks)



About your faculty:

Vinod Kothari is internationally recognized as author, trainer and expert on specialized financial subjects, Internationally recognized as author, trainer and consultant on specialised 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 is currently retained by an Indian rating agency for structured finance ratings.

Author of Books:

- **Securitisation, Asset Reconstruction and Enforcement of Security Interests**, 2007 Second 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.
- **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.
- **Lease Financing and Hire purchase** (5th edition, 2005 in print): 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.
- **Credit Derivatives and Synthetic Securitisation**, 2002: This is one of the very few comprehensive texts on credit derivatives and is read all over the World.

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),

ExportTrader (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 specialised 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 is currently 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.

Which Module should you take?

If you are or intend to be securitisation practitioner or securitisation-investor, securitisation consultant, adviser or otherwise concerned with securitisation and you think an intensive and complete understanding is required for you, we strongly suggest you must sign up for the complete securitisation school. There is nothing like a total understanding.

Module 1 is essentially for a quick understanding of securitisation basics, transaction structures, structuring for various asset classes. We will deal with both cash and synthetic transaction structures.

Module 2 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.

Module 3 is dedicated to all technical issues - with at-length discussion of legal issues, taxation, accounting and regulatory issues. A MUST for all law firms, accounting firms. Highly recommended if you are concerned with legal compliances, accounting or monitoring of transactions. Practitioners would find this module important to understand that the nuances that are otherwise shrouded in mystery. You will find concepts like true sale, gain on sale and derivatives accounting come absolutely clear.

Course outline

Module 1 Structuring of Securitisation and synthetic CDOs

3rd-4th October, 2007

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
- 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:

1. Isolation of cashflows.
2. Credit enhancing the cashflows
3. Pass through and pay through mechanism
4. Nature of reinvestments
5. 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 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 4: 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 5: CDO structures

Types of CDOs: balance sheet and arbitrage CDOs - CDO facts -Parties to CDOs -Typical CDO tranching. Typical CDO tranching with numbers - Credit enhancements in CDOs –Comparing different types of CDOs -Mechanics of market value CDOs -CDO assets -CDO SPV –CDO manager - CDO trustee-Structured product CDOs/ re-securitisation - case studies: study of some recent CDO structures.

Session 6: Synthetic securitisations

Credit linked notes- Synthetic securitisation: purpose and economics- Composition of synthetic vs. funded securitisation in USA and Europe - Synthetic CDOs in Asia: ABN Amro's deal - Mechanics of a synthetic CLO- Structure of synthetic CLO - Citibank's C* Star transaction - Unique risks in synthetic securitisations - Emergence of Synthetic CLOs: Bistro deal – Credit default swaps in synthetic CDOs - Wide spectrum of risks transferred in Europe - What happened to synthetic securitisations of the past?. Case studies of

- Balance sheet synthetic CDO
- Arbitrage synthetic CDO
- Balance sheet synthetic CDO of small loans
- Repackaging structures
- Synthetic RMBS structure
- Synthetic lease securitisation

Day 2: Securitisation Structures- Get to the crux: understand the cashflows

Session 1: 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; an Australian RMBS deal; an Indian RMBS deal.

Session 2: Understanding Home equity loan structures:

Key differences between prime and subprime portfolios; structuring under US REMIC rules; home equity deals in other countries. Case study: a US home equity deal

Session 3: 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. Case study: a US CMBS deal.

Session 4: Auto loan and other asset finance structures:

Plain vanilla auto loan and equipment lease deals: typical features. Typical risks in asset finance business. Modelling delinquency and prepayment risks. Credit enhancements. Case study: a US auto ABS deal; an Indian auto ABS deal.

Session 5: 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.

Case study: a US credit card structure

Session 6: Synthetic CDO 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. Case study: a balance sheet synthetic CDO; an arbitrage synthetic CDO.

Session 7: 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? Case study: A Latin-American future flow deal.

Session 8: Inventory securitisation structure:

Anything can be securitised - even inventories. Converting inventories into securities: use of SPVs for holding physical assets. Case study: a Belgian inventory securitisation deal.

Module 2: Cashflow Modelling for Securitisation 5th - 6th October, 2007

Day 3&4 Transaction modeling

[Both these days would be largely practical - 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 an 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.

Day 5 (7th October 2007): BREAK

Module 3: Law, Tax, Accounting and Regulation 8th - 9th October , 2007

Day 6

Session 1: Basic legal issues:

Assignment of receivables - legal complications in assignments in Anglo-Saxon systems, Roman-Dutch systems, etc. - Legal structures for securitisation in different markets - legal structures for securitisation in various countries. Models of securitisation law in some countries: Italian law, Korean law, Japanese law. US article 9 of UCC and securitisation transactions.

Session 2: True sale:

Isolation and asset-backed rating in securitisation transactions. Concept of “true sale” – why “true”, and what is it that might make it “not true”? Case law in the USA, UK, Canada and elsewhere. Elements that make or mar a true sale. Recharacterisation – what are the consequences.

Session 3: Bankruptcy remote entities

What makes a special purpose vehicle bankruptcy remote - creation of bankruptcy-remote securitisation – criteria and preconditions for bankruptcy remote entities – consolidation risk.

Session 4: Legal issues in securitisation

Commingling risk; set-off risk; legal issues in residential and commercial mortgage backed transactions. Legal issues in revolving transactions. Legal issues future flows transactions.

Session 5: Secured loan based structures

The basis of secured loan structures –enforcement of security interests in bankruptcy. Legal position in different countries. UK Enterprise law. Fixed and floating charges as the basis for secured loan structures. Whole business transactions.

Session 6: Legal issues in synthetic transactions

Legal issues relating to derivatives – enforceability of derivatives. Decision of US and UK courts on credit derivatives.

Session 7: Documentation for securitisation transactions

Assignment agreement/transfer deed. Pooling and servicing agreement. Trust documentation.

We will review documentation for several real life transactions to provide participants with a first-hand review of the documentation involved.

Day 7

Session 1: Taxation of securitisation transactions:

tax neutrality as a key condition for efficient securitisation deals. SPEs as mini-corporations and the significance of debt-equity distinction. Key principles of originator taxation and taxation of gains on sale. Taxation of servicing fees and residual returns.

Debt versus equity – fundamental differences. Taxation of SPEs. Tax neutral SPEs. Tax-neutral

structures in several countries – US REMICs and FASITs. Italian SPEs.

Taxation of investors. Withholding taxes and other relevant issues.

Session 2: Taxation of synthetic transactions:

Key issues in derivatives taxation.

Session 3: Basic Accounting issues

Accounting for securitisation - off-balance-sheet versus on-balance-sheet treatment -IAS 39, SFAS 140, and FRS 5. Motivations for off-balance sheet finance. Preconditions for off-balance sheet accounting. Pre-conditions for off-balance sheet treatment under FAS 140 - surrender of control Concept of Qualifying special purpose entity.

Session 4: Components approach and gain-on-sale computation

Understanding the components approach. Identification and Valuation of the components: expected cashflows approach and discounting approach. Illustration of each approach with practical spreadsheet examples. Allocation of carrying value to the components. Valuation of assets/liabilities arising out of securitisation. Example and exercises on computation of gain on sale.

Session 5: SPV accounting, consolidation, SIC 12 and FIN 46

Accounting for the SPV - US Variable interest entity rules. IASB's SIC12 and consolidation

practices in other countries. Accounting for pass-through SPEs. Practical exercises

Accounting for investors: FAS 115/ FAS133 and IAS 39 rules. EITF 99-20 on US credit and prepayment sensitive cashflows accounting. Accounting for embedded derivatives. Practical exercises.

Session 6: Accounting for synthetic transactions

Accounting for synthetic transactions – basics of derivatives accounting. Financial instruments - accounting for HTM, AFS and Trading assets. Mark to market valuation rules. Preconditions for hedging treatment. Illustration of the fair valuation and accounting under hedging and non-hedging approaches.

Session 7: Regulatory issues

Regulatory issues in securitization - securitization and capital adequacy - recent bank failures in the USA and regulatory concerns - BIS II and securitisation. Rating-based capital norms. Regulations in some countries. Basle II and credit derivatives. Consultative paper III. Recent FDIC regulations on securitisation and credit derivatives in the USA - does it reflect the shape of regulation to come? Regulatory capital in case of synthetic transactions – residual risk in case of credit derivatives.

Session 7: Economic Capital

Economic capital – concept and computation. Models for estimation of economic capital. Impact of cash and synthetic securitisation on economic capital computation.

For registration and details, contact:

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REGISTRATION FORM

The Seventh Securitisation School-2007

KOLKATA
3rd-9th October 2007

1.Name _____

Designation _____

Qualification _____ Signature _____

2.Name _____

Designation _____

Qualification _____ Signature _____

Name of the Organisation _____

Address: _____

City: _____ Pin Code: _____

Telephone: _____

E-mail _____ Fax _____

I take Module I/ Module II/ Module III (tick one or more as you choose)

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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