

Cashflow Modeling and Simulations for Securitisation and CDOs Professional Masterclass

25 & 26 June 2007
Kuala Lumpur

LEARN ABOUT THE BEST PRACTICES OF STRUCTURING A ROBUST CASHFLOW MODEL FOR SECURITISATIONS !

Essential features of the workshop

- 100% practical event – from the time go, till the end, we are all the time on Excel.
- We intend to hand-hold all participants into working on excel models themselves.
- While knowledge of VBA is not mandatory, we intend to use simple macros to generate simulated scenarios.
- Most relevant and practical – you will see numerical evidence of what you have till date either simply perceived or read about.

Take aways from the course:

- Take away the most valuable asset – knowledge of cashflow modeling. Nothing makes your securitisation understanding more transparent than the cashflows.
- Take away modeling skills worth millions, and models worth thousands of dollars
- Take away models prepared by you during the workshop, and selected models developed by the faculty as well.

Course Fee & Venue

Course Fee: SGD 2,453
MIBA Member: SGD 2,300
Group Discount: 10 % for 2 or more sign-ups

Course Venue: To be announced

Registration & Enquiries

For registration & further enquiries, please contact:

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Programme Outline

DAY 1

Session 1:

- Overview of securitisation: securitisation and corporate finance
- Key principles of securitisation:
 - Isolation of assets
 - Self-liquidating transaction nature
 - Leverage features
- Securitisation and cost of funding
- Key motivations in securitisation
- Limitations of securitisation
- Securitisation and investor experience so far

Session 2:

- The cash-flow model of a simple pass through transaction
- Impact of the pass through nature on the payback pattern for investors
- Impact of defaults, delays and prepayments
- Introducing cash re-investments and other asset liability mismatches; impact thereof on the transaction economics
- The disparity in seller and investor concerns: value of residual interest, weighted average cost of the transaction and the duration and investor returns
- Time tranching of liabilities and impact thereof
- Impact of different forms of credit enhancement and selecting the ideal mix

Session 3:

- Prepayment rates and default rates as a function of time and seasoning
- Determination of prepayment and default rates from historical data
- Stress-testing of the key variables determining the stress levels
- Rating agencies' approach to rating reduction the tail risk
 - Understanding prepayment as a function of interest rates.
 - Building interest rate sensitivity to the model

Session 4:

- Sizing of credit enhancements on retail pools
- Computation of expected losses
- Application of beta distribution on the parameters and working out required confidence levels of credit enhancement

DAY 2

Session 5:

- Testing the risk of wholesale portfolios
- Binomial distributions and Poisson distributions
- Applying binomial and Monte Carlo approaches to probability of default
- Modelling of a CDO portfolio

Session 6:

- Modelling of a real life RMBS transaction
- Modelling of a revolving transaction structure:
 - Credit cards
 - Consumer finance transactions

Session 7:

- Investor analytics
- Relevance of the duration and weighted average maturity
- Impact of prepayment rate on investor returns
- Understanding the implicit callability feature and computation of the option- adjusted spread

Session 8:

- Modelling of a future flow transaction
 - Essential differences between the transaction structure and volatilities of a future flows transaction
 - Modeling the future flows based on Weiner distributions
 - Projecting future flows cashflows and analyzing the risk of future flows transactions
 - Applying simulation techniques to future flows transactions

Session 9:

- Modelling of CMBS transactions
- CMBS transactions as loans against value of properties
- Relevance of LTV and D/I ratios in CMBS funding
- Modelling property incomes and CMBS repayment
- Understanding of refinancing risks

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Workshop Leader



Vinod Kothari (VK), based in Calcutta, India is internationally recognised as an author, trainer and expert on securitisation, asset-based finance, credit derivatives and derivatives accounting

Vinod Kothari (VK) is an accomplished trainer and consultant on securitization, credit derivatives and structured finance all over the world including New York, Washington DC, London, Milan, Sydney, Singapore, Hong Kong, Kuala Lumpur, Johannesburg, Mumbai, Delhi, Kolkata, Shnaghai, Shenzhen, Colombo, Colombia (South America), Dubai, Dhaka, Zambia, Jordan and Egypt. VK is a Chartered Accountant and a Company Secretary with brilliant academic record. He has been ranker holder in high school, college, and topped the Eastern Region in Chartered Accountancy final exams. In 1987, a voluntary organisation of Calcutta chose him as the Outstanding Young Person of Calcutta in the field of Finance and Taxation.

He is the Executive Director of Asian Securitization Forum, 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. VK is also currently a Visiting Faculty at Indian Institute of Management, Joka, Calcutta teaching structured finance to over 100 students every year. The Indian Institute of Management is one of the top ranking business schools that sends brilliant finance professionals world-over every year. VK is also a visiting Faculty at National University of Juridical Sciences, the no. 2 law college in India, teaching corporate bankruptcy.

VK is the author of several renown publications:

- VK is the author of a book titled **Securitisation: The Financial Instrument of the Future**. Published by Wiley Finance, this book is one of the most comprehensive texts on the subject featuring securitisation structures, markets in several countries, legal, accounting, taxation and regulatory issues. The book is read as an authentic text on securitization in over 30 countries world-over.
- In July 2002, VK published his new title on **Credit Derivatives and Synthetic Securitisation**. The response to the book has been simply over-whelming.
- VK is internationally acknowledged as an expert on leasing. His book **Lease Financing and Hire-purchase**, now in its 4th edition in 1996, runs over 2000 pages and is read in several countries and respected as the most authentic text on the subject all over Asia. VK's articles on leasing have appeared in Monitor, USA, Equipment Financial Journal, USA, LeasingLife, UK, Journal of International Banking Law, UK and others.
- In Feb 2003, VK released his 4th book titled **Securitisation, Asset Reconstruction and Enforcement of Security Interests**. Running over some 550 pages, this book is the first exhaustive commentary on the Indian law of securitisation. The second edition of this book will be published shortly.

In addition, several of VK's articles have been published in various journals such as Euromoney's Securitisation Review, Euromoney's Leasing Yearbook, Duke Journal of Comparative & International Law, Journal of International Banking Law, Asset Finance, US Banker, El Exportador (in Spanish), Monitordaily, Equipment Finance Journal, Trade and Forfating Review.

Registration Form (Compulsory Information)

Company Details

Company Name:
HR/Training Manager:
Email:
Address:

Postal Code:

Country:

Telephone:

Fax:

Participants Information

Participant 1

Name:
Job Title:
Email:
Telephone:
Mobile:

Participant 2

Name:
Job Title:
Email:
Telephone:
Mobile:

Terms and Conditions

1. Registration and Payment

All prices are net of taxes. A place will be confirmed **ONLY** upon the receipt of your payment made two weeks prior to the course date.

TPGI Pte. Ltd. reserves the right to refuse admission if payment is not received on time.

2. Refund & Substitution an of Delegates Policy

Regrettably, no refunds can be made. If you are unable to attend, a substitute is welcome at no extra charge. Alternatively, your registration can be credited to a future training programme. **All changes to registration must be notified in writing.**

3. Cancellation Policy

TPGI **reserve the right** to cancel or alter the contents and timing of the training programme or the identity of the speaker for reasons beyond its control.

4. Administrative Charge

There will be an **additional 4% administrative charge** for payment using American Express Card or **SGD 50 administrative charge** via bank transfer or bank draft.