WBS

Latest Developments: Credit Derivatives, Credit CPPI & Credit Hybrids

Central London 4th / 5th / 6th December 2006

This workshop provides THREE booking options

Register to ANY ONE day TWO days or all THREE days of the workshop

Register to ANY TWO days of the workshop and receive £200 discount

Register to ALL THREE workshop days and receive £300 discount

Topics:

Credit Derivatives: From Basic - Hybrids Workshop

- **Single-Name Credit Risk Models**
- **Term structures of hazard rates and credit spreads, implied survival probabilities**
- **Structural models, Merton, Black-Cox, Credit-Equity hybrids and latest developments in structural models**
- **Portfolio Credit Risk Models**
- **Basic model-free Single-Tranche CDO pricing relationships**
- **Copula models, Gauss copula, the market standard model, implied correlation**
- **Numerical techniques for factor models: Convolution, Fast Fourier Transforms**
- **Numerical techniques for simulation models: Importance sampling, sensitivities with Likelihood-ratio methods**

Presenter:

Phillip Schönbucher: Assistant Profressor, Risk Management, (ETH) Zurich

Latest Developments: Credit Derivatives Modelling Techniques

- **Complete overview of Modelling Correlation Skews**
- **The Gaussian Copula Model and Beyond**
- **Correlation Market Dynamics and Skew Models**
- **A Correlation Skew Model with Sensible Dynamics**
- **Comparing Base Correlation with Market Dynamics**
- **Latest developments in CDOs**
- **Bespoke CDO Pricing- Determining the Correlation Skew from Portfolio Composition**

Presenters:

Jon Gregory: Global Credit Derivatives: Barclays Capital
Lutz Schloegl: Head of Fixed Income Quantitative Research, Lehman Brothers

Latest Developments: Credit CPPI & Credit Hybrid Products

- **Market overview of Credit CPPI**
- **Portfolio Insurance Strategies and CDOs**
- **An introduction to Credit SPI/CPPI**
- **The Loss-Market-Model: Pricing Portfolio-Credit - Interest-Rate Hybrids and exotic Portfolio Credit Derivatives**
- **Applications of the Model: Forward-starting CDOs, Options on Indices, Options on Tranches, Hybrid Products with Credit Correlation Components**
- **Dynamic Credit Correlation Models and Hybrids**
- **Intrinsic Credit-Equity Hybrids: EDSs and Convertible Bonds**
- **Extrinsic Hybrids: Mezzanine Swaps and Credit Linked Options**

Presenters:

Didier Campant: Credit Structurer, Associate Director, BNP Paribas
Philipp Schönbucher: Assistant Professor, Risk Management, (ETH) ZURICH
Alicia Vidler: Merrill Lynch

Day 1: Credit Derivatives: From Basic - Hybrids Workshop

08:30 – 17:00 / Philipp Schönbucher: Assistant Professor, Risk / Management, (ETH) ZURICH

Single-Name Credit Risk Models

- **Term structures of hazard rates and credit spreads, implied survival probabilities**
- **Reduced-form models, the Cox Process approach**
- **Structural models, Merton, Black-Cox, Credit-Equity hybrids and latest developments in structural models**

Portfolio Credit Risk Models

- **Basic model-free Single-Tranche CDO pricing relationships**
- **Model-free representation of arbitrage-free loss distributions**
- **Copula models, Gauss copula, the market standard model, implied correlation**
- **Multivariate intensity models, joint Cox process assumptions, factor-structures in multivariate intensity models**
- **Numerical techniques for factor models: Convolution, Fast Fourier Transforms**
- **Numerical techniques for simulation models: Importance sampling, sensitivities with Likelihood-ratio methods**

Breaks:

Morning: 10:30 – 10:45
Lunch: 12:30 – 13:30
Afternoon: 15:15 – 15:30

Cocktail Party Tuesday 5th December, 17:30 – 19:30 (All delegates are invited to the cocktail party)

Day 2: Latest Developments: Credit Derivatives Modelling Techniques

08:30 – 15:15 / The Correlation Skew and Correlation Modelling
5 hours 30 mins / Jon Gregory, Barclays Capital

- **The Gaussian Copula Model and Beyond**
- **The Correlation Skew and Base Correlations**
- **Why Do We Want a Skew Model?**
- **Local and Stochastic Correlations**
- **Hedging and Risk Management Considerations**

10:30 – 10:45 Break

- **Bespoke CDO Pricing – Determining the Correlation Skew from Portfolio Composition**
- **Tranche Forwards and Options**
- **Leveraged Supersenior – Market Triggers on Spread and Loss**

12:45 – 13:45 Lunch

- **Spread based models – What characteristics should the model have?**
- **Systemic and Idiosyncratic Risk Factors**
- **Implications for Hedging**

15:15 – 15:30 Break

15:30 – 17:30 / Correlation Market Dynamics and Skew Models:
2 hours / Lutz Schloegl, Lehman Brothers

- **Base correlation: the good, the bad and the ugly**
- **Comparing base correlation with market dynamics**
- **Proper skew models**
- **A correlation skew model with sensible dynamics**

Cocktail Party Tuesday 5th December, 17:30 – 19:30 (All delegates are invited to the cocktail party)

Day 3: Latest Developments: Credit CPPI / Hybrid Products

08:30 – 11:15 / Market overview of Credit CPPI:
2 hours 30 minutes / Didier Campant, BNP Paribas

- **Credit Strategies**
- **Detailed examples**
- **Gap Risk Challenges: Pricing and Risk Management**
- **Perspectives**

10:00 – 10:15 Break

- **Reverse CPPI**
- **Comparisons and Differences vis a vis CPPI**
- **Leverage Rules**

11:15 – 14:45 / The Loss-Market-Model: Pricing Portfolio-Credit -
2 hours 30 minutes / Interest-Rate Hybrids and exotic Portfolio Credit / Derivatives: Philipp Schönbucher, (ETH) ZURICH

- **Requirements of index-option pricing**
- **A concise representation of the full loss distribution**
- **Calibration to the correlation smile**
- **Equipping the loss distribution with arbitrage-free dynamics**
- **Parametrisation of the dynamics: Stochastic spreads**
- **Adding interest-rate dynamics**
- **Discrete-Time Representation with simply compounded transition rates**
- **Applications of the model: Forward-starting CDOs, options on indices, options on tranches, hybrid products with credit correlation components**

12:30 – 13:30 Lunch

14:45 – 17:30 / Dynamic credit correlation models and hybrids:
2 hours 30 minutes / Alicia Vidler, Merrill Lynch

- **Credit barrier models on functional lattices**
- **Intrinsic credit-equity hybrids: EDSs and convertible bonds**
- **High dimensional lattice models for CDOs**
- **Stochastic volatility models, correlation risk and vega risk**
- **Extrinsic hybrids: mezzanine swaps and credit linked options**

15:30 – 15:45 Break

End of day 17:30

Cocktail Party Tuesday 5th December, 17:30 – 19:30 (All delegates are invited to the cocktail party)

WBS

Latest Developments:
Credit Derivatives / Credit CPPI &
Credit Hybrids

Central London 4th / 5th / 6th December 2006

Workshop Fees:

☐ Any One day: £999 + UK VAT

☐ Any Two days: £1798 + UK VAT
(Including £200 Discount)

☐ All Three days: £2697 + UK VAT
(Including £300 Discount)

30% discount Academic delegates

Delegate details:

Company:	
Name:	
Position:	
Name:	
Position:	
Name:	
Position:	
Department:	
Address:	
Country:	
Phone:	
E mail:	
Date:	
Signature:	

To register please fax the completed booking form to:

Fax: +44 (0) 1273 201360

Flight details:

All delegates flying into London on the morning of the event are reminded that they should arrive 30 minutes before the workshop starts for registration. The hotels West End location is approximately 1 hour from all 3 main London airports, Heathrow, Gatwick and City. Returning flights should equally allow for the events finishing time.

Complimentary inbound transfer service:

WBS Training now extend our premium service to all our clients. This includes a complimentary inbound transfer from London airports to central London hotels for all workshops. If you require this service simply inform us up to 2 working days prior to your arrival (flight number, arrival time, airport and hotel destination) and we will arrange a complimentary pick up. You will be given a phone number to call on arrival and will be greeted at the airport by our partner taxi company.

Sponsorship:

World Business strategies Ltd, offer sponsorship opportunities for all events,
E-mail headers and the web site.
Contact Sponsorship: +44 (0) 1273 201352

Disclaimer:

World business strategies command the rights to cancel or alter any part of this programme.

Cancellation:

By completing of this form the client hereby enters into a agreement stating that if a cancellation is made by fax or writing within two weeks of the event date no refund shall be given. However in certain circumstances a credit note maybe issued for future events.

Prior to the two week deadline, cancellations are subject to a fee of 25% of the overall course cost.

Registration:

Tel: +44 (0) 1273 201352

Fax: +44 (0) 1273 201360

Contact:

http://www.wbstraining.com

sales@wbstraining.com