



SECURITISATION - AN INTRODUCTION



ICMA Executive Education is a joint partnership between the International Capital Market Association and the ICMA Centre, Henley Business School, University of Reading



INTERNATIONALLY RECOGNISED QUALIFICATIONS FOR THE **FINANCIAL MARKET**

COURSE OVERVIEW

This two-day training programme is designed to provide delegates with a thorough introduction to securitisation. The syllabus will cover the different types of structures with a primary focus on European transactions, while also covering US mortgage backed securities.

The main principles of the course will be illustrated using several different real-life case studies.

Attending the course will help you:

- Understand what is meant by securitisation
- Become familiar with the main participants in the securitisation process
- Be able to demonstrate different structuring techniques
- Have a thorough understanding of CDOs, CLO and synthetic deals

COURSE CONTENT

The course content is divided into several topic areas, which are then broken down into multiple subtopics:

1. Motivations

- What is securitisation?
- Main participants
 - Case study: Whole Business Securitisation

2. Structuring techniques

- How are the underlying assets managed?
- Linking the cash flows of the assets to the notes
- Repayment of principal
- Techniques of credit enhancement

3. European Mortgage Backed Securities

- Commercial Mortgages
 - Case study: Commercial Mortgage Backed Securities
- Residential Mortgage Backed Securities (RMBS)
 - Case study: RMBS

4. European Consumer Loans

- Auto loans
 - Case study: Auto loans
- Credit Cards
 - Case study: Credit Cards

5. Collateralised Loan (& Debt) Obligations

- Characteristics of CLOs
- Evolution of CLO structures
- Analysing CLO structures

6. Synthetic CDOs & index tranches

- An introduction to Credit Default Swaps (CDS)
 - Credit correlation
 - First to default CDS
- Features of synthetic CDOs
- Effects of default
- Index CDS
- Tranche investment products

7. US mortgage backed structures

- Structure of US mortgage backed market
 - Agency vs. non-agency RMBS
 - The 'to-be-announced' (TBA) market
- Pass through securities
 - Cash flow characteristics
 - Underlying collateral characteristics
 - Prepayment risk
 - Weighted average life
 - Contraction and extension risk
- Collateralised Mortgage Obligations (CMOs)
 - Sequential-pay tranches
 - Planned amortisation class (PAC) tranches

COURSE FORMAT

The course is a two day classroom-based programme, taking place throughout the year. This is a non-examined course but delegates will receive a certificate of attendance, issued jointly by ICMA and Henley Business School, University of Reading.

TARGET AUDIENCE

This programme is suitable for anyone with an understanding of the fundamental concepts of finance and fixed income who needs a holistic overview of the securitised market. Previous participants have come from varied backgrounds such as central bankers, traders, middle office analysts and lawyers.

PROGRAMME RECOGNITION

As a result of the continuing high standard of content within our training, candidates who study ICMA Executive Education qualifications will receive a designated number of credit hours which can be used towards study with the CFA.

ICMA EXECUTIVE EDUCATION

For many years ICMA Executive Education has been regarded as the benchmark in training for both the front office and operations areas of business. Our qualifications and specialist programmes are internationally recognised and are required training by many of our member firms. ICMA Executive Education is unique in that ICMA and the ICMA Centre, Henley Business School, University of Reading work together to deliver training courses, taught by current and former financial markets practitioners which blend practical and academic know-how, so that candidates have a thorough understanding of the topics being discussed.

Seven examined qualifications are offered:

- Financial Markets Foundation Qualification (FMFQ)
- Securities Operations Foundation Qualification (SOFQ)
- Introduction to Fixed Income Qualification (IFIQ)
- Introduction to Primary Markets Qualification (IPMQ)
- ICMA Fixed Income Certificate (FIC)
- Operations Certificate Programme (OCP)
- Primary Market Certificate (PMC)

All are recognised as certificates of competence in the capital markets and are successfully completed by large numbers of international participants each year. In addition to our examined qualifications we also offer a selection of non-examined specialist programmes throughout the year. These programmes look at a single topic from the syllabus of one of our advanced qualifications, but are explored in much greater depth to a targeted audience. The training is extremely focused and provides an opportunity to network and discuss the issues affecting the financial markets with your industry peers.

ICMA Executive Education is able to provide any of its public qualifications and specialist programmes on an in-house basis.

ICMA CENTRE

The ICMA Centre, University of Reading has an international reputation for providing quality teaching programmes tailored to the capital markets industry. Established in 1991 with funding provided by the International Capital Market Association (ICMA), the Centre is housed in a purpose-built modernist building with state-of-the-art facilities including two dealing rooms. In 2008, ICMA enabled an expansion to the building that now includes an additional 50 seat dealing room, 170 seat lecture theatre as well as new seminar rooms and a dedicated research area.

THE INTERNATIONAL CAPITAL MARKET ASSOCIATION

The International Capital Market Association (ICMA) represents financial institutions and other participants in the international capital market worldwide with over 530 members in 61 countries. ICMA's market conventions and standards have been the pillars of the international debt market for 50 years, providing the framework for good market practice which facilitates the orderly functioning of the market. ICMA actively promotes the efficiency and cost effectiveness of the capital markets by bringing together market participants including regulatory authorities and governments.

FURTHER INFORMATION AND REGISTRATION

For further information and to register for any of our programmes, please visit:

www.icmagroup.org/education

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