

Credit Default Swaps and Collateralized Debt Obligations

November 24, 2010, Copenhagen

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08.30 **Light breakfast**

09.00 **Welcome and introduction**

09.15 **1. Introduction to Credit Derivatives**

- What is credit risk?
- Market tendencies
- Rating volatility
- Default definition
- Credit derivatives product hierarchy

10.00 **Coffee Break**

10.15 **2. Credit Default Swaps**

- Credit default swaps (CDS)
- Plain vanilla CDS
- Settlement and legal aspects
- Cash settlement
- Physical settlement
- Credit event definition
- Examples of how to use CDS
- Capital Adequacy according to BIS II
- Total Rate of Return Swaps
- Nth to default baskets
- Intuition behind Pricing

12.00 **Lunch**

14.30 **3. Collateralized Debt Obligations**

- Reasons for existence
- What is an Asset Backed Security (ABS)?
- Cash vs. Synthetic CDOs
- Bespoke vs. Standard Tranches
- Itraxx CDO Tranches
- Special Purpose Vehicles (SPVs)
- Examples

15.00 **4. Credit Risk Modelling**

- The options approach
- The KMV approach
- The CreditMetrics approach
- Ratings, migration probabilities and default correlations
- The Credit Triangle for Pricing CDOs
- Examples

16.00 **End of course and evaluation**

Price

The price for the course is DKK 6.000. The price includes course material, lunch and refreshments but is exclusive of VAT