

**2000 GENERAL INSURANCE CONVENTION**  
**25-28 OCTOBER**

**EMERGING OPPORTUNITIES IN THE CREDIT  
DERIVATIVE MARKET**

*Presenter: Stephen Walker*

## **Workshop Emerging Opportunities in the Credit Derivative Market (A, W)**

**Stephen Walker - GIRO 2000 Birmingham**

The workshop is intended to provide a general awareness of the credit derivative market; the instruments that are available; and comparison with insurance based products.

In addition some of the possible effects of the credit derivative market on the emergence of integrated financial services will be discussed.

### **Topics to be covered**

What are credit derivatives?

- Basic construction and operation of a credit derivative
- What flexibility is there in the contract?

Comparison with insurance

- Indemnity vs financial risks
- Mark-to-market and reserving
- Counterparty default

Basic credit derivatives

- Credit default swap
- Total return swap
- Asset swaps and credit linked notes

Structured credit derivatives

- Layering and portfolios
- Asset backed derivatives
- Where next?

Risk-Funding Bifurcation

- What is this?
- Why bother?
- Internal and external risk transfer

Assets risks and liquidity management

- Understanding liquidity risk

- Utilisation of derivatives in portfolio management