

Invitation

*The Center for Law, Economics, and Financial Institutions at CBS (LEFIC)
invites You to One-Day Seminar
on*

Managing Credit Risk: The Next Great Financial Challenge

*led by
Professor Edward I. Altman, Stern School of Business, NYU*

Monday, May 19, 2003
*Copenhagen Business School
Solbjerg Plads 3, 2000 Frederiksberg
Room SPs10
8:30 – 16:30*

*You are cordially invited to participate in the seminar, which will be led by the world's leading expert on credit analysis, **Professor Edward I. Altman**, originator of the so called z-score model for bankruptcy predictions. Professor Altman has also done important research on the use of ratings data and other methods of assessing the riskiness and pricing of loans. The proposed new Basel Capital Adequacy framework will most likely require banks to either use ratings to determine capital requirements or to use internally developed risk models. The seminar will address these and other approaches to risk assessment.*

*The cost of participation is DKK 1.000,00, which includes lunch and coffee. Please return the registration form via fax to 3815 3600 or send a mail to na.fi@cbs.dk by **May 5th, 2003**.*

Payment can be made electronically to Den Danske Bank, Erhvervsafdelingen, Nytorv, Frederiksberggade 1, DK-1012 København K, account no. 1199 10015766. Please note the following number on your deposit: 209 299090 31048.

***For more information**, please contact Professor Clas G. Wihlborg cw.fi@cbs.dk, ph. 3815 3628 or Nancy E. Ake Aaen na.fi@cbs.dk, ph. 3815 3620.*

We look forward to your participation!

Center for Law, Economics, and Financial Institutions at CBS (LEFIC)

One Day Seminar On

Managing Credit Risk: The Next Great Financial Challenge

Led by

Professor Edward I. Altman

Monday, May 19, 2003

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Yes, I would like to participate

Sorry, I am unable to participate

Name:

Title:

Address:

Phone no.:

E-mail address:

Please send registration form to Nancy E. Ake Aaen, LEFIC Administrator, Solbjerg Plads 3, 2000 Frederiksberg.

Seminar Outline

Managing Credit Risk: The Next Great Financial Challenge Edward I. Altman¹

- 8:00 Welcome
- Credit Risk: A Global Challenge in High and Low Risk Regions
 - BIS Guidelines on Capital Allocations
- 10:00 Morning Break
- Pricing of Bank Loans
 - Scoring and Rating Systems
 - Internal Vs. External Rating Systems
 - Credit Risk Measurement Developments: Last 20 Years
 - Traditional and Non-Traditional Credit Scoring Systems
 - Approaches and Test for Implementation
 - Predicting Financial Distress (Z and ZETA Models)
 - Models Based on Stock Price – KMV, Etc.
 - Neural Networks and Rating Replication Models
- 12:30 Lunch
- CreditMetrics[®] and Other Portfolio Frameworks
 - A Model for Emerging Market Credits
 - Country Risk Issues
 - Default Rates, Recoveries, Mortality Rates and Losses
 - Capital Market Experience, 1971-1997
 - Default Recovery Rates on Bonds and Bank Loans
 - Mortality Rate Concept and Results on Bonds and Bank Loans
 - Credit Rating Migration Analysis
 - The Link Between Default and Recovery Rates
- 15:00 Afternoon Break
- Collateralized Bond Loan Obligations-Structured Finance
 - Understanding and Using Credit Derivatives
 - Corporate Bond and Commercial Loan Portfolio Analysis

¹ Dr. Altman is the Max L. Heine Professor of Finance at the Stern School of Business and Vice Director of the New York University Salomon Center.

Edward I. Altman

Edward I. Altman is the **Max L. Heine Professor of Finance** at the Stern School of Business, New York University. Since 1990, he has directed the research effort in Fixed Income and Credit Markets at the NYU Salomon Center and is currently the Vice-Director of the Center. Prior to serving in his present position, Professor Altman chaired the Stern School's MBA Program for 12 years. He has been a visiting Professor at the Hautes Etudes Commerciales and Universite de Paris-Dauphine in France, at the Pontificia Catolica Universidade in Rio de Janeiro, at the Australian Graduate School of Management in Sydney and Luigi Bocconi University in Milan.

Dr. Altman has an international reputation as an expert on corporate bankruptcy, high yield bonds, distressed debt and credit risk analysis. He was named **Laureate 1984** by the *Hautes Etudes Commerciales Foundation in Paris* for his accumulated works on corporate distress prediction models and procedures for firm financial rehabilitation and awarded the **Graham & Dodd Scroll** for 1985 by the *Financial Analysts Federation* for his work on Default Rates on High Yield Corporate Debt and was named "*Profesor Honorario*" by the University of Buenos Aires in 1996. He is currently an advisor to the Centrale dei Bilanci in Italy and to several foreign central banks. **Professor Altman is also the Chairman of the Academic Council of the Turnaround Management Association.** Dr. Altman was named to the **Max L. Heine endowed professorship** at Stern in 1988. **He was inducted into the Fixed Income Analysts Society Hall of Fame in 2001 and elected President of the Financial Management Association (2002).** He received his MBA and Ph.D. in Finance from the University of California, Los Angeles.

Professor Altman is one of the founders and an Executive Editor of the international publication, the **Journal of Banking and Finance** and Advisory Editor of a publisher series, the **John Wiley Frontiers in Finance Series**. Professor Altman has published or edited almost two dozen books and over 100 articles in scholarly finance, accounting and economic journals. He is the current editor of the **Handbook of Corporate Finance** and the **Handbook of Financial Markets and Institutions** and the author of a number books, including **Recent Advances in Corporate Finance; Investing in Junk Bonds; Distressed Securities: Analyzing and Evaluating Market Potential and Investment Risk; Corporate Financial Distress and Bankruptcy** and his most recent works on **Managing Credit Risk: The Next Great Financial Challenge (1998) and Bankruptcy, Credit Risk and High Yield Junk Bonds (2002)**. His work has appeared in many languages including French, German, Italian, Japanese, Korean, Portuguese and Spanish.

Dr. Altman's primary areas of research include bankruptcy analysis and prediction, credit and lending policies, risk management in banking, corporate finance and capital markets. He has been a consultant to several government agencies, major financial and accounting institutions and industrial companies and has lectured to executives in North America, South America, Europe, Australia-New Zealand, Asia and Africa. He has testified before the U.S. Congress, the New York State Senate and several other government and regulatory organizations and is a Director and a member of the Advisory Board of a number of corporate, publishing, academic and financial institutions.

Dr. Altman is Chairman of the Board of Trustees of the *InterSchool Orchestras of New York* and a member of the Board of Trustees of the *Museum of American Financial History*.