The Bank for International Settlements recommendations on a new capital adequacy framework, “International Convergence of Capital Measurement and Capital Standards” (Basel II) has propelled credit risk management to the forefront of analysis and controversy. In addition, the recent record levels of corporate defaults and bankruptcies and the subsequent dramatic drop after 2002 have caused credit risk managers and investors to re-examine processes and techniques to manage the credit risk function. This program will explore these and other issues and challenges in the risk management of credit assets. You will learn innovative models and techniques for measuring and managing credit risk from leading experts Professors Edward Altman and Anthony Saunders. We will discuss the creation and uses of modern credit scoring systems and the implications for fair-value assessment of non-liquid assets and liabilities as well as estimation of loss reserves, pricing of public and private debt, and database applications that can be used to accurately assess credit risk. We will also review new studies exploring the links between default and recovery rates on corporate defaults and the association between bond and bank loan prices of distressed companies.

How You Benefit

- Understand the range of credit scoring techniques
- Learn the newest techniques for evaluating distressed firms
- Learn methods for pricing bank and other private placements
- Apply techniques for assessing both market and fair values
- Appreciate the benefits and capabilities of various risk management techniques

Who Should Attend

This course is ideal for experienced finance professionals who are responsible for financial assets within their organizations or who must enhance their understanding of the risks related to managing financial credit assets including:

- Senior management of financial institutions
- Bank, thrift and insurance credit officers
- Loan portfolio and fixed-income analysts
- Credit Managers of Industrial Companies
- Investors in fixed-income markets
- Regulators of financial institutions
- Counter-party risk analysts
- Credit risk derivative market participants
- Securitization specialists

**Organization**

**Thursday, October 6**

<table>
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<tr>
<th>Morning</th>
<th>Afternoon</th>
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<tbody>
<tr>
<td>::Credit Risk in a Changing Regulatory Environment</td>
<td>::Distressed Firm and Default Rate Probabilities</td>
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<tr>
<td>::Modern Credit Scoring Models</td>
<td>::Assessing Loss Reserves on Loans and Bonds</td>
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<td>::Credit Risk Hedging Products</td>
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**Friday, October 7**

<table>
<thead>
<tr>
<th>Morning</th>
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<tr>
<td>::Pricing Bank and Other Private Placements</td>
<td>::Hedging Default Risk</td>
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<tr>
<td>::Comparison of Various Value at Risk Credit Models</td>
<td>::Comparing Techniques for Risk Management of</td>
</tr>
<tr>
<td></td>
<td>::Credit Asset Portfolios</td>
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Program Faculty

Edward I. Altman is the Max L. Heine Professor of Finance at NYU Stern School of Business. He has an international reputation as an expert on corporate bankruptcy, high yield bonds, distressed debt and credit risk analysis. He was named Laureat 1984 by the Hautes Etudes Commerciales Foundation in Paris for his accumulated works on corporate distress prediction models and procedures for firm financial rehabilitation, awarded the Graham & Dodd Scroll for 1985 by the Financial Analysts Federation for his work on default rates on high-yield corporate debt, and named "Professor Honorario" by the University of Buenos Aires in 1996. Professor Altman is one of the founders and an Executive Editor of the international publication, Journal of Banking and Finance and Advisory Editor of a publisher series, John Wiley Frontiers in Finance Series. He has published 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 over a dozen 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 Managing Credit Risk: The Next Great Financial Challenge and Bankruptcy, Credit Risk and High-Yield Junk Bonds. Professor Altman was inducted into the Fixed Income Analysts Society Hall of Fame in 2001 and elected President of Financial Management Association (2002) and a FMA Fellow in 2004. Professor Altman is unquestionably the leading academic in the world in the analysis of the risk/return performance of the high yield and distressed debt market securities and pioneered modern credit risk management. He leads the Salomon Center’s research program in Credit & Debt Markets and is the Chair of TMA’s Academic Advisory Board.

Anthony Saunders is the John M. Schiff Professor of Finance and Chair of the Department of Finance at NYU Stern School of Business. His teaching and research have specialized in financial institutions and international banking. His research has been published in all of the major money and banking journals and in several books including his most recent book on credit risk measurement, Credit Risk Measurement: New Approaches to Value at Risk and Other Paradigms, and Financial Institutions Management: A Modern Perspective. He is the editor of Journal of Banking and Finance and Journal of Financial Markets, Instruments and Institutions, as well as the associate editor of eight other journals, including Financial Management and Journal of Money, Credit and Banking. Currently, he holds positions on the Board of Academic Consultants of the Federal Reserve Board of Governors as well as the Council of Research Advisors for the Federal National Mortgage Association. He has acted as a visiting scholar at the Comptroller of the Currency and at the Federal Monetary Fund. He has served as a visiting professor all over the world, including INSEAD, the Stockholm School of Economics, and the University of Melbourne. He has been teaching at NYU Stern Since 1978 and is currently on the Academic Committee of the Salomon Center.

To Register

Please complete the registration form and send it via fax to: (212) 995-4220

Or send it via mail to:

NYU Salomon Center
Stern School of Business
44 West 4th Street, Suite 9-160
New York, NY 10012-11226

Telephone (212) 998-0700
E-mail salomon@stern.nyu.edu

Enrollment in this program is limited and early registration is encouraged.
Special discounts are available to Stern Alumni, Corporate Associates of the Salomon Center, members of the Turnaround Management Association, members of GARP, and subscribers to the Defaulted Debt Index Reports and Newsletter.

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<th>Program Dates</th>
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<tbody>
<tr>
<td>October 6-7, 2005</td>
<td>$2250</td>
<td>NYU Stern, 44 West 4th Street</td>
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<tr>
<td></td>
<td></td>
<td>New York City</td>
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