

Credit and Financial Risk Management: 40 years after the Altman Z-score model

An interdisciplinary perspective on today's Risk Management

Thursday 12th June 2008
Afternoon

CONFERENCE PROGRAM

Location: Polo Scienze Sociali
Building D6 – Economics
Via Pandette 9, Florence

Time	Event		
09.00 – 15.00	Conference registration		
15.00 – 16.30	Opening and plenary session (1) 15.00 Welcoming remarks University of Florence, Local Authorities greetings Conference Opening, Oliviero Roggi 15.40 Edward Altman , Keynote lecture "Z-Scores and the Probability of Default: A 40 Year Perspective"		
16.30	Coffee Break		
16.50 - 18.50	Parallel session (1)		
Area	Default Risk Modeling Area	Corporate Risk management	Quantitative Tools for Risk Management
	Chairman: Maurizio Fanni	Chairman: Lorenzo Caprio	Chairman: Marcello Galeotti
16.50 - 17.15	"40 years of model of business insolvency. A proposal of its taxonomy" Authors: <u>Somoza A.</u> – J. Vallverdu Calafell	"An empirical study of the relation between equity implied probabilities of default and fundamental information" Authors: <u>N. Fargher</u> – E. Kalotay	"Trading risk management in emerging GCC financial market" Author: M. Al Janabi
17.20 - 17.45	"On the philosophy and dynamic characteristic of rating agencies and credit risk models" Author: Florez-Lopez R.	"Financing decisions. The case for convertibles" Author: L. Del Viva	"Basel II Accord, Credit portfolio reallocations and risk taking incentives" Authors: O. Bruno – <u>A. Girod</u>
17.50 - 18.15	"Bank Rating Systems After Basel 2_Determinants and Possible Effects on Financing Italian SMEs" Authors: Giunta F. Dainelli F. Cipollini F.	"The information risk drivers. 15 years of analysis to support risk premia modelling" Author: G. Mantovani	"A stochastic programming approach for multi-period portfolio optimization" Authors: <u>M. Hanke</u> – A. Geyer – A. Weissensteiner
18.20 - 18.45		"Understanding and predicting the resolution of financial distress" Authors: M. Jacobs – A. K. Karagozoglu – <u>D. N. Layish</u>	"Empirical estimation of loan loss distribution: Vasicek and extensions" Authors: E. Batiz-Zuk – G. Christodoulakis – S. Poon NOT CONFIRMED
18.45 – 19.45	Free Time		

Panels may change

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Time	Event							
09.15 – 10.45	Parallel sessions (2) and Ph.D Clinic							
Area	Default Risk Modeling and banking Area	Banking & Risk Management	Corporate Risk Management	Quantitative Tools for Risk Management				
	Chairman: TBA	Chairman: Riccardo De Lisa	Chairman: Maurizio Dallochio	Chairman: Anna Rita Bacinello				
09.15 – 9.40	Aula Botticelli	Aula Michelangelo	Aula Giotto	Aula Raffaello	Reputational effects of operational risk events for financial institutions Authors: <u>Cannas G.</u> , <u>Flore G.</u> , <u>Masala G.</u> , <u>Micocci M.</u>	"Credit risk transfer instruments in Romania in the light of subprime crisis" Author: S. G. Anton	"The working capital in the turnaround mgagement" Authors: G. Mariani	"An affine intensity model for large credit portfolios" Authors: <u>B. Acciaio</u> – S. Herzel
9.45 – 10.10					"Incentive and risk taking in hedge fund" Authors W. Ziemba, Kouwemberg	"Recurring credit crises an Irving Fisher solution" Author: N. F. Chen	"Implied default barrier in credit default swap premia" Authors: <u>S. Forte</u> – F. Alonso – J. M. Marques	"The effects of robust estimation on operational risk severity distribution and capital charge" Author: S. Huber
10.15 – 10.40					Ownership Links, Leverage and Credit Risk Authors: <u>Luciano E.</u> , Nicodano	Estimating conservative loss given default Authors: G. Sabato – M. Schmid	"Value investing from theory to practice: the case of the Italian stock market" Author: P. Di Biase	"Risk neutral and actual default probabilities with an endogenous bankruptcy jump-diffusion model" Authors: <u>F. Quittard-Pinon</u> – O. Le Courtois
11.00 – 11.15	Plenary Session (C)							
11.15 – 13.00	11.15 William Perraudin (Imperial College London) - Keynote lecture " <i>Dynamic Default Rate Distributions</i> " Co-author: Robert Lamb 12.00 Panel Discussion 12.30 Guest lecture (TBA)							
13.00 - 14.00	Lunch							

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Location: Polo Scienze Sociali
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Via Pandette 9, Florence

Time	Event							
14.00 – 16.00	Parallel sessions (3)							
	Default Risk Modeling Area	Banking & Risk Management	Corporate Risk Management	Quantitative Tools for Risk Management				
	Chairman Maurizio Fanni	Chairman: Riccardo De Lisa	Chairman: Giorgio Bertinetti	Chairman: Elisa Luciano				
14.00 - 14.25	Aula Botticelli	"Predicting SME failure: an application in the US and UK" Authors: E. Altman, <u>N. Wilson</u> , G. Sabato	Aula Michelangelo	"Credit risk discovery in the Stock and CDS market: who, when and why leads?" Authors: S. Forte – <u>L. Lovreta</u>	Aula Raffaello	Sala Giotto	"Do target prices predict rating changes?" Authors: <u>O. Pettinato</u> – A. Salvi - Bonini	"A comparison of a logistic regression, discriminant analysis and support vector machines on the bank of Portugal data" Authors: <u>A.I. Lacerda</u> – R. A. Moro
14.30 - 14.55		The development of a simple and intuitive rating system under Solvency II Authors: <u>Van Laere E.</u> , Baesens B.		"Accounting-based versus market based cross-sectional models for CDS spreads" Authors: S. Das – <u>P. Hanouna</u> – A. Sarin			Company financial performance prediction by virtue of economic value added measure by simulation methodology Authors: Z. <u>Zmeskal</u> – D. Dluhosova	"A credit contagion model for the dynamics of the rating transitions in a SME bank loan portfolio" Authors: <u>A. Basso</u> – R. Gusso
15.00 - 15.25		Cds and rating announcements A comparative analysis Authors: <u>Salvi A.</u> , Dallochio M. Bonini S. Iavarone D.		"Assessment of bank creditworthiness: t relation between bank financial fundamentals and credit rating. Empirical evidence for European banking market" Authors: <u>F. Bernè</u> – M. Ciprian – M. Fanni – F. Vento			"Rating history and the rating dynamics of fallen angels, rising stars and big rating jumpers" Authors: <u>H. Dang</u> – G. Partington	"Pricing and hedging structure product. A comparison of numerical methods for virtual power plant" Author: E. Fanone
15.30 - 15.55		Performance of dual rating system combining rating stability, rating timeless Authors: E. Altman - <u>E. Rijken H.</u>		"Determinants of Bank Distress in a Liberalised Financial Markets" Author: S.O.Uremadu				
16.00 – 16.15	Coffee break							
16.15 – 18.30	Plenary session (3) Chairman: Maurizio Fanni 16.15 Viral Acharya (London Business School) Keynote lecture " <i>Liquidity Risk of Corporate Bond Returns</i> " Co-authors: Yakov Amihud and Sreedhar Bharath 17.00 Panel Discussion Chairman: Giampiero Gallo 17.30 William Ziemba , Guest lecture " <i>The Innovest Austrian Pension Fund Financial Planning Model InnoALM</i> " Co-author: Alois Geyer							
18.30 – 20.00	Free time							

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Saturday 14th June 2008
Morning

Location: Auditorium
Ente Cassa di Risparmio Firenze
Via Folco Portinari 5, Florence

Time	Event																		
09.30 – 11.15	<p>Professional workshop “Current Conditions in the Global Credit Markets: A New Paradigm or Great Credit Bubble?” Keynote Speaker: Prof. Edward Altman “Current Conditions in Global Credits Markets: a tale of Three Periods” Featured Presentation: Prof. Viral Acharya “Lesson for Central Banking from the Sub-Prime Crisis” <i>"For some time now, I have been concerned about the contagion between the credit markets and the real economy. Indeed, I believe we are already in, or very close to being in, a real economy recession in the US, and I am convinced that the downturn is credit market motivated. In fact, it would not surprise me if one concludes that the last two recessions of 1991 and 2001 were also motivated by credit events. One "shoe" that has not fallen, however, is the increase in corporate bond and loan defaults. Most observers, including myself, now believe that increased defaults, perhaps sizeable, are inevitable. Indeed, in early 2008, that is exactly what has taken place. The question now is how severe will be this increase, which will partially depend on how the real economy, particularly in the US and Europe, will fare. Another "shoe" deals with the LBO market. With more than 650 of these highly leveraged transactions in the last four years, a big question is how they will hold-up in a changed credit environment".</i> Edward Altman</p>																		
11.15-11.30	Coffee break																		
11.30 – 13.00	<p style="text-align: center;">Workshop Round Table</p> <table border="0"> <tr> <td>Aureliano Benedetti</td> <td>President Banca CR Firenze</td> </tr> <tr> <td>Maurizio Esentato</td> <td>Calyon Credit Agricole CIB</td> </tr> <tr> <td>Robert Holman</td> <td>Chief Executive Director di Czech National Bank</td> </tr> <tr> <td>Maccarinelli Mauro</td> <td>Risk Management Intesa San Paolo</td> </tr> <tr> <td>Jacopo Morelli</td> <td>National Vice President of Young Entrepreneurs</td> </tr> <tr> <td>Massimo Marchesi</td> <td>Former European Community Banking Unit Basel II Team</td> </tr> <tr> <td>Senior Analyst</td> <td>Banca d'Italia</td> </tr> <tr> <td>Duncan Martin</td> <td>Director of Credit Analytics, Corporate Markets Division RBS</td> </tr> <tr> <td>Chairman: Oliviero Roggi</td> <td>Academic Coordinator IRMC2008</td> </tr> </table> <p style="text-align: center;">Panelists may change</p>	Aureliano Benedetti	President Banca CR Firenze	Maurizio Esentato	Calyon Credit Agricole CIB	Robert Holman	Chief Executive Director di Czech National Bank	Maccarinelli Mauro	Risk Management Intesa San Paolo	Jacopo Morelli	National Vice President of Young Entrepreneurs	Massimo Marchesi	Former European Community Banking Unit Basel II Team	Senior Analyst	Banca d'Italia	Duncan Martin	Director of Credit Analytics, Corporate Markets Division RBS	Chairman: Oliviero Roggi	Academic Coordinator IRMC2008
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13.00	Lunch																		

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