FINANC€ONCEPTS

STANDARD &POOR'S

CREDIT RISK SUMMIT

New York, October 20th 2006

THE STATE OF THE ART IN CREDIT AND CORRELATION MODELLING

Standard & Poor's is the world's foremost provider of independent credit ratings, indices, risk evaluation, investment research and data. An essential part of the world's financial infrastructure, Standard and Poor's has played a leading role for more than 140 years in providing investors with the independent benchmarks they need to feel more confident about their investment and financial decisions.

Finance Concepts offers training and consulting service in quantitative finance and risk management. Its team blends a strong technical expertise in quantitative methods and financial modelling and an extensive hands-on experience of market practice.

Speakers

Damiano **BRIGO**, Banca IMI
Rama **CONT**, Columbia & Ecole Polytechnique
Sanjiv **DAS**, Santa Clara University
Craig **FRIEDMAN**, Standard & Poor's
Igor **HALPERIN,** Quantitative Research JP Morgan
James **HUANG**, Standard & Poor's
Ibrahima **KOBAR**, IXIS Asset Management
David **LI**, Barclays Capital
Alex **LIPTON**, Merrill Lynch
Philipp **SCHÖNBUCHER**, ETH Zürich
Jakob **SIDENIUS**, Quantitative Research JP Morgan
Julien **TURC**, Société Générale
Stan **URYASEV**, University of Florida

HIGHLIGHTS

- Credit derivatives: pricing and risk management of credit default swaps, single tranche CDOs
- Next generation credit products: options on CDO tranches, forward starting tranche swaps, CMCDS
- New models for credit correlation: forward loss models, chain copula model, jump-diffusion models
- Recent advances in statistical modeling and measurement of default risk
- Structured credit products: structuring of synthetic CDOs, actively managed CDOs
- Credit rating methodologies for single tranche CDOs and structured credit derivatives
- Calibration techniques for advanced credit derivatives pricing models
- Measuring and managing recovery risk

SPEAKER PROFILES

Damiano BRIGO is Head of Credit Models at Banca IMI. He has published several academic and practitioner-oriented articles in financial modelling, probability and systems theory journals. He is author of the book *Interest Rate Models*: *Theory and Practice*. His current interests include credit and counterparty risk modelling, interest-rate and smile modelling and risk measurement.

Rama CONT is Associate Professor at Columbia University (New York), Research Scientist at Ecole Polytechnique (France) and founding partner of *Finance Concepts*. He is co-author of *Financial modelling with jump processes* (CRC Press 2003) and *Credit Derivatives* (Wiley 2005). His research focuses on quantitative modelling in finance, in particular: computational methods for derivative pricing, algorithms for model calibration, model risk.

Sanjiv DAS is a Professor of Finance at Santa Clara University. Prior to joining the SCU faculty in 2002, he taught at the University of California, Berkeley, and Harvard Graduate School of Business. Das' research interests include performance and regulation of mutual funds, portfolio choice, computational finance, and auction theory. He has published works on credit pricing and modelling, credit correlation and credit derivatives.

Craig FRIEDMAN is the Head of Research in Standard & Poor's Quantitative Analytics group. He works on credit-related problems. Previously, he worked in Morgan Stanley's Fixed Income Division. He holds a Ph.D. from NYU's Courant Institute of Mathematical Sciences. He has published articles in quantitative finance journals on model calibration, numerical methods in finance, credit risk modelling and risk management.

Igor HALPERIN holds a Ph.D. in theoretical high energy physics from Tel Aviv University, Israel. After holding several academic research positions in physics, he has moved to finance in 1999. From 1999 to 2003, he developed interest rates and credit derivatives pricing models at Bloomberg L.P. In 2003, Dr. Halperin has joined JP Morgan. His current role involves model research and development in exotic multi-name credit credit derivatives.

James HUANG is a Director of Standard & Poor's Quantitative Center of Excellence. He is responsible for developing and implementing models relating to credit risk. His current emphasis is on modeling probability of defaults, default intensity and portfolio loss. Prior to joining Standard & Poor's, James worked in the Asset Management group of JP Morgan, where he was an Associate in the Quantitative System group. James holds a PhD in Applied Mathematics and a M.S. in Computer Science from Brown University.

SPEAKER PROFILES

Ibrahima KOBAR is Head of Insurance Management activities at IXIS Asset Management (Assets and Liabilities Management, structured products and derivatives) where he joined in in 1994 as a Portfolio Manager. Mr Kobar holds a Master's degree in mathematics from the University of Toulouse. He is a member of the French Institute of Actuaries (Paris) as well as a CFA charterholder.

David LI is Head of Quantitative Analytics and Credit Derivatives at Barclay's Capital. Previously he worked for banks in the area of risk management and credit derivatives trading. Mr Li has a Ph.D. degree in statistics from the University of Waterloo and master's degrees in economics, finance and actuarial science from NanKai University. He is an Associate of the Society of Actuaries and an elected Council Member of the Investment Section of the SOA.

Alex LIPTON is Managing Director of Global Markets Derivatives Analytics and Global Head of CRESP Analytics at Merrill Lynch International. His current interests include stochastic volatility models, capital structure arbitrage, as well as relative value and technical trading strategies. In 2000 Alex Lipton became the first recipient of the Quant of the Year Award by Risk magazine. Alexander is the author of two books *Magnetohydrodynamics and Spectral Theory* and *Mathematical Methods for Foreign Exchange*.

Philipp SCHÖNBUCHER is Assistant Professor at the Swiss Federal Institute of Technology and a leading expert on modelling and pricing of credit derivatives. He is the author of the best-selling book *Credit derivatives pricing models* (Wiley, 2002) and has written numerous research papers on credit risk and credit derivatives.

Jakob SIDENIUS recently joined JP Morgan as a Vice President in the Quantitative Research group. Previously he was Global Head of Capital Markets Quantitative Research at Royal Bank of Scotland and before that Senior Credit Derivatives Quant at Bank of America. Before going to the financial industry, Jakob worked in academia on the physics of superstrings.

Julien TURC is Head of Quantitative Strategy at Société Générale Corporate & Investment Banking. Being part of the Credit & Fixed Income Research Group, his team advises clients playing relative value and investing in structured products. Julien's research focuses on structured products, equity-credit modelling and statistical training.

Stan URYASEV is Professor at the Department of Industrial and Systems Engineering at the University of Florida and Director of the Risk Management and Financial Engineering (RMFE) Lab. His research is focused on financial engineering applications, risk management and military applications. He is an associate editor of *The Journal of Risk* and the *Journal of Global Optimisation*.

CONFERENCE PROGRAM

8 :30 8 :45	**Registration and Coffee** **Opening Session :** Marco **AVELLANEDA** and Bill **COX**	
9:00-9:45	David **LI**: *Loss Distributions, Loss Transformation and Credit Portfolio Pricing: incorporating spread volatility in the Gaussian copula model*	
9:45-10:30	Stan **URYASEV**: *Pricing CDOs : Building Copulas using Entropy*	Julien **TURC** *Pricing and Hedging CDOs with a smile: the local correlation model*
10:30-11:00	**Break**	
11:00-11:45	Alex **LIPTON**: *Dynamic credit correlation models: Jump-diffusion of the market factor and its implications*	
11:45-12:30	Damiano **BRIGO**: *Calibration of CDO Tranches with the dynamical Generalized-Poisson Loss model*	Jakob **SIDENIUS**: *Chain Copula Models for the pricing of forward-starting tranches*
12:30-13:45	**Lunch**	
13:45-14:30	Philipp **SCHÖNBUCHER**: *Modeling Portfolio Credit Derivatives with Loss Transition Rates*	
14:30-15:15	Igor **HALPERIN**: *Pricing of Index and Bespoke CDO Tranches with Minimum Cross Entropy*	Sanjiv **DAS**: *Implied Recovery : extracting recovery rates from credit default swaps*
15:15-15:45	**Break**	
15:45-16:30	Rama **CONT** *Forward loss models for portfolio credit derivatives: implying loss transition rates and their volatilities from CDO tranches and tranche options*	
16:30-17:15	James **HUANG** *Calibrating High Dimensional Most Entropic Copulas*	Craig **FRIEDMAN** *Private Firm Default Probabilities via Statistical Learning Theory and Utility Maximization*
17:15-18:00	Ibrahima **KOBAR** *Managed Synthetic CDOs: The Manager Perspective*	
18: 00	**Closing Remarks :** Bill **COX** **Cocktail**	

Credit Risk Summit

New York, October 20th 2006

REGISTRATION

Registration fees per participant are 1300 € (Europe)/ USD $ 1500 (US, UK and other)

Registration includes: lectures, lunch, coffee breaks and documents.

To apply for registration, please fill out and send us the registration form at the end of this document with your payment or proof of bank transfer **no later than October 12th** 2006. The number of participants is limited in order to allow a better interaction between speakers and participants.

E-mail registration is not accepted.

VENUE

The conference will be held at : **Standard & Poor's**

55 Water Street New York NY 10041

Finance Concepts and S&P do not cater for hotel accommodation of participants, who are kindly requested to make hotel reservations directly.

INFORMATION

Please send back this inscription form along with payment to :

Finance Concepts

49-51 avenue Victor Hugo 75116 Paris, FRANCE

Email: creditrisk@finance-concepts.com

REGISTRATION FORM

Registration fee : 1300 € (Euro zone) / USD $ 1500 (rest of the world)

PARTICIPANT

Name : _____ Surname : _____

Job title : _____ Company : _____

Address : _____

Zip Code : _____ City : _____

Telephone : _____ Fax : _____

Email : _____

BILLING ADDRESS

Name : _____ Surname : _____

Job title : _____ Company : _____

Address : _____

Zip Code : _____ City : _____

Telephone : _____ Fax : _____

Email : _____ Division : _____

PAYMENT OF REGISTRATION FEES :

- By check in Euros (1300 €/ delegate) to the order of Finance Concepts
- By bank transfer to Finance Concepts

Please send your registration form and proof of your payment of registration fees no later than October 12th to :
FINANCE CONCEPTS, 49 avenue Victor Hugo F 75116 Paris, France.