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VALUATION METHODS OF A COMPANY AND CREDIT
DEFAULT MODEL APPLYING IN LAIKI BANK

By

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VALUATION METHODS OF A COMPANY AND CREDIT DEFAULT MODEL APPLYING IN LAIKI BANK

Dissertation

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Abstract

This project analyse the main three approaches of valuation, Discounted Cash Flow (DCF) valuation, Relative valuation and the Contingent Claim valuation. It has been discussed in practical part the Merton Model, Structural models, and estimating the Probability of Default of Laiki Bank of Cyprus. Using Merton model and estimating Probability of Default the paper assesses the reliability of the estimates by examining their success in predicting the failure or survival of failed company and survivor. Then the Probability of Default will be compare with the price of the Index of Laiki's Bank.