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Aristovoulou, Eleni

Banking, Investment and Finance Program, School of Economics Sciences and Business,
Neapolis University Paphos

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

By

ARISTOVOULOU ELENI

Bachelor of Science in BANKING, INVESTMENT AND FINANCE

Neapolis University Pafos

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VALUATION METHODS OF A COMPANY AND CREDIT
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Advisor

Professor Giannopoulos Kostas

Dean/Program Director

Neapolis University of Pafos

MSc in Banking, Investment and Finance

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.