

UNIVERSIDADE DE LISBOA

INSTITUTO SUPERIOR DE ECONOMIA E GESTÃO



Master on Mathematical Finance

Interest Rate and Credit Risk Models

Exercise 2

1. Please present estimates for the probability of default of 3 companies listed in the PSI-20 Index, since the beginning of 2014, by using the Merton Model, detailing the assumptions taken.
2. Please describe how could you find alternative estimates for these probabilities of default.

Deadline: 31 Dec.2017