

STAND-ALONE CREDIT RISK MEASURES

MOODY'S KMV CREDITMONITOR

Credit Monitor® is a desktop solution that allows risk managers to accurately assess and manage credit risk for both public and private companies.

MARKET CHALLENGE: ACCURATE CREDIT MEASURES

Today, shareholders and regulators are demanding that credit risk be measured and managed with a new level of accuracy. This pressure, combined with the increased frequency and magnitude of credit events, calls for precision by lenders that ten-grade rating systems cannot provide. The challenge is even more complex due to sheer volume: thousands of credits in different industries, countries and size ranges must be screened on an effective, consistent basis.

MOODY'S KMV CREDIT MONITOR: DELIVERING INSIGHT INTO THE CREDIT RISK OF PUBLIC AND PRIVATE FIRMS

Credit Monitor allows users to measure and manage credit risk with greater accuracy. It enables the world's leading financial institutions and regulators to significantly improve their credit risk process: discriminating between 1 and 3,500 basis points of risk, placing analytical resources where the real risk lies and anticipating credit events instead of reacting to them.

POWERING CREDIT MONITOR: MOODY'S KMV EDF CREDIT MEASURES

Moody's KMV EDF™ (Expected Default Frequency) credit measures are actual probabilities of default that are the market standard for lenders and investors.

Public company EDF credit measures are based on collective, real time intelligence extracted from the global markets. A public firm's probability of default is calculated from three drivers: the market value of its assets, its volatility and its current capital structure.

Private company EDF measures are based on the unique insight provided by the Moody's KMV CRD® (Credit Research Database), the world's largest private company database. Fundamental data on private firms is aligned with extensive observations of default to capture the true predictors and their impact on default.

MOODY'S KMV CREDIT MONITOR OFFERS:

- Powerful, accurate default probabilities for public and private firms
- In-depth reporting on high-risk companies and changes in risk
- Benchmarking of companies and portfolios against categories including industry, country, internal and external rating grades and custom benchmarks
- Transparent view of credit drivers

PRODUCT HIGHLIGHT

Company Name:	EDF %	Year	1	2	3	4	5
ANY COMPANY	(Public)	Source	0.20	0.37	0.46	0.51	0.53
Market Date: 7/23/2005	Annual	What If	1.60	3.02	2.99	2.73	2.49

Item	Source	What If
Equity Value	20,821,818	6,118,742
Asset Value	436,507,172	377,704,576
Asset Volatility	0.048	0.048
Estimated ST Liabilities	206,542,781	206,542,781
Estimated LT Liabilities	227,444,219	227,444,219
Adjusted Total Liabilities	433,987,000	433,987,000
Common Dividends	1,131,006	1,131,006
Preferred Dividends	0.000	0.000
Dilution Factor	1.000	1.000
Default Point Year 1	311,833,202	311,833,202
Default Point Year 2	331,866,444	331,866,444
Default Point Year 3	344,370,420	344,370,420
Default Point Year 4	350,988,435	350,988,435
Default Point Year 5	356,026,272	356,026,272

Credit Monitor allows users to run what-if analyses to gauge the effect of changes to the underlying drivers of EDF credit measures.

MOODY'S KMV CREDIT MONITOR

KEY PRODUCT FEATURES

COMPREHENSIVE COVERAGE

- EDF credit measures on over 27,000 public companies and virtually all the private companies in a portfolio

POWERFUL ANALYTICS

- Analyze improving or deteriorating trends with a rich set of reporting, graphing and querying tools
- Understand why default probabilities have changed by examining the details of the model drivers
- Run scenarios based on proposed new financings, corporate restructurings and updated information
- Compare individual firms and portfolios to peers, aggregates such as industry, country and agency ratings and user-defined benchmarks

EASY TO USE

- Ability to access an extensive range of existing graphs and create new graphs
- Wizards walk users through the recalculation of credit risk when a firm has engaged in complex transactions such as mergers, acquisitions, debt repayments and stock buy-backs

- Automated generation of time series private company EDF measures from Moody's KMV Financial Analyst® data
- Monthly data updates, delivered via CD or the Web, that are centralized and easily automated
- Open database architecture for easy integration into internal systems

EXTENSIVE TOOLSET

- Customized benchmarks and reports
- Ability to generate EDF credit measures from financial statement data
- Robust import and export utilities
- Workstation Setup and Update Assistant to help deploy and manage applications large user base

INTEGRATION WITH MOODY'S KMV PRODUCTS

Credit Monitor integrates with RiskAnalyst™, Moody's KMV Financial Analyst® and Moody's KMV RiskCalc® to support analysis of private and public company EDF credit measures. In addition, it provides data for credit portfolio analysis within Moody's KMV Portfolio Manager™.

↘ For extended details on this product, please visit the Moody's KMV product page:
www.moodyskmv.com/products

MOODY'S KMV CREDIT MONITOR

To Learn More:

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