

CreditEdge®

FROM MOODY'S ANALYTICS

CreditEdge is an internet-based solution that provides daily updates on changes in the probability of default of public firms.

Market Challenge: Dynamic Credit Measures

To compete in today's credit markets, investors must measure credit risk with a level of precision and speed not possible a decade ago. This need for dynamic, predictive risk measures calls for daily monitoring by investors and traders — a capability that is not feasible with traditional fundamental credit analysis.

Moody's Analytics CreditEdge: Delivering Powerful Insight on Default Risk on a Daily basis

CreditEdge provides daily Moody's Analytics EDF™ (Expected Default Frequency) credit measures for public companies and financial analysis data from a variety of forward-looking, timely sources to support credit analysis. CreditEdge allows users to focus their resources on the most significant credit problems and opportunities by alerting them to emerging changes in risk.

Powering CreditEdge: Moody's Analytics EDF Measures

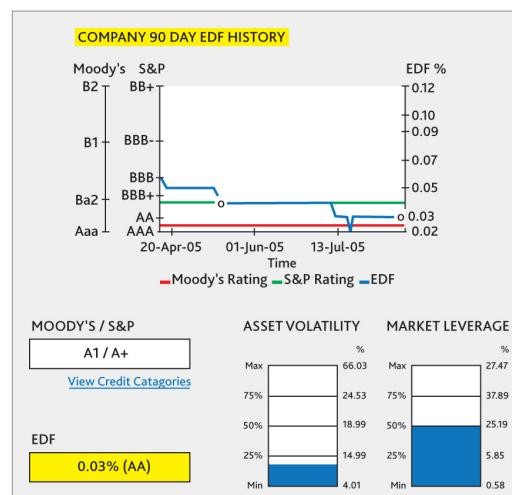
Moody's Analytics EDF credit measures are advanced default probabilities for public companies. Built on over 15 years of experience with market information, fundamental data and modeling, EDF credit measures have been extensively validated on defaults and credit spreads, and have become the de facto standard for lenders and investors.

Public company EDF credit measures are based on collective, real-time intelligence from global markets. A public firm's probability of default is calculated on three factors: the market value of its assets, its volatility and its current capital structure. The EDF credit measures capture the credit insight of the equity market, combining it with a detailed picture of each company's capital structure.

Moody's Analytics CreditEdge Offers:

- » Daily EDF credit measures on more than 31,000 publicly traded firms around the world
- » E-mail notification of changes in EDF credit measures based on each user's risk thresholds
- » Benchmarking of EDF credit measures to predefined or custom aggregates
- » Ability to conduct sensitivity analysis on changing capital structures or equity values
- » Flexible query and reporting capabilities

EDF measures are a core component of regulatory compliance at financial institutions globally.



CreditEdge charts a firm's EDF history, credit categories and underlying credit drivers to explain why an EDF is changing. EDF credit measures are scaled to a probability of default from .01% to 35%.

Key Product Features

» Monitor Portfolios

- Daily updates of EDF credit measures and credit spreads
- E-mail notification of significant movements in a company's EDF credit measure, based on custom triggers, to avoid losses and identify investment opportunities

» Relative and Scenario Analysis

- Compare the EDF credit measure of a company or portfolio against other companies, predefined aggregates or custom benchmarks
- Analyze multiple scenarios by updating a firm's capital structure to reflect new financing, corporate restructuring, mergers, acquisitions, stock buy-backs and more
- Utilize the extensive graphing capabilities of CreditEdge to produce portfolio distribution histograms and perform trend analysis on up to five years of company and industry EDF credit measures

» Data and Engine Access

- CreditEdge exports underlying portfolio data into Microsoft® Excel for further analysis. It also provides optional FTP delivery of portfolio data, with the ability to cross-reference industry standard identifiers. In addition, it uses standard XML interfaces that allow the CreditEdge EDF calculation engine to be easily embedded in internal applications.

Intergration with Moody's Analytics products

CreditEdge provides daily EDF credit measure updates to the CreditMark® valuation engine. CreditEdge also utilizes the XML service to intergrate with RiskAnalyst™ and third party platforms.

About Moody's Analytics

Moody's Analytics helps capital markets and credit risk management professionals worldwide respond to an evolving marketplace with confidence. The company offers unique tools and best practices for measuring and managing risk through expertise and experience in credit analysis, economic research and financial risk management. By providing leading-edge software, advisory services, and research, including the proprietary analysis of Moody's Investors Service, Moody's Analytics integrates and customizes its offerings to address specific business challenges.

CONTACT US

Visit us at moodyanalytics.com or contact us at a location below:

AMERICAS

+1.212.553.1653
clientservices@moody.com

EMEA

+44.20.7772.5454
clientservices.emea@moody.com

ASIA (EXCLUDING JAPAN)

+85.2.3551.3077
clientservices.asia@moody.com

JAPAN

+81.3.5408.4100
clientservices.japan@moody.com

Copyright © 2010, Moody's Analytics, Inc. All Rights Reserved.