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Moody's Analytics Launches Credit Sentiment Score™ Solution

SAN FRANCISCO, November 1, 2019 – Moody's Analytics, a leading provider of financial intelligence, today announced the launch of the Credit Sentiment Score™ solution, a new tool that uses natural language processing and textual analytics of news media to identify signals of credit impairment in companies.

The solution captures any signs of overt or potential financial distress resulting from events such as default, bankruptcy, debt restructuring, covenant breaches, liquidity concerns, lawsuits, corruption scandals, and fraud. It further uses this adverse credit-relevant content to construct a borrower's overall credit-sentiment trend. This information can be used to formulate a better view of the business during loan origination, or monitor adverse developments on an ongoing basis – allowing lenders to proactively work with borrowers to alleviate credit concerns.

Research from Moody's Analytics indicates that, on average, detectable credit distress signals emerge in news media three to six months before major credit events, allowing the Credit Sentiment Score solution to serve as an early-warning system for adverse credit developments.

"Whether it is used for credit underwriting or portfolio risk management, the Credit Sentiment Score solution provides powerful new insights that previously were overly time-consuming and burdensome to monitor manually," said Moody's Analytics Associate Director Rama Sankisa. "Credit analysts are looking for efficient ways to deal with the influx of information and to incorporate signals from alternative data into credit decisioning and analytics. The tool saves substantial time in sorting through news articles by extracting actionable insights from them."

The launch of the Credit Sentiment Score solution further enhances the Moody's Analytics suite of award-winning Expected Default Frequency (EDF) solutions for quantitatively measuring the credit risk of public and private firms. As a supplement to primary market drivers, the tool offers an additional signal to isolate credit risk, and helps bridge the gap when credit-relevant content is sparse or unavailable.

Click here to learn more about the Moody's Analytics Credit Sentiment Score solution.

About Moody's Analytics

Moody's Analytics provides financial intelligence and analytical tools to help business leaders make better, faster decisions. Our deep risk expertise, expansive information resources, and innovative application of technology help our clients confidently navigate an evolving marketplace. We are known for our industry-leading and award-winning solutions, made up of research, data, software, and professional services, assembled to deliver a seamless customer experience. We create confidence in thousands of organizations worldwide, with our commitment to excellence, open mindset approach, and focus on meeting customer needs. For more information about Moody's Analytics, visit our website or connect with us on Twitter and LinkedIn.

Moody's Analytics is a subsidiary of Moody's Corporation (NYSE: MCO). Moody's Corporation reported revenue of $4.4 billion in 2018, employs approximately 13,200 people worldwide and maintains a presence in 44 countries.

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