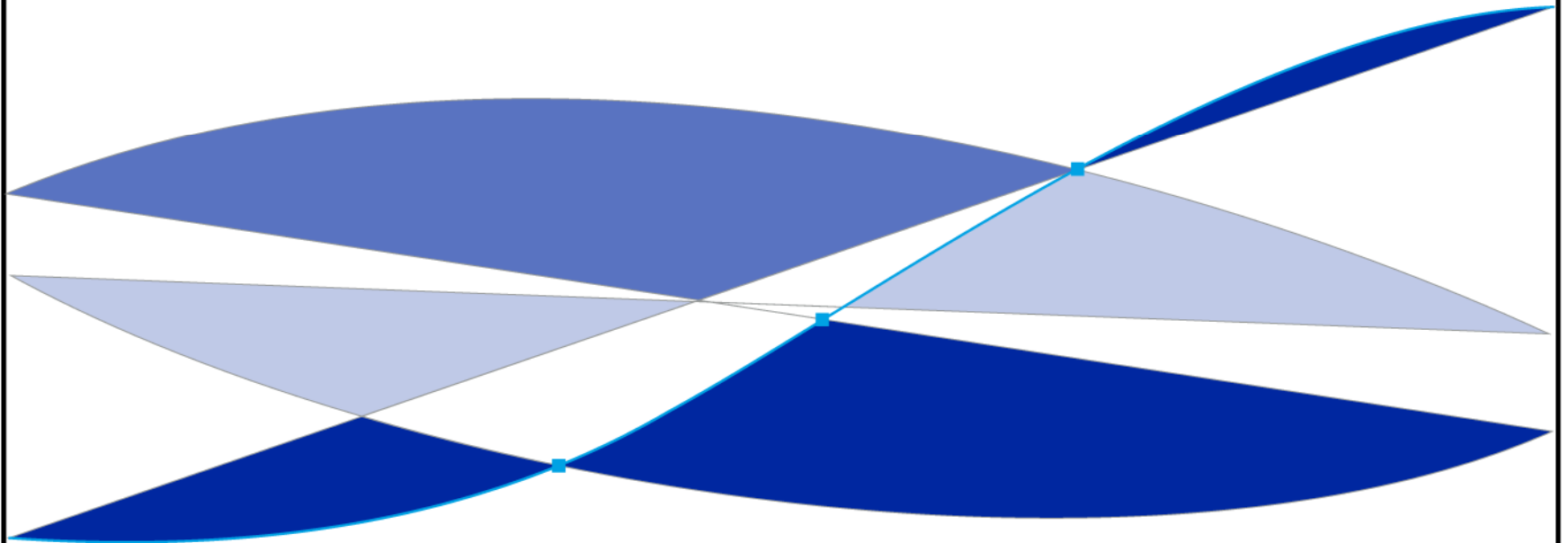


The Moody's KMV Product Road Map



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Agenda

1. Moody's KMV Solutions
2. Road Map Highlights
3. Product Themes
4. Q & A



Moody's KMV Solutions

Moody's KMV Solutions

The make-up of MKMV Solutions:

- Software
 - Development tools and code, user interface, database
 - Development, QA, UI developers, Database Engineers
- Data
 - Publicly available data, private firm data
 - CRD Group, Content Production, Research Group
- Analytics
 - Quantitative models, empirical validation, correlations
 - Research Group
- Service with Insight
 - Thought leadership to get the most from these tools; how solutions fit in with your organization, how to deploy in your environment, how to best achieve objectives
 - Credit Strategies Group, Sales & Credit Risk Specialists, Professional Services, Technical Support Team; Research Group, Product Management

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Road Map Highlights

Product Road Map – What it Conveys

A vision of our future solutions and timing of availability

- Depiction of our direction; strategy

Beneficial to You

- Insight about Moody's KMV
- Invest in the present and future
- Helps in prioritizing deployment of our tools
- By communicating to you, provides basis for feedback

What Are We Planning For You?

- Continued Global Expansion
- Adaptability & Usability
- Improved Analytics
- Enhanced Asset Coverage
- Framework for Multiple Approaches

Continued Global Expansion

Your organization continues to expand business around the world.



Looking forward, our tools will **further** help in assessing and managing credit risk across many countries or regions by adding **country-specific risk analytics** and support for **local language** and **accounting practices**.

Adaptability & Usability

Adaptability – implies a modification according to different or changing circumstances

Usability – convenient and practical for use

- Create personalized view of analysis
- Adjust analysis tools based on recent event
- Access multiple tools from one application

The screenshot displays the RISKANALYST application window. The title bar reads 'RISKANALYST' and 'Moody's'. The breadcrumb path is 'Customers > ABC Engineering'. The left sidebar shows a tree view with 'Internal' selected, and 'ABC Engineering' expanded to show 'Historicals', 'Projections', 'Internal Rating Model', 'Ratings Summary', 'Facility Summary', 'Reports', and 'Archive History'. The main window shows a 'Historical Balances' table for the date 12/31/2005. A context menu is open over the 'Non-Current Assets' section, listing various actions. The option 'Launch RiskCalc for Statement...' is highlighted in blue and circled in green.

Historical Balances	
Statement Date	12/31/2005
Periods	
Total Non-Current Assets	
Total Assets	
Total Equity & Reserves & Liab	
Difference	
Audit Opinion(Stmt Source)	Unqual
Accountant	KPMG
Analyst	aeb
Statement Type	Annual
Reconcile To	NONE
Non-Current Assets	
Land	
Buildings	
Leasehold Improvements	
Plant & Equipment	152,547
Furniture & Fixtures	355,998
Vehicles & Transport Equipment	0
Other Fixed Assets	0
Construction in Progress	16,965
Gross Fixed Assets	816,371
Accum Deprec & Impairment(-)	448,443
Net Fixed Assets	367,928
Goodwill	888,124
Accum Goodwill Impairment(-)	315,698

Improved Analytics

1. Greater precision in identifying, measuring and monitoring credit risk.
2. Uniting the various analytic methods into a **coherent framework** for **consistent results**:
 - Credit measures for all entities including private and public companies
 - Risk measures for all debt instruments, including bonds, loans, CDS, CDO tranches, etc.
 - Portfolio asset coverage spanning retail, corporates, real estate and structured finance
 - More accurate valuation methods that capture loan pre-payment risk, CDS counterparty, etc.

Enhanced Asset Coverage

Fewer applications you need to:

- Evaluate
- Deploy
- Train users
- Integrate with in-house systems
- Maintain

More than simply handling additional asset classes ...

... It's about providing a consistent view of risk for all assets across your organization

Enhanced Asset Coverage

- Single obligor analysis
- Optionality of loan origination
- Portfolio management

- Loans
 - ✓ prepayment options
 - ✓ grid pricing
 - amortized loans
- Custom cash flow
- Bonds
 - ✓ call option
 - ✓ put option
 - ✓ sinking fund
- ✓ Revolvers
 - ✓ grid pricing
 - ✓ contingent usage

Casetype Selection

Instrument: 5 year term loan Last Modified 9/8/2006, by MKMV Demo View: Details

Details

Instrument: 5 year term loan Status: New Type: Loan Sub Type: Term

Instrument Code: IMF_TL5 seller/buyer counterparty risk can be explicitly modeled

Counterparty: Infineon Technologies Group(s): Infineon Technologies

Principal Type: BULLET Currency: USD Drawn Spread: 250 bps

Payment Frequency: BULLET Commitment Amt: 10,000,000 Facility Fee: 0 bps

Amortization Type: None Expected Usage: 100 % Commitment Fee: 0 bps

Origination Date: 9/8/2006 Usage Given Default: 100 % Upfront Fee: 0 bps

Maturity Date: 9/8/2011 LGD: 55 % Fixed Coupon Rate: 0 %

Tenor: 5 YEARS Coupon Type: Floating Reference Rate: USD

Amortization Start Date: 9/8/2006 Coupon Freq: BULLET

Supporting Counterparty Role: Equity

Supporting Counterparty Role: private equity can be modeled by defining excess returns and volatility

Add Supporting Counterparty...

Shortcuts

Add Instrument... View Results

Save and Calculate Results Save Cancel

Results ▾

CDOs

CDOs with pass-through waterfalls (i.e., synthetic)

links concentration effects of obligors common to the collateral pool and portfolio

Basket Swaps

Exposure profile for derivative contracts

Equity

Aggregates to roll up retails or any instrument classes

Framework for Multiple Approaches

Is this new loan priced right for the market?

Is this new loan priced right for my portfolio?

Do I understand the credit risk for this customer?

Can I use my own data or analyses in managing my portfolio?

How can I calculate loss given default?

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Product Themes

In Summary: Product Line Themes

Credit Decisioning Tools:

- Expand global solution for consistent credit decisioning for any/all creditors
- Build-in flexibility to tailor tools precisely to your needs

Public and Private EDF Products:

- Extend and improve analytics such as new RiskCalc country models and release new Public EDF and valuation model
- Enhance usability including better synthesis with other MKMV products

Portfolio and Valuation Products:

- Introduce RiskFrontier, the new platform for MKMV's portfolio products
- Migrate Portfolio Manager, DealAnalyzer, & CreditMark into the RiskFrontier platform

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Feedback From YOU

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Q & A