

# ABOUT MOODY'S KMV

Moody's KMV is the world's leading provider of quantitative credit analysis solutions to lenders, investors and corporations. We create credit risk products and services based upon a sophisticated application of modern financial theory and statistical analysis. These tools transform vast amounts of financial data and knowledge into applied insight to manage credit. As our clients employ our products and services to more effectively manage credit risk, we drive the evolution of more liquid credit markets.

Moody's KMV has assembled the largest public and private company default and loss database in the world. The Moody's KMV database contains 30 years of information on over 6,000 public and 170,000 private company default events for a total of 50,000 public and 2.2 million private companies, healthy and distressed, around the world.

From our inception more than 15 years ago, Moody's KMV led the way in helping investors, lenders and corporations understand and adopt the most advanced methods and tools to measure and

manage credit risk. In 1990, we created the Moody's KMV EDF™ (Expected Default Frequency) credit measure, which dramatically changed the way credit risk was measured throughout the world. More recently, we introduced the Moody's KMV RiskCalc® network of globally comparable private company models that similarly revolutionized the way in which middle-market credit is analyzed both by banks and in the structured finance markets. We also released Moody's KMV LossCalc™, the first commercially available predictive model of Loss Given Default (LGD).

Moody's KMV products are used by more than 2,000 leading commercial and investment banks, insurance companies, money management firms and corporations in over 80 countries. Our products and services are used by most of the 100 largest financial institutions in the world. Moody's KMV has offices around the world to serve our global customer base.

## OFFICE LOCATIONS



# MOODY'S KMV TIMELINE

2010

**2006:** Next Generation Portfolio Manager (Equity, DD-LGD Correlation, Portfolio of Tranches).

**2005:** EDF v7.1 (Weekly asset returns, Modeled Volatility).  
CDO Model v1.3 (Waterfall, Reinvestment).

**2004:** RiskCalc v3.1 (Credit cycle adjustment).  
LossCalc v2 (Industry effect, DD).  
Correlation Model v3 (Changed Industry and Country Indexes).  
EDF v6.1 (Financial EDF Asset Volatility).  
Valuation Model v2 (Lattice Model).  
Moody's KMV RiskAnalyst v2 (advanced financial analysis features).  
Moody's KMV RiskAnalyst v3 (core internal rating features).

**2003:** CDO Analyzer (Multi-Step Simulation, Stochastic Interest Rates).  
Moody's KMV Financial Analyst v5 and Moody's KMV Risk Advisor v5.  
Moody's KMV RiskAnalyst v1 (browser-based version of Moody's KMV Financial Analyst).

**2002:** KMV acquired by Moody's Corporation.  
LossCalc v1 (Seniority).  
Moody's KMV Financial Analyst v4 and Moody's KMV Risk Advisor v4.

**2001:** Private Firm Model v2 (Modified Functions).  
Valuation Model v1 (Size premium).  
Portfolio Manager v2 (DD Dynamics); Correlation Model v2 (Dampen Outliers).  
Moody's Financial Analyst v3 and Moody's Risk Advisor v3.

**2000:** EDF v5 (Modeled Volatility).  
RiskCalc v1 (Based on Credit Research Database).  
Moody's Financial Analyst and Moody's Risk Advisor introduced and later upgraded to v2.

**1999:** Portfolio Manager v1.3 (Monte Carlo).  
CDO Model v1 (Single step Monte Carlo).  
EDF v4 (Volatility Dampener).

**1997:** Private Firm Model v1 (Comparables).  
Portfolio Manager v1 (Windows version, Credit Migration Model).  
Correlation Model v1 (Asset returns).

**1996:** EDF v3 (Modeled Volatility, Event Processing).

**1995:** EDF v2 (Asset Volatility replaces Equity Volatility, Financial EDFs Introduced).

**1993:** Portfolio Manager v1 (DOS version, Default-No Default Model).

**1990:** EDF v1 (Vasicek-Kealhofer Model).

**1989:** KMV Founded.

**1984:** Oldrich Vasicek builds extended structural model.

1980