

DATA COLLECTION AND ANALYSIS TOOLS

MOODY'S KMV RISKANALYST

RiskAnalyst™ is a robust, enterprise-wide credit risk management system that collects, analyzes, and stores financial and non-financial information – providing a complete solution for managing and analyzing risk for firms of all sizes.

CREDIT RISK CHALLENGE: DYNAMIC INTERNAL RATING SYSTEMS

Regulatory and market forces are imposing a greater demand for increased accuracy and consistency in the credit decision-making process. Advances in credit risk modeling techniques and risk technology are also impacting credit risk management by enabling the creation of more effective benchmarks for assessing borrower quality.

In addition, institutions recognize the need to maintain robust internal rating systems that reflect their own experience and environment, allowing them to incorporate the full range of quantitative and qualitative risk drivers.

MOODY'S KMV RISKANALYST: A BROWSER-BASED INTERNAL RATING SOLUTION

RiskAnalyst provides a comprehensive enterprise-wide credit risk management system that deploys a standard set of tools which support internal credit practices for public and private firms. The system is powered by a centralized database that brings together the inputs required by an internal rating system. These inputs can be used to enable model development and model evaluation.

RiskAnalyst draws upon 20 years of application development and product delivery experience. It combines the proven analysis, reporting and credit risk assessment features of the Moody's KMV platform with a browser-based delivery that lowers the cost of management and deployment. The result: a robust, flexible solution that addresses today's key credit risk challenges.

MOODY'S KMV RISKANALYST OFFERS:

- A powerful enterprise-wide credit risk management system that collects, analyzes and stores data for firms of all sizes
- Tools to facilitate effective financial statement spreading and accurate credit risk decisions
- Flexibility to meet credit risk assessment goals, including Basel II and Sarbanes-Oxley compliance
- Open architecture for quick and seamless integration with other applications and data

PRODUCT HIGHLIGHT

The screenshot displays a 'Financial Analysis' dashboard with tabs for 'Summary' and 'Detail'. It includes sections for 'EDF Combined Assessment', 'Debt Coverage', 'Operations', 'Liquidity', and 'Capital Structure'. The main table shows historical data for three periods (12/31/2001, 12/31/2002, 12/31/2003) for metrics like Gross Margin, Operating Margin, Net Profit Before Tax, and Sales Growth. Below this, there are 'Financial Operations' and 'Subjective Operations' sections with qualitative ratings and bar charts.

Statement Date	Historical 12/31/2001	Historical 12/31/2002	Historical 12/31/2003	
Periods	12	12	12	
Gross Margin(%)	23.01	26.13	24.98	+ 3.4
Operating Margin(%)	3.96	2.65	3.16	+ 6.5
Net Profit Before Tax / Sales(%)	0.67	-0.11	0.71	+ 7.8
Net Profit Before Tax / Total Assets(%)	1.25	-0.13	0.83	+ 8.0
Net Profit Before Tax / Tangible Net Worth (%)	11.00	-1.50	11.10	+ 7.8
Sales / Total Assets	1.87	1.22	1.16	+ 7.8
Sales Growth(%)		-17.90	23.74	+ 1.8
Financial Operations				+ 7.0
Subjective Operations				
Market strength	Dominant			
Competitive edge	Unchallenged			
Trading area	Global			
Market conditions	Very Good			
Customer loyalty	Very High			
Threat of substitutes	Insignificant			
Subjective Operations				+ 1.1
Operations				+ 4.7

RiskAnalyst allows users to combine financial, qualitative and external data into standardized internal risk rating models.

MOODY'S KMV RISKANALYST

KEY PRODUCT FEATURES

POWERFUL FUNCTIONALITY

- Collects, analyzes and stores historical and projected financial statements as well as non-financial assessment data for public and private firms
- Provides access to probability of default measures, improving the power and accuracy of internal ratings
- Calculates EAD (exposure at default), LGD (loss given default) and EL (expected loss) to inform internal rating systems and facilitate computation of regulatory capital
- Creates reports that go beyond traditional financial analysis; includes narrative consultant reports and reports outlining rating decisions
- Delivers forecasts using key variables to sensitize and assess the impact of possible future events and business strategies on a customer's financial condition

FLEXIBILITY AND USABILITY

- Browser-based solution supports centralized management – making it easier to achieve credit risk assessment goals that meet regulatory requirements
- Financial templates provide financial statement reporting standards for various industries and geographies
- Internal rating templates make the implementation process quicker and easier
- Portfolio and archive tables facilitate ongoing management, presenting the opportunity to analyze, monitor and report on RiskAnalyst data
- Online tutorials enhance productivity
- Management features offer configuration options
- Robust developer utilities facilitate integration and customization

INTEGRATION WITH MOODY'S KMV PRODUCTS

RiskAnalyst financial templates can be integrated with appropriate Moody's KMV RiskCalc® models and CreditEdge® for access to Moody's KMV EDF™ (Expected Default Frequency) credit measures for private and public companies. EDF credit measures can be brought into the internal rating process as inputs and/or external benchmarks.

RiskAnalyst also provides data for analysis in RiskFrontier™ and Credit Monitor® via the Moody's KMV Private Firm Processor export utility. In addition, Moody's KMV Benchmark™ can create peer groups using financial data from RiskAnalyst for comparative analysis.

↘ For extended details on this product, please visit the Moody's KMV product page:

www.moodyskmv.com/products

MOODY'S KMV RISKANALYST

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