



CreditSights RISK PRODUCTS

Our two models, BondScore and CreditSights Ratings, produce quantitative credit scores for over 5,000 firms:

BondScore Model

Use to avoid defaulters and flag quickly-changing credit profiles.

Our BondScore model produces a 1-year forward probability of default known as a Credit Risk Estimate (CRE).

Value for Everyone

Portfolio Managers - Build custom portfolios reflecting specific credit risk tolerances and review portfolio holdings
Risk Managers - Manage portfolio risk and inform regulatory capital decisions
Research Analysts - Take an objective look at your credits & event risk
Trading & Sales Desks - Help create approved issue lists for IG & HY

CreditSights Ratings Model

Use to compare to agency ratings to identify upgrade or downgrade potential.

Our CreditSights Ratings (CSR) model produces a medium-term standalone CreditSights rating.

Transparent Methodology

The methodology behind Risk Products is transparent and intuitive. Fundamental and equity market information drives all our models, enforcing objectivity. Coverage spans NA & EU non-financial and financial firms, as well as Asia-Pacific non-financials.

PROOF IS IN THE RESULTS

BondScore Model

93%

Accuracy in 2017

BondScore CREs predicted defaults with an accuracy of 93% in 2017.

Our BondScore Model was Ahead of Defaulters IHRT, EPE, PACD and CMLS in 2017

- With our model, 17 of the 18 US HY public companies that defaulted in 2017 would have been flagged with a warning one year beforehand.
- During 2015 and 2016, BondScore was ahead of EAC, ACI, RSH, KWK and WLT.
- The BondScore model has procured a default prediction accuracy ratio of over 90% since its inception, including 2017. (Accuracy ratios take into account both true and false positive rates.)

CSRs Were Ahead of 13/16 Fallen Angels and 10/13 Rising Stars in 2017

- Across 241 agency composite rating (ACR) actions over the course of 2017, the CreditSights Rating (CSR) was a leading indicator 76% of the time, with a lead time of approximately 30 weeks.
- Using an absolute difference of 2+ notches, CSRs led ACRs over 80% of the time.
- The CSR has led ACR changes by at least 75% a year since its inception in 2012.

CreditSights Ratings

76%

Success in 2017

This rises to 81% when the divergence between the CSR and agency rating is greater than one notch.

Timing Is Everything

CreditSights Risk Products allow you to assess creditworthiness when it's most important.

POINT-IN-TIME

Driven by the market
High volatility
Up to 1 year horizon

THROUGH-THE-CYCLE

Driven by fundamentals
Low volatility
~ 7 year horizon

BondScore

CreditSights Ratings

Agency Ratings

Put our Risk Products to work for you.

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