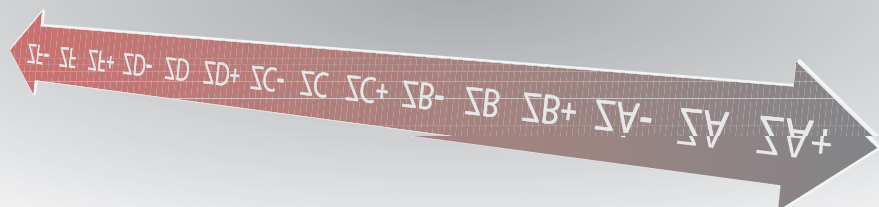
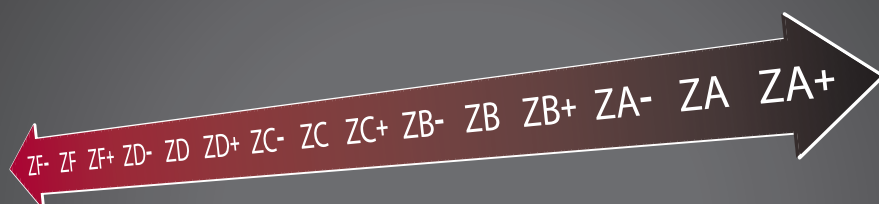




# Introducing the New Credit Analysis Tool from RiskMetrics Group: Z-Metrics™

The Method for Estimating Company  
Credit Ratings & Default Probabilities



*In the United States in 2009, over 230 firms with liabilities of at least \$100 million filed for Chapter 11 bankruptcy protection with combined liabilities of over \$600 billion.*

To address the assessment of credit risk of companies, RiskMetrics Group has partnered with Dr. Edward Altman of NYU's Stern School of Business and Dr. Herbert Rijken of the Vrije University of Amsterdam. The Z-Metrics methodology is the result of combining RiskMetrics' thought leadership in market risk and credit risk with Altman and Rijken's vast experience in evaluating the creditworthiness of corporations, which includes the development of the groundbreaking "Z score" and their more recent analysis of the accuracy and timing of rating agencies' performance.

Z-Metrics allows investors and creditors to evaluate the creditworthiness of non-financial companies by providing default probabilities and credit ratings for each individual institution.

The Z-Metrics model includes fundamental as well as market variables, including both static and trend measures plus macro-economic variables.

The Z-Metrics rating system has 15 "rating" categories ranging from the highest quality "ZA+" rating to the lowest quality "ZF-" rating. These rating categories are explicitly defined and based on Z-Metrics default probabilities.

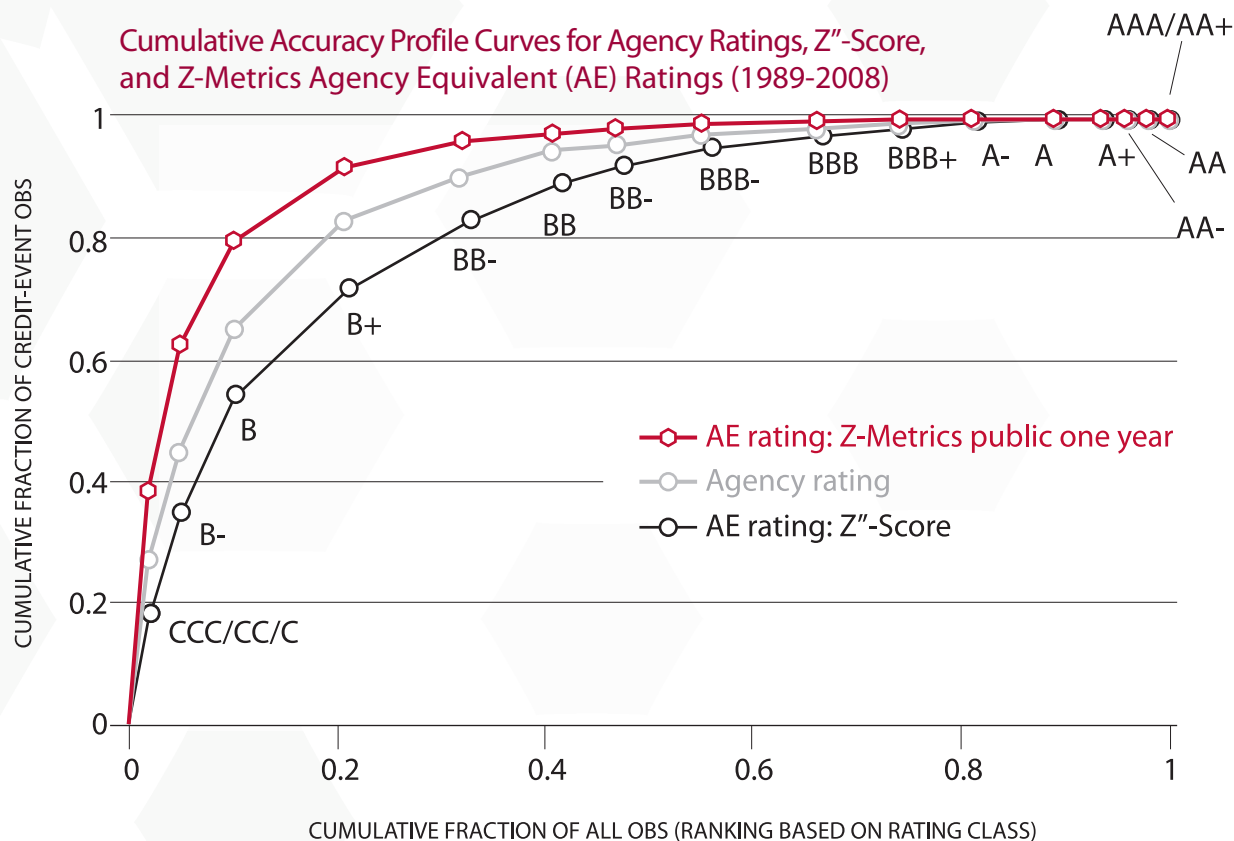
In addition to the base case default probabilities and ratings, Z-Metrics provides stress default probabilities and ratings based on various scenarios for the model's variables.

## Key benefits include:

- + Independent quantitative assessment of default probabilities and credit ratings.
- + Default probabilities and credit ratings are estimated for one- and five-year horizons.
- + High accuracy of credit event prediction when compared to rating agency ratings and other popular models such as Z-score and Z"-score.

## Objectives of our Z-Metrics™ Models:

- + Provide accurate, logical and robust credit-scoring based on large and representative samples of companies that have either suffered a credit event or have remained healthy.
- + Assign default probabilities based on a firm's credit score.
- + Assign credit ratings to each firm (based on default probabilities) representing the full spectrum of credit quality.



There is a pressing need for investors and lenders to carefully monitor the creditworthiness of corporations.

For a complete discussion on the Z-Metrics Methodology, download the full paper at [riskmetrics.com/z-metrics](http://riskmetrics.com/z-metrics)

To subscribe to Z-Metrics, contact your sales or account manager, or visit us online at [riskmetrics.com/contact](http://riskmetrics.com/contact)

## About RiskMetrics

RiskMetrics Group is a leading provider of risk management and corporate governance products and services to participants in the global financial markets. By bringing transparency, expertise and access to the financial markets, RiskMetrics Group helps investors better understand and manage the risks associated with their financial holdings. Our solutions address a broad spectrum of risk across our clients' financial assets. Headquartered in New York with 20 global offices, RiskMetrics Group serves some of the most prestigious institutions.

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