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For Immediate Release

## **Kamakura Troubled Company Index Shows Continued Improvement in Credit Quality in July**

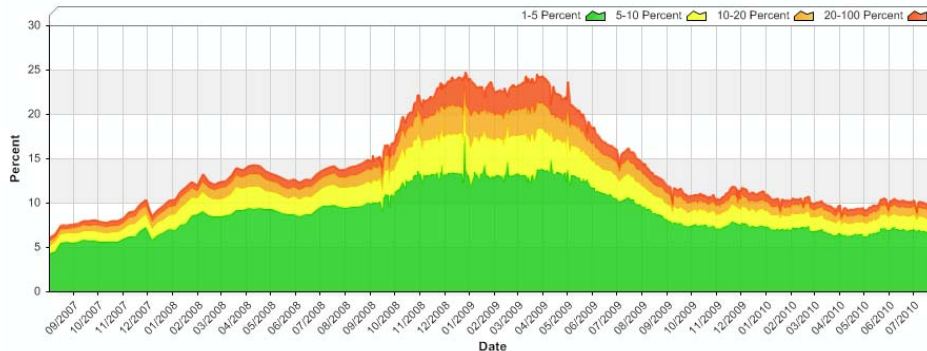
**Kamakura Troubled Company Index Drops 0.58% to 9.63%**

NEW YORK, August 3, 2010: Kamakura Corporation announced Tuesday that the Kamakura index of troubled public companies improved again in July, falling 0.58% to 9.63%. The index has now improved in 13 of the past 15 months. Kamakura's index had reached a recent peak of 24.3% in March, 2009. Kamakura defines a troubled company as a company whose short term default probability is in excess of 1%. Credit conditions in July were better than credit conditions in 72.4 percent of the months since the index's initiation in January 1990. The index is 3.98 percentage points better than the index's historical average of 13.61%. The all-time low in the index was 5.40%, recorded on May 11, 2006, while the all-time high in the index was 28.0%, recorded on September 28, 2001. The index is based on default probabilities for more than 29,200 companies in 33 countries. To follow the troubled company index and other risk commentary by Kamakura on a daily basis, see [www.twitter.com/dvandeventer](http://www.twitter.com/dvandeventer).

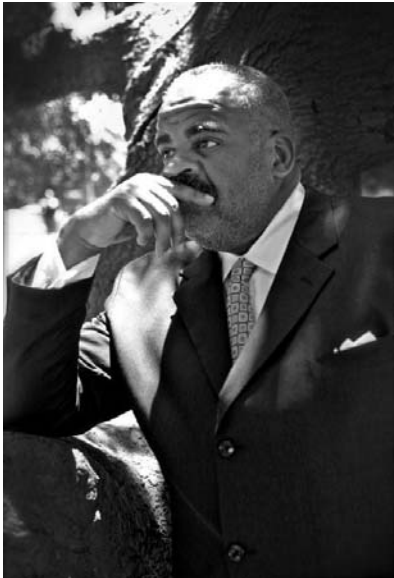
## TROUBLED COMPANY INDEX

Current Index Value: **9.63**    Percentile Rank From 1990 to Present: **27.64%**    Historic Average: **13.61**    Historic High: **28.00 (9/28/2001)**    Historic Low: **5.40 (5/11/2006)**

Description	% of Universe	1 Day Change	1 Month Change	3 Month Change	6 Month Change	1 Year Change
KDP > 1%	9.63	-0.02	-0.58	0.37	-0.60	-5.07
KDP > 5%	3.08	0.02	-0.07	0.11	-0.20	-1.82
KDP > 10%	1.58	0.00	0.00	0.08	-0.15	-1.02
KDP > 20%	0.67	-0.03	0.06	-0.02	-0.06	-0.43



In July, the percentage of the global corporate universe with default probabilities between 1% and 5% was 6.55%, a decline of 51 basis points. The percentage of companies with default probabilities between 5% and 10% was 1.50%, a decrease of 7 basis points. The percentage of the universe with default probabilities between 10 and 20% was 0.91% of the universe, down 6 basis points, while the percentage of companies with default probabilities over 20% was 0.67% of the total universe in July, an increase of 6 basis points.



David Boldon, Washington DC representative for Kamakura Corporation, said Friday, “Corporate credit quality has improved so dramatically over the last 15 months that only 5 companies, shown in the following chart, had increases in their one month default probabilities of more than 80 basis points. Of these firms, only YRC Worldwide showed a 1 month default probability of more than 300 basis points.”

Record 1 to 50 of 2007 Download

Ticker	Company	Country	Rating	KDP (%)	1 Day Chg	1 Mo Chg	3 Mo Chg	6 Mo Chg	1 Yr Chg	Percentile
WY	WEYERHAEUSER CO	USA	BBB-	1.60	-0.50	+1.50	+1.56	+1.55	+1.48	0.98
YRCW	YRC WORLDWIDE INC	USA	CCC-	18.11	+0.10	+1.49	+13.85	+3.89	+9.41	1.00
3ISGT	INSIGHT HEALTH SVCS HLDG CP	USA	CCC	2.91	+0.90	+1.18	-0.86	+1.14	-1.93	0.99
CNP	CNP ASSURANCES SA	FRA	AA-	0.97	+0.03	+0.84	+0.88	+0.90	+0.91	0.96
GAP	GREAT ATLANTIC & PAC TEA CO	USA	CCC	1.31	0.00	+0.80	+0.97	+0.80	+0.73	0.97

The Kamakura index uses the annualized one month default probability produced by the best performing credit model of the Kamakura Risk Information Services default and correlation service. The model used is the fourth generation Jarrow-Chava reduced form default probability, a formula that bases default predictions on a sophisticated combination of financial ratios, stock price history, and macro-economic factors. The countries currently covered by the index include Australia, Austria, Belgium, Brazil, Canada, China, Denmark, Finland, France, Germany, Hong Kong, India, Indonesia, Ireland, Israel, Italy, Japan, Luxemburg, Malaysia, Mexico, the Netherlands, New Zealand, Norway, Singapore, South Africa, South Korea, Spain, Sweden, Switzerland, Taiwan, United Kingdom, and the United States.

### About Kamakura Corporation

Founded in 1990, Honolulu-based Kamakura Corporation is a leading provider of [risk management](#) information, processing and software. Kamakura, along with its distributor Fiserv, was ranked number one in asset and liability management analysis and liquidity risk analysis in the RISK Technology Rankings in 2009. Kamakura Risk Manager, first sold commercially in 1993 and now in version 7.1.2, was also named in the top five for market risk assessment, Basel II capital calculations, and for “risk dashboard.” Kamakura was also ranked in the RISK Technology Rankings 2008 as one of the world’s top 3 risk information providers for its KRIS default probability service. The KRIS public firm default service was launched in 2002, and the KRIS sovereign default service, the world’s first, was launched in 2008. KRIS default probabilities are displayed for 2000 corporates and sovereigns via the Reuters 3000 Xtra service. Kamakura has served more than 200 clients ranging in size from \$3 billion in assets to \$1.6 trillion in assets. Kamakura’s risk management products are currently used in 33 countries, including the United States, Canada, Germany, the Netherlands, France, Austria, Switzerland, the United Kingdom, Russia, the Ukraine, Eastern Europe, the Middle East, Africa, South America, Australia, Japan, China, Korea and many other countries in Asia.

Kamakura has world-wide distribution alliances with Fiserv ([www.fiserv.com](http://www.fiserv.com)), Sumisho Computer Systems (<http://www.scs.co.jp/english/>), Unisys ([www.unisys.com](http://www.unisys.com)), and Zylog Systems ([www.zsl.com](http://www.zsl.com)) making Kamakura products available in almost every major city

around the globe.

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