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Addendum 4 to the CRI Technical Report (Version: 2013, Update 2b)

This document updates the Technical Report (Version: 2013, Update 2b) and details (1) a replacement for the risk-free rate in Sweden. These changes have been implemented as of the probabilities of default (PD) released on 14th of January.

I. Risk-Free Interest Rate, Sweden

Due to inconsistencies in available data for the 1-year risk-free rate we had previously used in the distance-to-default (DTD) computation for Swedish-domiciled firms, we have changed the interest rate used. As of the January 2013 calibration, we now use the Swedish 3m T-bill rate in the DTD computation; this is the same rate as the short-term interest rate input for Swedish-domiciled firms. So for the DTD risk-free rate we now use the same time series data as specified in Table A.6 of Appendix A of the Technical Report (Version: 2013, Update 2b); more specifically we use the Sweden Treasury Bill 90 Day (from Reuters DataStream) until 24 May, 1993 and the Sweden T-Bill 3 Month (from Bloomberg) from 25 May, 1993, until present.