MOODY'S ANALYTICS

News

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MOODY'S ANALYTICS ENHANCES RISKCALC PLUS™: ADDS NOT-FOR-PROFITS, REAL ESTATE, AND DEALERSHIPS

NEW YORK, NY – MAY 9, 2012 – Moody's Analytics, a leader in risk measurement and management, today announced the release of the enhanced RiskCalc Plus™ US 4.0 model with new coverage of not-for-profit organizations, private real estate operators, and transportation dealerships. The new model not only increases the default predictive power for the three new sectors by taking into account the sectors' unique accounting standards, but also incorporate the latest default data from the recent financial crisis.

RiskCalc Plus, a family of 28 country- and industry-specific models for private firms, produces a forward-looking default probability by combining financial statement and equity market information to create a predictive measure of standalone credit risk. Lenders use this measurement to assess a company's ability to repay debt.

"Economic volatility over the last four years has led to increased stress and tightened lending standards in the healthcare and education sectors," said Jodi Alperstein, Managing Director of Product Management for Moody's Analytics Enterprise Risk Solutions. "RiskCalc 4.0 gives credit analysts a way to better assess the risk for not-for-profit institutions who have an increasing need to access capital due to decreased funding," Alperstein added.

"RiskCalc has proved to be an instrumental credit tool for Healthcare Finance Group (HFG)," said Frank Wing, Vice President, Healthcare Finance Group, LLC, a senior debt lender focused exclusively in the healthcare industry who beta tested the new not-for-profit model.

"The RiskCalc model enhances the efficiency of our credit review process for one of our most important sectors, the not-for-profit hospitals. Coupled with our healthcare finance industry expertise, the non-for-profit model helps to properly identify important risk factors while also pinpointing and comparing important financial ratios within the peer groups of our prospects and clients. RiskCalc continues to serve as a reliable quantitative measuring tool for evaluating potential new loan prospects and for our existing loan portfolio," Wing added.

RiskCalc Plus' predictive analytics are based on Moody's Analytics Credit Research Database (CRD), which now incorporates the latest default data from the recent recession. Built in partnership with over 45 leading financial institutions, CRD contains 43 million financial statements on 10.2 million firms and over 750,000 private company defaults. This yields unique insight into private firm default probability, which has proven to be a significant challenge to financial institutions due to data limitations and constraints on internal resources.

RiskCalc Plus is used by more than 350 financial institutions globally, including commercial banks, non-bank corporates, asset managers and investment banks, to efficiently and consistently screen obligors at origination, detect credit deterioration early, and comply with regulatory requirements such as those outlined in Dodd-Frank and Basel II and III.

For more information on RiskCalc, click here.