

News

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MOODY'S ANALYTICS ANNOUNCES NEW RISKCALC™ PROBABILITY OF DEFAULT MODEL FOR CHINA

Adds Peer Analysis to Newly-Released RiskCalc™

NEW YORK – MAY 24, 2010 – Moody's Analytics, a leader in risk management solutions, today announced the availability of a new probability of default (PD) model for assessing the credit risk of private firms in China. The model is available for use with RiskCalc Plus, an enhanced version of RiskCalc. RiskCalc combines financial statement and equity market information into a highly predictive assessment of standalone credit risk. Additional models for Russia and the Emerging Markets will be available in the third quarter of 2010, extending the analytical capability of RiskCalc to private firm credit worldwide.

"Understanding risk when leasing and lending to private firms has always been a challenge," said Anuj Gupta, Director of Product Management at Moody's Analytics. "With the RiskCalc China model, a credit analyst can now determine a probability of default value for a potential deal in China based on historical default rates of similar Chinese private firms, providing a significant competitive advantage." The model was developed and validated using more than 800,000 financial statements from over 300,000 Chinese companies.

In addition, RiskCalc Plus has been enhanced to include Peer Analysis, which allows lenders to compare borrower risk between firms in the same industry and with similar asset profiles. RiskCalc Plus also includes enhancements that allow users to chart probability of default for up to six years, deepening their understanding of default risk trends. Further enhancements to RiskCalc Plus in the third quarter of 2010 will include additional reporting options and storage capabilities.

Risk Calc Plus and the new Probability of Default models for China, Russia and Emerging Markets are based on data contained in the Moody's Analytics Credit Research Database (CRD™). The CRD, built in partnership with more than 45 leading financial institutions around the world, contains 36 million financial statements on 6.5 million firms and more than 600,000 private company defaults, yielding unique insight into private firm default probability.

For more information, visit: www.moodys.com/riskcalc.

ABOUT MOODY'S ANALYTICS

Moody's Analytics helps capital markets and credit risk management professionals worldwide respond to an evolving marketplace with confidence. The company offers unique tools and best practices for measuring and managing risk through expertise and experience in credit analysis, economic research and financial risk management. By providing leading-edge software, advisory services and research, including the proprietary analysis of Moody's Investors Service, Moody's Analytics integrates and

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customizes its offerings to address specific business challenges. Moody's Analytics is a subsidiary of Moody's Corporation (NYSE: MCO), which reported revenue of \$2 billion in 2010, employs approximately 4,500 people worldwide and maintains a presence in 26 countries. Further information is available at www.moodysanalytics.com.

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