RMA to Offer Moody's RiskCalc™ Probabilities of Default as Part of its Annual Statement Studies™ Publications

RiskCalc will assist banks in comparing its borrowers' default probabilities with industry averages and manage risks more effectively

New York - March 14, 2001 - Moody's Risk Management Services (MRMS) and RMA - The Risk Management Association, (RMA), announced that MRMS has granted a license to enable RMA to analyze its data using Moody's RiskCalc™ default modeling software ("RiskCalc") to determine probability of default and publish such results in future releases of its Annual Statement Studies publication, an authoritative compilation of industry financial statistics for North America. The inclusion of the default estimates is expected to provide additional industry-level risk management information beyond that presently conveyed.

Al Sanborn, President and CEO of RMA, states: "We are constantly striving to provide our members with industry leading solutions to risk management challenges. We believe providing RiskCalc default estimates by industry, year, and asset classes will provide our customers with a powerful tool for comparing the credit risk of its borrowers and prospects with peer averages. The model building approach of MRMS -- specifying and validating its RiskCalc model on actual private firm financial statements, and our member banks' default experience, addresses many of the requirements for model acceptance by both practitioners and regulators. Additionally, MRMS's publication detailing Moody's RiskCalc's analytic approach and Moody's Credit Research Database™ increase the RiskCalc model's transparency and ultimately its interpretation by users of our Annual Statement Studies products. Including these validated probabilities of default responds to the market's demand for better information and reliable industry standard measures of commercial loan performance."

Andrew Kimball, President of MRMS, states: "We have had a close relationship with RMA for 18 years, distributing their industry statistics in our FAST™ and FAMAS™ software to the benefit of our shared clients. We are pleased to expand the relations and have information derived from use of Moody's RiskCalc available in RMA's publications. The calculations of default probability will add to the wealth of financial statement statistics already available in their comprehensive product."

RMA expects to publish the default estimates derived from Moody's RiskCalc in its next release of its Annual Statement Studies.

RMA, The Risk Management Association, based in Philadelphia, is the only professional trade association specializing in promoting effective and prudent risk management practices across the entire financial services industry for institutions of all sizes. It has more than 3,000 commercial banks, thrifts and other financial firms as members. Additional information is available about RMA through its web site at www.RMAHQ.org.

Moody's Risk Management Services (MRMS), a wholly owned subsidiary of Moody's Investors Service, is a leading provider of financial software, credit training and both quantitative and judgmental risk assessment models. Its client base ranges from community banks to large credit-granting institutions. MRMS has offices in New York; London; Tokyo; Dublin; Reigate, U.K.; Walnut Creek, California; and South Bend, Indiana. Additional information about MRMS and its RiskCalc line of products are available through its web site, www.moodysrms.com.

Moody's Investors Service, a subsidiary of Moody's Corporation (NYSE:MCO), is the leading provider of credit ratings, research and analysis covering debt instruments and securities in the global capital markets. The company, with offices in New York, Tokyo, London, Paris, Sydney, San Francisco, Frankfurt, Dallas, Madrid, Toronto, Hong Kong, Singapore, Limassol, São Paulo, Milan, and Mexico City issues ratings on more than 4,200 corporations and 68,000 public finance debt securities issued by corporations and governments in more than 100 nations.

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