MOODY'S ANALYTICS

News

FOR IMMEDIATE RELEASE

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MOODY'S ANALYTICS ADDS THE FED'S BASELINE AND STRESS TEST SCENARIOS

Helps banks evaluate the impact of the Fed's Supervisory Stress Scenario

NEW YORK, December 6, 2011— In response to the new stress test requirements announced by the U.S. Federal Reserve on November 22, 2011, Moody's Analytics, a leading independent provider of economic forecasting, has today announced the addition of the Fed's baseline and stress test scenarios to its U.S. Macro Forecast Model®. The new stress test scenario, aligned with the Fed's Supervisory Stress Scenario, provides clients with a tool to evaluate the impact a major economic shock would have on its business.

"We developed these macroeconomic scenarios in response to demand from our clients," says Mark Zandi, Chief Economist for Moody's Analytics. "These alternative forecast scenarios will help our clients to determine whether their balance sheets are vulnerable to a major economic shock outlined by the Fed's Supervisory Stress Scenario. Our alternative scenarios allow clients to run many detailed indicators such as consumer credit, house prices and mortgage rates."

Moody's Analytics new macroeconomic scenarios address portions of the Fed's 2012 Comprehensive Capital Analysis and Review program. Under the review, the Fed will use a Supervisory Stress Scenario to analyze all firms' capital needs to withstand such a scenario while they continue to act as a financial intermediary. According to the Fed's press release, the Supervisory Stress Scenario is designed to represent an outcome that may occur if the U.S. economy were to experience a deep recession and also global economic contraction.

The U.S. Fed Supervisory Stress Scenario is available for customers or clients who subscribe to the U.S. Macro/Financial Forecast Database and complements Moody's Analytics baseline and six other core alternative scenarios. In addition to national forecasts, the scenario also includes metro and state forecasts.

In response to market demand, Moody's Analytics is also planning to replicate the new stress test scenarios for a few dozen countries beyond the U.S.

Moody's Analytics includes alternative scenarios in all of its U.S. forecast products, including for states, metro areas and consumers. Its alternative scenarios allow risk and business managers to quickly assess outcomes based on differing assumptions about economic conditions. These alternative scenarios are updated monthly, using the latest economic data, and extend 30 years for the United States and 10 years for other nations.

For more information on the U.S. Fed Supervisory Stress Scenario, please visit www.economy.com/fedscenario.

About Moody's Analytics

Moody's Analytics helps capital markets and 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 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 4,700 people worldwide and maintains a presence in 27 countries. Further information is available at www.moodysanalytics.com.

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