Moody's ANALYTICS

News

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MOODY'S ANALYTICS ADDS CUSTOMIZATION OPTIONS TO PORTFOLIO ANALYZER STRESS TESTING SUITE

NEW YORK, October 7, 2013 — Moody's Analytics, a leader in risk measurement and management, today announced that it has added customization options to its Portfolio Analyzer (PA) suite of stress testing products, including Mortgage Portfolio Analyzer (MPA), Auto Portfolio Analyzer (APA) and PA-ABS, a credit model for asset-backed securities. The new options let banks and other financial institutions create custom credit models using their own historical data and lending patterns. Customizing helps clients create models that reflect the needs of their institutions' data set.

"Evolving stress test best practices are driving the need for risk management solutions that allow financial institutions to have complete transparency into the risks associated with their own loan books and the flexibility to quickly run custom stressed scenarios under a variety of macroeconomic paths," says Luis Amador, Senior Director and Head of Moody's Analytics Structured Finance Valuations Team. "Our stress testing and capital allocation suite is the only solution available that ties a financial institution's idiosyncratic lending and trading patterns across auto loans, residential mortgages, auto ABS, and RMBS for each loan."

The customization option benefits institutions involved in stress testing, especially those required to participate in the U.S. Federal Reserve's Comprehensive Capital Analysis and Review (CCAR) or Dodd-Frank Act Stress Test (DFAST) process. It provides the flexibility to adjust model parameters at the individual-loan level or for the entire portfolio, including default, prepayment, severity and recovery lags as well as probability of non-payment of primary mortgage insurance. It can also be used to incorporate user assumptions and to reflect loan modifications.

Portfolio Analyzer's custom credit models ensure maximum transparency by exposing the Coefficients and T-scores for each model. Its Scenario Designer feature lets users create custom economic scenarios, which can be defined from simple national level to granular MSA level.

For more information, visit http://www.moodysanalytics.com/pa.

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 $2.7 billion in 2012, employs

approximately 7,000 people worldwide, and has a presence in 29 countries. More information is available at www.moodysanalytics.com.

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