

News

FOR IMMEDIATE RELEASE

MOODY'S ANALYTICS LAUNCHES UK MORTGAGE PORTFOLIO ANALYSER

KERSTIN VOELKEL
AVP-Communications Strategist
Moody's Analytics
+44 20 7772 5207
kerstin.voelkel@moodys.com

LONDON, 28 April 2016 – Moody's Analytics, a leader in risk measurement and management, today announced the launch of UK Mortgage Portfolio Analyser (UK-MPA), an innovative, customizable tool to help assess and manage credit risk in portfolios of residential mortgages originated in the United Kingdom.

UK-MPA provides powerful risk management, regulatory stress testing and capital allocation capabilities for portfolio managers needing comprehensive analysis of their mortgage portfolios. Featuring a range of customizable models and forecasting tools, UK-MPA enables users to project defaults, prepayments and loss severities, in order to determine loan-level and portfolio-level performance.

UK-MPA's default, prepayment and severity models incorporate a rich set of factors including loan and borrower characteristics and regional home prices and unemployment rates. This allows the models to distinguish between the risks in amortizing and non-amortizing loans, buy-to-let and owner-occupied homes and broker and branch originated loans. The product is also used to price whole loan transactions and determine the value of each loan under mortgage portfolio acquisitions or sales.

Under the new IFRS 9 accounting rules coming into force in 2018, banks will be required to conduct more rigorous estimates of expected credit losses. UK-MPA facilitates this process, offering both automated and user-defined classification of loans into risk categories, and in the calculation of expected credit losses over any time-horizon.

"Banks and other financial institutions need efficient ways to measure and manage the credit risk in their residential mortgage portfolios", said Shirish Chinchalkar, Managing Director at Moody's Analytics. "UK Mortgage Portfolio Analyzer incorporates historical and forward looking macro-economic conditions, allowing banks to stress test their mortgage books and determine their expected credit losses under IFRS 9."

UK-MPA supports mortgage portfolio analysis under a range of scenarios, including regulatory stress testing scenarios, user-defined scenarios, and Moody's Analytics' own macroeconomic scenarios. In addition, distributions of macro-economic scenarios can be

simulated, and probability-weighted expected credit losses can be determined for every loan in the portfolio.

Suitable for analysis of newly originated as well as seasoned loans and future originations, UK-MPA is highly customizable, providing extensive flexibility to adjust model parameters at the loan-level, and the option to calibrate models to users' data.

For more information on Moody's Analytics' UK Mortgage Portfolio Analyzer, please visit our [website](#).

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 proprietary analyses from 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 \$3.3 billion in 2015, employs approximately 10,200 people worldwide and has a presence in 35 countries. Further information is available at www.moodyanalytics.com.