

# News

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## Moody's Analytics Conducts Stress Test of US Super-Regional Banks Using its Bank Call Report Forecasts Model

NEW YORK, June 27, 2017 – In a new study published today, Moody's Analytics conducted a stress test of 16 non-complex, super-regional, CCAR banks by using its [Bank Call Report Forecasts](#) model. The results show that these banks retain significant capital cushions even under the "severely adverse" economic scenario designed by the Federal Reserve for this year's CCAR process.

Net charge-offs under the "severely adverse" scenario remained manageable and well below the peaks of the financial crisis. Single-family residential real estate loans suffered only modestly under a renewed stress event while the tier-1 capital ratio for the peer group stayed above 10% through the entire stress event.

The study was conducted by running the banks' financials through the Moody's Analytics Bank Call Report Forecasts model, which enables users to perform forward-looking strategic stress tests of loan portfolios and benchmark the results against peers' portfolios. The modeling approach is purely quantitative, relying solely on objective econometric principles with no subjective overlays applied. The stress projections offer banks' senior managers an impartial view of how their institutions are likely to perform in the event of an economic downturn.

"Our aim in creating the Bank Call Report Forecasts model was to reduce the time and effort required to conduct strategic and regulatory stress tests," said Tony Hughes, Managing Director at Moody's Analytics. "So, we are delighted that it enables banks of all sizes to produce intuitive forecasts of their balance sheets and income statements in near real-time."

The Moody's Analytics Bank Call Report Forecasts model leverages call report data from the FDIC's Statistics on Depository Institutions (SDI) database, giving its users the ability to forecast 300 different features of banks' financial statements. By applying the same quantitative methods to the standardized SDI data, users can conduct a true apples-to-apples comparison of any two banks or between a bank and a user-specified custom peer group under different scenarios.

[Click here](#) to learn more about the Moody's Analytics Bank Call Report Forecast Model.

**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 \$3.6 billion in 2016, employs approximately 10,700 people worldwide and maintains a presence in 36 countries. Further information is available at [moodyanalytics.com](http://moodyanalytics.com).

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