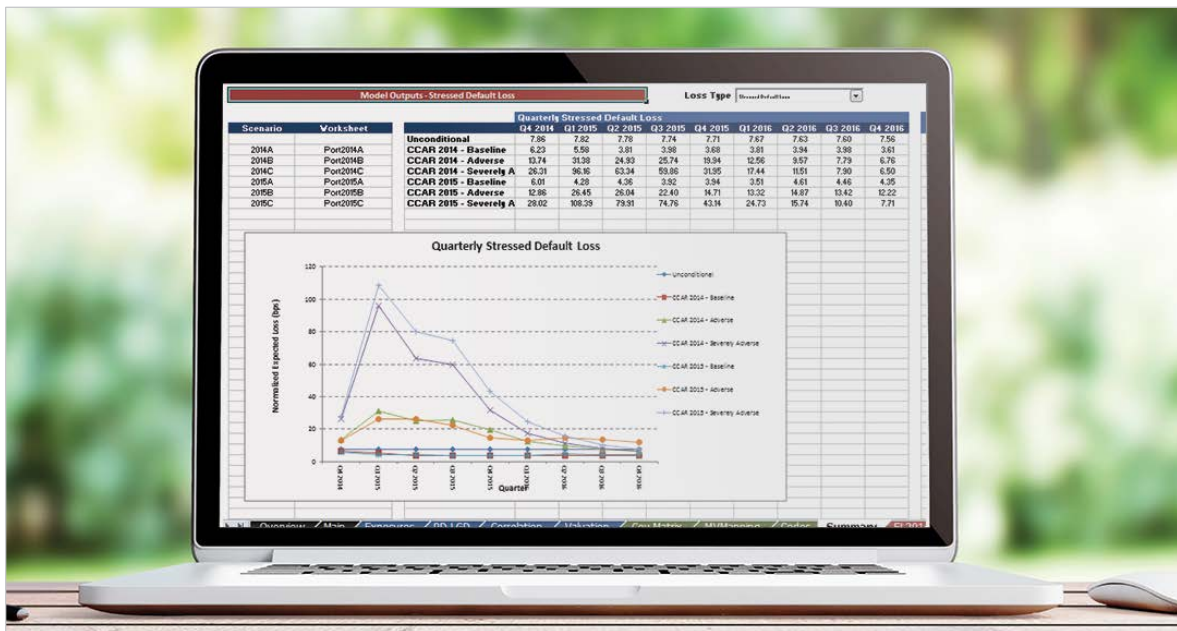


The GCorr Macro EL Calculator forecasts stressed expected losses for portfolios, including loans and credit securities. The tool uses a rich global risk correlation model which contains over 200 macroeconomic variables. It enables firms to assess loss sensitivity to economic scenarios that are tailored to be relevant for each portfolio.

A stress testing framework to address portfolios with a broad range of asset classes

- » Analyze credit loss for a wide range of asset classes, including public and private, commercial and industrial, commercial real estate, retail loans, debt securities, sovereign bonds, and more.
- » Stress credit risk parameters in a correlated manner rather than independently, and calculate stressed expected loss at an instrument level, period by period, for a granular view of the portfolio.

- » Provide model accuracy with back-testing of traded and non-traded credit against datasets, including North American, European, and Asian corporate and financials, and more.
- » Combine granularity, flexibility, and speed of computation in an easily accessible format, calculating expected loss given regulatory or user-defined scenarios.
- » Account for expected losses due to defaults, spread risk, and interest rate movements, applying a consistent and out-of-the-box framework to various asset types for stress testing.



Access a summary of stress testing forecasts based on multiple scenarios. This chart displays the dynamics of portfolio losses, driven by macroeconomic shocks through the selected projection quarters.

Model Outputs					
Portfolio Results					
Quarter	Q4 2013	Q1 2014	Q2 2014	Q3 2014	
Exposure	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$
Default Loss	\$ 785.71	\$ 781.88	\$ 778.09	\$ 774.32	\$
Stressed Default Loss	\$ 623.01	\$ 558.23	\$ 380.79	\$ 398.41	\$
Stressed Credit OTTI	\$ 2,192.42	\$ (433.01)	\$ (42.29)	\$ (65.25)	\$
Stressed TI	\$ (1,129.26)	\$ (4,130.70)	\$ 208.86	\$ 231.84	\$
Stressed non-Credit OTTI	\$ 14,691.50	\$ (11,477.29)	\$ (232.42)	\$ (771.51)	\$
Stressed OCI Loss	\$ 13,562.24	\$ (15,608.00)	\$ (23.57)	\$ (539.66)	\$
Cumulative Stressed Default Loss	\$ 623.01	\$ 1,181.24	\$ 1,562.03	\$ 1,960.44	\$
Cumulative Stressed Credit OTTI	\$ 2,192.42	\$ 1,759.42	\$ 1,717.12	\$ 1,651.88	\$
Cumulative Stressed TI	\$ (1,129.26)	\$ (5,259.96)	\$ (5,051.10)	\$ (4,819.26)	\$
Cumulative Stressed non-Credit OTTI	\$ 14,691.50	\$ 3,214.20	\$ 2,981.78	\$ 2,210.27	\$
Cumulative Stressed OCI Loss	\$ 13,562.24	\$ (2,045.76)	\$ (2,069.33)	\$ (2,608.99)	\$
Total Portfolio Loss (over all quarters)					
	Currency	Normalized (bps)			
Default Loss	\$ 6,936.20	69.36			
Stressed Default Loss	\$ 3,861.93	38.62			
Stressed Credit OTTI	\$ 302.69	3.03			
Stressed TI	\$ (3,842.40)	-38.42			
Stressed non-Credit OTTI	\$ (28.26)	-0.28			
Stressed OCI Loss	\$ (3,870.66)	-38.71			

Gain insights into portfolio-level quarterly losses based on various categories, including default, mark-to-market (MTM), credit OTTI, non-credit OTTI, and OCI losses.

Achieve regulatory and internal loss recognition requirements while managing portfolio credit risk

- » Gain a holistic view of risk by assessing the impact of macroeconomic shocks over time across both the banking and trading book.
- » Apply a consistent framework for recognizing default, market-to-market, and impairment losses, as well as losses from spread movements and defaults, when security ratings fluctuate.
- » Better understand portfolio-specific vulnerabilities and sensitivities to specific risk factors, such as a rise in interest rates or changes in the macroeconomic environment.
- » Improve management of new business volume assumptions under a specified macroeconomic scenario.
- » Review dynamics of stress testing results based on size and industry of the exposure and its credit quality.

An industry leader in portfolio management research and advisory services

Moody's Analytics credit risk specialists provide software implementation, custom modeling, economic capital, and risk management consulting, regulatory and process support, and training customized to each client's unique requirements. These services, combined with our renowned credit research, empower clients to improve their credit portfolio risk management strategy and bottom-line performance.



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