
MOODY'S



Investor Presentation

4Q and Full-Year 2014

MARCH 16, 2015

Disclaimer

Certain statements contained in this presentation are forward-looking statements and are based on future expectations, plans and prospects for Moody's business and operations that involve a number of risks and uncertainties. Moody's outlook for 2015 and other forward-looking statements in this presentation are made as of February 26, 2015, and the Company disclaims any duty to supplement, update or revise such statements on a going-forward basis, whether as a result of subsequent developments, changed expectations or otherwise. In connection with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, the Company is identifying certain factors that could cause actual results to differ, perhaps materially, from those indicated by these forward-looking statements. Those factors, risks and uncertainties include, but are not limited to, the current world-wide credit market disruptions and economic slowdown, which is affecting and could continue to affect the volume of debt and other securities issued in domestic and/or global capital markets; other matters that could affect the volume of debt and other securities issued in domestic and/or global capital markets, including credit quality concerns, changes in interest rates and other volatility in the financial markets; the level of merger and acquisition activity in the US and abroad; the uncertain effectiveness and possible collateral consequences of US and foreign government initiatives to respond to the current world-wide credit market disruptions and economic slowdown; concerns in the marketplace affecting Moody's credibility or otherwise affecting market perceptions of the integrity or utility of independent credit agency ratings; the introduction of competing products or technologies by other companies; pricing pressure from competitors and/or customers; the level of success of new product development and global expansion; the impact of regulation as an NRSRO, the potential for new US, state and local legislation and regulations, including provisions in the Financial Reform Act and regulations resulting from that Act; the potential for increased competition and regulation in the EU and other foreign jurisdictions; exposure to litigation related to Moody's rating opinions, as well as any other litigation to which the Company may be subject from time to time; provisions in the Financial Reform Act legislation modifying the pleading standards, and EU regulations modifying the liability standards, applicable to credit rating agencies in a manner adverse to credit rating agencies; provisions of EU regulations imposing additional procedural and substantive requirements on the pricing of services; the possible loss of key employees; failures or malfunctions of Moody's operations and infrastructure; any vulnerabilities to cyber threats or other cybersecurity concerns; the outcome of any review by controlling tax authorities of the Company's global tax planning initiatives; the outcome of those Legacy Tax Matters and legal contingencies that relate to the Company, its predecessors and their affiliated companies for which Moody's has assumed portions of the financial responsibility; the impact of mergers, acquisitions or other business combinations and the ability of the Company to successfully integrate acquired businesses; currency and foreign exchange volatility; the level of future cash flows; the levels of capital investments; and a decline in the demand for credit risk management tools by financial institutions; and other risk factors as discussed in the Company's annual report on Form 10-K for the year ended December 31, 2014 and in other filings made by the Company from time to time with the Securities and Exchange Commission.

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Overview of Moody's Corporation

Moody's

- » Leading global provider of credit rating opinions, insight and tools for financial risk measurement and management
- » Full-Year 2014 revenue of \$3.3 billion

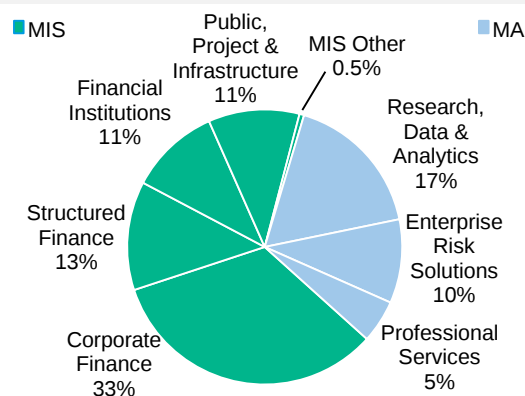
Moody's INVESTORS SERVICE

- » Independent provider of credit rating opinions and related information for over 100 years
- » 2014 revenue of \$2.3 billion; 68% of total MCO

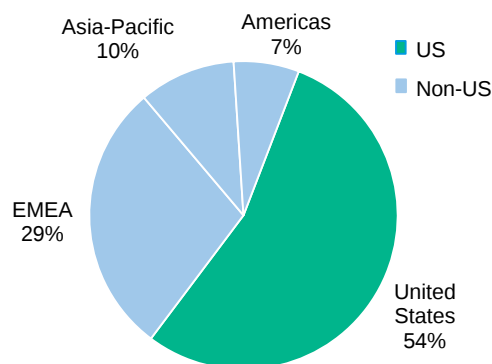
Moody's ANALYTICS

- » Research, data and software for financial risk analysis and related professional services
- » 2014 revenue of \$1.1 billion; 32% of total MCO

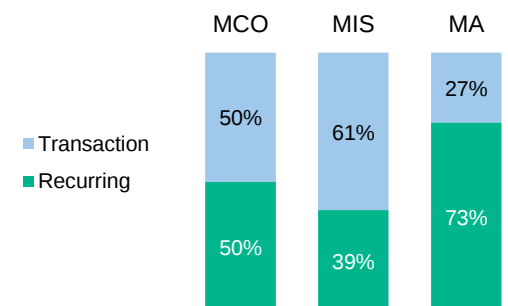
2014 Revenue by Business



2014 Revenue by Geography



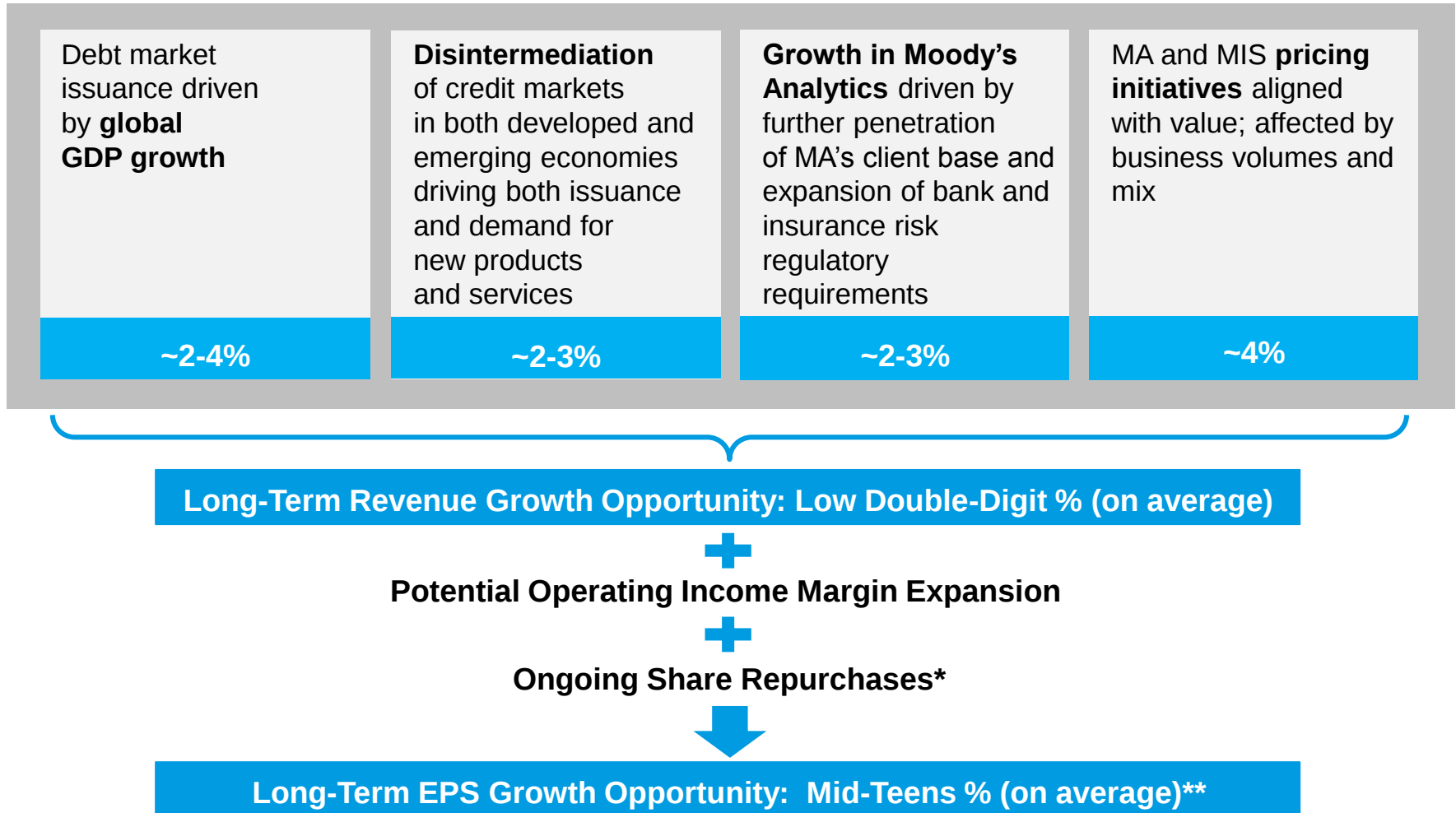
2014 Revenue by Type



1

Financial Overview

Secular Trends Continue to Provide Long-Term Growth Opportunities

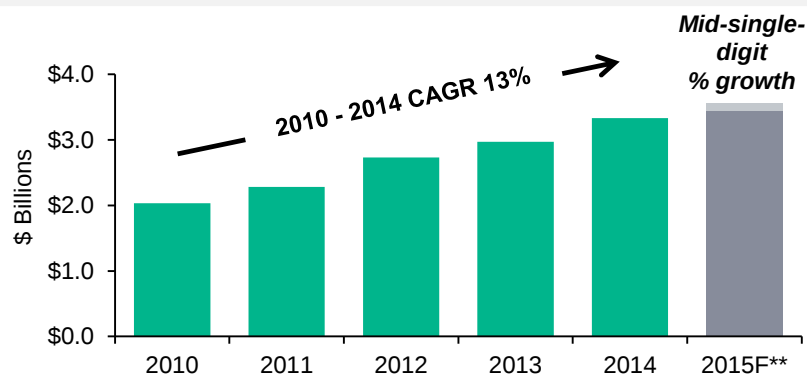


*Subject to market conditions and other ongoing capital allocation decisions.

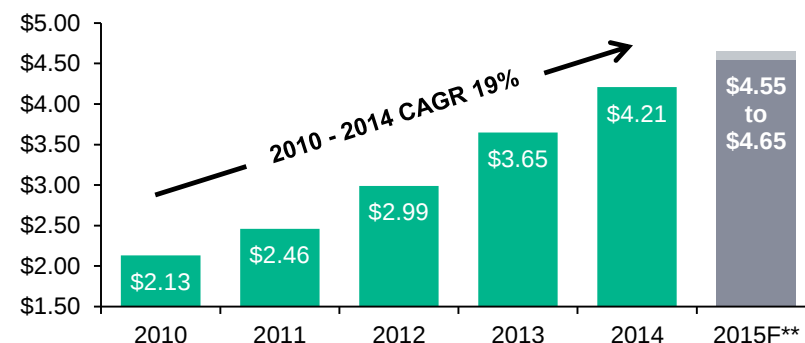
**Assumes no material change in effective tax rate, leverage profile and/or capital allocation policy.

Moody's Has Consistently Delivered Strong Performance

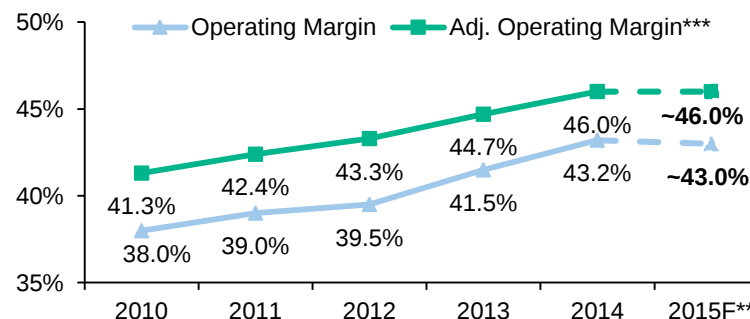
Revenue



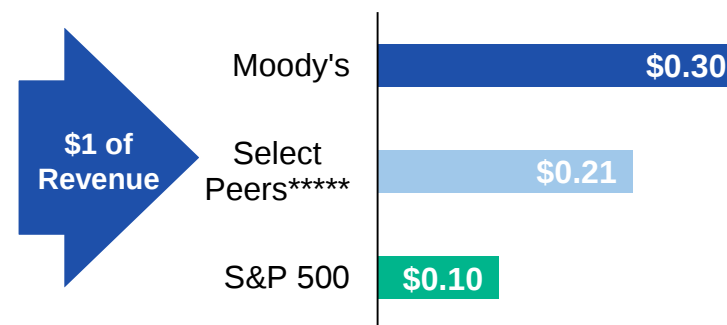
EPS*



Operating Margin Performance



5-year Average Free Cash Flow Conversion****



*2010-2014 represents non-GAAP EPS.

**Guidance as of February 26, 2015. For EPS, 2015F represents 2015 forecasted GAAP EPS guidance. See appendix for reconciliation of non-GAAP EPS to GAAP EPS.

***Adjusted Operating Margin is a non-GAAP measure. See appendix for reconciliation from non-GAAP to GAAP.

****As of December 2014, over last five available fiscal years. Source: FactSet.

*****Includes CLGX, DNB, EXPN, FDS, IHS, MHFI, MORN, MSCI, TRI, VRSK. Source: FactSet.

Moody's has a Disciplined Approach to Capital Allocation and Continues to Return Capital to Shareholders

Investing in Growth Opportunities

Reinvestment

- » In existing businesses to support organic growth

Acquisitions

- » Aligned with strategy
- » Opportunistic; ideally using offshore cash

Return of Capital

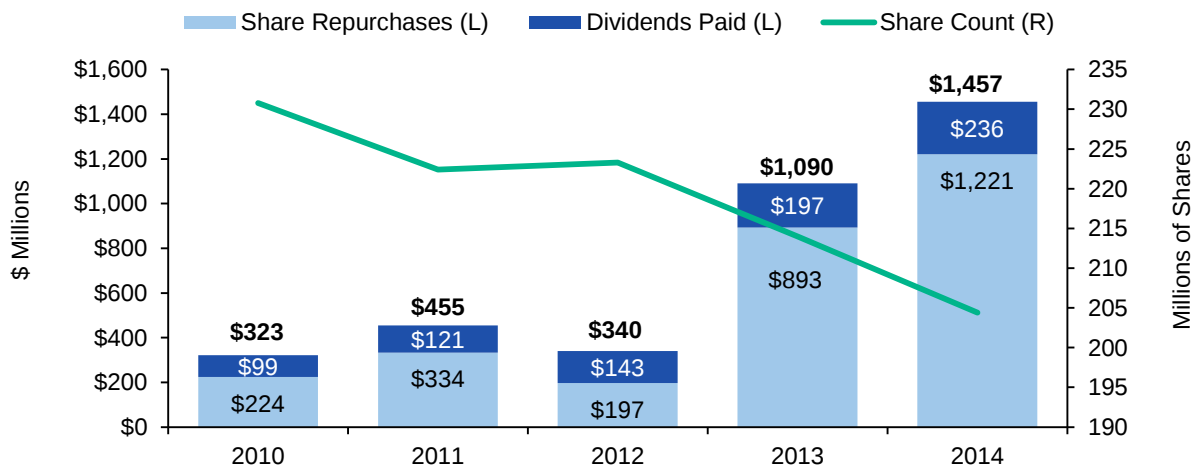
Dividends

- » Yield potential is 1.4% - 1.8%
- » Payout ratio potential is 25% - 30% of net income

Share Repurchases

- » Average annual potential is \$750 million to \$1.25 billion

Share Repurchases and Dividends Paid



- » Share count declined 14% from 2010 to 2014
- » Moody's expects 2015 share repurchases to be approximately \$1 billion*
- » Current annualized dividend rate of \$1.36 per share (FY 2014 payout of 24% of net income)

*Guidance as of February 26, 2015. Subject to market conditions and other ongoing capital allocation decisions.

Successful Execution of Recent Transactions



- » One of three leading India-based domestic rating agencies
- » Moody's increased its ownership stake from 28.5% to just over 50% in June 2014



- » A cloud-based lending platform that provides loan origination, credit analysis and loan management functionality to ~750 financial institutions
- » Moody's acquired WebEquity in July 2014



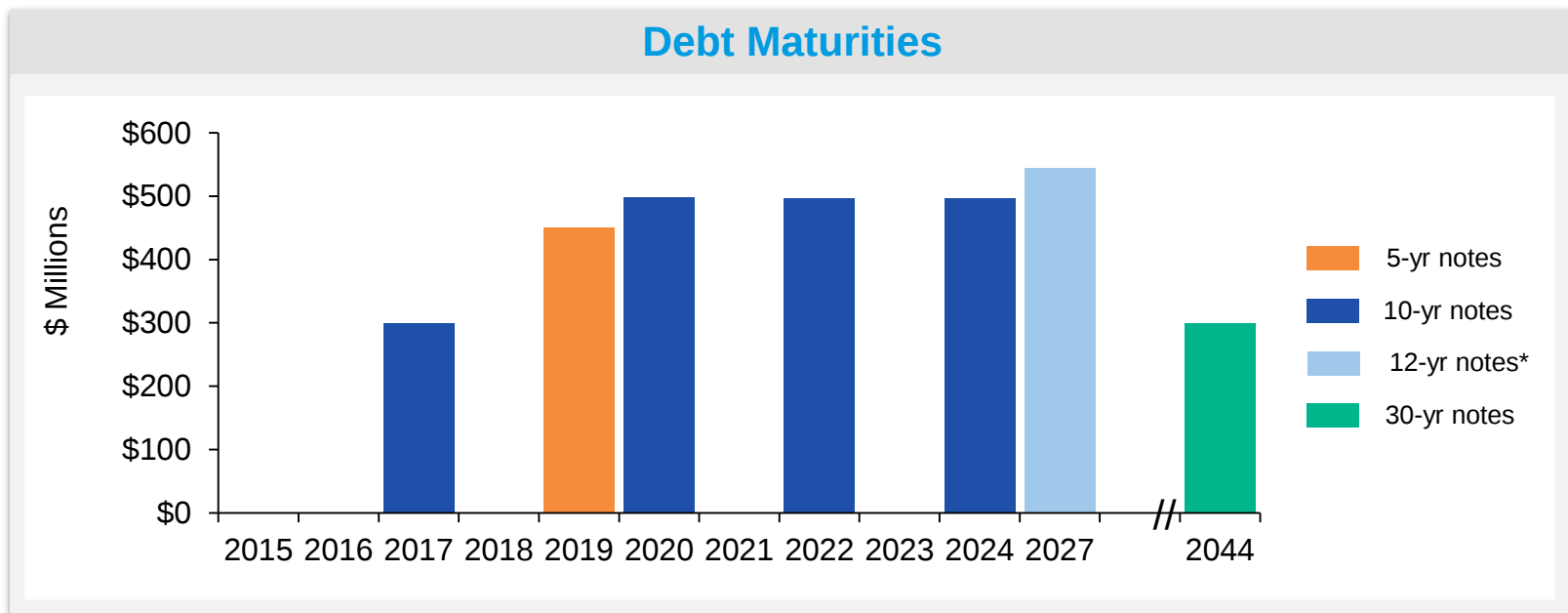
- » Provides analytical tools and data to issuers, investors and underwriters to administer, monitor and value securitized transactions
- » Moody's acquired Lewtan in October 2014



- » Provides outsourced research and analytical services to the global financial and corporate sectors
- » Moody's purchased the remaining outstanding shares in December 2014

Well-Spaced Maturity Profile Reduces Refinancing Risk

- » Moody's current credit rating from S&P is BBB+
 - Moody's leverage metrics remain within S&P's stated criteria for the current rating
- » On March 9, 2015, Moody's closed a €500 million debt offering of 12-year notes at 1.75%, maturing on March 9, 2027
 - The net proceeds from this offering will be used for general corporate purposes
- » \$1 billion undrawn credit facility



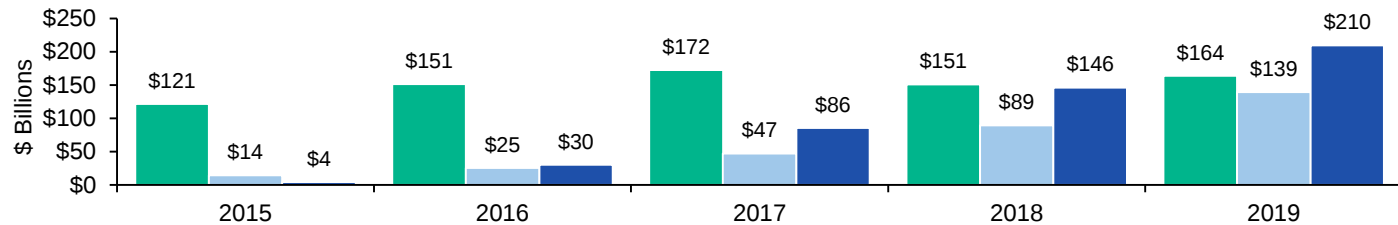
*2015 12-yr notes have been converted to USD using the March 9, 2015 spot rate of \$1.09 to €1.

2

Moody's Market Overview

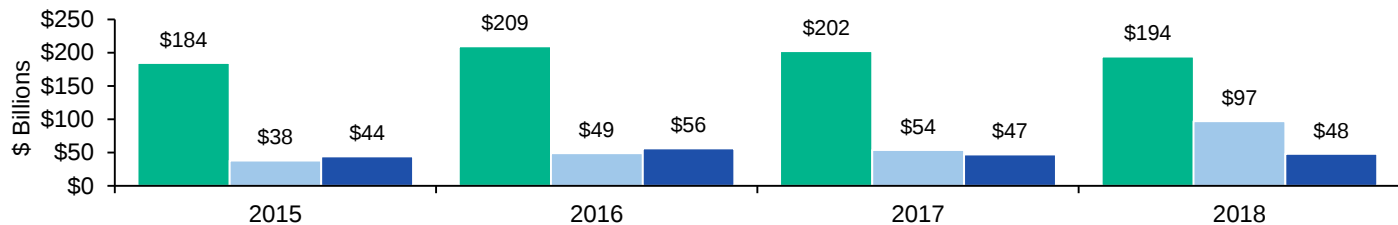
Non-Financial Corporates Have Refunding Needs of Nearly \$3.2 Trillion

Debt Maturities: US Moody's-Rated Corporate Bonds and Loans



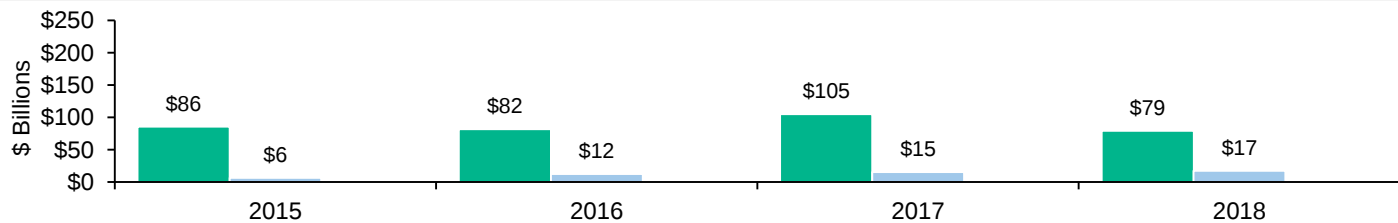
Source: Moody's Investors Service, February 2015.

Debt Maturities: EMEA Moody's-Rated Corporate Bonds and Loans



Source: Moody's Investors Service, July 2014.

Debt Maturities: Asia Pacific Moody's-Rated Corporate Bonds



Sources: Moody's Investors Service and Bloomberg, December 2014. Note: Data represents rated and unrated bonds of rated corporate entities in Asia ex-Japan, Australia and New Zealand. Data does not include loans.

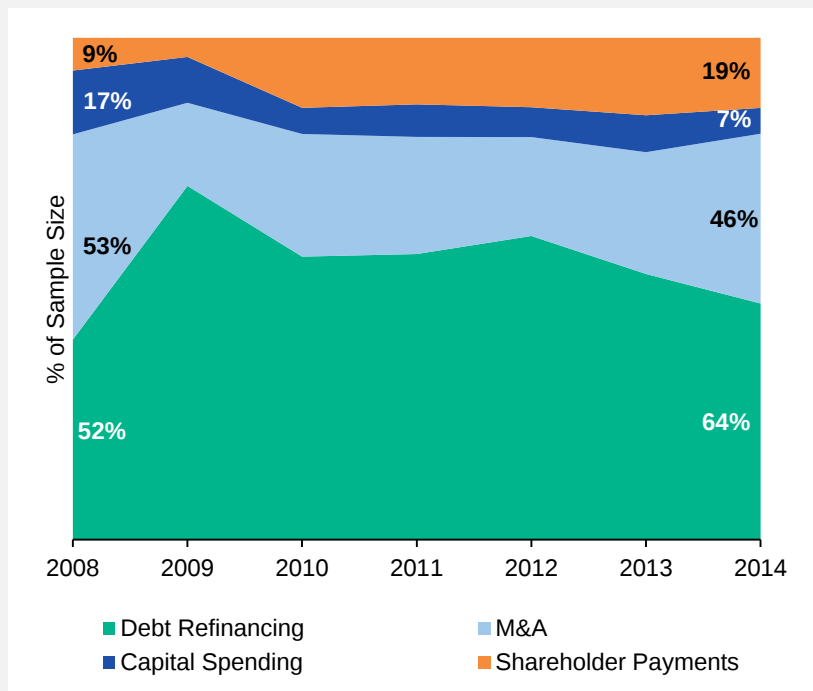
Investment Grade Bonds

Speculative Grade Bonds

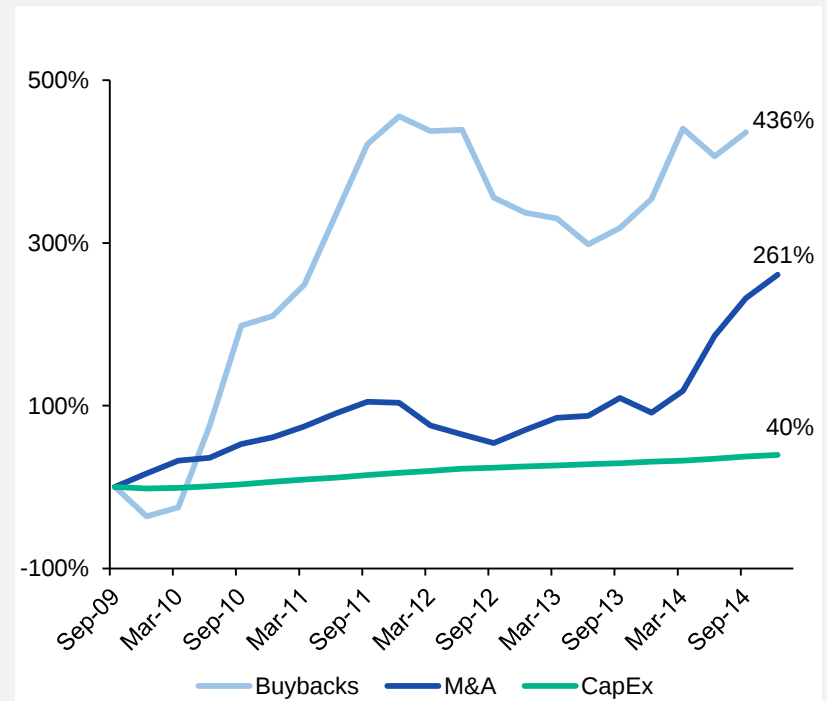
Speculative Grade Bank Loans

Bond Issuance Has Primarily Been Used for Refinancing; Recently, M&A Activity Has Increased

Uses of Funds from USD High Yield Bonds and Bank Loans*



Growth in Buyback, M&A and Capex Activity: US Non-Financial Corporates (Growth as a % of base period, TTM volume)

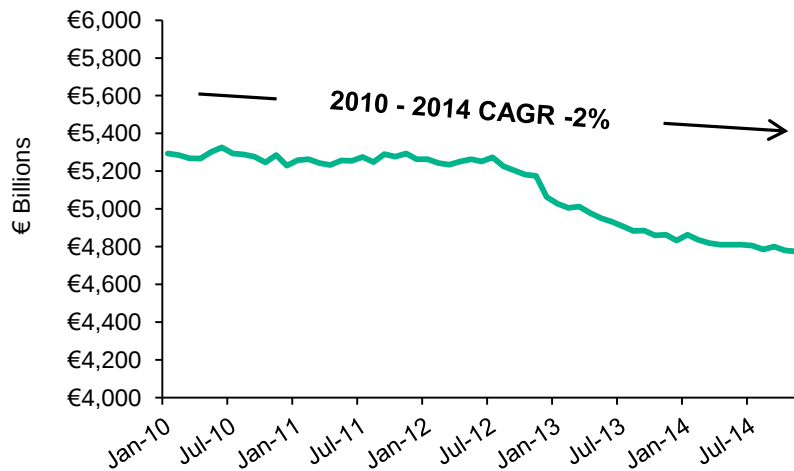


Source: Moody's Capital Markets Research Group (CMRG).

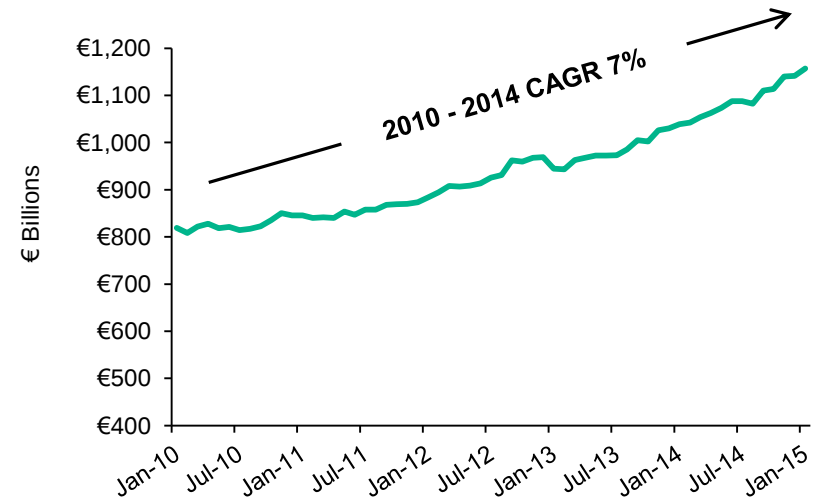
*% of count of mentions for each respective period in bond issue or bank loan program tranche documents. Excludes Investment Grade issuance, issues of less than \$25 million and general corporate purposes. An issue can have multiple purposes and, as a result, time period %'s for each category do not sum to 100%.

Disintermediation of European Capital Markets Continues

European Non-Financial Corporate Bank Loans Outstanding



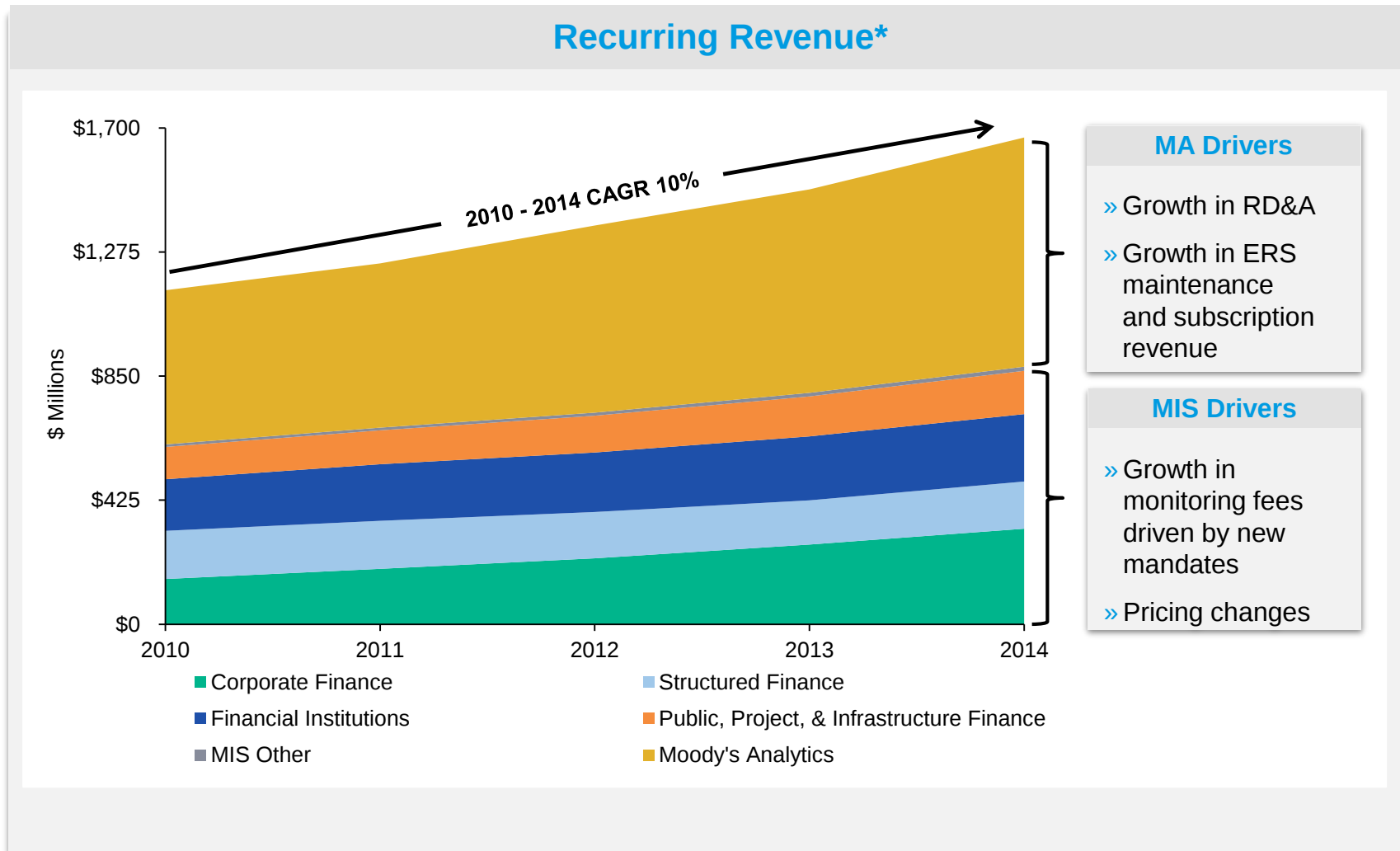
European Non-Financial Corporate Bonds Outstanding



- » Bank loans have comprised approximately **80%** of outstanding debt in **Europe** (bonds approximately **20%**)
- » European companies have historically relied more on banks than their American counterparts, but are increasingly turning to the bond market
- » For comparison, the **US** debt markets have been split **~50/50** between bank loans and bonds

Sources: ECB, BarCap Indices. Europe bank loan data includes Eurozone and UK bank loans through November 2014. Europe bond data includes euro and sterling denominated bonds through January 2015.

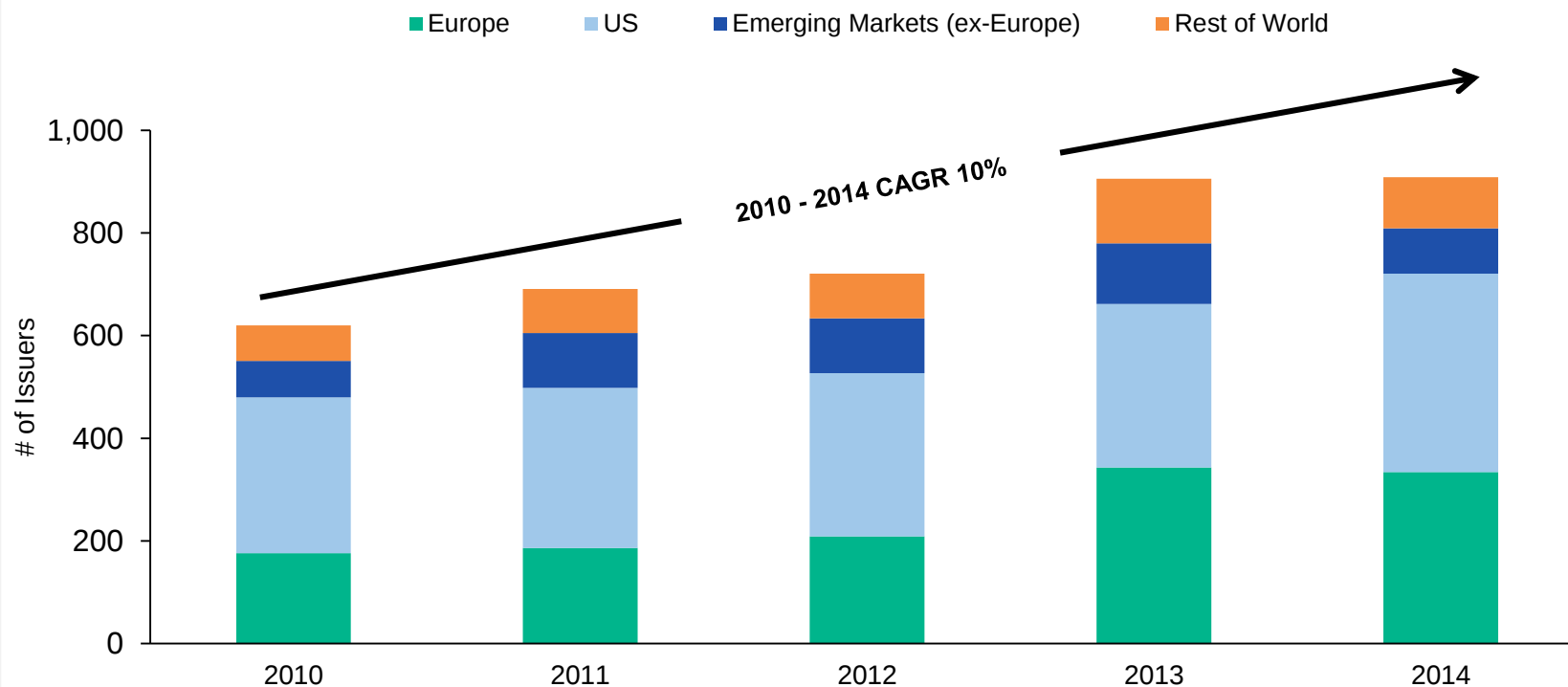
Moody's Recurring Revenue Base Provides Stability



*Recurring Revenue recognized ratably over security life (MIS) and over contract period (MA).

Growth in Newly Rated Corporate Issuers

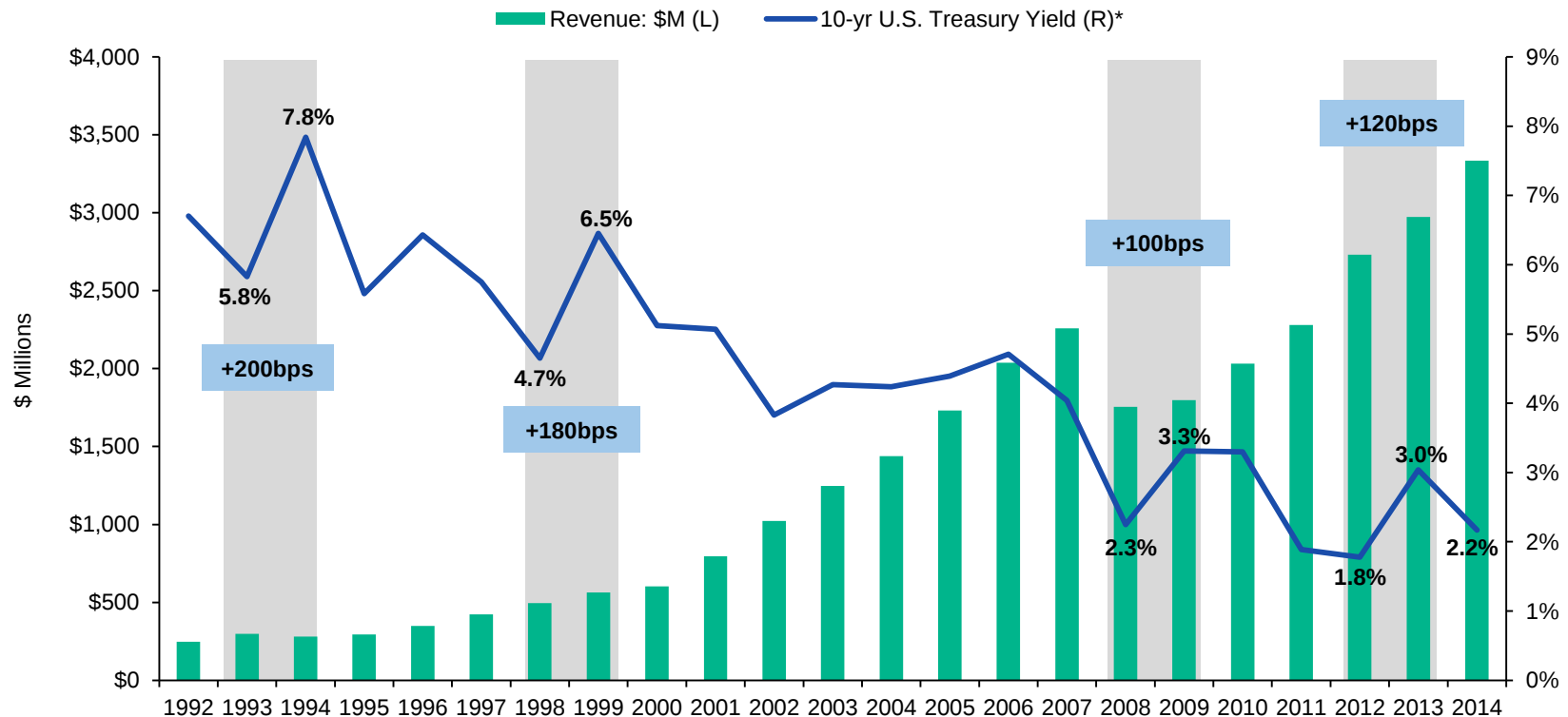
Annual Count of Newly-Rated Non-Financial Corporate Issuers*



Source: Moody's Investors Service.
*Rated by Moody's Investors Service.

Historically, Rising Rates Have Not Had a Significant Impact on Moody's Revenue

MCO Revenue and Interest Rates

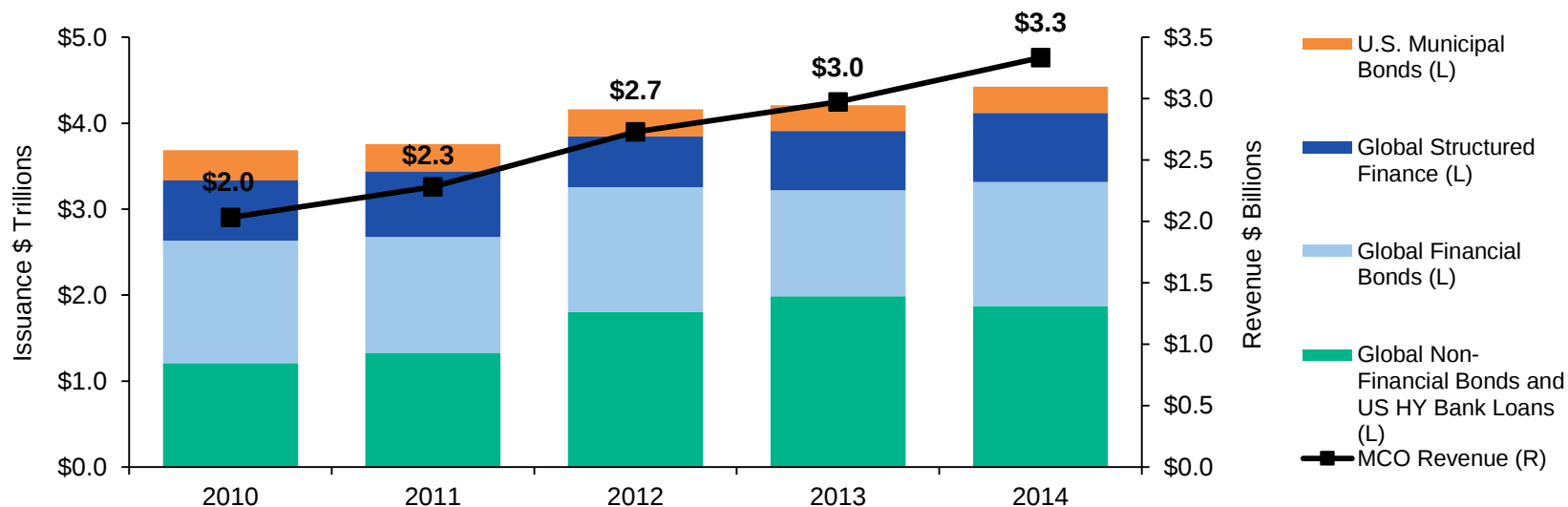


*10-yr Treasury Yields are represented by the rate at the end-of-period. Source: www.treasury.gov

Moody's Revenue Does Not Directly Tie to Issuance

MCO Revenue vs. Rated Issuance*

YOY % Change	2010	2011	2012	2013	2014	2010 - 2014 CAGR
Issuance	-16%	2%	11%	1%	5%	5%
Revenue	13%	12%	20%	9%	12%	13%

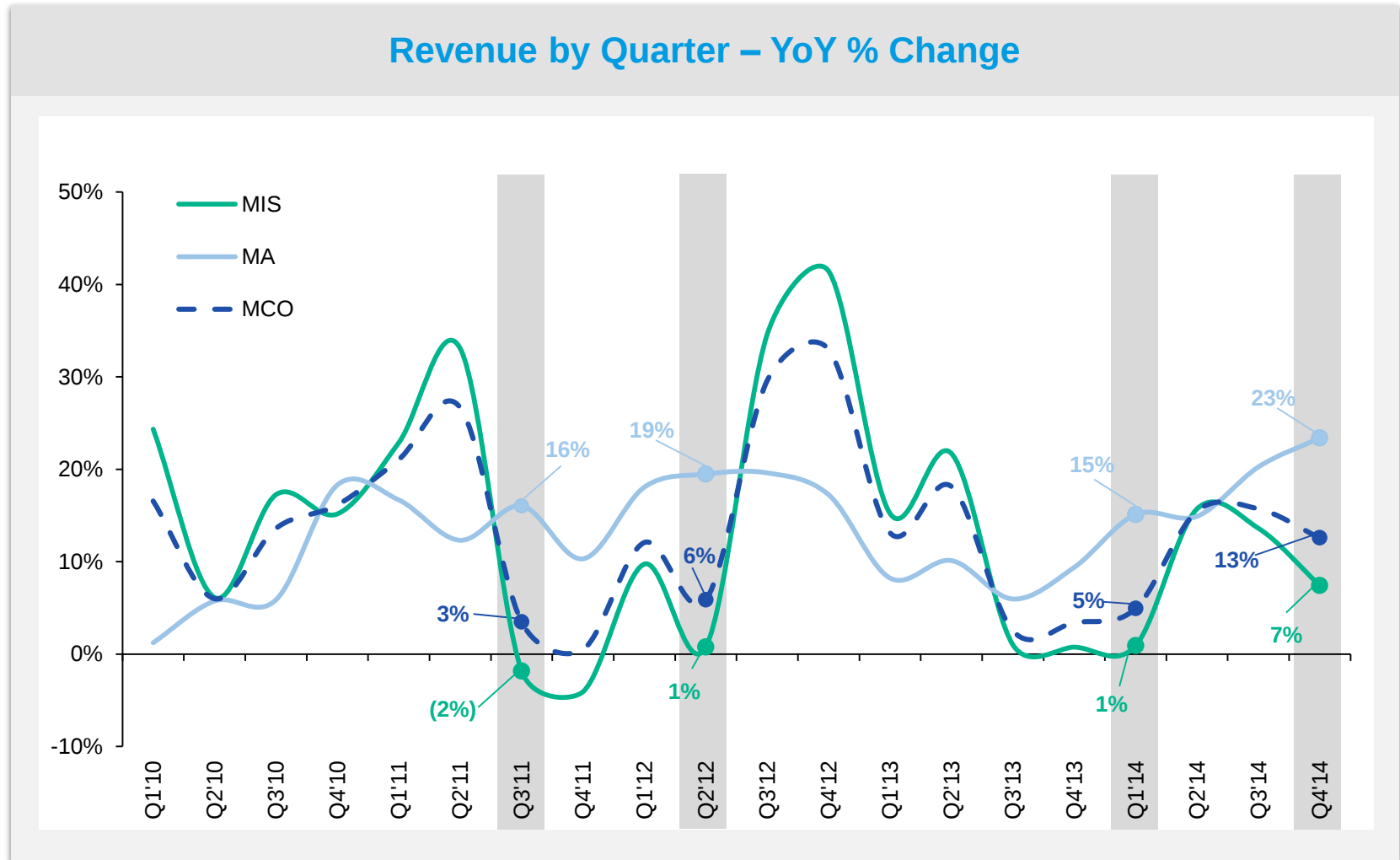


» In addition to issuance activity levels, Moody's revenue is impacted by the mix of issuance activity, sales of non-issuance related products (including by Moody's Analytics), pricing and growth in monitored credits

*Rated global investment grade bonds, global high yield bonds, US high yield bank loans, global structured finance, and US municipal issuance.

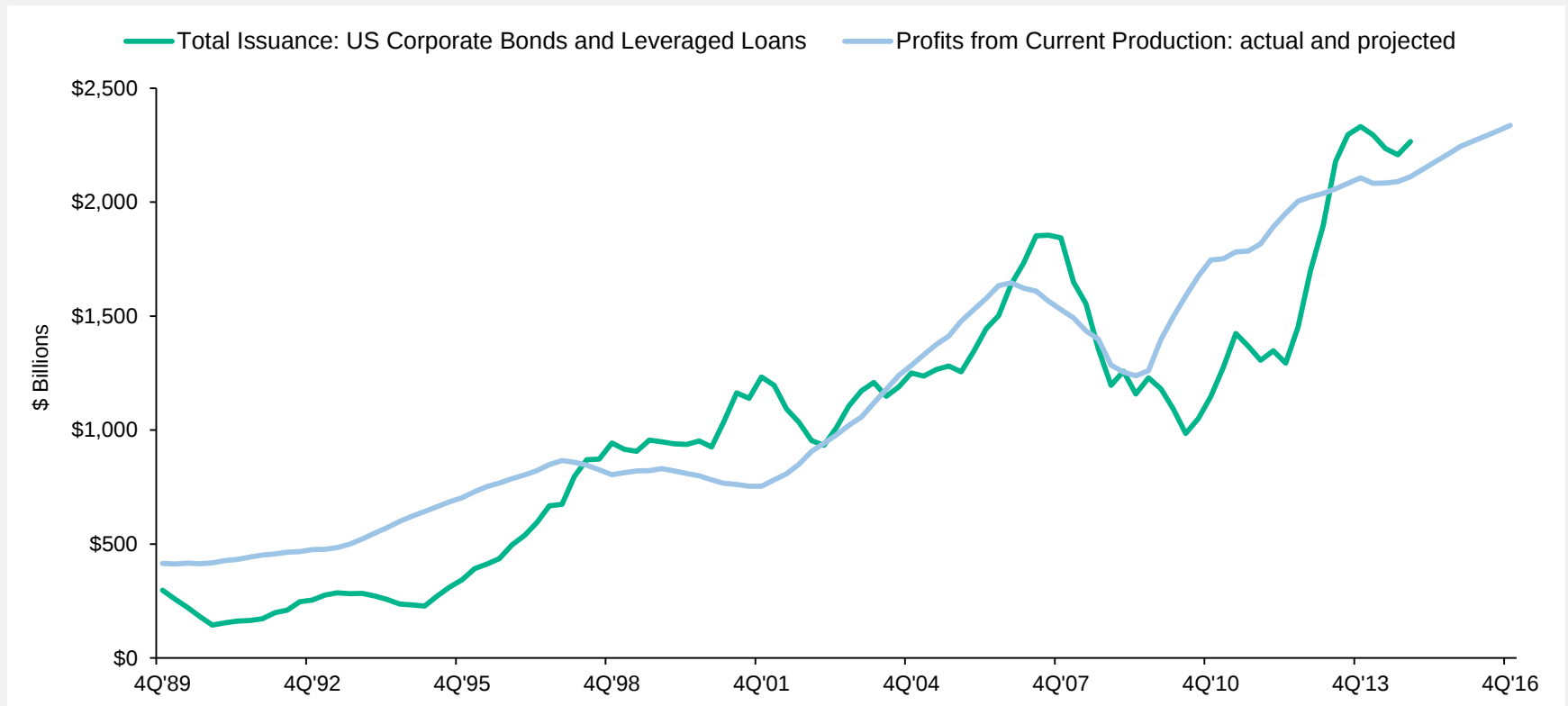
Source: Moody's Capital Markets Research Group, Dealogic, AB Alert, CM Alert, Thomson SDC. US High Yield Bank Loans represent Moody's rated new US bank loan programs.

Steady Moody's Analytics Revenue Growth Complements Variability of Moody's Ratings Revenue



US Corporate Debt Issuance Should Grow Along With Corporate Profits

US Corporate Debt Issuance and US Corporate Profits

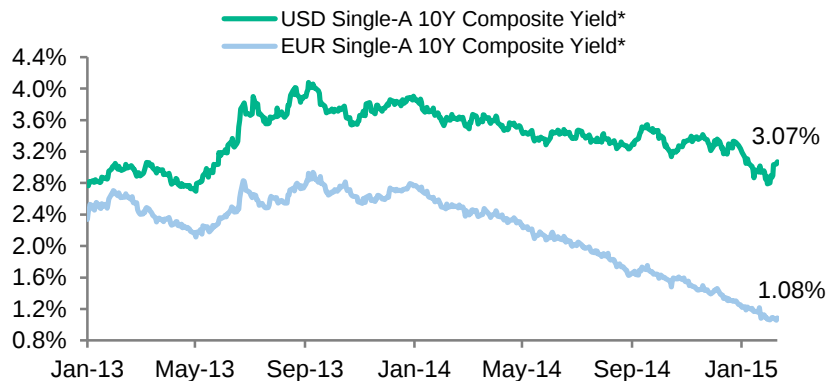


Sources: Moody's Capital Markets Research Group, Profits from Current Production: BEA estimate of pretax operating profits; forecasts are from Blue Chip Economic Indicators, February 10, 2015.

Euro Debt Issuance by US Companies has Increased

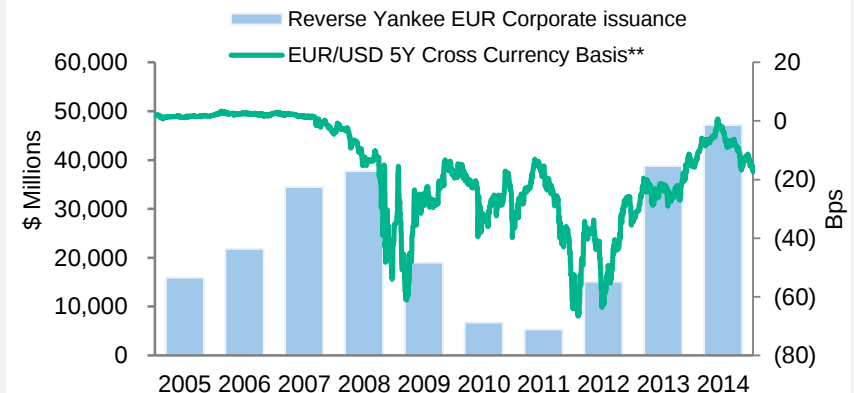
- » European bond issuance by US companies ("Reverse Yankee") has increased significantly over the past two years
- » Driven by:
 - The differential in absolute rates which has improved materially in favor of EUR debt
 - The improvement in the cross currency basis, providing attractive funding when swapped back to USD
 - Investor diversification
 - Maturity diversification

EUR yields continue to outperform USD yields



Source: Bloomberg

Reverse Yankee issuance has increased sharply



Source: Bloomberg, Dealogic: excludes financial issuance

*Composite yield of 10-year, single-A rated debt securities provided by Bloomberg Valuation Service

**Cost of swapping 3-month EURIBOR for 3-month USD Libor for a 5-year period

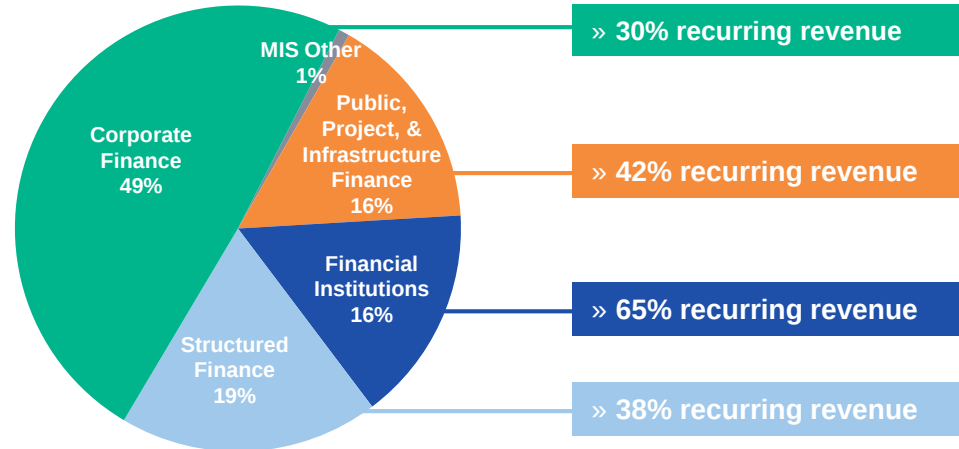
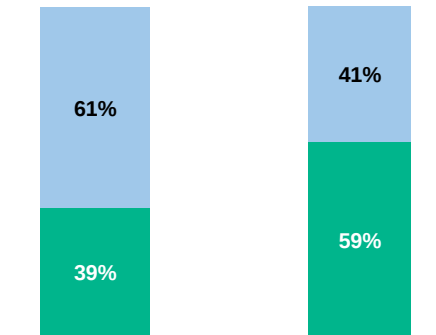
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Moody's Investors Service

Moody's Investors Service Financial Profile

2014 Revenue: \$2.3 billion

■ Transaction ■ Recurring ■ US ■ Non-US

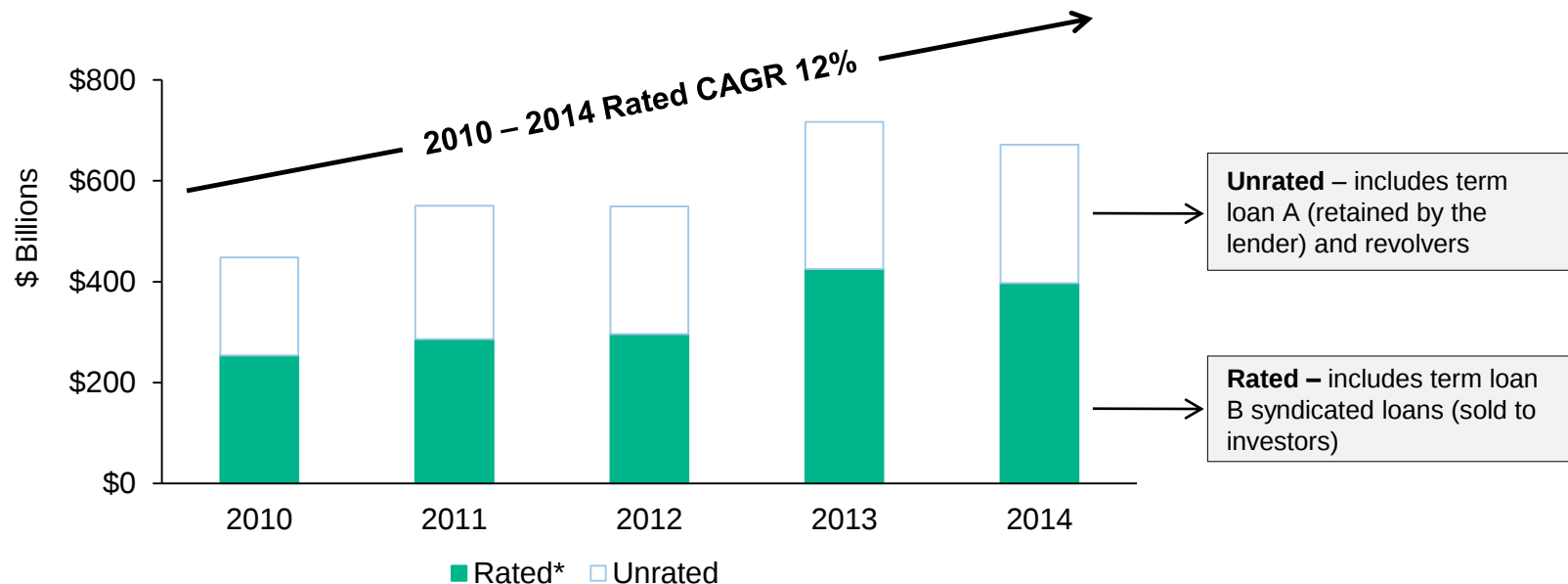


2015 Revenue Guidance as of February 26, 2015

- » **Global:** ↑ mid-single-digit % range
- » **US:** ↑ mid-single-digit % range
- » **Non-US:** ↑ mid-single-digit % range
- » **Corporate Finance:** ↑ mid-single-digit % range
- » **Structured Finance:** ↑ mid-single-digit % range
- » **Financial Institutions:** ↑ mid-single-digit % range
- » **Public, Project & Infrastructure:** ↑ high-single-digit % range

Over Half of the US Bank Loan Market Has Been Rated

US Non-Financial Corporate Speculative-Grade Bank Loans*

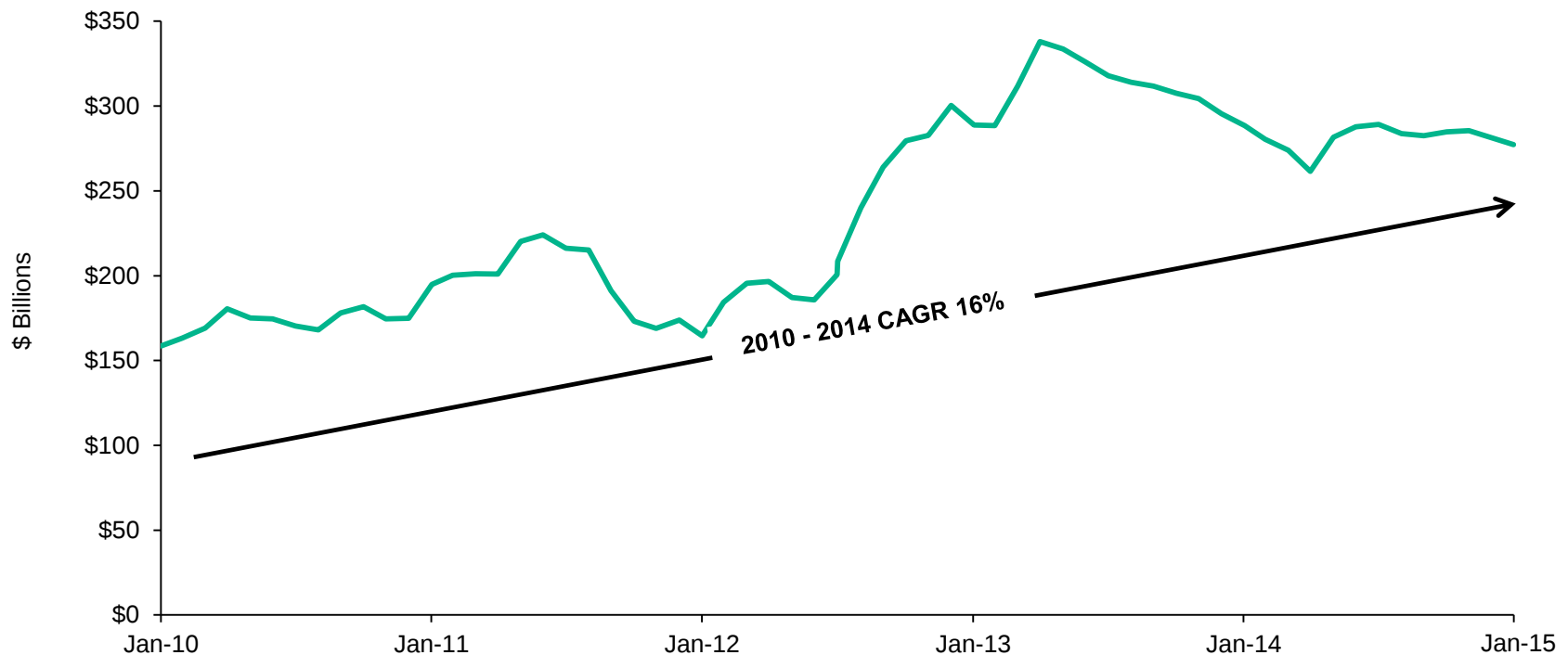


- » The rated bank loan market is larger in the US than in Europe, but Europe's market is growing
- » 2014 European rated bank loan issuance totaled \$118 billion, a 46% increase over \$81 billion in 2013

*Rated bank loan issuance represents Moody's rated non-financial corporate speculative-grade bank loans.
Sources: Moody's Investors Service.

Emerging Markets Issuance has Grown Substantially, but Will Remain Volatile

Emerging Markets Rated Corporate Bond Issuance*



*Moving 12 month sum; includes rated investment grade and high yield corporate bond issuance (financial and non-financial).
Sources: Dealogic, Moody's Capital Markets Research Group.

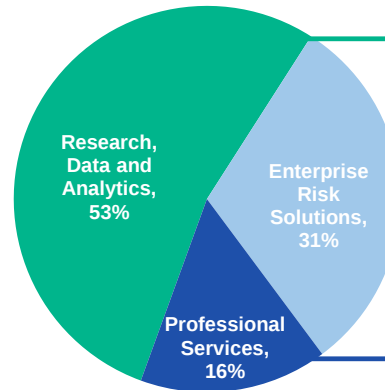
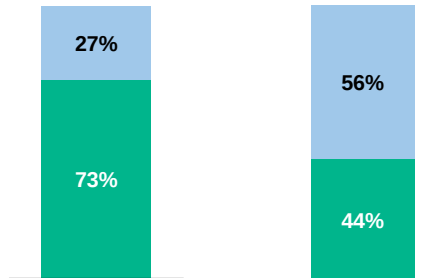
4

Moody's Analytics

Moody's Analytics Financial Profile

2014 Revenue: \$1.1 billion

■ Transaction ■ Recurring ■ US ■ Non-US



» ~100% recurring revenue
» 96% retention rate

» ~70% recurring revenue

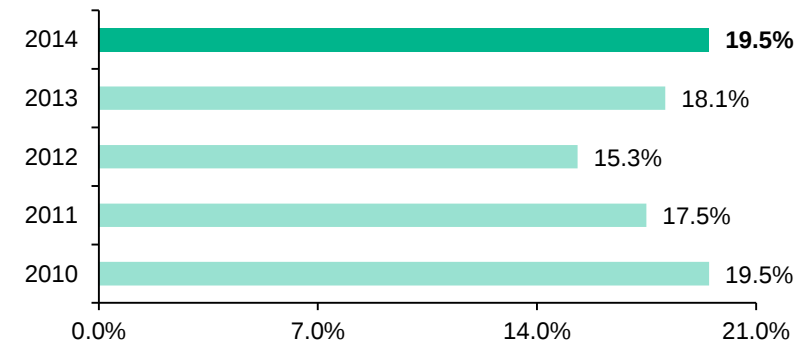
» Combination of one-off contracts and semi-recurring revenue

2015 Revenue Guidance as of February 26, 2015

- » **Global:** ↑ mid-single-digit % range
- » **US:** ↑ approximately 10%
- » **Non-US:** ↑ mid-single-digit % range
- » **Research, Data & Analytics:** ↑ high-single-digit % range
- » **Enterprise Risk Solutions:** ↑ mid-single-digit % range
- » **Professional Services** ↔ approximately flat

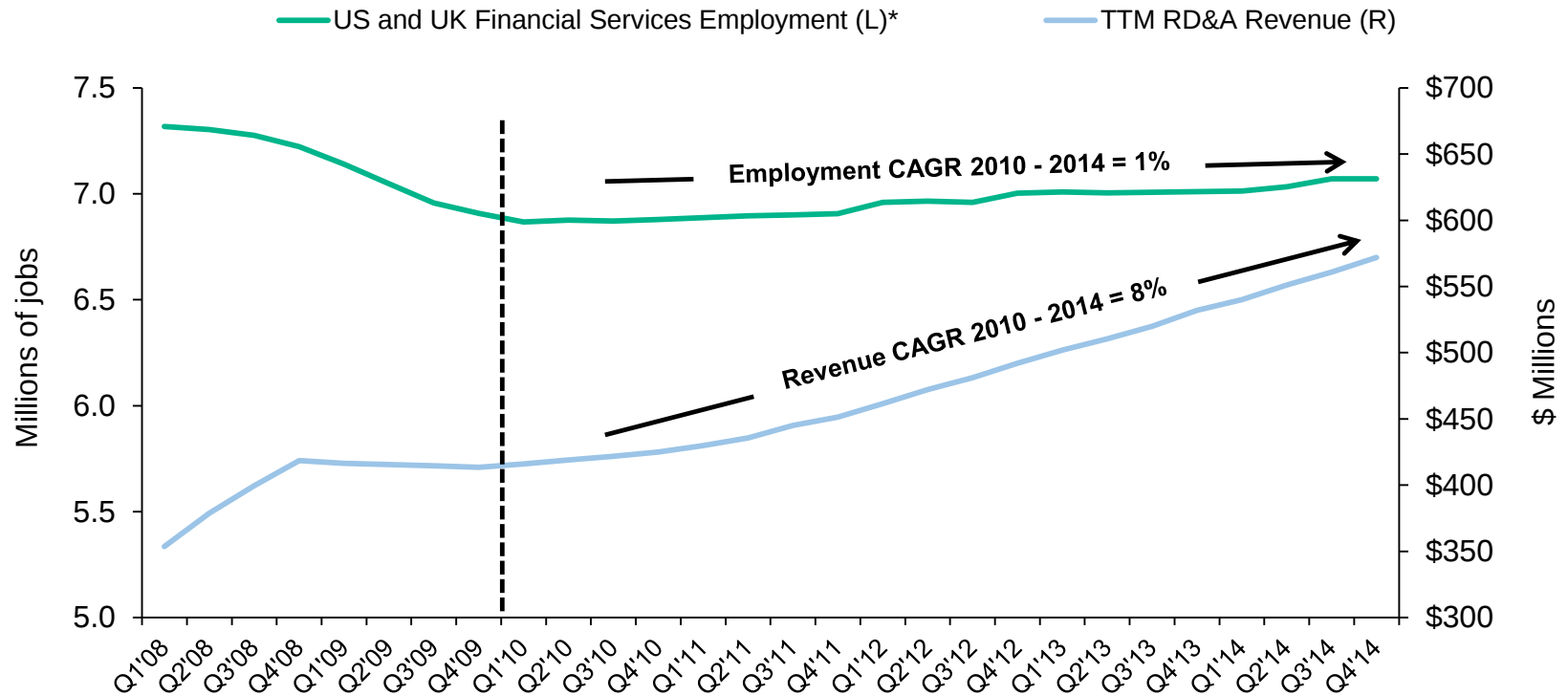
Operating Margin

- » Expect operating margin to grow to the mid-20's percent range over the next several years



RD&A Revenue Has Grown Despite Flat Financial Services Employment

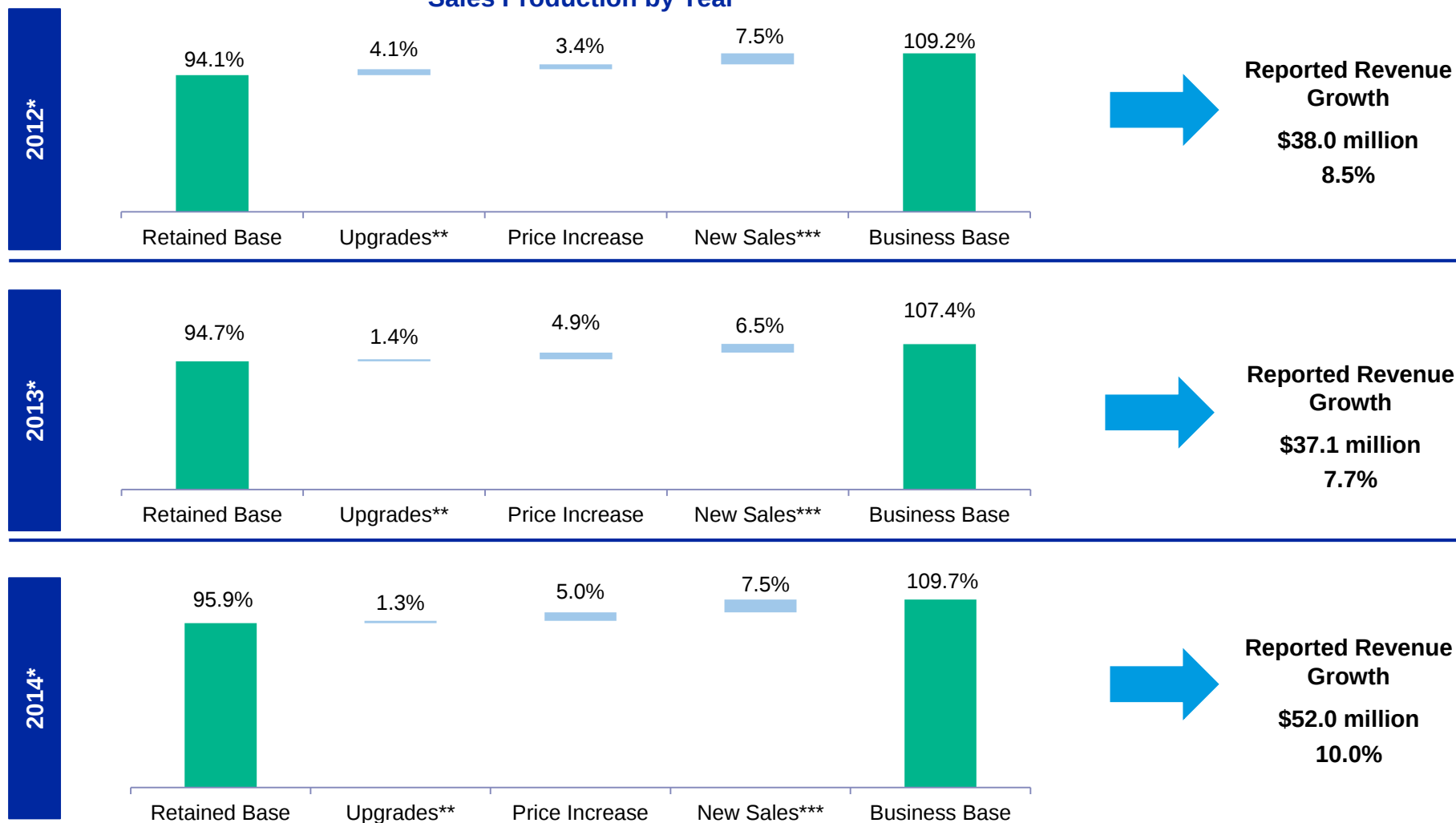
RD&A Revenue



Source: US Bureau of Labor Statistics and the UK Office for National Statistics.
 *Reported as of December 31, 2014.

Managing Growth in RD&A

Sales Production by Year



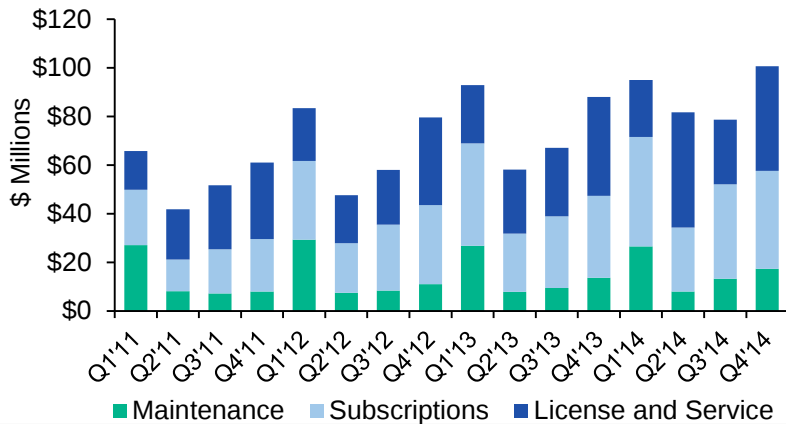
*2012 and 2013 exclude non-rating revenue from KIS (Korea Investors Service) which was reclassified to MIS Other in 2014. 2014 includes the Lewtan acquisition.

**Upgrades reflect amendments to existing customer contracts.

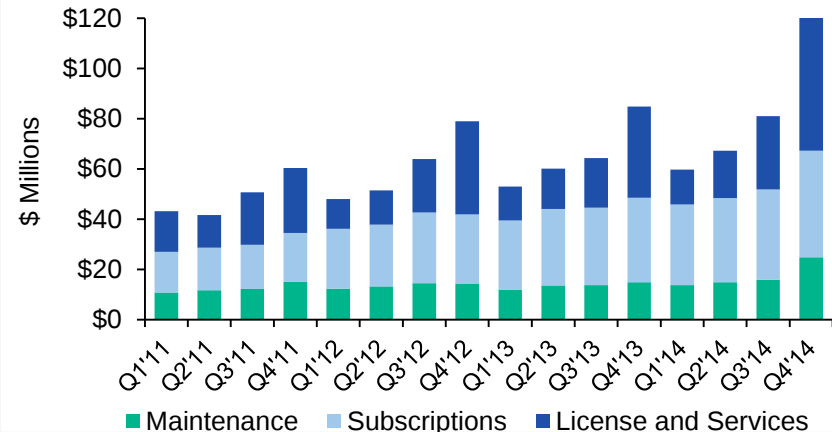
***New Sales reflect new contracts with new and existing customers.

ERS' Renewable Book Growing, But Revenue Dependent on Project Timing

ERS Sales by Type



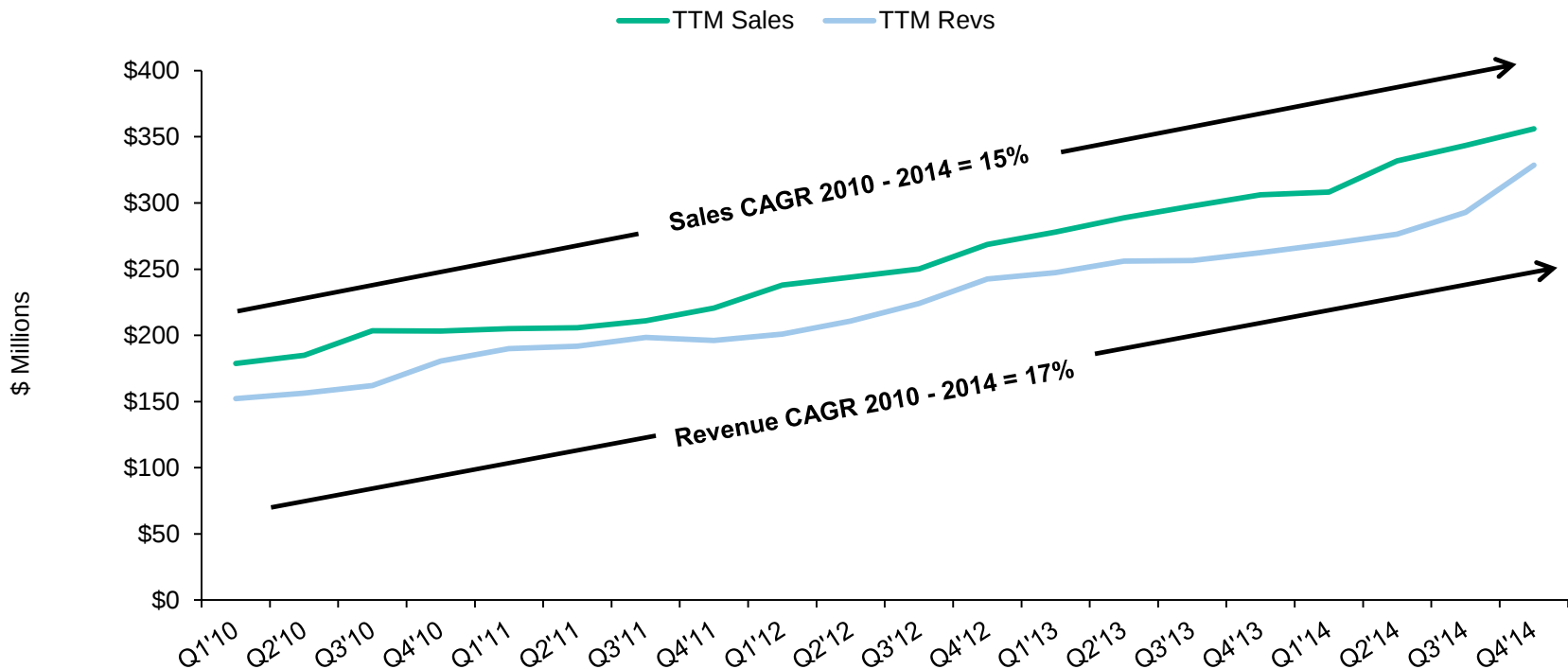
ERS Revenue by Type



- » 2014 recurring Maintenance and Subscriptions revenue represents 65% of total revenue; growing at a 21% CAGR from 2011 to 2014
- » Non-recurring License and Service revenue drives variability in quarter-to-quarter top-line results
 - Revenue recognized as implementation projects are completed and accepted by the customer
 - Sales provide 12-24 months' visibility into revenue
- » Seasonal pattern
 - Sales tend to be strongest in 1Q and 4Q, in line with customer budgeting/planning cycles
 - Revenue is typically strongest in 4Q, driven by prior year's sales and customer timelines for year-end project completion

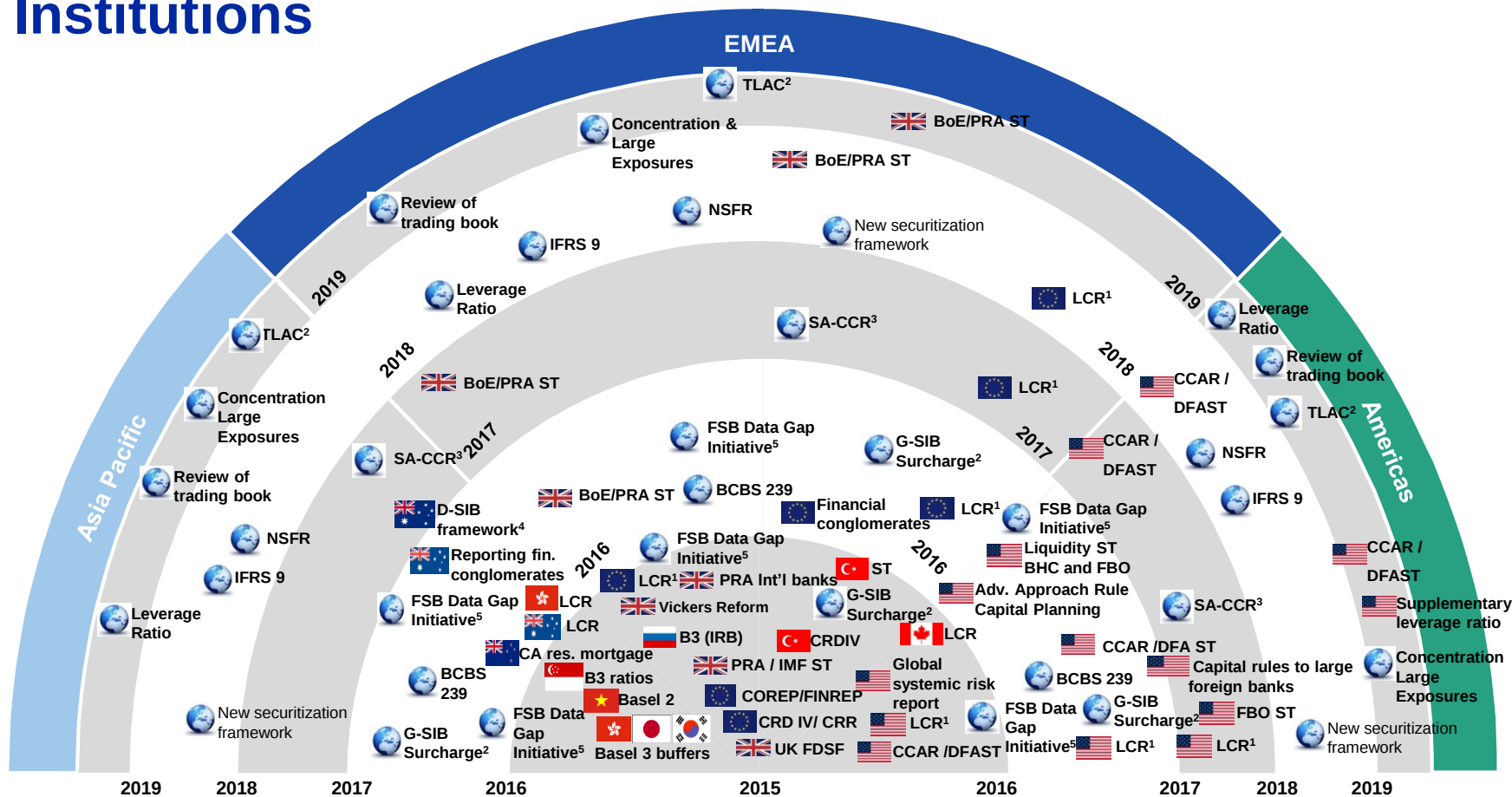
ERS' Sales and Revenue Growing at Mid-Teens Rates

TTM* ERS Sales and Revenue 2010 - 2014



*TTM = Trailing Twelve Months.

Growing Regulatory Requirements for Financial Institutions



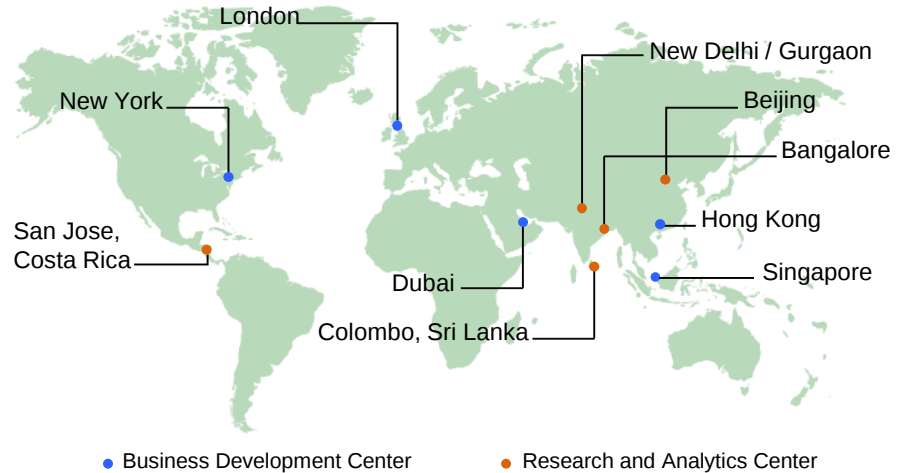
Source: Moody's Analytics market research as of January 2015.

1. The implementation of the LCR in the EU will be: 60% in 2015, 70% in 2016, 80% in 2017 and 100% in 2018. In the US, advanced-approach banks will have to meet 80% of the LCR by January 1, 2015 and 100% of the ratio by Jan. 2017.
2. The G-SIB surcharge will expand the conservation buffer, subject to a 3 year phase in period. G-SIBs will be required to hold a minimum Total Loss-Absorbing Capacity" (TLAC) between 16% and 20% from 2019.
3. The new standardized approach (SA-CCR) replaces both the Current Exposure Method (CEM) and the Standardized Method (SM) in the capital adequacy framework.
4. Regulatory framework for domestic systemically important banks in Australia.
5. Phase 2 will be implemented in 2015 and will focus on liquidity and Phase 3 will be implemented in 2016 and will focus on additional balance sheet data.

Copal Amba is a Market Leader in Analytics and Research Support Services



- » Provider of research, analytics and business intelligence services to global financial institutions and corporations
- » #2 player in the \$1 billion third party pure play Knowledge Process Outsourcing (KPO) market



Advisory	Brokerages	Asset management and private wealth	Corporates and consulting	Commercial banking
» Advisory, ECM, DCM, Global Markets	» Equities, FICC, Research Production, Quants	» Equities, Credit, Quants, Marketing, Compliance	» Primary Research, Business Research	» Origination, Underwriting, Portfolio Management

5

Conclusion

Why Invest in Moody's?

- » **We strive to be the world's most respected authority serving risk-sensitive financial markets**
- » **We have had strong revenue and earnings growth, as well as strong cash flow conversion**
 - 2010 – 2014 Revenue CAGR of 13%
 - 2010 – 2014 non-GAAP EPS CAGR of 21%*
 - 2010 – 2014 free cash flow conversion rate of ~30%
- » **We are committed to returning capital to our shareholders**
 - Current annualized dividend of \$1.36
 - Anticipate total 2015 share repurchases of approximately \$1.0 billion**
- » **We will selectively invest in strategic growth opportunities**
 - Leverage brand to extend our relevance in financial markets
 - Expand our product offerings and geographic influence

*See appendix for reconciliation of Non-GAAP EPS to GAAP EPS.

**Guidance as of February 26, 2015. Subject to market conditions and other ongoing capital allocation decisions.

6

Appendix

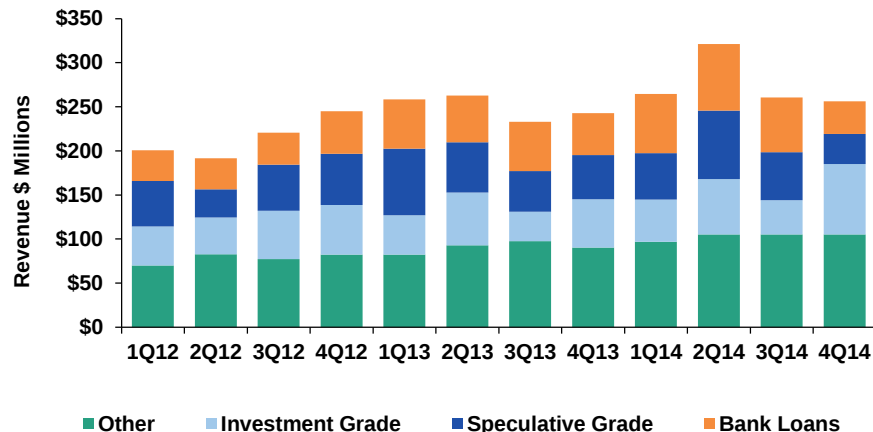
Full-Year 2015 Guidance as of February 26, 2015

» Revenue:	Mid-single-digit % growth range
» Operating Expenses:	Mid-single-digit % growth range
» Operating Margin:	Approximately 43%
» Adjusted Operating Margin*:	Approximately 46%
» Effective Tax Rate:	Approximately 32% - 33%
» GAAP Earnings Per Share:	\$4.55 - \$4.65
» Share Repurchases:	Approximately \$1 billion (subject to available cash, market conditions and other ongoing capital allocation decisions)
» Capital Expenditures:	Approximately \$110 - \$115 million
» Depreciation & Amortization:	Approximately \$120 million
» Free Cash Flow:	Approximately \$1 billion

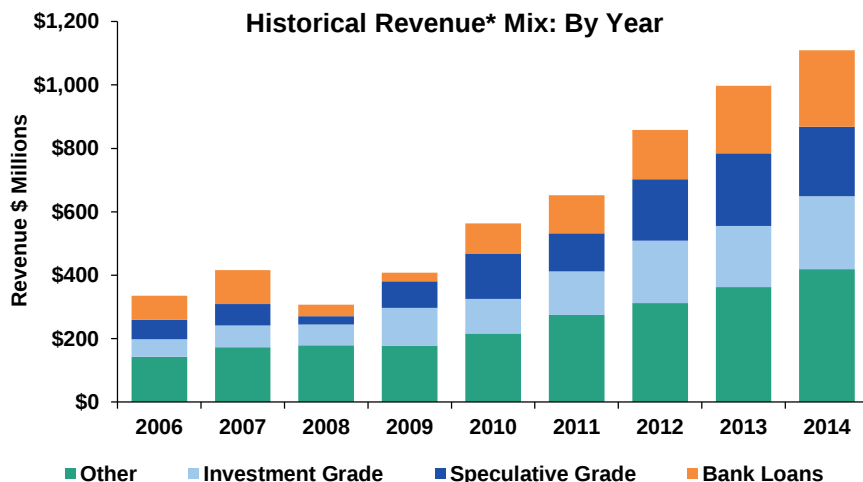
*Amount is a non-GAAP measure. See Appendix for a reconciliation of this non-GAAP measure to its comparable US GAAP measure.

Corporate Finance: Revenue and Issuance

Historical Revenue* Mix: By Quarter



Historical Revenue* Mix: By Year



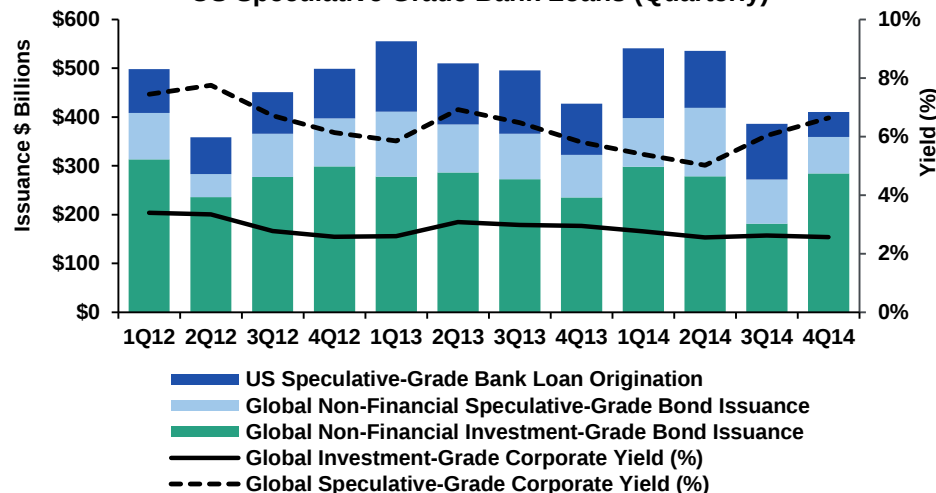
*Historical data has been adjusted to conform with current information and excludes intercompany revenue.

**Other includes: monitoring, CP, MTNs, and ICRA.

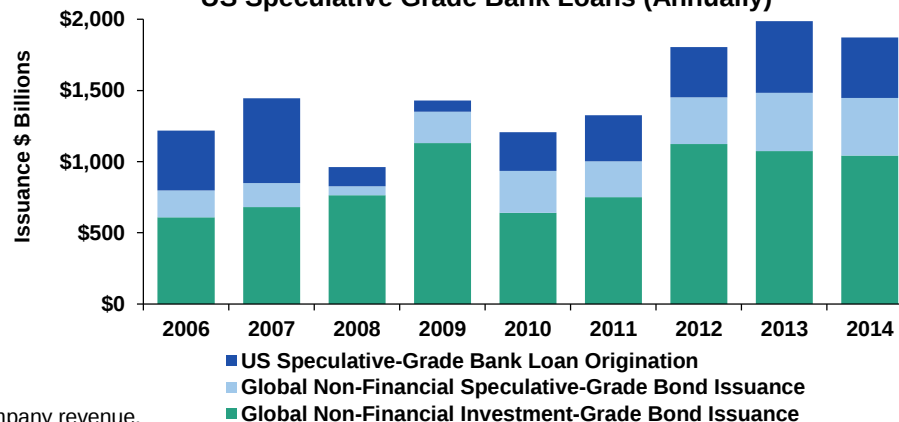
***Sources: Moody's Capital Markets Research Group, Dealogic, Barclay's Capital; US Speculative-Grade Bank Loan Origination represents Moody's rated new US bank loan programs.

Note: Debt issuance categories do not directly correspond to Moody's revenue categorization.

Global Rated Non-Financial Bonds and US Speculative Grade Bank Loans (Quarterly)***

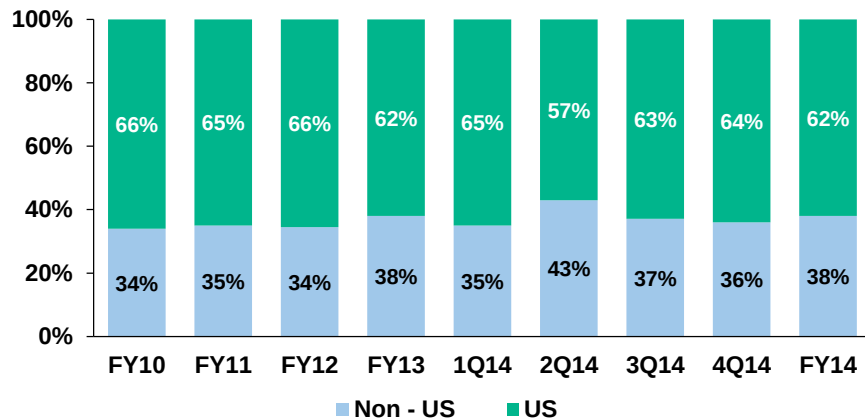


Global Rated Non-Financial Bonds and US Speculative Grade Bank Loans (Annually)***

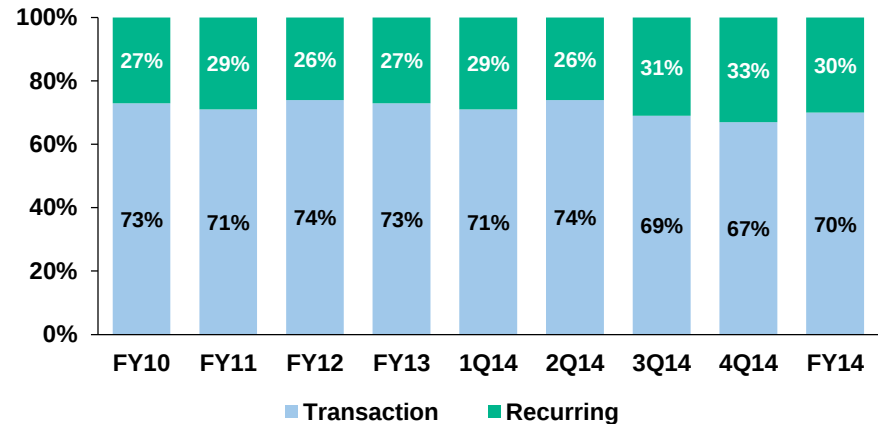


Corporate Finance: Revenue Diversification

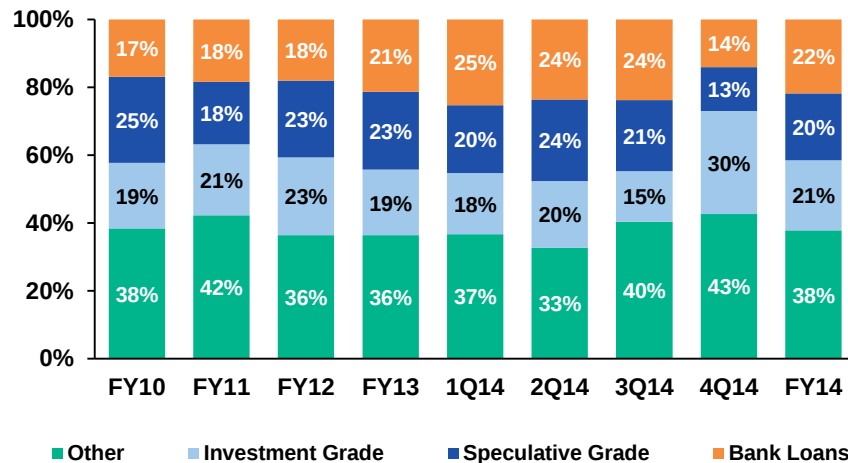
Revenue* Distribution: Geography



Revenue* Distribution: Recurring vs. Transaction



Revenue* Distribution: Product



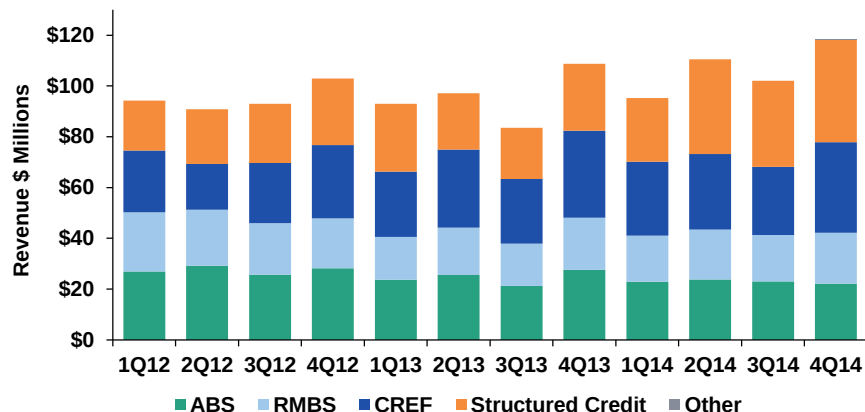
*Historical data has been adjusted to conform with current information and excludes intercompany revenue.

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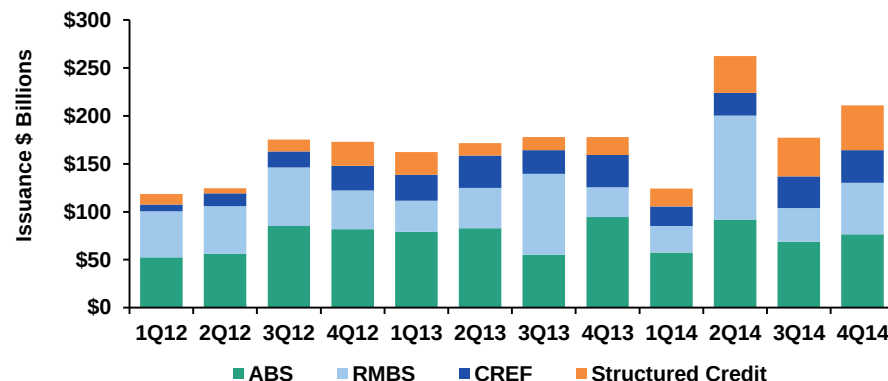
Percentages have been rounded and may not total to 100%.

Structured Finance: Revenue and Issuance

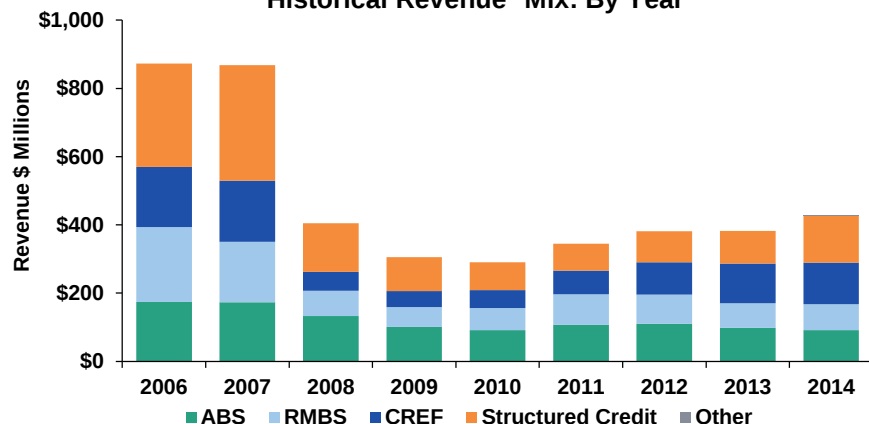
Historical Revenue* Mix: By Quarter



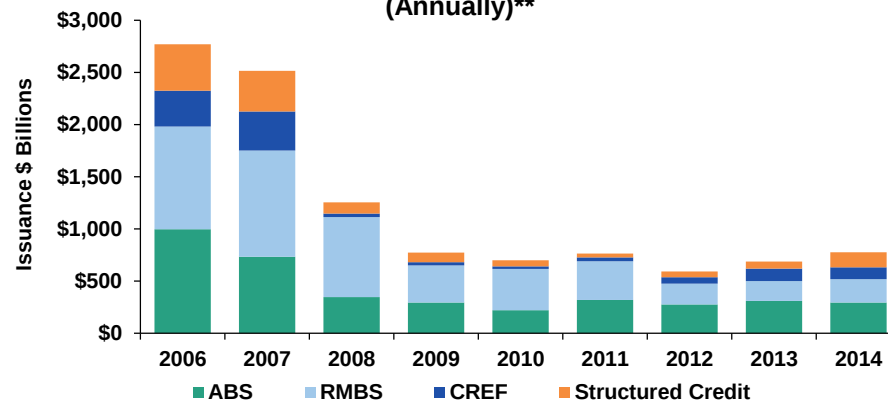
Global Rated Structured Finance (Quarterly)**



Historical Revenue* Mix: By Year



Global Rated Structured Finance (Annually)**



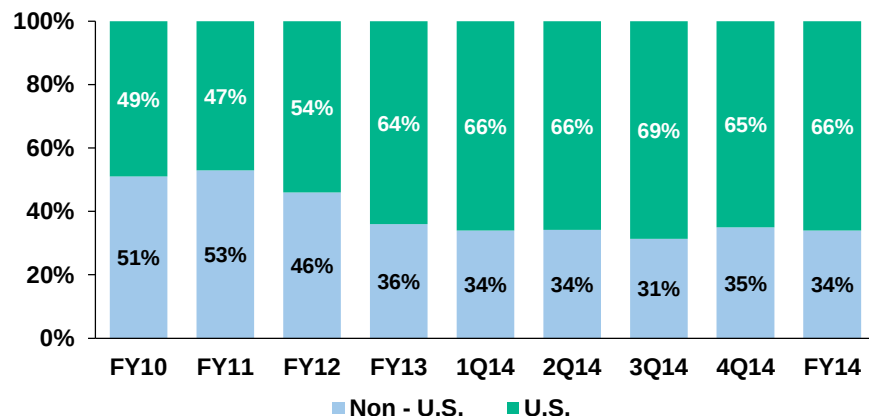
*Historical data has been adjusted to conform with current information and excludes intercompany revenue.

**Sources: AB Alert, CM Alert, Moody's Corporation. Debt issuance categories do not directly correspond to Moody's revenue categorization.

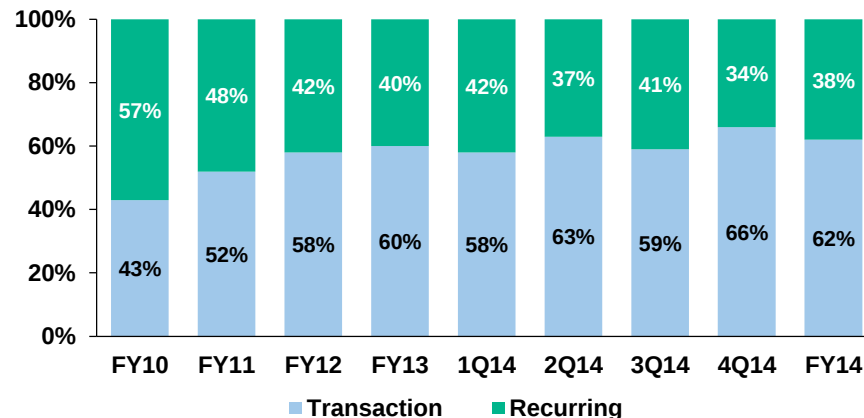
Notes: ABS (Asset Backed Securitization) includes asset-backed commercial paper and long-term asset-backed securities. RMBS (Residential Mortgage Backed Securitization) includes covered bonds. CREF (Commercial Real Estate Finance) includes commercial mortgage-backed securities, real estate finance, and commercial real estate CDOs. Structured Credit includes CLOs and CDOs.

Structured Finance: Revenue Diversification

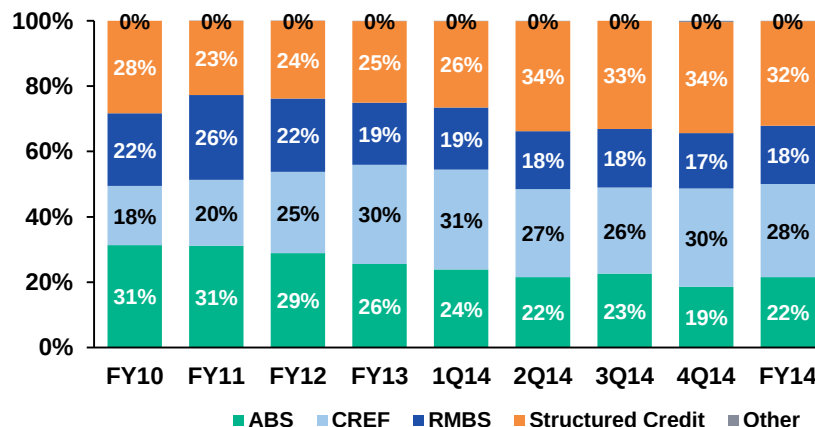
Revenue* Distribution: Geography



Revenue* Distribution: Recurring vs. Transaction



Revenue* Distribution: by Product

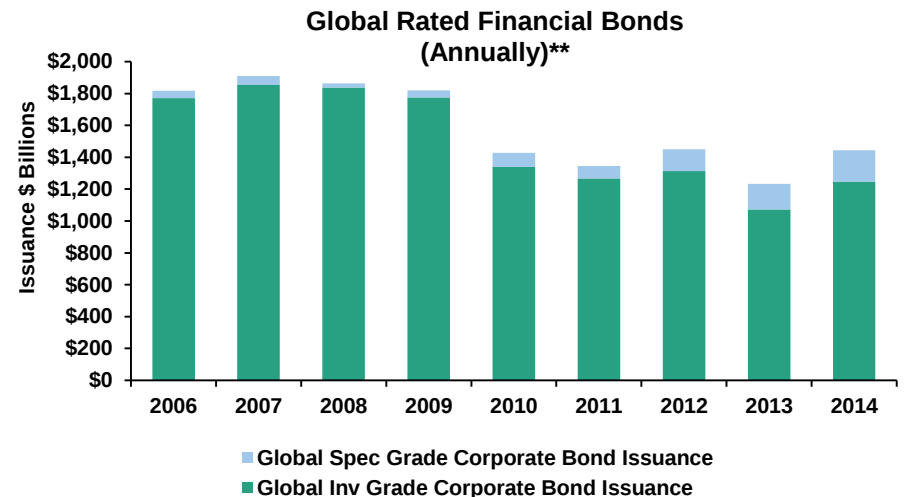
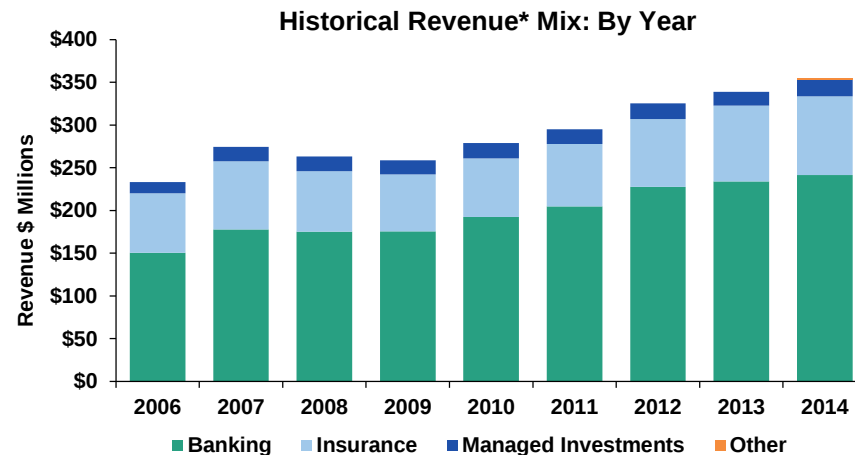
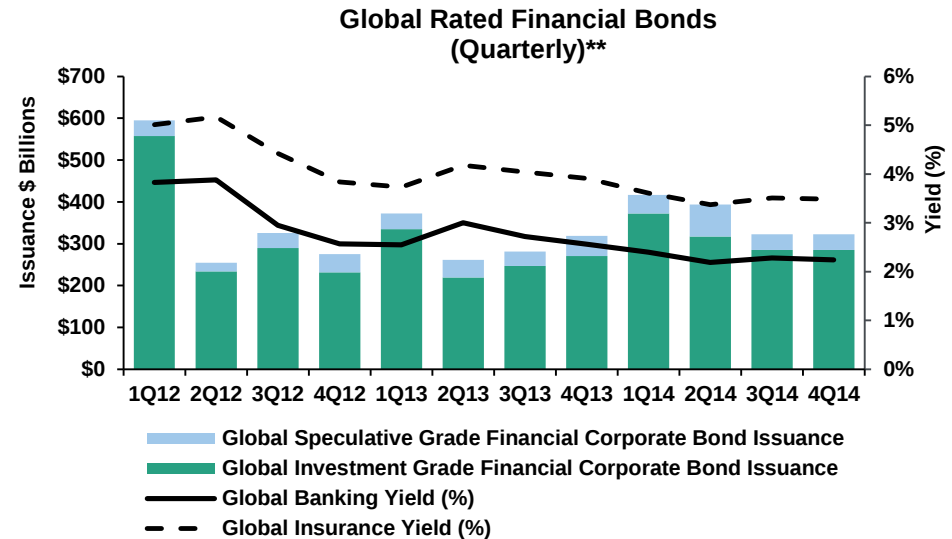
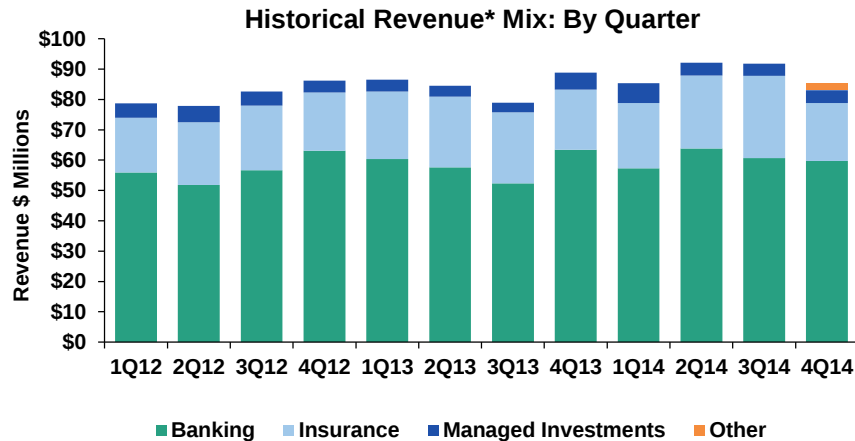


*Historical data has been adjusted to conform with current information and excludes intercompany revenue.

Percentages have been rounded and may not total to 100%.

Notes: ABS (Asset Backed Securitization) includes asset-backed commercial paper and long-term asset-backed securities. RMBS (Residential Mortgage Backed Securitization) includes covered bonds. CREF (Commercial Real Estate Finance) includes commercial mortgage-backed securities, real estate finance, and commercial real estate CDOs. Structured Credit includes CLOs and CDOs.

Financial Institutions: Revenue and Issuance

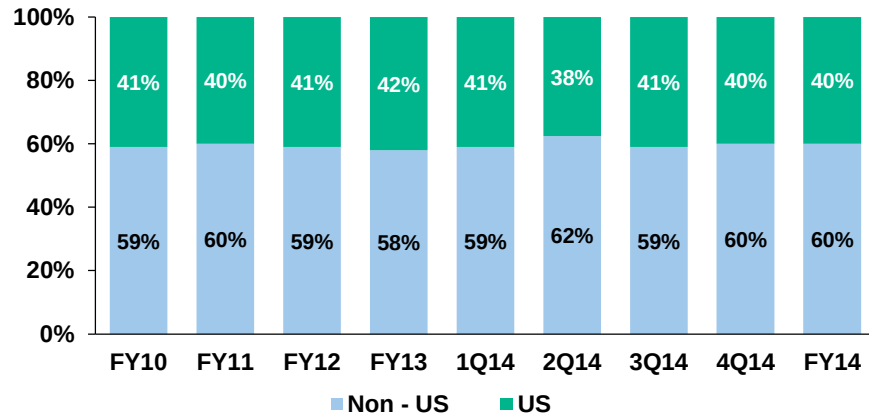


*Historical data has been adjusted to conform with current information and excludes intercompany revenue.

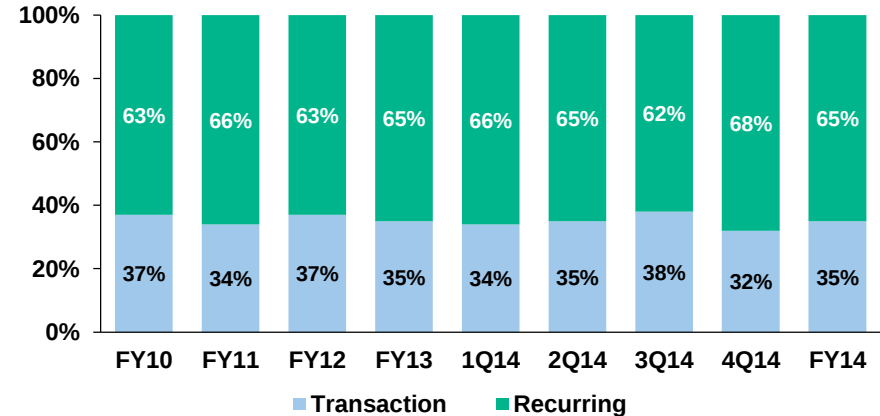
**Sources: Moody's Capital Markets Research Group, Dealogic, Barclay's Capital Note: Debt issuance categories do not directly correspond to Moody's revenue categorization.

Financial Institutions: Revenue Diversification

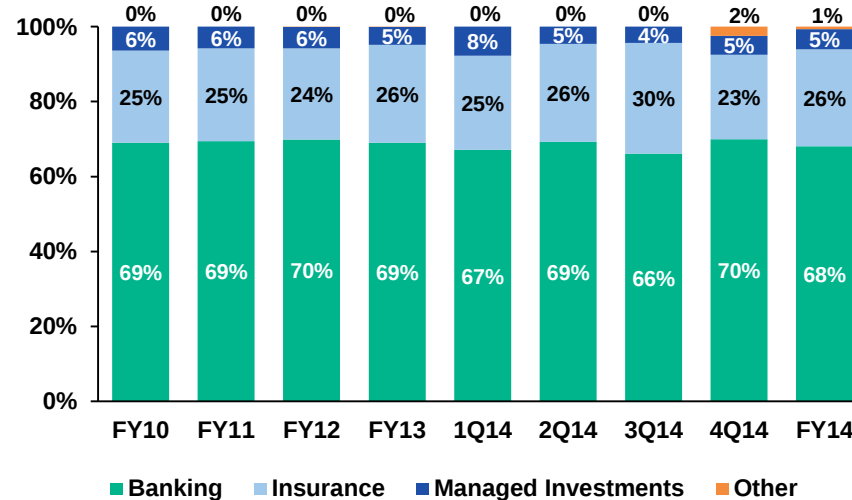
Revenue* Distribution: Geography



Revenue* Distribution: Recurring vs. Transaction

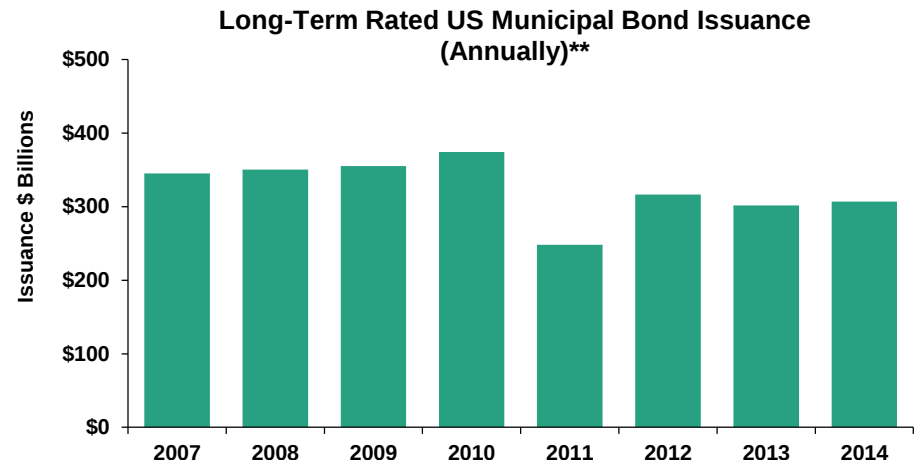
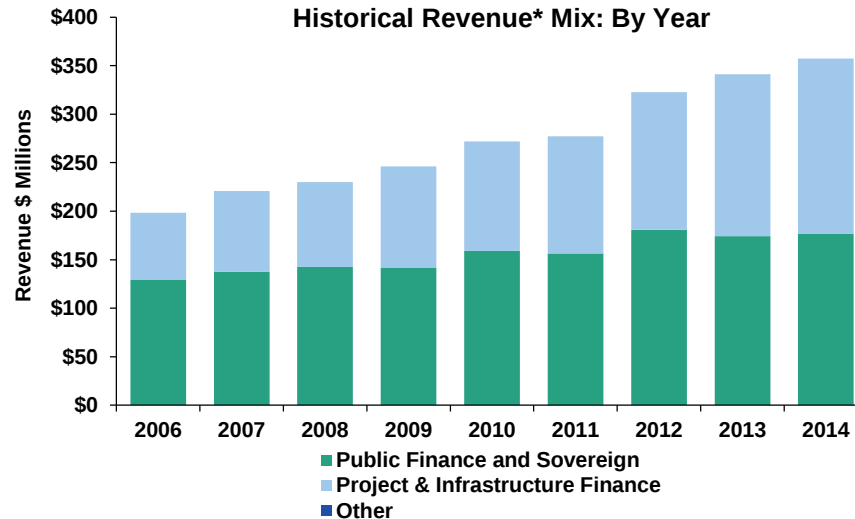
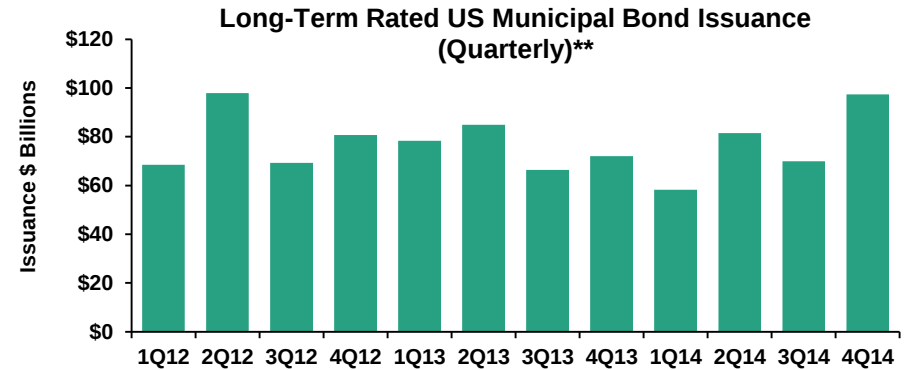
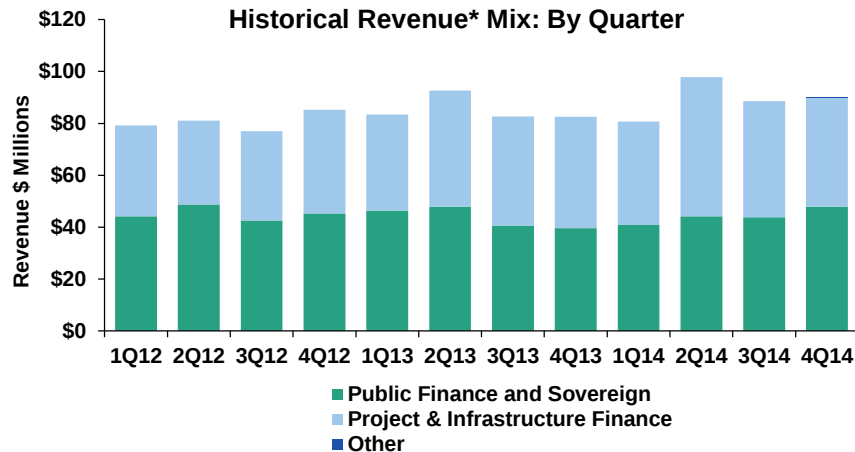


Revenue* Distribution: Product



*Historical data has been adjusted to conform with current information and excludes intercompany revenue.
Percentages have been rounded and may not total to 100%.

Public, Project and Infrastructure: Revenue and Issuance

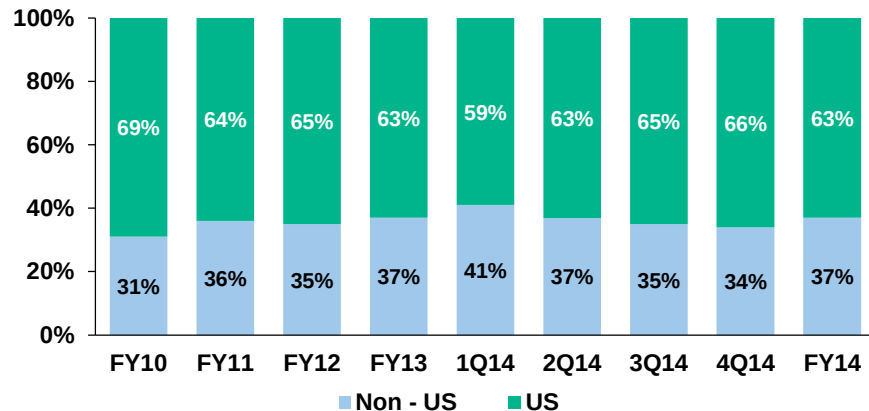


*Historical data has been adjusted to conform with current information and excludes intercompany revenue.

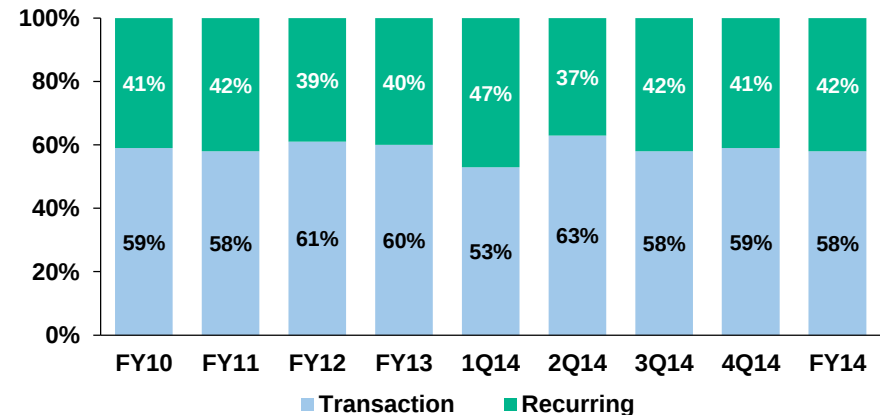
**Sources: Thomson SDC, Moody's Corporation. Note: Debt issuance categories do not directly correspond to Moody's revenue categorization.

Public, Project and Infrastructure: Revenue Diversification

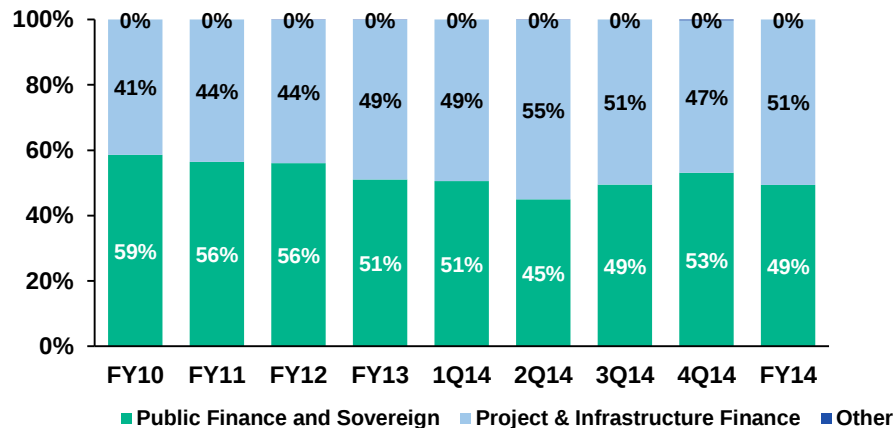
Revenue* Distribution: Geography



Revenue* Distribution: Recurring vs. Transaction

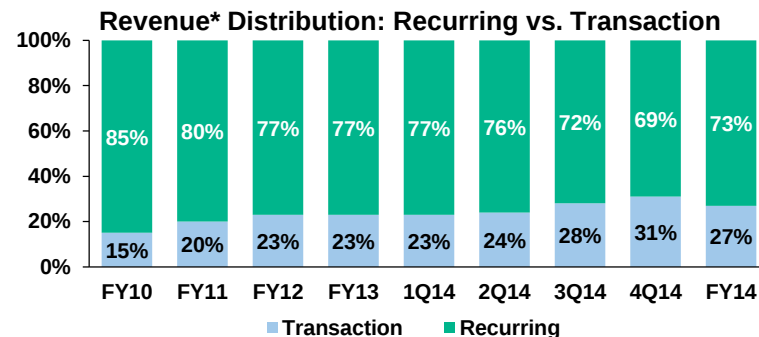
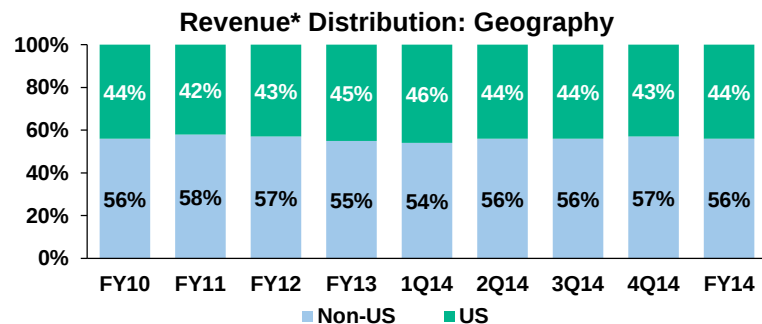
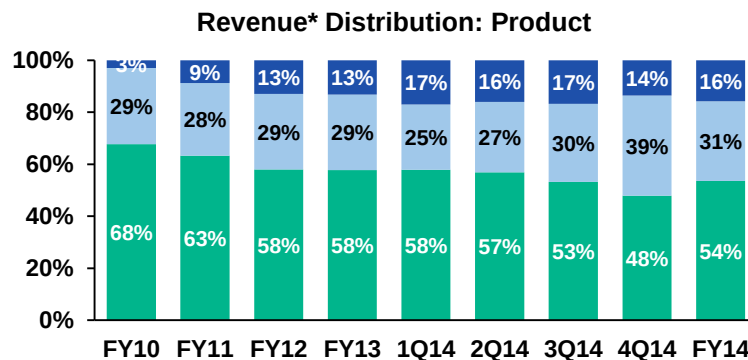
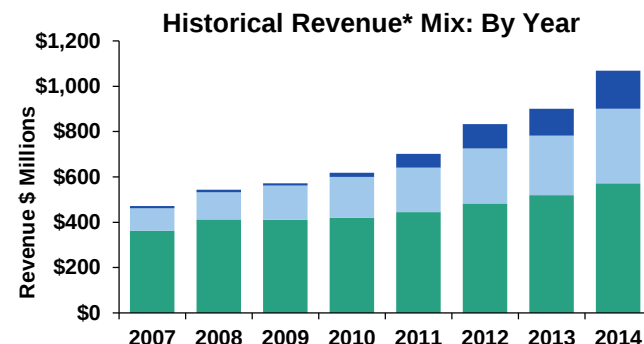
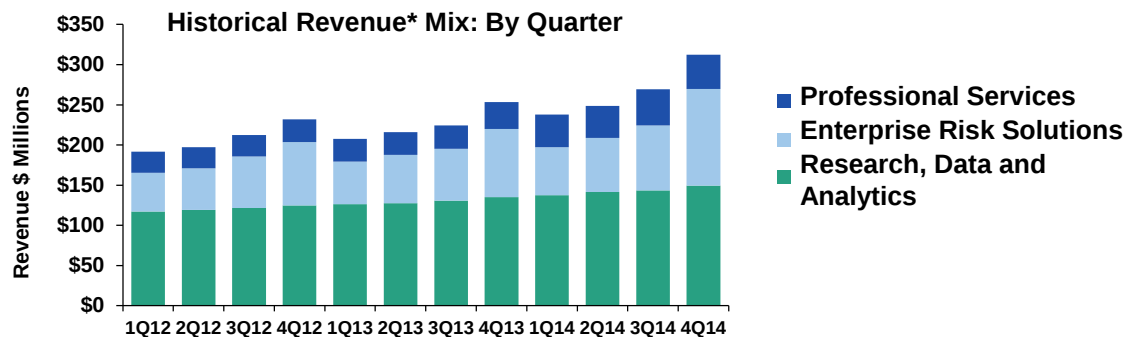


Revenue* Distribution: Product



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Moody's Analytics: Financial Overview



*Historical data has been adjusted to conform with current information and excludes intercompany revenue. Percentages have been rounded and may not total to 100%.

Select Regulations Related to Structured Finance

Dodd-Frank Act

Volcker Rule (§619)

The Volcker Rule prohibits banking entities from engaging in short-term proprietary trading of certain securities and derivatives for their own account. The Volcker Rule also imposes limits on banking entities' investments in, and relationships with, hedge funds and private equity funds. In mid-January 2014, the five federal agencies adopted an interim final rule which permits the banking entities to retain interests in certain collateralized debt obligations backed primarily by trust preferred securities that would otherwise be subject to the Volcker Rule's covered fund investment prohibitions.

On December 18, 2014, The Fed extended until July 21, 2016 the period given to the banking entities to conform their investments in and their relationships with covered funds and foreign funds that were in place prior to December 31, 2013. The Board also announced its intention to act next year to grant banking entities an additional one-year extension of the conformance period until July 21, 2017, to conform ownership interests in and relationships with legacy covered funds.

Concentration limits on large financial firms (§622)

On November 5, 2014, the Fed issued a final rule which generally prohibits a financial company from combining with another company if the ratio of the resulting company's liabilities exceeds 10 percent of the aggregate consolidated liabilities of all financial companies. Under the final rule, if a financial company has reached the 10 percent concentration limit, the company could not acquire control of another company under merchant banking authority. The final rule also adds an exemption to clarify that a financial company may continue to engage in securitization activities if it has reached the limit. The rule became effective on January 1, 2015.

Enhanced Prudential Standards (§165)

On February 18, 2014, the Fed approved a final rule strengthening the supervision and regulation of large US bank holding companies and foreign banking organizations ("FBO"). The final rule establishes a number of enhanced prudential standards, including liquidity, risk management, and capital. It also requires a FBO with a significant US presence to establish an intermediate holding company over its US subsidiaries.

On September 3, 2014, the federal banking regulators adopted a final rule on the liquidity coverage ratio which strengthens the liquidity positions of large financial institutions. Each institution will be required to hold high quality, liquid assets that can be converted quickly into cash in an amount equal to or greater than its projected cash outflows minus its projected cash inflows during a 30-day stress period.

On September 9, 2014, the federal banking agencies have issued a joint final rule that revises the denominator of the supplementary leverage ratio (total leverage exposure). The final rule aligns the agencies' methods of calculation with the international leverage ratio standards and it applies to banking organizations subject to the advanced approaches risk-based capital rules.

QM (§§1411, 1412, 1414)

Effective January 10, 2014, mortgage lenders must comply with the Consumer Finance Protection Bureau's Ability-To-Repay and Qualified Mortgage Rule. The rule also provides a safe harbor for loans that satisfy the definition of a qualified mortgage ("QM") and are not "higher-priced," and provides a rebuttable presumption for higher-priced mortgage loans.

Select Regulations Related to Structured Finance (continued)

Dodd-Frank Act (continued)

QRM (§941)

Exempts from risk retention requirements asset-backed securities ("ABS") that are collateralized exclusively by residential mortgages that qualify as "qualified residential mortgages" ("QRM"). In a final rule issued on October 22, 2014, six federal agencies, including the Federal Reserve Board and the SEC, adopted a definition of QRM that is aligned with the definition of QM. Qualified Commercial Real Estate Loans ("QCREL") will also be exempt from risk retention.

Loan-Level Disclosure (§942)

Increases disclosure and may reduce issuance volume. The regulation requires an issuer of ABS to disclose, for each tranche or class of security, certain loan level information regarding the assets backing that security.

Risk Retention (§941)

On October 22, 2014, six federal agencies approved a final rule requiring retention of an unhedged and untransferable 5% credit risk of SF securities, potentially dampening US SF issuance for certain asset classes. The final rule generally permits risk retention to be accomplished through one or a combination of methods. The final rule also provides additional or modified risk retention methods for specific types of transactions, including asset-backed commercial paper conduits, commercial mortgage-backed securities, securitizations sponsored by Fannie Mae and Freddie Mac, open-market CLOs, and revolving pool securitizations. Special rules for CMBS (third party holder of first loss piece) if certain criteria are met). The final rule also sets forth prohibitions on transferring or hedging the credit risk that the sponsor is required to retain. The final rule also does not require any retention for securitizations of commercial loans, commercial mortgages, or automobile loans if they meet specific standards for high quality underwriting. The final rule applies to asset-backed securities issued on or after December 24, 2015, if the securities are backed by residential mortgages. The final rule applies to all other classes of asset-backed securities issued on or after December 24, 2016.

Reg. AB II

The Reg. AB II Final Rules became effective on November 24, 2014 and provide new disclosure and reporting requirements for certain ABS. The Reg. AB II Final Rules require issuers of registered and publicly offered ABS that consist of RMBS, CMBS, auto loans and auto leases and resecuritizations of ABS that include these asset types, or of debt securities, to provide investors with asset-level data, both at the time of an offering and on an ongoing basis. The Reg. AB II Final Rules also enhance disclosure requirements for initial ABS offerings and periodic reports, dictate the timing for filing a preliminary prospectus and other transaction documents and provide new requirements for shelf registrations of ABS. Issuers of ABS must comply with the new rules, forms, and disclosure requirements (other than asset-level disclosure requirements) no later than November 23, 2015. Issuers of RMBS, CMBS, auto ABS and debt securities (including resecuritizations) must comply with the asset-level disclosure requirements no later than November 23, 2016.

The definition of ABS, as used in the Reg. AB II Final Rules, is narrower than the definition set forth in the Securities Exchange Act of 1934 and does not include certain "structured finance products" such as securitizations of managed pools or synthetic transactions.

Select Regulations Related to Structured Finance (continued)

Dodd-Frank Act (continued)

Rule 17g-10 Regarding Third- Party Due Diligence Reports in Connection With Offerings of Asset- Backed Securities

The Exchange Act requires the issuer or underwriter of any asset-backed security to make publicly available the findings and conclusions of any third-party due diligence report obtained by the issuer or underwriter. The Exchange Act also requires that in any case in which third-party due diligence services are employed by an NRSRO, issuer, or underwriter, the person providing the due diligence services shall provide, to any NRSRO that produces a credit rating to which such services relate, written certification, in a format as set forth in section 15E(s)(4)(C) of the Exchange Act. Rule 17g-10 will require the mandated written certification to be made on new Form ABS Due Diligence-15E. The offshore transactions and the municipal securities are excluded. The rule will become effective on June 15, 2015.

MA is Well-Positioned to Help Banks Manage their Stress Testing Requirements

Stress Testing is Becoming a Fundamental Part of How Banks are Regulated

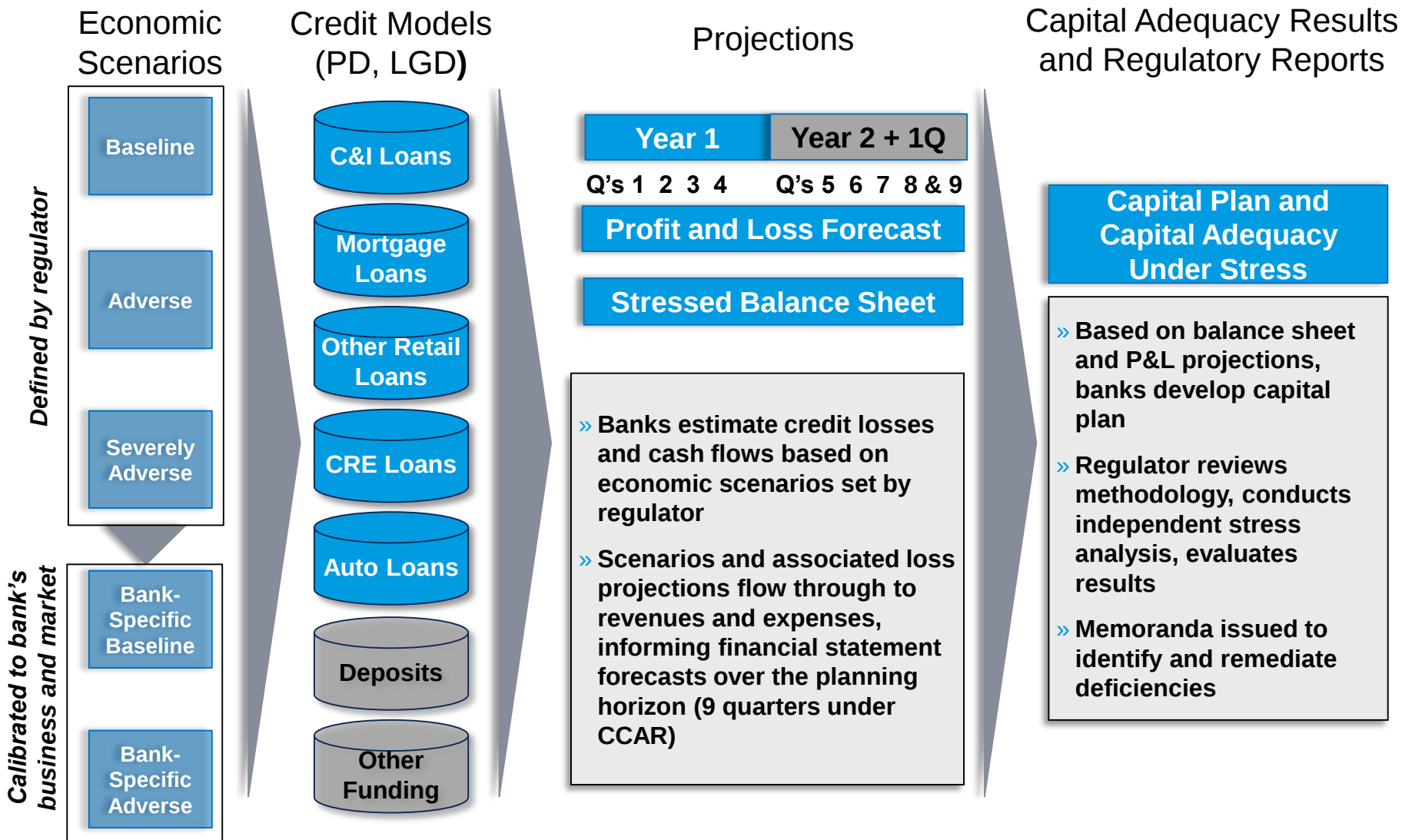
- » To address **regulatory requirements to perform enterprise-wide stress tests**, banks are undertaking extensive, multi-year infrastructure projects

- » Banks are also looking for ways to **leverage investments** in stress testing to better manage their institutions



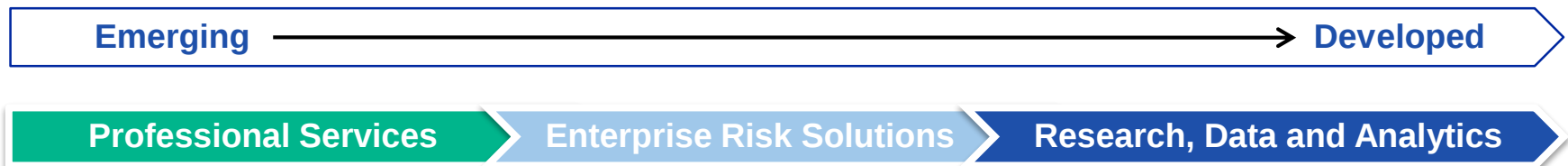
- » MA is **integrating existing product and service offerings** to facilitate scenario-based stress testing:
 - **Econometric modeling** expertise to develop relevant scenario parameters
 - Unique **benchmarking data sets** to support better analytics across asset classes
 - Credit and loss **modeling**, business **forecasting expertise** and **calculation engines** to project cash flow, profitability, regulatory capital levels
 - Auditable, repeatable, **automated software platform** and regulatory **reporting capabilities**

Anatomy of a Stress Test

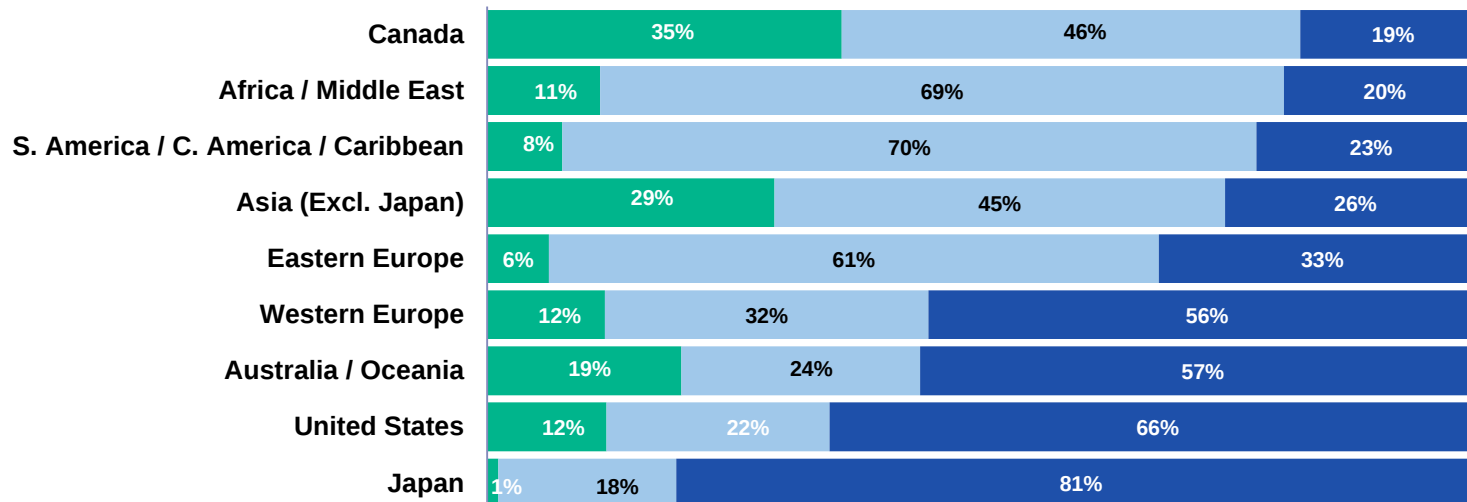


Moody's Analytics is Relevant to Financial Markets at All Stages of Development

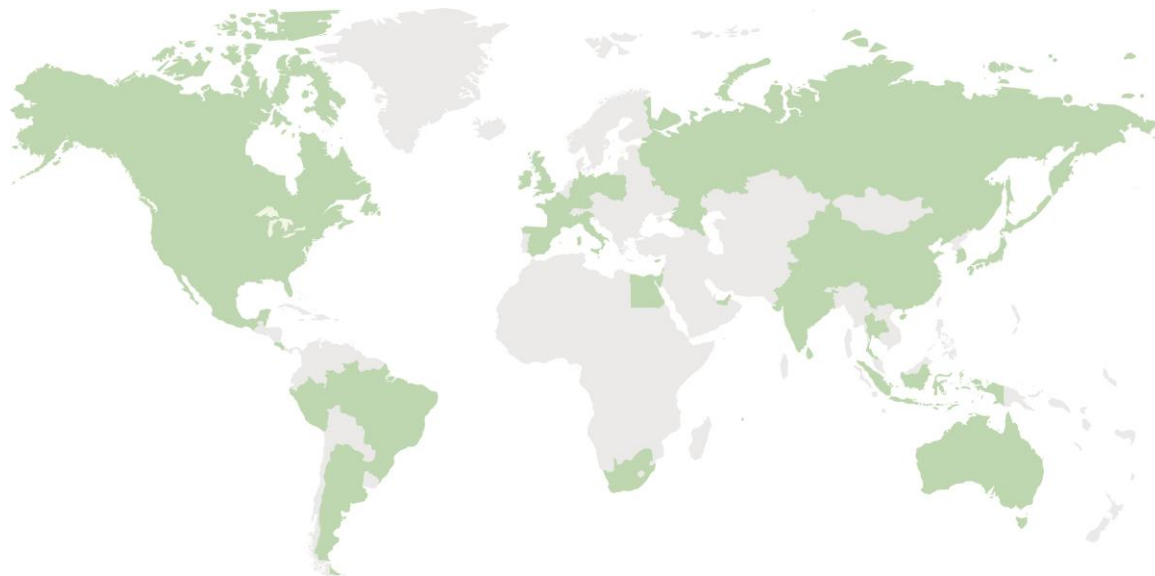
- » Moody's Analytics enables us to increase our presence in emerging markets, selling products and services before debt capital markets are fully mature



2014 Sales by Region



Moody's Global Presence



Americas

Argentina
Brazil
Canada
Costa Rica
Mexico
United States

Europe, Middle East & Africa

Cyprus
Czech Republic
Egypt
France
Germany
Ireland
Israel
Italy
Mauritius
Poland
Russia
South Africa
Spain
Switzerland
UAE
United Kingdom

Asia-Pacific

Australia
China
Hong Kong
India
Indonesia
Japan
Korea
Nepal
Singapore
Sri Lanka
Thailand

Affiliates (Moody's Ownership)

China – CCXI (49%)
Egypt – MERIS (40%)
India – ICRA (50.06%)
Israel – Midroog (51%)
Korea – Korea Investors Service (50%)
Peru – Equilibrium (0%)*
Russia – MIRA (51%)

2014	3,138 US employees	+	6,746 non-US employees	=	9,884 total employees*
2013	2,847 US employees	+	5,517 non-US employees	=	8,364 total employees**

*As of December 31, 2014.

**As of December 31, 2013.

*** Moody's has a Technical Services Agreement with Equilibrium, a rating agency that provides credit rating and research services.

Recurring Revenue Detail

Recurring Revenue

<i>(in \$ millions)</i>	2010	2011	2012	2013	2014	2010 – 2014 CAGR
Corporate Finance	\$ 155	\$ 190	\$ 226	\$ 273	\$ 327	21%
Structured Finance	\$ 165	\$ 165	\$ 159	\$ 151	\$ 162	-1%
Financial Institutions	\$ 177	\$ 194	\$ 204	\$ 219	\$ 231	7%
Public, Project, & Infrastructure Finance	\$ 111	\$ 116	\$ 126	\$ 137	\$ 148	8%
MIS Other	\$ 9	\$ 9	\$ 11	\$ 12	\$ 14	13%
Moody's Investors Service	\$ 616	\$ 674	\$ 725	\$ 793	\$ 882	9%
Moody's Analytics	\$ 528	\$ 563	\$ 641	\$ 697	\$ 785	10%
Moody's Corporation	\$ 1,144	\$ 1,236	\$ 1,366	\$ 1,490	\$ 1,668	10%

Reconciliation of Non-GAAP Financial Measures to GAAP

Adjusted Operating Income and Adjusted Operating Margin Reconciliation

<i>(in \$ millions)</i>	2010	2011	2012	2013	2014
As Reported Operating Income	\$772.8	\$888.4	\$1,077.4	\$1,234.6	\$1,439.1
Operating Margin	38.0%	39.0%	39.5%	41.5%	43.2%
<i>Add Adjustment:</i>					
Depreciation & Amortization	\$66.3	\$79.2	\$93.5	\$93.4	\$95.6
Restructuring	0.1	-	-	-	-
Goodwill Impairment Charge	-	-	12.2	-	-
Adjusted Operating Income	<u>\$839.2</u>	<u>\$967.6</u>	<u>\$1,183.1</u>	<u>\$1,328.0</u>	<u>\$1,534.7</u>
Adjusted Operating Margin	41.3%	42.4%	43.3%	44.7%	46.0%

Moody's Corporation Operating Margin Guidance Reconciliation

	2015F*
Projected Operating Margin - GAAP	Approximately 43%
Projected impact from Depreciation & Amortization	<u>Approximately 3%</u>
Projected Adjusted Operating Margin	Approximately 46%

*Guidance as of February 26, 2015

Reconciliation of Non-GAAP Financial Measures to GAAP (cont.)

Moody's Corporation Free Cash Flow Reconciliation

<i>(in \$ millions)</i>	2010	2011	2012	2013	2014
Cash Flow from Operations	\$ 653.3	\$ 803.3	\$ 823.1	\$ 926.8	\$ 1,018.6
<i>Less Adjustment:</i>					
<i>Capital Expenditures</i>	\$ 79.0	\$ 67.7	\$ 45.0	\$ 42.3	\$ 74.6
Free Cash Flow	\$ 574.3	\$ 735.6	\$ 778.1	\$ 884.5	\$ 944.0
Cash Flow used in Investing Activities	\$ (228.8)	\$ (267.6)	\$ (50.2)	\$ (261.9)	\$ (564.9)
Cash Flow provided by (used in) Financing Activities	\$ (241.3)	\$ (417.7)	\$ 202.6	\$ (498.8)	\$ (1,064.5)

Reconciliation of Non-GAAP Financial Measures to GAAP (cont.)

Moody's Corporation EPS Reconciliation

	2010	2011	2012	2013	2014
Diluted EPS - GAAP	\$2.15	\$2.49	\$3.05	\$3.60	\$4.61
Legacy Tax	(0.02)	(0.03)	(0.06)	(0.09)	(0.03)
Impact of litigation settlement				0.14	
ICRA Gain					(0.37)
Diluted EPS – Non-GAAP	\$2.13	\$2.46	\$2.99	\$3.65	\$4.21

Website: <http://ir.moodys.com>

Email: ir@moodys.com



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