Investor Presentation
3Q 2016
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 2016 and other forward-looking statements in this presentation are made as of October 21, 2016, 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 regulation, credit quality concerns, changes in interest rates and other volatility in the financial markets such as that due to the UK’s referendum vote whereby the UK citizens voted to withdraw from the EU; the level of merger and acquisition activity in the U.S. and abroad; the uncertain effectiveness and possible collateral consequences of U.S. and foreign government initiatives to respond to the current world-wide credit market disruptions and economic slowdown; concerns in the marketplace affecting our 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 U.S., 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 our rating opinions, as well as any other litigation, government and regulatory proceedings, investigations and inquires 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 our 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; exposure to potential criminal sanctions or civil remedies if the Company fails to comply with foreign and U.S. laws and regulations that are applicable in the jurisdictions in which the Company operates, including sanctions laws, anti-corruption laws, and local laws prohibiting corrupt payments to government officials; 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. These factors, risks and uncertainties as well as other risks and uncertainties that could cause Moody’s actual results to differ materially from those contemplated, expressed, projected, anticipated or implied in the forward-looking statements are described in greater detail under “Risk Factors” in Part I, Item 1A of the Company’s annual report on Form 10-K for the year ended December 31, 2015, and in other filings made by the Company from time to time with the SEC or in materials incorporated herein or therein. Stockholders and investors are cautioned that the occurrence of any of these factors, risks and uncertainties may cause the Company's actual results to differ materially from those contemplated, expressed, projected, anticipated or implied in the forward-looking statements, which could have a material and adverse effect on the Company’s business, results of operations and financial condition. New factors may emerge from time to time, and it is not possible for the Company to predict new factors, nor can the Company assess the potential effect of any new factors on it.
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Moody’s Mission: To be the World’s Most Respected Authority Serving Risk-Sensitive Financial Markets

Moody’s is an essential component of the global capital markets, providing credit ratings, research, tools and analysis that contribute to open and integrated financial markets.
Financial Overview
Overview of Moody’s Corporation

» Leading global provider of credit rating opinions, insight and tools for financial risk measurement and management
» TTM 3Q16 revenue of $3.5 billion; operating income of $1.4 billion

Moody’s Investors Service
» 65% of total MCO revenue
» 84% of total MCO operating income
- Independent provider of credit rating opinions and related information for over 100 years
- MIS provides ratings in more than 120 countries\(^1\)
- Ratings relationships with ~11,000 corporate issuers, ~20,000 public finance issuers and has rated and currently monitors ~68,000 structured finance obligations\(^1\)

Moody’s Analytics
» 35% of total MCO revenue
» 16% of total MCO operating income
- Research, data and software for financial risk analysis and related professional services
- Customers in 140 countries\(^2\)
- 4,700 institutional customers; business with 86 of top 100 global banks\(^2\)

Note: All financial data is for the trailing twelve months ended September 30, 2016.
1 As of December 31, 2015.
2 As of March 31, 2016.
Moody’s Revenue is Diversified by Business, Geography and Type

**TTM 3Q16 Revenue by Business**

- Corporate Finance: 31%
- Financial Institutions: 11%
- Structured Finance: 12%
- MIS: 11%
- Research, Data & Analytics: 19%
- Enterprise Risk Solutions: 11%
- MIS Other: 1%
- Professional Services: 4%
- Public, Project & Infrastructure: 11%

**TTM 3Q16 Revenue by Geography**

- United States: 58%
- EMEA: 25%
- Asia-Pacific: 11%
- Americas: 6%
- Non-U.S.: 42%

**TTM 3Q16 Revenue by Type**

- Repeating: 52%
- Transaction: 48%

**Note:** All financial data is for the trailing twelve months ended September 30, 2016.
Long-term Growth Opportunities Intact Despite Near-term Macro Challenges

<table>
<thead>
<tr>
<th>Debt market issuance driven by <strong>global GDP growth</strong></th>
<th><strong>Disintermediation</strong> of credit markets in both developed and emerging economies driving both issuance and demand for new products and services</th>
<th><strong>Growth in Moody’s Analytics</strong> driven by further penetration of MA’s client base and expansion of bank and insurance risk regulatory requirements</th>
<th>MA and MIS <strong>pricing initiatives</strong> aligned with value; affected by business volumes and mix</th>
</tr>
</thead>
<tbody>
<tr>
<td>~2-4%</td>
<td>~2-3%</td>
<td>~2-3%</td>
<td>~3-4%</td>
</tr>
</tbody>
</table>

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**Long-Term Revenue Growth Opportunity:** High Single-Digit to Low Double-Digit % (on average)

- Potential Selective Acquisitions\(^1\)
- Potential Operating Income Margin Expansion
- Ongoing Share Repurchases\(^1\)

**Long-Term EPS Growth Opportunity:** Low-Teens to High-Teens % (on average)\(^2\)

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1. Subject to market conditions and other ongoing capital allocation decisions.
2. Assumes no material change in effective tax rate, foreign exchange rates, leverage profile and/or capital allocation policy.
Consistently Delivered Strong Performance; 2016 More Challenging

Revenue

- 2011 - 2015 CAGR 11%
- Low-single-digit % growth

Operating Margin Performance

- Operating Margin: 39.0%, 42.3%
- Adj. Operating Margin: 40%, 41%
- ~45%
- ~41%

EPS¹

- 2011 - 2015 CAGR 17%
- $2.46 to $4.72

5-year Average Free Cash Flow Conversion⁴

- Moody's: $0.30
- Select Peers⁵: $0.23
- S&P 500: $0.10

1 Represents Non-GAAP EPS. See appendix for reconciliation from Non-GAAP to GAAP.
2 Guidance as of October 21, 2016.
3 Adjusted Operating Margin is a Non-GAAP measure. See appendix for reconciliation from Non-GAAP to GAAP.
4 As of November 2016, over last five available years. Free Cash Flow is a Non-GAAP financial measure. Source: FactSet.
5 Includes CLGX, DNB, EXPN, FDS, IHS, MORN, MSCI, SPGI, TRI and VRSK.
## All Areas of the Company Undertaking Actions to Actively Manage Expense Growth

<table>
<thead>
<tr>
<th><strong>Moody’s Investors Service</strong></th>
<th><strong>Moody’s Analytics</strong></th>
<th><strong>Moody’s Shared Services</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>» Revised organizational structure</td>
<td>» Higher margin product focus</td>
<td>» Staffing shift to low-cost locations</td>
</tr>
<tr>
<td>» Reengineering analytical support group</td>
<td>» Limited growth of low-margin services</td>
<td>» Limited growth of low-margin services</td>
</tr>
<tr>
<td>» Upgrading IT for improved system automation</td>
<td>» Salesforce efficiency</td>
<td>» Improved process efficiency through re-engineering and technology enablement</td>
</tr>
</tbody>
</table>

- Flattened rate of headcount growth
- Increased use of Copal Amba
- Compensation management
- Performance culture
- Real estate densification

**Expense and best practice initiatives to help drive MCO operating margin to the mid-40s % range over the next several years**
Moody’s has a Disciplined Approach to Capital Allocation

### Investing in Growth Opportunities

<table>
<thead>
<tr>
<th>Reinvestment</th>
<th>Acquisitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>» Invest in existing businesses to support organic growth</td>
<td>» Aligned with strategy</td>
</tr>
<tr>
<td>» FY 2016 capex guidance: ~$120 million</td>
<td>» Opportunistic; ideally able to use offshore cash</td>
</tr>
</tbody>
</table>

### Return of Capital

<table>
<thead>
<tr>
<th>Dividends</th>
<th>Share Repurchases</th>
</tr>
</thead>
<tbody>
<tr>
<td>» Payout ratio potential is 25% - 30% of net income at current leverage</td>
<td>» FY 2016 share repurchase guidance: ~$750 million</td>
</tr>
<tr>
<td>» TTM 3Q 2016 payout ratio was ~30%</td>
<td>» Average annualized net share count reduction of ~3% from 2011 to 3Q 2016</td>
</tr>
<tr>
<td></td>
<td>» YTD 2016 average repurchase price of $95.51</td>
</tr>
</tbody>
</table>

#### Share Repurchases and Dividends Paid

- Share Repurchases (R)
- Dividends Paid (R)
- Share Count (L)

#### Annualized Dividend Per Share (Last 5 Years)

2. Assumes continued balance of return of capital between dividends and share repurchase subject to available cash, market conditions and other ongoing capital allocation decisions.
3. Dividend payout ratio is defined as dividends per share/Non-GAAP EPS.
4. Guidance as of October 21, 2016 (subject to available cash, market conditions and other ongoing capital allocation decisions).
5. Year-to-date as of September 30, 2016.
Moody’s has Returned ~$5 Billion to Shareholders Since 2013

Moody’s (2013 – 2016 YTD\(^1\))

- M&A: 7%
- Capex: 16%
- Dividends: 72%
- Share Repurchase: 5%

Return of Capital = 88%

Peer Group Average (2013 – 2016 YTD\(^2\))

- M&A: 30%
- Capex: 17%
- Dividends: 36%
- Share Repurchase: 17%

Return of Capital = 53%

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1 Year-to-date as of September 30, 2016.
2 Data for DNB, EXPN, SPGI, TRI and VRSK as of June 30, 2016; data for CLGX, FDS, INFO, MORN and MSCI as of September 30, 2016.
Source: FactSet. Peer group includes: CLGX, DNB, EXPN, FDS, INFO, MORN, MSCI, SPGI, TRI, VRSK.
### Overview of 2016 Transactions

<table>
<thead>
<tr>
<th>Transaction</th>
<th>Full Year 2016 EPS Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>» Automated financial data collection and business intelligence solutions</td>
<td>N/A</td>
</tr>
<tr>
<td>for the SME market</td>
<td></td>
</tr>
<tr>
<td>» Broadens scope of MA’s technology-enabled SME credit risk solutions</td>
<td></td>
</tr>
<tr>
<td>» Moody’s Analytics Risk Quality (MARQ) Score has been well received</td>
<td></td>
</tr>
<tr>
<td>» Advanced actuarial software for the global life insurance industry</td>
<td>($0.02)</td>
</tr>
<tr>
<td>» Enhances MA’s insurance risk offerings and analytical capabilities</td>
<td></td>
</tr>
<tr>
<td>» Significantly expands presence in the insurance analytics market</td>
<td></td>
</tr>
<tr>
<td>» Domestic credit ratings in Korea</td>
<td>N/A</td>
</tr>
<tr>
<td>» Expands MIS presence in Korea and exposure to the AsiaPacific credit</td>
<td></td>
</tr>
<tr>
<td>ratings markets</td>
<td></td>
</tr>
<tr>
<td>» KIS has been Moody’s Korea-based credit rating affiliate since 2001</td>
<td></td>
</tr>
<tr>
<td>» Credit rating agency based in Hamburg, Germany</td>
<td>N/A</td>
</tr>
<tr>
<td>» Leverages Moody’s ratings methodology and EH’s expertise in analyzing</td>
<td></td>
</tr>
<tr>
<td>trade credit</td>
<td></td>
</tr>
<tr>
<td>» Collaboration will launch new SME credit ratings services in Germany</td>
<td></td>
</tr>
<tr>
<td>in early 2017</td>
<td></td>
</tr>
</tbody>
</table>
**Full Year 2016 Guidance as of October 21, 2016**

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue:</td>
<td>Increase in the low-single-digit % range</td>
</tr>
<tr>
<td>Operating Expenses:</td>
<td>Increase in the mid-single-digit % range</td>
</tr>
<tr>
<td>Operating Margin:</td>
<td>Approximately 41%</td>
</tr>
<tr>
<td>Adjusted Operating Margin(^1):</td>
<td>Approximately 45%</td>
</tr>
<tr>
<td>Effective Tax Rate:</td>
<td>31% - 31.5%</td>
</tr>
<tr>
<td>GAAP Earnings Per Share:</td>
<td>$4.76 - $4.86</td>
</tr>
<tr>
<td>Non-GAAP Earnings Per Share(^1)</td>
<td>$4.62 - $4.72</td>
</tr>
<tr>
<td>Share Repurchases:</td>
<td>Approximately $750 million (subject to available cash, market conditions and other ongoing capital allocation decisions)</td>
</tr>
<tr>
<td>Capital Expenditures:</td>
<td>Approximately $120 million</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization:</td>
<td>Approximately $130 million</td>
</tr>
<tr>
<td>Free Cash Flow(^1):</td>
<td>Approximately $1 billion</td>
</tr>
</tbody>
</table>

\(^1\) Amount is a Non-GAAP measure. See Appendix for a reconciliation of this Non-GAAP measure to its comparable U.S. GAAP measure.
Debt Leverage up in North America but Down in Europe; Interest Coverage Remains Reasonable

Credit Metrics: North American Speculative Grade Companies

Credit Metrics: European Speculative Grade Companies

Source: Moody’s Investors Service.
Outside of Commodities, Default Rates are Contained

Default Rates for Global Corporate Rated Issuance¹

U.S. Speculative Grade Default Rates²

» Global speculative-grade default rate expected to finish 2016 at 4.4% before settling back to 3.3% in September 2017, helped by improved market conditions and fewer commodity defaults

1 Moody’s rated corporate global speculative grade default historical average of 4.2% since 1983. 2016 and 2017 forecasts for trailing twelve months ended December 31, 2016 and September 30, 2017, respectively.
2 Commodities sector includes Oil & Gas and Metals & Mining.
Source: Moody’s Investors Service.
3 Trailing twelve months ending September 30, 2016.
North America and EMEA Non-Financial Corporates Have ~$3.1 Trillion of Refunding Needs

Debt Maturities: North America Moody’s-Rated Corporate Bonds and Loans

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

1 Amount reflects total maturities identified in the above sources.
Debt Refinancing and M&A are Most Frequently Stated Uses of Proceeds

Uses of Funds from USD High Yield Bonds and Bank Loans

1 % of mentions for each respective period in bond issue or bank loan program tranche documents. Excludes issues of less than $25 million and general corporate purposes. An issue can have multiple purposes and, as a result, %’s do not sum to 100%.

2 As of September 30, 2016.

Disintermediation of Credit is an Ongoing Trend in the Global Capital Markets

European Non-Financial Corporate Bonds vs. Bank Loans Outstanding

U.S. Non-Financial Corporate Bonds vs. Bank Loans Outstanding

Sources: ECB, Federal Reserve, BarCap Indices. Europe bank loan data includes Eurozone and UK bank loans. Europe bond data includes euro and sterling denominated bonds. European data is through August 2016. U.S. data is through September 2016.
Disintermediation is a Key Driver of Moody’s Global New Rating Mandates

Global New Rating Mandates¹

» In 3Q 2016, Moody’s new rating mandates increased to 227, up 24% from 183 in 2Q 2016

1 Rated by Moody’s Investors Service.
2 As of September 30, 2016.
Source: Moody’s Investors Service.
Moody’s Investors Service: A Leading Provider of Credit Ratings, Research and Risk Analysis

- Proven rating accuracy and deeply experienced analysts
- Expanded sales and marketing activities in Commercial Group
- Focus on research leadership
- Improving the issuer / investor experience

Rating Quality

Research & Insight

Value Proposition

Service Level

Moody’s Investors Service: A Leading Provider of Credit Ratings, Research and Risk Analysis

Introduction | Financial Overview | Capital Markets Overview | Moody’s Investors Service | Moody’s Analytics | Conclusion | Appendix

November 2, 2016
# Illustrative Value of a Moody’s Rating

**Example: 10 year $500 million corporate bond**

<table>
<thead>
<tr>
<th>Unrated</th>
<th>Rated by Moody’s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond</td>
<td></td>
</tr>
<tr>
<td>$500,000,000</td>
<td>$500,000,000</td>
</tr>
<tr>
<td>x 4.3%</td>
<td>x 4.0%</td>
</tr>
<tr>
<td>= $21,500,000</td>
<td>= $20,000,000</td>
</tr>
<tr>
<td>x 10 years</td>
<td>x 10 years</td>
</tr>
<tr>
<td>= $215,000,000</td>
<td>= $200,000,000</td>
</tr>
</tbody>
</table>

- **Lifetime interest expense**
  - Unrated: $215,000,000
  - Rated by Moody’s: $200,000,000

**$15 million in total interest expense vs. lifetime cost of a rating**

Note: Illustrative spread differential based on feedback from syndicate desks and FBR & Co. research on Moody’s Corporation (January 2014) which stated that obtaining a Moody’s rating typically saves approximately 30 basis points per year for investment grade issuers. Many factors go into the pricing of a bond.
Moody’s Continues to Invest in Key International Markets

**Americas**
- **2015:** Acquired 100% of Equilibrium

**EMEA**
- **2013:** Opened MIS Warsaw office
- **2016:** Opened MIS Stockholm office
- **2016:** Collaboration with Euler Hermes Rating

**APAC**
- **2006:** Joint venture in China domestic market with CCXI
- **2013:** Opened MIS Mumbai and Shanghai offices
- **2015:** Acquired majority control of ICRA
- **2016:** Increased stake in KIS to 100%
Moody’s Investors Service Financial Profile

TTM 3Q 2016 Revenue: $2.3 billion

- Recurring: 32%
- Transaction: 68%
- US: 60%
- Non-US: 40%

Corporate Finance 48%
Structured Finance 18%
Financial Institutions 16%
Public, Project, & Infrastructure Finance 17%
MIS Other 1%

2016 Revenue Guidance as of October 21, 2016

- Global: approximately flat
- U.S.: approximately flat
- Non-U.S.: approximately flat
- Corporate Finance: approximately flat
- Structured Finance: mid-single-digit % range
- Financial Institutions: low-single-digit % range
- Public, Project & Infrastructure Finance: approximately 10%

Note: All financial data is for the trailing twelve months ended September 30, 2016.
Moody’s Analytics
Moody’s Analytics Provides Essential Insight Serving Global Financial Markets

<table>
<thead>
<tr>
<th>Research Data &amp; Analytics</th>
<th>Enterprise Risk Solutions</th>
<th>Professional Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>» MIS research &amp; data</td>
<td>» Software solutions and risk management services that assist with:</td>
<td>» Outsourced research &amp; consulting</td>
</tr>
<tr>
<td>» MIS ratings feeds</td>
<td>- Financial spreading</td>
<td>- Financial training &amp; education</td>
</tr>
<tr>
<td>» Quantitative credit metrics (EDFs)</td>
<td>- Risk scoring</td>
<td>- In-house training, seminars &amp; on-line learning</td>
</tr>
<tr>
<td>» Economic research, data &amp; models</td>
<td>- Default modeling</td>
<td>- Professional certification</td>
</tr>
<tr>
<td>» Structured finance analytics &amp; data</td>
<td>- Exposure aggregation &amp; management</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Portfolio analytics</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Stress testing</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Risk-Weighted Assets (RWA) calculation and reporting</td>
<td></td>
</tr>
</tbody>
</table>
Moody’s Analytics Financial Profile

TTM 3Q 2016 Revenue: $1.2 billion

- Recurring: 74%
- Transaction: 26%
- US: 52%
- Non-US: 48%

- Research, Data and Analytics: 54%
- Enterprise Risk Solutions: 34%
- Professional Services: 12%

- > 95% recurring revenue
- 96% retention rate
- > 64% recurring revenue
- Combination of one-off contracts and semi-recurring revenue

2016 Revenue Guidance as of October 21, 2016

- Global: mid-single-digit % range
- U.S.: low-double-digit % range
- Non-U.S.: low-single-digit % range
- Research, Data & Analytics: high-single-digit % range
- Enterprise Risk Solutions: high-single-digit % range
- Professional Services: low-single-digit % range

Note: All financial data is for the trailing twelve months ended September 30, 2016.
Moody’s Analytics has Multiple Platforms for Growth

Added ~$600 Million in Revenue in 8 Years

2008 – 2015 Revenue CAGR 11%

2015 Revenue and 2008 – 2015 CAGR ~65% organic

Professional Services
$149.9m, 44% CAGR
~15% organic

Enterprise Risk Solutions
$374.0m, 18% CAGR
~70% organic

Research, Data & Analytics
$626.4m, 6% CAGR
~90% organic
### RD&A: Growth Driven by Retention, New Sales and Pricing

<table>
<thead>
<tr>
<th>Period</th>
<th>Retained Base</th>
<th>Upgrades and Price</th>
<th>New Sales</th>
<th>Business Base</th>
<th>Revenue Growth</th>
<th>Amount</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1H 2016</td>
<td>95.1%</td>
<td>7.9%</td>
<td>8.0%</td>
<td>111.0%</td>
<td></td>
<td>$26.1m</td>
<td>8.5%</td>
</tr>
<tr>
<td>Full Year 2015</td>
<td>96.3%</td>
<td>7.2%</td>
<td>7.0%</td>
<td>110.5%</td>
<td></td>
<td>$54.6m</td>
<td>9.5%</td>
</tr>
<tr>
<td>Full Year 2014</td>
<td>95.9%</td>
<td>6.3%</td>
<td>7.5%</td>
<td>109.7%</td>
<td></td>
<td>$52.0m</td>
<td>10.0%</td>
</tr>
<tr>
<td>Full Year 2013</td>
<td>94.7%</td>
<td>6.3%</td>
<td>6.5%</td>
<td>107.5%</td>
<td></td>
<td>$37.1m</td>
<td>7.7%</td>
</tr>
</tbody>
</table>

Note: The sales growth attributions presented on this slide are related to RD&A subscription sales. Upgrades reflect amendments to existing customer contracts. New Sales reflect new contracts with new and existing customers. Reported revenue growth reflects total RD&A revenue.
ERS: Solid Track Record of Growth

Overall CAGR Since 2011 of 14%

> **Growth drivers**

- Regulation and accounting standards driving demand for automated software tools
- Financial institutions adopting standard approaches and best practices in risk management
- Expense management pressure shifting FIs away from home-grown technology solutions

> **Investment in common code base offering rich functionality and streamlined configuration options** will drive sales and simplify customer adoption

> **Focus on higher-value, more profitable business** supports margin expansion; some top-line offset due to slower growth in low-margin services

**Reminder:** While ~2/3 of revenue base is renewable, results are affected by large projects – timing may impact sales, revenues, and margin in any one period

1 Trailing twelve months ended September 30, 2016.
Professional Services: Extending the Brand Into New Markets and Deepening Relationships With Customers

Financial services training

- Provider of global learning capabilities to banks, asset managers, regulators and non-bank financial institutions
- Expansion into new markets:
  - India: Signed MOU with the National Institute of Securities Markets (NISM) to jointly offer certification programs
  - Africa: MA is fast becoming a recognized standard for credit training in the region

Certificates, designations and accreditations

- Canada’s leading provider of financial services education and designations
- 270+ courses taken by 800,000+ financial professionals
- Endorsed by the Investment Industry Regulatory Organization of Canada (IIROC), Canada’s stock exchanges and Canada’s securities regulatory commissions

Knowledge process outsourcing

- Leading provider of research, analytics and business intelligence services to global financial institutions
- Bespoke front-office support with client-dedicated analyst teams for 150+ clients
- More than 2,600 employees in offices in India, China, Sri Lanka and Costa Rica
- 13 years of experience helping clients enhance profitability, increase operational flexibility and drive revenues
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 cash flow conversion

– 2011 – 2015 revenue CAGR of 11%

– 2011 – 2015 Non-GAAP EPS\(^1\) CAGR of 17%

– 2011 – 2015 free cash flow conversion rate of ~30%

» We are committed to returning capital to our shareholders

– 2011 – 2015 returned $4.7 billion, or 107% of free cash flow, to shareholders via share repurchases and dividends

» We will selectively invest in strategic growth opportunities

– Leverage brand to extend our relevance in financial markets

– Expand our product offerings and geographic influence

\(^1\) See appendix for reconciliation of Non-GAAP EPS to GAAP EPS.
Moody’s Awards

Moody’s is the proud recipient of over 20 awards from publications around the world. Spanning both Moody’s Investors Service and Moody’s Analytics, this recognition helps expand Moody’s position as a leader in the global capital markets and reflects the hard work and contributions of all our employees.

Moody’s Investors Service

Moody’s Analytics

Best Credit Risk Solution Provider – RiskCalc™

#1 Risk Management Regulatory/Economic Capital Calculation

Liquidity Risk Technology Implementation of the Year


#1 Enterprise-Wide Credit Risk Management and #1 Economic and Regulatory Risk Capital Calculation

Best Software – Best Economic Scenario Generation Software

#1 Regulatory Capital Calculation and Management

Recognized as a Top Solution Provider

Recognized as a Top Solution Provider

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Appendix
Corporate Finance: Revenue and Issuance

Historical Revenue Mix: By Quarter

Historical Revenue Mix: By Year

Global Rated Non-Financial Bonds and U.S. Speculative Grade Bank Loans (Quarterly)

Global Rated Non-Financial Bonds and U.S. Speculative Grade Bank Loans (Annually)

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

2 Other includes: monitoring, commercial paper, medium term notes, and ICRA.

3 Sources: Moody’s Capital Markets Research Group, Dealogic; U.S. Speculative-Grade Bank Loan Origination represents Moody’s rated new U.S. bank loan programs. Note: Debt issuance categories do not directly correspond to Moody’s revenue categorization.
Corporate Finance: Revenue Diversification

Revenue distribution: Geography

Revenue distribution: Recurring vs. Transaction

Revenue distribution: Product

1 Historical data has been adjusted to conform with current information and excludes intercompany revenue.
2 Other includes: monitoring, commercial paper, medium term notes, and ICRA.

Percentages have been rounded and may not total to 100%.
Structured Finance: Revenue and Issuance

Historical Revenue Mix: By Quarter

Revenue $ Millions

<table>
<thead>
<tr>
<th>Quarter</th>
<th>ABS</th>
<th>RMBS</th>
<th>CREF</th>
<th>Structured Credit</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>3Q14</td>
<td>$23</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$27</td>
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<tr>
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<tr>
<td>1Q15</td>
<td>$18</td>
<td>$36</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>2Q15</td>
<td>$18</td>
<td>$32</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>3Q15</td>
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<td>$37</td>
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<td>$0</td>
<td>$0</td>
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<td>$21</td>
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<tr>
<td>1Q16</td>
<td>$21</td>
<td>$28</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>2Q16</td>
<td>$20</td>
<td>$22</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>3Q16</td>
<td>$0</td>
<td>$20</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

Global Rated Structured Finance (Quarterly)

Issuance $ Billions

<table>
<thead>
<tr>
<th>Quarter</th>
<th>ABS</th>
<th>RMBS</th>
<th>CREF</th>
<th>Structured Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>3Q14</td>
<td>$41</td>
<td>$34</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>4Q14</td>
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<td>2Q15</td>
<td>$41</td>
<td>$58</td>
<td>$41</td>
<td>$58</td>
</tr>
<tr>
<td>3Q15</td>
<td>$32</td>
<td>$63</td>
<td>$30</td>
<td>$30</td>
</tr>
<tr>
<td>4Q15</td>
<td>$27</td>
<td>$58</td>
<td>$32</td>
<td>$27</td>
</tr>
<tr>
<td>1Q16</td>
<td>$21</td>
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<td>$16</td>
<td>$16</td>
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<td>2Q16</td>
<td>$24</td>
<td>$68</td>
<td>$36</td>
<td>$36</td>
</tr>
<tr>
<td>3Q16</td>
<td>$25</td>
<td>$68</td>
<td>$36</td>
<td>$36</td>
</tr>
</tbody>
</table>

Historical Revenue Mix: By Year

Revenue $ Millions

<table>
<thead>
<tr>
<th>Year</th>
<th>ABS</th>
<th>RMBS</th>
<th>CREF</th>
<th>Structured Credit</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$177</td>
<td>$74</td>
<td>$101</td>
<td>$91</td>
<td>$0</td>
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<tr>
<td>2008</td>
<td>$179</td>
<td>$142</td>
<td>$101</td>
<td>$91</td>
<td>$0</td>
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<tr>
<td>2009</td>
<td>$174</td>
<td>$133</td>
<td>$101</td>
<td>$91</td>
<td>$0</td>
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<tr>
<td>2010</td>
<td>$177</td>
<td>$74</td>
<td>$101</td>
<td>$91</td>
<td>$0</td>
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<tr>
<td>2015</td>
<td>$177</td>
<td>$74</td>
<td>$101</td>
<td>$91</td>
<td>$0</td>
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Global Rated Structured Finance (Annually)

Issuance $ Billions

<table>
<thead>
<tr>
<th>Year</th>
<th>ABS</th>
<th>RMBS</th>
<th>CREF</th>
<th>Structured Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$391</td>
<td>$76</td>
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<td>2009</td>
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<td>2010</td>
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<td>2011</td>
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<td>2015</td>
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<td>$30</td>
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</tbody>
</table>

1 Historical data has been adjusted to conform with current information and excludes intercompany revenue.
2 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, commercial real estate CDOs, and real estate investment trusts (REITs). Structured Credit includes CLOs and CDOs.
Structured Finance: Revenue Diversification

Revenue\(^1\) Distribution: Geography

<table>
<thead>
<tr>
<th>Year</th>
<th>Non-U.S.</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY11</td>
<td>53%</td>
<td>47%</td>
</tr>
<tr>
<td>FY12</td>
<td>46%</td>
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<td>66%</td>
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<td>4Q15</td>
<td>34%</td>
<td>69%</td>
</tr>
<tr>
<td>FY15</td>
<td>34%</td>
<td>66%</td>
</tr>
<tr>
<td>1Q16</td>
<td>35%</td>
<td>65%</td>
</tr>
<tr>
<td>2Q16</td>
<td>33%</td>
<td>69%</td>
</tr>
<tr>
<td>3Q16</td>
<td>31%</td>
<td>70%</td>
</tr>
</tbody>
</table>

Revenue\(^1\) Distribution: Recurring vs. Transaction

<table>
<thead>
<tr>
<th>Year</th>
<th>Transaction</th>
<th>Recurring</th>
</tr>
</thead>
<tbody>
<tr>
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<td>52%</td>
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<tr>
<td>FY12</td>
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<td>60%</td>
<td>40%</td>
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<tr>
<td>FY14</td>
<td>62%</td>
<td>38%</td>
</tr>
<tr>
<td>1Q15</td>
<td>61%</td>
<td>39%</td>
</tr>
<tr>
<td>2Q15</td>
<td>66%</td>
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</tr>
<tr>
<td>3Q15</td>
<td>67%</td>
<td>33%</td>
</tr>
<tr>
<td>4Q15</td>
<td>64%</td>
<td>36%</td>
</tr>
<tr>
<td>FY15</td>
<td>55%</td>
<td>45%</td>
</tr>
<tr>
<td>1Q16</td>
<td>61%</td>
<td>39%</td>
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<tr>
<td>2Q16</td>
<td>60%</td>
<td>40%</td>
</tr>
<tr>
<td>3Q16</td>
<td>60%</td>
<td>40%</td>
</tr>
</tbody>
</table>

Revenue\(^1\) Distribution: by Product

<table>
<thead>
<tr>
<th>Year</th>
<th>Transaction</th>
<th>Recurring</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY11</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>FY12</td>
<td>0%</td>
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</tr>
<tr>
<td>FY13</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>FY14</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>1Q15</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>2Q15</td>
<td>0%</td>
<td>0%</td>
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<tr>
<td>3Q15</td>
<td>0%</td>
<td>0%</td>
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<tr>
<td>4Q15</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>FY15</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>1Q16</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>2Q16</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>3Q16</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

1 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, commercial real estate CDOs, and real estate investment trusts (REITs). Structured Credit includes CLOs and CDOs.
Financial Institutions: Revenue and Issuance

**Historical Revenue Mix: By Quarter**

- **Revenue $ Millions**
  - 3Q14: $0, $27, $61
  - 4Q14: $2, $19, $60
  - 1Q15: $4, $25, $63
  - 2Q15: $2, $21, $62
  - 3Q15: $2, $26, $58
  - 4Q15: $3, $30, $61
  - 1Q16: $3, $24, $60
  - 2Q16: $3, $24, $63
  - 3Q16: $3, $26

- Categories: Banking, Insurance, Managed Investments, Other

**Global Rated Financial Bonds (Quarterly)**

- **Issuance $ Billions**
  - 3Q14: $38, $286
  - 4Q14: $32, $241
  - 1Q15: $42, $379
  - 2Q15: $42, $285
  - 3Q15: $28, $262
  - 4Q15: $24, $268
  - 1Q16: $26, $369
  - 2Q16: $29, $318
  - 3Q16: $38, $278

- Categories: Global Speculative Grade Financial Corporate Bond Issuance, Global Investment Grade Financial Corporate Bond Issuance

**Historical Revenue Mix: By Year**

- **Revenue $ Millions**
  - 2007: $178
  - 2008: $175
  - 2009: $176
  - 2010: $192
  - 2011: $205
  - 2012: $234
  - 2013: $242
  - 2014: $244
  - 2015: $316

- Categories: Banking, Insurance, Managed Investments, Other

**Global Rated Financial Bonds (Annually)**

- **Issuance $ Billions**
  - 2007: $58
  - 2008: $1,853
  - 2009: $32
  - 2010: $80
  - 2011: $1,764
  - 2012: $87
  - 2013: $79
  - 2014: $137
  - 2015: $161

- Categories: Global Spec Grade Corporate Bond Issuance, Global Inv Grade Corporate Bond Issuance

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1. Historical data has been adjusted to conform with current information and excludes intercompany revenue.
2. Sources: Moody's Capital Markets Research Group, Dealogic. Note: Debt issuance categories do not directly correspond to Moody’s revenue categorization.
Financial Institutions: Revenue Diversification

Revenue\(^1\) Distribution: Geography

Revenue\(^1\) Distribution: Recurring vs. Transaction

Revenue\(^1\) Distribution: Product

1 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 Revenue¹ Mix: By Year**

- 2007: $138
- 2008: $143
- 2009: $142
- 2010: $159
- 2011: $156
- 2012: $181
- 2013: $174
- 2014: $177
- 2015: $202

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

**Long-Term Rated U.S. Municipal Bond Issuance (Annually)²**

- 2007: $345
- 2008: $350
- 2009: $355
- 2010: $374
- 2011: $248
- 2012: $307
- 2013: $364
- 2014: $358

2 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

1 Historical data has been adjusted to conform with current information and excludes intercompany revenue. Percentages have been rounded and may not total to 100%.
Moody’s Analytics: Financial Overview

**Historical Revenue Mix: By Quarter**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>3Q14</th>
<th>4Q14</th>
<th>1Q15</th>
<th>2Q15</th>
<th>3Q15</th>
<th>4Q15</th>
<th>1Q16</th>
<th>2Q16</th>
<th>3Q16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue $ Millions</td>
<td>$45</td>
<td>$43</td>
<td>$81</td>
<td>$77</td>
<td>$38</td>
<td>$37</td>
<td>$37</td>
<td>$38</td>
<td>$36</td>
</tr>
</tbody>
</table>

**Professional Services**

**Enterprise Risk Solutions**

**Research, Data and Analytics**

**Revenue Distribution: Product**

- FY11: 9% Professional Services, 28% Enterprise Risk Solutions, 63% Research, Data and Analytics
- FY12: 13% Professional Services, 29% Enterprise Risk Solutions, 58% Research, Data and Analytics
- FY13: 13% Professional Services, 29% Enterprise Risk Solutions, 58% Research, Data and Analytics
- FY14: 16% Professional Services, 31% Enterprise Risk Solutions, 54% Research, Data and Analytics
- FY15: 14% Professional Services, 29% Enterprise Risk Solutions, 54% Research, Data and Analytics
- 1Q15: 13% Professional Services, 30% Enterprise Risk Solutions, 55% Research, Data and Analytics
- 2Q15: 13% Professional Services, 32% Enterprise Risk Solutions, 54% Research, Data and Analytics
- 3Q15: 13% Professional Services, 33% Enterprise Risk Solutions, 53% Research, Data and Analytics
- 4Q15: 12% Professional Services, 31% Enterprise Risk Solutions, 55% Research, Data and Analytics
- FY16: 12% Professional Services, 32% Enterprise Risk Solutions, 53% Research, Data and Analytics

**Revenue Distribution: Geography**

- FY11: 42% Non-US, 58% US
- FY12: 43% Non-US, 57% US
- FY13: 45% Non-US, 55% US
- FY14: 44% Non-US, 56% US
- 1Q15: 49% Non-US, 51% US
- 2Q15: 45% Non-US, 55% US
- 3Q15: 46% Non-US, 54% US
- 4Q15: 49% Non-US, 51% US
- FY16: 48% Non-US, 52% US

**Revenue Distribution: Recurring vs. Transaction**

- FY11: 80% Recurring, 20% Transaction
- FY12: 77% Recurring, 23% Transaction
- FY13: 77% Recurring, 23% Transaction
- FY14: 73% Recurring, 27% Transaction
- 1Q15: 77% Recurring, 23% Transaction
- 2Q15: 76% Recurring, 24% Transaction
- 3Q15: 75% Recurring, 25% Transaction
- 4Q15: 70% Recurring, 30% Transaction
- FY16: 74% Recurring, 26% Transaction

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1 Historical data has been adjusted to conform with current information and excludes intercompany revenue. Percentages have been rounded and may not total to 100%.
Historically, Rising Rates Have not had a Significant Impact on Moody’s Revenue

MCO Revenue and Interest Rates

Introduction | Financial Overview | Capital Markets Overview | Moody’s Investors Service | Moody’s Analytics | Conclusion | Appendix

1 10-yr Treasury Yields are represented by the rate at the end-of-period. Source: [www.treasury.gov](http://www.treasury.gov)
Revenue Growth by Quarter: MCO, MIS and MA

Year-over-Year % Change

- Q1'10: 48
- Q2'10: 46
- Q3'10: 50
- Q4'10: 38
- Q1'11: 52
- Q2'11: 44
- Q3'11: 48
- Q4'11: 42
- Q1'12: 50
- Q2'12: 45
- Q3'12: 50
- Q4'12: 45
- Q1'13: 50
- Q2'13: 45
- Q3'13: 50
- Q4'13: 45
- Q1'14: 50
- Q2'14: 45
- Q3'14: 50
- Q4'14: 45
- Q1'15: 50
- Q2'15: 45
- Q3'15: 50
- Q4'15: 45
- Q1'16: 50
- Q2'16: 45
- Q3'16: 50

MIS

MCO

MA

U.S. debt ceiling standoff
Fears Euro debt crisis may spread to Italy & Spain
Crimean crisis
Oil prices crash
Euro / Greece standoff
Global macro concerns

(2%)
3%
16%
19%
15%
23%
13%
12%
11%
9%
12%
10%
6%
(6%)
(2%)
(13%)

(6%)
(2%)
(6%)
(2%)

Introduction | Financial Overview | Capital Markets Overview | Moody’s Investors Service | Moody’s Analytics | Conclusion | Appendix
Moody’s Investors Service’s Recurring Revenue\(^1\) Provides Stability

MIS Recurring Revenue

» Drivers of MIS recurring revenue include growth in monitoring fees and select elements of pricing

» Recurring revenue averages ~40% of total MIS revenue

1 MIS recurring revenue is typically billed annually and recognized ratably over 12 months. Recurring revenue can also be billed upfront and recognized over the life of the security.

2 Trailing twelve months ended September 30, 2016.
In addition to issuance activity levels, MIS revenue is impacted by (i) the mix of issuance activity, (ii) pricing and (iii) growth in monitored credits.

1 Rated global investment grade bonds, global high yield bonds, U.S. high yield bank loans, global structured finance, and U.S. municipal issuance.

2 As of September 30, 2016.

U.S. Regulatory Developments Affecting Securitization

» Risk Retention rules (minimum 5% “skin in the game”) are causing “indigestion” for ‘originate to distribute’ securitization products such as CLOs and CMBS as the markets seek to find viable paths to comply by the December 2016 deadline

» Basel III Liquidity Coverage Ratio assigns 0% stressed liquidation value to non GSE-backed securitizations held for bank liquidity buffer purposes, while GSE-backed securitizations are granted Tier 2 status

» FRTB (Fundamental Review of Trading Book) Bank Regulation hurts secondary markets for securitization as banks are now required to hold additional capital against their positions

» Money Market Fund Reform – regulatory constraints and rising costs of compliance have created an incentive for asset managers to refocus debt fund investment strategies out of securitized (and corporate) assets into Treasuries

» Impact of U.S. Elections – Tailwinds for securitization might include policies that would 1) revisit Dodd-Frank and/or 2) promote a return to more private sector funding for housing and education
Moody’s is a Seasoned Capital Markets Issuer

- Successfully issued across the maturity curve and in multiple currencies
- Initial maturities ranging from 5-year to 30-year
- Debt denominated in USD and EUR
- $1 billion of additional borrowing capacity under commercial paper program which is backstopped by an undrawn $1 billion revolving credit facility

1 Trailing twelve months ended September 30, 2016.
2 Amount is a Non-GAAP measure. See Appendix for a reconciliation of this Non-GAAP measure to its comparable U.S. GAAP measure.
3 Debt outstanding at end of period.
4 On November 13, 2015, Moody’s issued $300 million of 5.25% senior unsecured notes due 2044 in a reopening of its existing series of such notes.
Moody’s Global Presence

<table>
<thead>
<tr>
<th>Americas</th>
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<td>Argentina</td>
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<td>Peru</td>
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<td>United States</td>
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<thead>
<tr>
<th>Europe, Middle East &amp; Africa</th>
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<tbody>
<tr>
<td>Cyprus</td>
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<td>Czech Republic</td>
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<td>South Africa</td>
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<td>United Kingdom</td>
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<thead>
<tr>
<th>Asia-Pacific</th>
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<tbody>
<tr>
<td>Australia</td>
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<tr>
<td>China</td>
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<td>Sri Lanka</td>
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<td>Thailand</td>
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</tbody>
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<table>
<thead>
<tr>
<th>Affiliates (Moody’s Ownership)</th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>China – CCXI (49%)</td>
<td></td>
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<tr>
<td>Egypt – MERIS (40%)</td>
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<tr>
<td>India – ICRA (50.06%)</td>
<td></td>
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<tr>
<td>Israel – Midroog (51%)</td>
<td></td>
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</tr>
</tbody>
</table>

2016:
- U.S. employees: 3,417
- Non-U.S. employees: 7,440
- Total employees: 10,857

2015:
- U.S. employees: 3,302
- Non-U.S. employees: 6,945
- Total employees: 10,247

---

1 As of September 30, 2016.
2 As of September 30, 2015.
Reconciliation of Non-GAAP Financial Measures to GAAP

Adjusted Operating Income and Adjusted Operating Margin Reconciliation

<table>
<thead>
<tr>
<th>(in $ millions)</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>As Reported Operating Income</td>
<td>$888.4</td>
<td>$1,077.4</td>
<td>$1,234.6</td>
<td>$1,439.1</td>
<td>$1,473.4</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>39.0%</td>
<td>39.5%</td>
<td>41.5%</td>
<td>43.2%</td>
<td>42.3%</td>
</tr>
</tbody>
</table>

Add Adjustment:
- **Depreciation & Amortization**: 79.2, 93.5, 93.4, 95.6, 113.5
- **Restructuring**: -
- **Goodwill Impairment Charge**: - 12.2 - - -

Adjusted Operating Income | $967.6 | $1,183.1 | $1,328.0 | $1,534.7 | $1,586.9 |
Adjusted Operating Margin | 42.4% | 43.3% | 44.7% | 46.0% | 45.5% |

Moody's Corporation Operating Margin Guidance Reconciliation

| 2016F¹ |
|-------------------------------|-------|
| Projected Operating Margin - GAAP | Approximately 41% |
| Projected impact from Depreciation & Amortization | Approximately 4% |
| Restructuring | Negligible |
| Projected Adjusted Operating Margin | Approximately 45% |

Moody's Corporation Free Cash Flow Guidance Reconciliation

<table>
<thead>
<tr>
<th>(in $ millions)</th>
<th>2016F¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Flow from Operations</td>
<td>Approximately $1.1 billion</td>
</tr>
<tr>
<td>Less Capital Expenditures</td>
<td>Approximately $120 million</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>Approximately $1.0 billion</td>
</tr>
</tbody>
</table>

¹ Guidance as of October 21, 2016.
# Reconciliation of Non-GAAP Financial Measures to GAAP (cont.)

## Moody's Corporation EPS Reconciliation

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016F¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diluted EPS - GAAP</td>
<td>$2.15</td>
<td>$2.49</td>
<td>$3.05</td>
<td>$3.60</td>
<td>$4.61</td>
<td>$4.63</td>
<td>$4.76 - $4.86</td>
</tr>
<tr>
<td>Legacy Tax</td>
<td>(0.02)</td>
<td>(0.03)</td>
<td>(0.06)</td>
<td>(0.09)</td>
<td>(0.03)</td>
<td>(0.03)</td>
<td>-</td>
</tr>
<tr>
<td>Impact of litigation settlement</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.14</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>ICRA Gain</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(0.37)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>FX Gain due to Subsidiary Reorganization</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>($0.18)</td>
<td></td>
</tr>
<tr>
<td>Restructuring</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$0.04</td>
</tr>
<tr>
<td>Diluted EPS – Non-GAAP</td>
<td>$2.13</td>
<td>$2.46</td>
<td>$2.99</td>
<td>$3.65</td>
<td>$4.21</td>
<td>$4.60</td>
<td>$4.62 - $4.72</td>
</tr>
</tbody>
</table>

¹ Guidance as of October 21, 2016.

Note: Table may not sum to total due to rounding.
Reconciliation of Non-GAAP Financial Measures to GAAP (cont.)

Moody's Corporation EBITDA Reconciliation

<table>
<thead>
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</tr>
</thead>
<tbody>
<tr>
<td>Net Income attributable to Moody's</td>
<td>$753.9</td>
<td>$701.5</td>
<td>$457.6</td>
<td>$402.0</td>
<td>$507.8</td>
<td>$571.4</td>
<td>$690.0</td>
<td>$804.5</td>
<td>$988.7</td>
<td>$941.3</td>
<td>$913.1</td>
<td></td>
</tr>
<tr>
<td>Provision for Income Taxes</td>
<td>$506.6</td>
<td>$415.0</td>
<td>$268.2</td>
<td>$239.1</td>
<td>$201.0</td>
<td>$261.8</td>
<td>$324.3</td>
<td>$353.4</td>
<td>$455.0</td>
<td>$430.0</td>
<td>$414.1</td>
<td></td>
</tr>
<tr>
<td>Interest Expense, Net</td>
<td>($3.0)</td>
<td>$24.3</td>
<td>$52.2</td>
<td>$33.4</td>
<td>$52.5</td>
<td>$62.1</td>
<td>$63.8</td>
<td>$91.8</td>
<td>$116.8</td>
<td>$115.1</td>
<td>$131.9</td>
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</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>$39.5</td>
<td>$42.9</td>
<td>$75.1</td>
<td>$64.1</td>
<td>$66.3</td>
<td>$79.2</td>
<td>$93.5</td>
<td>$93.4</td>
<td>$95.6</td>
<td>$113.5</td>
<td>$122.5</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>$1,297.0</td>
<td>$1,183.7</td>
<td>$853.1</td>
<td>$738.6</td>
<td>$827.6</td>
<td>$974.5</td>
<td>$1,171.6</td>
<td>$1,343.1</td>
<td>$1,656.1</td>
<td>$1,599.9</td>
<td>$1,581.6</td>
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</tbody>
</table>

1 Trailing twelve months ended September 30, 2016.
Note: Table may not sum to total due to rounding.
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