Disclaimer

Certain statements contained in this release 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. The forward-looking statements in this release are made as of the dates indicated, 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 examples of factors, risks and uncertainties 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, world-wide credit market disruptions or an economic slowdown, which could 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 U.K.’s referendum vote whereby the U.K. 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 actions affecting world-wide credit markets, international trade and economic policy; 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 inquiries 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. Other factors, risks and uncertainties relating to our pending acquisition of Bureau van Dijk could cause our actual results to differ, perhaps materially, from those anticipated or will not be realized within the expected timeframe; risks that the proposed acquisition could have an adverse effect on the business of Bureau van Dijk or its prospects, including, without limitation, on relationships with vendors, suppliers or customers; claims made, from time to time, by vendors, suppliers or customers; changes in the European or global marketplaces that have an adverse effect on the business of Bureau van Dijk; and other factors, risks and uncertainties relating to the transaction as set forth under the caption “‘Safe Harbor’ Statement under the Private Securities Litigation Reform Act of 1995 “ in Moody’s report on Form 8-K filed on May 15, 2017, which are incorporated by reference herein. 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, 2016, 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.
Table of Contents

1. Financial Overview
2. Capital Markets Overview
3. Moody’s Investors Service (MIS)
4. Moody’s Analytics (MA)
5. Conclusion
6. Appendix
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.
1 Financial Overview
Overview of Moody’s Corporation

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**Moody’s Investors Service**

- Independent provider of credit rating opinions and related information for over 100 years
- MIS provides ratings in more than 120 countries
- Ratings relationships with ~11,000 corporate issuers, ~18,000 public finance issuers and has rated and currently monitors ~64,000 structured finance obligations

**Moody’s Analytics**

- Leading global provider of credit rating opinions, insight and tools for financial risk measurement and management
- TTM Revenue of $3.8 billion
- TTM Adjusted Operating Income of $1.8 billion
- MIS 67% MA 33%

Research, data and software for financial risk analysis and related professional services

- Customers in 145 countries
- 4,600 institutional customers; business with 86 of top 100 global banks

---

1. All financial data is for the trailing twelve months (TTM) ended June 30, 2017.
2. Adjusted operating income is an adjusted measure. See appendix for reconciliation from adjusted financial measures to GAAP.
3. As of December 31, 2016.
Revenue is Diversified by Business, Geography and Type

TTM 2Q17 Revenue by Business

- MIS MA Corporate Finance 33%
- MIS MA Structured Finance 12%
- MIS MA Financial Institutions 10%
- MIS MA Public, Project & Infrastructure 11%
- MIS MA Enterprise Risk Solutions 11%
- MIS MA Professional Services 4%
- MIS Other 1%
- Research, Data & Analytics 18%

TTM 2Q17 Revenue by Geography

- MIS MA United States 58%
- MIS MA EMEA 25%
- MIS MA Asia-Pacific 11%
- MIS MA Americas 6%

TTM 2Q17 Revenue by Type

- MIS MA MCO 50% Recurring, 64% Transaction
- MIS MA MIS 50% Recurring, 36% Transaction
- MIS MA MA 24% Recurring, 76% Transaction

Note: All financial data is for the trailing twelve months (TTM) ended June 30, 2017.
Financial Performance

Revenue

[Graph showing revenue growth]

Adjusted Diluted EPS

[Graph showing adjusted diluted EPS growth]

Operating Margin

[Graph showing operating margin]

5-year Average Free Cash Flow Conversion

[Graph showing free cash flow conversion]

1 Guidance as of July 21, 2017. This guidance does not include revenue and operating expense estimates related to the pending acquisition of Bureau van Dijk.
2 Adjusted diluted EPS is an adjusted measure. See appendix for reconciliations from adjusted financial measures to GAAP.
3 Excludes $0.31 CCXI gain, $0.13 gain on Bureau van Dijk purchase price hedge and $0.10 Bureau van Dijk acquisition-related expenses.
4 Adjusted Operating Margin is an adjusted measure. See appendix for reconciliation from adjusted financial measures to GAAP.
5 As of July 2017, over last five available fiscal years. Free Cash Flow is an adjusted financial measure. Source: FactSet.
6 Includes: CLGX, DNB, EXPN, FDS, INFO, MORN, MSCI, SPGI, TRI and VRSK.
Three Levers to Achieve EPS Growth

**REVENUE**
- Issuance Volume & Mix
- Coverage
- Moody’s Analytics
- Pricing Initiatives

**OPERATING MARGIN**
- Cost Discipline
- Process Re-Engineering
- Technology Enablement

**CAPITAL ALLOCATION**
- Reinvestment
- Dividends
- Acquisitions
- Share Repurchases

**EPS**
- High Single Digit to Low Double Digit % Growth

Note: Long-term growth opportunities presented on this slide are on average over time and do not include revenue and operating expense estimates related to the pending acquisition of Bureau van Dijk.
1 Assumes no material change in effective tax rate, foreign exchange rates, leverage profile and/or capital allocation policy.
2 Subject to market conditions and other ongoing capital allocation decisions.
Actively Managing Expense Base

Expense and best practice initiatives to drive operating margin to the mid-40s % range over the next several years

Moody’s Investors Service
- Revised organizational structure
- Reengineering analytical support group
- Upgrading IT for improved system automation

Moody’s Analytics
- Higher margin product focus
- Limited growth of low-margin services
- Salesforce efficiency

Moody’s Shared Services
- Staffing shift to low-cost locations
- Improved process efficiency through re-engineering and technology enablement

» Flattened rate of headcount growth
» Increased use of Moody’s Analytics Knowledge Services (MAKS)
» Compensation management
» Performance culture
» Real estate densification

Results of expense discipline evident in 1H 2017 year-over-year performance:
- Revenue +13%
- Operating Expense +4%¹
- Employee Headcount -2%

- Adjusted Operating Margin +480bps
- Adjusted EPS +33%

¹ 1H 2017 operating expense includes $52 million and $51.1 million of incentive compensation accrual in 1Q 2017 and 2Q 2017, respectively.
Disciplined Approach to Capital Allocation

<table>
<thead>
<tr>
<th>Investing in Growth Opportunities</th>
<th>Return of Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reinvestment</strong></td>
<td><strong>Acquisitions</strong></td>
</tr>
<tr>
<td>» Invest in existing businesses to support organic growth</td>
<td>» Aligned with strategy</td>
</tr>
<tr>
<td>» FY 2017 capex guidance: ~$100 million$^1</td>
<td>» Opportunistic; ideally able to use offshore cash</td>
</tr>
</tbody>
</table>

Share Repurchases and Dividends Paid

- Share Repurchases (R)
- Dividends Paid (R)
- Shares Outstanding (L)

Annualized Dividend Per Share

- Five-Year CAGR 19%
- $1.52

\[1\] Guidance as of July 21, 2017. This guidance does not include revenue and operating expense estimates related to the pending acquisition of Bureau van Dijk.

\[2\] 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 trailing twelve months (TTM) ended June 30, 2017 dividend paid/adjusted net income.

\[4\] Guidance as of July 21, 2017 (subject to available cash, market conditions and other ongoing capital allocation decisions).
Moody’s to Acquire Bureau van Dijk for €3.0 Billion

Bureau van Dijk aggregates, standardizes and distributes one of the world’s most extensive private company data sets

» **Strong and consistent financial performance.** Revenue growth CAGR of 9.3%, with demonstrated operating leverage over last ten years (EBITDA margin expansion from 38% to 51%)

» **Powerful cash flow generator.** Subscription business; 90%+ recurring revenue and renewal rates

» **Combination anticipated to deliver significant synergies.** Expect ~$45 million in annual revenue and expense synergies by 2019, increasing to ~$80 million by 2021

» **Rapid positive impact on earnings.** Expected to be accretive to GAAP EPS in 2019 and to adjusted EPS in 2018

» **Increases Moody’s long-term growth outlook.** Revenue and EPS growth rates now expected to be "High Single Digit" and "Low Teens", respectively

» **Efficiently financed.** Productive use of ~$1.3 billion of offshore cash and ~$2 billion of debt issuance

---

**Note:** All expectations are as of May 15, 2017.

1 Full year ended December 31st, based on IFRS. € in millions.
2 Adjusted EPS excludes purchase price amortization and one-time integration costs.
Moody’s Plan is to Maintain a Solid Investment Grade Rating

» During 2Q 2017, issued $1 billion of notes to partially finance the pending Bureau van Dijk acquisition
  - $500 million of 2.625% senior unsecured notes due 2023
  - $500 million of 3.25% senior unsecured notes due 2028

» The balance of the financing for the Bureau van Dijk acquisition will consist of a $500 million Term Loan A, as well as commercial paper

» Moody’s plans to reduce its debt over the course of the next 18 – 24 months

1 Amount is an adjusted measure. See appendix for reconciliations from adjusted financial measures to GAAP.
## Full Year 2017 Guidance as of July 21, 2017

<table>
<thead>
<tr>
<th>Metric</th>
<th>Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue:</strong></td>
<td>Increase in the high-single-digit % range</td>
</tr>
<tr>
<td><strong>Operating Expense:</strong></td>
<td>Decrease in the 25% - 30% range</td>
</tr>
<tr>
<td><strong>Adjusted Operating Expense</strong></td>
<td>Increase in the mid-single-digit % range</td>
</tr>
<tr>
<td><strong>Operating Margin:</strong></td>
<td>Approximately 43%</td>
</tr>
<tr>
<td><strong>Adjusted Operating Margin</strong></td>
<td>Approximately 47%</td>
</tr>
<tr>
<td><strong>Effective Tax Rate:</strong></td>
<td>Approximately 30%</td>
</tr>
<tr>
<td><strong>Earnings Per Share</strong></td>
<td>$5.69 - $5.84</td>
</tr>
<tr>
<td><strong>Adjusted Earnings Per Share</strong></td>
<td>$5.35 - $5.50</td>
</tr>
<tr>
<td><strong>Share Repurchases:</strong></td>
<td>Approximately $200 million (subject to available cash, market conditions and other ongoing capital allocation decisions)</td>
</tr>
<tr>
<td><strong>Capital Expenditures:</strong></td>
<td>Approximately $100 million</td>
</tr>
<tr>
<td><strong>Depreciation &amp; Amortization:</strong></td>
<td>Approximately $135 million</td>
</tr>
<tr>
<td><strong>Operating Cash Flow:</strong></td>
<td>Approximately $600 million</td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td>Approximately $500 million</td>
</tr>
</tbody>
</table>

**Note:** This guidance does not include revenue and operating expense estimates related to the pending acquisition of Bureau van Dijk.

1 These metrics are adjusted measures. See appendix for reconciliations from adjusted financial measures to GAAP.
2 Excludes $0.31 CCXI gain, $0.13 gain on Bureau van Dijk purchase price hedge and $0.10 Bureau van Dijk acquisition-related expenses.
3 Includes payment of the settlement charge related to an agreement with the U.S. Department of Justice and the attorneys general of 21 U.S. states and the District of Columbia.
2

Capital Markets Overview
Historically, Rising Rates Have not had a Significant Impact on Moody’s Revenue

MCO Revenue and Interest Rates

» Despite recent Fed rate hikes in December 2016 and March and June 2017, the 10-year U.S. Treasury yield eased from mid-December’s 2.6% to ~2.3%²

1 10-yr U.S. Treasury Yields are represented by the rate at the end-of-period.
2 10-yr U.S. Treasury Yields are represented by the rate as of July 27, 2017.
Source: www.treasury.gov.
Debt Leverage up in North America and Europe; Interest Coverage Remains Reasonable

Credit Metrics: North American Speculative Grade Companies

Credit Metrics: European Speculative Grade Companies

Source: Moody’s Investors Service.
Global Default Rates Remain Under Historic Average

Corporate Default Rate Forecast by Industry¹

<table>
<thead>
<tr>
<th>Industry Group</th>
<th>U.S.</th>
<th>Europe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Media: Advertising, Printing &amp; Publishing</td>
<td>6.9%</td>
<td>5.5%</td>
</tr>
<tr>
<td>Retail</td>
<td>4.6%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Services: Business</td>
<td>3.9%</td>
<td>2.1%</td>
</tr>
<tr>
<td>Consumer goods: durable²</td>
<td>3.9%</td>
<td></td>
</tr>
<tr>
<td>Metals &amp; Mining</td>
<td>3.5%</td>
<td>1.2%</td>
</tr>
<tr>
<td>Environmental Industries²²</td>
<td>3.4%</td>
<td></td>
</tr>
<tr>
<td>Wholesale²</td>
<td>3.0%</td>
<td></td>
</tr>
<tr>
<td>Transportation: Cargo</td>
<td>2.7%</td>
<td>2.2%</td>
</tr>
<tr>
<td>Energy: Oil &amp; Gas</td>
<td>2.6%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Media: Broadcasting &amp; Subscription</td>
<td>2.6%</td>
<td>0.8%</td>
</tr>
</tbody>
</table>

» Global speculative-grade default rate at 3.2% as of June 30, 2017; expected to decline to 2.8% by June 2018

1 Illustrates top 10 industries with highest forecasted one-year default rates.
2 Default rate forecasts are not reported in these sectors in Europe due to small sample size (fewer than 10 issuers).
4 Source: Moody’s Investors Service.
North America and EMEA Non-Financial Corporates Have Significant Refunding Needs

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

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

Note: Data represents U.S. & Canadian MIS rated corporate bonds & 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 Percent 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, percentages do not sum to 100%.

Source: Moody's Analytics.
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 May 2017. U.S. data is through June 2017.
Rising Rates are Supporting Leveraged Loan Activity

Moody’s Rated Corporate Speculative-Grade Bank Loans¹

» Tightening spreads have contributed to very strong 1H 2017 loan refinancing and repricing activity
» Investor demand remains elevated as rising rate concerns persist

¹ Speculative-Grade Bank Loans represent Moody’s rated new bank loan programs. Non-U.S. Speculative-Grade Bank Loans data available starting in 2016. Sources: Moody’s Analytics, Dealogic.
Disintermediation is a Key Driver of Moody’s Global New Rating Mandates

Global New Rating Mandates¹

» In 2Q 2017, Moody’s new rating mandates increased to 317, up 50% from 211 in 1Q 2017 and up 72% from 184 in 2Q 2016

» Expect ~800 new mandates in 2017

¹ Rated by Moody's Investors Service. Source: Moody’s Investors Service.
Moody’s Investors Service
Moody’s Investors Service: A Leading Provider of Credit Ratings, Research and Risk Analysis

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

Bond
Interest rate
Annual interest payments
Tenor
Lifetime interest expense

$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

Emerging Markets Rated Corporate Bond Issuance

- $100
- $150
- $200
- $250
- $300
- $350

Billions

- Jun-12
- Dec-12
- Jun-13
- Dec-13
- Jun-14
- Dec-14
- Jun-15
- Dec-15
- Jun-16
- Dec-16
- Jun-17

CAGR 7%

China
- Successful joint venture with CCXI, leading domestic rating agency
- Cross border market rated via MIS Hong Kong office
- China recently announced it will allow foreign firms to provide credit rating services in the domestic market

Latin America
- Deepens Moody’s presence in a dynamic and expanding market

Rest of World
- Acquired full ownership of KIS, a leading provider of domestic credit ratings
- Increased majority stake in ICRA to serve growing domestic bond market

Moody’s-Rated Chinese Issuers

- Number of Issuers
- June 2010
- June 2011
- June 2012
- June 2013
- June 2014
- June 2015
- June 2016
- June 2017

CAGR 28%

Sources: Dealogic, Moody’s Analytics, Moody’s Investors Service.

1 Moving twelve month sum; includes rated investment grade and high yield corporate bond issuance (financial and non-financial). Chart is through June 2017.
2 Includes rated issuers where major operations or headquarters are in Mainland China. Hong Kong, Macau and Taiwan are not included.
Moody’s Investors Service Financial Profile

TTM 2Q 2017 Revenue: $2.6 billion

- 64% Recurring
- 36% Transaction
- 38% U.S.
- 62% Non-U.S.

Corporate Finance: 50%
Structured Finance: 18%
Financial Institutions: 15%
Public, Project, & Infrastructure Finance: 16%
MIS Other: 1%

» 28% recurring revenue
» 37% recurring revenue
» 58% recurring revenue
» 37% recurring revenue

2017 Revenue Guidance as of July 21, 2017

Global
U.S.
Non-U.S.
Corporate Finance
Structured Finance
Financial Institutions
Public, Project & Infrastructure Finance

↑ high-single-digit % range
↑ mid-single-digit % range
↑ low-teens % range
↑ low-teens % range
↑ mid-single-digit % range
↑ high-single-digit % range
↑ low-single-digit % range

Note: All financial data, except guidance, is for the trailing twelve months (TTM) ended June 30, 2017. This guidance does not include revenue and operating expense estimates related to the pending acquisition of Bureau van Dijk.
4 Moody’s Analytics
Moody’s Analytics Provides Essential Insight
Serving Financial Markets

- **Research Data & Analytics**
  - MIS research & data
  - MIS ratings feeds
  - Economic research, data & models
  - Structured finance analytics & data

- **Enterprise Risk Solutions**
  - Credit risk & actuarial analytics
  - Software that automates credit risk & actuarial activity
  - Solutions that facilitate compliance with regulation & accounting standards
  - Platforms that improve portfolio & capital strategy

- **Professional Services**
  - Outsourced research & consulting
  - Professional certifications
  - In-house training
  - eLearning
Moody’s Analytics Financial Profile

TTM 2Q 2017 Revenue: $1.3 billion

- Research, Data and Analytics: 55%
- Enterprise Risk Solutions: 34%
- Professional Services: 11%

- Recurring: 76%
- Transaction: 24%
- U.S.: 51%
- Non-U.S.: 49%

- > 95% recurring revenue
- 95% retention rate
- > 68% recurring revenue
- Combination of one-off contracts and semi-recurring revenue

2017 Revenue Guidance as of July 21, 2017

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

Note: All financial data, except guidance, is for the trailing twelve months (TTM) ended June 30, 2017.
This guidance does not include revenue and operating expense estimates related to the pending acquisition of Bureau van Dijk.
Moody’s Analytics has Several Platforms for Growth

Added ~$700 Million in Revenue Since Inception

Moody’s Analytics
2016 Revenue: $1,233m
2008 – 2016 CAGR: +11%
(~65% organic)

Professional Services
2016 Revenue: $147m
2008 – 2016 CAGR: +37%
(~15% organic)

Enterprise Risk Solutions
2016 Revenue: $419m
2008 – 2016 CAGR: +17%
(~65% organic)

Research, Data & Analytics
2016 Revenue: $668m
2008 – 2016 CAGR: +6%
(>90% organic)
RD&A: Subscription Growth Driven by Retention, Upgrades and Pricing & New Sales

Subscription Sales Growth
(constant currency)

1H 2017
- Retained Base: 94.6%
- Upgrades and Price: 9.0%
- New Sales: 6.5%
- Business Base: 110.1%

Full Year 2016
- Retained Base: 95.4%
- Upgrades and Price: 8.0%
- New Sales: 6.8%
- Business Base: 110.2%

Full Year 2015
- Retained Base: 96.3%
- Upgrades and Price: 7.2%
- New Sales: 7.0%
- Business Base: 110.5%

Note: The sales growth attributions presented on this slide are related to RD&A subscription sales on a constant currency basis. Upgrades reflect amendments to existing customer contracts. New Sales reflect new contracts with new and existing customers.
ERS Solutions Address Diverse Needs and Customers

Credit Risk & Actuarial Analytics
Helps risk managers assess and manage current and future exposures across all asset classes.

Accounting Calculation & Reporting
Produces key calculations and reports required by many of the world’s accounting standards.

Regulatory Calculation & Reporting
Generates key calculations and reports required by many of the world’s financial regulations.

Credit Assessment & Origination
Automates financial spreading and credit scoring, decision making and monitoring.

Portfolio & Capital Strategy
Helps firms to improve portfolio performance and meet regulatory and economic capital requirements.

Asset & Liability Management
Integrates ALM, liquidity risk management, funds transfer pricing and regulatory reporting capabilities into a seamless enterprise platform.
ERS Business and Technology Drivers Shifting Mix to Higher Margin Product Sales

ERS: TTM Revenue

- Services
- Products

Business Drivers
End user objectives are shifting to efficiency and business growth, while regulatory and accounting requirements continue to drive investment.

Technology Drivers
New technologies are giving rise to changing client requirements and expectations, opportunities for innovation and new sources of growth.

1 Products revenue include subscriptions, license and maintenance.
Professional Services: Extending the Brand Into New Markets and Deepening Customer Relationships

<table>
<thead>
<tr>
<th>Knowledge Process Outsourcing</th>
<th>Certificates, Designations &amp; Accreditations</th>
<th>Financial Services Training</th>
</tr>
</thead>
<tbody>
<tr>
<td>» Leading provider of research, analytics and business intelligence services that help global financial institutions improve processes, enhance profitability and drive revenues</td>
<td>» Exclusive provider of licensing courses and exams to meet regulatory standards set by the Investment Industry Regulatory Organization of Canada (IIROC)</td>
<td>» Artificial Intelligence-powered scalable personalized learning solutions</td>
</tr>
<tr>
<td>» Bespoke solutions delivered by client-dedicated analyst teams for over 150 clients</td>
<td>» Approved by Reserve Bank of India (RBI) to provide banking professionals with mandatory credit certifications</td>
<td>» Deliver targeted online training to address individual behavioral deficiencies</td>
</tr>
<tr>
<td>» More than 2,600 employees, with client delivery centers in India, China, Sri Lanka and Costa Rica</td>
<td>» Partnered with National Institute of Securities Markets (NISM) to provide Indian securities professionals with advanced capital markets certifications</td>
<td>» Focus on developing markets: - Africa - Asia - Middle East</td>
</tr>
</tbody>
</table>
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
  – 2012 – 2016 revenue CAGR of 7%
  – 2012 – 2016 adjusted diluted EPS\(^1\) CAGR of 13%
  – 2012 – 2016 free cash flow conversion rate of ~30%

» We are committed to returning capital to our shareholders
  – 2012 – 2016 returned $5.3 billion, or 110% 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

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1 Adjusted diluted EPS is an adjusted measure. See appendix for reconciliations from adjusted financial measures to GAAP.
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

- Multi-award winner, including best rating agency categories: 2015-2017
- Best Rating Agency: 2017
- Multi-Award Winner, including Best Ratings Agency: 2016-2017
- #1 US Credit Rating Agency: 2012-2016

Moody’s Analytics

- Best Credit Risk Solution Provider – RiskCalc™
- Winner, 2012 Expectations Category (2- and 3-Year Horizon)
- Front-Line Customer Service Team of the Year - Financial Services Industries Award for Innovation in Customer Service - Financial Services Industries
- #1 Enterprise-Wide Stress Testing
- #1 Risk Capital Calculation
- Recognized as a Top Solution Provider
- Best Solvency II solution and Best ESG solution
- Best Enterprise Learning Platform Implementation
- Ranked #5 out of 100 Enterprise Stress Testing Category Winner
- Credit Risk Category Winner

Moody’s

moodys.com/awards
Corporate Finance: Revenue and Issuance

Revenue¹: Mix by Quarter

Revenue³: Mix by Quarter

Revenue¹: Mix by Year

Issuance³: Mix by Year

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 Analytics, Dealogic; U.S. and Non-U.S. Speculative-Grade Bank Loan Origination represent Moody’s rated new bank loan programs. Non-U.S. Speculative-Grade Bank Loan Origination data available starting 2016. Note: Debt issuance categories do not directly correspond to Moody’s revenue categorization.
Corporate Finance: Revenue Diversification

Revenue¹: Distribution by Geography

Revenue¹: Distribution by Recurring vs. Transaction

Revenue¹: Distribution by 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%.
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

Revenue¹: Distribution by Geography

Revenue¹: Distribution by Recurring vs. Transaction

Revenue¹: Distribution by 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%.

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

Revenue\(^1\): Mix by Quarter

- Banking
- Insurance
- Managed Investments
- Other

Revenue\(^1\): Mix by Year

- Banking
- Insurance
- Managed Investments
- Other

Issuance\(^2\): Mix by Quarter

- Global Speculative Grade Financial Corporate Bond Issuance
- Global Investment Grade Financial Corporate Bond Issuance

Issuance\(^2\): Mix by Year

- 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 Analytics, Dealogic. Note: Debt issuance categories do not directly correspond to Moody's revenue categorization.
Financial Institutions: Revenue Diversification

Revenue¹: Distribution by Geography

Revenue¹: Distribution by Recurring vs. Transaction

Revenue¹: Distribution by 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

Revenue¹: Mix by Quarter

- Public Finance and Sovereign
- Project & Infrastructure Finance
- Other

Revenue¹: Mix by Year

- Public Finance and Sovereign
- Project & Infrastructure Finance
- Other

Issuance²: Mix by Quarter

- Rated Global Project & Infrastructure Finance Issuance
- Long-Term Rated U.S. Muni Bond Issuance

Issuance²: Mix by Year

- Rated Global Project & Infrastructure Finance Issuance
- Long-Term Rated U.S. Muni Bond Issuance

1 Historical data has been adjusted to conform with current information and excludes intercompany revenue.
2 Global Rated Project & Infrastructure Finance available starting in 2016 and represents Moody’s rated issuance.
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

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

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 Corporate Speculative Grade Credit Cycle Gauge

<table>
<thead>
<tr>
<th>Metric</th>
<th>North America</th>
<th>Europe</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Latest Metric</td>
<td>1-Year Ago</td>
</tr>
<tr>
<td>Liquidity Stress Index</td>
<td>4.2%</td>
<td>9.3%</td>
</tr>
<tr>
<td>B3-Neg / Lower</td>
<td>228</td>
<td>283</td>
</tr>
<tr>
<td>% B3-Neg / Lower</td>
<td>16%</td>
<td>20%</td>
</tr>
<tr>
<td>3-Year Refunding Index</td>
<td>3.9x</td>
<td>3.5x</td>
</tr>
<tr>
<td>Downgrade / Upgrade Ratio³</td>
<td>1.4x</td>
<td>1.8x</td>
</tr>
<tr>
<td>Covenant Quality Score</td>
<td>4.27</td>
<td>4.32</td>
</tr>
<tr>
<td>Default Rate (forecast)</td>
<td>2.7%</td>
<td>3.9%</td>
</tr>
</tbody>
</table>

3 For North America, trailing twelve months (TTM) ended May 31, 2017. For Europe, trailing twelve months (TTM) ended June 30, 2017.

Source: Moody’s Investors Service.
Revenue Growth by Quarter: MCO, MIS and MA

Year-over-Year % Change

- Q1'11: MCO (2%), MIS (16%)
- Q2'11: MCO (1%), MIS (6%)
- Q3'11: MCO (1%), MIS (19%)
- Q4'11: MCO (1%), MIS (15%)
- Q1'12: MCO (1%), MIS (13%)
- Q2'12: MCO (5%), MIS (19%)
- Q3'12: MCO (7%), MIS (11%)
- Q4'12: MCO (5%), MIS (9%)
- Q1'13: MCO (5%), MIS (7%)
- Q2'13: MCO (1%), MIS (5%)
- Q3'13: MCO (2%), MIS (12%)
- Q4'13: MCO (2%), MIS (13%)
- Q1'14: MCO (1%), MIS (11%)
- Q2'14: MCO (1%), MIS (9%)
- Q3'14: MCO (1%), MIS (10%)
- Q4'14: MCO (1%), MIS (3.5%)
MIS Revenue vs. Rated Issuance\(^1\)

<table>
<thead>
<tr>
<th>Year-over-Year Percent Change</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2012-2016 CAGR</th>
<th>1H 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issuance</td>
<td>16%</td>
<td>0%</td>
<td>6%</td>
<td>-6%</td>
<td>2%</td>
<td>3%</td>
<td>15%</td>
</tr>
<tr>
<td>Revenue</td>
<td>20%</td>
<td>9%</td>
<td>9%</td>
<td>3%</td>
<td>2%</td>
<td>6%</td>
<td>18%</td>
</tr>
</tbody>
</table>

» 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, high yield bank loans, global structured finance, and U.S. municipal issuance.

2 Annual HY bank loan data includes U.S. rated issuance only. 1H 2016 and 1H 2017 data includes U.S. and Non-U.S. rated issuance. Non-U.S. HY bank loan data available starting in 2016.

Moody’s Global Presence

### U.S. employees
- **2017**: 3,404
- **2016**: 3,442

### Non-U.S. employees
- **2017**: 7,214
- **2016**: 7,372

### Total employees
- **2017**: 10,618
- **2016**: 10,814

---

Reconciliation of Adjusted Financial Measures to GAAP

Adjusted Operating Income and Adjusted Operating Margin Reconciliation

<table>
<thead>
<tr>
<th>(in $ millions)</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>TTM 2Q 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>As Reported Operating Income</td>
<td>$1,077.4</td>
<td>$1,234.6</td>
<td>$1,439.1</td>
<td>$1,473.4</td>
<td>$638.7</td>
<td>$825.3</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>39.5%</td>
<td>41.5%</td>
<td>43.2%</td>
<td>42.3%</td>
<td>17.7%</td>
<td>21.5%</td>
</tr>
</tbody>
</table>

Add Adjustment:

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>TTM 2Q 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>93.5</td>
<td>93.4</td>
<td>95.6</td>
<td>113.5</td>
<td>126.7</td>
<td>131.0</td>
</tr>
<tr>
<td>Restructuring</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>12.0</td>
<td>8.4</td>
</tr>
<tr>
<td>Goodwill Impairment Charge</td>
<td>12.2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Settlement Charge</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>863.8</td>
<td>863.8</td>
</tr>
</tbody>
</table>

Adjusted Operating Income | $1,183.1 | $1,328.0 | $1,534.7 | $1,586.9 | $1,641.2 | $1,828.5       |

Adjusted Operating Margin | 43.3% | 44.7% | 46.0% | 45.5% | 45.5% | 47.7%        |

Moody's Corporation Operating Margin Guidance Reconciliation

<table>
<thead>
<tr>
<th></th>
<th>2017F(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected Operating Margin - GAAP</td>
<td>Approximately 43%</td>
</tr>
<tr>
<td>Projected impact from Depreciation &amp; Amortization</td>
<td>Approximately 3%</td>
</tr>
<tr>
<td>Projected impact from Acquisition-Related Expenses</td>
<td>Approximately 1%</td>
</tr>
<tr>
<td>Projected Adjusted Operating Margin</td>
<td>Approximately 47%</td>
</tr>
</tbody>
</table>

Moody's Corporation Free Cash Flow Guidance Reconciliation

<table>
<thead>
<tr>
<th></th>
<th>2017F(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Flow from Operations</td>
<td>Approximately $600 million</td>
</tr>
<tr>
<td>Less Capital Expenditures</td>
<td>Approximately $100 million</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>Approximately $500 million</td>
</tr>
</tbody>
</table>

1 Trailing twelve months (TTM) ended June 30, 2017.
2 Guidance as of July 21, 2017. This guidance does not include revenue and operating expense estimates related to the pending acquisition of Bureau van Dijk.
Reconciliation of Adjusted Financial Measures to GAAP (cont.)

Moody's Corporation Adjusted Operating Expense Reconciliation

<table>
<thead>
<tr>
<th>Operating Expense Guidance</th>
<th>2017F₁</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decreased in the 25% to 30% range</td>
<td></td>
</tr>
<tr>
<td>Impact of 2016 settlement and restructuring charge</td>
<td></td>
</tr>
<tr>
<td>Impact of 2017 acquisition-related expenses</td>
<td></td>
</tr>
</tbody>
</table>

Moody's Corporation Diluted EPS Reconciliation

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017F₁</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diluted EPS - GAAP</td>
<td>$3.05</td>
<td>$3.60</td>
<td>$4.61</td>
<td>$4.63</td>
<td>$1.36</td>
<td>$5.69 - $5.84</td>
</tr>
<tr>
<td>Legacy Tax</td>
<td>(0.06)</td>
<td>(0.09)</td>
<td>(0.03)</td>
<td>(0.03)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Impact of Litigation Settlement</td>
<td>-</td>
<td>0.14</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$3.59</td>
</tr>
<tr>
<td>ICRA Gain</td>
<td>-</td>
<td>-</td>
<td>(0.37)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>FX Gain due to Subsidiary Liquidation</td>
<td>(0.18)</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restructuring</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$0.04</td>
</tr>
<tr>
<td>CCXI Gain</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(0.31)</td>
</tr>
<tr>
<td>Acquisition-Related Expenses</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$0.10</td>
</tr>
<tr>
<td>Purchase Price Hedge Gain</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(0.13)</td>
</tr>
<tr>
<td>Adjusted Diluted EPS</td>
<td>$2.99</td>
<td>$3.65</td>
<td>$4.21</td>
<td>$4.60</td>
<td>$4.81</td>
<td>$5.35 - $5.35</td>
</tr>
</tbody>
</table>

1 Guidance as of July 21, 2017. This guidance does not include revenue and operating expense estimates related to the pending acquisition of Bureau van Dijk. Note: Table may not sum to total due to rounding.
## Reconciliation of Adjusted Financial Measures to GAAP (cont.)

Moody's Corporation EBITDA Reconciliation

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</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>$266.6</td>
<td>$484.5</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>$282.2</td>
<td>$326.2</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>$137.8</td>
<td>$156.8</td>
<td></td>
</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>$126.7</td>
<td>$131.0</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>$813.3</td>
<td>$1,098.5</td>
<td></td>
</tr>
<tr>
<td>Net Settlement 2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$700.7</td>
<td>$700.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Restructuring 3</td>
<td>-</td>
<td>$29.9</td>
<td>($1.6)</td>
<td>$10.9</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$8.2</td>
<td>$5.7</td>
<td></td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$1,297.0</td>
<td>$1,213.6</td>
<td>$851.5</td>
<td>$749.5</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>$1,522.2</td>
<td>$1,804.9</td>
<td></td>
</tr>
</tbody>
</table>

1 Trailing twelve months (TTM) ended June 30, 2017.
2 Net of $163.1m tax on settlement charge.
3 Net of $20.1m, ($0.9m), $6.6m, $3.9m and $2.8m tax on restructuring charges for full-years 2007, 2008, 2009, 2016 and TTM 2Q 2017, respectively.

Note: Table may not sum to total due to rounding.