MOODY'S ANALYTICS

News

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MOODY'S ANALYTICS LAUNCHES AUTOCYCLE™ SOLUTION FOR CAR PRICE FORECASTING

NEW YORK, July 20, 2015 – Moody's Analytics, a leader in risk measurement and management, today announced the launch of its AutoCycle solution, which allows banks, auto finance companies, insurers, auto dealers and other professionals to accurately forecast car values under a range of economic scenarios.

Built on Moody's Analytics' extensive forecasting and modeling expertise, the AutoCycle solution uses a transparent econometric model to help banks meet their regulatory requirements and objectively assess the value of their auto portfolios. In addition, auto finance companies can project the residual and repossession values of their vehicles, insurers can forecast payouts on replacement claims, and auto dealers and car rental networks are able to determine resale values.

"The growth of auto lending and leasing means banks, captive financiers and other auto professionals have a greater equity stake in the value of their vehicles," says Tony Hughes, Managing Director at Moody's Analytics. "To manage risk in their auto portfolios effectively, these professionals must identify long-term influences on car prices and fully account for cyclical economic factors that could affect their businesses and investments."

The AutoCycle solution forecasts car prices using Moody's Analytics' full range of alternative macroeconomic scenarios, including the adverse and severely adverse economic scenarios set by the US Federal Reserve for stress-testing purposes. These scenarios are updated monthly and include more than 1,800 economic variables, taking into account the effects of gasoline prices, economic supply and demand, seasonal conditions and other factors on the automotive industry.

Forecasts are available for nearly 1,000 vehicles by make, model, mileage and year, based on historical pricing data for more than 81 million vehicle transactions. The forecasts project vehicle values over a 10-year horizon, covering 16 segments, such as compact or utility; 18 body types, such as wagon, hatchback or coupe; and six fuel types, such as gas, hybrid or diesel. Banks, captive auto finance lenders and other institutions can also produce custom forecasts using their own loan, lease and pricing data.

For more information on Moody's Analytics' AutoCycle solution, please visit http://www.economy.com/autocycle or http://www.moodysanalytics.com/autocycle.

About Moody's Analytics

Moody's Analytics helps capital markets and risk management professionals worldwide respond to an evolving marketplace with confidence. The company offers unique tools and best practices for measuring and managing risk through expertise and experience in credit analysis, economic research

and financial risk management. By providing leading-edge software, advisory services and research, including proprietary analyses from Moody's Investors Service, Moody's Analytics integrates and customizes its offerings to address specific business challenges. Moody's Analytics is a subsidiary of Moody's Corporation (NYSE: MCO), which reported revenue of $3.3 billion in 2014, employs approximately 10,000 people worldwide and has a presence in 33 countries. Further information is available at www.moodysanalytics.com.

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