Moody's

INVESTOR DAY 2018

New York, NY

February 28, 2018

Welcome

Steve Maire, Global Head of Investor Relations and Communications

Disclaimer

Certain statements contained in this document 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 document are made as of the date hereof, and Moody's 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, Moody's 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, 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 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 and the expansion of supervisory remit to include non-EU ratings used for regulatory purposes; 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 acquisition of Bureau van Dijk could cause our actual results to differ, perhaps materially, from those indicated by these forward-looking statements, including risks relating to the integration of Bureau van Dijk's operations, products and employees into Moody's and the possibility that anticipated synergies and other benefits of the acquisition will not be realized in the amounts anticipated or will not be realized within the expected timeframe; risks that the 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. 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, 2017, 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.

Logistics

- All of today's sessions will take place in the auditorium
- All refreshment breaks, including lunch, will be in the NYAS lobby
- We ask that you hold all questions until Q&A
  - Ray McDaniel, President & CEO, will take Q&A during the Closing and Thanks session
- If you need assistance, please ask our event staff – identifiable by red-colored tags below their name badges
- Wi-Fi is available – login details can be found on the back of your name badge
- Please provide feedback via a brief survey that will be emailed to you following today's event

INVESTOR DAY 2018

Agenda

Time	Topics	Speaker(s)
7:45 am – 8:30 am	Registration / Breakfast Buffet	
8:30 am – 8:35 am	**Welcome**	**Steve Maire,** Global Head of Investor Relations and Communications
8:35 am – 8:50 am	**Opening Remarks**	**Ray McDaniel,** President and CEO, Moody's Corporation
8:50 am – 9:05 am	**Session 1: Macroeconomic Overview**	**Mark Zandi,** Chief Economist, Moody's Analytics
9:05 am – 9:50 am	**Session 2: Moody's Investors Service**	**Rob Fauber,** President, Moody's Investors Service **Jim Ahern,** Managing Director, Global Structured Finance
9:50 am – 10:05 am	Break	
10:05 am – 11:05 am	**Session 3: Moody's Analytics & Bureau van Dijk**	**Mark Almeida,** President, Moody's Analytics **Steve Tulenko,** Executive Director, Enterprise Risk Solutions **Dan Russell,** Executive Director, Bureau van Dijk
11:05 am – 12:00 pm	**Session 4: Financial Strategy**	**Linda Huber,** EVP and CFO, Moody's Corporation **David Platt,** Managing Director, Head of Corporate Development **Melanie Hughes,** SVP, Chief Human Resources Officer
12:00 pm – 12:20 pm	**Closing / Thanks**	**Ray McDaniel,** President and CEO, Moody's Corporation
12:20 pm – 1:00 pm	Lunch	

Opening remarks

Ray McDaniel, President & Chief Executive Officer

Introduction

- Moody's is an essential component of global financial markets, providing credit ratings, research, data, tools and analysis that enhance market transparency, integration and risk management

- Defending and enhancing our core business are "table stakes" and we have the resources, capabilities and brand to achieve broader success

- We expect a complicated operating environment and are steadfast in our approach:
  - Disciplined execution and careful navigation around what we can / not control
  - Insight to anticipate change, then acting with conviction and precision
  - Exploring and implementing enabling technologies
  - Managing our expense base through process and efficiency initiatives
  - Allocating capital to generate attractive returns for our shareholders

Strong financial performance in 2017

Synchronous global growth

Global economic expansion was strong and stable with all major economies experiencing growth. Capital markets activity proved highly resilient.

Acquisition of Bureau van Dijk

In early August, Moody's completed the largest acquisition in its history – the €3.0 billion acquisition of Bureau van Dijk.

+17% MCO revenue growth

Revenue of $4.2 billion in 2017 increased 17% from 2016. MIS and MA both reported record revenues, with seven out of eight lines of business showing growth.

+180 bps adj. operating margin

Adjusted operating margin expansion of +180 bps at MCO to 47.3%, 190 bps at MIS to 56.8% and +140 bps at MA to 24.3%.

+23% adj. diluted EPS growth

Double-digit revenue growth and strong adjusted operating leverage contributed to record adjusted diluted EPS of $6.07.

+59% total shareholder return

2017's total return of 59% compared very favorably to 22% for the S&P 500, and represented the strongest annual performance for Moody's stock since becoming a public company in 2000.

Guided by our mission

To be the world's most respected authority serving risk-sensitive financial markets

» **Defend and enhance our core ratings & research businesses**
- Ratings: predictive, predictable and transparent
- Research: timely and insightful

» **Pursue strategic growth opportunities**
- Leverage the brand to extend our reach in financial markets
- More broadly occupy credit / financial risk management and information vertical
- Extend both thought leadership footprint and presence as a recognized standard
- Move upstream in emerging financial markets

Key factors shaping vision and strategy

In a world of heightened complexity, we believe that standards become even more essential

Global Growth

- U.S. economy on solid footing
- Broad-based recovery in Europe
- Improved prospects in emerging markets

Capital Markets

- Growth drives funding needs and funding needs drive disintermediation
- The Fed and the ECB gradually reducing monetary stimulus

Political and Regulatory

- Despite abating euro area exit risks, regional and country-specific political risks remain (e.g. Brexit)
- Regulatory wave around capital adequacy, liquidity, stress testing, etc. has matured

New Technologies

- New technologies are giving rise to changing customer requirements and expectations
- Opportunities for innovation, efficiencies, and new sources of growth

Emerging Markets

- Gradual opening of the domestic Chinese bond market to foreign rating agencies
- Most of the world remains highly “banked” and still in the early stages of migrating from loan-based to bond-based debt financing

Environmental, Social and Governance

- Corporations and investors are increasingly interested in assessing the value and impact of sustainability in financial markets

Creating sustainable competitive advantage in our core while investing in growth

Insight, conviction and precision to enable a broader long-term vision

- Execute “table stakes” priorities to defend the core and invest for growth
- Fill out the credit pyramid and expand our role in the global financial risk ecosystem
- Pursue innovation through the use of new enabling technologies
- Geographic expansion to capture large domestic market opportunities

2018 Outlook

Guidance as of February 9, 2018[1]	
Revenue	Low-double digit % growth
Operating Expenses	Low-double-digit % growth
Operating Margin	43% - 44% ~48% (Adjusted[2])
Effective Tax Rate	22% - 23%
EPS	\$7.20 - \$7.40 \$7.65 - \$7.85 (Adjusted[2])
Free Cash Flow[2]	~\$1.6 billion

1 See press release titled "Moody's Corporation Reports Results for Fourth Quarter and Full Year 2017; Sets Outlook for Full Year 2018" from February 9, 2018 for Moody's full 2018 guidance.
2 These metrics are adjusted measures. See Appendix for reconciliations from adjusted financial measures to U.S. GAAP.

Steady execution to achieve long-term growth opportunities

REVENUE	**High Single Digit % Growth Range[1]**

Issuance Volume & Mix + Coverage + Moody's Analytics + Pricing Initiatives

ADJ. OPERATING MARGIN	**High-40s % Range[1]**

Cost Discipline + Process Re-Engineering + Technology Enablement

CAPITAL ALLOCATION	**Dividend Growth & Share Count Reduction[2]**

Reinvestment • Acquisitions • Dividends • Share Repurchases

EPS	**Low Teens % Growth Range[1, 2]**

Note: Long-term growth opportunities presented on this slide are on average over time.

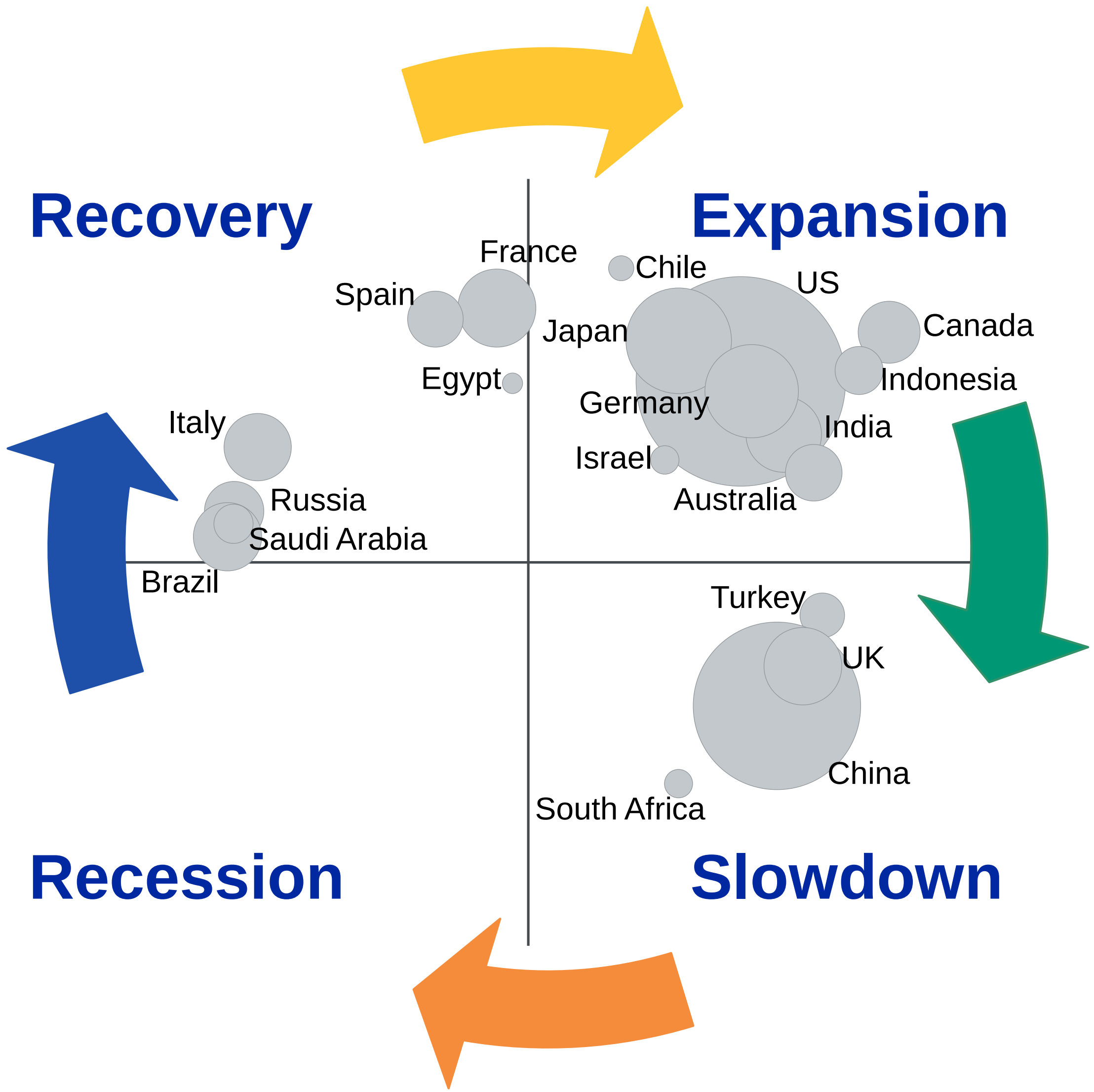
1 Assumes no material change in effective tax rate, foreign exchange rates, leverage profile and/or capital allocation policy.

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

Session 1: Macroeconomic overview: Good (but risky) times

Mark Zandi, Chief Economist, Moody’s Analytics

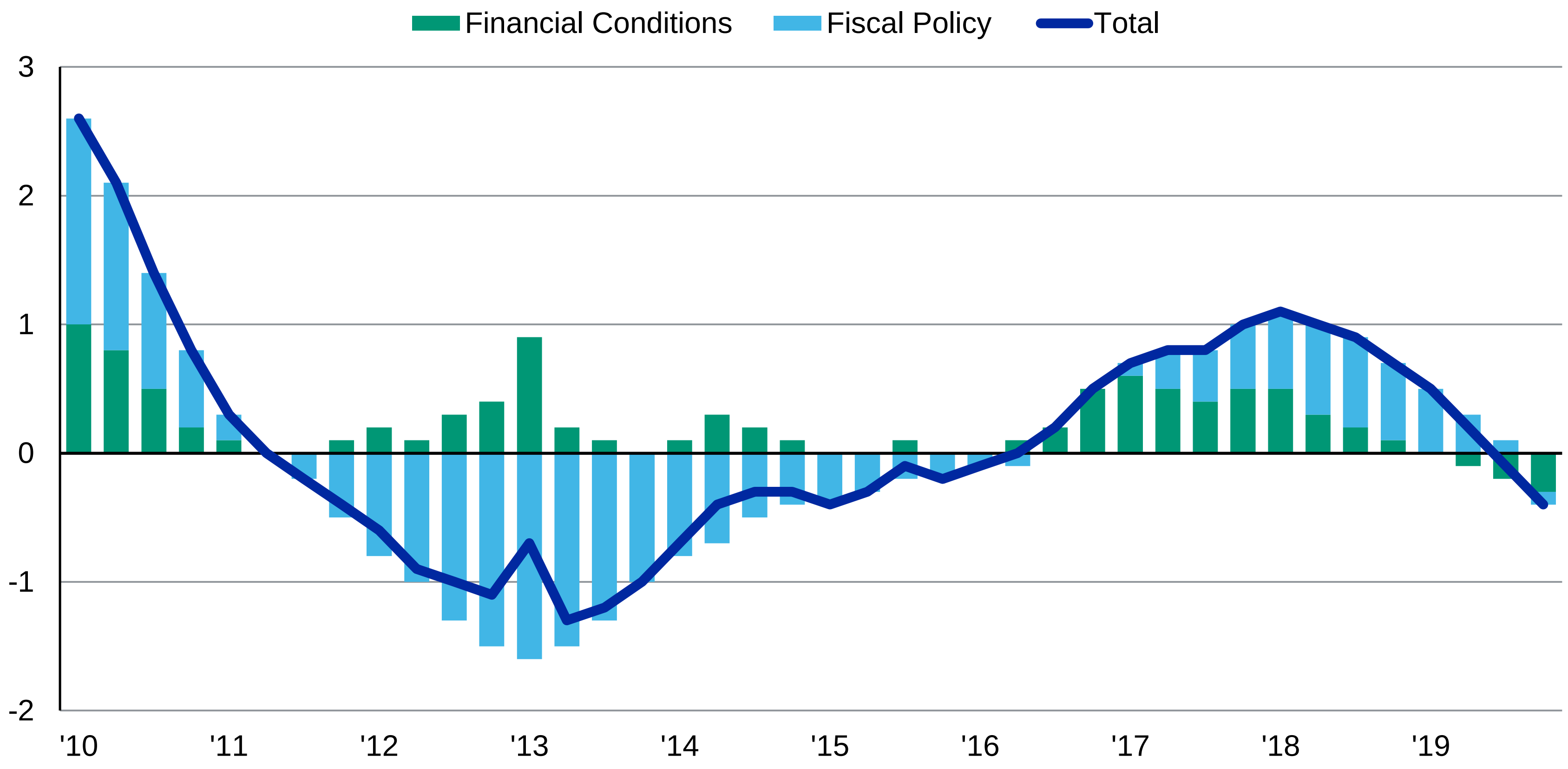
The global economy gets it together…



Source: Moody's Analytics.

…and will get a monetary and fiscal boost…

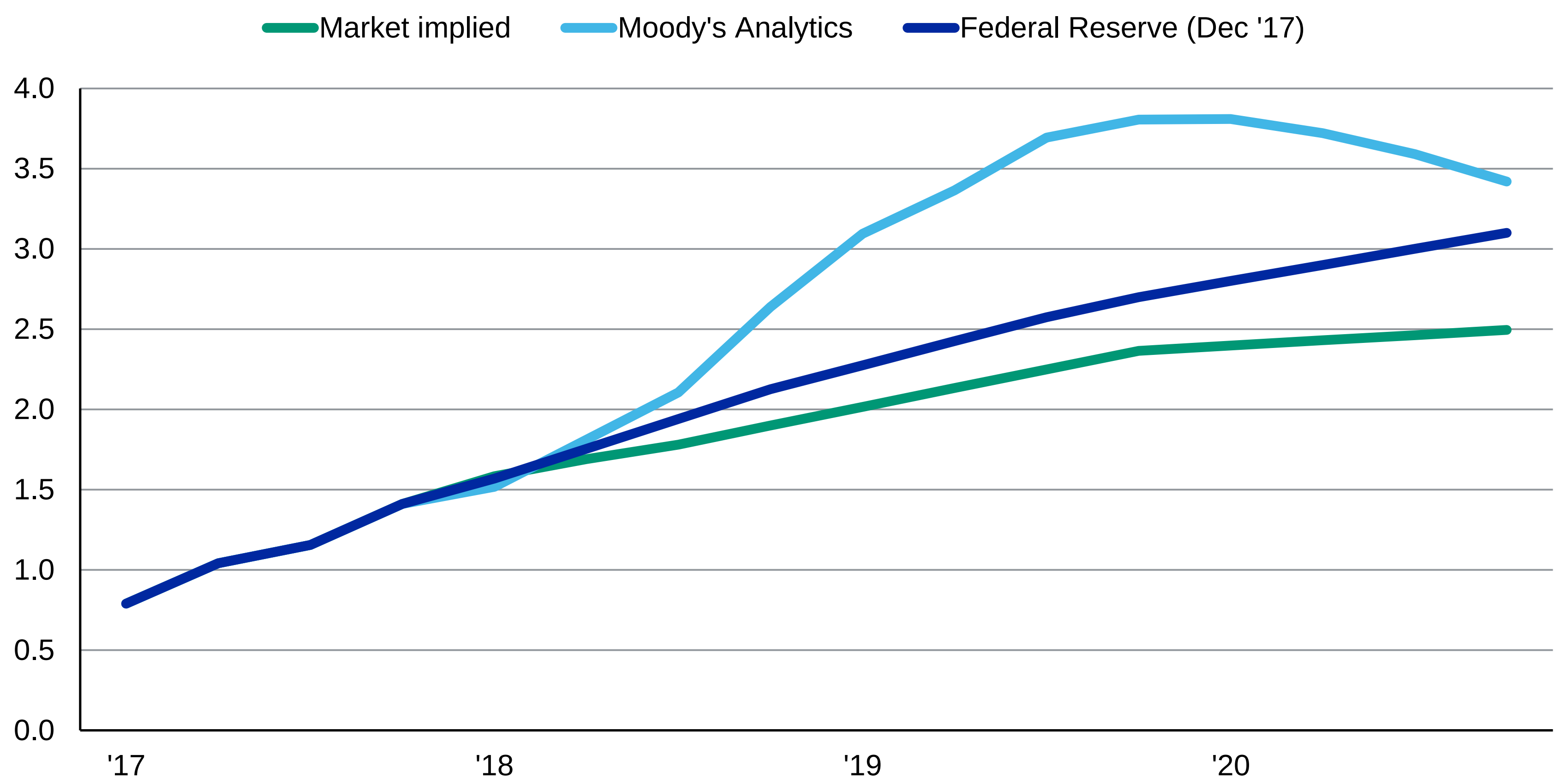
Impact on real GDP growth in developed economies, %



Source: Moody's Analytics.

…Forcing investors to do some adjusting

Federal funds rate, %



Source: Federal Reserve, Bloomberg, Moody's Analytics.

Session 2: Moody's Investors Service

Rob Fauber, President, Moody's Investors Service
Jim Ahern, Managing Director, Head of Global Structured Finance

Session overview

1. Issuance environment
2. Spotlight on structured finance
3. Strategy and execution
4. Concluding thoughts
5. Q&A

Key messages

- Global GDP growth will continue to drive debt market issuance despite uncertainty about central bank actions, US policy changes and the EU political cycle

- Securitization market is still showing post-crisis resilience, but EU recovering, Asia expanding

- Our mission remains to be the Agency of Choice

  - Trusted service provider

  - For investors <u>and</u> issuers

- We continue to invest in our global presence to grow and selectively enhance our footprint to position us for the future

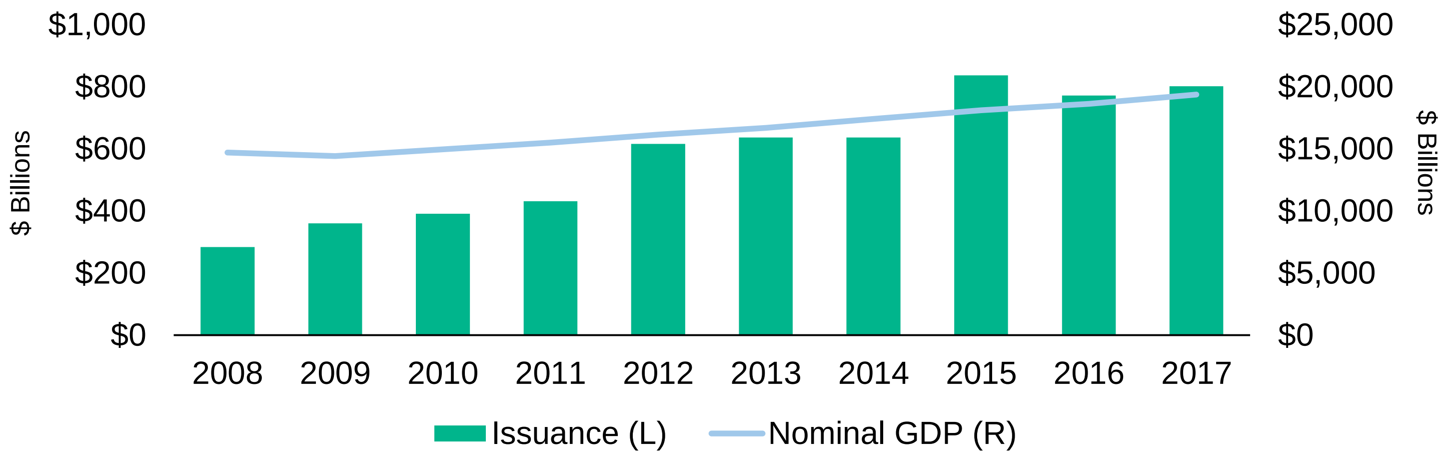
1

Issuance environment

Rob Fauber
President, Moody's Investors Service

GDP growth will continue to drive debt issuance

US corporate issuance[1] and nominal GDP



» Global GDP growth to be supported by:

- Sustainable economic momentum across G20 economies
- Economic expansion underway in advanced economies will continue
- Global monetary policy should remain accommodative even though rates will slowly increase
- Low inflation gives emerging market countries room to maintain monetary policy accommodation

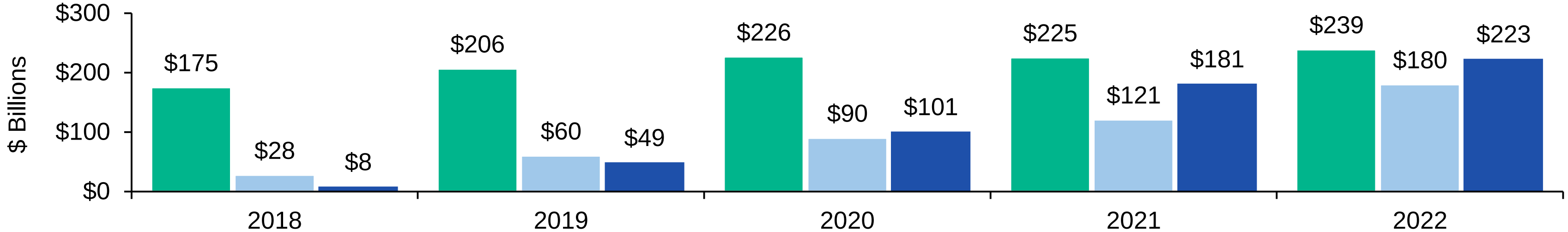
Source: Moody's Investors Service.

1 Excludes financial institutions issuance.

Corporates have significant refunding needs

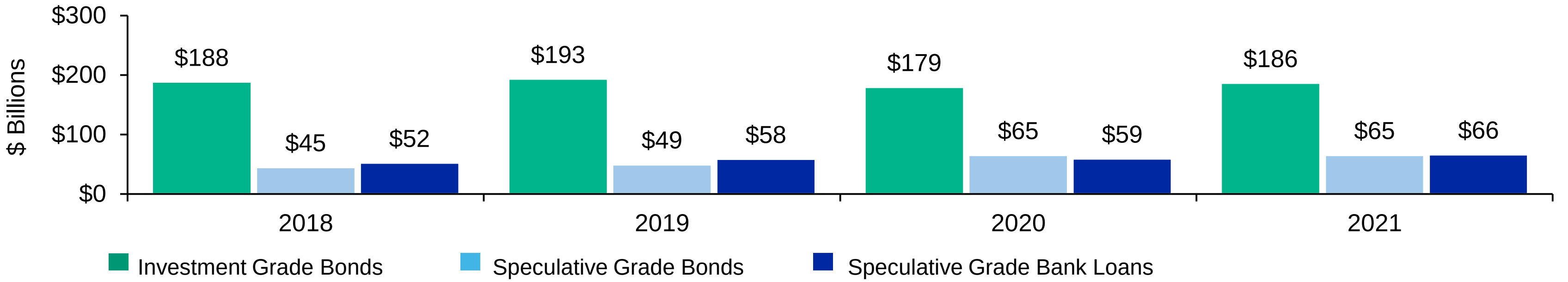
» Five-year investment grade maturities set a new record in North America, exceeding $1 trillion while spec-grade refinancing outlook is lower than last year but remains at $1 trillion[1]

Debt maturities: North America Moody's-rated non-financial corporate bonds and loans



Source: MIS, February 2018.
Note: Data represents U.S. & Canadian MIS rated corporate bonds & loans.

Debt maturities: EMEA Moody's-rated non-financial corporate bonds and loans

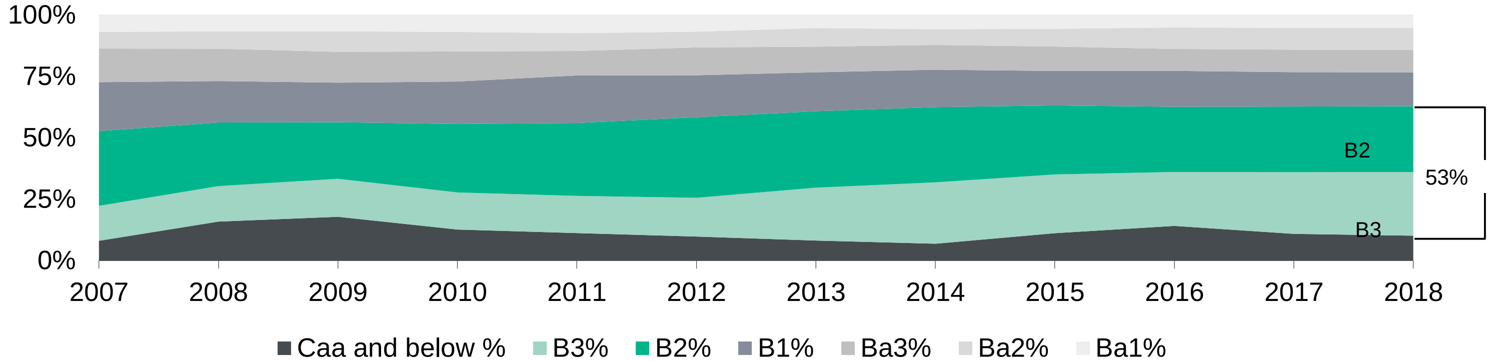


Source: MIS, July 2017.

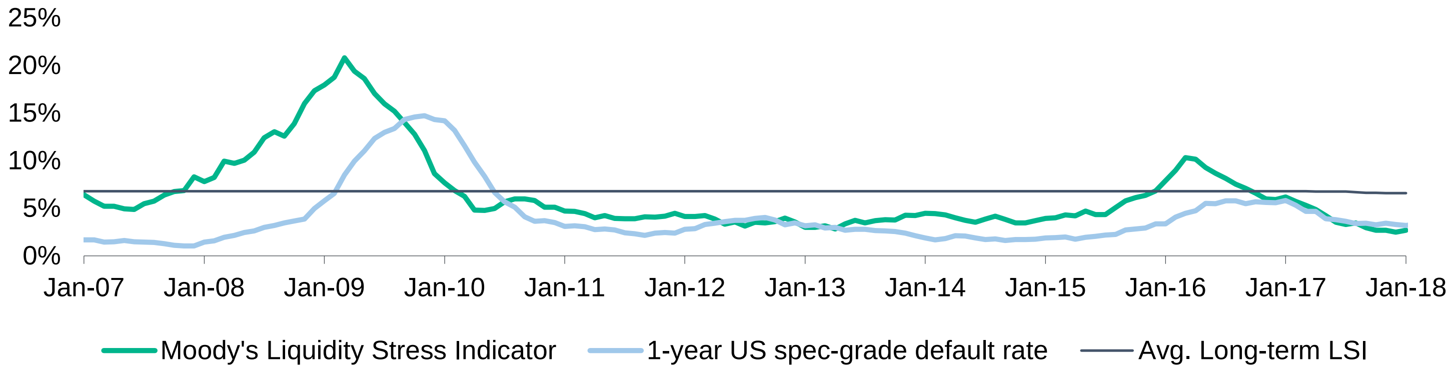
1 Amount reflects total maturities identified in the above sources.

Leverage is increasing but default forecast is low supported by improving liquidity

Demand for yield and low interest rates have led to an increase in low-rated credits



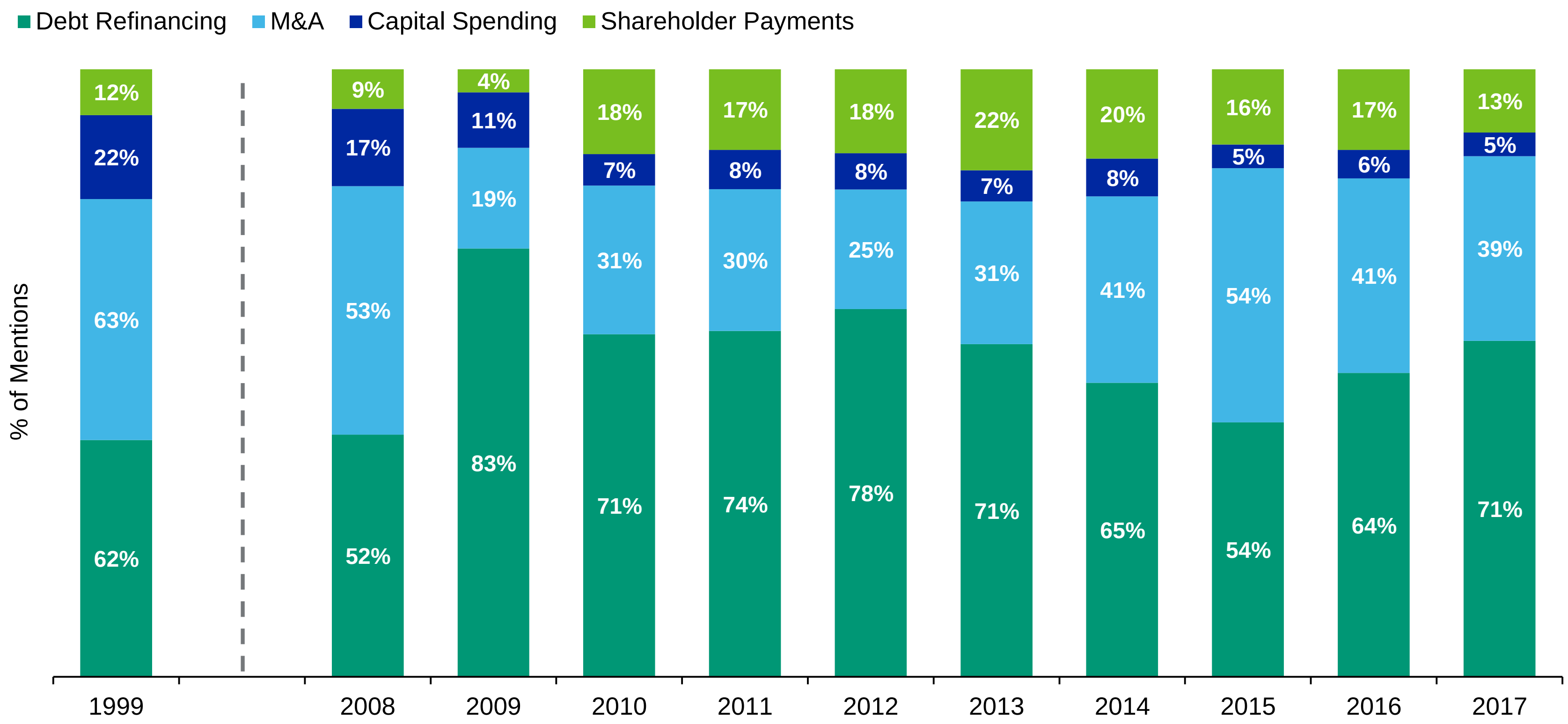
Record low Liquidity Stress Indicator (LSI) supports a lower default forecast



Source: Moody’s Investors Service.

Debt refinancing and M&A are most frequently stated uses of proceeds

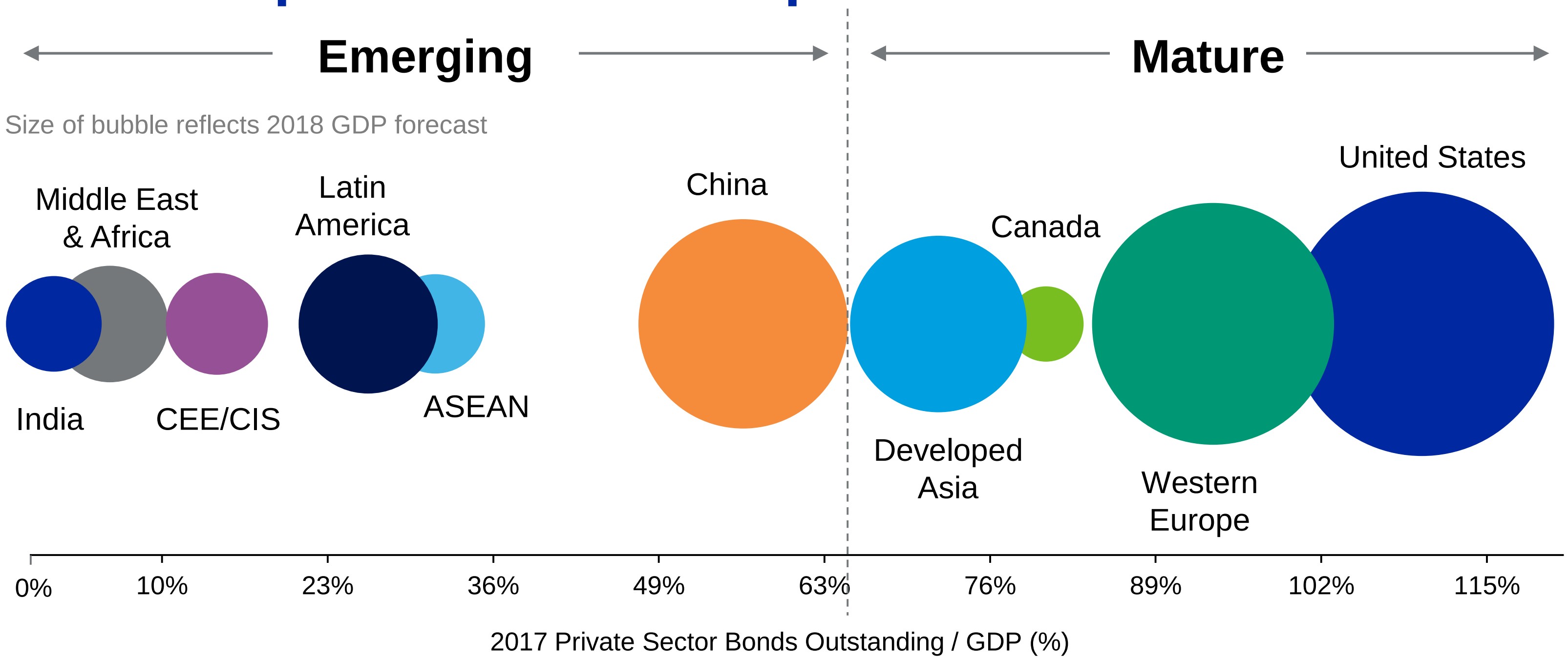
Uses of funds from USD high yield bonds and bank loans[1]



Source: Moody's Analytics.

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%.

Debt capital market penetration continues

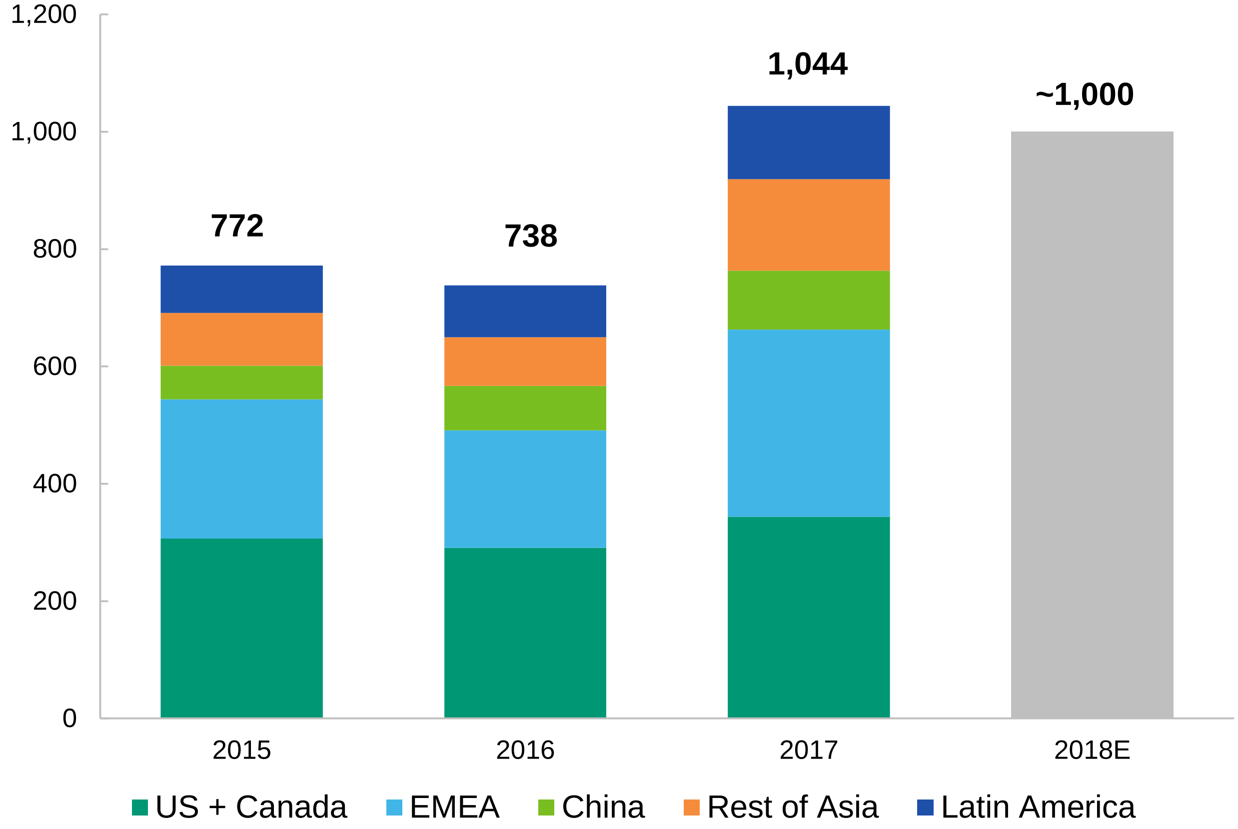


- » Disintermediation from banks to the global capital markets is an ongoing trend
- » European companies have historically relied more on banks than their US counterparts, but are increasingly turning to the bond market
- » China is approaching the mature markets with a ~55% non-government debt / GDP ratio

Note: Includes non-financial corporates and financial institutions, excludes general government. Size of bubble reflects the GDP forecast for 2018 in each region (U.S. dollars, current prices). U.S. GDP includes Puerto Rico. Latin America bonds exclude Cayman Islands. CEE/CIS represents Central and Eastern Europe and Commonwealth of Independent States. Developed Asia includes South Korea, Japan, Australia, New Zealand, Hong Kong, Taiwan and Macao.
Source: International Monetary Fund World Economic Outlook Database April 2017, Bank for International Settlements, The Economic Times, Moody's Investors Service.

Growth of new mandates driven by Asia

MIS fundamental signed new credits



2015 – 2017 CAGR

China: 32%

Rest of Asia: 32%

Latin America: 24%

EMEA: 16%

US + Canada: 6%

Total: 16%

Source: Moody's Investors Service, January 2018.

US tax reform: Mixed impact on issuance

Tax Policies	Corporate tax rate	Partial elimination of interest deductibility	Repatriation of offshore cash	Immediate expensing of CAPEX	Limitation of municipal bond tax exemption
Short Term Impact	**Positive** • Free cash flow stimulus • Limited benefit for highly leveraged companies	**Negative** • For portion of corporate speculative grade “B-rated” and below issuers	**Negative** • Incentivizes multinational corporates to return overseas cash	**Positive** • Incentivizes moderately more capital expenditure-related issuance	**Negative** • Anticipated higher cost of capital to municipal borrowers driving decline in issuance
Long Term Impact	**Positive** • Similarly to near-term	**Negligible** • Speculative grade issuance growth to be moderately less	**Negligible** • Overseas tax holdings expected to be optimized	**Positive** • Similarly to near-term	**Negligible** • Negative impact will diminish, as muni issuers can refund on time in advance of call dates

Source: Moody’s Investors Service.

2

Spotlight on structured finance

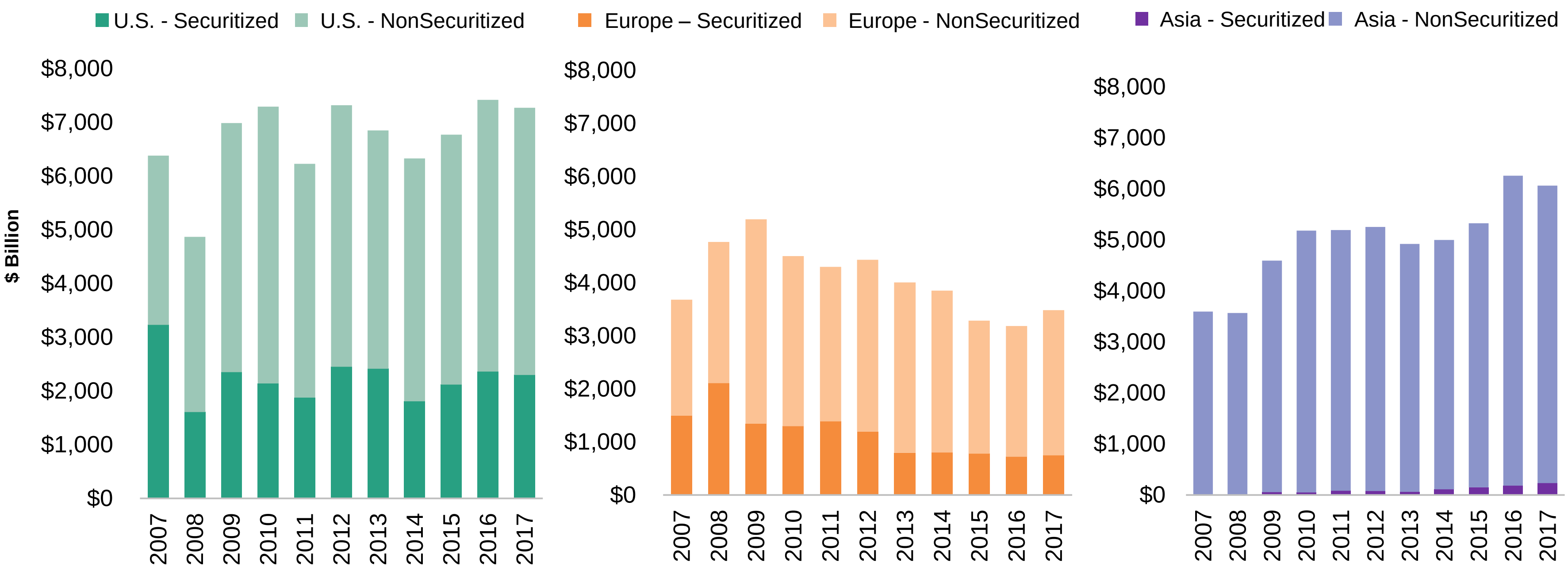
Jim Ahern

Managing Director, Head of Global Structured Finance

Structured finance funds ~20% of annual global bond market-based funding needs

Securitization as a % of Global Issuance:	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017[1]
	35%	28%	22%	20%	21%	22%	21%	18%	20%	19%	19%

Global bond market annual issuance, 2007 – 2017[1]



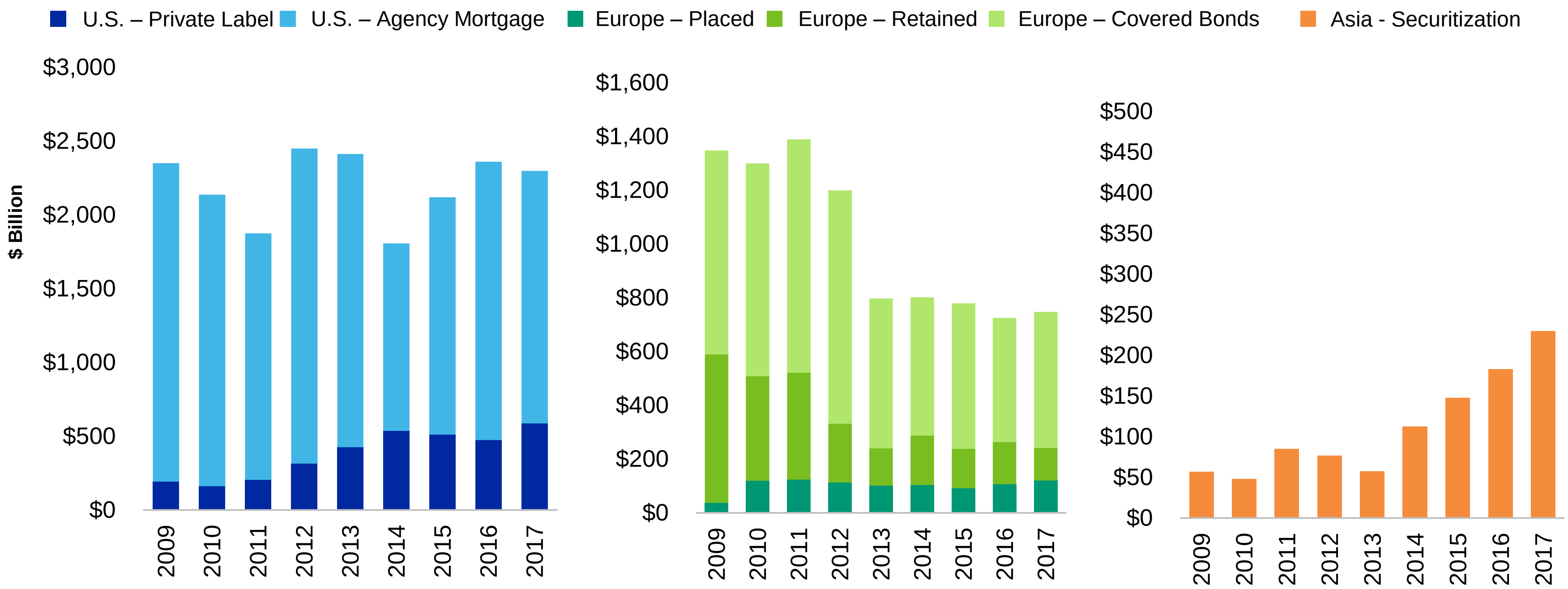
Source: SIFMA, Dealogic, European Central Bank, European Covered Bond Council, Asian Development Bank (Asian Bonds Online), Australian Office of Financial Management, China Central Depository & Clearing Co, Moody's Analytics, Asset-Backed Alert, Commercial Mortgage Alert.

1 Europe–Non Securitized issuance is an estimate based on an average of past 3 years from 2014-2016. December 2017 in the U.S. and Q4 2017 in Europe-Securitized are estimates based on Asset-Backed Alert and Commercial Mortgage Alert. December 2017 U.S.-Non Securitized is an estimate based on December 2016 vs. November 2016.

Structured markets show post-crisis resilience

U.S. mature, EU recovering, Asia expanding

Global structured product annual issuance, 2009 – 2017[1]



Source: SIFMA, Dealogic, European Central Bank, European Covered Bond Council, Asian Development Bank (Asian Bonds Online), Australian Office of Financial Management, China Central Depository & Clearing Co., Asset-Backed Alert and Commercial Mortgage Alert.

1 2017 Europe covered bonds is an estimate based on an average of past 3 years from 2014-2016. December 2017 in the U.S. and Q4 2017 in Europe are estimates based on Asset Backed Alert and Commercial Mortgage Alert.

Structured finance regional trends

United States

Mature

- ~20% volume growth in 2017; Increasing reliance on securitization to fund corporates (CLO, CMBS, etc.)
- Positive policy/regulatory tone (Treasury report on capital markets)
- Consumer debt at all time high but consumer leverage (debt to income) remains below peak
- Emerging sectors – marketplace lending, handset, energy-related
- Entering 9th year of GSE conservatorship

Europe

Recovering

- ECB continues to be largest funding source for European structured products (LTRO and QE)
- Growing use of structured product technology for bank regulatory capital relief (synthetic trades)
- Brexit and European Capital Market Union remain themes

Asia Pacific

Expanding

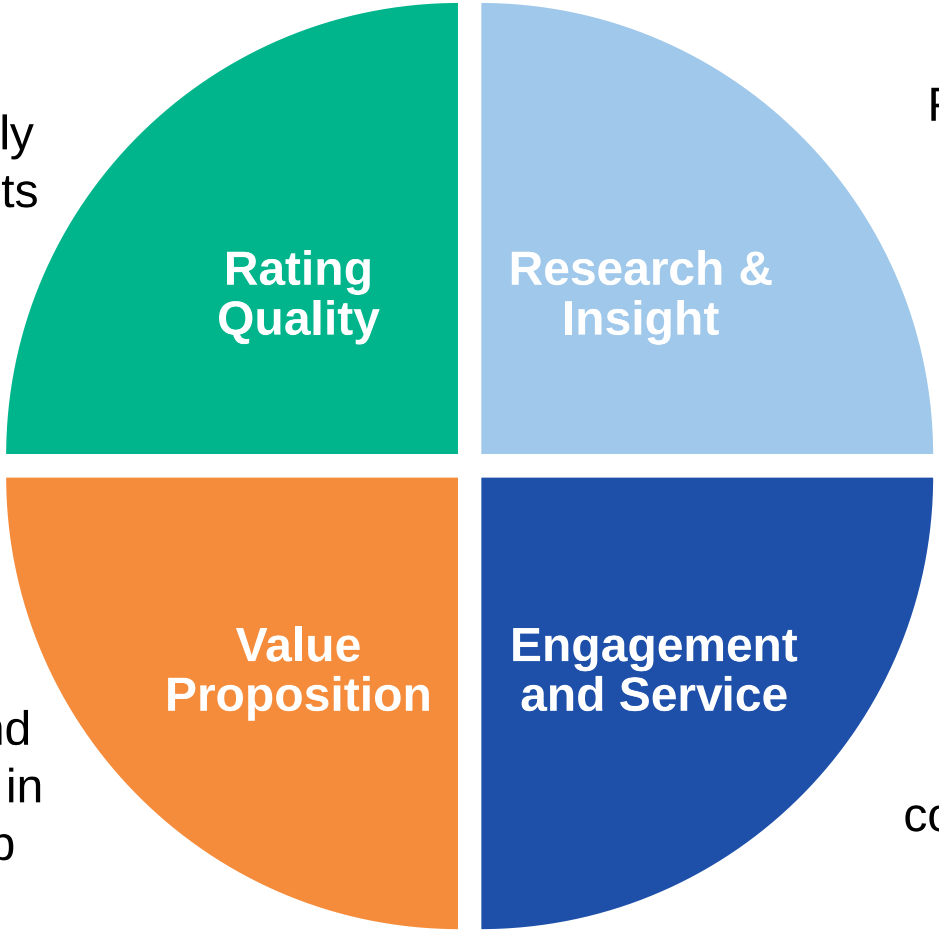
- Volume growth is mainly driven by China (expansion of asset types, expansion of liquidity mechanisms (excluding Bond Connect))
- Australia RMBS growth and expansion of asset types
- Asia (and Japanese banks in particular) remains an important source of global liquidity for structured products

3

Strategy and execution

Rob Fauber
President, Moody’s Investors Service

Agency of Choice strategy



Proven rating accuracy and deeply experienced analysts

Focus on research leadership

Expanded sales and marketing activities in Commercial Group

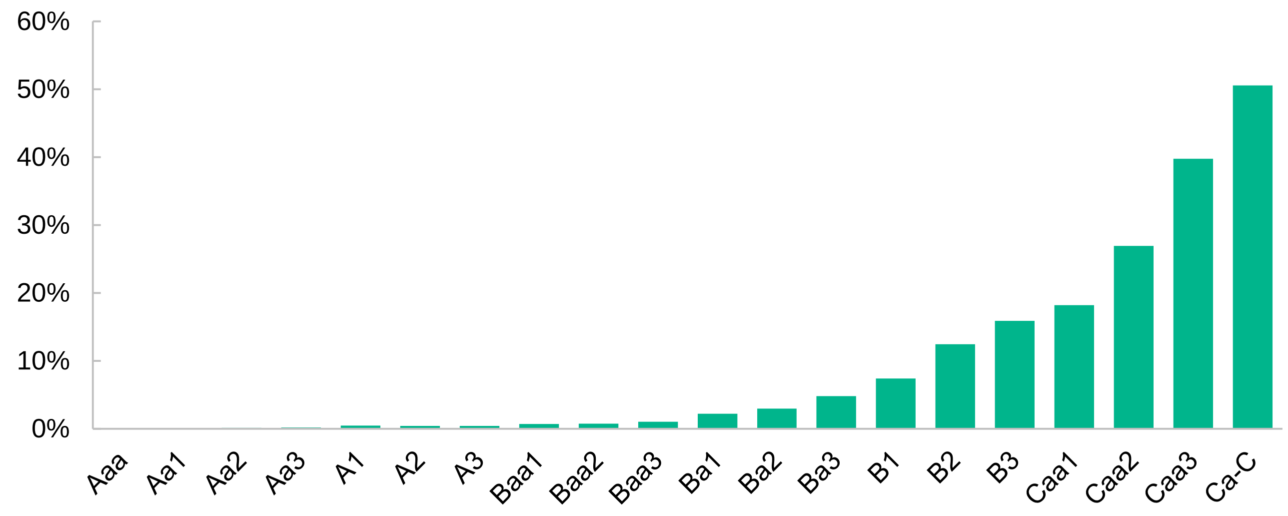
Analytical and commercial outreach

Rating performance drives investor confidence

» We remain focused on analytical expertise and the continuous refinement of our credit methodologies to provide predictive, predictable and transparent ratings

» Reinforces investor “demand pull”

Three year cumulative default rates of fundamental rated universe[1]



~15 Years
Lead/Senior Analyst tenure

Institutional Investor

#1 U.S. Credit Rating Agency 2012-2017[2]

1 Source: Moody’s Investors Service. The data in the chart above shows the three-year cumulative default rates by rating from January 1998, through December 2017 of fundamental Moody’s rated universe globally. Rating category is based on senior unsecured rating (or equivalent) of the issuer.
2 Institutional Investor Survey.

Broad coverage serves global needs

$72+ trillion
of Total Rated Debt

4,700
Rated Non-Financial Corporates

4,100
Rated Financial Institutions

138
Rated Sovereigns

47
Rated Supranational Institutions

450
Rated Sub-Sovereigns

17,700
Rated Public Finance Issuers

11,000
Rated Structured Deals

1,000
Rated Infrastructure & Project Finance Issuers

213
Rating Methodologies

Americas

- 32,500 rated companies and structured deals
- $34+ trillion total debt rated
- 19,500 research publications
- Offices in 5 countries

EMEA

- 4,600 rated companies and structured deals
- $21+ trillion total debt rated
- 6,300 research publications
- Offices in 12 countries

APAC

- 2,000 rated companies and structured deals
- $15+ trillion total debt rated
- 3,500 research publications
- Offices in 7 countries

Note: Data as of December 31, 2017.
Numbers of rated entities (other than sovereigns and supranational institutions) and structured deals, research publications and event participants/activities rounded to nearest hundred.

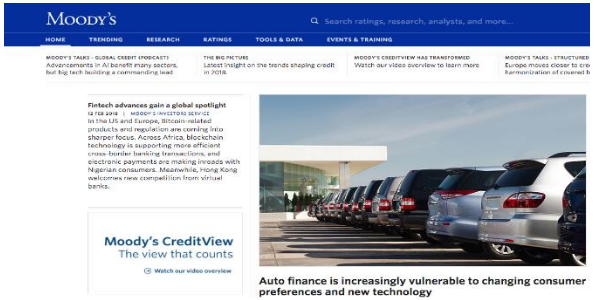
Focus on research leadership

Increased depth, relevance and outreach in 2017

Research Volume	Cross-Sector Research	Credit Outlook	Email Outreach	Annual Outlooks
29,000+ Reports Robust volume across all sectors and regions	**75+ Reports** Thought leading credit-related thematic research	**180,000+ Views** Strong readership of our commentary on market events	**3,000+ Reports** Reports with email outreach sees higher readership	**155+ Reports** Supported by teleconferences & videos

Technology and Infrastructure Initiatives

Credit View 2.0



- » Offshored copy edit function
- » Content management system upgrade
- » Automation tools

Commercial initiatives support future growth

56 RM staff in EMEA

41 RM staff in the U.S.

13 RM staff in the Americas

31 RM staff in APAC

Specialists in:
- Insurance
- Bank loans
- Project finance

The Nordics

- » Opened Stockholm office to serve the Nordics in May 2016
- » 54 new mandates within 20 months of opening

Saudi Arabia

- » Opened Saudi Arabia office
- » $27B debt issuance[1] in the Middle East in 2017 growing at 22% CAGR over the last two years

Greater China

- » Three offices- Beijing, Shanghai and Hong Kong
- » New mandates CAGR of 27% from 2014-2017

Note: RM = Relationship management.
1 Source: Dealogic.

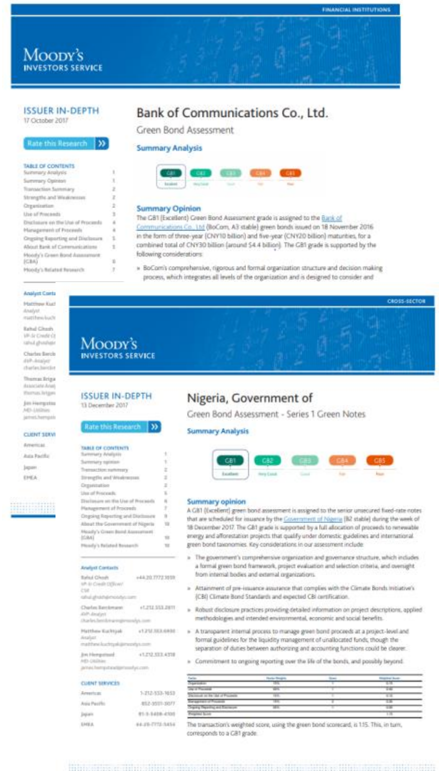
New product development to meet market needs

Green Bond Assessment

- ~$250 billion green bond issuance volume forecasted for 2018[1]
- 26 green bond assessments assigned as of December 2017 globally

ESG

- Dedicated ESG team in U.S., Europe and Asia
- ESG research, heat maps
- Extensive ESG outreach & membership



Green Rating Agency of the Year: 2017

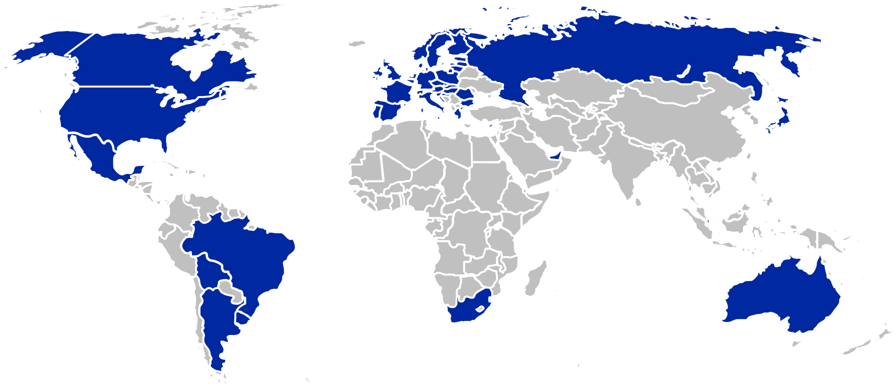
Other

- Servicer Quality Assessments in LATAM
- Private Monitored Rating extension
- Private Rating for Investors- Sub sovereign
- SME ratings through Euler-Hermes Ratings (4.99% ownership)

1 Source: Moody's Investors Service.

Global regulation and Brexit

MIS is regulated in 41 countries[1]



IOSCO / European Regulation

- » Endorsement requirements
- » Thematic report on fees
- » Ancillary products

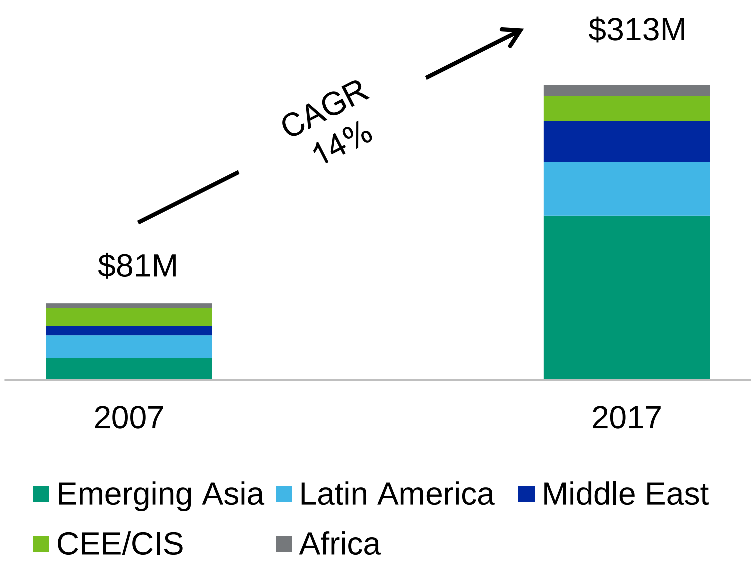
Brexit

- » Incremental rebalancing; begun to operationalize
- » Submitted / reviewed with ESMA
- » Contingency plan developed

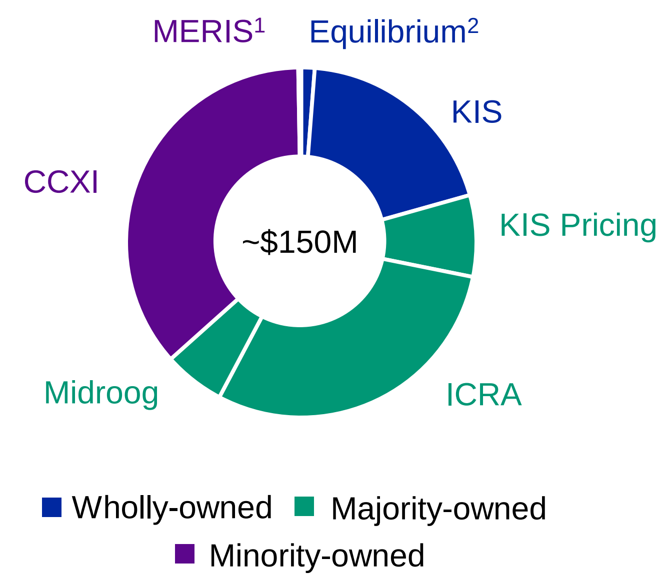
1 MIS is not regulated in Korea, India and China, but its affiliates (KIS, ICRA and CCXI) are.

Investing in emerging markets growth

Revenue in emerging markets



MIS affiliate revenue in 2017



2013 | 2014 | 2015 | 2016 | 2017

2013
- MIS Warsaw Office
- MIS Shanghai Office
- MIS Mumbai Office

2014
ICRA — A Moody's Investors Service Company
(Increased stake to 50.1%)

2015
Equilibrium — An Affiliate of Moody's Investors Service
(Acquired 100%)

2016
A Moody's Affiliate — Korea Investors Service
(Increased stake to 100%)

2017
- Saudi Arabia

1 Trailing one quarter.
2 Trailing one month.

Spotlight on Greater China

» Moody's extensive China capabilities can help multi-national companies with their domestic financing needs and enrich their understanding of the Chinese markets

Cross Border (MIS) Rating Coverage

» >425 ratings
» 78% coverage in 2017[1]

Domestic (CCXI) Ratings Coverage in Mainland China

» >1,000 domestic ratings
» 34% coverage in 2017[2]

1988	2003	2006	2013	Present
Moody's assigns first-time rating to China sovereign	Moody's sets up first Mainland China office in Beijing	Moody's establishes joint venture in China domestic market with CCXI	Moody's opens Shanghai office; Greater China Research and Analysis Team established	Collaboration, joint research, expertise sharing, training and referrals

Source: Moody's Investors Service and CCXI.
1 Based on rated bond issuance volume in FY 2017 from issuers domiciled in Greater China. Source: Dealogic.
2 Based on rated bond issuance (deal count) in FY 2017 in China's Interbank Market. Source: CCXI.

China onshore bond market

Growth Opportunities in China Domestic Market

CRA industry is opening-up

- China recently announced it will allow foreign firms to provide credit rating services
- The People's Bank of China has announced general requirements for providing credit rating services for the interbank bond market

Third largest domestic market in the world

- $9T outstanding, behind Japan ($12T) and the U.S. ($38T) Growing at a 18% CAGR (from 2011-16) vs. 3% for U.S.

Moody's has restructured its JV with CCXI

- MIS now owns 30% of expanded CCXI
- MIS is the only global CRA with a domestic rating agency affiliate in China

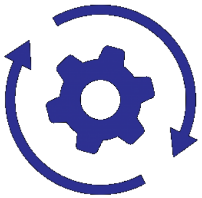
Further operationalizing enabling technologies

We focus on three core activities in MIS …

…and incorporate new technologies into our current processes

MIS Focus Areas

- **Reading & Extracting** → **Robotic Process Automation**



- **Analyzing** → **Machine Learning, Artificial Intelligence & Big Data**

- **Publishing & Visualizing** → **Natural Language Processing**

4

Concluding thoughts

Rob Fauber
President, Moody’s Investors Service

Concluding thoughts

- Outlook on issuance is positive – driven by economic growth
- Longer term issues will place further pressure on our operating environment
  - Geopolitical uncertainty, trends in the investment management industry, technological change, increasing competition, and regulatory evolution
- We will continue to adapt to address these challenges as well as capitalize on new opportunities
- We focus on a critical few priorities to maintain the strength of our core ratings business
- We will evolve and invest in new opportunities through regional expansion, ESG and enabling technology
- This will reinforce our relevance and our position as Agency of Choice for both investors and issuers

Globally and locally acknowledged for award-winning expertise in credit ratings, research and risk analysis.

AMERICAS

Creditflux CLO Census 2017 best rating agency

Best CLO Rating Agency: 2016–2017

Institutional Investor

#1 US Credit Rating Agency: 2012–2017

Smith's 2017 Municipal All-Star Awards

#1 US Rating Agency: 1997–2017

EMEA

2017 GlobalCapital Bond Awards

Multi-award winner, including best rating agency categories: 2015–2017

MENAIR Insurance Awards 2017 Winner

Best Rating Agency: 2017

ASIA PACIFIC

GIFA Global Islamic Finance Awards

Market Leadership Award, Islamic Finance Intelligence & Ratings: 2016–2017
Best Islamic Finance Rating Agency: 2015

KangaNews Awards 2016

Australia's Rating Agency of the Year: 2014–2016

The Asset Asian Awards 2016 Triple A

Multi-Award Winner, Including Best Ratings Agency: 2016

Fixed Income Poll 2016 FinanceAsia

Most Influential Credit Rating Agency: 2013–2016

Asiamoney Best Credit Rating Agency 2016

#1 Asia Credit Rating Agency: 2012–2016

5

Q&A

Rob Fauber

President, Moody's Investors Service

Jim Ahern

Managing Director, Head of Global Structured Finance

Break

Session 3: Moody’s Analytics

Mark Almeida, President, Moody’s Analytics
Steve Tulenko, Executive Director, Enterprise Risk Solutions
Dan Russell, Executive Director, Bureau van Dijk

Session overview

1. Moody’s Analytics
2. Spotlight on Enterprise Risk Solutions
3. Bureau van Dijk update
4. Q&A

1

Moody's Analytics

Mark Almeida
President, Moody's Analytics

Key messages

- Moody's Analytics (MA) is well positioned for continued growth and steady margin improvement
- Solid 2017 results across Research, Data & Analytics (RD&A) product lines provide momentum
- Enterprise Risk Solutions (ERS) expects temporary softness on top-line as business mix transitions to SaaS products
- Improving outlook for Professional Services, as both Knowledge Services and Learning Solutions businesses deliver growth
- Focused application of innovation in FinTech and new technologies, with emphasis on commercial viability

Strong results in 2017

Good organic growth strengthened by Bureau van Dijk

Revenue ($ millions)	2017	2016	Growth ($)	Growth (%)
Moody's Analytics	**$1,430**	**$1,233**	**$197**	**16%**
Research, Data & Analytics	$833	$668	$165	25%
Enterprise Risk Solutions	$449	$419	$30	7%
Professional Services	$149	$147	$2	1%
Bureau van Dijk	$92		$92	
Moody's Analytics (excluding Bureau van Dijk)	**$1,338**	**$1,233**	**$105**	**8%**
Research, Data & Analytics (organic)	$740	$668	$73	11%

2018 outlook: Accelerating growth

Driven by RD&A; partially offset by ERS transition

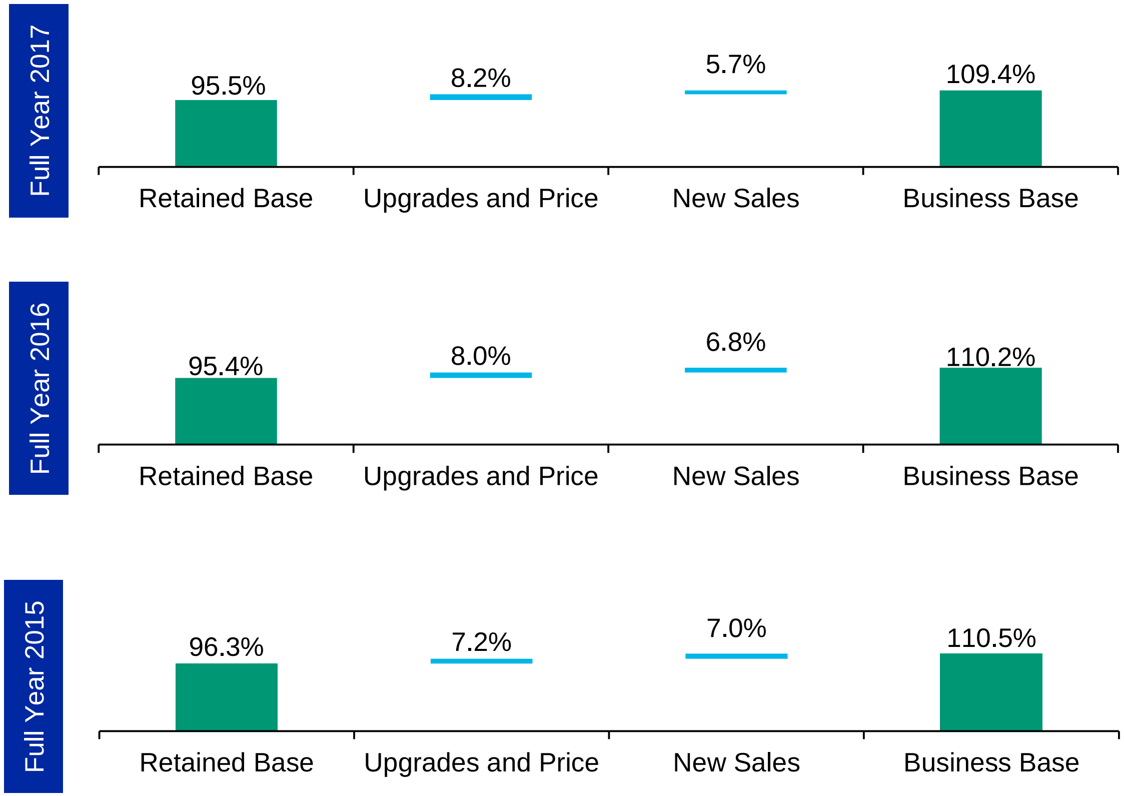
	2018 Guidance[1]	2017 Result	Comments
Moody's Analytics	**+ mid-20s % range**	**+ 16%**	» Growth lifted by Bureau van Dijk acquisition, tailwinds from FX
Moody's Analytics (organic)	*+ low-double-digit % range*	*+ 8%*	» Higher growth driven by strength in RD&A and FX impact; offset by mix-driven weakness in ERS
Research, Data & Analytics	+ approximately 40%	+ 25%	» ~7 months of acquired growth from Bureau van Dijk » Expansion of rating coverage and research output » Broader content and improved user-experience via CreditView 2.0 platform expands must-have characteristic of product
Research, Data & Analytics (organic)	+ mid-teens % range	+ 11%	» ~5 months of Bureau van Dijk organic growth, no reduction for deferred revenue accounting adjustment » Broad strength across RD&A product lines, with 2017 sales results driving momentum for 2018 revenues
Enterprise Risk Solutions	+ low-single-digit % range	+ 7%	» De-emphasizing software licensed and delivered via bespoke installation in favor of SaaS delivery of standard product » Customer needs shifting away from large-scale projects driven by regulatory imperatives in favor of lighter solutions that leverage new technologies to improve operational efficiency
Professional Services	+ high-single-digit % range	+ 1%	» Improved outlook driven by broadening reach, delivering more product to more customers in more markets

1 Guidance as of February 9, 2018.

RD&A results driven by deepening relationships with existing customers

Subscription Sales Growth

(constant currency)



- Expansion of ratings and research coverage
- Production of insightful credit analysis
- New customers in geographies with developing credit and debt capital markets
- Expansion of data sets and delivery options
- Strong customer retention

Note: The sales growth attributions presented on this slide are related to RD&A subscription sales on a constant currency basis and excludes Bureau van Dijk. Upgrades reflect amendments to existing customer contracts. New Sales reflect new contracts with new and existing customers.

RD&A: Enriching our unique content

Enhancing stand-alone value through product development synergies

~65%[1]	Credit Research Ratings Feeds	Research and ratings from Moody's Investors Service
~25%[1]	EDF Metrics Consumer Credit Economics Structured Analytics	• Quantitatively-derived measures of default risk • Retail credit modeling • Macroeconomic data and forecasts • Data and cash flow analysis for securitizations
~10%[1]	Global Company Information	Financial data, proprietary ownership details, insight on private market M&A transactions and patent data base aggregated and distributed by Bureau van Dijk

1 Percent share of 2017 RD&A revenue.

Solid progress on margin expansion

140bps of margin increase in 2017[1]

Progress

- Accelerating top-line growth in RD&A
- Mix-shift driving expansion in ERS
- Addition of high margin Bureau van Dijk business
- Realizing operational improvements
- Executing on Bureau van Dijk expense synergies

Headwinds

- Accounting conventions hit top-line in 2017 and 2018
  - Deferred revenue adjustment for acquired revenue
  - Transition to ASC-606
- Addition of Bureau van Dijk results in more allocation of MCO costs to MA
- Integration costs at Bureau van Dijk

Despite headwinds, targeting continued expansion in 2018

1 Adjusted operating margin. See Appendix for reconciliations from adjusted financial measures to U.S. GAAP.

Innovating with a purpose

Leveraging new technologies to address customer needs

Artificial Intelligence

- **Automated processing** of financial statements
- **Customizing user experience** of on-line training curriculum for banking professionals

Cloud

- **Launching next generation** of analytic tools
- **Parallel processing** of massive amounts of data and calculations on demand

Alternative Data

- **Providing new insights** by leveraging alternative and non-traditional data
- Sourcing and aggregating new metrics to assess **commercial real estate markets**

Blockchain

- **Demonstrating data provenance** to address regulatory requirements
- **Tracing data lineage** to ensure integrity and comply with data privacy laws

2

Spotlight on ERS

Steve Tulenko
Executive Director, Enterprise Risk Solutions

ERS: Strong reputation in the market

Risk Awards 2018 Winner

Moody's Analytics Technology vendor of the year

Ranked 5 out of 100

Credit Risk Category Winner

Enterprise Stress Testing Solution Category Winner

Ranked 19th in the Overall Top 100 Rankings

Innovation in Customer Service - Financial Services Industries

Best Credit Risk Solution Provider – RiskCalc™

Best ESG Solution

Best Solvency II Solution

Best Solvency II Tech Solutions Category Winner

Compliance Risk, Liquidity Risk, Enterprise Risk and Risk Technology Implementations of the Year

#1 IFRS 9

#1 Asset and Liability Management

#1 Regulatory Capital Calculation and Management

Stress Testing Product of the Year Category Winner

Economic Scenario Generation Product of the Year Category Winner

Solvency II Product of the Year Category Winner

Regulatory Reporting Product of the Year Category Winner

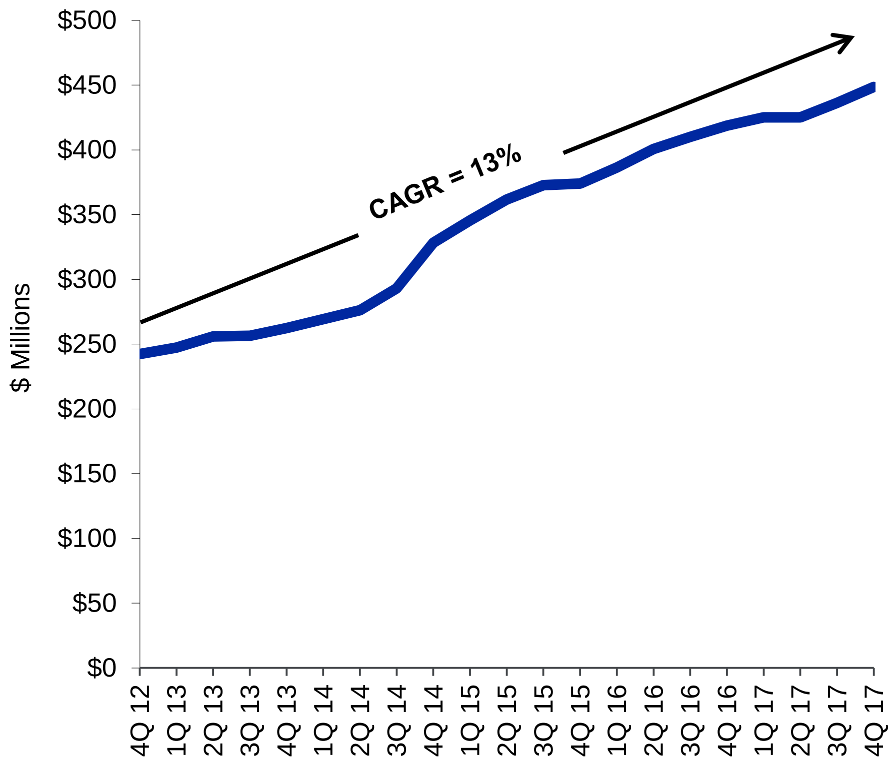
MOODY'S ANALYTICS

moodysanalytics.com/awards

ERS: Strong track record of growth

Market conditions and product strategy driving temporary moderation in growth rate

Revenue[1] Since 4Q 2012



ERS Revenue: 2017 vs 2016

- 7% growth
- 31% of total MA revenue
- 15% of MA growth

Revenue Mix: 2015 vs 2017

- Products: 69% → 79%
- Services: 31% → 21%

1 Trailing twelve months (TTM) as of December 31, 2017.

Shift in drivers of ERS revenue growth

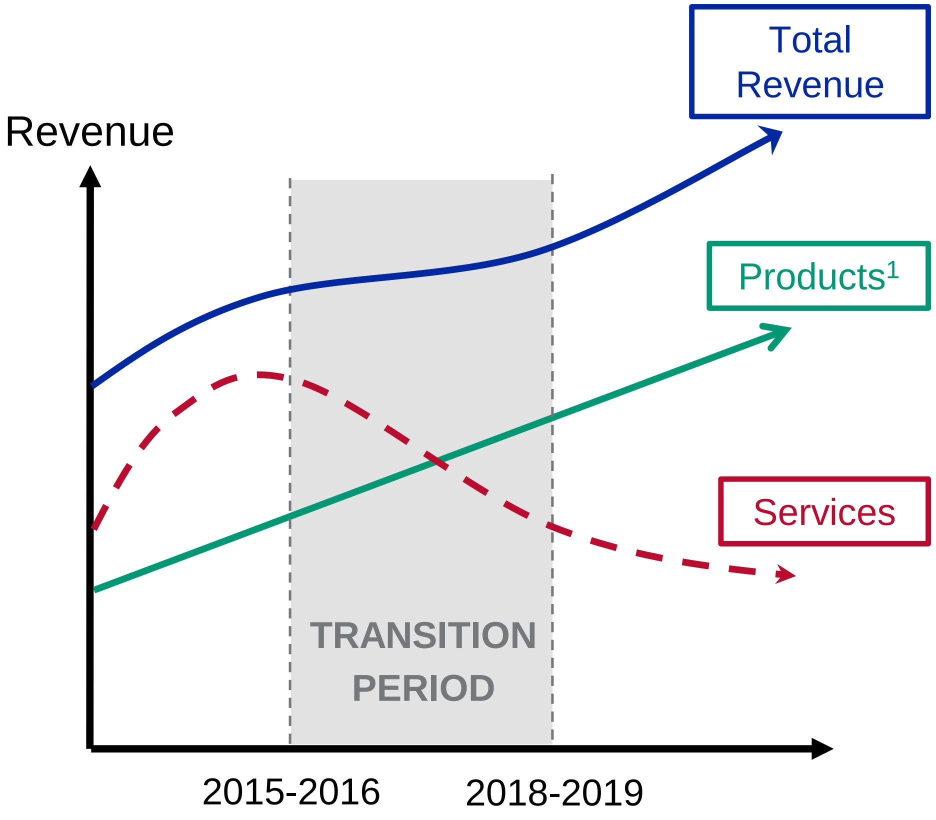
Product Strategy Decisions:

- ⬇ Low margin services
- ⬇ Perpetual licenses
- ⬆ SaaS & subscription products

Macro/Market Trends:

- ⬆ Demand for accounting solutions
- ⬆ Digitization/automation
- ⬆ Technology replacement market
- ⬇ Regulation wave has crested

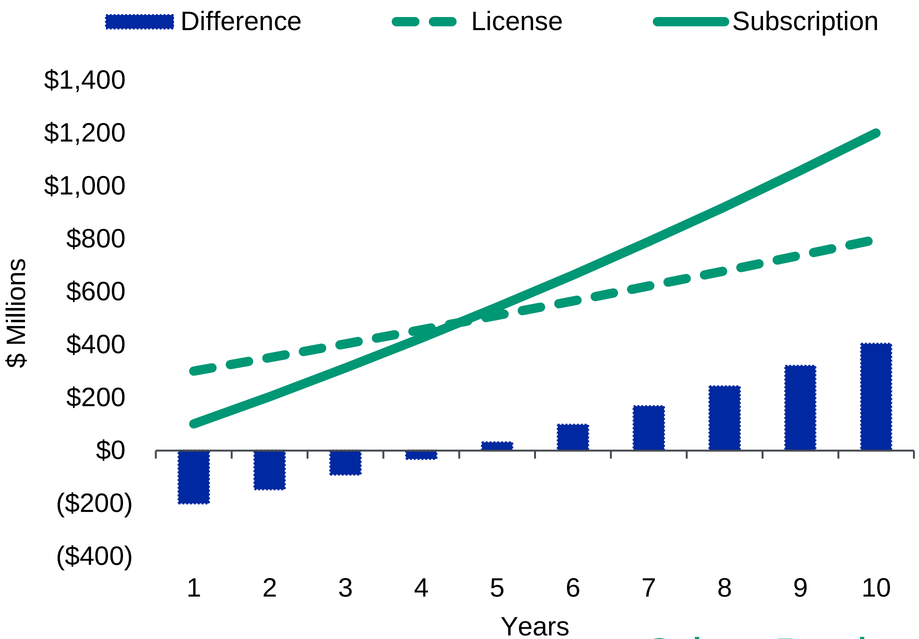
Stylized representation of business dynamics for illustrative purposes



1 Product revenue include licenses, maintenance and subscriptions.

Strategic focus on subscription products delivers stronger P&L over time

Illustrative example: cumulative sales impact
License vs. subscription



Fees ($ Millions)	**1**	**2**	**3**	**...**	**10**
License (L)	$ 250	--	--	...	--
Maintenance (M)	$ 50	$ 51	$ 52	...	$ 60
Cumulative L&M	$ 300	$ 351	$ 403	...	$ 797
Subscriptions (Subs.)	$ 100	$ 104	$ 108	...	$ 142
Cumulative Subs.	$ 100	$ 204	$ 312	...	$ 1,201
Cumul. Diff.	$ (200)	$ (147)	$ (91)	...	$ 403
Subs./L&M (Cumul.)	**33%**	**58%**	**77%**	**...**	**151%**

Other Business Benefits

- Easier Up-sell & Cross-sell
- Lower Cost to Deliver
- Develop Better Products
- Access to Usage Data
- Better Retention
- Lower Cost to Maintain

Pivot to subscription products drives margin expansion

2013-15: Growth from installed software

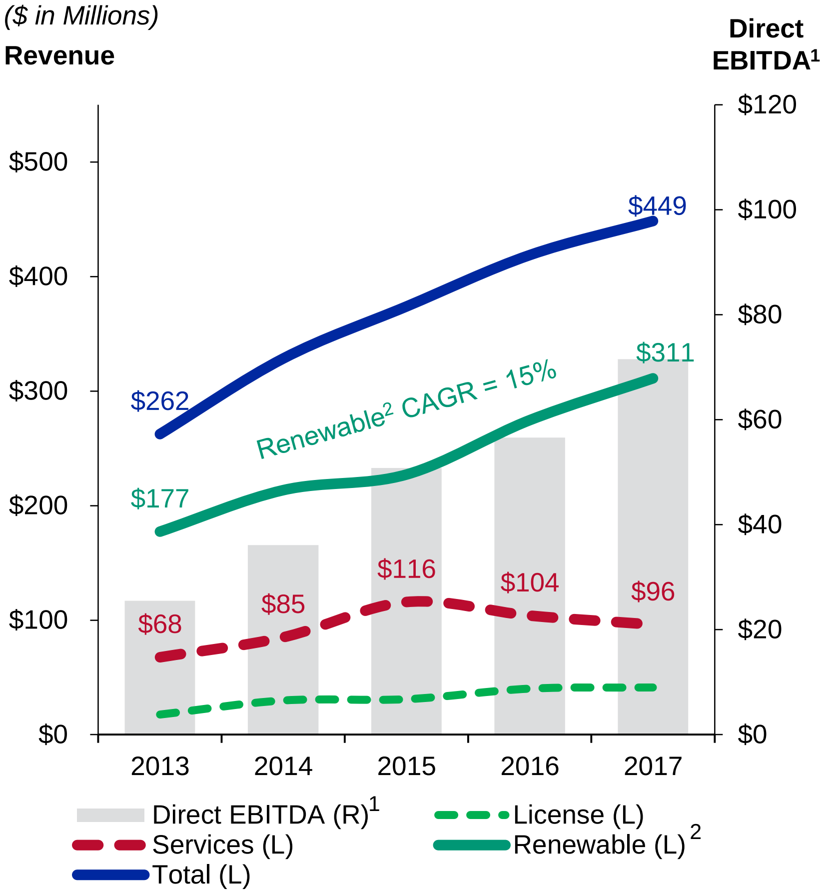
- One-time projects – installed software & services
- Bespoke projects accelerated development of IP
- 61% of revenue from renewable products in 2015

2016+: SaaS & subscriptions drive growth

- Expanding SaaS and subscription product array
- Subscriptions generate lower Annual Contract Value in short run, but better Lifetime Customer Value
- 69% of revenue from renewable products in 2017

2017: Realizing meaningful improvement in margin

- Direct EBITDA[1] expanded almost three-fold over the last five years, to $72 million from $26 million in 2013
- Direct EBITDA margin expanded ~600 bps over the last five years



1 Direct EBITDA reflects earnings before interest expense, income taxes, depreciation and amortization, calculated using business-unit-level expenses only and does not include an allocation of shared services expense or corporate overhead.
2 Renewable revenue includes maintenance and subscription.

Next generation products present important growth opportunity

Accounting/Finance Demand

CECL/IFRS9 – New impairment standards require credit expertise

- *Impairment Studio* launched in 2017
- Targeting top 1,000 banks globally

IFRS17 – Insurance accounting standard requires actuarial calculations and data

- Preliminary version released in 2018
- 1,000 insurance companies in our market

Digitization/Automation Demand

Loan Origination Products – Faster, better credit decisions

- *CreditLens* launched in 2017
- Relevant to >1,000 existing customers; very good runway for more
- Next generation technology offers easier upgrade path and more cross-selling opportunities

Banking RegTech – Risk culture bringing IT and business together

- Big Data technologies – form new “open” platform
- Replacement market – opportunity to gain share and upgrade 200+ existing customers

Key messages

Product strategy to deliver stable growth and higher margins

- **Intentional transition** – from lumpy, one-time projects to renewable SaaS and subscription products – will result in some temporary softness on the top line

- **Look to sales numbers** as leading indicator of revenue growth – subscriptions will amortize ratably into revenue

- **Next generation products** will capitalize on new sources of demand and accelerate replacement decisions – opportunity to gain share, and convert existing customers to subscription products

- Shift in strategy has **delivered on margin expansion**, and expect that to continue over planning horizon

3

Bureau van Dijk update

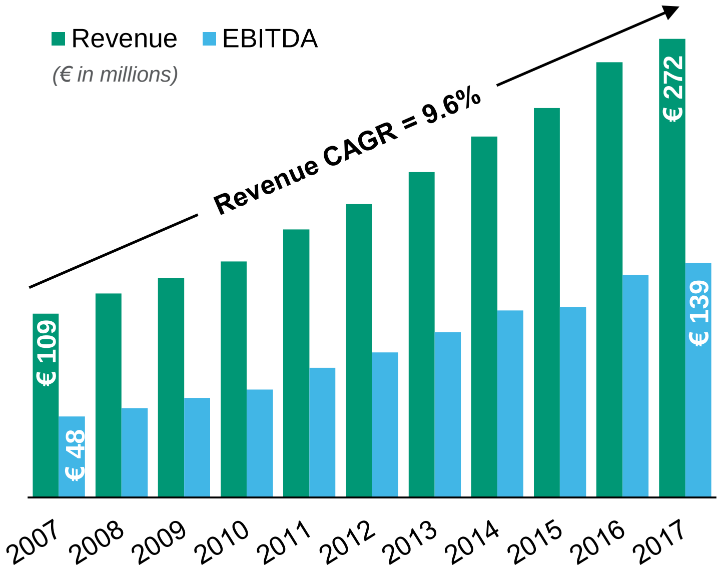
Dan Russell

Executive Director, Bureau van Dijk

Overview

- **€3 billion acquisition closed on August 10, 2017**
- Bureau van Dijk is a leading aggregator and distributor of private company business intelligence and data, **serving over 6,000 unique institutions worldwide**
- **Extends MA's reach** beyond financial institutions and insurance
- **Adds capacity to MA's attractive RD&A business** through extensive customer base and geographic footprint
- **Combination anticipated to deliver significant synergies.** Expect ~$45 million in annual revenue and expense synergies by 2019, increasing to ~$80 million by 2021[1]
- **Integration proceeding according to plan** with focus on implementing controls appropriate for a unit of a listed U.S. company while delivering on strategy and business plan.

Long History of Profitable Growth[2]



1 Anticipated annual revenue and expense synergies, as of February 9, 2018.
2 Based on IFRS.

Collects and enhances information to deliver a market leading global dataset

Diversified IP Network[1]

280 Million+
Private Companies

67 Thousand+
Public Companies

170 Million+
Director Contacts

Data from 160+ Information Providers

Publicly Available Data

Other Data Sourced By Bureau van Dijk

Proprietary Data Augmentation & Processing Tools

- Link data sources
- Create unique identifiers
- Append and link corporate structures
- Identify beneficial owners
- Link directors and shareholders
- Standardize financials and ratios
- Quality control
- Verify and cleanse data
- Add bespoke research
- Integrate M&A deals, rumors and greenfield investment

High Value Customer Solutions

Selected Product Examples

Global Database	orbis
Regional	amadeus oriana
Industry-specific	orbis bank focus
Other Tools	tp catalyst compliance catalyst The Fact Framework

1 Data as of December 31, 2017.

Diverse data set leads to high value customer solutions

Compliance and financial crime

Conduct on-boarding and anti-money laundering research with extensive corporate structure and beneficial ownership data combined with information on politically exposed persons (PEPs), sanctions and adverse news.

Transfer pricing

Find comparable companies and conduct peer analysis for tax compliance.

Corporate finance and M&A

Find targets/sellers, perform M&A/deal analysis and conduct due diligence using detailed deal and company data in a standardized format.

Business development

Improve efficiency of sales and marketing efforts by using Orbis data to enrich and refresh CRM systems, research new markets and improve customer targeting.

Credit risk

Assess customers, partners or suppliers using globally comparable financial strength metrics and standardized financial statements.

Data management

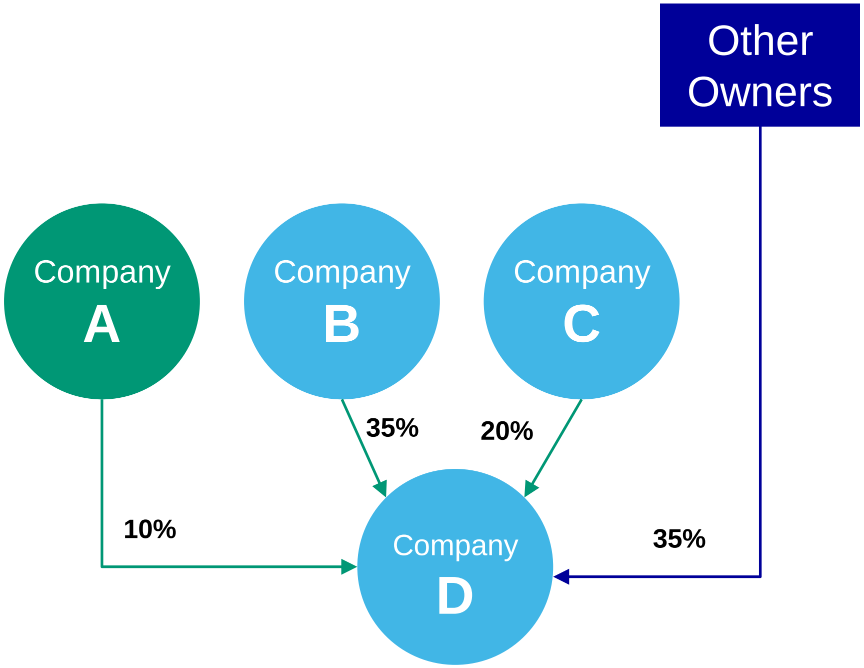
Combine multiple data sources into single entity views using unique identifiers and matching, de-duplication and data enhancement services.

Use-case example: Ownership analysis

Orbis data combined with our global M&A database provide the most comprehensive view of ownership on the market

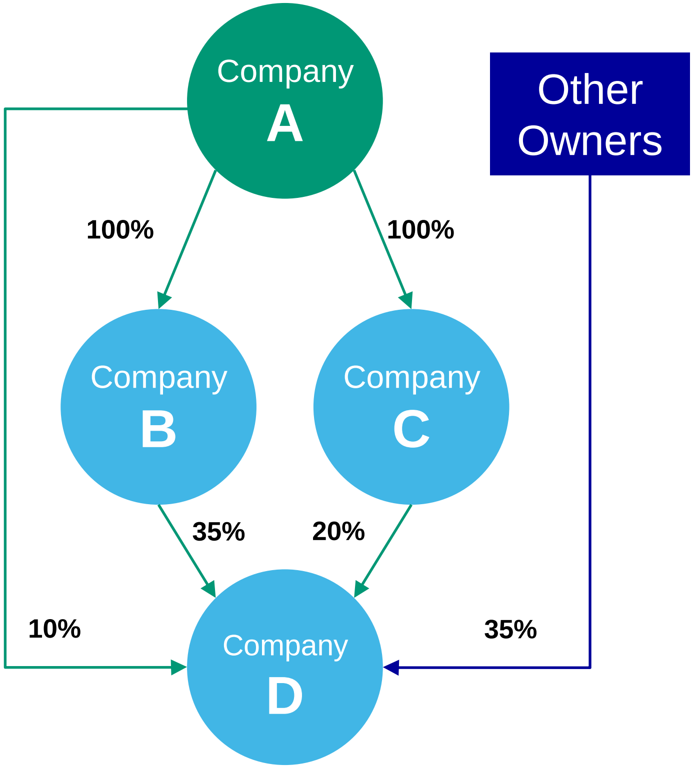
Without Orbis

A controls 10% of D

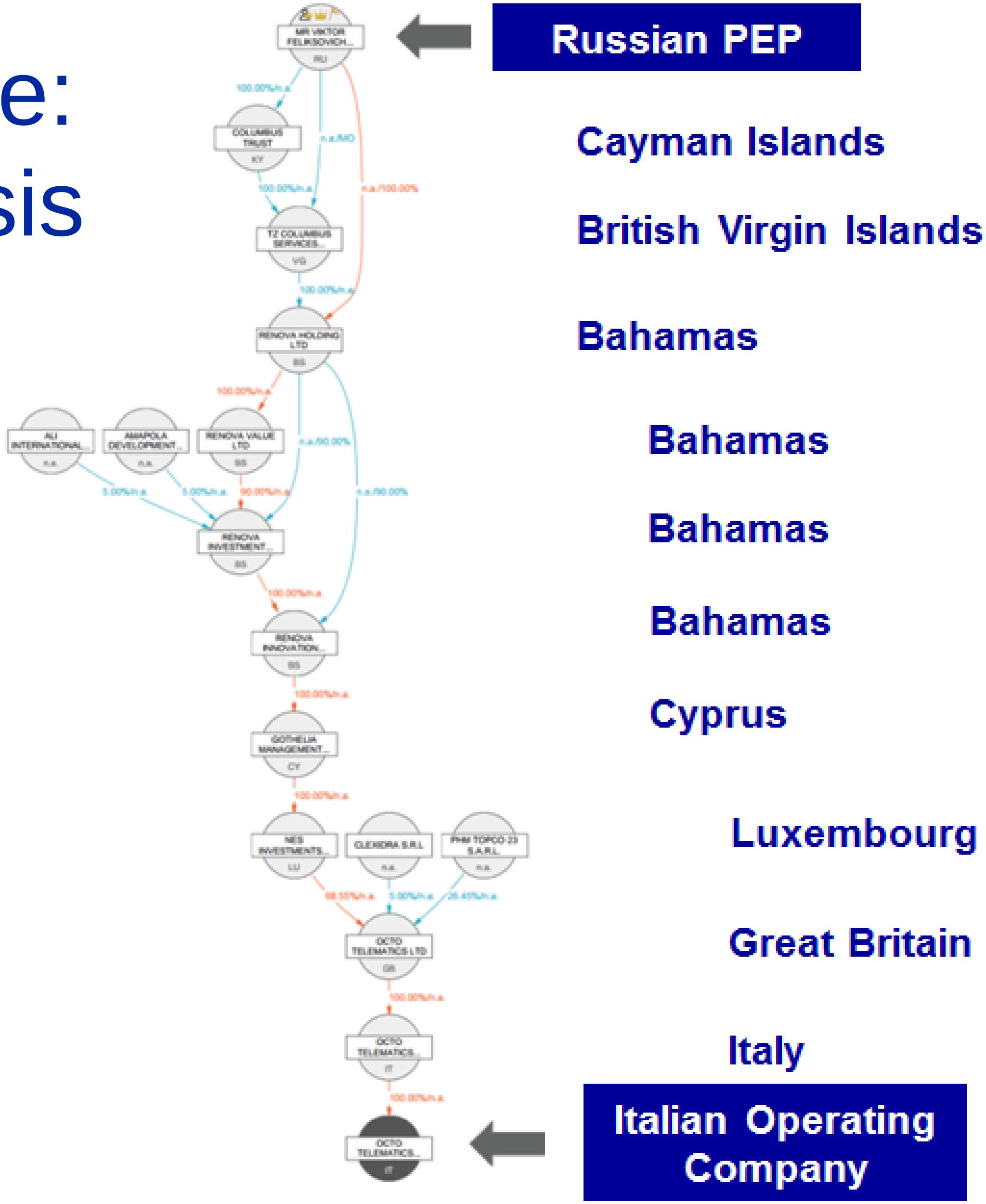


With Orbis

A controls 65% of D

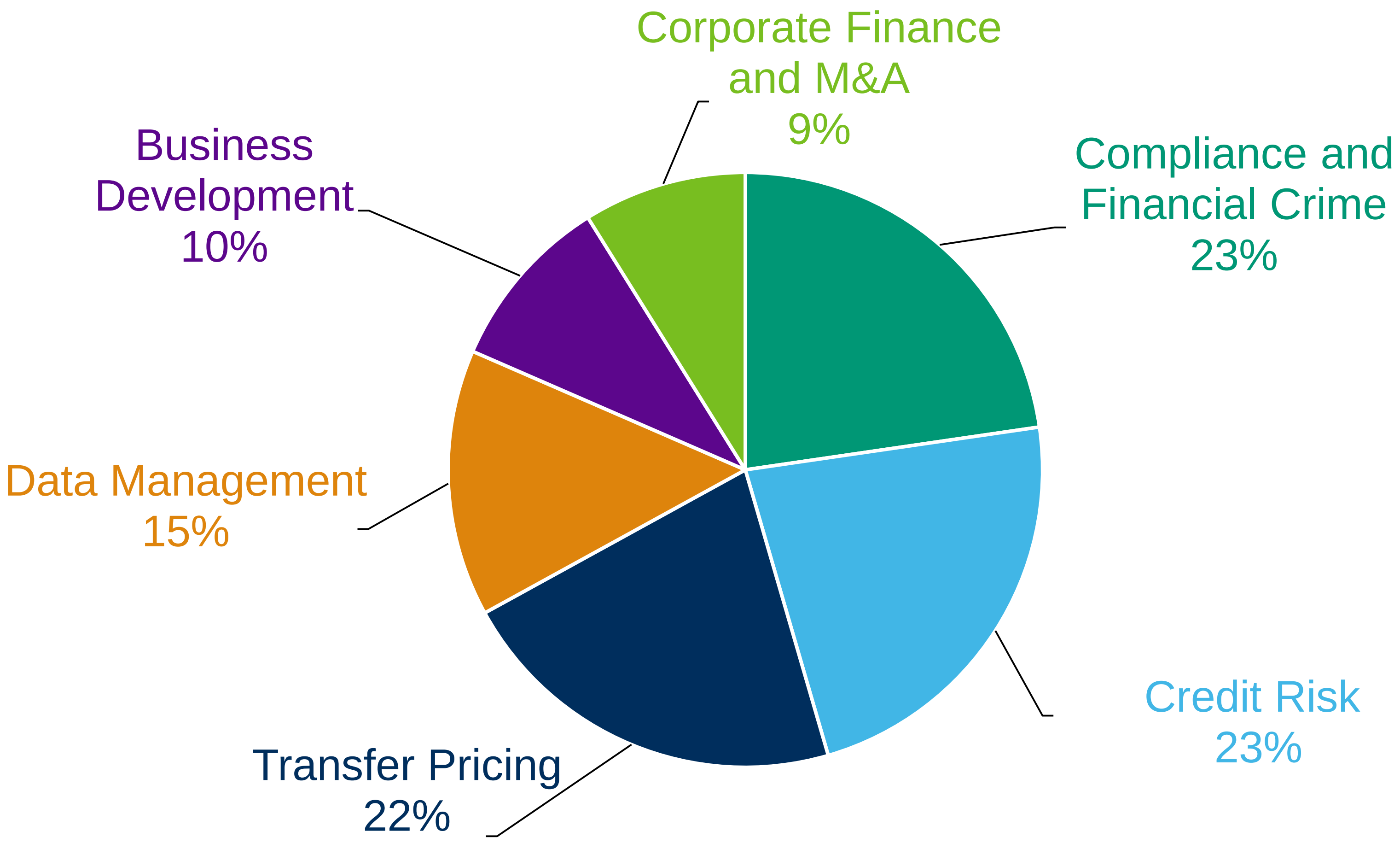


Use-case example: Ownership analysis



Broad application to customer needs

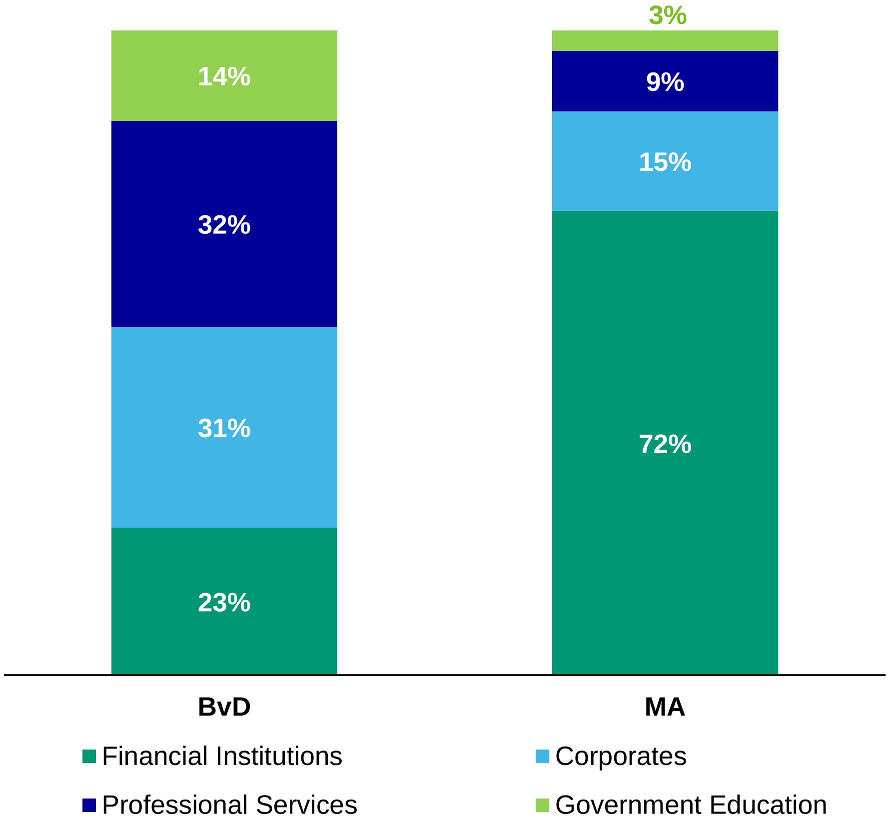
Sales volume by use case



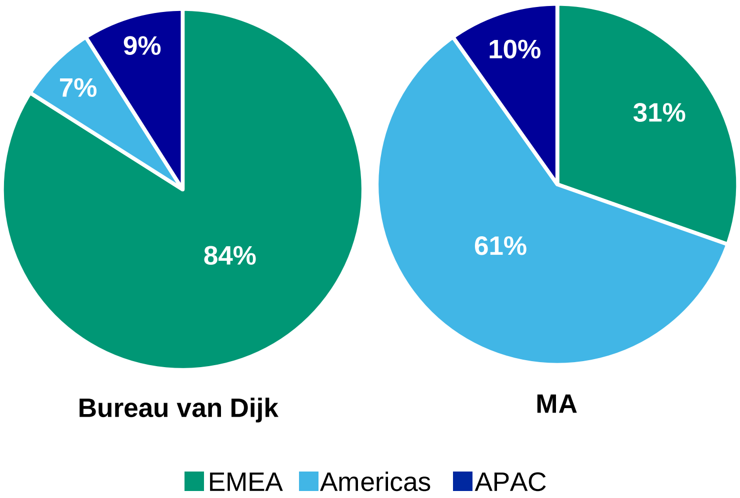
Note: Use cases can have multiple purposes and, as a result, percentages do not sum to 100%.

Extends Moody's expertise to new customer sets beyond financial institutions

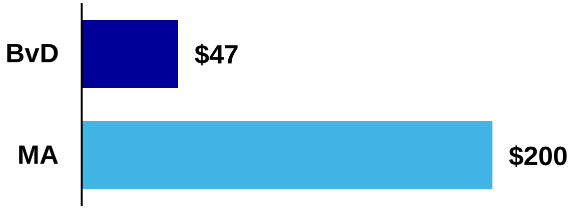
Customer count by industry



Customer count by region



Average annual spend ($ thousands)



Guiding principles for integration help to maintain focus and prioritize resources

Protect the core

Minimize disruption of the core businesses of Bureau van Dijk and Moody's Analytics

Deliver synergies

Execute on plans to realize expense, product development and sales synergies

Implement controls

Implement controls and risk management standards consistent with Moody's practices

Successful progress to achieving ~$80 million in synergies by 2021[1]

Sales Execution

- Created new sales operations organization to accelerate adoption of best practices for sales execution
- Established a dedicated MA sales team to distribute Bureau van Dijk financial analysis platforms

Market Penetration

- Implemented incentives for MA sales team to extend Bureau van Dijk's reach beyond current customer base, especially in U.S. and Asia

Product Strategy

- Established integrated product and sales strategy for combined MA and Bureau van Dijk product offering in commercial lending
- Expanded MIS content available through Bureau van Dijk products

Operational Efficiency

- Co-located staff in local Moody's offices: 6 offices combined to date with additional co-location in 2018
- Eliminating overlap in data acquisition costs
- Eliminated excess capacity

1 Anticipated annual revenue and expense synergies, as of February 9, 2018.

Building on a strong foundation

- Continue to expand information provider network
  - Enhance front-end applications (Catalyst suite) to solve new use cases
- Expand distribution
  - Harness potential of extensive Moody's Analytics and Bureau van Dijk distribution capacity
- Adopt modern data collection technology
  - Work with MA innovation team to explore new technologies. Invest where appropriate to realize efficiencies and enhance product quality
- Selectively evaluate acquisitions
  - Moody's Analytics and Bureau van Dijk collaboration presents opportunities to accelerate growth through selective acquisitions, especially in markets beyond financial institutions

4

Q&A

Mark Almeida
President, Moody's Analytics

Steve Tulenko
Executive Director, Enterprise Risk Solutions

Dan Russell
Executive Director, Bureau van Dijk

Session 4: Financial strategy

Linda Huber, EVP and Chief Financial Officer
David Platt, Managing Director, Head of Corporate Development
Melanie Hughes, Senior Vice President, Chief Human Resources Officer

Session overview

1. Financial overview
2. Capital allocation strategy
3. Corporate development
4. Human resources and compensation
5. Q&A

1

Financial overview

Linda Huber
EVP and Chief Financial Officer

Key messages

» Moody's has demonstrated strong operating performance

» We have continued our strategic focus on costs and business efficiency

» We are reducing leverage post-Bureau van Dijk acquisition

» Our capital allocation priorities have not changed

Delivering strong financial results…

+9%
Revenue Growth
('13 - '17 CAGR)

+400bps
Adj. Op. Margin Expansion
('13 - '17 Growth)

+15%
Adj. Dil. EPS Growth
('13 - '17 CAGR)

…in-line with our long-term growth opportunities

REVENUE	High Single Digit % Growth Range[1]	+9% ('13-'17 CAGR)
	Issuance Volume & Mix + Coverage + Moody's Analytics + Pricing Initiatives	
ADJ. OPERATING MARGIN	High-40s % Range[1]	47% 2017 Adj. Operating Margin
	Cost Discipline + Process Re-Engineering + Technology Enablement	
CAPITAL ALLOCATION	Dividend Growth & Share Count Reduction[2]	
	Reinvestment • Acquisitions • Dividends • Share Repurchases	
EPS	Low Teens % Growth Range[1, 2]	+15% ('13-'17 CAGR)

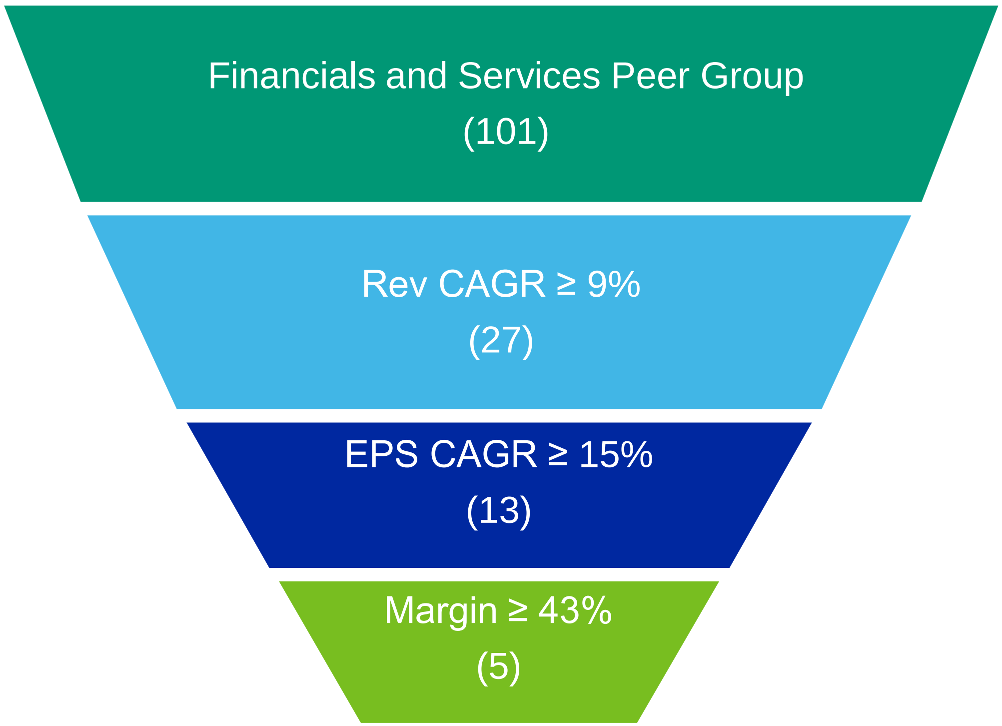
Note: Long-term growth opportunities presented on this slide are on average over time.

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.

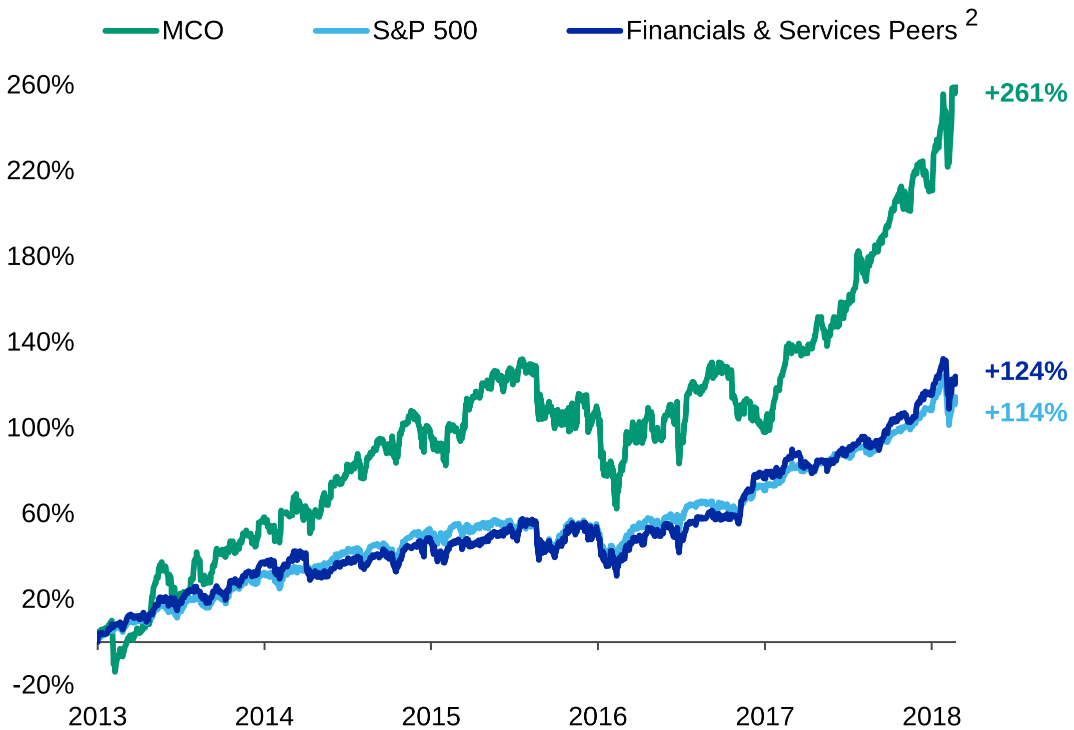
Performance at top end of peer group

Only 4 companies in S&P 500 Financials & Services peer group[1] performed as well as Moody's over the last 5 years[2]



1 Peer group comprised of S&P 500 Financial and Service company peers.
2 As of December 2017, over the last five fiscal years.

Total shareholder return has outperformed S&P 500 and peer group[1]



» Moody's total shareholder return was 59% in 2017, compared to 22% for the S&P 500 and 22% for the Financials and Services Peers

» Moody's 2017 59% total shareholder return was its best annual return since going public in 2000

1 As of February 23, 2018. Source: FactSet.
2 Peer group comprised of S&P 500 Financials and Services peer companies.

Best practices and cost management contribute to operating leverage

Sales Mix
ERS shifting mix to higher margin product sales

Synergies
Executing on Bureau van Dijk integration synergies

Infrastructure
Managing real estate and IT expense growth

Staffing Mix
Shifting staff from high-cost to lower-cost geographies

Technology
Enabling technology to support operational efficiencies

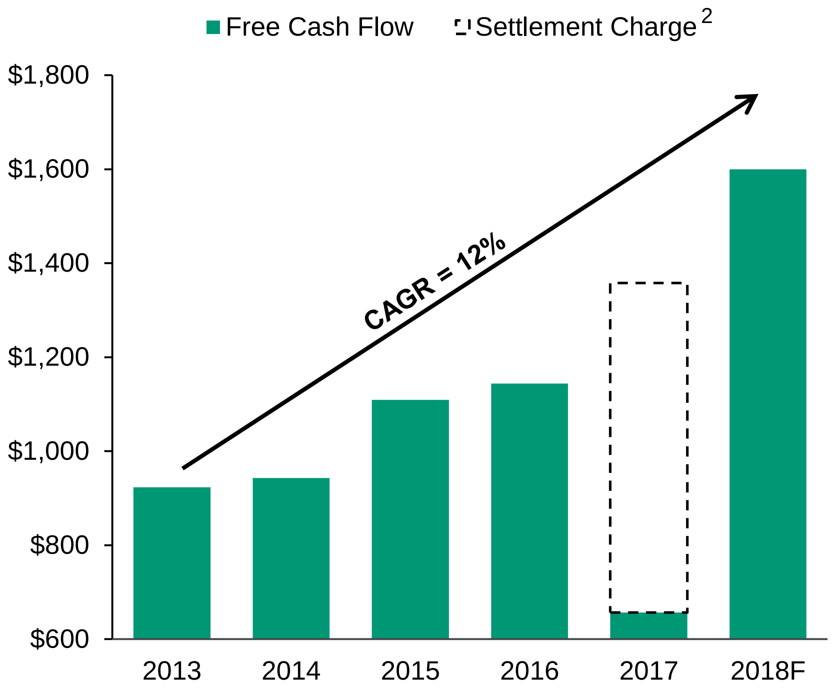
Organization
Reducing organizational layers and optimizing manager span of control

2

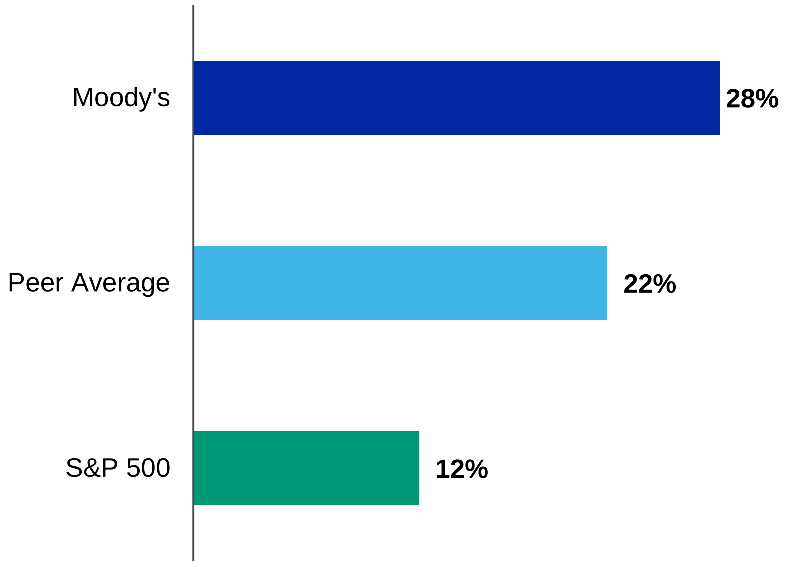
Capital allocation strategy

Generating significant free cash flow and strong conversion relative to peers

Free Cash Flow[1]



Free Cash Flow / Revenue
(Five Year Average)[3]



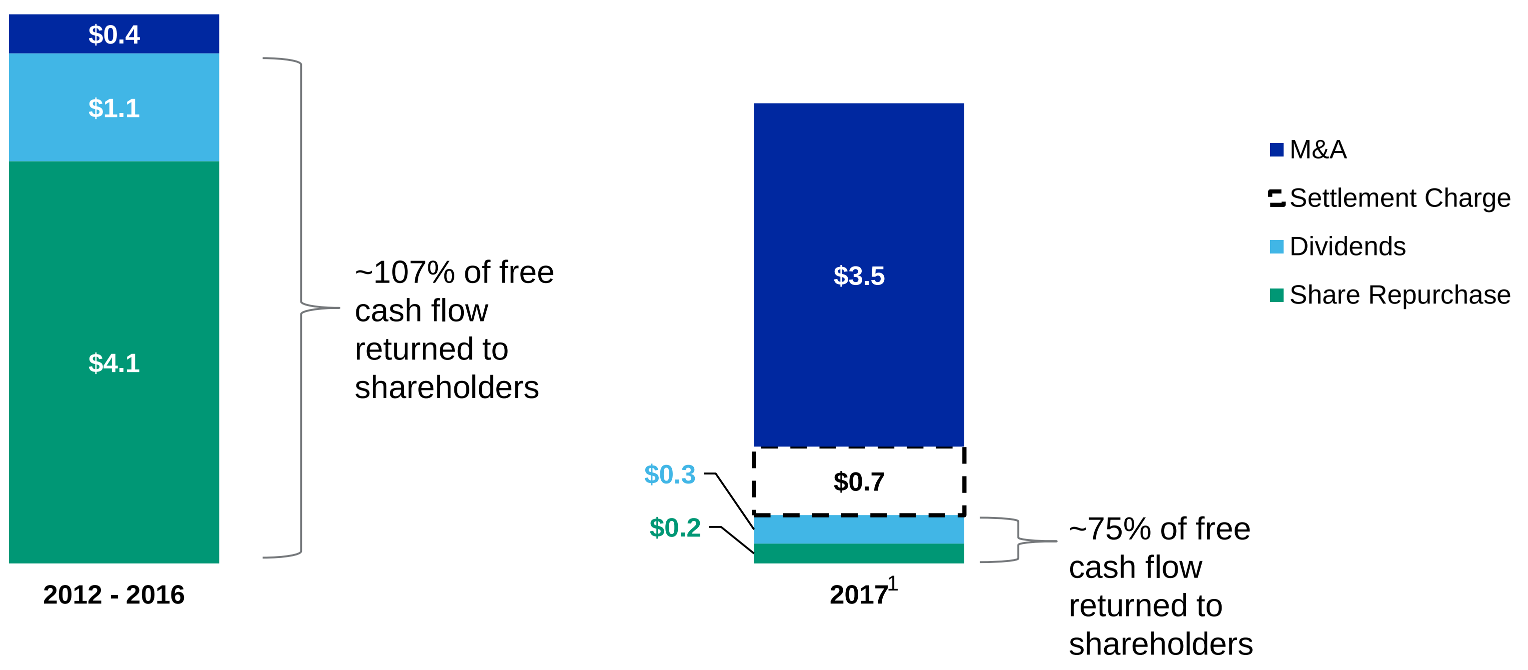
1 Free cash flow is an adjusted financial measure; see Appendix for reconciliations from adjusted financial measures to U.S. GAAP.
2 There was an $863.8 million charge ($700.7 million net of tax) paid in 1Q 2017 related to a settlement with the U.S. Department of Justice and the attorneys general of 21 U.S. states and the District of Columbia (the “Settlement Charge”).
3 As of December 31, 2017, over the last five available fiscal years. Source: FactSet.

Capital allocation priorities support long-term growth

Investing in Growth Opportunities		Return of Capital	
Reinvestment	**Acquisitions**	**Dividends**	**Share Repurchase**
Invest in existing businesses to support organic growth	Evaluate carefully to make sure aligned with strategy and market evolution	Grow dividend in line with earnings; target 25% - 30% payout	Follow reinvestment, dividends and acquisitions in capital allocation prioritization

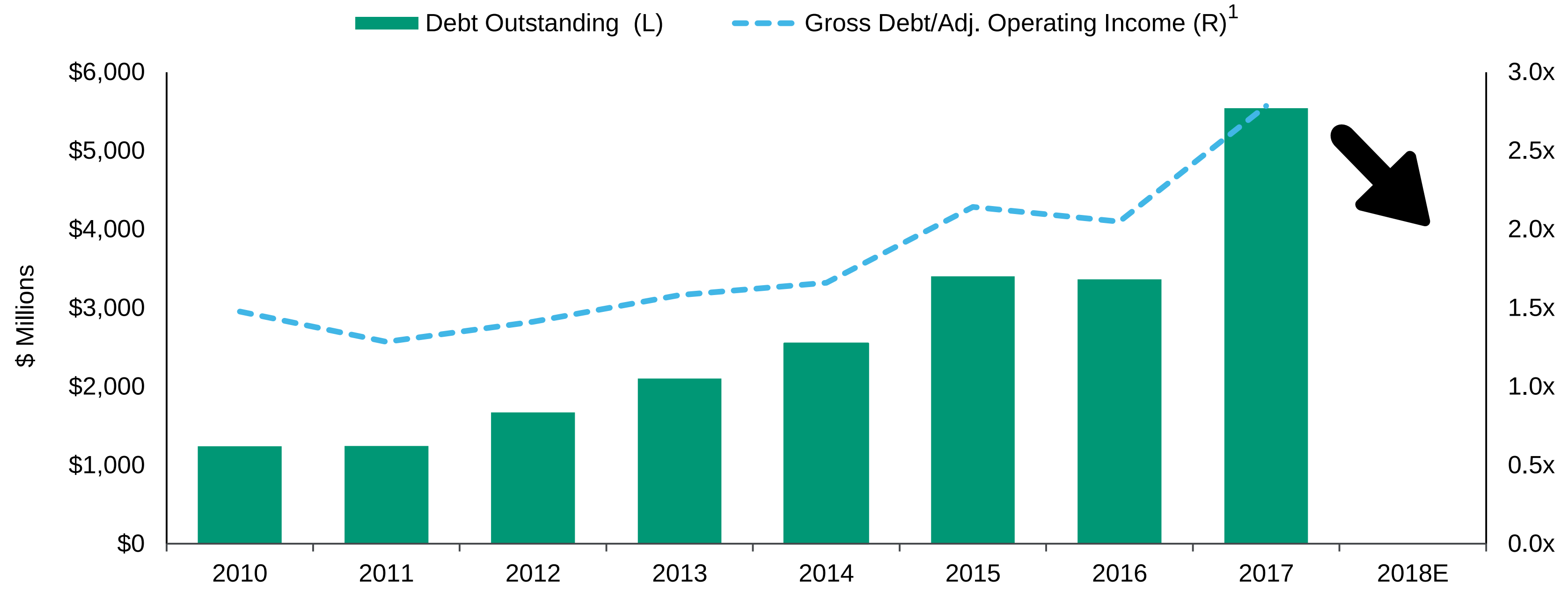
Shifted 2017 capital allocation due to Bureau van Dijk and Settlement Charge

Moody's Capital Allocation
($ in billions)



1 Free cash flow in 2017 includes the $700.7 million Settlement Charge, net of tax.

De-leveraging in 2018 to maintain current BBB+ credit rating



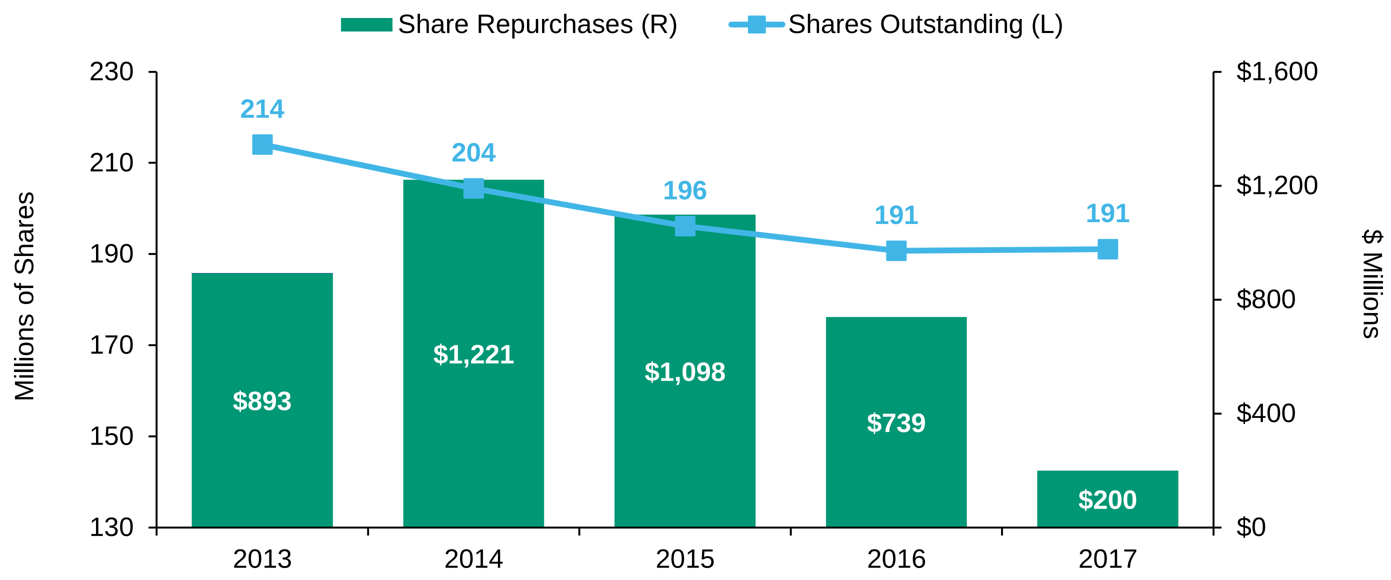
» Current long-term credit ratings from S&P and Fitch are BBB+ (negative) / BBB+ (stable)

» Solid investment-grade rating provides reliable, cost-effective access to capital in a variety of market environments

1 Amount is an adjusted measure. See Appendix for reconciliations from adjusted financial measures to U.S. GAAP.

Reduced share count by 11% since 2013

Share Repurchases

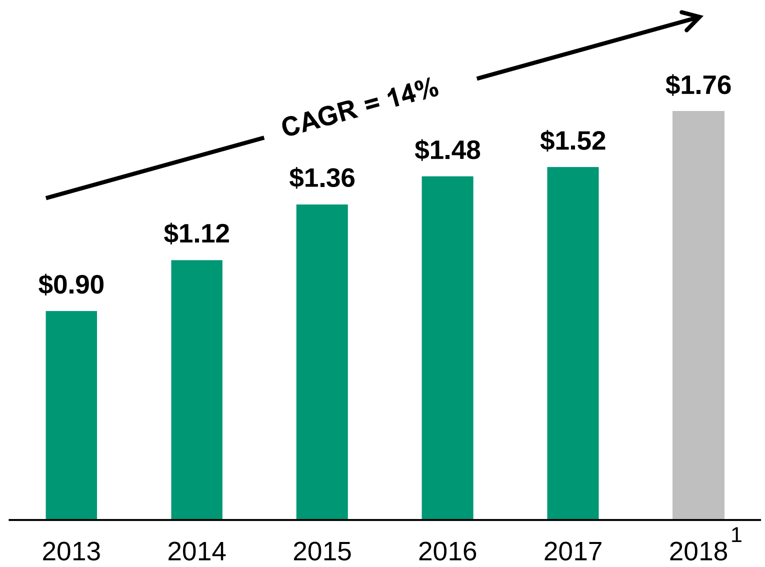


Avg. Buyback Price	$63	$88	$101	$96	$121

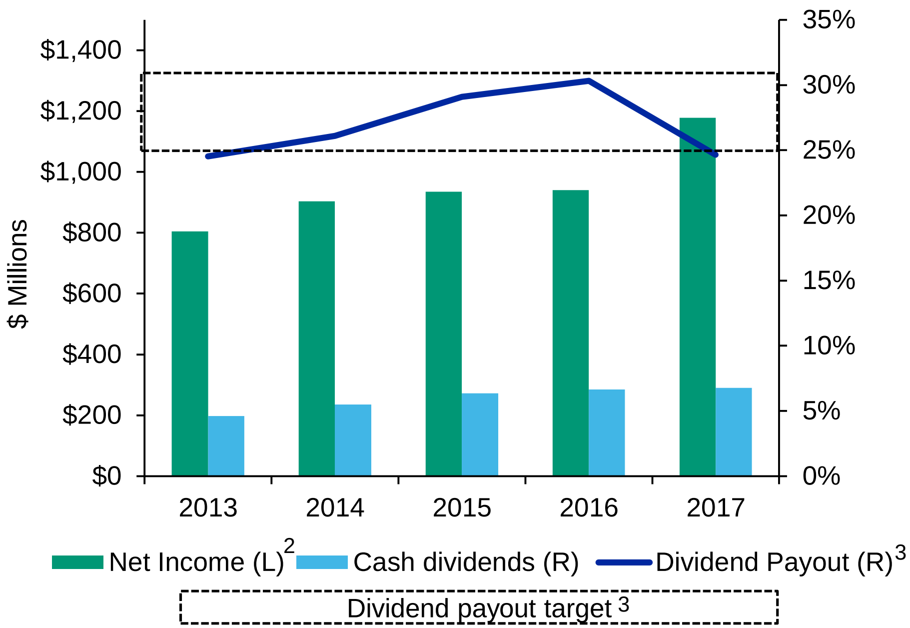
» Targeting $200 million in share repurchase in 2018 to offset net shares issued for employee compensation plans

Increased dividend by ~70% since 2013

Annual Dividend Per Share



Dividend Payout



- Increased annual dividend by an average of 14% from 2013 to 2017
- Announced a dividend increase of 16% on January 24, 2018

- Target dividend payout ratio[3] of 25% to 30%
- Current dividend yield of ~1%

1 Annualized dividend total, based on first quarter dividend declared on January 24, 2018.
2 Adjusted net income. See Appendix for reconciliation from adjusted financial measures to U.S. GAAP.
3 Dividend payout ratio is defined as dividends paid per share/adjusted net income.

Key messages

- Moody’s has demonstrated strong operating performance
- We have continued our strategic focus on costs and business efficiency
- We are reducing leverage post-Bureau van Dijk acquisition
- Our capital allocation priorities have not changed

3

Corporate development

David Platt

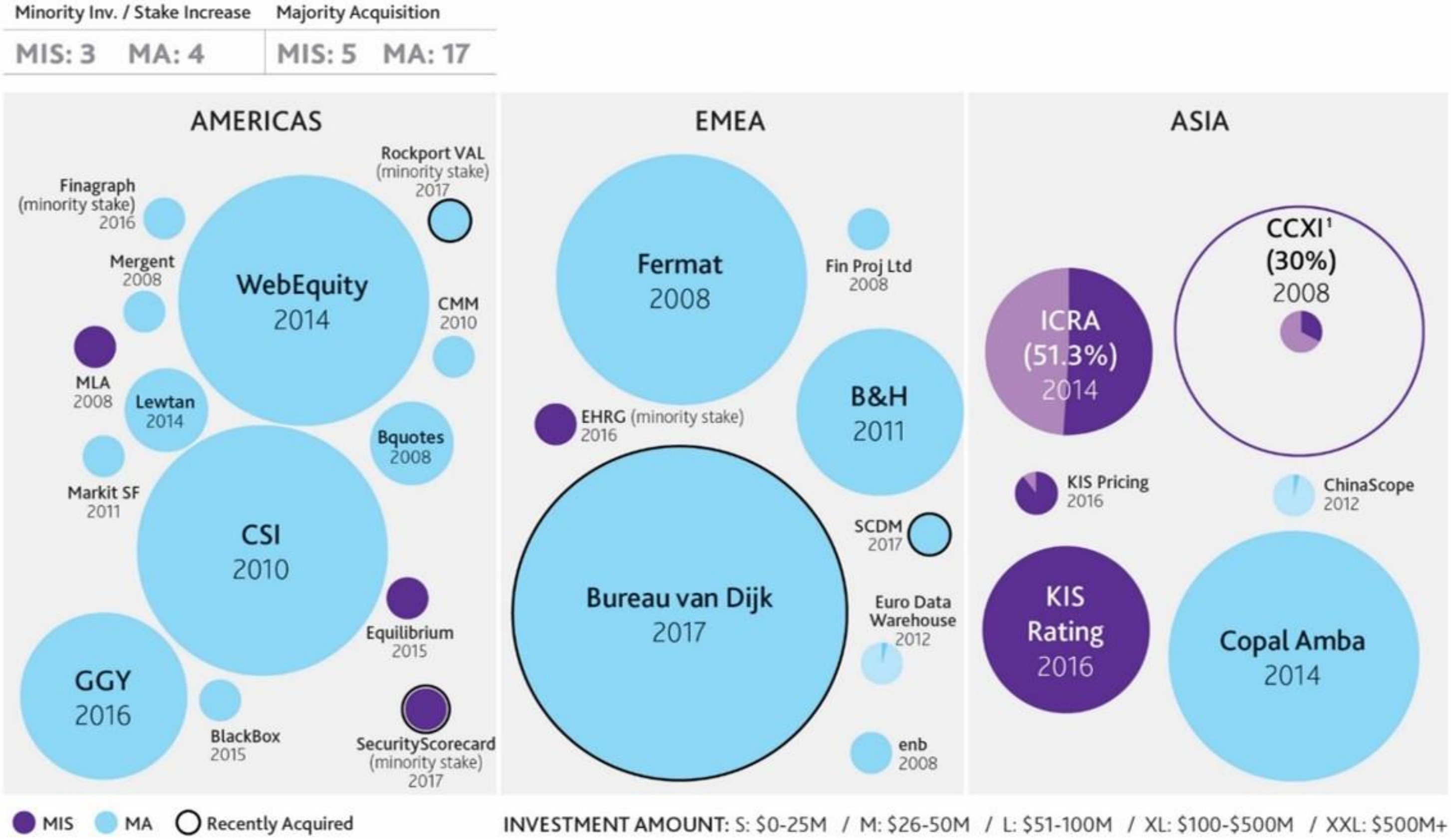
Managing Director, Head of Corporate Development

Acquisition approach

- **M&A used as a strategic tool and we have been active on multiple fronts**
  - Bureau van Dijk: opportunity to acquire a premier business on a proprietary basis
  - Embracing Technology: Selective investments to learn and innovate
- **Our core business presents a high bar and demands acquisition discipline**
  - Business as usual: no acquisition quotas; we consider many and will execute on few
- **Focused on acquiring businesses that offer industrial logic and can meet our return parameters under a realistic set of operating assumptions**
  - Valuation based on view of what P&L can be achieved and not vice versa
  - Take conservative view of synergies and integration costs, e.g., IT / cybersecurity, etc.
- **The information service sector is and will continue to be expensive**
  - Significant competition for scale assets that can offer growth and/or diversification
  - Similar dynamic for technology enabled investments: important to remain grounded
- **Mission and common sense drives decision making**

Acquisition activity

Our acquisition activity has been guided by our ***mission*** to be the most respected authority serving risk-sensitive financial markets and ***vision*** to become the global standard enabling all financial risk and credit-related decisions



Note: In the last 10 years, Moody's has analyzed 500+ companies, made 29 acquisitions / investments and spent approximately $4.5 billion.

1 In 2006, Moody's acquired 49% of Chinese credit rating agency CCXI. In March 2017, CCXI, as part of a strategic business realignment, was restructured to include CCXR, a complementary ratings business operating in the domestic market owned by our joint venture partner, diluting Moody's ownership to 30% of the enlarged business.

Acquisition requirements

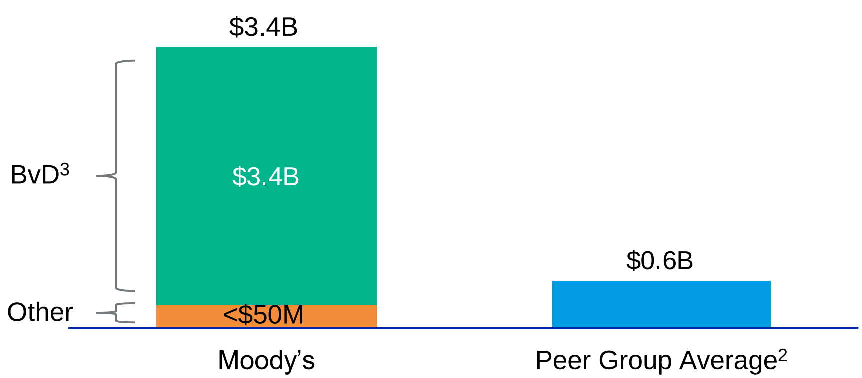
Clear Industrial Logic

- » Complementary ratings, content, data, analytics, risk management, etc., in existing and / or high growth markets
- » Financial services and adjacent client base that can leverage Moody's brand, distribution, core credit expertise and analytic capabilities
- » Preference for recurring or "repeat" revenue and low capital intensity

Disciplined Financial Requirements

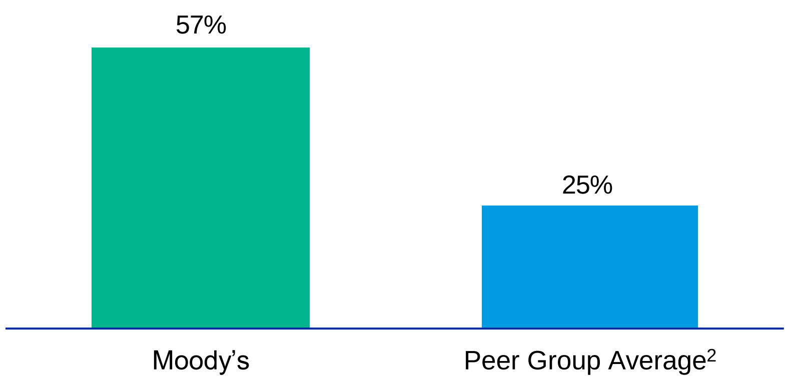
- » IRR at / above Moody's cost of capital
- » >10% annual cash return yield within 3-5 years
- » Cash payback within 7-9 years
- » GAAP EPS accretive by year 3 (where applicable)
- » Transactions evaluated on an unlevered basis

Acquisition Spend (Since 9/16; $B)[1]



# of Transactions: 5 3

Total Shareholder Return (Since 9/16)[1]



1 Market and acquisition spend data as of February 23, 2018; Source: FactSet.
2 Peer Group includes CoreLogic, Dun & Bradstreet, Experian, FactSet, IHS Markit, Morningstar, MSCI, S&P Global, Thomson Reuters and Verisk.
3 Bureau van Dijk was acquired for $3.4 billion on August 10, 2017.

A premier business: Bureau van Dijk

BUREAU VAN DIJK

☑	Strategic Rationale	» Extension into European SME / private company data & analytics » Broadens Moody's coverage of the credit market
☑	Ratings or Standards Business	» Aggregates, standardizes and distributes one of the world's most extensive private company data sets
☑	High Growth Market	» Historical revenue CAGR of 9.3%, with demonstrated operating leverage over the last 10 years (margin expansion from 38% to 51%)[1]
☑	Leverage Moody's Competencies	» MA sales force, cross-selling, and joint product opportunities
☑	Demonstrable Synergies	» ~$45M in annual revenue and expense synergies by 2019[2] » ~$80M by 2021[2]
☑	Expected Recurring Revenue	» Subscription business; 90%+ recurring revenue and renewal rates
☑	Investment Returns	» Met IRR and GAAP EPS return requirements » Modestly miss cash return requirements
☑	Efficient Use of Offshore Cash	» $1.4 billion of offshore cash
☑	Performance	» Business performing in line with expectations » Synergies case is on track
☑	Integration Status	» Integration efforts on track

1 From 2006 – 2016. Margin referencing Bureau van Dijk's IFRS based financials.
2 Anticipated annual revenue and expense synergies, as of February 9, 2018.

Embracing technology: selective investments

Rapidly Changing Technology

Cloud

Big Data and Non-Traditional Data

Artificial Intelligence / Natural Language Processing

Automation

Open and Shared Platforms via APIs

Blockchain

Multiple Initiatives

- Embracing and empowering the organization to take risk and innovate using new technologies
- Exploring proofs of concept, working with start-ups through trial and error
- Innovation to both access new markets and operate our business better

MA Emerging Business Unit

Commercial Real Estate
~$2B TAM

Small and Medium Enterprises
~$4B TAM

Enterprise Risk Management
~$6B TAM

MIS Advanced Technology Solutions

Read & Extract
Big Data

Analyze
Artificial Intelligence

Publish
Natural Language Processing

Selective Investments

- Grounded in creating & defending revenues and achieving efficiencies & best practices
- Post-close accountability a pre-requisite with emphasis on product and commercial strategy
- Relatively modest financial commitments

Finagraph

Cloud-based, automated SME data collection

EULER HERMES
Credit Rating Agency

Big Data European SME credit ratings

COMPSTAK

AI / Crowd-sourced CRE lease information

SecurityScorecard

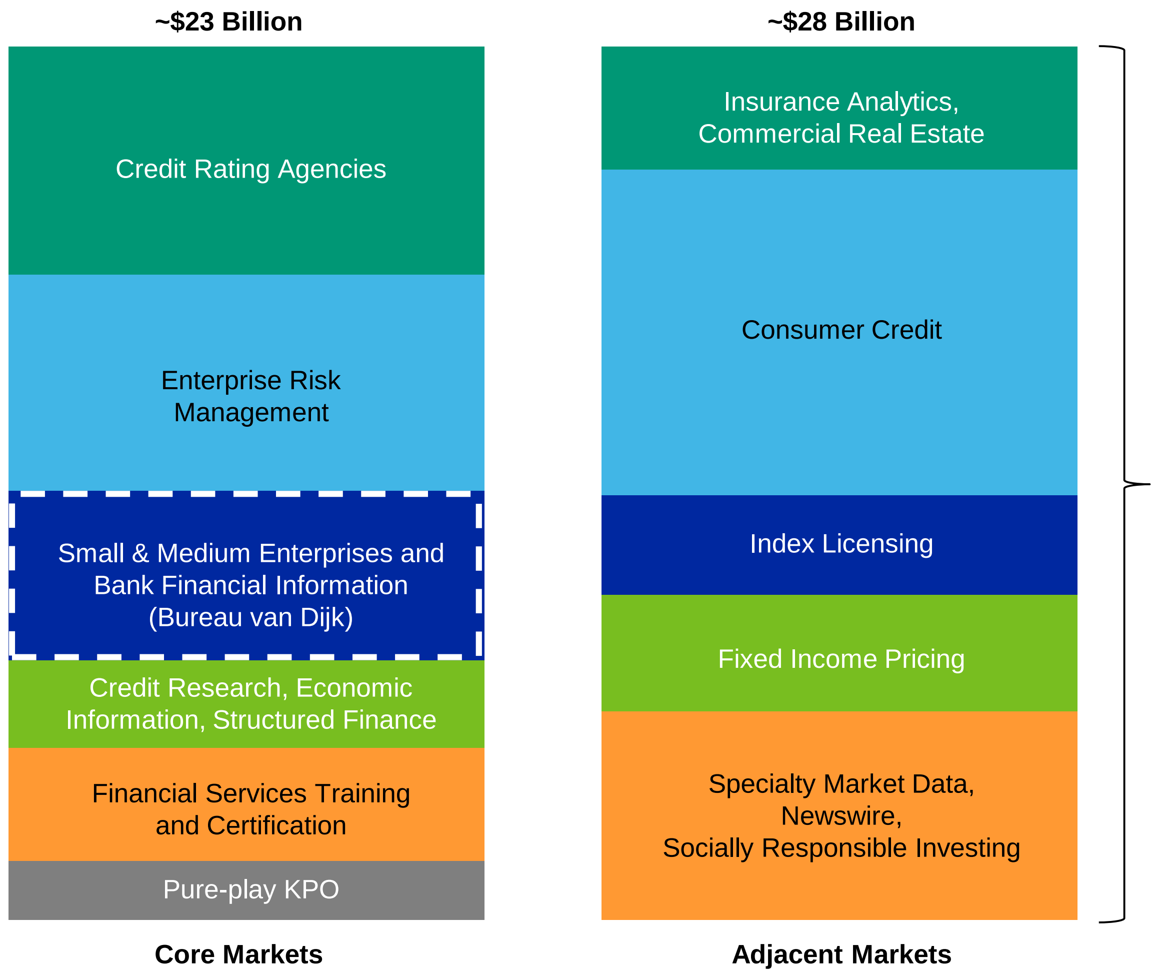
Big Data cyber security assessments

ROCKPORT VAL

Cloud-based CRE property valuation tool

Expanding our addressable markets

We continue to focus on both organic and acquired growth in our core markets and selectively consider potential opportunities in adjacent market segments



- » Continue to find aspects of these areas potentially interesting; albeit valuation and potential growth and margin dilution are concerns
- » Flexible and willing to consider minority investments, joint ventures, technology-enabled innovation, etc.
- » Not pre-disposed to M&A and work with our LOBs to assess buy-versus-build opportunities
- » What market need and/or problem are we solving and what strategic advantage do we bring to the table?
- » Are we defending the core, investing for growth and deploying shareholder capital effectively?

Post-acquisition monitoring

- Clear accountability with regular reporting to senior management and board
- Generally prefer to fully integrate (within acquiring business unit) albeit practical approach to maintain unique and / or entrepreneurial characteristics
  - Corporate functions, sales force, IT, etc.
- Acquisition tracking for 3 years after acquisition for transactions >$10 million

Quarterly Dashboard	Annual Review

Quarterly Dashboard

- Track key performance indicators
  - Measurable, relevant, allow us to track vs. acquisition model
  - Financial metrics: revenues and EBITDA (when possible) vs. acquisition model and budget
  - Operational metrics: client retention, employee retention, new sales, etc.

Annual Review

- Annual impairment testing
- Post-acquisition annual reviews
  - Annual acquisition deep dive reviews
  - Review of financial performance vs. acquisition model
  - What went as planned vs. what didn't
  - Incorporate "lessons learned" into acquisition process
  - Overall strategic assessment of acquisition (performance, fit, other benefits and issues)

Key messages

- Our business is solid and the bar for acquisitions is high
- We actively seek to expand our total addressable market
- Transactions must have clear industrial logic and meet return parameters
- We conduct regular post-close review to ensure accountability
- Common sense and our mission guide decision making
- We are disciplined and careful with our shareholders’ capital

4

Human resources and compensation

Melanie Hughes

Senior Vice President, Chief Human Resources Officer

Key messages

At Moody’s, our organization drives business outcomes

» Our people are our advantage

- The insights, opinions and solutions we provide are based on our deep expertise and experience and are key differentiators in the market

» Our approach provides leverage

- We drive efficiency, effectiveness and margin improvement through automation and the strategic positioning of talent around the world

» Our incentives and culture are aligned with performance and business outcomes

- Moody’s offers competitive compensation programs designed to reward top performance while ensuring alignment with business goals and shareholder interests

Meeting skill requirements of the future

Fluid approach to workforce planning and strategy is critical

Recent Trends in Workforce Dynamics

- 50% millennials by 2020
- Employer / employee loyalty
- Gig economy
- Virtual workplace
- Digitization of workplace
- Diversity & inclusion
- Social media prevalence
- Artificial intelligence
- Big data
- Tech skills shortage
- Immigration restrictions
- Offshoring
- Tighter global labor markets
- Growth in APAC region

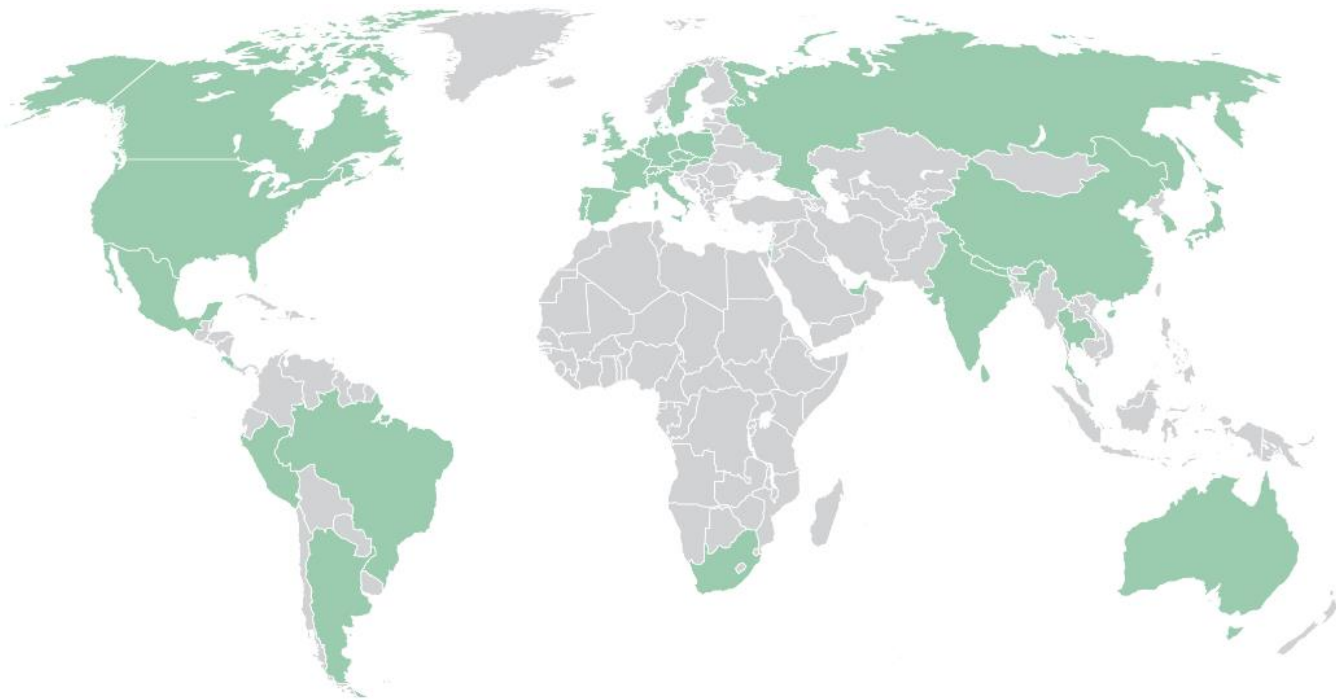
People strategy driven by business strategy

We balance our investment in talent and business growth with a focus on efficiency and cost

The P&L of Human Capital

Revenue Growth	Margin Growth
» "Talent First" mindset	» Automation of roles
» Reputation as a market leader for talent	» Leveraging artificial intelligence
» Development and career paths build employee value	» Near-shoring and offshoring
» Retentive culture – 10% turnover	» Insourcing vs. outsourcing

We have a strong global presence



Americas

Argentina	Mexico
Brazil	Panama
Canada	Peru
Costa Rica	United States

Europe, Middle East & Africa

Austria	Netherlands
Belgium	Poland
Cyprus	Portugal
Czech Republic	Russia
Denmark	Slovakia
France	South Africa
Germany	Spain
Ireland	Sweden
Israel	Switzerland
Italy	UAE
Mauritius	United Kingdom

Asia-Pacific

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

	U.S.		Americas		EMEA		APAC (ex. India)		India		total employees
2017	3,591	+	627	+	2,526	+	1,594	+	3,557	=	11,896 total employees[1]
2012	2,593	+	245	+	1,356	+	901	+	1,478	=	6,573 total employees[2]

1 As of December 31, 2017.
2 As of December 31, 2012.

Compensation philosophy

Generating better shareholder returns by aligning rewards with business outcomes

Attract & Retain

Provide competitive total compensation that attracts, retains and motivates employees to perform at a superior level

Link

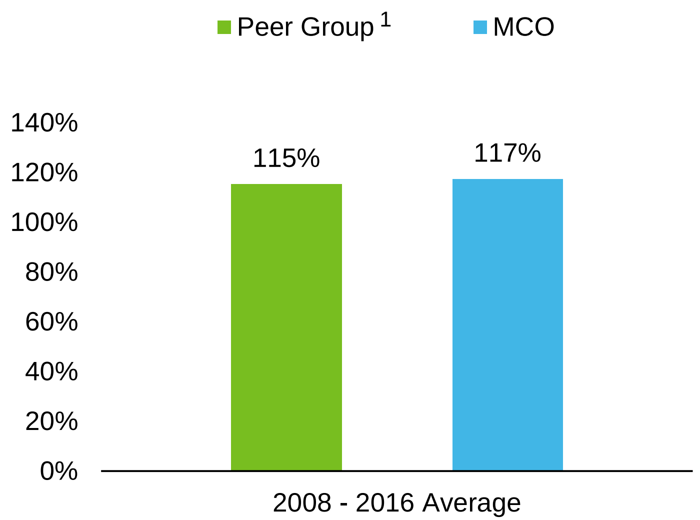
Link compensation to the achievement of Moody's financial and operating objectives and to the individual's performance

Align

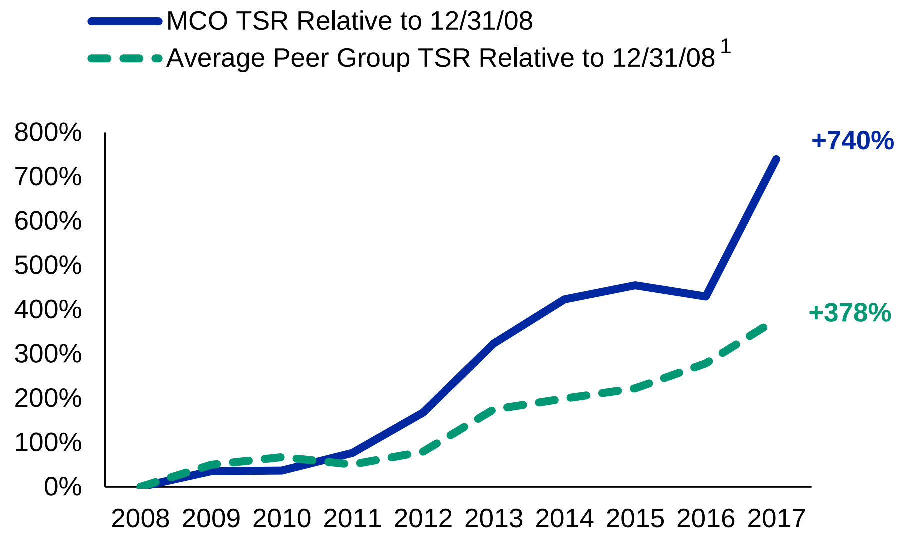
Align employees' rewards with shareholders' interests

Moody's compensation closely tracks peers while delivering greater TSR

Bonus Funding (% of target)



Total Shareholder Return (TSR)



- MCO average cash bonus closely tracks the peer group
- Moody's average annual change in TSR over a 10 year period of 22% is greater than the peer group average of 14%
- Projected share utilization rate of 1.5% in 2018 is at the median for our peers

1 Total shareholder return includes share price appreciation and assumes dividends are reinvested each time they are paid. Peer Group includes Thomson Reuters, S&P Global, Invesco, T. Rowe Price, Intercontinental Exchange, Nasdaq, CME Group, Fidelity, Nielsen, Fiserv, IHS Markit, Equifax, Gartner, Verisk, TransUnion and Dun & Bradstreet. IHS Markit, TransUnion, Verisk and Nielsen do not have market data from 2008 and therefore excluded from TSR calculation. Source: FactSet.

Concluding thoughts

- People are our advantage
- We have built, and continue to adapt, our culture to attract and retain top talent
- We create efficiencies through smart use of technology and geographical hubs without compromising quality
- Our compensation plans link pay to performance and are directly aligned with shareholders' interests
- This has resulted in superior shareholder return

5

Q&A

Linda Huber
Executive Vice President and CFO

David Platt
Managing Director, Head of Corporate Development

Melanie Hughes
SVP, Chief Human Resources Officer

Closing and thanks

Ray McDaniel, President & Chief Executive Officer

Corporate Social Responsibility: Open the door to a better future

Three focus areas, all supported by our colleagues

Opening doors to opportunity

Changing the lives of people all over the world—many of them women and underrepresented—helping them grow their businesses by acquiring the tools and know-how to navigate in the financial world.

Activating an environmentally sustainable future

Through internal efforts in our workplaces such as the Environmental Task Force and with tools and services we provide to others such as the MIS ESG Initiative and Moody's Green Bond Assessment.

Helping young people reach their potential

Opening greater opportunities for untapped students and young adults to prepare for successful careers in technology, economics and finance, developing a diverse & inclusive talent pipeline.

Sharing our gifts with the world

Empowering employees in communities all over the world to change people's lives with their time, talent and resources. More opportunities through *Moody's TeamUp*®, skills-based and pro bono volunteering, nonprofit board service and employee giving programs.

Survey

- Please provide your feedback on Moody's 2018 Investor Day via a brief survey that will be emailed to you following today's event
  - Webcast participants will receive a link to the survey at the conclusion of the presentation

Q&A

Speaker biographies

Moody’s Investor Day 2018 presenters

Steve Maire

Global Head of Investor Relations and Communications

Stephen Maire is Vice President, Global Head of Investor Relations and Communications at Moody’s Corporation. In that capacity he oversees investor relations, media relations and internal communications for Moody’s Corporation. He is also responsible for the communications teams that are partnered with Moody’s businesses to drive Moody’s thought leadership and enhance its reputation.

Previously Stephen served as Managing Director, Treasurer for Moody’s. Prior to joining Moody’s, Stephen was a Vice President within the Fixed Income Capital Markets division at Morgan Stanley where he executed over $40 billion of debt refinancings for media and telecom companies, and provided financing advice for mergers and acquisitions. Prior to Morgan Stanley, Stephen was an associate at Barclays Capital in a similar capacity. Previous to these roles, Stephen spent five years in the U.S. Army where he achieved the rank of captain, deployed to Kosovo as part of a NATO peacekeeping mission, and ultimately commanded a company before leaving the service.

Stephen is a CFA charterholder, holds an MBA from Cornell University and graduated from the U.S. Military Academy at West Point with a B.S. in Engineering.

Ray McDaniel

President and Chief Executive Officer

Raymond W. McDaniel, Jr. is President and Chief Executive Officer of Moody’s Corporation. In this role, Mr. McDaniel is responsible for all activities of the corporation and its two operating divisions: Moody’s Investors Service, the credit rating agency, and Moody’s Analytics.

Mr. McDaniel has held a variety of positions since joining the firm in 1987. He began as a Senior Analyst in the Asset Securitization group in New York. Over the next 14 years, he held a number of positions of increasing responsibility including Managing Director for Moody’s Europe, Managing Director for International and Senior Managing Director for Global Ratings & Research.

Mr. McDaniel was named President of Moody’s Investors Service in November 2001. He was promoted to Executive Vice President of the corporation in 2003 and was elected to its Board of Directors the same year. In 2004, Mr. McDaniel was appointed Chief Operating Officer of Moody’s Corporation and named President of the corporation in October 2004. In April 2005, he was appointed Chief Executive Officer. Mr. McDaniel also served as Chairman of the Board from 2005 to 2012. During his tenure, Mr. McDaniel has implemented important enhancements to Moody’s ratings practices. Some of these initiatives include growing the core ratings and research business globally, implementing international expansion and new products, and improving professional practices in the ratings business through credit policy and rating committee enhancements and improvements to credit research capabilities.

Mr. McDaniel holds a J.D. from Emory University School of Law and a B.A. in political science from Colgate University. He was admitted to the Bar of the State of New York in 1984 and is a member of the Board of Directors of John Wiley & Sons, Inc.

Moody's Investor Day 2018 presenters

Mark Zandi

Chief Economist, Moody's Analytics

Mark M. Zandi is chief economist of Moody's Analytics, where he directs economic research. Dr. Zandi is a cofounder of Economy.com, which Moody's purchased in 2005.

A trusted adviser to policymakers and an influential source of economic analysis for businesses, journalists and the public, Dr. Zandi frequently testifies before Congress on topics including the economic outlook, the nation's daunting fiscal challenges, the merits of fiscal stimulus, financial regulatory reform, and foreclosure mitigation.

Dr. Zandi is the author of Financial Shock, an exposé of the financial crisis, and Paying the Price, which assesses the policy response to the financial crisis. He is on the board of directors of mortgage insurer MGIC and is Chairman of the Board of The Reinvestment Fund, one of the nation's largest Community Development Financial Institutions.

Dr. Zandi received his Ph.D. at the University of Pennsylvania, where he did his research with Gerard Adams and Nobel laureate Lawrence Klein, and received his B.S. from the Wharton School at the University of Pennsylvania.

Rob Fauber

President, Moody's Investors Service

Rob Fauber was appointed President of Moody's Investors Service in April 2016. He is responsible for managing the operations of Moody's rating business.

Prior to this, Mr. Fauber was Head of the Global Commercial Group at Moody's Investors Service, a position which he assumed in January 2013. In this capacity, Mr. Fauber oversaw relationship management, product development, and strategic initiatives for the rating agency. Previously, Mr. Fauber served as Senior Vice President of Corporate Development for Moody's Corporation from 2005 to 2013, where he led the Company's acquisition and divestiture activity as well as corporate strategy.

Prior to joining Moody's, Mr. Fauber worked in several areas at Citigroup from 1999 to 2005, including the Alternative Investments Division, the Corporate Strategy & Business Development Group, and investment banking at the firm's Salomon Smith Barney subsidiary. Mr. Fauber started his career at NationsBank (now Bank of America).

Mr. Fauber holds an M.B.A. from The Johnson School of Management at Cornell University and a B.A. in economics from the University of Virginia.

Moody’s Investor Day 2018 presenters

Jim Ahern

Managing Director, Head of Global Structured Finance

Jim Ahern, Managing Director, Head of Global Structured Finance Group, is responsible for Moody’s securitization, structured finance and covered bond ratings businesses in the Americas, EMEA and Asia Pacific.

Mr. Ahern joined Moody’s in June 2014. Prior to Moody’s, Mr. Ahern was Managing Director & Global Head of Securitization at Société Générale (SG) based in London. Prior to assuming this role in 2011, he held a number of positions of increasing importance at SG in New York including Co Global Head of Securitization, Head of Consumer ABS and Deputy Head of Securitization Credit Structures.

From 1995 until joining SG in 2002, Mr. Ahern Co-Headed the Structured Finance Group for Commerzbank’s New York Branch. He has also worked on structured finance teams at Mizuho and UBS. He holds a B.A. from Rutgers and an M.B.A. from Cornell.

Mark Almeida

President, Moody’s Analytics

Mr. Almeida became President of Moody’s Analytics in August 2007. In this role, he oversees Moody’s offering of products and services that are used extensively by financial institutions worldwide.

Prior to this position, Mr. Almeida was Senior Managing Director of the Investor Services Group at Moody’s Investors Service, where he was responsible for the marketing and distribution of research and related products developed by the rating agency.

Mr. Almeida joined the Corporate Finance division of Moody’s Investors Service in 1988. In the early 1990s, he was based in Moody’s London office, where he organized an effort to pursue business opportunities anticipated from the development of the European Union and the emergence of the common European currency. He was named Group Managing Director-Investor Services in 2000, and was promoted to Senior Managing Director in 2004.

Prior to joining Moody’s, Mr. Almeida worked in research and marketing for an economic consulting and securities data company. He holds a B.A. from St. Joseph’s University in Philadelphia, and an M.B.A. from the Leonard N. Stern School of Business at New York University.

Moody’s Investor Day 2018 presenters

Steve Tulenko

Executive Director, Enterprise Risk Solutions

Stephen Tulenko serves as Executive Director - Enterprise Risk Solutions for Moody’s Analytics. Prior to this appointment, Mr. Tulenko was Executive Director - Sales, Customer Service and Marketing from 2008 to 2013.

Mr. Tulenko also worked as Group Managing Director, Global Head of Sales for the Investor Services Group within Moody’s Investors Service, a unit dedicated to providing credit research and risk management tools to buy-side and sell-side institutions. A Managing Director in the organization since 1998, Mr. Tulenko has also managed marketing and product development teams within Moody’s.

Mr. Tulenko joined Moody’s in 1990. He holds an undergraduate degree in Economics and Business Administration from the University of Notre Dame and an M.B.A. in Finance, Marketing and International Business from the Stern School of Business at New York University.

Dan Russell

Executive Director, Bureau Van Dijk

Dan Russell serves as Executive Director of Bureau Van Dijk, where he oversees all aspects of the Bureau Van Dijk business. Prior to that, Dan was Executive Director of Moody’s Analytics from November 2007 through August 2017. In that role, he was responsible for marketing the research produced by Moody’s Investor Services and managing Moody’s Analytics proprietary market based credit metrics. In addition, Dan oversaw all facets of Moodys.com.

Previously, Dan was a Managing Director of the Investor Services Group at Moody’s Investor Services where he was responsible for a portfolio of new business initiatives. Dan joined Moody’s in October, 1992.

Before joining Moody’s Dan worked for 3 years at Bankers Trust (now Deutsche Bank) in a number of business development roles. He began his career at Fireman’s Fund Insurance as an actuary. He holds a Bachelor’s of Arts degree from the University of California, Berkeley and an MBA from Cornell’s Johnson Graduate School of Management.

Moody’s Investor Day 2018 presenters

Linda Huber

Executive Vice President and Chief Financial Officer

Linda Huber is Executive Vice President and Chief Financial Officer of Moody’s Corporation with management responsibility for 3,000 employees. Ms. Huber has executive responsibility for the corporation’s global finance activities, including accounting and financial reporting, tax, treasury, corporate planning and investor relations. She is also responsible for Moody’s information technology, global communications and corporate services functions. Ms. Huber also oversees The Moody’s Foundation. In addition, she is the executive sponsor of both the Women’s Employee Resource Group and the Veteran’s Employee Resource Group.

Prior to joining Moody’s, Ms. Huber was Executive Vice President and Chief Financial Officer at U.S. Trust Company, a subsidiary of Charles Schwab & Company, Inc., from 2003 to 2005. Previously, she was Managing Director at Freeman & Co. from 1998 through 2002. Ms. Huber served PepsiCo as Vice President of Corporate Strategy and Development from 1997 until 1998, and as Vice President and Assistant Treasurer from 1994 until 1997. From 1991 until 1994, Ms. Huber was a Vice President in the Energy Investment Banking Group at Bankers Trust Company, and was an Associate in the Energy Group at The First Boston Corporation from 1986 through 1990. Ms. Huber held the rank of Captain in the U.S. Army, where she served from 1980 to 1984. During her years of military service, she received two Meritorious Service Medals and is airborne qualified.

Ms. Huber holds an M.B.A. from Stanford Graduate School of Business and a B.S. (with high honors) in business and economics from Lehigh University. She is a member of the Board of Directors of the Bank of Montreal.

David Platt

Managing Director, Head of Corporate Development

Mr. Platt joined Moody’s in January 2013 and runs the Company’s corporate development group, which includes the origination, evaluation, and execution of acquisitions, divestitures, venture capital, and joint ventures as well as overseeing corporate strategy. Mr. Platt has over 20 years of global corporate finance, mergers and acquisitions, strategic planning, credit research and risk management experience, spanning multiple industries and execution of transactions and financial matters in excess of $20 billion.

Mr. Platt’s professional experience includes spearheading Middle Market M&A at Deutsche Bank working with a wide range of corporate and financial sponsor clients. Prior to Deutsche Bank, Mr. Platt was a Managing Director in the M&A Group at Bank of America and held similar roles in the M&A Groups at Citigroup and Donaldson, Lufkin & Jenrette. Mr. Platt started his post-graduate career in the Money Market / Fixed Income Division at Fidelity Investments where his responsibilities included credit risk assessment, setting of exposure limits and investment oversight for a broad range of corporate and municipal credits as well as structured products.

Mr. Platt holds an M.B.A. from the University of Chicago Graduate School of Business, a B.A. from the University of California, Berkeley in Political Economies of Industrialized Societies and earned the CFA designation.

Moody’s Investor Day 2018 presenters

Melanie Hughes

Senior Vice President, Chief Human Resources Officer

Melanie Hughes is Senior Vice President and Chief Human Resources Officer of Moody’s Corporation.

Ms. Hughes has a strong record of leadership in human resources and talent development, with more than 30 years of experience leading human resource functions in the financial services, technology, retail and media sectors. She joined Moody's from global retailer American Eagle Outfitters, where she was Chief Human Resources Officer. She previously held leadership positions at companies including Tribune, Coach, Gilt Groupe and UBS, and has led strategic initiatives across various aspects of human resources. She has also led her own consulting practice, Org4Change, specializing in strategy, organizational development and building executive teams.

Ms. Hughes holds a BSc Psychology from Brunel University in London and an MBA in Strategy and Organizational Behavior from the European Institute for Business Administration (INSEAD) in Fontainebleau, France.

Appendix

Compensation philosophy and structure align employee & shareholders' interests

Our programs:

- » *<u>Link</u>* compensation to the achievement of Moody's financial and operating objectives and to the individual's performance
- » *<u>Align</u>* employees' rewards with shareholders' interests
- » Provide a *<u>competitive</u>* total compensation package that will retain and motivate employees to perform at a superior level

Moody's current compensation programs include:

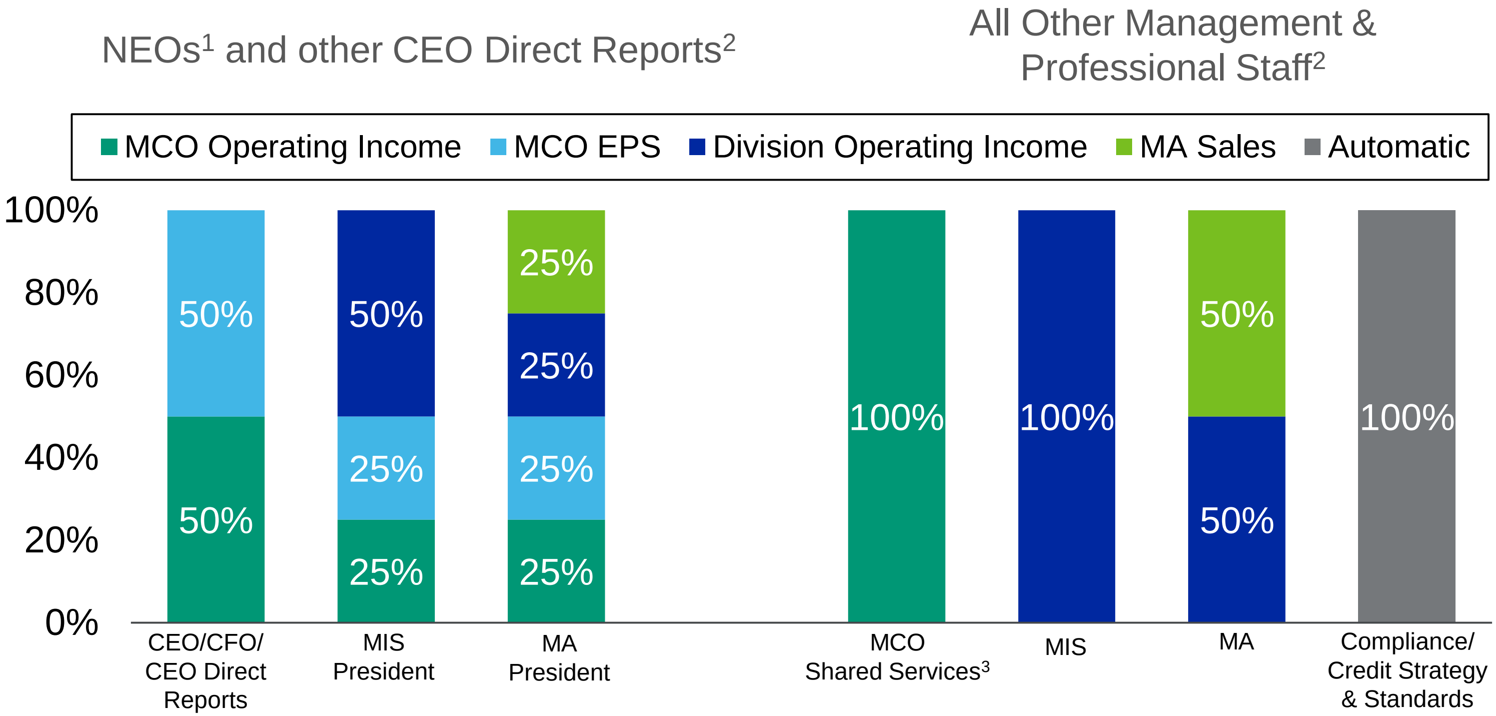
Base Salary	Annual Cash Bonus	Long-term Incentive[2]
Generally set at approximate median of salaries in similar positions within Moody's peer group and/or the broader financial services market	Target amounts set at the approximate median against Moody's peer group and/or the broader financial services market. Funding based on financial performance[1] – Operating Income, EPS, Sales – with allocation of funding subject to qualitative adjustments	Three components: • Restricted stock units • Stock options • 3-year Performance shares *(earned only if pre-established performance goals are met or exceeded)*

1 The funding for the Chief Credit Officer and employees in the Compliance and Credit Strategy & Standards divisions are not based on the Company's financial performance. They automatically fund at 100% with allocation of funding subject to qualitative adjustments.

2 Only "Top 60" executives including Named Executive Officers and CEO's direct reports receive stock options and 3-year performance shares in addition to restricted stock units; all other equity eligible employees receive restricted stock units including the Chief Credit Officer.

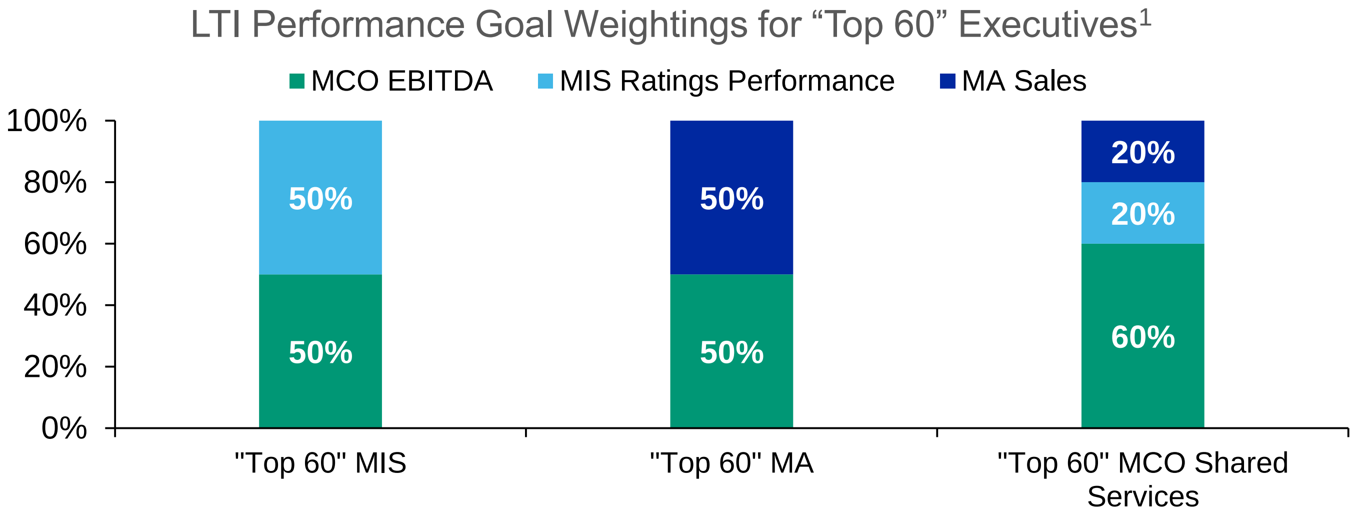
Annual cash bonus funding metrics are aligned with shareholder interests

» Financial funding metrics include Operating Income, EPS and Sales and differ based upon individual areas of responsibility– payouts are based on individual and relative performance



1 NEOs = Named Executive Officers as included in Moody's proxy statements.
2 Bonus plan for Chief Risk Officer and Compliance/ Credit Strategy & Standards automatically funds at 100% to avoid potential conflicts of interest. Payout to these employees is based on achievement of their individual non-financial goals.
3 MCO Shared Services includes Finance, Accounting, IT, Legal, Human Resources, and others.

Long-term incentives (LTI) are performance-focused



- The "Top 60" executives receive 60% of their equity in performance shares, 20% in stock options and 20% in restricted stock units.
  - <u>Performance shares</u> are earned if cumulative 3-year performance goals are achieved or exceeded
  - <u>Stock options</u> vest over 4 years in annual 25% increments; expire 10 years following grant date
  - <u>Restricted stock units</u> vest over 4 years in annual 25% increments
- Other management & senior professionals are awarded <u>restricted stock units</u> that vest ratably over 4 years

1 Chief Credit Officer receives restricted stock units to avoid potential conflicts of interest. In 2017, there was a change to the award mix for "Top 60" executives to enhance the retention and to align closer to market – 20% of the award mix was shifted from stock options to restricted stock units.

Incentive metrics align with strategy and shareholders

» Moody's incentive metrics align management with shareholder interests as well as business strategy over the short- and long-term.

» Moody's incentive compensation scheme aligns pay with company performance

METRIC	ALIGNS WITH STRATEGIC OBJECTIVES	ALIGNS MANAGEMENT WITH SHAREHOLDER INTERESTS	CORRELATED WITH SHAREHOLDER RETURNS
Sales	✔	✔	✔
EBITDA	✔	✔	✔
Operating Income	✔	✔	✔
EPS	✔	✔	✔
Ratings Quality	✔	✔	n/a
Investor Survey*	✔	n/a	n/a

* Investor Survey targets debt investors

Reconciliation of Adjusted Financial Measures to GAAP

Adjusted Operating Income and Adjusted Operating Margin Reconciliation

(in $ millions)	2012	2013	2014	2015	2016	2017[1]
As Reported Operating Income	$1,077.4	$1,234.6	$1,439.1	$1,473.4	$638.7	*$1,809.1*
Operating Margin	*39.5%*	*41.5%*	*43.2%*	*42.3%*	*17.7%*	*43.0%*
Add Adjustment:						
Depreciation & Amortization	*93.5*	*93.4*	*95.6*	*113.5*	*126.7*	*158.3*
Acquisition-Related Expenses	-	-	-	-	-	*22.5*
Restructuring	-	-	-	-	*12.0*	-
Goodwill Impairment Charge	*12.2*	-	-	-	-	-
Settlement Charge	-	-	-	-	*863.8*	-
Adjusted Operating Income	$1,183.1	$1,328.0	$1,534.7	$1,586.9	$1,641.2	*$1,989.9*
Adjusted Operating Margin	*43.3%*	*44.7%*	*46.0%*	*45.5%*	*45.5%*	*47.3%*

Moody's Corporation Operating Margin Guidance Reconciliation

	2018F[1]
Projected Operating Margin - GAAP	43% - 44%
Projected impact from Depreciation & Amortization	Approximately 4.0%
Projected impact from Acquisition-Related Expenses	Approximately 0.5%
Projected Adjusted Operating Margin	Approximately 48%

Free Cash Flow Reconciliation

(in $ millions)	2013	2014	2015	2016	2017	2018F[1]
Net cash flows from operating activities	$965.6	$1,017.3	$1,198.1	$1,259.2	$747.5	~$1,700
Less: Capital expenditures	*42.3*	*74.6*	*89.0*	*115.2*	*90.6*	*~$120*
Free Cash Flow	$923.3	$942.7	$1,109.1	$1,144.0	$656.9	~$1,600

1 Guidance as of February 9, 2018.

Reconciliation of Adjusted Financial Measures to GAAP (cont.)

Moody's Corporation Diluted EPS Reconciliation

	2013	2014	2015	2016	2017	2018F[1]
Diluted EPS - GAAP	$3.60	$4.61	$4.63	$1.36	$5.15	$7.20 - $7.40
Legacy Tax	(0.09)	(0.03)	(0.03)	-	-	-
Impact of Litigation Settlement	0.14	-	-	$3.59	-	-
ICRA Gain	-	(0.37)	-	-	-	-
FX Gain due to Subsidiary Liquidation	-	-	-	($0.18)	-	-
Restructuring	-	-	-	$0.04	-	-
CCXI Gain	-	-	-	-	($0.31)	-
Acquisition-Related Expenses	-	-	-	-	$0.10	~$0.05
Purchase Price Hedge Gain	-	-	-	-	($0.37)	-
Net Acquisition-Related Intangible Amortization Expenses	$0.09	$0.10	$0.11	$0.13	$0.23	~$0.40
Transition tax related to U.S. tax reform	-	-	-	-	$1.28	-
Net Impact of U.S./European tax change on deferred taxes	-	-	-	-	($0.01)	-
Adjusted Diluted EPS	$3.74	$4.31	$4.71	$4.94	$6.07	$7.65 - $7.85

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

1 Guidance as of February 9, 2018.

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