MOODY'S

Service Level Document

Service description

Project Finance Scorecards include models to assess the credit risk of project finance transactions. This includes a probability of default (PD), implied rating (IR), and loss given default (LGD). There are three distinct scorecards available: Generic Probability of Default; Renewable Probability of Default; Generic Loss Given Default.

Service features

→ Three different Project Finance scorecards: Generic Probability of Default (PD) and Loss Given Default (LGD) scorecards; Renewable Probability of Default (PD).

→ The Generic PD Scorecard covers major types of projects with common risk characteristics, including Power, Infrastructure, and Oil & Gas.

→ The Generic LGD Scorecard estimates the LGD for any project finance transaction.

→ The Renewable PD Scorecard is designed to rate power generating projects using renewable energies, with a focus on solar, wind, and hydro power.

→ Data source: Developed using Moody's Project Finance Consortium Dataset, which includes over 10,000 project finance transactions globally from 1982 to present—approximately 70% of the project finance transaction universe.

→ Development process: The scorecards were developed through an in-depth analysis of the Moody's Project Finance Consortium Dataset, existing Moody's modeling methodologies, and best industry practices.
→ Calibration: Scorecards are calibrated against publicly available ratings provided by Moody's Ratings (MIS).

→ Transparency: Moody's modeling offers a transparent white-box approach with explanatory analytics.

MOODY'S

→ Methodology: Scorecards include comprehensive methodology and model validation reports, with scorecards validated every 3 years. Additionally, Moody's performs annual monitoring to ensure that changes in the project finance environment are captured in a timely manner

→ Scorecards incorporate qualitative and quantitative sections, as well as notching factors.

→ PD scorecards output: Provides Moody's Implied PD Rating and a one-year probability of default. For the LGD Scorecard, users can access Workout LGD, Final LGD, Downturn LGD, and Economic LGD.

→ User interface: Allows for exporting and printing of results.

Service benefits

→ Access to a broad and deep dataset ensures that risk assessments are grounded in robust empirical evidence, enhancing the reliability.

→ Robust and reliable benchmark for credit risk assessment ensuring scorecard's evaluations is aligned with an industry-standard and globally recognized rating system.

→ Combines time-tested methodologies with expert insights, providing users with a comprehensive framework for risk assessment that merges quantitative analysis and qualitative judgment.
→ The calibration ensures confidence in the accuracy of risk evaluations for project financing.

→ Generic PD and LGD scorecards are versatile tools for assessing a wide range of projects, from infrastructure to energy, ensuring a consistent risk evaluation framework across various sectors.

→ Moody's renewable energy PD scorecard supports users aiming for sustainable development by providing a specialized tool to evaluate the financial viability and risks of renewable energy projects.

→ Assurance of reliability and accuracy through rigorous validation processes. This provides a clear and understandable basis for users' risk assessments. The annual monitoring complements the more in-depth validation with more frequent monitoring.

→ Holistic risk overview by combining numerical data with qualitative insights. This gives users a comprehensive view of project risks, enabling well-rounded assessments.

→ The tool facilitates easy sharing and discussion of risk assessments among stakeholders, promoting transparency and collaborative decision-making.

Delivery options

Desktop web service & API.

The levels of data backup and restore, and disaster recovery Moody's will provide, such as business continuity and disaster recovery plans.

→ Moody's routinely performs scans of both its environments and the RiskCalc application to identify, evaluate, and remediate vulnerabilities and threats. An external service provider also performs annual penetration tests of Moody's environments and the RiskCalc application to identify specific threats and vulnerabilities to benchmark them against leading cybersecurity practices.

→ Inbound and outbound connections to the Internet and external networks pass through and are protected by a Moody's managed firewall, an intrusion detection system (IDS), intrusion prevention system (IPS) and/or other threat detection tools. Moody's manages next generation firewalls with layer 4-7 inspection. The firewalls are fed dynamically with threat feeds from multiple sources and is updated on a real time basis. Moody's has various managed Security Operations Centers that also provide updates to the threat platform and IDS/IPS systems for blocking additional threats from monitors and internal systems. We have also installed next generation endpoint detection and recovery solution (EDR) solutions on our servers and endpoint devices.

→ The RiskCalc application is monitored 24 hours a day by an end point protection and intrusion prevention system (IPS) which correlates events with a global threat cloud that is continuously updated with known and emerging threats and escalates significant events with alerts. Moody's Cyber Fusion team reviews alerts via a security information and event management (SIEM) tool. In the event that an actionable threat is identified, a security incident is declared, and the security incident response plan is invoked.

→ An incident or event that disrupts service, functions, or could lead to a loss of operations are classified and addressed accordingly. Incidents classified as severity 1 represent a critical impact to operations. Severity 2 and severity 3 level incidents represent major impact to operations and minor impact to operations, respectively.

→ Moody's supports and continually enhances its incident response policies and plan to define security event and incident types, roles and responsibilities, and responses to events and incidents, including preparation, detection, analysis, declaration, containment, and eradication and recovery. Automated system monitoring processes are in place to help detect incidents and alert Moody's teams 24 hours a day, 7 days a week. Network traffic events are logged to support historical or current incidents. Logs are collected from relevant systems, are stored for a specific amount of time, and require periodic verification of the quality of the logs collected.

Onboarding and implementation

Moody's structured implementation approach ensures that our projects are aligned with our customers' business strategy so they can quickly achieve all benefits of the Moody's Solution.

MOODY'S

Each customer will have a dedicated team that will cover the following aspects: front line support (helpdesk), training, and commercial account management. Each one of these roles provides a key element, and together will ensure the customer has the best support possible.

Moody's support team will always try to help our customers get the most out of the solution they have purchased. Throughout the contract length, our teams of account managers and helpdesk support will help identify more within the solution and share new ways to utilise the database.

Access to the system is controlled by usernames and passwords. Who these are attributed to is controlled by our back-end administration site and the users will be sent an email directly containing their login details. Users can be deleted and added on the administration site and passwords can be updated/reset. Anyone who does not have a username/password will not be able to access the system.

The scorecards can be delivered either through the RiskCalc online platform or alternatively through an API. There are extensive technical documents to support the use of the API. Each individual user will log into using their unique email and password.

After sales support

→ During both the onboarding phase and the duration of the contract, training with our solution specialists are both unlimited and included in the value of the contract. The main onboarding activity, whether the delivery is via a feed, API or web-based portal, would be training end users (in-person or remotely) to ensure they're maximizing the value of our solutions. Moody's offer a flexible approach to training depending on how users might wish to proceed. This can be train-thetrainer method or directly with the end users and administrators.

→ Support and training will be provided by a designated account manager. The account manager will be on-hand to answer any questions around access/use of the Moody's interface, if there are any more technical data questions that the account manager is unable to answer, they will involve the help desk/product specialists.

MOODY'S

→ You will also have access to the help desk for any questions they may have. This team can be reached at ma_support@moodys.com. Email support is available 24/7. Phone support is available 09:00am – 5pm UK hours.

→ There are further resources available within RiskCalc itself such as user guides and models' methodologies.

After sales support

Moody's platforms will work with Microsoft Edge and Google Chrome.

MOODY'S