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Service Level Document

Service description

Moody's EDF-X is a market leading solution that covers over 600 million companies & financial institutions (Private & Listed) globally and combines Moody's time-tested credit risk models (i.e. RiskCalc, CreditEdge, Payment model etc.) with the world's largest company database (Orbis) to help you reliably assess the credit/default risk across entities/sovereigns/sectors/geographies with greater speed & accuracy. EDF-X leverages the largest existing default & recovery database with 4m+ defaults on record and models trained on 190m+ financial statements to generate accurate forward-looking probability of default, implied ratings, loss given default, expected loss credit measures and dynamic early warning signals to stay ahead of the curve and anticipate risk & defaults with higher confidence.

Service features (non-exhaustive list)

→ Pre-calculated Probabilities of Default, Implied Ratings, and Early Warning Signals (EWS), updated on a daily basis for Publicly traded entities and on a monthly basis for Privately held (SME type) entities.

→ Point-in-time (Adjusted for Credit & Market Cycle) and Through-the-Cycle (Financials based only) probabilities of default and implied ratings measures.

→ Firmographic & Ownership details.

→ Peer-group analytics for relative risk measurement (leveraging +300K peer groups).

→ Trade payment behavior insights.

→ Configurable alerts to notify users of significant changes in their portfolios.

→ Transparent PD Drivers decomposition to understand what is impacting default risk.

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→ Ability to easily add own financials to calculate all related metrics.

→ Sensitivity analysis under different assumptions (What-ifs scenarios).

→ Qualitative Overlay - input qualitative factors into your analysis.

→ Loss Given Default (LGD) & Expected Loss (EL) – Calculate potential losses and recoveries in case of default.

→ Assess impact of parental/group support in your analysis (Explicit & Implicit).

→ Credit Sentiment Score (News based scoring)

→ Climate (following NGFS scenarios) and Macro-conditioned PDs and Implied Ratings.

→ CDS-implied PDs and IRs.

Benefits

→ **Actionable Insights across Credit Lifecycle:** EDF-X supports market analysis, new business prospecting, origination & risk rating, reporting, company portfolio monitoring, and regulatory applications.

→ **Extensive Company Database and Leading Risk Models**: Combines Moody's leading company database (ORBIS) and award-winning & time-tested risk models to provide accelerated pre-scored credit risk insights for over 600 million companies.

→ **Solution compatible with a multitude of use cases** within governments, including but not limited to, AEO program setting, Crisis Management, Recovery Funds management, Policy Evaluation/management, Supply-chain risk, Duediligence on companies applying for listing (Stock exchange authorities).

→ **Simplified Execution for Portfolio Monitoring:** Ability to streamline both private and listed companies and create automated workflows through the EDF-X web platform and API. Easily switch from portfolio analysis view to single company view and vice-versa.

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→ **Peer-Group Analytics:** Aggregates firms into peer groups for analytics relative to a population of similar firms, offering insights into a firm's location within its peer group for metrics including PD and financial statement ratios. Ability to change the peer-groups in order to enlarge or tighten the scope of the analysis (i.e. country level, Regional level or Global level).

→ Efficient **Early Warning Signals** framework for early risk detection & monitoring of risk profiles. Categorizes every company in one of the four main categories of risk (low, medium, high and severe) and keeps you updated of moves. Helps you spot emerging risks (anticipating defaults) and opportunities faster and with better accuracy.

→ **Optimized PD model selection:** Automatically selects the best PD model based on available Moody's data (including company data and trade payment data) and/or user-provided financials.

→ **Leverages Alternative Data:** Utilizes Moody's curated trove of alternative data, including trade payment behavior, firmographic and ownership information, and economic forecasts under stressed scenarios, to produce reliable risk measures even in the absence of timely financial.

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 EDF-X application to identify, evaluate, and remediate vulnerabilities and threats. An external service provider also performs annual penetration tests of Moody's environments and the EDF-X application to identify specific threats and vulnerabilities to benchmark them against leading cybersecurity practices

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→ 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 EDF-X 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

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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. 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 utilize 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 admin site can be accessed and controlled by the client and/or Moody's. Within the admin site it is also possible to monitor usage statistics e.g. how frequently users are logging in to the system, how much data they are accessing. Users can access EDF-X via a URL which will take them to a user interface, each individual user will log into using their unique email and password. Through this interface, users will have access to all functionality including search criteria, individual company reports, and the tools section which they will be able to access quickly and easily.

Availability of service is 99.5%

After sales support

→ Support and training will be provided by a designated team of a credit risk domain sales specialist and a credit risk solution specialist. The sales specialist will be on-hand to answer any questions around access/use of the EDF-X interface, and if there are any technical questions the solution specialist will be there to answer them.

→ 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 9am to 9pm local time and we aim to respond to each query within 48 hours.

→ There are further resources available within EDF-X itself such as walkthrough user guides and a comprehensive help section including granular documentation and validation documents for the various models.

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The EDF-X platform will work with Chrome and Microsoft Edge for web access.