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A Moody's Analytics Company

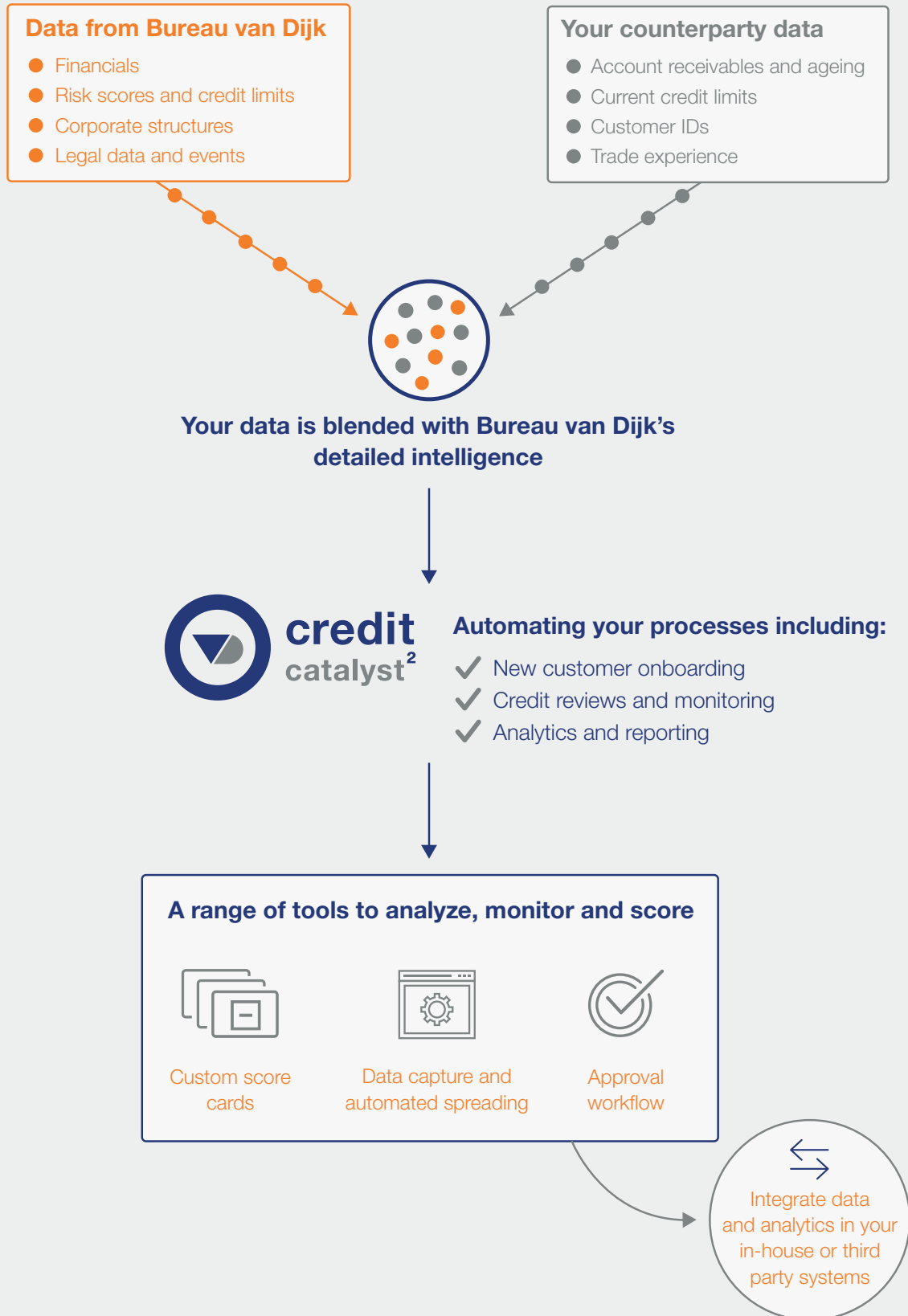


The data and analytics
platform for corporate
credit risk

Make better decisions

**Welcome to the
business of certainty**

| How does Credit Catalyst work?



| What is Credit Catalyst?

Credit Catalyst is a data and analytics risk platform that helps you identify potential risk and make better decisions. It helps you onboard new counterparties and continue to monitor them for risk factors. It's powered by Orbis which is widely acknowledged as the leading company database.

In the Credit Catalyst platform, you combine your own knowledge of your counterparties with our extensive company information and risk metrics. Then you can analyze individual companies in detail and look at your portfolio as a whole.

Credit Catalyst saves you time because it can automate much of your credit analysis process. It also gives you a centralized location to store and manage your credit data in structured formats.

Credit Catalyst gives you:

- Financial data on companies in a globally standardized format
- Automated spreading
- Financial strength metrics for a huge company universe – even if there's very limited financial data available for a company
- Corporate structures for parent/group analysis
- Workflow and automation tools

Key benefits

One interface combines key internal and external data, analytics and workflow options

Credit Catalyst is a dynamic platform that blends relevant data, risk analytics and workflow. It enriches your data, helps you convert unstructured data to structured information and helps you maintain and monitor your data.

Extensive coverage

Powered by the renowned Orbis database, Credit Catalyst can deliver analysis on a vast universe of entities. It also delivers financial strength and sentiment metrics on a huge number of companies – even those with very limited financial data. And you can automatically spread your own financials for companies in Credit Catalyst as well.

Internationally comparable

Credit Catalyst is the ideal solution if you have counterparties in multiple countries. The financial data is in a standardized format and in the currency of your choice, and the financial strength metrics, activity codes and names of companies are all harmonized for efficient analysis and benchmarking.

Easy to interpret and spot key risk areas

Credit Catalyst displays information via a series of flexible dashboards that illustrate complex data in simple charts and graphs to help you identify key risk areas.

Alerts that trigger tasks

Credit Catalyst tells you when you need to review a counterparty – based on time elapsed since its last review, or new information that may affect its viability.

Automated scoring

The scoring in Credit Catalyst is based on your own risk model, saving time and giving consistent results.

Transparent financial strength indicators

Our financial strength metrics are completely transparent, with full documentation, and access to formulae, so you can understand the theories behind the numbers. They're ideal for analysis, benchmarking and measuring against your internal scores.

Fast analysis at a portfolio level

Credit Catalyst highlights the risk areas in your portfolio and you can create your own scoring methodology. Credit Catalyst assesses each company in detail then shows you a 'portfolio view', highlighting key risk areas, changes to companies that you need to review and the overall financial health of your portfolio.

Efficient data and process management

Credit Catalyst helps you keep your credit-relevant information in a centralized, cloud-based resource. Automated spreading manages 'self-disclosed' financials so they're included in your analyses and available in a structured format. It's simple to tailor and blend data – you can create any financial variable and import your own data fields.

Credit Catalyst's content – powered by Orbis and ready to analyze and blend

Credit Catalyst pulls relevant information from our extensive Orbis company database. You can then combine this with your own knowledge of your counterparties.

Standardized data

Credit Catalyst contains standardized financial reports so you can compare and benchmark companies across borders. And it's not just financial data that's standardized – you can look at reports in one language, use the currency of your choice and even activity classifications such as SIC codes are harmonised so you can segment your portfolio accurately.

Financial strength

Credit Catalyst includes transparent risk scores. These metrics are comparable so you can create benchmark values, compare companies' financial health and measure your own internal ratings against them. Variables include probability of default, propensity to become bankrupt, suggested credit limit, plus other predictive indicators and risk scores. There are three key scores:

Financial score

The financial score assesses the creditworthiness of a company, grading companies based on how well they can meet their financial commitments. It's a probability of default model, based on the analysis of financial statements. It's a through-the-cycle probability of default (TTC PD). The output is tied to the closing date of a set of accounts, it also analyzes key financial ratios, which are scored independently. There are four categories:

- Healthy companies
- Adequate companies
- Vulnerable companies
- Risky companies

The model also includes the probability of default which reflects the degree of certainty (in quantitative terms) that the company will go into default in the next 18 to 24 months, a confidence level, and a recommended credit limit.

Qualitative score

Detailed financial data is simply not available for many companies so we also offer the qualitative score. This score measures the creditworthiness of a company based on non-financial information such as strength of shareholders, country specific risks, longevity of the company, legal form and sector-specific risks. The model also includes a confidence level and qualitative credit limit.

Reactive score

This adjusted score is created using modelling that's been adapted to be more sensitive to the economic environment by taking specific sector and regional factors into account.

It uses the financial score to reflect current creditworthiness with several quantitative variables, such as sector and macroeconomic factors, to forecast the financials of a company based on 'impact scenarios'. These impact scenarios are reviewed regularly to offer a score that is more sensitive to market conditions.

Payment data

Payment data is available for companies in the US and Canada. This is useful for analysing these specific entities and also within a corporate structure to help give an overall risk assessment.

News and sentiment scores

We source news stories from a range of newswires and news aggregators and then apply machine learning to create a score based on negative news. The analysis includes terms such as bankruptcy, covenant default, debt restructuring, rating downgrades, lawsuits, downsizing, and fraud events. Suggestions of financial loss, liquidity concerns, industry and sector-wide strains, trade tensions, weak demand, competitive implications, and even criminal investigations are also considered. This powerful tool provides not only a very efficient news filter, but valuable early warning indicators: credit sentiment scores increase six to eight months before major credit events.

Corporate ownership structures

Extensive corporate structures help you assess the financial health of holding companies and the group as a whole. Changes in ownership are tracked so you can monitor companies for changes and also look for stability.

M&A intelligence

Rumours and deals are included so you can stay up to date with any changes that could affect your portfolio.

PEPs and sanctions

Companies linked to individuals who are potential PEPs, and for other high risk associations including sanctioned entities, are flagged so you can review them in more detail. This provides crucial intelligence for onboarding and reputation management.

Legal status and events

Access information on a company's legal status plus status changes and other legal events including filings, terminations, adjustments, refusals and reorganization.

| Key functionality

Credit Catalyst has a range of ‘views’ so you can look at your portfolio or individual counterparties from different perspectives. You can create a PDF of any report and archive it within the system.

The dashboard view

The dashboard, which is simple to customize, displays complex information effectively and helps increase understanding of your risk exposure.

It highlights potentially risky companies instantly so you can see where to focus your attention. It also alerts you to changes to companies, including any downgrading of their financial strength. You can opt for more detailed views too.

The dashboard lets you set tasks and portfolio reviews so your workflow is integrated with Credit Catalyst.

The counterparty view

The counterparty dashboard looks at one company in detail so you can get a deep understanding of its structure, financial health and stability, its peers and other vital metrics to analyze or onboard it quickly and effectively.

The information is clearly presented and easy to interpret. You choose the content so it's tailored to your needs and the report is based on your own risk parameters that you've created in the risk module.

The financial data is standardized so you can compare company against company and create full peer comparisons.

Workflow options are included so you can add notes, attach documents to the report, flag for action and email to colleagues.

Alerts and actions

Create alerts to monitor your portfolio. You can tailor them to look for specific changes and include them in your dashboard or as independent emails. They're completely customizable so you dictate what triggers them, how frequently they're sent and who gets them, so the appropriate analysts and line managers are notified. You can also set your alerts to trigger actions within Credit Catalyst.

Scoring using the risk module

The integral risk module means you can create a scorecard that automatically rates any company you view in Credit Catalyst. The module is flexible and you can adjust the weight given to various elements and set conditional parameters. You can include quantitative, qualitative data in your model and combine data from Credit Catalyst with your own knowledge of a company, to set recommended credit limits.

Analytics

Credit Catalyst includes flexible options to help you delve into the data and interpret it quickly and easily. These analysis and visualization tools include integrated pivot tables, graph and chart creation, and a range of tools that help you assess the corporate group and look at group exposure.

New automated financial spreading tool

This new tool takes company's financials from you, spreads them into the Orbis financial format, and adds them to your portfolio. You upload them in a PDF format and they are spread within 24 hours. And you can send a large number of PDFs, or one at a time. The service means you can:

- compare the company to all the others in your portfolio
- get same financial strength metrics for all your counterparties
- include the company in your risk assessments, scorecards and dashboards.

The tool is powered by a Moody's Analytics solution, called QUIQspread™, that uses machine learning, combined with a human verifier, for fast and cost-effective delivery of accurate financial spreads.

This tool is ideal if you have access to more detailed financials for a company than are available in Orbis, or if you have a more recent version.

QUIQspread won Best Financial Services AI solution at the 2019 Artificial Intelligence Awards.

Flexible data options

As well as viewing and analyzing data within Credit Catalyst you can easily view it in your own in-house or third-party systems. We offer contemporary API solutions, plus our own purpose built connectors, combined with high levels of support from our customer success teams.

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