

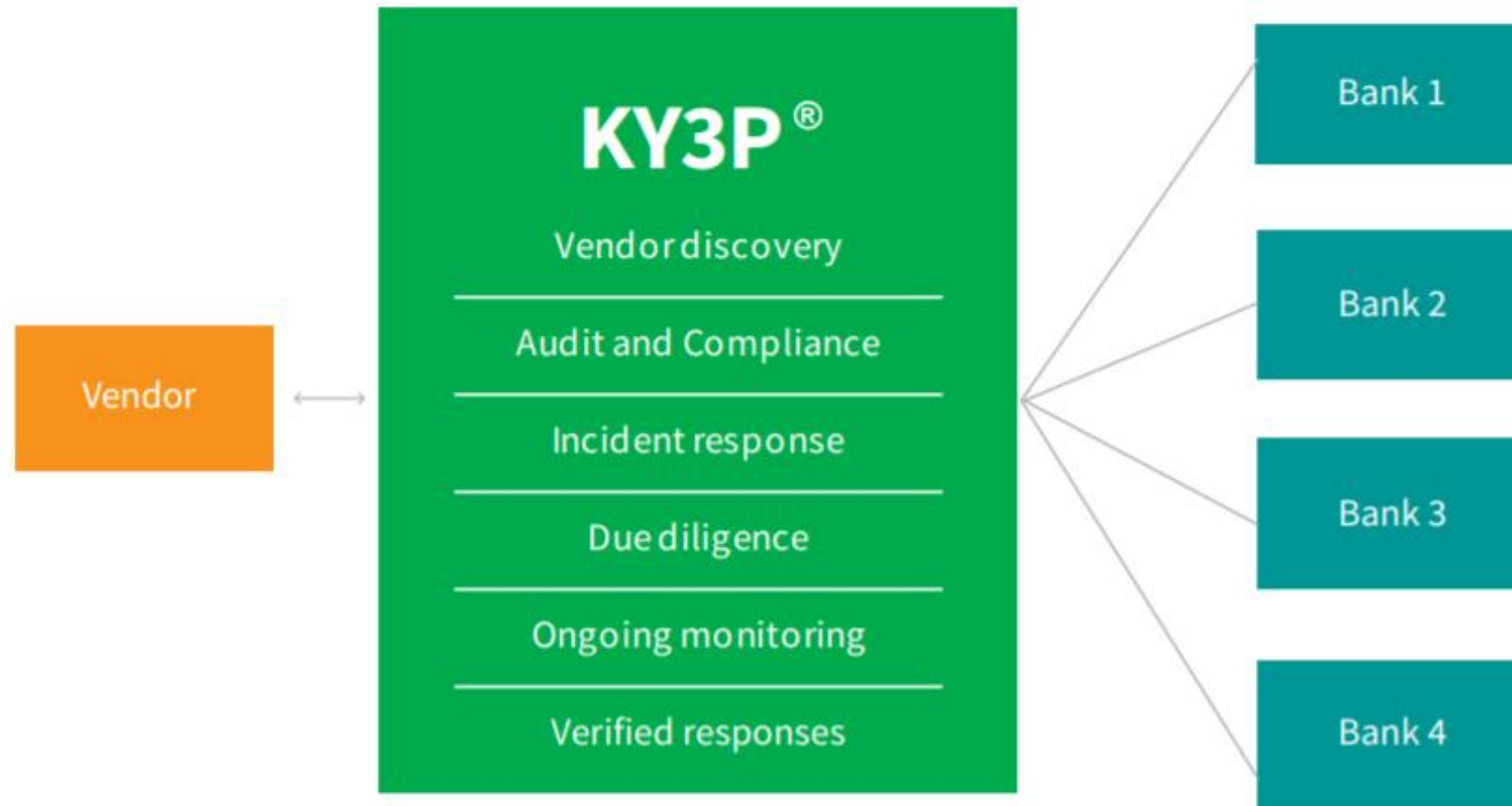


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# **IHS MARKIT API integration**



KY3P® brings efficiency through  
**centralization and standardization**





## What makes KY3P different

### Efficiency

Store documentation and questionnaire responses once and permission information to your customers.

### Cost reduction

Reduce costs by facilitating a more efficient third party oversight process.

### Visibility

Give your firm visibility and connect with leading financial firms searching for third party solutions.

### Communication

Create custom events, upload documents and notify all clients to major incidents.

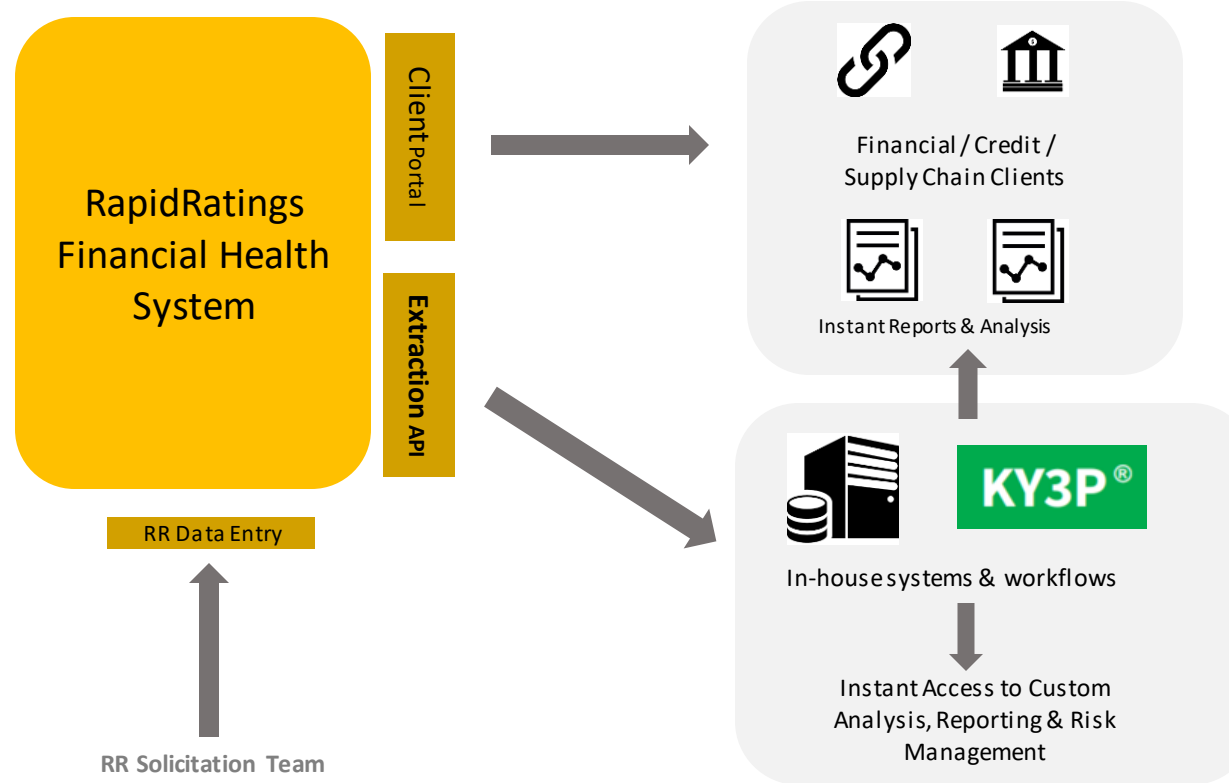
### Secure hosted application

Have confidence that your information is secure through infrastructure based solution hosted by NTT Data Services.

### Control

Maintain control and transparency over your company's information.

<https://ihsmarkit.com/products/ky3p.html>



Regardless of entry point, RapidRatings financial health ratings data and content analysis is consumed via the client portal and related reports are available there. This data often undergoes further downstream analysis and/or is updated to internal systems (or 3<sup>rd</sup> party platforms like a GRC, Vendor Risk Platform).

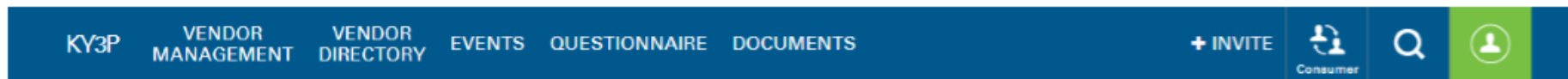
The Extraction API allows all clients to integrate the ratings, performance and financial data for all their rated counter-parties into their internal systems or 3<sup>rd</sup> party platforms and build new custom analysis, reporting and risk management capabilities as well as link to the FHR and Financial Dialogue reports accessed by RR Web Portal permissioned users.





# KY3P Subscription - includes access to RapidRatings Public Co. FHRs



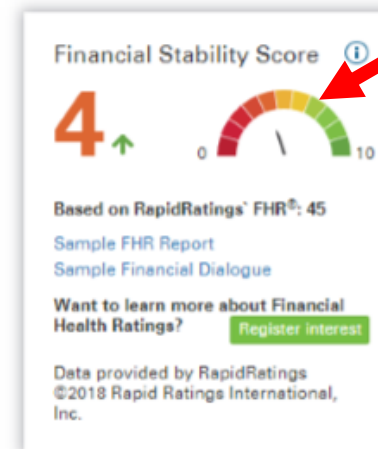
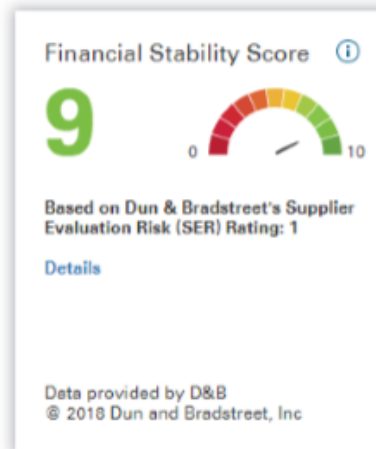
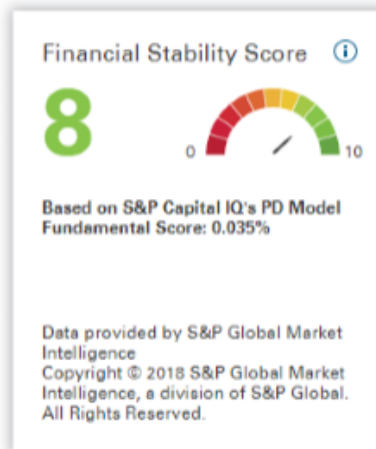
## Public Company (HSBC Holdings plc) view for Non *Paid-for* Client



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**HSBC Holdings plc**    
Commercial banks

[Profile](#) [Products & Services](#) [Financials](#) **[Financial Stability](#)** [Cybersecurity](#) [Screening](#) [News](#)



RapidRating's FHR  
0-100 Scores are  
calibrated down to 1  
(high risk) to 10 (low  
risk)



# PAID RapidRatings Users – Access FHRs for Co.'s in RR Master Portfolio



2

Company (The Bank of East Asia, Limited) in *Paid-for* Client's Master Portfolio

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**The Bank of East Asia, Limited**

Commercial banks

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Financial Stability Score ⓘ

**8**

Based on S&P Capital IQ's PD Model Fundamental Score: 0.050%

Data provided by S&P Global Market Intelligence  
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Financial Stability Score ⓘ

**8**

Based on Dun & Bradstreet's Supplier Evaluation Risk (SER) Rating: 2

[Details](#)

Data provided by D&B  
© 2018 Dun and Bradstreet, Inc.

Financial Stability Score ⓘ

**5** ↑

Based on RapidRatings' FHR®: 57

[FHR](#)  
[Financial Dialogue](#)

Data provided by RapidRatings  
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RapidRatings WebPortal User can access their Private Co and Public Co FHRs and corresponding FHR & Financial Dialogue Reports





# Linkback Capability to Key Reports from KY3P

## Financial Dialogue

Facilitates discussion focusing on 5 top priority items

**RAPIDRATINGS®** RapidRatings Financial Dialogue  
Tesla Inc, Nov 21, 2018

**Tesla Inc**

Financial Health Rating (FHR):	34, High Risk	Estimated Probability of Default (EPD):	1.78%
Core Health Score (CHS):	15, Very Poor Health	Financial Period:	September 30, 2018 (Q3 2018)

**High default risk, with very poor Core Health.**

Figure 1: Risk Quadrant Analysis

Quadrant C: These companies demonstrate poor to very poor Core Health (suggesting the need for efficiency improvements) combined with a high to very high risk of default over the next year.

**Dialogue Context:**  
Companies which fall into Quadrant C should be able to discuss their plan to deliver significant improvement/relief in some or all of the areas discussed in this report within a reasonable time frame.

**Section 1: Priority Items for Financial Review**

Table 1 below presents the prioritized review items and recommended questions based on our analysis of the financial statements ending 09/30/2018.

**Table 1: Prioritized Items of Concern for Discussion**

Items of Concern (N)	See
1. Interest Coverage: The company was unable to cover any of its interest (\$685 M) with operating profit as it is currently running with an operating loss (-\$5,403 M). Do you expect your interest obligation to change materially over the next year, and do you expect to cover this through operating profit or cash balances?	See Page 2
2. Leverage: The company has a significant level of debt at \$11,779 M, which is 426% of total assets. Do you expect to maintain this level of leverage for the next 12 months?	See Page 3
3. Profit Margins: Profitability performance was poor. Both the company's operating profit margin (-4%) and net profit margin (-10.2%) show a loss. What caused the losses and do you expect to generate a positive return next year?	See Page 4
4. Working Capital: The company's Current Ratio is 0.81x, and this is down on last period (0.88x). What is your target Current Ratio and will you reach this level of working capital in the next 12 months?	See Page 5
5. CDO: Cash from Operations (CFO) for the period is positive (\$1,875 M), however was still only 0.14x of current liabilities. What are your expectations for CFO in the next fiscal year?	See Page 6

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## Financial Health Report

Provides full corporate financial risk analysis using financial statements

**RAPIDRATINGS**  
Pioneering Financial Health.  
We See What Others Don't.

**Tesla Inc**

**The FHR™ Report**  
Corporate Risk Analysis

Financial Period: Sep 30, 2018, (fiscal Q3 2018)  
FHR Release Date: November 05, 2018  
Ticker: TSLA  
Sector: Autos and Related Equipment  
Address: 3500 Deer Creek Road, Palo Alto, CA 94304, United States.

FHR: 34  
Risk Level: High Risk  
Estimated Probability of Default: 1.78%  
Annual Delta: Flat  
Core Health: 15 (Very Poor Health)

**Table 1: Key Data and Ratio (USD \$)**

	2016	2017	Q3 2018
Financial Health Rating	35	35	34
Core Health Score	15	14	15
Simulated PER	36	38	34
Total Assets (\$)	22.86	25.65	26.25
Total Liabilities (\$)	18.75	19.02	18.41
Total Revenues (\$)	7.00	11.75	1.75
EBITDA (\$)	0.40	-0.20	0.49
Total Rev / Total Asset	0.31	0.45	0.60
Op Profit / Total Rev (%)	-8.58	-13.86	-7.99
Op Profit / Interest Exp	-8.86	-14.46	-2.31
FCF / Total Debt	-0.20	-0.40	-0.13
KD/CX (%)	-5.28	-10.28	-7.84

**Figure 1: FHR Trend, Q3 2010 to Q3 2018**

Figure 1 shows the FHR trend from Q3 2010 to Q3 2018. The FHR starts at 35 in Q3 2010, remains stable until Q3 2012, then drops to 34 in Q3 2013, and remains at 34 through Q3 2018.

**Figure 2: Core Health and Default Risk Quadrant Analysis**

Figure 2 shows the Core Health and Default Risk Quadrant Analysis for Tesla Inc. The company is in Quadrant C (High Risk, Very Poor Core Health).

Quadrant C: These companies demonstrate poor to very poor Core Health (suggesting the need for efficiency improvements) combined with a high to very high risk of default over the next year.

The **Core Health Score (CHS)** is a measure of medium-term sustainability based on operational efficiency and competitiveness.

The **Financial Health Rating (FHR)** is a measure of default risk in the short-term. It is derived from Core Health and Resilience analysis, which incorporates a company's ability to meet internal and external obligations in the short-term.

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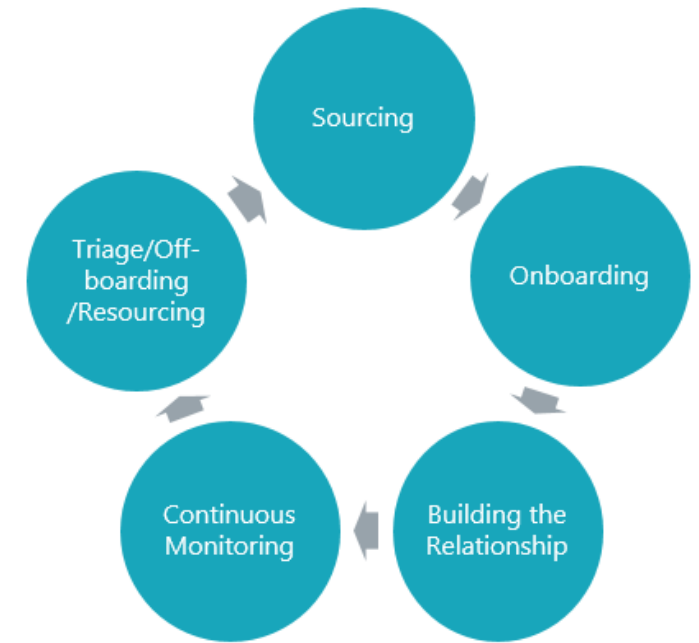
RapidRatings web portal users can authenticate via link inside partner platform



# Best Practice: Combine FHR data into Vendor Lifecycle Workflow

## Incorporate Financial Health Ratings into your Risk Mgmt Workflow

- Access your RapidRatings Master Portfolio of Public and Private Co. FHRs
- Use for Due Diligence in Pre-Sourcing Events: RFX's
- Post Contract: Onboarding
  - No private co. financials provided to RR = red flag
- Continuous Monitoring: Create Alert Notifications
  - Track FHR Downgrades or Upgrades
  - Take a deeper dive if needed / assign to colleague
  - View FHR Report to gain understanding
  - View Financial Dialogue: Take actionable next step(s)
    - Send Top 5 Areas of Concern as a DDQ or Email
    - Save vendor response / remediation plan or further conversation
- Create Reports/Dashboards – Track appropriately







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**(M) 203 570 2062**