

Managing Third-Party Financial Viability of an Extended Ecosystem

Businesses today are gaining a competitive advantage by relying on third-party relationships to extend their business and brand. But along with the benefits come added risks and increased complexity of risk management. Third parties are an extension of your business, and as such, you are accountable for their risks. Understanding the financial viability of third parties, whether traditional vendors, business partners, inter-affiliates, or fourth parties can help you meet regulatory requirements, maintain operational stability, and increase corporate profitability. Rapid Ratings provides a unique solution for assessment and monitoring of the financial viability of your third-party ecosystem, including public and private companies.

Evaluating Private Third Parties

Submit financial statements for third parties into our system to receive an FHR Report for a private company. Ensure private third parties are analyzed and ranked on the same basis as public companies.

Financial Statement Sourcing

Rapid Ratings works directly with your private partners around the world to collect their financial data on your behalf. The technology and process employed by trained professionals ensure that collection efforts are secure and confidential.

Holistic Approach to Third-Party Risk Management

No longer the compliance driven, box-checking exercise, managing third-party risk emerged as an operational best practice. Similarly, financial health assessment is no longer a one-time event, but an ongoing part of the continuous risk management process. Our forward-looking, quantitative system measures the financial health of a company represented by a single 0-100 score, the Financial Health Rating or FHR®. Understanding the financial health of your third-party ecosystem not only helps you to meet compliance requirements, but also, more importantly, to make strategic decisions about which companies your business should partner with in the short and long-term.

Consistent Methodology, Unbiased Results

Many companies evaluate the financial health of public third-parties differently than they evaluate the private ones. Rapid Ratings has a single methodology to evaluate companies regardless of ownership, industry, or geography. The FHR uses only financial statements instead of volatile market inputs, unclear or aggregated data, or backward-looking payment history, ensuring unbiased and objective results. This consistency gives companies the ability to compare all of their third and fourth parties on an unbiased, apples-to-apples basis.

Integrating Financial Health into Enterprise Risk Initiatives

While investment in third-party risk technology has increased, its integration remains a major roadblock to streamlining the process. To assist in scaling your program, Rapid Ratings provides an API to pull FHR data directly into ERP systems, GRC platforms, and internal databases for a safe and secure delivery of financial health analysis across the entire enterprise. Monitor your entire portfolio in our system, integrate our API into existing workflows, and establish financial health as a KRI across your ERM initiative.

Rapid Ratings International is the creator of the proprietary FHR® (Financial Health Rating), the industry's leading assessment of public and private company financial health. Our disruptive methodology, scalable solutions, and unparalleled support enables businesses to effectively manage risks associated with the financial health of counterparties including customers, trading counterparties, suppliers, vendors, and investments.

Hundreds of leading organizations across industry verticals rely on the FHR's® data visualization and detailed reporting tools to provide visibility and early warning of financial deterioration. Rapid Ratings International is the only company to rate public and private companies, globally and with the same depth of analysis.

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Business Benefits

- Assess financial health of third and fourth parties to help make strategic decisions
- Maintain business continuity & resilience to protect brand reputation
- Manage regulatory compliance
- Support continuous monitoring & risk mitigation
- Avoid financial reporting errors & monetary losses
- Integrate financial health into your existing workflow & systems

Facilitating Financial Conversations with Third Parties

Although financial analysis is a mainstay of third-party risk management, not all departments managing those relationships have the same level of financial background or experience. Financial Dialogue is a detailed conversation guide that is easily digestible for those with various financial backgrounds and can substantially decrease prep time and effort for your third-party financial reviews. The report incorporates the FHR and identifies the most relevant questions to ask during the financial evaluation. Straightforward discussion points guide an intelligent conversation and help build stronger relationships with your third parties.

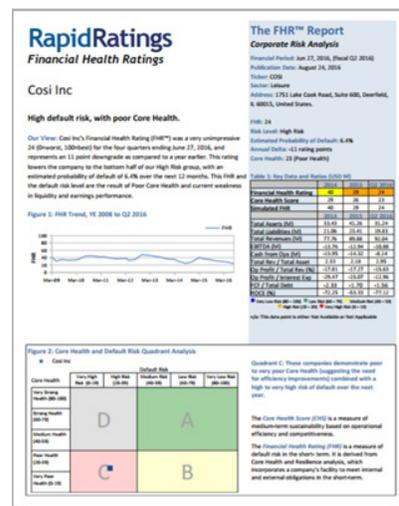
Comprehensive Reporting Suite

The FHR is more than just a number; it represents comprehensive analysis on the financial condition of your most critical third parties. Our solution comes with a suite of detailed and high-level reports helping you operationalize the assessment results, drive risk mitigation action, and inform business continuity processes.

Each report provides comprehensive analysis as well as a quick overview on the risk profile of each third party. Detailed descriptions and commentary give an objective understanding of potential risk issues as well as the company's strengths and weaknesses. Benchmark third parties against their peers, compare companies side-by-side, or look at the trends for your entire portfolio. Our reports provide a thorough, irrefutable audit trail and are actionable so you can take the appropriate steps to mitigate risks.

Reports & Analytics Include:

- Company-Specific Reports
- Peer Benchmark
- Company Comparison Reports
- Portfolio Reports
- Excel Matrix
- Country & Sector Reports
- FHR Changes & News Alerts



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Business Benefits:

- Enables procurement and supply chain professionals with various level of financial expertise to engage with their suppliers in a review of supplier financial health
- This is duplicative of the 4th point. (the answers are not the point) Dramatically reduces the effort in identifying which key financial areas require follow up
- Educates users as to the importance of key areas and broader topic considerations to help them develop their own expertise over time
- Ensures you don't miss key concerns, while softening the discussion by acknowledging notable strengths, providing a balanced agenda
- Encourages transparency, communication and collaboration
- Provides your team with the confidence going into the supplier review and enables you to make better strategic decisions



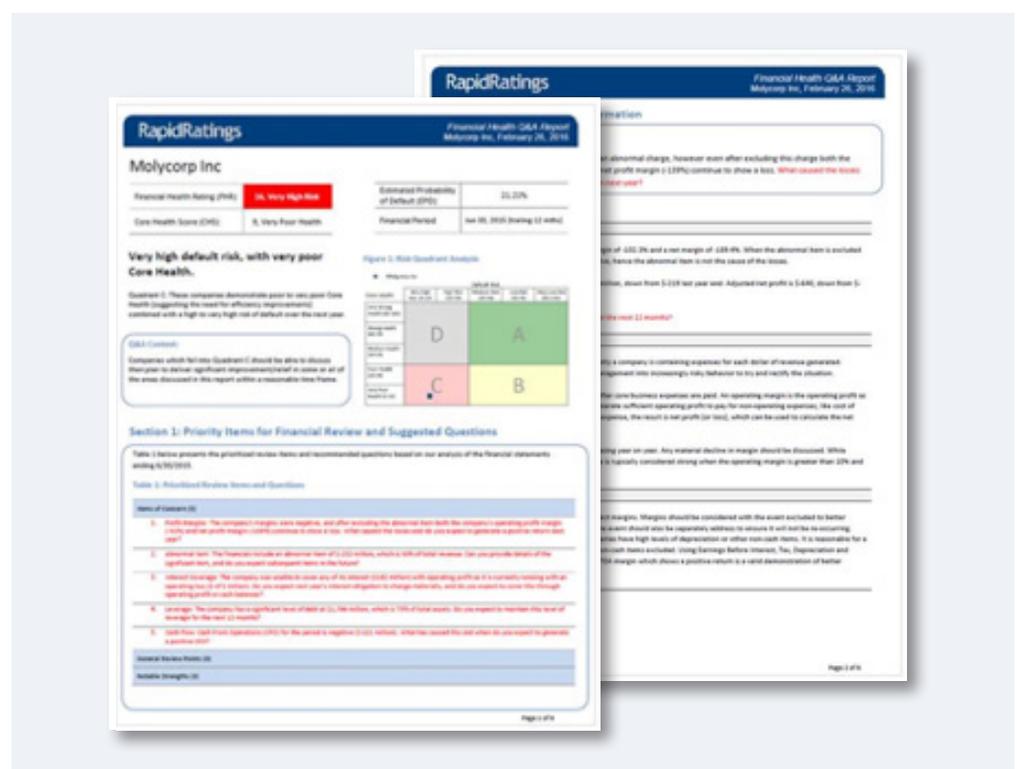
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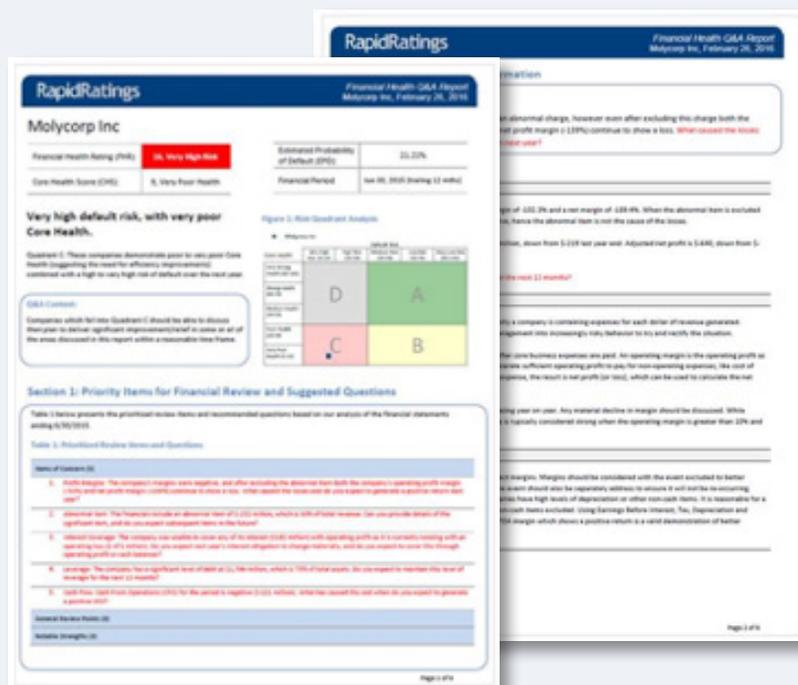
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SOLUTION BRIEF



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