



Parthians Partners Limited



1995 - 2021

DataPro Limited

Ground Floor, Foresight House

163-165 Broad Street

By Marina Water Front

☎ 234-1-4605395, 4605396

Email: info@datapronigeria.net

dataprong@gmail.com

Website: www.datapronigeria.net

February, 2021



Parthian Partners Limited

COMMERCIAL PAPER RATING REPORT

₦20,000,000,000.00 COMMERCIAL PAPER ISSUANCE PROGRAMME

References

Abiodun Adeseyoju, FCA.
Abimbola Adeseyoju
Oladele Adeoye

SUMMARY

- Rating:

A1^(CP)

- Report Type:

Commercial Paper

- Issuer:

Parthian Partners Limited

- Date Compiled

25-Feb-2021

EVALUATION

VALID TILL: February, 2022

DataPro Rating:	A1 ^(CP)
Security Type:	Up to ₦20billion Commercial Paper Notes
Series Number:	1
Tenor:	270 days
Rating Outlook:	Stable
Currency:	Naira
Rating Watch:	Applicable

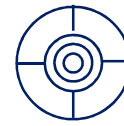
EXECUTIVE SUMMARY

	2020 ₦'000	2019 ₦'000	2018 ₦'000	2017 ₦'000	2016 ₦'000
Gross Income	1,543,149	1,222,402	370,543	346,605	206,061
Profit Before Tax	814,258	241,760	23,238	88,666	63,527
Total Assets	2,562,915	1,230,496	919,112	379,392	208,927
Total Liabilities	1,138,589	274,399	20,280	140,536	40,572
Equity	1,424,326	956,098	898,832	238,856	168,355

RATING EXPLANATION

The rating of **A1^(CP)** is assigned to instruments with **GOOD** ability to meet their ongoing obligations.

.....
This report does not represent an offer to trade in securities. It is a reference source and not a substitute for your own judgment. As far as we are aware, this report is based on reliable data and information, but we have not verified this or obtained an independent verification to this effect. We provide no guarantee with respect to accuracy or completeness of the data relied upon, and therefore the conclusions derived from the data. This report has been prepared at the request of, and for the purpose of, our client only and neither we nor any of our employees accept any responsibility on any ground whatsoever, including liability in negligence, to any other person. Finally, DataPro and its employees accept no liability whatsoever for any direct or consequential loss of any kind arising from the use of this document in any way whatsoever.



BACKGROUND

The **Issue** ("**The Notes**") is a ₦20,000,000,000 Commercial Papers Issuance Programme.

The **Issuer** is **Parthian Partners Limited**. The **Notes** shall constitute a direct, unconditional, unsubordinated and unsecured obligations of the **Issuer**. The **Notes** shall rank pari-passu among themselves and with all other present and future unsecured and unsubordinated outstanding obligations of the **Issuer** except for debts preferred by law.

SUMMARY

- Rating:

A1-^(CP)

- Report Type:

Commercial Paper

- Issuer:

Parthian Partners Limited

- Date Compiled

25-Feb-2021

The **Note** shall be issued at fixed price. Minimum subscription shall be ₦5,000,000 and multiples of ₦1,000 thereafter. The **Notes** shall have a maturity not exceeding 270 days including the roll over from the **Issue** Date.

The **Notes** are guaranteed by **Sterling Bank Plc (The Guarantor)**. The **Guarantor**, either at Maturity Date or on the delivery of a duly completed Notice of Payment Demand become solely responsible for the payment of obligations under the **Issue**. The payment obligations may include outstanding interest, Principal Amount, or other additional payments including but not limited to taxes, penalties or charges that may be incurred in respect of the **Notes** Issued.

Aside the **Issuer** and the **Guarantor**, other professional parties involved in the **Issue** include: **Coronation Merchant Bank Limited, Afrinvest (West Africa) Limited and Renaissance Securities Limited**.

REDEMPTION AND USE OF PROCEEDS

The **Issue** shall be redeemed at par on Maturity Date. The source of repayment shall be from the **Issuer's** cashflow.

The proceeds from the **Issue** shall be for the purpose of financing the working capital requirements of the **Issuer**.



THE TRANSACTION PARTIES

• THE ISSUER

Parthian Partners Limited (PPL) was incorporated as a Private Limited Liability Company in Nigeria in 2012. **PPL** subsequently obtained a license to operate as an Inter-Dealer Broker from the **Securities and Exchange Commission (SEC)** in 2013. The company is one of the six **FMDQ Securities Exchange Limited (FMDQ Exchange)** registered Inter-Dealer Brokers in Nigeria.

SUMMARY

The Company provides wholesale brokerage services for transactions among Market Dealers and between Market Dealers and Investors including Pension Fund Administrators, Fund Managers, Banks and International Financial Institutions. **PPL** facilitates trading in Federal Government of Nigeria (FGN) Bonds and Treasury Bills, State Government Bonds, Local Contractor Bonds, Corporate Bonds and Eurobonds. The Company has a wholly owned subsidiary, **PSL Capital Limited**, which was established in 2019.

• Rating:

A1-^(CP)

• Report Type:

Commercial Paper

• Issuer:

Parthian Partners Limited

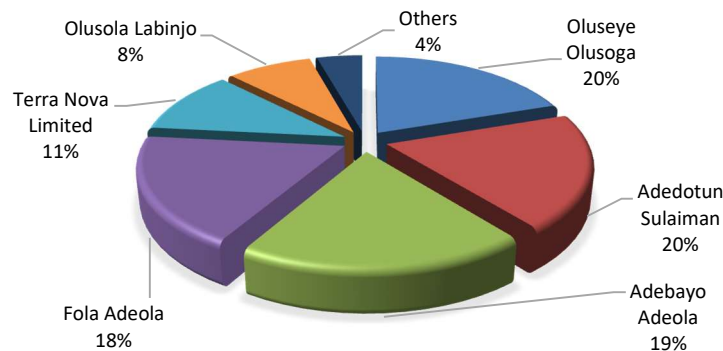
• Date Compiled

25-Feb-2021

PPL's primary strategy is to leverage the domestic and international networks of the Company's Management, Board of Directors and Ownership to establish new relationships and deepen the client base.

The Company has acquired a Broker/Dealer License for its subsidiary, **PSL Capital Limited** to provide securities trading services to Retail Investors as well as the Wholesale Market. **PPL's** strategy, through **PSL Capital Limited**, is to drive the Retail Market with technology platforms including **Apps** that allow customers to trade from their mobile devices.

ANALYSIS OF SHAREHOLDING STRUCTURE



Source: Parthian Partners Limited

DataPro @ 2021



The Board comprises of six (6) members, which include the Chairman, Managing Director/CEO, two (2) Non-Executive Directors and two (2) Independent Non-Executive Directors.

The profile of the directors is as follows:

1. **Name:** Mr. Adedotun Sulaiman
Position: Chairman
Experience (Years): 35 years
Education/Professional Qualification:
 - University of Lagos
 - Harvard Business School**Experience:**
 - Accenture Nigeria
 - Barclays Nigeria
 - UTC Nigeria Plc
 - Secure ID Ltd
 - Interswitch Ltd
 - Cadbury Nigeria Plc
 - Corona Schools Trust
 - Financial Reporting Council of Nigeria

2. **Name:** Adebayo K. Adeola
Position: Non-Executive Director
Experience (Years): 36 years
Education/Professional Qualification:
 - Project Management Institute (PMI)
 - The Nigeria Society of Engineers
 - Institute of Civil Engineers
 - The Council of Registered Engineers of Nigeria**Experience:**
 - Comprehensive Project Management Services (CPMS)
 - UTC Nigeria Plc
 - Guaranty Trust Bank Plc
 - Fate Foundation

3. **Name:** Bismark J. Rewane
Position: Non-Executive Director
Experience (Years): 49 years
Education/Professional Qualification:
 - B. Sc- University of Ibadan
 - Institute of Bankers (England & Wales)

SUMMARY

- **Rating:**

A1-^(CP)

- **Report Type:**

Commercial Paper

- **Issuer:**

Parthian Partners Limited

- **Date Compiled**

25-Feb-2021

**SUMMARY**• **Rating:****A1-**^(CP)• **Report Type:**

Commercial Paper

• **Issuer:**

Parthian Partners Limited

• **Date Compiled**

25-Feb-2021

Experience:

- International Merchant Bank Nigeria Limited
- First National Bank of Chicago
- Barclays Bank of Nigeria
- Barclays Bank International Plc, UK
- Financial Derivatives Company Limited
- Guinness Nigeria Plc
- Navigas (a Vitol Group Subsidiary)
- NLNG Prize Award Foundation
- UNIC Insurance Plc
- Nigeria Economic Summit Group
- UBA Custodian Limited
- Virgin Nigeria Airways Limited
- Fidelity Bank Plc
- First City Monument Bank Plc
- Top Feeds Nigeria Limited

4. **Name:**

Dr Abraham Nwankwo

Position:

Non-Executive Director

Education/Professional**Qualification:**

- B. Sc - University of Nigeria, Nsukka
- M. Sc - University of Nigeria, Nsukka
- Ph.d - University of Nigeria, Nsukka
- Debt Management Office (DMO)

Experience:5. **Name:**

Mr. Rilwan Belo-Osagie

Position:

Non-Executive Director

Education/Professional**Qualification:**

- B. Sc - Imperial College of Science and Technology, London
- M. Sc - Strathclyde University, Glasgow
- MBA - London Business School
- FSDH Merchant Bank
- African International Bank Ltd
- Chartered Bank Nigeria Ltd
- Pensions Alliance Limited

Experience:6. **Name:**

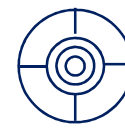
Oluseye Olusoga

Position:

Managing Director

Education/Professional**Qualification:**

- B. Sc - University of Surrey
- Said Business School Oxford

**Experience:**

- Warwick Business School
- Lehman Brothers London
- Citibank
- Parthian Partners Limited

As at the year-end 2020, the **Issuer** recorded improved financial performance compared with the year 2019. Total income grew by 26% from ₦1.2b (Yr. 19) to ₦1.5b (Yr. 20). This is against a decrease of 26% in Total Expenses from ₦1b (Yr. 19) to ₦0.7b (Yr. 18). This led to the improved cost to Income ratio of 47% (Yr. 20) as against 80% (Yr. 19). Consequently Pre-Tax Profit went up from ₦0.2b (Yr. 19) to ₦0.8b (Yr. 20).

SUMMARY

The significant profit retention in the year 2020 enhanced the **Issuer's** Equity. Therefore Equity went up from ₦1b (Yr. 19) to ₦1.4b (Yr. 20).

• **Rating:****A1-**^(CP)

The **Issuer** currently has a rating of "**BBB**" from a recognized Rating Agency in Nigeria.

• **Report Type:**

Commercial Paper

The summary of the **Issuer** financial performance in the last 5 years is as presented.

• **Issuer:**

Parthian Partners Limited

• **Date Compiled**

25-Feb-2021

ISSUER'S FINANCIAL SUMMARY (2016 – 2020)

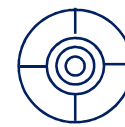
	2020	2019	2018	2017	2016
	₦'000	₦'000	₦'000	₦'000	₦'000
Gross Income	1,543,149	1,222,402	370,543	346,605	206,061
Profit Before Tax	814,258	241,760	23,238	88,666	63,527
Total Assets	2,562,915	1,230,496	919,112	379,392	208,927
Total Liabilities	1,138,589	274,399	20,280	140,536	40,572
Equity	1,424,326	956,098	898,832	238,856	168,355

Source: Parthian Partners Limited

THE GUARANTOR

The **Guarantor** ("**Sterling Bank Plc**") is a quoted bank operating in Nigeria since the year 1962.

The **Guarantor** is engaged in Commercial Banking with emphasis on Retail and Consumer Banking, Trade Services, Corporate, Investment and Non-Interest Banking activities. It also provides wholesales banking services including grating of *Loans and Advances, Letter of Credit Transactions,*



Money Market Operations, Electronic and Mobile Banking Products and other banking activities.

The **Guarantor** currently services more than 3million customers. It also offers services via 160 branches and 2,401 staff. Its Banking retailing channels include 10,667 **POS**, 888 **ATM** and over 1 million **USSD** users.

The last Rating of the **Guarantor** issued in May 2019 was "**BBB+**". The financial highlights of the **Guarantor** is as presented.

SUMMARY

- Rating:

A1-^(CP)

- Report Type:

Commercial Paper

- Issuer:

Parthian Partners Limited

- Date Compiled

25-Feb-2021

GUARANTOR'S FINANCIAL HIGHLIGHTS (2015 – 2019)

	2019 N'm	2018 N'm	2017 N'm	2016 N'm	2015 N'm
Gross Income	147,439	147,791	133,022	111,238	110,194
Profit Before Tax	10,233	9,739	8,039	6,019	11,016
Total Assets	1,165,509	1,085,876	1,068,798	830,803	799,451
Total Liabilities	1,046,181	987,867	967,199	745,123	703,886
Equity	119,328	98,009	101,599	85,681	95,565

Source: Sterling Bank 2019 Audited Report

RISK FACTOR

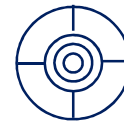
The repayment of obligation under the **Issue** is largely dependent primarily on the **Issuer** and the **Guarantor**.

Therefore, in the course of our review, we observe the following.

- **Interest Rate Risk**

This is the risk of loss to income arising from adverse movement in Interest Rate.

Based on our review, we observed that both the **Issuer** and the **Guarantor** are involved in activities that are sensitive to movements in Interest Rate. Consequently, adverse movement in Interest Rate could affect both the **Issuer** and the **Guarantor**.

**SUMMARY**• **Rating:****A1-**^(CP)• **Report Type:**

Commercial Paper

• **Issuer:**

Parthian Partners Limited

• **Date Compiled**

25-Feb-2021

• **Regulatory Risk**

This is the risk of sanctions or cessation of business arising out of regulatory actions.

Based on our review, we observed that both the **Issuer** and the **Guarantor** operate in a highly regulated environment. Therefore adverse regulatory action may impair the ability of both the **Issuer** and the **Guarantor** in discharging their obligations under the **Issue**.

However, we observed that the major requirements for the two entities, is to continue to meet statutory **Capital Adequacy Ratio**. The document available to us for review showed that both the **Issuer** and the **Guarantor** are in good standing with their respective Regulators in this regard.

ISSUE QUALITY

The following qualities were observed during our review:


- The ability of the **Issuer** to generate revenue and profit over the last five years (2016 - 2020).
- The current Investment Grade Rating of the **Issuer**
- The full guarantee provided for the **Issue** by the **Guarantor**.
- The operating performance of the **Guarantor** over the last five years 2016 - 2020.
- The Investment Grade Rating of the **Guarantor**

CONCLUSION

We have reviewed the document relating to the **Notes**. Particular attention was paid to the credit quality of both the **Issuer** and the **Guarantor**.

Consequently, we consider the Issue an "**Investment Grade**"



Signed: 
Name: **Oladele Adeoye**
Designation: Chief Rating Officer
Date: 25th February, 2021

For and on behalf of:
DataPro Limited
Ground Floor, Foresight House
163/165 Broad Street, Lagos Island, Lagos.
Tel: 234-1-4605395-6
Email: info@datapronigeria.net, dataprong@gmail.com
Website: www.datapronigeria.net

SUMMARY

- Rating:

A1-^(CP)

- Report Type:

Commercial Paper

- Issuer:

Parthian Partners
Limited

- Date Compiled

25-Feb-2021

@

DataPro 2021 **All right reserved.**

*This report is provided for your internal business use only and may not be reproduced or re-distributed in any manner whether mechanical or without the permission of **DataPro**.*

DISCLAIMER

*Please note that **DataPro** Rating does not represent an offer to trade in securities. It is a reference source and not a substitute for your own judgment. As far as we are aware, this report is based on reliable data and information, but we have not verified this or obtained an independent verification to this effect. We provide no guarantee with respect to accuracy or completeness of the data relied upon, and therefore the conclusions derived from the data. This report has been prepared at the request of, and for the purpose of, our client only and neither we nor any of our employees accept any responsibility on any ground whatsoever, including liability in negligence, to any other person. Finally, **DataPro** and its employees accept no liability whatsoever for any direct or consequential loss of any kind arising from the use of this document in any way whatsoever*

**Commercial Paper Rating Definition**

Rating	Explanation
Investment Grade	
A1+	Assigned to instruments with Excellent ability to meet their ongoing obligations.
A1	Assigned to instruments with Very Good ability to meet their ongoing obligations.
A1-	Assigned to instruments with Good ability to meet their ongoing obligation.
Non-Investment Grade	
1B	Assigned to instruments with Fair ability to meet their current obligations, but their financial strength is vulnerable to adverse changes in economic conditions.
2B	Assigned to instruments with Marginal ability to meet their current obligation, but their financial strength is vulnerable to adverse changes in economic conditions.
C	Assigned to instruments with Weak ability to meet their current obligation, but their financial strength is vulnerable to adverse changes in economic conditions.
D	Assigned to instruments with Poor ability to meet their current obligation and their financial strength is extremely vulnerable to adverse changes in economic conditions.

SUMMARY• **Rating:****A1-**^(CP)• **Report Type:**

Commercial Paper

• **Issuer:**

Parthian Partners Limited

• **Date Compiled**

25-Feb-2021