



# DataPro



## **CORPORATE RATING REPORT**

## **FAST CREDIT LIMITED**

Ground Floor, Foresight House  
163-165 Broad Street,  
By Marina Water Front  
Lagos, Nigeria  
☎ 234-802 220 5312, 8055303677  
Email: info@datapronigeria.net  
dataprong@gmail.com  
Website: www.datapronigeria.com

March, 2023

# FAST CREDIT LIMITED

## Long-Term Rating:

# BBB<sup>+</sup>

Short Term Rating: A2

Rating Outlook: Stable

Trend: UP

Currency: Naira

Date Issued: 13 Mar., 2023

Valid Till: 10 Mar., 2024

## Reference:

Abiodun Adeseyoju, FCA.  
Abimbola Adeseyoju  
Oladele Adeoye

This report is provided by DataPro subject to the terms & condition stipulated in our Terms of Engagement

## EXECUTIVE SUMMARY

	2022 ₦'000	2021 ₦'000	2020 ₦'000	2019 ₦'000	2018 ₦'000
Gross Earnings	5,582,229	4,144,358	2,691,566	1,148,602	433,570
Profit Before Tax	2,174,117	1,676,036	949,556	435,869	(193,264)
Shareholders' Funds	2,402,082	1,573,992	1,150,609	325,116	3,664
Borrowing	8,849,101	9,370,309	8,632,930	1,896,693	927,501
Loans & Advances	8,534,784	6,322,851	4,571,699	1,973,426	707,374
Total Assets	13,919,379	11,922,397	10,275,093	2,506,755	1,061,820

### Rating Explanation

The Short-Term Rating of **A2** indicates *Fair Credit Quality* and adequate capacity for timely payment of financial commitments.

The Long-Term Rating of **BBB<sup>+</sup>** indicates *Slight Risk*. It shows Fair Financial Strength, Operating Performance and Business Profile when compared to the standard established by *DataPro*. This Company, in our opinion, has the ability to meet its ongoing obligations, but its financial strength is vulnerable to adverse changes in economic conditions.

## RATING SYNOPSIS

The Rating took into consideration all relevant qualitative and quantitative factors to arrive at the assigned risk indicator.

The qualitative information used were based on industry and market intelligence including public information. The quantitative information was obtained from the Company's Audited and Management Accounts.

The risk factors were assessed using the Company's Capitalization, Earnings Profile, Liquidity, Corporate Governance, Regulatory Compliance and Sustainability of its current healthy profile in the medium to long term period.

Overall, the following were observed:

### Positive Rating Factors:

- Good Earning Profile
- Good Capitalization
- Experienced Management

### Negative Rating Factors:

- High Interest Expense
- Concentration risk

*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

*Fast Credit Limited* (“*The Company*” or “*FCL*”) is a Private Limited Liability Company incorporated on 12th August 2014. It currently operates as a Finance Company with the license acquired from *Imperial Finance and Securities Limited* via a License Transfer Agreement.

*Imperial Finance and Securities Limited* in compliance with the CBN directives that Company desiring to operate as a Finance Company should be a standalone, ceded its operating license to *Fast Credit Limited*. This was carried out via *Imperial Finance and Securities Limited* Board resolution of December 5, 2014. *Fast Credit* is now recognized on CBN website as a Finance Company.

The Company provides Microlending and Assets-Based Financing to payroll workers both in the private and the public sectors of the economy. Approximately 85% of the Company’s credit portfolio is payroll lending based.

Products offered by the Company include: *Group Lending Scheme, Target Savings, Kiddies Swag, FCL Investment Note, SME Loan, Invoice Discounting, Buy Now Pay Later, Public and Private Sector Loan*. The Company has a customer base of over 37,000 as at 2022 year-end. These comprised of Commercial, Large Corporate and Retail customers.

The Company operates from its Head office in Ikeja, Lagos State. This is in addition to its other offices in other part of Lagos as well as Abuja, Ibadan, Akure and Abeokuta. As at 31<sup>st</sup> December 2022, it has over 159 employees in its employment.

The Company’s Shareholding for the year ended December, 2021 is made up of 500,000,000 (Five Hundred Million) shares of ₦1 each. As at the year-end December 2022, the Company’s shares were majorly owned by Sienna Woodford Limited with ownership of 94.8%.

## DIRECTORS’ PROFILE

The following served as directors during the year under review; *Titilayo Tunde*-Chairman; *Emeka Iloelunachi*- Managing Director/CEO; *Tolulope Osunsanya*; *Oyedotun Oyedeji*; *Funso Sobande*; *Tumi Tiyamiyu* and *Stella Okuzu*.

The Directors’ profile is as follow.

- |    |                             |  |
|----|-----------------------------|--|
| 1. | <b>Name:</b>                | Titilayo Tunde                               |
|    | <b>Position:</b>            | Chairman                                     |
|    | <b>Profession:</b>          | Banker                                       |
|    | <b>Years of Experience:</b> | 30 years                                     |
|    | <b>Education:</b>           | •B.Sc. - Obafemi Awolowo University, Ile Ife |

- MBA - Lagos Business School
- MBA - IESE Business School, Spain
- LLM - University of Cumbria, UK

**Years of Board Membership: 2014**

2. **Name:** Emeka Iloelunachi  
**Position:** Managing Director/CEO  
**Profession:** Banker  
**Years of Experience:** Over 15 years of experience in financial services  
**Education:**
  - B.Sc - Enugu State University of Science and Technology
  - MSc - University of Lagos
  - MBA - University of Liverpool

**Years of Board Membership:2020**

3. **Name:** Tolulope Osunsanya  
**Position:** Director  
**Profession:** Banker  
**Years of Experience:** 25 years  
**Education:**
  - B.Eng. - University of Lagos**Years of Board Membership:2015**

4. **Name:** Oyedotun Oyedeji  
**Position:** Non-Executive Director  
**Profession:** Banker  
**Years of Experience:** Over 25 years in Corporate Banking and Credit Risk Management  
**Education:**
  - B.Sc. - University of Ibadan**Years of Board Membership:2019**

5. **Name:** Funso Sobande  
**Position:** Non-Executive Director  
**Years of Experience:** Over 23 years  
**Education:**
  - B.Sc. - University of Ibadan
  - MSc - Strathclyde University, Glasgow**Years of Board Membership:2022**

6. **Name:** Tumi Tiyaamiyu  
**Position:** Non-Executive Director  
**Years of Experience:** Over 20 years  
**Education:**
  - B.Sc. - University of Ado- Ekiti
  - MSc -University of London, UK
  - MBA - Hult International Business School, Massachusetts**Years of Board Membership:2022**

<b>7. Name:</b>	Stella Okuzu
<b>Position:</b>	Non-Executive Director
<b>Profession:</b>	Banker
<b>Years of Experience:</b>	Over 21 years of banking experience
<b>Education:</b>	• MBA - IESE, University of Navaria, Spain
<b>Years of Board Membership:</b>	2022

## SECTOR REVIEW

Nigeria is the leading economy in Africa. It has a population of over 200 million people. According to the *National Bureau of Statistics (NBS)*, Nigeria's Gross Domestic Product (GDP) grew by 3.10% in the year 2022 from 3.40% recorded in the year 2021. It grew by 3.52% in Q4 2022. However, the Q4 2022 growth rate was lower than the 3.98% growth rate recorded in Q4 2021 by 0.46 points. The Financial Sector of the Economy contributed 3.49% to the GDP. The Sector grew at a rate of 12.70% in Q3 2022 which fell below the rate recorded in Q3 2021 by 10.53%.

The proposed Oil benchmark for the year 2023 Budget is \$70 per barrel and 1.69 million barrel per day. This compares well with the current selling price of Oil which is above the benchmark (\$84.45 as at March 10, 2023 according to oilprice.com).

In an effort to attain soundness in the banking industry and manage liquidity effectively, the CBN introduced in 2006 a new framework for monetary policy implementation, using the short-term interest rate known as Monetary Policy Rate (MPR) as its benchmark. The MPR serves as an indicative rate for transactions in the Interbank Money Market as well as Money Market Rates.

The CBN increased the MPR from 15.5% to 17.5% in January, 2023 despite the slowdown in inflation. This could have the effect of increasing cost of borrowing and encourage borrowers to find alternative sources of finance.

The CBN has maintained its periodic interventions in the Foreign Exchange Market to boost liquidity and enhance access to Foreign Exchange, unbridled demand and ensure stable Exchange Rates. The CBN has been managing its Foreign Exchange Reserves tightly because of lower Oil receipts. Currently, the official Exchange Rate to the dollar as at 9th March, 2023 is ₦460 while the exchange rate at the parallel market stood at an average of ₦750.

According to the *National Bureau of Statistics (NBS)*, Inflation Rate dipped in December to 21.34% but rose again to 21.82% in January, 2023. General improvements in the economy will largely support continuous growth in the Financial Sector. The critical success factor for the operators is the ability to creatively enhance service delivery in order to retain customer loyalty.

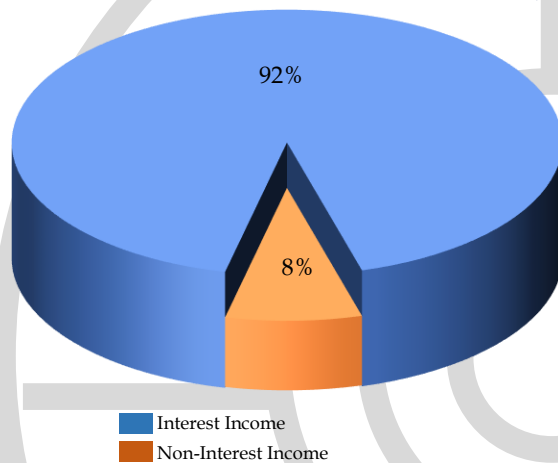
Currently, the country is faced with the challenges of implementing the Central Bank of Nigeria (CBN) Naira Redesign Policy (Cashless Policy), long queues for PMS at Gas Station and epileptic power supply. This has further eroded the purchasing power among Nigerians in addition to compounding operational challenges.

## PROFITABILITY

### EARNINGS PROFILE

The Company's Gross Earnings went up from ₦2.7b (Yr. 20) to ₦4.1b (Yr. 21). Interest Income accounted for a major portion of 93% and 92% of Gross Earnings in the year 2020 and 2021 respectively. As at the period ended December 2022, the Company had

#### COMPOSITION OF GROSS EARNINGS (2021)

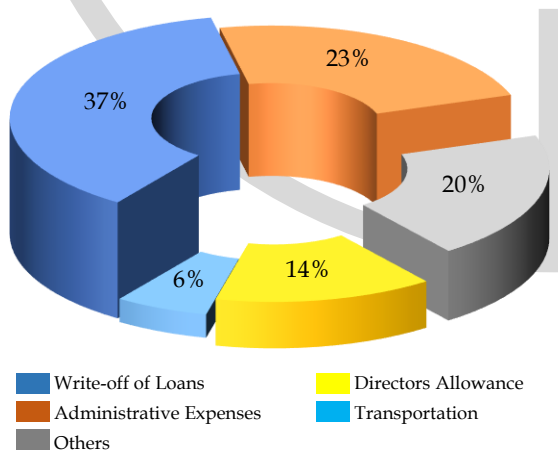


Source: Fast Credit Limited

recorded Gross Earnings of ₦5.5b. The major contributor to the Company's Earnings was interest income from Loans and Advances to Customers. The Company also earned Interest from its investment in Money Market Placements and Bonds.

Interest Expense on Borrowings recorded ₦1.3bin the year 2021. This was 86% growth from the previous period. The rise in cost of Borrowing restricted Net Interest Margin to 66% (Yr.21) as against 80%(Yr.20). This further declined to 63% in the year 2022 based on the unaudited management account of the Company.

#### COMPONENTS OPERATING EXPENSES (2021)



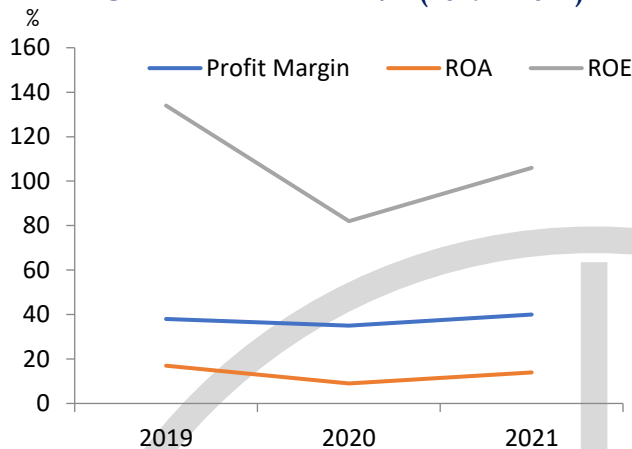
Source: Fast Credit Limited

Aside Interest Income, there was marginal contribution to Revenue from other sources amounting to ₦310.9m (Yr. 21). These include Administrative fees and Commission income on Loans and Advances. The Company also recorded Write-Backs on Loans and Advances of ₦26.4m (Yr. 21) as against impairment charge of ₦277.8m in the year 2020. These pushed the Operating Profit to

₦2.9b (Yr. 21).

Operating Cost increased from ₦725.4m (Yr. 20) to ₦1.2b (Yr. 21). The Components of Operating Cost included Personnel Expenses, Depreciation and Amortization.

#### PROFITABILITY TREND (2019 - 2021)



Source: Fast Credit Limited

These items recorded significant growth during the year 2021. Personnel Expenses grew to ₦393.7m (Yr.21) due to the increase in number of employees. Directors allowance equally grew from ₦11.3m (Yr. 20) to ₦100.7m (Yr. 21). Write-offs of bad loans and unsubstantiated debit balances during the period amounted to ₦275m (Yr.21) as against a write back of ₦2.3m (Yr.20). It accounted for 38% of total Operating Cost. The rise in Operating Cost influenced the increase of Cost to Income Ratio

from 27% (Yr.20) to 29% (Yr.21).

Profit Before Tax grew by 77% to ₦1.7b in the year 2021 compared with the previous year. Consequently, all other profitability indices recorded significant growth in the year 2021. The Company recorded Profit Before Tax of ₦2.5b in the year 2022.

## CAPITAL ADEQUACY

Year	2022	2021	2020
Item	₦'000	₦'000	₦'000
Shareholders' Funds	2,402,082	1,573,992	1,150,609
Total Assets	13,919,379	11,922,397	2,506,755
Fixed Assets	294,238	298,420	276,172
Loans & Advances	7,425,411	6,322,851	4,571,699
Equity/Total Assets (%)	14	13	11
Equity/Loan & Adv. (%)	24	25	25
Fixed Assets/Equity (%)	17	19	24

Source: Fast Credit Limited

Share Capital and Premium remained unchanged in the year 2021. However, the Company's Equity grew by 37% from ₦1.2b (Yr. 20) to ₦1.6b (Yr. 21). The growth was due to increase in accumulated profit during the year. As at the period ended December 2022, Shareholders' Funds

had increased to ₦2.4b (Yr. 22).

Total Assets increased by 16% in the year 2021. It rose from ₦10.3b to ₦11.9b between 2020 and 2021. The significant growth in all the components accounted for the increase in the year 2021.

**COMPONENT OF TOTAL ASSETS**

Item	2021 ₦'000	%	2020 ₦'000	%
Cash & Cash Equivalent	2,226,399	18.4	4,367,707	42.0
Investment Securities	2,270,670	19.3	869,948	8.7
Loans & Advances	6,322,851	52.9	4,571,699	44.6
Other Asset	804,057	6.7	189,567	1.9
Property, Plant & Equipment	143,582	0.8	147,976	1.5
Deferred Tax Assets	63,303	0.5	77,829	0.8
Intangible Assets	91,535	0.8	50,367	0.5
<b>Total Assets</b>	<b>11,922,397</b>	<b>100</b>	<b>10,275,093</b>	<b>100</b>

Source: Fast Credit Limited

Equity as a proportion of Total Assets increased marginally from 13% (Yr. 20) to 14% (Yr. 21). This was due to increase in Shareholder's Fund in the year 2021. The Company recorded Total Qualifying Capital of ₦1.5b and a Capital Adequacy

Ratio (CAR) of 18.8% in the year 2021. This is in compliance with the CBN's minimum required ratio of 12.5%. The Company closed out the year 2022 with a CAR of 21.6%.

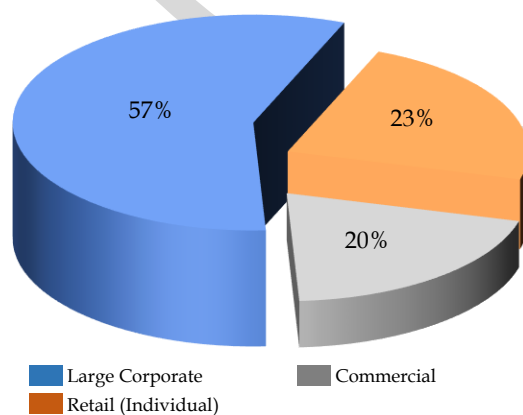
**ASSET QUALITY**

Item	2021 ₦'000	2020 ₦'000
Gross Loan & Advances	6,322,851	4,571,699
Classified Loan	740,341	1,111,368
Provisions	165,389	240,227
Classified Loans Prov./Classified Loans (%)	22	22
Classified Loans/Equity (%)	47	96
Classified Loans/Gross Loans (%)	12	24

Source: Fast Credit Limited

The Company booked more Loans and Advances during the year. At a total Balance of ₦6.3b, it recorded a 38% increase over the level attained in the year 2020. Its Borrowers are mostly Corporate Institutions and Employees of Government Agencies.

These categories of Borrowers accessed Loans for Business purposes.

**COMPOSITION OF BORROWERS BY TYPE**


Source: Fast Credit Limited

According to Sectoral Classification, the Company Loans are mostly concentrated in the *Nigerian Police Force (NPF)*. This accounted for 79% of the Company's total Loan Portfolio as at the year 2022. The Balance of the exposure is spread across the remaining Fifteen (15) Sectors.

Net Loans and Advances for the year was ₦6.3b. It represented 53% (Yr. 21) of Total Assets compared



with 44% (Yr. 20). This is within the threshold of 80% set by the *Central Bank of Nigeria (CBN)* for similar operations. Non-Performing Loans as represented by Stage 3 impairment charge was ₦740m in the year 2021. This had dropped to ₦212m in the year 2022, representing an improvement.

This represented a decline compared with almost ₦1b recorded in the year 2020. In view of the significant improvement in delinquent Loans, the Non-Performing Loan ratio went down from 24% (Yr.20) to 12% (Yr.21) and further down to 2.5% (Yr.22). This is well below the acceptable limit of 5%. However, Provisions made for the Non-Performing Loan at 22% and 37% for the year 2021 and 2022 is consider as inadequate.

## LIQUIDITY

Item	2022	2021	2020
Loan & Advances/Total Assets (%)	66	53	44
Liquid Assets/Total Assets (%)	30	38	51
Liquid Assets/Borrowings (%)	45	48	61
Loans & Advances/Borrowings (%)	102	67	53

*Source: Fast Credit Limited*

The Company recorded a rise in its Borrowing. It increased from ₦8.6b (Yr. 20) to ₦9.3b (Yr. 21). This was due to additional debts acquired in the review period.

Borrowings represent unsecured investment notes issued by *Fast Credit Limited* to various individuals. All

### ANALYSIS OF BORROWINGS BASED ON MATURITY

Months	2021 ₦'000	%
1-3Months	128,769	1.1
3-6 Months	657,890	7.4
6-12 Months	7,678,974	81.8
Over a Year	904,676	9.7
<b>Gross Total</b>	<b>9,370,309</b>	<b>100</b>

*Source: Fast Credit Limited*

the Borrowings have tenure of not more than one year with interests ranging from 4% to 22.5%. As at 31st December, 2022, the Company's Borrowings had dropped to ₦8.8b owing to repayments of interest and principal during the period.

### ANALYSIS OF LOANS AND ADVANCES BASED ON MATURITY

Months	2021 ₦'000	%
1 - 3 months	213,675	3.0
3 - 6 Months	587,652	8.8
6-12 Months	2,176,754	31.3
Over a Year	3,799,917	56.9
<b>Gross Total</b>	<b>6,777,998</b>	<b>100</b>

*Source: Fast Credit Limited*

These Obligations had short term maturity profile. A sizeable amount of the Debts was set to fall due within 6-12month period. These accounted for 82% of Total Borrowings translating to ₦7.7b for the year 2021. A large proportion of the Company's Loans and Advances are short termed.

Loans and Advances due to be repaid within a year accounted for 90% of its portfolio. The balance is set to mature after a 12-month period.

The Company recorded a short-term mismatch between its Loans and Borrowings. This led to a short-term gap of ₦1b in the year 2021. However, the Liquid Assets of the Company was able to provide necessary cushion for the gap created in the long run. Consequently, it recorded liquidity surplus of ₦1.9b.

**LIQUIDITY GAP ANALYSIS (2021)**

Year	Loans & Advances ₦'000	Borrowings ₦'000	Net Liquidity Gap ₦'000
Liquid Assets	4,497,069	-	4,497,069
1-3Months	213,675	128,769	4,581,975
3-6Months	587,652	657,890	4,511,737
6-12Months	2,176,754	7,678,974	(990,483)
Over 12 months	3,799,917	904,676	1,904,758

*Source: Fast Credit Limited*

were highly liquid in the year. The liquid portion of the Total Assets was 51% and 38% for the years 2020 and 2021 respectively. The decline is as a result of the reduction in Cash held during the year. The Company reported a Liquidity ratio of 48.0% as at the year-end 2021 as against 60.7% (Yr.20). This is above the Statutory minimum of 30%.

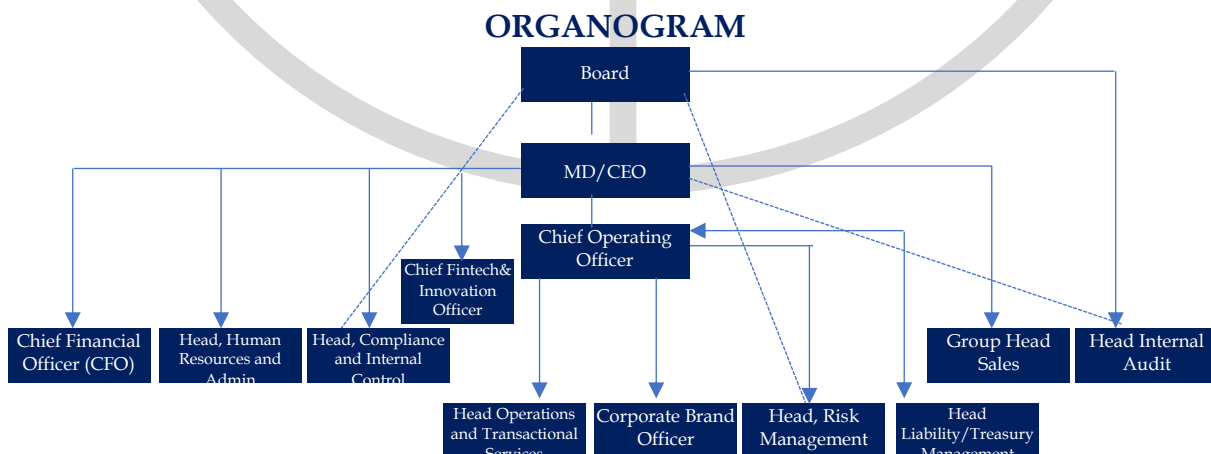
Loan to Deposit ratio was 67% (Yr. 21) as against 53% (Yr. 20). This is marginally above the minimum limit of 65% required by the Regulator. Aside Borrowings, other items of Total Liabilities include: Tax Liabilities, Bank Overdraft and Other Payables.

The Assets of the Company

**CORPORATE GOVERNANCE & RISK MANAGEMENT**

The Board of the Company comprised of the Chairman, two (2) Executive members, and Four (4) Non-Executives.

The Board Governance structure is as presented:



*Source: Fast Credit Limited*

The Board recognizes that it has Strategy, Credit, Market and Currency Risks. The most significant is the Credit Risk. The Company has policy in place to deal with its Risks. This is contained in its Audited Account for the year 2021.

## RISK FACTORS

In the course of our review, we observed the following risk factors:

- **LIQUIDITY RISK**

Liquidity risk is the risk arising from inability to meet obligations as they fall due.

The ratio of Liquid Assets to Total Asset was 51% and 38% for the year 2020 and 2021 respectively. Total Loan to Deposit ratio was 67% (Yr. 21) higher than 53% in the prior year. The Statutory Liquidity Ratio was 48% in the year 2021 which was well above regulatory demand.

- **INTEREST RATE RISK**

This is the risk of loss to income arising from adverse movements in Interest Rates. The Company's Liabilities are sourced from providers with required significant Interest charge. The inability of the Company to attract funds at favorable terms may affect earnings especially, where the burden could not be passed to the consumers.

- **CREDIT RISK**

This is the risk arising from the inability of counterparties to honor their obligations as and when due. In this case, credit risk arises mainly from customer Loans and Advances, Investment Securities, Cash, Interbank or other short-term placements.

The credit risk management function of the Company is achieved through formulation of appropriate risk management policies, monitoring and reviewing of loans. Repayment of Loans were based on direct deduction from salary of the obligors.

- **CREDIT RISK**

This is the risk arising from the inability of counterparties to honor their obligations as and when due. In this case, credit risk arises mainly from customer Loans and Advances, Investment Securities, Cash, Interbank or other short-term placements.

Based on our review, the loan portfolio of the Company is highly exposed to members of the Nigeria Police. Consequently, adverse decision from this sector could have negative impact on the Company's profitability.

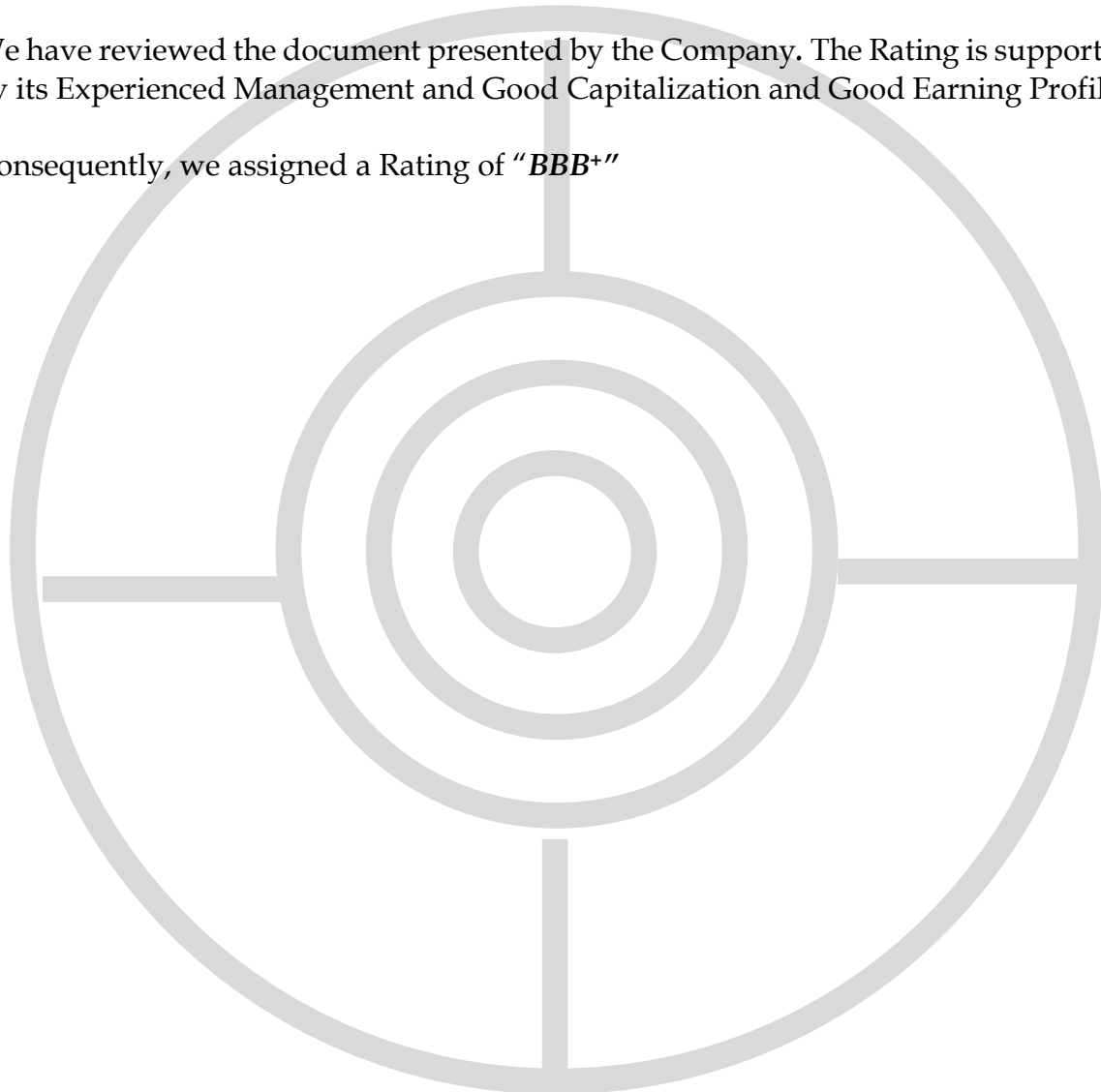
## FUTURE OUTLOOK

The future outlook of the Company is hinged on continuous expansion and Corporate lending. Going forward it plans to introduce new products, deepen market reach for existing product and advance technology usage.

## CONCLUSION

We have reviewed the document presented by the Company. The Rating is supported by its Experienced Management and Good Capitalization and Good Earning Profile.

Consequently, we assigned a Rating of "**BBB+**"



## FINANCES

### Financial Position as at

	Dec, 2021		Dec, 2020		Dec, 2019
	₦'000	Δ%	₦'000	Δ%	₦'000
<b>ASSETS</b>					
Cash and cash equivalent	2,226,399	(49.03)	4,367,707	2,635.96	159,641
Investment Securities	2,270,670	161.01	869,948		
Loans and advances	6,322,851	38.30	4,571,699	131.66	1,973,426
Other assets	804,057	324.15	189,567	(16.34)	226,579
Property and equipment	143,582	(2.97)	147,976	131.76	63,849
Intangible Assets	91,535	17.61	77,829	41.47	55,016
Deferred Tax Assets	63,303	25.68	50,367	78.33	28,244
<b>Total assets</b>	<b>11,922,397</b>	<b>16.03</b>	<b>10,275,093</b>	<b>309.90</b>	<b>2,506,755</b>
<b>Liabilities:</b>					
Borrowings	9,370,309	8.54	8,632,930	355.16	1,896,693
Debt Securities Issued	-		24,400	2.75	23,746
Other liabilities	400,035	178.01	143,894	17.85	122,099
Current tax liabilities	578,061	78.82	323,260	132.39	139,101
<b>Total liabilities</b>	<b>10,348,405</b>	<b>13.41</b>	<b>9,124,484</b>	<b>318.24</b>	<b>2,181,639</b>
<b>Net assets</b>	<b>1,573,992</b>	<b>36.80</b>	<b>1,150,609</b>	<b>253.91</b>	<b>325,116</b>
<b>Equity:</b>					
Share Capital	416,855	-	416,855	-	416,855
Share Premium	27,925	-	27,925	-	27,925
Accumulated Profit/Loss	1,002,698	300.41	250,415	(299.79)	(125,336)
Convertible notes	-		5,672	-	5,672
Fair Value Reserves	-146,114	(156.10)	260,444		-
Statutory Reserves	272,628	180.30	97,263		
Regulatory Reserves	-		92,035		
<b>Total Equity</b>	<b>1,573,992</b>	<b>36.80</b>	<b>1,150,609</b>	<b>253.91</b>	<b>325,116</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>11,922,397</b>	<b>16.03</b>	<b>10,275,093</b>	<b>309.90</b>	<b>2,506,755</b>
Gross earnings	4,144,358	53.98	2,691,566	134.33	1,148,602
Profit before taxation	1,676,036	76.51	949,556	117.85	435,869
Taxation	-506,939	68.34	(301,137)	176.35	(108,971)

---

**Signed:**   
**Name:** Oladele Adeoye  
**Designation:** Chief Rating Officer  
**Date:** 13<sup>th</sup> March, 2023

For and on behalf of:  
**DataPro Limited**  
Ground Floor, Foresight House  
By Marina Water Front  
163/165 Broad Street, Lagos Island, Lagos.  
Tel: 234-1-4605395, 4605396  
Cell: 0805-530-3677  
Email: info@datapronigeria.net,dataprong@gmail.com  
Website: www.datapronigeria.net

---

©  
**DataPro 2023**  
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**.*

*Whilst **DataPro** attempts to ensure that the information provided is accurate and complete, however due to the immense quantity of detailed matter used in compiling the information and the fact that some of the data are supplied from sources not controlled by **DataPro**, we will not be responsible for any omission therefrom.*

## USER GUIDE

*DataPro's* credit rating is an opinion of an issuer's/issues overall creditworthiness and its capacity to meet its financial commitment.

Our *short-term* ratings have a time horizon of less than 12 months in line with industry standards reflecting risk characteristics. The ratings place greater emphasis on the liquidity to meet financial commitment in a timely manner.

The long-term risk indicator is divided into 8 bands ranging from AAA through DD. Each band could be modified by + or -. With + representing slightly less risk than -. Such suffixes are not added to the 'AAA' long -term rating category and to categories below 'CCC'. Or to short-term rating older than A1+.

### LONG-TERM RATING

#### Investment Grade

Indicator	Meaning	Explanation
AAA	Lowest Risk.	<i>(Superior)</i> Assigned to companies which have superior financial strength, operating performances and profile when compared to the standards established by <i>DataPro Limited</i> . These companies, in our opinion, have a Excellent ability to meet their ongoing obligations.
AA	Lower Risk	<i>(Excellent)</i> Assigned to companies which have excellent financial strength, operating performance and profile when compared to the standards established by <i>DataPro Limited</i> . These companies, in our opinion, have a very strong ability to meet their ongoing obligations.
A	Low Risk	<i>(Very Good)</i> Assigned to companies which have very good financial strength, operating performance and profile when compared to the standards established by <i>DataPro Limited</i> . These companies, in our opinion, have a strong ability to meet their ongoing obligation.
BBB	Slight Risk	<i>(Fair)</i> Assigned to companies which have fair financial strength, operating performance and profile when compared to the standards established by <i>DataPro Limited</i> . These companies, in our opinion, have an ability to meet their

current obligations, but their financial strength is vulnerable to adverse changes in economic conditions.

### Non-Investment Grade

#### Indicator Meaning Explanation

BB	Moderate Risk	<i>(Marginal)</i> Assigned to companies which have, marginal financial strength, operating performance and profile when compared to the standards established by <i>DataPro Limited</i> . These companies, in our opinion have an ability to meet their current obligation, but their financial strength is vulnerable to adverse changes in economic conditions.
B	High Risk	<i>(Weak)</i> Assigned to companies which have, weak financial strength, operating performance and profile when compared to the standard established by <i>DataPro Limited</i> . These companies, in our opinion have an ability to meet their current obligation, but their financial strength is vulnerable to adverse changes in economic conditions.
CCC	Higher Risk	<i>(Poor)</i> Assigned to companies, which have poor financial strength, operating performance and profile when compared to the standards established <i>DataPro Limited</i> . These companies, in our opinion may not have an ability to meet their current obligation and their financial strength is extremely vulnerable to adverse changes in economic conditions.
DD	Highest Risk	<i>(Very Poor)</i> Assigned to companies, which have very poor financial strength, operating performance and profile when compared to the standards established by <i>DataPro Limited</i> . These companies, in our opinion may not have an ability to meet their current obligation and their financial strength is extremely vulnerable to adverse changes in economic conditions.



### SHORT-TERM RATING

Indicator	Meaning	Explanation
A1+	Highest credit quality	Indicates the strongest capacity for timely payment of financial commitments. May have an added “+” to denote any exceptionally strong credit feature.
A1	Good credit quality	A satisfactory capacity for timely payment of financial commitments, but the margin of safety is not as great as in the case of the higher ratings.
A2	Fair credit quality	The capacity for timely payment of financial commitments is adequate. However, near term adverse changes could result in reduction to non investment grade.
B	Speculative	Minimal capacity for timely payment of financial commitments, plus vulnerability to near term adverse changes in financial and economic conditions.
C	High default risk	Default is a real possibility. Capacity for meeting financial commitments is solely reliant upon a sustained, favorable business and economic environment. Indicates an entity that has defaulted on all its financial obligations.