



DataPro



COMMERCIAL PAPER RATING

SULTIVA WAKALAH SPV LIMITED

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February, 2024

SULTIVA WAKALAH SPV LIMITED

GUARANTEED COMMERCIAL PAPER RATING

DataPro Rating:

A1^(CP)

Security Type: ₦20 Billion
Guaranteed
Non-Interest
Commercial
Paper

Tenor: 270 days

Rating Watch: Applicable

Date Issued: 16 Feb., 2024

Valid Till: Maturity

Reference:

Abiodun Adeseyoju, FCA.
Abimbola Adeseyoju
Oladele Adeoye

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**₦20billion Non-Interest Guaranteed Commercial
Paper Discreet Issuance Under the Wakalah
Agreement with Trustbanc Holdings Limited**

EXECUTIVE SUMMARY

ITEMS	₦
Issue Size (₦)	20,000,000,000
Guarantee @ 100% of the Issue	20,000,000,000
Total Enhancement	20,000,000,000
Guaranteed CP Obligations	20,000,000,000
Debt Coverage Ratio	1.0x

Rating Explanation

The Rating of **A1^(CP)** is assigned to instruments with **VERY GOOD** ability to meet their ongoing obligation.

ISSUE QUALITY

The Issue has the following qualities:

- The ability of the Promoter to generate Revenue in the last five (5) years.
- The Investment Grade Rating of the Promoter.
- Full Guarantee provided by the Promoter by way of continuing Guarantee.
- The Noteholders have a direct senior obligation owed to them by the Issuer.
- The Issue rank parri-passu with other senior unsecured obligations of the Issuer.

NB: Rating is issued subject to the regularization of transaction document

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THE ISSUE

The Issue is a ₦20 Billion Guaranteed Non-Interest Commercial Paper (NICP) Discreet Issuance of *Sultiva Wakalah SPV Limited* (“the Issuer”). The Issue is designed to provide the Issuer with short term local currency funding with a tenor of a minimum of 15 days and a maximum of 270 days.

The Issuer is a Special Purpose Vehicle (SPV) promoted by *TrustBanc Holdings Limited (the Originator)*. Each Note shall constitute a senior secured obligation of the Issuer except for certain debts mandatorily preferred by law. The Notes also rank paripassu among themselves and with other present and future senior secured obligations of the Issuer. However, the Originator shall guarantee against misconduct, negligence and breach of conditions or stipulations in the investment of the proceeds of the Notes in accordance with the terms of the Deed of Guarantee.

The Issuer shall utilize the net proceeds of the NICP Notes to invest into non interest financing ventures. This shall be in line with the Master Investment Agreement entered into between the Originator and the Issuer.

The Issue and all related contractual documentation will be governed by relevant sections of the Nigerian non-interest law of commercial transactions (Mu’amalat). This is in addition to the applicable Accounting and Auditing Organisation for Islamic Financial Institution (“AAOIFI”) Standards.

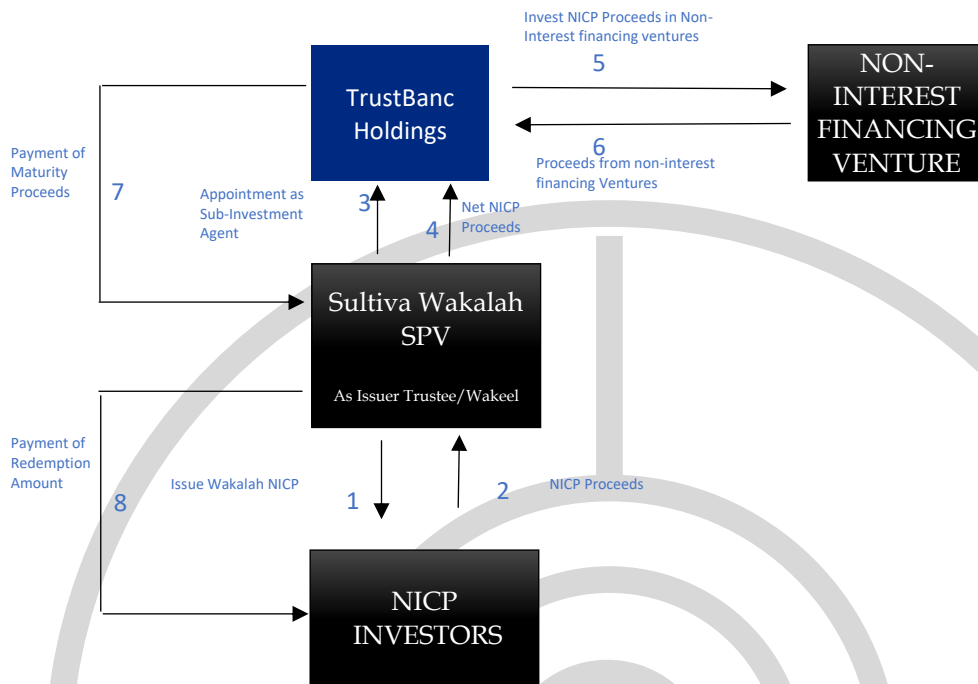
The Issue shall also be constituted in accordance with the Declaration of Trust to be executed by the Issuer, Originator and the Trustees. Under the Declaration of Trust, the Trustees shall hold the Trust Assets as directed and for benefits of Noteholders. The Trust Assets include the present and future benefits, rights, title and entitlements relating to the Issue proceed.

Aside the Issuer and Promoter, other professional parties to the Issue are: *Coronation Merchant Bank Limited (Lead Arranger/Sponsor)*, *Marble Advisory Limited (Joint Arranger/Placing Agents)*, *Banwo & Ighodalo (Solicitor)*, *Jaiz Bank Plc and Lotus Bank (Collecting and Paying Agent)*, *JKLC Professional Services Limited (Auditors)*, *BBC Professional (Reporting Accountants)* and *Marble Advisory Limited (Shariah Adviser)*.

TRANSACTION STRUCTURE

The following diagram sets out the transaction structure relating to the issuance of the Guaranteed Non-Interest CP Notes and subsequent investment of the proceeds in non-interest financing ventures by the Originator.

THE TRANSACTION STRUCTURE



Source: Sultiva Wakalah SPV Limited

1. Sultiva Wakalah SPV Limited is incorporated for the purpose of the Non-Interest Commercial Paper (NICP) Programme and issues the *Wakalah Notes*.
2. The Noteholders appoint the SPV (Issuer) as Agent (Wakeel) to invest the Note proceeds in identified non-interest financing ventures. The SPV declares a trust over the NICP proceeds and the venture.
3. The SPV, in its capacity as Wakeel to the Noteholders, appoints TrustBanc as its *Sub-Wakeel* (Sub-Investment Agent) to invest the Note proceeds in identified non-interest financing ventures.
4. The Wakeel transfers the net NICP Proceeds to the Sub-investment agent (Sub-Wakeel), TrustBanc.
5. TrustBanc as Sub-investment Agent invests NICP proceeds in the identified non-interest financing ventures.
6. Maturity Proceeds from the Ventures are generated by the Sub-Wakeel and comprises the capital and generated return.
7. The Maturity proceeds net Wakalah fee are paid to Sultiva Wakalah SPV Limited.
8. Sultiva Wakalah SPV Limited pays the redemption amount to the Noteholders. Both Wakalah arrangements are dissolved at Maturity.

The Issue shall be governed by the following Agreements:

- **The Declaration of Trust Deed:** This is an agreement between the Issuer, Delegate Trustees and the Promoter
- **The Master Wakalah Agreement:** This is an agreement between the Issuer and Delegate Trustees.

- **The Master Investment Agreement:** This is an agreement between the Issuer and the Promoter
- **Issuing & Placing Agency Agreement:** This is an agreement between the Issuer, Delegate Trustees and the Issuing and Placing Agent (IPA).
- **Collecting & Paying Agent Agreement:** This is an agreement between the Issuer, the Delegate Trustees and the Collecting and Paying Agent (CPA).
- **The Shariah Adviser Agreement:** This is an agreement between the Issuer, the Shariah Adviser and the Arranger.
- **Deed of Guarantee:** This is an agreement entered into between the Issuer in favour of and in benefit of the registered Noteholders, the Originator and the Delegate Trustees. The Originator has agreed to provide an irrevocable and Unconditional guarantee on behalf of the Issuer to guarantee the timely performance of the obligations of the Issuer under the terms and conditions of the Deed of Covenant.

THE ISSUER

Sultiva Wakalah SPV Limited was incorporated in Nigeria on 23rd September 2022, as a private company limited by shares. It was established as a Special Purpose Vehicle for the purpose of issuing the NICP Notes to support its Non-Interest short-term funding requirements.

The principal objective of the Issuer, amongst other things, is to act as a Special Project/Purpose Vehicle for financing projects and contracts.

The Issuer has no subsidiaries or affiliates. Its issued Share Capital is ₦501,000,000 (Five hundred and one million naira). The shares are solely held by Coronation Trustees Limited. *Coronation Trustees Limited* have no beneficial interest in and derives no benefit from their holding of the shares.

The Directors Profile are as follows:

1. **Name:** Mr. Aigbovbioise Aig-Imoukhuede
Years of Experience: 25 years in Financial Service.
Education/Professional Qualification: •B.Sc (Hons)University of Buckingham, U.K
Job Experiences: •Marina Securities Limited
•Coronation Trustees Limited
•First Bank Plc
•MBC Securities
•Fidelity Bank
Year of Appointment: 2023
2. **Name:** Oluwakemi Adeoye
Years of Experience: Over 12 years in Corporate Governance and Advisory.

- Profession:** Lawyer and Compliance Officer
- Education/Professional Qualification:**
- Institute of Chartered Secretaries & Administrators of Nigeria
 - LL.B- University of Ilorin, Kwara
 - LL.M- University of Lagos.
- Job Experiences:**
- Alliance & General Insurance
 - Coronation Insurance Plc
 - Coronation Trustees Limited

THE ORIGINATOR

TrustBanc Holdings Limited ("TrustBanc") was incorporated on 26th July 2018 as a holding company to synergize the operations of TrustBanc Financial Group ("the Group").

The Group offers general financial and investment management services, including provision of banking services to retail consumers. These include Payment Services, Savings, Retail Credit, Securities Trading, Investment Products and Structured Finance. Others are: Money and Fixed Income Market activities which entail trading and holding of Marketable Securities such as Treasury Bills, Government Bonds, Commercial Papers and other eligible instruments.

The Group is expanding to become an integrated financial services conglomerate with products covering Wealth Management, Ethical and Conventional Investments Management, Securities Trading, Savings, Lending and Foreign Exchange.

The Holding Company has a 95% Shareholding in an Asset Management Company - *TrustBanc Asset Management Limited*. It also holds a 99.99% interest in *TrustBanc Capital Management Limited*, a company involved in stockbroking and investment advisory business. Additionally, it has 100% holdings in *WeFinance Solutions Limited* and 99.4% interest in *Trustbanc J6 Microfinance Bank Limited*, an entity which is into microfinance banking services. The Holding Company together with these Subsidiaries make up the Group.

As at 31 December 2022, the shareholding structure of the Company consisted of a single shareholder, *J-six Legacy Family Office Limited* with 100% holding.

Item Year	Gross Earnings ₦'000	PBT ₦'000	Equity ₦'000	Total Liabs ₦'000	Fund Under Mgt ₦'000	Total Assets ₦'000
2022	1,784,709	402,975	11,048,407	39,446,462	23,815,741	50,528,377
2021	1,755,651	272,146	2,953,699	69,154,592	27,735,836	72,132,609
2020	826,744	139,106	1,388,813	29,673,177	19,705,309	31,077,752
2019	123,760	5,849	1,257,954	2,268,886	1,807,749	3,538,427

* Represents Consolidated Accounts of the three Significant Subsidiaries

The Group currently has a long term Investment Grade Rating of **A+** from *DataPro Limited* and a short term Rating of A1.

The following served as directors during the year under review; *Abubakar Jimoh – Chairman, Mr. Abdulhakeem Uthman Mustapha (SAN), Idris Oladipupo Saidu, Cornelia Iyanga George Utuk, Ademola Adeleke, Azeez Lawal and Korede Idowu Dada.*

The Directors’ profile is as follows:

1. **Name:** Abubakar Jimoh
Position: Chairman
Years of Experience: Over 25 Years
Education:
 - B. Sc. (Finance)– University of Lagos
 - M. Sc. (Finance)– University of Lagos
 - Chartered Financial Analyst (CFA)
 - Fellow Chartered Accountant (FCA)
 - Fellow Chartered Institute of Bankers (FCIB)
 - Financial Risk Manager (FCIB)**Experience:**
 - Associated Discount House Limited
 - UBA Group
 - African Development Bank
 - RBC Financial Group
 - Express Discount Limited

2. **Name:** Abdulhakeem Uthman Mustapha, SAN
Position: Non-Executive Director
Profession: Legal Practitioner
Years of Experience: 16 Years
Education:
 - B. Eng - University of Surrey
 - LL.M - Suffolk Law School Boston, USA
 - MBA - Business School Netherlands (BSN)
 - Manchester Business School
 - Harvard Business School, UK**Experience**
 - Parthian Partners Limited
 - President, Business School Netherlands
 - Inland Bank Nigeria Plc
 - Haliquin Aviation Limited
 - Sigma Engineering & Construction Limited

3. **Name:** Idris Oladipupo Saidu
Position: Independent Non-Executive Director
Profession: Finance Professional
Years of Experience: 37 Years
Education:
 - Institute of Public Accountants
 - Nigeria Institute of Management (NIM)

- Experience**
- Chartered Institute of Taxation (CIN)
 - Institute of Chartered Accountants of Nigeria (ICAN)
 - Toyin Ogunaike & Co. Chartered Accountants
 - Union Merchant Bank
 - Citi Trust Merchant Bank
 - B.T. Samuel & Co
 - International Merchant Bank

4. **Name:** Cornelia George Utuk
Position: Independent Non-Executive Director
Profession: Commercial Lawyer
Years of Experience: Over 23 Years
Education:
- LL.B. - University of Uyo
 - MBA (Management) - University of Calabar
 - LL.M. - University of Lagos
 - Institute of Chartered Secretaries and Administrators of Nigeria
- Experience**
- Association of Bank’s Legal Advisers and Company Secretaries
 - Coronation Merchant Bank
 - Marina Securities Limited

5. **Name:** Ademola Adeleke
Position: Executive Director
Profession: Information Technology Professional
Years of Experience: Over 24 Years
Education:
- B. Sc. (Computer Science) - Obafemi Awolowo University
 - MBA - Obafemi Awolowo University
 - Oracle Certified Associate
- Experience**
- Coronation Merchant Bank Limited
 - MBC International Bank Limited
 - Equity Indemnity Insurance Limited

6. **Name:** Azeez Lawal
Position: Executive Director
Years of Experience: Over 15 Years
Profession: Banking and Management
Education:
- B. Sc. (Accounting & Finance) - Delta State University
 - M. Sc. (Finance)- University of Lagos
 - Institute of Chartered Accountants of Nigeria (ICAN)
 - Diploma in IFRS (ACCA)
- Experience**
- TrustBanc Holdings
 - Nigeria Stockbrokers Limited
 - Constant Capital Markets & Securities Limited
 - Capital Bancorp Plc

7. **Name:** Korede Idowu Dada
Position: Executive Director
Years of Experience: Over 11 Years
Profession: Experienced Risk Manager
Education:
 - B. Sc. (Chemistry) – University of Ibadan
 - MBA - University of Lagos**Experience**
 - TrustBanc Holdings
 - Sterling Bank Plc
 - Fidelity Bank Plc
 - Advans Lafayette MFB
 - Skye Bank

ADVISORY COMMITTEE

1. **Name:** Abdulateef Ibrahim Onireti
Position: Chairman
Years of Experience: Over 25 Years
Education:
 - Fellow of African Humanity Program (American Council of Learn-d Societies (CLS)**Experience:**
 - Department of Arabic, University of Ilorin
 - Joint Admissions and Matriculation Board (JAMB)
 - Kwara State College of Arabic and Islamic Legal
2. **Name:** Muritala Kewuyemi Kareem
Position: Member
Profession: Academician
Years of Experience: Over 31 Years
Education:
 - B.A- (Arabic and Islamic Studies) – University of Ibadan
 - M.A- (Arabic and Islamic Studies)- University of Ibadan
 - Ph.D. -University of Ibadan
 - Institute of Chartered Accountants of Nigeria (ICAN)
 - The International Association of Islamic Economic System, Leicester, UK**Experience**
 - Department of Islamic and Arabic Studies, University of Ibadan
3. **Name:** Omotayo Wright
Position: Member
Profession: Finance Professional
Years of Experience: 13 Years
Education:
 - ND (Accountancy)- Osun State Polytechnic
 - B.Sc. (Accountancy)- University of Lagos
 - Institute of Chartered Accountants of Nigeria (ICAN)**Experience**
 - Sterling Bank Plc
 - Ekocorp Plc

POLITICAL ENVIRONMENT

Nigeria is a multi-ethnic and culturally diverse federation of 36 autonomous States and the Federal Capital Territory. The ruling All Progressive Congress (APC) which controls the Executive Arm of Government also holds majority seats at both the Senate and Houses of Representative.

The Presidential Election in Nigeria was held on the 25th of February, 2023. The three major contenders were the candidates of the *All Progressive Congress (APC)*, *People's Democratic Party (PDP)* and the *Labour Party (LP)*. Gubernatorial Elections alongside that of State House of Assemblies were conducted in March 2023.

The candidate of the *APC*, Bola Ahmed Tinubu who scored 8,794,726 votes was declared the winner and was sworn in on the 29th of May, 2023. The Supreme Court has also affirmed his victory. This has concluded the electoral process enabling the winner of the election to focus on the business of governance.

Attention has now shifted to the new administration regarding how it will address the myriad of challenges confronting the country. Some of which include political restructuring, diversification of economy, youth unemployment, subsidy management, brain drain and rising public debts.

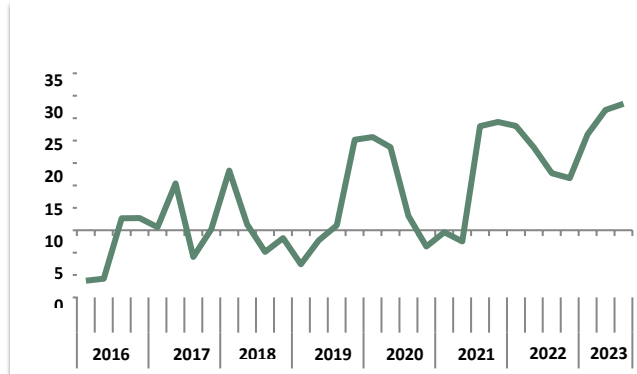
ECONOMIC ENVIRONMENT

Nigeria is the leading economy in Africa. It has a population of over 200 million people. In the third quarter of 2023, the country's Gross Domestic Product (GDP) demonstrated a real-term growth of 2.54% year-on-year, surpassing the 2.25% recorded in the same quarter of 2022 and the 2.51% from the second quarter of 2023. Notably, the Services sector propelled this growth, contributing 52.70% to the overall GDP with a growth rate of 3.99%.

The Finance Sector growth in real terms totaled 28.21% (Q3 2023), higher by 15.52% points from the rate recorded in Q3 2022 and higher by 1.37% points from the rate recorded in Q2 2023. Quarter-on-quarter growth in real terms stood at -9.17%. The contribution of the Sector to real GDP totaled 4.36%, higher than the contribution of 3.49% recorded in the Q3 of 2022 by 0.87% points, and lower than 5.26% recorded in Q2 2023 by 0.91% points.

The Oil benchmark for the year 2023 budget is \$70 per barrel and 1.69 million barrel per day. This compared well with the current selling price of Oil which is above the benchmark (\$81.32 as at February 14th, 2024 according to [oilprice.com](https://www.oilprice.com)). However, Nigeria is battling with the challenge of foreign currency scarcity arising from lower Oil receipt and limited export capacity of the Country.

REAL FINANCIAL SECTOR YEAR-ON-YEAR GROWTH



Source: National Bureaus of Statistic

In order to achieve a Unified Foreign Exchange regime, the CBN has collapsed the multiple exchange rate windows. This is in addition to allowing the free float of the Naira against the US dollars. The value of the Naira to the Dollar at the official market is N1,516.708/\$1 as at February 14, 2023, while the parallel market value was N1,590/\$1.

The Monetary Policy Committee (MPC) of the CBN at its fourth meeting in July 2023 raised the Monetary Policy Rate (MPR) by 25bps to 18.75%. This was done to manage inflation which has been on a steady rise. Headline Inflation rose to 29.90%, a near 28-year high in January, 2024. The inflation rate showed an increase of 0.98% points when compared to the 29.90% recorded in January, 2024. The rise in MPR could have the effect of limiting borrowing from Financial Institutions due to the high costs and lead borrowers to find alternative sources of finance.

Therefore, deep understanding of the macro-economic trends and ability to creatively take advantage of market opportunities remain the critical success factors for operators.

LEGAL OPINION

The following were observed from the document reviewed.

- *Sultiva Wakalah SPV Limited* is a legal entity and is capable of participating in a transaction of this nature.
- Each of the obligations under the *NICP Issuance* when issued in definitive form will constitute legally valid, binding and enforceable obligations of the *Issuer* under Nigerian Law.
- The transaction documents with all their respective schedules and appendices are legal, valid, binding and enforceable under Nigerian Law in accordance with their terms.
- Each of the transaction documents is in proper legal form.

THE ISSUE QUALITY

The Issue has the following qualities:

- The ability of the Originator to generate Revenue in the last five (5) years.
- The Investment Grade Rating of the Originator/Promoter.

- Full Guarantee provided by the Promoter by way of continuing Guarantee.
- The Noteholders have a direct senior obligation owed to them by the Issuer.
- The Issue rank parri-passu with other senior unsecured obligations of the Issuer

RISK FACTORS

- **INTEREST RATE RISK**

This is the risk of negative impact on the subscription to the Notes arising from adverse movement in interest rate.

The adverse movement in Interest Rate relating to interest based Notes could affect demand for Non-interest based Notes.

- **CREDIT RISK**


This is the risk arising from the inability of a counterparty to pay obligation under a contract as and when due.

The performance of the Issue is based on the capacity of the obligors underlying the Receivables to pay obligation as and when due. The inability of the obligors to meet up with the required obligation within the contractual timeframe will adversely affect the Issue.

CONCLUSION

We have reviewed document relating to the Issue. Particular attention was paid to the underlying assets and the possible rate of recovery. Considerations were also given to the governance embedded in the Transaction structure and various agreements under the Issue. More importantly, significant premium was placed on the credit quality of the Promoter/Guarantor providing the Guarantee.

Consequently, we assigned a Rating of "A1" to the NICP.

Signed: 
Name: Oladele Adeoye
Designation: Chief Rating Officer
Date: 16th February, 2024

For and on behalf of:
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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.