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CORPORATE RATING REPORT

MBO CAPITAL MANAGEMENT LIMITED

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By Marina Water Front
Lagos, Nigeria
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June, 2026

MBO CAPITAL MANAGEMENT LIMITED

Long-Term Rating:

A-

Short Term Rating: A1
Previous Rating: A-
Rating Outlook: Stable
Trend: Up
Currency: Naira
Date Issued: 19 June., 2026
Valid Till: 18 June, 2027

Reference:

Abiodun Adeseyoju, FCA.
Abimbola Adeseyoju
Oladele Adeoye

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

EXECUTIVE SUMMARY

	2025 ₦'000	2024 ₦'000	2023 ₦'000	2022 ₦'000	2021 ₦'000
Revenue	11,906,267	18,850,058	3,426,302	2,568,792	1,593,607
Pre-tax-Profit	1,992,952	1,455,846	906,137	370,629	248,775
Equity	10,397,021	8,438,743	4,423,142	1,294,914	1,061,195
Financial Assets	24,946,413	13,516,483	35,773,405	30,680,750	5,382,307
Total Assets	53,727,677	39,797,675	63,585,851	52,654,711	19,602,741
Total Liabilities	43,330,656	31,358,932	59,162,714	51,359,797	18,541,548

Rating Explanation

The Short-Term Rating of **A1** indicates ***Good Credit Quality*** and satisfactory capacity for timely payment of financial commitments.

The Long-Term Rating of ***A-*** indicates ***Low Risk***. It shows Very Good Financial Strength, Operating Performance and Business Profile when compared to the standard established by ***DataPro***. This Company, in our opinion, has strong ability to meet its ongoing obligations.

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 were 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:

- Experienced Management Team
- Good Liquidity
- Robust Investment Strategy
- Improved Revenue Profile

Negative Rating Factors:

- Macroeconomic Constraints
- Large Amount of Unrated Investment
- High Leverage Profile

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.

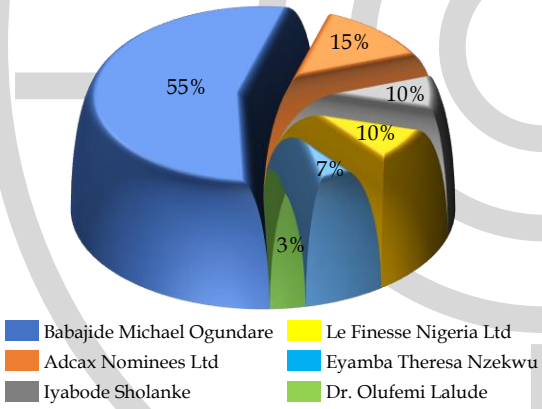
BACKGROUND

MBO Capital Management Limited ("The Company") was incorporated on 29th March, 2012 and commenced operations on 1st April, 2012. The Company is licensed and regulated by the Securities and Exchange Commission (SEC) as a Private Equity Fund Manager.

The Company's core activity is the provision of Principal Investments (Debt or Equity) and Financial Advisory services to a diverse set of institutional, corporate and individual clients. Its business model is focused on Small and Medium Scale Enterprises (SMEs).

Its product/service offerings include Business Valuation, Mergers & Acquisitions Advisory, Capital Raising and Strategic Corporate Finance Solutions. The Company has made principal investments in excess of US$26m in businesses across various sectors including Retail, Power, Commodities Export, Healthcare, Business Services, Mining, Entertainment, Construction, Financial Services and Real Estate. The Company started film financing in 2017. Since then, it has provided funding support to at least 12 Production Companies with several more in the pipeline. To date, it has provided funding commitments of over US$7m towards movie productions, 29 of which have been completed and released.

ANALYSIS OF SHAREHOLDING STRUCTURE



Source: MBO Capital Management Ltd

Total Funds managed and administered on behalf of third parties stood at approximately US$26.8m as at June, 2026.

The Company operates from its Registered Office located in Lagos. It's major shareholder is ***Mr. Babajide Michael Ogundare*** who holds 55% of the Equity stake.

DIRECTORS' PROFILE

The Directors of the Company are: ***Dr. Olufemi Akintode Lalude*** – *Chairman*, ***Mr. Babajide Michael Ogundare*** – *MD/CEO*, ***Mrs. Eyamba Theresa Nzekwu, Mr. Oluwatomi Harry Davies*** and ***Mr. Adekunle Afolabi Adebiyi***.

Details of the Directors' profile are as presented:

1. Name: Dr. Olufemi Akintode Lalude

	Position:	Chairman
	Education:	•B.Sc. & M.Sc. – University of Minnesota •Ph.D. – University of California
	Experience:	• Shell International, Netherland • Shell Nigeria (SNEPCO) • Addax Petroleum Company • Petrodata Management Services • Crestech Engineering Company
2.	**Name:**	Mr. Babajide Michael Ogundare
	Position:	Managing Director/CEO
	Education:	•LL.B – University of London •B.L – Nigerian Law School •MBA – University of Cardiff
	Experience:	•GT Bank (Nigeria & Sierra Leone) •MBO Capital Management Limited
3.	**Name:**	Mrs. Eyamba Theresa Nzekwu
	Position:	Non-Executive Director
	Education:	•Middlesex Polytechnic •South Bank University
	Experience:	•PwC •Continental Merchant Bank of Nigeria Limited •Teff Nigeria Limited •Cross River State Government •National Pension Commission •African Development Bank (AfDB)
4.	**Name:**	Mr. Oluwatomi Harry Davies
	Position:	Independent Non-Executive Director
	Education:	•B. Sc.- University of Miami •MBA – School of Business, University of Miami
	Experience:	• ELF Marketing Nig. Limited • Marks and Spencer • Ernst & Young • Sapient Inc. • Richardson and Briggs • Techno Vision Communications • Mobitel Limited, Nigeria • PeoplePrime • Strika Entertainment • Sproxil • Baas Online Properties
5.	**Name:**	Mr. Adekunle Afolabi Adebiyi

Position:	Executive Director
Education:	•M.A/M.Eng. – University of Cambridge •MBA - Kellogg
Experience:	•DHL (United Kingdom) •Lehman Brothers (USA) •Access Bank (Nigeria) •PwC (Nigeria & Kenya) •MBO Capital Management Limited

SECTOR REVIEW

Nigeria's economy has undergone notable structural transformation, influenced by global economic shifts, technological progress and evolving consumer behavior. Reflecting these changes, the National Bureau of Statistics (NBS) has rebased the Country's Gross Domestic Product (GDP), updating the base year from 2010 to 2019.

In real terms, the economy grew by 3.89% (year-on-year) in the first quarter of 2026, a rate higher than the 3.13% recorded in the same quarter of 2025. During this period, the agricultural sector expanded by 3.15%, an improvement from the 0.07% recorded in Q1 2025. The industry sector grew by 3.50%, compared with 3.42% in the corresponding quarter of the previous year, while the services sector recorded a growth of 4.31%, slightly down from 4.33% in Q1 2025. The services sector remained the largest contributor, accounting for 57.73% of total GDP in Q1 2026, marginally higher than 57.50% in Q1 2025.

The ongoing transformation driven by fintech innovations such as mobile banking, digital payments and blockchain technology continues to enhance financial inclusion and reshape competitive dynamics within the Finance Sector.

Growth in the Finance & Insurance Sector in real terms totaled 8.54% (Q1 2026), lower by 6.49% from the rate recorded in Q1 2025 and higher by 0.24% from the rate recorded in Q4 2025. Quarter-on-quarter, growth stood at 17.77%. The contribution of the Sector to real GDP totaled 3.76%. This is higher than the contribution of 3.60% recorded in Q1 2025 by 0.16% and higher than 2.56% recorded in Q4 2025 by 1.20%.

Despite global market challenges, the Nigerian Stock Exchange Group All-Share Index (NGX ASI) posted a robust return of 51.19% in 2025, surpassing the 37.65% gain in 2024. Foreign Reserves accreted to over $48 billion by May 2026, fortified by stronger oil remittances, improved foreign exchange earnings and increased capital inflows. As at 11th June, 2026, the Naira traded at ₦1,363.83/US$1 in the official market and ₦1,395/US$1 in the parallel market.

At its May 2026 meeting, the Central Bank of Nigeria's Monetary Policy Committee (MPC) maintained the Monetary Policy Rate (MPR) at 26.5%. Other indices such as: Asymmetric Standing Facility Corridor, Reserve Ratio (CRR) and Liquidity Ratio were also retained at their previous levels. In April 2026, the Headline inflation rate rose to

15.69%, up from 15.38% in March 2026, indicating an increase in the pace of prices across the economy.

The Asset Management Industry surged significantly, with Assets Under Management (AuM) rising by 71.2% in 2024 to ₦10.1trillion. Growth was primarily driven by increased retail participation, demand for dollar-denominated portfolios and expanded access via digital platforms. Segregated Portfolios maintained their lead in the market, representing 57% of total AuM. Collective Investment Schemes (CISs) grew to account for 37% of AuM (₦3.74 trillion). Alternative Investments such as REITs and infrastructure funds also gained ground. The industry is expected to continue its growth trajectory, with an estimated average annual growth rate of 32.4% over the next two years. This will exceed ₦16 trillion by the end of 2026.

In line with its mandate to strengthen market resilience, enhance investor protection, and align capital adequacy with evolving risks, the ***Securities & Exchange Commission (SEC)*** recently issued revised minimum capital requirements for all categories of regulated capital market entities. The Minimum Capital requirement for Asset/Portfolio Managers has been revised up from ₦150 million to ₦5 billion for Tier 1 and ₦2billion for Tier 2.

INVESTMENT STRATEGY

The Investment Strategy of the Company involves identifying opportunities that match its criteria. The Company invests in Entities that meet the following criteria via Debt and Equity Capital:

INVESTMENT SELECTION CRITERIA

CRITERIA	DESCRIPTION
Job Creation	Businesses that employ staff across different levels
Women and Youth Empowerment	Businesses led by women or youth
Home Grown	Businesses that are established by talented Africans
Export Promotion	Businesses that generate foreign exchange by exporting products
Import Substitution	Businesses that source majority of their inputs locally

Source: MBO Capital Management Ltd

Historically, the Company maintained a maximum tenor of 12 months for its Debt Investments. However, management intends to extend the investment tenor between 24 and 36 months to align with the funding requirements of projects expected to achieve operational cash flow generation within this timeframe. The proposed exit strategy involves refinancing these projects through the attraction of longer-term funding at more competitive interest rates once they become operational.

For Equity investments, the Company's strategy is to hold these investments until a presentable and appropriate return opportunity for divestment presents itself.

Functions of the Investment Committee include:

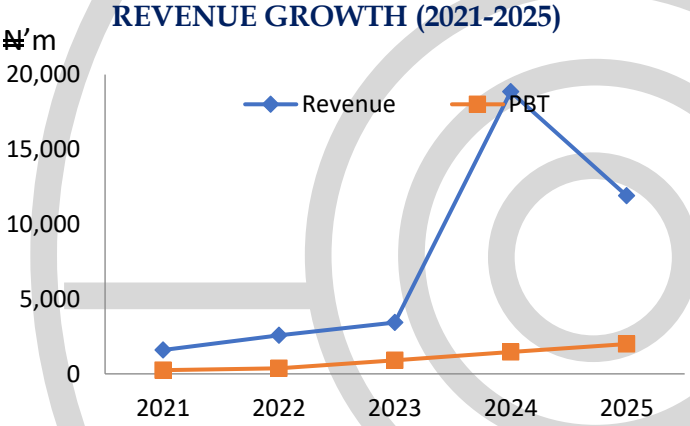
- Review and approve Investments in portfolio companies within its approval limit.
- Review the entire credit portfolio of the Company
- Oversee the periodic assessments of the quality of its Assets.
- Ensure that adequate monitoring of credits is carried out.

FINANCIAL PERFORMANCE

• EARNINGS AND PROFITABILITY PROFILE

Our review covered the Company's Audited Financial Statements for the five-year period between 2021-2025.

REVENUE GROWTH (2021-2025)

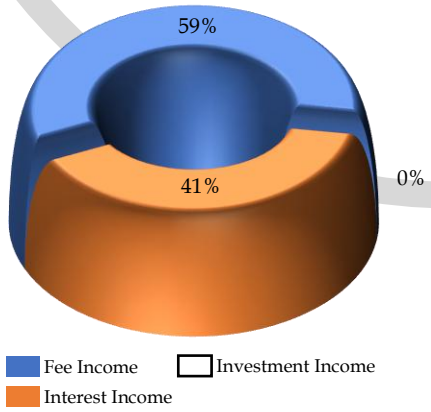


Source: MBO Capital Management Ltd

In the year 2025, the Company's Earnings comprised Fees and Commissions earned from the management of clients' funds, as well as Interest Income and Gains realized on Investments. In the year 2025, Gross Earnings reached approximately ₦11.9b, representing a 37% decline from the ₦18.9b reported in the preceding year.

Fee Income increased significantly from ₦496.5m (Yr. 24) to ₦7.0b (Yr. 25). The growth was largely driven by higher Management, Advisory and Valuation Fees recorded during the year. Interest Income also improved, rising by 168% to ₦4.8b in the year 2025. This relates primarily to interest earned on principal investments in Portfolio Companies.

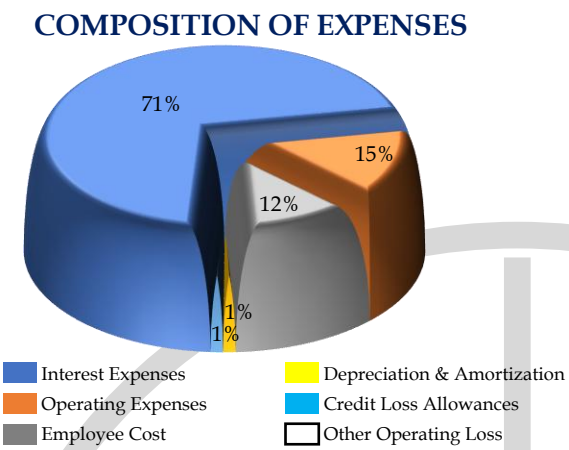
COMPOSITION OF TOTAL REVENUE



Source: MBO Capital Management Ltd

The overall decline in Gross Earnings was primarily attributable to a significant reduction in Investment Income, which fell from ₦16.6b (Yr. 24) to approximately ₦100m (Yr. 25). The Investment Income recognized in the year 2024 was largely attributable to proceeds generated from the disposal of an Investment Property. This transaction was non-recurring in nature and constituted a one-off

source of Income during the year. In 2025 however, Investment Income was derived from the divestment of other Financial Assets held by the Company.



Source: MBO Capital Management Ltd

The Company incurred Operating Expenses which amounted to ₦1.2b in the reviewed year. This comprised Commission Expenses, Business Development Expenses, Professional and Consulting Fees, as well as other Administrative Expenses. Personnel Expenses grew from ₦585.8m (Yr. 24) to ₦1.1b (Yr. 25), following the upward review of salaries and the increase in the Company's Employees from 29 to 36.

Interest Expense included mainly interest on Borrowings and Lease liabilities. These amounted to ₦7.1b, resulting in a Net Interest Expense of ₦2.3b in the year 2025. Funding costs continued to exceed returns generated from Interest-bearing Assets, exerting pressure on profitability.

Profit Before Tax grew by 37% from ₦1.5b (Yr. 24) to approximately ₦2.0b (Yr. 25). Consequently, Net Profit Margin improved from 8% (Yr. 24) to 17% in the year 2025.

In the five-month period ending 31st May, 2026, Gross Earnings and PBT amounted to ₦4.6b and ₦1.3b, respectively.

- **INVESTMENT**

As at 31 December 2025, the Company's Investment Portfolio comprised both Equity Investments and Principal Investments, with a total carrying value of ₦45.2b. This represented approximately 84% of the Total Asset base in the reviewed year.

The Equity Investment Portfolio comprised quoted and unquoted investments in several Entities. The total value of the Equity Investment Portfolio stood at ₦19.9b as at year-end 2025, reflecting a 29% increase over the prior year. Unquoted Shares accounted for 98% (Yr. 25) of the total. The portfolio remained concentrated in a few key holdings, with investments in ***Catapult Group, NBA Africa*** and ***Arena Limited*** accounting for approximately 29%, 14% and 12% of the portfolio, respectively.

Principal Placements comprised Short-term Investments with various counterparties, with annual interest rates ranging between 20% and 35%. As at 31st December 2025, the value of these Investments amounted to ₦24.9b, representing approximately 55% of the total investment portfolio. The Company also recorded Short-term Deposits of ₦312.6m in the reviewed year.

In the year 2025, the Company recognized Interest and Investment Income of ₦4.9b, as against ₦18.4b in the prior year. Consequently, Return on Investment (ROI) dipped significantly from 63% in the year 2024 to 11% in the year 2025.

• LIQUIDITY

Liquid Assets increased by 43% from ₦23.2b (Yr. 24) to ₦33.3b (Yr. 25). Assets of this nature accounted for about 62% of the Total Asset base in the year 2025. It comprised Principal Investments, Quoted Equity Investments, Receivables, as well as Cash & Equivalents.

Principal Investments formed the bulk of the Liquid Assets, resulting in its overall increase in the reviewed year. Cash & its Equivalents, which mainly comprised Bank Balances and Placements declined marginally from ₦1.6b (Yr. 24) to ₦1.4b (Yr. 25).

The Company's Liabilities, which were mainly in the long term, stood at ₦43.3b (Yr. 25), reflecting a 38% growth from the preceding year's position. This was mainly comprised of Borrowings, Lease Liabilities and Tax Payables.

LIQUIDITY GAP ANALYSIS

2025 Liquid Assets ₦'000	2025 Liabilities ₦'000	Net Liquidity Gap ₦'000
33,265,749	43,330,656	10,064,907

Source: MBO Capital Management Ltd

Total Borrowings increased significantly from ₦28.4b (Yr. 24) to ₦39.6b (Yr. 25), representing a year-on-year increase of approximately 40%. These are Non-Current facilities comprising Secured Bank Loans and Unsecured Placements. The Unsecured Borrowings comprise Investment Securities which pay investors varying interests at maturity, together with the principal amount. It accounted for approximately 94% of the total Borrowings, while secured Bank Facilities accounted for the balance.

Liquid Assets as a proportion of Total Liabilities stood at 77% as at the year ended 31st December 2025. This was an improvement from 74% recorded in the prior year. Consequently, the Company recorded a Liquidity gap of ₦10.1b (Yr. 25).

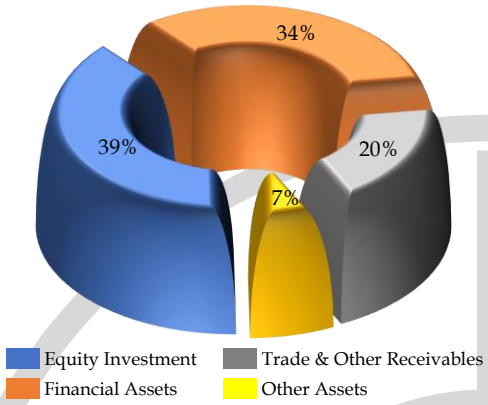
• CAPITAL ADEQUACY

As at 31st December 2025, Total Assets stood at ₦53.7b, reflecting a rise of 35% from the prior year. The growth was driven by the increase in Financial Assets and Equity Investments.

Other components of the Asset base included: Property, Plants and Equipment (PPE), Receivables, Right of Use Assets, Intangible Asset, Deferred Tax as well as Cash and Cash Equivalents. As at 31st May 2026, the value of the Company's Asset had risen to ₦67.9b, following the growth in its Financial Assets.

Total Liabilities stood at ₦43.3b (Yr. 25), with Borrowings remaining the largest component and funding approximately 74% of the Company's operations in the reviewed year.

COMPOSITION OF TOTAL ASSETS (2024)



Source: MBO Capital Management Ltd

In the year 2025, the Company issued additional Shares of ₦350m, bringing its Ordinary Share Capital to ₦500m as at the year-end. Share Premium was not recorded in the year. However, Fair Value Reserve and Retained Earnings increased to ₦6.5b (Yr.25) and ₦3.4b (Yr.25), respectively.

In total, the Company's Equity for the year ended 2025 amounted to ₦10.4b as against ₦8.4b recorded in the year 2024. Equity funding of operations declined marginally from 21% (Yr. 24) to 19% (Yr. 25). However, Return on Equity grew from 17% (Yr. 24) to 19% (Yr. 25), reflecting higher Earnings growth relative to the Company's expanding Equity base.

REGULATORY ENVIRONMENT

The applicable law to the operation of the Company is the ***Investment and Securities Act***. Consequently, the Company is subject to the regulation of the ***Securities & Exchange Commission (SEC).***

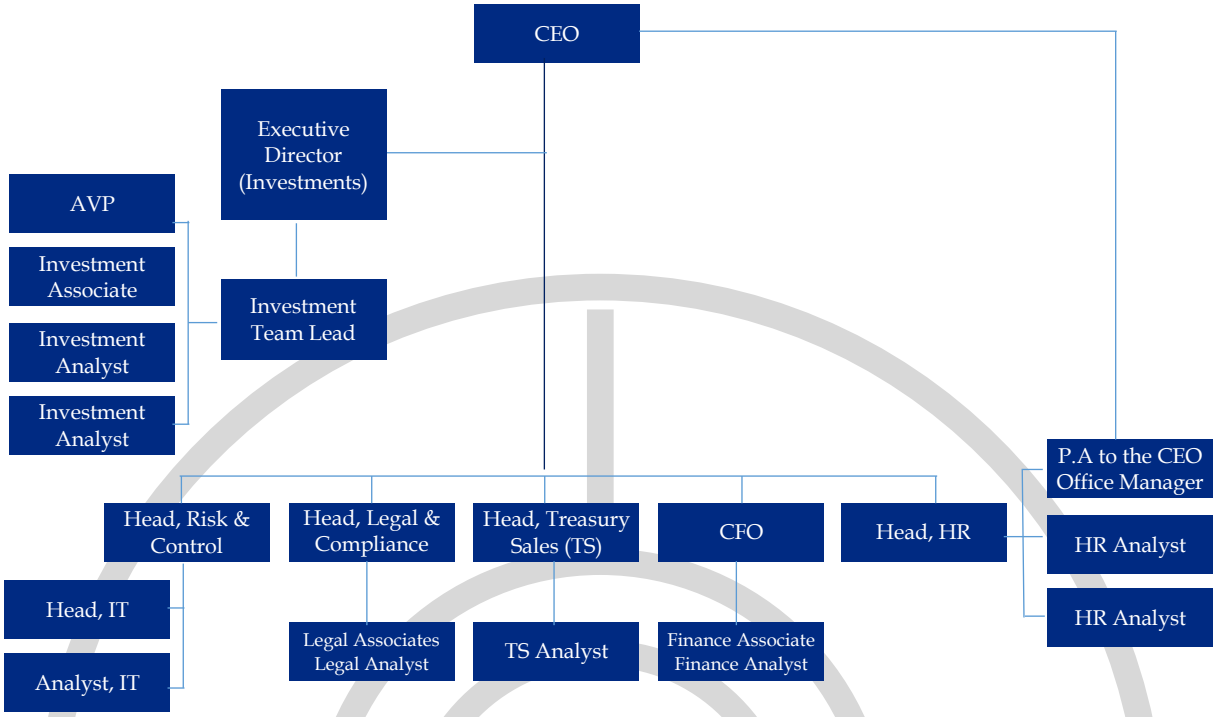
CORPORATE GOVERNANCE & RISK MANAGEMENT

The Company's affairs are directed by the Board which consists of two (2) Executives and three (3) Non-executives, including the Chairman. It has a Board Charter which sets out the role, responsibilities, composition, authority and operations of the Directors. The Board operates through the ***Audit & Risk*** as well as the ***Governance & Remuneration Committees.***

The Board is responsible for the establishment and Implementation of the Company's Enterprise Risk Management Framework (ERMF). However, it may delegate monitoring and implementation of this framework to the Board Risk Committee.

The corporate structure of the Company is as presented:

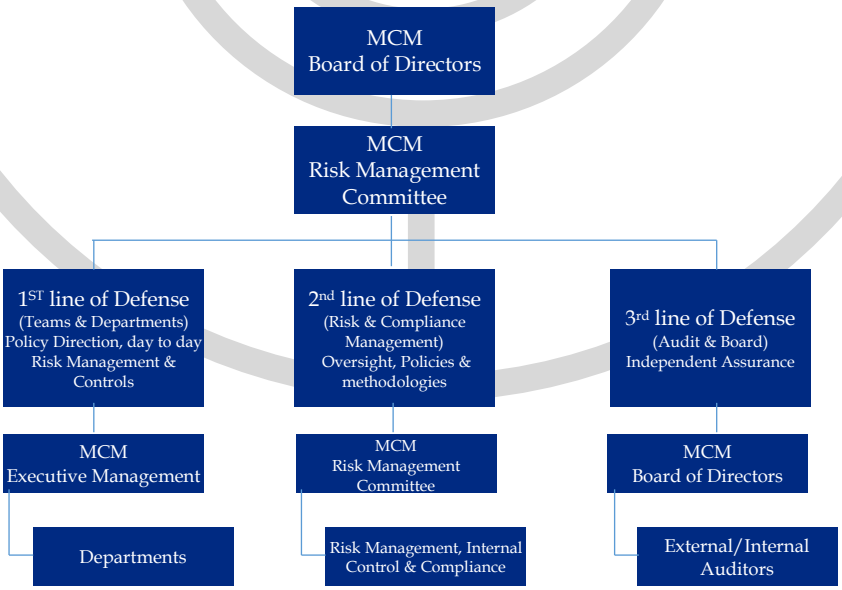
CORPORATE ORGANOGRAM



Source: *MBO Capital Management Ltd*

The Company recognizes nine (9) categories of risks in line with the ERMF. They are: Credit/Concentration, Market, Liquidity, Operational, Reputation, Strategy, Information Technology, Regulatory/Compliance and Money Laundering Risks.

RISK GOVERNANCE STRUCTURE



Source: *MBO Capital Management Ltd*

Enterprise Risk Management is a shared responsibility across the Company, with all employees playing a role in identifying, assessing, and managing risks within their respective functions.

The Board of Directors provides overall oversight of the risk management framework and ensures that risk management practices are aligned with the Company's risk appetite and strategic objectives.

The Chief Executive Officer (CEO) bears ultimate responsibility for communicating the Company's risk management philosophy and guiding the development, implementation and effectiveness of risk management processes across the organization. Management personnel support this framework by promoting compliance, fostering a risk-aware culture and managing risks within their areas of responsibility in accordance with established risk tolerances.

RISK FACTORS

In the course of our review, we considered the following significant risks:

- **INTEREST RATE RISK**

This is the risk of loss to income arising from changes in interest rates.

The Company has significant investment in interest-paying Securities. Therefore, adverse movement in Interest Rate may affect income.

- **LIQUIDITY RISK**

This is the risk that the Company will not be able to meet its obligations as and when due.

Based on our review, Liquid Assets was not sufficient to cover for Total Liabilities, resulting in a Liquidity Gap of ₦10.1b as at the 2025 year-end.

- **REGULATORY RISK**

This is the risk arising from the inability of the Fund Manager to comply with relevant rules and regulations required for its operations.

The major requirement for the Company is to maintain appropriate Capitalization. Based on our review, the audited financial statements as at December 2025, indicated that the Company currently operates with a Shareholders' Fund of ₦10.4b which is above the new capitalization required for its business.

CONCLUSION

The Rating of the Company is supported by its Improved Revenue Profile, Experienced Management Team and Good Liquidity.

Consequently, we assigned a Rating of *"A-"*

FINANCES

Financial Position as at

	Dec, 2025 ₦'000	Δ%	Dec, 2024 ₦'000	Δ%	Dec, 2023 ₦'000
Non-Current Assets	20,893,100	23.46	16,922,865	51.05	11,203,589
Current Assets	32,834,577	43.54	22,874,810	-56.33	52,382,262
TOTAL ASSETS	**53,727,677**	35.00	**39,797,675**	-37.41	**63,585,851**
LIABILITIES					
Non-Current Liabilities	40,341,634	39.51	28,917,515	-47.10	54,663,044
Current Liabilities	2,989,022	22.43	2,441,417	-45.74	4,499,668
TOTAL LIABILITIES	**43,330,656**	38.18	**31,358,932**	13.11	**59,162,712**
EQUITY					
Share capital	500,000	2.20	489,254	0.00	489,254
Reserves	6,522,853	33.98	4,868,458	74.74	2,786,072
Retained Earnings	3,374,168	9.51	3,081,031	168.43	1,147,816
SHAREHOLDER'S FUND	**10,397,021**	23.21	**8,438,743**	90.79	**4,423,142**
TOTAL EQUITY & LIABILITIES	**53,727,677**	35.00	**39,797,675**	-37.41	**63,585,854**

Signed:
Name: **Oladele Adeoye**
Designation: Chief Rating Officer
Date: 19th June, 2026

For and on behalf of:
DataPro Limited
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By Marina Water Front
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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.	*(Superior)* Assigned to companies which have superior financial strength, operating performances and profile when compared to the standards established by *DataPro Limited.* These companies, in our opinion, have a Excellent ability to meet their ongoing obligations.
AA	Lower Risk	*(Excellent)* Assigned to companies which have excellent financial strength, operating performance and profile when compared to the standards established by *DataPro Limited*. These companies, in our opinion, have a very strong ability to meet their ongoing obligations.
A	Low Risk	*(Very Good)* Assigned to companies which have very good financial strength, operating performance and profile when compared to the standards established by *DataPro Limited*. These companies, in our opinion, have a strong ability to meet their ongoing obligation.
BBB	Slight Risk	*(Fair)* Assigned to companies which have fair financial strength, operating performance and

profile when compared to the standards established by *DataPro Limited*. 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	*(Marginal)* Assigned to companies which have, marginal financial strength, operating performance and profile when compared to the standards established by *DataPro Limited.* 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	*(Weak)* Assigned to companies which have, weak financial strength, operating performance and profile when compared to the standard established by *DataPro Limited*. 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	*(Poor)* Assigned to companies, which have poor financial strength, operating performance and profile when compared to the standards established *DataPro Limited.* 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	*(Very Poor)* Assigned to companies, which have very poor financial strength, operating performance and profile when compared to the standards established by *DataPro Limited.* 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.