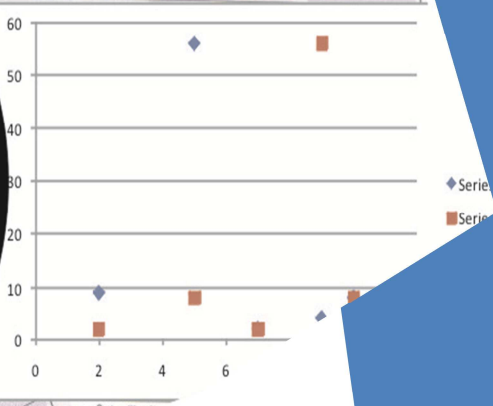


	2002	2004	2006	2007
Real GDP*				
Oil-exporters 1	4.2	8.3	5.6	10.1
Oil-importers	3.3	4.9	4.5	4.6
Per capita GDP*				
Oil-exporters	1.3	5.5	3.0	
Oil-importers	1.5	3.2	2.8	
Commodity prices (average)*				
Oil-exporters	18.7	12.6	8.0	6.4
Oil-importers	7.7	4.1	6.5	6.0

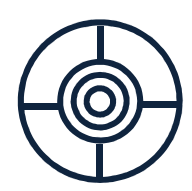
Region	2005	2006	2007	2008	2009	2010
West & Central Africa	5.6	6.9	9.1	2.9	2.7	0.4
Nigeria	4.7	9.9	13.0	5.7	-1.5	-5.6
CFA franc zone	2.6	4.9	4.6	1.6	-3.4	-5.8
Cameroon	6.0	6.4	53.3	68.2	-2.2	-3.8
Great Lakes	5.7	4.4	5.7	5.7	4.2	4.8
Kenya	6.5	6.7	11.7	12.6	-0.6	0.4
Southern Africa	4.9	4.1	4.1	3.8	12.2	14.5
South Africa	5.8	5.0	5.0	5.5	21.3	24.8
Sub-Saharan (average)	4.0	5.3	5.3	5.5	21.3	19.1
Maghreb	5.3	5.3	5.3	5.3	5.3	5.3
Algeria	5.3	5.3	5.3	5.3	5.3	5.3



Indicator	2006	2007	2008	2009	2010
Real GDP growth*	4.2	3.2	21.3	21.8	26.3
Real per capita GDP*	1.9	3.2	21.3	21.8	26.3

Sterling Bank Plc

Corporate Credit Rating



DataPro Limited

6th Floor, Ashakun House
 13-15 Lake Street
 Off Broad Street, Lagos.
 G. P. O. Box 1189, Marina
 Lagos – Nigeria.

☎ 234-1-4542803, 709-811-9962

📞 234-803-309-1467

Email: info@datapronigeria.net

dataprong@gmail.com

Website: www.datapronigeria.net

May, 2017

Sterling Bank Plc

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

CORPORATE CREDIT RATING

References

AbiodunAdeseyoju, FCA.
AbimbolaAdeseyoju
OladeleAdeoye

EVALUATION

VALID TILL: June 30, 2018

Long Term Rating:	BBB ⁺
Short Term Rating:	A2
Previous Rating:	BBB ⁺
Rating Outlook:	Stable
Trend:	Even
Currency:	Naira

FINANCIAL HIGHLIGHTS

	2016 N'000	2015 N'000	2014 N'000	2013 N'000	2012 N'000
Gross Earnings	111,237,607	110,193,835	103,677,466	91,742,770	68,856,815
Profit Before Tax	6,018,479	11,016,301	10,747,985	9,310,198	7,449,651
Shareholders' Funds	85,678,622	95,565,747	84,715,285	63,457,896	46,642,394
Deposit Liabs	584,733,896	590,889,216	655,944,127	570,511,097	463,726,325
Loans & Advances	468,249,870	338,726,271	371,246,273	321,748,748	229,420,874
Total Assets	830,802,224	799,451,417	824,539,426	707,797,181	580,225,940

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⁺** indicates **Slight Risk**. It shows marginal financial strength, operating performance and business profile when compared to the standards established by **DataPro**. This bank, in our opinion, has the ability to meet its ongoing obligations, but its financial strength is vulnerable to adverse changes in economic conditions.

.....
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.

RATING SYNOPSIS

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

The qualitative information used was based on industry and market intelligence including public perception.

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, quality of assets and sustainability of subject's current healthy profile in the medium to long term period.

Overall, the following were observed:

Strengths

- Stable Management
- Strong Brand

Weaknesses

- Concentration Risk
- Average Liquidity

BACKGROUND

Sterling Bank ("The Bank") was registered as *Nigeria Acceptance Limited (NAL)* Bank in the year 1960. The bank evolved from its operation as a pioneer merchant bank in Nigeria to its present operation as a Commercial bank.

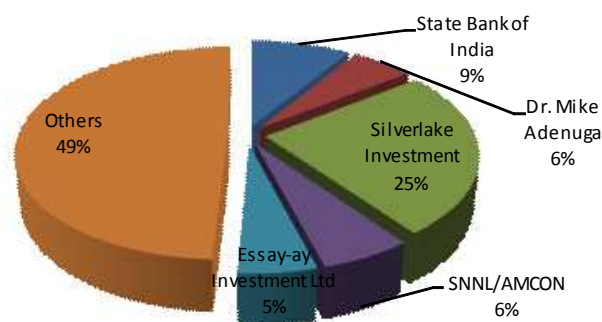
Sterling Bank Plc is engaged in commercial banking with emphasis on retail and consumer banking, trade services, corporate, investment and non-interest banking activities. It also provides wholesale banking services including the granting of loans and advances, letter of credit transactions, money market operations, electronic and mobile banking products and other banking activities.

Sterling Bank presently operates through 189 branches, 776 ATMs and 1, 871 POS terminals. With these, it serves over 1.4million active customers.

Participation in the bank's shares increased from 87, 409 (Year 15) to 87, 782 (Year 16). As at 31 December 2016, foreign participation in the bank's shareholding was 34% through *Silverlake Investments Limited* (25%) and *State Bank of India* (8.86%).

The shareholding structure is as presented:

Analysis of Shareholding Structure



Source: Sterling Bank Plc

KEY FINANCIAL INDICATORS

Item Year	Gross Earning ₦'M	PBT ₦'M	Equity ₦'M	Deposit Labs ₦'M	Loan & Advances ₦'M	Total Assets ₦'M
2016	111,238	6,018	85,679	584,734	468,250	830,802
2015	110,194	11,016	95,566	590,889	338,726	799,451
2014	103,677	10,748	84,715	655,944	371,246	824,539
2013	91,743	9,310	63,458	570,511	321,749	707,201
2012	68,857	7,450	46,642	463,726	229,421	580,226

Source: Sterling Bank Audited Accounts

Sterling Bank achieved a mix result in all its key financial indicators. Loans & Advances, Total Assets and Gross Earnings grew by 38%, 4% and 1% respectively.

The bank continued to drive its business growth by diversifying income base, focusing aggressively in the retail market and making strategic investment in information Technology. Based on this strategic focus, the Bank obtained separate authorization from the **Central Bank of Nigeria (CBN)** to operate a non-interest banking window. It also added over half a million new customers to its business during the year 2016.

DIRECTORS PROFILE

The Bank benefited from its stable management team. There were minor changes to the Board during the year under review. The Board comprises of individuals with considerable experience in banking and other related business.

The following served on the board during the year 2015; **Mr. Asue Ighodalo - Chairman, Mr. Yemi Adeola - Managing Director/CEO, Mr. Aderemi Rasheed Kolarinwa, Mrs. Omolara Akanji, Ms. Tamarakare Yekwe, Mrs. Egbichi Akinsanya, Mr. Michael Jituboh, Mr. Olaitan Kajero, Mrs. Tairat Tijani, Mr. Sujit Kumar Varma, Mr. Lanre Adesanya, Mr. Kayode Lawal, Mr. Abubakar Suleiman, Mr. Grama Narasimhan and Mr. Yemi Odubiyi.**

The profile of the bank directors are as stated below:

- 1. Name:** Mr. Asue Ighodalo
Position: Chairman
Education:
 - B.Sc - University of Ibadan, 1981
 - LL.B - London School of Economics, 1984
 - B.L - Nigerian Law School, 1985**Experience:** Partner, Banwo & Ighodalo
Experience (Years): 26 years
Year of Appointment: May 2014
- 2. Name:** Mr. Rasheed Aderemi Kolarinwa
Position: Independent Director
Education:
 - University of Toronto
 - Schulich School of Business, York University**Experience:**
 - International Merchant Bank Nigeria
 - IBTC Chartered Bank Plc
 - Capiflex Management Ltd.**Experience (Years):** 36 years
Year of Appointment: October 2010
- 3. Name:** Ms. Tamarakare Yekwe
Position: Independent Director
Education:
 - University of Lagos
 - Nigerian Law School, 1981**Experience:**
 - Nigerian Institute of International Affairs (NIIA)
 - Presidential Technical Committee on Housing and Urban Development
 - Attorney General & Commissioner for Justice, Bayelsa State
 - Federal Savings Bank of Nigeria
 - Continental Merchant Bank of Nigeria Plc
 - International Merchant Bank Pc
 - Federal Mortgage Bank of Nigeria
 - Tamarakare Yekwe & Co. (Legal Practitioners & Consultants)**Year of Appointment:** February 2014

- 4. Name:** Dr. (Mrs) Omolara Akanji
Position: Independent Director
Education:
 - University of Ibadan
 - University of Reading
 - University of Kent
 - European-American University
 - Harvard Kennedy School (HKS) of Monetary Policy and Management**Experience:**
 - Central Bank of Nigeria (CBN)
 - Petroleum Revenue Special Task Force**Experience (Years):** 39 years
Year of Appointment: February 2014
- 5. Name:** Mr. Olaitan Kajero
Position: Non-Executive Director
Education:
 - University of Lagos
 - Olabisi Onabanjo University
 - Chartered Institute of Bankers of Nigeria**Experience:**
 - Communication Associates of Nigeria Ltd
 - Aircom Nigeria Limited
 - STB Building Society Limited**Experience (Years):** 20 years
Year of Appointment: August 2014
- 6. Name:** Mrs. Tairat Tijani
Position: Non-Executive Director
Education:
 - Lancaster University
 - University of Birmingham
 - Association of Chartered Certified Accountants (ACCA)
 - Institute of Chartered Secretaries & Administrators of Nigeria
 - Financial Times Diploma for Non-Executive Directors, 2016
 - Wharton School**Experience:** FBN Capital
Year of Appointment: November 2014
- 7. Name:** Mrs. Egbichi Akinsanya
Position: Non-Executive Director

Education:

- Bedford College (now Holloway College) University of London
- Institute of Chartered Secretaries & Administrators UK
- Institute of Chartered Accountants of Nigeria

Experience:

- Securities & Exchange Commission Nigeria (SEC)
- Citibank Nigeria
- British American Tobacco
- Private Venture Capital Initiative (FBC Beverages Company)

Year of Appointment: March 2015

8. Name: Mr. Michael Jituboh

Position: Non-Executive Director

Education:

- Federal City College (University of Washington DC)
- Stanford University

Experience:

- Harvard Business School
- African Development Bank
- Devcom Bank
- Equitorial Trust Bank
- Globalcom Limited.

Year of Appointment: December 2015

9. Name: Mr. Sujit Kumar Varma

Position: Non-Executive Director

Education:

- Ranchi University
- India Institute of Bankers

Experience:

- State Bank of India

Experience (Years): 30 years

Year of Appointment: February 2017

10. Name: Mr. Adeyemi Adeola

Position: Managing Director/CEO

Education:

- University of Ife, 1982
- Nigerian Law School, 1983
- University of Lagos
- Chartered Institute of Bankers of Nigeria
- Harvard Business School

- Experience:**
- Stanford Business School
 - Oxford University
 - Wharton School
 - University of Benin
 - Lagos State University
 - Price Waterhouse Coopers
 - Citibank
 - Trust Bank of Africa Limited
 - Sterling Bank

Experience (Years): 29 years

Year of Appointment: December 2007

- 11. Name:** Mr. Olarenwaju O. Adesanya
- Position:** Executive Director
- Education:**
- University of Lagos
 - University of Lagos
 - Lagos Business School
 - Harvard Business School
 - UCLA (Creativity and Innovation)
 - Stanford Business School
 - Wharton School
- Experience:** NBM Bank Limited
- Experience (Years):** Over 28 years
- Year of Appointment:** January 2006

- 12. Name:** Mr. Kayode Lawal
- Position:** Executive Director
- Education:**
- Institute of Chartered Accountants of Nigeria (ICAN)
 - Chartered Institute of Taxation of Nigeria
 - Chartered Institute of Bankers of Nigeria
 - Lagos Business School
 - Columbia University Graduate School of Business
 - University of Oxford
- Experience:** NBM Limited
- Experience (Years):** 30 years

Year of Appointment: April 2014

- 13. Name:** Mr. Abubakar Suleiman
Position: Executive Director
Education:
- University of Abuja
 - University of Oxford
 - Wharton School
 - INSEAD Business School
 - Harvard Business School
 - Said Business School
- Experience:**
- Arthur Anderson (now KPMG Nigeria)
 - MBC International Bank (now First Bank)
 - Citibank Nigeria
 - Sterling Bank
- Year of Appointment:** April 2014

- 14. Name:** Mr. Grama Narasimhan
Position: Executive Director
Education:
- Bangalore University, 1982
 - India Institute of Bankers
- Experience:** State Bank of India (SBI)
Experience (Years): 30 years
Year of Appointment: October 2014

- 15. Name:** Mr. Yemi Odubiyi
Position: Executive Director
Education:
- University of Lagos, 1994
 - University of Lagos, 1998
 - London Business School
 - Harvard Business School
- Experience:**
- Nigeria International Bank (now CitiBank)
 - Trust Bank of Africa
 - Sterling Bank
- Experience (Years):** 22 years
Year of Appointment: December 2014

CAPITAL ADEQUACY

Year \ Item	2016 N'000	2015 N'000	2014 N'000
Shareholders' Funds	85,678,622	95,565,747	84,715,285
Total Assets	830,802,224	799,451,417	824,539,426
Fixed Assets	14,604,187	15,258,217	13,952,027
Loans & Adv.	468,249,870	338,726,271	371,246,273
Equity/Total Assets (%)	10.31	11.95	10.27
Equity/Loan & Adv. (%)	18.3	28.21	22.82
Fixed Assets/Equity (%)	17.05	15.97	16.47

Source: Sterling Bank Audited Accounts

Net charge in fair value of available-for-sale investments for the year was a negative balance of ₦12.5b. This is in addition to the decline in retained earnings from ₦10b (Yr. 15) to ₦6b (Yr. 16). Other components of capital remained constant in the year 2015 and 2016. These factors led to the reduction in equity by 10% from ₦95.5b (Yr. 15) to ₦85.7b (Yr. 16).

Total assets were up by 38% from ₦799.5b (Yr. 15) to ₦830.8b (Yr. 16). This was largely due to the growth in Net Loans and Advances.

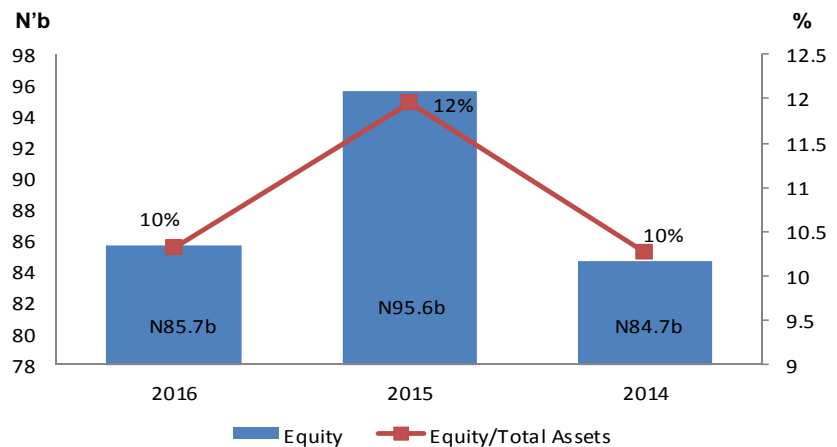
Component of Total Assets

Item	2016 N'000	%	2015 N'000	%
Liquid Assets	31,859,018	3.8	70,824,691	8.9
Investments	91,244,351	11.0	169,531,652	21.2
Net Loans & Advances	468,249,870	56.4	338,726,271	42.4
Fixed Assets	14,604,187	1.8	15,258,217	1.9
Other Assets	224,844,798	27.1	205,110,586	25.7
TOTAL ASSETS	830,802,224	100	799,451,417	100

Source: Sterling Bank Audited Accounts

The bank maintained a more risky outlook in the year 2016. Net Loans & Advances was 56% (Yr. 14) of total assets as against 42% (Yr. 15). This was due to forex revaluation.

Comparison of Shareholders' Funds



Permanent portion of the bank's total assets were relatively same in the year 2015 and 2016. It comprised of 2% of the total assets in both years. However, more of the bank's equity was tied down permanently at 17% (Yr. 16) than 16% (Yr. 15).

Equity as a proportion of total assets went down from 12% (Yr. 15) to 10% (Yr. 16). Coverage provided by equity to risky assets also declined from 28% (Yr. 15) to 18% (Yr. 16).

Although the Capital Adequacy Ratio performed better than statutory demand at 11% (Yr. 16), it was below industry average and its previous year attainment of 18% and 14% respectively.

ASSET QUALITY

Year \ Item	2016 ₦ 000	2015 ₦ 000	2014 ₦ 000
Gross Loan & Adv.	476,713,163	354,474,856	380,924,400
Classified Loan	47,399,810	16,972,224	11,940,988
Provisions	8,463,293	15,748,585	9,678,127
Classified Loans Prov. /Classified Loans (%)	17.86	92.79	81.05
Classified Loans/Equity (%)	9.88	17.76	14.1
Classified Loans/Gross Loans (%)	9.94	4.79	3.13

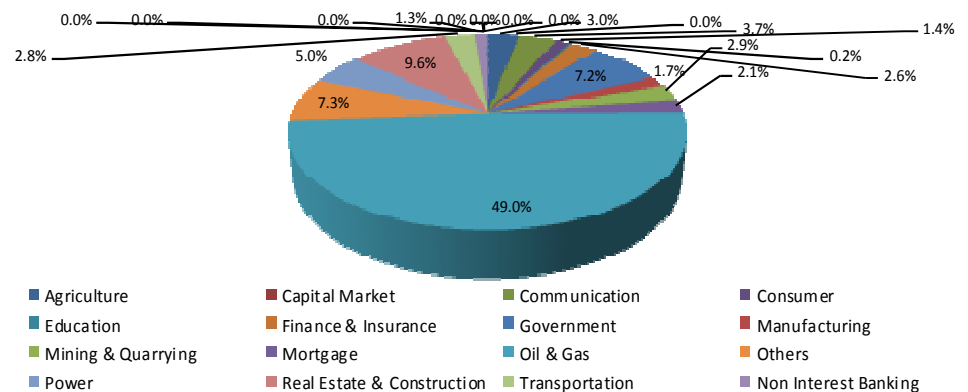
Source: Sterling Bank's Audited Accounts

Gross Loans & Advances grew significantly in the year under review. It went up by 34% from ₦354b (Yr. 15) to ₦476b (Yr. 16). The growth is supported by increase in lending to corporate customers. Lending to corporate customers expanded by 46% due to foreign currency devaluation. However, individual loans contracted by 57% in the year 2016.

The unsecured loan of the Bank grew from ₦3.2b (Yr. 15) to ₦13.4b (Yr. 16). This accounted for 3% (Yr. 16) of the entire loan portfolio as against 1% (Yr. 15). The biggest securities for the Bank's loans were real estate. This represents 45% (Yr. 16) as against 41% (Yr. 15).

The Bank's loans and advances portfolio is distributed among 16 sectors as shown below:

Composition of Loan Portfolio



Source: Sterling Bank Plc

The biggest part of the Bank's loans & advances is in the oil & gas sector. It accounted for 49% (Yr. 16) as against 40% (Yr. 15). Other sectors represented less than 10% of the entire portfolio during the year under review. The top 20 borrowers of the bank accounted for nearly 55% of the entire loan portfolio.

Additionally, obligations of the top 5 borrowers are equally bigger than the bank's equity in the year under review.

The classified portion of the bank's loans and advances went up from 5% (Yr. 15) to 10% (Yr. 16). The surge in non-performing loans was due to early classification of loans showing signs of deterioration. Despite the significant increase, the Bank performed better than the industry attainment of 14% (Yr. 16).

Provision for impaired loans went down from 93% (Yr. 15) to 18% (Yr. 16). The net balance of delinquent loans not covered by the provisions can impair 45% of the Bank's capital base.

LIQUIDITY

Year \ Item	2016	2015	2014
Loan & Advances /Total Assets (%)	56.36	42.37	45.02
Liquid Assets/Total Assets (%)	3.83	8.86	8.88
Liquid Assets /Total deposits (%)	5.45	11.99	11.16
Loans & Advances/Total Deposits (%)	80.08	57.32	56.6

Source: Sterling Bank's Audited Accounts

The top 25 depositors of the bank accounted for 16% of the total deposits. The top depositors were largely public sector and corporate organizations.

Analysis of Deposits Based on Type

Item	2016 N'000	%	2015 N'000	%
Current Account	322,277,605	55.12	361,705,580	61.21
Savings Accounts	52,357,379	8.95	41,728,342	7.06
Term deposits	201,845,063	34.52	186,614,792	31.58
Pledged deposits	8,253,849	1.41	840,502	0.14
TOTAL	584,733,896	100	590,889,216	100

Current deposits influenced the marginal decline of 1% in total deposits. It contracted by 11% from ~~N~~361.7b (Yr. 15) to ~~N~~322.3b (Yr. 16). On the contrary, savings, terms and pledge deposits grew by 25%, 8% and 882% in the year 2016.

Analysis of Deposits Based on Maturity

Months	2016 N'000	%
Less than 3 months	566, 754,052	96.9
3 – 6 Months	9,067,802	1.6
6 – 12 Months	4,508,418	0.8
1 - 5 years	4,225,982	0.7
Over 5 Years	177,643	0.0
TOTAL	584,733, 896	100

The maturity profile of the bank deposit is in short-term. A total sum of ₦561b (Yr. 16) representing 97% of total deposits will mature for payment within 3 months. Long term deposits exceeding one year period was ₦4.4b (Yr. 16). This is less than 1% of total deposits in the period under review.

Analysis of Loans & Advances based on Maturity

Months	2016 ₦'000	%
Less than 3 months	61,984,675	13.2
3 – 6 Months	42,785,351	9.2
6 – 12 Months	80,333,280	17.2
1 – 5 Years	259,879,756	55.5
Over 5 Years	23,266,809	5.0
TOTAL	468,249,870	100

Liquidity Gap Analysis

Item	2016 Loans & Advances ₦'000	2016 Deposit Liabilities ₦'000	Net Liquidity Gap ₦'000
Liquid Assets	31,859		31,859
Less than 3 months	61,984,675	566, 754,052	(472,910,359)
3 – 6 Months	42,785,351	9,067,802	(439,192,810)
6 – 12 Months	80,333,280	4,508,418	(363,367,948)
1 - 5 Years	259,879,756	4,225,982	(107,714,174)
Over 5 Years	23,266,809	177,643	(84,625,008)

There exists a liquidity gap in the books of the bank. Liquid fund could not provide necessary support for the maturing obligations. As at the year-end 2016, cumulative negative balance was ₦363b

Liquid assets dropped from a total of ₦70.8b (Yr. 15) to ₦31.9b (Yr. 16). It formed a marginal portion of 4% of the total assets. This was significantly less than 16.3% industry average for Dec. 2016. Cash and short term funds as a proportion of total deposits equally declined from 12% (Yr. 15) to 5% (Yr. 16).

PROFITABILITY

The bank grew interest earnings by 22% from ₦80.9b (Yr. 15) to ₦98.9b (Yr. 16). This is against a 4% increase in interest expenses. Consequently, net interest margin for the year 2016 improved from 49% (Yr. 15) to 56% (Yr. 16).

However, fee-based earnings went down from ₦29.3b (Yr. 15) to ₦12.3b (Yr. 16). This is largely due to more than ₦10b difference in the trading income recorded in the year 2015 and 2016.

The decline in trading income and the rise in impairment charges slowed down operating income by 7% (Yr. 2016). This is against 2% growth in operating expenses. Therefore, cost to income ratio went up from 82% (Yr. 15) to 89% (Yr. 16).

Consequently pre-tax profit dipped by 45% from ₦1b (Yr. 15) to ₦6b (Yr. 16). All profitability indices for the period also went down accordingly.

GOVERNANCE, RISK AND COMPLIANCE

Sterling Bank continues to conduct its affairs through the use of relevant committees. These committees include credit committee, finance and general purpose committee, governance and nominations committee, risk management committee, audit committee and statutory audit committee.

The activities of the committees are detailed in the annual reports. The bank also subjected its Board to appraisal during the year under review.

FUTURE OUTLOOK


The bank intends to continue its drive towards the diversification of its funding base. This is in addition to continuous investment in technology with a view to improve efficiency in service delivery.

In view of its stable management and good capital base, we consider the bank an *Investment Grade*.

FINANCES

Financial Position as at

	Dec, 2016 N'000	Δ%	Dec, 2015 N'000	Δ%	Dec, 2014 N'000
ASSETS					
Liquid Assets	31,859,018	-55.02	70,824,691	-3.23	73,188,412
Investments	91,244,351	-46.18	169,531,652	75.55	96,570,673
Loans & Advances (Gross)	476,713,163	34.48	354,474,856	-6.94	380,924,400
Provisions	-8,463,293	-46.26	-15,748,585	62.72	-9,678,127
Loans & Advances (Net)	468,249,870	38.24	338,726,271	-8.76	371,246,273
Finance Leases Advance	-				
Fixed Assets	14,604,187	-4.29	15,258,217	9.36	13,952,027
Other Assets	224,844,798	9.62	205,110,586	-23.9	269,582,041
Total Assets	830,802,224	3.92	799,451,417	-3.04	824,539,426
Liabilities					
Current Deposits	322,277,605	-10.9	361,705,580	-19.2	447,636,827
Savings Deposits	52,357,379	25.47	41,728,342	27.83	32,643,163
Term Deposits	201,845,063	8.16	186,614,792	8.84	171,456,737
Other Deposits	8,253,849	882.01	840,502	-80	4,207,400
Total Deposits	584,733,896	-1.04	590,889,216	-9.92	655,944,127
Other Liabilities	160,389,706	41.94	112,996,454	34.71	83,880,014
Share Capital	14,395,209	-	14,395,209	-	14,395,209
Reserves	71,283,413	-12.18	81,170,538	15.43	70,320,076
Equity	85,678,622	-10.35	95,565,747	12.81	84,715,285
Total Liabilities	830,802,224	3.92	799,451,417	-3.04	824,539,426
Acceptance & Guarantee Probable Legal Liabilities					
Capital Commitment					
Profit & Loss					
Interest Income	98,901,525	22.24	80,908,705	3.82	77,932,145
Interest Expense	-42,894,282	3.69	-41,367,022	18.48	-34,915,362
Provision For Losses	-11,713,968	43.71	-8,151,338	10.31	-7,389,159
Net Funds Revenue	44,293,275	41.1	31,390,345	-11.9	35,627,624
Other Income	12,336,082	-57.88	29,285,130	13.75	25,745,321
Operating Expenses	50,610,878	1.92	49,659,174	-1.91	50,624,960
Profit Before Taxation	6,018,479	-45.37	11,016,301	2.5	10,747,985
Taxation	-837,515	15.72	-723,724	-58.5	-1,743,012
Profit After Taxation	5,180,964	-49.66	10,292,577	14.3	9,004,973
Net Income	5,180,964	-49.66	10,292,577	14.3	9,004,973

Signed: 
Name: **Oladele Adeoye**
Designation: Chief Rating Officer
Date: 9th May, 2017

For and on behalf of:
DataPro Limited
6th Floor, Ashakun House
13/15 Lake Street, Lagos Island, Lagos.
Tel: 234-1-4542803, 0709-811-9962
Cell: 0805-530-3677
Email: info@datapronigeria.net, datprong@gmail.com
Website: www.datapronigeria.net

©

DataPro 2017*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 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 issuers which have on balance superior balance sheet strength, operating performances and business 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.
AA	Lower Risk	<i>(Excellent)</i> Assigned to issuers which have, on balances excellent balance sheet strength, operating performance and business 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 issuers which have, on balance very good balance sheet strength, operating performance And business 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 obligation.
BBB	Slight Risk	<i>(Fair)</i> Assigned to issuers which have, on balance fair balance sheet strength, operating performance and business 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 issuers which have, on balance marginal balance sheet strength, operating performance and business 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 issuers which have, on balance weak balance sheet strength, operating performance and business 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 issuers, which have on balance poor balance sheet strength, operating performance and business 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 issuers, which have a balance very poor balance sheet strength, operating performance and business 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.
D		Indicates an entity that has defaulted on all its financial obligations.