

La Prudence Leasing Finance Co. Ltd.

28 July 2023

Ratings

Facilities/Instruments	Amount (Mur Million)	Rating ¹	Rating Action
Bond Issue	369	CARE MAU A-; Stable [Single A Minus; Outlook: Stable]	Reaffirmed
Proposed Bond Issue/Bank Facilities	231	CARE MAU A-; Stable [Single A Minus; Outlook: Stable]	Reaffirmed
Proposed Bank Facilities	100	CARE MAU A-; Stable [Single A Minus; Outlook: Stable]	Reaffirmed
Total	700		

Ratings Rationale

The rating assigned to the Bonds and Bank Facilities of La Prudence Leasing Finance Co. Ltd ("La Prudence Leasing") continue to derive strength from its established 20-year track record in the financial services industry as a NBDTI in Mauritius, strong promoters background who can support the capital requirements as and when needed, diversified lease book with limited exposure to sectors which are vulnerable to the economic shocks, and stringent provisioning measures which allowed for a sound management of credit risk. The rating also factors in the comfortable liquidity profile to meet short-term obligations, growth in asset under management and improved asset quality with reduction in both gross and net NPA, comfortable Capital Adequacy Ratio (CAR) level over the past four years and robust systems, controls, and internal procedures.

The rating is however constrained by the lower market share with moderate book size, high competition from other industry players, leveraged capital structure and decline in the long-term deposits from corporates.

Rating Sensitivities:

Positive Factors - Factors that could lead to positive rating action/upgrade:

- Healthy growth in lease book with non-performing loans remaining at satisfactory levels
- Growth in deposit book with cost of funds remaining low
- Decline in net NPA below 1% on sustainable basis

Negative Factors - Factors that could lead to negative rating action/downgrade:

- Significant dip in Capital Adequacy Ratio from current levels
- Decline in deposit book
- Deterioration in asset quality with increase in Gross Non-Performing Asset

BACKGROUND

La Prudence Leasing Finance Co. Ltd ("La Prudence Leasing") was created in 2001 as a wholly owned subsidiary of La Prudence Mauricienne Assurance Ltée, an entity founded in 1988 by late Mr. Felix Maurel which has become an established insurance company in Mauritius by the early 2000s. In 2010, La Prudence Leasing Finance Co. Ltd and Credit Guarantee Insurance (a credit guarantee institution created in partnership with MCB) were exempted from a takeover of La Prudence Mauricienne Assurance Ltée and its subsidiaries by Mauritius Union Assurances Ltd. Following the takeover of the companies, La Prudence Leasing Finance Co. Ltd became a 100% subsidiary of the Prudence Holding Ltd.

¹Complete definitions of the ratings assigned are available at www.careratingsafrica.com.

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La Prudence Leasing holds a deposit-taking license from the Bank of Mauritius (BOM) and is also licensed by the Financial Services Commission (FSC) for conducting leasing business. The company's core business is to provide leasing facilities primarily from deposits raised from individuals and corporates. The aim of La Prudence Leasing is to facilitate the acquisition of vehicles and equipment for individuals and businesses by providing the necessary funding.

Over the years, the Company has been able to grow and diversify its customer base, reaching a total lease portfolio of MUR 1,476 million and a deposit base of MUR 1,275 million as at 31 December 2022.

La Prudence Leasing provides three types of leasing solutions namely, Finance Lease, Operating Lease and Sale & Lease back.

CREDIT RISK ASSESSMENT

Experienced Management - Founded in 2001 by late Mr. Felix Maurel, La Prudence Leasing is licensed by the BOM and FSC to operate as a Non-Bank Deposit Taking Institution (NBDTI) which raises deposits from both individuals and corporates to provide lending facilities in the form of leases. Formerly a wholly owned subsidiary of La Prudence Mauricienne Assurance Ltée, the ownership of the Company was transferred to Prudence Holding Ltd, following the takeover of La Prudence Mauricienne Assurance Ltée and its subsidiaries (except La Prudence Leasing) by Mauritius Union Assurances Ltd in 2010.

Prudence Holding Ltd, incorporated in 2009, is a company involved in the development of building projects for sale and it has as main shareholders; KASA Holdings Ltd (24.24%), Société de Financement et de Promotion (21.61%), FON SING Maxime Soon Cheong (9.86%), Baie du Cap Estates Limited (6.48%) and four members of the Huet D'Arlon de Froberville family who collectively hold a 24.38% stake.

KASA Holdings Ltd forms part of KASA Group Ltd an organisation which is owned and controlled by Mr. Dominique Galea and his family. KASA Group Ltd also owns 100% of Kasa Investments Ltd (formerly known as Ducray Lenoir Investments Ltd; rated CARE MAU A (SO); Stable), which is a holding company, established in the early 1980s and has since then grown and diversified its activities mainly through several acquisitions in diverse sectors of the economy.

Mr. Dominique Galea is known for being one of the most prominent business leaders in Mauritius. During almost four decades in business, Mr. Galea has demonstrated strong business leadership by successfully navigating the various ebbs and flows and supporting the investment companies wherever required.

Professional and highly qualified management team - La Prudence Leasing is managed by a board of directors consisting of 9 members who come from different backgrounds with varied skills, expertise and strong experience.

Mr. Clement Yue-Chi-Ming is the Managing Director and Executive Director and is responsible for the day-to-day effective running of the Company. He spent 30 years with Barclays Bank Mauritius (now Absa), holding various roles in Credit Risk, Recovery and Corporate & Institutional Banking Division. He was appointed as Executive Director of La Prudence Leasing in June 2017.

Established Business and stable Operations

The Company provides leases to both individuals and corporates for the use or purchase of assets such as motor vehicles and equipment. For all finance leases, the Company retains ownership of the leased assets (vehicles or equipment). The assets are leased to customers for periods ranging from 12 to 84 months and after that period, provided that the lessee has made all repayments, the ownership of the asset is transferred from La Prudence Leasing to the customer.

As at 31 December 2022, the Company's client type distribution for finance lease and operating lease was as follows:

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Particulars	Finance Lease		Operating Lease	
	MUR Million	%	MUR Million	%
Corporate	594	40	116	90
Retail	882	60	13	10
Total	1,476	100	129	100

The main asset classes in which La Prudence Leasing deals with are motor vehicles and equipment, with equipment being further subdivided as shown by the distribution of assets under management over the last four years:

MUR Million

Distribution of Assets Under Management	FY19	FY20	FY21	FY22
Agricultural equipment	18	11	43	31
Boat equipment	6	6	3	2
Computer equipment	29	21	14	3
Other Equipment	165	127	90	131
Vehicles	1,201	1,173	1,149	1,348
Total	1,419	1,338	1,299	1,515

The lease facilities provided by La Prudence Leasing carry both fixed and floating rates. The interest rates charged by the Company are generally linked to the key rate of the BOM with a spread being added and which is arrived at considering factors such as the ticket size of the lease, loan-to-value ratio and credit worthiness of the borrower. The Company is now switching primarily to floating rate leases.

Credit Exposure and Concentration by Sector

The lease portfolio of La Prudence Leasing is distributed across more than 15 varied sectors of the economy and hence, protects the Company against the industry risks related to over exposure to specific sectors.

The distribution of the lending portfolio over the last four years is given below:

Sector wise assets classification	FY19		FY20		FY21		FY22	
	MUR	%	MUR Million	%	MUR Million	%	MUR Million	%
Traders & commerce	313	22%	266	20%	291	22%	306	20%
Transport	130	9%	111	8%	97	7%	187	12%
Services sector	93	7%	30	2%	154	12%	181	12%
Construction and Civil engineering	145	10%	164	12%	166	13%	149	10%
Manufacturing & Textile	113	8%	97	7%	79	6%	148	10%
Tourism	84	6%	60	4%	53	4%	100	7%
Financial and business services	180	13%	164	12%	119	9%	82	5%
Health	48	3%	46	3%	46	4%	70	5%
Education	31	2%	39	3%	30	2%	56	4%
ICT Services	33	2%	34	3%	33	3%	52	3%
Media, Entertainment and recreational	49	3%	38	3%	34	3%	49	3%
Professional	67	5%	54	4%	47	4%	45	3%
Personal	4	-	5	-	7	1%	35	2%
Agriculture & fishing	72	5%	62	5%	73	6%	34	2%
Regional development	2	-	2	-	36	3%	10	1%
Infrastructure	46	3%	157	12%	28	2%	9	1%
Modernisation & Expansion	6	-	6	-	3	0%	0	0%
Freeport Enterprise	3	-	2	-	1	0%	-	-

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Sector wise assets classification	FY19		FY20		FY21		FY22	
	MUR	%	MUR Million	%	MUR Million	%	MUR Million	%
Total	1,419	100%	1,337	100%	1,299	100%	1,515	100%

At 31 December 2022, 64% of the total leasing portfolio was distributed across five main sectors namely, Trade & Commerce, transport, services sector, manufacturing & textile and construction and civil engineering. Traders & Commerce made up the largest share with 20%. These five sectors of the economy have low correlations between each other, and they are expected to remain key to the Mauritian economy.

Strong Solvency Position – As a NBDTI, the level of capital of La Prudence Leasing determines the ability of the Company to absorb losses arising out of its business activities and provides a cushion against losses. Hence, the BOM requires leasing companies to risk weight the credit risks which form part of their balance sheet assets and maintain a capital adequacy ratio (CAR) at least equal to or greater than 10%.

For the past four years, the CAR of La Prudence Leasing was as follows:

Capital Base	FY19	FY20	FY21	FY22
	MUR Million			
Tier 1 Capital	253	272	276	278
Tier 2 Capital	19	15	14	16
Total Capital	272	287	290	294
Risk Weighted Assets	1,518	1,238	1,147	1,318
Tier 1 CAR (%)	16.66	21.97	24.08	21.08
Capital Adequacy Ratio (%)	17.91	23.22	25.34	22.33

The CAR of La Prudence Leasing remained far above the regulatory requirement over the last four years. The above CAR figures shows that the Company has strong capacity to absorb losses and protect its depositors in case of unexpected shocks. Moreover, the high solvency position shows that the company has the ability to undertake additional business.

Improved Asset Quality

As a leasing company, the most severe risk which La Prudence Leasing faces is credit risk associated with the finance leases provided to borrowers. The Company therefore adopts a stringent approach for underwriting and monitoring the credit quality of its lease portfolio by classifying all leases which are more than 90 days past due as credit impaired/ non-performing. Additionally, the Company has in respect of non-performing leases a provisioning policy which is in compliance with the requirement of the Guideline on Credit Impairment Measurement issued by the BOM.

The asset quality of La Prudence Leasing over the past four years were as follows:

Particulars	<i>MUR Million, except otherwise stated</i>			
	FY19	FY20	FY21	FY22
GNPA	51	96	81	46
GNPA (%)	3.60	7.19	6.23	3.03
Provision ratio (%)	83	48	51	61
NNPA	9	50	40	18
NNPA (%)	0.64	3.86	3.18	1.21

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The Company conserved a reasonable GNPA over the past years apart from the increase in the years 2020 and 2021 due to higher non-performing assets. The GNPA has improved significantly in the year 2022 reaching 3.03% and has maintained NNPA at 1.21%.

Satisfactory Liquidity Profile

As per the BOM guidelines, NBDTIs shall, at all times, maintain liquid assets equivalent to not less than 10 per cent of their deposit liabilities. The table below shows that La Prudence Leasing has complied with the requirement by maintaining sufficient liquid assets in the form of cash, FDs and government securities:

<i>MUR Million</i>				
As at December 31,	FY19	FY20	FY21	FY22
Customer Deposits	1,497	1,334	1,248	1,275
Cash & Bank, including FDs	189	115	207	173
Investment in Gov. securities	81	81	5	-
Liquid assets as % of customer deposits	18%	15%	17%	14%

Asset-Liability Maturity profile at 31 December 2022

MUR Million

Particulars	<1 month	1-3 months	4-6 months	7 - 12	1 - 5 years	Over 5	Total
ASSETS							
Cash and bank balances	26	-	-	-	-	-	26
Other financial assets	0.1	30	0.3	1	129	-	161
Finance leases	43	84	123	231	1,116	215	1,812
Other assets	2	-	-	-	-	-	2
Total Assets	71	114	124	232	1,245	215	2,001
LIABILITIES							
Deposits	24	63	123	459	687	2	1,357
Other borrowed funds	3	56	59	16	67	1	201
Outstanding Lease	0.2	0.3	0.5	1	1	-	3
Other liabilities	22	-	-	-	-	-	22
Dividend payable	10	-	-	-	-	-	10
Total Liabilities	59	119	182	476	755	3	1,593
Undrawn commitments	29	88					117
Net Liquidity Gap	(16)	(93)	(58)	(244)	490	212	291
Cumulative GAP	(16)	(109)	(167)	(411)	79	291	

The Asset-Liability Maturity (ALM) profile of La Prudence Leasing both at 31 December 2022 show that the Company faces negative mismatch towards its liabilities for maturities ranging in between 4 to 6 months, and 7 to 12 months. This liquidity mismatch is expected to be financed using part of the proceeds from the proposed bond issue.

Over the longer term (more than 1 year) the Company displays a positive asset-liability maturity position.

Resource Profile

As a NBDTI providing leasing facilities, deposits from customers remain the main source of funding for La Prudence Leasing with same having historically made up between 75%-80% of the company's total capital, as shown in the below distribution of resource profile:

Resource Profile

MUR Million

As at December 31,	FY19	FY20	FY21	FY22
Networth	254	278	278	285
Deposit from customers (short term & long term)	1,497	1,334	1,248	1,275
Term Loans from Financial Institutions	50	55	89	199

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As at December 31,	FY19	FY20	FY21	FY22
Lease Liabilities	4	3	1	3
TOTAL	1,805	1,671	1,615	1,762

The composition of the Company's main source of funding, i.e., deposits, is given below:

Deposits Profile

MUR Million

As at December 31,	FY19	FY20	FY21	FY22
Individual Deposits	643	615	487	733
Corporate Deposits	854	719	761	542
Grand Total	1,497	1,334	1,248	1,275

The deposit rollover rate has remained relatively flat at 59% in FY22 compared to 60% in FY21 indicating that the Company could easily obtain financing at a very favourable terms to fund its leasing operations.

Mixed results in Operating Income & profitability over the last 4 years

Particulars	FY19	FY20	FY21	FY22
	MUR Million			
Income from finance lease operations	113	105	98	103
Income from operating lease operations	52	59	55	48
Total Income	165	164	154	155
Interest expense	67	61	51	45
Net Income from leasing operations	98	103	103	111

Following two consecutive years of decline in its income from finance lease operations mainly attributed to the effects of the COVID-19 pandemic, La Prudence Leasing witnessed at rise of 5.27% in FY22 from a corresponding increase in the net investments in finance assets which reached MUR 1,476 million in FY22 from MUR 1,258 million in FY21. With the rising interest rate environment, and key rate being at 4.50%, the Company is planning to refocus its strategy on floating rate leases.

La Prudence Leasing was able to maintain a satisfactory level of net income from its core operations given the lower interest expenses incurred for FY22. The interest expenses of MUR 45 million comprise interest on loans, lease liabilities and deposits from customers. The interest on deposits from customers made up of 94% of the interest expenses incurred and dropped from MUR 49 million in FY21 to MUR 42 million in FY22 following the fall in corporate deposits.

Operating profit increased by 47% from FY21 to FY22 on the back of higher total income.

Systems, Controls and Procedures

La Prudence Leasing controls its business risks by identifying business processes and risk areas and implementing proper business procedures, internal controls and backup procedures. The Company makes use of IT system and technology from reputable suppliers and continuously reviews its processes and has a fully-fledged compliance IT function.

The Company outsources its internal audit function with reputable audit firms which ensures at all times that there are stringent internal controls over the Company's operations.

Being a leasing company, La Prudence Leasing is exposed to credit risk which is the risk of loss due to the inability or unwillingness of a borrower to fulfil its obligations. This risk is mitigated by carrying in-depth credit assessments of potential clients prior to onboarding, obtaining adequate deposit and collateral guarantees.

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Industry Risk

In Mauritius, Non-Bank Deposit-Taking Institutions' (NBDTIs)' main activity relates to the mobilization of deposits and the granting of leasing and loan facilities to individuals and corporates. There are 6 NBDTIs in operation as at end-of December 2021, of which 5 were exclusively involved in leasing activities, 2 carried out lending business only and the remaining 4 were involved with both leasing and lending operations. 4 of the NBDTIs were subsidiaries/related companies of banking institutions or insurance companies. As at end-June 2021, all NBDTIs were holding the minimum required capital of MUR 200 million, and their total assets represented around 4.4% of the total assets of the financial sector. These NBDTIs mostly provide leasing and factoring services and comprise MCB Finance lease Company Limited (MUR 3.8 billion), SPICE Finance Ltd. (MUR 3 billion), La Prudence Leasing (MUR 1.3 billion), SICOM (MUR 460 million) and Mutual Aid (MUR 400 million).

Total assets of NBDTIs increased by 0.8%, from MUR 66.2 billion as at end-June 2020 to reach MUR 66.7 billion as at end-June 2021. The share of loans to total assets rose from 53.9% as at end-June 2020 to 66.5% at the end of June 2021, while investment in finance leases to total assets increased marginally from 12.2% to 12.5% over the same period. The advances-to-deposits ratio increased from 115.9% at end-June 2020 to 124.4% at end-June 2021. Leases-to-deposits ratio (based on deposits held by leasing companies only) stood at 88.9% at end-June 2021

Leasing Companies

Leasing facilities are provided by 9 entities in Mauritius as on 31st December 2021. 5 of them are banks and Non-Bank Deposit-Taking Institutions (NBDTIs), licensed by the Bank of Mauritius. The remaining four are Non-Deposit Taking Institutions (NDTIs), which are licensed by the Financial Services Commission (FSC). Banks, NBDTIs, and NDTIs offer leasing facilities to both households and corporates. Banks provide only finance leases, while NBDTIs and NDTIs offer both finance and operating leases. Leasing and credit finance are often the primary source of finance available to Small & Medium Enterprises (SMEs). Leasing companies are subject to less stringent regulations than banks – allowing them to leverage more resources (higher gearing), to be exempted from credit allocation requirements and to use market rates of interest. Nearly all the NBDTIs are leasing companies. Moreover, there are many companies in the insurance industry and banking industry that are trying to give leasing facilities along with all other facilities which these companies already have. As these businesses are already well-known, they can get NBDT license very easily. But with promulgation on the Banking Act 2004, the NBDTIs are now subject to the same prudential regulations as banks and the NBDTIs have to maintain a minimum capital of MUR 200 million alongside complying with the guidelines on 'Guidelines on Capital Adequacy Ratio' and 'Credit Concentration Risk' and on 'Related Party Transactions'. As at end-September 2021, total leasing facilities granted to the household and business sectors stood at MUR 20.6 billion compared to MUR 21.0 billion as at September 2020. The automobiles segment accounted for 88% of total leasing facilities as at September 2021, up from 86.9% for the previous year. As at end September 2021, an amount of MUR 18.2 billion (MUR 18.3 billion as at end-Sept 2020) was extended towards the purchase of automobiles, while the number of leases granted aggregated to 38,098 at the same date (38,755 as at end-Sept 2020). Leasing facilities granted to "other" sector represented facilities offered for buildings, office equipment, machinery and other assets and stood at MUR 2.4 billion as at September 2021 (MUR 2.7 billion as at end-Sept 2020).

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Summary of Financials*MUR million*

For the year ended/as at December 31,	FY19	FY20	FY21	FY22
	Audited			
Interest income	119	111	102	107
Total Income	195	175	162	173
Depreciation & amortization	38	44	44	41
Interest	67	61	51	45
PBT	26	14	22	32
Provisions	-	8	(2)	(2)
PAT	24	25	18	28
Gross cash accruals	63	69	63	70
Assets Under Management	1,377	1,291	1,258	1,476
Total Assets	1,884	1,692	1,632	1,801
Total capital employed	1,235	1,083	1,001	1,121
Total Deposits	1,497	1,334	1,248	1,275
Tangible Network	253	278	278	285
Ratios				
PAT margin (%)	12.58	14.19	11.14	16.44
NIM (%)	3.87	3.79	4.00	4.57
Interest Income/ Interest earning assets (%)	7.80	7.28	7.11	7.08
Interest expense/ Average Borrowed Funds	4.48	4.13	3.73	3.17
Interest spread (%)	3.32	3.15	3.37	3.91
RONW (%)	10.17	9.37	6.50	10.10
ROCE (%)	2.10	1.19	2.09	3.02
Cost of Capital (%)	5.49	5.25	4.90	4.21
Return on total assets (ROTA) (%)	1.41	0.77	1.31	1.87
Overall gearing (times)	6.14	5.01	4.81	5.19
Interest Coverage	1.96	1.95	2.30	2.64
Gross NPA (%)	3.60	7.19	6.23	3.03
Net NPA (%)	0.64	3.86	3.18	1.21
Net NPA / Net worth (%)	3.54	17.93	14.39	6.26

Details of Rated Instruments**I. Bond Issue**

Instrument	Tranches	Amount (MUR million)	Interest Rate	Repayment
Bond Issue	S1-FRN-15M	69	5.35%	May 2024
	S1-FRN-3Y	150	6.00%	February 2026
	S1-FRN-5Y	150	6.65%	February 2028

II. Proposed Bank Facility

Facility	Amount (MUR million)	Interest Rate	Repayment
Proposed Bank Facility	100	6.80%	Repayment - Year 2028

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III. Proposed Bond Issue/Bank Facilities

Instrument/ Facility	Tranches	Amount (MUR million)	Indicative Interest Rate	Repayment
Proposed Bond Issue/Bank facilities	S2-FRN-2Y	231	3.51%	Repayment August 2025
	S2-FLN-3Y		4.56%	Repayment August 2026
	S2-FRN-4Y		5.50%	Repayment August 2027
	S3-FRN-2Y		3.51%	Repayment August 2025
	S3-FRN-3Y		4.56%	Repayment August 2026
	S3-FRN-4Y		5.50%	Repayment August 2027
	S3-FRN-5Y		6.03%	Repayment August 2028

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CRAF's ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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Annexure I

Rating Symbols

Long /Medium-term Instruments

Symbols	Rating Definition
CARE MAU AAA	Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations, in Mauritius. Such instruments carry lowest credit risk.
CARE MAU AA	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations, in Mauritius. Such instruments carry very low credit risk.
CARE MAU A	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations, in Mauritius. Such instruments carry low credit risk.
CARE MAU BBB	Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations, in Mauritius. Such instruments carry moderate credit risk.
CARE MAU BB	Instruments with this rating are considered to have moderate risk of default regarding timely servicing of financial obligations, in Mauritius.
CARE MAU B	Instruments with this rating are considered to have high risk of default regarding timely servicing of financial obligations, in Mauritius.
CARE MAU C	Instruments with this rating are considered to have very high risk of default regarding timely servicing of financial obligations, in Mauritius.
CARE MAU D	Instruments with this rating are in default or are expected to be in default soon.

Modifiers { "+" (plus) / "-" (minus) } can be used with the rating symbols for the categories CARE MAU AA to CARE MAU C. The modifiers reflect the comparative standing within the category. A suffix of '(SO)' may be added to the rating indicating that the instrument / facility is a "Structured Obligation". A prefix of 'Provisional' may be added to a 'SO' rating indicating that the rating is subject to completion of certain conditions.

Rating Outlook

The rating outlook can be 'Positive', 'Stable' or 'Negative'.

A 'Positive' outlook indicates an expected upgrade in the credit ratings in the medium term on account of expected positive impact on the credit risk profile of the entity in the medium term.

A 'Negative' outlook would indicate an expected downgrade in the credit ratings in the medium term on account of expected negative impact on the credit risk profile of the entity in the medium term.

A 'Stable' outlook would indicate expected stability (or retention) of the credit ratings in the medium term on account of stable credit risk profile of the entity in the medium term.

CARE Ratings (Africa) Private Limited

(Subsidiary of CARE Ratings Ltd.)

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About CARE Ratings (Africa) Private Limited:

CARE Ratings (Africa) Private Limited (CRAF) is the first credit rating agency to be licensed by the Financial Services Commission of Mauritius in May 2015. It is also recognized by Bank of Mauritius as External Credit Assessment Institution (ECAI) from May 2016. CRAF is also licensed by Capital Markets Authority of Kenya to operate as a Credit Rating Agency in Kenya. CRAF intends to expand across other geographies in Africa with Mauritius as its hub of operations. With an equitable position in the Mauritius capital market, CARE Ratings (Africa) Private Limited provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions backed by knowledge and assessment provided by the company.

CRAF's shareholders are CARE Ratings Limited, African Development Bank, MCB Equity Fund and SBM (NFC) Holdings Limited.

CRAF gets its technical support in the areas such as rating systems and procedures, methodologies, etc. from CARE Ratings Limited on an ongoing basis. CARE Ratings Limited, with an established track record of rating companies over almost three decades, follows a robust and transparent rating process that leverages its domain and analytical expertise backed by the methodologies congruent with the international best practices.

CRAF's Rating Committee consist of full-time members comprising of Senior Rating officials from CARE Ratings Limited and a panel of experienced professionals from Mauritius and African Development Bank.

CRAF has had a pivotal role to play in developing bank debt and capital market instruments including MMIs, corporate bonds and structured credit.

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