

## MICROFINANCE INSTITUTIONAL RATING

### SEAP

Nigeria / June 2016

RATING GRADE

**β-**

PERSPECTIVE

**Stable**

### ANALYST

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**ANNEX I: INSTITUTIONAL RATING GRADE DEFINITION**

Institutional Rating	The Institutional Rating provides an opinion on the long-term institutional sustainability and creditworthiness of a microfinance institution (MFI) through a comprehensive assessment of risks and performance.
<b>α+</b> <b>α</b>	<ul style="list-style-type: none"> <li>» Financial Institutions with <b>high long term sustainability</b> and <b>high creditworthiness</b>.</li> <li>» Excellent performance. Low or well managed short- medium term risk.</li> </ul>
<b>α-</b> <b>β+</b>	<ul style="list-style-type: none"> <li>» Financial institutions with <b>good long term sustainability</b> and <b>good creditworthiness</b>.</li> <li>» Good performance. Modest or well-managed short- medium term risk.</li> </ul>
<b>β</b> <b>β-</b>	<ul style="list-style-type: none"> <li>» Financial institutions with <b>moderate long term sustainability</b> and <b>moderate creditworthiness</b>.</li> <li>» Fair performance. Moderate to medium-high risk.</li> </ul>
<b>γ+</b> <b>γ</b>	<ul style="list-style-type: none"> <li>» Financial institutions with <b>weak long term sustainability</b> and <b>poor creditworthiness</b>.</li> <li>» Weak or poor performance. High to very high risk.</li> </ul>
<b>Financial Profile Rating</b>	Opinion about the financial strength of the institution and the ability to repay their obligations.
<b>Rating Outlook</b>	<b>Expected direction of the rating grade over the 12 months following the rating</b>
<b>Positive</b>	The rating is expected to increase.
<b>Stable</b>	The rating is expected to remain unchanged.
<b>Negative</b>	The rating is not expected to remain unchanged.
<b>Uncertain</b>	Due to unpredictable factors, a rating outlook cannot be determined.

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