

Our Methodology

SIMAH Rating Agency (TASSNIEF), will display the highest level of transparency in communicating its ratings to the marketplace, so that investors can be provided with the details of TASSNIEF's ratings approach, opinions and analyses.

TASSNIEF's ratings measure the relative credit quality of an issuer or a debt issuance, compared to other issuers or debt issuances. The rating scale of TASSNIEF is by construction a global rating scale. It means that TASSNIEF, by default, rates all categories of debt issued by issuers domiciled in the Kingdom of Saudi Arabia (KSA) and outside Saudi Arabia, denominated in Saudi Riyals or any other currency. Therefore, In each country, including KSA, TASSNIEF will determine a country ceiling, which will be equal or higher than the sovereign rating in the country.

Moreover, TASSNIEF's rating methodology is built on a sequential approach, in which it leads to the long-term Counterparty Rating of a Finance Company.

TASSNIEF's long-term rating go hand in hand with an outlook, in which the direction can be positive, negative or stable. In addition, TASSNIEF allows itself to place any rating on watch based on specific event.

Rating Process

Once TASSNIEF is appointed as the credit rating agency and the contract is signed, the client shall submit all required information and documents. In addition, TASSNIEF rating team will meet with the client's management and external auditor to better assess the creditworthiness of the company from a rating perspective.

Afterwards, TASSNIEF's analytical team will start its analysis and presents the outcome to its rating Committee for deliberation. Therefore, there is no person solely responsible for a rating; instead our rating exercise is rather a collective work of TASSNIEF's experienced team, which is validated in the Saudi context.

TASSNIEF will also provide the client with the opportunity to appeal on the Assigned rating for a second review, depending on the circumstances.

Subject to the final approval of the client, the Rating Report will be distributed at the discretion of the client.



Banks Rating Framework

Standalone Rating Factors

Structural Factors 20%

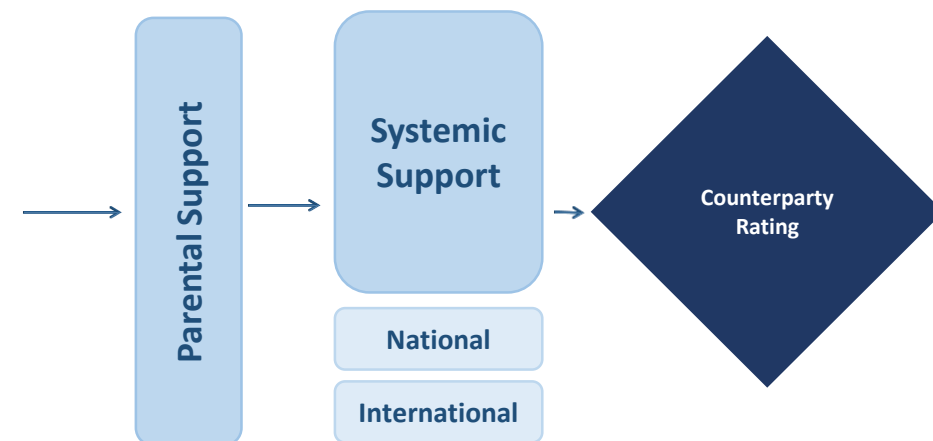
- Macroeconomic Environment
- Operating Environment
- Regulatory Environment

Qualitative Factors 40%

- Strategic Positioning
- Governance and risk management

Financial Factors 40%

- Asset Quality
- Profitability
- Liquidity
- Capitalization



	Short-term rating scale		Long-term rating scale		Definitions
Investment Grade	T-1	T-2	AAA		Highest creditworthiness, thus minimal credit risk
			AA+		Very High creditworthiness, thus very low credit risk
			AA		
	T-3	T-4	AA-		High creditworthiness, thus low credit risk
			A+		
			A		
Non-Investment Grade	T-4	T-5	A-		Adequate creditworthiness, thus average credit risk
			BBB+		
			BBB		
	T-6	T-7	BBB-		Low creditworthiness, thus high credit risk
			BB+		
			BB		
T-7	T-8	BB-		Very Low creditworthiness, thus very high credit risk	
		B+			
		B			
T-8	T-9	B-		Extremely Low creditworthiness, thus significantly high credit risk	
		CCC+			
		CCC			
T-9	T-10	CCC-		Highly speculative credit profiles, and the default is imminent	
		CC			
		C			
T-10	T-11	D		Explicitly defaulted	

Key Definitions

Long-term ratings are applicable to maturity of rated debt instruments superior to 365 days.

short-term ratings are applicable to maturity of rated debt instruments inferior or equal to 365 days.

Modifiers are « + » and « - » signs that adds more granularity in the ordinal credit classification.

outlook is an indication of the direction of the rating over the medium term. The outlook can be Positive, Negative or Stable.

Watch indicates that a rating is under review for possible change based on specific event.