

Rating Proposal Report

Rating Type

Debtor Rating

Rating Object

| | |
|-----------------|----------------------------------|
| FAIR ID | 5402014692335 |
| Company Name | Laurel & Hardy B.V. |
| City | Utrecht |
| Country | Netherlands |
| SBI-code | unknown |
| Industry (AGIC) | unknown |
| Client type | PROSPECT |
| Account Manager | 53689423, C.P.A. van der Krieken |

Local Rating Open Process

| | |
|--------------|------------|
| Status | Open |
| Initiated on | 09-03-2017 |
| Initiated by | Ben Bruijn |
| Modified on | 09-03-2017 |
| Modified by | Ben Bruijn |

Calculated and External Ratings

| Nr | Type | Model | MSR | UCR | Owner |
|-----|------------|---------|-----|-----|------------|
| 1 * | CALCULATED | GCRM PD | 10 | 4- | Ben Bruijn |

Legend

* Recommended rating (Local Rating)

Details of the local rating open process can be viewed on the next pages

1 In Scope: calculated rating

| | |
|-----------------------------|------------|
| Type | CALCULATED |
| Masterscale Rating | 10 |
| Uniform Counterparty Rating | 4- |
| Model | GCRM PD |
| Owner | Ben Bruijn |
| Last modified on | 09-03-2017 |

Calculation is based on:

| | |
|----------------------|-----------|
| Analysis id/revision | 850332/15 |
| Most recent period: | 2017 |

Used period(s): dec 2017 (Prognose); 12 Months; Forecast; -
dec 2016; 12 Months; Final; -

Calculation Summary:

| | |
|--------------------|---------------|
| | Score |
| Industry risk | 0.000 |
| Business risk | -0.153 |
| Financial risk | -1.008 |
| Customer risk | -0.813 |
| Intercept | -2.180+ |
| Total score | -4.154 |

| | | |
|----------------------------|--------------|-----------|
| | PD | UCR |
| Rating before size cap | 1.65% | 4- |
| Stand Alone Rating | 1.65% | 4- |
| Rating after Country risk | 1.65% | 4- |
| Rating after group support | - | - |
| Final rating | 1.65% | 4- |

Industry Risk Details (industry module)

| | AGIC/SBI | Industry sector | Weight(%) | Score |
|----|----------|--|-----------|-------|
| 1. | 464999 | Wholesale of other consumer goods n.e.c. | 100 | 0.000 |
| 2. | - | - | - | - |
| 3. | - | - | - | - |
| 4. | - | - | - | - |
| 5. | - | - | - | - |

Industry risk 0.000

Rationale:

Business Risk Details (qualitative questions module)

| | Answer | Score |
|-----------------------|---|--------|
| Service concept | Commercial Clients (client turnover > 30M) | -0.327 |
| Financial holding | No | |
| Track record | No | 0.174 |
| Years in business | 15 | 0.000 |
| Legal form | Besloten vennootschap | 0.000 |
| Management continuity | Average: If any of the following criteria is applicable and none of the criteria under vulnerable is applicable: 1. Not overly dependent on one person 2. Succession has been arranged for 3. Experienced middle management | 0.000 |
| MIS quality | Average: Management information is produced in a reasonable term and is of sufficient quality. | 0.000 |
| Quality of management | Average: Management has sufficient experience, management capacities sufficiently fit the current | 0.000 |

| | | |
|----------------------|--|---------------|
| Forecast | business. Normal evolution. Between 5% decrease and 15% increase. | 0.000 + |
| Business risk | | -0.153 |

Financial Risk Details (financial module)

| | Ratio | Transformation | Coefficient | Score |
|--|--------|----------------|-------------|---------------|
| Own and Associated Means /Total Assets | -0.80* | 0.0014 | -0.6160 | -0.001 |
| Retained Earnings/Total Assets | 0.04* | 0.4324 | -0.3933 | -0.170 |
| Cash profit / Debt charges | 6.57* | 0.9948 | -0.3044 | -0.303 |
| Net income / Total Assets | 0.04* | 0.8104 | -0.2621 | -0.212 |
| Current Ratio | 1.92* | 0.9083 | -0.2941 | -0.267 |
| EBIT / Turnover | 0.09 | 0.6585 | -0.2270 | -0.149 |
| Total debt / EBITDA | 3.53 | 0.4467 | 0.2114 | 0.094 + |
| Financial risk | | | | -1.008 |

* In case 'work in progress' is present, the ratio definition used in rating calculation can differ from the ratio definition in FCA

Customer Risk Details (CRG)

| | Answer | Score |
|----------------------------------|---|---------------|
| Customer Risk Grade (from Probe) | n.a. | 0.000 |
| Credit history | Strong : Existing borrower has had a very good credit history and punctual debt servicing for the past 2 years. | -0.813 |
| Customer risk | | -0.813 |

Country Risk Details

| Country Name | UCR Sovereign | PD Sovereign | Country Dependency | PD Counterparty adjusted | UCR Counterparty adjusted |
|------------------------------------|---------------|--------------|--------------------|--------------------------|---------------------------|
| Country 1 Belgium | 1 | 0.0300% | Medium | - | - |
| Country 2 Netherlands | 1 | 0.0300% | Medium | - | - |
| Country 3 France | 1 | 0.0300% | Medium | - | - |
| Country 4 Germany | 1 | 0.0300% | Medium | - | - |
| Country 5 United States Of America | 1 | 0.0300% | Medium | - | - |

| | | |
|--|---------------|-----------|
| Counterparty Rating adjusted for country risk | 1.650% | 4- |
|--|---------------|-----------|

Spreading Validation Warnings

N/A