

# AJPES S.BON

for the company:

**SAMPLE D.O.O.**

## CREDIT RATING ACCORDING TO BASEL II RULES

**COMPANY CREDIT RATING AS AT (date ...) 2010**

**SB4**

The company's ability to settle its obligations is still above-average, however adverse economic conditions and changing circumstances in the business environment are more likely to affect a company with a credit rating score of SB4, in terms of diminishing its ability to settle its obligations. A company with a rating of SB4 has above-average profitability and solvency, below-average indebtedness and above-average activity and productivity. The relative contribution of individual risk factors (profitability, indebtedness, solvency, activity and productivity) towards the possible occurrence of a payment default event is, on average, around 5 % lower than the average relative contribution of individual risk factor across the entire population of Slovenian companies.

**Credit rating based on the 2009 annual report**

**SB4**

Changes in credit rating in 2010 in relation to a payment default event

Date of change	Credit rating score before the change	Credit rating score after the change	Event reference <sup>1</sup>
There has been no recorded payment default events after the credit rating based on the 2009 annual report was given, which would require a change of credit rating in 2010.			

**Credit rating based on the 2008 annual report**

**SB5**

Changes in credit rating in 2009 in relation to a payment default event

Date of change	Credit rating score before the change	Credit rating score after the change	Event reference <sup>1</sup>
There has been no recorded payment default events after the credit rating based on the 2008 annual report was given, which would require a change of credit rating in 2009.			

### SHORT-TERM PAYMENT DISCIPLINE

Overdue outstanding liabilities on the date preceding the credit report:

**NO**

The company had no unsettled outstanding obligations in the past 6 months.

Source: Record of matured unsettled obligations in accordance with the Tax Procedure Act and Execution of Judgments in Civil Matters and Insurance of Claims Act.

<sup>1</sup> Payment default event:

- blocked transaction account for 30 days without interruption (block 30)
- blocked transaction account for 60 days with interruptions during a single year (block 60)
- initiation of bankruptcy (or composition, liquidation, compulsory liquidation) proceedings
- Cessation of non-payment (Reactivation)

## General description of the AJPES S.BON model and Slovenian credit rating scores (SB)

Determining Slovenian companies' credit rating scores using the model AJPES S.BON is based on analysing financial statements and occurrence of payment default events for the entire population of Slovenian companies over a longer period of time. Payment default event is defined as the occurrence of at least one of the following events: transaction account block for 30 days without interruption or transaction account block for 60 days with interruptions in a single year, initiation of bankruptcy, composition, liquidation or compulsory liquidation proceedings.

The credit rating scores are calculated in accordance with Basel II rules and corporate banks can use these in calculating capital requirements for credit risks (IRB approach). Based on financial statements, individual risk factors for the potential occurrence of a payment default event are analysed (profitability, liquidity, indebtedness, activity, size, productivity and growth of business) and their contribution to the total probability of the potential occurrence of a payment default event. The AJPES S.BON model is used to calculate each company's overall probability of a payment default event occurring within the next 12 months after the date of the company's financial accounts. The sample values are calibrated with consideration to the characteristics of the Slovenian economy over a longer time period, which includes the overall macroeconomic cycle. The sample-independent or calibrated payment default probabilities are the basis for determining credit rating scores using the AJPES S.BON model.

The result are unbiased credit ratings for the entire population of Slovenian companies, which will help banks and other financial organizations assess the credit risk involving the probability of a payment default event for any Slovenian company. All other business entities will be able to use these credit rating scores as a basis for examining the ability of selected companies/business partners to meet their financial obligations.

The AJPES S.BON model classifies Slovenian companies into **10 credit rating categories** according to the credit risk, represented by **credit rating scores** ranging from **SB1** to **SB10**. The credit rating scores are defined on a scale of probability that at least one of the different types of payment default events will occur in a specific case in the 12-month period following the date of the relevant financial statements upon which the credit rating score is based. The first 10 credit ratings (SB1 through SB10) represent **categories of payers**, and the credit rating SB10d represents the **non-payer category**. The **SB10d** credit rating score is assigned to companies in which a payment default event has actually occurred, regardless of the credit rating score which the company in question had before the occurrence of a payment default event.

The probability of the occurrence of a potential payment default event is lowest with the credit rating of SB1, increasing exponentially as we move towards the credit rating of SB10. The first 5 credit rating scores (SB1 through SB5) represent (in accordance with Basel II rules) **investment-grade credit rating scores** and credit ratings SB6 through SB10 represent **speculative-grade credit ratings**. In companies having a speculative-grade credit rating the contribution of individual risk factors towards the total probability of default is higher on average than the entire population of Slovenian companies.

**A. KEY DATA OF THE COMPANY**

Company name	<b>SAMPLE D.O.O.</b>
Address	
Web address	
Date of registration with the registering authority	
Company identification number	
VAT ID/Tax Number	
Transaction accounts held with banks <sup>2</sup>	
Holder of management system certificates <sup>3</sup>	
Founders <sup>4</sup>	
Representatives	
Company categorization	
Size <sup>5</sup>	
Main activity	
Number of companies engaged in activity	
Share capital	<b>EUR</b>
Number of employees in 2009	
Share of net sales in the activity in 2009	<b>%</b>
Months in operation in 2009	

<sup>2</sup> Transaction accounts include accounts designated T, F, X and Y in the transaction accounts register.

<sup>3</sup> Source: Slovenian Chamber of Commerce.

<sup>4</sup> If there are more than seven founders or representatives, the names are available in the iPRS application on [www.ajpes.si](http://www.ajpes.si).

<sup>5</sup> The company size is determined according to Article 55 of the Companies Act.

**B. DATA AND INDICATORS FOR 2009**
**SAMPLE D.O.O.**

I. INDICATORS OF SIZE AND EFFICIENCY (in EUR)		COMPANY	ACTIVITY
			00.000
1.	Assets		
2.	Equity capital		
3.	Non-current liabilities and current liabilities		
4.	Revenues		
5.	Net sales		
6.	Added value or loss of wealth		
7.	Operating profit or loss (EBIT)		
8.	Operating cash flow (EBITDA)		
9.	Net profit or net loss		
10.	Accumulated profit or loss		
11.	Number of employees		

II. INDICATORS OF FINANCIAL STABILITY AND BUSINESS PERFORMANCE		COMPANY	ACTIVITY
			00.000
1.	Net return on equity (net profit or net loss / average equity)		
2.	Net return on assets (net profit or net loss / average assets)		
3.	Profit margin (net profit or net loss / revenues)		
4.	Overall efficiency (revenues / expenses)		
5.	Operating efficiency (operating revenues / operating expenses)		
6.	Ratio of EBITDA to financial liabilities		
7.	Share of total liabilities in sources of funding, as a %		
8.	Share of short-term financing, as a %		
9.	Share of cash in total assets, as a %		
10.	Long-term coverage of non-current assets and inventories (equity and non-current accrued expenses and deferred revenues + non-current liabilities / non-current assets + inventories)		
11.	Share of current assets decreased by current liabilities in assets, as a %		
12.	Added value / loss of wealth per employee, in EUR		
13.	Average monthly cost of labour per employee, in EUR		
14.	Average monthly salary per employee, in EUR		

**Data are audited. Auditor's opinion:** \_\_\_\_\_ . **Audited by:** \_\_\_\_\_ .

Source: Financial statements for the year 2009

**C. RISK FACTORS**
**SAMPLE D.O.O.**

RISK FACTORS / INDICATORS	COMPANY	ALL COMPANIES	
		Mean value - indicator median	Percentile range, as a %
<b>Profitability and cash flows</b>			
1. Net return on assets			
2. Cash flow to assets ratio, as a %			
3. Profit margin (net profit or net loss / revenues)			
4. Overall efficiency			
<b>Indebtedness</b>			
5. Revenues to current liabilities ratio, as a %			
6. Current and non-current liabilities to assets ratio, as a %			
7. Total liabilities to tangible assets ratio, as a %			
8. Share of total liabilities in sources of funding, as a %			
9. Interest coverage indicator			
<b>Liquidity</b>			
10. Share of cash in total assets, as a %			
11. Current operating liabilities to revenues ratio, as a %			
12. Cash and current operating receivables to current operating liabilities ratio, as a %			
13. Current liquidity coefficient			
<b>Activity</b>			
14. Current operating liabilities turnover			
15. Ratio of current liabilities to cost of products and services sold			
16. Ratio of net operating assets to assets, as a %			
17. Ratio of net sales revenue to assets			
18. Coefficient of operating assets turnover			
<b>Productivity</b>			
19. Added value / loss of wealth per employee, in EUR			

Source: Financial statements for the year 2009

**D. COMPARISONS OF DATA AND INDICATORS FOR**
**INFORMATION ON COMPANY OPERATIONS BY YEAR AND TREND OVERVIEW**

DATA AND INDICATORS (amounts are in EUR*)	2009	2008	2007	2006	2005	Growth rate in %
1. Assets						
2. Equity capital						
3. Non-current liabilities and current liabilities						
4. Financial liabilities						
5. Revenues						
6. Net sales						
7. Added value or loss of wealth						
8. Operating profit or loss (EBIT)						
9. Operating cash flow (EBITDA)						
10. Net profit or net loss						
11. Number of employees						
12. Overall efficiency (revenues / expenses)						
13. Net return on equity (net profit or net loss / average equity)						
14. Net return on assets (net profit or net loss / average assets)						
15. Profit margin (net profit or net loss / net sales revenue)						
16. EBIT margin (EBIT / net sales revenue)						
17. EBITDA margin (EBITDA / net sales revenue)						
18. Share of financial liabilities in assets, as a %						
19. Ratio of EBITDA to financial liabilities						
20. Added value / loss of wealth per employee, in EUR						

Source: Financial statements

**Data for the following periods have been audited:**

2009                      2008                      2007                      2006                      2005

\* SIT amounts are converted to EUR using the middle exchange rate of the Bank of Slovenia: Balance Sheet data as at 31.12., Income Statement data using the average exchange rate for the individual year up to 2005, and for 2006 using the exchange rate applicable on 31.12.2006.

**SAMPLE D.O.O.**
**DATA ON THE INDUSTRY AND THE COMPANY'S RANKING WITHIN THE INDUSTRY FOR 2009**

Total number of all companies active in the activity:  
 Total number of same-size companies active in the activity:

DATA AND INDICATORS (amounts are in EUR)	WITHIN THE ACTIVITY				RANKING OF THE COMPANY	
	minimum value	medium values		maximum value	among all companies	among same-sized companies
		average value	median			
1. Assets						
2. Equity capital						
3. Non-current liabilities and current liabilities						
4. Financial liabilities						
5. Revenues						
6. Net sales						
7. Added value or loss of wealth						
8. Operating profit or loss (EBIT)						
9. Operating cash flow (EBITDA)						
10. Net profit or net loss						
11. Number of employees						
12. Overall efficiency (revenues / expenses)						
13. Net return on equity (net profit or net loss / average equity)						
14. Net return on assets (net profit or net loss / average assets)						
15. Profit margin (net profit or net loss / net sales revenue)						
16. EBIT margin (EBIT / net sales revenue)						
17. EBITDA margin (EBITDA / net sales revenue)						
18. Share of financial liabilities in assets, as a %						
19. Ratio of EBITDA to financial liabilities						
20. Added value / loss of wealth per employe, in EUR						

Source: Financial statements for the year 2009

**E. REVENUES AND EXPENSES IN THE CURRENT YEAR**
**PAYMENTS TO AND FROM ACCOUNTS IN THE CURRENT YEAR<sup>6</sup>**

Source: Payment transaction records kept by payment transaction operators

<sup>6</sup> Includes all of the company's revenues and payments from all accounts held with banks and savings banks. The payments from all accounts can exceed revenues, as on January 1 of the current year the company had sufficient balance on the accounts and/or due to the used framework credit facilities held with banks.

ID information: **159610**  
 Information  
 provided at the  
 request of:

Responsible Officer