



## GCR Accords Indicative, Public Ratings To Notes To Be Issued By Fintech Receivables Securitisation

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Johannesburg, 18 July 2013 — Global Credit Rating Co. (“GCR”) has accorded indicative, public long term credit ratings to the following notes (collectively the “Notes”) to be issued by Fintech Receivables 2 (RF) Limited (“FR2” or the “Transaction”) on 15 August 2013.

ZAR 527m, Class A floating rate notes, stock code FR2A3C, due 15 August 2023:.....‘AAA<sub>(ZA)(sf)</sub>’, Outlook Stable.

ZAR 55m, Class B floating rate notes, stock code FR2B3C, due 15 August 2023:.....‘AA<sub>(ZA)(sf)</sub>’, Outlook Stable.

ZAR 50m, Class C floating rate notes, stock code FR2C3C, due 15 August 2023:.....‘A<sub>(ZA)(sf)</sub>’, Outlook Stable.

ZAR 43m, Class D floating rate notes, stock code FR2D3D, due 15 August 2023:.....‘BBB<sub>(ZA)(sf)</sub>’, Outlook Stable.

FR2 is a public securitisation of equipment leases originated by Fintech Underwriting (Pty) Limited (“FUN”), a wholly-owned subsidiary of Fintech Propriety Limited (“Fintech”). On 15 August 2013 new notes will be issued as indicated above and all existing notes will be repaid. In addition, a subordinated loan of R57.4m will be provided to FR2 by Fintech. The proceeds of the notes issued and the subordinated loan will be used to fund FR2’s portfolio of equipment leases.

## RATING RATIONALE

The rating of the Notes is derived by applying GCR’s Global Consumer ABS Rating Criteria and Global Structured Finance Rating Criteria. GCR reviewed the performance of leases originated by FUN in respect of FR2 for the period from Q1 2004 to Q1 2013 and determined default and recovery base cases in line with GCR’s Global Consumer ABS Criteria. GCR determined the appropriate stress levels for each rating band and tested the credit enhancement provided to each tranche of the Notes for the respective rating levels. GCR also ran a cash flow model for the Notes at each rating level to determine if the cash flow from the securitised portfolio would be sufficient to service the Transaction at all the relevant rating levels. For more information, please read the Fintech Receivables 2 (RF) Limited - 2013 Refinance Pre-Funding Report published on 18 July 2013. The Prefunding Report is available to subscribers of GCR’s Structured Finance subscription service.

All ratings accorded are indicative, public ratings. The ratings will be finalised upon the receiving of satisfactory final signed transaction documentation and legal opinions. The indicative, public rating accorded to the ‘AAA<sub>(ZA)(sf)</sub>’ rated securities relate to timely payment of interest and ultimate payment of principal, whilst the ratings on all other securities relate to ultimate payment of interest and ultimate payment of principal. The ratings exclude an assessment of the ability of the Issuer to pay



either any (early repayment) penalties or any default interest rate penalties.

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**APPLICABLE METHODOLOGIES AND RELATED RESEARCH**

Global Structured Finance Rating Criteria.  
Global Consumer ABS Rating Criteria.

The ratings above were solicited by, or on behalf of, the rated client, and therefore, GCR has been compensated for the provision of the ratings.

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## **SALIENT FEATURES OF ACCORDED RATINGS**

GCR affirms that a.) no part of the rating was influenced by any other business activities of the credit rating agency; b.) the rating was based solely on the merits of the rated entity, security or financial instrument being rated; c.) such rating was an independent evaluation of the risks and merits of the rated entity, security or financial instrument; and d.) the validity of the rating is for a maximum of 12 months, or earlier as indicated by the applicable credit rating document.

The Arranger participated in the rating process via face-to-face meetings, teleconferences and other written correspondence. Furthermore, the quality of information received was considered adequate and has been independently verified where possible.

The credit rating/s has been disclosed to the Arranger with no contestation of the rating.

The information received from the Arranger and other reliable third parties to accord the credit ratings included the latest Issuer's audited annual financial statements for the year ending 2012; portfolio performance data relating to the underlying equipment lease portfolio covering the period January 2004 - March 2013; an overview of the Issuer's lease portfolio as per 30 March 2013; monthly management reporting packs; quarterly investor reporting packs; and the relevant draft transaction documents together with the relevant legal and tax opinions.

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