

GCR's Rating Framework is anchored on the GCR Risk Score. This numerical scoring system, which forms a single analytical approach across multiple sectors, is designed to improve the transparency of GCR's ratings. It also allows comparability between different countries, regions and sectors.



Nigeria Country Risk Score

3.75

Nigeria's Country Risk Score of 3.75 balances its strong economic base, supported by significant natural resources and large population, against low wealth levels, moderately weak institutional scores and currently restrained economic growth.

Insurance Sector Risk Score

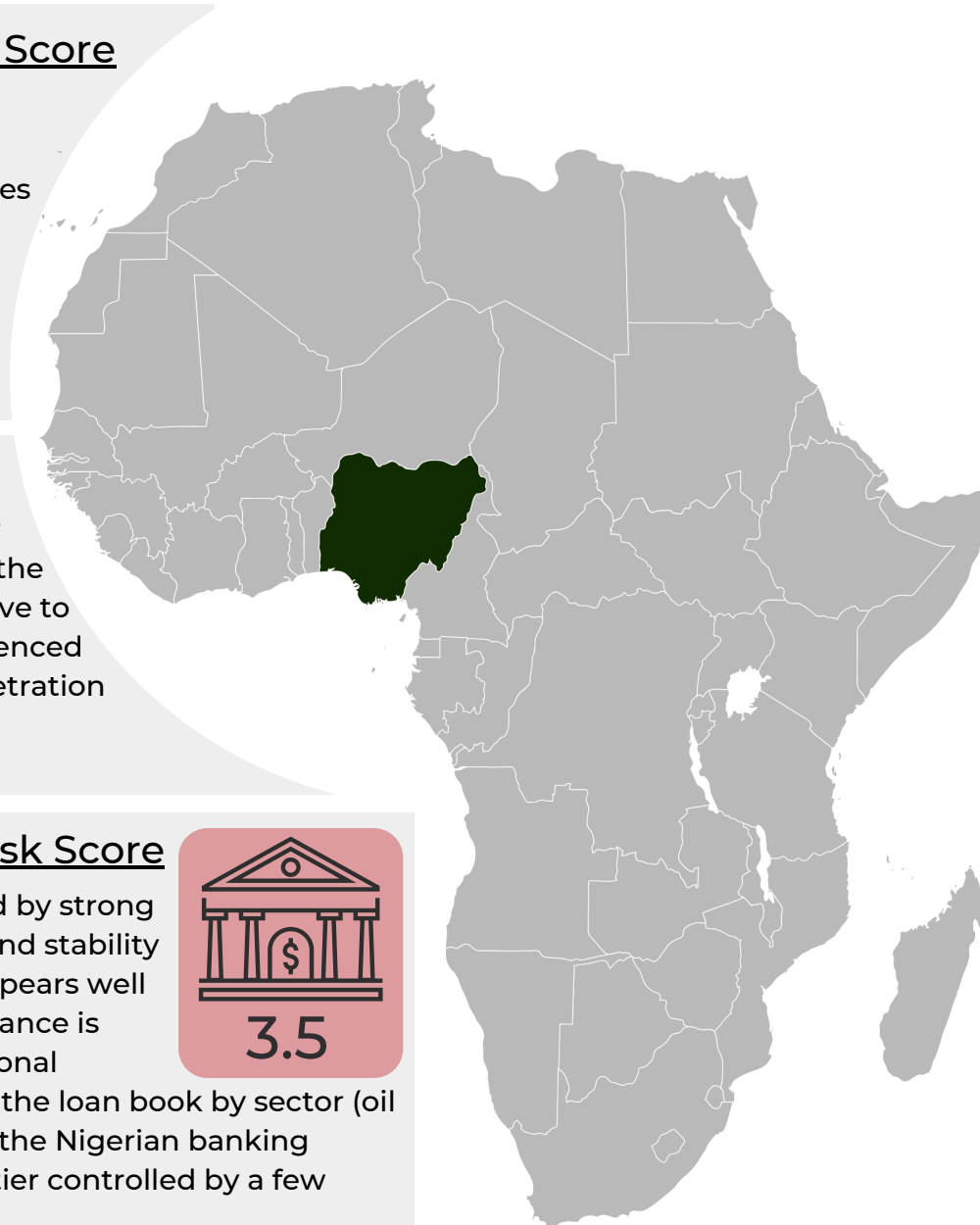


3.25

Nigeria's Insurance Sector Risk Score of 3.25 reflects the depth of the market relative to other regional peers, evidenced by the low insurance penetration of less than 1%.

Financial Institutions Sector Risk Score

The FI Sector Risk Score of 3.5 is supported by strong local currency liquidity within the sector and stability in the funding. Also the banking sector appears well capitalized on average. Regulatory compliance is considered adequate and in line with regional averages. However, high concentration of the loan book by sector (oil & gas) heightens credit risk. We note that the Nigerian banking sector is highly fragmented, with the top tier controlled by a few players.



Corporate Sector Risk Scores



Agriculture
2.25



Hospitality
2.00



Oil & Gas - Downstream
2.75



Primary Manufacturing
1.75



Oil & Gas - Upstream
1.25



Logistics
2.50



Telecomms
3.50



Real Estate
1.75



Pharmaceuticals
3.25



Fast Moving Consumer Goods
3.00



Power Generation
3.25