

Bondster Score – Calculation Methodology

1. Overview

The Bondster Score is an internal quantitative indicator used to compare loan originators on the Bondster platform based on selected financial and operational characteristics.

The score is expressed on a scale from 0 to 100 points and is based on historical data and available information about the loan originator.

The Bondster Score does not constitute a credit rating or an investment recommendation.

The Bondster Score is based exclusively on predefined quantitative inputs and automated calculations, without any qualitative or discretionary analytical intervention.

2. Main Assessment Areas

The calculation of the Bondster Score is based on several key areas which together provide a comprehensive view of the loan originator's operations.

Rentability (30 %)

This area assesses the loan originator's ability to generate profit and its economic robustness.

The following indicators are taken into account in particular:

- return on assets
- return on equity
- operating margin
- absolute earnings scale

The absolute earnings scale indicator reflects the size and stability of the loan originator's generated earnings and complements the relative profitability indicators.

Portfolio Quality (35 %)

This area assesses the performance of the loan portfolio.

It includes in particular:

- collection ratio
- share of overdue loans, for example PAR 180

The model takes into account differences between portfolio types based on their maturity profile.

Liquidity and Capital (25 %)

This area assesses the financial stability of the loan originator.

The indicators taken into account include, for example:

- current ratio
- equity ratio

Reporting Transparency (10 %)

This area assesses the quality and reliability of the data provided.

It includes:

- timeliness of financial reporting
- timeliness of portfolio reporting
- availability of audited financial statements

3. Calculation Principle

Individual indicators are converted into a score ranging from 0 to 100 points based on predefined intervals. The final score is then calculated as a weighted average of the individual assessment areas.

4. Consideration of Portfolio Type

The model takes into account the fact that different types of loans have different repayment patterns. Therefore, the typical maturity of loans is considered when assessing portfolio performance:

- short-term loans
- medium-term loans
- long-term loans

Specific Approach to Short-Term Loans

For short-term loans with very fast repayment, capital may be reused several times during the year. In such cases, portfolio performance may be adjusted to reflect this characteristic.

At the same time, the model distinguishes between portfolios:

- with immediate repayment
- with a significant share of later recoveries

This distinction is based on historical portfolio cash-flow data.

5. Additional Characteristics

In addition to the core indicators, the model also takes into account, to a limited extent, certain general characteristics of the loan originator that may affect its operational stability.

These may include, for example:

- the level of own capital involvement, or “skin in the game”
- the operational scale and stability of the loan originator

These factors are supplementary in nature and their impact on the overall score is limited.

6. Model Limitations

The Bondster Score:

- is based on historical data
- does not take into account all possible risk factors
- does not assess individual loans

The score should not be used as the sole criterion for investment decision-making.

7. Updates

The Bondster Score is updated regularly based on newly available data.

Important Notice

The Bondster Score is a purely quantitative indicator based on historical data and available information about the loan originator. The calculation is performed automatically on the basis of a predefined statistical model, without any qualitative or analytical intervention.

The Bondster Score does not constitute a credit rating within the meaning of Regulation (EC) No 1060/2009 on credit rating agencies and is not an investment recommendation, opinion, or prediction of future performance.

The Bondster Score serves as a supplementary tool for comparing loan originators and should not be used as the sole criterion for investment decision-making.