

### **PRS A plus (corp.) Assigned to Global Dominion**

Philippine Rating Services Corporation (PhilRatings) has assigned an Issuer Credit Rating of **PRS A plus (corp.)**, with a **Stable Outlook**, to Global Dominion Financing Inc. (GDFI).

GDFI, which is part of the Asialink Group, offers unsecured and secured credit facilities that cater to the financial needs of businesses, particularly small and medium enterprises (SMEs) and individuals, without engaging in quasi-banking (QB) functions. GDFI mainly provides brand new and second-hand car and truck financing and refinancing, through its growing branch network.

A company rated '**PRS A**' has an above average capacity to meet its financial commitments relative to that of other Philippine corporates. The company, however, is somewhat susceptible to adverse changes in circumstances and economic conditions than higher-rated corporates. The "plus" further qualifies the assigned rating. A **Stable Outlook**, on the other hand, is defined as: "The rating is likely to remain unchanged in the next twelve months."

PhilRatings considered the following key factors in assigning the rating and its Outlook: a) the commitment exhibited by GDFI's shareholders, as well as its experienced management team; b) the continuous expansion of the Company's branch network and product portfolio; c) its more than satisfactory loan portfolio quality; and d) GDFI's strong earnings generation, backed by sustained loan book growth.

The rating and Outlook are based on available information and projections at the time that the rating review was performed. PhilRatings shall continuously monitor developments relating to GDFI and may change the rating and Outlook at any time, should circumstances warrant a change.

GDFI is led by its majority owners, Ruben Y. Lugtu II and Robert B. Jordan. Mr. Lugtu is Chairman of the Board, while Mr. Jordan is Vice Chairman and Chief Executive Officer. Both are among the founders of the Asialink Group of Companies, which is reportedly one of the fastest growing financing companies in the Philippines. Their expertise in the field, supported by a team of seasoned professionals, continues to be an integral factor in the Company's growth. Management is headed by Patricia Salvacion P. Palacios, President of GDFI, who has been with the Company for almost 20 years.

The Company had expanded to 116 branches nationwide as of end-March 2024, with new branch additions expected to continue. GDFI, through its subsidiary Global SME Loans, Inc., also provides short-term business and consumer loan products to doctors, seamen, beneficiaries, and OFWs. GDFI launched two new products: SME Loans Secured by Real Estate Mortgage (REM) or "Sangla Titulo" in 2023 and Real Estate Financing (REF) in mid-2024. The introduction of these new products is seen to provide the Company with more opportunities for growth, moving forward.

In 2022 and 2023, GDFI's loan portfolio was composed mainly of high-grade and standard loans, accounting for at least 78% of the total loan portfolio. Moreover, the Company's share of non-performing loans to total gross loans was minimal at less than 1% in 2022 and 2023. The Company's above satisfactory

asset quality was attributed by the Company on its efforts to give more focus on secured or collateralized products and financing. While GDFI offers both unsecured and secured loans, it is secured loans that represent bulk of its portfolio. As of end-2023, collateral or secured loans accounted for 91.0% of gross loans to customers.

The growth in the Company's loan book has supported the continuous uptrend in earnings. Net loans to customers went up by 48.6% and 17.9% in 2022 and 2023, respectively. Such grew from ₱4.7 billion as of end-2021 to ₱8.3 billion as of end-2023. Backed by the expansion in loan portfolio, interest income posted solid increases for both years. Such expanded by 73.3% to ₱1.8 billion in 2022, and by 27.0% to ₱2.3 billion in 2023. The foregoing led to robust growth in net income, which amounted to ₱484.6 million in 2022, considerably higher by 49.2% from ₱324.8 million in 2021. In 2023, net income continued to rise by 19.0% to ₱576.7 million.

In the first nine months of 2024 (9M2024), net income settled at ₱491.8 million, higher by 32.9% from ₱370.1 million recorded in 9M2023. Such growth was attributed to the 34.9% increase in interest income, supported by the continued expansion in the loan portfolio. As of end-June 2024, loans to customers stood at ₱10.1 billion, up by 22.2% from end-2023. GDFI will continue to direct its efforts in the expansion of its loan book which, in turn, is seen to sustain future earnings growth.