

Rating Object	Rating Information
Instituto de Crédito Oficial (Group) Creditreform ID: 6825208	Long Term Issuer Rating / Outlook: A / stable Short Term: L2 Type: Update / Unsolicited
Rating Date: 19 July 2024 Monitoring until: withdrawal of the rating Rating Methodology: CRA "Bank Ratings v.3.3" CRA "Rating of Bank Capital and Unsecured Debt Instruments v.2.2" CRA "Government-Related Banks v.2.1" CRA "Environmental, Social and Governance Score for Banks v.1.1" CRA "Rating Criteria and Definitions v.1.3" Rating History: www.creditreform-rating.de	Rating of Bank Capital and Unsecured Debt Instruments: Preferred Senior Unsecured (PSU): A Non-Preferred Senior Unsecured (NPS): - Tier 2 (T2): - Additional Tier 1 (AT1): -

Rating Action

Creditreform Rating upgrades Instituto de Crédito Oficial's (Group) Long-Term Issuer Rating to A (Outlook: stable)

Creditreform Rating (CRA) upgrades Instituto de Crédito Oficial's (Group) Long-Term Issuer Rating to A. The rating outlook is stable.

CRA upgrades Instituto de Crédito Oficial's Preferred Senior Unsecured Debt to A.

Please find a complete list of rating actions regarding the bank at the end of this rating update.

Eine vollständige Liste der Ratingmaßnahmen in Bezug auf die Bank finden Sie am Ende dieses Rating Updates.

Key Rating Drivers

- Explicit, irrevocable, unconditional and direct guarantee of the Spanish State for the bank's debt and obligations

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Executive Summary

Rating Grid	n.r.	c	cc	ccc	b-	b	b+	bb-	bb	bb+	bbb-	bbb	bbb+	a-	a	a+	aa-	aa	aa+	aaa		
- Earnings	█																					
- Assets	█																					
- Capital	█																					
- Liquidity	█																					
Quantitative	n.r.																					
- Bank specific	█																					
- Macro	█																					
Qualitative	n.r.																					
Sovereign Adjustment	█																				no	
Parental Support	█																				no	
Institutional Support Assessment	█																				no	
Government Support Assessment																					yes, Kingdom of Spain (A, stable)	
Additional Factors																					no	
LT Issuer Rating																					A	
Rating Grid	n.a.	D	C	CC	CCC	B-	B	B+	BB-	BB	BB+	BBB-	BBB	BBB+	A-	A	A+	AA-	AA	AA+	AAA	
Instrument Ratings*:																						
- PSU																						A
- NPS	█																					
- T2	█																					
- AT1	█																					
																						A

*PSU: Preferred Senior Unsecured; NPS: Non-Preferred Senior Unsecured; T2: Tier 2; AT1: Additional Tier 1

The rating of Instituto de Crédito Oficial (hereafter: ICO) is prepared on the basis of group consolidated accounts.

ICO's Long-Term Issuer Rating is upgraded to A. The decisive factor rating is the explicit, irrevocable, unconditional and direct guarantee of the Spanish State for the bank's debt and obligations. Creditreform Rating therefore adjusts the Long-Term Issuer Rating to the rating of Kingdom of Spain (A (stable), upgraded from A- (stable) as of 14 June 2024).

Company Overview

Instituto de Crédito Oficial (ICO) is a fully state-owned financial institution with the legal status of corporate state-owned entity, attached to the Ministry of Economic Affairs and Digital Transformation in Spain. The bank refinances itself on the national and international capital markets. However, the debts and obligations of ICO are explicit, irrevocable, unconditional and directly guaranteed by the Spanish State. With 376 employees (2023), ICO administered total assets of EUR 31.7bn in 2023.

The bank's mission and function is to support and promote economic activities that contribute to the growth and improved distribution of wealth. It acts as national promotional bank, instrument of economic and financial policy and state financial agency.

As a national promotional bank, it finances companies, SMEs and the self-employed via direct financing, second floor facilities, complimentary financing and through private and venture capital channels. As an instrument of economic and financial policy, the bank aids the Spain with the Recovery, Transformation and Resilience Plan approved by the Spanish Government in line with the Next Generation EU program and the Multiannual Financial Framework 2021-2027 of the EU. As a state financial agency, ICO manages public funds, for example channeling resources for COVID relief and Ukraine, as well as aiding with internationalization, development cooperation and management of territorial funds on behalf of various ministries..

Business Development

Profitability

Creditreform Rating AG follows a structural approach in the presentation of the income statement and balance sheet as well as in the calculation of key ratios. The presentation may therefore differ from that of the bank. Creditreform Rating pursues the goal of making financial statements of different banks as well as within the scope of consolidation as comparable as possible. Certain key ratios are also taken or calculated from the Bank's Pillar III Report for reasons of comparability. Balance sheet and income statement figures are taken from the consolidated financial statements of the respective years. One-off or exceptional items are, where possible, relegated to the line items non-recurring revenue and expense. As ICO's rating is significantly influenced by the rating of the Kingdom of Spain, the analysis of key figures is merely descriptive and has no influence on ICO's long-term issuer rating.

Net profit for the year increased significantly compared to the previous year. This was due to the strong increase in operating income as a result of the rise in net interest income. The new interest rate environment caused interest income to rise to just under EUR 1bn in 2023 (previous year: EUR 0.3bn) and interest expenses from EUR 0.2bn to EUR 0.7bn. In total, net interest income increased from EUR 0.1bn to EUR 0.3bn. Net fee and commission income developed robustly at EUR 66mn (previous year: EUR 53.5mn). In total, the bank generated operating income of EUR 385mn, compared to EUR 234mn in the previous year. By contrast, operating expenses decreased slightly, mainly due to net reversals of other provisions compared to the previous year. Overall, operating profit almost doubled compared to the previous year. As in the previous year, risk costs made a positive contribution to earnings with net reversals.

Overall, the pre-tax result increased by 75.1% to EUR 357mn (previous year: EUR 204mn), after tax by 71.8% from EUR 147mn to EUR 252mn.

The jump in earnings was accompanied by an improvement in the corresponding key earnings figures. The cost/income ratio was a very low 11.3% in 2023, while the return on equity was a moderate 4.4% - although ICO's very high equity base should be noted here.

Asset Situation and Asset Quality

The balance sheet total increased compared to the previous year. Net loans to banks and customers increased by EUR 1.4bn and EUR 2.4bn respectively, while cash equivalents decreased by EUR 0.5bn to EUR 2.2bn. Investments in securities decreased by EUR 1.3bn. In total, the balance sheet total increased by EUR 1.9bn.

87% (EUR 15bn) of ICO's RWA exposure is located in Spain. The remainder of EUR 0.9bn is distributed across Europe (of which EUR 0.6bn in EU countries), EUR 0.6bn in Latin America and the rest (approx. EUR 0.9bn) is distributed around the globe.

A good 60% of direct financing is focused on the Natural Environment, Energy and Business, Professional & Administrative Services sectors, which are roughly equally distributed. The Transport & Storage and Construction segments follow with 13.6% and 9.8% respectively.

Asset quality is solid with an NPL ratio of just under 4.3% (previous year: 3.7%). The RWA ratio increased further to a high 56.4%, compared to 48.8% in the previous year. As in the previous year, risk costs made a positive contribution to earnings with net reversals.

Refinancing, Capital Quality and Liquidity

On the liabilities side, the total debt item in particular increased by almost EUR 3.6bn, while deposits from banks decreased by EUR 1.6bn. Equity increased by a total of EUR 0.2bn. The very good equity base is also reflected in the capital ratios. Both the balance sheet equity ratio and the regulatory equity ratios remain well above average.

Due to the explicit, irrevocable, unconditional and direct guarantee of the Spanish State for the bank's debt and obligations, ICO's Preferred Senior Unsecured Debt instruments are upgraded alongside the Long-Term Issuer Rating to A.

Environmental, Social and Governance (ESG) Score Card

ICO has one significant and two moderate ESG rating drivers

- Corporate Governance is identified as a highly significant rating driver. The relevance for the credit rating results from the impact of the Corporate Governance factor on all other ESG factors and the overall well-being of the bank. This sub-factor is rated neutral.
- Corporate Behaviour and Green Financing / Promoting are identified as moderate rating driver. Both factors are rated positive.

**ESG
 Bank Grade**

3,5 / 5

Grade Guidance	
> 4,25	Outstanding
>3,5 - 4,25	Above-average
>2,5 - 3,5	Average
>1,75 - 2,5	Substandard
<= 1,75	Poor

	Sub-Factor	Consideration	Relevance Scale 2022	Eval.
Environmental	1.1 Green Financing / Promoting	The sub-factor "Green Financing/Promoting" has a moderate relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria.	3	(+)
	1.2 Exposure to Environmental Factors	The sub-factor "Exposure to Environmental Factors" has a low relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria.	2	(+)
	1.3 Resource Efficiency	The sub-factor "Resource Efficiency" has no significant relevance for the credit rating.	1	()

Social	2.1 Human Capital	The sub-factor "Human Capital" has low relevance for the credit rating, and is rated neutral in terms of the CRA ESG criteria.	2	()
	2.2 Social Responsibility	The sub-factor "Social Responsibility" has no significant relevance for the credit rating.	1	(+)

Governance	3.1 Corporate Governance	The sub-factor "Corporate Governance" is highly relevant for the credit rating, and is rated neutral in terms of the CRA ESG criteria.	4	()
	3.2 Corporate Behaviour	The sub-factor "Corporate Behaviour" has a moderate relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria.	3	(+)
	3.3 Corporate Transparency	The sub-factor "Corporate Transparency" has no significant relevance for the credit rating.	1	()

ESG Relevance Scale		ESG Evaluation Guidance	
5	Highest Relevance	(+ +)	Strong positive
4	High Relevance	(+)	Positive
3	Moderate Relevance	()	Neutral
2	Low Relevance	(-)	Negative
1	No significant Relevance	(- -)	Strong negativ

The ESG Grade is based on the Methodology "Environmental, Social and Governance Grade of Banken (Version 1.0)" of Creditreform Rating AG, which is available on our homepage <https://creditreform-rating.de/en/about-us/regulatory-requirements.html>. In addition, we refer to CRA's position paper "Considering the Impact of ESG Factors".

Outlook

The outlook of the Long-Term Issuer Rating of Instituto de Crédito Oficial is stable, in line with the outlook of the Sovereign Rating of the Kingdom of Spain of 14 June 2024.

Best-case scenario: A+

Worst-case scenario: A-

Please note:

The scenarios are based on information available at the time of the rating. Within the forecast horizon, circumstances may occur that could lead to a change of the rating out of the indicated range.

Scenario Analysis

In the scenario analysis, the bank can achieve a Long-Term Issuer Rating of A+ in the best case and A- in the worst case. The rating of Preferred Senior Unsecured debt would behave the same according to our methodology.

An upgrade in the Long-Term Issuer Rating would occur if Spain's rating were to improve.

A downgrade of the Long-Term Issuer Rating would occur if Spain's rating were to deteriorate.

Appendix

Bank ratings Instituto de Crédito Oficial

The bank ratings are dependent on a host of quantitative and qualitative factors. An improvement in either sub-category may result in a higher rating score.

Long-Term Issuer / Outlook / Short-Term **A / L2 / stable**

Bank Capital and Debt Instruments Ratings Instituto de Crédito Oficial

The ratings for bank capital and debt instruments are inter alia dependent on subordination and relative size of the instrument class, based on the long-term issuer rating of the bank.

Preferred Senior Unsecured (PSU): **A**
 Non-Preferred Senior Unsecured (NPS): -
 Tier 2 (T2): -
 Additional Tier 1 (AT1): -

Rating History

Please consult our website www.creditreform-rating.de for additional information regarding the dates of publication.

Figure 1: Rating History

Bank Issuer Rating	Rating Date	Result
LT / Outlook / Short-Term (Initial)	13.07.2018	BBB+ / stable / L2
Rating Update	31.08.2018	A- / stable / L2
Rating Update	05.11.2019	A- / stable / L2
Monitoring	29.05.2020	A- / watch unknown / L2
Rating Update	13.11.2020	A- / negative / L2
Rating Update	24.09.2021	A- / negative / L2
Rating Update	15.12.2022	A- / stable / L2
Rating Update	07.11.2023	A- / stable / L2
Rating Update	19.07.2024	A / stable / L2
Bank Capital and Debt Instruments	Rating Date	Result
Senior Unsecured (Initial)	13.07.2018	BBB+
Senior Unsecured	31.08.2018	A-
PSU	05.11.2019	A-
PSU	29.05.2020	A- (watch unknown)
PSU	13.11.2020	A-
PSU	24.09.2021	A-
PSU	15.12.2022	A-
PSU	07.11.2023	A-
PSU	19.07.2024	A

Tables Group (if applicable)

Figure 2: Income statement¹ | Source: eValueRate / CRA

Income Statement (EUR m)	2023	%	2022	2021	2020
Income					
Net Interest Income	291	> +100	126	105	22
Net Fee & Commission Income	66	+23,4	53	50	49
Net Insurance Income	-	-	-	-	-
Net Trading & Fair Value Income	21	-57,0	50	48	30
Equity Accounted Results	5	+46,6	3	4	2
Dividends from Equity Instruments	0	-77,7	0	0	0
Other Income	1	+12,9	1	1	1
Operating Income	385	+64,8	234	207	104
Expense					
Depreciation and Amortisation	5	-18,9	6	5	5
Personnel Expense	27	+11,3	24	24	23
Tech & Communications Expense	9	+14,5	8	7	6
Marketing and Promotion Expense	0	-82,7	3	1	1
Other Provisions	-9	< -100	4	16	-73
Other Expense	12	+7,9	11	10	10
Operating Expense	43	-20,6	55	63	-28
Operating Profit & Impairment					
Operating Profit	341	+90,8	179	144	132
Cost of Risk / Impairment	-13	-45,6	-23	-48	22
Net Income					
Non-Recurring Income	3	+88,3	1	2	1
Non-Recurring Expense	-	-	-	-	-
Pre-tax Profit	357	+75,1	204	195	110
Income Tax Expense	105	+83,6	57	55	31
Discontinued Operations	-	-	-	-	-
Net Profit	252	+71,8	147	140	79
Attributable to minority interest (non-controlling interest)	-	-	-	-	-
Attributable to owners of the parent	252	+71,8	147	140	79

Figure 3: Key earnings figures | Source: eValueRate / CRA and Pillar III

Income Ratios (%)	2023	%	2022	2021	2020
Cost Income Ratio (CIR)	11,27	-12,11	23,38	30,38	-27,07
Cost Income Ratio ex. Trading (CIRex)	11,93	-17,75	29,68	39,53	-37,94
Return on Assets (ROA)	0,80	+0,30	0,49	0,37	0,23
Return on Equity (ROE)	4,37	+1,74	2,63	2,59	1,51
Return on Assets before Taxes (ROAbT)	1,13	+0,44	0,68	0,52	0,32
Return on Equity before Taxes (ROEbT)	6,18	+2,53	3,65	3,60	2,11
Return on Risk-Weighted Assets (RORWA)	1,41	+0,40	1,01	1,05	0,59
Return on Risk-Weighted Assets before Taxes (RORWAbT)	2,00	+0,59	1,40	1,46	0,82
Net Financial Margin (NFM)	1,00	+0,40	0,60	0,41	0,15
Pre-Impairment Operating Profit / Assets	1,08	+0,48	0,60	0,38	0,38

Change in %Points

¹ Data by our data provider eValueRate, which is standardized for analytical reasons. Thus, the used data and the resulting figures do not have necessary to match the presentation of the bank, which refers to this and all subsequent tables and figures.

Figure 4: Development of assets | Source: eValueRate / CRA

Assets (EUR m)	2023	%	2022	2021	2020
Cash and Balances with Central Banks	2.159	-18,2	2.637	9.380	2.730
Net Loans to Banks	8.301	+20,1	6.912	7.724	10.563
Net Loans to Customers	12.601	+23,9	10.174	10.713	11.434
Total Securities	7.927	-14,2	9.241	9.127	8.966
Total Derivative Assets	327	-30,4	469	466	347
Other Financial Assets	-	-	-	-	-
Financial Assets	31.315	+6,4	29.434	37.410	34.039
Equity Accounted Investments	89	+5,8	85	76	69
Other Investments	-	-	-	-	-
Insurance Assets	-	-	-	-	-
Non-current Assets & Discontinued Ops	-	-	-	-	-
Tangible and Intangible Assets	91	+0,8	90	91	92
Tax Assets	171	-4,2	179	185	180
Total Other Assets	23	+45,4	16	29	25
Total Assets	31.689	+6,3	29.803	37.790	34.407

Figure 5: Development of asset quality | Source: eValueRate / CRA and Pillar III

Asset Ratios (%)	2023	%	2022	2021	2020
Net Loans to Customers / Assets	39,77	+5,63	34,14	28,35	33,23
Risk-weighted Assets ¹ / Assets	56,42	+7,65	48,77	35,38	0,00
NPL ² / Loans to Customers ³	4,28	+0,59	3,69	3,81	4,14
NPL ² / Risk-weighted Assets ¹	3,02	+0,43	2,59	3,05	3,51
Potential Problem Loans ⁴ / Loans to Customers ³	0,00	+0,00	0,00	0,00	0,00
Reserves ⁵ / NPL ²	121,70	-38,48	160,18	152,51	140,79
Cost of Risk / Loans to Customers ³	-0,10	+0,13	-0,23	-0,45	0,19
Cost of Risk / Risk-weighted Assets ¹	-0,07	+0,09	-0,16	-0,36	0,16
Cost of Risk / Total Assets	-0,04	+0,04	-0,08	-0,13	0,06

Change in %Points

1 RWA: Pillar 3, EU CR1

2 NPL: Gross; Non-Performing Loans of the categories Households, Non-Financial Corporations, Other Financial Corporations as per Pillar 3, EU CR1

3 Loans to Customers: Gross; Households, Non-Financial Corporations, Other Financial Corporations as per Pillar 3, EU CR1

4 Potential Problem Loans: Stage 2; Households, Non-Financial Corporations, Other Financial Corporations as per Pillar 3, EU CR1

5 Reserves: Impairment & Provisions and Collateral & Guarantees; Households, Non-Financial Corporations, Other Financial Corporations as per Pillar 3, EU CR1

Figure 6: Development of refinancing and capital adequacy | Source: eValueRate / CRA

Liabilities (EUR m)	2023	%	2022	2021	2020
Total Deposits from Banks	6.050	-20,6	7.618	9.339	10.753
Total Deposits from Customers	408	+3,4	394	842	1.414
Total Debt	16.921	+26,5	13.374	20.087	15.294
Derivative Liabilities	607	+2,0	595	342	662
Securities Sold, not yet Purchased	-	-	-	-	-
Other Financial Liabilities	114	-53,8	247	259	299
Total Financial Liabilities	24.100	+8,4	22.229	30.868	28.422
Insurance Liabilities	-	-	-	-	-
Non-current Liabilities & Discontinued Ops	-	-	-	-	-
Tax Liabilities	174	+12,4	155	82	50
Provisions	1.582	-10,4	1.765	1.390	687
Total Other Liabilities	57	-11,3	65	40	7
Total Liabilities	25.913	+7,0	24.214	32.381	29.166
Total Equity	5.776	+3,3	5.589	5.409	5.241
Total Liabilities and Equity	31.689	+6,3	29.803	37.790	34.407

Figure 7: Development of capital and liquidity ratios | Source: eValueRate / CRA and Pillar III

Capital Ratios and Liquidity (%)	2023	%	2022	2021	2020
Total Equity / Total Assets	18,23	-0,53	18,75	14,31	15,23
Leverage Ratio ¹	13,31	-1,02	14,33	11,70	12,68
Common Equity Tier 1 Ratio (CET1) ²	0,00	+0,00	0,00	0,00	37,21
Tier 1 Ratio (CET1 + AT1) ²	26,56	-7,13	33,69	36,97	37,21
Total Capital Ratio (CET1 + AT1 + T2) ²	26,56	-7,13	33,69	36,97	37,21
CET1 Minimum Capital Requirements ¹	0,00	+0,00	0,00	0,00	0,00
Net Stable Funding Ratio (NSFR) ¹	111,76	-4,33	116,09	125,23	0,00
Liquidity Coverage Ratio (LCR) ¹	740,97	#####	327,39	947,63	0,00

Change in %Points

¹ Pillar 3 EU KM 1

² Regulatory Capital Ratios: Pillar 3 EU KM 1

Regulatory

Creditreform Rating AG was neither commissioned by the rating object nor by any other third party for the rating. The analysis took place on a voluntary basis by Creditreform Rating AG and is to be described in the regulatory sense as an unsolicited rating. The following table clarifies the level of participation of the rated entity (rating object):

Unsolicited Credit Rating	
With Rated Entity or Related Third Party Participation	No
With Access to Internal Documents	No
With Access to Management	No

The rating is based on publicly available information and internal evaluation methods for the rated bank. The quantitative analysis is based mainly on the latest annual accounts, interim reports, other investor relations information of the bank, and calculated key figures by eValueRate / CRA.

The information and documents processed met the requirements of the rating system of Creditreform Rating AG as published on the website www.creditreform-rating.de. The rating was carried out on the basis of the following methodologies and [Rating Criteria and Definitions \(v1.3\)](#):

- [Bank ratings \(v3.3\)](#)
- [Rating of bank capital and unsecured debt instruments \(v2.2\)](#)
- [Government-Related Banks \(v2.1\)](#)
- [Environmental, Social and Governance Score for Banks \(v1.1\)](#)

The complete presentation of the rating methodologies used by Creditreform Rating AG and the basic document Rating Criteria and Definitions are published on our homepage:

<https://www.creditreform-rating.de/en/about-us/regulatory-requirements.html>

On 19 July 2024, the rating was presented by the analysts to the rating committee and adopted in a resolution.

The rating result was communicated to Instituto de Crédito Oficial, and the preliminary rating report was made available to the bank. There was no change in the rating.

The rating is valid until withdrawal and is subject to monitoring from the rating date (see cover page). The rating will be comprehensively reviewed at least once every year. Within this period, the rating can be updated.

In 2011 Creditreform Rating AG was registered within the European Union according to EU Regulation 1060/2009 (CRA-Regulation). Based on the registration Creditreform Rating AG (CRA) is allowed to issue credit ratings within the EU and is bound to comply with the provisions of the CRA-Regulation.

Rating Endorsement Status: The rating of Instituto de Crédito Oficial (Group) was not endorsed by Creditreform Rating AG from a third country as defined in Article 4 (3) of the CRA-Regulation.

Conflict of Interests

No conflicts of interest were identified during the rating process that might influence the analyses and judgements of the rating analysts involved or any other natural person whose services are placed at the disposal or under the control of Creditreform Rating AG and who are directly involved in credit rating activities or approving credit ratings and rating outlooks.

Creditreform Rating AG guarantees that the provision of ancillary services does not cause a conflict of interest with its rating activities and discloses in the final rating report which ancillary services were provided for the rating object or for third parties associated with it. The following ancillary services were provided for this rating object or for related third parties:

No ancillary services in the regulatory sense were provided for this rating.

The final list of rating-related and credit services can be viewed on the Creditreform Rating AG website at <https://www.creditreform-rating.de/de/wir-ueber-uns/regulatorische-anforderungen.html#nebendienstleistungen>.

Rules on the Presentation of Credit Ratings and Rating Outlooks

The approval of credit ratings and rating outlooks follows our internal policies and procedures. In line with our policy "Rating Committee," all credit ratings and rating outlooks are approved by a rating committee based on the principle of unanimity.

To prepare this credit rating, CRA has used following substantially material sources:

1. Aggregated data base by eValueRate
2. Annual Report and interim reports
3. Investors relations information and other publications
4. Website of the rated bank
5. Public and internal market analyses
6. Internet research

There are no other attributes and limitations of the credit rating or rating outlook other than displayed on the CRA website. Furthermore CRA considers satisfactory the quality and extent of information available on the rated entity. In regard to the rated entity Creditreform Rating AG regarded available historical data as sufficient.

Between the disclosure of the credit rating to the rated entity and the public disclosure no amendments were made to the credit rating.

The "Basic data" information card indicates the principal methodology or version of methodology that was used in determining the rating, with a reference to its comprehensive description.

In case where the credit rating is based on more than one methodology or where reference only to the principal methodology might cause investors to overlook other important aspects of the

credit rating, including any significant adjustments and deviations, Creditreform Rating AG explains this fact in the credit rating and indicates how the different methodologies or these other aspects are taken into account in the credit rating. This information is integrated in the credit rating report.

The meaning of each rating category, the definition of default or recovery and any appropriate risk warning, including a sensitivity analysis of the relevant key rating assumptions, such as mathematical or correlation assumptions, accompanied by worst-case scenario credit ratings as well as best-case scenario credit ratings are explained in mentioned methodologies and / or in the credit rating report.

The date at which the credit rating was released for distribution for the first time and when it was last updated including any rating outlooks is indicated clearly and prominently in the rating report or in the "Basic data" card as a "Rating action"; first release is indicated as "initial rating", other updates are indicated as an "update", "upgrade or downgrade", "not rated", "confirmed", "selective default" or "default".

In the case of a rating outlook, the time horizon is provided during which a change in the credit rating is expected. This information is available in the rating report or the „Basic data“ information card.

In accordance to Article 11 (2) EU-Regulation (EC) No 1060/2009 registered or certified credit rating agency shall make available in a central repository established by ESMA information on its historical performance data, including the ratings transition frequency, and information about credit ratings issued in the past and on their changes. Requested data are available at the ESMA website: <https://cerep.esma.europa.eu/cerep-web/statistics/defaults.xhtml>.

An explanatory statement of the meaning of Creditreform's default rates are available in the credit rating methodologies disclosed on the website.

Disclaimer

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Future events are uncertain, and forecasts are necessarily based on assessments and assumptions. This rating is therefore no statement of fact, but an opinion. For this reason, Creditreform Rating AG cannot be held liable for the consequences of decisions made on the basis of any of their ratings. Neither should these ratings be construed as recommendations for investors, buyers or sellers. They should only be used by market participants (entrepreneurs, bankers, investors etc.) as one factor among others when arriving at corporate or investment decisions. Ratings are not meant to be used as substitutes for one's own research, inquiries and assessments.

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