

Rating Update:

Malta's credit rating affirmed at "A+", outlook revised to "stable" against uncertain growth and public finance backdrop created by Covid-19

Rating Action

Neuss, 22 May 2020

Creditreform Rating has revised its outlook on the Republic of Malta to "stable" from "positive" and affirmed the unsolicited long-term sovereign rating of "A+". Creditreform Rating has also affirmed Malta's unsolicited ratings for foreign and local currency senior unsecured long-term debt of "A+".

Reasons for the Outlook Revision

The outlook on the Republic of Malta has been revised from positive to stable, reflecting that

- (i) the exceptional domestic and external shock linked to the novel coronavirus will likely see Maltese economic activity plunging and put its labor market under severe pressure, resulting in the worst recession seen in decades; the economy should recover through the second half and beyond as restrictive measures are gradually eased, but uncertainty around medium-term outlook is unusually high; and
- (ii) policy efforts devoted to Covid-19 should mitigate the worst effects on the corporate and household sector, but lift the public debt ratio materially, albeit from comparatively low levels.

Covid-19 curtailing near-term growth amidst an unusually uncertain medium-term outlook

Since our last review, the outbreak of the coronavirus has materially changed global economic conditions. Against this backdrop, the Maltese economy is facing a massive combined external and domestic shock which feeds through its supply and demand side. On the one hand, Malta's small and open export-oriented economy, and its tourism industry in particular, will be hit very hard as the global economy contracts sharply and external demand declines, whilst multiple disruptions in international supply chains are set to hurt production. Concurrently, containment measures to protect the population and reduced social contacts have resulted in a domestic shock that restricts consumption and economic activity more generally.

Maltese authorities have acted quickly in implementing a significant package of measures to safeguard public health. Beginning from 12 March, the government closed educational facilities, non-essential retail stores and services, restaurants, bars, and recreational public spaces. Also, restrictions on travel and mass gatherings have been introduced.

At the current juncture, we expect Malta to experience the sharpest drop in economic growth in decades, with real GDP declining by 5.5% this year. We pencil in real GDP growth of 4.8% in 2021, as we assume that the effects of Covid-19 will gradually subside going forward and the

economy will recover through the second half and beyond, with economic disruptions concentrated in the second quarter. Hence, economic activity is likely to pick up again over the following months, albeit starting from a low level, reflecting a gradual easing of the protection measures. Indeed, a number of health services have resumed, and court registers as well as some retail outlets have re-opened since early May, though having to meet a raft of security requirements.

We have to emphasize that our forecast is subject to substantial uncertainty, as relatively little is known about Covid-19 and its characteristics, and developments are very dynamic. Progress towards normalization will not least depend on the time it takes to find effective vaccines. Moreover, extensions and/or a reintroduction of containment measures may be deemed necessary, as second and third-round effects related to the corona pandemic cannot be ruled out.

Net exports will presumably drag substantially on this year's output expansion. Due to the paramount importance of tourism, Malta's export growth will be seriously affected by Covid-19 and the related travel restrictions. While tourist arrivals had been picking up at the turn of the year, displaying a monthly average growth of 17.6% y-o-y from December to February, March already saw a collapse of over 50% in inbound tourism compared to March-19. We expect even steeper declines for the second quarter. Tourism should recover only gradually, as international travel is contingent on the lockdown periods in other countries, and since people may be hesitant to travel as long as no vaccine can be provided. Conversely, we expect remote gaming, the other industry that has contributed significantly to GDP growth over recent years, to perform more robustly. While there is little hard economic data, we view Eurostat's flash estimate for euro area growth of -3.8% of GDP for Q1-20 as a harbinger of a pronounced slump in Malta's exports in 2020. Diminishing import growth should limit the fallout of net external trade.

Prior to the outbreak of Covid-19, strong labor market conditions were set to buttress solid private consumption growth; now, with containment measures and heavy limitations in place in many services sectors, labor supply will be impaired, among others due to the closure of school and childcare facilities. Labor metrics are set to weaken, with employment plummeting and unemployment facing a sharp increase, albeit temporarily before staging a gradual recovery. Concomitant with weak loan growth and disposable income, this will lead to a decline in household spending, somewhat cushioned by moderate inflation.

Gross fixed capital formation, which we previously assumed to prove conducive to growth this year, will contract transitorily in view of the very high uncertainty caused by the global pandemic and clouded external trade. The expected large capital projects related to real estate, tourism, and healthcare projects will likely be hampered, and it is highly uncertain whether these can be realized this year.

By contrast, general government consumption expenditure should aid economic growth, balancing the other weak domestic demand components to some extent. At the same time, policy efforts dedicated to Covid-19 are likely to enable the economy to resume its medium-term growth trend beyond 2020, mitigating the worst effects on the corporate and household sector. In a bid to prevent corporate bankruptcies and redundancies, Maltese authorities have decided on providing for a deferral of tax payments, to make up for the income loss of employees and self-employed, to facilitate teleworking, and to grant financial compensation to employers for employees on quarantine leave. Furthermore, the government has introduced social measures targeted towards parents, unemployed, and people with disabilities. Measures geared toward facilitating liquidity comprise the Covid-19 Guarantee Scheme (CGS), which shall guarantee commercial bank loans financing new working capital requirements to businesses, an interest rate

subsidy on these working capital loans, and a moratorium on loans to corporates and households.

Fiscal response to coronavirus resulting in significantly adverse but prospectively transitory impact on public finances

Before the outbreak, we had expected a moderate headline surplus, with solid economic activity and labor market conditions leading to robust tax receipts, which should have compensated for initiatives aimed at a sustainable development of the Maltese economy (e.g. infrastructure, social protection, education). At present, we expect the headline balance to shift deeply into deficit, coming in at 8.0% of GDP in 2020, before narrowing considerably on the back of the assumed economic recovery next year. Besides automatic stabilizers and markedly lower tax revenue due to the installed containment measures, which will weigh on the budget, the aforementioned encompassing policy package to support households and businesses hit by the corona crisis significantly alters the outlook for Malta's public finances.

A substantial policy package with measures totaling 13.7% of 2019 GDP was thus adopted on 18 March. The package includes loan guarantees of EUR 780m, direct spending measures to support the health sector and to secure liquidity and income, amounting to EUR 210m, and EUR 700m in tax deferrals. This package was eventually amended on 24 March as authorities enacted the Covid Wage Supplement (€800 or less according to eligibility) to lend support to employers' wage payments. Apart from that, additional outlays on healthcare would come to about EUR 130m in 2020. While tax deferrals should be largely budget neutral, guarantees represent the main downside risk to our budget forecast, as we have not factored in a drawdown on the guarantees yet. In its recently published Stability Program Update the Ministry of Finance assumes an estimated Covid-19 impact of approx. 4.1% of GDP.

Accordingly, Malta's public debt ratio will spike this year, prospectively posting at some 55% of GDP before stabilizing on that level and resuming its downward trajectory over the medium term. However, risks are heavily skewed to the downside, reflecting uncertainties on the uptake of guarantees and economic prospects. That said, Malta's favorable initial fiscal position, together with the fiscal prudence demonstrated in the recent past and the assumption of a short-lived shock, all support the stable outlook on Malta's credit rating. The sovereign commands over sizable fiscal buffers due to past fiscal consolidation efforts, dwindling interest outlays, and vivid economic growth, which had pushed general government gross debt down to 43.1% of GDP last year (2011: 70.2% of GDP). We believe that authorities will continue to follow their main thrust of making prudent use of fiscal space.

Debt affordability appears to be no major issue given a moderate interest-to-revenue ratio (see below) and the low interest rate environment. The ECB's swift monetary policy loosening, liquidity provision, and applied flexibility in terms of collateral and rating considerations, currently act as a cushion and will provide a benign environment for the time being. Among other things, the ECB thus decided to lend substantial monetary policy support against the unfavorable backdrop of Covid-19, having announced a Pandemic Emergency Purchase Program (PEPP) with an envelope of EUR 750bn and additional net purchases of EUR 120bn to the existing asset purchase program.

Reasons for the Rating Decision

Irrespective of weaker economic prospects in the near term and related uncertainties beyond 2020 entailed by Covid-19, we uphold our view that Malta's creditworthiness is supported by the sovereign's favorable macroeconomic backdrop.

Vivid economic growth has led to a dynamic convergence towards EU income levels over the last decade. As reckoned by the IMF, Malta's GDP per capita rose to USD 47,405 in 2019 (2010-19: +66%, PPP terms), and we assume Malta will continue on its upward trajectory in the aftermath of Covid-19. Strong economic growth had extended through 2019, placing Malta among the fastest growing economies in Europe over recent years. After coming in at 7.3% in 2018, real GDP growth slowed to a still robust 4.4% last year, mainly due to softer private consumption. Household spending grew at a more sustainable rate of 2.4% after an extraordinarily high 7.3% a year before (2013-17 average: 3.0%). Labor markets provided a strong footing for consumption, as conditions had remained very benign until recently, featuring persistently high employment growth (2019: 5.6%, EA-19: 1.2%) and a record-low unemployment rate of 3.4% (LFS adjusted), well below the euro area average of 7.5% in 2019 (Eurostat data).

After three years of contraction, gross fixed capital formation returned to growth (7.2%), boosted by higher investment in other buildings and structures (4.6% to 5.2% of nominal GDP in 2018-19) and investment in transport equipment (1.1% to 1.9% of nominal GDP). Moreover, 2019 saw a continued surge in public consumption (12.0%, 2018: 12.7%), adding 1.9 p.p. to growth. In a context of weaker external demand, which also mirrored easing growth in inbound tourism (2019: 5.9%, 2018: 14.3%), export growth more than halved from 3.5% to 1.7%, thus seeing net external trade's growth contribution turning negative (-0.2 p.p.).

Meanwhile, its very high openness (2019: 261.0% of GDP) and small size (nominal GDP: EUR 13.2bn), continue to render the Maltese economy very vulnerable to external shocks, whilst medium- to long-term growth may be dragged down by structural bottlenecks. Infrastructure gaps (e.g. transport, energy) may dent the economy's growth potential going forward, although we gather that the government has embarked on various projects, among them a 7-year road project, a project addressing waste management, and upgrades on power plants. R&D expenditure remains very low (0.6% of GDP in 2018, EU-27: 2.2%). Furthermore, tightening labor markets had resulted in substantial labor shortages prior to the outbreak of the corona crisis, according to Eurostat survey data on businesses' perception of factors limiting production up to Q1-20. In this vein, the most recent investment survey conducted by EIB showed that virtually every corporate cited shortages of skilled labor as a long-term barrier to investment, at 96.5% the highest reading among all surveyed economies (EU average: 76.4%). We would expect to see shortages of skilled labor resurfacing once the Maltese economy has recovered from the Covid-19 shock. At the same time, entrenched structural weaknesses in its business environment, mainly associated to registering property (Doing Business rank 152 out of 190 economies) and resolving insolvencies (rank 121), could also curb potential growth unless addressed by policy-makers.

Our credit assessment also factors in the quality of the sovereign's institutional set-up, which we deem as generally high, supported by EMU and EU membership. Despite being broadly aligned with the respective median figures for our A-rated universe, we recall that the World Bank's Worldwide Governance Indicators illustrate shortcomings with regard to rule of law as well as control of corruption in particular, and some deterioration in institutional conditions more generally.

In this regard, we would also reiterate our reservations with a view to AML/CFT, although we expect continued commitment to improve the AML/CFT framework and acknowledge reform efforts by the authorities concerned. We note that AML/CFT challenges may have significant adverse effects on the perception of Malta as an attractive financial and business center in the event financial market participants' concerns around this issue were not adequately met. The observation of decreasing correspondent banking relationship is a case in point. While recent analyses by the Bank for International Settlements suggest that the retreat of correspondent banks (CBs) is a global phenomenon not confined to Malta alone, as CBs have significantly pared back their relationships since 2012, Malta displays one of the largest declines in CB relationships among the EU-28 states in 2012-18. What is more, pressures appear to be increasing, as two globally active banks from the Netherlands and Germany have reportedly retreated as of March 2020 and October 2019 respectively.

In January, Robert Abela secured a victory in a vote on the Labor Party's leadership and took over as prime minister from Joseph Muscat, who resigned last December in the wake of the investigation into journalist Galizia's murder. The replacement was accompanied by some re-shuffling in the new PM's cabinet, with new heads appointed to the economy, foreign affairs, home affairs, and justice ministries. That said, we do not expect a change in policy-making.

The affirmation of Malta's ratings is also based on its fiscal metrics, which we continue to assess as favorable, despite risks related to elevated public guarantees and the key role of rather volatile CIT revenue and receipts from the Individual Investor Program.

The sovereign's fiscal strength is reflected by increasingly affordable debt, as interest expenditure fell to a new low of 3.6% of general government revenue in 2019, compared to 4.0% a year before and almost half of the level seen five years before (2014: 6.9%), and by rapidly declining general government gross debt. Having fallen by roughly 20 p.p. since 2014, the public debt ratio amounted to a mere 43.1% of GDP in 2019 (2018: 45.6%), one of the lowest levels observed in the euro area.

Sustained deleveraging has been aided by brisk economic activity and recurring primary surpluses, the latter coming in at an annual average of 2.6% in 2014-19. Concerning last year's fiscal outturn, Malta achieved a headline surplus for the fourth year in a row, which nevertheless moderated from 1.9 to 0.5% of GDP in 2018-19, below the 1.4% projected in the DBP2020. Taxes on production and imports were not as supportive as in 2018 (+1.8%, 2018: +12.2%), whereas income and wealth tax displayed healthy growth (10.7%). At the same time, spending expanded significantly by 1.0% of GDP, mainly on the back of intermediate consumption (in particular related to health and education) which went up from 6.6 to 7.5% of GDP.

Whilst financial stability metrics indicate that the banking sector is in good shape, we would continue to flag residential property as a factor that has to be monitored. House prices have continued to grow vigorously, as measured by the three-year growth rate based on quarterly Eurostat data (Q4-19: 17.7%, Q4-18: 16.9%), coupled with dynamic mortgage lending, which is the main driver of non-financial private credit growth, standing for an increasing share of total private credit (Mar-20: 54.4%). To be sure, the likelihood that adverse events on the residential property market may impinge on banking soundness has become more remote since our last review, mainly due to Covid-19.

On the external side, we would assess the high susceptibility to shocks emanating from the external sector as broadly balanced by persistent and very high current account surpluses as well

as the concurrent positive and large net international investment position (NIIP), despite the fact that balance of payment data is often heavily revised, and seems to be blurred, mirroring Malta's status as a business and financial center.

As a corollary of weakening external demand, 2019 also saw Malta's surplus edge down, however at 9.7% of GDP (2018: 11.1%) it remained among the largest in Europe. Malta's extraordinarily strong services surplus is the most salient feature of its external accounts (down from 33.2 to 32.4% of GDP in 2018-19), considerably buttressing the very high current account surplus. Going forward, Malta's tourism sector will be challenged by Covid-19, and will, together with deteriorating external trade more generally, very likely cause the current account surplus to narrow considerably. Nevertheless, Malta's NIIP should remain large, after equaling 62.7% of GDP (2018: 63.2%).

Rating Sensitivity

The outlook for the long-term credit ratings of the Republic of Malta is stable, as we expect the risk situation underlying the main factors affecting sovereign credit risk to remain fundamentally unchanged at this stage. We note, however, that the assessment and interpretation of economic developments is much more challenging than under normal circumstances, as is the case for other indicators, given the current considerable uncertainty in the economy and financial markets, and the constantly evolving news flow surrounding Covid-19 and its impact.

A negative rating action could be triggered if Covid-19 leads to a downturn that is more protracted than currently expected, in particular if Malta's tourism industry fails to recover. We could also lower Malta's rating or the related outlook if its public debt ratio increases persistently. This could be the case if extensions and/or a reintroduction of containment measures related to Covid-19 are deemed necessary. More generally, risks pertaining to international trade and a no-deal Brexit remain viable threats to Malta's medium-term prospects. To be sure, we are currently assuming that the transitional period following the exit from the EU will ultimately be extended beyond the end of this year, despite official communication to the contrary on the part of the UK. The tail risk pertaining to changing international taxation standards also remains in place.

Conversely, we could consider an upgrade or reinstating Malta's positive outlook if a sustainable recovery in terms of medium-term real GDP growth has taken hold, if government debt resumes its pre-corona crisis trend, and/or if we observe palpable progress with regard to its governance framework and AML/CFT challenges in particular.

Analysts

Primary Analyst
Fabienne Riefer
Sovereign Credit Analyst
f.riefer@creditreform-rating.de
+49 2131 109 1462

Chair Person
Benjamin Mohr
Head of Sovereign Ratings
b.mohr@creditreform-rating.de
+49 2131 109 5172

Ratings*

Long-term sovereign rating A+ /stable

Foreign currency senior unsecured long-term debt A+ /stable

Local currency senior unsecured long-term debt A+ /stable

*) Unsolicited

Economic Data

[in %, otherwise noted]	2014	2015	2016	2017	2018	2019	2020e
Real GDP growth	8.8	10.9	5.8	6.5	7.3	4.4	-5.5
GDP per capita (PPP, USD)	35,188	38,481	40,108	42,675	45,164	47,405	n.a.
HICP inflation rate, y-o-y change	0.8	1.2	0.9	1.3	1.7	1.5	0.8
Default history (years since default)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Life expectancy at birth (years)	82.1	82.0	82.6	82.4	82.5	n.a.	n.a.
Fiscal balance/GDP	-1.7	-1.0	1.0	3.3	1.9	0.5	-8.0
Current account balance/GDP	5.8	2.8	3.8	10.5	11.1	9.7	n.a.
External debt/GDP	1098.8	946.9	854.6	817.3	740.4	700.7	n.a.

Source: International Monetary Fund, Eurostat, own estimates

ESG Factors

While there is no universal and commonly agreed typology or definition of environment, social, and governance (ESG) criteria, Creditreform Rating views ESG factors as an essential yardstick for assessing the sustainability of a state. Creditreform Rating thus takes account of ESG factors in its decision-making process before arriving at a sovereign credit rating. In the following, we explain how and to what degree any of the key drivers behind the credit rating or the related outlook is associated with what we understand to be an ESG factor, and outline why these ESG factors were material to the credit rating or rating outlook.

For further information on the conceptual approach pertaining to ESG factors in public finance and the relevance of ESG factors to sovereign credit ratings and to Creditreform Rating credit

ratings more generally, we refer to the basic documentation, which lays which lays down [key principles of the impact of ESG factors on credit ratings](#).

ESG Factor Box

Environmental Quality	Ecological Risks	Ressource Management	Education	Health	Demo-graphics
Labor	Equality	Technology & Infrastructure	Safety & Security	Judicial System	Quality of Public Services
Integrity of Public Officials	Quality and Efficacy of Regulations	Civil Liberties/ Political Participation	Market Access	Business Environment	Data Transparency

Environment	Social	Governance	Highly significant	Significant	Less significant	Hardly significant
-------------	--------	------------	--------------------	-------------	------------------	--------------------

The governance dimension plays a pivotal role in forming our opinion on the creditworthiness of the sovereign. As the World Bank’s Worldwide Governance Indicators Rule of Law, Government Effectiveness, Voice and Accountability, and Control of corruption have a material impact on Creditreform Rating’s assessment of the sovereign’s institutional set-up, which we regard as a key rating driver, we consider the ESG factors ‘Judicial System and Property Rights’, ‘Quality of Public Services and Policies’, ‘Civil Liberties and Political Participation’, and ‘Integrity of Public Officials’ as highly significant to the credit rating.

Since indicators relating to the competitive stance of the sovereign such as the World Bank’s Ease of Doing Business index and the World Economic Forum’s Global Competitiveness Indicator add further input to our rating or adjustments thereof, we judge the ESG factor ‘Business Environment’ as significant.

While Covid-19 may have significant adverse effects on several components in our ESG factor framework in the medium to long term, it has not been visible in the relevant metrics we consider in the context of ESG factors – though it has a significant bearing concerning economic prospects and public finances. To be sure, we will follow ESG dynamics closely in this regard.

Appendix

Rating History

Event	Publication Date	Rating /Outlook
Initial Rating	25.11.2016	A+ /stable
Monitoring	24.11.2017	A+ /stable
Monitoring	23.11.2018	A+ /stable
Monitoring	22.11.2019	A+ /positive
Monitoring	22.05.2020	A+ /stable

Regulatory Requirements

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

This sovereign rating is an unsolicited credit rating. Central Bank of Malta (CBM) and the Maltese Ministry of Finance (MOF) participated in the credit rating process as the authorities provided additional data and commented on a draft version of this report. Thus, the report represents an updated version which was augmented in response to the factual remarks of CBM and MOF. The rating outcome as well as the related outlook remained unchanged.

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

The rating was conducted on the basis of CRAG's ["Sovereign Ratings" methodology](#) (v1.2, July 2016) in conjunction with its basic document ["Rating Criteria and Definitions"](#) (v1.3, January 2018). CRAG ensures that methodologies, models and key rating assumptions for determining sovereign credit ratings are properly maintained, up-to-date, and subject to a comprehensive review on a periodic basis. A complete description of CRAG's rating methodologies and basic document "Rating Criteria and Definitions" is published on our [website](#).

To prepare this credit rating, CRAG has used the following substantially material sources: International Monetary Fund, World Bank, Organization for Economic Co-operation and Development, Eurostat, European Commission, European Banking Authority, European Central Bank, World Economic Forum, Central Bank of Malta, National Statistics Office Malta, Ministry for Finance Malta.

A Rating Committee was called consisting of highly qualified analysts of CRAG. The quality and extent of information available on the rated entity was considered satisfactory. The analysts and committee members declared that the rules of the Code of Conduct were complied with. 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. The analysts presented the results of the quantitative and qualitative analyses and provided the Committee with a recommendation for the rating decision. After the discussion of the relevant quantitative and qualitative risk factors, the Rating Committee arrived at a unanimous rating decision. The weighting of all risk factors is described in CRAG's "Sovereign Ratings" methodology. The main arguments that were raised in the discussion are summarized in the "Reasons for the Rating Decision".

As regards the rating outlook, the time horizon is provided during which a change in the credit rating is expected. This information is available within the credit rating report. There are no other attributes and limitations of the credit rating or rating outlook other than displayed on the CRAG website. In case of providing ancillary services to the rated entity, CRAG will disclose all ancillary services 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; the first release is indicated as “initial rating”; other updates are indicated as an “update”, “upgrade or downgrade”, “not rated”, “affirmed”, “selective default” or “default”.

In accordance with 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 on the ESMA website: <https://cerep.esma.europa.eu/cerep-web/statistics/defaults.xhtml>.

An explanatory statement of the meaning of each rating category and the definition of default are available in the credit rating methodologies disclosed on the website.

Disclaimer

Any rating issued by Creditreform Rating AG is subject to the Creditreform Rating AG Code of Conduct which has been published on the web pages of Creditreform Rating AG. In this Code of Conduct, Creditreform Rating AG commits itself – systematically and with due diligence – to establish its independent and objective opinion as to the sustainability, risks and opportunities concerning the entity or the issue under review.

When assessing the creditworthiness of sovereign issuers, Creditreform Rating AG relies on publicly available data and information from international data sources, governments and national statistics. Creditreform Rating AG assumes no responsibility for the true and fair representation of the original information.

Future events are uncertain, and forecasts are necessarily based on assessments and assumptions. Hence, this rating is no statement of fact but an opinion. 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 investment decisions. Ratings are not meant to be used as substitutes for one’s own research, inquiries and assessments. Thus, no express or implied warranty as to the accuracy, timeliness or completeness for any purpose of any such rating, opinion or information is given by Creditreform Rating AG in any form or manner whatsoever. Furthermore, Creditreform Rating AG cannot be held liable for the consequences of decisions made on the basis of any of their ratings.

This report is protected by copyright. Any commercial use is prohibited without prior written permission from Creditreform Rating AG. Only the full report may be published in order to prevent distortion of the report’s overall assessment. Excerpts may only be used with the express

consent of Creditreform Rating AG. Publication of the report without the consent of Creditreform Rating AG is prohibited. Only ratings published on the Creditreform Rating AG web pages remain valid.

Creditreform Rating AG

Creditreform Rating AG

Hellersbergstrasse 11

D - 41460 Neuss

Phone +49 (0) 2131 / 109-626

Fax +49 (0) 2131 / 109-627

E-Mail info@creditreform-rating.de

Internet www.creditreform-rating.de

CEO: Dr. Michael Munsch

Chairman of the Board: Prof. Dr. Helmut Rödl

HRB 10522, Amtsgericht Neuss