



Your Partner Risk Wise

ICAP is the only company in Greece registered as:

- Credit Rating Agency (CRA), by the European Securities and Markets Authority (ESMA)
- External Credit Assessment Institution (ECAI) by the Bank of Greece.

ICAP Credit Ratings may be used by companies to finance business and attract investors as well as by the credit institutions for the calculation of their capital requirements and for the monetary policy operations within the Eurosystem Credit Assessment Framework (ECAF).

ICAP CREDIT RATING AGENCY - KEY PRINCIPLES & FACTS

- ICAP applies rigorous and robust methodologies, procedures, and policies to ensure compliance with the regulatory framework and assignment of credit ratings that are governed by the principles of Integrity, Reliability, Transparency, and Independence.
- ICAP is among the 29 EU certified Credit Rating Agencies, operating under the same framework with competing institutions such as Moody's and S&P
- During its 10 years of operation, ICAP assigned credit ratings to 6,000 corporates with total of assets (at current prices) exceeding €200bn.
- Since its introduction to the market of Structured Finance Instruments, ICAP has already assigned ratings to loan securitisation transactions exceeding €20bn.

Establishment
of ICAP

1964

ICAP Credit Rating Agency

Launch of the
Business Information
Department,
the starting point for
the creation of the
largest business
information
databank in Greece.

1969

1964 / 2021

an extraordinary
journey

ICAP commenced
its engagement
in credit risk
measurement.

1992

ICAP became the
5th European company
registered as a Credit
Rating Agency by
European Securities &
Markets Authority
(ESMA).

2000

ICAP developed credit
risk measurement
systems, the advanced
successor of which is the
current ICAP Risk.
Profiler, a next
generation risk
assessment platform,
aiming at increasing
clients' effectiveness
and efficiency in their
day-to-day credit
assessment
operations.

2011

ICAP developed the
Industry Rating to meet
the need of market
participants for a
predictive indicator
of risks and for
prospects each sector
of economic activity.

2017



Expansion of ICAP credit rating services to the assignment of Credit Ratings to Real Estate Investment Companies (R.E.I.Cs)

2018

ICAP launched its methodology for the assignment of Credit Ratings to Structured Finance Instruments and joined the limited community of CRAs which provides this complex and demanding credit rating service.

2020

ICAP's medium-term objectives include the development of Real Time Ratings, Small Business Behavioral Ratings, European Corporate Ratings and European SF Synthetic CDO Ratings.

2023

2019

Expansion of ICAP credit rating services to the assignment of Credit Ratings for Corporate Debt Instruments.

2021

Recognizing the necessity of sustainable economy and development and the important role that ESG factors will have in the investment decisions and risk management processes, ICAP is developing methodologies for the assignment of ESG Ratings.



Types of Credit Ratings *

A. Corporate Credit Ratings

Non-Financial Corporates

The purpose of Corporate Credit Rating is to assess the creditworthiness of reviewed enterprises in relation to their probability of default and/or bankruptcy over a period of one year. This results from the review of data based on a defined Quantitative Model and additional detailed material information by a Ratings Analyst. Rating is captured on a ten-point scale (AA, A, BB, B, C, D, E, F, G & H). The closer the company's classification is to higher credit ratings (AA), the lower the probability to default and/or bankruptcy. The business perimeter to which ICAP assigns Credit Ratings also includes Companies operating in Special Activities, Holding Companies and Real Estate Investment Companies (REIC).

Corporate Debt Instruments

ICAP Credit Rating for Corporate Debt Instruments (bonds, notes and loans) expresses the instruments' probability of default.

The methodology applied combines the ICAP corporate ratings with a notching approach which reflects the recovery expectations in the event of default. Special attention is paid to structural credit enhancements such as guarantees, cash reserves, collaterals and specially arranged security provisions in transactions that affect recovery expectations.

The corporate debt instrument rating scale follows the corporate credit rating scale, but with intermediate categories (notching).

B. Credit Ratings in Structured Finance Instruments

ICAP rates Asset Backed Securities, including instruments produced by securitisations of Performing or non-Performing Credit Exposures and Trade Credit Receivables, granted either to legal entities or natural persons. The service is specialized depending on the type of receivables, covering the whole range of credit (Secured or Unsecured, Consumer Loans, Mortgage Loans, Corporate Loans, Leasing, etc.). The Credit Rating reflects the level of confidence that the instrument will fulfill its contractual obligations, fully and in time.

To determine this level of confidence, ICAP has developed a methodological approach that combines both quantitative and qualitative factors, which capture the risk characteristics of the underlying asset portfolio, the transaction structure, the legal risks, the counterparty risks, as well as the performance of the Servicer and all parties involved.

ICAP's methodology for estimating expected losses (EL) is based on an innovative generalization of the Vasicek credit loss distribution, in order to determine in detail, the probability of extreme loss events, estimating recovery rates and taking into account macroeconomic factors. The rating scale of Structured Finance Instruments Ratings is nine-grade with intermediate categories (notching).