

ICAP CRIF CREDIT RATING

ICAP CRIF Credit Rating expresses an estimation of a company’s credit quality with respect to the probability of default and/or bankruptcy within a one – year time horizon.

This estimation is based on an analysis of commercial, financial, and trading data derived from public sources and interviews with the rated companies.

Credit Ratings appear on a ten-grade scale (AAA, AA, A, BBB, BB, B, CCC, CC, C and D). The closer the rating to the higher grades (AAA – BBB) the lower the probability of default and/or bankruptcy.

On the contrary, the closer the rating to the lower grades (CC – D) the higher the probability of default and/or bankruptcy.

N.R. (Not Rated) class includes companies that cannot be rated due to lack of sufficient data, N.T. (Not Trading) class includes companies that have ceased to operate (i.e., bankruptcy, liquidation, dissolution, etc.) while N.C. (Not Calculated) includes companies that cannot be evaluated due to reasons such as the legal status (Cooperatives, Joint ventures, etc.) and the activity sector (Financial Institutions, Insurance Companies, etc.).

Low Credit Risk				Medium Credit Risk			High Credit Risk			Not Rated		
AAA	AA	A	BBB	BB	B	CCC	CC	C	D	N.R.	N.T.	N.T.

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AAA	<p>The AAA-rating indicates the lowest credit risk and it is assigned to companies that are able to honor their obligations even under severe distressed conditions and therefore their credit worthiness is expected to continue to be very high.</p> <p>Companies rated with AAA are characterized by exceptional financial strength, very strong business growth and important market position.</p>
AA	<p>The AA-rating indicates very low credit risk and it is assigned to companies that are able to honor their obligations even under severe distressed conditions and therefore their credit worthiness is expected to continue to be high.</p> <p>Companies rated with AA are characterized by very strong financials, strong business growth and important market position.</p>
A	<p>The A-rating indicates very low credit risk and it is assigned to companies that are likely to be affected very marginally by severe distressed conditions and therefore their credit worthiness is expected to continue to be relatively high.</p> <p>Companies rated with A are characterized by significant financial strength, stable business growth and competitive market position.</p>
BBB	<p>The BBB-rating indicates low credit risk and it is assigned to companies that are likely to be affected slightly by severe distressed conditions and therefore their credit worthiness is expected to continue to be relatively stable.</p> <p>Companies rated with BBB are characterized by satisfactory financial strength, stable business growth and relatively competitive market position.</p>
BB	<p>The BB-rating indicates moderate credit risk and it is assigned to companies that are sensitive to market and economic conditions and therefore their credit worthiness is expected to continue to be relatively stable.</p> <p>Companies rated with BB are characterized by moderate financial strength and stable business level and relatively declining competitive market position.</p>
B	<p>The B-rating indicates relatively increased credit risk and it is assigned to companies that are rather sensitive to market and economic conditions.</p> <p>Companies rated with B are characterized by below average financial strength and negative business growth and declining competitive market position.</p>
CCC	<p>The CCC-rating indicates increased credit risk and it is assigned to companies that are very sensitive to market and economic conditions.</p> <p>Companies rated with CCC are characterized by low financial strength and substantially negative business growth and low competitive market position.</p>

CC	<p>The CC-rating indicates significantly increased credit risk and it is assigned to companies that have or are very likely to have in the short term a problem in honoring their financial obligation.</p> <p>Companies rated with CC are characterized by significantly low financial strength and competitive market position.</p>
C	<p>The C-rating indicates very high credit risk and it is assigned to companies with significant problems in honoring their financial obligation.</p> <p>Companies rated with C are characterized by encumbered financial strength that put in jeopardy their business.</p>
D	<p>The D-rating indicates the highest credit risk and it is assigned to companies with very significant problems in honoring their financial obligation.</p> <p>Companies rated with D are characterized by extremely encumbered financial strength that put in significantly jeopardy their business.</p>
N.R.	<p>Not Rated. The 'NR' class does not constitute a rating grade and includes companies that cannot be rated.</p>
N.T.	<p>Not Trading. The 'NT' class does not constitute a rating grade and includes companies that have ceased to operate.</p>
N.C.	<p>Not Calculated. The 'NC' class does not constitute a rating grade and includes companies that cannot be calculated.</p>

NOTE: Credit rating expresses an overall view on the financial position of the company, and it should not be equated to the possible profitable or loss-making financial outcome. Credit ratings do not constitute suggestions to buy, sell or hold of investment securities.