



ICAP S.A.

**METHODOLOGY FOR THE
ASSIGNMENT OF CREDIT RATINGS TO
COMPANIES OPERATING IN SPECIAL
ACTIVITIES**

DECEMBER 2018

Table of Contents

INTRODUCTION.....	3
PART ONE	4
1.1. Data Sources	4
1.2. Forecast Time Horizon.....	4
1.3. Definition of Default.....	4
1.4. Scope	4
1.5. Main Factors for the Development of a Specialised Methodology	5
PART TWO	6
2.1. General Description of the Methodology.....	6
2.2. Detailed Description of the Methodology.....	7
2.2.1. Quantitative Assessment	7
2.2.2. Qualitative Assessment.....	15
2.2.3. Additional rating criteria that contribute to a consistent and documented configuration of the final credit rating	20
2.2.4. Finalization of the Credit Rating	22
2.2.5. Control and Monitoring	22
APPENDIX: ICAP Credit Rating Scale.....	23

INTRODUCTION

This document describes the methodology developed and used by ICAP to assign Credit Ratings to Greek companies operating in special activities, i.e. those which are active in the following areas:

- Production of electricity from renewable energy sources with installed power >1MW¹,
- Production of electricity from thermal units with installed power >1MW,
- Execution of Public-Private Partnerships (PPPs) and the Concessions sector,
- Management and exploitation of commercial real estate, except those operating under the legal and institutional status of Real Estate Investment Companies (R.E.I.C.s) (Art. 21-31 of L. 2778/1999, as amended and supplemented by Law 2892/2001, Law 2992/2002, Law 3581/2007 and Law 4171/2013).

The methodology is in line with the requirements of the amended Regulation 1060/2009 of the European Parliament and of the Council of 16 September 2009 on Credit Rating Agencies.

The document is structured in two parts. In the first part are presented:

- The data sources,
- The forecast time horizon,
- Basic definitions of necessary concepts for understanding the methodology,
- The scope of the described methodology,
- The main factors for developing a specialised methodology.

In the second part are presented:

- The general description of the methodology,
- The key factors of the quantitative assessment,
- The key factors of the qualitative assessment,
- The main criteria examined and may lead to the differentiation of the result of the quantitative and qualitative assessment by the relevant Analyst,
- The finalization of the Credit Rating,
- The process followed for checking and monitoring the Credit Rating.

¹ Companies producing electricity from RES or thermal units with installed power below 1MW, are assessed based on the Basic Methodology of ICAP, with particular emphasis on the result of the metric **EBITDA – [Difference in requirements for two consecutive uses]/Debt + interest expenses**, as regards the quantitative assessment. In the Quality assessment and notching criteria are followed the questionnaire and the criteria of the Basic Methodology.

PART ONE

1.1. Data Sources

The data sources applicable to this methodology are presented extensively in the document of the basic Methodology for Credit Ratings assignment developed by ICAP (Chapter 1).²

1.2. Forecast Time Horizon

For the forecast time horizon, see the document of the basic Methodology for Credit Ratings assignment (Section 2.1.1).²

1.3. Definition of Default

For the Definition of Default, see the document of the basic Methodology for Credit Ratings assignment (Section 2.1.2).²

1.4. Scope

In the following text the evaluated company will also be referred to as "Issuer" or "Entity".

Companies that fall within the scope of this methodology are characterized by their exclusive involvement with one of the aforementioned areas, which is generally reflected in their statutes (the purpose of the company) and in any case is clearly apparent from the real business of the company and its clientele which in the first four cases includes a customer (DIACHEIRISTIS APE & ENGYISEON PROELEFSIS S.A. "D.A.P.E.E.P" or INDEPENDENT POWER TRANSMISSION OPERATOR "I.P.T.O." S.A. for electricity generation and the public sector's counterparty for PPPs), which is also referred as off taker, while in the latter case it includes companies that lease places in the relevant commercial real estate.

It is possible for the same company to manage more than one unit in the above items (either under the same contract, as in PPPs, or with different sales contracts, as in case of power generation).

² [CREDIT RATINGS ASSIGNMENT METHODOLOGY](#)

The text that follows the term "production" will refer either to the (intangible) product of the company (for the production of electricity) or to the services it provides (e.g. rental services of premises and incidental services to keep them in a good condition of operation).

1.5. Main Factors for the Development of a Specialised Methodology

The specific characteristics of the companies operating in special activities, such as their business model of operation, the uniqueness of their client, the business of leasing and real estate development, the estimation of seasonal cyclicity presented by revenue, the specific costs of the development and operation of power plants, the specificity of PPP contracts, etc., it is considered that they cannot be assessed with regard to the risk assessment they contain, and thus to form reliable and consistent assessment of the company's creditworthiness, through the standard methodology developed by ICAP².

PART TWO

2.1. General Description of the Methodology

The evaluation model of these companies comprises three stages and is based on the development of an appropriate score card. Includes:

1. The quantitative assessment,
2. The qualitative assessment,
(the two above are the main models of evaluation) and
3. The evaluation of additional criteria that may differentiate the final result of quantitative and qualitative assessment.

The quantitative assessment includes an estimate of the issuer's current and future cash flows at a depth of typically decade, or the estimated duration of the loan (if shorter) with which the construction investment has been financed, based on reasonable estimates of the company's financial sizes from a number of sources (documentation) studied by the assessment team, as well as the Monte Carlo statistics simulate those with the birth of a multitude of synthetic scenarios which are summed up to expected values of the quantities under study. In order to capture the input data and the results (outputs) of the quantitative evaluation, a standardized form template (score card) is used.

The qualitative assessment includes the evaluation of a set of individual criteria covering all aspects of the issuer's profile, based on the data in the documentation. A standard form (score card) is used to illustrate the individual criteria of the quantitative assessment and the relevant grades, as well as the grades of the quantitative assessment and the overall score of the issuer.

Both quantitative and qualitative assessment leads to the return of a score that are summed to calculate the total score of the company under review through a tiered function. The above cumulative score corresponds to one of the ten Credit Rating zones of ICAP (see Appendix).

The above result is the basis of the evaluation and the assignment of the final Credit Rating. In this frame, the relevant Analyst must also examine a series of additional criteria that are not included in the basic model and which will be presented below.

The purpose of the examination is the reinforcing by the Analyst of the correctness of the basic model result, according to the current situation and his/her own empirical approach. The above gives the possibility of differentiation of the final Credit Rating result from the one that identifies the basic model.

2.2. Detailed Description of the Methodology

2.2.1. Quantitative Assessment

A. Editing Project's Techno-Economic Data

The evaluation of the companies operating in special activities is based primarily on the collection of data that is basically derived from the entity concerned and in particular on financial projections (usually in the form of a techno-economic study – Business Plan), including data on the expected production and operating expenses of the entity under review (accompanied by any necessary documentation material).

Further documentation is also collected which, as appropriate, include, but is not limited to:

- Loan agreements, guarantee documents and any hedging contracts,
- Project planning and construction contract and basic annexes (technical specifications, guarantees - clauses, other obligations, implementation and payment schedule, etc.), including any guarantees for performance during the operational phase and the relevant clauses,
- Progress data if the project is still in the construction phase (e.g. work certification, partial receipt protocols, etc.)
- Contract with the customer showing the price of the product and the other conditions,
- The latest available balance sheet and the profit and loss account,
- Financing agreements by shareholders or third parties (excluding banks), letters of credit / other forms of credit support,
- The relevant contracts in the case of provision for future grants (e.g. through development law or other form).

This documentation is used for the purposes of the assessment (with a proper confidentiality clause regarding any confidential or in any case not available public data). For the purposes of the assessment, also are used any additional elements that are either publicly available (e.g. shareholder structure, laws and regulations, regulatory communications, sectorial data,

etc.) or are in the possession of ICAP through legally valid contracts with the appropriate confidentiality protection clauses (e.g. transaction behavior data).

An examination of the financial forecasts (Business Plan), is carried out, as well as the indexing of the relevant assumptions and the test of their validity, based both on the Analyst judgment and on the data from the above-mentioned documentation or from other publicly available sources that can be cross-referenced.

If some assumptions are deemed to be unfounded, they are corrected by the assessment team in accordance with the available data.

In particular, the parameters (technical and financial) affecting the issuer's cash flows are identified, which are indicatively referring to:

- The size of "production" (whether it concerns a product, e.g. energy or service, commercial leasing),
- The disposal prices through contracts in force,
- Any additional income (e.g. through approved grants),
- Production costs,
- Other expenses (e.g. tax),
- The cost of servicing loan liabilities through the loan agreements that are in force.

In the event that techno-economic study is not available, the identification of these parameters is based on the knowledge of the Business Plans by the assessment team, as well as on the experience of previously available related business plans.

It is also carried out a check on the validity of the assumptions and, a cross-reference with the documentation available to ICAP.

Essentially, the assessment team prepare the financial forecasts from the outset in a form as compatible as possible, with the existing business plans of other similar companies.

Then it takes place:

- Categorization of these parameters into fixed (e.g. disposal price through long-term contract, cost of lease through long-term contract, depreciation of existing fixed assets) and changing (e.g. production size, labor cost),
- Estimation of the baseline values which are the current values for the fixed parameters and the statistical average values for changing,
- Estimation of the standard deviation for the changing parameters.

The estimation of baseline values is determined according to the corrected (as above) assumptions of the techno-economic study or (if not available) with the corresponding, reasonable, assumptions of the assessment team and compared with any available historical data.

Respectively, the estimation of the standard deviations is carried out, considering a normal distribution for the changing parameters except in the case of base rates (such as EURIBOR in cases that have been examined so far) where it is considered lognormal distribution and is performed fitting of historical data, and in the case of the recovery times of receivables and repayment of liabilities where the uniform distribution of a finite price range is adopted (which are estimated on the basis of balance sheet statistics and on the specific picture of the particular market).

B. Risk Drivers-Analysis Data

The basic risk drivers of the evaluation Model (through scorecard), by category of assessed company, relate on the one hand to a subset of parameters essentially common to all categories and on the other to a subset, specialized per category, based on the nature of the activity. In summary, the two subtotals include the following parameter groups:

- **Common Parameters**

- Operating costs (statistical parameters per expenditure category),
- Additional revenue (e.g. grants) under contracts,
- Macroeconomic indicators (statistical parameters of rate and price index),
- Tax rates and depreciation of fixed assets per year,
- Microeconomic parameters such as the time of receivables collection and repayment of liabilities (statistical parameters),
- Estimates of the time remaining to start-up (if not already in operation), by subunit or location, if applicable,
- The loan installment plan (per borrowing line, if applicable), spreads and any fixed contributions as well as hedging items, if any.

- **Renewable Energy Sources with Installed Power >1MW**

- Size of production (statistical parameters of the annual size and the fraction of the time when the plant will be out of operation, as well as an estimate of the annual impairment for PV),
- Sale price per unit of product,
- Any guaranteed production height (by the manufacturer) where applicable.

- **Thermal Power Plants with Installed Power >1MW**
 - Production size (statistical parameters of the annual size and the fraction of the time when the unit will be out of service as well as an estimate of the annual impairment),
 - Statistical parameters for the sales price per unit of product (energy),
 - Statistical parameters for the supply price per fuel unit and its trend of change,
 - Statistical parameters of specific revenues (e.g. Capacity Availability Certificates) and costs (e.g. CO2 rights) if applicable,
 - Technical performance and conversion factors (e.g. energy fuel content),
 - Any guaranteed production height (by the manufacturer) where applicable.

- **PPP & Concessions**
 - Total revenue per year and distribution of each construction - site (if there are more than one),
 - Statistical parameters of starting times for each site (if not yet available) in the form of a minimum and maximum price assessment with a uniform distribution,
 - Statistical impairment parameters (e.g. due to non-availability).

- **Commercial real estate (Excluding R.E.I.Cs.)**
 - Data of expected revenue of existing leases of commercial shops based on the relevant contracts (fixed - minimum rent, any indexation, any percentage of the income of the lessees, current income of the lessees, time remaining until the start of the lease, if not yet in effect, etc.),
 - Estimates of statistical parameters (average price – standard deviation) for the tendency to change the income of employees in subsequent years,
 - Any other income (excluding rentals) at current prices and estimates of statistical parameters for the trend of its change.

C. Standardization of Financial Provisions

Based on the aforementioned parameters, a cash flow model is prepared for the Issuer. The structure of the model is standardized but is specified on a case-by-case basis, based on the type of Issuer's activity and further, if required, based on any specific project's features (e.g. special costs due to contractual clauses). The model carries out cash flow calculations for the Issuer's estimated economic life, which is the period up to the expected repayment of its existing debt obligations.

The basic cash flow scenario occurs by executing the model for the base values of the parameters and compared to the financial results available from the aforementioned documentation. Typically, the values of the last balance sheet/account statement/operating accounts, should be approached by the basic scenario with a distance of not more than 10%.

D. Running Statistics (Monte Carlo) Simulations

Monte Carlo simulation is used to analyze and model data. Any specific calculations (e.g. variable cost maintenance contracts at individual time periods, special clauses or warranties, special arrangements for interest spreads, special cases of one-off revenues, etc.) are incorporated into the code.

Monte Carlo simulation is performed through repeated renditions of the model for random value sets of changing variables, resulting from generator (pseudo) random numbers with the mean and standard deviation have been estimated previously.

Means and standard deviations of the model output values are calculated for successive multitudes of iterations of the same sequence of sets (pseudo) random numbers until practical convergence is achieved, which in all cases examined so far is achieved in the first few thousand trials. The test is carried out until the 20,000 repetitions. More specifically, a (pseudo) random sequence of 20,000 trials is generated and the average values are obtained for 500, 1,000, 2,000, 5,000, 10,000 and 20,000 repetitions as "checkpoints".

From the executions of the model so far, it appears that the convergence is a long way before the 20,000 repetitions. By examining, for example, the behavior of the price of metric DSCR in terms of convergence, by defining the percentage change in value at each checkpoint as compared to the previous one, we have observed in all cases that the last checkpoint of 20,000 repetitions the "convergence range" is well below 1%, and will typically result in 0.1-0.2%, except from (relatively extreme) cases of high volatility (the standard deviation of DSCR is approximately equal to or greater than its average value), where it was found to be between 0.7-0.8%. This means that for practical purposes it can be assumed that the method has always converged to 20,000 iterations, and except for the above-mentioned cases of high volatility, the values of the "convergence range" tend to be well below 1% even for the first "checkpoint" of 1,000 repeats.

By re-performing the model with a different (pseudo)random number and all identical parameters, the repeatability of the results is confirmed (the difference does not exceed the uncertainty resulting from the "convergence range" of the model).

Then, stress tests are performed by examining standard negative scenarios (stress scenarios) with worsened input parameter values and resuming the simulation as above. As a negative scenario, a combination case has been used initially to reduce production, reduce the price of disposal, increase operating costs beyond inflation, increase the days of recovery of receivables and repayment of liabilities and increase (deteriorate) of the production degradation rate (where applicable, i.e. in photovoltaic and thermal units).

However, in the application, it was found that the latter two parameters had a relatively limited impact on the results, whereas from a technical point of view, the deterioration of the production degradation rate is particularly low and often covered by guarantees (e.g. in the maintenance contract for thermal units). Furthermore, any increase in operating costs in addition to inflation also has a small impact on cash flows (due to the nature of the activities under review) and a reduced likelihood of occurrence in the current macroeconomic environment, while not in line with assumptions of the production and the disposal price.

Finally, it was considered that the combined hypothesis of reducing production and (at the same time) lowering the disposal price is extremely unlikely to occur in practice. For these reasons, the use of the first two parameters (reduction of production and reduction of disposal price) has been chosen in two distinct stress scenarios (reduction of a parameter in each of them), the results of which are combined with equal weights to give the final result of the stress test.

The final results of the simulation are:

- The statistical (average) expected values of the metrics under consideration and the standard deviation of the metric DSCR for the baseline scenario,
- The statistical (average) expected values of the metric DSCR for stress tests which then lead to quantitative calibration through tiered functions, as mentioned above.

E. Outputs –Analysis Result

The quantitative assessment is based on widespread metrics of the international bibliography that are susceptible to specific and simple interpretation and are related to the probability of a credit event/default. The specific metrics were also selected as there is a lack of (internationally) wide-ranging historical credit event data for companies of specific activities of the rated categories.

For the purposes of this methodology, the metrics used are:

- **Debt Service Coverage Ratio (DSCR)**, which is the ratio of the available liquidity from the issuer's annual cash flows to serving the annual debt (CFADS) to the amount required to service it (interest plus Principal Payments).
- **DSCR Variability**. For this metric, the Average DSCR as calculated above and the minimum DSCR are considered. Then, compare the average to the minimum DSCR to determine the DSCR variability.
- **Stressed DSCR**. This metric is calculated as the Average DSCR but with different assumptions regarding the company's cash flow calculation. In particular, the assumptions include a significant reduction in the company's revenue and a simultaneous increase in its operating costs. In this way, the company's behavior is controlled under unfavorable economic conditions.

The higher the DSCR under extreme economic conditions is, the greater is the potential of the company to cope with its obligations, not only under current but also under adverse economic conditions.

- **Average LLCR**. The specific metric is calculated for each year separately as the ratio of the total net current value, of project's remaining flows, available until the maturity of the company's debts, to the total outstanding Debt.

The average of the annual prices is then calculated. High values of the specific metrics indicate companies that will not have difficulties in servicing their debt obligations.

- **Average Funds from Operation / Total Adjusted Debt (FFO/TAD)**. The specific metric is the ratio of the available liquidity of issuer's annual cash flow minus the annual interest payments, to the current total outstanding balance of the loans.

The average of the annual prices is then calculated. The higher the value of the specific metric, the greater the company's ability to meet its debt obligations.

- **Debt/KW.** This metric is used only for the assessment of power generation companies and it is derived as the ratio of the company's total debt to the nominal power capacity measured in KW. Companies with low values in this metric imply lower credit risk since, either they use less leverage to generate power or their power (and thus their revenue) is high.
- **AADT per Lane Km (Annual Average Daily Traffic per Lane Kilometre).** This metric is used for the assessment of companies that undertake the construction and commercial operation of national toll roads and it is calculated as the ratio of the average estimated number of vehicles using the road in both directions over the kilometers of the road.

The above metrics are calculated on an annual basis.

For the purpose of the analysis, the value of the above metrics is defined as their expected value (except for the Debt / kW ratio, for which this is not required). This value for each metric corresponds to a degree through a tiered function of 0 (worse) to 5 (better) (i.e., within each range of the metric, within a certain range, a degree value is assigned). The grades of these variables are combined linearly with weights, leading to the calculation of the overall degree of quantitative assessment.

2.2.2. Qualitative Assessment

Qualitative assessment by an Analyst is carried out through the completion of a specific questionnaire. Qualitative assessment is based on a series of appropriately grouped criteria that can be answered in a specific and documented manner, based on the documentation that has come to our knowledge. The assessment of each criterion is reflected in a small number (usually 3 or 4 and rarely 2) taxonomic levels (e.g. low/medium/high risk).

The qualitative evaluation criteria are differentiated according to the type of project. By category evaluated issuer the criteria include:

- Renewable energy sources with installed power > 1MW,
- Thermal units with installed power > 1MW,
- Execution of Public-Private Partnerships (PPPs) and the Concessions Sector
- Commercial real estate (excluding R.E.I.Cs.)³

Below is the process followed and the criteria that are considered for the qualitative assessment of specific activities companies according to their activity.

³ For the evaluation of companies active in the commercial exploitation of real estate in the legal form of R.E.I.C., ICAP has developed a specialised methodology, which is described in the document that is posted on the website of ICAP:

[CREDIT RATINGS METHODOLOGY FOR REAL ESTATE INVESTMENT COMPANIES \(R.E.I.C.\)](#)

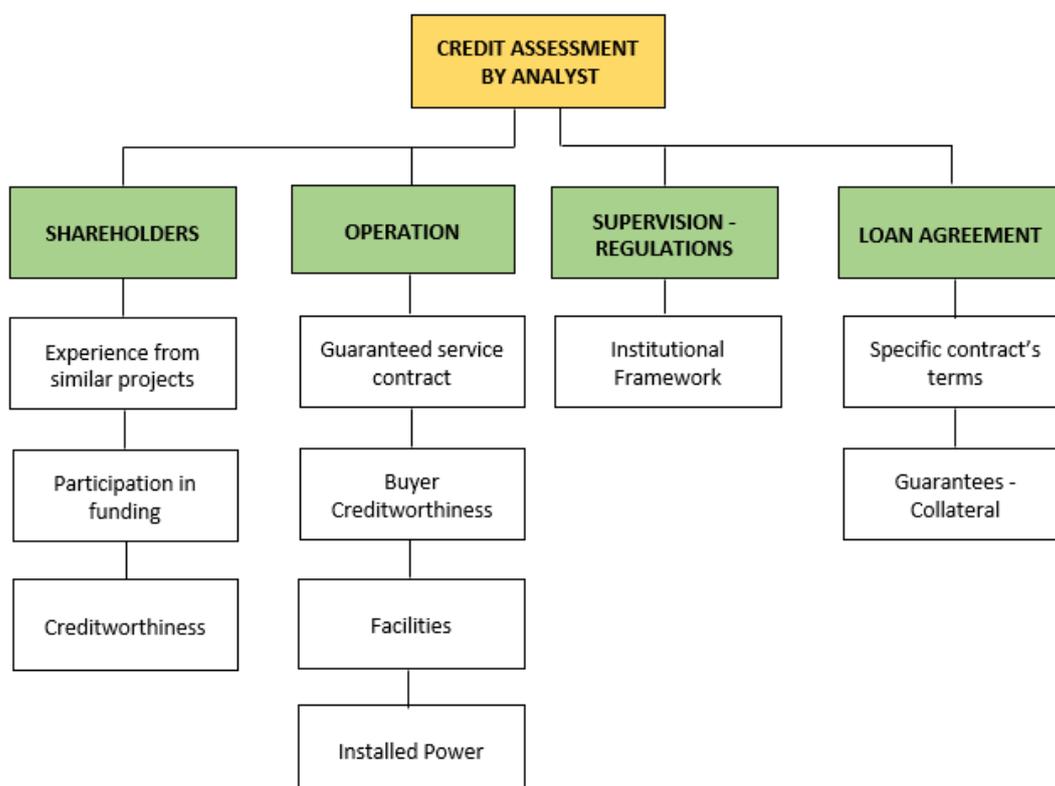
Renewable Energy Sources with Installed Power >1MW

For companies active in the renewable energy sector, the evaluation criteria are classified into four main categories according to the risk factors they assess, which are:

- Shareholder evaluation,
- Operation evaluation,
- Institutional and supervisory framework,
- Loan agreements evaluation.

The flowchart below outlines the followed process.

Graph 1. Analyst Credit Assessment Process for R.E.S. with installed power >1MW



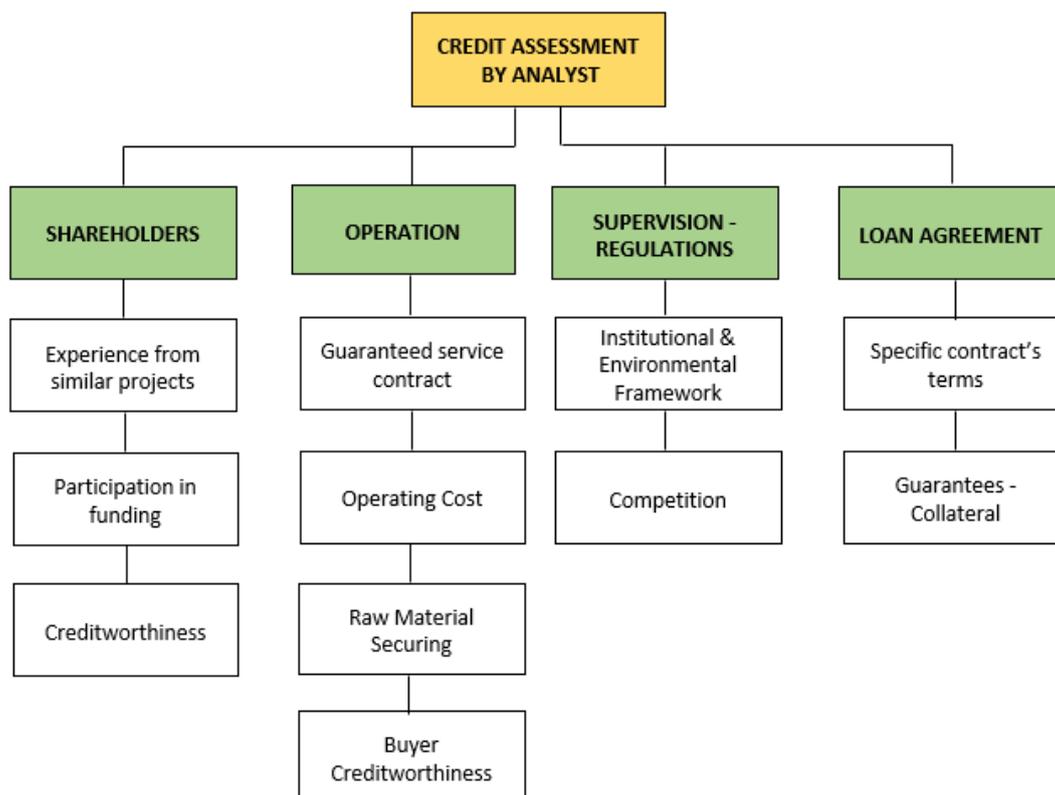
Thermal Units with Installed Power >1MW

For companies active in the sector of thermal power generation, the assessment criteria are also classified into four main categories depending on the risk factors they assess, and which are:

- Shareholder evaluation,
- Operation evaluation,
- Institutional and supervisory framework,
- Loan agreements evaluation.

The flowchart below outlines the followed process.

Graph 2. Analyst Credit Assessment Process for Thermal units with installed power >1MW



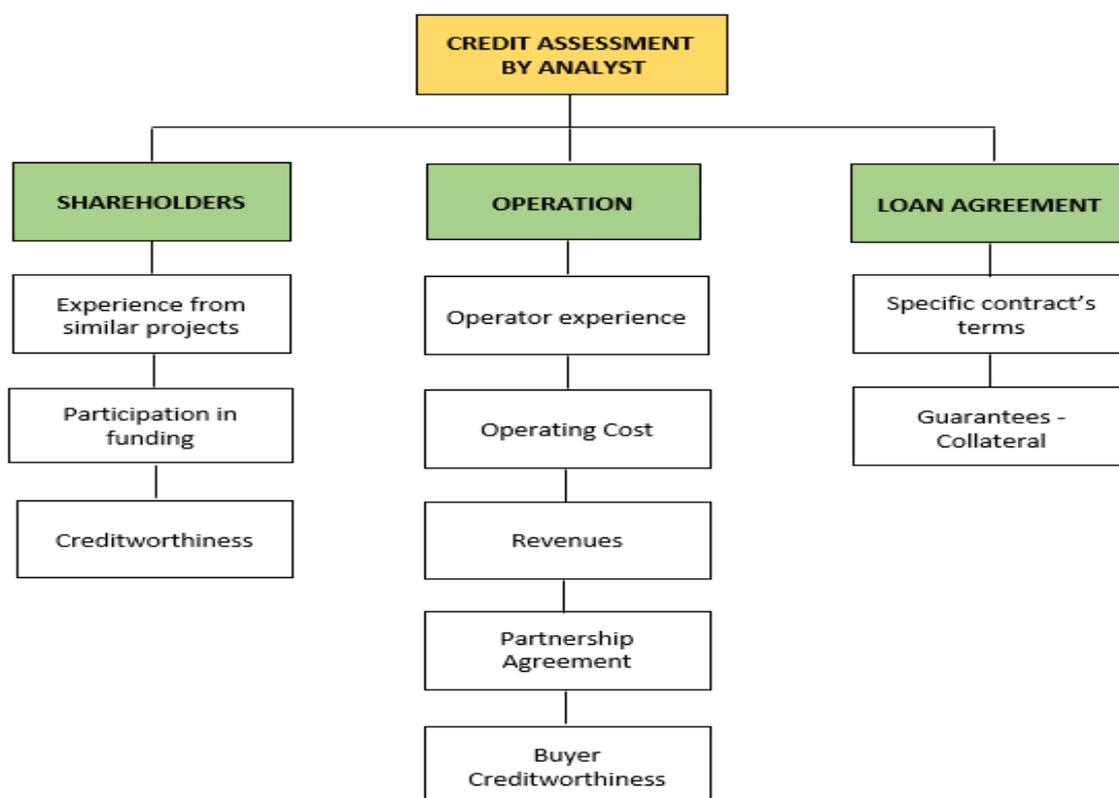
Public-Private Partnerships (PPPs) & Concessions

Regarding entities active in the public and private partnerships sector, but also in the Concessions sector, the evaluation criteria are classified into three main categories depending on the risk factors they assess, which are:

- Shareholder evaluation,
- Operation evaluation,
- Loan agreements evaluation.

The flowchart below outlines the followed process.

Graph 3. Analyst Credit Assessment Process for Public-Private Partnerships (PPPs) & Concessions



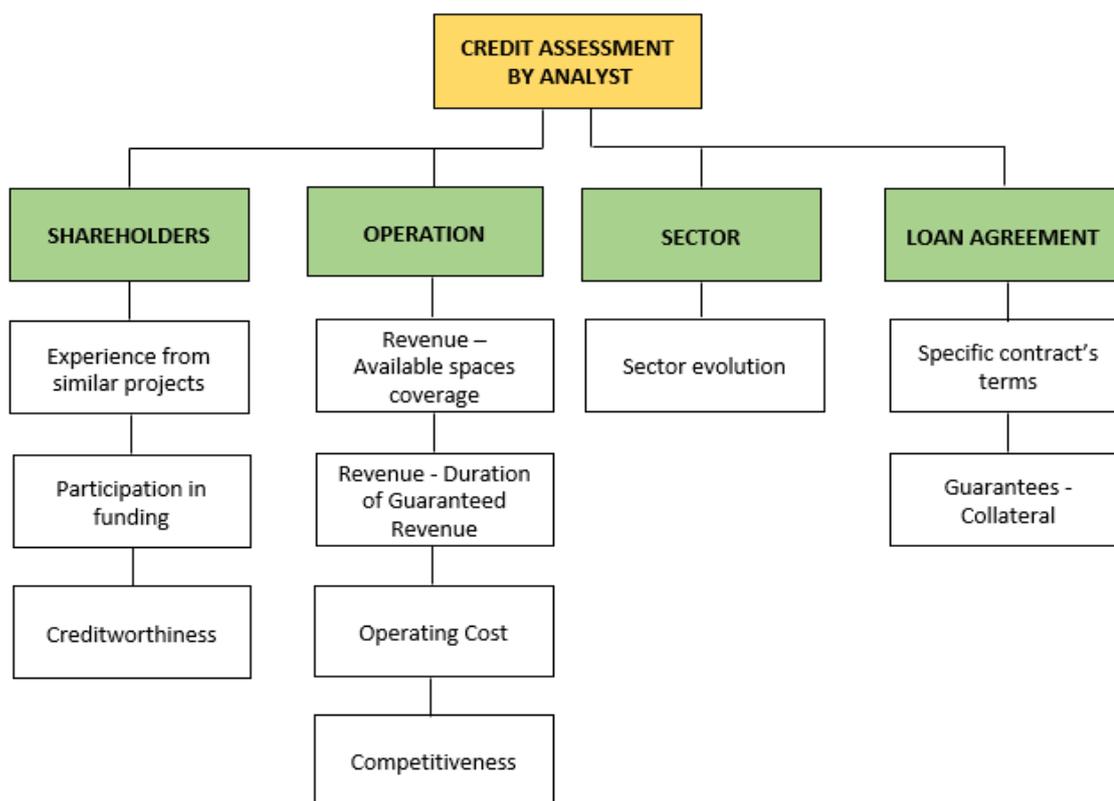
Commercial Real Estate (Excluding R.E.I.Cs.)

As regards companies operating in the commercial real estate sector which do not fall under the legal provisions on R.E.I.C., the evaluation criteria are also classified into four main categories depending on the risk factors they assess, which are:

- Shareholder evaluation,
- Operation evaluation
- Sector evaluation
- Loan agreements evaluation.

The flowchart below outlines the followed process.

Graph 4. Analyst Credit Assessment Process for Commercial real estate (other than R.E.I.Cs)



2.2.3. Additional rating criteria that contribute to a consistent and documented configuration of the final credit rating

The above described process concerning the assignment of Credit Ratings to companies operating in special activities, includes the examination of a series of specific secondary criteria, which are considered critical, come from the experience and international practices and allow the Analyst to differentiate, either positively or negatively, the result obtained from the quantitative and qualitative assessment. These secondary criteria are classified according to the type of the entity's activity and each of them has a different weight, participating in a completely different way in shaping the final result.

More specifically on the basis of the activity of the entities under consideration, the criteria for potential differentiation are classified as follows:

Renewable Energy Sources with Installed Power >1MW

1. Manufacturer's creditworthiness
2. Penalties-clauses
3. Refinancing
4. Quality of information
5. Guaranties
6. Liquidity

Thermal Units with Installed Power>1MW

1. Construction Risk
2. Manufacturer experience
3. Manufacturer's creditworthiness
4. Penalties - Compensation
5. Timetable
6. Refinancing
7. Quality of Information
8. Guaranties - Performance Clauses
9. Construction Technology
10. Liquidity
11. Selling Policy

Public-Private Partnerships (PPPs) & Concessions

1. Construction Risk
2. Manufacturer experience
3. Manufacturer's creditworthiness
4. Penalties - Compensation
5. Refinancing
6. Quality of Information
7. Guaranties - Performance Clauses
8. Construction Technology
9. Liquidity
10. Institutional Framework

Commercial Real Estate (Excluding R.E.I.Cs.)

1. Construction Risk
2. Manufacturer experience
3. Manufacturer's creditworthiness
4. Penalties - Compensation
5. Timetable
6. Refinancing
7. Quality of Information
8. Guaranties - Performance Clauses
9. Construction Technology
10. Liquidity
11. Selling Policy

Finally, for the reassessment of the entity under review, the assessment team reviews all the qualitative criteria and the notching criteria and changes the grading as needed, while the quantitative assessment examines the simulation predictions to confirm the general agreement with any newer available microeconomic data (e.g. by publishing the issuer's balance sheet) and reviewing the key assumptions of the simulation model. In the event of a change in some of them, simulation and quantitative assessment are repeated based on new results.

2.2.4. Finalization of the Credit Rating

As mentioned above the result of the quantitative and qualitative assessment combined with the result of the assessment of the notching criteria is the proposed final Credit Rating for the examined entity and does not accept any other modification.

However, due to the specificity of the process described and the nature of the activity of the entities under consideration, the result of the evaluation shall be submitted for review and validation to the Rating Committee.

Following the validation of the result and by the Rating Committee, the Credit Rating is recorded by the Analyst in the ICAP database accompanied by the necessary documentation, followed by the disclosure of the result to the rated entity.

In the case of disagreement, the above process is repeated, only upon presentation, by the entity under consideration, of newer data, which, in its view substantiates differentiation, which are assessed appropriately. In any case, the new assessment is again introduced for review to the Rating Committee.

2.2.5. Control and Monitoring

The above methodology results in the assessment of the future performance and prospects of the rated companies, taking into account facts and circumstances at a specific time.

In order to ensure that initial Credit Ratings and Outlook remain valid and justifiable, particular consideration is made to continually updating key assumptions and estimates. ICAP has developed a process of monitoring and re-evaluating companies through a specific service (Credit Watch).

Credit Watch service includes scoring and monitoring the company for at least twelve months. Within the monitoring period, the Credit Rating will be reviewed at least once every six months (i.e. when interim results and real estate valuations become public), unless there is a prospective indication then the reassessment will take place within four months.

APPENDIX: ICAP Credit Rating Scale

AA	The AA-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. Companies rated with AA are characterized by exceptional financial strength, very strong business growth and important market position.
A	The A-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. Companies rated with A are characterized by very strong financials, strong business growth and important market position.
BB	The BB-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. Companies rated with BB are characterized by significant financial strength, stable business growth and competitive market position.
B	The B-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. Companies rated with B are characterized by satisfactory financial strength, stable business growth and relatively competitive market position.
C	The C-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. Companies rated with C are characterized by moderate financial strength and stable business level and relatively declining competitive market position.
D	The D-rating indicates relatively increased credit risk and it is assigned to companies that are rather sensitive to market and economic conditions. Companies rated with D are characterized by below average financial strength and negative business growth and declining competitive market position.
E	The E-rating indicates increased credit risk and it is assigned to companies that are very sensitive to market and economic conditions. Companies rated with E are characterized by low financial strength and substantially negative business growth and low competitive market position.
F	The F-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. Companies rated with F are characterized by significantly low financial strength and competitive market position
G	The G-rating indicates very high credit risk and it is assigned to companies with significant problems in honoring their financial obligation. Companies rated with G are characterized by encumbered financial strength that put in jeopardy their business.
H	The H-rating indicates the highest credit risk and it is assigned to companies with very significant problems in honoring their financial obligation. Companies rated with H are characterized by extremely encumbered financial strength that put in significantly jeopardy their business.
N.R.	Not Rated. The "NR" class does not constitute a rating grade and includes companies that cannot be rated.
N.T.	Not Trading. The "NT" class does not constitute a rating grade and includes companies that have ceased to operate.
N.C.	Not Calculated. The "NC" class does not constitute a rating grade and includes companies that cannot be calculated.



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.

ICAP Credit Rating is publicly accessible. ⁴

COMMUNICATION

For any clarification related to this document, please contact the following address.

ICAP S.A.

Credit Risk Services

El. Venizelou 2, 176 76, Kallithea

Tel.: +30 210 72 00050

Email: customercare@icap.gr

⁴ [ICAP Credit Rating Scale](#)