

Rating Object	Rating Information	
UNITED KINGDOM	Assigned Ratings/Outlook: AA /stable	Type: Follow-up Rating, unsolicited
Long-term sovereign rating Foreign currency senior unsecured long-term debt Local currency senior unsecured long-term debt	Initial Rating Publication Date: Rating Renewal:	02-06-2017 30-03-2018
	Rating Methodologies: "Sovereign Ratings"	

Rating Action

Neuss, 30 March 2018

Creditreform Rating has affirmed the unsolicited long-term sovereign rating of "AA" for the United Kingdom (UK). Creditreform Rating has also affirmed the United Kingdom's unsolicited ratings for foreign and local currency senior unsecured long-term debt of "AA". The outlook is stable.

Key Rating Drivers

1. Large and wealthy economy characterized by strong labor market but modest medium-term growth perspectives against the backdrop of subdued investment activity and slow growth in labor productivity
2. Due to very high quality of political and monetary institutions, the UK remains one of the most business-friendly countries in the world
3. High general government debt set to stabilize, driven by a gradual reduction in net borrowing; elevated spending on debt service balanced against a favorable redemption profile and a stable investor base
4. Persistently high current account deficits continue to leave the UK with elevated susceptibility to a reversal of capital flows; risks somewhat mitigated by large external assets
5. Substantial economic, fiscal and political uncertainties related to the final outcome of ongoing Brexit negotiations remain in place, presenting a key source of vulnerability, amplified by the June 2017 snap election

Reasons for the Rating Decision

With regard to the UK's macroeconomic profile, we continue to see the significant size of the economy, high levels of wealth, and a well-performing labor market as key credit strengths, which are balanced against modest medium-term growth perspectives due to subdued growth in labor productivity and low levels of investment, but also to Brexit-induced uncertainties.

According to IMF estimates, the UK remains the sixth largest economy in the world (2017: USD 2.57tr), and exhibits a per capita income of USD 43,620 in 2017 (PPP terms), which

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compares favorably to an EU-28 median of USD 37,264. High per capita income levels reflect a strong presence of high value-added industries such as information, communication, and telecom, and financial services, which accounted for 6.6 and 6.5% of gross value added in Q4-17 (EU-28: 5.1, 4.6% of GVA).

This being said, the economy lost some steam as compared to the year before, as total output grew by 1.7% in 2017 (2016: 1.9%), recording one of the lowest growth rates among the EU-28 members. This was mainly the result of weak economic activity in the first half of the year; in Q1- and Q2-17 GDP expanded by only 0.3% and 0.2% q-o-q, before picking up to 0.5 (Q3) and 0.4% (Q4).

Last year's slow-down in growth was entirely explained by weaker private consumption. Although spending of private households remained the key driver of real GDP growth, contributing 1.1 p.p. to economic expansion (2016: 1.9 p.p.), household spending decelerated notably from 2.9 (2016) to 1.7% last year as households experienced a decrease in real disposable income. This was in particular a result of rapidly rising inflation. In 2017 inflationary pressures firmed on the back of the sterling depreciation in the aftermath of the Brexit referendum and the recent recovery in energy prices. CPI inflation increased from 0.7% in 2016 to 2.7% in 2017, the highest rate since 2012 (+2.8%). As nominal wage growth lagged inflation last year, real wages reported negative y-o-y growth. Hence, the increase in consumption was funded by a further reduction in private savings. The savings rate of British households continued to trend downwards, edging down from 7.1% (2016) to 5.1% in 2017. By contrast, investment made a higher contribution to GDP growth, with both dwellings and business investment gaining momentum. While growth in investment in dwellings and other buildings and structures picked up from 2.5 to 6.8%, business investment expanded by 2.4% after having stagnated (-0.5%) in 2016. However, against the background of still favorable financing conditions, high profitability in the corporate sector, and vivid external demand mirroring the strong growth momentum of the global economy, the recovery in business investment appears moderate. As evidenced by survey indicators, Brexit-induced uncertainties regarding a future trade agreement with the EU continue to weigh on investment activities. What is more, last year's growth was supported by the strengthening of external demand. Net exports added 0.6 p.p. to real GDP growth (2016: -0.8 p.p.), as the depreciation of the sterling against the UK's main trading partners boosted demand for British exports.

We expect economic growth to moderate further in 2018-19, with real GDP growing at a rate of 1.6 and 1.4% respectively. To be sure, this forecast is contingent on the materialization of our baseline scenario. Above all, we continue to assume an orderly Brexit in March 2019, followed by a transition period which ensures greater continuity for corporates, consumers, and policy-makers alike, thereby cushioning cliff effects and enabling a relatively smooth adjustment to a post-Brexit world. In this regard, the UK and the EU-27 presumably arrive at an agreement on free trade which should also include some form of arrangement covering trade in services and cross-border financial services in particular, since exports in services to the EU account for 38.7% of total exports in services (17.4% of total exports).

Private consumption should benefit from a moderate recovery in real household incomes. Alongside accelerating nominal wage growth, higher minimum wages and some tax relief effective from Apr-18 should support consumers' purchasing power. Nevertheless, growth in consumer spending is likely to remain muted by historical standards against the backdrop of sustained, though somewhat subsiding inflationary pressures and private savings standing at already low levels, limiting the potential to smooth consumption by further dissaving. Meanwhile, we anticipate business investment to firm in 2018 driven by sustained global growth, favorable financing conditions, and capacity utilization being slightly above its long-term average. However, stronger investment critically hinges on the assumptions of our baseline scenario. Should there be increasing signs that a trade arrangement is not within reach by the end of the negotiation timetable and no transitional arrangement can be agreed on, investment would likely take a serious hit. Against the backdrop of robust global demand, British exports should continue to perform well, although growth should moderate somewhat due to abating tailwinds from sterling devaluation. After a sharp depreciation by 20.1% between Aug-15 and Oct-16, the sterling effective exchange rate showed signs of stabilization in the first half of 2017, before appreciating by 4.4% since September (as of 07-03-18). Thus, the positive terms of trade effect which buoyed the UK's net exports in the recent past should gradually dissipate further out.

In view of persisting uncertainties related to the final terms of Brexit, an assessment of the UK's medium-term growth prospects is subject to substantial uncertainty, as the eventual shape of an agreement between the EU and the UK will have a significant impact on trade, migration, and foreign direct investment flows. Apart from these issues, we believe that the UK is set to experience only modest growth rates in the medium term, since recent trends in investment and labor productivity put a lid on potential output. Not only that the UK exhibits significantly lower levels in labor productivity than its European peers Germany and France, growth in labor productivity per hour worked has also continued to prove anemic. In 2010-17 labor productivity increased on average by 0.5% per year, against 0.8% in France and 1.2% in Germany. Sluggish growth in labor productivity can be partially attributed to a shift in employment towards sectors with lower productivity, but also to comparatively low levels of investment in labor-saving technologies over an extended time period. According to AMECO estimates, private investment stagnated at its 2016 levels last year, making up for only 13.8% of GDP, while the private sector in the EU-28 as a whole reported a significantly higher investment-to-GDP ratio of 17.4%, up from 17.1% in 2016. We note that the British government is aware of the importance of stronger investment activity to boost productivity, as authorities envisage stimulating productivity growth by implementing the 'Industrial Strategy' published in Nov-17. As laid out in the blueprint, the government plans to establish a technical education system to address skill shortages and to incentivize higher R&D spending via tax credits. Also, higher funds will be allocated to the National Productivity Investment Fund (NPIF) to support investment in transport infrastructure, housing and digitization. Although we acknowledge that a thorough implementation of the Industrial Strategy could help to lift productivity going forward, the eventual impact of the aforementioned measures is hard to gauge at this stage.

Raising labor productivity appears to be of utmost importance going forward, given the already tight labor market conditions. In general, the British labor market continued to reflect the economy's high degree of flexibility, with unemployment declining for the sixth consecutive year. The unemployment rate dropped from 4.9% in 2016 to 4.4% in 2017, the lowest level since 1974. Employment growth held up, but lost further momentum. After employment increased by 1.7 and 1.4% in 2015 and 2016 respectively, growth moderated to 1.0% last year, suggesting increasing labor supply pressures. In the light of already high activity rates and a considerable decline in net migration, the potential for further employment gains appears limited. In the year ending September 2017, net migration totaled at 244,000, a 27.4% decline as compared with the year ending June 2016, when net migration peaked at 336,000, largely driven by the decline in net migration of EU citizens, which more than halved from 189,000 to 90,000.

Our institutional assessment balances the very high quality of the UK's political and monetary institutions against persisting uncertainties regarding the final terms and conditions of a new EU-UK-treaty.

In general, the UK's economy is characterized by a very high degree of market flexibility, efficiency and development, as well as of business sophistication, which we believe are vital competitive assets. The high level of competitiveness is indicated by the World Economic Forum's global competitiveness index, which has ranked the sovereign 8th out of 137 economies in its 2017-18 report. Thus, the UK was listed among the top 10 economies for the seventh consecutive year, with technological readiness (rank 4 worldwide), labor market efficiency (rank 6), and business sophistication (rank 7) standing out in particular. Another strength is the UK's deep and broad capital market. Both the equity and debt markets play an important role in financing British enterprises, which is reflected in comparatively high levels of market capitalization. In Q4-16, listed shares and debt securities accounted for 76.7 and 19.9% of GDP respectively, which was significantly above the EU-28 median of 20.3 and 7.2% of GDP. The high quality of the UK's business environment is also confirmed by the World Bank's Doing Business report, which places the British economy at rank 7 of 190 economies worldwide and at rank 5 among the OECD high-income countries. In our view, the UK's strong performance in international comparisons on business conditions continues to be explained by the very high quality of the country's institutional framework. As flagged by the World Bank's world governance indicators, the UK features sound regulatory policies (rank 11/209), low levels of corruption (rank 13) and a high quality of policy formulation and implementation (rank 16).

Meanwhile, huge political uncertainty regarding the future relationship between the EU and the UK persists. In our opinion, striking a trade deal with the EU has become more difficult in the light of the outcome of the June 2017 snap election. The election was won by PM May but the Conservatives remained the largest party by a narrow margin and lost their parliamentary majority. Although PM May succeeded in the formation of a minority government, which is supported by the Democratic Unionist Party, we believe that the outcome of the election has led to a significantly weaker position of the Tories. In addition, PM May has only limited room to make concessions to the EU, considering ongoing disputes within the Tory party with regard to the government's negotiation approach and

potential red lines. In a speech held on 08 March 2018, PM May stated that the UK would leave the single market and the customs union, implying that any agreement would be characterized by a lower degree of economic integration with the EU as compared to the status quo which we view as credit negative.

Notwithstanding, significant strides have been made with regard to the terms of the UK's withdrawal from the EU, being supportive of our baseline assumption. In a joint report released last December, negotiators presented three key points of the landmark decision. Firstly, a hard border between Northern Ireland and the Republic of Ireland shall be avoided. Secondly, the UK will continue to make payments to the EU budget in 2019-20, as if it had remained in the union, and it will also honor its liabilities incurred during membership. Finally, EU citizens in the UK and UK citizens in the rest of the EU are permitted to stay.

Building on these guidelines, the EU and the UK published a full draft withdrawal agreement on 19 March 2018 which includes an agreement on a transition period, with both sides remaining committed to the aforementioned joint report. According to the draft, the UK will cease being a member state as of 30 March 2019 but retain the advantages and benefits of the single market and customs union for a 21-month period, ending on 31 December 2020. We view the agreement as an important step in the right direction, as it reduces the probability of a disorderly Brexit scenario. It has, however, to be emphasized that none of this is legally binding until the agreement is ratified and there is some risk of dissent on the part of UK policy-makers. Moreover, talks on trade have not yielded tangible results yet. Reaching an agreement on this topic will become rather challenging in view of the limited time.

Economic risks associated with the materialization of a no-deal-scenario are somewhat tempered by the Bank of England's (BoE) monetary flexibility and its track record of prudent and effective monetary policy-making through multiple economic cycles. As the 2016 sterling depreciation and rebounding energy prices pushed up CPI inflation to 3.0% in September and October 2017, a majority of the Monetary Policy Council (MPC) voted for an increase of the bank rate from 0.25 to 0.5% at the November meeting. At their latest meeting in March 2018, the BoE decided to leave the bank rate unchanged, and maintain the stock of corporate and government bond purchases. Still, the central bank's wording has become somewhat more hawkish. At this stage, we expect one 25bp hike in 2018, followed by two more increases in the Bank Rate in 2019. What is more, the drawdown period for the Term Funding Scheme, which provided funding to banks and building societies at rates close to Bank Rate as part of the Asset Purchase Facility, closed at the end of February.

Regarding the situation of public finances, we note that the UK left the EU's Excessive Deficit Procedure in Nov-17, after the budget deficit had dropped to 2.4% of GDP in FY16/17, down from 4.0% of GDP (FY15/16). In the current fiscal year, we expect the headline deficit to stabilize at 2.3% of GDP, with the Chancellor of the Exchequer having announced no new measures in his Spring Statement. Our expectations are also underpinned by the OBR's (Office of Budgetary Responsibility) recently lowered estimate on net borrowing. Improvements shaping the fiscal outlook result from stronger tax revenue

growth. According to OBR, receipts from the self-assessed income (SA) tax surprised on the upside. While SA tax receipts were initially forecasted to experience a sharp decline due to changes in dividend taxation effective from Apr-18, actual outturn data from January showed stabilization at FY16/17 levels. Also, revenue forecasts for national insurance contributions and the onshore corporation tax experienced modest upward revisions. Regarding the latter, improvements mirrored substantial payments from large corporations at the beginning of 2018, as well as vividly growing corporate profits in the financial sector.

Looking ahead, we anticipate that the budget deficit will narrow further, mainly driven by expenditure restraint. While public sector revenues should expand broadly in line with GDP, we expect only minor increases in government spending. The autumn budget 2017 included some tax relief, namely a freeze of excise duties and a stamp duty exemption for first-time buyers, but also spending policy decisions worth GBP 4.5bn. More than half (GBP 2.3bn) of additional expenditures will be directed to the National Health Service to improve both quality of care and health infrastructure. Also noteworthy, an extra GBP 1.5bn was budgeted for Brexit preparations. Further out, more funds are envisaged to be allocated to the Transforming Cities Fund, as well as to the Housing infrastructure and Land Assembly funds to achieve its goal of 300,000 newly-built homes per year.

Notwithstanding the fact that the British government is stepping up efforts on contingency planning, we believe that Brexit remains the biggest budgetary risk in the medium term. Contingent on the materialization of our baseline scenario, which assumes that the UK and the EU can agree on a deal, we expect a further reduction in net borrowing in the years beyond 2018. However, should there be increasing signs of a hard Brexit, spending pressures could intensify. Under a no-deal scenario, we believe that the British government would temporarily boost public spending to support the domestic economy. Moreover, tax revenues could be dented should a significant number of financial institutions decide to relocate their operations. This would probably result in a further increase of the government's interest-to-revenue ratio. According to Eurostat data, the UK's interest-to-revenue ratio stood at 6.7% in the year ending Q3-17, which compares relatively high with AA-rated peers such as Belgium (5.0%) or Austria (3.9%).

Apart from Brexit-related risks, we expect government debt to remain elevated in the medium term. We anticipate the government's debt-to-GDP ratio, which stood at 86.6% in FY16/17 (Maastricht definition), to stabilize at current levels before gradually declining from 2020 onwards. According to the government's spring statement, authorities signaled further adherence to their fiscal mandate which implies a structural deficit below 2% of GDP in FY 20/21 and declining debt levels as a share of GDP in 2020/21.

We note that debt sustainability risks are tempered by the UK's stable investor base and a favorable maturity profile. While pension funds (30.9%), overseas investors (27.6%), and the BoE (24.8%) accounted for the bulk of gilt holdings in Q3-17, the average weighted maturity of the government debt portfolio posted at a high 17.6 years, which the OECD reckons to be the highest average maturity of public debt among its member states.

We continue to regard the significant size of the UK's banking sector (asset-to-GDP ratio of 358.2%, end of 2017) as a contingent liability risk for public finances. At the moment, however, financial soundness indicators signal that the UK's banking sector is in good shape. The generally high resilience of British banks was also confirmed by the results of the BoE's latest stress test (Nov-17). For the first time since 2014, no bank needed to strengthen its capital position. Throughout 2017, banks' asset quality continued to improve and capital buffers remained sufficiently high. While the CET1-ratio stood at 14.7% in Q3-17 (Q3-16: 14.5%), the ratio of NPLs dropped from an already low 2.2% to 1.6% between Q3-16 and Q3-17, remaining one of the lowest in the EU-28. By contrast, profitability remains comparatively weak with return on assets reported at 0.4% in Q3-17. A disorderly exit from the European Union would likely put further pressure on bank profitability, as British banks would lose their passporting rights which allow them to offer their services across the EU. We assess that the UK authorities are aware of risks pertaining to a hard Brexit, having taken action to mitigate related financial stability risks. Regulators and financial institutions are collaborating closely in contingency planning and the countercyclical capital buffer was raised from 0.5 to 1.0% in Nov-17 – a measure which should strengthen the loss-absorbing capacity of the banking system in the event of a disorderly exit from the EU.

While lending to NFCs expanded moderately, consumer credit lending continued to grow at very high rates. Monthly 12-month growth of net consumer credit has fallen since the end of 2016 but still came in at 9.2% in Jan-18 (Jan-17: 11.5%). Thus, there may be some pocket of vulnerability, as highlighted by the latest BoE stress test which illustrated that consumer credit accounted for large parts of impairment charges on UK lending (approx. GBP 29bn or 40%). At the same time, secured lending to individuals (i.e. mortgages) sustained growth rates in the 3-4% range. That said, growth in the outstanding volume of secured lending somewhat lagged behind that of house prices last year. After y-o-y growth in house prices averaged at 7.0% per month in 2016, growth moderated to 4.8% last year. In particular, house prices in London, which posted double digit growth rates in the run-up to the Brexit referendum, experienced subdued growth, with yearly rates averaging at only 2.9% per month in 2017 (2016: 10.1%). Notwithstanding the recent moderation in price growth, the future trajectory of house prices should be vigilantly monitored in light of already stretched balance sheets of private households (Q3-17: 90.7% of GDP) and a continuing deterioration in affordability indicators. At the end of 2017 both the price-to-income ratio and the price-to-rent ratio reached their highest levels since Q1-08, standing 20 and 22% above their long-term average (1995-2017) respectively.

Assessing its external position, the British economy continues to exhibit elevated external funding needs due to high and persistent current account deficits. Thus, the economy remains susceptible to changes in foreign investor sentiment. To be sure, external financing risks should be no cause for immediate concern in light of sizeable foreign assets, which could be sold in the event of significantly lower capital inflows over an extended time period.

Owing to weaker earnings on the UK's stock of foreign direct investment, the primary income balance turned negative in 2012 (-1.1% of GDP) and deteriorated further to -2.6% of GDP by 2016, thus leading to large and sustained current account deficits over recent years. In 2016, the current account deficit widened to 5.8% of GDP (2015: 5.2% of GDP), the highest reading in decades. However, the current account deficit narrowed to a still high 4.1% of GDP in 2017. This improvement was mainly driven by the UK's primary balance (2016: -2.6% of GDP, 2017: -1.6% of GDP), fueled by higher net earnings on FDI which turned positive, amounting to GBP 21.8bn in 2017, after -1.6bn a year before. By contrast, the UK's net international investment position (NIIP), which leapt from -18.4 to -4.4% of GDP in 2016, deteriorated to -12.8% of GDP last year, mirroring the revaluation of assets and liabilities due to currency movements. Underlying gross positions were significantly larger. In 2017, external assets and liabilities totaled at 523 and 535% of GDP respectively, mirroring the high degree of financial openness of the British economy and the large size of its financial service sector.

Rating Outlook and Sensitivity

Our Rating outlook on the long-term sovereign rating of "AA" is stable, as we assume that the risk situation underlying the key factors affecting sovereign credit risk – including macroeconomic performance, institutional structure, fiscal sustainability, and foreign exposure – will remain fundamentally unchanged in the next 12 months.

We could consider a downgrade if the UK's medium-term growth falls significantly short of our expectations. Brexit-related risks are clearly the key source of vulnerability. We believe that a failure in negotiations with the EU on a comprehensive trade agreement, which also covers trade in services, presents the most important downside risk to the British economy. In general, the rating could come under downward pressure if it became apparent that the eventual agreement has negative effects on productivity and the economic outlook, e.g. prompted by significantly lower FDI inflows as well as the implementation of overly restrictive immigration policies. A downgrade of our rating could also occur if key fiscal metrics show signs of a material deterioration. Fiscal policies targeted towards cushioning a potential "post-Brexit" slump in domestic demand by additional government expenditure may lead to some fiscal backtracking.

On the other hand, we may raise our rating if the British economy achieves higher-than-anticipated and sustainable growth or if budget consolidation is progressing faster than we currently assume, putting the government's debt-to-GDP ratio on a downward trajectory earlier than expected.

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Ratings*

Long-term sovereign rating	AA /stable
Foreign currency senior unsecured long-term debt	AA /stable
Local currency senior unsecured long-term debt	AA /stable

*) Unsolicited

Economic Data

	2012	2013	2014	2015	2016	2017	2018e
Real GDP growth	1.5	2.1	3.1	2.3	1.9	1.7	1.6
GDP per capita (PPP, USD)	37,774	38,873	40,476	41,483	42,421	43,620	44,822
CPI inflation rate, y-o-y change	2.8	2.6	1.5	0.0	0.7	2.7	2.6
Default history (years since default)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Life expectancy at birth (years)	80.9	81.0	81.3	81.6	n.a.	n.a.	n.a.
Fiscal balance/GDP*	-7.3	-5.6	-4.9	-4.0	-2.4	-2.3	-1.8
Current account balance/GDP	-4.2	-5.5	-5.3	-5.2	-5.8	-4.1	n.a.
External debt/GDP	366.3	345.8	305.4	285.9	285.2	324.5	n.a.

Source: International Monetary Fund, World Bank, Eurostat, OBR, own estimates

*) Fiscal years, i.e. calendar year 2012 ⇔ FY12/13, etc.

Appendix

Rating History

Event	Publication Date	Rating /Outlook
Initial Rating	02.06.2017	AA /stable
Follow-up Rating	30.03.2018	AA /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. HM Treasury participated in the credit rating process as the authorities 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 HM Treasury. The rating outcome as well as the related outlook remained unchanged.

The rating was conducted on the basis of CRAG's "Sovereign Ratings" methodology in conjunction with its basic document "Rating Criteria and Definitions". 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 the following internet page: www.creditreform-rating.de/en/regulatory-requirements/.

To prepare this credit rating, CRAG has used 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, Office for National Statistics, Bank of England, HM Treasury, Office for Budget Responsibility

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 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 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.

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