ISSUER RATING

Long-term Rating

BBB+

Outlook: Stable

First rating date: 18/01/2019
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Rating Action and rationale

EthiFinance Ratings upgrades Portugal's unsolicited credit rating from BBB with a Positive outlook to BBB+ with a Stable outlook.

The unsolicited rating on the Republic of Portugal (hereinafter Portugal) responds to the rapid recovery observed during 2021 and 2022, which we expect to continue, albeit at a more moderate pace. Our rating also takes into account the positive impact of the NGEU Funds on potential growth in the medium term, although its economic size is limited and far from converging to the European Union's GDP per capita levels. In addition, we highlight the financial system consolidation carried out in the last years. As for the public finances, while we note the rapid correction of some imbalances in the public accounts, and the decreasing trajectory of the public debt ratio, the latter remains at high levels, representing one of the main limitations of its credit rating.

Executive Summary

The Portuguese economy moved towards recovery in 2021, closing the year with an economic growth of +4.8%, driven mainly by domestic demand. Moreover, Portugal consolidated its recovery during 2022, reaching pre-pandemic GDP levels, with a year-on-year growth rate of +6.7%. Regarding this year, the economy grew solidly in the first quarter, driven by external demand, but a slowdown is observed in consumption and investment due to higher prices and financing conditions, which is expected to continue until 2024. As such, we assume continued above-potential growth, albeit at a more moderate pace (+2.7% in 2023 and +1.8% in 2024, according to the European Commission). For its part, the social situation has also evolved positively, with an unemployment rate of 6.0% of the active population in 2022 (6.6% in 2021), although structural problems related to the labor market and its demographic structure persist. As for the external sector, it continues to be stable, showing a correction trend of the deterioration of its current account balance as well as external imbalances, favored by the good performance of the economy, especially tourism, and the valuation effects. In addition, inflation has started to follow a decreasing trend, in line with the downward correction of wholesale energy prices, a trend that is expected to continue in 2023 and 2024 (+5.4% in 2023 and +2.6% in 2024, according to the Commission). Additionally, the rating upgrade reflects the favorable progress made by the Portuguese financial system in recent years. As such, an improvement in bank ratios has been observed after the collapse which occurred during the financial crisis.

On the other hand, Portuguese public finances have shown a rapid correction after the imbalances produced by the COVID-19 crisis. In this regard, the country had already reduced its deficit beneath Maastrich levels in 2021 (-2.8% of GDP), a trend maintained in 2022 (-0.4%), and is expected to continue in 2023 and 2024, favored by the rapid economic recovery and rising prices. Furthermore, Portugal will return to positive levels of its primary balance in 2022 and 2023, favoring debt reduction. Thus, the country presents a decreasing trend in its debt levels, albeit still high (116.0% of GDP in 2022), being one of the main constraints for its credit rating.

Fundamentals

Strengths

- The economic recovery observed during 2021 and 2022, reaching pre-pandemic GDP levels.
- The primary surplus given in 2022 and expected for 2023, which will contribute to the reduction of the public debt ratio.
- Maintenance of a decreasing trend in unemployment and the convergence in terms of GDP per inhabitant with its European partners.
- Absolute majority government after the January 2022 elections, increasing political stability.

Weaknesses

- High volume public debt, although presenting a decreasing trend.
- High stock of external debt, representing a factor of vulnerability in the event of future exogenous shocks.
- High dependency ratio exacerbated by an ageing population, posing a future risk for public finances.

Main financial figures

	2019	2020	2021	2022E	2023E
Real GDP (% change)	2.2%	-8.4%	4.8%	6.7%	2.7%
GDP per inhabitant (current, €)	20,800	19,658	20,840	23,290	-
CPI (annual change, %)	0.3%	-0.1%	0.9%	8.1%	5.1%
Unemployment rate (%labor force)	6.5%	6.9%	6.6%	6.0%	6.5%
People-at-risk (%population)	17.2%	16.2%	18.4%	-	-
Population (thousands)	10,295	10,287	10,345	10,271	-
Dependence ratio	55.1%	55.6%	55.9%	57.4%	-
NPLs	6.2%	4.9%	3.7%	3.0%	-
ROA (financial sector)	0.4%	0.0%	0.4%	0.7%	-
Current Account Balance (%GDP)	0.0%	-1.1%	-1.1%	-1.4%	1.0%
NIIP (%GDP)	-100.8%	-104.8%	-95.90%	-87.7%	-
Fiscal Balance (%GDP)	0.1%	-5.7%	-2.8%	-0.4%	-0.1%
Public Debt (%GDP)	117.7%	135.2%	125.4%	116.0%	112.4%

*1st semester

Outlook

The outlook change from Positive to Stable results from the positive upgrade of Portugal's credit rating from BBB to BBB+. Furthermore, EthiFinance Ratings does not anticipate an additional improvement in the short-term, although we highlight the favorable evolution of the Portuguese economy during 2022, as well as the risk profile easing observed with respect our November 2022 review. On the other hand, we continue to point out the significant fiscal correction made by the country after the pandemic, which we expect to continue in the medium term, correcting debt levels, one of the main limiting factors of our credit rating so far.

Sensitivity Analysis

Detailed below are the factors that individually or collectively would impact Portugal's rating:

Positive factors (↑).

The credit rating and/or outlook could improve in the event of higher-than-expected economic growth, greater fiscal consolidation, and a notable improvement in the stock of public debt.

Negative factors (↓).

The credit rating and/or outlook could worsen if inflationary pressures and tighter financing conditions persist, which could weigh on the economy and reverse the favorable developments observed in the financial system. In addition, a reversal of the fiscal consolidation undertaken in the past, leading to higher deficit and public debt levels, could also affect the credit rating.

Rating Committee

The rating committee has agreed to upgrade the rating from BBB with positive outlook to BBB+ with stable outlook. The main points reviewed during the committee have been the macroeconomic projection for 2023 and 2024, the resilience of the financial system and the situation of the public finances, among other aspects.

1. Socioeconomic situation

EthiFinance Ratings upgrades Portugal's unsolicited credit rating from BBB with a Positive outlook to BBB+ with a Stable outlook, partly supported by a risk profile that is beginning to ease, and by the strong growth experienced in 2022, which is expected to continue in 2023 and 2024, albeit more moderately.

After Portuguese GDP declined by -8.4% in 2020 due to the COVID-19 crisis, Portugal's economic recovery in the second and third quarters of 2021 has led to a year-on-year growth rate of +4.8%. This increase has been driven mainly by the progressive recovery of domestic demand, due to both the increase in public spending and the strengthening of household consumption.

In addition, the Portuguese economy has maintained a positive evolution during 2022, with a growth of +6.7%, well above the Eurozone average (+3.5% in 2022). The structure of its electricity market -which has lessened the impact of rising energy prices on the economy-, the greater weight of the services sector, as well as its lower direct dependence on Russia and Ukraine, are some of the factors that have sustained Portuguese economic growth in 2022. Likewise, the tourism sector has positioned as one of the main growth drivers during the past year, reaching the levels presented before the pandemic during the summer.

As for this year, the economy continued to perform well during the first quarter, with a quarter-on-quarter growth rate of +1.6%, driven by external demand. Nevertheless, we are beginning to notice a slowdown in consumption and investment, driven by the effects of rising prices and tighter financing conditions (see Annex 1.2 Illustration 3). We therefore assume that growth will remain above potential, albeit at a more moderate pace (+2.7% according to the European Commission), a trend we expect to continue through 2024 (+1.8%).

Furthermore, we continue to consider inflationary pressures as one of the main macroeconomic risks which the Portuguese economy continues to face, with inflation rising to reach a rate of +8.1% in 2022. Nevertheless, we have been observing a decreasing trend in inflation, in line with the downward correction of wholesale energy prices and the evolution observed in commodity markets, although we expect food inflation to remain high, aggravated by the droughts that occurred during the past and current year. Thus, for the year as a whole, inflation is expected to decline to +5.1% in 2023 and +2.7% in 2024 (European Commission).

In response to continued inflationary pressures in the euro zone, the European Central Bank (ECB) has decided to tighten the tone of monetary policy, raising interest rates to 3.75% in May 2023. Furthermore, although we expect an easing of interest rate hikes for the rest of the year, the tightening of financing conditions remains one of the potential risks that could weigh on consumption and production this year.

Regarding the social pillar, our BBB+ credit rating with a Stable outlook reflects the favorable evolution observed in the labor market during 2022, with the unemployment rate declining to 6.0% of the labor force (6.7% in 2021). However, due to the moderating trend in the pace of growth in late 2022 and early 2023, the Commission estimates a rebound in the unemployment rate to 6.5% in 2023, declining slightly in 2024 to 5.7% of the labor force.

Nevertheless, we continue to note the persistence of the problem of duality in the labor market, mainly between skilled and low-skilled employees, and the higher incidence of temporary employment, as they imply a reduction in future growth potential and, at the same time, encourage the exodus of workers -mainly younger workers- to other European markets, aggravating the demographic problem.

Finally, our credit rating is limited by the negative demographic evolution, presenting negative natural growth in recent years. In addition, the high dependency ratio of 54.7% of the population between 15 and 65 years of age represents one of the most important risks of the Portuguese economy, which would worsen in the coming decades in the face of a declining birth rate (1.38 children, below the EU average of 1.5 children) and the increase in life expectancy to 81 years, a challenge to the economy's growth potential not only because of the lower propensity to consume of people considered dependent, but also because of the pressure that health and education spending will exert on public finances.

2. External Sector

Our BBB+ rating with a Stable outlook takes into account the situation of the Portuguese foreign sector, which remains within the medium/high range defined by our methodology. While Portugal's position as a net exporter has been reversed in recent years due to the shocks caused by the Ukrainian war and the COVID-19, we expect a recovery already this year, as it continues to improve its net international investment position (NIIP), one of the main constraints we have been pointing out in past reviews. Likewise, its euro zone membership grants a favorable international stance, with a stable and relevant currency.

Hence, although Portugal has maintained positive current account balances after the euro crisis, these were reversed in 2021 (-1.1% of GDP), due to the contraction of services exports caused by COVID-19 restrictions. During 2022, this deterioration was exacerbated by the price shock to some raw materials caused by the war in Ukraine. However, we highlight that the decline was lower than initially anticipated in our previous report of November 2022 - -1.3% of GDP versus -1.5% anticipated - due to the strong performance of services exports - around pre-pandemic levels- albeit not enough to mitigate the increase in the energy deficit driven by the rise in energy prices. Nevertheless, the European Commission estimates a return to surplus positions as early as 2023 (1.0%), which will be maintained in 2024 (0.8%), due to improved terms of trade for some commodities and higher tourism growth.

On the other hand, although Portugal maintains a high dependence on external financial flows, the net international investment position decreased considerably in 2021, from -104.0% of GDP in 2020 to -95.9%, figures lower than those presented before the pandemic. Furthermore, the NIIP continued to adjust to -87.7% in 2022, a trend that is expected to continue during this year, favored by the recovery in tourism, valuation effects from the appreciation of the dollar against the euro -increasing the value of assets abroad and reducing the value of euro-denominated liabilities- GDP growth and grants from the European Recovery and Resilience Mechanism.

3. Financial Sector and Monetary Policy

Our BBB+ rating with a Stable outlook takes into account Portugal's monetary policy performance, which we place in the high range defined by our methodology. Its membership in the euro zone provides the country exchange rate stability, as well as an adequate international reserve position. Moreover, Portugal has benefited from a favorable liquidity environment as a result of the ECB's expansionary monetary policy during the pandemic.

However, due to the increase in inflationary pressures, the European Central Bank began to change the orientation of its monetary policy, ceasing the Pandemic Emergency Purchase Program (PEPP) in March, and the purchase of public debt as of July 2022. Likewise, in the middle of last year, the ECB announced the beginning of rate hikes, which have been successive until placing the deposit rate at around 3.75%. In this regard, EthiFinance Ratings considers that the ECB's actions are appropriate for the current macroeconomic situation because, although interest rate hikes pose a risk to growth in the euro zone countries, we consider them necessary to avoid an inflationary spiral.

Although it is true that, in 2022, the outbreak of the war between Russia and Ukraine caused large increases in the price of some raw materials -mainly energy- and also its spread across the board in goods and services, inflation in the Portuguese economy has been more contained than in other European countries, standing at +8.1% at the end of the year (see Annex 1.2 Illustration 4). However, we are observing a downward trend, explained by the normalization of energy prices -the year-on-year rate has fallen from +27.6% in October 2022 to -4.4% in March 2023-, the effect of the persistent rise in interest rates, as well as the statistical effect. Hence, with respect to the latest spring forecasts, the European Commission estimates that Portuguese inflation will be around +5.1% in 2023, declining in 2024 to +2.7%. Although we continue to highlight that food prices remain one of the biggest drivers at present (+19.3% in March 2023), and could be boosted by droughts in the national territory. That is why the Government has approved in March 2023 new measures to support families in the face of inflation, eliminating VAT on certain basic food products.

On the other hand, the upgrade of the rating to BBB+ with a Stable outlook reflects the favorable progress made by the Portuguese financial system in recent years. Thus, we have been observing an improvement in bank ratios after the boom in non-performing loans observed during the financial crisis. In this regard and with respect to our previous report of November 2022, once the official year-end data were presented, we observed a reduction in the NPL ratio, which has been on a downward trend since 2019 (3.2% compared to 6.2% in 2019). Furthermore, we also note an increase in profitability, possibly influenced by rate hikes, both on the ROA (Return on assets) side, rising from 0.4% in 2021 to 0.7% in 2022, and on the ROE (Return on equity), increasing from 5.4% to 8.8%.

In addition, Portugal's financial system has proven to be resilient and well positioned to cope with the severe shock caused by the COVID-19 pandemic, particularly in terms of liquidity and solvency. Regarding the latter, the solvency of its banking system is under favorable positions, maintaining CET1 levels well above those required by the ECB, standing at around 15.3% in 2022. Additionally, the LCR (Leverage Cover Ratio) is well above the 100% required by the central bank (229% in 2022), and the Loan to Deposits ratio has improved to below 100% (78% in 2022, compared to 81% in 2021), indicating that the Portuguese banking system maintains a healthy loan to deposit ratio.

4. Fiscal balance, debt & liquidity

Our BBB+ rating with Stable outlook reflects the considerable improvement in Portuguese public finances. After the large deficit recorded in 2020 due to the COVID-19 crisis (-5.7% of GDP), 2021 closed with a significant correction of the public deficit to -2.8%. Likewise, Portugal maintained the trend of fiscal correction during the past year, falling to -0.4%, considerably below the -1.9% we reported in our previous report of November 2022. Thus, Portugal would already be in line with the limits set by the Maastricht Treaty (-3%), even if the activation of the escape clause is maintained until 2024.

This fiscal correction path is explained by the good performance of revenue collection driven both by the rapid recovery of the Portuguese economy, as well as by the effect of higher prices. Moreover, on the expenditure side, although favored by the withdrawal of some fiscal stimulus linked to COVID-19, current expenditure is estimated to have continued to increase in 2022 (+3.4%), linked to measures aimed at mitigating the effects of the price hike, with an estimated budgetary cost of around 2.1% of Portuguese GDP. Also, part of these discretionary measures will be maintained during this fiscal year, in addition to the announcement of new ones, such as the check for vulnerable families, so we expect spending to continue to increase in the coming years (+6.6% in 2023 and +4.0% in 2024).

As for this year, we expect a continuation of the deficit correction trend, favored by a greater increase in revenues than in expenditures. Thus, the Commission forecasts a reduction in the deficit to -0.1% in 2023, figures that would be maintained in 2024, with the relaxation of revenues derived from the normalization of prices and an economy that, although it continues to grow, would do so at a more moderate pace. All in all, we have a positive assessment of the Portuguese public finances which, despite the complex macroeconomic context, the activation of the escape clause from 2020, and the extraordinary revenues expected in 2022 and 2023, have maintained the position of fiscal prudence already shown prior to the pandemic.

However, although we highlight the reduction trend observed, the volume of public debt remains one of the main limitations of our credit rating. In this regard, Portugal maintains high levels of public debt, although we highlight the reduction of these in recent years (135.2% of GDP in 2020 versus 116% in 2022). This trend is also expected to continue in 2023 and 2024 -propelled by the presence of primary surpluses in both years and the GDP denominator effect- where the IMF estimates that it will fall to 112.4% and 108.6% of GDP respectively, levels that would be below those presented before the pandemic (117.7% in 2019).

In addition, the rise in interest rates is positioned as a potential risk to the Portuguese debt profile through the cost of debt. Although the European Commission estimates a slight upturn in the interest to current revenue ratio, it will remain far from the previous levels presented during the previous crisis (see Annex 1.2 Illustration 5), favored by the increase in revenue collection. Furthermore, the average maturity period is around 7 years, slowing down the impact of an increase in bond yields on interest expenditure.

5. Institutional framework and Government

Our credit rating considers the adequate institutional framework that configures the activity of the Portuguese Government, as well as the transparency measures and the supervision and control instruments shown by the latest Portuguese governance indicators published by the World Bank, at the head of the rankings in each of the categories, highlighting the efficiency of government and the control of corruption and violence in the country.

Moreover, we value favorably its membership of the European Union with an economy that is favored through the use of a single currency. At the same time, the EU membership implies economic cooperation between the different member countries and access to aid under situations of imbalance that otherwise would have a deeper and more structural effect on the Portuguese economy.

Regarding the country's governmental situation, although we highlight favorably the absolute majority achieved by Prime Minister Antonio Costa, we note a certain increase in uncertainty due to the latest controversies occurred within his government. In this sense, the aforementioned controversies have led to conflicts between the president, Marcelo Rebelo de Sousa, and the prime minister of the republic, albeit we do not see a material risk of a dissolution of parliament, we acknowledge that if this scenario occurs, it could affect the rating and/or outlook.

6. Institutional framework and Government

Our methodology includes ESG (Environmental, Social and Governance) principles in the rating process, in which we have been observing an improvement over the last years in Portugal. Nonetheless, the country is still below the European average in most of the social aspect and has not issued any sovereign green bonds yet. Furthermore, we highlight the role of the Recovery and Resilience Plan, which is expected to enable the country to further improve in this area, due to its environmental and social nature.

In terms of the environmental aspect, Portugal has a high exposure to the physical risks of climate change, ranking 37th in the countries most exposed to climate change according to the Global Climate Risk Index 2021 of Germanwatch. In this sense, its territory is mainly exposed to an increase in temperature and frequency of extreme natural events -such as the drought seen in February 2022-, which could impact in different ways on public finances -through an increase in spending- and on the economy -mainly through labor and land productivity-. Thus, adapting to climate change in Portugal is a key issue in the medium term.

On the energy aspect, as other European countries, Portugal has a high energy dependence, with 66.9% of the total energy consumed being imported. Nevertheless, the country has a higher proportion of renewable energy production than the European average (34.0% compared to 21.7% in 2021), although it falls below its solar and wind energy potential.

On the other hand, in terms of pollution and waste management, Portugal stands out in the reduction of greenhouse gas emissions, although it has a low recycling rate. In this regard, it has met its emission reduction targets for 2020, and is expected to meet the 2030 target, moving towards carbon-neutrality in 2050. However, the biggest constraint in the evaluation of the environmental aspect is the low ratio of municipal recycling rate, which is 26.5%, far from the European average of 47.8%.

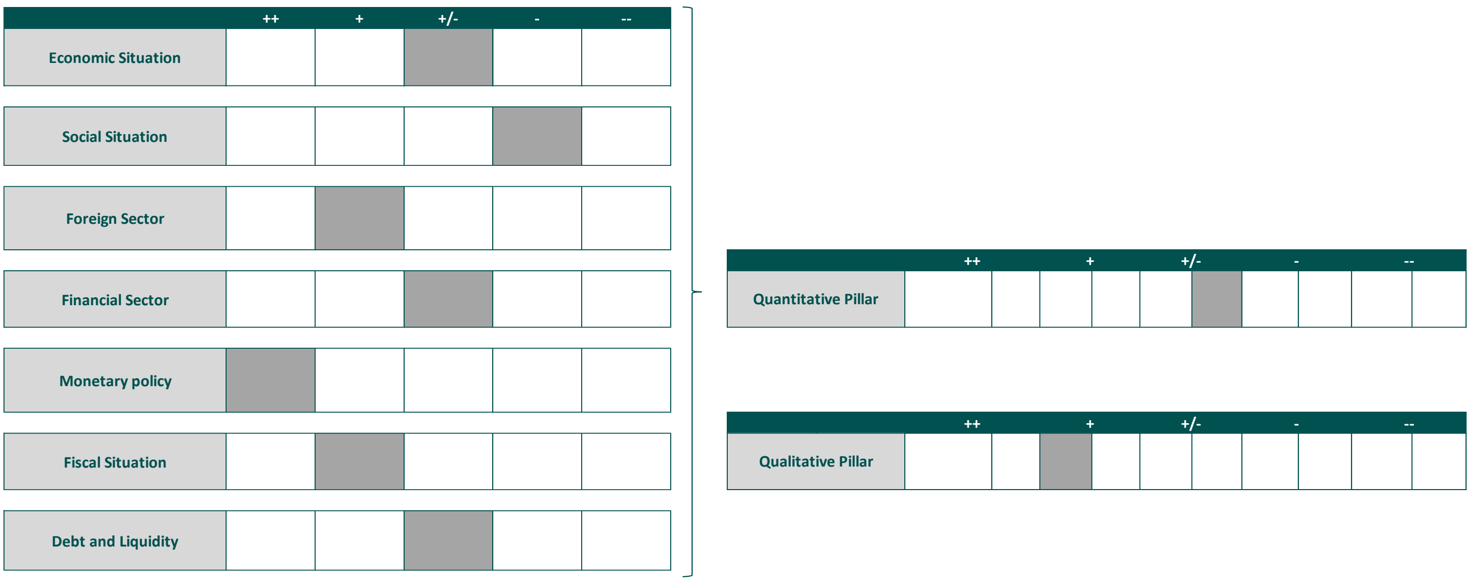
Regarding the social aspect, one of the main constraints is the high level of inequality both with respect to the European Union and within the country itself. In this regard, Portuguese GDP per capita represented 66.0% of the EU average GDP per capita in 2022. However, this ratio presents a trend of convergence with the European average, which we expect to be maintained in the medium term. Likewise, Portugal presents greater inequality among its population than the European average. Portugal presented a GINI Index in 2019 -which measures inequality within a country- of 0.33 points -the higher the score the greater the inequality, with a maximum of 1 point- being the European average of 0.30 points. However, the Portuguese government has committed to reducing regional inequalities, reaching an income pact over the past year, with the aim of mitigating the effects of inflation on the population.

Furthermore, we highlight the progress made by Portugal in other social aspects. Accordingly, the country has significantly reduced the number of people at risk of poverty, from an AROPE rate of 19.5% in 2014 to 16.2% in 2020, below the EU average (16.6%). Similarly, Portugal stands out in reducing its school dropout rate, from 17.4% in 2014 to 8.9% in 2020, below the established EU target of 10%.

In addition, we take into consideration other variables which measure ESG indicators alongside our rating process. We also analyze the happiness index, the dependency ratio, the unemployment rate, the World Bank government indicators, among others.

7. Annexes

7.1 Scorecard



7.2 Figures

Table 1. Macroeconomic chart, Portugal (4Q2021-1Q2023, var. y-o-y, %)

	4Q2021	1Q2022	2Q2022	3Q2022	4Q2022	1Q2023
Gross domestic product	6.6	11.9	7.4	4.8	3.2	2.5
Household final consumption expenditure	5.5	9.5	3.9	3.1	1.9	-
Final consumption expenditure by government	2.7	5.4	1.7	0.5	2.0	-
Gross fixed capital formation	8.1	6.9	3.9	1.6	-1.2	-
Domestic demand	5.5	9.5	3.9	3.1	1.9	-
Exports	16.3	18.8	25.2	16.3	8.1	-
Imports	12.9	12.8	15.2	11.7	4.9	-

Source: National Institute of Statistics of Portugal

Figure 1. Socioeconomic risk profile. Range 0 (best) to 10 (worst)

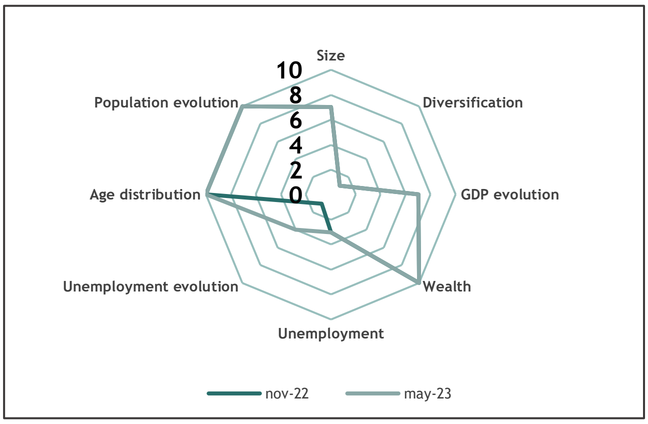


Figure 2. Fiscal risk profile. Range 0 (best) to 10 (worst)

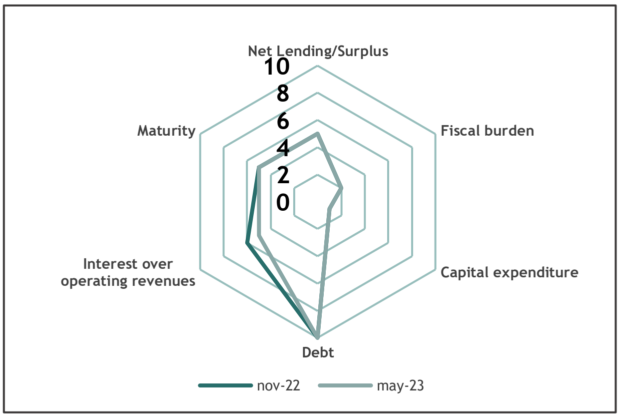
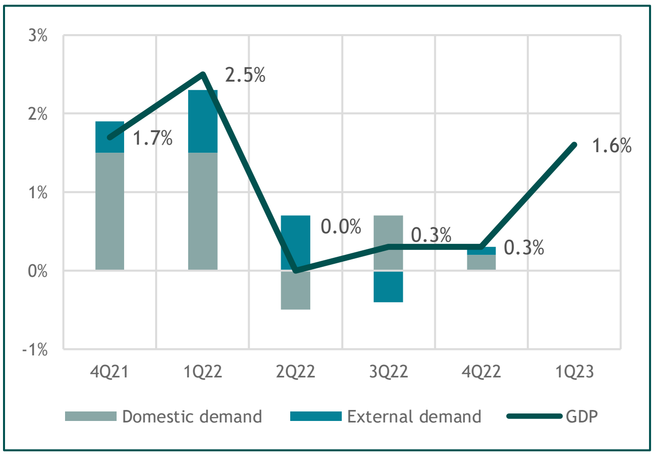
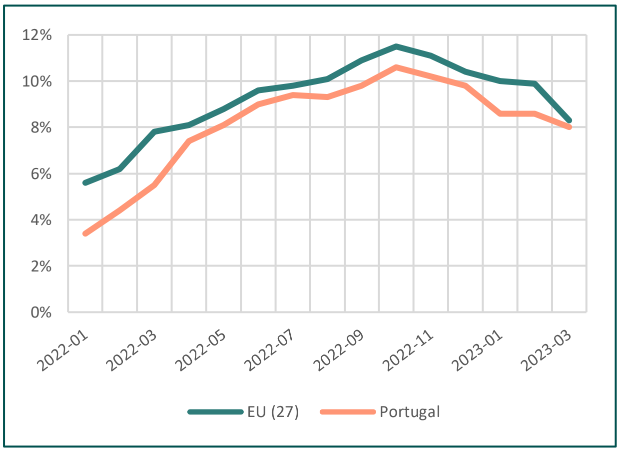


Figure 3. Quarterly GDP growth (quarter-on-quarter, % change)



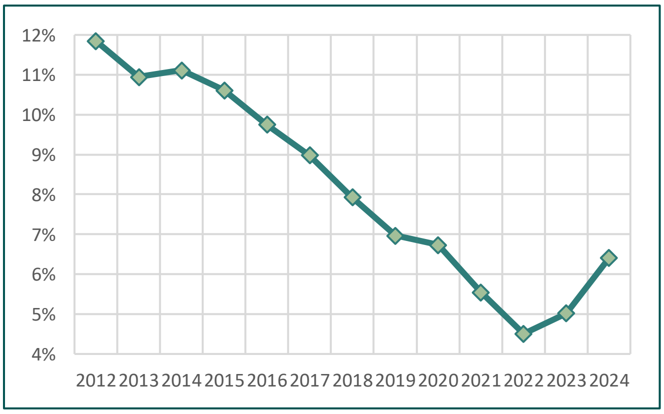
Source: National Institute of Statistics of Portugal

Figure 4. Comparison of inflation evolution (HICP, y-o-y var., %)



Source: Eurostat

Figure 5. Evolution of the cost of debt (interest over current revenues, %)



Source: AMECO

7.3 Main Figures. International Comparison

	Year	Spain (A-/Stb.)	Portugal (BBB+/Stb.)	Germany	France	Italy
Real GDP (% change)	2022	5.5%	6.7%	1.8%	2.6%	3.7%
GDP per capita (current, €)	2022	27,871	23,290	46,149	38,585	32,390
HCPI (interannual change, %)	2022	8.3%	8.1%	8.7%	5.9%	8.7%
Unemployment rate (%labor force)	2023E	12.7%	6.5%	3.2%	7.4%	7.8%
Population (million inhabitant)	2021	47.6	10.3	83.2	67.6	59.6
People-at-risk (%population)	2019	25.3%	17.2%	17.4%	17.9%	25.6%
Dependency rate (% 20-64 yo population)	2021	51.5%	55.9%	56.4%	63.1%	57.1%
NPL	2021	4.4%	4.3%	1.2%	2.5%	8.1%
ROA	2021	0.5%	0.4%	0.2%	0.2%	0.4%
Current Account Balance (%GDP)	2023E	1.6%	1.0%	5.9%	-0.5%	0.0%
NIIP (%GDP)	2021	-84.3%	-95.9%	61.3%	-32.7%	5.2%
Fiscal Balance (%GDP)	2023E	-4.1%	-0.1%	-2.3%	-4.7%	-4.5%
Gross Public Debt (%GDP)	2022	118.4%	116.0%	66.5%	111.0%	144.6%
Net Public Debt (%GDP)	2022	102.9%	109.5%	45.0%	99.0%	132.9%
Gross Financing Needs (%GDP)	2023	13.6%	7.6%	11.6%	16.0%	23.0%

Regulatory information

Sources of information

The credit rating issued in this report is unsolicited. The credit rating is based exclusively on public information, being the main sources the following:

- Public information from public access sources, mainly official statistics institutes, central banks, and other government sources, in addition to the OECD, Eurostat, World Bank, European Central Bank and International Monetary Fund, among others.
- Own information of EthiFinance Ratings.

The information was thoroughly reviewed to ensure that it is valid and consistent, and is considered satisfactory. Nevertheless, EthiFinance Ratings assumes no responsibility for the accuracy of the information and the conclusions drawn from it.

Level of the rated entity participation in the rating process

Unsolicited Credit Rating

With Rated Entity or Related Third Party Participation	NO
With Access to Internal Documents	NO
With Access to Management	NO

Additional information

- The rating was carried out in accordance with Regulation (EC) N°1060/2009 of the European Parliament and the Council of 16 September 2009, on credit rating agencies, and in accordance with the Sovereign Rating Methodology and Outlook Methodology that can be consulted on https://www.ethifinance.com/en/ratings/methodologies and according to the Long-term Sovereign Rating scale available at https://www.ethifinance.com/en/ratings/ratingScale.
- EthiFinance Ratings publishes data on the historical default rates of the rating categories, which are located in the central statistics repository CEREP, of the European Securities and Markets Authority (ESMA).
- In accordance with Article 6 (2), in conjunction with Annex I, section B (4) of the Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009, it is reported that during the last 12 months EthiFinance Ratings has not provided ancillary services to the rated entity or its related third parties.
- The issued credit rating has been notified to the rated entity, and has not been modified since.

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