28 July 2017

Public Finance

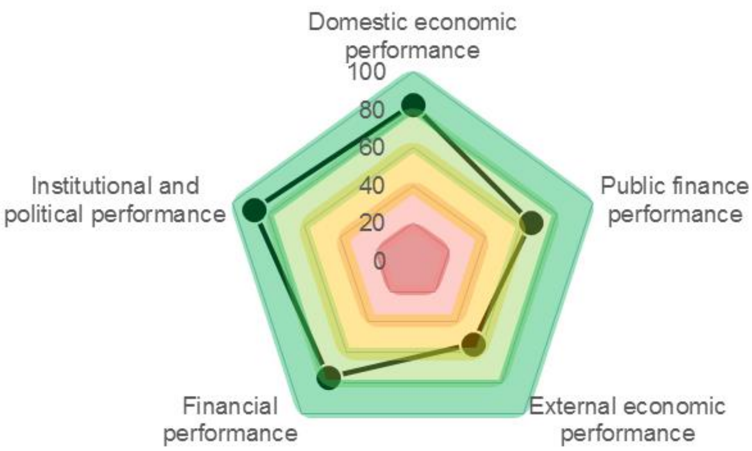
Republic of Ireland Rating Report

SCOPE A+ STABLE OUTLOOK

Credit strengths	Credit weaknesses
• Euro area membership • Wealthy and diversified economy • Improving public finance • Strong institutional environment	• High public and private debt • External vulnerabilities • Strong dependence on US-based multinationals

Rating rationale and Outlook: Ireland's A+ sovereign ratings are underpinned by a wealthy and diversified economy that benefits from strong institutions and generates the highest per-capita income in the A category. The rating also takes into account that economic growth in Ireland has continued to outperform peers in the recent past, helping to improve public finance credit metrics. These credit strengths are balanced by relatively high private- and public-sector indebtedness, which also leads to external vulnerabilities and limit the system's shock-absorption capacity. Moreover, there are downside risks stemming from the potential impact of Brexit on trade activity with the UK as well as from the Irish economy's strong dependence on US-based multinational enterprises (MNEs) and their global tax strategies.

Figure 1: Sovereign rating categories – summary



Source: Scope Ratings AG

Positive rating-change drivers	Negative rating-change drivers
• Continued downward trajectory of public debt ratios • Reduction in external risks stemming from Brexit and MNE dependency	• Reversal of the downward public debt trajectory • External shock derailing the economic growth scenario

Ratings & Outlook

Foreign currency

Long-term issuer rating	A+/Stable
Senior unsecured debt	A+/Stable
Short-term issuer rating	S-1+/Stable

Local currency

Long-term issuer rating	A+/Stable
Senior unsecured debt	A+/Stable
Short-term issuer rating	S-1+/Stable

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Bloomberg: SCOP

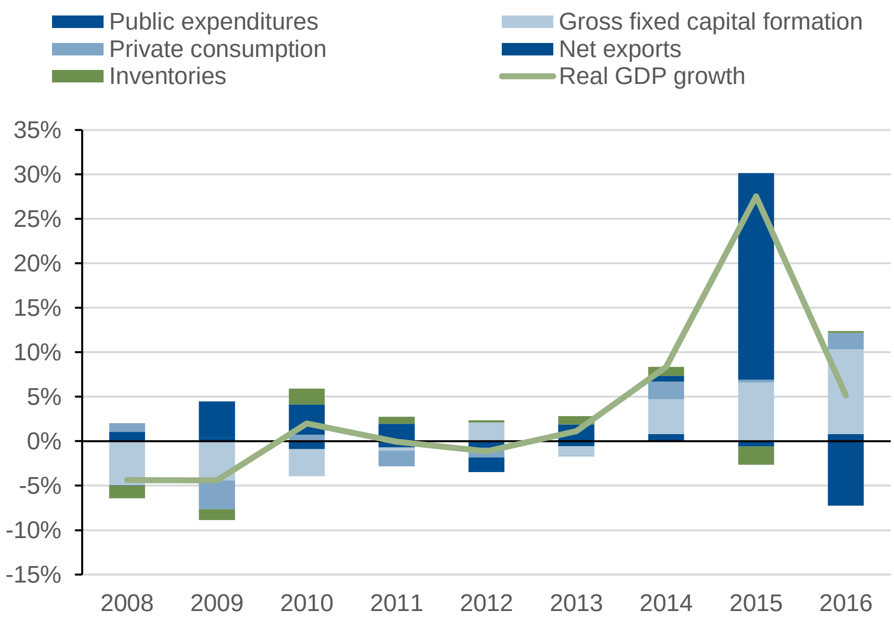
Domestic economic risk

A wealthy and diversified economy

Ireland has a wealthy and diversified economy that benefits from strong institutions and generates the highest per-capita income in the A category. Robust economic growth has outperformed peers since 2014; this is expected to continue in the medium term. Real GDP expanded by 5.2% in 2016. The strong performance was supported by buoyant private consumption and investment, including in construction. Real GDP is projected to grow at close to 4% in 2017, backed by strong domestic demand. Further improvement in private sector balance sheets can be expected to support private consumption and investment activity. Continued strong export performance is likely, benefitting from economic growth in main trading partners. GDP growth is projected to converge towards its potential of about 3% in the medium term.

Even though Irish GDP data point to robust economic performance, there are important uncertainties. Irish GDP statistics, even though fully compliant with international standards, tend to substantially overstate underlying economic growth. This is due to headline GDP growth figures also reflecting the substantial activity of mainly US-based multinational enterprises (MNEs) that are partially delinked from underlying Irish activity. Relocation of, or investment in, intangible and internationally mobile capital assets as well as contract manufacturing have an important impact on economic data not in line with underlying relevance to domestic activity. This complicates the assessment of economic developments as well as quantitative cross-country economic analysis. Scope takes into account that credit metrics such as public debt and deficit ratios are also affected by inflated GDP data. Irish central bank analysis suggests 2015 gross national income (GNI) is about 30% under nominal GDP[1].

Figure 2: Percentage point contribution to real GDP growth

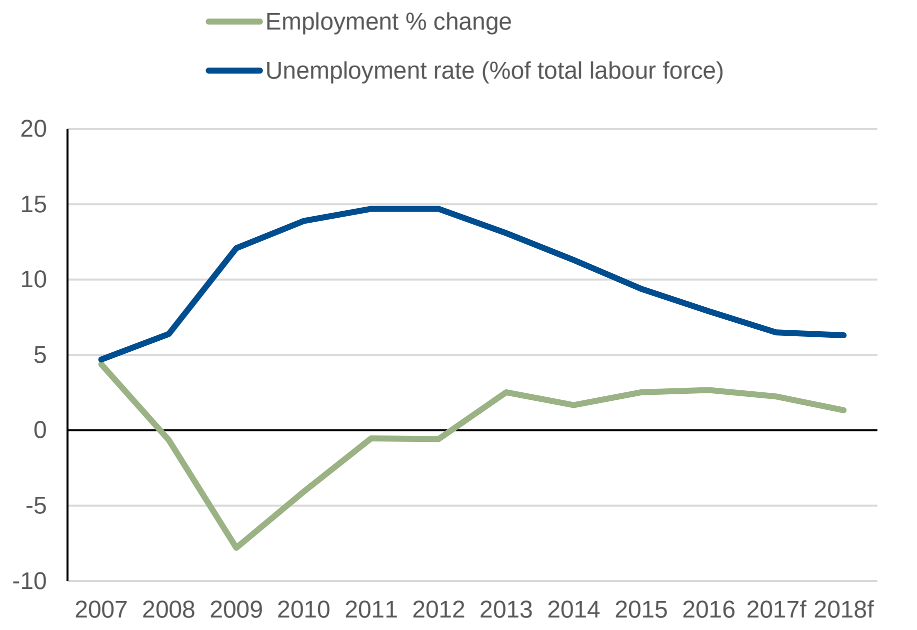


Source: IMF, Calculations by Scope Ratings AG

[1] https://www.centralbank.ie/docs/default-source/publications/quarterly-bulletins/quarterly-bulletin-no-2-2017.pdf, p.12

The Irish economic recovery has been job-rich so far. The labour market has recovered rapidly. Broad-based job creation has led to a decline in the unemployment rate to 6.4% as of May 2017 from about 9% at end-2015. Labour market participation remains low relative to EU peers at around 60%. Inflation has remained low. The recent rise in energy and services prices was partly offset by effects from the UK sterling devaluation.

Figure 3: Labour market developments



Source: IMF

Public finance risk

Downward trajectory of the debt ratio continues

Higher-than-projected tax revenues, particularly corporate income tax receipts, as well as robust economic growth supported a decline in the 2016 fiscal deficit to -0.6% of GDP, below the target of -0.9% of GDP. Savings on interest payments also helped to improve the deficit ratio and reflect supportive financial conditions. Ten-year government bond yields remain low from a historical perspective. Spreads over German Bunds continue to fluctuate within a narrow range. In this environment, by Q2, the National Treasury Management Agency (NTMA) had already issued EUR 9.35bn in government bonds out of a planned EUR 9bn-13bn in 2017.

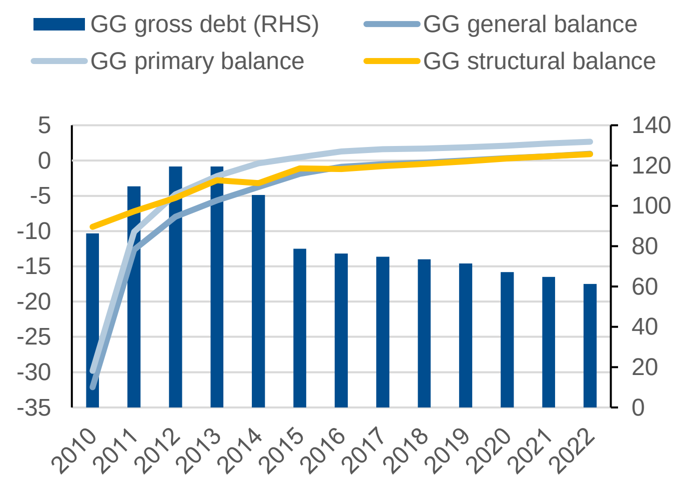
The primary surplus increased to 1.3% in 2016 from 0.5% in the year before. The nominal rise in revenues was in part offset by expenditure increases, particularly in the health sector. In structural terms, the deficit remained broadly unchanged. General government debt came down from 78.8% of GDP in 2015 to 75.6% of GDP in 2016. We expect the debt ratio to continue its downward trajectory based on Ireland's ongoing economic recovery. Proceeds from the state's holdings in banks are expected to contribute positively to the debt ratio's downward trend.[2]

However, public debt sustainability remains vulnerable to adverse economic growth shocks. Ireland's still high level of public debt makes projections very sensitive to economic growth and budgetary adjustments. According to the Commission's debt

[2] An IPO of AIB stock (28.8%) was completed in June. This returned €3.4bn to the Irish government. Liquidation of IBRC could return c. €0.8 to €1.1bn to the government in coming years.

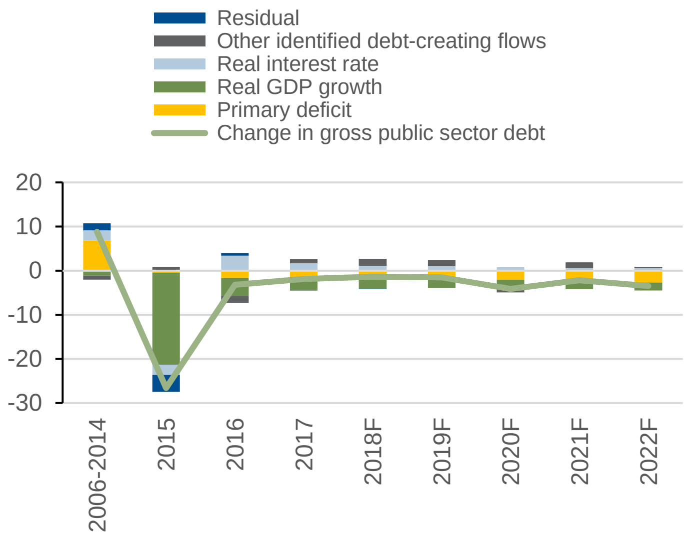
sustainability analysis, adverse shocks to real GDP growth - of a magnitude reflecting the country's past variations in output - would increase the public debt-to-GDP ratio by 20 percentage points by 2027, to about 80%.[3] At the same time, interest rate risk for the Irish sovereign remains relatively low due to the public debt structure and its long debt maturity profile. However, gross financing needs are expected to rise in the medium to long term as bonds and loans mature.

Figure 4: Fiscal developments, % of GDP



Source: IMF

Figure 5: Debt-creating flows, % of GDP



Source: IMF

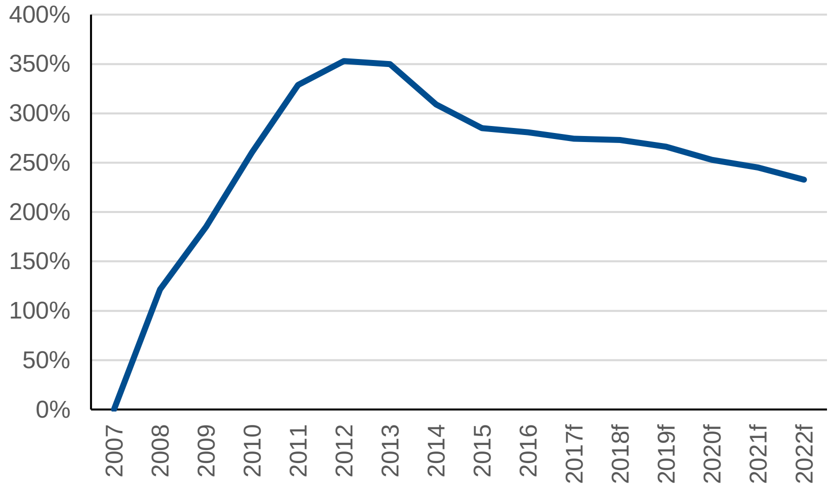
Even though birth rates in Ireland are above typical international replacement rates and the old age dependency ratio (65+/ages 15-64) compares well against OECD countries (supported by a young workforce), Ireland's long term debt sustainability is challenged by very high unfunded pension liabilities as evidenced by generational accounting conducted by the Freiburg based Market Economy Foundation.[4]

However, risks for Ireland's capacity to service its European Financial Stability Mechanism (EFSM) and European Financial Stability Facility (EFSF) debt remain low. The sovereign's access to funding continues under favourable conditions and the NTMA plans to maintain strong cash buffers in advance of large redemptions over the medium term, notably in 2019 and 2020.

Despite projected improvements in Ireland's debt metrics, we stress that the government debt ratio is substantially higher than the averages of A and AA rated peers. General government debt in relation to revenues at 275% in 2016 is also substantially higher than peer averages, indicating challenges to debt affordability (interest costs are 8.7% of general government revenues).

[3] European Commission Post-Programme Surveillance Report, Spring 2017, p. 36
[4] http://www.stiftung-marktwirtschaft.de/fileadmin/user_upload/Generationenbilanz/Key_Results_Honorable_States_2016.pdf

Figure 6: General Government debt-to-revenues (%)



Source: IMF

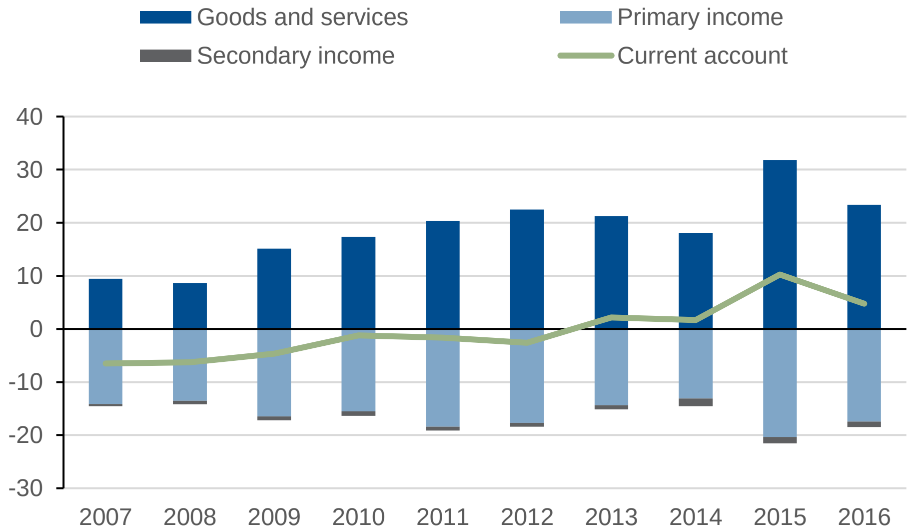
External economic risk

Ireland is particularly vulnerable to external shocks

Net external debt remains higher than that of peers, and the net international investment position (NIIP) is strongly negative at -176% of GDP in 2016. External balance sheets have strengthened with the banking sector recovery and the stable external liabilities of the general government. FDI inflows continue to be strong, supported by a favourable business climate and economic performance.

Ireland's current account remains in surplus. The surplus declined to under 5% of GDP in 2016 from about 10% in 2015. This volatility reflects in part contract manufacturing and Intellectual Property (IP)-related imports. The 2016 current account reflects a surplus in the goods trade balance, more than offsetting deficits in services and income.

Figure 7: Current account balance, % of GDP



Source: IMF, Calculations Scope Ratings AG

Ireland's share of world exports has been increasing, driven by strong export performance in the pharmaceutical as well as in the business and financial services sectors. Here, exports of goods manufactured abroad by Irish-domiciled firms – about 60% of goods exports – complicates the assessment.

As a small and very globalised economy, Ireland is particularly vulnerable to adverse shifts in the external environment that are likely to impact economic activity and revenue generation. The potential negative impact of Brexit on the Irish economy is expected to be material. An economic slowdown in the UK, together with the weakness of the pound, would have a negative impact on Irish labour, trade and financial activity. Lawless and Morgenroth[5] have conducted analysis on the trade effects of applying the WTO tariffs to UK trade - i.e. a significant "hard" Brexit scenario. By matching over 5,200 products to the WTO tariffs applicable to ex-EU trade, the authors find that such an outcome would result in significantly different impacts on trade across countries. Ireland would be the hardest hit.

Potential international tax policy changes are another external risk factor. Ireland has been a favourite destination of foreign direct investment by MNEs over the past 20 years. Uncertainty around possible corporate tax reforms in the US and EU may substantially slow down or even reverse FDI flows and affect MNE operations in Ireland, with potentially adverse repercussions for output, employment and the fiscal position. According to the IMF[6], the top 50 companies represent about half of corporate income tax revenues. US-headquartered companies contribute about 60% of this total. MNEs also pose a potentially large indirect risk to taxes, accounting for about a fifth of the total compensation of employees, social contributions, and income taxes. MNEs in Ireland invest in substantial physical production, provide employment, and are an important part of the tax base, with a direct bearing on the underlying economy.

Financial stability risk

Continued deleveraging but still high indebtedness

Private-sector indebtedness remains high. New lending for house purchases has risen from low levels, but strong income growth and repayments have resulted in a further reduction in household debt relative to disposable income, which stood at 142% in 2016. The financial position of SMEs continued to improve across all sectors, and the default rate has halved to 14.3% in Q4 2016 since its 2013 peak. Corporate debt was around 245% of GDP in 2016.

According to the Irish Treasury, the National Asset Management Agency (NAMA) has repaid 98% of its senior debt. NAMA's projections point to a potential profit of €3bn subject to market conditions. Aside from these "contingent assets", Ireland is charged with recouping €13bn plus interest from Apple after the EC state-aid ruling. Ireland is appealing the decision as is Apple, and the outcome and timing of the litigation/result is highly uncertain at this stage.

Several years after the crisis, Irish banks have deleveraged and their capital positions have significantly strengthened. The structure of the balance sheet as well as the quality of the banks' assets has improved mainly as a result of ongoing restructuring, asset sales as well as rising collateral values.[7] While still high, the ratio of non-performing loans has declined. In Q3 2016, they constituted 14.6% of total loans. Brexit-related uncertainties and international regulatory changes pose additional challenges.

New lending is picking up as private-sector balance sheets improve. Mortgage arrears declined to 13.4% of total mortgages at end-2016 from 14.7% at end-2015. While new lending is trending upwards, mainly to firms in the real estate and manufacturing sectors, large redemptions continue to drive overall credit down.

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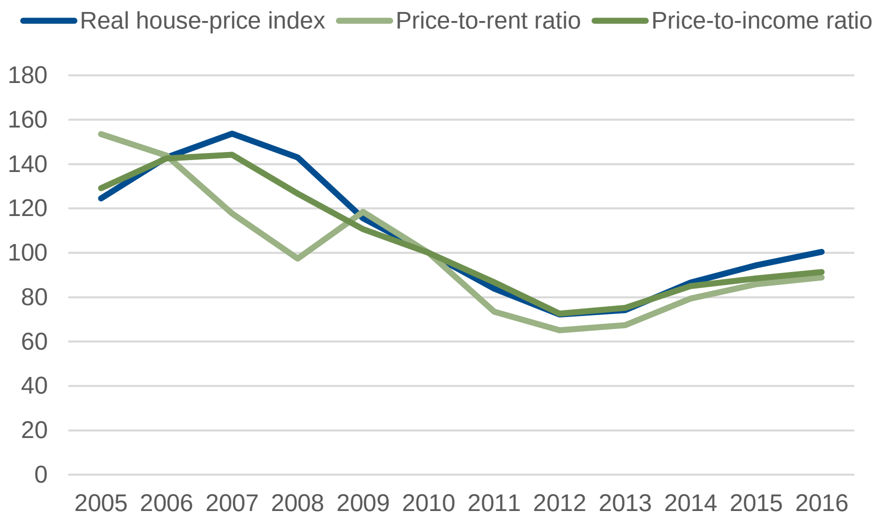
5 https://www.esri.ie/publications/the-product-and-sector-level-impact-of-a-hard-brexit-across-the-eu/, Nov 2016
6 IMF, Article IV consultation on Ireland, Staff report, June 2017
7 Post-Programme Surveillance Report - Ireland, Spring 2017, p.5

Improved labour market conditions and rising incomes have contributed to pressure on house prices and rent. Recent developments seem to reflect important supply shortages following the deep real estate-driven crisis. The situation is being monitored closely to detect any form of inchoate housing bubble.

Figure 8: Housing price indicators, 2010=100



Source: OECD

Institutional and political risk

Stable institutional environment and government policies

Ireland is an attractive destination for foreign investment, ranking well in various indicators of global competitiveness, premised on a sound legal and regulatory system, a skilled workforce, flexible labour market, and low corporate income tax rates. EU membership and the English-native-speaking environment are also relevant to the mainly US-based MNEs, which have invested in high productivity industries such as pharmaceuticals and information technology and account for about 50% of measured gross value added.

Taoiseach (prime minister) Enda Kenny recently resigned as Fine Gael leader, with the new leader, Leo Varadkar, the former social protection minister, selected on 2 June. He was subsequently nominated premier by the Dáil, aided by a confidence and supply agreement with Fianna Fáil. We do not expect recent political developments to result in a material policy shift, even though some adjustment fatigue and housing concerns among the population may pose increasing challenges for policy makers.

Methodology

The methodology applicable for this rating and/or rating outlook "Public Finance Sovereign Ratings" is available on www.scoperatings.com.

Historical default rates of Scope Ratings can be viewed in the rating performance report on https://www.scoperatings.com/governance-and-policies/regulatory/esma-registration. Please also refer to the central platform (CEREP) of the European Securities and Markets Authority (ESMA): http://cerep.esma.europa.eu/cerep-web/statistics/defaults.xhtml. A comprehensive clarification of Scope's definition of default, definitions of rating notations can be found in Scope's public finance rating methodologies on www.scoperatings.com.

The rating outlook indicates the most likely direction of the rating if the rating were to change within the next 12 to 18 months. A rating change is, however, not automatically ensured.

I. Appendix: CVS and QS Results

Sovereign rating scorecards

Scope's Core Variable Scorecard (CVS), which is based on the relative rankings of key sovereign credit fundamentals, provides an indicative AA (aa) rating range for the Irish sovereign. This indicative rating range can be adjusted by the Qualitative Scorecard (QS) by up to three notches depending on the extent of relative credit strengths or weaknesses as compared to peers, based on Scope analysts' qualitative findings.

For Ireland, relative credit weaknesses have been identified for the following analytical categories: i) macroeconomic stability and imbalances; ii) vulnerability to short-term shocks; and iii) macro financial vulnerabilities and fragility. No relative qualitative credit strength against peers has been identified. Combined CVS and QS analysis indicate a AA- sovereign rating for Ireland. The lead analyst has recommended a further adjustment of the indicated rating to A+ in order to take into account important distortions in Irish economic data that tend to overstate the performance of underlying fundamentals and credit metrics in the CVS. The results have been discussed and confirmed by a rating committee.

Rating overview

CVS indicative rating range	aa
QS adjustment	AA-
Final rating	A+

To calculate the rating score within the CVS, Scope uses a minimum-maximum algorithm to determine a rating score for each of the 22 indicators. Scope calculates the minimum and maximum of each rating indicator and places each sovereign within this range. Sovereigns with the strongest results for each rating indicator receive the highest rating score; sovereigns with the weakest results receive the lowest rating score. The result is converted into an indicative rating range that is always presented in lower-case.

Within the QS assessment the analyst conducts a comprehensive review of the qualitative factors. This includes but is not limited to economic scenario analysis, review of debt sustainability, fiscal and financial performance and policy implementation assessments.

There are three assessments per category for a total of fifteen. For each assessment, the analyst examines the relative position of a given sovereign within its peer group. For this purpose, additional comparative analysis beyond the variables included in the CVS is conducted. These assessments are then aggregated using the same weighting system as in the CVS.

The result is the implied QS notch adjustment, which is the basis for the analyst recommendation to the rating committee.

II. Appendix: CVS and QS Results

CVS

Rating Indicator	Category weight
Domestic Economic Risk	35%
Economic Growth	
Real GDP growth	
Real GDP volatility	
GDP per capita	
Inflation rate	
Labour & Population	
Unemployment Rate	
Population growth	
Public Finance Risk	30%
Fiscal Balance	
GG Public Balance	
GG Primary Balance	
GG Gross Financing Needs	
Public Debt	
GG Net Debt	
Interest Payments	
External Economic Risk	15%
International Position	
IIP	
Importance of Currency	
Curr. Acc. Financing	
Cur. account bal.	
T-W effective Exch. Rate	
Total External Debt	
Institutional and Political Risk	10%
Control of Corruption	
Voice & Accountability	
Rule of Law	
Financial Risk	10%
NPL	
Liquid Assets	
Credit to GDP gap	
Indicative Rating Range	**aa**
QS adjustment	**AA-**
Final rating	**A+**

QS

Maximum adjustment = 3 notches

	+2 notch	+1 notch	0 notch	-1 notch	-2 notch
Growth potential of the economy	○ Excellent outlook, strong growth potential	○ Strong outlook, good growth potential	◉ Neutral	○ Weak outlook, growth potential under trend	○ Very weak outlook, growth potential well under trend or negative
Economic policy framework	○ Excellent	○ Good	◉ Neutral	○ Poor	○ Inadequate
Macroeconomic stability and imbalances	○ Excellent	○ Good	○ Neutral	◉ Poor	○ Inadequate
Fiscal Performance	○ Exceptionally strong performance	○ Strong performance	◉ Neutral	○ Weak performance	○ Problematic performance
Debt Sustainability	○ Exceptionally strong sustainability	○ Strong sustainability	◉ Neutral	○ Weak sustainability	○ Not sustainable
Market access and Funding Sources	○ Excellent access	○ Very good access	◉ Neutral	○ Poor access	○ Very weak access
Current account vulnerabilities	○ Excellent	○ Good	◉ Neutral	○ Poor	○ Inadequate
External debt sustainability	○ Excellent	○ Good	◉ Neutral	○ Poor	○ Inadequate
Vulnerability to short-term shocks	○ Excellent resilience	○ Good resilience	○ Neutral	◉ Vulnerable to shock	○ Strongly vulnerable to shocks
Perceived willingness to pay	○ Excellent	○ Good	◉ Neutral	○ Poor	○ Inadequate
Recent events and policy decisions	○ Excellent	○ Good	◉ Neutral	○ Poor	○ Inadequate
Geo-political risk	○ Excellent	○ Good	◉ Neutral	○ Poor	○ Inadequate
Financial sector performance	○ Excellent	○ Good	◉ Neutral	○ Poor	○ Inadequate
Financial sector oversight and governance	○ Excellent	○ Good	◉ Neutral	○ Poor	○ Inadequate
Macro-financial vulnerabilities and fragility	○ Excellent	○ Good	○ Neutral	◉ Poor	○ Inadequate

* Implied QS notch adjustment = (QS notch adjustment for Domestic Economic Risk)*0,35 + (QS notch adjustment for Public Finance Risk)*0,30 + (QS notch adjustment for External Economic Risk)*0,15 + (QS notch adjustment for Institutional and Political Risk)*0,10 + (QS notch adjustment for Financial Stability Risk)*0,10

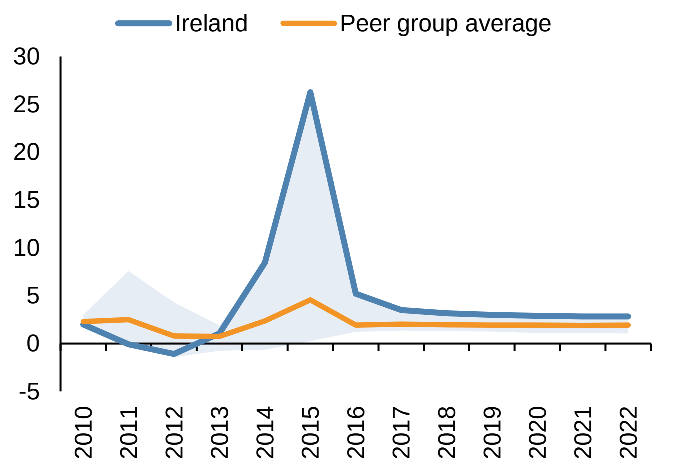
Source: Scope Ratings AG

Foreign- versus local-currency ratings

Ireland's debt is issued predominantly in euros, or hedged. Because of its history of openness to trade and capital flows and the euro's reserve currency status, Scope sees no evidence that Ireland would differentiate among any of its contractual debt obligations based on currency denomination.

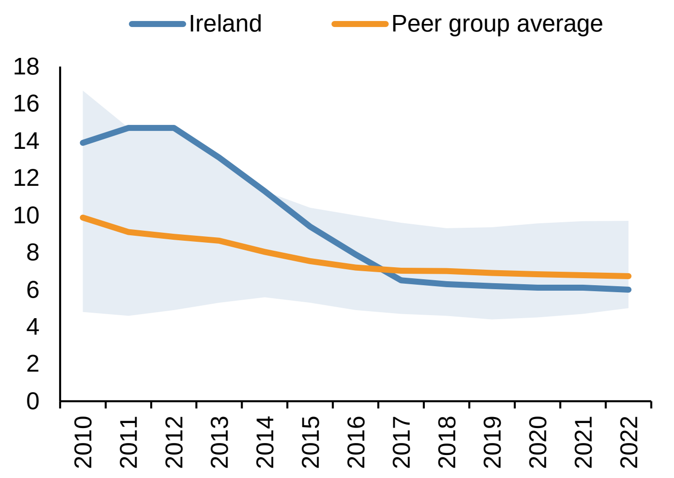
III. Appendix: Peer Comparison (CVS rating category)

Figure 9: Real GDP growth



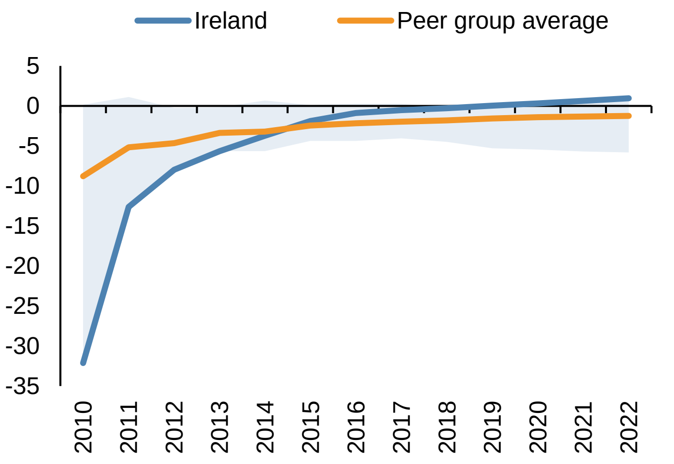
Source: IMF, Calculations Scope Ratings AG

Figure 10: Unemployment rate, % of total labour force



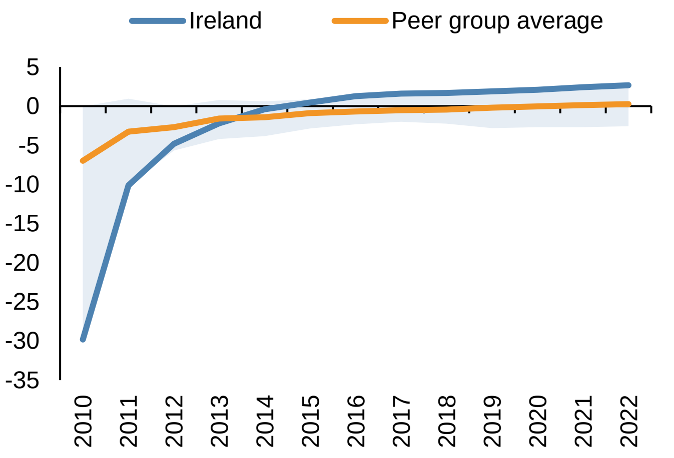
Source: IMF, Calculations Scope Ratings AG

Figure 11: General government balance, % of GDP



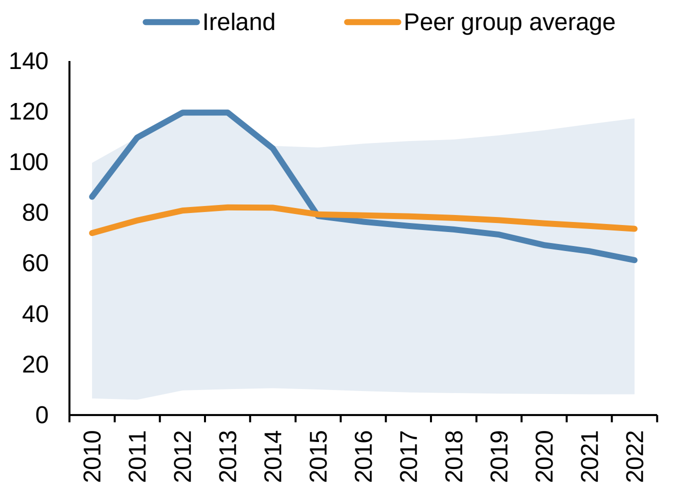
Source: IMF, Calculations Scope Ratings AG

Figure 12: General government primary balance, % of GDP



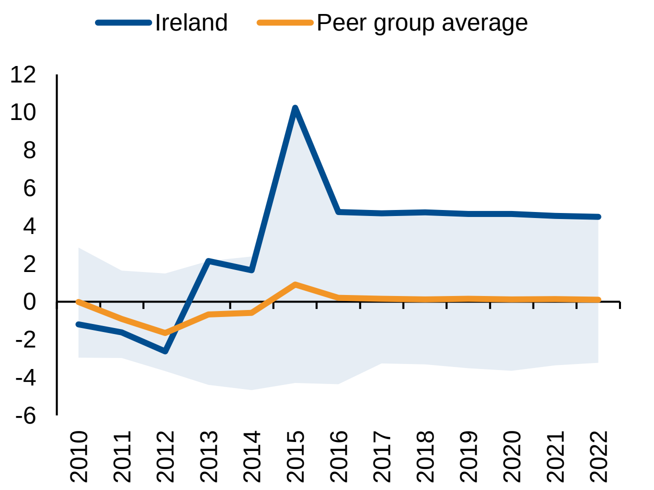
Source: IMF, Calculations Scope Ratings AG

Figure 13: General government gross debt, % of GDP



Source: IMF, Calculations Scope Ratings AG

Figure 14: Current-account balance, % of GDP



Source: IMF, Calculations Scope Ratings AG

IV. Appendix: Statistical tables

	2012	2013	2014	2015	2016	2017E	2018F
Economic performance							
Nominal GDP (EUR bn)	175.6	180.0	192.9	255.6	265.4	278.0	291.0
Population ('000s)	4,678.1	4,682.0	4,686.3	4,700.1	4,726.1	4,761.7	.
GDP-per-capita PPP (USD)	46,553.0	48,310.1	51,265.7	67,974.2	68,882.9	-	-
GDP per capita (EUR)	38,219.0	39,053.8	41,735.3	54,907.6	56,558.5	58,448.7	60,592.6
Real GDP growth, % change	-1.1	1.1	8.4	26.3	5.2	3.9	3.3
GDP growth volatility (10-year rolling SD)	4.2	4.1	4.4	8.9	8.9	8.9	8.5
CPI, % change	1.9	0.5	0.3	0.0	-0.2	0.9	1.5
Unemployment rate (%)	14.7	13.1	11.3	9.4	7.9	6.2	5.7
Investment (% of GDP)	19.9	18.6	22.0	21.8	28.9	30.9	31.3
Gross national savings (% of GDP)	17.2	20.7	23.6	32.0	33.6	35.7	36.0
Public finances							
Net lending/borrowing (% of GDP)	-8.0	-5.7	-3.7	-2.0	-0.6	-0.5	-0.2
Primary net lending/borrowing (% of GDP)	-4.8	-2.2	-0.4	0.7	1.8	1.7	1.9
Revenue (% of GDP)	33.9	34.2	34.1	27.6	27.5	27.0	26.8
Expenditure (% of GDP)	41.9	39.8	37.8	29.6	28.1	27.6	26.9
Net interest payments (% of GDP)	3.2	3.5	3.3	2.7	2.4	2.2	2.1
Net interest payments (% of revenue)	9.4	10.1	9.7	9.8	8.7	8.1	7.8
Gross debt (% of GDP)	119.6	119.6	105.4	78.8	75.6	73.7	72.3
Net debt (% of GDP)	105.2	106.3	96.2	72.1	69.6	67.7	65.7
Gross debt (% of revenue)	353.0	350.0	308.9	285.5	274.9	273.0	269.8
External vulnerability							
Gross external debt (% of GDP)	947.7	836.4	925.7	870.9	780.4	-	-
Net external debt (% of GDP)	-348.4	-353.1	-418.7	-289.0	-374.1	-	-
Current-account balance (% of GDP)	-2.6	2.1	1.7	10.2	4.7	4.9	4.8
Trade balance [FOB] (% of GDP)	-	19.1	21.1	43.2	38.7	38.0	37.3
Net direct investment (% of GDP)	-10.8	-7.2	1.6	-7.8	7.6	-	-
Official forex reserves (EOP, USD m)	3.3	3.9	242.2	737.8	1406.0	-	-
REER, % change	-4.4%	1.6%	-0.7%	-6.7%	1.4%	-	-
Nominal exchange rate (EOP, USD/EUR)	1.3	1.4	1.2	1.1	1.1	-	-
Financial stability							
Non-performing loans (% of total loans)	25.0	25.7	20.6	14.9	-	-	-
Tier 1 ratio (%)	16.7	17.3	20.5	23.2	23.0	-	-
Consolidated private debt (% of GDP)	278.8	267.3	281.3	303.4	-	-	-
Domestic credit-to-GDP gap (%)	16.6	-16.6	-9.4	-5.7	-37.6	-	-

Source: IMF, European Commission, European Central Bank, World Bank, United Nations, Scope Ratings AG

V. Regulatory disclosures

This credit rating and/or rating outlook is issued by Scope Ratings AG.

Rating prepared by Dr Giacomo Barisone, Lead Analyst

Person responsible for approval of the rating: Karlo Stefan Fuchs, Executive Director

The ratings/outlook were first assigned by Scope as a subscription rating in January 2003. The subscription ratings/outlooks were last updated on 05.05.2017.

The senior unsecured debt ratings as well as the short term issuer ratings were assigned by Scope for the first time.

As a "sovereign rating" (as defined in EU CRA Regulation 1060/2009 "EU CRA Regulation"), the ratings on Republic of Ireland are subject to certain publication restrictions set out in Art 8a of the EU CRA Regulation, including publication in accordance with a pre-established calendar (see "Sovereign Ratings Calendar of 2017" published on 21.07.2017 on www.scoperatings.com). Under the EU CRA Regulation, deviations from the announced calendar are allowed only in limited circumstances and must be accompanied by a detailed explanation of the reasons for the deviation. In this case, the deviation was due to the recent revision of Scope's Sovereign Rating Methodology and the subsequent placement of ratings under review, in order to conclude the review and disclose ratings in a timely manner, as required by Article 10(1) of the CRA Regulation.

Rating Committee: the main points discussed were: (1) Ireland's economic outlook, (2) the fiscal performance and debt sustainability, (3) external vulnerabilities due to reliance on American multinational enterprises and uncertainties arising from Brexit, (4) the existence of contingent liabilities, (5) peers considerations. The committee also discussed the impact of MNEs on Irish statistics, as well as their possible distortionary effect on CVS data.

Solicitation, key sources and quality of information

The rating was initiated by Scope and was not requested by the rated entity or its agents. The rated entity and/or its agents did not participate in the ratings process. Scope had no access to accounts, management and/or other relevant internal documents for the rated entity or related third party.

The following material sources of information were used to prepare the credit rating: public domain and third parties. Key sources of information for the rating include: Ministry of Economy and Finance, Central Statistics Office (CSO), National Bank of Ireland, NTMA, IMF, OECD, European Commission, United Nations, World Bank, Eurostat, and Haver Analytics.

Scope considers the quality of information available to Scope on the rated entity or instrument to be satisfactory. The information and data supporting Scope's ratings originate from sources Scope considers to be reliable and accurate. Scope does not, however, independently verify the reliability and accuracy of the information and data.

Prior to publication, the rated entity was given the opportunity to review the rating and/or outlook and the principal grounds upon which the credit rating and/or outlook is based. Following that review, the rating was not amended before being issued.

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