FitchRatings

Banks
Trade Finance Banks
Netherlands

Credit Europe Bank N.V.

Key Rating Drivers

Prudent Balance-Sheet Management: Credit Europe Bank N.V.'s (CEB) franchise in commodity trade finance remains a rating strength, despite its limited diversification. Since 2018, CEB has been de-risking its balance sheet by reducing its volume of impaired loans and exposure to some emerging countries, which, along with higher interest rates, improved the bank's profitability. This has fed through to increased internal capital generation and higher capitalisation.

CEB's Viability Rating (VR) is one notch below the 'bb' implied VR, driven by the business profile score, which we assess at 'bb-'. The Positive Outlook reflects CEB's ongoing business profile strengthening and better asset quality, which should support structural operating profitability improvement.

Higher Trade Volumes Expected in 2024: Fitch Ratings expects trade volumes to grow faster than the global economy in 2024, supported by a lower rate of inflation, leading to an early exit from monetary tightening policies. The decreasing rates should also fuel credit demand from 2H24. CEB plans to leverage on this favourable environment, supporting loan growth in 2024.

Niche Trade Finance Bank: CEB has a niche trade finance and corporate franchise, with diversification into the retail segment in Romania. We expect the bank to continue benefitting from the higher interest rates, while the revenue's volatility decreases alongside its exposure to emerging countries. The bank's growth strategy, together with a controlled risk appetite and further cost optimisations, should support the strengthening of the business profile.

Accelerated De-Risking Strategy: The bank has adopted a more conservative risk approach over the past five years by reducing its exposure to cyclical sectors, countries affected by high volatility (e.g. Turkiye), or significant geopolitical developments (e.g. Russia). These measures led to a significant decline in CEB's non-performing assets (NPA) ratio and minimum capital requirements. We expect the bank to maintain an NPA ratio below 2% over the coming years.

Reduced NPAs; Improved Coverage: CEB has recently demonstrated satisfactory balance sheet management, although exposure to emerging markets add potential volatility to asset quality. The NPA ratio declined to 1.4% at end-2023 (from 7.2% at end-2020), helped by tightened underwriting policies, balance sheet de-risking and lending geared towards developed markets. The bank also materially improved its coverage of NPA.

Improved Profitability: CEB's core profitability has materially improved, thanks to the recent increase in net interest income and lower loan impairment charges. We expect the bank to maintain an operating profit/risk-weighted assets (RWAs) ratio of above 2% in 2024 and 2025 due to high interest rates, high trade volumes, loan growth, good control over costs and NPA.

Capital Buffers Improving: CEB's common equity Tier 1 (CET1) ratio has consistently exceeded 15% over the past years and capital encumbrance has now fallen below 5%. Although the bank's capital size remains modest in nominal terms, its capital buffers materially increased since July 2023, following the local regulator's decision to reduce its minimum capital requirements.

Moderately Stable Deposit Franchise: CEB is mainly funded through granular retail deposits, which are collected online mostly in Germany and the Netherlands. Corporate and interbank deposits are originated from CEB's trade-finance and corporate-banking operations. The bank has a large liquidity buffer, made of central banks deposits and sovereign bonds. The short-term nature of its balance sheet also supports its capacity to meet its commitments.

CEG's IDRs Equalised with CEB's: CEG is the parent holding company of CEB, the group's main operating company and core bank. The ratings of CEG and CEB are equalised, as Fitch believes that the risk of default of the two entities is substantially the same.

Ratings

Foreign Currency	
Long-Term IDR	BB-
Short-Term IDR	B
Viability Rating	bb-
Government Support Rating	ns
Sovereign Risk (Netherlands)	
Long-Term Foreign-Currency IDR	AAA
Long-Term Local-Currency IDR	AAA
Country Ceiling	AAA
Outlooks	
Long-Term Foreign-Currency IDR	Positive
Sovereign Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Local-Currency IDR	Stable

Applicable Criteria

Bank Rating Criteria (March 2024)

Related Research

Global Economic Outlook (June 2024)

Fitch Affirms Credit Europe Bank at 'BB-'; Assigns Credit Europe Group 'BB-'; Outlooks Positive (March 2024)

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Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

The ratings would be downgraded if the macroeconomic environment weakens more than we expect, leading to a material asset-quality deterioration (with an NPA ratio increasing over 6%), a weaker operating profitability (operating profit falling below 1% of RWAs on a sustained basis) or capital position (CET1 ratio materially below 13%).

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

The ratings could be upgraded on broader business and revenue diversification, with a record of operating profit above 1.5% of RWAs through the cycle, including a lower interest rate environment and growth prospects. A tested access to wholesale funding would also be rating positive. In addition, an upgrade would require a stable risk profile and asset quality, while capital level remains materially above 13%.

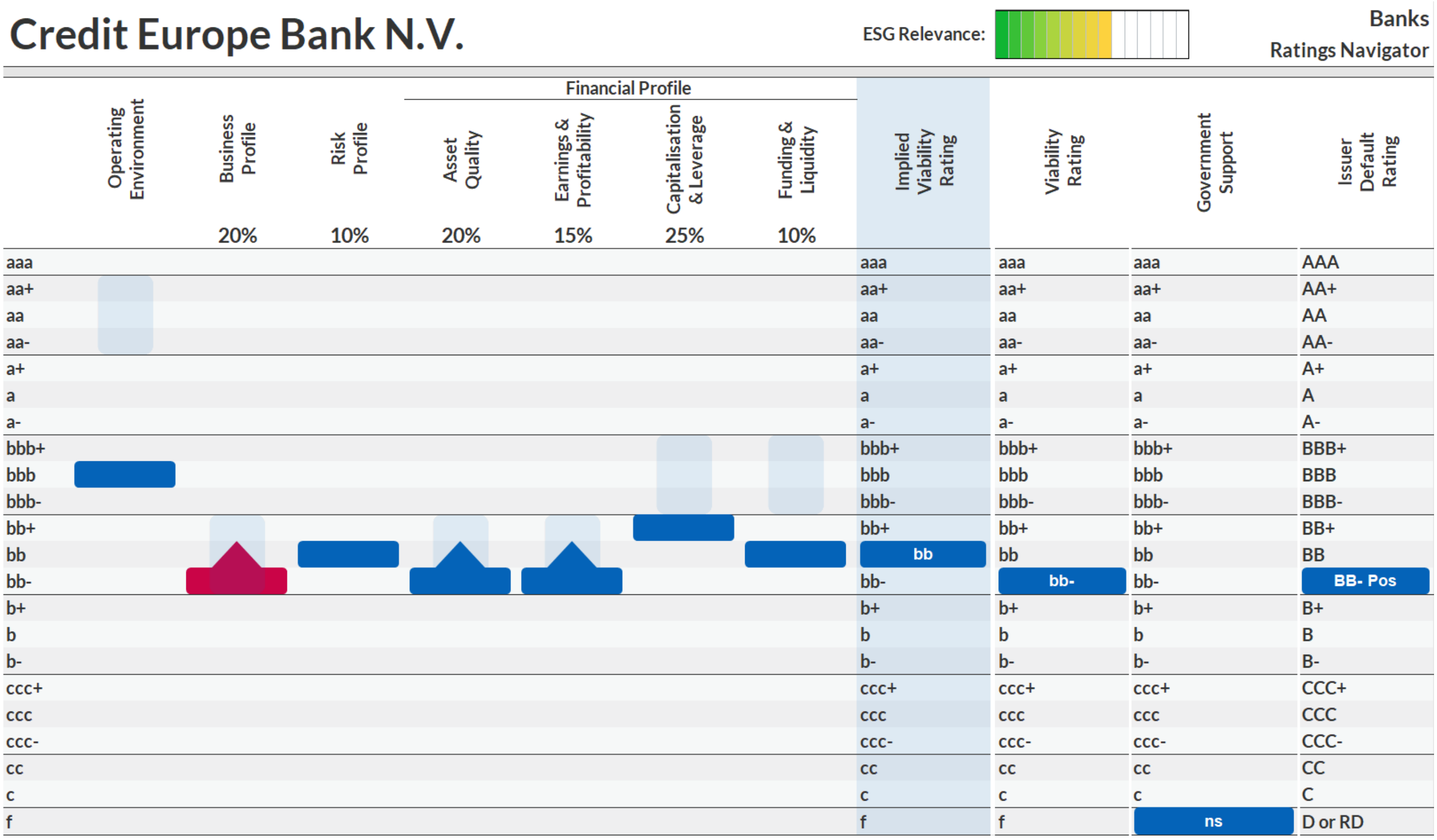
Other Debt and Issuer Ratings

Rating level	Rating
Subordinated Tier 2	B

Source: Fitch Ratings

CEB's Tier 2 subordinated debt is rated two notches below the bank's VR, reflecting its poor recovery prospects.

Ratings Navigator



The Key Rating Driver (KRD) weightings used to determine the implied VR are shown as percentages at the top. In cases where the implied VR is adjusted upwards or downwards to arrive at the VR, the KRD associated with the adjustment reason is highlighted in red. The shaded areas indicate the benchmark-implied scores for each KRD.

VR - Adjustments to Key Rating Drivers

The operating environment score of 'bbb' is below the category-implied score of 'aa' due to the following adjustment reason: international operations (negative).

The capitalisation & leverage score of 'bb+' is below the category-implied score of 'bbb' due to the following adjustment reason: size of the capital base (negative).

The funding & liquidity score of 'bb' is below the category-implied score of 'bbb' due to the following adjustment reason: non-deposit funding (negative).

Company Summary and Key Qualitative Factors

Business Profile

Small Trade Finance and Corporate Lending Franchise

CEB has a niche commodity trade finance franchise (about 60% of corporate loans) with diversification in consumer finance in Eastern Europe. The bank has a long-standing experience in international trade finance and its product range includes letters of credit pre- and post-export financing, as well as receivables financing. CEB mainly deals with established commodity traders active in energy and petrochemicals, metals and minerals, and agricultural products. CEB is also active in marine finance, where it finances cargo vessels during and after their construction phase (mainly in Malta), and in commercial real estate (hotels, retail, logistics).

Supply chain financing is a new business segment established in 2021 (small, unsecured and standard transactions). The competition in the larger corporate segment is tight, as clients are mainly covered by large international entities while, in the SME segment, CEB has more opportunities for growth, in our view. At the same time, its customer base is largely stable with most clients being with the bank for the past 15 years.

CEB funds its activities through online savings gathered in the Netherlands and Germany, in addition to bank and corporate deposits. At end-2023, customer deposits represented more than 85% of the bank's total funding.

Clear Strategy to Reduce Risks and Improve Cost Efficiency

The bank's performance through the cycle has been variable, due to high sensitivity to trade flows, fluctuations in commodity prices and dependence on the macroeconomic performance of emerging economies. Trade finance operations also expose CEB to higher operational risk compared to retail and commercial banking. CEB's strategy focuses on reducing its non-performing exposures and its foreclosed assets over time. The bank has already reduced its non-performing assets ratio to 1.4% in 2023 (2021: 4.7%).

In response to inflationary pressures, the bank is optimising its cost structure through outsourcing and allocating expenses to countries with cheaper labour costs (Romania, Malta, Turkiye), outside the Netherlands. CEB's operating efficiency materially improved as a result over the past two years (cost/income ratio at 65% in 2023, down from 75% in 2022 and 84% in 2021). We expect it to drop further by 2026 on the back of further cost tightening and disposals of repossessed assets. The Russia–Ukraine war created disruptions for the trade finance segment, and encouraged the bank to replace the lost volumes with new projects in Africa and Latin America, which have been part of the bank's expansion strategy set out before the Russia–Ukraine war.

Risk Profile

Declining Sector Concentration and Exposure to Higher-Risk Countries

CEB's loan portfolio is concentrated in terms of borrowers (the top 10 loans represented 22% of the loan portfolio at end-2023). However, since the pandemic, the bank has tightened its underwriting criteria in several sectors, lowered its limits for higher-risk countries and significantly increased portfolio monitoring for the more vulnerable sectors, such as commercial real estate or leisure and tourism. As a result, sector concentration, which is inherent to CEB's business model, decreased over the past three years.

CEB's credit exposure to high-risk countries, such as Russia, Ukraine and Turkiye, has notably declined over the past years. We expect this shift to help the bank improve its risk profile on the basis of the self-liquidating, secured or partly secured, and short-term nature of this business.

Market Risk Exposure to Reduce

The bank has exposure to foreign-currency risk as a significant portion of its loan book is either US dollar or Romanian leu-denominated. CEB has appropriate hedges in place to limit the impact from adverse movements in the relevant currency pairs on its earnings.

Market risk is limited as the bank's securities portfolio mainly comprises sovereign bonds. However, about 45% of this portfolio had credit ratings of 'BBB+' or below at end-2023, mainly owing to CEB's obligation to hold Romanian sovereign bonds (BBB-/Stable). We expect the 'transformation of its Romanian subsidiary into a branch to put an end to this regulatory constraint and should therefore help reducing the bank's market risk exposure. Nevertheless, the portfolio is fully performing, with no recent default. The bank plans to maintain a liquid securities portfolio and will partly reallocate the proceedings of the sale of its Romanian bond portfolio towards higher-rated countries' debt. We expect this will have a negligible impact in terms of liquidity buffers.

Financial Profile

Asset Quality

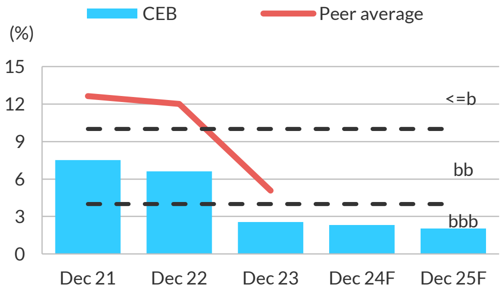
Decreasing NPA Ratio, Improved Coverage

The share of impaired loans has consistently declined over the past five years, demonstrating the bank's active de-risking of its loan portfolio. Impaired loans mainly stem from CEB's corporate lending in Turkiye and legacy home loan portfolio in Romania, where the government allowed borrowers to request a full loan write-off after transferring the property to the bank. The NPA coverage ratio materially improved to 65% at end-2023.

The inflationary environment had a positive impact on collateral evaluation and helped the bank to sell its foreclosed assets. It led to a material reduction of the stock (end-2023: EUR49 million; end-2021: EUR123 million), and the bank aims to reduce this amount to close to zero over the next three years.

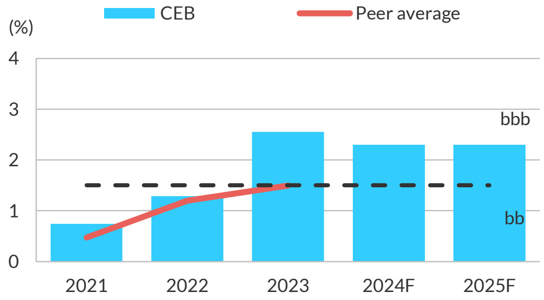
We still consider Turkiye as a potential source of impairments for CEB, given the high inflation and challenging economic environment in the country. However, the bank has been deleveraging its Turkish loan portfolio and is re-focusing its business on traditional trade finance activities, where it has a record of good credit quality.

Impaired Loans/Gross Loans



Source: Fitch Ratings, Fitch Solutions, banks

Operating Profit/Risk-Weighted Assets



Source: Fitch Ratings, Fitch Solutions, banks

Earnings and Profitability

Resilient Business Volumes, High Interest Rates Support Profitability

Through the cycle, CEB's volatile profitability has reflected the inherent cyclicality of its business model. The bank's revenue is more volatile than traditional retail and commercial banks', owing to the fluctuations in commodity prices and trade finance volumes. CEB's performance is also sensitive to foreign-currency volatility, as the majority of its trade finance operations are conducted in US dollars, whereas its funding is predominantly sourced in euros.

In 2023, the bank's profitability continued to benefit from high interest rates and sustained trade finance volumes, which offset the negative impact of inflation and the costs associated with running foreclosed assets. As a result, CEB's operating profit/RWAs ratio doubled yoy to reach 2.6% (2022: 1.3%, 2021: 0.7%). We expect that the high interest rates will continue to support the bank's net interest income in 2024.

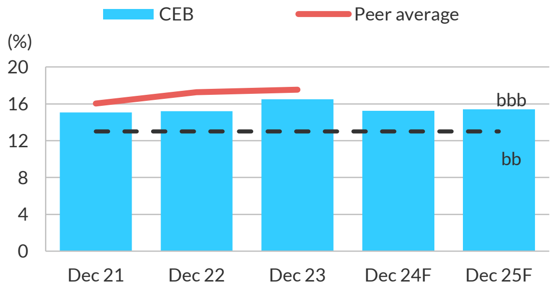
Capital and Leverage

Improved Capital Buffers, Lower Capital Encumbrance

CEB's CET1 capital buffer above minimum regulatory capital requirements increased to about 500bp in from 400bp at end-2022. This resulted from improved organic capital generation and the reduction of CEB's capital requirements, as decided by the regulator. This decision mainly reflects the reduction of the bank's exposure to more volatile markets, which we view as credit positive.

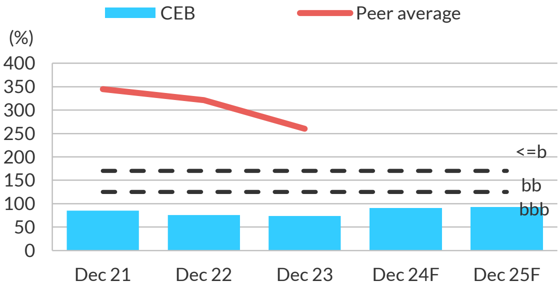
Unreserved impaired exposures also dropped and only encumbered about 5% of the bank's CET1 capital at end-2023, (end-2022: 19%, end-2021: 27%). We expect CEB to maintain a CET1 capital ratio above 15% over the next two years.

CET1 Ratio



Source: Fitch Ratings, Fitch Solutions, banks

Gross Loans/Customer Deposits



Source: Fitch Ratings, Fitch Solutions, banks

Funding and Liquidity

Price-Sensitive Deposit Funding, Ample Liquidity Buffer

Most of CEB's funding comes from retail customer deposits in Germany and the Netherlands, which are granular, but price-sensitive, and the average cost of funding increased sharply in 2023 due to higher market interest rates. The bank prudently hedges its term deposits by swapping them to floating rates.

In May 2024, CEB issued a new USD105 million Tier 2 note and partially tendered the existing USD150 million note. CEB's long-term debt also includes USD50 million additional Tier 1 instrument subscribed by the parent. However, the bank does not require a large share of long-term funding sources, except for marine and corporate financing activity, which is limited.

Liquidity is ample, with about EUR1.7 billion of cash and securities rated 'A-' or above (32% of total assets) covering around 44% of CEB's customer deposit base at end-2023. Furthermore, the short-term nature of CEB's balance sheet supports the bank's capacity to meet its commitments. We believe liquidity is not fully fungible between CEB's local subsidiaries, considering the local regulatory constraints, but these are mostly self-funded with retail and corporate deposits.

Additional Notes on Charts

The forecasts in the charts in this section reflect Fitch's forward view on the bank's core financial metrics under Fitch's *Bank Rating Criteria*. They are based on a combination of Fitch's macroeconomic forecasts, outlook at the sector level and company-specific considerations. Fitch's forecasts may therefore materially differ from the guidance provided by the rated entity to the market.

To the extent Fitch is aware of material non-public information with respect to future events, such as planned recapitalisations or merger and acquisition activity, Fitch will not reflect these non-public future events in its published forecasts. However, where relevant, such information is considered by Fitch as part of the rating process.

Black dashed lines represent indicative quantitative ranges and implied scores for Fitch's core financial metrics for banks operating in the environments that Fitch scores in the 'bbb' category. Light-blue columns represent Fitch's forecasts. Peer average includes Banca UBAE S.p.A. (VR: b+), Banque de Commerce et de Placements SA (bbb-), Union de Banques Arabes et Francaises - U.B.A.F. (bb-), FIMBank p.l.c. (b).

Financials

Financial Statements

	31 Dec 23		31 Dec 22	31 Dec 21	31 Dec 20
	Year end	Year end	Year end	Year end	Year end
	(USDm)	(EURm)	(EURm)	(EURm)	(EURm)
	Audited - unqualified	Audited - unqualified	Audited - unqualified	Audited - unqualified	Audited - unqualified
Summary income statement					
Net interest and dividend income	220	201.1	127.9	90.9	97.1
Net fees and commissions	50	45.4	34.9	31.3	23.9
Other operating income	-3	-2.9	34.1	51.2	29.4
Total operating income	267	243.6	196.9	173.4	150.4
Operating costs	173	157.9	148.8	150.0	121.3
Pre-impairment operating profit	94	85.7	48.1	23.4	29.1
Loan and other impairment charges	-4	-3.9	3.4	-4.6	30.6
Operating profit	98	89.6	44.7	28.0	-1.5
Other non-operating items (net)	n.a.	n.a.	n.a.	0.0	4.3
Tax	30	27.0	5.3	-9.4	-1.9
Net income	69	62.6	39.4	37.4	4.7
Other comprehensive income	8	7.5	-43.2	2.5	-11.5
Fitch comprehensive income	77	70.1	-3.8	39.9	-6.8
Summary balance sheet					
Assets					
Gross loans	3,243	2,960.0	2,579.6	2,827.7	2,667.0
- Of which impaired	83	75.9	170.7	212.9	261.0
Loan loss allowances	54	49.0	73.1	58.6	79.6
Net loans	3,189	2,911.0	2,506.5	2,769.1	2,587.4
Interbank	352	321.4	460.5	283.4	204.0
Derivatives	121	110.2	113.0	69.6	189.2
Other securities and earning assets	417	380.8	453.1	767.1	856.8
Total earning assets	4,079	3,723.4	3,533.1	3,889.2	3,837.4
Cash and due from banks	1,796	1,639.4	1,103.7	934.6	666.1
Other assets	247	225.8	259.0	281.7	322.9
Total assets	6,123	5,588.6	4,895.8	5,105.5	4,826.4
Liabilities					
Customer deposits	4,417	4,031.2	3,417.0	3,326.0	3,127.2
Interbank and other short-term funding	554	505.5	441.2	799.1	677.2
Other long-term funding	136	124.3	141.8	132.7	122.1
Trading liabilities and derivatives	150	136.6	150.6	87.9	165.4
Total funding and derivatives	5,256	4,797.6	4,150.6	4,345.7	4,091.9
Other liabilities	96	87.8	78.7	63.1	81.1
Preference shares and hybrid capital	50	45.3	46.9	44.2	40.8
Total equity	721	657.9	619.6	652.5	612.6
Total liabilities and equity	6,123	5,588.6	4,895.8	5,105.5	4,826.4
Exchange rate		USD1 = EUR0.912742	USD1 = EUR0.937559	USD1 = EUR0.884173	USD1 = EUR0.821963

Source: Fitch Ratings, Fitch Solutions, CEB

Key Ratios

	31 Dec 23	31 Dec 22	31 Dec 21	31 Dec 20
Ratios (%; annualised as appropriate)				
Profitability				
Operating profit/risk-weighted assets	2.6	1.3	0.7	0.0
Net interest income/average earning assets	5.7	3.4	2.4	2.6
Non-interest expense/gross revenue	64.8	74.7	83.8	80.1
Net income/average equity	9.8	6.3	5.9	0.8
Asset quality				
Impaired loans ratio	2.6	6.6	7.5	9.8
Growth in gross loans	14.8	-8.8	6.0	-5.8
Loan loss allowances/impaired loans	64.6	42.8	27.5	30.5
Loan impairment charges/average gross loans	-0.1	0.1	-0.2	1.1
Capitalisation				
Common equity Tier 1 ratio	16.5	15.2	15.1	16.0
Tangible common equity/tangible assets	10.8	11.2	11.4	11.8
Net impaired loans/common equity Tier 1 capital	4.6	18.6	27.1	30.1
Funding and liquidity				
Gross loans/customer deposits	73.4	75.5	85.0	85.3
Liquidity coverage ratio	578.0	524.0	397.0	453.0
Customer deposits/total non-equity funding	85.7	84.4	77.3	78.8
Net stable funding ratio	192.0	177.0	159.0	150.0

Source: Fitch Ratings, Fitch Solutions, CEB

Support Assessment

Commercial Banks: Government Support	
Typical D-SIB GSR for sovereign's rating level (assuming high propensity)	a+ to a-
Actual jurisdiction D-SIB GSR	ns
Government Support Rating	ns
Government ability to support D-SIBs	
Sovereign Rating	AAA/ Stable
Size of banking system	Negative
Structure of banking system	Negative
Sovereign financial flexibility (for rating level)	Neutral
Government propensity to support D-SIBs	
Resolution legislation	Negative
Support stance	Neutral
Government propensity to support bank	
Systemic importance	Negative
Liability structure	Neutral
Ownership	Negative

The colours indicate the weighting of each KRD in the assessment.
Higher influence Moderate influence Lower influence

No Government Support

CEB's Government Support Rating (GSR) of 'no support' reflects Fitch's view that, although external extraordinary sovereign support is possible, it cannot be relied on. Senior creditors can no longer expect to receive full extraordinary support from the sovereign in the event the bank becomes non-viable. This is because the EU's Bank Recovery and Resolution Directive and the Single Resolution Mechanism for eurozone banks provide a framework for resolving banks that requires senior creditors participating in losses, if necessary, instead of or ahead of a bank receiving sovereign support.

Environmental, Social and Governance Considerations

FitchRatings **Credit Europe Bank N.V.**

Banks
Ratings Navigator

Credit-Relevant ESG Derivation

Credit Europe Bank N.V. has 5 ESG potential rating drivers

- Credit Europe Bank N.V. has exposure to compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security) but this has very low impact on the rating.
- Governance is minimally relevant to the rating and is not currently a driver.

			ESG Relevance to Credit Rating
key driver	0	issues	5
driver	0	issues	4
potential driver	5	issues	3
not a rating driver	4	issues	2
	5	issues	1

Environmental (E) Relevance Scores

General Issues	E Score	Sector-Specific Issues	Reference	E Relevance
GHG Emissions & Air Quality	1	n.a.	n.a.	5
Energy Management	1	n.a.	n.a.	4
Water & Wastewater Management	1	n.a.	n.a.	3
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.	2
Exposure to Environmental Impacts	2	Impact of extreme weather events on assets and/or operations and corresponding risk appetite & management; catastrophe risk; credit concentrations	Business Profile (incl. Management & governance); Risk Profile; Asset Quality	1

Social (S) Relevance Scores

General Issues	S Score	Sector-Specific Issues	Reference	S Relevance
Human Rights, Community Relations, Access & Affordability	2	Services for underbanked and underserved communities: SME and community development programs; financial literacy programs	Business Profile (incl. Management & governance); Risk Profile	5
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security)	Operating Environment; Business Profile (incl. Management & governance); Risk Profile	4
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Business Profile (incl. Management & governance)	3
Employee Wellbeing	1	n.a.	n.a.	2
Exposure to Social Impacts	2	Shift in social or consumer preferences as a result of an institution's social positions, or social and/or political disapproval of core banking practices	Business Profile (incl. Management & governance); Financial Profile	1

Governance (G) Relevance Scores

General Issues	G Score	Sector-Specific Issues	Reference	G Relevance
Management Strategy	3	Operational implementation of strategy	Business Profile (incl. Management & governance)	5
Governance Structure	3	Board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal /compliance risks; business continuity; key person risk; related party transactions	Business Profile (incl. Management & governance); Earnings & Profitability; Capitalisation & Leverage	4
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Business Profile (incl. Management & governance)	3
Financial Transparency	3	Quality and frequency of financial reporting and auditing processes	Business Profile (incl. Management & governance)	2
				1

How to Read This Page
ESG relevance scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the ESG general issues and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit-relevance of the sector-specific issues to the issuer's overall credit rating. The Criteria Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The vertical color bars are visualizations of the frequency of occurrence of the highest constituent relevance scores. They do not represent an aggregate of the relevance scores or aggregate ESG credit relevance.

The Credit-Relevant ESG Derivation table's far right column is a visualization of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The three columns to the left of ESG Relevance to Credit Rating summarize rating relevance and impact to credit from ESG issues. The box on the far left identifies any ESG Relevance Sub-factor issues that are drivers or potential drivers of the issuer's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the relevance score. All scores of '4' and '5' are assumed to result in a negative impact unless indicated with a '+' sign for positive impact.h scores of 3, 4 or 5) and provides a brief explanation for the score.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI), the Sustainability Accounting Standards Board (SASB), and the World Bank.

CREDIT-RELEVANT ESG SCALE

How relevant are E, S and G issues to the overall credit rating?

5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

SOLICITATION & PARTICIPATION STATUS

For information on the solicitation status of the ratings included within this report, please refer to the solicitation status shown in the relevant entity's summary page of the Fitch Ratings website.

For information on the participation status in the rating process of an issuer listed in this report, please refer to the most recent rating action commentary for the relevant issuer, available on the Fitch Ratings website.

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