FitchRatings

Banks
Retail & Consumer Banks
Guatemala

Banco de los Trabajadores

Ratings

Foreign Currency	
Long-Term IDR	BB
Short-Term IDR	B
Local Currency	
Long-Term IDR	BB
Short-Term IDR	B
Viability Rating	bb
Government Support Rating	bb-
National Rating	
National Long-Term Rating	AA(gtm)
National Short-Term Rating	F1+(gtm)
Sovereign Risk (Guatemala)	
Long-Term Foreign-Currency IDR	BB
Long-Term Local-Currency IDR	BB
Country Ceiling	BBB-
Outlooks	
Long-Term Foreign-Currency IDR	Stable
Long-Term Local-Currency IDR	Stable
National Long-Term Rating	Stable
Sovereign Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Local-Currency IDR	Stable

Applicable Criteria

Bank Rating Criteria (March 2024)

National Scale Rating Criteria (December 2020)

Related Research

Guatemala (February 2024)

Analysts

Ricardo Aguilar
+52 81 4161 7086
ricardo.aguilar@fitchratings.com

Rodrigo Contreras, CFA
+506 4104 7038
rodrigo.contreras@fitchratings.com

Key Rating Drivers

Robust and Consistent Business Profile: Banco de los Trabajadores' (Bantrab) Issuer Default Ratings (IDR) and national ratings are driven by its Viability Rating (VR). Bantrab's VR of 'bb' is in line with its implied VR, and is influenced by its business profile, characterized by a leading franchise and dominant position in the consumer segment supported by a well-integrated and a consolidated business model. This has been reflected in a continuous strengthening of its total operating income generation (four-year average: USD329 million).

Solid Capitalization: Bantrab's capitalization is a credit strength, and is able to comply with the new regulatory requirements. The Fitch Core Capital (FCC) to risk-weighted assets (RWA) core metric decreased to 21.6% as of YE23 (YE22: 23.1%), still the highest amongst its closest local peers. Despite its lower-than-peer flexibility for accessing capital, Bantrab's capital, which is favored by a structurally low dividend distribution, has provided it with the room for the recently high credit growth, also allowing a strong loss absorption capacity for unexpected losses.

Risk Profile: Fitch Ratings has lowered the Risk Profile factor for Bantrab to 'bb-' with a stable outlook, down from 'bb' with a stable outlook. This adjustment aligns with the agency's revised assessment of the bank's asset quality. Fitch's evaluation indicates that its risk management and control mechanisms are reflective of the increased risk appetite appropriate for a 'bb-' operating environment. Notably, Bantrab's business growth has been significant, with credit expansion surpassing 20% over the past two fiscal years—outpacing the system's average growth (around 15%).

For 2024, the growth rate is anticipated to moderate; however, it is still expected to maintain a double-digit figure. This projected deceleration in growth is attributed to the implementation of new reserve requirements and a forecasted slowdown in economic activity, which are likely to impact the pace of loan origination.

Asset Quality Under Pressure: Fitch Ratings has lowered the Asset Quality factor to 'bb-' for Bantrab to 'bb-' with a stable outlook, down from 'bb' with a stable outlook as Fitch considers that the recent past high domestic loan growth has impacted and will be affecting the credit quality, leading to ratios more aligned with a bb- operating environment. Nevertheless, the agency notes that it is still manageable as it continues to be supported by the collection mechanism though payroll deduction. In this regard, as of YE23, Bantrab's 90+ days impaired loans ratio increased to 1.8% (YE22: 1.7%); while the net charge offs to average gross loans also increased to 2.3% (YE22: 1.8%), consistently higher than those of its closest peers.

The loan loss allowances for such impairments decreased to 100.1% (YE22: 111.2%); however, Fitch expects that this will remain close to 100% due to the additional build-up of regulatory reserves beginning this year. Fitch believes that Bantrab will continue to yield an asset quality commensurate with its new score in the foreseeable future.

Decreasing Profitability: Bantrab's operating profitability declining trend continued in FY23, but it is still in levels commensurate with Fitch's 'bb+' assessment. As of YE23, operating profit over RWA was 3.4% (YE22: 4.2%). The bank's decreasing profitability has been affected by increasing relative loan impairment charges and a compressed net interest margin. As the new regulatory requirements mandate, the constitution of additional reserves will put Bantrab's profitability under pressure over the rating horizon.

Non-diversified Funding Profile: Bantrab's funding structure remains highly dependent on deposits, and it still lags behind its close local competitors in terms of diversification of sources. This deposit base continues showing a high concentration in the 20 largest depositors (31% of total deposits as of December 2023), which are mainly Guatemalan sovereign entities. The increasing trend of the core metric, loans-to-deposits, continued, and stood at 80.3% (YE21: 77.8%). Despite the efforts to widen its non-deposit funding sources, the high interest rates also limit the execution of these actions.

Rating Sensitivities

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

- Bantrab's ratings are sensitive to a downgrade of the sovereign rating and to a material deterioration in the local OE.
- Bantrab's VR and IDRs could be downgraded if a deterioration of the entity's financial profile becomes significant, reflected in a weakening of its funding and liquidity profile, or a decline of its operating profit to RWA consistently below 2.5%, thus causing a continued reduction in its FCC to RWA ratio below 15.0%.
- Bantrab's GSR is sensitive to a downgrade of the sovereign rating, as well as its propensity to provide support.

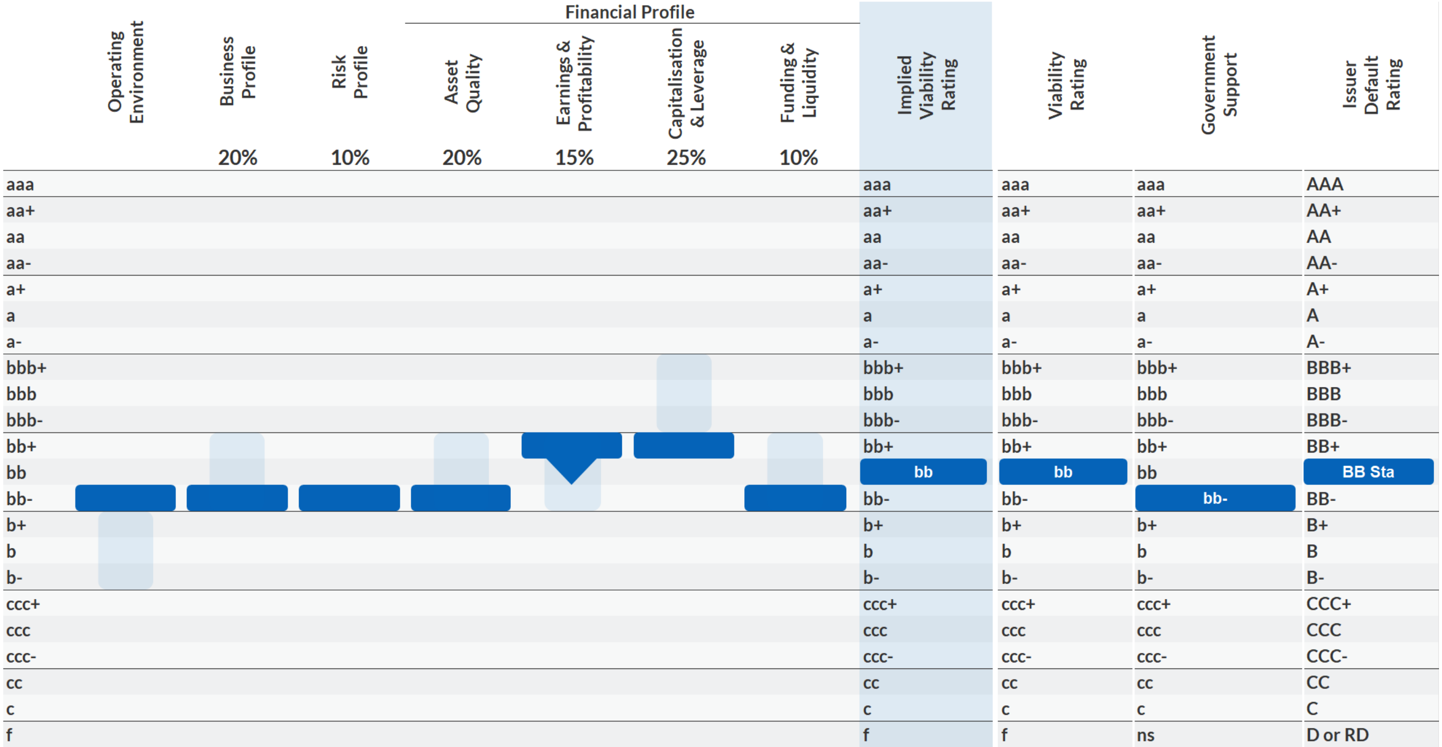
Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- The bank's IDRs and VR have limited upside potential given that they are at the sovereign level. These ratings could be upgraded in the event of a sovereign upgrade.
- Bantrab's Long-Term National rating could be upgraded if its business profile strengthens and improvements of its funding and liquidity profile materialize. That is, a larger market franchise, a decreasing concentration per depositors, and the expansion and consolidation of alternative funding sources.
- Bantrab's Short-Term National rating is at the highest level of the national scale, so it has no upside potential.
- Bantrab's GSR could be upgraded if Guatemala´s sovereign rating is upgraded.

Other Debt and Issuer Ratings

No data is available for this exhibit.

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

Fitch has assigned an Operating Environment score of 'bb-' that is above the 'b' category implied score due to the following adjustment reason: Sovereign Rating (positive).

Fitch has assigned a Capitalization & Leverage score of 'bb+' that is below the 'bbb' category implied score due to the following adjustment reason: Capital Flexibility and Ordinary Support (negative).

Company Summary and Key Qualitative Factors

Operating Environment

Fitch's assessment of Guatemalan banking system's operating environment (OE) of 'bb-', with a stable outlook, denotes a positive influence of the main drivers of the sovereign rating (BB/Stable). Likewise, it reflects Guatemala's track record of macroeconomic stability with a solid pace of growth, which has resulted in sustained economic development with an estimated real GDP growth of 3.5% for 2024 (2023: 3.3%). This has translated into favorable business dynamics and conditions for the banking system, which Fitch estimates will continue to contribute to its resilient and solid financial performance in a challenging global and domestic environment.

Remittances, though slowing, will continue to support domestic consumption and liquidity. Banks' loan growth, driven mainly by the consumer sector, is expected to continue through 2024 as economic activity remains strong, albeit at a slower pace than in 2023. NPLs metrics, as well as profitability, are expected to remain relatively stable across the system. The build-up of dynamic reserves (countercyclical capital buffers; CCBs) will give banks room to cope with potential deterioration and enhance overall systemic resilience. Capitalisation, slightly higher than before the financial crisis, should continue to ensure adequate capacity to absorb unexpected losses. Liquidity remains strong, with deposits as the main source of funding for banks.

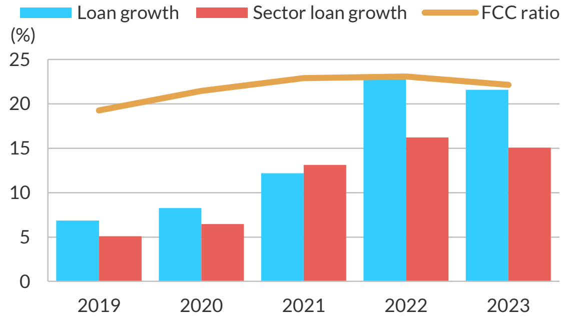
Business Profile

Bantrab has shown an increasing trend in the TOI over the last 5 FYs. Bantrab has a four-year average of USD329 million, which has benefited from the continuation of an important business expansion, along with a high NIM.

As of December 2023, Bantrab's market shares in gross loans and total customer deposits are approximately 8.3% and 8.1%, respectively. Moreover, it is the first bank in terms of the market share in the consumer credit portfolio (classified by credit destination according to the local regulator) with a market share of 21.4%.

Bantrab's senior management exhibits a high degree of expertise and experience within the banking system. Strategic objectives are well-defined and clear, with a proper level of execution underpinned by a favorable environment.

Loan Growth



Source: Fitch Ratings, Fitch Solutions, Bantrab

Risk Profile

Bantrab's risk profile (RP) is driven by domestic lending opportunities and, as such, it is exposed to the OE. The RP score is at the same level as Bantrab's business profile as well as the asset quality assessment. Fitch believes that the bank's risk and control framework reflects the challenges sourced from a heightened risk appetite under a 'bb-' OE.

Compare to recent growth rates (2023: 21.6%; 2022: 23.3%), the 2024 projected expansion will slowdown, but will remain at a two-digit rate. Bantrab is not materially exposed to interest rate risk or exchange rate risk. Interest rates are adjustable for the credit portfolio, and the share of loans granted in foreign currency is low. Exposure to operational risk remains under control with manageable losses from materialized operational events.

Financial Profile

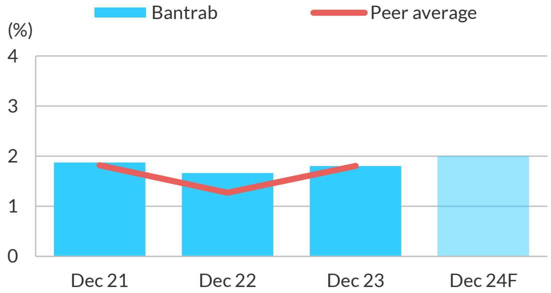
Asset Quality

Fitch views Bantrab's asset quality is driven by the recent past high domestic loan growth which has impacted and will be affecting the bank's credit quality. Although this loan quality is still manageable as it continues to be supported by the debt collection mechanism of payroll deduction.

According to Fitch's projections, the asset quality core metric would increase in FY24 as a result of the important recent loan volume expansion in FY22 and FY23 as well as a domestic economy slowdown. Concentration by top 20 debtors remained low given its business focus. As of YE23, this top debtors' balance represented 2.0% of gross loans or less than 0.1x of Bantrab's Fitch Core Capital (FCC).

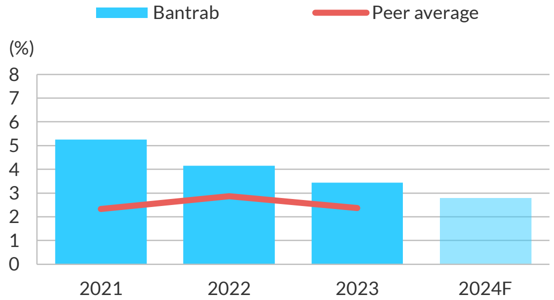
The bank's investment portfolio continued to represent an important share of the bank's total assets (December 2023: 20.4%). The investment portfolio remained concentrated in securities issued by the Guatemalan sovereign (BB) and the Central Bank of Guatemala.

Impaired Loans/Gross Loans



F - Forecast
Source: Fitch Ratings, Fitch Solutions, banks

Operating Profit/Risk-Weighted Assets



F - Forecast
Source: Fitch Ratings, Fitch Solutions, banks

Earnings and Profitability

The bank's core profitability metric's continued to decline in 2023 (December 2023: 3.4%), a trend that may persist as the new regulatory requirements mandate the constitution of additional reserves which would pressure Bantrab's profitability over the rating horizon

According to Fitch's projections, the earnings and profitability core metric will continue facing pressure in FY24 as a result of growing loan impairment charges (LIC), a slowdown in business expansion, and net interest margin (NIM) compression.

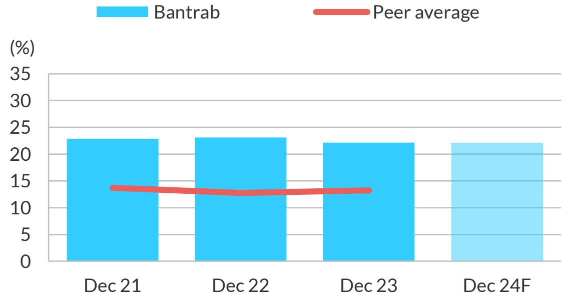
As of YE23, Bantrab's NIM decreased to a still high 8.1%, due to a decreasing average loan interest rate to gain business volume, amidst the competition in the consumer segment, and maintain market share. It is expected that this rate will increase in order to generate income to begin the compliance of higher reserves requirements. Meanwhile, in order to face the credit quality pressures from the past volume expansion and the new reserves regulation, LICs increased to 40.1% as share of the pre-impairment operating profit, the highest level in the last 5 fiscal years.

Capital and Leverage

Fitch considers that Bantrab's capitalization remains strong, and still provides room for credit growth. Despite a decrease in the bank's core capitalization in FY23, this is structurally benefited by a low common dividend pay-out ratio in accordance with the bank's nature. Common dividends to be distributed are approved by the common shareholders' assembly, meanwhile preferred dividends are guaranteed. These preferred shares do not receive equity credit, according to Fitch criteria.

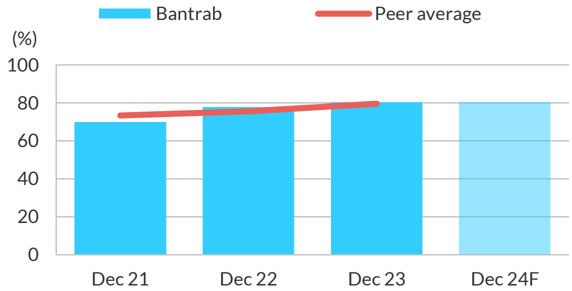
Bantrab's FCC ratio decreased to a high 21.6% as of December 2023 (December 2022: 23.19%). While the regulatory capital adequacy ratio (CAR) was also high, at 23.1% as of December 2023.

FCC Ratio



F - Forecast
Source: Fitch Ratings, Fitch Solutions, banks

Gross Loans/Customer Deposits



F - Forecast
Source: Fitch Ratings, Fitch Solutions, banks

Funding and Liquidity

Bantrab's loan-to-deposit ratio continued to increase in fiscal 2023. As of December 2023, this ratio stood at 80.3% (December 2022: 77.8%).

Bantrab's funding structure still depends fully on customer deposits, particularly term deposits (around 70.4% of total deposits as of December 2023). Consequently, its funding flexibility is very limited, compared to its local competitors. For FY23, a double-digit deposit growth rate is projected, which will further the increasing trend. Although there has been no need to access such sources in times of stress to date, Fitch considers that this restricted chance to funding limits Bantrab's financial profile in relation to peers.

As of December 2023, concentration among the 20 largest depositors is still high, at around 31% of total deposits. The largest depositors are several Guatemalan state entities, which combined represent roughly 86% of the top depositors' balance.

Bantrab's liquidity is high, reinforced by an increasing deposit base. Liquid asset (cash and equivalents plus available-for-sale securities) coverage of total deposits continued falling, and stood at 23%, due to the credit portfolio growth. Historically, most of Bantrab's investment portfolio have been sovereign-related instruments.

Additional Notes on Charts

The forecasts in the charts in this section reflect Fitch's forward view on the bank's core financial metrics per Fitch's Bank Rating Criteria. They are based on a combination of Fitch's macro-economic forecasts, outlook at the sector level and company-specific considerations. As a result, Fitch's forecasts may 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 boundaries for indicative quantitative ranges and implied scores for Fitch's core financial metrics for banks operating in the environments that Fitch scores in the 'bb' category. Light-blue columns represent Fitch's forecasts.

Peer average includes Banco de Desarrollo Rural, S.A. (VR: bb), Banco Agromercantil de Guatemala S.A. (bb-), Banco G&T Continental S.A. (bb), Banco Industrial, S.A. (bb), Banco de America Central, S.A. (Guatemala). Unless otherwise stated, financial year (FY) end is 31 December for all banks in this report.

Financials

	December 31, 2023		December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019
	12 months	12 months	12 months	12 months	12 months	12 months
	(USD Mil.)	(GTQ Mil.)	(GTQ Mil.)	(GTQ Mil.)	(GTQ Mil.)	(GTQ Mil.)
	Audited - unqualified (emphasis of matter)	Audited - unqualified (emphasis of matter)	Audited - unqualified (emphasis of matter)	Audited - unqualified (emphasis of matter)	Audited - unqualified (emphasis of matter)	Audited - unqualified (emphasis of matter)
Summary income statement						
Net interest and dividend income	361	2,825.9	2,508.3	2,226.9	1,988.4	1,770.4
Net fees and commissions	34	267.4	186.6	131.8	135.5	120.3
Other operating income	1	5.0	12.2	-23.4	-2.2	0.4
Total operating income	396	3,098.4	2,707.1	2,335.4	2,121.7	1,891.0
Operating costs	198	1,553.0	1,425.1	1,221.2	970.4	922.7
Pre-impairment operating profit	197	1,545.3	1,282.0	1,114.1	1,151.3	968.2
Loan and other impairment charges	79	619.3	361.6	158.9	215.5	195.3
Operating profit	118	926.0	920.4	955.2	935.8	773.0
Other non-operating items (net)	15	116.1	106.4	-1.2	43.9	53.3
Tax	21	163.7	174.4	191.4	173.5	127.8
Net income	112	878.4	852.3	762.7	806.1	698.5
Other comprehensive income	—	—	—	—	—	—
Fitch comprehensive income	112	878.4	852.3	762.7	806.1	698.5
Summary balance sheet						
Assets						
Gross loans	3,317	25,963.1	21,357.2	17,321.7	15,437.7	14,258.3
- Of which impaired	60	468.0	354.3	324.5	181.9	198.0
Loan loss allowances	60	468.3	394.0	402.9	432.5	251.6
Net loans	3,257	25,494.8	20,963.2	16,918.8	15,005.2	14,006.6
Interbank	608	4,755.8	4,388.4	3,627.3	3,271.7	3,007.6
Derivatives	—	—	—	—	—	—
Other securities and earning assets	1,182	9,249.1	8,423.7	9,449.5	8,562.5	8,337.5
Total earning assets	5,047	39,499.7	33,775.3	29,995.6	26,839.4	25,351.7
Cash and due from banks	29	223.8	180.8	184.7	180.6	169.8
Other assets	149	1,169.4	868.8	813.2	819.5	767.9
Total assets	5,225	40,892.9	34,824.8	30,993.5	27,839.5	26,289.4
Liabilities						
Customer deposits	4,129	32,321.0	27,444.2	24,767.2	22,503.8	20,541.2
Interbank and other short-term funding	—	—	—	0.4	0.4	—
Other long-term funding	—	—	—	0.0	0.0	1,154.8
Trading liabilities and derivatives	—	—	—	—	—	—
Total funding and derivatives	4,129	32,321.0	27,444.2	24,767.6	22,504.2	21,696.0
Other liabilities	304	2,375.7	2,040.7	1,681.8	1,451.9	1,275.4
Preference shares and hybrid capital	20	157.6	—	157.6	157.6	157.6
Total equity	772	6,038.6	5,340.0	4,386.4	3,725.9	3,160.4
Total liabilities and equity	5,225	40,892.9	34,824.8	30,993.5	27,839.5	26,289.4
Exchange rate		USD1 = GTQ7.82702	USD1 = GTQ7.853325	USD1 = GTQ7.71926	USD1 = GTQ7.795435	USD1 = GTQ7.69884

Source: Fitch Ratings, Fitch Solutions, Bantrab

	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019
Ratios (%; annualized as appropriate)					
Profitability					
Operating profit/risk-weighted assets	3.4	4.2	5.3	5.8	5.1
Net interest income/average earning assets	8.3	8.3	8.4	7.9	7.6
Non-interest expense/gross revenue	50.1	52.6	52.3	45.7	48.8
Net income/average equity	15.4	17.5	18.8	23.6	24.9
Asset Quality					
Impaired loans ratio	1.8	1.7	1.9	1.2	1.4
Growth in gross loans	21.6	23.3	12.2	8.3	6.9
Loan loss allowances/impaired loans	100.1	111.2	124.2	237.7	127.1
Loan impairment charges/average gross loans	2.6	1.9	1.0	1.4	1.4
Capitalization					
Common equity Tier 1 ratio	—	—	—	—	—
Fully loaded common equity Tier 1 ratio	—	—	—	—	—
Fitch Core Capital ratio	21.6	23.1	22.9	21.5	19.2
Tangible common equity/tangible assets	14.4	15.0	13.7	13.3	11.4
Basel leverage ratio	—	—	—	—	—
Net impaired loans/common equity Tier 1	—	—	—	—	—
Net impaired loans/Fitch Core Capital	0.0	-0.8	-1.9	-7.2	-1.8
Funding and Liquidity					
Gross loans/customer deposits	80.3	77.8	69.9	68.6	69.4
Gross loans/customer deposits + covered bonds	—	—	—	—	—
Liquidity coverage ratio	—	—	—	—	—
Customer deposits/total non-equity funding	99.5	100.0	99.4	99.3	94.0
Net stable funding ratio	—	—	—	—	—

Source: Fitch Ratings, Fitch Solutions, Bantrab

Support Assessment

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

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

The GSR reflects Fitch's opinion of moderate probability of support the bank would receive from the sovereign, if needed. This is due to Bantrab's systemic importance. However, this is limited compared with larger local peers, with market shares of 8.1% and 8.3% of system deposits and gross loans, respectively as of December 2023. This assessment is also balanced against the lack of recent history of government support of systematically important banks.

Environmental, Social and Governance Considerations

FitchRatings **Banco de los Trabajadores**

Banks
Ratings Navigator

Credit-Relevant ESG Derivation

Banco de los Trabajadores has 6 ESG potential rating drivers

- Banco de los Trabajadores has exposure to impact of extreme weather events on assets and/or operations and corresponding risk appetite & management; catastrophe risk; credit concentrations but this has very low impact on the rating.
- Banco de los Trabajadores 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	6	issues	3
not a rating driver	3	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	3	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

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 reflect 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.

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

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 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.

DISCLAIMER & DISCLOSURES

All Fitch Ratings (Fitch) credit ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link: https://www.fitchratings.com/understandingcreditratings. In addition, the following https://www.fitchratings.com/rating-definitions-document details Fitch's rating definitions for each rating scale and rating categories, including definitions relating to default. Published ratings, criteria, and methodologies are available from this site at all times. Fitch's code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the Code of Conduct section of this site. Directors and shareholders' relevant interests are available at https://www.fitchratings.com/site/regulatory. Fitch may have provided another permissible or ancillary service to the rated entity or its related third parties. Details of permissible or ancillary service(s) for which the lead analyst is based in an ESMA- or FCA-registered Fitch Ratings company (or branch of such a company) can be found on the entity summary page for this issuer on the Fitch Ratings website.

In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third- party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed. Fitch Ratings makes routine, commonly-accepted adjustments to reported financial data in accordance with the relevant criteria and/or industry standards to provide financial metric consistency for entities in the same sector or asset class.

The information in this report is provided "as is" without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US$1,000 to US$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US$10,000 to US$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001.

Fitch Ratings, Inc. is registered with the U.S. Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization (the "NRSRO"). While certain of the NRSRO's credit rating subsidiaries are listed on Item 3 of Form NRSRO and as such are authorized to issue credit ratings on behalf of the NRSRO (see https://www.fitchratings.com/site/regulatory), other credit rating subsidiaries are not listed on Form NRSRO (the "non-NRSROs") and therefore credit ratings issued by those subsidiaries are not issued on behalf of the NRSRO. However, non-NRSRO personnel may participate in determining credit ratings issued by or on behalf of the NRSRO.

Copyright © 2024 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved.