FitchRatings

Banks
Wholesale Commercial Banks
Germany

Aareal Bank AG

Ratings

Foreign Currency	
Long-Term IDR	BBB+
Short-Term IDR	F2
Derivative Counterparty Rating	A-(dcr)
Viability Rating	bbb+
Government Support Rating	ns
Sovereign Risk (Germany)	
Long-Term Foreign-Currency IDR	AAA
Long-Term Local-Currency IDR	AAA
Country Ceiling	AAA
Outlooks	
Long-Term Foreign-Currency IDR	Negative
Sovereign Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Local-Currency IDR	Stable

Applicable Criteria

Bank Rating Criteria (September 2022)

Related Research

Fitch Affirms Aareal at 'BBB+'; Outlook Negative (November 2022)

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Key Rating Drivers

CRE Sector Risks: Aareal Bank AG's ratings reflect its focus on lending to the cyclical commercial real-estate (CRE) sector, which is mitigated by the bank's good geographical diversification relative to peers. The ratings also reflect the bank's recovering profitability since the height of the pandemic, sound capitalisation, and adequate funding and liquidity profile.

The Negative Outlook on the Long-Term Issuer Default Rating (IDR) reflects risks and second-round effects from the Ukraine war and the resulting energy crisis in Europe, which could spill over to the CRE sector. This could result in greater-than-anticipated asset-quality pressures and profitability challenges, due to the bank's CRE-focused business model, with particularly high concentrations on retail properties and hotels.

Diversified CRE Presence: Aareal's business profile is underpinned by its presence in diverse international markets and CRE segments. It benefits from higher-margin international lending and from the bank's flexible response to changing market conditions and transaction volumes.

Good Risk Controls: Aareal's generally moderate loan-to-value (LTV) ratios in its CRE loan book reflect its prudent risk appetite. Credit standards are broadly in line with market practice, underpinned by the group's centralised, sophisticated risk control framework. Structural interest rate and foreign-currency risks are modest.

Asset Quality Risks: Aareal's asset quality has improved since the height of the pandemic, largely driven by the ongoing recovery in the hotel segment. However, Fitch Ratings believes it will be challenging for the bank to execute its impaired loans reduction strategy in the current adverse environment. The negative outlook on the asset quality score particularly reflects risks in the retail property segment, as high inflation and energy prices weigh on households' purchasing power and SME tenants' debt-servicing ability.

Satisfactory Profitability: Aareal's operating profit has been recovering over recent quarters due to strong business growth, rising interest rates and higher commission income from its subsidiary Aareon, and despite increased loan impairment charges (LICs). We expect Aareal to achieve an operating profit/risk-weighted assets (RWAs) of more than 1.5% through the cycle. However, cost inflation, higher funding costs and potentially higher LICs could challenge the bank's ambitious profit growth path up to 2024.

Sound Capitalisation: Aareal is well capitalised, with capital ratios comfortably exceeding its regulatory requirements, although our assessment takes into account the bank's high business and risk concentration. Its leverage ratio of 5.4% at end-9M22 is also above that of peers. We believe that the buyers' commitment to profit retention will balance the expected impact from higher RWAs under the bank's growth strategy.

Diversified Funding, Good Liquidity: Aareal's funding profile benefits from a sound deposit base from the institutional housing sector. The bank is sourcing additional retail deposits through online platforms, which should further diversify its funding base. As a regular covered bond issuer, the bank is moderately reliant on unsecured market funding. Its liquidity profile is underpinned by a large pool of highly-rated, unencumbered, and ECB-eligible assets.

Rating Sensitivities

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

We could downgrade the ratings if the impaired loans ratio exceeds 5% for an extended period with no credible reduction plan. This could result from unexpectedly high asset quality pressure due to stress in the property market or in specific property segments. Asset quality would then be a weakest link and would no longer warrant a 'bbb+' Viability Rating (VR).

In this scenario, we would also expect the operating profit/RWA to fall below 1.5%, as unexpectedly high LICs could impair Aareal's profitability. Aareal's Short-Term IDR would be downgraded if both its Long-Term IDR and funding and liquidity score were downgraded.

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

The Outlook on the Long-Term IDR could be revised to Stable if the bank limits the deterioration of its asset quality and profitability and maintains stable capitalisation despite the economic recession, inflation and geopolitical risks.

An upgrade of the ratings is unlikely in the near term, given the unclear impact of the operating environment on the CRE markets. In the longer term, an upgrade would require successful execution of Aareal's strategic plan leading to stronger profitability, higher revenue diversification, as well as strengthened asset quality. Sustainably combined with an operating profits/RWA above 2% and an impaired loans ratio below 3%, this could result in an upgrade.

Other Debt and Issuer Ratings

Rating level	Rating
Deposits	A-/F2
Senior Non-Preferred	BBB+
Senior Preferred	A-/ F2
Long-Term Subordinated (Tier 2)	BBB-
Long-Term Subordinated (AT1)	BB

Source: Fitch Ratings

DCR, Deposit and Senior Debt Ratings

Aareal's Derivative Counterparty Rating (DCR) and its long-term deposit and senior preferred debt ratings are one notch above its Long-Term IDR, and its long-term senior non-preferred debt rating is aligned with the Long-Term IDR. This reflects the large and sustainable layer of non-preferred debt that provides preferred creditors and counterparties with additional protection in a resolution. The short-term senior-preferred debt and deposit ratings are the baseline options mapping to the 'A-' long-term ratings, because the bank's funding & liquidity score does not warrant higher short-term ratings.

Subordinated Debt

The Tier 2 subordinated notes are rated two notches below the VR to reflect their higher loss severity relative to senior creditors in a resolution. The additional Tier 1 notes are rated four notches below the VR (two notches for loss severity and two notches for non-performance risk) to reflect our expectation that Aareal will maintain large capital buffers above the notes' mandatory coupon omission triggers.

Significant Changes from Last Review

Aareal's Buyers Support Strategy

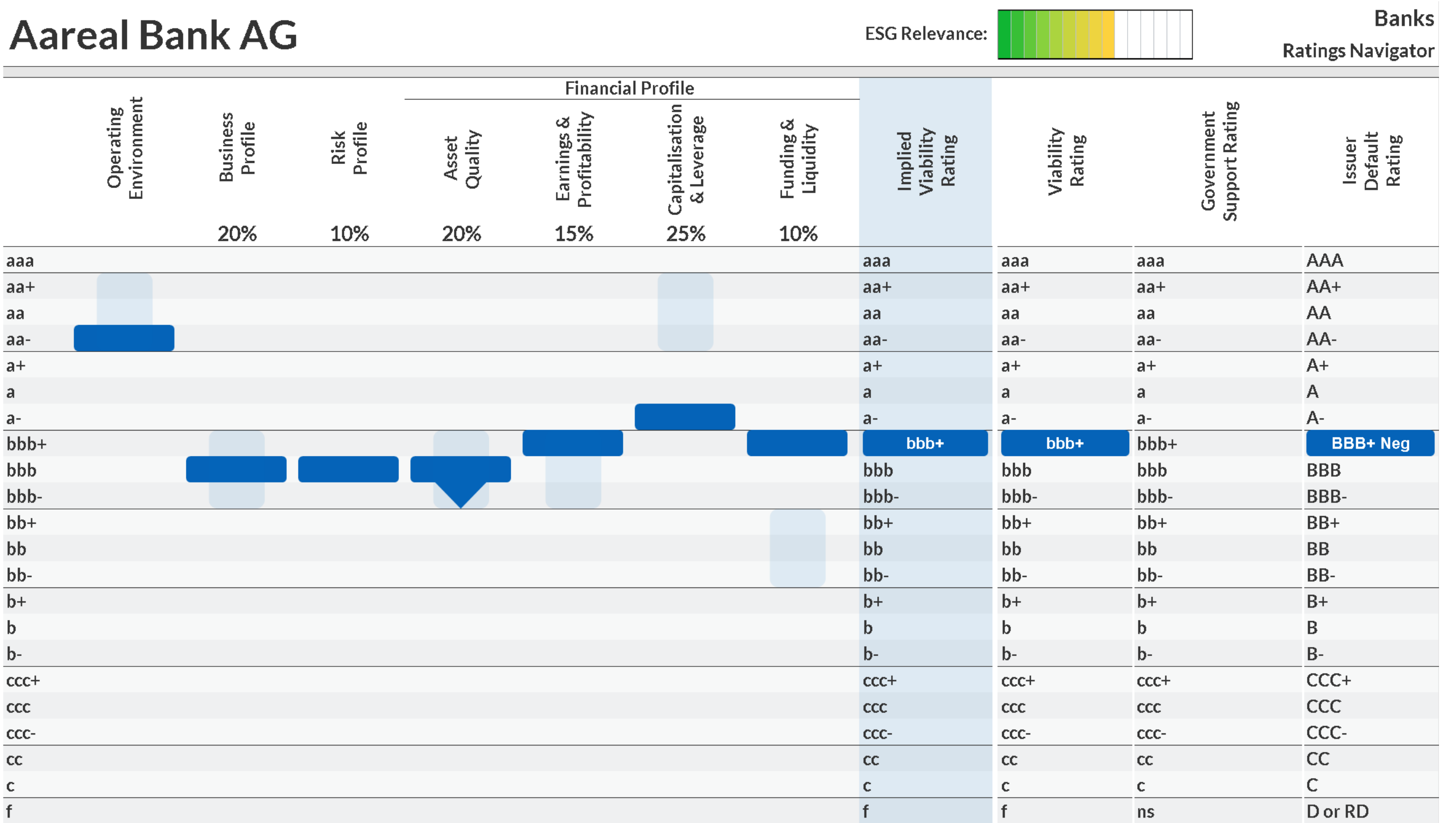
Atlantic BidCo GmbH (Atlantic) announced a successful takeover of Aareal in June 2022, eventually acquiring 84% of the bank's shares, with a closing expected in spring 2023, subject to regulatory approvals. Atlantic is indirectly held by funds managed and advised by Advent International Corporation, Centerbridge Partners and CPP Investment Board Europe S.à.r.l. (a wholly owned subsidiary of Canada Pension Plan Investment Board), as well as further minority shareholders.

We view the new ownership structure after closing of the transaction as positive for the bank given the buyers' commitment to Aareal's business growth. We expect Aareal's capitalisation to remain stronger than most peers' in light of a new three-year investment agreement with Atlantic. Furthermore, the buyers support the expansion of the bank's payment services also through acquisitions. Aareal's software subsidiary Aareon aims for significant earnings growth by 2025, based on a strategy jointly developed with Advent, Aareon's minority shareholder. We expect Atlantic's shareholders to remain committed to the bank's long-term strategy, even though their interests could diverge over time.

Reshuffled Supervisory Board

At the last Annual General Meeting six new members were appointed to Aareal's supervisory board following previous members' resignations and expired terms. We believe that the new members add substantial experience in property finance, risk management, banking, IT and digitalisation.

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 capitalisation & leverage score of 'a-' has been assigned below the 'aa' category implied score due to the following adjustment reason(s): risk profile and business model (negative).

The funding & liquidity score of 'bbb+' has been assigned above the 'bb' category implied score due to the following adjustment reason(s): deposit structure (positive), liquidity coverage (positive).

Company Summary and Key Qualitative Factors

Operating Environment

We expect Aareal's operating environment to deteriorate, due to high inflation and economic risks globally, and especially in Europe. Fitch expects a significant reduction in global economic growth and a recession in a number of Western European countries in 2023, triggered by high energy prices resulting from the war in Ukraine. In combination with rising interest rates, this increases the uncertainty in the real estate markets after a resilient 1H22. We expect asset quality pressure to build up in some real estate segments, notably retail properties, as household incomes are increasingly stretched. This is mitigated by the good diversification of Aareal's real estate portfolio by country (less so by sector), with a significant share of properties outside Europe.

Business Profile

International CRE Lender

Aareal is listed and operates in three core segments: Structured Property Finance (SPF), Banking and Digital Solutions (BDS), and Aareon. SPF provides CRE lending (end-9M22: EUR31.9 billion) in over 20 countries in Europe, Asia and North America. Target clients include property companies, institutional investors and, to a lesser extent, owners of residential property portfolios.

Aareal's above-average geographic diversification and conservative underwriting standards mitigate its vulnerability to the CRE markets' cyclicality and its NPL ratio being higher than Germany-focused peers'. Its sizeable presence in the higher-margin US CRE market mitigates the intense margin pressure in Germany, which accounted for less than 10% of the bank's exposure at end-9M22. The bank's expertise in structuring cross-border loans backed by multi-assets is a competitive strength that support its lending margins.

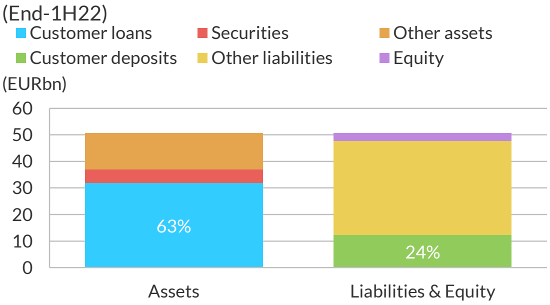
Provider of Residential Property-Related Services

BDS supplies software solutions and banking services to the institutional housing sector, for which Aareal also manages stable deposits of EUR13.5 billion at end-9M22. These deposits are a funding strength relative to peers because they lower Aareal's reliance on wholesale funding and strengthen its net stable funding ratio. Aareal is aiming for BDS's profit contribution to grow significantly also through acquisitions.

Aareon is a software company and the German market leader in integrated Enterprise Resource Planning (ERP) systems for the housing sector, managing more than 13 million housing units in Germany and Western Europe. It is Aareal's main source of commission income and a key pillar of its growth strategy. Aareal intends to diversify its revenues away from net interest income in CRE lending by significantly investing in Aareon's growth. Investments include an expansion of its scalable digital business offerings, new products for ERP systems, process optimisation and an extension of Aareon's scope in servicing utilities. Aareon's profit contribution is not yet material, but we expect its low-risk, stable, capital-light model to increasingly support the bank's return on equity and operating profit/RWAs.

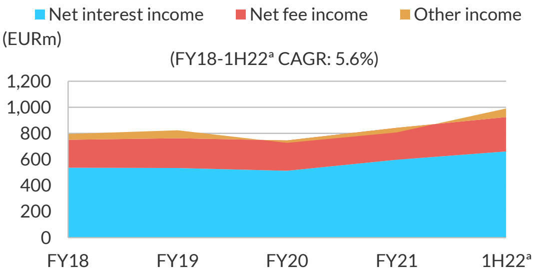
Balance Sheet

(End-1H22)



Source: Fitch Ratings, Aareal

Revenue Breakdown



CAGR: compound annual growth rate
[a] Annualised
Source: Fitch Ratings, Aareal

Risk Profile

Aareal's prudent underwriting standards include a regional approach and strict lending criteria, which the bank has maintained during the pandemic, as reflected in its moderate average LTV of 57%. Nevertheless, sector concentrations are inherently high, in particular in the retail property and hotel segments (20% and 34% of the bank's total CRE exposure, respectively), creating vulnerability to unexpected shocks in the property markets. Aareal has no risk appetite for CRE developments and retains only a small legacy development portfolio (<1% of total loans). The bank uses interest rate and cross-currency swaps to hedge its loans and securities investments.

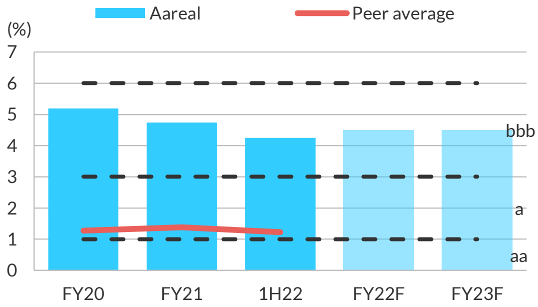
Financial Profile

Asset Quality

Inflation Weighs on Retail Properties

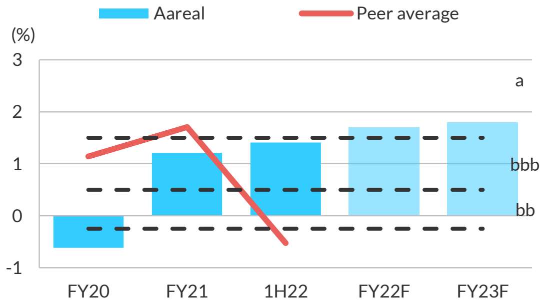
Aareal's asset quality through the cycle is a relative rating weakness compared to domestic peers. Its impaired loans/total loans ratio typically ranges from 3% to 6%, the latter being during the pandemic, as the repeated lockdowns have particularly affected its exposure to hotels (mainly in the US) and retail properties (mainly in Europe). The hotels' recovering performance over the past 12 months has improved the bank's impaired loan ratio (end-October 2022: 4.3%). However, almost 60% of its total impaired loans remain concentrated in the retail property segment. Despite the bank's experience in managing impaired assets, the high inflation and interest rates, and households' weakened financial fundamentals drive our negative outlook on the asset quality score. Stage 2 loans amounted to about 25% of the bank's CRE loan exposure at end-1H22, which is high relative to peers.

Impaired Loans/Gross Loans



Source: Fitch Ratings, Fitch Solutions

Operating Profit/Risk-Weighted Assets



Source: Fitch Ratings, Fitch Solutions

Earnings and Profitability

Higher Commission Income

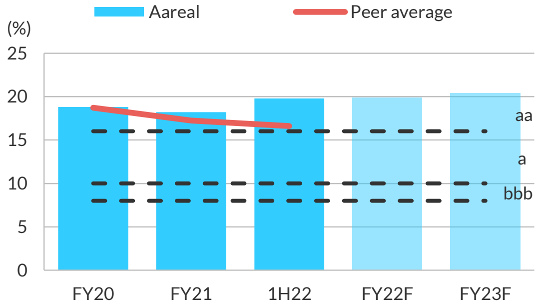
Aareal's profitability has recovered from the pandemic-induced loss incurred in 2020, which still weighs on the bank's four-year average operating profit/RWA ratio. However, its operating profit (9M22: EUR157 million) suggests Aareal can sustain a ratio above 1.5% through the cycle, and in the rising interest rate environment, with stable margins despite higher funding costs. Aareal expects a significantly higher commission income from Aareon and a stronger profit contribution from BDS over the next three years, which we view as reasonable in light of the ECB's successive rate hikes. We expect the economic downturn, particularly in Europe, to inflate LICs above the long-term average in 2022 and 2023. Aareal's LICs of EUR170 million in 9M22 include EUR126 million for its remaining exposure to Russia.

Capital and Leverage

Robust Capital Ratios

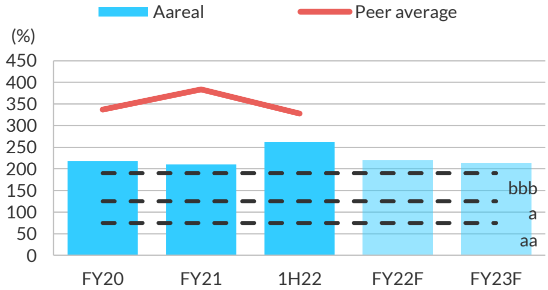
Aareal's CET1 ratio of 19.4% and total capital ratio of 24.2% at end-9M22 remained high compared with peers. Capitalisation is supported by the retention of the originally announced dividend payment of EUR1.60 per share and profits for the current year. The impact of the higher interest rates on the time value of the bank's pension liabilities increased Aareal's other comprehensive income (OCI). The rise in risk-weighted assets has been moderate despite growth in the CRE portfolio, due to contained rating migration. We do not expect Aareal's capital structure to change materially as the new owners have contractually agreed to further profit retention.

CET1 Ratio



Source: Fitch Ratings, Fitch Solutions

Gross Loans/Customer Deposits



Source: Fitch Ratings, Fitch Solutions

Funding and Liquidity

Stable Funding at Higher Costs

Aareal had fully executed its 2022 funding plan and raised EUR5.3 billion debt in the markets at end-9M22, mainly benchmark-covered bonds that are core to its funding, as well as 'green' bonds. Deposits from the institutional housing sector, which have proved resilient through the pandemic and are not very price-sensitive, increased to EUR13.5 billion at end-9M22. The bank's short-term money market financing of EUR10.3 billion at end-1H22 is set to decline as the ECB's targeted longer-term refinancing operations (TLTRO) matures. Aareal is seeking to expand its deposit franchise beyond BDS through retail deposit platforms.

We believe Aareal's funding is flexible enough to adapt to higher interest rates due to its moderate reliance on unsecured market funding. The latter has historically been exposed to higher credit spread volatility, weighing on funding costs at small, infrequent issuers.

Aareal has a robust liquidity profile with a liquidity coverage ratio of 222% at the beginning of October 2022.

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 economic forecasts, sector outlook 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.

The dashed lines represent indicative ranges and implied scores for Fitch's core financial metrics for banks operating in environments scored in the 'aa' category. The light-blue bars represent Fitch's forecasts. The peer averages include Berlin Hyp AG (VR: bbb+), Landesbank Saar (bbb-), IKB Deutsche Industriebank (bbb), de Volksbank N.V. (a-) and NIBC Bank N.V. (bbb).

Financials

Financial Statements

	30 Jun 22		31 Dec 21	31 Dec 20	31 Dec 19
	6 months - interim (USDm) Unaudited	6 months - interim (EURm) Unaudited	Year end (EURm) Audited - unqualified	Year end (EURm) Audited - unqualified	Year end (EURm) Audited - unqualified
Summary income statement					
Net interest and dividend income	343	330	597	512	533
Net fees and commissions	137	132	245	234	229
Other operating income	32	31	-38	-19	62
Total operating income	512	493	804	727	824
Operating costs	306	295	516	458	486
Pre-impairment operating profit	206	198	288	269	338
Loan and other impairment charges	111	107	133	344	90
Operating profit	95	91	155	-75	248
Tax	34	33	87	-6	85
Net income	60	58	68	-69	163
Other comprehensive income	106	102	56	-48	-82
Fitch comprehensive income	166	160	124	-117	81
Summary balance sheet					
Assets					
Gross loans	33,672	32,417	31,723	29,847	28,656
- Of which impaired	1,431	1,378	1,505	1,549	944
Loan loss allowances	586	564	489	588	383
Net loans	33,086	31,853	31,234	29,259	28,273
Interbank	3,109	2,993	1,264	1,029	1,363
Derivatives	1,305	1,256	1,132	2,218	1,794
Other securities and earning assets	5,520	5,314	6,705	6,919	6,995
Total earning assets	43,019	41,416	40,335	39,425	38,425
Cash and due from banks	8,036	7,737	6,942	4,744	1,494
Other assets	1,649	1,588	1,451	1,309	1,218
Total assets	52,705	50,741	48,728	45,478	41,137
Liabilities					
Customer deposits	12,874	12,394	15,109	13,680	12,404
Interbank and other short-term funding	10,696	10,297	6,109	5,629	906
Other long-term funding	21,970	21,151	21,705	20,428	21,928
Trading liabilities and derivatives	3,211	3,091	1,882	1,906	2,165
Total funding and derivatives	48,749	46,933	44,805	41,643	37,403
Other liabilities	625	602	862	868	873
Preference shares and hybrid capital	312	300	300	300	300
Total equity	3,018	2,906	2,761	2,667	2,561
Total liabilities and equity	52,705	50,741	48,728	45,478	41,137
Exchange rate		USD1 = EUR0.96274	USD1 = EUR0.884173	USD1 = EUR0.821963	USD1 = EUR0.89015

Source: Fitch Ratings, Fitch Solutions, Aareal Bank AG

Key Ratios

	30 Jun 22	31 Dec 21	31 Dec 20	31 Dec 19
Ratios (annualised as appropriate)				
Profitability				
Operating profit/risk-weighted assets	1.4	1.2	-0.6	2.2
Net interest income/average earning assets	1.6	1.5	1.3	1.3
Non-interest expense/gross revenue	59.6	64.0	63.1	59.1
Net income/average equity	4.1	2.5	-2.7	6.3
Asset quality				
Impaired loans ratio	4.3	4.7	5.2	3.3
Growth in gross loans	2.2	6.3	4.2	-2.1
Loan loss allowances/impaired loans	40.9	32.5	38.0	40.6
Loan impairment charges/average gross loans	0.7	0.4	1.2	0.3
Capitalisation				
Common equity Tier 1 ratio	19.8	18.2	18.8	19.6
Tangible common equity/tangible assets	4.5	4.9	5.4	5.8
Basel leverage ratio	5.9	5.5	5.9	6.3
Net impaired loans/common equity Tier 1	31.5	43.7	42.0	25.6
Funding and liquidity				
Gross loans/customer deposits	261.6	210.0	218.2	231.0
Liquidity coverage ratio	231.2	255.4	264.9	221.4
Customer deposits/total non-equity funding	28.1	35.0	34.2	34.9

Source: Fitch Ratings, Fitch Solutions, Aareal Bank AG

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	Neutral
Sovereign financial flexibility (for rating level)	Positive
Government propensity to support D-SIBs	
Resolution legislation	Negative
Support stance	Negative
Government propensity to support bank	
Systemic importance	Negative
Liability structure	Neutral
Ownership	Neutral

The colours indicate the weighting of each KRD in the assessment.

Higher influence Moderate influence Lower influence

Aareal's Government Support Rating (GSR) of 'no support' reflects Fitch's view that, due to the EU's Bank Recovery and Resolution Directive, senior creditors can no longer rely on full extraordinary support from the sovereign if the bank becomes non-viable.

Environmental, Social and Governance Considerations

FitchRatings **Aareal Bank AG**

Banks
Ratings Navigator

Credit-Relevant ESG Derivation

Aareal Bank AG has 5 ESG potential rating drivers

- Aareal Bank AG 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.

			Overall ESG Scale
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)

General Issues	E Score	Sector-Specific Issues	Reference	E Scale
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

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

The Environmental (E), Social (S) and Governance (G) tables break out the individual components of the scale. The right-hand box shows the aggregate E, S, or G score. General Issues are relevant across all markets with Sector-Specific Issues unique to a particular industry group. Scores are assigned to each sector-specific issue. These scores signify the credit-relevance of the sector-specific issues to the issuing entity's overall credit rating. The Reference box highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.

The Credit-Relevant ESG Derivation table shows the overall ESG score. This score signifies the credit relevance of combined E, S and G issues to the entity's credit rating. The three columns to the left of the overall ESG score summarize the issuing entity's sub-component ESG scores. The box on the far left identifies some of the main ESG issues that are drivers or potential drivers of the issuing entity's credit rating (corresponding with 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) and the Sustainability Accounting Standards Board (SASB).

Sector references in the scale definitions below refer to Sector as displayed in the Sector Details box on page 1 of the navigator.

Social (S)

General Issues	S Score	Sector-Specific Issues	Reference	S Scale
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)

General Issues	G Score	Sector-Specific Issues	Reference	G Scale
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.

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3'. This 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. For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg

The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. Any exceptions follow below.