FitchRatings

Banks
Retail & Consumer Banks
Spain

Caja Rural de Navarra, Sociedad Cooperativa de Credito

Ratings

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

Key Rating Drivers

Strong Asset Quality and Capital: Caja Rural de Navarra, Sociedad Cooperativa de Credito's (CRN) ratings balance a geographically concentrated franchise with asset quality that has consistently been stronger than the domestic industry average. It also reflects a low risk appetite, which underpins the bank's stable profitability and strong capitalisation.

Part of Institutional Protection Scheme: CRN is a member of the Institutional Protection Scheme (IPS) of the Spanish rural credit cooperative association (Asociacion Española de Cajas Rurales; AECR), which Fitch Ratings views as' contributing to the cohesion of its members.

Fitch does not assign a group rating to the group as there is not yet sufficient evidence that the support mechanism is cohesive enough to substantially equalise the default risk of group members. As the mutual support mechanism matures, this could result in increased cohesion that might eventually result in group ratings being assigned to the group.

Concentrated Regional Franchise: CRN's business profile reflects a franchise that is geographically concentrated in its home region of Navarra, where the bank has robust market shares and some pricing power. The business model is stable and remains skewed towards traditional retail and commercial-banking activities.

Conservative Risk Profile: CRN's conservative underwriting standards are more prudent than the domestic industry practice, and this has been reflected in a more resilient asset quality throughout several cycles. Risk controls are adequate for CRN's size and complexity. The bank has a large securities portfolio (31% of total assets at end-2022), mainly invested in Spanish sovereign debt, which results in some counterparty risk concentration.

Consistently Good Asset Quality: CRN has maintained stable and stronger-than-peers asset-quality indicators due to its conservative underwriting standards and its exposure to regions with better economic fundamentals than the national average. Its impaired loan ratio was a low 1.8% at end-2022. We expect only a mild increase of impaired loans from higher interest rates and the economic slowdown. The bank's loan loss allowances coverage of impaired loans (end-2022: 119%) is strong, and positive for our asset-quality assessment.

Improved Profitability Prospects: CRN's profitability was boosted in 1H23 (operating profit/RWAs: 2.9%) due to higher interest rates, adequate cost efficiency and relatively low loan impairment charges. We believe profitability is close to peaking as the benefits of loan book repricing are offset by higher deposit costs. However, earnings should remain strong and well above historical averages in 2H23–2024.

Strong Capital Buffers: CRN maintains sound capital buffers above regulatory requirements, supported by high earnings retention. Its common equity Tier 1 (CET1) ratio was a high 20.4% at end-2022, which compares well by domestic and international standards. We expect higher capital ratios into the medium-term supported by the high earnings retention rate and subdued credit growth.

Stable Funding and Liquidity: CRN's funding is supported by a loyal, stable and granular customer deposit base, accounting for about 77% of total funding at end-2022. Wholesale funding is limited and largely in the form of covered bonds. We expect the bank to continue meeting its MREL only with CET1.

Applicable Criteria

Bank Rating Criteria (September 2023)

Related Research

Global Economic Outlook - September 2023

What Investors Want to Know: Southern European Banks (June 2023)

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Rating Sensitivities

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

CRN's ratings have headroom at current levels. Negative rating action could arise if CRN significantly loosens underwriting standards, resulting in a structurally weaker asset quality profile, or targets materially lower capital ratios.

The bank's ratings could also be downgraded on a structural deterioration in profitability (operating profit sustainably below 1.5% of RWAs) or on greater-than-expected asset-quality pressures. A CET1 ratio reduction towards 16% without a credible plan to restore it would be rating negative.

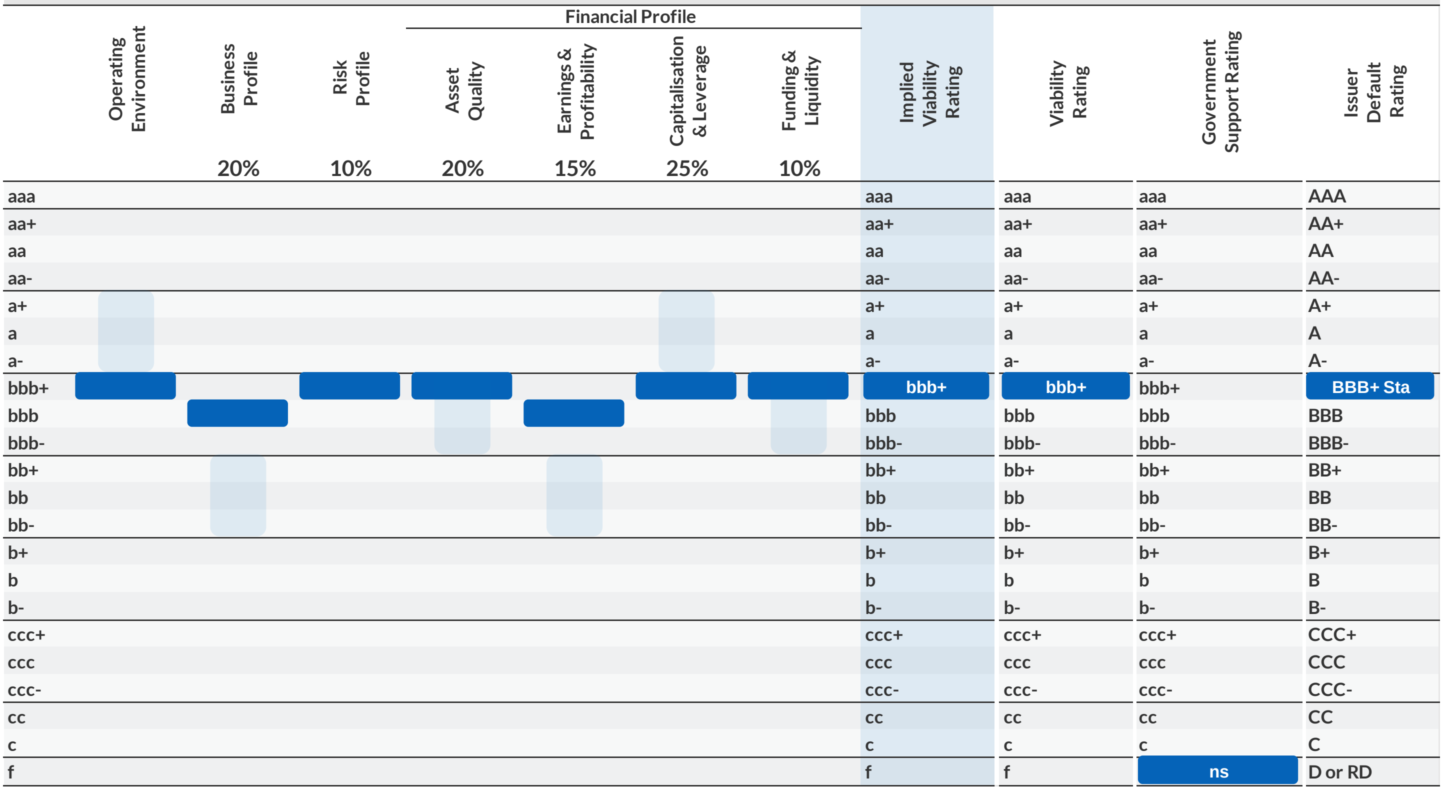
Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

An upgrade is unlikely and would be contingent on an upward revision of our operating environment assessment. This would have to be accompanied by a strengthening of CRN's scale and business profile alongside an improvement of operating profitability to comfortably above 2% of RWAs on a sustained basis without altering its moderate risk profile, while maintaining current sound capitalisation.

Ratings Navigator

Caja Rural de Navarra, Sociedad Cooperativa de Credito ESG Relevance:

Banks
Ratings Navigator



The Key Rating Driver (KRD) weightings used to determine the implied Viability Rating (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+' has been assigned below the 'a' category implied score due to the to the following adjustment reason: economic performance (negative).

The business profile score of 'bbb' is above the 'bb' category implied score due to the following adjustment reason: market position (positive).

The earnings and profitability score of 'bbb' is above the 'bb' category implied score due to the following adjustment reason: historical and future metrics (positive).

The capitalisation and leverage score of 'bbb+' is below the 'a' category implied score due to the following adjustment reason: capital flexibility (negative).

Company Summary and Key Qualitative Factors

Business Profile

Regional-Focused Bank

CRN is Spain's third-largest credit cooperative, with a presence in wealthy northern Spanish regions. The bank has high market shares in its core market of Navarra of just below 30% for loans and deposits at end-2022, and it benefits from longstanding client relationships. CRN has also built a meaningful presence in neighbouring regions, particularly Basque Country and Rioja, where it aims to continue growing its franchise. However, CRN's franchise is small by national standards, with market shares below 1% for loans and deposits at end-2022.

The bank's business model is stable and focused on serving households and SMEs. In addition to traditional commercial banking products, CRN offers wealth management and insurance products from the AECR group's subsidiaries, but despite some revenue diversification net interest income remains the main source of income.

Part of an Institutional Protection Scheme (IPS)

CRN is a member of AECR, which comprises 30 credit cooperatives that share common cooperative values. The group owns a financial entity (Banco Cooperativo Espanol, S.A. (BBB/Stable), which acts as the group's central treasurer), an insurance company (RGA) and an IT company (RSI) that provide several centralised services to all members. These services include wealth management & insurance products, IT services or treasury and liability management services that help the group achieve economies of scale.

In March 2018, the AECR banks established a more cohesive cross-support mechanism under an IPS (under Article 113(7) of the CRR). The latter entails the creation of an ex-ante recovery fund to address liquidity and solvency problems within the group members. The IPS members are supervised individually but benefit from lower regulatory requirements, such as capital relief on intragroup lending, higher allowances for single-borrower exposures if these exposures are to fellow members of the group, and lower contributions to the Deposit Guarantee Fund. The IPS also led to the creation and adoption of a uniform definition of standards and methodologies for risk management. Its members share a common digitalisation strategy and infrastructures, and have similar commercial offerings.

Risk Profile

Low Risk Loan Book

The bank's underwriting standards have been consistent throughout several cycles, which, together with the bank's prudent approach towards risk-taking, has translated into a resilient asset quality. CRN's low risk profile reflects the bank's cooperative nature, its focus in regions with stronger-than-national-average economic fundamentals, and pervasive risk governance and controls for the complexity of the bank.

CRN is primarily exposed to credit risk from its lending activities (59% of total assets at end-2022), and its debt securities portfolio (31%). The loan book is low-risk as it is oriented towards individuals (55% of total loans, mostly mortgage loans) and, to a lesser extent, SMEs and corporates (42%), the rest being public administration. The residential mortgage portfolio's performance has been good and exposure towards higher loan-to-value (LTV) loans has consistently reduced since the real estate crisis, although the stock with a LTV above 80% remains higher than peers (end-2022: 22%). The SME book is diversified by counterparty and sector, although geographically concentrated in its home regions.

Loan growth has been above the sector average but in line with cooperative peers in the past four years, benefitting from the consolidation and restructuring process of the Spanish banking sector. Growth has been funded by an increase in the customer deposit base and high earnings retention. Growth slowed in 1H23, and the loan book slightly decreased (-1%), due to lower demand from customers and higher early amortisation of residential mortgages. We expect this to continue in 2H23, but for growth to resume in 2024, although at a lower rate than in previous years.

High Sovereign Debt Exposure

Spanish sovereign bonds (EUR3.1 billion, or 2x CET1 at end-2022) dominates the debt securities portfolio (EUR4.9billion), which results in some counterparty risk concentration, the rest being other European debt or investment-grade bonds from banks and corporates. 82% of the portfolio is classified at amortised cost, reducing volatility in equity. Interest rate risk is the main market risk due to the large stock of floating-rate loans (69% of total loans at end-2022), but this is well-managed, in our view. The bank calculates that a -200bp parallel movement of the yield curve would result in a 7% decrease in net interest income (NII), which is manageable.

Financial Profile

Asset Quality

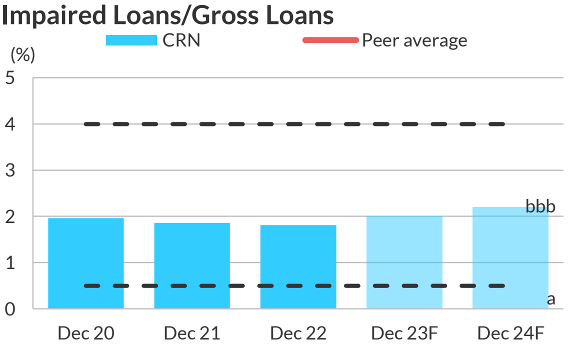
Better than Peers Asset Quality

CRN's asset quality indicators are among the best in Spain. The problem asset ratio (which includes impaired loans and net foreclosed assets) remained stable at 2% at end-2022, which compares well with national average and peers. Stage 2 loans represented 2.4% of gross loans at end-2022, similar to other rural cooperatives and well below the European average.

We expect heightened affordability pressures on mortgage loans with floating rates once these are fully repriced. However, the resilient labour and real estate markets, together with bank's conservative underwriting standards and a portfolio with low debt-service/incomes, will limit asset-quality pressures in our view. We expect more risks in the SME segment, due to the lower capacity to transfer higher costs to the customers or inability of the leveraged entities to cope with higher rates. However, we expect the extent of deterioration to be moderate, with CRN's impaired loan ratio being maintained below 2.5% in the next two years.

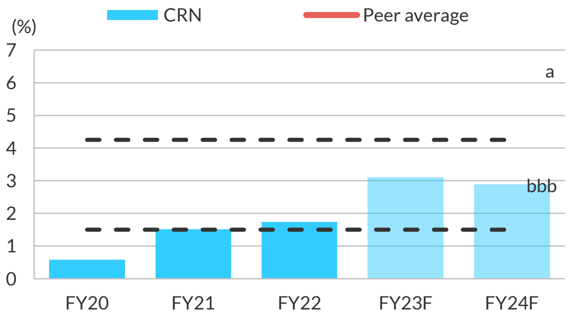
The bank's total coverage ratio (end-2022: 119%) is high considering the collateralisation of the loan book. The bank's Stage 2 (10%) and Stage 3 (58%) coverage ratios are also strong.

Impaired Loans/Gross Loans



Source: Fitch Ratings, Fitch Solutions, banks

Operating Profit/Risk-Weighted Assets



Source: Fitch Ratings, Fitch Solutions, banks

Earnings and Profitability

Profitability Benefits from Higher Rates

CRN's operating profit ratio has remained stable over the business cycles in Spain, helped by lower-than-sector-average loan impairment charges (LICs), and the strong growth of business volumes in recent years that more than offset the impact from lower rates.

The bank's operating profit/RWAs ratio increased to 2.9% in 1H23 (2022: 1.7%), mainly driven by higher interest rates. The NII increased by 62% yoy, benefitting from a large loan book at floating rates and a granular and low-cost deposit base. We expect quarterly NII to peak soon, as the higher cost of funding from increased pass through rates starts to offset the loan book repricing. The bank's securities portfolio will help maintain NII at high levels in the medium-term as the bank starts to repurchase bonds at higher rates.

The bank's cost efficiency is good helped by a boost in NII (cost/income ratio of 40% in 1H23) and similar to other rural cooperatives despite having a relatively large branch network. The bank's cost management benefits from shared services with the AECR members such as common IT infrastructure or insurance and asset management products.

LICs represented 29bp of gross loans in 1H23, which is above historical levels due to the bank's prudent provisioning approach. We expect LICs to remain at similar levels in 2H23–2024 in view of asset quality pressures and despite available buffers.

Capital and Leverage

Solid Capital Buffers

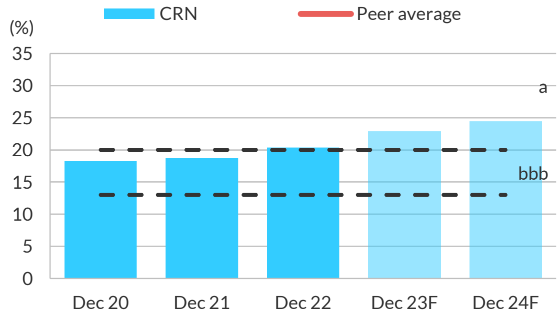
CRN's sound capitalisation levels are supported by the bank's historically low pay-out ratios derived from its cooperative structure and good internal capital generation. The regulatory CET1 ratio increased to 20.4% at end-2022 due to earnings retention and subdued loan growth.

Capital ratios compare well by international standards and remain comfortably above the bank's 2023 regulatory requirements of 7.63% for CET1 and of 11.63% for total capital. The P2R of 1.2% is the lowest requirement among the Spanish entities covered by Fitch.

Credit risks represented about 90% of RWAs at end-2022, and are calculated under the standardised approach, resulting in a fairly high RWA density (end-2022: 47%) considering the large share of residential mortgages and fixed-income portfolio. This is reflected in the strong leverage ratio of 9.5% at end-2022.

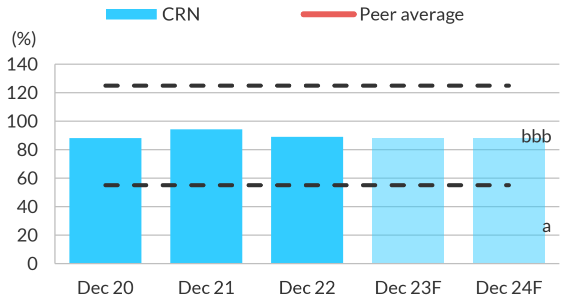
CRN's equity base is mainly composed of retained earnings (75% of the bank's total equity at end-2022), and the bank pays a low fixed coupon to cooperative members, resulting in a very low-dividend pay-out.

CET1 Ratio



Source: Fitch Ratings, Fitch Solutions, banks

Gross Loans/Customer Deposits



Source: Fitch Ratings, Fitch Solutions, banks

Funding and Liquidity

Deposit Based Funding

CRN's funding and liquidity is adequate as the bank fully funds its loan portfolio with retail, granular customer deposits. The LTD ratio has reduced over recent years to about 89% at end-2022, and compares well with the average of the Spanish sector, although it is higher than domestic cooperative peers.

Wholesale funding is mainly in the form of covered bonds. Part of the covered bonds is used to finance long-term loans denominated at fixed rates, thus hedging the bank's exposure to changes in interest rates.

CRN has a comfortable liquidity position as wholesale debt maturities are manageable and refer largely to secured debt issues, which free up collateral upon maturity. At end-2022 the stock of high-quality-liquid-assets represented 19% of total assets, and the regulatory liquidity coverage (321%) and net stable funding (131%) ratios were solid.

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 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 Caja Laboral Popular Coop. de Credito (VR: bbb+), Eurocaja Caja Rural, Sociedad Coopeartiva de Credito (bbb), Kutxabank, S.A. (bbb+), Credito Emiliano S.p.A. (bbb).

Financials

Financial Statements

	31 Dec 22		31 Dec 21	31 Dec 20	31 Dec 19
	Year end (USDm) Audited - unqualified	Year end (EURm) Audited - unqualified	Year end (EURm) Audited - unqualified	Year end (EURm) Audited - unqualified	Year end (EURm) Audited - unqualified
Summary income statement					
Net interest and dividend income	188	176.1	156.2	160.8	154.6
Net fees and commissions	96	90.2	83.4	68.8	68.3
Other operating income	83	78.0	67.2	59.2	71.0
Total operating income	367	344.3	306.8	288.8	293.9
Operating costs	207	193.8	173.2	168.0	167.3
Pre-impairment operating profit	161	150.5	133.6	120.8	126.6
Loan and other impairment charges	21	19.9	18.0	79.0	13.1
Operating profit	139	130.6	115.6	41.8	113.5
Other non-operating items (net)	-7	-6.4	-13.7	57.3	-4.5
Tax	15	13.7	10.5	12.2	10.6
Net income	118	110.5	91.4	86.9	98.4
Other comprehensive income	-51	-47.8	16.0	-3.3	29.7
Fitch comprehensive income	67	62.7	107.4	83.6	128.1
Summary balance sheet					
Assets					
Gross loans	10,369	9,721.4	9,655.1	8,999.4	8,298.3
- Of which impaired	188	175.8	179.5	176.5	162.8
Loan loss allowances	224	209.6	212.7	204.2	129.6
Net loans	10,145	9,511.8	9,442.4	8,795.2	8,168.7
Interbank	254	237.8	145.3	124.0	108.4
Derivatives	5	4.3	9.9	17.0	13.5
Other securities and earning assets	5,403	5,065.8	5,170.4	5,226.9	4,021.1
Total earning assets	15,807	14,819.7	14,768.0	14,163.1	12,311.7
Cash and due from banks	1,052	985.9	1,138.7	1,282.1	412.4
Other assets	311	291.5	426.4	404.6	409.0
Total assets	17,169	16,097.1	16,333.1	15,849.8	13,133.1
Liabilities					
Customer deposits	11,642	10,915.4	10,232.7	10,195.5	8,720.9
Interbank and other short-term funding	249	233.4	313.0	325.1	232.9
Other long-term funding	3,180	2,981.8	3,906.5	3,709.0	2,598.0
Trading liabilities and derivatives	72	67.3	68.0	1.8	0.9
Total funding and derivatives	15,143	14,197.9	14,520.2	14,231.4	11,552.7
Other liabilities	362	339.5	354.4	271.6	320.9
Preference shares and hybrid capital	n.a.	n.a.	n.a.	n.a.	n.a.
Total equity	1,664	1,559.7	1,458.5	1,346.8	1,259.5
Total liabilities and equity	17,169	16,097.1	16,333.1	15,849.8	13,133.1
Exchange rate		USD1 = EUR0.937559	USD1 = EUR0.884173	USD1 = EUR0.821963	USD1 = EUR0.89015

Source: Fitch Ratings, Fitch Solutions, CRN

Key Ratios

	31 Dec 22	31 Dec 21	31 Dec 20	31 Dec 19
Ratios (%; annualised as appropriate)				
Profitability				
Operating profit/risk-weighted assets	1.7	1.5	0.6	1.6
Net interest income/average earning assets	1.2	1.1	1.2	1.3
Non-interest expense/gross revenue	57.1	57.1	58.2	57.2
Net income/average equity	7.4	6.5	6.7	8.3
Asset quality				
Impaired loans ratio	1.8	1.9	2.0	2.0
Growth in gross loans	0.7	7.3	8.5	4.7
Loan loss allowances/impaired loans	119.2	118.5	115.7	79.6
Loan impairment charges/average gross loans	0.2	0.2	0.9	0.2
Capitalisation				
Common equity Tier 1 ratio	20.4	18.7	18.3	16.8
Fully loaded common equity Tier 1 ratio	19.8	18.1	17.7	16.6
Basel leverage ratio	9.5	8.9	7.9.	8.8
Net impaired loans/common equity Tier 1	-2.2	-2.3	-2.1	2.7
Funding and liquidity				
Gross loans/customer deposits	89.1	94.4	88.3	95.2
Liquidity coverage ratio	320.8	366.8	391.1	370.0
Customer deposits/total non-equity funding	77.3	70.8	71.7	75.5
Net stable funding ratio	130.7	134.4	148.2	153.0

Source: Fitch Ratings, Fitch Solutions, CRN

Support Assessment

Commercial Banks: Government Support	
Typical D-SIB GSR for sovereign's rating level (assuming high propensity)	bbb+ or bbb
Actual jurisdiction D-SIB GSR	ns
Government Support Rating	ns
Government ability to support D-SIBs	
Sovereign Rating	A-/ Stable
Size of banking system	Negative
Structure of banking system	Neutral
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	Neutral

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

CRN's GSR of 'ns' reflects Fitch's belief that senior creditors can no longer rely on receiving full extraordinary support from the sovereign if CRN becomes non-viable. The EU's Bank Recovery and Resolution Directive and the Single Resolution Mechanism for eurozone banks provide a framework for resolving banks that is likely to require senior creditors to participate in losses, instead of or ahead of a bank receiving sovereign support.

Environmental, Social and Governance Considerations

FitchRatings **Caja Rural de Navarra, Sociedad Cooperativa de Credito**

Banks
Ratings Navigator

Credit-Relevant ESG Derivation

Caja Rural de Navarra, Sociedad Cooperativa de Credito has 5 ESG potential rating drivers

- Caja Rural de Navarra, Sociedad Cooperativa de Credito 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.

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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