FitchRatings

Banks
Retail & Consumer Banks
Austria

Addiko Bank AG

Key Rating Drivers

Addiko Bank AG's ratings reflect its company profile as a specialised lender focused on unsecured lending to retail clients and small businesses in south-eastern Europe (SEE). The Viability Rating (VR) also reflects the group's improved risk profile and asset quality, modest profitability and solid capitalisation. Liquidity and funding are rating strengths. The Stable Outlook reflects Fitch Ratings' view that economic conditions, including labour market indicators, in Addiko's largest markets should remain resilient for the next two years.

Focus on SEE: Addiko operates in SEE, including in countries with more volatile and less advanced economies, as well as moderately developed banking sectors and capital markets. This is mitigated by limited geographic diversification across the region and a highly developed regulatory and legal framework in Austria, where the bank is headquartered and key corporate functions including liquidity management are centralised.

Niche Business Model: Our assessment of Addiko's business profile balances the group's small – but growing – franchise, which we believe has critical mass in all markets. It also reflects Addiko's positioning as a challenger, with clear unique selling points (speed and modern digital offering) affording some pricing power. Execution of the bank's business plan and strategy benefit from management's knowledge of local markets and record in its key banking segments. Our assessment also reflects Addiko's smaller scale and a less diversified business model than larger peers.

Unsecured Lending: Addiko's risk profile assessment is driven by its exposure to unsecured consumer and SME lending in SEE and is supported by improving operating conditions in most of its core markets. Addiko's risk profile benefits from significantly reduced concentration risks due to the wind-down of non-core corporate exposures and impaired loans. Risk controls are adequate while market risk is low.

Improved Asset Quality: Addiko's impaired loan ratio stabilised at about 4% at end-3Q24, driven by low new inflows, continued recoveries and loan growth. Reserve coverage was stable and sound at 121% at end-1H24. We expect the four-year average impaired loan ratio to remain below 5% over the next two years, as it writes off non-performing loans in Croatia and Slovenia. We expect loan impairment charges (LICs)/gross loans to increase to about 100bp over the next two years, which is adequately covered by pre-impairment profits.

Modest but Improving Profitability: Addiko's profitability is only modest, but improving on the back of its restructuring, supported by solid cost-management, lower LICs and robust lending margins, which we expect to continue in the next two years. Our assessment also reflects its dependence on less diversified revenues from less stable operating environments.

Capitalisation Adequate for Risk Profile: Addiko's common equity Tier 1 (CET1) ratio (end-3Q24: 21.1%) provides an adequate buffer to absorb moderate shocks considering the bank's risk profile and improving pre-impairment profitability. Addiko's leverage ratio was a high 11.9%, resulting from the use of the standardised approach. We expect earnings retention to remain sufficient to support growth and maintain comfortable buffer over its regulatory capital requirements.

Stable Deposits Underpin Funding: Addiko is mainly funded by retail deposits sourced locally, which is positive for our assessment of funding and liquidity. Its 'bb+' score at the higher end of the implied range is supported by a healthy structural liquidity position. Addiko has no reliance on external wholesale funding. We view the bank's intention not to access the wholesale market in the medium term as credible, given its liquidity buffer and established depositor base.

Ratings

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

Applicable Criteria

Bank Rating Criteria (March 2024)

Related Research

Fitch Affirms Addiko Bank at 'BB'; Outlook Stable (November 2024)

Global Economic Outlook – September 2024

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Rating Sensitivities

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

We would downgrade the ratings following a substantial capital erosion, which could be caused by a materialisation of legal risks, from aggressive dividend distribution or from asset-quality deterioration (including materially larger write-offs).

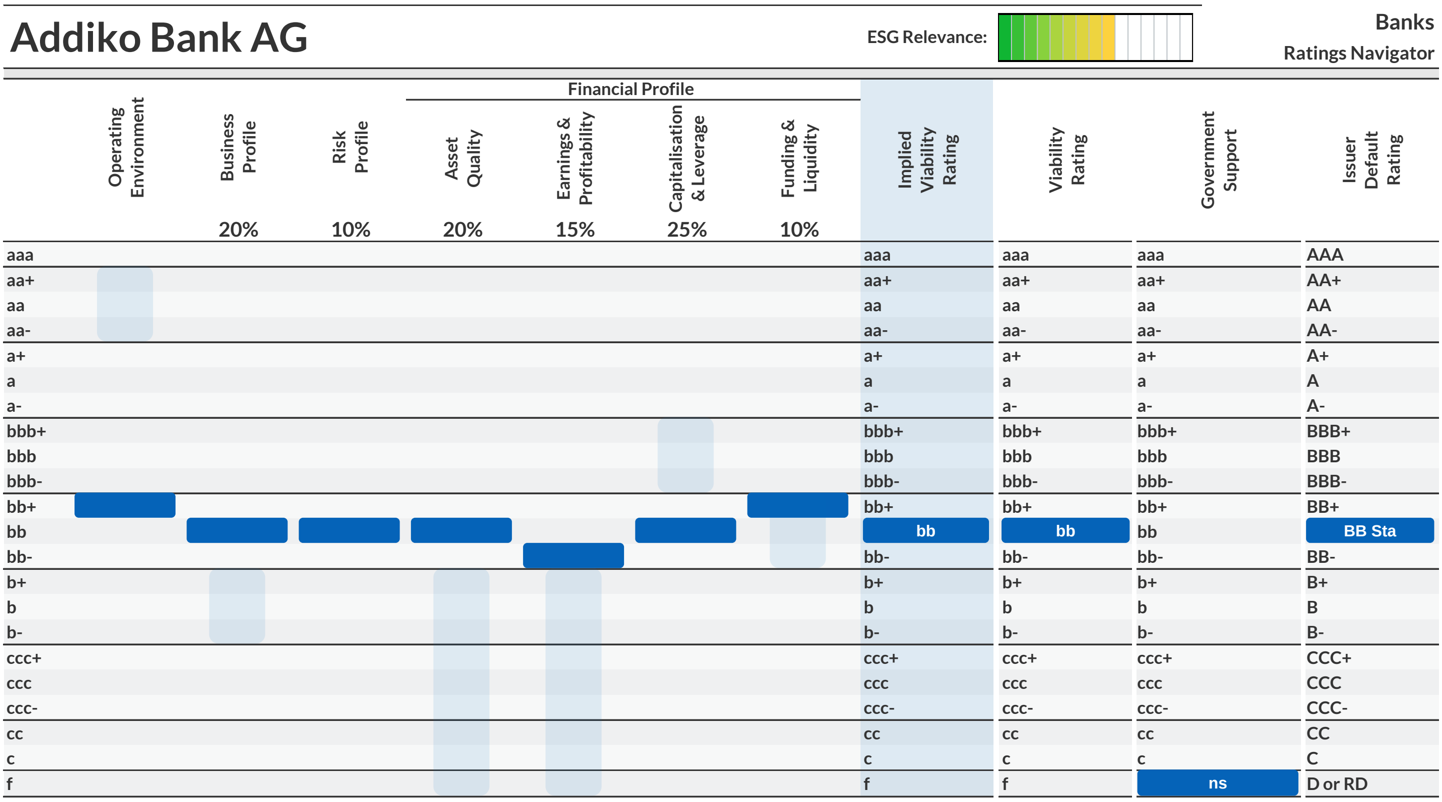
In addition, we could downgrade the ratings if strategic objectives shift, growth acceleration results in a negative deviation from current underwriting standards and investment policies, or due to a failure to maintain operating profit at least at 1.25% of risk-weighted assets (RWAs).

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

An upgrade would require a record of operating profit close to 2.5% of RWAs, indicating a sustained strengthening of Addikos's business profile, while maintaining an impaired loans ratio at or below about 5% and a common equity Tier 1 ratio of close to 20%.

An upgrade could also result from a material improvement in the operating environment, as a result of a shift in business expansion towards markets Fitch deems more stable, notably Croatia or Slovenia.

Ratings Navigator



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

VR - Adjustments to Key Rating Drivers

The operating environment score of 'bb+' has been assigned below the 'aa' category implied score, due to the following adjustment reason: international operations (negative).

The business profile score of 'bb' has been assigned above the 'b' category implied score, due to the following adjustment reason: strategy and execution (positive).

The asset quality score of 'bb' has been assigned above the 'b and below' category implied score, due to the following adjustment reason: historical and future metrics (positive).

The earnings and profitability score of 'bb-' has been assigned above the 'b and below' category implied score, due to the following adjustment reason: historical and future metrics (positive).

The capitalisation and leverage score of 'bb' has been assigned below the 'bbb' category implied score, due to the following adjustment reason: risk profile and business model (negative).

Company Summary and Key Qualitative Factors

Business Profile

Addiko is an Austrian bank with about EUR6 billion assets specialised in lending to consumers and small SMEs in the SEE region. It was established in 2015 through a carve out of the SEE business of the former Hypo Alpe Adria Bank and is listed on the Vienna Stock Exchange.

The group's parent bank, Addiko Bank AG, is a fully licenced bank in Austria, regulated by the ECB and the Austrian Financial Market Authority (FMA). It has six subsidiaries, in Croatia, Slovenia, Bosnia and Herzegovina (where it operates through two banks), Serbia, and Montenegro. Unlike the larger Italian and Austrian banks with subsidiaries in SEE, which generate only a minor share of their business in the region, Addiko exclusively focuses on Balkan countries. This exposes the bank to risks arising from geographical concentration in a region where macroeconomic shocks can be highly correlated. Addiko extended its product offering into Romania this year, so as to expand its revenue pool. Fitch believes that Addiko's gradual growth in Romania does not have an immediate effect on its business and risk profile.

Addiko is a niche bank, with market shares of between 3% and 10% in consumer and small business lending in most of the countries in which it operates, serving about 900,000 customers through digital banking and 155 branches. We believe this is a sufficient mass to achieve a minimum scale in this business. A modern digital interface and above-average speed with regards to time to cash affords the group some pricing power in consumer lending. Similarly, the bank is well positioned to serve small and micro businesses (the latter with up to EUR1.5 million turnover) with standardised products, while it has exited relationship-based lending to larger SMEs.

The bank is investing in the development of its digital offering to expand its business. Over the past two years, Addiko has introduced various digital initiatives, including end-to-end digital lending for consumer clients, lending via partnerships (i.e. point-of-sale financing), buy-now-pay-later services via a fintech partner, and digital lending for micro-SMEs. Addiko's non-core business includes mortgage lending, and its public sector and large corporate lending portfolios that had been originated before 2016 are in run-down, providing liquidity and capital for the growth of its unsecured, higher-yielding consumer and small business lending.

Addiko's small size, specialised business model and regions of operations has made it a target of several takeover bids in 2024. While we believe this has drained management resources, the bank has continued to meet its strategic goals.

Risk Profile

Addiko has reduced concentration risk over the past four years by winding down most of its non-core medium and large corporate loan books, a large portion of which were non-performing. Its risk profile is now driven by its exposure to unsecured consumer and SME lending in SEE.

Addiko also remains exposed to legal claims related to Swiss franc-denominated mortgages originated before 2009, but we view this as manageable for the bank – even in a worst-case outcome. The exposure to Swiss franc loans was reduced to EUR61 million at end-1H24 (0.9% of total exposure) from EUR1.2 billion at end-2015. In 9M24 Addiko booked EUR10.2 million provisions for expected legal matters, mainly driven by Swiss franc-denominated loans in Slovenia, which is covered by the bank's profits. Fitch believes that further legal costs on legacy FX mortgages cannot be ruled out.

Loan underwriting criteria are standardised across the group, cash-flow based and automated. We view loan underwriting criteria as broadly in line with those of local peers. Addiko's investment book (end-1H24: EUR1.3 billion) mainly includes central European and SEE sovereign bonds, with an average maturity of four years. Addiko's market risk is low and relates primarily to foreign-currency risk from Addiko's equity holding in its subsidiary in Serbia.

Financial Profile

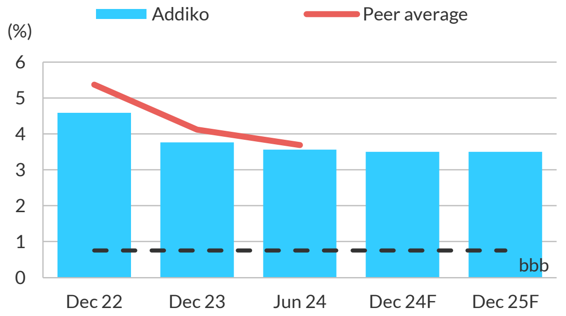
Asset Quality

Consumer (end-1H24: 51%) and SME (37%) lending account for the majority of Addiko's loan book. We expect LICs/gross loans to increase to about 100bp over the next two years, which is adequately covered by pre-impairment profit. LICs have remained below this level for the past five years due to loan loss allowance reversals in wind-down portfolios (mortgages, large corporate and public finance loans). Higher-than-expected unemployment, sharp increases in interest rates or high inflation in Addiko's markets would be likely to result in higher LICs.

We expect Addiko's impaired loans ratio to remain close to 4% over the next two years because the bank can sell impaired consumer loans in all its markets, except Serbia and Bosnia. Addiko reduced its volume of non-performing exposure to EUR141 million at end-3Q24 (2018: EUR404 million) following an active reduction of its legacy impaired loans through portfolio sales and work-outs.

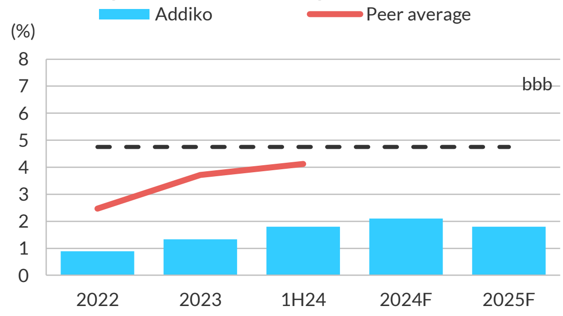
Coverage of Stage 3 loans with specific loan loss allowances was 80% at end-1H24, while the overall impairment coverage is solid at above 100%, underpinned by Stage 2 loans provisions and management overlays to address macroeconomic uncertainty.

Impaired Loans/Gross Loans



Source: Fitch Ratings, Fitch Solutions, banks

Operating Profit/Risk-Weighted Assets



Source: Fitch Ratings, Fitch Solutions, banks

Earnings and Profitability

Addiko's profitability still lags behind that of peers that have comparable business profiles in SEE, even after adjusting for the bank's higher RWA density. We expect Addiko's profitability to stabilise, with the operating profit/RWAs ratio improving to about 2% over the next two years (2022: 0.9%), driven by loan growth and higher-yielding new business, despite cost inflation and the expected increase in LICs from the current low level.

Operating profits in 9M24 (1.8% of RWAs, annualised) were supported by increased net interest income (up 9% yoy), driven by higher loan volumes and deposits repricing at a much slower rate than for the bank's loans and bonds. Addiko's reported net interest margin therefore increased to 3.9% in 9M24 (9M22: 3.0%). Fee and commission income also grew, mainly driven by payment services and bancassurance. Operating expenses increased 8.5% yoy, driven by wage and energy price inflation and one-off costs relating to takeover bids.

The business model's high share of recurring lending in the consumer and SME segments underpins revenue stability. Net interest income accounted for 75% of revenue over the past four years, on average, while net commission income originates mostly from payments, account management and credit cards. The bank's organisational structure, with small subsidiaries in all countries, results in higher costs than peers'.

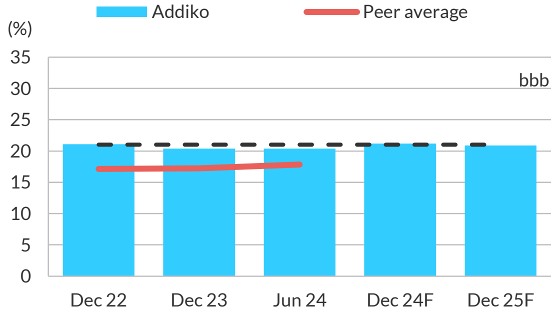
Capitalisation and Leverage

Addiko has no additional Tier 1 or Tier 2 instruments outstanding, and its total capital ratio was equal to its CET1 ratio, both 21.1% at end-September 2024, and well above Addiko's total capital requirement (14.88%) and its Pillar 2 guidance (1H24: 3.0%).

Addiko's use of the standardised approach for most of its RWAs limits the vulnerability of capital ratios to negative rating migration. Fitch believes that Addiko's standardised approach also understates the bank's capitalisation compared with peers with similar risk profiles that make extensive use of the internal rating-based approach. Addiko's Basel leverage ratio of 11.9% at end-September 2024, which is much stronger than that of peers, illustrates this.

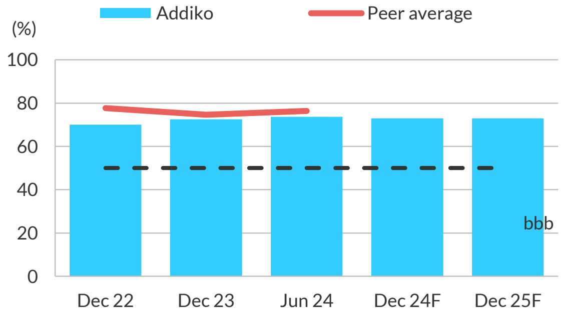
Organic capital generation is modest due to the bank's shareholder-friendly dividend policy, but sufficient to match business-driven RWA growth. Capital fungibility across the group is limited to annual profits, as special dividends are subject to lengthy approval processes involving local regulators.

CET1 Ratio



Source: Fitch Ratings, Fitch Solutions, banks

Gross Loans/Customer Deposits



Source: Fitch Ratings, Fitch Solutions, banks

Funding and Liquidity

Addiko's funding is dominated by a stable, granular deposit base, which accounted for 98% of its total funding at end-1H24. In particular, Addiko benefits from its brand recognition in SEE, where it inherited household deposits from Hypo Alpe Adria Bank, and a collection of online deposits in Germany and Austria.

Addiko is not subject to a minimum requirement for own funds and eligible liabilities (MREL) at consolidated level. MREL applies to its Croatian subsidiary and is covered with local own funds. For Slovenia, Addiko recently received an MREL target, which will be applicable as of 30 June 2025, and we expect the bank fulfil its requirement by a linear build-up of funds. We do not expect Addiko to issue debt instruments as long as it can finance its growth with deposits.

Liquidity is managed prudently, and Addiko's highly liquid assets were nearly 40% of total assets at end-1H24.

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.

Peer average includes Banca Transilvania S.A. (VR: bbb-), United Bulgarian Bank AD (bb+), ProCredit Holding AG (bb), Erste & Steiermarkische Bank d.d. (bbb-), Alior Bank S.A. (bb+). Unless otherwise stated, financial year (FY) end is 31 December for all banks in this report. Latest average uses FY23 data for United Bulgarian Bank AD.

Financials

Financial Statements

	30 Sep 24		31 Dec 23	31 Dec 22	31 Dec 21
	9 months (USDth)	9 months (EURth)	12 months (EURth)	12 months (EURth)	12 months (EURth)
Summary income statement					
Net interest and dividend income	203,431	181,700	228,000	176,400	169,500
Net fees and commissions	60,011	53,600	67,100	72,500	66,800
Other operating income	-9,741	-8,700	-11,300	-7,400	-4,900
Total operating income	253,701	226,600	283,800	241,500	231,400
Operating costs	171,971	153,600	223,300	194,900	192,000
Pre-impairment operating profit	81,731	73,000	60,500	46,600	39,400
Loan and other impairment charges	27,990	25,000	11,800	15,400	13,300
Operating profit	53,741	48,000	48,700	31,200	26,100
Other non-operating items (net)	–	–	-1,300	–	-5,300
Tax	11,532	10,300	6,300	5,500	7,200
Net income	42,209	37,700	41,100	25,700	13,600
Summary balance sheet					
Assets					
Gross loans	3,949,278	3,527,400	3,650,300	3,476,200	3,489,100
– Of which impaired	157,528	140,700	137,100	159,600	192,200
Loan loss allowances	–	–	161,100	183,500	210,400
Net loans	3,949,278	3,527,400	3,489,200	3,292,700	3,278,700
Interbank	29,334	26,200	66,600	89,200	5,700
Derivatives	–	–	4,900	5,000	1,100
Other securities and earning assets	1,537,323	1,373,100	1,206,600	1,083,800	1,048,800
Total earning assets	5,515,934	4,926,700	4,767,300	4,470,700	4,334,300
Cash and due from banks	1,345,983	1,202,200	1,254,500	1,382,900	1,361,700
Other assets	136,927	122,300	129,700	142,800	146,300
Total assets	6,998,845	6,251,200	6,151,500	5,996,400	5,842,300
Liabilities					
Customer deposits	5,753,849	5,139,200	5,032,600	4,959,600	4,708,200
Interbank and other short-term funding	92,031	82,200	106,800	128,600	174,700
Trading liabilities and derivatives	2,351	2,100	4,200	3,100	2,300
Total funding and derivatives	5,848,231	5,223,500	5,143,700	5,091,300	4,885,200
Other liabilities	221,345	197,700	206,700	158,800	152,000
Preference shares and hybrid capital	–	–	–	–	–
Total equity	929,268	830,000	801,100	746,300	805,100
Total liabilities and equity	6,998,845	6,251,200	6,151,500	5,996,400	5,842,300
Exchange rate		USD1 = EUR0.893176	USD1 = EUR0.912742	USD1 = EUR0.937559	USD1 = EUR0.884173

Source: Fitch Ratings, Fitch Solutions, Addiko Bank AG

Key Ratios

	30 Sep 24	31 Dec 23	31 Dec 22	31 Dec 21
Ratios (%; annualised as appropriate)				
Profitability				
Operating profit/risk-weighted assets	1.8	1.3	0.9	0.7
Net interest income/average earning assets	5.0	4.9	4.0	3.7
Non-interest expense/gross revenue	67.8	78.7	80.7	83.0
Net income/average equity	6.2	5.4	3.3	1.6
Asset quality				
Impaired loans ratio	4.0	3.8	4.6	5.5
Growth in gross loans	-3.4	5.0	-0.4	-9.4
Loan loss allowances/impaired loans	–	117.5	115.0	109.5
Loan impairment charges/average gross loans	0.9	0.4	0.4	0.5
Capitalisation				
Common equity Tier 1 ratio	21.1	20.4	21.1	22.2
Fully loaded common equity Tier 1 ratio	21.1	20.4	20.0	21.6
Tangible common equity/tangible assets	12.5	12.5	11.9	13.2
Basel leverage ratio	11.7	11.6	11.6	12.9
Net impaired loans/common equity Tier 1	–	-3.2	-3.3	-2.3
Funding and liquidity				
Gross loans/customer deposits	68.6	72.5	70.1	74.1
Liquidity coverage ratio	386.3	313.4	307.4	252.1
Customer deposits/total non-equity funding	98.4	97.9	97.5	96.4
Net stable funding ratio	–	170.2	170.5	162.6

Source: Fitch Ratings, Fitch Solutions, Addiko 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	
Government Support Rating	ns
Government ability to support D-SIBs	
Sovereign Rating	AA+/ Stable
Size of banking system	Neutral
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

The Government Support Rating of 'no support' reflects our view that the EU's Bank Recovery and Resolution Directive and the Single Resolution Mechanism provide a resolution framework that is likely to require senior creditors participating in losses instead of a bank receiving sovereign support. In addition, we do not factor in any support from Addiko's owners because our general view is that support from financial investors, while possible, cannot be relied on.

Environmental, Social and Governance Considerations

FitchRatings **Addiko Bank AG**

Banks
Ratings Navigator

Credit-Relevant ESG Derivation

Addiko Bank AG has 5 ESG potential rating drivers				ESG Relevance to Credit Rating
Addiko 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.	key driver	0	issues	5
Governance is minimally relevant to the rating and is not currently a driver.	driver	0	issues	4
	potential driver	5	issues	3
	not a rating driver	4	issues	2
		5	issues	1

Environmental (E) Relevance Scores

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

Social (S) Relevance Scores

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

Governance (G) Relevance Scores

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

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

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

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

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

CREDIT-RELEVANT ESG SCALE

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

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

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

SOLICITATION & PARTICIPATION STATUS

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

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