FitchRatings

Banks
Retail & Consumer Banks
Netherlands

de Volksbank N.V.

Ratings

Foreign Currency	
Long-Term IDR	A-
Short-Term IDR	F1
Derivative Counterparty Rating	A(dcr)
Viability Rating	a-
Government Support Rating	ns

Sovereign Risk (Netherlands)	
Long-Term Foreign-Currency IDR	AAA
Long-Term Local-Currency IDR	AAA
Country Ceiling	AAA

Outlooks	
Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Local-Currency IDR	Stable

Applicable Criteria

Bank Rating Criteria (March 2024)

Related Research

Mortgage Market Index – Netherlands 2H24 (October 2024)

Global Economic Outlook (September 2024)

Fitch Affirms the Netherlands at 'AAA'; Outlook Stable (August 2024)

Major Benelux Banks - Peer Review (July 2024)

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Key Rating Drivers

Standalone Strength Drives Ratings: The ratings reflect de Volksbank N.V.'s straightforward but concentrated business model, which results in weaker earnings diversification than larger and higher-rated domestic peers'. The bank's sound asset quality and moderate risk profile, with a focus on low-risk residential mortgage lending, are rating strengths. The ratings also capture improved earnings generation, satisfactory capitalisation and leverage, and robust funding underpinned by a granular and stable deposit base.

Straightforward Business Model: The bank is the fourth-largest commercial bank in the Netherlands, although its market share is small at around 6% in residential mortgage loans. It operates almost exclusively in its home market, with a clear focus on retail banking, offering mainly residential mortgage loans, savings and payments products.

The bank's focus on lending results in a high reliance on net interest income (NII), which averaged more than 90% of revenue over the past four years, highlighting limited business diversification relative to peers'.

Moderate Risk Profile: Fitch Ratings expects de Volksbank to maintain a conservative risk appetite, given the bank's focus on low-risk residential mortgage lending in the Netherlands, which comprised 97% of its gross loans at end-June 2024. However, the bank's hedging strategy exposes it to greater interest-rate risk than larger and more diversified Dutch peers.

Similarly to some domestic peers, the bank's risk control framework has revealed some deficiencies over recent years, including with respect to its anti-money-laundering (AML) obligations and operational risk management. We expect these to be addressed in the near term, but they will weigh on the bank's profitability and consume management time.

Asset Quality Supports Ratings: The bank's sound and stable impaired loans ratio (end-June 2024: 1.1%) reflects its large and low-risk Dutch residential mortgage loan portfolio (about two-thirds of total assets). We expect de Volksbank's asset quality to continue to be supported by a resilient employment market and the bank's prudent underwriting. The remainder of the balance sheet mainly comprises cash and high-quality securities.

Satisfactory Profitability: Profitability is satisfactory for de Volksbank's simple and concentrated business model, which results in weaker earnings diversification than peers. We expect the operating profit to decline from the very strong 1H24 annualised 3.7% of risk-weighted assets (RWAs), due to reduced NII and additional costs to meet risk-control deficiencies. However, we expect it to remain above 2% in 2024 and 2025.

Capital Buffers Reflect Low-Risk Assets: The bank's strong common equity Tier 1 ratio (CET1; end-June 2024: 19.7%) benefits from the large residential mortgage loans portfolio's low risk-weighting. Fitch expects the CET1 ratio to be maintained well above the bank's new medium-term minimum target of about 17% under Basel III end-game rules in 2024 and 2025. Its regulatory leverage ratio (end-June 2024: 5.2%) is adequate for a bank concentrated on low-risk assets.

Stable Funding, Ample Liquidity: Stable and granular retail and SME deposits form the bulk of de Volksbank's funding (end-June 2024: 83%). The bank has limited reliance on wholesale funding, and it is a less frequent issuer in debt capital markets than its larger Dutch peers. Liquidity is strong and well-managed, supported by a large cash balance placed at the central bank and high-quality liquid assets, which comfortably cover short- and medium-term funding maturities.

Rating Sensitivities

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

The bank has material headroom within its current rating. However, a downgrade could result from a significant loss of market share in mortgage lending, signalling a weakening in its business profile and profitability. A higher risk profile, for example through rapid expansion in higher-risk lending causing the impaired loans ratio to durably increase above 2%, could also lead to a downgrade.

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

An upgrade would require a broadened product and service offering that leads to more diversified revenue streams away from interest income. This would reduce earnings sensitivity to the interest-rate cycle and strengthen internal capital generation. An upgrade would, in that case, require the bank to maintain its conservative risk profile and stable funding and liquidity.

Other Debt and Issuer Ratings

Rating level	Rating
Deposits (long term/short term)	A/F1
Senior preferred debt (long term/short term)	A/F1
Senior non-preferred debt	A-
Subordinated Tier 2	BBB

Source: Fitch Ratings

Short-Term IDR

The ‘F1’ Short-Term Issuer Default Rating (IDR) is the higher of the two options mapping to a ‘A-’ Long-Term IDR, driven by de Volksbank’s funding and liquidity score of ‘a’.

Senior Debt, Deposits and Derivative Counterparty Rating

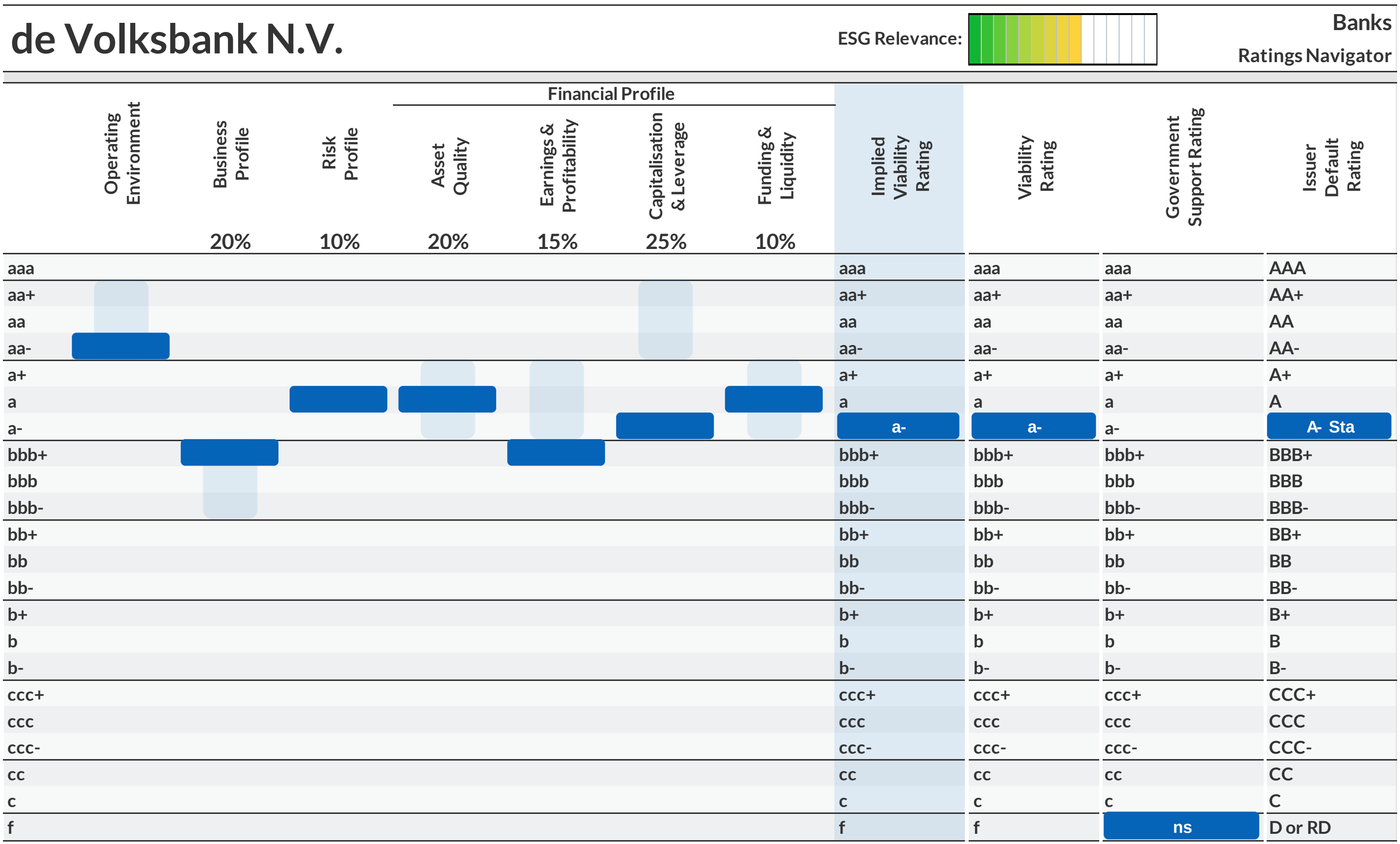
The bank’s long-term senior preferred debt, long-term deposits and Derivative Counterparty Rating are rated one notch above the Long-Term IDR. This reflects Fitch’s expectation that de Volksbank will continue to meet its resolution buffer requirement with only senior non-preferred and more junior debt and equity instruments. For the same reason, we rate de Volksbank’s senior non-preferred debt at ‘A-’, in line with its Long-Term IDR.

The short-term senior preferred and deposit ratings of ‘F1’ are the lower of two options mapping to their respective ‘A’ long-term ratings, reflecting our assessment of the bank’s funding and liquidity score at ‘a’.

Subordinated Debt

The subordinated (Tier 2) debt is rated two notches below the Viability Rating (VR), in line with the baseline notching for this type of debt, and reflecting poor recovery prospects of these instruments.

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 earnings and profitability score of 'bbb+' is below the 'a' category implied score due to the following adjustment reason: revenue diversification (negative).

The capitalisation and leverage score of 'a-' is below the 'aa' category implied score due to the following adjustment reason: risk profile and business model (negative).

Company Summary and Key Qualitative Factors

Business Profile

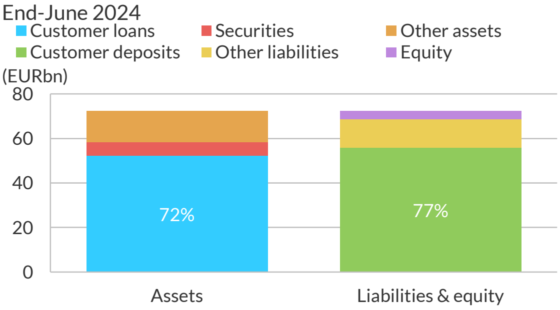
The bank focuses on providing Dutch residential mortgage loans and retail savings, in which it holds market shares of about 6% and 9%, respectively. It operates four separate brands (SNS, RegioBank, BLG Wonen and ASN Bank) under one banking licence and serves more than three million customers. The low-risk but undiversified business model constrains de Volksbank's business profile. The bank has been indirectly state-owned since 2013 but the state acts as a passive investor in the bank.

The 2025 strategic plan focuses on growth through enhanced product offerings to existing clients and diversification into the small and medium-sized enterprise (SME) banking segment, while improving its cost efficiency. The bank aims to achieve a return on equity of 8%–10% (1H24: about 11.5%, according to the bank), a cost/income ratio of 57%–59% (1H24: 56%), and a CET1 ratio under the Basel III endgame rules of at least 17% by end-2025 (end-June 2024: 20.9%).

We believe most of the 2025 targets are within reach for de Volksbank, although the bank will be challenged to continue to meet its cost/income ratio target. Lower net interest income, together with cost inflation, will negatively affect the ratio, which we expect to be above 60%. A recently announced transformation programme could potentially achieve cost savings and enhance operational efficiency. However, we expect the bank's business model to remain largely dominated by residential mortgage loans and interest income for the next few years.

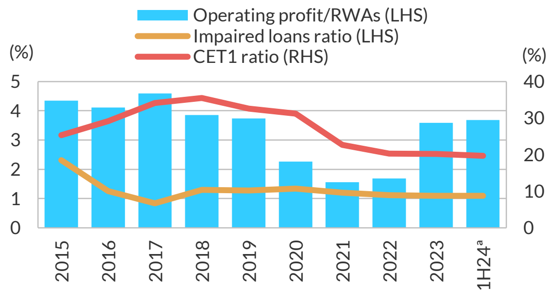
Balance Sheet

End-June 2024



Source: Fitch Ratings, Fitch Solutions, de Volksbank

Performance Through the Cycle



ª Annualised
Source: Fitch Ratings, Fitch Solutions, de Volksbank

Risk Profile

We view the bank's underwriting standards for residential mortgage loans as prudent and consistent with industry standards. Dutch mortgage lending is mainly prime and owner-occupied. Regulatory changes have reduced the loan/value (LTV) cap at loan origination to 100%, which is still high, and require new mortgage loans to be fully amortising for interest expenses to be tax-deductible. The bank's average LTV on the portfolio decreased to 52% at end-June 2024 (end-2023: 54%), similarly to Dutch peers, driven by rising house prices in the Netherlands. We view this level as satisfactory, providing sufficient headroom to absorb potential collateral devaluation.

The bank is developing a comprehensive customer due diligence remediation plan following an instruction from the Dutch National Bank (DNB) to address shortcomings in identifying and assessing its risks of money laundering and financing of terrorism. The bank has appointed a chief financial crime officer to ensure compliance with AML regulations. Earlier this year, the DNB notified the bank that it had also identified shortcomings in its operational risk management processes from previous years. The DNB informed de Volksbank that it will impose fines for these two matters, although the amounts are still unknown. This will lead to higher near-term compliance and regulatory-related costs, but we believe the overall financial impact on earnings should be manageable.

Exposure to market risk is moderate and mostly related to the structural interest rate risk. It reflects de Volksbank's portfolio of mortgage loans with fixed-rate periods of longer than one year, which represent the bulk of the mortgage loan book. The bank uses interest rate swaps to hedge its interest rate risk, but is more interest-rate-sensitive than larger, and more diversified, Dutch banks. The bank estimated that a 200bp downward shift in the yield curve would reduce NII by EUR132 million (about 11% of annualised 1H24 NII).

Financial Profile

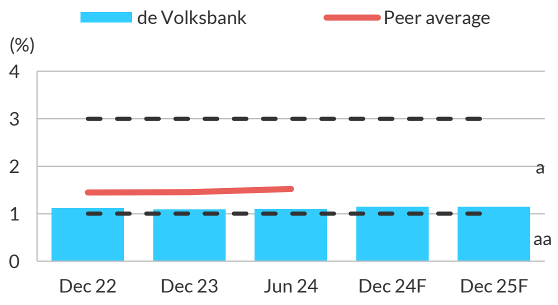
Asset Quality

The high-quality residential mortgage portfolio in the Netherlands supports the bank's strong asset quality. Most mortgage loans have long durations and fixed rates, with the majority carrying fixed rates for at least a decade. Asset quality has been resilient, with impaired loans at 1.1% of gross loans at end-June 2024. We expect only a limited inflow of impaired loans in the near term, with the impaired loans ratio expected to remain below 1.5%.

The coverage of impaired loans by loan-loss allowances remains below that of international peers (end-June 2024: 28%; end-2023: 33%). However, coverage of impaired mortgage loans (9%) was in line with domestic peers. This reflects the low historical credit losses on these loans and the significant portion covered by the Dutch Nationale Hypotheek Garantie (end-2023: 25%).

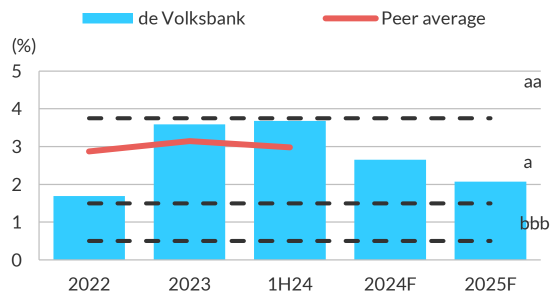
Credit risk in de Volksbank's securities portfolio is low and underpinned by the high quality of its investments. The majority of its investment portfolio comprises bonds issued by sovereign governments of core European countries and financial institutions with credit ratings of 'A' or above.

Impaired Loans/Gross Loans



Source: Fitch Ratings, Fitch Solutions, banks

Operating Profit/Risk-Weighted Assets



Source: Fitch Ratings, Fitch Solutions, banks

Earnings and Profitability

The bank's weak income diversification results in high reliance on net interest income from residential mortgage loans. The 3.7% operating profit/risk-weighted assets (RWAs) ratio in 1H24 was still affected by the higher interest rates. However, we view this level as unsustainable and expect the ratio to decline over the next year, to closer to the 2019–2022 average of 2.3%. This decline is likely to be driven by reduced margins on deposits, while residential mortgage margins should remain stable as the fairly long fixed interest rates in the mortgage portfolio limit loan book repricing.

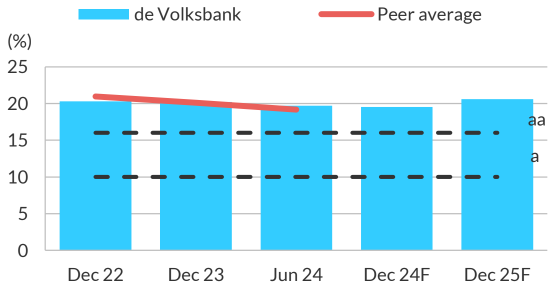
The bank's cost/income ratio has improved to 56% in 1H24, but is still behind the large domestic peer average (54%). We forecast the ratio to rise above 60% in the near term, exceeding the bank's 57%–59% target by 2025. Earnings in 2024 will be bolstered by the release of loan impairment charges, mostly due to an improving macroeconomic backdrop, but we expect a small charge in 2025, supported by its low-risk residential mortgage book.

Capitalisation and Leverage

The CET1 ratio of 19.7% reflects de Volksbank's conservative capital planning, providing a strong buffer above its regulatory requirement of 10.9%. The bank's risk-weight density has risen steadily in recent years to over 24% at end-June 2024, from just above 15% in 2020. This reflects higher regulatory requirements, including the minimum floor on the risk-weight of the mortgage loan portfolios of Dutch banks using internal risk models.

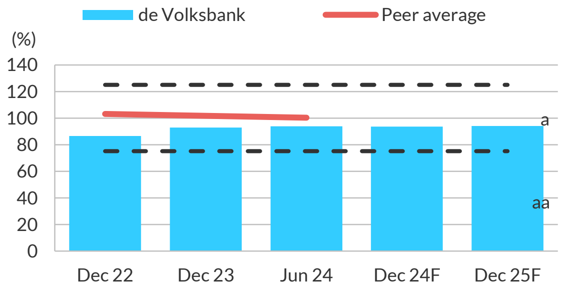
The bank meets its minimum requirement for own funds and eligible liabilities (MREL) entirely with CET1 capital, subordinated and senior non-preferred debt. The bank's MREL, at 9.4% of the leverage ratio exposure and 38.4% of RWAs at end-June 2024, were well above the 8.1% and 21.8% respective requirements.

CET1 Ratio



Source: Fitch Ratings, Fitch Solutions, banks

Gross Loans/Customer Deposits



Source: Fitch Ratings, Fitch Solutions, banks

Funding and Liquidity

Retail deposits constitute the bulk of de Volksbank's funding. We expect that the loans/deposits ratio (end-June 2024: 94%) will increase slightly by end-2025 as loan growth is likely to outpace deposit growth. Reliance on wholesale funding is low, consisting primarily of covered bonds and senior debt.

The bank's high-quality liquid assets account for about 14% of total assets (over EUR10 billion at end-June 2024), with a strong cash position with central banks (EUR4 billion). The bank has significantly reduced its liquidity buffer over the past year, focusing on a more efficient management of its excess liquidity. The vast majority of the bank's mortgage loans are unencumbered, providing a large source of contingent liquidity.

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 'aa' category.

Peer average includes ABN AMRO Bank N.V. (VR: a), Cooperatieve Rabobank U.A. (a+), ING Groep N.V. (a+), Leeds Building Society (a-), Skipton Building Society (a-). Unless otherwise stated, financial year (FY) end is 31 December for all banks in this report.

Financials

Financial Statements

	30 Jun 24		31 Dec 23	31 Dec 22	31 Dec 21
	6 months - interim	6 months - interim	Year end	Year end	Year end
	(USDm)	(EURm)	(EURm)	(EURm)	(EURm)
	Reviewed - unqualified	Reviewed - unqualified	Audited - unqualified	Audited - unqualified	Audited - unqualified
Summary income statement					
Net interest and dividend income	606	564	1,303	851	775
Net fees and commissions	30	28	47	51	39
Other operating income	74	69	64	63	13
Total operating income	710	661	1,414	965	827
Operating costs	399	371	809	655	667
Pre-impairment operating profit	312	290	605	310	160
Loan and other impairment charges	-32	-30	14	52	-58
Operating profit	344	320	591	258	218
Tax	96	89	160	67	56
Net income	248	231	431	191	162
Other comprehensive income	-12	-11	63	-159	-22
Fitch comprehensive income	236	220	494	32	140
Summary balance sheet					
Assets					
Gross loans	56,296	52,393	51,029	49,120	50,677
- Of which impaired	621	578	558	549	607
Loan loss allowances	171	159	182	154	107
Net loans	56,125	52,234	50,847	48,966	50,570
Interbank	8,237	7,666	4,671	6,884	4,527
Derivatives	2,577	2,398	2,544	3,302	591
Other securities and earning assets	6,620	6,161	6,733	5,591	5,638
Total earning assets	73,559	68,459	64,795	64,743	61,326
Cash and due from banks	3,903	3,632	5,891	8,011	10,305
Other assets	461	429	374	401	450
Total assets	77,923	72,520	71,060	73,155	72,081
Liabilities					
Customer deposits	60,071	55,906	54,910	56,859	57,595
Interbank and other short-term funding	2,519	2,344	1,947	2,690	1,057
Other long-term funding	9,552	8,890	8,435	8,450	8,436
Trading liabilities and derivatives	852	793	1,121	924	1,013
Total funding and derivatives	72,994	67,933	66,413	68,923	68,101
Other liabilities	485	451	556	524	494
Preference shares and hybrid capital	320	298	298	298	n.a.
Total equity	4,124	3,838	3,793	3,410	3,486
Total liabilities and equity	77,923	72,520	71,060	73,155	72,081
Exchange rate		USD1 = EUR0.930665	USD1 = EUR0.912742	USD1 = EUR0.937559	USD1 = EUR0.884173

Source: Fitch Ratings, Fitch Solutions, de Volksbank

Key Ratios

	30 Jun 24	31 Dec 23	31 Dec 22	31 Dec 21
Ratios (%; annualised as appropriate)				
Profitability				
Operating profit/risk-weighted assets	3.7	3.6	1.7	1.6
Net interest income/average earning assets	1.7	2.0	1.3	1.3
Non-interest expense/gross revenue	56.1	57.2	67.9	80.7
Net income/average equity	12.2	12.0	5.6	4.7
Asset quality				
Impaired loans ratio	1.1	1.1	1.1	1.2
Growth in gross loans	2.7	3.9	-3.1	-0.1
Loan loss allowances/impaired loans	27.5	32.6	28.1	17.6
Loan impairment charges/average gross loans	-0.1	0.0	0.1	-0.1
Capitalisation				
Common equity Tier 1 ratio	19.7	20.2	20.3	22.7
Fully loaded common equity Tier 1 ratio	20.9	21.1	20.2	22.5
Tangible common equity/tangible assets	5.3	5.3	4.6	4.8
Basel leverage ratio	5.2	5.1	4.7	5.1
Net impaired loans/common equity Tier 1 capital	12.2	11.3	12.7	15.7
Funding and liquidity				
Gross loans/customer deposits	93.7	92.9	86.4	88.0
Gross loans/customer deposits + covered bonds	85.9	86.1	80.1	81.8
Liquidity coverage ratio	158.0	262.0	233.0	324.0
Customer deposits/total non-equity funding	82.9	83.7	83.3	85.9
Net stable funding ratio	165.0	165.7	174.0	176.0

Source: Fitch Ratings, Fitch Solutions, de Volksbank

Support Assessment

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

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

Higher influence Moderate influence Lower influence

The GSR of 'ns' reflects Fitch's view that senior creditors cannot rely on receiving full extraordinary support from the sovereign in the event that de Volksbank 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 requires senior creditors participating in losses, if necessary, instead of, or ahead of, a bank receiving sovereign support. This is despite the Netherlands government's 100% ownership of de Volksbank, which we view as non-strategic due to its ultimate aim of privatising the bank.

Environmental, Social and Governance Considerations

FitchRatings **de Volksbank N.V.**

Banks
Ratings Navigator

Credit-Relevant ESG Derivation

de Volksbank N.V. has 5 ESG potential rating drivers

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

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

Environmental (E) Relevance Scores

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

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.

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 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.