

Dexia Credit Local S.A.

Key Rating Drivers

Support-Driven Ratings: Dexia Credit Local S.A.'s (DCL) ratings reflect Fitch Ratings' view of a high probability that additional support would be provided to DCL by Belgium (AA-/Negative) and France (AA-/Stable), if required, to complete the orderly wind-down of the bank. Such support is underlined by a Government Support Rating (GSR) of 'bbb+'. DCL is the main operating entity of Dexia SA/NV, which is around 53% owned by Belgium and 47% by France.

Strong Evidence of Support: Our view is based on Dexia's ownership, large funding guarantees provided to DCL by Belgium and France and both sovereigns' ability to provide financial support. DCL had about EUR38 billion of guaranteed debt outstanding at end-May 2023 and we expect guarantee utilisation to remain below the EUR75 billion limit applicable since January 2022.

Stable Outlook: The Outlook is Stable despite the Negative Outlook on Belgium's rating. The one-notch downgrade of France's rating did not result in a downgrade of DCL's ratings, as DCL's Long-Term Issuer Default Rating (IDR) is mainly driven by the sovereigns' propensity to support.

No Retroactive Application of BRRD: Fitch continues to factor in state support for DCL despite the implementation of the EU's Bank Recovery and Resolution Directive (BRRD). This reflects our view that the BRRD will not be applied retroactively to DCL, as long as its orderly wind-down progresses consistently with plans agreed with the European Commission.

Low Risk of Senior Bail-In: Fitch views the risk of senior creditor bail-in as low for DCL. We expect Belgium and France to act pre-emptively, to the extent possible, to maintain DCL's capitalisation above regulatory requirements.

Deleveraging Progressing Well: DCL's balance sheet was about EUR63 billion at end-2022, compared with about EUR362 billion at end-2011, when Dexia was placed in orderly wind-down. Total assets significantly decreased in 2022, notably because the amount of cash collateral posted has reduced as interest rates increased. DCL has significantly simplified its legal structure since the start of the orderly resolution. This continued in 2023 with the planned absorption of Dexia Crediop into DCL in September 2023.

Extension of State-Guaranteed Debt: The European Commission approved the extension of the state guarantee beyond end-2021 for 10 years. The extended guarantee is granted by Belgium and France under a 53%/47% split and the terms are substantially the same except for a lower maximum amount. This did not change our view on support.

No Viability Rating Assigned: Fitch does not assign a Viability Rating to DCL because it cannot be meaningfully analysed as a viable entity in its own right and is no longer commercially active. DCL is in orderly wind-down and relies on state guarantees for funding.

Ratings

Foreign Currency

Long-Term IDR	BBB+
Short-Term IDR	F1
Derivative Counterparty Rating	BBB+(dcr)

Government Support Rating	bbb+
---------------------------	------

Sovereign Risk

Long-Term Foreign- and Local-Currency IDRs	AA-
Country Ceiling	AAA

Outlooks

Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Foreign- and Local-Currency IDRs	Stable

Applicable Criteria

[Bank Rating Criteria \(September 2022\)](#)

Related Research

[Fitch Affirms Dexia Credit Local at 'BBB+'; Outlook Stable \(June 2023\)](#)

[Fitch Downgrades France to 'AA-'; Outlook Stable \(April 2023\)](#)

[Fitch Revises Belgium's Outlook to Negative; Affirms at 'AA-' \(March 2023\)](#)

Analysts

Julien Grandjean
+33 1 44 29 91 41
julien.grandjean@fitchratings.com

Charlotte Pernel
+33 1 44 29 91 23
charlotte.pernel@fitchratings.com

Rating Sensitivities

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

DCL's GSR and IDRs are sensitive to a weakening in Belgium or France's ability or propensity to provide additional support. We would be likely to downgrade DCL's Long-Term IDR and GSR, if both sovereigns' ratings are downgraded to the 'A' category. A significant reduction in state ownership or state-guaranteed funding that is not a result of lower funding needs, leading to reduced incentive to provide additional support, would also be rating negative.

A material deviation from DCL's wind-down plan agreed with the European Commission would lead to negative rating action. It would be likely to trigger a fresh state aid review and heighten the likelihood of the authorities requiring more stringent measures, which could include senior creditors sharing some of the burden. However, this is not Fitch's central scenario.

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

An upgrade of the GSR and IDRs would be contingent on the two states demonstrating even greater support, which we view as unlikely. We could upgrade DCL's Long-Term IDR and GSR if France's sovereign's rating is upgraded by two notches while Belgium's remains in the 'AA' category. However, this is unlikely given the recent downgrade of France's Long-Term IDR and the Negative Outlook on Belgium's Long-Term IDR.

We could also upgrade DCL's Long-Term IDR if it reduces the complexity and size of its balance sheet to well below the state-guaranteed debt size on a sustained basis, while the need for additional capital injection becomes remote.

Other Debt and Issuer Ratings

Dexia Credit Local S.A.	Rating
State guaranteed: long term/short term	AA-/F1+
Senior preferred: long term	BBB+
Junior subordinated: long term	C

Source: Fitch Ratings

DCL's Short-Term IDR of 'F1' is the higher of the two possible options mapping to a 'BBB+' Long-Term IDR. This is because we view the sovereigns' propensity to support as more certain in the near term. We also view the risk of the Belgian or French sovereign paying its direct obligations ahead of providing support to DCL as low and have not identified other potential impediments to the prompt flow of funds to DCL.

The 'AA-/F1+' ratings of DCL's guaranteed debt are aligned with Belgium and France's ratings as long as both states' ratings are equal. Otherwise, the guaranteed debt ratings would be aligned with the lowest-rated guarantor's. Both sovereigns are responsible for a share of the overall guarantee (several but not joint guarantee) and Fitch rates DCL's state-guaranteed debt on a "first-dollar-of-loss" basis. The guarantee is unconditional, irrevocable and on first demand.

DCL has been operating under the extended guarantee since 1 January 2022. This covers maturities of up to 10 years and debt issued before end-2032. The terms of the extended funding guarantee are substantially the same, except for a lower maximum of EUR75 billion instead of EUR85 billion, including EUR72 billion for debt issues and EUR3 billion for intraday interbank overdraft.

The decrease of the size of the funding guarantee is consistent with the decline in DCL's balance sheet. The 5bp guarantee fee is increased by a conditional deferred commission that will progressively rise to 135bp in 2027, payable at the time of the liquidation of the group and insofar as DCL no longer has a banking licence.

DCL's senior preferred debt is rated in line with DCL's Long-Term IDR.

The 'BBB+(dcr)' DCR is at the same level as DCL's Long-Term IDR as the IDR is based on sovereign support and because derivative counterparties in France have no preferential status over other preferred senior obligations in a resolution.

DCL's deeply subordinated Tier 1 notes' (FR0010251421) 'C' rating reflects the continued ban imposed by the European Commission on contractually non-mandatory coupon payment on these notes and their poor recovery prospects. The securities are subordinated to the conditional deferred fee accrued from 2022.

Company Summary and Key Qualitative Factors

Business Profile

Orderly Wind-Down Since End-2012

DCL was a specialised public-sector lender operating worldwide. The European Commission approved DCL’s parent Dexia’s orderly resolution plan in December 2012. It aims to wind down the group in an orderly manner, without threatening financial market stability. The resolution plan included a EUR5.5 billion capital injection by Belgium and France, which resulted in the two states owning about 53% and 47% of the group’s share capital, respectively.

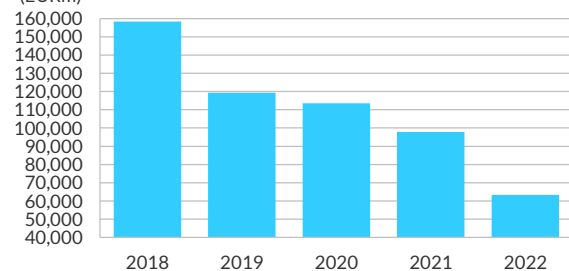
Deep Restructuring of Operations

DCL is no longer commercially active. However, its balance sheet will remain quite large for an extended period. The bank’s balance sheet was EUR63 billion at end-2022 (end-2021: EUR98 billion), well ahead of its 2022 and 2023 schedule due to the rise in interest rates, which limits the amount of cash collateral required to be posted to cover a negative mark to market of derivatives contracts.

Since entering wind-down, it has sold many operating subsidiaries and completed the mandatory divestment of its commercial franchises, as agreed with the European Commission. DCL’s only significant remaining subsidiary is Dexia Crediop S.p.A. in Italy, which is now 100% owned after DCL bought back the 30% of minority interests in 2020. After looking at different strategic options for its Italian subsidiary, DCL decided to merge it by absorption into DCL by September 2023. DCL is also working on the simplification of the French leasing subsidiaries and its US entities.

Steadily Declining Balance Sheet

Total assets at year-end
(EURm)



Source: Fitch Ratings, DCL

Risk Profile

Significant Exposure to European Countries

DCL is incorporated in France, which has a large, diversified and wealthy economy. The bank has some concentration risks to southern European countries, which represented about 40% of total exposure at end-2022. At end-2022, about 70% of the bank’s portfolio was exposed to the public sector or to central governments.

Low Appetite for Market Risk

DCL has a low appetite for market risk. Its strategy is to hedge almost all interest rate risk, which results in low sensitivity of the net present value of the banking book to a 1% upward parallel shift of the yield curve (about EUR41 million at end-2022). The bank significantly reduced its sensitivity to spread movements by reclassifying its peripheral European sovereign bonds to amortised costs under IFRS 9, instead of at fair value through equity (previously available for sale).

Financial Profile

Asset Quality

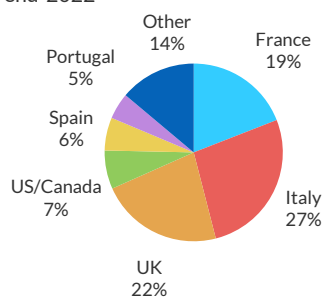
Mainly Exposed to Low Risk Public-Sector Assets

DCL's credit risks are generally contained, but a pocket of risks remains in the form of exposure to higher-risk European countries, such as to Italy (EUR13.4 billion at end-2022) and Portugal (EUR2.4 billion), which are mainly to local authorities and the Italian (BBB/Stable) and Portuguese (BBB+/Stable) sovereigns. The exposure to Spain (EUR3.0 billion) is dominated by local authorities and project finance, with a low exposure to the sovereign (A-/Stable).

DCL has also a substantial exposure to the UK (AA-/Negative), at about 20% of total exposure, of which nearly 50% to the public sector. At end-2022, just over 90% of credit risk exposure was rated investment grade based on DCL's internal ratings. Speculative-grade exposure accounted for about 75% (about EUR4.3 billion) of DCL's equity.

Credit Exposure by Geography

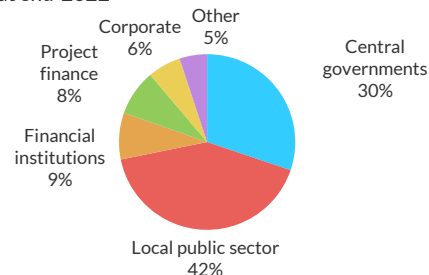
EUR50bn at end-2022



Source: Fitch Ratings, DCL

Credit Exposure by Counterparty

EUR50bn at end-2022



Source: Fitch Ratings, DCL

Earnings and Profitability

Profitability Structurally Low

DCL is structurally loss-making as revenue decline faster than costs. The significant collateral posted on swaps needs to be funded and inflates interest expenses, but it sharply decreased in 2022 to EUR8.3 billion at end-2022 due to rising rates, which reduced funding costs. DCL's large hedging derivatives book generates some accounting volatility and reduced profitability in recent years, although this turned positive in 2022, which led to a net income of EUR59 million. DCL manages costs tightly, as it adapts them to the decreasing loan book. It outsourced its IT management and back-office, which should enable switching fixed costs into variable costs as the balance sheet declines further.

Capital and Leverage

Satisfactory Capitalisation

DCL's risk-weighted capital ratios are sound, with a common equity Tier 1 ratio of 35.3% and total capital ratio of 35.7% at end-2022. After reaching a low point in 2015, capital ratios were supported by the implementation of IFRS9, which allowed the release of negative available-for-sale reserves. This followed the reclassification of assets at amortised cost, and, notably, DCL's Italian and Portuguese sovereign bonds.

DCL's capital ratios provide an ample buffer over its 13.75% total capital requirement for 2023 (excluding 1.25% of countercyclical buffer relating to French and UK exposure) and headroom to absorb losses. DCL's risk-weighted assets density is low (about 25%), as most exposures are public-sector assets or sovereign bonds.

Funding and Liquidity

High Reliance on State-Guaranteed Funding

State-guaranteed debt is DCL's main funding source (about 85% of total funding at end-2022). Non-guaranteed secured funding is mainly in repos. DCL built a liquidity buffer of EUR10.8 billion at end-2022, including EUR2 billion of central bank deposits. DCL lost access to central bank funding in 2022, as decided by the ECB in July 2017. We do not expect this to have a significant impact on DCL's orderly resolution as the bank is not reliant on this funding source.

DCL's liquidity coverage ratio was well above minimum requirements at around 152% at end-2022, and its net stable funding ratio was at 154%. DCL's liquidity is supported by the decrease of cash collateral requirements, resulting in lower use of wholesale funding in 2022 than anticipated. In 2022, DCL transformed part of its cash reserve into eligible securities via reverse repos.

Financials

Financial Statements

	31 Dec 22		31 Dec 21	31 Dec 20	31 Dec 19
	Year end	Year end	Year end	Year end	Year end
	(USDm)	(EURm)	(EURm)	(EURm)	(EURm)
	Audited - unqualified	Audited - unqualified	Audited - unqualified (emphasis of matter)	Audited - unqualified	Audited - unqualified
Summary income statement					
Net interest and dividend income	64	60.0	61.0	40.0	70.0
Net fees and commissions	-12	-11.0	-10.0	-10.0	-7.0
Other operating income	343	322.0	-127.0	-204.0	-694.0
Total operating income	396	371.0	-76.0	-174.0	-631.0
Operating costs	305	286.0	276.0	318.0	358.0
Pre-impairment operating profit	91	85.0	-352.0	-492.0	-989.0
Loan and other impairment charges	3	3.0	-130.0	170.0	-265.0
Operating profit	87	82.0	-222.0	-662.0	-724.0
Other non-operating items (net)	n.a.	n.a.	n.a.	104.0	-117.0
Tax	25	23.0	55.0	n.a.	-17.0
Net income	63	59.0	-277.0	-558.0	-824.0
Other comprehensive income	106	99.0	209.0	-70.0	415.0
Fitch comprehensive income	169	158.0	-68.0	-628.0	-409.0
Summary balance sheet					
Assets					
Gross loans	18,390	17,242.0	24,043.0	26,913.0	31,990.0
- Of which impaired	322	302.0	335.0	405.0	476.0
Loan loss allowances	155	145.0	183.0	231.0	219.0
Net loans	18,236	17,097.0	23,860.0	26,682.0	31,771.0
Interbank	7,339	6,881.0	17,306.0	20,776.0	21,564.0
Derivatives	4,149	3,890.0	8,241.0	11,100.0	13,135.0
Other securities and earning assets	35,456	33,242.0	38,454.0	44,918.0	43,417.0
Total earning assets	65,180	61,110.0	87,861.0	103,476.0	109,887.0
Cash and due from banks	2,159	2,024.0	9,753.0	9,866.0	9,211.0
Other assets	329	308.0	172.0	181.0	266.0
Total assets	67,667	63,442.0	97,786.0	113,523.0	119,364.0
Liabilities					
Customer deposits	660	619.0	558.0	518.0	609.0
Interbank and other short-term funding	8,381	7,858.0	15,552.0	18,717.0	15,596.0
Other long-term funding	39,043	36,605.0	49,602.0	55,897.0	63,542.0
Trading liabilities and derivatives	12,819	12,019.0	26,019.0	32,201.0	32,826.0
Total funding and derivatives	60,904	57,101.0	91,731.0	107,333.0	112,573.0
Other liabilities	556	521.0	427.0	498.0	476.0
Preference shares and hybrid capital	60	56.0	56.0	56.0	56.0
Total equity	6,148	5,764.0	5,572.0	5,636.0	6,259.0
Total liabilities and equity	67,667	63,442.0	97,786.0	113,523.0	119,364.0
Exchange rate		USD1 = EUR0.937559	USD1 = EUR0.884173	USD1 = EUR0.821963	USD1 = EUR0.89015

Source: Fitch Ratings, Fitch Solutions, DCL

Key Ratios

	31 Dec 22	31 Dec 21	31 Dec 20	31 Dec 19
Ratios (annualised as appropriate)				
Profitability				
Operating profit/risk-weighted assets	0.5	-1.1	-2.8	-2.7
Net interest income/average earning assets	0.1	0.1	0.0	0.1
Non-interest expense/gross revenue	77.1	-363.2	-182.8	-56.7
Net income/average equity	1.0	-4.9	-9.8	-12.8
Asset quality				
Impaired loans ratio	1.8	1.4	1.5	1.5
Growth in gross loans	-28.3	-10.7	-15.9	-9.7
Loan loss allowances/impaired loans	48.0	54.6	57.0	46.0
Loan impairment charges/average gross loans	-0.1	-0.2	0.2	0.0
Capitalisation				
Common equity Tier 1 ratio	35.3	27.3	24.5	23.5
Tangible common equity/tangible assets	9.1	5.7	5.0	5.2
Net impaired loans/common equity Tier 1	2.7	2.8	3.0	4.1
Funding and liquidity				
Gross loans/customer deposits	2785.5	4,308.8	5,195.6	5,252.9
Liquidity coverage ratio	152.0	152.0	199.0	236.0
Customer deposits/total non-equity funding	1.4	0.9	0.7	0.8
Net stable funding ratio	154.0	151.5	127.0	n.a.

Source: Fitch Ratings, Fitch Solutions, DCL

Support Assessment

Commercial Banks: Government Support

Typical D-SIB GSR for sovereign's rating level (assuming high propensity)	a or a-
Actual jurisdiction D-SIB GSR	ns
Government Support Rating	bbb+

Government ability to support D-SIBs

Sovereign Rating	AA-/ Stable
Size of banking system	Negative
Structure of banking system	Negative
Sovereign financial flexibility (for rating level)	Positive

Government propensity to support D-SIBs

Resolution legislation	Negative
Support stance	Neutral

Government propensity to support bank

Systemic importance	Neutral
Liability structure	Positive
Ownership	Positive

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

■ Higher influence ■ Moderate influence ■ Lower influence

High Probability of Support

Fitch considers that there is a high probability that additional support would be provided to DCL by Belgium and France, if required, to complete the orderly wind-down of the company. Both sovereigns are main shareholders of DCL's parent Dexia.

Our view on support is based on the ownership of Dexia, the large funding guarantees provided to DCL by Belgium and France of up to EUR75 billion and both sovereigns' ability to provide financial support. The extension of the new guarantee from 2022 did not change our view on support.

At end-2022, DCL's assets represented a significant portion (about 10%) of Belgium's 2022 GDP, where the bank's holding company is incorporated. DCL's balance sheet represented less than 5% of France's GDP.

Fitch continues to factor in state support for DCL despite the implementation of the BRRD. This reflects our view that the BRRD will not be applied retroactively to DCL, as long as its orderly wind-down progresses consistently with plans agreed with the European Commission. Fitch views the risk of senior creditor bail-in as low for DCL. We expect Belgium and France to act pre-emptively, to the extent possible, to maintain DCL's capitalisation above legal minimum requirements.

Environmental, Social and Governance Considerations

FitchRatings Dexia Credit Local S.A.

Banks
Ratings Navigator

Credit-Relevant ESG Derivation

Dexia Credit Local S.A. has 5 ESG potential rating drivers				Overall ESG Scale	
	key driver	0	issues	5	
➔ Dexia Credit Local S.A. 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.	driver	0	issues	4	
➔ Governance is minimally relevant to the rating and is not currently a driver.	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	<p>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.</p> <p>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.</p> <p>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.</p>
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)

General Issues	S Score	Sector-Specific Issues	Reference	S Scale	<p>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).</p> <p>Sector references in the scale definitions below refer to Sector as displayed in the Sector Details box on page 1 of the navigator.</p>
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	CREDIT-RELEVANT ESG SCALE How relevant are E, S and G issues to the overall credit rating?
Management Strategy	3	Operational implementation of strategy	Business Profile (incl. Management & governance)	5	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.
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	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.
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Business Profile (incl. Management & governance)	3	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.
Financial Transparency	3	Quality and frequency of financial reporting and auditing processes	Business Profile (incl. Management & governance)	2	2 Irrelevant to the entity rating but relevant 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

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

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

DISCLAIMER & DISCLOSURES

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

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

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

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

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

Copyright © 2023 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Fax: (212) 480-4435. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved.