

Dexia S.A.

Key Rating Drivers

Support-Driven Ratings: Dexia S.A.'s ratings reflect Fitch Ratings' view that there is a high probability of additional support from 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+'. Dexia is the main operating entity of Dexia Holding SA/NV, which is about 53% owned by Belgium and 47% by France.

Strong Evidence of Support: Our view is based on Dexia's ownership, large funding guarantees from Belgium and France, and their ability to provide financial support. Dexia had about EUR38 billion of guaranteed debt outstanding at end-2023 and we expect guarantee use to remain below the EUR75 billion limit applicable since January 2022. The guarantee is granted by Belgium and France under a 53%/47% split.

No Retroactive Application of BRRD: Fitch continues to factor in state support for Dexia 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 Dexia, as long as its orderly wind-down progresses consistently with plans agreed with the European Commission.

Withdrawal of Banking Licence: Dexia surrendered its banking licence in January 2024. This is part of the ongoing implementation of the ordered resolution plan validated by the European Commission in December 2012. Fitch believes that this step constitutes important progress in the orderly resolution.

Low Risk of Senior Bail-In: Fitch views the risk of senior creditor bail-in as low for Dexia. Operating as a non-bank further reduces risks of bail-in of senior unsecured debt as Dexia will no longer be subject to capital regulatory requirements, which could be breached and trigger a bail-in of the senior unsecured debt.

Deleveraging Progressing Well: Dexia's balance sheet was about EUR60 billion at end-June 2023, compared with about EUR362 billion at end-2011, when Dexia was placed in orderly wind-down. Total assets significantly decreased over the last two years, notably because the amount of cash collateral posted has reduced as interest rates increased. Dexia has materially simplified its legal structure since the start of the orderly resolution, including the absorption of its last substantial subsidiary, Dexia Crediop, in September 2023.

No Viability Rating Assigned: Fitch does not assign a Viability Rating to Dexia because it cannot be meaningfully analysed as a viable entity in its own right and is no longer commercially active. Dexia 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 (France)

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 \(September 2023\)](#)

Related Research

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

[Fitch Affirms France at 'AA-'; Outlook Stable \(October 2023\)](#)

[Fitch Affirms Belgium at 'AA-'; Outlook Negative \(February 2024\)](#)

Analysts

Sixte de Monteynard
+33 1 44 29 92 82
sixte.demonteynard@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

Dexia's GSR and Issuer Default Rating (IDR) are sensitive to a weakening in Belgium or France's ability or propensity to provide additional support. We would likely downgrade Dexia's ratings, if both sovereigns' ratings are downgraded to the 'A' category. A material 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 Dexia's wind-down plan agreed with the European Commission would lead to a negative rating action. Fitch expects this would likely 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 our 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 countries demonstrating even greater support, which we view as unlikely. We could upgrade Dexia's ratings if France's sovereign rating is upgraded by two notches while Belgium's rating remains in the 'AA' category. However, this is unlikely given the recent downgrade of France's rating and the Negative Outlook on Belgium's rating.

We could also upgrade Dexia'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

Rating level	Rating
Guaranteed Debt	AA-/F1+
Deeply Subordinated Tier 1 Notes	C
Senior Preferred Debt	BBB+

Source: Fitch Ratings

Dexia'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 assess the risk of either of the two sovereigns paying its direct obligations ahead of providing support to Dexia as low and have not identified other potential impediments to the prompt flow of funds to Dexia.

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

The decrease of the size of the funding guarantee is consistent with the decline in Dexia's balance sheet. The 5bp guarantee fee is increased by a conditional deferred commission that will progressively rise to 135bp by 2027, payable at the time of the liquidation of the group.

Dexia's senior preferred debt is rated in line with Dexia's Long-Term IDR. The 'BBB+(dcr)' Derivative Counterparty Rating is at the same level as Dexia'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.

Dexia's deeply subordinated Tier 1 notes' (FR0010251421) 'C' rating reflects the continued ban imposed by the European Commission on contractually non-mandatory coupon payments 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

Dexia was a specialised public-sector lender operating worldwide. The European Commission approved Dexia Holding'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 countries owning about 53% and 47% of the group's share capital, respectively.

Dexia is no longer commercially active, but its balance sheet will remain quite large for an extended period. The balance sheet was EUR60 billion at end-June 2023, well ahead of its assets disposal schedule, due to the rise in interest rates, which limits the amount of cash collateral required to cover a negative mark to market of derivatives contracts.

Operational Simplification Almost Complete

Dexia's operational simplification is drawing to an end, signalling good progress on the orderly resolution plan. In September 2023, Dexia finalised the cross-border merger by absorption of its 100%-owned subsidiary Dexia Crediop, its last significant subsidiary. This merger will lead Dexia to cease publishing consolidated financial statements. Dexia also announced, in December 2023, an agreement with BAWAG Group to sell Dexia's five non-regulated leasing entities.

Withdrawal of Dexia's Banking Licence

In December 2023, the ECB approved the withdrawal of Dexia's credit institution licence and investment services authorisations. This is part of the ongoing implementation of the orderly resolution plan. Dexia's guaranteed debt will remain eligible to high-quality liquid assets classification so we believe the withdrawal of the licence will not affect its ability to access the wholesale markets.

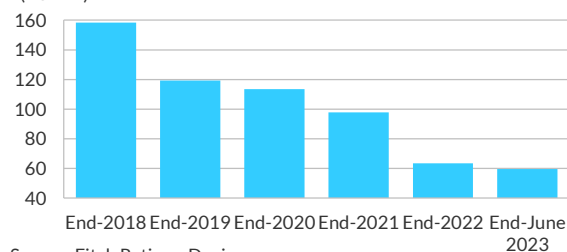
Dexia operating as a non-bank also reduces risks of bail-in of senior unsecured debt, as it will no longer be subject to capital requirements. Nevertheless, Dexia will replace the prudential banking supervision framework with an appropriate ad hoc risk management and monitoring framework in order to ensure the sustainability of its orderly resolution. This system will maintain compliance monitoring and will be based on a risk appetite framework, with key risk indicators to monitor operational risk, solvency and liquidity risks, as well as asset and liability management.

The group's entities have changed their corporate names since January 2024: Dexia Crédit Local S.A. has become Dexia S.A., while the parent company Dexia SA/NV has become Dexia Holding.

Steadily Declining Balance Sheet

Total assets

(EURBn)



Source: Fitch Ratings, Dexia

Risk Profile

Large Exposure to European Countries

Dexia is incorporated in France. The bank has some concentration risks in southern European countries, which represented about 40% of total exposure at end-June 2023, while exposure to countries outside Europe was less than 15% of total. At end-June 2023, about 70% of the bank's portfolio was exposed to the public sector or to central governments.

Low Appetite for Market Risk

Dexia 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). Dexia greatly reduced its sensitivity to spread movements by reclassifying its Southern European sovereign bonds to amortised cost under IFRS 9, instead of at fair value through equity.

Financial Profile

Asset Quality

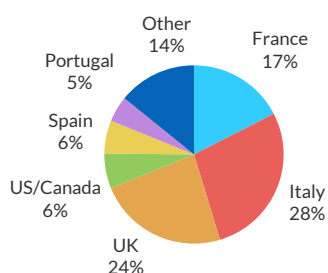
Mainly Exposed to Low Risk Public-Sector Assets

Dexia's credit risk is generally contained, but a pocket of risks remains in the form of exposure to higher-risk European countries, such as Italy (EUR13.2 billion at end-June 2023) and Portugal (EUR2.2 billion), which are mainly to local authorities and the Italian (BBB/Stable) and Portuguese (A-/Stable) sovereigns. The exposure to Spain (EUR2.9 billion) is dominated by local authorities and project finance, with a low exposure to the sovereign (A-/Stable).

Dexia has a substantial exposure to the UK (AA-/Negative), at about 23% of total exposure, of which nearly 50% is to the public sector. At end-June 2023, about 90% of credit risk exposure was rated investment grade, based on Dexia's internal ratings. Speculative-grade exposure (EUR4.4 billion) accounted for about 78% of Dexia's equity.

Credit Exposure by Geography

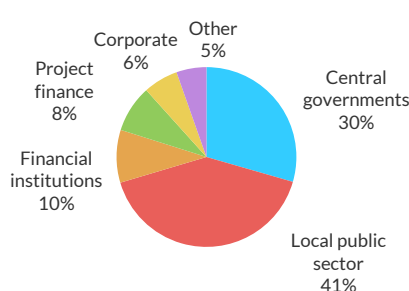
EUR47bn at end-June 2023



Source: Fitch Ratings, Dexia

Credit Exposure by Counterparty

EUR47bn at end-June 2023



Source: Fitch Ratings, Dexia

Earnings and Profitability

Structurally Low Profitability

Dexia is structurally loss-making as revenue declines faster than costs. The large amount of collateral posted on swaps needs to be funded and inflates interest expenses, but it sharply decreased since mid-2022 to EUR8.3 billion at end-June 2023, due to rising rates, which reduced funding costs. Dexia's large hedging derivatives book has generated accounting volatility and reduced profitability over the recent years. Together with an increase in loan impairment charges, due to provisions on the water distribution sector in the UK, this led to a net loss of EUR156 million in 1H23. Dexia manages costs tightly, as it adapts them to the decreasing loan book. It outsourced its IT management and back office.

Capital and Leverage

Satisfactory Capitalisation

Dexia's risk-weighted capital ratios are sound, with a common equity Tier 1 ratio of 34.6% and total capital ratio of 35% at end-June 2023. 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, Dexia's Italian and Portuguese sovereign bonds.

Although Dexia's capital ratios provide an ample buffer to absorb potential losses, Dexia is no longer required to comply with regulatory capital requirements, as a consequence of the withdrawal of its banking licence in January 2024. This does not affect our view of Dexia's solvency, as Fitch expects the company will continue to manage its balance sheet with prudent capital metrics under its new risk framework.

Dexia's risk-weighted assets density is low (about 27% at end-June 2023), as most exposures are public-sector assets or sovereign bonds.

Funding and Liquidity

High Reliance on State-Guaranteed Funding

State-guaranteed debt is Dexia's main funding source (about 85% of total funding at end-June 2023). Non-guaranteed secured funding is mainly through repos. It had a liquidity buffer of EUR11.5 billion at end-June 2023, including close to EUR3 billion of central bank deposits. Dexia no longer has access to central bank funding since 2022, as decided by the ECB in July 2017, but we do not expect this to have a major impact on its orderly resolution.

Dexia's liquidity is supported by higher interest rates, resulting in the decrease of cash collateral requirements, and thus lower wholesale funding needs. Dexia's liquidity coverage ratio was well above minimum requirements at end-June 2023. As for capital requirements, Dexia does not have to comply with regulatory liquidity ratios anymore, but we expect it will maintain a satisfactory liquidity buffer.

Financials

Financial Statements

	30 June 2023		31 December 2022	31 December 2021	31 December 2020
	6 months - interim (USDm)	6 months - interim (EURm)	Year end (EURm)	Year end (EURm)	Year end (EURm)
	Reviewed - unqualified	Reviewed - unqualified	Audited - unqualified	Audited - unqualified (emphasis of matter)	Audited - unqualified
Summary income statement					
Net interest and dividend income	65	60.0	60.0	61.0	40.0
Net fees and commissions	-2	-2.0	-11.0	-10.0	-10.0
Other operating income	-73	-67.0	322.0	-127.0	-204.0
Total operating income	-10	-9.0	371.0	-76.0	-174.0
Operating costs	168	155.0	286.0	276.0	318.0
Pre-impairment operating profit	-178	-164.0	85.0	-352.0	-492.0
Loan and other impairment charges	36	33.0	3.0	-130.0	170.0
Operating profit	-214	-197.0	82.0	-222.0	-662.0
Other non-operating items (net)	n.a.	n.a.	n.a.	n.a.	104.0
Tax	-45	-41.0	23.0	55.0	n.a.
Net income	-170	-156.0	59.0	-277.0	-558.0
Other comprehensive income	-37	-34.0	99.0	209.0	-70.0
Fitch comprehensive income	-206	-190.0	158.0	-68.0	-628.0
Summary balance sheet					
Assets					
Gross loans	21,014	19,339.0	17,242.0	24,043.0	26,913.0
- Of which impaired	n.a.	n.a.	302.0	335.0	405.0
Loan loss allowances	n.a.	n.a.	145.0	183.0	231.0
Net loans	21,014	19,339.0	17,097.0	23,860.0	26,682.0
Interbank	7,220	6,645.0	6,881.0	17,306.0	20,776.0
Derivatives	3,641	3,351.0	3,890.0	8,241.0	11,100.0
Other securities and earning assets	31,325	28,828.0	33,242.0	38,454.0	44,918.0
Total earning assets	63,200	58,163.0	61,110.0	87,861.0	103,476.0
Cash and due from banks	1,285	1,183.0	2,024.0	9,753.0	9,866.0
Other assets	354	326.0	308.0	172.0	181.0
Total assets	64,840	59,672.0	63,442.0	97,786.0	113,523.0
Liabilities					
Customer deposits	3,948	3,633.0	619.0	558.0	518.0
Interbank and other short-term funding	2,178	2,004.0	7,858.0	15,552.0	18,717.0
Other long-term funding	40,112	36,915.0	36,605.0	49,602.0	55,897.0
Trading liabilities and derivatives	11,903	10,954.0	12,019.0	26,019.0	32,201.0
Total funding and derivatives	58,140	53,506.0	57,101.0	91,731.0	107,333.0
Other liabilities	570	525.0	521.0	427.0	498.0
Preference shares and hybrid capital	n.a.	n.a.	56.0	56.0	56.0
Total equity	6,130	5,641.0	5,764.0	5,572.0	5,636.0
Total liabilities and equity	64,840	59,672.0	63,442.0	97,786.0	113,523.0
Exchange rate		USD1 = EUR0.920302	USD1 = EUR0.937559	USD1 = EUR0.884173	USD1 = EUR0.821963

Source: Fitch Ratings, Fitch Solutions, Dexia

Key Ratios

	30 June 2023	31 December 2022	31 December 2021	31 December 2020
Ratios (annualised as appropriate)				
Profitability				
Operating profit/risk-weighted assets	-2.5	0.5	-1.1	-2.8
Net interest income/average earning assets	0.2	0.1	0.1	0.0
Non-interest expense/gross revenue	-1,722.2	77.1	-363.2	-182.8
Net income/average equity	-5.5	1.0	-4.9	-9.8
Asset quality				
Impaired loans ratio	n.a.	1.8	1.4	1.5
Growth in gross loans	12.2	-28.3	-10.7	-15.9
Loan loss allowances/impaired loans	n.a.	48.0	54.6	57.0
Loan impairment charges/average gross loans	0.4	-0.1	-0.2	0.2
Capitalisation				
Common equity Tier 1 ratio	34.6	35.3	27.3	24.5
Tangible common equity/tangible assets	9.5	9.1	5.7	5.0
Net impaired loans/common equity Tier 1 capital	n.a.	2.7	2.8	3.0
Funding and liquidity				
Gross loans/customer deposits	532.3	2,785.5	4,308.8	5,195.6
Liquidity coverage ratio	204.0	152.0	152.0	199.0
Customer deposits/total non-equity funding	8.5	1.4	0.9	0.7
Net stable funding ratio	142.0	154.0	151.5	127.0

Source: Fitch Ratings, Fitch Solutions, Dexia

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 Dexia by Belgium and France, if required, to complete the orderly wind-down of the company. Both sovereigns are the main shareholders of Dexia's parent Dexia Holding.

Our view on support is based on the ownership of Dexia, the large funding guarantees provided 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 for 10 years did not change our view on support.

At end-June 2023, Dexia's assets represented a significant portion of the 2022 GDP (close to 10%) of Belgium, where the holding company is incorporated. Dexia's balance sheet represented less than 3% of France's 2022 GDP.

Fitch continues to factor in state support for Dexia, despite the implementation of the BRRD. This reflects our view that the BRRD will not be applied retroactively to Dexia, as long as its orderly wind-down progresses consistently with plans agreed with the European Commission.

Environmental, Social and Governance Considerations

FitchRatings Dexia S.A.

Banks
Ratings Navigator

Credit-Relevant ESG Derivation

Dexia S.A. has 5 ESG potential rating drivers ➔ Dexia 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. ➔ Governance is minimally relevant to the rating and is not currently a driver.	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. Scores of 3, 4 or 5) and provides a brief explanation for the score.

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	CREDIT-RELEVANT ESG SCALE
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. 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 www.fitchratings.com/esg

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.

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. Fitch Ratings makes routine, commonly-accepted adjustments to reported financial data in accordance with the relevant criteria and/or industry standards to provide financial metric consistency for entities in the same sector or asset class.

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 © 2024 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved.