FitchRatings

Bank Leumi Le-Israel B.M.

Banks
Universal Commercial Banks
Israel

Ratings

Foreign Currency

Long-Term IDR	A
Short-Term IDR	F1+
Viability Rating	a-
Government Support Rating	a

Sovereign Risk (Israel)

Long-Term Foreign-Currency IDR	A+
Long-Term Local-Currency IDR	A+
Country Ceiling	AA

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 2022)

Related Research

Global Economic Outlook (December 2022)
Fitch Affirms Israel at 'A+'; Outlook Stable (August 2022)
Fitch Affirms Bank Leumi at 'A'; Outlook Stable (December 2022)

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Key Rating Drivers

Support Drives Ratings: Bank Leumi Le-Israel B.M.'s Issuer Default Ratings (IDRs) reflect Fitch Ratings' view of a very high probability that Israel (A+/Stable/F1+) would provide support to the bank, if needed. Fitch assesses Israel's ability and propensity to support Leumi as very high, particularly given the bank's systemic importance in the country, with about 30% of banking system assets.

Strong Domestic Franchise: The Viability Rating (VR) reflects Leumi's strong universal banking franchise in Israel as the largest bank by total assets, modest risk appetite, sound funding and liquidity and adequate capitalisation. It also reflects Fitch's view that asset quality will remain resilient and profitability will continue to improve, supported by loan growth and the higher interest rate environment. The sale of its US subsidiary, Leumi USA, to Valley National Bancorp is consistent with its peers reducing international operations in recent years.

Market Risk Appetite Above Domestic Peers: Leumi's market risk exposure in the banking book is in line with domestic peers and appropriately controlled by internal risk limits. However, the bank is also exposed to market risk from equity investments in non-financial companies made through Leumi Partners, which at end-2021 amounted to about 9.5% of the consolidated common equity Tier 1 (CET1) capital, although we expect this to remain broadly stable.

Sound Asset Quality: Leumi's impaired loans decreased to 0.6% of gross loans at end-September 2022, partly benefitting from high loan growth this year, particularly in mortgages. We expect higher loan impairment charges in 2023 as the loans season. Asset quality will also be affected by higher interest rates and high inflation (albeit lower than many other countries), but due to sound underwriting and Israel's resilient operating environment we expect the impaired loans ratio to remain below 1.5% over the next two years.

Strong Profitability: Leumi's operating profit has benefitted from an increase in net interest income due to the strong loan growth (+11.7% in 9M22) and improving margins due to increasing interest rates. We expect profitability to continue to improve, with the bank's operating profit/risk-weighted assets (RWAs) ratio expected to remain above 2% in 2023, despite slowing loan demand due to weakened credit demand on higher mortgage rates and a decrease in housing transactions in Israel, already observable in 4Q22.

Adequate Capitalisation Buffers: Headroom in our assessment is limited, but capitalisation has remained adequate with a CET1 ratio of 11.41% at end-September 2022. We view buffers as adequate because Leumi calculates RWAs using the standardised approach, which results in fairly high RWAs density (RWAs/total assets) of 59% at end-September 2022. Our capital assessment also considers Leumi's improved internal capital generation.

Large, Stable Deposit Base: The bank's funding benefits from a stable, granular and low-cost deposit base that exceeds the size of the loan book. The bank also has proven access to domestic and international debt markets, which it demonstrated through the issuance of senior unsecured notes in July 2022. The 127% liquidity coverage ratio at end-September 2022 was adequately above the 100% minimum regulatory requirement.

Leumi's 'F1+' Short-Term IDR is the higher of two possible Short-Term IDRs that map to an 'A' Long-Term IDR. This is because we view the sovereign's propensity to support as more certain in the near term.

Rating Sensitivities

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

Leumi's IDRs are primarily sensitive to a weakening of Israel's ability or propensity to support the bank. A downgrade of Israel's Long-Term IDR would likely result in a downgrade of Leumi's Government Support Rating (GSR) and its IDRs. A reduced propensity of the Israeli authorities to support the country's largest banks, which could be signalled by the introduction of a deposit guarantee scheme to start and, subsequently, effective bank resolution legislation, would also result in a downgrade of the bank's IDRs and GSR

A sharp deterioration of asset quality that results in an impaired loan ratio of above 2% for an extended period, combined with the CET1 declining below current levels and weakening internal capital generation could result in a VR downgrade. Given the bank's significant exposure to the real estate sector, a sharp decline in real estate prices would put pressure on asset quality and therefore on the VR.

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

An upgrade of Israel's Long-Term IDR is unlikely to result in an upgrade of the bank's GSR and Long-Term IDR and GSR as we typically do not assign GSRs above 'a' for domestic systemically important banks in countries whose sovereigns are rated 'AA' or 'AA-' and where support propensity is high.

A VR upgrade is unlikely given the bank's geographical concentration and would require a material and structural improvement in profitability that allows the bank to generate stronger and more stable operating profit/RWAs while also maintaining materially higher capital ratios, which we do not expect.

Other Debt and Issuer Ratings

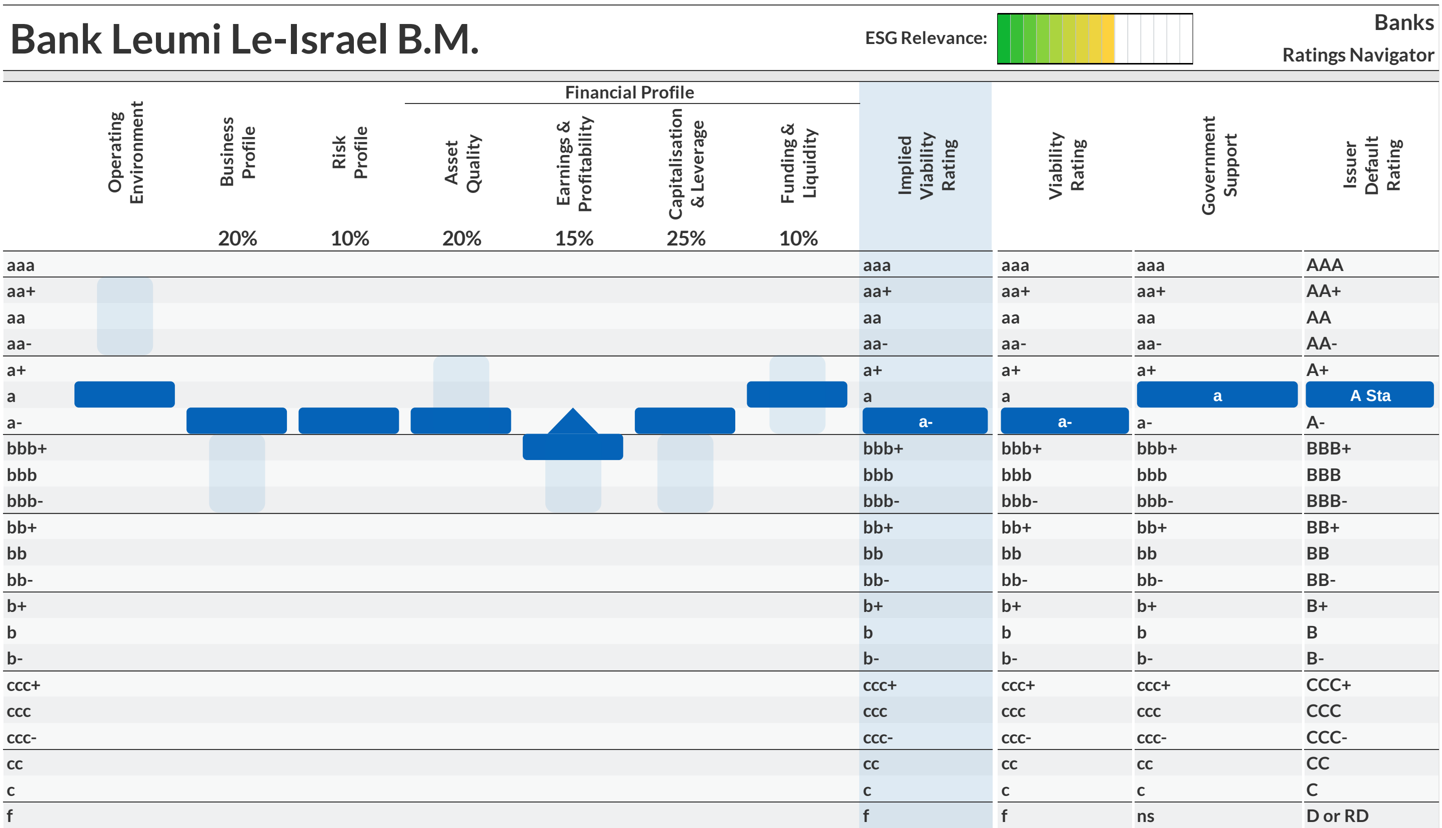
Rating level	Rating
Senior unsecured: long term	A
Subordinated: long term	BBB

Source: Fitch Ratings

Leumi's senior unsecured notes are rated in line with the Long-Term IDR as they constitute the bank's unsecured and unsubordinated obligations.

Leumi's Tier 2 subordinated notes are rated two notches below the bank's VR to reflect poor recovery prospects in the event of a failure or non-performance of the bank.

Ratings Navigator



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

VR - Adjustments to Key Rating Drivers

The operating environment score has been assigned below the implied score due to the following adjustment reasons: sovereign rating (negative), size and structure of economy (negative).

The business profile score has been assigned above the implied score due to the following adjustment reason: market position (positive).

The capitalisation & leverage score has been assigned above the implied score due to the following adjustment reason: leverage and risk-weight calculation (positive).

Company Summary and Key Qualitative Factors

Business Profile

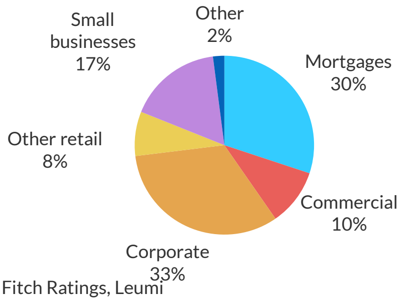
Leumi is Israel's largest bank by total assets and by net income, although it is only slightly larger than the second-largest bank. Leumi's universal banking business model provides a wide range of retail, commercial, capital market and private banking services, with high domestic market shares across all these segments. It also holds equity stakes in non-banking businesses via its private equity subsidiary, Leumi Partners.

In April 2022, Leumi completed the sale of its US subsidiary, Leumi USA, to Valley National Bancorp (Valley), a regional US bank. Leumi now owns a 14.2% equity stake in Valley, making Leumi the largest shareholder, and has the right to appoint two representatives to Valley's board of directors. This arrangement reduces Leumi's direct foreign lending exposure, with the stake in Valley accounted for as an equity investment. Like its peers, Leumi has reduced its international operations in recent years. We expect it to focus on domestic growth, although the ownership stake in Valley provides Leumi with collaboration opportunities, such as participation in some larger loans, in order to support Leumi clients doing business in the US.

Leumi's business model is diversified by client segment but still reliant on net interest income. Non-interest income comes mainly from account fees and commissions on client trading. The Bank of Israel, Leumi's regulator, is highly focused on stimulating competition and reducing these charges, particularly for retail and SME customers, so we do not expect fees to grow as quickly as net interest income.

Gross Customer Loans

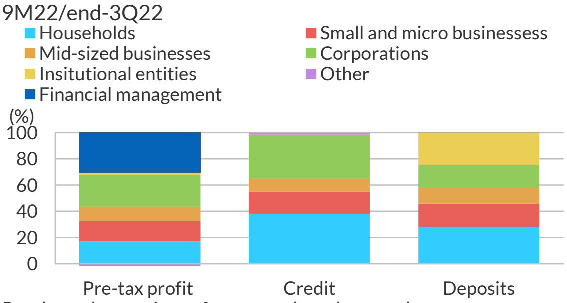
ILS388bn, end-3Q22



Source: Fitch Ratings, Leumi

Business Model

9M22/end-3Q22



Results and operations of segments based on regulatory segments
Source: Fitch Ratings, Leumi

Risk Profile

Loan underwriting standards are generally conservative, more stringent than global peers, and similar to the other large Israeli banks. A high proportion of the loan book is secured at low loan-to-value (LTV) ratios – maximum 75% LTV for first-time buyer mortgage loans – and the collateral is subject to robust valuations. Loan loss allowances are high, partly due to conservative provisioning policies required by the regulator, and sector concentrations are also subject to regulatory limits.

SMEs, mid-sized commercial borrowers and large corporations represent a significant proportion of total loans, although they are diversified by sector. While these exposures are mainly in Israel, overall international exposure of 9% of total customer credit risk exposure is higher than at Leumi's nearest peers. International exposures are mainly in the US and consist largely of construction and real estate loans and loans to Israeli corporations doing business abroad. Previously, Leumi has faced large conduct fines in relation to its foreign operations, but we expect the merger of Leumi USA with Valley to reduce operational risks from client activity in the US.

Leumi's exposure to equity market risk, through ownership of large equity stakes in nonfinancial companies, is slightly higher than that of peers. These equity stakes were about 9.5% of CET1 capital at end-2021. This compares with less than 9% at Israel Discount Bank Limited (A/Stable), 6% at Bank Hapoalim B.M. (A/Stable) and a much lower proportion at Mizrahi Tefahot Bank Ltd (A/Stable). We do not expect the bank to significantly increase its exposure to these types of equity investments. Leumi's investment in Valley accounted for about 6% of CET1 capital at end-9M22.

Other market risks consist mainly of interest-rate risk and exposure to the consumer price index (CPI) in the banking book, and, in our view, these exposures are appropriately monitored and managed within risk limits through both natural hedges and derivative overlays. Leumi does not have large net foreign-exchange exposures, so foreign-exchange risk is limited.

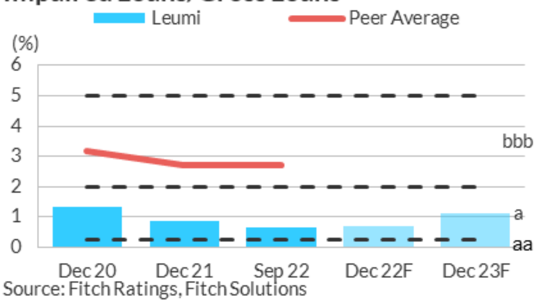
Financial Profile

Asset Quality

Residential mortgages have grown as a percentage of the loan book in recent years due to high levels of house price growth and population growth in Israel, and house price growth in particular accelerated during the pandemic. Penalty-free payment deferrals were available to borrowers in 2020 and peaked at 24% of the mortgage book, but they had decreased to 1% at end-September 2022, with 93% of previously deferred mortgages having resumed regular repayments – and no significant increase in arrears.

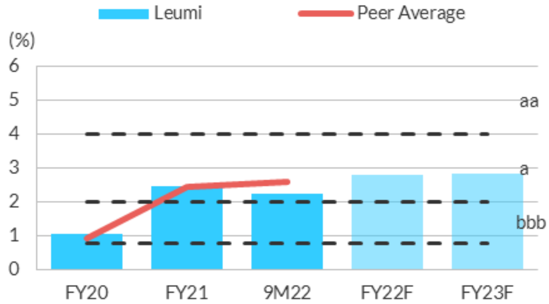
Large exposures to single borrowers or groups of related entities have declined in recent years, partly due to regulatory initiatives. While Leumi's large borrower exposures are lower than some domestic peers, they are high compared to international peers with total credit exposure (on and off balance sheet) to the 20 largest borrower groups representing 92% of CET1 capital at end-2021.

Impaired Loans/Gross Loans



Source: Fitch Ratings, Fitch Solutions

Operating Profit/Risk-Weighted Assets



Source: Fitch Ratings, Fitch Solutions

Earnings and Profitability

Net interest income increased 21% yoy due to loan growth (17.6% yoy at end-3Q22), particularly in residential mortgages, and from the increase in the CPI and interest rates in 9M22. Like other Israeli banks, Leumi maintains a net long position to the CPI by holding more CPI-linked assets (mainly CPI-linked mortgages) than liabilities (mainly CPI-linked debt and deposits). The CPI in 9M22 was 4.4%, compared with 2.2% in the corresponding period the year before. The growth in the net interest margin (NIM) was also supported by the positive effect of the change in CPI and interest rates on net interest income. The return on equity was 16.3% in 9M22, compared to approximately 15.4% in 9M21.

The merger transaction with Valley was completed on 1 April 2022, and an investment in Valley was recorded according to the equity method. Bank Leumi USA results are no longer consolidated in Leumi's consolidated financial statements. As a result of the merger, a profit of approximately ILS645 million, net of tax, was recorded in the first half of the year.

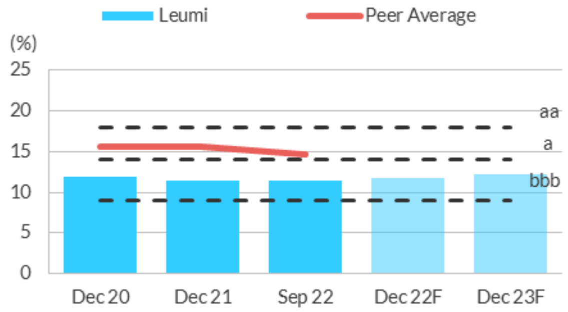
During April 2022, the bank entered into an agreement to sell one of the headquarter buildings, in Tel Aviv. This sale is expected to generate a pre-tax capital gain of ILS524 million, which will be recorded on the date in which the headquarters moves to a new campus, which is expected to take place in the second half of 2023.

Capital and Leverage

Leumi's capitalisation is adequate for its risk profile. The 11.4% CET1 ratio at end-3Q22 represents a fairly small buffer over the minimum requirement, which rose to 10.21% following the removal of the lower requirement during the pandemic. The buffer is tighter than at many similarly rated international peers. However, in our view, high risk-weights under the standardised approach mitigate the risk of RWAs inflation, which is why we view the buffer as adequate.

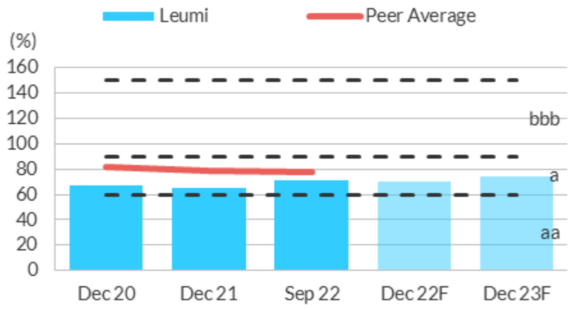
The merger of Leumi USA and Valley strengthened Leumi's risk-weighted capital ratios due to the gain in the first half of the year (1Q22: ILS194 million; 2Q22: ILS451 million), as well as a reduction in RWAs.

CET1 Ratio



Source: Fitch Ratings, Fitch Solutions

Gross Loans/Customer Deposits



Source: Fitch Ratings, Fitch Solutions

Funding and Liquidity

Leumi has a solid and stable funding base consisting mostly of customer deposits, which represented 90% of total non-equity funding at end-3Q22. The loans/deposits ratio has increased slightly to 71% at end-3Q22 (end-2021: 65%) as deposit inflows slowed following the relaxation of pandemic restrictions, as well as due to high loan growth. Wholesale funding is limited, although the bank has proven access to both domestic and international capital markets. Liquidity is strong, with a consolidated liquidity coverage ratio of 127% at end-3Q22.

Additional Notes on Charts

The forecasts in the charts in this section reflect Fitch's forward view on the bank's core financial metrics per Fitch's Bank Rating Criteria. They are based on a combination of Fitch's macro-economic forecasts, outlook at the sector level and company-specific considerations. As a result, Fitch's forecasts may materially differ from the guidance provided by the rated entity to the market.

To the extent Fitch is aware of material non-public information with respect to future events, such as planned recapitalisations or merger and acquisition activity, Fitch will not reflect these non-public future events in its published forecasts. However, where relevant, such information is considered by Fitch as part of the rating process.

Black dashed lines represent indicative quantitative ranges and implied scores for Fitch's core financial metrics for banks operating in the environments that Fitch scores in the 'a' category. Light-blue columns represent Fitch's forecasts.

Peer average includes Bank Hapoalim B.M. (VR: a-), Mizrahi Tefahot Bank Ltd (a-), Israel Discount Bank Limited (a-), Ceska Sporitelna, a.s. (a), Komercni Banka, a.s. (a), Bank Pekao S.A. (bbb), Erste Group Bank AG (a), AIB Group plc (WD), Bank of Ireland Group plc (bbb). Latest average uses 1H22 data for AIB Group plc, Bank of Ireland Group plc.

Financials

Financial Statements

	30 Sep 22		31 Dec 21	31 Dec 20	31 Dec 19
	9 months - 3rd quarter	9 months - 3rd quarter	Year end	Year end	Year end
	(USDm)	(ILSm)	(ILSm)	(ILSm)	(ILSm)
	Reviewed - unqualified	Reviewed - unqualified	Audited - unqualified	Audited - unqualified	Audited - unqualified
Summary income statement					
Net interest and dividend income	2,671	9,464	10,374	8,733	8,873
Net fees and commissions	755	2,674	3,384	3,163	3,225
Other operating income	42	148	1,988	1,171	1,322
Total operating income	3,468	12,286	15,746	13,067	13,420
Operating costs	1,441	5,106	7,306	6,928	7,908
Pre-impairment operating profit	2,027	7,180	8,440	6,139	5,512
Loan and other impairment charges	62	219	-746	2,651	648
Operating profit	1,965	6,961	9,186	3,488	4,864
Other non-operating items (net)	234	830	156	-10	526
Tax	677	2,398	3,275	1,356	1,830
Net income	1,522	5,393	6,067	2,122	3,560
Other comprehensive income	56	198	-117	682	-1,349
Fitch comprehensive income	1,578	5,591	5,950	2,804	2,211
Summary balance sheet					
Assets					
Gross loans	109,848	389,191	348,331	301,263	286,550
- Of which impaired	706	2,503	2,949	4,034	2,531
Loan loss allowances	1,382	4,896	4,512	5,290	3,328
Net loans	108,466	384,295	343,819	295,973	283,222
Interbank	n.a.	n.a.	13,558	9,429	11,552
Derivatives	11,673	41,359	14,027	15,252	10,970
Other securities and earning assets	24,240	85,884	90,487	96,111	87,184
Total earning assets	144,380	511,538	461,891	416,765	392,928
Cash and due from banks	51,828	183,625	183,844	126,765	64,661
Other assets	2,527	8,954	10,719	12,505	11,545
Total assets	198,735	704,117	656,454	556,035	469,134
Liabilities					
Customer deposits	154,384	546,981	537,569	447,239	373,959
Interbank and other short-term funding	8,766	31,059	27,652	15,748	6,652
Other long-term funding	7,794	27,613	15,428	16,303	19,958
Trading liabilities and derivatives	10,530	37,308	15,551	17,315	11,528
Total funding and derivatives	181,474	642,961	596,200	496,605	412,097
Other liabilities	3,699	13,107	18,202	21,335	21,163
Preference shares and hybrid capital	n.a.	n.a.	n.a.	n.a.	n.a.
Total equity	13,562	48,049	42,052	38,095	35,874
Total liabilities and equity	198,735	704,117	656,454	556,035	469,134
Exchange rate		USD1 = ILS3.543	USD1 = ILS3.15	USD1 = ILS3.222	USD1 = ILS3.463

Source: Fitch Ratings, Fitch Solutions, Bank Leumi Le-Israel B.M.

Key Ratios

Summary Financials and Key Ratios

	30 Sep 22	31 Dec 21	31 Dec 20	31 Dec 19
Ratios (annualised as appropriate)				
Profitability				
Operating profit/risk-weighted assets	2.3	2.5	1.1	1.5
Net interest income/average earning assets	2.6	2.4	2.2	2.4
Non-interest expense/gross revenue	42.5	46.7	53	58.9
Net income/average equity	16	14.9	5.7	9.9
Asset quality				
Impaired loans ratio	0.6	0.9	1.3	0.9
Growth in gross loans	11.7	15.6	5.1	4.1
Loan loss allowances/impaired loans	195.6	153	131.1	131.5
Loan impairment charges/average gross loans	0.1	-0.3	0.9	0.2
Capitalisation				
Common equity Tier 1 ratio	11.4	11.5	11.9	11.9
Tangible common equity/tangible assets	6.8	6.4	6.8	7.6
Basel leverage ratio	6.3	6.1	6.6	7.3
Net impaired loans/common equity Tier 1	-5.1	-3.6	-3.2	-2.1
Funding and liquidity				
Gross loans/customer deposits	71.2	64.8	67.4	76.6
Liquidity coverage ratio	127	124	137	123
Customer deposits/total non-equity funding	90.3	92.6	93.3	93.4
Net stable funding ratio	126	131	n.a.	n.a.

Source: Fitch Ratings, Fitch Solutions, Bank Leumi Le-Israel B.M.

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	A
Government Support Rating	a
Government ability to support D-SIBs	
Sovereign Rating	A+/ Stable
Size of banking system	Neutral
Structure of banking system	Negative
Sovereign financial flexibility (for rating level)	Positive
Government propensity to support D-SIBs	
Resolution legislation	Neutral
Support stance	Neutral
Government propensity to support bank	
Systemic importance	Positive
Liability structure	Positive
Ownership	Neutral

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

Leumi's IDRs are driven by its GSR, which is in line with the domestic systemically important bank (D-SIB) GSR for Israel and reflects Fitch's view of a very high probability that Israel (A+/Stable) would provide support to Leumi, if needed. In Fitch's view, Israel has a strong ability to support its banking sector, and its propensity to support Leumi is high, particularly given the Leumi's systemic importance in the country with a market share of about 30% of banking-sector assets.

Leumi's 'F1+' Short-Term IDR is the higher of two possible Short-Term IDRs that map to an 'A' Long-Term IDR. This is because we view the sovereign's propensity to support as more certain in the near term.

Environmental, Social and Governance Considerations

FitchRatings **Bank Leumi Le-Israel B.M.** Banks Ratings Navigator

Credit-Relevant ESG Derivation

Bank Leumi Le-Israel B.M. has 5 ESG potential rating drivers

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

			Overall ESG Scale
key driver	0	issues	5
driver	0	issues	4
potential driver	5	issues	3
not a rating driver	4	issues	2
	5	issues	1

Environmental (E)

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

Social (S)

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

Governance (G)

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

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

The Environmental (E), Social (S) and Governance (G) tables break out the individual components of the scale. The right-hand box shows the aggregate E, S, or G score. General Issues are relevant across all markets with Sector-Specific Issues unique to a particular industry group. Scores are assigned to each sector-specific issue. These scores signify the credit-relevance of the sector-specific issues to the issuing entity's overall credit rating. The Reference box highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.

The Credit-Relevant ESG Derivation table shows the overall ESG score. This score signifies the credit relevance of combined E, S and G issues to the entity's credit rating. The three columns to the left of the overall ESG score summarize the issuing entity's sub-component ESG scores. The box on the far left identifies some of the main ESG issues that are drivers or potential drivers of the issuing entity's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the score.

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

Sector references in the scale definitions below refer to Sector as displayed in the Sector Details box on page 1 of the navigator.

CREDIT-RELEVANT ESG SCALE
How relevant are E, S and G issues to the overall credit rating?

Score	Definition
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.

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.

The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. Any exceptions follow below.