FitchRatings

Banks
Retail and Consumer Banks
Guatemala

Banco de los Trabajadores

Key Rating Drivers

Strong Business Profile: Banco de los Trabajadores' (Bantrab, or the bank) Issuer Default Ratings (IDR) and national ratings are driven by its Viability Rating (VR). Bantrab's VR of 'bb' is in line with its implied VR and is influenced by its strong business profile, characterized by a robust franchise in the retail segment and a consistent business model, as well as a strengthening of its total operating income generation (four-year average: USD291 million) and resilient financial performance.

Stable Operating Environment for Banks: The Guatemalan banking system's operating environment (OE) of 'bb–' with a stable trend reflects the country's very strong economic recovery that, in Fitch Ratings' view, would continue to positively influence the bank's resilient business and financial performance and macroeconomic stability despite external downside risks still prevailing. The agency deems that Bantrab will continue to materialize the most benign conditions of the Guatemalan OE within its solid financial profile.

Good Asset Quality: As of YE22, Bantrab's 90+ days impaired loans ratio of 1.7% (YE21: 1.9%; system: 1.3%) shows a well-managed credit quality underpinned by its edge in the collection mechanism, payroll deduction. Given its focus on consumer lending, a significant portion of the loan portfolio is collected through this mechanism. Loan loss allowances for such impairments were 111.2% as of YE22 (YE21: 124.2%; system: 263%). In this regard, Fitch believes Bantrab will continue to yield favorable asset quality for the foreseeable future.

Sound Profitability: Despite its declining trend, Bantrab's operating profitability remains favorable. As of YE22, operating profit over risk-weighted assets (RWA) was 4.2% (YE21: 5.3%), higher than the industry average of 3.0%. Profitability has been pressured by historically high relative loan impairment charges (LIC) despite a relatively stable net interest margin (NIM) and controlled operational efficiency.

Strong Capitalization: Fitch expects Bantrab's capitalization to continue at healthy levels over the rating horizon. Its core metric, Fitch Core Capital (FCC) to RWA, was 23.1% as of YE22, the highest among local peers, providing the bank with strong loss absorption capacity and ample room for credit growth despite its lower-than-peer access to capital in case of need. The bank's capitalization is favored by high profitability, along with a structurally low dividend distribution.

Concentrated Funding: Despite Bantrab's funding structure being more reliant upon deposits, the bank shows concentrations by depositor. The 20 largest depositors accounted for a high 29% of total deposits as of YE22, with high participation by Guatemalan state entities. The loans-to-deposits ratio was 77.8% (YE21: 69.9%), above the system average (72.2%). Currently, the bank is executing different efforts to widen its alternative funding sources but still lags local competitors. Positively, the bank's deposit cost has continued to decrease due to its repricing and change in deposit mix strategies.

Ratings

Foreign Currency	
Long-Term Issuer Default Rating	BB
Short-Term Issuer Default Rating	B
Local Currency	
Long-Term Issuer Default Rating	BB
Short-Term Issuer Default Rating	B
Viability Rating	bb
Government Support Rating	bb–
National Rating	
National Long-Term Rating	AA(gtm)
National Short-Term Rating	F1+(gtm)
Sovereign Risk (Guatemala)	
Long-Term Foreign Currency Issuer Default Rating	BB
Long-Term Local Currency Issuer Default Rating	BB
Country Ceiling	BB+

Rating Outlooks

Long-Term Foreign Currency Issuer Default Rating	Stable
Long-Term Local Currency Issuer Default Rating	Stable
National Long-Term Rating	Stable
Sovereign Long-Term Foreign Currency Issuer Default Rating	Stable
Sovereign Long-Term Local Currency Issuer Default Rating	Stable

Applicable Criteria

Bank Rating Criteria (September 2022)
National Scale Rating Criteria (December 2020)

Related Research

Guatemala (March 2023)

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Rating Sensitivities

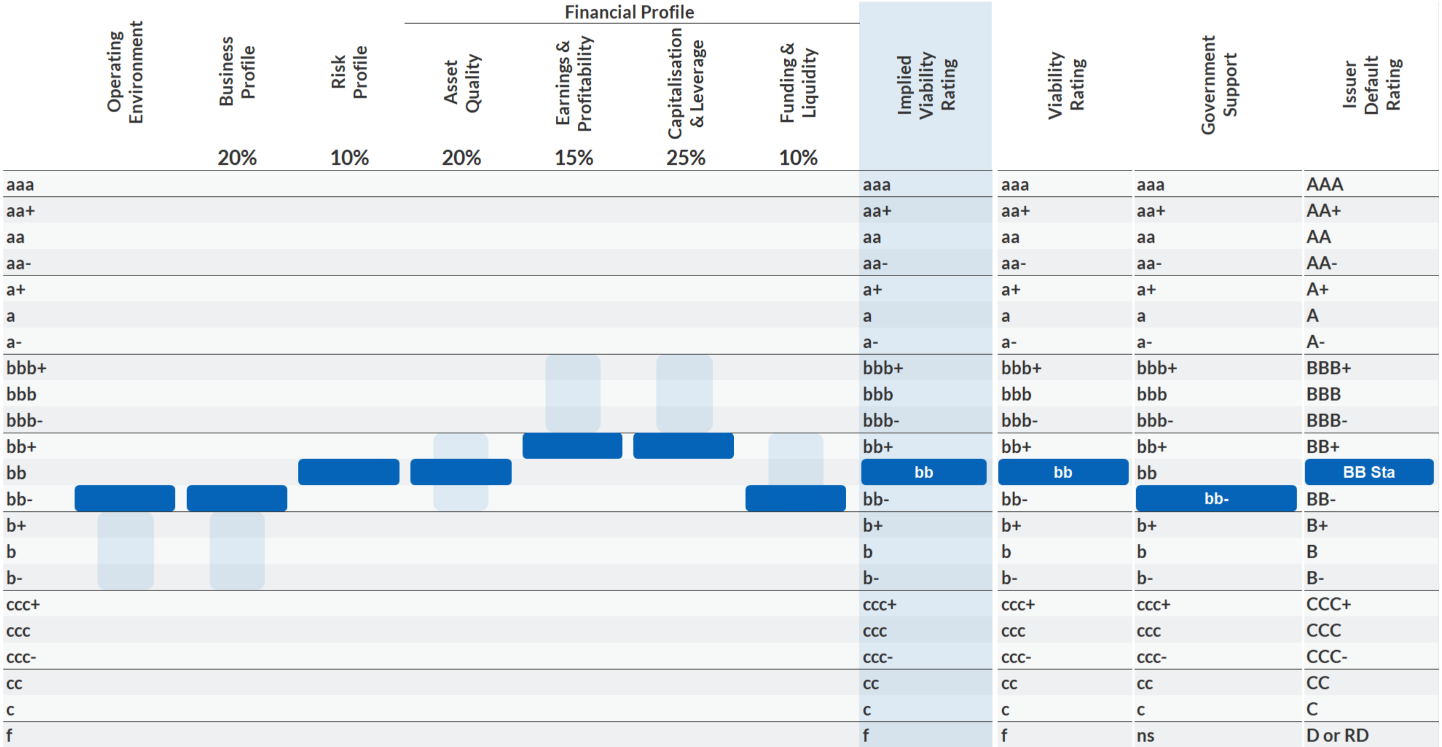
Factors that could, individually or collectively, lead to negative rating action/downgrade

- Bantrab's ratings are sensitive to a downgrade of the sovereign rating and a material deterioration in the local OE.
- Bantrab's VR and IDRs could be downgraded if deterioration of the entity's financial profile becomes significant, as reflected in a weakening of its funding profile or a decline of its operating profit to RWA consistently below 2.0%, thus causing a sustained reduction in its FCC-to-RWA ratio below 15.0%.
- Bantrab's Government Support Rating (GSR) is sensitive to a downgrade of the sovereign rating, as well as its propensity to provide support.

Factors that could, individually or collectively, lead to positive rating action/upgrade

- The bank's IDRs and VR have limited upside potential given that they are at the sovereign level. These ratings could be upgraded in the event of a sovereign upgrade.
- Bantrab's Long-Term National Rating could be upgraded if its business profile strengthens and further improvements of its funding and liquidity profile materialize. Namely, a larger market franchise and higher business diversification, as well as improvement in concentration per depositors and the expansion and consolidation of alternative funding sources.
- Bantrab's Short-Term National Rating is at the highest level on the national scale; as such, it has no upside potential.
- Bantrab's GSR could be upgraded if Guatemala's sovereign rating is upgraded.

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 upward or downward 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

Fitch has assigned an Operating Environment score of 'bb–' that is above the 'b' category implied score due to the following adjustment reason: Sovereign Rating (positive).

Fitch has assigned a Business Profile score of 'bb–' that is above the 'b' category implied score due to the following adjustment reasons: Market Position (positive) and Business Model (positive).

Fitch has assigned an Earnings and Profitability score of 'bb+' that is below the 'bbb' category implied score due to the following adjustment reason: Historical and Future Metrics (negative).

Fitch has assigned a Capitalization and Leverage score of 'bb+' that is below the 'bbb' category implied score due to the following adjustment reason: Capital Flexibility and Ordinary Support (negative).

Company Summary and Key Qualitative Factors

Guatemalan Banking System's Performance Resilient Despite Challenges

The Guatemalan banking system's OE of 'bb–' with a stable trend reflects the country's very strong economic recovery and main key drivers of the sovereign rating (BB/Stable) that, in Fitch's view, will continue to positively influence the bank's resilient business and financial performance and support macroeconomic stability. The agency believes this will contribute to credit growth in 2023, albeit at a more moderate pace than in 2022 (which reached 16.2%), in line with the pattern of stabilizing economic activity and Fitch's real GDP forecast of 3.3% for 2023 (2022: 4.0%). Fitch believes the banking system's sound financial profile will continue to withstand external macroeconomic risks, inflationary pressures and potential social and governance challenges that arise; additionally, Fitch does not envisage June 2023 presidential elections as having a material impact on performance.

The banks' financial profile is expected to remain robust in 2023, with consistent nonperforming loan (NPL) ratios and profitability and capitalization trending toward levels mildly above pre-pandemic metrics. In 2022, business dynamism and improved debtor creditworthiness translated to better loan quality, with an NPL metric and reserve coverage for NPLs of 1.3% and 262.5%, respectively. Profitability showed record figures, with an operating profit-to-RWA ratio of 3.0% that could sufficiently offset the impact of rising interest rates. The 2022 regulatory capital ratio was 16.5%. The system's liquidity was relatively stable amid increasing deposits, with a 72.2% loans-to-deposits ratio. Fitch estimates these metrics will return to pre-pandemic levels, with remittances growing at a positive but more temperate rate versus prior periods, benefiting liquidity and household consumption.

Business Profile

Bantrab is a medium-sized local bank with an ad hoc law framework (Ley Organica del Banco de los Trabajadores). It has historically focused on consumer lending to the formal Guatemalan workforce, mainly from the public sector (comprising 292,753 employees, according to the 2019 national census); this is considered a relatively lower-risk segment due to its employment stability and the collection mechanism (payroll deduction).

Bantrab has a four-year average total operating income of USD291 million that is expected to continue increasing over the rating horizon.

As of December 2022, Bantrab ranked sixth in gross loans and total customer deposits, with market shares of approximately 8.2% and 7.5%, respectively. Fitch views Bantrab as a competitive participant in the consumer lending segment in terms of credit destination, with a leading market share of 23.1% as of February 2023.

Bantrab's common equity is widely held, registering at over 650,000 shareholders in total. By law, no common shareholder is allowed to own a shareholder stake higher than 5% of total paid-in capital. Bantrab's senior management exhibits a high degree of expertise and experience within the banking system. Strategic objectives are well-defined and clear, with a proper level of execution underpinned by a favorable environment.

Risk Profile

Bantrab's risk profile is characterized by an adequate risk control framework and continuous monitoring by the bank to control its different risk exposures. The bank's most frequently used debt collection mechanism mitigates credit risk exposure (92% of gross loans are collected via this mechanism). Risk appetite has been moderate but is increasing as the bank expands its credit business in segments where the payroll debit does not necessarily apply but has other relevant features, i.e. a real guarantee attached to loans such as residential mortgages.

Projected 2023 credit growth will remain at a significant two-digit rate due to OE improvement and efforts to continue penetration in targeted credit segments. Market risk indicators remain in compliance with the bank's appetite limits. Bantrab is not materially exposed to interest rate risk or exchange rate risk. Exposure to operational risk remains under control with manageable losses from materialized operational events. Meanwhile, Fitch believes the bank's reputational risk exposure has declined significantly from prior years.

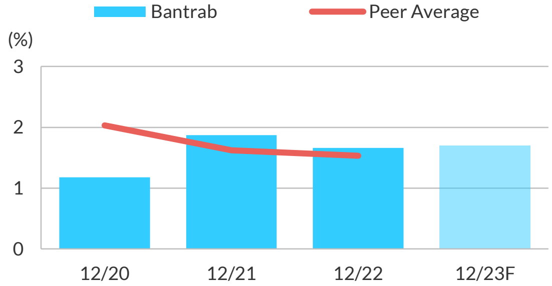
Financial Profile

Asset Quality

Fitch views Bantrab's asset quality as good with respect to its consumer lending portfolio given the collection mechanism (payroll deduction). Its 90-plus days impaired loans ratio was 1.7% as of YE22, above the system average for that period (1.3%). Meanwhile, loan loss allowances for such impairments were 111% as of the same date, below the system average (an ample 263%). In the face of a competitive interest rate environment and the bank's planned business expansion for 2023, Fitch expects credit deterioration to apply pressure but remain manageable.

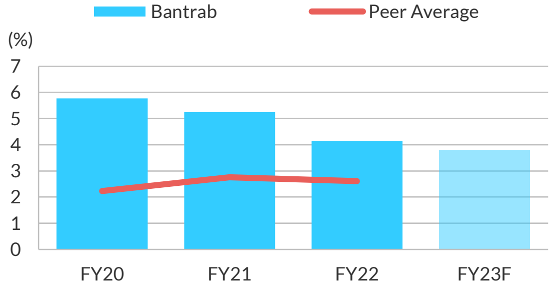
The bank's investment portfolio continued to represent a relatively high proportion of its total assets but is declining (December 2022: 23.9%). The investment portfolio remained concentrated in securities issued by the Guatemalan sovereign (BB) and the Central Bank of Guatemala.

Impaired Loans/Gross Loans



F – Forecast
Source: Fitch Ratings, Fitch Solutions

Operating Profit/Risk-Weighted Assets



F – Forecast
Source: Fitch Ratings, Fitch Solutions

Earnings and Profitability

The bank's core profitability continued to decrease in 2022 (December 2022: 4.2%) but was still above the system average (3.0%) and Costa Rican peers. As long as its business model remains focused on consumer lending, relatively high profitability is expected to persist through the rating horizon. Bantrab's fiscal 2022 operating profitability was underpinned by an increasing NIM, stable operating efficiency and increasing LICs.

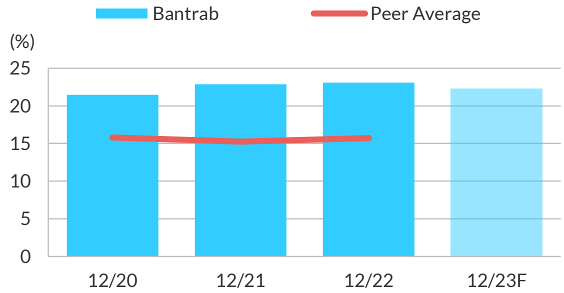
As of YE22, Bantrab's NIM was 8.3%, well above the system average (5.2%). This is mostly due to an effective deposit base remix and its repricing, which is expected to continue, and notwithstanding high competition in the local loan market. Operational efficiency remained stable in fiscal 2022, reflecting business expansion in the bank's retail sector. As of December 2022, operational expenses represented 52.6% of gross revenues (December 2021: 52.3%). LICs comprised 28.2% of pre-impairment operating profit in fiscal 2022, their highest level in five fiscal years, in anticipation of potential deterioration stemming from credit growth exceeding that of the system.

Capital and Leverage

Bantrab's capitalization continues to be strong, in Fitch's view. Core capitalization maintained its pattern of increases given highly profitable business operations coupled with a historically low common dividend payout ratio. Most dividend payments over the past five fiscal years involve the bank's preferred shares, which are guaranteed, as opposed to common share dividends. Common dividends to be distributed are approved by the common shareholders' assembly (preferred shareholders cannot vote in the assembly). The bank's preferred shares do not receive equity credit, according to Fitch criteria.

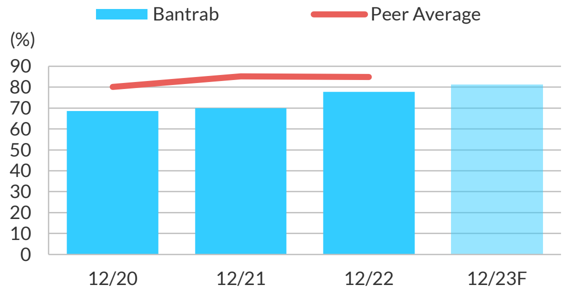
Bantrab's FCC ratio maintained its increasing trend as of December 2022, reaching 23.1% (December 2021: 22.9%), its highest level in the past five fiscal years. Its regulatory capital adequacy ratio (CAR) was also high, at 25.3% as of December 2022.

FCC Ratio



F – Forecast
Source: Fitch Ratings, Fitch Solutions

Gross Loans/Customer Deposits



F – Forecast
Source: Fitch Ratings, Fitch Solutions

Funding and Liquidity

Bantrab's loan-to-deposit ratio continued to increase in fiscal 2022. As of December 2022, this ratio stood at 77.8%, above the system average of 72.2%.

Bantrab's funding structure is based solely on an increasing customer deposit base; as such, it is limited versus competitors in terms of wider and stable access to alternative sources. Although there has been no need to access such sources in times of stress to date, Fitch considers that this restricted chance to funding limits Bantrab's financial profile in relation to peers. However, Bantrab has been proven to fulfill its financial obligations over time. For fiscal 2023, a double-digit deposit growth rate is projected, which will further the increasing trend.

As of December 2022, concentration among the 20 largest depositors remains high despite its retail-oriented business on the credit side, at around 29% of total deposits. The largest depositors are several Guatemalan state entities, which combined represent roughly 85% of the top depositors' balance.

Bantrab's liquidity is high, bolstered by a stable deposit base through the economic cycle. Liquid asset (cash and the securities portfolio) coverage of total deposits is ample (27%) but declining as credit portfolio growth has necessitated funds. Historically, most of Bantrab's liquid assets have been sovereign-related instruments available for sale. Fitch believes their marketability may be limited in a scenario of systemic stress.

Additional Notes on Charts

The forecasts within 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 macroeconomic forecasts and sector outlook, as well as company-specific considerations. As a result, Fitch's forecasts may differ materially from guidance provided by the rated entity to the market.

To the extent Fitch is aware of material nonpublic information with respect to future events, such as planned recapitalizations or M&A activity, Fitch will not reflect these nonpublic future events in its published forecasts. However, where relevant, Fitch considers such information as part of the rating process.

The peer average includes Banco de Desarrollo Rural, S.A. (VR: bb), Banco Industrial, S.A. (bb), Banco Agromercantil de Guatemala S.A. (bb–), Banco de America Central, S.A. (Guatemala), Banco G&T Continental S.A. (bb), Banco Popular y de Desarrollo Comunal (bb–) and Banco BAC San Jose, S.A. (bb–). The latest average uses 1Q23 data for Banco de Desarrollo Rural, S.A., Banco Agromercantil de Guatemala S.A. and Banco G&T Continental S.A.

Financial Statements

Summary Financials

	2022		2021	2020	2019	2018
	USD Mil.	GTQ Mil.	GTQ Mil.	GTQ Mil.	GTQ Mil.	GTQ Mil.
(Years Ended Dec. 31)	Not Disclosed	Not Disclosed	Audited — Unqualified (Emphasis of Matter)	Audited — Unqualified (Emphasis of Matter)	Audited — Unqualified (Emphasis of Matter)	Reviewed — Unqualified (Emphasis of Matter)
Summary Income Statement						
Net Interest and Dividend Income	319	2,508.3	2,226.9	1,988.4	1,770.4	1,472.1
Net Fees and Commissions	24	186.6	131.8	135.5	120.3	65.2
Other Operating Income	2	12.2	-23.4	-2.2	0.4	-26.8
Total Operating Income	**345**	**2,707.1**	**2,335.4**	**2,121.7**	**1,891.0**	**1,510.5**
Operating Costs	181	1,425.1	1,221.2	970.4	922.7	834.0
Pre-Impairment Operating Profit	163	1,282.0	1,114.1	1,151.3	968.2	676.5
Loan and Other Impairment Charges	46	361.6	158.9	215.5	195.3	164.8
Operating Profit	117	920.4	955.2	935.8	773.0	511.7
Other Non-Operating Items (Net)	14	106.4	-1.2	43.9	53.3	52.3
Tax	22	174.4	191.4	173.5	127.8	51.2
Net Income	**109**	**852.3**	**762.7**	**806.1**	**698.5**	**512.8**
Fitch Comprehensive Income	109	852.3	762.7	806.1	698.5	512.8
Summary Balance Sheet						
Assets						
Gross Loans	**2,720**	**21,357.2**	**17,321.7**	**15,437.7**	**14,258.3**	**13,343.0**
– of which Impaired	45	354.3	324.5	181.9	198.0	253.0
Loan Loss Allowances	50	394.0	402.9	432.5	251.6	280.5
Net Loans	**2,669**	**20,963.2**	**16,918.8**	**15,005.2**	**14,006.6**	**13,062.5**
Interbank	559	4,388.4	3,627.3	3,271.7	3,007.6	3,035.6
Other Securities and Earning Assets	1,073	8,423.7	9,449.5	8,562.5	8,337.5	7,611.1
Total Earning Assets	**4,301**	**33,775.3**	**29,995.6**	**26,839.4**	**25,351.7**	**23,709.2**
Cash and Due From Banks	23	180.8	184.7	180.6	169.8	139.6
Other Assets	111	868.8	813.2	819.5	767.9	766.6
Total Assets	**4,434**	**34,824.8**	**30,993.5**	**27,839.5**	**26,289.4**	**24,615.4**
Liabilities						
Customer Deposits	**3,495**	**27,444.2**	**24,767.2**	**22,503.8**	**20,541.2**	**19,652.4**
Interbank and Other Short-Term Funding	N.A.	N.A.	0.4	0.4	N.A.	N.A.
Other Long-Term Funding	N.A.	N.A.	0.0	0.0	1,154.8	1,161.1
Total Funding and Derivatives	**3,495**	**27,444.2**	**24,767.6**	**22,504.2**	**21,696.0**	**20,813.5**
Other Liabilities	260	2,040.7	1,681.8	1,451.9	1,275.4	1,093.4
Preference Shares and Hybrid Capital	N.A.	N.A.	157.6	157.6	157.6	156.6
Total Equity	680	5,340.0	4,386.4	3,725.9	3,160.4	2,551.9
Total Liabilities and Equity	**4,434**	**34,824.8**	**30,993.5**	**27,839.5**	**26,289.4**	**24,615.4**
Exchange Rate	—	USD1 = GTQ7.853325	USD1 = GTQ7.719260	USD1 = GTQ7.795435	USD1 = GTQ7.698840	USD1 = GTQ7.700000

GTQ – Guatemalan Quetzal. N.A. – Not applicable.
Source: Fitch Ratings, Fitch Solutions, Bantrab

Key Ratios

	2022	2021	2020	2019	2018
Ratios (Annualized as Appropriate)					
Profitability					
Operating Profit/Risk-Weighted Assets	4.2	5.3	5.8	5.1	3.7
Net Interest Income/Average Earning Assets	8.3	8.4	7.9	7.6	6.5
Noninterest Expense/Gross Revenue	52.6	52.3	45.7	48.8	55.2
Net Income/Average Equity	17.5	18.8	23.6	24.9	21.3
Asset Quality					
Impaired Loans Ratio	1.7	1.9	1.2	1.4	1.9
Growth in Gross Loans	23.3	12.2	8.3	6.9	9.2
Loan Loss Allowances/Impaired Loans	111.2	124.2	237.7	127.1	110.9
Loan Impairment Charges/Average Gross Loans	1.9	1.0	1.4	1.4	1.2
Capitalization					
Fitch Core Capital Ratio	23.1	22.9	21.5	19.2	16.4
Tangible Common Equity/Tangible Assets	15.0	13.7	13.3	11.4	9.7
Net Impaired Loans/Fitch Core Capital	−0.8	−1.9	−7.2	−1.8	−1.2
Funding and Liquidity					
Gross Loans/Customer Deposits	77.8	69.9	68.6	69.4	67.9
Customer Deposits/Total Non-Equity Funding	100.0	99.4	99.3	94.0	93.7

Source: Fitch Ratings, Fitch Solutions, Bantrab

Support Assessment

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

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

Higher Influence Moderate Influence Lower Influence

The GSR reflects Fitch's opinion of a moderate probability of support to the bank from the sovereign, if needed. This is due to Bantrab's systemic importance, albeit limited compared to larger local peers, with market shares of 7.3% and 7.9% of system deposits and gross loans, respectively, as of December 2022. This is balanced with a lack of recent history of government support for systematically important banks.

Environmental, Social and Governance Considerations

FitchRatings **Banco de los Trabajadores** Banks Ratings Navigator

Credit-Relevant ESG Derivation

Banco de los Trabajadores has 6 ESG potential rating drivers

- Banco de los Trabajadores has exposure to impact of extreme weather events on assets and/or operations and corresponding risk appetite & management; catastrophe risk; credit concentrations but this has very low impact on the rating.
- Banco de los Trabajadores 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	6	issues	3
not a rating driver	3	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	3	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 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.

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

CREDIT-RELEVANT ESG SCALE

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

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

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, due to either 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.