

Banco de Comercio Exterior de Colombia S.A.

Key Rating Drivers

Support Ratings: Banco de Comercio Exterior de Colombia S.A.'s (Bancoldex) Issuer Default Ratings (IDRs) are driven by its Government Support Ratings (GSR), which are equalized with the Long-Term IDR of Colombia (BB+/Stable). The ratings reflect Fitch Ratings' assessment of the Colombian government's high propensity and ability to provide timely support to Bancoldex if needed. The national ratings of Bancoldex, which are at the highest level in the ratings scale, are relative rankings of creditworthiness within Colombia. These are based on potential sovereign support, if needed.

Government Support Rating: Although the Colombian government does not explicitly fully guarantee all of Bancoldex's liabilities, Fitch considers in its support assessment the government majority ownership of the bank. Additionally, Fitch believes Bancoldex plays a prominent policy role as it is an integral arm of the state in implementing economic development policies. The entity also has many operational and financial synergies with the public administration. Colombia's ability to support Bancoldex is reflected in its sovereign rating (BB+/Stable). GSR indicates the minimum level to which the entity's Long-Term IDRs could fall if Fitch does not change its view on potential sovereign support.

Development Bank Role: Bancoldex's ratings consider its high strategic importance within Colombia for promoting SMEs, as well as large commercial and corporate entities in improving competitiveness and fostering foreign trade. Its primary activity as a development bank is the provision of wholesale funds and guarantees to commercial banks and other non-bank financial institutions, as well as direct credit lines to SMEs and corporates for economic reactivation.

Good Asset Quality: Bancoldex's good asset quality is aligned with its development bank model. Although past due loans (PDLs) greater than 30 days increased to 2.7% as of June 2022, because of deterioration in the direct loan portfolio of SMEs, it also incorporates the new risk conditions that come with adding this new product to the bank's loan portfolio.

Stable Financial Performance: Bancoldex's countercyclical role underpinned loan growth and profitability during the pandemic. Operating profit to risk-weighted assets (RWA) of 2.4% at June 2022 is close to its pre-pandemic levels of 2.8% (2018-2019) amid the higher interest rate environment and greater contribution of direct lending to the net interest margins (NIMs). In Fitch's view, Bancoldex's stable financial performance is supported by lower credit costs and operational expenses that offset narrow interest margins, as per its social role.

Comfortable Capital Position: Bancoldex's capital benefits from stable profit generation, high reserve levels and low asset impairment, which help offset modest levels of internal capital generation and a high payout ratio. As of June 2022, its common equity Tier 1 ratio (CET1) was 18.5%, similar to a year ago.

Diversifying Funding: Bancoldex has diversified its funding sources through bond issuances, term deposits and credit lines with local and international financial institutions. In terms of liquidity, the bank maintains adequate liabilities coverage by maturity in both local currency and U.S. dollars, benefiting from its liquid investment portfolio.

Ratings

Foreign Currency	
Long-Term IDR	BB+
Short-Term IDR	B
Local Currency	
Long-Term IDR	BB+
Short-Term IDR	B
Government Support Rating	bb+
National	
National Long-Term Rating	AAA(col)
National Short-Term Rating	F1+(col)

Sovereign Risk	
Long-Term Foreign-Currency IDR	BB+
Long-Term Local-Currency IDR	BB+
Country Ceiling	BBB-

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

Applicable Criteria

[Bank Rating Criteria \(September 2022\)](#)
[National Scale Rating Criteria \(December 2020\)](#)

Related Research

[Colombian Banks: 1H22 Review & Update \(July 2022\)](#)
[Colombia \(June 2022\)](#)

Financial Data

Banco de Comercio Exterior de Colombia S.A.		
	June 30, 2022	Dec. 31, 2021
Total Assets (USDm)	2,581.1	2,536.9
Total Assets (COP Mil.)	10,653,428.3	10,141,924.1
Total Equity (COP Mil.)	1,342,815.3	1,302,721.0

Source: Fitch Ratings.

Analysts

Ricardo Aguilar
+52 81 4161 7086
ricardo.aguilar@fitchratings.com

Sergio Pena
+57 601 241 3233
sergio.pena@fitchratings.com

Rating Sensitivities

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

- Bancoldex's GSR and IDRs could be downgraded if the sovereign rating is downgraded.
- Bancoldex's GSR, IDRs and national scale ratings could be downgraded if Fitch perceives a decrease in the bank's policy role for the government, but this scenario is unlikely in the short- and medium term.

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

- Bancoldex's GSR and IDRs could be upgraded in the event of a similar action in Colombia's sovereign ratings, while Fitch continues to view Bancoldex as having a high policy role for the government.
- National scale ratings have no upside potential because they are at the highest level in the national rating scale.

Significant Changes to Operating Environment

System Well Placed to Face Rising Inflation and Market Volatility

The Colombian economy rapidly rebounded from the Covid-19 pandemic, supporting the banking sector's high growth, adequate capitalization levels, and lower NPLs during 2021. As of 2Q22, profitability ratios outpaced 2021 results, while asset quality and reserve coverage remain commensurate with most banks' credit risk profiles.

Fitch expects the performance of the banking system to moderate during the remainder of 2022 as there are headwinds for GDP growth, persistently high inflation, and market volatility as a result of the political transition. However, the current system's metrics support banks' performance under increased macroeconomic risk, as improved margins, lower impairment charges and higher fee income will offset a slight deterioration in asset quality.

Brief Company Summary

Bancoldex is a local development bank that provides financing to SMEs, large commercial and corporates entities to improve competitiveness and foster foreign trade. Its primary activity as a development bank is the provision of wholesale funds and guarantees to commercial banks and other non-bank financial institutions, which redirect the resources to strategic economic sectors.

Bancoldex's business model has been transformed into a "business development bank" that supports early-to-intermediate stage companies in all sectors, including an expansion into direct corporate lending. The entity is committed to supporting sustainability, fostering the Colombian economy abroad and acting as a policy bank. Fitch expects Bancoldex to continue working as a government arm to support productive sector alignment with the new government development plans. Additionally, Bancoldex should continue playing a countercyclical role to boost the production sector and reactivate the economy.

Management and Strategy

The bank's long-term strategy is supported in 10 initiatives that include new goals for direct and rediscount loans, better financial conditions for SMEs and development practices as well as closer relations to the productive system in general and the entities that need loans for export and to grow. To achieve this, the bank strengthened its risk vice-presidency and created 45 direct positions to improve the direct lending operation (inherited from ARCO's former subsidiary) as well as to create the digital transformation department.

The ultimate goal is to be a strategic ally of the banks and the financial intermediaries in general, rather than one of many sources of funding. The bank has also issued bonds to support new businesses, social projects and environmental projects.

Its strategy also focuses on improving synergies with its subsidiary Fiducoldex. This includes more integrated business generation to provide beneficiaries with coordinated capital leasing, credit and insurance solutions. All of these initiatives included specific objectives that are monitored periodically.

Bancoldex has defined an in-depth matrix to track execution against quarterly goals by business line. It also tracks key performance indicators by department. During 2021, the bank has redefined 5 lines of action to fulfill its objectives with specific weights and follow up indicators. As of June 2022 the bank has fulfilled in 114% its objectives.

Risk Profile

Bancoldex exhibits a moderate risk appetite in line with its mission and business model. During 2021 and 2022, the bank has adjusted its risk appetite to incorporate advances in economic recovery, higher exposure to SMEs and direct credit. The risk appetite framework included specific definitions of appetite, tolerance and capacity approved by the board as well as a set of alerts and limits aligned with the bank's strategy and budget.

The bank's countercyclical role spurs credit growth to support its target market. Its portfolio growth is susceptible to large annually fluctuations owing to economic variation and the availability of subsidized interest rates. This is exacerbated by the long pipeline development processes, large ticket sizes and relatively high levels of liquidity in the banking system. In addition, macroeconomic fundamentals impacted by international and local disturbances underpinned asset growth during 1H22.

Summary Financials and Key Ratios

	6 Months - Interim USD Mil. Not Disclosed	June 30, 2022 6 Months - Interim COP Mil. Not Disclosed	Dec. 31, 2021 Year End COP Mil. Not Disclosed	Dec. 31, 2020 Year End COP Mil. Not Disclosed	Dec. 31, 2019 Year End COP Mil. Audited - Unqualified	Dec. 31, 2018 Year End COP Mil. Audited - Unqualified
Summary Income Statement						
Net Interest and Dividend Income	25	104,419.7	191,311.0	202,004.1	139,200.9	145,650.0
Net Fees and Commissions	0	(790.9)	(12,370.6)	(11,664.3)	(6,763.3)	(2,230.3)
Other Operating Income	9	37,380.0	30,988.7	103,254.9	97,946.8	76,410.4
Total Operating Income	34	141,008.8	209,929.1	293,594.7	230,384.4	219,830.1
Operating Costs	16	64,553.8	129,467.0	114,634.9	84,644.8	91,309.0
Pre-Impairment Operating Profit	19	76,455.1	80,462.1	178,959.8	145,739.6	128,521.1
Loan and Other Impairment Charges	2	8,321.4	11,245.4	(18,247.2)	(16,517.8)	(38,540.8)
Operating Profit	17	68,133.6	69,216.7	197,207.0	162,257.4	167,061.9
Other Non-Operating Items (Net)	0	(1,842.3)	1,923.6	(204.4)	34.0	113.1
Tax	5	21,866.3	15,822.0	64,299.1	35,457.5	59,542.1
Net Income	11	44,425.0	55,318.3	132,703.5	126,833.9	107,632.9
Other Comprehensive Income	N.A.	N.A.	(206,890.7)	N.A.	40,094.3	(24,364.7)
Fitch Comprehensive Income	11	44,425.0	(151,572.4)	132,703.5	166,928.2	83,268.2
Summary Balance Sheet						
Assets						
Gross Loans	1,747	7,212,587.1	7,149,680.1	7,580,754.9	6,699,483.2	6,523,350.3
- of which impaired	48	196,533.4	180,570.4	145,868.4	38,783.6	37,438.4
Loan Loss Allowances	48	199,641.1	192,023.7	181,515.4	159,788.2	173,547.0
Net Loan	1,699	7,012,946.0	6,957,656.4	7,399,239.5	6,539,695.0	6,349,803.3
Interbank	31	126,036.2	268,926.7	205,028.9	113,156.9	232,420.9
Derivatives	25	103,789.0	150,778.0	44,950.3	55,688.8	122,187.1
Other Securities and Earning Assets	669	2,760,244.2	2,275,994.9	2,188,568.8	1,576,984.7	1,399,244.2
Total Earning Assets	2,424	10,003,015.3	9,653,356.0	9,837,787.5	8,285,525.4	8,103,655.5
Cash and Due from Banks	25	104,968.6	142,135.4	160,623.7	57,059.7	122,547.2
Other Assets	132	545,444.4	346,432.7	315,072.0	203,879.0	194,817.7
Total Assets	2,581	10,653,428.3	10,141,924.1	10,313,483.2	8,546,464.1	8,421,020.4
Liabilities						
Customer Deposits	722	2,978,626.4	3,380,461.2	2,808,190.2	2,047,523.0	1,868,607.7
Interbank and Other Short-Term Funding	1,023	4,220,357.6	4,053,663.0	4,326,102.2	163,176.9	12,202.7
Other Long-Term Funding	376	1,552,814.1	1,043,768.9	1,093,816.3	4,398,410.9	4,711,255.5
Trading Liabilities and Derivatives	20	81,730.4	54,102.5	177,118.6	80,346.5	83,938.4
Total Funding and Derivatives	2,140	8,833,528.5	8,531,995.6	8,405,227.3	6,689,457.3	6,676,004.3
Other Liabilities	116	477,084.5	307,207.5	340,000.9	290,785.9	249,870.2
Preference Shares and Hybrid Capital	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Total Equity	325	1,342,815.3	1,302,721.0	1,568,255.0	1,566,220.9	1,495,145.9
Total Liabilities and Equity	2,581	10,653,428.3	10,141,924.1	10,313,483.2	8,546,464.1	8,421,020.4
Exchange Rate		USD1 = COP4127.47	USD1 = COP3997.71	USD1 = COP3444.9	USD1 = COP3294.05	USD1 = COP3275.01

N.A. – Not applicable.

Source: Fitch Ratings, Fitch Solutions, BancoldeX.

Summary Financials and Key Ratios

	June 30, 2022	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018
Ratios (annualized as appropriate)					
Profitability					
Operating Profit/Risk-Weighted Assets	2.4	1.1	3.4	2.7	3.0
Net Interest Income/Average Earning Assets	2.2	2.1	2.1	1.7	2.1
Non-Interest Expense/Gross Revenue	45.8	61.7	39.1	43.6	43.0
Net Income/Average Equity	6.6	3.9	8.8	8.4	7.2
Asset Quality					
Impaired Loans Ratio	2.7	2.5	1.9	0.6	0.6
Growth in Gross Loans	0.9	(5.7)	13.2	2.7	16.9
Loan Loss Allowances/Impaired Loans	101.6	106.3	124.4	412.0	463.6
Loan Impairment Charges/Average Gross Loans	0.2	0.2	(0.3)	(0.2)	(0.7)
Capitalization					
Common Equity Tier 1 Ratio	18.5	16.1	22.1	N.A.	N.A.
Fully Loaded Common Equity Tier 1 Ratio	N.A.	N.A.	N.A.	N.A.	N.A.
Fitch Core Capital Ratio	23.4	20.7	26.8	25.4	27.0
Tangible Common Equity/Tangible Assets	12.6	12.8	15.1	18.2	17.7
Basel Leverage Ratio	N.A.	N.A.	N.A.	N.A.	N.A.
Net Impaired Loans/Common Equity Tier 1	(0.3)	(1.1)	N.A.	N.A.	N.A.
Net Impaired Loans/Fitch Core Capital	(0.2)	(0.9)	(2.3)	(7.8)	(9.2)
Funding and Liquidity					
Gross Loans/Customer Deposits	242.1	211.5	270.0	327.2	349.1
Liquidity Coverage Ratio	N.A.	N.A.	N.A.	N.A.	N.A.
Customer Deposits/Total Non-Equity Funding	34.0	39.9	34.1	31.0	28.4
Net Stable Funding Ratio	N.A.	N.A.	N.A.	N.A.	N.A.

N.A. – Not applicable.

Source: Fitch Ratings, Fitch Solutions, Bancoldex.

Key Financial Metrics – Latest Developments

Asset Quality

Bancoldex's loan portfolio (66% of total assets at June 2022) represents its largest source of credit risk. As a wholesale lender to financial institutions, Bancoldex's loan portfolio has been historically characterized by low levels of impairment, countercyclical growth and elevated concentration by borrower. Financial institution borrowers are located primarily in Colombia with ultimate beneficiaries operating throughout the country in a diverse range of economic sectors. Direct loan stake in the gross loan portfolio has increased due to a new business plan; however, its borrower concentration is lower reflecting the bank's focus on SMEs.

As of June 2022, impaired loans greater than 30 days increased to 2.7%, explained by a greater proportion of direct loans to SMEs still impacted by the health crisis. Meanwhile asset quality of the second-floor operations remained relatively stable, largely unchanged from year-end 2021. For the 12 months ending June 2022, there were no restructured loans and chargeoffs.

The top 20 borrowers remained in good standing, with the best internal risk designations, and included the largest banks in the country. Although reserves have decreased due to prepayments by larger banks and new exposure to direct credit lines, reserve models follow the bank's internal expected losses model approved by the local regulator for the rediscount lines and reference models for corporates and SMEs also defined by Finance Superintendence.

Earnings and Profitability

Bancoldex's earnings reflect the relatively narrow margins and low administrative costs typical of a wholesale lending business. Profitability recovery to pre-pandemic levels included important efforts to sustain business volume reached during the pandemic, direct lending growth and additional provisions in line with the new risk profile.

Higher funding costs as a consequence of interest rates increasing since the last quarter of 2021 have benefited alternative funding such as credit lines with multilaterals against term deposits. This allowed NIM to remain relatively stable during the first half of 2022 and support small financial entities facing difficulties funding their operations.

Non-interest revenues also returned to previous levels (roughly 26% of gross revenues as of June 2022), mainly related to treasury operations due to changes in the liquidity and structural portfolio strategy as well as currency depreciation. Efficiency levels remained stable (non-interest expenses/gross revenues of 45% at June 2022 vs. average of 42% from 2016–2020) and incorporate the new positions as well as inflation impacts, meanwhile loan impairment charges mainly related to asset deterioration in credit lines to SMEs.

Capitalization and Leverage

Bancoldex's capital position continues to compare favorably with local and international peers and represents a key strength in its financial profile. Bancoldex's capital benefits from stable profit generation, high reserve levels and low asset impairment, which help offset modest levels of internal capital generation and a high payout ratio, since Bancoldex distributes approximately 90% of potential dividends. As of June 2022, its CET1 was 18.5%, similar to a year ago.

Funding and Liquidity

In Fitch's opinion, Bancoldex's funding structure is well diversified by funding source, maturity and interest rate. Given its wholesale business model, the entity balances its funding structure among credit lines with banks and multilateral, senior unsecured debt and term deposits. To support the bank's strategy, Bancoldex continues issuing specific purpose bonds and, depending on the market conditions, gives preference to Colombian pesos over U.S. dollars (USD). Bancoldex is increasing the duration of its liability, and the loans under these lines will be matched by maturity and interest rate.

Direct financing is provided by a large network of banks and multilaterals, primarily in USD (47% of total funding at June 2022), the majority of which is also long term. Of these, the main lender is the Interamerican Development Bank (IDB), which extended Bancoldex a 20-year USD600 million credit line. It is fully guaranteed by the Colombian government. Funding concentration remains elevated among term deposits and borrowings.

In terms of liquidity, the bank maintains adequate coverage of liabilities by maturity in both local currency and USD, benefiting from its liquid investment portfolio.

Government Support

In Fitch's opinion, the bank's Government Support Rating of 'bb+', in line with the sovereign, reflects the high propensity of the Colombian government to support, given the bank's ownership structure and policy role. The government's current ability to support is reflected in the sovereign's IDR of BB+. GSR indicates the minimum level to which the entity's Long-Term IDRs could fall if Fitch does not change its view on potential sovereign support.

Policy 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
Sovereign financial flexibility (for rating level)	
Government propensity to support D-SIBs	
Resolution legislation	
Support stance	
Government propensity to support bank	
Systemic importance	
Liability structure	
Ownership	
Policy role and status	
Ownership	Equalised
Policy role	Equalised
Guarantees and legal status	No Impact

The colors indicate the weighting of each KR D in the assessment.

Higher influence Moderate influence Lower influence

Environmental, Social and Governance Considerations

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(ies), either due to their nature or the way in which they are being managed by the entity(ies). For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg.

Credit-Relevant ESG Derivation

Banco de Comercio Exterior de Colombia S.A. has 5 ESG potential rating drivers

- ➔ Banco de Comercio Exterior de Colombia 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.

				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

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.

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

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.

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.

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.

DISCLAIMER & DISCLOSURES

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

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

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

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

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

Copyright © 2022 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Fax: (212) 480-4435. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved.