

MOODY'S

INVESTORS SERVICE

CREDIT OPINION

5 April 2024

Update



Send Your Feedback

RATINGS

Scotiabank Peru S.A.A.

Domicile	Lima, Peru
Long Term CRR	A3
Type	LT Counterparty Risk Rating - Fgn Curr
Outlook	Not Assigned
Long Term Debt	Not Assigned
Long Term Deposit	Baa1
Type	LT Bank Deposits - Fgn Curr
Outlook	Stable

Please see the [ratings section](#) at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

Contacts

Felipe Carvallo +52.55.1253.5738
VP-Sr Credit Officer
felipe.carvallo@moodys.com

Miguel Gonzalez Toro +52.55.1253.5733
Sr Ratings Associate
miguel.gonzaleztoro@moodys.com

Rodrigo Marimon +52.55.4840.1315
Bernales
AVP-Analyst
rodrigo.bernales@moodys.com

Ceres Lisboa +55.11.3043.7317
Associate Managing Director
ceres.lisboa@moodys.com

» Contacts continued on last page

CLIENT SERVICES

Americas 1-212-553-1653

Scotiabank Perú S.A.A.

Update to credit analysis

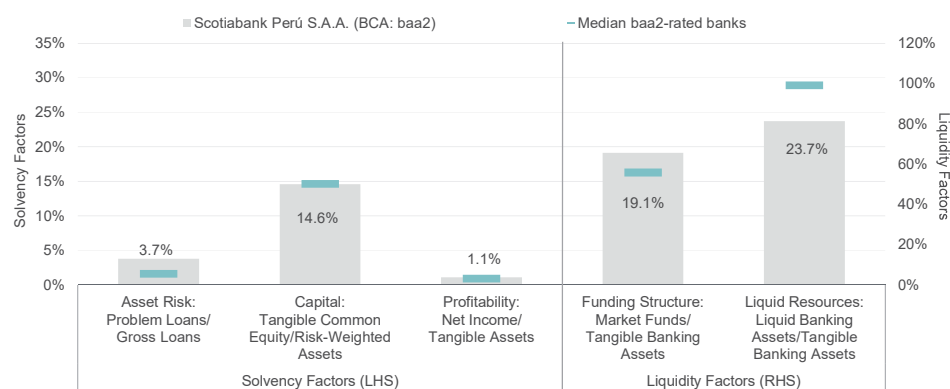
Summary

[Scotiabank Perú S.A.A.](#)'s (Scotiabank) baa2 Baseline Credit Assessment (BCA) is in line with bank's solid and recurring earnings generation that supports its sound and high capital base. The ratings also incorporate the bank's asset-risk profile, which reflects its higher exposure to commercial lending but also riskier small and medium-sized enterprises (SMEs) and credit cards. Scotiabank also benefits from a strong access to core retail deposit funding.

Scotiabank's Baa1 deposit ratings incorporate our assessment of a high likelihood of affiliate support from its parent bank [Bank of Nova Scotia](#) (BNS, Aa2/Aa2 stable, a3¹).

Exhibit 1

Rating Scorecard - Key financial ratio Scotiabank's data as of December 2023



For the problem loan and profitability ratios, we review the latest three year-end ratios, as well as the most recent intra-year ratio, where applicable, and base our starting point ratio on the weaker of the average of this period and the latest figure. For the capital ratio, we use the latest figure. For the funding structure and liquid asset ratios, we use the latest year-end figures.

Source: Moody's Financial Metrics™

Credit strengths

- » High capital helps shield the balance sheet against unexpected losses.
- » Access to core cheap deposits and use of term debt support stable funding and liquidity.
- » Core earnings are supported by a resilient net interest margin

Credit challenges

- » Maintenance of stable asset quality and efficiency
- » Risks related to political, climate and social shocks remain, challenging private consumption and investments, constraining Peru's economic activity and limiting consumer and business confidence.

Outlook

The stable outlook reflects the stable outlook on parent bank BNS.

Factors that could lead to an upgrade

Upward pressure on Scotiabank's deposit ratings is more limited because they already benefit from a one-notch uplift related to its ownership by BNS. Scotiabank's BCA could be upgraded if it posts a significant recovery in its asset risk and profitability, while maintaining high capital.

Factors that could lead to a downgrade

Scotiabank's BCA and supported ratings could face downward pressure if the bank experiences material deterioration of its asset quality or if its capitalization weakens significantly.

Key indicators

Exhibit 2

Scotiabank Perú S.A.A.

Scotiabank Perú S.A.A. (Consolidated Financials) [1]

	12-23 ²	12-22 ²	12-21 ²	12-20 ²	12-19 ²	CAGR/Avg. ³
Total Assets (PEN Million)	72,621.0	75,636.3	78,883.8	80,004.1	76,314.8	(1.2) ⁴
Total Assets (USD Million)	19,613.5	19,833.8	19,805.6	22,117.1	23,048.2	(4.0) ⁴
Tangible Common Equity (PEN Million)	10,993.0	10,357.7	10,141.8	9,087.2	8,807.3	5.7 ⁴
Tangible Common Equity (USD Million)	2,969.0	2,716.1	2,546.3	2,512.1	2,659.9	2.8 ⁴
Problem Loans / Gross Loans (%)	3.7	3.5	3.3	4.7	3.0	3.7 ⁵
Tangible Common Equity / Risk Weighted Assets (%)	14.6	13.3	13.5	14.2	14.4	14.0 ⁶
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	13.7	14.9	14.0	18.0	13.9	14.9 ⁵
Net Interest Margin (%)	4.8	4.4	4.0	5.1	6.1	4.9 ⁵
PPI / Average RWA (%)	3.3	3.7	3.4	5.0	6.0	4.3 ⁶
Net Income / Tangible Assets (%)	1.1	1.9	1.3	0.3	2.0	1.3 ⁵
Cost / Income Ratio (%)	42.7	40.0	45.0	38.1	36.9	40.5 ⁵
Market Funds / Tangible Banking Assets (%)	19.1	22.5	21.7	22.9	24.0	22.0 ⁵
Liquid Banking Assets / Tangible Banking Assets (%)	23.7	21.0	25.0	33.4	28.6	26.3 ⁵
Gross Loans / Due to Customers (%)	123.4	135.0	123.7	113.1	120.3	123.1 ⁵

[1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel II; LOCAL GAAP. [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime. [6] Simple average of Basel II periods.

Sources: Moody's Ratings and company filings

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody's.com> for the most updated credit rating action information and rating history.

Profile

Scotiabank Perú S.A.A. (Scotiabank) offers various commercial and retail banking services, as well as specialized financial services to individuals, micro businesses, SMEs and large companies. In Peru, Scotiabank held market shares of 15% in terms of loans and 12% in terms of deposits as of December 2023, and reported total consolidated assets of PEN72.6 billion (\$19.6 billion).

Scotiabank was formed by the integration of Banco Sudamericano with Banco Wiese Sudameris in 2006. In March 2019, Scotiabank acquired Banco Cencosud S.A. from Cencosud Perú, a subsidiary of the retail conglomerate [Cencosud S.A.](#) (Baa3 positive), and transformed it from a bank to a *caja rural* renamed Caja Rural de Ahorro y Crédito Cencosud Scotia Perú S.A. (Caja Cencosud Scotia Perú).

Scotiabank's shares are listed on the Lima Stock Exchange (ticker: SCOTIAC1). The bank operates as a subsidiary of Canada's Bank of Nova Scotia (BNS), which indirectly owns 99.31% of its total share capital.

Detailed credit considerations

Asset-quality remains stable, ample reserves still an important mitigant

We expect Scotiabank's asset quality to improve over the next 12 months as the bank plans to prioritize capital allocation among its most profitable client segments. The consumer and mortgage segments jointly represent more than a third of the total loan book (20% and 22%, respectively) with the remainder focused on commercial loans, as of December 2023. Lower-risk large corporate loans accounted for 26% of total loans as of December 2023.

Moreover, the probability of a strong El Niño phenomenon has fallen over the past four months of 2023, which will likely limit severe infrastructure damage and major disruptions to business continuity. Still, risks remain for temporary bad weather conditions in certain regions and business sectors, such as agriculture and fishing. We expect, however, that a gradual economic recovery anticipated for 2024 and fewer uncertainties on the political front will sustain gradual improvement in loan quality indicators over the next quarters.

Scotiabank's 90+ days past due (problem) loans increased 22 basis points to 3.75% of gross loans as of December 2023, compared to December 2022, and above the 35 as of December 2019. The increase was related to higher delinquencies in the consumer and SMEs segments, although the ratio decreased in the large corporate segment. Scotiabank's problem loan is only slightly below the Peruvian banking system's 3.69%.

The bank maintains ample loan loss reserves at 7.4% of gross loans as of December 2023. We expect this level of coverage to mitigate any potential further deterioration.

Capital remains strong

Scotiabank's ratings are underpinned by its strong capitalization, which is the second highest among rated Peruvian banks. Going forward, we expect capitalization will remain sound, supported by the bank's core earnings generation.

The bank's capitalization ratio, measured as tangible common equity/fully adjusted consolidated risk-weighted assets (RWA), was 14.6% as of December 2023, which provides a strong buffer against asset risks and unexpected losses. The bank's capitalization increased from an average 13.4% in 2022 and 2021.

Core earnings benefit from ample interest and fee income

Scotiabank's franchise has generated strong bottom-line results, driven by interest and fee income. A combination of well-diversified deposits and borrowings from its parent ensure competitive funding costs. In 2024, the Peruvian banking sector is anticipated to experience a reduction in credit cost pressures due to a lower probability of a robust El Niño event and early indications of an economic rebound. The largest banks in Peru are expected to maintain strong profitability and earnings generation, underpinned by stable margins and ongoing cost-efficiency measures. These measures encompass technology investments and the optimization of the branch network.

During 2023, Scotiabank's net income fell to 1.1% of tangible assets, from 1.9% as of December 2022, as a result of a strong 92% increase in provisioning expenses related to a proactive measure to mitigate portfolio deterioration through voluntary provisions. Net income of PEN789 million was also affected by an extraordinary impairment of PEN215 million related to the acquisition of Banco

Cencosud S.A.'s remaining intangibles. The higher costs limited the benefits from a higher NIM, at 4.8% in 2023 from 4.4% at 2022, although this improvement was mainly due to a lower loan balance.

During the last quarter of 2023, Scotiabank was the only bank among the four largest banks in Peru to expand its bottom-line results, to 1.7% in Q4 from 0.9% the previous quarter, on lower interest expenses, higher investment income and sound operating cost controls. If we add back the extraordinary impairment, Scotiabank's net income to tangible asset falls to 0.4% during the last quarter of 2023.

Large deposit base will remain a comparative strength

Scotiabank benefits from a large and growing base of granular, retail and low-cost deposits, which allow the bank to maintain low reliance on market funds and contain further increases on the funding costs.

The bank's stable funding profile reflects its strong access to customer deposits as Peru's fourth-largest deposit taker and its good access to market funding from its parent, BNS. Market funding represented 19.1% of tangible banking assets as of December 2023, below its 22.1% average in 2018-21.

Historically, about half of Scotiabank's deposits come from individuals, limiting the bank's exposure to less-reliable and more cost-sensitive institutional deposits. In addition, its high dependence on US dollar-denominated deposits has fallen, reducing the bank's balance-sheet currency mismatches and leaving it less dependent on central bank currency swaps.

Liquid banking assets have decreased to normal levels after high growth in 2020-2021 because of an atypical increase in the total liquidity of the financial system resulting from the economic measures established by the government.

Liquid assets totaled 23.7% of the bank's tangible banking assets as of December 2023, which was lower than that of its peers and well below its peak on December 2020, when it was 33.4%. The bank's liquid resources are invested in high-quality instruments, including cash, Peruvian central bank papers and interbank deposits.

Scotiabank's BCA would be affected by deterioration of Peru's economic institutions, that sustain its Moderate (+) Macro Profile

Peru's Moderate (+) Macro Profile benefits from a long-standing track record of macroeconomic stability and market-friendly policies. Solid economic fundamentals, absence of major macroeconomic imbalances and robust economic institutions have provided a strong and stable environment that supports the country's investment-driven economy.

Social and political risks have intensified, threatening, over the next few years, a deterioration in institutional cohesion, governability, policy effectiveness and economic strength through successive governments. While the social unrest following the removal of the former President threatens to weaken the strength of Peru's institutions and governance, Moody's expects that Peru will maintain robust economic institutions that have provided a supportive business environment for the country's banking system. The Moderate (+) Macro Profile assessment will deteriorate if institutional strength weakens because of policies that disrupt the status quo of the central bank, the local regulator or the Ministry of Finance.

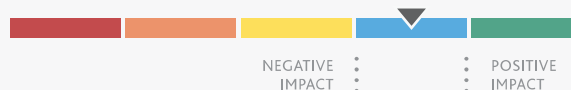
ESG considerations

Scotiabank Peru S.A.A.'s ESG credit impact score is CIS-2

Exhibit 3

ESG credit impact score

CIS-2



ESG considerations do not have a material impact on the current rating.

Source: Moody's Ratings

Scotiabank Peru's **CIS-2** indicates that ESG considerations do not have a material impact on the rating to date. The bank faces neutral-to-low governance risk, reflecting its strong corporate governance practices and an overall conservative risk appetite in line with that of its parent entity.

Exhibit 4

ESG issuer profile scores

ENVIRONMENTAL

E-3



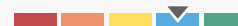
SOCIAL

S-4



GOVERNANCE

G-2



Source: Moody's Ratings

Environmental

Scotiabank Peru faces moderate exposure to environmental risks, primarily because of its portfolio exposure to carbon transition risks as a universal bank. In line with peers and its parent entity, the bank is facing mounting business risks and stakeholder pressure to meet more demanding carbon transition targets.

Social

Scotiabank Peru faces high industrywide social risks related to product mis-selling, regulatory and litigation risk, requiring the bank to meet high compliance standards. High cyber and personal data risks are mitigated by technology investments and intensive planning focused on threat prevention and detection in line with the group's strategy. Opportunities from financial inclusion are reflected in a better-than-industry average exposure to demographic and societal trends.

Governance

Scotiabank Peru faces low governance risks and its risk management framework and corporate governance are in line with industry practices. Because Scotiabank Peru is owned by Bank of Nova Scotia, we have aligned the subsidiary's board structure, policies and procedures scores with those of its parent, given the bank's strategic importance and public affiliation to the parent, the parent's oversight of its subsidiary board and the regulated nature of both entities. Scotiabank Peru has also demonstrated to have a prudent and stable financial strategy in line with other subsidiaries of the group.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moody's.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Support and structural considerations

Affiliate support

Scotiabank's ratings reflect a high likelihood of affiliate support from the parent bank, BNS, which generates one notch of uplift in its Adjusted BCA to baa1. Our assessment reflects the bank's relevant contribution to its parent's earnings in the region and its strategic importance to BNS as a regional hub as part of the parent's focus on Pacific Alliance countries.

Government support considerations

There is a moderate likelihood of government support for Scotiabank's deposits and senior unsecured debt because of its sizable deposit market share, high visibility in the Peruvian market and the systemic consequences of an unsupported failure. Financial dollarization limits the Peruvian central bank's capacity to act as a true lender of last resort.

We do not incorporate government support into Scotiabank's subordinated debt rating because these instruments are likely to bear losses in the event of a failure.

Counterparty Risk (CR) Assessment

Scotiabank's CR Assessment is positioned at A3(cr) and P-2(cr)

The CR Assessment of A3(cr) is one notch above Scotiabank's Adjusted BCA of baa1, based on our view that senior obligations represented by the CR Assessment will more likely be preserved than senior unsecured debt to minimize losses, avoid the disruption of critical functions and limit contagion.

Counterparty Risk Ratings (CRRs)

Scotiabank's local- and foreign-currency CRRs are positioned at A3/P-2

The bank's CRRs are positioned one notch above its Adjusted BCA of Baa1 and one notch above the bank's deposit rating, reflecting our view that BNS will support the bank's CRR obligations in a time of stress.

Methodology and scorecard

About Moody's Bank Scorecard

Our scorecard is designed to capture, express and explain in summary form our Rating Committee's judgment. When read in conjunction with our research, a fulsome presentation of our judgment is expressed. As a result, the output of our scorecard may materially differ from that suggested by raw data alone (though it has been calibrated to avoid the frequent need for strong divergence). The scorecard output and the individual scores are discussed in Rating Committees and may be adjusted up or down to reflect conditions specific to each rated entity.

Rating methodology and scorecard factors

Exhibit 5

Scotiabank Perú S.A.A.

MACRO FACTORS							
WEIGHTED MACRO PROFILE		MODERATE	100%				
		+					
FACTOR		HISTORIC RATIO	INITIAL SCORE	EXPECTED TREND	ASSIGNED SCORE	KEY DRIVER #1	KEY DRIVER #2
Solvency							
Asset Risk							
Problem Loans / Gross Loans		3.7%	baa2	↔	baa3	Sector concentration	Expected trend
Capital							
Tangible Common Equity / Risk Weighted Assets (Basel II)		14.6%	a3	↔	baa1	Stress capital resilience	Expected trend
Profitability							
Net Income / Tangible Assets		1.1%	baa2	↔	baa1	Earnings quality	Expected trend
Combined Solvency Score			baa1		baa2		
Liquidity							
Funding Structure							
Market Funds / Tangible Banking Assets		19.1%	baa2	↔	baa2	Deposit quality	Extent of market funding reliance
Liquid Resources							
Liquid Banking Assets / Tangible Banking Assets		23.7%	baa3	↔	baa3	Quality of liquid assets	Stock of liquid assets
Combined Liquidity Score			baa2		baa2		
Financial Profile					baa2		
Qualitative Adjustments					Adjustment		
Business Diversification					0		
Opacity and Complexity					0		
Corporate Behavior					0		
Total Qualitative Adjustments					0		
Sovereign or Affiliate constraint					Baa1		
BCA Scorecard-indicated Outcome - Range					baa1 - baa3		
Assigned BCA					baa2		
Affiliate Support notching					1		
Adjusted BCA					baa1		
INSTRUMENT CLASS		LOSS GIVEN FAILURE NOTCHING	ADDITIONAL NOTCHING	PRELIMINARY RATING ASSESSMENT	GOVERNMENT SUPPORT NOTCHING	LOCAL CURRENCY RATING	FOREIGN CURRENCY RATING
Counterparty Risk Rating		1	0	a3	-	A3	A3
Counterparty Risk Assessment		1	0	a3 (cr)	-	A3(cr)	
Deposits		0	0	baa1	-	Baa1	Baa1

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.

Source: Moody's Ratings

Ratings

Exhibit 6

Category	Moody's Rating
SCOTIABANK PERU S.A.A.	
Outlook	Stable
Counterparty Risk Rating	A3/P-2
Bank Deposits	Baa1/P-2
Baseline Credit Assessment	baa2
Adjusted Baseline Credit Assessment	baa1
Counterparty Risk Assessment	A3(cr)/P-2(cr)
PARENT: BANK OF NOVA SCOTIA	
Outlook	Stable
Counterparty Risk Rating	Aa2/P-1
Bank Deposits	Aa2/P-1
Baseline Credit Assessment	a3
Adjusted Baseline Credit Assessment	a3
Counterparty Risk Assessment	Aa2(cr)/P-1(cr)
Issuer Rating	A2
Senior Unsecured	Aa2
Junior Senior Unsecured	A2
Junior Senior Unsecured MTN	(P)A2
Subordinate -Dom Curr	Baa1
Jr Subordinate	Baa1 (hyb)
Pref. Stock Non-cumulative	Baa3 (hyb)
Pref. Shelf Non-cumulative	(P)Baa3
Commercial Paper	P-1
Other Short Term	(P)P-1

Source: Moody's Ratings

Endnotes

¹ The bank ratings shown in this report are the bank's deposit rating, senior unsecured debt rating (where available) and BCA.

© 2024 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved. CREDIT RATINGS ISSUED BY MOODY'S CREDIT RATINGS AFFILIATES ARE THEIR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED OR OTHERWISE MADE AVAILABLE BY MOODY'S (COLLECTIVELY, "MATERIALS") MAY INCLUDE SUCH CURRENT OPINIONS. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE APPLICABLE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S CREDIT RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN MOODY'S MATERIALS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S MATERIALS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS, ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES OR OTHERWISE MAKES AVAILABLE ITS MATERIALS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS, AND MATERIALS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR MATERIALS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. FOR CLARITY, NO INFORMATION CONTAINED HEREIN MAY BE USED TO DEVELOP, IMPROVE, TRAIN OR RETRAIN ANY SOFTWARE PROGRAM OR DATABASE, INCLUDING, BUT NOT LIMITED TO, FOR ANY ARTIFICIAL INTELLIGENCE, MACHINE LEARNING OR NATURAL LANGUAGE PROCESSING SOFTWARE, ALGORITHM, METHODOLOGY AND/OR MODEL.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the credit rating process or in preparing its Materials.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT, OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any credit rating, agreed to pay to Moody's Investors Service, Inc. for credit ratings opinions and services rendered by it. MCO and Moody's Investors Service also maintain policies and procedures to address the independence of Moody's Investors Service credit ratings and credit rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold credit ratings from Moody's Investors Service, Inc. and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moody's.com under the heading "Investor Relations — Corporate Governance — Charter Documents - Director and Shareholder Affiliation Policy."

Moody's SF Japan K.K., Moody's Local AR Agente de Calificación de Riesgo S.A., Moody's Local BR Agência de Classificação de Risco LTDA, Moody's Local MX S.A. de C.V., I.C.V., Moody's Local PE Clasificadora de Riesgo S.A., and Moody's Local PA Clasificadora de Riesgo S.A. (collectively, the "Moody's Non-NRSRO CRAs") are all indirectly wholly-owned credit rating agency subsidiaries of MCO. None of the Moody's Non-NRSRO CRAs is a Nationally Recognized Statistical Rating Organization.

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657 AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.

Additional terms for India only: Moody's credit ratings, Assessments, other opinions and Materials are not intended to be and shall not be relied upon or used by any users located in India in relation to securities listed or proposed to be listed on Indian stock exchanges.

Additional terms with respect to Second Party Opinions (as defined in Moody's Investors Service Rating Symbols and Definitions): Please note that a Second Party Opinion ("SPO") is not a "credit rating". The issuance of SPOs is not a regulated activity in many jurisdictions, including Singapore. JAPAN: In Japan, development and provision of SPOs fall under the category of "Ancillary Businesses", not "Credit Rating Business", and are not subject to the regulations applicable to "Credit Rating Business" under the Financial Instruments and Exchange Act of Japan and its relevant regulation. PRC: Any SPO: (1) does not constitute a PRC Green Bond Assessment as defined under any relevant PRC laws or regulations; (2) cannot be included in any registration statement, offering circular, prospectus or any other documents submitted to the PRC regulatory authorities or otherwise used to satisfy any PRC regulatory disclosure requirement; and (3) cannot be used within the PRC for any regulatory purpose or for any other purpose which is not permitted under relevant PRC laws or regulations. For the purposes of this disclaimer, "PRC" refers to the mainland of the People's Republic of China, excluding Hong Kong, Macau and Taiwan.

Contacts

Felipe Carvallo +52.55.1253.5738
VP-Sr Credit Officer
felipe.carvallo@moodys.com

Rodrigo Marimon +52.55.4840.1315
Bernales
AVP-Analyst
rodrigo.bernales@moodys.com

Miguel Gonzalez Toro +52.55.1253.5733
Sr Ratings Associate
miguel.gonzaleztoro@moodys.com

Ceres Lisboa +55.11.3043.7317
Associate Managing
Director
ceres.lisboa@moodys.com

CLIENT SERVICES

Americas 1-212-553-1653

Asia Pacific 852-3551-3077

Japan 81-3-5408-4100

EMEA 44-20-7772-5454