FitchRatings

Banco Internacional del Peru S.A.A.

Key Rating Drivers

Stable Outlook: Banco Internacional del Peru S.A.A.'s (Interbank) Issuer Default Ratings (IDRs) and senior debt ratings are driven by its 'bbb' Viability Rating (VR), which is in line with the implied VR. The Stable Outlook on the Long-Term IDRs reflects Fitch Ratings' view that Interbank's core financial metrics have sufficient headroom to maintain its current ratings, even if economic conditions are moderately weaker than Fitch's base case because of external shocks or ongoing political and policy uncertainty.

Operating Environment Influence: Fitch believes Interbank's IDRs are sensitive to a material deterioration in the local operating environment (OE) or a negative sovereign rating action. Pressure in the OE includes a slow recovery of the GDP due to political uncertainty and the challenging investment and business environment.

Strong Franchise in Retail Lending: Interbank is the fourth largest universal commercial bank in Peru, with a market share by assets, loans and deposits of 10.3%, 12.3% and 13.4% at YE 2021, respectively. It has a strategic focus on retail banking in Peru, with outsized strength in retail products comparable with the largest Peruvian bank's market share in these products.

Stable Asset Quality: At YE 2021, the 90 days NPL ratio modestly improved to 3.0% (YE 2020: 3.2%), mainly due to significant chargeoffs and a sharp reduction of credit reliefs (11.3% at YE 2021 versus 17.0% at YE 2020). Reprogramed loans also declined to 14.5% of total loans at YE 2021 (YE 2020: 25.1%). The loan loss allowances coverage of impaired loans declined to 159.1% at YE 2021 (YE 2020: 212.6%) but is still adequate.

Excluding loans under the government guarantee relief program, which have low provisioning requirements, the reserves coverage is up to 187.5%, similar to pre-pandemic levels. Fitch believes that asset quality will remain stable in 2022 due to the gradual easing of relief programs and lower unemployment compared with pre-pandemic levels, which should mitigate uncertainty from political volatility.

Improved Profitability: The operating profit to RWA ratio improved to 2.8% at YE 2021 from 0.6% at YE 2020, given the lower cost of credit related to the adjustments of expected loss estimations due to macroeconomic environment stabilization compared to the initial stages of the pandemic. Fitch expects profitability to decline in 2022 compared to 2021, when there was a significant reversion of provisions and non-recurrent income from trading, both outliers.

Adequate Capitalization: Interbank's FCC remained stable at 11.9% at YE 2021 compared to 12.0% at YE 2020. This ratio is somewhat better than pre-pandemic levels (YE 2019: 11.6%), and loan loss allowances for impaired loans are sound, which further supports the bank's loss absorption capacity. Fitch expects the FCC ratio to be sustained above 11.0%, driven by moderate expected growth and sound earnings generation.

Sound Liquidity: The bank's liquidity position is sound; however, it declined, reflecting tighter liquidity in the banking system. The loan-to-deposit ratio deteriorated to 101.0% at YE 2021 from 96.7% at YE 2020, as total deposits contracted by 1%. Historically, customer deposits have covered more than two-thirds of funding needs (71.4% at YE 2021). Interbank has made significant gains in attracting a stable retail deposit base, ranking third in retail deposits with a market share of 15.0% at YE 2021. Fitch expects liquidity to remain commensurate with the bank's current rating levels.

Ratings

Foreign Currency	
Long-Term IDR	BBB
Short-Term IDR	F3
Local Currency	
Long-Term IDR	BBB
Short-Term IDR	F3
Viability Rating	bbb
Government Support Rating	bbb-
Sovereign Risk	
Long-Term Foreign-Currency IDR	BBB
Long-Term Local-Currency IDR	BBB
Country Ceiling	BBB+

Outlooks

Long-Term Foreign-Currency IDR	Stable
Long-Term Local-Currency IDR	Stable
Sovereign Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Local-Currency IDR	Stable

Applicable Criteria

Bank Rating Criteria (November 2021)

Related Research

Fitch Ratings 2022 Outlook: Latin American Banks (December 2021)

Financial Data

Banco Internacional del Peru S.A.A. - Interbank

	12/31/21	12/31/20
Total Assets (USD Mil.)	17,092.5	18,735.9
Total Assets (PEN Mil.)	68,112.0	67,824.1
Total Equity (PEN Mil.)	6,802.8	6,183.4

Source: Fitch Ratings, Fitch Solutions, Interbank.

Analysts

Stoll, Robert
+1 212 908 9155
robert.stoll@fitchratings.com

Arteaga, Larisa
+1 809 563 2481
larisa.arteaga@fitchratings.com

Rating Sensitivities

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

IDRs, VR, and Senior Debt

- Interbank's VR could be downgraded if the bank's asset quality deteriorates significantly causing a sustained decline of the bank's operating performance to less than 2.0% of RWA and if Interbank's loss absorption capacity is further pressured, either in the form of an FCC ratio below 10% or a relevant decline in reserve coverage for more than four consecutive quarters.
- The IDRs are sensitive to a negative rating action on the sovereign or any deterioration of Fitch's assessment on the OE score.

Government Support Rating (GSR)

- Interbank's GSR would be affected if Fitch negatively changes its assessment of the government's ability and/or willingness to support the bank.

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

IDRs, VR, and Senior Debt

- There is limited upside potential for Interbank's ratings given the sovereign's current rating and Outlook and in light of the increasingly challenging OE.
- Over the medium term, ratings can be upgraded by the confluence of an improvement in OE and the financial profile of the bank.

GSR

- Interbank's Support Rating (SR) and Support Rating Floor (SRF) would be affected if Fitch positively changes its assessment of the government's ability and/or willingness to support the bank.

Debt Rating Classes

Rating Level	Rating
Senior unsecured: Long-Term	BBB
Subordinated: Long-Term	BB+

Source: Fitch Ratings.

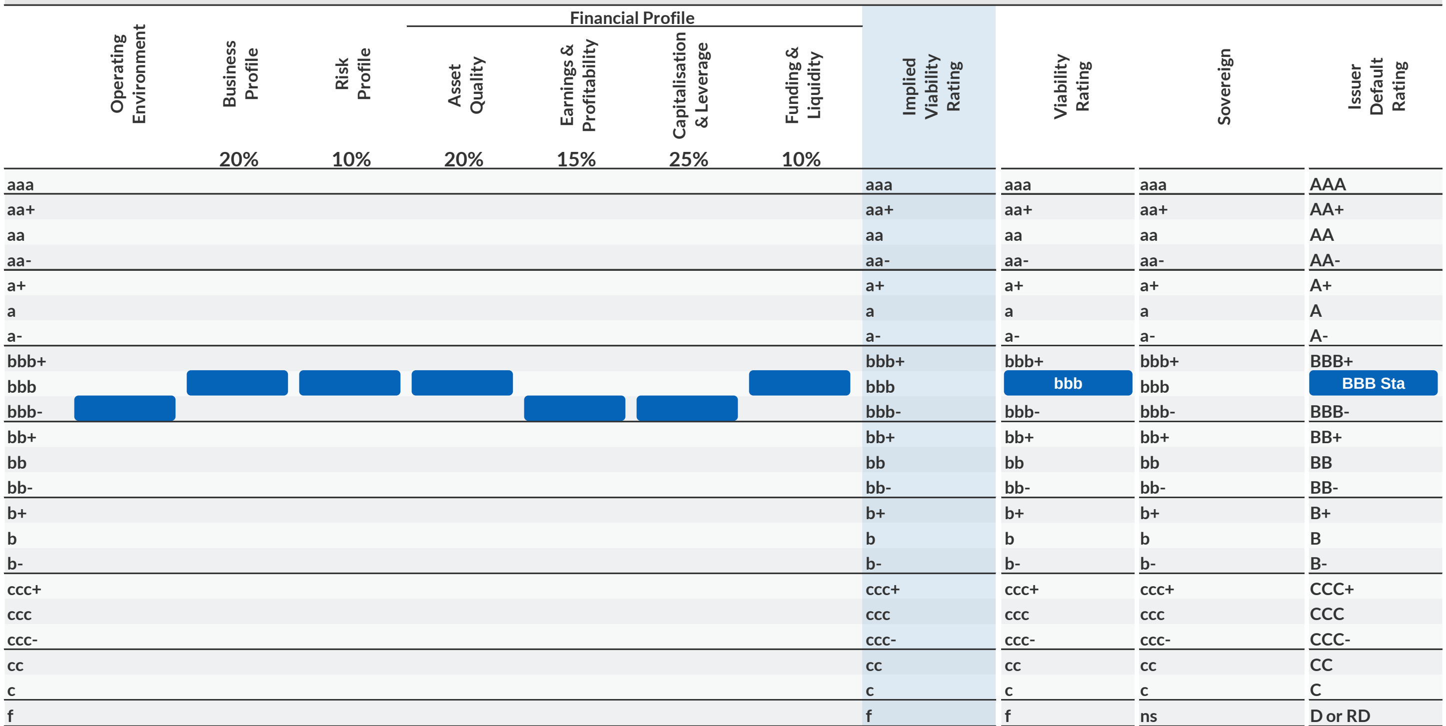
Subordinated Debt: Interbank's subordinated bonds are "plain vanilla," as they do not have coupon deferral features. Interbank's subordinated debt is two notches below the VR, reflecting the baseline notching for loss severity. Subordinated debt ratings will mirror any action on the bank's VR.

Ratings Navigator

Banco Internacional del Peru S.A.A. - Interbank

ESG Relevance:

Banks
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.

Business Profile

Strong Franchise in Retail Lending

Interbank is the fourth largest universal commercial bank in Peru, with a market share by assets, loans and deposits of 10.3%, 12.3% and 13.4% at YE 2021, respectively. It has a strategic focus on retail banking in Peru, with outsized strength in retail products as reflected in its 22.6%, 25.2%, and 15.0% market share in consumer loans, payroll loans and retail deposits, respectively, at YE21, comparable with the largest Peruvian bank's market share in these products. The bank's national retail presence is supported by a footprint of 189 branches and increasing digital transactions.

Interbank is 99.3% owned by Intercorp Financial Services (rated BBB–/Stable), which is 70.6% owned by Intercorp Peru, one of Peru's largest business groups focused on serving Peru's growing middle class. Its businesses include financial services, retail (shopping malls and supermarkets), commercial real estate development, education services, insurance and wealth management services, among others.

Business Model

As a strong player in retail banking, 49% of Interbank's loan portfolio comprised consumer and mortgage loans at YE21, which reduced its participation from pre-pandemic levels (2019: 54%) due to the significant increase of commercial loans under the Reactiva Peru Program and lower demand from consumers. However, the bank expects its core retail business to progressively gain its average historical participation as the forbearance programs conclude and the OE stabilizes.

The commercial portfolio represented 51% of total loans at YE21 compared to 46% in 2019. Excluding the government guarantee program Reactiva Peru loans, mainly granted to SMEs, the commercial loans represented 40% of the total portfolio at the same date. Interbank historically has been able to finance large corporates, benefiting from the concentration of the banking system in the largest players and regulatory caps on bank exposure.

The bank's "two-tier" digital strategy is focused on (i) fully digitalizing of operations, including product offerings and services, and (ii) finding new sources of growth through digital solutions and payments ecosystem. Under this strategy, the bank has built a digital ecosystem and implemented more advanced analytics for retail products, contributing to a customer base growth of 20% and digital users and sales representation of 80% and 56%, respectively, at YE21.

The strategic objectives for 2022 include: shifting the portfolio mix according to pre-pandemic levels, with a strong focus on the bank's core retail business; sustainable and healthy loan growth; the streamlining of the physical branch network; and achieving solid profitability supported by increased productivity and efficiency. Interbank historically has met its strategic quantitative objectives, as reflected in its high and sound profitability.

Risk Profile

Interbank's loan portfolio is its primary source of credit risk, representing 64% of total assets at YE21. The bank's retail underwriting relies on credit scoring models for each of its major products and includes early warning signs based on the borrower's behavior, changes in gross indebtedness and market conditions. The bank maintains strict concentration limits by sector and has taken a highly conservative stance toward troubled sectors. It benefits from a robust risk management infrastructure with dedicated teams assigned to the bank's major business lines.

Interbank's loan growth in 2021 was lower than the banking system average (3.5% versus 7.4%, respectively). Credit growth was primarily related to an increase of 13% in retail loans (including mortgages), offset by the 4.4% contraction in commercial loans. As expected in 2021, commercial loans under the Reactiva Peru program declined, and Interbank focused on recovering participation of its core consumer business in its loan portfolio. In 2022, the bank expects to achieve one single-digit grow, mainly in retail loans, similar to 2021. Assets grew only by 0.4%, reflecting a 0.1% deposits contraction due to lower liquidity in the Peruvian financial system.

Summary Financials and Key Ratios

(As of Dec. 31)	Year End USD Mil.	2021 Year End PEN Mil.	2020 Year End PEN Mil.	2019 Year End PEN Mil.	2018 Year End PEN Mil.
Summary Income Statement					
Net Interest and Dividend Income	678	2,699.8	2,881.2	2,863.8	2,549.0
Net Fees and Commissions	139	555.0	502.5	700.0	647.1
Other Operating Income	128	511.4	407.5	529.2	436.4
Total Operating Income	945	3,766.2	3,791.2	4,093.0	3,632.5
Operating Costs	426	1,696.3	1,491.4	1,569.5	1,462.9
Pre-Impairment Operating Profit	519	2,069.9	2,299.8	2,523.5	2,169.6
Loan and Other Impairment Charges	113	450.2	2,003.0	917.6	808.2
Operating Profit	406	1,619.7	296.8	1,605.9	1,361.4
Other Non-Operating Items (Net)	(9)	(35.2)	(0.5)	10.8	2.7
Tax	96	384.0	31.4	395.2	324.1
Net Income	301	1,200.5	264.9	1,221.5	1,040.0
Other Comprehensive Income	(146)	(581.1)	191.8	(17.7)	(84.3)
Fitch Comprehensive Income	155	619.4	456.7	1,203.8	955.7
Summary Balance Sheet					
Assets					
Gross Loans	10,870	43,315.9	41,859.8	36,413.2	32,768.3
- Of Which Impaired	326	1,299.5	1,343.5	888.5	809.7
Loan Loss Allowances	519	2,067.0	2,856.5	1,674.0	1,499.8
Net Loans	10,351	41,248.9	39,003.3	34,739.2	31,268.5
Interbank	231	919.9	845.5	85.0	495.0
Derivatives	197	783.6	435.2	225.5	165.4
Other Securities and Earning Assets	2,657	10,586.5	9,582.5	5,655.5	5,922.5
Total Earning Assets	13,435	53,538.9	49,866.5	40,705.2	37,851.4
Cash and Due From Banks	3,250	12,952.7	16,257.8	9,776.6	7,714.9
Other Assets	407	1,620.4	1,699.8	1,821.3	1,561.3
Total Assets	17,093	68,112.0	67,824.1	52,303.1	47,127.6
Liabilities					
Customer Deposits	10,759	42,873.1	43,290.6	34,080.1	30,165.2
Interbank and Other Short-Term Funding	2,531	10,085.2	9,227.7	4,048.2	3,551.2
Other Long-Term Funding	1,778	7,086.5	7,873.4	7,052.8	6,893.7
Trading Liabilities and Derivatives	104	413.1	0.0	0.0	0.0
Total Funding and Derivatives	15,172	60,457.9	60,391.7	45,181.1	40,610.1
Other Liabilities	214	851.3	1,249.0	1,093.0	1,210.7
Preference Shares and Hybrid Capital	N.A.	N.A.	N.A.	0.0	0.0
Total Equity	1,707	6,802.8	6,183.4	6,029.0	5,306.8
Total Liabilities and Equity	17,093	68,112.0	67,824.1	52,303.1	47,127.6
Exchange Rate		USD1 = PEN3.9849	USD1 = PEN3.62	USD1 = PEN3.312	USD1 = PEN3.373

N.A. – Not applicable.
Source: Fitch Ratings, Fitch Solutions, Interbank.

Summary Financials and Key Ratios

(As of Dec. 31)	2021	2020	2019	2018
Ratios (%, Annualized as Appropriate)				
Profitability				
Operating Profit/Risk-Weighted Assets	2.8	0.6	3.2	3.1
Net Interest Income/Average Earning Assets	5.2	6.2	7.4	7.2
Non-Interest Expense/Gross Revenue	45.5	39.5	38.4	40.3
Net Income/Average Equity	19.1	4.4	22.0	21.3
Asset Quality				
Impaired Loans Ratio	3.0	3.2	2.4	2.5
Growth in Gross Loans	3.5	15.0	11.1	17.6
Loan Loss Allowances/Impaired Loans	159.1	212.6	188.4	185.2
Loan Impairment Charges/Average Gross Loans	1.0	5.1	2.7	2.7
Capitalization				
Common Equity Tier 1 Ratio	12.5	11.5	N.A.	N.A.
Fully Loaded Common Equity Tier 1 Ratio	N.A.	N.A.	N.A.	N.A.
Fitch Core Capital Ratio	11.9	12.0	11.6	11.3
Tangible Common Equity/Tangible Assets	9.4	8.5	10.8	10.6
Basel Leverage Ratio	N.A.	N.A.	N.A.	N.A.
Net Impaired Loans/Common Equity Tier 1	N.A.	N.A.	N.A.	N.A.
Net Impaired Loans/Fitch Core Capital	(12.1)	(26.4)	(14.0)	(14.0)
Funding and Liquidity				
Gross Loans/Customer Deposits	101.0	96.7	106.9	108.6
Liquidity Coverage Ratio	N.A.	N.A.	N.A.	N.A.
Customer Deposits / Total Non-Equity Funding	71.4	71.7	75.4	74.3
Net Stable Funding Ratio	N.A.	N.A.	N.A.	N.A.

N.A. – Not applicable.
Source: Fitch Ratings, Fitch Solutions, Interbank.

Key Financial Metrics — Latest Developments

Stable Asset Quality

At YE 2021, the 90 days NPL ratio modestly improved to 3.0% (YE 2020: 3.2%), mainly due to significant chargeoffs and a sharp reduction of credit reliefs (11.3% at YE 2021 versus 17.0% at YE 2020), signaling that asset quality pressures are contained. Reprogramed loans declined to 14.5% of total loans at YE 2021 (YE 2020: 25.1%), mostly granted to the mortgage (37%) and consumer (35%) segments and, to a lesser extent, the commercial sector (28%). These credit facilities have shown a decreasing trend since late 2020, as they are gradually maturing and financing needs are declining.

The loan loss allowances coverage of impaired loans declined to 159.1% at YE 2021 (YE 2020: 212.6%), given that most deteriorated commercial loans are under the government guarantee relief program Reactiva Peru, with lower provisioning requirements. Excluding loans under the government guarantee relief program, the reserves coverage is up to 187.5%, similar to pre-pandemic levels. Fitch believes that asset quality will remain stable in 2022 due to the gradual easing of relief programs and lower unemployment compared with pre-pandemic levels, which should mitigate uncertainty from political volatility.

Net chargeoffs increased to 3.0% at YE21 (YE20: 2.1% at YE20), higher than the last four-year average of 2.3% but lower than expected due to the coronavirus risks. USD-denominated loans slightly increased to 23.4% of total loans at YE21 (YE20: 21%), as in 2020, the bank granted most loans in Peruvian Soles and under the Reactiva Peru program.

Improved Profitability

The operating profit to RWA ratio improved to 2.8% at YE 2021 from 0.6% at YE 2020, given the lower risk of credit related to the adjustments of expected loss estimations due to macroeconomic environment stabilization compared to the initial stages of the pandemic. Fitch expects profitability to decline in 2022 compared to 2021, when there was a significant reversion of provisions and non-recurrent income from trading, both outliers.

Interbank's net interest margin decreased to 5.2% at YE21 from 6.2% at YE20, reflecting lower interest rates on all segment loans and the change of the portfolio mix during the last two years, which has been more oriented to the commercial segment. The impact on the average rate on commercial loans was mainly due to the low-yield commercial loans of Reactiva Peru Program. Notably, the more profitable consumer portfolio is increasing participation to converge to pre-pandemic levels, which should benefit profitability in 2022.

Non-interest income as a proportion of gross revenues increased to 27.6% in YE21 (YE20: 23.7%), mainly due to higher commissions across most products and services and gains on trading triggered by price volatility. The lower expenses related to the streamlining of branches were not enough to offset the significant increase in expenses related to technology and digitalization, resulting in a deterioration of the efficiency ratio to 45.5% at YE21 from 39.5% at YE20.

The impairment charges declined to 21.8% of pre-impairment operating profit at YE21 (87.1% at YE20). The decrease in impairment charges reflected better than expected improvement in the loan portfolio and the favorable update of macroeconomic variables in the bank's expected losses models.

Adequate Capitalization

Interbank's FCC remained stable at 11.9% at YE 2021 compared to 12.0% at YE 2020. This ratio is somewhat better than pre-pandemic levels (YE 2019: 11.6%), and loan loss allowances for impaired loans are sound, which further supports the bank's loss absorption capacity. Fitch expects the FCC ratio to be sustained above 11.0%, driven by moderate expected growth and sound earnings generation.

Tier II-compliant subordinated bonds contributed to a regulatory capital ratio of 15.9% at YE21, well above the 8% minimum required by the Peruvian regulator. Tightening requirements for regulatory capital, including more restrictive treatment of subordinated debt, intangible assets and deferred tax assets in an approximation of Basel III standards, are attainable for Interbank. Interbank did not distribute any dividends in 2021 from the 2020 earnings. However, in 2022, the bank declared dividends for up to 50% of 2021 earnings (PEN600.2 million), higher than the 40% historical average.

Sound Liquidity

The bank's liquidity position is sound; however, it declined, reflecting tighter liquidity in the banking system. The loan-to-deposit ratio deteriorated to 101.0% at YE 2021 from 96.7% at YE 2020, as total deposits contracted by 1%. Historically, customer deposits have covered more than two-thirds of funding needs (71.4% at YE 2021). Interbank has made significant gains in attracting a stable retail deposit base, ranking third in retail deposits with a market share of 15.0% at YE 2021. Fitch expects liquidity to remain commensurate with the bank's current rating levels.

Government Support

Commercial Banks: Government Support	
Typical D-SIB GSR for sovereign's rating level (assuming high propensity)	BBB to BB+
Actual jurisdiction D-SIB GSR	BBB-
Government Support Rating	**bbb-**
Government ability to support D-SIBs	
Sovereign Rating	BBB/ Stable
Size of banking system	Neutral
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	Neutral
Liability structure	Neutral
Ownership	Neutral

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

Government Support Rating: The 'bbb-' GSR reflects high probability of support is forthcoming. The Peruvian government has a high propensity to provide support to Interbank given its moderate systemic importance. The sovereign's ability to provide support is reflected in its 'BBB' IDR/Stable Rating Outlook, which is underpinned by its sound financial position, ample international reserves and low debt levels.

Environmental, Social and Governance Considerations

FitchRatings

Banco Internacional del Peru S.A.A. - Interbank

Banks
Ratings Navigator

Credit-Relevant ESG Derivation

Banco Internacional del Peru S.A.A. - Interbank has 5 ESG potential rating drivers

- Banco Internacional del Peru S.A.A. - Interbank 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.

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

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