Fitch Ratings

Banks
Wholesale Commercial Banks
Netherlands

NIBC Bank N.V.

Key Rating Drivers

Good Fundamental Credit Quality: NIBC Bank N.V.'s (NIBC) ratings reflect its niche franchise and business model, and continued exposure to higher-risk, more cyclical sectors and asset classes, which, however, has been reduced over recent years. They also consider the bank's sound pre-impairment operating profitability and capitalisation, which provide comfortable headroom to withstand asset quality weakening.

Growing Retail Activities: NIBC has steadily expanded its franchise in residential mortgage lending to offset the cyclicality of its corporate exposures. NIBC has for a long time been a lender to Dutch mid-sized companies and entrepreneurs. Its corporate offering comprises lending, asset-and-receivable financing, advisory, and co-investment activities, with a focus on profitable niches. The strength of NIBC lies in its operational agility and tailored solutions, providing it with adequate pricing power in its niche markets.

Material Higher-Risk Exposure: NIBC's asset quality has been resilient to the pandemic and the bank has substantially reduced its exposure to cyclical sectors, essentially energy, shipping, and leveraged finance. These sectors still accounted for about 120% of NIBC Holding's common equity Tier 1 (CET1) capital at end-June 2021. Fitch Ratings expects a moderate increase in default rates in the next 12 to 24 months, bringing the impaired loans ratio closer to 2% (end-June 2021: 1.5%). NIBC's low-risk residential mortgage loans should remain resilient.

Above-Average Profitability: NIBC's focus on profitable niches, good cost discipline and moderate cost of credit risk has resulted in above-average profitability compared with western European banks. We expect loan impairment charges (LICs) to decline in 2021-2022 to about 30bp of average loans, close to their through-the-cycle level. Healthy business growth in higher-margin segments, such as leasing and mortgage loan origination to third parties, will compensate for the loss of revenue from winding down its higher-risk exposure.

High Capital Ratios: NIBC's risk-weighted capital and leverage ratios are commensurate with its risk profile and compare well with domestic and international peers'. The fully loaded CET1 ratio at holding company level, where the regulatory requirement is set, was about 18% including the planned mortgage loan acquisition.

Stable Funding: NIBC's funding and liquidity have remained stable despite reliance on price-sensitive online retail savings (about 50% of non-equity funding) and wholesale-funding sources. The bank's conservative liquidity management ensures that upcoming maturities are well-covered with high-quality liquid assets.

Rating Sensitivities

Strengthening of Business Model: An upgrade of NIBC's ratings would require a longer record of strong profitability while continuing the shift of its activities towards retail customers and more granular corporate exposures. This would strengthen the bank's company profile and signal a reduced risk appetite.

Asset Quality, Capital Deterioration: We would likely take a negative rating action on NIBC's Viability Rating (VR) and Issuer Default Rating (IDR) if the bank's impaired loans ratio rose above 3% for an extended period, which could arise from a deterioration in cyclical corporate exposures.

A sustained reduction in NIBC's CET1 ratio below the medium-term target of 14% without a significant reduction in exposure to more cyclical sectors would also be rating negative.

Ratings

Foreign Currency	
Long-Term IDR	BBB
Short-Term IDR	F3
Viability Rating	bbb
Support Rating	5
Support Rating Floor	No Floor
Sovereign Risk	
Long-Term Foreign-and Local-Currency IDRs	AAA
Country Ceiling	AAA

Outlooks

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

Applicable Criteria

Bank Rating Criteria (February 2020)

Related Research

Global Economic Outlook (September 2021)

Fitch Revises NIBC's Outlook to Stable; Affirms at 'BBB' (September 2021)

Western European Banks: Asset Quality Cliff-Edge Risk Avoided (June 2021)

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Debt Rating Classes

Rating Level	Rating
Senior non-preferred: Long-Term	BBB
Senior preferred: Long-Term	BBB+
Senior preferred: Short-Term	F2
Subordinated: Long-Term	BB-

Source: Fitch Ratings

NIBC's long-term senior preferred debt is rated 'BBB+', one notch above the Long-Term IDR. This reflects the protection that could accrue to senior preferred debt from the bank's junior resolution debt buffers. At end-June 2021, this buffer was 13% of NIBC's risk-weighted assets and we expect it to remain sustainably above 10% in the long term. This also drives the equalisation of NIBC's long-term senior non-preferred debt with the bank's Long-Term IDR.

NIBC's 'F2' short-term senior preferred debt rating is the lower of two possible short-term ratings mapping to a 'BBB+' long-term rating, reflecting our assessment at 'bbb' of the bank's funding and liquidity score.

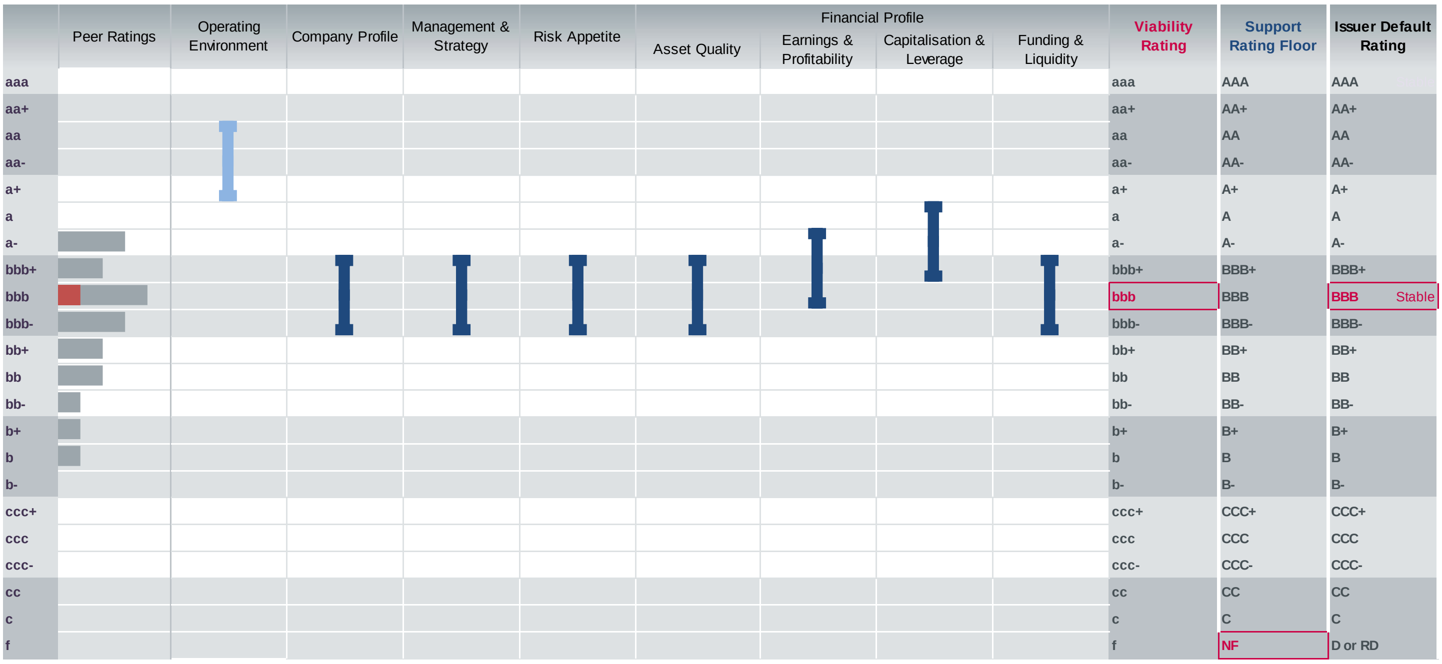
NIBC's legacy hybrid Tier 1 securities (ISIN codes XS0249580357 and US62914EAA29/ USN6304HVC88, dual ISIN) are rated four notches below the bank's VR, reflecting the poor recovery prospects of these securities (two notches) as well as a high risk of non-performance (two notches). Our assessment is based on the bank operating with a CET1 ratio comfortably above maximum distributable amount thresholds, which we expect to continue.

Ratings Navigator

NIBC Bank N.V.

ESG Relevance:

Banks
Ratings Navigator



Significant Changes and Latest Developments

Recovery in Dutch Operating Environment

NIBC is a Netherlands-based bank with most of its operations in its home country. Fitch revised the outlook on the Dutch banks' operating environment score to stable from negative in June 2021. This reflects the rapid recovery of the Dutch economy post-pandemic that should help limit the impact on banks' asset quality once government support measures are lifted and reduce pressure on revenue generation thanks to increased business volumes. While pressure on banks' profitability from low interest rates will persist, we no longer expect earnings to be severely affected by large pandemic-related LICs in the next 12-24 months.

Dutch GDP shrank by 3.7% in 2020, less than the 6.5% contraction in the eurozone and the 4.8% fall in Germany, the Netherlands' largest trading partner. Fitch forecasts economic growth of 2.3% in 2021 and 3.4% in 2022 driven by pent-up domestic demand and improving external conditions.

Change in Ownership

Funds affiliated with the Blackstone Group Inc., a US-based investment manager, took ownership of NIBC from J.C. Flowers & Co and other minority shareholders at end-2020. J.C. Flowers & Co had been the majority owner of NIBC since 2005, which it oversaw alongside other equity stakes in European banking entities. We do not expect material shifts in the bank's strategy under the new owners as NIBC's management team has remained in place and we believe the new shareholders support the bank's medium-term targets.

Bar Chart Legend

Vertical bars – VR range of Rating Factor

Bar Colors – Influence on final VR

- Higher influence
- Moderate influence
- Lower influence

Bar Arrows – Rating Factor Outlook

⇧ Positive ⇩ Negative
⇳ Evolving ▫ Stable

Company Summary and Key Qualitative Assessment Factors

Niche but Established Franchise

NIBC specialises in financing and co-investment activities with mid-sized companies in the Netherlands, Germany and the UK. The bank has an established franchise with entrepreneurs and financial sponsors, which is underpinned by strong sector expertise and nimble operations. NIBC typically offers businesses short and medium-term senior debt, mezzanine and equity financing but also receivable finance or arranges structured finance transactions. NIBC has proven expertise in sectors such as infrastructure, commercial real estate, shipping and offshore energy.

The bank has a small retail banking franchise compared to larger Dutch banks, but the business line is growing both organically and through acquisitions, and now has about the same revenue contribution as its corporate activities. NIBC focuses on niche products such as buy-to-let loans and has seen strong growth in its originate-to-manage offering, where it sells its residential mortgage loan production to institutional investors and receives a recurring fee for servicing the loans. The planned acquisition of performing and profitable EUR1.5 billion mortgage loans from Finqus is rating-neutral and will increase the share of mortgage loans to 65% of all loans.

The bank also offers online savings in the Netherlands, Germany and Belgium, but this is not a relationship product as the bank does not provide flow products such as current accounts or payment services.

Continued Growth in Targeted Sectors

NIBC seeks to grow its activities with continued focus on profitable niches, which according to the bank include northern European small-caps and mid-caps, investments in financial technology (fintech) firms, and sub-segments of mortgage lending (buy-to-let, origination for third parties). Over the past two years, NIBC has refocused its business and decreased its exposure to cyclical sectors such as leveraged finance, shipping and offshore energy. In our view NIBC's significant appetite for creating value by seizing new opportunities is adequately controlled.

NIBC's management board has a good degree of depth and experience. Members of the management board primarily come from large Dutch banks and have extensive experience in the financial industry. The managing board remained in place when the bank's ownership changed at end-2020 and the new owners are supportive of the bank's management and strategy.

Material Exposure to Cyclical Sectors

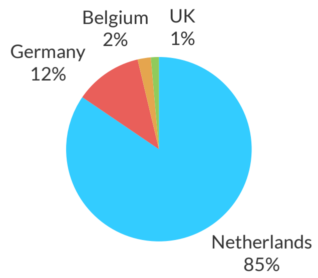
NIBC still has higher exposure to non-investment grade borrowers and cyclical industries than some of its peers due to its niche positioning. The bank's underwriting is generally in line with market standards, and residential mortgage lending, which accounts for a growing share of the bank's total loans (end-June 2021: 55%), follows Dutch mortgage regulations.

Commercial real estate lending remains a core product for NIBC and the bank mainly lends to smaller residential real estate developers and has appetite for sectors such as logistics and retail space to a lesser extent. Conversely, NIBC is winding down its energy exposure, which mainly consists of loans to drilling and offshore support companies that have been negatively affected by swings in oil prices. NIBC has also reduced its leveraged finance exposure compared to previous years and increasingly seeks to underwrite loans for third-party investors as a means to limit its direct exposure to the sector. In this segment, NIBC is typically present on smaller, unrated transactions in the Netherlands, Germany and the UK.

Moderate Market Risk Exposure

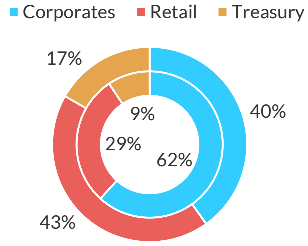
We believe NIBC's market risk exposure to be moderate with fairly limited exposure to structural interest rate risk and no proprietary trading activities. It is however exposed to credit spread risk from the retained tranches of its collateralised debt obligations (CLOs), an activity that it operates out of its London office, and to falls in equity valuations from its investments in mostly non-listed SMEs and fintechs. We estimate the security types represented 2% and 13% of NIBC Holding's CET1 capital at end-June 2021, respectively. NIBC has been able to generate healthy returns on its equity investments in the past.

Operating Income
By Country; 2020



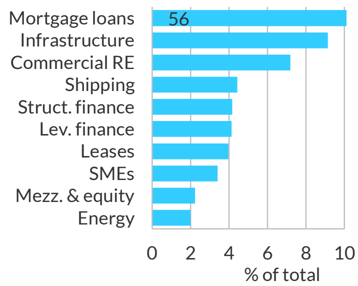
Source: Fitch Ratings, NIBC

Operating Income
By business line



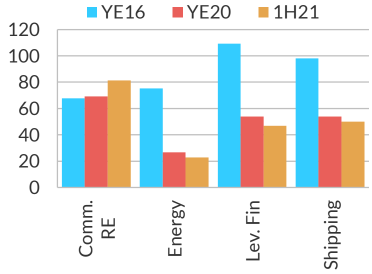
Outer:2020; Inner:2016
Source: Fitch Ratings, NIBC

Exposures
By sector; End-June 2021



Source: Fitch Ratings, NIBC

Cyclical Sector Exposures[a]
(% of CET1 capital)



[a] Drawn and undrawn amounts
Source: Fitch Ratings, NIBC

Summary Financials and Key Ratios

	30 Jun 21		31 Dec 20	31 Dec 19	31 Dec 18
	6 months - interim	6 months - interim	Year end	Year end	Year end
	(USDm)	(EURm)	(EURm)	(EURm)	(EURm)
	Reviewed - unqualified	Reviewed - unqualified	Audited - unqualified	Audited - unqualified	Audited - unqualified
Summary income statement					
Net interest and dividend income	209	176	386	417	432
Net fees and commissions	25	21	43	40	51
Other operating income	43	36	-23	67	16
Total operating income	277	233	406	524	499
Operating costs	127	107	211	229	224
Pre-impairment operating profit	150	126	195	295	275
Loan and other impairment charges	14	12	133	49	54
Operating profit	135	114	62	246	221
Other non-operating items (net)	0	0	0	0	51
Tax	24	20	1	44	31
Net income	112	94	61	202	241
Other comprehensive income	-36	-30	-2	-2	29
Fitch comprehensive income	76	64	59	200	270
Summary balance sheet					
Assets					
Gross loans	19,978	16,811	16,883	18,012	17,539
- Of which impaired	295	248	211	368	437
Loan loss allowances	215	181	183	165	170
Net loans	19,763	16,630	16,700	17,847	17,369
Interbank	654	550	645	497	568
Derivatives	490	412	494	482	579
Other securities and earning assets	1,414	1,190	1,225	1,543	1,064
Total earning assets	22,321	18,782	19,064	20,369	19,580
Cash and due from banks	2,956	2,487	1,909	1,965	2,056
Other assets	71	60	82	73	80
Total assets	25,347	21,329	21,055	22,407	21,716
Liabilities					
Customer deposits	13,580	11,427	11,137	11,397	11,267
Interbank and other short-term funding	598	503	1,000	1,403	2,778
Other long-term funding	8,452	7,112	6,678	7,147	5,177
Trading liabilities and derivatives	137	115	100	225	210
Total funding	22,766	19,157	18,915	20,172	19,432
Other liabilities	109	92	85	113	120
Preference shares and hybrid capital	320	269	252	257	253
Total equity	2,152	1,811	1,803	1,865	1,911
Total liabilities and equity	25,347	21,329	21,055	22,407	21,716
Exchange rate		USD1 = EUR0.841468	USD1 = EUR0.821963	USD1 = EUR0.89015	USD1 = EUR0.873057

Source: Fitch Ratings, Fitch Solutions, NIBC

Summary Financials and Key Ratios

	30 Jun 21	31 Dec 20	31 Dec 19	31 Dec 18
Ratios (annualised as appropriate)				
Profitability				
Operating profit/risk-weighted assets	3.0	0.8	2.9	2.9
Net interest income/average earning assets	1.9	2.0	2.1	2.2
Non-interest expense/gross revenue	46.1	52.0	44.1	44.9
Net income/average equity	10.5	3.3	10.4	12.5
Asset quality				
Impaired loans ratio	1.5	1.3	2.0	2.5
Growth in gross loans	-0.4	-6.3	2.7	0.8
Loan loss allowances/impaired loans	73.0	86.7	44.8	38.9
Loan impairment charges/average gross loans	0.1	0.8	0.3	0.3
Capitalisation				
Common equity Tier 1 ratio	21.2	21.3	18.7	20.6
Fully loaded common equity Tier 1 ratio	21.2	21.3	18.7	20.6
Tangible common equity/tangible assets	8.5	8.6	8.3	8.8
Basel leverage ratio	9.3	9.2	7.8	7.9
Net impaired loans/common equity Tier 1	4.1	1.7	12.7	16.8
Funding and liquidity				
Loans/customer deposits	147.1	151.6	158.0	155.7
Liquidity coverage ratio	n.a.	216.0	222.0	241.0
Customer deposits/funding	59.2	58.4	56.4	57.9
Net stable funding ratio	n.a.	129.0	121.0	123.0

Source: Fitch Ratings, Fitch Solutions, NIBC

Key Financial Metrics – Latest Developments

Cyclical Sector Exposure Drags on Asset Quality

Since 2016, NIBC has substantially reduced its exposure to cyclical sectors, essentially energy and leveraged finance, but these remain still material. They accounted for the majority of its non-performing loans and continue to be vulnerable to deterioration in the current environment. We expect asset quality in mortgage lending to hold up well due to conservative underwriting standards, and only moderate unemployment growth.

NIBC's end-June 2021 asset quality metrics compare well with peers and remained resilient to the pandemic, which should be seen in light of Dutch government support for SMEs. The ratios of the bank's stage 3 and stage 2 loans to gross loans were 1.5% and 4.4%, respectively, at end-June 2021. The bank's LICs spiked to about 80bp of average gross loans in 2020 and we expect they will decrease to about 30bp in 2021-2022. In 1H21 NIBC kept its pandemic-related management overlay, essentially a discretionary add-on to loan loss allowances, which could cushion potential credit losses equal to 8bp of average gross loans.

NIBC continues to closely monitor its lower-rated corporate exposures for impairment triggers and has granted support measures on a case-by-case basis to see clients through the crisis. Performing forborne exposures were about EUR320 million at end-June 2021 or about 2% of gross loans (included in Stage 2 loans; end-2019: 270 million) and mainly concern corporate customers as take-up of support measures by retail borrowers has been negligible.

Recovery in Operating Profitability

NIBC compares favourably with most of its peers on net interest margin, cost/income and return on assets given its strategic focus on high-margin business. However, this also translates into a higher risk to earnings stability, particularly due to significant exposure to cyclical industries. NIBC's revenue is mainly sourced from the lending activity and is also supported by gains on its equity participations. NIBC's income lacks stable relationship-based fee income in the retail segment, due to a limited loan and savings product offer.

The bank's net interest income has been resilient despite its retreat from riskier but high-margin lending to sectors such as offshore energy or leveraged finance. We expect fee income to grow as a proportion of revenues (1H21: 10%) as NIBC expands its loan origination activities to third-party investors (EUR8.7 billion outstanding at end-June 2021, end-2018: EUR2.4 billion). The bank's earnings will also benefit from lower recurring LICs as the economic recovery takes hold and we believe it will be able to approach its medium-term profitability targets.

High Capital Ratios Maintained

Capitalisation is a relative rating strength for NIBC both at bank and holding level (regulatory requirements are set at the latter). NIBC's buffer above its capital requirement, coupled with its good pre-impairment profitability, is sufficient to absorb potential asset quality shocks from the more cyclical segments of its corporate loan portfolio.

We expect the bank's CET1 ratio in the medium term to remain comfortably above the bank's target of 14%. This is comfortably above its minimum requirement of 8.9% and is sufficient to cushion the upcoming implementation of Basel IV, local risk-weight floors for mortgage loans from 2022 and potential further acquisitions. Based on the bank's estimates, Basel IV implementation would lead to a reduction in its capital ratios by a maximum of 330bp, although the impact will be phased in only very gradually over 2023-2028.

Reliance on Price-Sensitive Online Savings

NIBC's largest source of funds are retail savings collected online in the Netherlands, Germany and Belgium (about 50% of non-equity funding). Although sensitive to pricing, these savings have been stable over several years and the bank has not experienced increased withdrawals since the pandemic started. The bank has lowered offered rates on its deposits, although it has not yet implemented negative rates like some of its Dutch competitors.

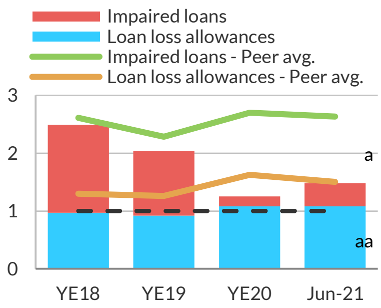
NIBC's is a recurring, although not large, issuer on euro debt capital markets and mainly in the form of unsecured senior bonds and covered bonds. Maturities are well-laddered and NIBC's liquid assets of about EUR3 billion (excluding retained securitisations) comfortably covered upcoming maturities over the following 12 months at end-June 2021.

Note on Charts

Black dashed lines in the charts represent indicative quantitative ranges and corresponding implied scores for Fitch's core financial metrics for banks operating in the environments that Fitch scores in the 'aa' category.

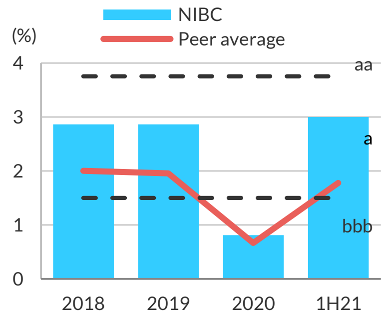
Peer average includes NIBC Bank N.V. (VR: 'bbb'), Sparebank 1 SR-Bank ASA (a-), Aareal Bank AG (bbb+), Investec Bank plc (bbb+), Landesbank Baden-Wuerttemberg (bbb), Credit du Nord S.A. (bbb+) and Close Brothers Group PLC (a-). Investec Bank plc (Full Year - Broken fiscal year) and Close Brothers Group PLC (Full Year - Broken fiscal year) were included in the latest average calculation. Credit du Nord S.A. was excluded from the latest average calculation due to data unavailability.

Asset Quality
(% gross loans)



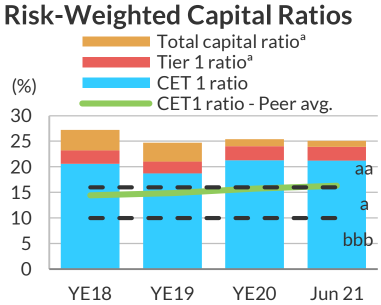
Source: Fitch Ratings, banks

Operating Profit/RWAs



Source: Fitch Ratings, banks

Risk-Weighted Capital Ratios



[a] Tier 1 ratio and Total capital ratio are presented in percentage points above CET 1
Source: Fitch Ratings, banks

Sovereign Support Assessment

Support Rating Floor			Value
Typical D-SIB SRF for sovereign's rating level (assuming high propensity)			A+ to A-
Actual country D-SIB SRF			NF
Support Rating Floor:			**NF**
Support Factors	**Positive**	**Neutral**	**Negative**
Sovereign ability to support system			
Size of banking system relative to economy			✓
Size of potential problem	✓		
Structure of banking system			✓
Liability structure of banking system		✓	
Sovereign financial flexibility (for rating level)		✓	
Sovereign propensity to support system			
Resolution legislation with senior debt bail-in			✓
Track record of banking sector support		✓	
Government statements of support			✓
Sovereign propensity to support bank			
Systemic importance			✓
Liability structure of bank		✓	
Ownership		✓	
Specifics of bank failure		✓	
Policy banks			
Policy role			
Funding guarantees and legal status			
Government ownership			

The Support Rating of '5' and Support Rating Floor of 'No Floor' reflect Fitch's view that senior creditors cannot rely on receiving full extraordinary support from the sovereign, if NIBC becomes non-viable. This reflects the bank's lack of systemic importance in the Netherlands, as well as the implementation of the EU's Bank Recovery and Resolution Directive and the Single Resolution Mechanism. These measures provide a framework for resolving banks that is likely to require senior creditors to absorb losses, if necessary, instead or ahead of, a bank receiving sovereign support.

Environmental, Social and Governance Considerations

FitchRatings **NIBC Bank N.V.**

Banks
Ratings Navigator

Credit-Relevant ESG Derivation

NIBC Bank N.V. has 5 ESG potential rating drivers

- NIBC Bank N.V. 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	Company Profile; Management & Strategy; Risk Appetite; Asset Quality	1

Social (S)

General Issues	S Score	Sector-Specific Issues	Reference	S Scale
Human Rights, Community Relations, Access & Affordability	2	Services for underbanked and underserved communities: SME and community development programs; financial literacy programs	Company Profile; Management & Strategy; Risk Appetite	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; Company Profile; Management & Strategy; Risk Appetite	4
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Company Profile; Management & Strategy	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	Company Profile; Financial Profile	1

Governance (G)

General Issues	G Score	Sector-Specific Issues	Reference	G Scale
Management Strategy	3	Operational implementation of strategy	Management & Strategy	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	Management & Strategy; Earnings & Profitability; Capitalisation & Leverage	4
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Company Profile	3
Financial Transparency	3	Quality and frequency of financial reporting and auditing processes	Management & Strategy	2
				1

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

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

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

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

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

CREDIT-RELEVANT ESG SCALE

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

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 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.