

Banco de Comercio Exterior de Colombia S.A.

Key Rating Drivers

Government Support Drives Ratings: Banco de Comercio Exterior de Colombia S.A.'s (Bancoldex) Issuer Default Ratings (IDRs) are driven by its Government Support Rating (GSR), which is equalized with Colombia's Long-Term IDR (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. Fitch also believes Bancoldex plays a prominent policy role, as it is an integral arm of the state in implementing economic development policies.

State Ownership: Fitch's support assessment considers with high importance that Bancoldex is a policy bank fully owned by the state through Grupo Bicentenario, a government holding of the Ministry of Finance. Although the Colombian government does not explicitly fully guarantee all of Bancoldex's liabilities, the entity has many operational and financial synergies with the public administration, which Fitch views as a highly important factor.

Policy Bank Role: Bancoldex's ratings reflect its high strategic importance within Colombia for promoting small and medium-sized enterprises (SMEs), as well as large commercial and corporate entities, 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 to promote economic growth.

Development Role Explains Financial Performance: Bancoldex's financial profile has no direct implications for its ratings. Its asset quality is aligned with its development bank model. Past due loans (PDLs) greater than 90 days increased to 3.6% as of June 2024 because of deterioration in the SME direct loan portfolio. Meanwhile, the asset quality of the second-floor operations remained relatively stable amid prepayments from financial institutions.

Stable Financial Performance: The operating profit to risk-weighted assets (RWAs) ratio stood at 2.8% as of June 2024, close to the pre-pandemic level (2018-2019). This ratio was influenced by a still higher interest rate environment, alternative funding lines, cost control and lower impairment charges.

Comfortable Capital Position: Bancoldex's capital benefits from stable profit generation, high reserve levels and low asset impairment, factors that help to offset modest levels of internal capital generation and a high payout ratio. As of June 2024, its common equity Tier 1 ratio (CET1) was 25.8%.

Diversified 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+
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National Rating

National Long-Term Rating	AAA(col)
National Short-Term Rating	F1+(col)

Sovereign Risk (Colombia)

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 \(March 2024\)](#)

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

Related Research

[Colombia \(August 2024\)](#)

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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.
- Although not a baseline scenario, Bancoldex's ratings could change if Fitch perceives a decrease in the company's strategic importance to the government's public policies, such as a shift in its countercyclical role or supporting commercial companies either directly or through wholesale loans.

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 on Colombia's sovereign ratings, absent any change in Fitch's view of the government's propensity to provide support to this bank.
- National ratings have no upside potential because they are at the highest level in the national rating scale.

Significant Changes from Last Review

Policy Bank Role

Aligned with the National Development Plan for 2022-2026, Bancoldex will grant resources to promote the popular economy program. Specifically, the bank will offer credits with rediscount lines to the microfinance segment and SMEs, as well as boost its countercyclical role.

Credit Growth Expected to Recover Slightly

Fitch expects the Colombian banking sector's growth to be moderate in 2024, amid a change in monetary policy and limited economic growth. However, the agency believes that sustainable capitalization, resilient profitability and adequate reserves provide banks with sufficient resilience to weather further stress.

The Colombian government has negotiated an agreement with national private banks to allocate COP55 trillion in credit over an 18-month term to targeted economic sectors. This strategic initiative aims to foster growth and stability in key areas of the economy without imposing mandatory investment requirements on the banks.

Ratings Navigator

Banco de Comercio Exterior de Colombia S.A.							ESG Relevance:	Banks Ratings Navigator		
Operating Environment	Business Profile	Risk Profile	Financial Profile				Implied Viability Rating	Viability Rating	Government Support	Issuer Default Rating
			Asset Quality	Earnings & Profitability	Capitalisation & Leverage	Funding & Liquidity				
	20%	10%	20%	15%	25%	10%	aaa	aaa	aaa	AAA
aaa							aaa	aaa	aaa	AAA
aa+							aa+	aa+	aa+	AA+
aa							aa	aa	aa	AA
aa-							aa-	aa-	aa-	AA-
a+							a+	a+	a+	A+
a							a	a	a	A
a-							a-	a-	a-	A-
bbb+							bbb+	bbb+	bbb+	BBB+
bbb							bbb	bbb	bbb	BBB
bbb-							bbb-	bbb-	bbb-	BBB-
bb+							bb+	bb+	bb+	BB+ Sta
bb							bb	bb	bb	BB
bb-							bb-	bb-	bb-	BB-
b+							b+	b+	b+	B+
b							b	b	b	B
b-							b-	b-	b-	B-
ccc+							ccc+	ccc+	ccc+	CCC+
ccc							ccc	ccc	ccc	CCC
ccc-							ccc-	ccc-	ccc-	CCC-
cc							cc	cc	cc	CC
c							c	c	c	C
f							f	f	ns	D or RD

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 upwards or downwards 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.

Company Summary and Key Qualitative Factors

Business Profile

Bancoldex is a policy bank fully owned by the state through Grupo Bicentenario, a government holding of the Ministry of Finance. As a business development bank, the company provides financing to SMEs, as well as large commercial and corporates companies 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 then redirect these resources to strategic economic sectors.

Bancoldex's business supports early- to intermediate-stage companies in all sectors, including an expansion into direct corporate lending. The entity is committed to supporting sustainability, fostering Colombia's interests abroad and acting as a policy bank. Fitch expects Bancoldex to continue working as a government arm to support productive sectors, aligned with the National Development Plan, and to boost sustainable goals.

Additionally, Bancoldex is expected to continue its countercyclical role in stimulating productive sectors and the economy overall, exemplified by the recent agreement between the government and private banks to root resources to specific sectors to boost the economy. Aligned with the National Development Plan for 2022-2026, Bancoldex will grant resources to promote the "Popular Economy," specifically credits with rediscount lines to the microfinance segment and SMEs, as well as more inclusive productive developments.

Bancoldex's corporate governance is strong and has improved over the past year as part of the process to implement development bank policies and prepare for its integration within the government financial holding. The board of directors was adjusted according with Decree 1962 of 2023. The board comprises seven members appointed by the shareholders assembly, including three women, two independent members and one employee representative. This new structure was defined by Grupo Bicentenario for all its companies, aiming to strengthen their corporate governance.

Strategic Objectives

The bank long-term strategy is supported in 4 initiatives, including new goals for direct and rediscount loans, better financial conditions for SMEs, sustainable development practices, as well as supporting the Colombian economy internationalization and acting as an instrument of the government's policy. The ultimate goal is to be a strategic ally of banks and financial intermediaries in general, rather than only being another source of funding. The bank has also issued bonds to support new businesses, social projects and environmental projects (with green, orange and social bonds).

Bancoldex has defined an in-depth matrix to track execution against quarterly goals by business line, as well as key performance indicators by department. In 2023, the bank defined five lines of action to fulfil its objectives, with specific weights and follow up indicators. The goals for 2023 were exceeded in four of its five pillars and reached 89% in enterprise development. As of June 2024, the bank has fulfilled 82% of its objectives.

In August 2024, the private banks and the government reach an agreement to allocate COP55 trillion in credit to targeted economic sectors over a period of 18 months. This strategic initiative aims to promote growth and stability in key sectors of the economy without imposing mandatory investment requirements on the banks, with Bancoldex playing a countercyclical role through rediscount lines.

Risk Profile

Bancoldex exhibits a moderate risk appetite in line with its mission and business model. Since 2022, the bank has adjusted its risk appetite to incorporate advances in economic recovery and greater 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 yoy fluctuations due to economic variation and the availability of subsidized interest rates. This is exacerbated by long pipeline development processes, large ticket sizes and relatively high levels of liquidity in the banking system. In addition, macroeconomic fundamentals, Basel III liquidity requirements within the Colombian financial market, foreign-exchange volatility and persistently high interest rates underpinned asset growth during 2023 and 1H24.

Financial Profile

Asset Quality

Asset Quality Aligned with Policy Role

Bancoldex's asset quality aligns with its development bank model. PDLs greater than 90 days increased to 3.6% as of June 2024 because of deterioration in the SME direct loan portfolio. Meanwhile, the asset quality of the second-floor operations remained relatively stable amid prepayments from financial institutions.

Bancoldex's loan portfolio (58% of total assets as of June 2024) 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 and economic sector. Financial institution borrowers are located primarily in Colombia, with ultimate beneficiaries operating throughout the country in a diverse range of economic sectors.

The bank's direct loan share in the gross loan portfolio has increased due to its business development mandate. Its borrower concentration is lower, but the focus on SME brings a higher risk profile. The bank has strengthened its collection process, including charge-offs (1.6% of average gross loans) and a cautious growth.

The top 20 borrowers remained in good standing with the best internal risk designation. These include the largest banks in the country. Reserves continued above 100% amid prepayments of higher banks and the new exposure to direct credit lines. Reserve models follow the bank's internal expected loss model, which was approved by the local regulator for rediscount lines and reference models for corporates and SMEs, as defined by the Finance Superintendence.

Earnings and Profitability

Stable Financial Performance

Bancoldex's countercyclical role underpinned loan growth and profitability. The operating profit to RWAs ratio stood at 2.8% as of June 2024, close to the pre-pandemic level (2018-2019), influenced by a persistently higher interest rate environment, alternative funding lines, cost control and lower impairment charges. In Fitch's view, lower credit costs and operational expenses that offset narrow interest margins, in accordance with the bank's social role, support Bancoldex's stable financial performance.

Higher funding costs are a consequence of the trend of high interest rates since 4Q21 and have increased alternative funding, such as credit lines with multilaterals against term deposits. Bancoldex's funding mix allowed net interest margins to remain relatively stable during 1H24 and supported operations with small financial entities that face difficulties securing resources.

Non-interest revenues also returned to previous levels, with 41% of gross revenues as of June 2024. These levels mainly resulted from treasury operations due to changes in the liquidity, portfolio valuation and structural portfolio strategy. Efficiency levels remained stable, with non-interest expenses/gross revenues of 56% as of June 2024, and incorporated strict cost control policies. Loan impairment charges, mainly related to asset deterioration of credit lines to SMEs, were offset by wholesale loans prepayments.

Capitalisation and Leverage

Comfortable Capital Position

Bancoldex's capital position continues to compare favorably to that of 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. These factors help to offset modest levels of internal capital generation and a high pay-out ratio. As of June 2024, its CET1 ratio was 25.8%, boosted by the 40% capitalization of 2023 net income and lower business growth.

Funding and Liquidity

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.

In Fitch's opinion, Bancoldex's funding structure is well diversified by funding source, maturity and interest rate. As a result of its wholesale business model, the entity balances its funding structure among credit lines with banks and

multilaterals, senior unsecured debt and term deposits. To support its strategy, Bancoldex continues to issue specific-purpose bonds depending on market conditions, preferring those denominated in Colombian pesos over U.S. dollars.

Direct financings are sourced from a large network of banks and multilaterals (58% of total funding at June 2024). Most of them are long term. Of these, the main lender is JP Morgan (with a guarantee of MIGA), followed by Interamerican Development Bank (IDB) and Corporacion Andina de Fomento. Only the IDB credit line is fully guaranteed by the Colombian government.

Funding concentration remains elevated both in terms of CDTs and borrowings. The top 20 term deposits funders represented 79% of total CDTs as of June 2024. In terms of liquidity, the bank maintains adequate coverage of liabilities by maturity in both local currency and U.S. dollar, benefiting from its liquid investment portfolio. The liquidity of its balance sheet mitigates minor short-term maturity mismatches in Colombian pesos and U.S. dollars. The bank also counts on undrawn U.S. dollar lines of credit from foreign banks and multilateral institutions.

Financials

Financial Statements

	June 30, 2024		December 31, 2023	December 31, 2022	December 31, 2021
	1st half (USD Mil.) Not disclosed	1st half (COP Mil.) Not disclosed	12 months (COP Mil.) Not disclosed	12 months (COP Mil.) Not disclosed	12 months (COP Mil.) Not disclosed
Summary income statement					
Net interest and dividend income	21	86,030	187,984	216,455	191,311
Net fees and commissions	0	-715	-2,633	669	-12,371
Other operating income	15	60,368	125,537	86,214	30,989
Total operating income	35	145,682	310,888	303,338	209,929
Operating costs	20	82,670	180,993	150,138	129,467
Pre-impairment operating profit	15	63,013	129,895	153,200	80,462
Loan and other impairment charges	-1	-5,298	50,117	50,358	11,245
Operating profit	16	68,310	79,778	102,842	69,217
Other non-operating items (net)	0	107	1,210	-916	1,924
Tax	7	30,440	32,293	30,796	15,822
Net income	9	37,978	48,695	71,130	55,318
Other comprehensive income	-	-	86,356	108,181	-206,891
Fitch comprehensive income	9	37,978	135,050	179,312	-151,572
Summary balance sheet					
Assets					
Gross loans	1,455	6,035,339	7,778,143	8,512,938	7,149,680
- Of which impaired	53	218,011	263,954	225,301	180,570
Loan loss allowances	54	225,578	272,535	235,696	192,024
Net loans	1,401	5,809,760	7,505,608	8,277,242	6,957,656
Interbank	73	301,866	60,100	143,416	268,927
Derivatives	22	92,981	85,698	72,462	150,778
Other securities and earning assets	747	3,097,575	3,494,333	3,495,988	2,275,995
Total earning assets	2,243	9,302,183	11,145,739	11,989,108	9,653,356
Cash and due from banks	70	291,661	143,538	161,659	142,135
Other assets	112	462,986	345,350	539,364	346,433
Total assets	2,424	10,056,830	11,634,628	12,690,131	10,141,924
Liabilities					
Customer deposits	524	2,175,190	3,114,411	3,159,078	3,380,461
Interbank and other short-term funding	1,176	4,879,400	5,268,001	6,469,587	4,053,663
Other long-term funding	219	910,351	1,282,019	1,110,345	1,043,769
Trading liabilities and derivatives	19	79,546	80,019	85,494	54,103
Total funding and derivatives	1,939	8,044,487	9,744,451	10,824,504	8,531,996
Other liabilities	97	403,740	304,894	453,145	307,208
Preference shares and hybrid capital	-	-	-	-	-
Total equity	388	1,608,603	1,585,282	1,412,481	1,302,721
Total liabilities and equity	2,424	10,056,830	11,634,628	12,690,131	10,141,924
Exchange rate		USD1 = COP4148.04	USD1 = COP3822.05	USD1 = COP4810.2	USD1 = COP3997.71

Source: Fitch Ratings, Fitch Solutions

Key Ratios

	June 30, 2024	December 31, 2023	December 31, 2022	December 31, 2021
Ratios (%; annualized as appropriate)				
Profitability				
Operating profit/risk-weighted assets	2.8	1.6	1.8	1.1
Net interest income/average earning assets	1.7	1.7	2.1	2.1
Non-interest expense/gross revenue	56.8	58.2	49.5	61.7
Net income/average equity	4.8	3.2	5.2	3.9
Asset Quality				
Impaired loans ratio	3.6	3.4	2.7	2.5
Growth in gross loans	-22.4	-8.6	19.1	-5.7
Loan loss allowances/impaired loans	103.5	103.3	104.6	106.3
Loan impairment charges/average gross loans	-0.2	0.5	0.6	0.2
Capitalization				
Common equity Tier 1 ratio	25.8	25.8	20.0	16.1
Fully loaded common equity Tier 1 ratio	-	-	-	-
Fitch Core Capital ratio	-	-	-	20.7
Tangible common equity/tangible assets	16.0	13.6	11.1	12.8
Basel leverage ratio	12.3	10.8	8.7	-
Net impaired loans/common equity Tier 1	-0.6	-0.7	-0.9	-1.1
Net impaired loans/Fitch Core Capital	-	-	-	-0.9
Funding and Liquidity				
Gross loans/customer deposits	277.5	249.8	269.5	211.5
Gross loans/customer deposits + covered bonds	-	-	-	-
Liquidity coverage ratio	-	-	-	-
Customer deposits/total non-equity funding	27.3	32.2	29.4	39.9
Net stable funding ratio	-	-	-	-
Source: Fitch Ratings, Fitch Solutions				

Support Assessment

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 KRD in the assessment.

■ Higher influence ■ Moderate influence ■ Lower influence

Government Support

Bancoldex's IDRs are driven by its GSR, which is equalized with Colombia's Long-Term IDR (BB+/Stable). The ratings reflect Fitch's assessment of the Colombian government's high propensity and ability to provide timely support to Bancoldex, if needed. Fitch also believes Bancoldex plays a prominent policy role, as it is an integral arm of the state in implementing economic development policies.

Fitch does not assign a Viability Rating to Bancoldex because its operations are largely determined by its policy role, which supports our assessment of the likelihood of government support. The entity also has many operational and financial synergies with the public administration.

Environmental, Social and Governance Considerations

FitchRatings Banco de Comercio Exterior de Colombia S.A.

Banks
Ratings Navigator

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.	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) Relevance Scores

General Issues	E Score	Sector-Specific Issues	Reference	E Relevance
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 relevance scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the ESG general issues and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit-relevance of the sector-specific issues to the issuer's overall credit rating. The Criteria Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The vertical color bars are visualizations of the frequency of occurrence of the highest constituent relevance scores. They do not represent an aggregate of the relevance scores or aggregate ESG credit relevance.

The Credit-Relevant ESG Derivation table's far right column is a visualization of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The three columns to the left of ESG Relevance to Credit Rating summarize rating relevance and impact to credit from ESG issues. The box on the far left identifies any ESG Relevance Sub-factor issues that are drivers or potential drivers of the issuer's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the relevance score. All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact. Scores of 3, 4 or 5) and provides a brief explanation for the score.

Social (S) Relevance Scores

General Issues	S Score	Sector-Specific Issues	Reference	S Relevance
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), the Sustainability Accounting Standards Board (SASB), and the World Bank.

Governance (G) Relevance Scores

General Issues	G Score	Sector-Specific Issues	Reference	G Relevance	CREDIT-RELEVANT ESG SCALE
Management Strategy	3	Operational implementation of strategy	Business Profile (incl. Management & governance)	5	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.
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	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.
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Business Profile (incl. Management & governance)	3	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.
Financial Transparency	3	Quality and frequency of financial reporting and auditing processes	Business Profile (incl. Management & governance)	2	2 Irrelevant to the entity rating but relevant to the sector.
				1	1 Irrelevant to the entity rating and irrelevant to the sector.

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' 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. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit <https://www.fitchratings.com/topics/esg/products#esg-relevance-scores>.

SOLICITATION & PARTICIPATION STATUS

For information on the solicitation status of the ratings included within this report, please refer to the solicitation status shown in the relevant entity's summary page of the Fitch Ratings website.

For information on the participation status in the rating process of an issuer listed in this report, please refer to the most recent rating action commentary for the relevant issuer, available on the Fitch Ratings website.

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