FitchRatings

Banks
Universal Commercial Banks
Australia

Macquarie Group Limited

Ratings

Foreign Currency	
Long-Term IDR	A-
Short-Term IDR	F2
Viability Rating	a-
Support Rating	5
Support Rating Floor	NF

Sovereign Risk	
Long-Term Foreign-Currency IDR	AAA
Long-Term Local-Currency IDR	AAA
Country Ceiling	AAA

Outlooks

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

Applicable Criteria

Bank Rating Criteria (February 2020)

Related Research

Macquarie Bank Limited (June 2021)

Improved Environment Supports Stable Outlook for Large Australian Banks (April 2021)

Global Economic Outlook - March 2021 (March 2021)

Analysts

Jack Do
+61 2 8256 0355
jack.do@fitchratings.com

Tim Roche
+61 2 8256 0310
tim.roche@fitchratings.com

Key Rating Drivers

Robust Risk Management: Macquarie Group Limited's (MGL) Issuer Default Ratings (IDRs) and Viability Rating (VR) are aligned with the consolidated risk profile of the group, which in turn reflects robust risk management, strong liquidity management and solid capitalisation. These factors offset a level of complexity in the business model and a higher risk appetite than most retail-oriented Australian banks.

Lower than Bank Subsidiary: MGL's ratings are a notch lower than that of its bank subsidiary, Macquarie Bank Limited (MBL, A/Stable/a), to reflect Australia's regulatory focus on depositor protection, which results in regulatory restrictions on dividends and liquidity transfers from MBL. MGL has sizeable non-banking operations that are subject to lower regulatory scrutiny and generally have weaker asset quality than MBL. However, returns from this business are higher and some revenue sources, such as base fee income, are relatively stable.

Rating Outlook Revised to Stable: Fitch's rating action reflects the reduced downside risk to the consolidated group VR. This is driven by the operating environment being stronger than Fitch had anticipated in May 2020 when the Outlooks were revised to Negative. The factor outlooks for operating environment, asset quality and earnings have also been revised to stable.

Centralised Risk Oversight: MGL's centralised risk management framework and oversight through a dedicated group has supported a strong risk-management culture and financial outcomes over a sustained period throughout the operating businesses. This helps to offset the group's larger risk appetite than most other Australian banking groups.

Asset Quality Outperformed Expectations: Similarly to MBL, MGL's loan and asset quality performance exceeded Fitch's expectations when the factor score was revised to negative. Asset quality has been assisted by a rebound in MGL's operating environment and strong system support from authorities. Fitch still expects MGL's asset quality to be weaker relative to MBL through a cycle as a result of a higher proportion of non-residential mortgage lending.

Business Diversity Supported Earnings: MGL's earnings remained resilient through the pandemic with the group reporting a record result for the financial year ended March 2021 (FYE21). This was assisted by a strong uplift in earnings from market facing businesses and increased markets activity.

Solid Capital Buffers: MGL reported capital buffers of AUD8.8 billion above the regulatory minimum, which Fitch believes leaves it well placed to withstand a severe downturn at the current rating level. MGL's double leverage was 107% at end-March 2020, at the group's limit. This is an important consideration when equalising MGL's ratings with the consolidated group assessment.

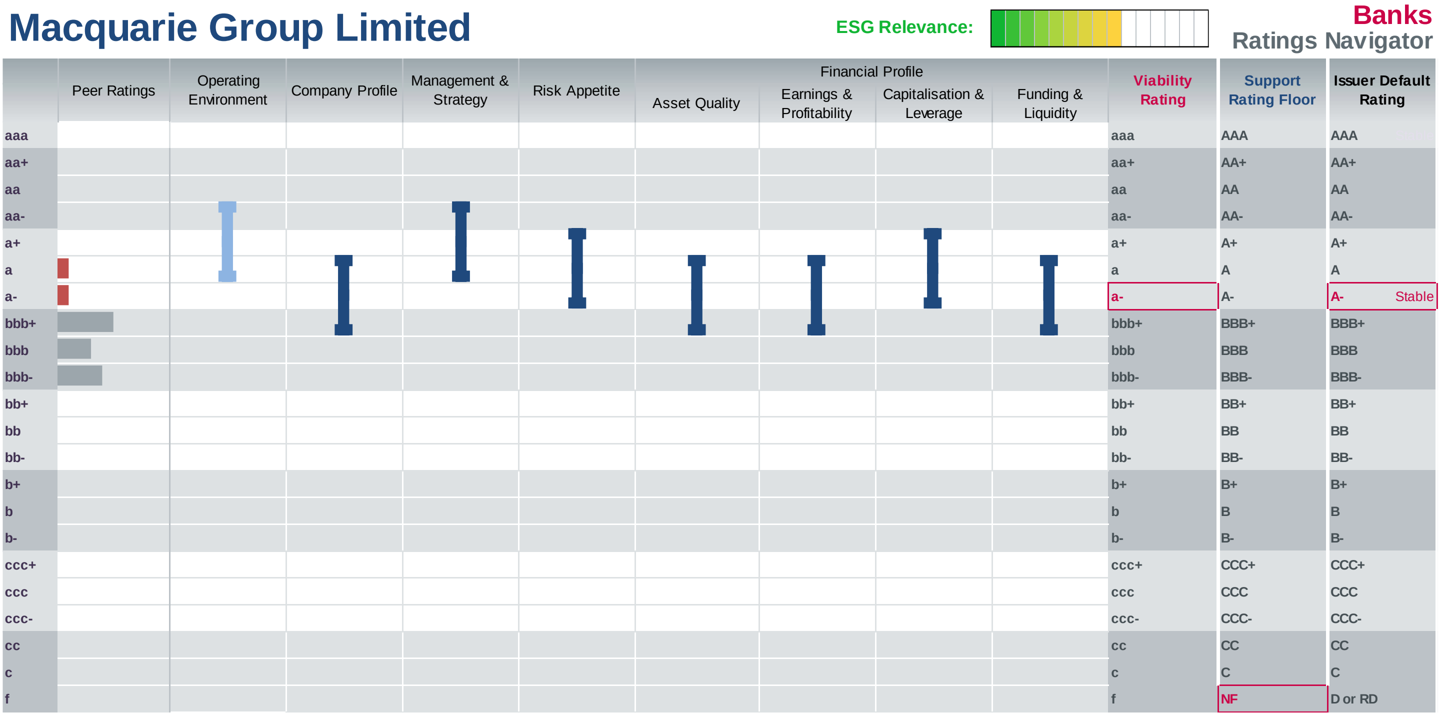
Sound Liquidity Management: The group has conservative liquidity management, helping offset a higher reliance on wholesale funding relative to international peers. High levels of liquidity on the balance sheet and within the system means Fitch expects limited funding and liquidity pressure for MGL over the next 18 months.

Rating Sensitivities

Double Leverage Increases: MGL's ratings may be downgraded to below our assessment of the consolidated group risk profile if common-equity double leverage increases to above 120% for a sustained period. However, we do not expect this to occur.

Financial Profile Deterioration: MGL's VR and Long-Term IDR are broadly sensitive to the same factors as those of MBL, see Macquarie Bank Limited (June 2021) for details.

Ratings Navigator



Significant Changes

All Factor Outlooks Stable

We revised the operating environment, asset quality as well as earnings and profitability factor outlooks to stable from negative as part of the review completed on 18 May 2021. Downward pressure on MGL's VR has decreased as a result of the economic conditions and recovery being stronger than we anticipated, and we now expect the rating headroom to be sufficient to maintain the VR at the current level over the next two years.

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

Operating Environment Outlook Revised to Stable

MGL is the most internationally active among the Australian banking groups that Fitch rates. Offshore revenue accounted for around 68% of total income at FYE21. North America (mainly the US), Europe and Asia are the main non-domestic markets. Prudential regulation in Australia is focused on the protection of bank depositors rather than group creditors. This is a key reason for the one notch difference in MGL's (a+) and MBL's (aa-) operating environment mid-points.

Similarly to MBL, Fitch has revised the outlook on MGL's operating environment score to stable to reflect the reduction in uncertainty and downside risk to our economic base case.

Diverse Business Model

MGL is the listed non-operating holding company parent of the Macquarie group. Its three main subsidiaries are MBL, which undertakes more traditional banking operations, and Macquarie Financial Holdings Pty Ltd (MFHL) and Macquarie Asset Management Holdings Pty Limited, which both engage in the non-banking operations. The group offers a full suite of banking services in Australia while targeting niche and non-traditional banking activities offshore.

There have been no significant changes to the business model as a result of the pandemic. MGL has four broad operating divisions. There are two capital-markets facing businesses – Macquarie Capital Group (MacCap) and Commodities and Global Markets (CGM) – and two businesses with more stable earnings streams – Macquarie Asset Management (MAM) and Banking and Financial Services (BFS). The divisions are supported by centralised risk management, treasury, IT, finance services, legal and governance.

Consistent Strategy, High Quality Management

MGL's management has a high degree of depth and credibility among main constituents, with senior management tenure within the group tending to be long. Fitch believes this is likely to continue and has contributed to a consistent group culture and execution of strategic objectives.

MGL's strategy has remained consistent through the pandemic and Fitch does not expect group strategy to change significantly over the next 12 months. Residential mortgage growth in Australia has remained strong, while the group broadly continues to target niches where it has expertise and competitive advantages rather than focusing on mass-market segments. This has resulted in reasonable market shares and market prominence in most of its key operating segments but also carries increased complexity to group operations.

MGL can be acquisitive, although the group has shown itself to be disciplined with such transactions. Business expansion tends to be related to an existing operation and significant acquisitions are usually funded through debt and capital raisings. The group has demonstrated a willingness to sell, restructure or exit businesses that do not meet return hurdles.

Strong Risk Management

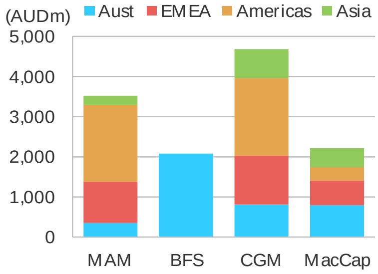
MGL has a larger risk appetite relative to most Australian banking groups, which tend to be retail oriented. A consistent and strong risk management culture through the years has helped to offset this risk. MGL's risk framework is centralised and applied through the group entities.

MGL says it manages to worst-case scenarios, which are used to analyse exposures and assess proposed business decisions. MGL will manage out of exposures or not proceed with businesses if potential losses could threaten the group's viability under these worst-case scenarios. This should provide some additional protection to the group in the event of another downturn.

MBL has the largest balance sheet within the group, and therefore makes up the majority of MGL's risk exposure. Details of underwriting, growth and market risk can be found in the MBL report. See Fitch's report on Macquarie Bank Limited published in June 2021 .

Geographic Diversity

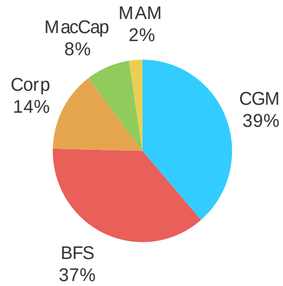
FY21 revenue by region



Source: Fitch Ratings, Fitch Solutions, MGL

MGL Segment Assets

FYE21



Source: Fitch Ratings, Fitch Solutions, MGL

Summary Financials and Key Ratios

	Year end (USDm) Audited - unqualified	31 Mar 21 Year end (AUDm) Audited - unqualified	31 Mar 20 Year end (AUDm) Audited - unqualified	31 Mar 19 Year end (AUDm) Audited - unqualified	31 Mar 18 Year end (AUDm) Audited - unqualified	31 Mar 17 Year end (AUDm) Audited - unqualified
Summary income statement						
Net interest and dividend income	1,669	2,195.0	1,859.0	1,760.0	2,038.0	2,280.0
Net fees and commissions	3,267	4,297.0	4,873.0	4,386.0	3,840.0	3,446.0
Other operating income	4,317	5,679.0	5,265.0	5,193.0	3,810.0	3,617.0
Total operating income	9,252	12,171.0	11,997.0	11,339.0	9,688.0	9,343.0
Operating costs	6,072	7,988.0	7,907.0	7,747.0	6,626.0	6,408.0
Pre-impairment operating profit	3,180	4,183.0	4,090.0	3,592.0	3,062.0	2,935.0
Loan and other impairment charges	281	369.0	924.0	527.0	289.0	345.0
Operating profit	2,899	3,814.0	3,166.0	3,065.0	2,773.0	2,590.0
Other non-operating items (net)	71	93.0	288.0	802.0	691.0	514.0
Tax	683	899.0	728.0	879.0	883.0	868.0
Net income	2,287	3,008.0	2,726.0	2,988.0	2,581.0	2,236.0
Other comprehensive income	-1,360	-1,789.0	1,116.0	276.0	-20.0	-308.0
Fitch comprehensive income	927	1,219.0	3,842.0	3,264.0	2,561.0	1,928.0
Summary balance sheet						
Assets						
Gross loans	80,701	106,157.0	95,041.0	78,429.0	82,060.0	78,098.0
- of which impaired	1,539	2,024.0	1,991.0	1,935.0	630.0	1,071.0
Loan loss allowances	860	1,131.0	924.0	618.0	470.0	874.0
Net loans	79,841	105,026.0	94,117.0	77,811.0	81,590.0	77,224.0
Interbank	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Derivatives	15,692	20,642.0	45,607.0	14,390.0	12,937.0	12,106.0
Other securities and earning assets	54,884	72,197.0	72,121.0	59,078.0	56,437.0	56,117.0
Total earning assets	150,417	197,865.0	211,845.0	151,279.0	150,964.0	145,447.0
Cash and due from banks	14,007	18,425.0	9,717.0	8,643.0	9,569.0	9,317.0
Other assets	22,322	29,363.0	34,240.0	37,835.0	30,792.0	28,113.0
Total assets	186,745	245,653.0	255,802.0	197,757.0	191,325.0	182,877.0
Liabilities						
Customer deposits	64,008	84,199.0	67,342.0	56,191.0	59,412.0	57,708.0
Interbank and other short-term funding	3,453	4,542.0	2,334.0	4,838.0	15,440.0	17,072.0
Other long-term funding	57,695	75,894.0	85,257.0	63,835.0	56,572.0	53,708.0
Trading liabilities and derivatives	18,081	23,784.0	43,943.0	19,573.0	22,349.0	18,599.0
Total funding	143,236	188,419.0	198,876.0	144,437.0	153,773.0	147,087.0
Other liabilities	23,229	30,557.0	31,336.0	31,029.0	16,835.0	15,652.0
Preference shares and hybrid capital	3,287	4,324.0	4,204.0	4,325.0	2,937.0	3,269.0
Total equity	16,993	22,353.0	21,386.0	17,966.0	17,780.0	16,869.0
Total liabilities and equity	186,745	245,653.0	255,802.0	197,757.0	191,325.0	182,877.0
Exchange rate		USD1 = AUD1.3154	USD1 = AUD1.6194	USD1 = AUD1.4110	USD1 = AUD1.3046	USD1 = AUD1.3082

Source: Fitch Ratings, Fitch Solutions

Summary Financials and Key Ratios

	31 Mar 21	31 Mar 20	31 Mar 19	31 Mar 18	31 Mar 17
Ratios (annualised as appropriate)					
Profitability					
Operating profit/risk-weighted assets	n.a.	n.a.	n.a.	n.a.	n.a.
Net interest income/average earning assets	1.1	1.0	1.1	1.3	1.6
Non-interest expense/gross revenue	71.9	74.1	75.2	71.8	71.2
Net income/average equity	14.0	13.8	17.1	15.1	14.2
Asset quality					
Impaired loans ratio	1.9	2.1	2.5	0.8	1.4
Growth in gross loans	11.7	21.2	-4.4	5.1	-4.5
Loan loss allowances/impaired loans	55.9	46.4	31.9	74.6	81.6
Loan impairment charges/average gross loans	0.3	0.7	0.3	0.1	0.3
Capitalisation					
Common equity Tier 1 ratio	n.a.	n.a.	n.a.	n.a.	n.a.
Fully loaded common equity Tier 1 ratio	n.a.	n.a.	n.a.	n.a.	n.a.
Fitch Core Capital ratio	n.a.	n.a.	n.a.	n.a.	n.a.
Tangible common equity/tangible assets	7.7	6.8	7.9	8.8	8.7
Basel leverage ratio	n.a.	n.a.	n.a.	n.a.	n.a.
Net impaired loans/common equity Tier 1	n.a.	n.a.	n.a.	n.a.	n.a.
Net impaired loans/Fitch Core Capital	4.8	6.3	8.6	1.0	1.2
Funding and liquidity					
Loans/customer deposits	126.1	141.1	139.6	138.1	135.3
Liquidity coverage ratio	n.a.	n.a.	n.a.	n.a.	n.a.
Customer deposits/funding	48.1	40.9	41.3	41.0	41.5
Net stable funding ratio	n.a.	n.a.	n.a.	n.a.	n.a.

Source: Fitch Ratings, Fitch Solutions

Key Financial Metrics – Latest Developments

Modest Weakening in Asset Quality Expected

Fitch expects some weakening in MGL's asset quality over the next 12 months as support measures are unwound but for the deterioration to be manageable by the group. The stronger than expected rebound in the economic environment and reduction in uncertainty to our base case, combined with a faster than expected decline in borrowers requiring loan repayment deferrals, means Fitch no longer expects significant pressure on MGL's core metric. The outlook on MGL's asset quality has been revised to stable as a result.

MGL has greater exposure to commercial and non-loan assets than most domestic peers, which may leave its asset quality more susceptible to deterioration through the cycle. Loans only made up 43% of MGL's assets at end-March 2021, which is significantly lower than most domestic banking group peers. Asset quality tends to be stronger within MGL's non-loan financial assets (mostly investment grade on MGL's internal scale) and residential mortgage book (68% of total loans) compared with corporate, commercial and other lending, and we expect this to remain the case. MGL's stage 3 loans ratio for the latter category alone was 4.5% at FYE21, against 1.9% for total loans.

The bulk of the remaining assets consisted of derivative exposures (AUD21 billion) and trading assets (AUD24 billion) at FYE21. Many derivative assets are centrally cleared, and security is held for exposures with lower-rated counterparties. Trading assets consisted mainly of government debt securities, listed equities and commodities.

Earnings Improved Despite Pandemic Pressures

The diversity of MGL's businesses and revenue supported earnings and delivered a robust profit result for FYE21, despite the difficulties in MGL's various operating environments. A number of the pressures that we had expected to play out were not as severe as anticipated, and the group benefited from a strong rise in trading revenue. Fitch has revised the outlook on MGL's earnings and profitability following a reduction in downside risk to our base case, and we expect MGL's earnings and profitability metrics to remain consistent with the 'a-' score.

Fitch still scores MGL's earnings and profitability one notch lower than that of MBL. This is because we expect MGL's non-banking operations to be more volatile than MBL's earnings over the longer-term and through the cycle.

MGL generates a significant proportion of income from non-interest sources, such as net fee and commission income and net trading income (combined 70% of operating income at FYE21), relative to domestic peers. Some of the fee income, such as base fees from the asset management business, should be reasonably stable through the current economic downturn, as it is largely tied to the volume of assets under management. Deal-related fee income in MacCap and trading income may be more variable, although some parts of these businesses benefit from market volatility as demonstrated in the 2021 result.

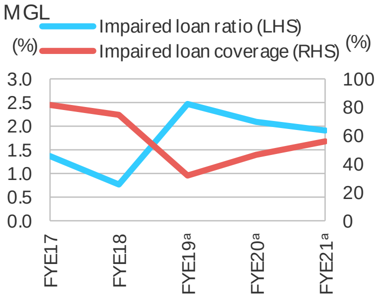
Fitch mainly focuses on the operating profit/average total assets metric when assessing MGL's earnings, as the group is not required to calculate risk-weighted assets in relation to operations outside of MBL under Australia's regulatory framework. MGL also regularly generates significant non-operating revenue through the sale of assets and businesses, and Fitch considers the complimentary metric of return on equity when analysing MGL's earnings to capture this. Both these metrics compare favourably to most similarly rated domestic and international peers.

Strong Earnings, Reduced Dividends Drive Increase Capital Buffers

MGL maintains a large capital surplus relative to regulatory minimums, reflecting its sound capital management practices. Fitch believes this leaves it reasonably positioned to withstand shocks or an economic downturn. Capital buffers increased through the pandemic supported by a reduction in dividends and a record profit result, which was a better outcome than our expectations. We believe MGL's capital buffers will remain sufficient to support the 'a' capitalisation and leverage factor score, which remains on a stable outlook.

Asset Quality

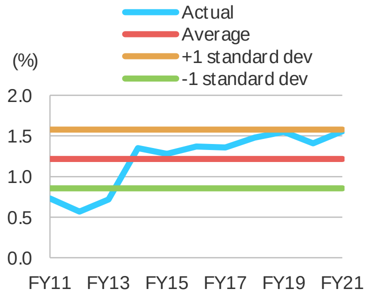
MGL



[a] Stage 3 loans, impaired loans previously
Source: Fitch Ratings, Fitch Solutions, MGL

MGL Earnings Volatility

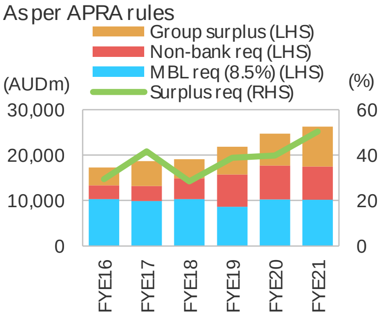
Op profit/average total assets



Source: Fitch Ratings, Fitch Solutions, MGL

MGL Capitalisation

As per APRA rules



Source: Fitch Ratings, Fitch Solutions, MGL

MGL is not required to calculate risk-weighted regulatory capital ratios, but is instead required to hold a nominal capital amount that is calculated by aggregating the minimum capital requirements of the group's banking and non-banking operations.

The minimum Tier 1 requirement was AUD17.5 billion at FYE21 with MGL holding AUD8.8 billion or 50% surplus to this level. The minimum assumes an 8.5% Tier 1 ratio for the banking group using the Australian Prudential Regulation Authority's (APRA) Basel III rules. MGL calculates that this surplus increases to AUD11.6 billion on a globally harmonised basis. Most of this surplus is held by MBL.

MGL's un-risk-weighted capital ratios, such as tangible common equity/tangible assets, compare favourably against similarly rated international peers, which is likely to remain the case. Common-equity double leverage remains below MGL's internal management limits.

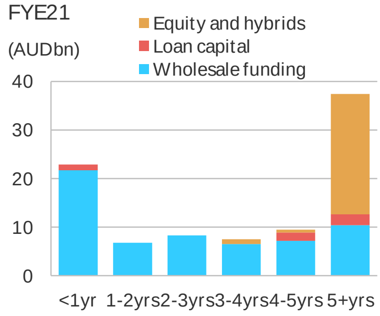
Strong Liquidity Management

MGL relies on wholesale funding to fund non-banking group operations, as it does not have a banking licence and is prevented from gathering deposits – this activity is undertaken by MBL. The longer-term nature of the asset profile in the non-bank relative to MBL means the group funds the non-bank via capital and mainly longer-term wholesale funding.

MGL's liquidity management policies are set so that is able to meet all of its liquidity obligations over a 12-month period, assuming no access to funding markets. Wholesale funding exposures are well managed and diversified by currency, maturity, investor and product.

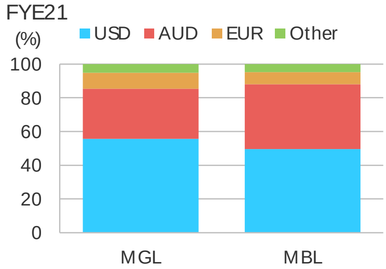
Liquid assets are typically held at the operating subsidiary level rather than the group level, meaning MGL is reliant on interest and dividend payments from subsidiaries to meet debt repayments. MGL and MBL are the only entities within the group that currently issue debt instruments to external investors, as the other entities are internally funded.

MGL Wholesale Maturity
FYE21



Source: Fitch Ratings, Fitch Solutions, MGL

Wholesale Debt by Currency
FYE21



Senior debt only
Source: Fitch Ratings, Fitch Solutions, MGL, MBL

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			A
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			

MGL's Support Rating and Support Rating Floor reflect Fitch's view that support from Australian authorities cannot be relied upon. The agency believes that if support were provided to the group it would most likely be through the regulated bank, MBL.

Environmental, Social and Governance Considerations

FitchRatings **Macquarie Group Limited** — Banks Ratings Navigator

Credit-Relevant ESG Derivation

Macquarie Group Limited has 5 ESG potential rating drivers

- Macquarie Group Limited 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.

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.