

# Arap Turk Bankasi A.S.

## Update

### Key Rating Drivers

**Niche Franchise:** Arap Turk Bankasi A.S.'s (ATB) ratings reflect the bank's concentration in the improving, but challenging, Turkish operating environment, its small niche franchise within the trade finance sector, weak profitability and only adequate capitalisation. They also reflect contained asset-quality risks, and stable, but concentrated, funding. The Positive Outlooks are due to the improving operating environment in Turkiye, which should result in improved performance that could lead to a rating upgrade.

The bank's 'B' Short-Term Issuer Default Ratings (IDRs) are the only option mapping to Long-Term IDRs in the 'B' category.

**Improving Operating Environment:** The bank operates in the challenging, albeit improving, Turkish operating environment. The normalisation of monetary policy has reduced near-term macro-financial stability risks and external financing pressures. However, banks remain exposed to high inflation, potential further Turkish lira depreciation, slowing economic growth and multiple macroprudential regulations, despite simplification efforts.

**Small Trade Finance Bank:** ATB is a small trade finance bank that specialises in facilitating trade between Turkiye and Libya, and, to a lesser extent, the Middle East and North Africa region. It has close ties with its largest shareholder, Libyan Foreign Bank (LFB; 63%), which provides it with low-cost foreign-currency (FC) funding.

**High FC Lending:** The bank's underwriting standards compare fairly well with Fitch-rated trade finance peers', although it faces risks from its concentrated operations in challenging emerging markets. On-balance-sheet lending is mainly in FC (end-2024: 85% of total loans) and is therefore sensitive to Turkish lira depreciation.

**Negligible Impairments:** Asset quality benefits from the short-term nature of ATB's loan book and counter-guarantees by Turkish banks against a large proportion of its Libyan country risk in its trade finance operations. The bank's impaired loans ratio was negligible at end-2024, while the Stage 2 loans ratio remained contained at 4%. Asset-quality risks remain due to high FC lending and single-obligor concentration.

**Weak, but Improving, Profitability:** Operating profit rose to 1.6% of risk-weighted assets in 2024 from a low 0.8% in 2023, when rising operating costs fuelled by inflation and material one-off impairment charges weighed on earnings. Profitability remains below ATB's historical average (2021-2024 average: 2.3%) due to a heightened cost base (cost/income ratio: 78%). The net interest margin remained above the sector average, aided by low-cost funding from the parent.

**Capital Increase:** The bank's common equity Tier 1 ratio increased to 18.4% at end-2024 (14.4% excluding forbearance) from 17% at end-2023, supported by internal capital generation and revaluation gains. ATB also increased its paid-up capital in 1Q25 to TRY2,580 million from TRY440 million through a combination of shareholder contributions and internal sources. The capital increase will support growth and was needed due to the sensitivity of capital to lira depreciation and the previous small capital base.

**High Parent Funding:** ATB is mainly wholesale-funded (56% of total funding at end-2024), similar to other trade finance banks. It relies heavily on FC funding from its parent, which accounts for about 40% of total funding. The remainder is via (largely non-resident) customer deposits from Libyan clients. ATB is exposed to refinancing risk given its high reliance on FC wholesale funding, although the short-term maturity profile of the loan book and trade finance exposures supports liquidity.

### Ratings

<b>Foreign Currency</b>	
Long-Term IDR	B
Short-Term IDR	B
<b>Local Currency</b>	
Long-Term IDR	B
Short-Term IDR	B
<b>Viability Rating</b>	
Viability Rating	b
<b>Government Support Rating</b>	
Government Support Rating	ns
<b>National Rating</b>	
National Long-Term Rating	BBB(tur)
<b>Sovereign Risk (Turkiye)</b>	
Long-Term Foreign-Currency IDR	BB-
Long-Term Local-Currency IDR	BB-
Country Ceiling	BB-
<b>Outlooks</b>	
Long-Term Foreign-Currency IDR	Positive
Long-Term Local-Currency IDR	Positive
National Long-Term Rating	Positive
Sovereign Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Local-Currency IDR	Stable

### Highest ESG Relevance Scores

Environmental	2
Social	3
Governance	4

### Applicable Criteria

Bank Rating Criteria (March 2024)

### Related Research

- [Fitch Upgrades 24 Turkish Banks on Sovereign Upgrade \(September 2024\)](#)
- [Turkish Banks Could Benefit from Higher OE Score, Government Support Ratings \(February 2025\)](#)
- [Fitch Affirms Turkiye at 'BB-'; Stable Outlook \(January 2025\)](#)
- [Turkish Banks Outlook 2025 \(December 2024\)](#)

### Analysts

Sixte de Monteynard  
+33 1 44 29 92 82  
[sixte.demonteynard@fitchratings.com](mailto:sixte.demonteynard@fitchratings.com)

Mohamad Jaber  
+44 20 3530 1284  
[mohamad.jaber@fitchratings.com](mailto:mohamad.jaber@fitchratings.com)

## Rating Sensitivities

### Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

ATB's Viability Rating and IDRs could be downgraded due to a weakening of its operating environment that could follow a sovereign downgrade, although this is not our base case. A substantial reduction in parent funding, prompting a significant drop in the bank's FC liquidity, could also lead to a negative rating action. A downgrade could also occur if the bank's CET1 ratio falls on a sustained basis to levels not commensurate with its risk profile.

### Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

ATB's ratings could be upgraded following an upward revision of its operating environment score, provided that the operating environment should enable the bank's performance to improve and its business profile to strengthen.

## Other Debt and Issuer Ratings

The bank's National Long-Term Rating of 'BBB(tur)'/Positive reflects our view of ATB's unchanged creditworthiness in local currency relative to other Fitch-rated Turkish issuers'.

## Significant Changes from Last Review

### Capital Increased to TRY2,580 Million

ATB's capital increased to TRY2,580 million in 1Q25 from TRY440 million, which will support the bank's plan to further grow its loan book. Half of the increase was financed from internal sources, mainly retained profits, with the other half coming from direct subscription by existing shareholders. The bank's shareholder structure was largely unchanged, with Libyan Foreign Bank retaining the largest share (63%); followed by Turkiye Is Bankasi A.S. (20.6%), Turkiye's largest private bank; and Turkiye Cumhuriyeti Ziraat Bankasi Anonim Sirketi (15.4%), Turkiye's largest bank.

We view the capital increase as credit positive and necessary given the previously small size of the capital base and its sensitivity to lira depreciation.

### Inflation Decreasing but Still High; Sovereign Affirmed, Outlook Stable

Turkiye's Long-Term Foreign-Currency IDR of 'BB-' reflects a record of political interference in monetary policy, high inflation and low external liquidity in the context of high financing requirements and weaker governance than peers. These credit weaknesses are counterbalanced by low government debt, continuous access to external financing, a resilient banking sector, and high GDP per capita relative to rating peers. Fitch expects the Central Bank of the Republic of Turkiye (CBRT) to continue to maintain a tight monetary stance to support disinflation with the aid of macroprudential measures (including monthly credit growth limits) and continued real appreciation of the lira (albeit to a lower degree than in 2024).

The CBRT cut the policy rate by 250bp in December 2024 and again in January 2025, down to 45%. These cuts followed a cumulative increase of 4,150bp that had led to the rate reaching 50% in March 2024, which was maintained until December 2024. We expect the policy rate to be reduced to 28% by end-2025.

GDP increased by 3.0% in 2024. Fitch expects the GDP growth to slow to 2.6% in 2025. Inflation was 39% at end-February 2025 (end-2024: 44.3%; end-2023: 65%). We expect the inflation rate to decrease to 24% by end-2025.

### Policy Normalisation Steps Continuing

The CBRT launched a monetary tightening phase after the May 2023 elections, and simplification of the existing policy framework, both of which were to address high inflation and regulate domestic demand. We expect the simplification process to take time and therefore expect the regulatory environment to continue to weigh on banks' credit profiles – for instance, loan growth caps were further tightened in early 2025 to reduce inflationary pressures, and rollover and conversion requirements have been introduced for foreign exchange (FX)-protected deposits to increase conversion to lira deposits.

The Banking Regulation and Supervision Agency recently removed the regulation applying a risk-weight of 150% to retail loans, which will ease some of the pressure on the banks' capital ratios arising from retail lending.

The withholding tax rate on various lira deposit maturities has also been increased, which, combined with the conversion regulations, continue to pressure lira deposit costs. In addition, the CBRT increased the mandatory reserve requirements for all types of deposits on various occasions in 2024 to reduce the amount of local-currency liquidity in the market and curb inflation.


We expect continued regulatory forbearance on risk-weighted assets, including the exchange rate used for capital adequacy calculations. The exchange rate that the banks are permitted to use for capital adequacy calculations has been tightened on several occasions – with the June 2024 exchange rate to be used from end-1Q25 – significantly reducing the benefit to banks’ reported capital ratios. However, the impact of this will be lessened while the lira is relatively stable, and it should not threaten the banking sector’s reported solvency. Regulatory forbearance also permits the suspension of mark-to-market losses on banks’ securities portfolios through equity, and has a more meaningful effect as lira interest rates rise.

### FX-Protected Lira Deposit Scheme

FX-protected lira deposits accounted for USD24.3 billion (5% of sector deposits, or 7% of sector lira customer deposits) as of 21 February 2025. The authorities have signalled their intention to abolish FX-protected deposits in 2025, although this hinges on a sustained improvement in inflation and lira-depreciation expectations, and we expect the phase-out process to be gradual.

The authorities have abolished new FX-protected deposits converted from standard lira deposits, another signal of their intention to reduce and phase out the scheme. The CBRT also abolished new FX-protected deposits and renewals with six- and 12-month maturities.

## Ratings Navigator

Arap Turk Bankasi A.S.							ESG Relevance: 	Banks Ratings Navigator		
Operating Environment	Business Profile	Risk Profile	Financial Profile				Implied Viability Rating	Viability Rating	Government Support Rating	Issuer Default Rating
	20%	10%	Asset Quality	Earnings & Profitability	Capitalisation & Leverage	Funding & Liquidity				
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+
bb							bb	bb	bb	BB
bb-							bb-	bb-	bb-	BB-
b+							b+	b+	b+	B+
b							b	b	b	B Pos
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.

### VR - Adjustments to Key Rating Drivers

The operating environment score of ‘b+’ for Turkish banks is lower than the category implied score of ‘bb’ due to the following adjustment reason: sovereign rating (negative), which reflects high inflation, high dollarisation and high risk of FX movements in Turkiye.

The asset quality score of ‘b’ is below the category implied score of ‘bb’ due to the following adjustment reason: concentrations (negative).

## Financials

### Financial Statements

	31 Dec 24		31 Dec 23	31 Dec 22	31 Dec 21
	12 months	12 months	12 months	12 months	12 months
	(USDm)	(TRYm)	(TRYm)	(TRYm)	(TRYm)
	Audited – unqualified	Audited – unqualified	Audited – unqualified	Audited – unqualified	Audited – unqualified
<b>Summary income statement</b>					
Net interest and dividend income	26	923	633	533	367
Net fees and commissions	7	246	144	109	70
Other operating income	2	71	40	30	15
Total operating income	35	1,240	816	672	452
Operating costs	27	965	628	375	208
Pre-impairment operating profit	8	274	188	297	244
Loan and other impairment charges	1	22	86	14	28
Operating profit	7	252	103	283	216
Tax	2	53	-60	67	53
Net income	6	199	163	215	163
Other comprehensive income	8	296	167	295	22
Fitch comprehensive income	14	495	330	511	185
<b>Summary balance sheet</b>					
<b>Assets</b>					
Gross loans	206	7,267	4,480	4,184	3,139
– Of which impaired	0	3	4	3	4
Loan loss allowances	1	40	21	11	14
Net loans	205	7,227	4,459	4,174	3,125
Interbank	82	2,881	1,297	890	1,659
Derivatives	-	-	-	-	-
Other securities and earning assets	118	4,164	5,490	4,562	3,462
Total earning assets	404	14,271	11,246	9,626	8,246
Cash and due from banks	117	4,133	3,158	1,926	1,666
Other assets	47	1,651	1,173	677	293
Total assets	568	20,056	15,577	12,229	10,205
<b>Liabilities</b>					
Customer deposits	206	7,263	4,642	3,580	2,380
Interbank and other short-term funding	175	6,183	7,436	4,160	3,108
Other long-term funding	90	3,169	831	2,281	3,162
Total funding and derivatives	471	16,614	12,908	10,021	8,651
Other liabilities	21	745	467	336	193
Total equity	76	2,697	2,202	1,872	1,362
Total liabilities and equity	568	20,056	15,577	12,229	10,205
Exchange rate		USD1 = TRY35.31205	USD1 = TRY29.46475	USD1 = TRY18.71515	USD1 = TRY13.341

Source: Fitch Ratings, Fitch Solutions, Arap Turk Bankasi A.S.

## Key Ratios

	31 Dec 24	31 Dec 23	31 Dec 22	31 Dec 21
<b>Ratios (%; annualised as appropriate)</b>				
<b>Profitability</b>				
Operating profit/risk-weighted assets	1.6	0.8	3.0	3.7
Net interest income/average earning assets	7.4	6.2	5.9	6.0
Non-interest expense/gross revenue	77.9	76.9	55.9	46.0
Net income/average equity	8.5	8.5	14.2	12.9
<b>Asset quality</b>				
Impaired loans ratio	0.0	0.1	0.1	0.1
Growth in gross loans	62.2	7.1	33.3	54.1
Loan loss allowances/impaired loans	1,428.6	591.4	311.8	331.0
Loan impairment charges/average gross loans	0.0	1.4	-0.1	0.3
<b>Capitalisation</b>				
Common equity Tier 1 ratio	18.4	17.0	20.0	24.0
Total capital ratio	19.1	17.8	20.4	24.7
Risk weighted assets/total assets	78.1	83.0	77.3	56.8
Tangible common equity/tangible assets	13.4	14.0	15.3	13.2
Basel leverage ratio	7.0	8.1	7.7	10.3
Net impaired loans/common equity Tier 1 capital	-1.4	-0.8	-0.4	-0.7
<b>Funding and liquidity</b>				
Gross loans/customer deposits	100.1	96.5	116.9	131.9
Liquidity coverage ratio	300.8	293.8	273.9	411.3
Customer deposits/total non-equity funding	43.7	36.0	35.7	27.5
Net stable funding ratio	102.9	-	-	-

Source: Fitch Ratings, Fitch Solutions, Arap Turk Bankasi A.S.

## Support Assessment

Commercial Banks: Government Support	
Typical D-SIB GSR for sovereign's rating level (assuming high propensity)	bb- or b+
Actual jurisdiction D-SIB GSR	b-
Government Support Rating	ns
Government ability to support D-SIBs	
Sovereign Rating	BB-/ Stable
Size of banking system	Neutral
Structure of banking system	Negative
Sovereign financial flexibility (for rating level)	Negative
Government propensity to support D-SIBs	
Resolution legislation	Neutral
Support stance	Neutral
Government propensity to support bank	
Systemic importance	Negative
Liability structure	Negative
Ownership	Neutral

The colours indicate the weighting of each KRD in the assessment.

Higher influence Moderate influence Lower influence

The bank's 'no support' (ns) Government Support Rating reflects Fitch's view that support from the Turkish authorities cannot be relied upon, given the bank's small size and limited systemic importance. In addition, support from ATB's shareholders, while possible, cannot be relied upon given the political situation in Libya.

## Environmental, Social and Governance Considerations

## Credit-Relevant ESG Derivation

## ESG Relevance to Credit Rating

Arap Turk Bankasi A.S. has 1 ESG rating driver and 4 ESG potential rating drivers

- ➔ Arap Turk Bankasi A.S. has exposure to operational implementation of strategy which, in combination with other factors, impacts the rating.
- ➔ Arap Turk Bankasi A.S. 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.
- ➔ Arap Turk Bankasi A.S. has exposure to board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal /compliance risks; business continuity; key person risk; related party transactions but this has very low impact on the rating.
- ➔ Arap Turk Bankasi A.S. has exposure to organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership but this has very low impact on the rating.
- ➔ Arap Turk Bankasi A.S. has exposure to quality and frequency of financial reporting and auditing processes but this has very low impact on the rating.

key driver	0	issues	5	
driver	1	issues	4	
potential driver	4	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 result in 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.

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.

## 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

## Governance (G) Relevance Scores

General Issues	G Score	Sector-Specific Issues	Reference	G Relevance
Management Strategy	4	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.

The ESG Relevance Score for Management Strategy of '4' reflects an increased regulatory burden on all Turkish banks. Management ability across the sector to determine their own strategy and price risk is constrained by the regulatory burden and also by the operational challenges of implementing regulations at the bank level. This has a moderately negative impact on ATB's credit profile and is relevant to the ratings in combination with other factors.

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.

## DISCLAIMER & DISCLOSURES

All Fitch Ratings (Fitch) credit ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link: <https://www.fitchratings.com/understandingcreditratings>. In addition, the following <https://www.fitchratings.com/rating-definitions-document> details Fitch's rating definitions for each rating scale and rating categories, including definitions relating to default. Published ratings, criteria, and methodologies are available from this site at all times. Fitch's code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the Code of Conduct section of this site. Directors and shareholders' relevant interests are available at <https://www.fitchratings.com/site/regulatory>. Fitch may have provided another permissible or ancillary service to the rated entity or its related third parties. Details of permissible or ancillary service(s) for which the lead analyst is based in an ESMA- or FCA-registered Fitch Ratings company (or branch of such a company) can be found on the entity summary page for this issuer on the Fitch Ratings website.

In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed. Fitch Ratings makes routine, commonly-accepted adjustments to reported financial data in accordance with the relevant criteria and/or industry standards to provide financial metric consistency for entities in the same sector or asset class.

The information in this report is provided "as is" without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US\$1,000 to US\$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US\$10,000 to US\$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001.

Fitch Ratings, Inc. is registered with the U.S. Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization (the "NRSRO"). While certain of the NRSRO's credit rating subsidiaries are listed on Item 3 of Form NRSRO and as such are authorized to issue credit ratings on behalf of the NRSRO (see <https://www.fitchratings.com/site/regulatory>), other credit rating subsidiaries are not listed on Form NRSRO (the "non-NRSROs") and therefore credit ratings issued by those subsidiaries are not issued on behalf of the NRSRO. However, non-NRSRO personnel may participate in determining credit ratings issued by or on behalf of the NRSRO.

Copyright © 2025 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved.