

# DEVK Deutsche Eisenbahn Versicherung

## Key Rating Drivers

**Strong Business Profile:** DEVK Deutsche Eisenbahn Versicherung's (DEVK) business profile reflects its market position as one of the top 10 German motor insurers, as measured by premium income, as well as its medium size in the German insurance market – based on its total non-life premiums of EUR2.8 billion and total life assets of EUR14 billion at end-2020. Its earnings are diversified by line of business as it operates across all primary insurance segments and also writes international reinsurance business.

DEVK is headed by non-life insurer DEVK Deutsche Eisenbahn Versicherung Sach- und HUK-Versicherungsverein a.G. Betriebliche Sozialeinrichtung der Deutschen Bahn (DEVK Non-Life) and life insurer DEVK Deutsche Eisenbahn Versicherung Lebensversicherungsverein a.G. Betriebliche Sozialeinrichtung der Deutschen Bahn (DEVK Life).

**Core Strategic Status:** Fitch Ratings views all DEVK-branded operating entities as 'Core' to DEVK and rates them based on the credit profile of the group as a whole. Fitch views Switzerland-based Echo Rückversicherungs-AG (Echo Re) as 'Very Important' to DEVK as it represents the group's reinsurance operations outside Europe. The key rating drivers of Echo Re's ratings are discussed in a separate report.

**Very Strong Capitalisation:** Our assessment of capital is driven by the DEVK group's 'Extremely Strong' score under our Prism Factor-Based Capital Model (FBM) and its group Solvency II (S2) ratio, without transitional measures, of 173% at end-2020 (209% at end-2019). The decline in the S2 ratio in 2020 was mainly driven by decreases in market interest rates.

**Strong Financial Performance:** Our assessment of profitability is based on the group's very strong combined ratio with an average of 95% over 2016–2020. However, the DEVK group's focus on motor insurance constrains overall profitability due to the competitive German motor insurance market. Nevertheless, the DEVK group's combined ratio improved to 92% in 2020 from 95.2% in 2019, mainly driven by lower claims frequency in the motor business due to the pandemic.

We expect the severe floods in Germany in July 2021 to increase the DEVK group's net combined ratios (net claims and expenses to net premiums) by up to 1pp, but we expect the combined ratio to remain strong overall.

**Very Strong Reserve Adequacy:** Our assessment of DEVK P&C's reserving adequacy is based on the company's long history of strong prior-year reserve adjustments (PYRAs) and large claims reserve redundancies. Fitch believes that DEVK P&C's claims reserving buffers are strong enough for the insurer to withstand competitive pressures in the Germany's motor insurance sector without a loss of market share or deterioration in capitalisation.

## Rating Sensitivities

**Capital or Reserve Weakening:** Key triggers for a downgrade of the DEVK group's ratings include sustained material erosion in capital, as reflected, for example, by the DEVK group's Prism FBM score falling to the low end of the 'Very Strong' category, and a significant weakening of reserving methodologies, as shown by a large reduction in reserve redundancies.

**Business Profile:** A substantial improvement in the market position of the DEVK group could lead to an upgrade.

## Ratings

DEVK Deutsche Eisenbahn  
Versicherung Sach- und HUK-  
Versicherungsverein a.G. Betriebliche  
Sozialeinrichtung der Deutschen Bahn

Insurer Financial Strength Rating A+

DEVK Deutsche Eisenbahn  
Versicherung  
Lebensversicherungsverein a.G.  
Betriebliche Sozialeinrichtung der  
Deutschen Bahn

Insurer Financial Strength Rating A+

Echo Rückversicherungs-AG

Insurer Financial Strength Rating A-

See additional ratings on page 8.

## Outlooks

Stable

## Financial Data

DEVK Deutsche Eisenbahn  
Versicherung

(EURm)	2019	2020
Total assets	20,895	21,716
Total equity	2,299	2,424
Gross written premiums	3,624	3,918
Net combined ratio	95.2	92.0
Total debt and hybrids	0	0

Note: Reported on a consolidated basis  
Source: Fitch Ratings; DEVK

## Applicable Criteria

Insurance Rating Criteria (April 2021)

## Related Research

[German Non-Life Insurance Dashboard: Mid-Year Update \(August 2021\)](#)

[German Life Insurance Dashboard: Mid-Year 2021 Update \(August 2021\)](#)

[Fitch Ratings 2021 Outlook: German Non-Life Insurance \(November 2020\)](#)

[Echo Rückversicherungs-AG \(September 2021\)](#)

## Analysts

Mahsa Delgoshai  
+49 69 768076 243  
[mahsa.delgoshai@fitchratings.com](mailto:mahsa.delgoshai@fitchratings.com)

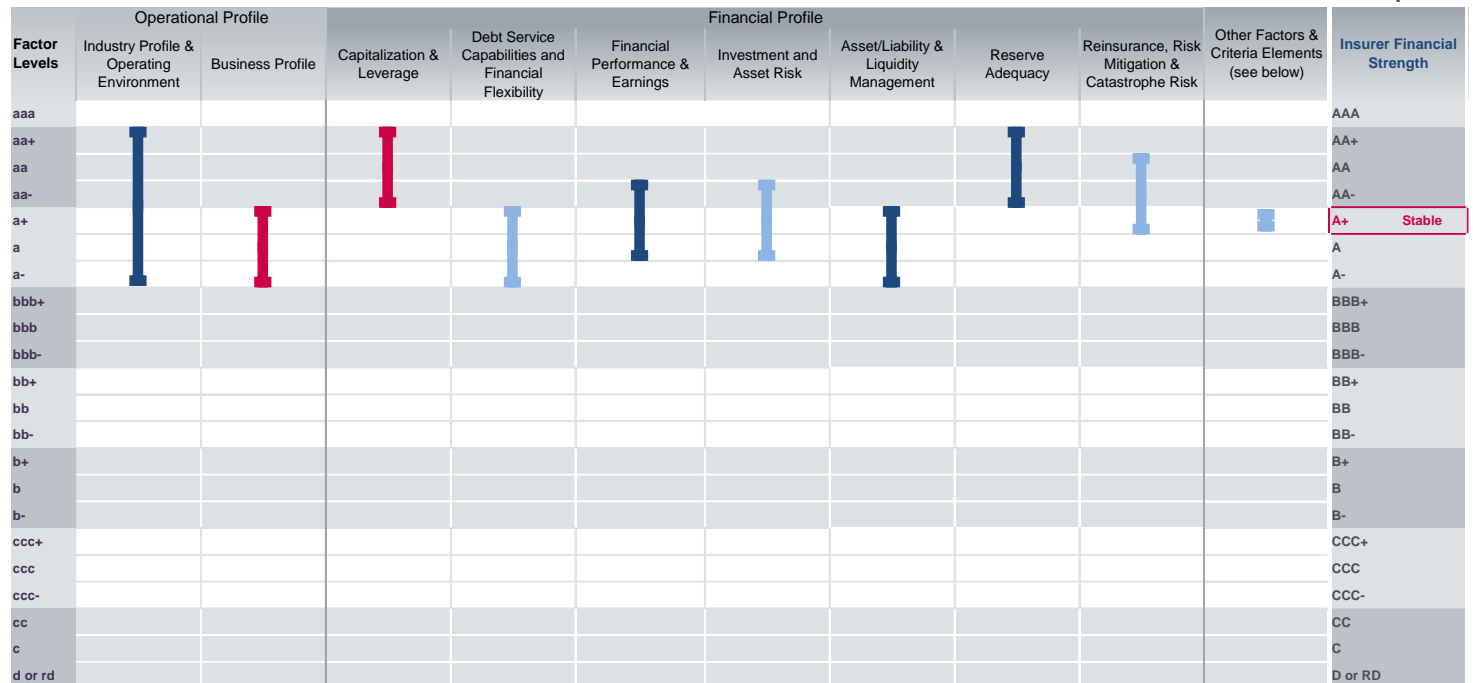
Dr Stephan Kalb  
+49 69 768076 118  
[stephan.kalb@fitchratings.com](mailto:stephan.kalb@fitchratings.com)

Key Credit Factors – Scoring Summary

DEVK Deutsche Eisenbahn Versicherung



Insurance Ratings Navigator  
EMEA Composite



Other Factors & Criteria Elements				
<b>Provisional Insurer Financial Strength</b>				<b>A+</b>
Non-Insurance Attributes	Positive	<b>Neutral</b>	Negative	+0
Corporate Governance & Management	<b>Effective</b>	Some Weakness	Ineffective	+0
Ownership / Group Support	Positive	<b>Neutral</b>	Negative	+0
Transfer & Convertibility / Country Ceiling	Yes	<b>No</b>	AAA	+0
<b>Insurer Financial Strength (IFS)</b>				Final: <b>A+</b>
IFS Recovery Assumption	<b>Good</b>			-1
<b>Issuer Default Rating (IDR)</b>				Final: <b>n.a.</b>

**Bar Chart Legend**

Vertical Bars = Range of Rating Factor  
Bar Colors = Relative Importance

- Higher Influence (Red)
- Moderate Influence (Blue)
- Lower Influence (Light Blue)

Bar Arrows = Rating Factor Outlook

- ↑ Positive
- ↓ Negative
- ↕ Evolving
- Stable

Latest Developments

We expect that the severe floods in Germany in July 2021 to increase DEVK’s net combined ratios (net claims and expenses to net premiums) by up to 1pp. The flood claims will be driven by property damage under buildings insurance and by vehicle damage under motor insurance. We believe that DEVK’s comprehensive reinsurance coverage will be sufficient to limit net losses.

Peer Comparison

Click [here](#) for a report that shows a comparative peer analysis of key credit factor scoring.

Industry Profile and Operating Environment (IPOE)

Click [here](#) for a link to a report that summarises the main factors driving the above IPOE score

## Business Profile

### Strong Business Profile

Fitch ranks DEVK's business profile as 'moderate' compared to that of all other German composite insurance companies due to its moderate operating scale, favourable competitive positioning and favourable business risk profile. Given this ranking, Fitch scores DEVK's business profile at 'a' under its credit factor scoring guidelines.

DEVK's gross written premiums (GWPs) grew by 8.1% to EUR3,918 million in 2020 (2019: EUR3,624 million). The five-year compound annual growth rate (CAGR) for 2016–2020 was 4.5%, above the German primary insurance market five-year CAGR of 3.5%. DEVK's strong premium growth in 2020 was mainly driven by the growth in life premium due to the strong increase in the employer-funded company pension scheme of Deutsche Bahn AG as well as by strong growth in reinsurance premium.

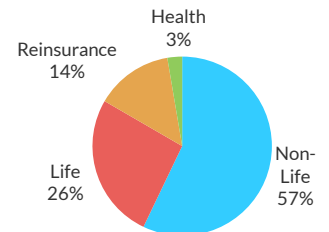
DEVK has a strong market position in the motor line, with almost half of its non-life premiums coming from the motor business. Measured by GWP, it ranks 10th in German market with a market share of 3.7%. Its market position in the highly profitable household contents line is seventh, with a market share of 4.8%, while the overall market position in the liability line is 16th. DEVK primarily provides individual liability cover.

We regard the German non-life sector's business risk profile to be favourable on average, as reflected by historically strong underwriting performance and very high reserve adequacy. Due to its reserving standards and its focus on individual cover, we believe that DEVK's business risk profile is slightly stronger than the German non-life sector on average.

### Ownership

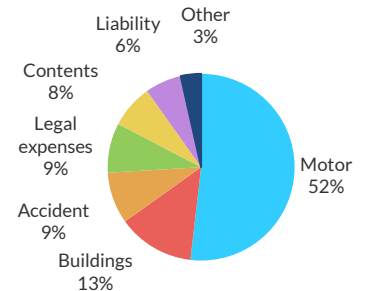
DEVK is a mutual insurance group owned by DEVK Non-Life's and DEVK Life's policyholders. We regard ownership as neutral to the ratings.

### Premium Income (EUR3.9bn, 2020)



Source: Fitch Ratings, DEVK

### Non-Life Premium Income\* (EUR2.1bn, 2020)



\*Germany primary  
Source: Fitch Ratings, DEVK

## Capitalisation and Leverage

### Very Strong Capitalisation

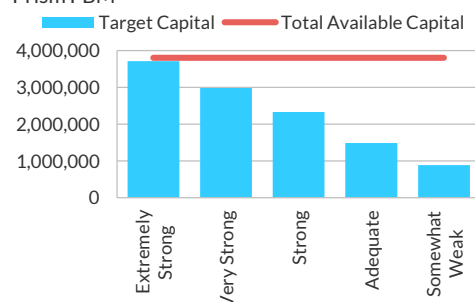
DEVK scored 'Extremely Strong' in Fitch's Prism FBM model, based on end-2020 results. We expect DEVK to maintain this score at end-2021. DEVK's capitalisation benefits from its prudent reserving standards and Fitch estimates that the company has significant reserve redundancies on its balance sheet. Fitch has granted some capital credit for DEVK's claims reserve redundancies in Prism FBM.

DEVK reported a strong regulatory group S2 ratio of 173% at end-2020 (2019: 209%), without transitional measures on technical provisions. The decline in the S2 ratio in 2020 was mainly driven by the decrease in market interest rate and we expect the group S2 ratio to increase again in 2021.

DEVK reported very strong and stable non-life net leverage at 2.2x in recent years. Life operating leverage deteriorated to 13.9x in 2020 (2019:12.9x), although it was still very strong.

### Capitalisation Adequacy

Prism FBM



Source: Fitch Ratings

### Financial Highlights

	2020	2019
Prism score	Extremely Strong	Extremely Strong
Prism total AC (EUR 000)	3,803,924	4,363,683
Prism AC/TC at Prism score (%)	102	117
Prism AC/TC at higher Prism score (%)	n.a.	n.a.

AC – Available Capital, TC – Target Capital  
Note: Reported on a 2020 basis  
Source: Fitch Ratings, DEVK.

### Financial Highlights

(%)	2019	2020
Group solvency ratio <sup>a</sup>	209	173
Financial leverage ratio	0	0
Non-life net written premiums to equity (x) <sup>b</sup>	1.0	1.0
Non-life net leverage (x)	2.2	2.2
Life operating leverage (x)	12.9	13.9

<sup>a</sup> Without transitional measures

<sup>b</sup> Equity including claims equalisation reserve

Note: Reported on a consolidated basis

Source: Fitch Ratings; DEVK

### Fitch Expectations

- DEVK will maintain very strong capitalisation over the next 12–24 months, with a Prism FBM score of at least 'Very Strong' and stable net leverage and operating leverage.

## Financial Performance and Earnings

### Strong Profitability, Dependent on Germany's Competitive Motor Market

DEVK has a very strong combined ratio with an average of 95% in the past five years, 2016–2020. However, DEVK's focus on motor insurance constrains the overall profitability due to the high competitiveness of the German motor insurance market.

Motor accounts for more than half of DEVK's German non-life primary insurance GWP and is the main driver of DEVK's underwriting performance. DEVK's combined ratio improved to 92% in 2020 (2019: 95.2%), mainly driven by lower claims frequency in motor business due to the restrictions related to the coronavirus pandemic. We expect DEVK's net combined ratio to deteriorate slightly in 2021, although we expect it to remain strong. We expect that the severe floods in Germany in July 2021 will add a maximum of 1pp to DEVK's net combined ratios.

Despite the improved combined ratio in 2020, DEVK's operating ratio deteriorated to 89.9% in 2020 (2019: 86.8%), due to a drop in investment income. Fitch regards DEVK's operating ratio as strong and expects it to be maintained in 2021. The ratio has remained below 90% since at least 2008. The gap between the combined and operating ratio is influenced by DEVK's high amount of non-life investments – EUR7.8 billion compared to EUR2.6 billion of non-life net written premiums. Therefore, every percentage point of investment return in the non-life segment is reflected in a 3% decrease in the operating ratio compared with the combined ratio.

### Fitch Expectations

- Fitch expects the net combined ratio to deteriorate in 2021 due to the result in the motor business normalising to 2019 levels.
- Fitch expects the 2021 operating ratio to improve due to the expected increase in investment income.

## Investment and Asset Risk

### High Exposure to Risky Investments Mitigated by Very Strong Capitalisation

Equity investments have accounted for about 10% of DEVK's total investments in recent years. They accounted for 9.2% at end-2020 (end-2019: 10.6%). DEVK's proportion of equity investments has declined over the past two years but we believe it still exceeded the German non-life insurance industry's average at end-2020 (end-2019: 8.1%).

DEVK can afford its high equity proportion due to its very strong capitalisation. This view is supported by DEVK's risky assets ratio, which has been less than 75% in the past five years, and at a level that Fitch regards as strong. DEVK's unaffiliated equities ratio decreased further to 38% at end-2020, a level that leaves it adequately positioned to withstand equity market shocks, in Fitch's view. However, significant equity market declines would be likely to lead to below-market-average investment returns for DEVK. This was demonstrated during the pandemic-related capital market turmoil in 1H20.

DEVK's fixed-income investments were of strong credit quality at end-2020. According to the consolidated annual report, 52.7% were 'AA' rated and better, 28.6% were 'A' rated, 16.8% were 'BBB' rated, and only 1.8% were unrated or non-investment-grade bonds.

### Fitch Expectations

- Investment risk will remain strong.
- Fitch expects the credit quality of fixed-income investments to remain strong.
- The proportion of equity investments is to remain high over the next two years.

### Financial Highlights

(%)	2019	2020
Net combined ratio	95.2	92.0
Operating ratio	86.8	89.9
Operating pre-tax return on equity	9.8	4.8
Life asset growth	3.7	2.4
Non-life premium growth	7.1	7.2

Note: Reported on a consolidated basis  
Source: Fitch Ratings; DEVK

### Financial Highlights

(%)	2019	2020
Risky assets ratio	69	62
Unaffiliated common stocks ratio	47	38
Below-investment-grade bonds ratio	6	4
Investment return	3.5	2.0

Note: Reported on a consolidated basis  
Source: Fitch Ratings; DEVK

## Asset Liability and Liquidity Management

### Strong Asset/Liability Management; Low Liquidity Risk

We regard DEVK's duration gap in life business as being of the 'A' category (Fitch's duration gap guideline range for the 'A' category is 1.5–2.9 years). DEVK's duration of liabilities in the life segment is longer than the duration of the related assets, as is typical of a German life insurance operation, so it is exposed to reinvestment risk when bond yields fall. DEVK has increased its life asset duration and reduced the duration mismatch significantly since 2013. We consider DEVK's risk arising from guaranteed interest rate policies as moderate.

German life insurers are obliged to make guaranteed investment rate (GIR) payments to policyholders. This can become a negative rating factor if low bond yields persist. However, Fitch considers DEVK as more resilient than many of its competitors in such a scenario. This is because DEVK's non-life operations contribute the majority of the group's earnings and Fitch expects that support for DEVK Life would likely be provided, if needed, by DEVK Non-Life.

Fitch considers liquidity risk to be low for DEVK because Fitch's key liquidity metrics score at very strong. The company has reported steady growth in recent years and its liquidity needs are covered by premium income.

### Fitch Expectations

- The duration gap is to remain in the 'A' category.
- Liquidity ratios will remain very strong.
- GIR payments are to remain under pressure.

## Reserve Adequacy

### Very Strong Reserve Adequacy

Fitch believes DEVK follows a conservative reserving policy with large claims reserve redundancies, which exceeded the German non-life market average at end-2020.

DEVK reported strong prior-year reserve adjustments (PYRAs), averaging 7.1% between 2016 and 2020. This is higher than the German non-life market average PYRA of 6.3% for the same period. Fitch believes DEVK's high PYRA indicates strong non-life claims reserve adequacy overall, which mitigates risks associated with the high proportion of motor business on DEVK's books.

The claims reserve redundancies support DEVK in withstanding motor competition. While initially higher reserves increase liabilities, the offsetting amount increases the company's investments, and DEVK benefits from higher investment income. Additionally, reserving methods can be adapted to be more flexible, considering the existing reserve cushion and the motor market's pricing environment.

### Fitch Expectations

- We expect very strong reserve adequacy to be maintained.
- We expect loss reserve development to contribute notably to gross income.

### Financial Highlights

(%)	2019	2020
Liquid assets to policyholder liabilities (life)	83	80
Liquid assets to loss and loss adjustment expense reserves (non-life)	180	178
Cash and cash equivalents to technical reserves	2.5	3.3

Note: Reported on a consolidated basis  
Source: Fitch Ratings; DEVK

### Financial Highlights

(%)	2019	2020
Loss reserve development to surplus	-8.9	-5.5
Loss reserve development to net earned premiums	-8.6	-5.4
Net technical reserves to net earned premiums	122	122
Change in the ratio	-2	1
Prior year reserve adjustment to prior-year reserve	7.7	4.8

Note: Reported on a consolidated basis  
Source: Fitch Ratings; DEVK

---

## Reinsurance, Risk Mitigation and Catastrophe Management

### Catastrophe Risks Limited by Adequate Reinsurance Programme

DEVK focuses on individual cover in primary insurance, which limits catastrophe risk. Its reinsurance strategy includes ceding larger risks and purchasing adequate excess cover. Extensive aggregate excess-of-loss cover is bought for the primary and reinsurance operations, which limits DEVK's one-in-200-year probable maximum loss to 14% of its non-life capital. Fitch considers DEVK's catastrophe risk to be low – DEVK falls into the 'AA' category under Fitch's median value for probable maximum losses.

The credit quality of DEVK's reinsurers is strong. The 20 largest reinsurers' ratings by ceded premiums were all in the 'AA' or 'A' categories.

### Fitch Expectations

- Catastrophe risk will remain low.
- We expect the credit quality of reinsurers to remain strong.

## Appendix A: Other Ratings Considerations

Below is a summary of additional ratings considerations that are part of Fitch’s ratings criteria.

### Group IFS Rating Approach

Fitch views all DEVK-branded entities as ‘Core’ to DEVK, as defined in the agency’s insurance rating methodology, and has applied its insurance group rating methodology to assign an ‘A+’ IFS rating to these entities, based on a combined group assessment.

Fitch views Echo Re as ‘Very Important’ to DEVK as it represents the group’s reinsurance operations outside Europe. Echo Re’s rating incorporates a three-notch uplift from its Standalone Credit Profile (for more detail see the separate [rating report on Echo Re](#)).

### Notching

For notching purposes, the regulatory environment of Germany is assessed by Fitch as being ‘Effective’, and classified as following a Group Solvency approach.

### Notching Summary

#### IFS Ratings

A baseline recovery assumption of ‘Good’ applies to the IFS rating, and standard notching was used from the IFS anchor rating to the implied operating company IDR.

#### Operating company debt

Not applicable.

#### Holding company IDR

Standard notching was applied between the implied insurance operating company and holding company IDRs for a group solvency regulatory environment.

#### Holding company debt

Not applicable.

#### Hybrids

Not applicable.

IFS – Insurer Financial Strength. IDR – Issuer Default Rating  
Source: Fitch Ratings

### Short-Term Ratings

Not applicable.

### Hybrid – Equity/Debt Treatment

Not applicable.

### Corporate Governance and Management

Corporate governance and management are adequate and neutral to the rating.

### Transfer and Convertibility Risk (Country Ceiling)

None.

### Criteria Variations

None.

### Rated DEVK Entities

DEVK Deutsche Eisenbahn Versicherung  
Sach- und HUK-Versicherungsverein a.G. Betriebliche  
Betriebliche Sozialeinrichtung der Deutschen  
Bahn

DEVK Deutsche Eisenbahn Versicherung  
Lebensversicherungsverein a.G. Betriebliche  
Sozialeinrichtung der Deutschen Bahn

DEVK Rückversicherungs- und Beteiligungs-  
Aktiengesellschaft – DEVK RE

DEVK Allgemeine Versicherungs-  
Aktiengesellschaft

DEVK Allgemeine Lebensversicherungs-  
Aktiengesellschaft

DEVK Rechtsschutz-Versicherungs-  
Aktiengesellschaft

DEVK Krankenversicherungs-  
Aktiengesellschaft

Echo Rückversicherungs-AG

Insurer Financial Strength Ratings:  
DEVK-branded entities: A+  
Echo Rückversicherungs-AG: A-



## Appendix B: Environmental, Social and Governance Considerations

### Credit-Relevant ESG Derivation

Credit-Relevant ESG Derivation			Overall ESG Scale	
DEVK Deutsche Eisenbahn Versicherung has 7 ESG potential rating drivers				
<ul style="list-style-type: none"> <li>DEVK Deutsche Eisenbahn Versicherung has exposure to underwriting/reserving exposed to environmental and natural catastrophe risks; impact of catastrophes on own operations or asset quality; credit concentrations but this has very low impact on the rating.</li> <li>DEVK Deutsche Eisenbahn Versicherung has exposure to compliance risk; treating customers fairly; pricing transparency; privacy/data security; legal/regulatory fines; exposure to insured and own cyber risk but this has very low impact on the rating.</li> <li>DEVK Deutsche Eisenbahn Versicherung has exposure to social responsibility and its effect on brand strength; increased vulnerability due to credit concentrations but this has very low impact on the rating.</li> <li>Governance is minimally relevant to the rating and is not currently a driver.</li> </ul>	key driver	0	issues	5
	driver	0	issues	4
	potential driver	7	issues	3
	not a rating driver	2	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	2	Underwriting/reserving exposed to asbestos/hazardous materials risks	Capitalization & Leverage; Financial Performance & Earnings; Reserve Adequacy; Reinsurance, Risk Mitigation & Catastrophe Risk	2
Exposure to Environmental Impacts	3	Underwriting/reserving exposed to environmental and natural catastrophe risks; impact of catastrophes on own operations or asset quality; credit concentrations	Capitalization & Leverage; Financial Performance & Earnings; Reserve Adequacy; Reinsurance, Risk Mitigation & Catastrophe Risk; Investment & Asset Risk	1

#### How to Read This Page

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

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

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

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

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

### Social (S)

General Issues	S Score	Sector-Specific Issues	Reference	S Scale
Human Rights, Community Relations, Access & Affordability	1	n.a.	n.a.	5
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Compliance risk; treating customers fairly; pricing transparency; privacy/data security; legal/regulatory fines; exposure to insured and own cyber risk	Industry Profile & Operating Environment; Business Profile; Reserve Adequacy	4
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Corporate Governance & Management	3
Employee Wellbeing	1	n.a.	n.a.	2
Exposure to Social Impacts	3	Social responsibility and its effect on brand strength; increased vulnerability due to credit concentrations	Business Profile; Investment & Asset Risk; Financial Performance & Earnings; Reinsurance, Risk Mitigation & Catastrophe Risk	1

### Governance (G)

General Issues	G Score	Sector-Specific Issues	Reference	G Scale
Management Strategy	3	Operational implementation of strategy	Corporate Governance & Management; Business Profile	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	Corporate Governance & Management	4
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Corporate Governance & Management; Ownership	3
Financial Transparency	3	Quality and timing of financial reporting and auditing processes	Corporate Governance & Management	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.

## ESG Considerations

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3' – 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 our ESG Relevance Scores, visit [www.fitchratings.com/esg](http://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.

ALL FITCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK: [HTTPS://FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS](https://fitchratings.com/understandingcreditratings). IN ADDITION, RATING DEFINITIONS AND THE TERMS OF USE OF SUCH RATINGS ARE AVAILABLE ON THE AGENCY'S PUBLIC WEB SITE AT [WWW.FITCHRATINGS.COM](http://WWW.FITCHRATINGS.COM). 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. FITCH MAY HAVE PROVIDED ANOTHER PERMISSIBLE SERVICE TO THE RATED ENTITY OR ITS RELATED THIRD PARTIES. DETAILS OF THIS SERVICE 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.

Copyright © 2021 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Fax: (212) 480-4435. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved. 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.

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.