

# DEVK Deutsche Eisenbahn Versicherung

## Key Rating Drivers

**Strong Company Profile:** Fitch Ratings assessment of DEVK Deutsche Eisenbahn Versicherung Sach- und HUK-Versicherungsverein a.G. Betriebliche Sozialeinrichtung der Deutschen Bahn's (DEVK) company profile reflects its strong market position in German property and casualty market, its well-diversified earnings across all primary insurance segments in Germany and international reinsurance business and its moderate size. DEVK wrote total premiums of EUR4 billion in 2021 and recorded total assets of EUR23 billion.

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).

**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 197% at end-2021 (173% at end-2020). The improvement of the S2 ratio was driven by higher market interest rates. Fitch expects the S2 ratios to improve further in 2022 as market yields continue to increase.

**Strong Financial Performance:** Our assessment of profitability is based on the group's strong Fitch calculated net combined ratio with an average of 95.2% over 2017-2021. However, DEVK group's focus on motor insurance constrains overall profitability due to the competitive German motor insurance market. DEVK's Fitch-calculated group net combined ratio based on German GAAP deteriorated to 96.3% in 2021 from 92.0% in 2020. This was driven by two large weather-related losses, a flood in July that caused DEVK's largest ever losses, and a windstorm in June.

We expect the net combined ratio to improve slightly in 2022 if the lower level of catastrophe losses is maintained, partly offset by higher claims driven by elevated inflation in Germany.

**Very Strong Reserve Adequacy:** The company has a long history of strong prior-year reserve adjustments and large claims reserve redundancies. Fitch believes that DEVK Non-Life's claims reserving buffers are strong enough for the insurer to withstand competitive pressures in the Germany's motor insurance sector without losing market share or seeing deterioration in capitalisation.

**Core Strategic Status:** Fitch views all DEVK-branded operating entities as 'Core' to DEVK and rates them based on the credit profile of the group as a whole.

## Ratings

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

Insurer Financial Strength A+

### Subsidiaries

Insurer Financial Strength A+

Note: See additional ratings on page 8.

## Outlooks

Insurer Financial Strength Stable

## Financial Data

**DEVK Deutsche Eisenbahn  
Versicherung**

(EURm)	2021	2020
Total assets	23,194	21,716
Total equity	2,535	2,424
Total gross written premiums	4,117	3,918
Net combined ratio (%)	96.3	92.0
Net income	98	87

Source: Fitch Ratings, DEVK

## Applicable Criteria

[Insurance Rating Criteria \(July 2022\)](#)

## Related Research

[Germany's Non-Life Insurers Demonstrate Their Resilience \(June 2022\)](#)

[German Non-Life Insurance Dashboard: Mid-Year Update 2022 \(July 2022\)](#)

[Echo Rueckversicherungs-AG \(August 2022\)](#)

## Analysts

Mahsa Delgoshaei

+49 69 768076 243

[mahsa.delgoshaei@fitchratings.com](mailto:mahsa.delgoshaei@fitchratings.com)

Stephan Kalb

+49 69 768076 118

[stephan.kalb@fitchratings.com](mailto:stephan.kalb@fitchratings.com)

## Rating Sensitivities

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

- A substantial improvement in the market position of the DEVK group.

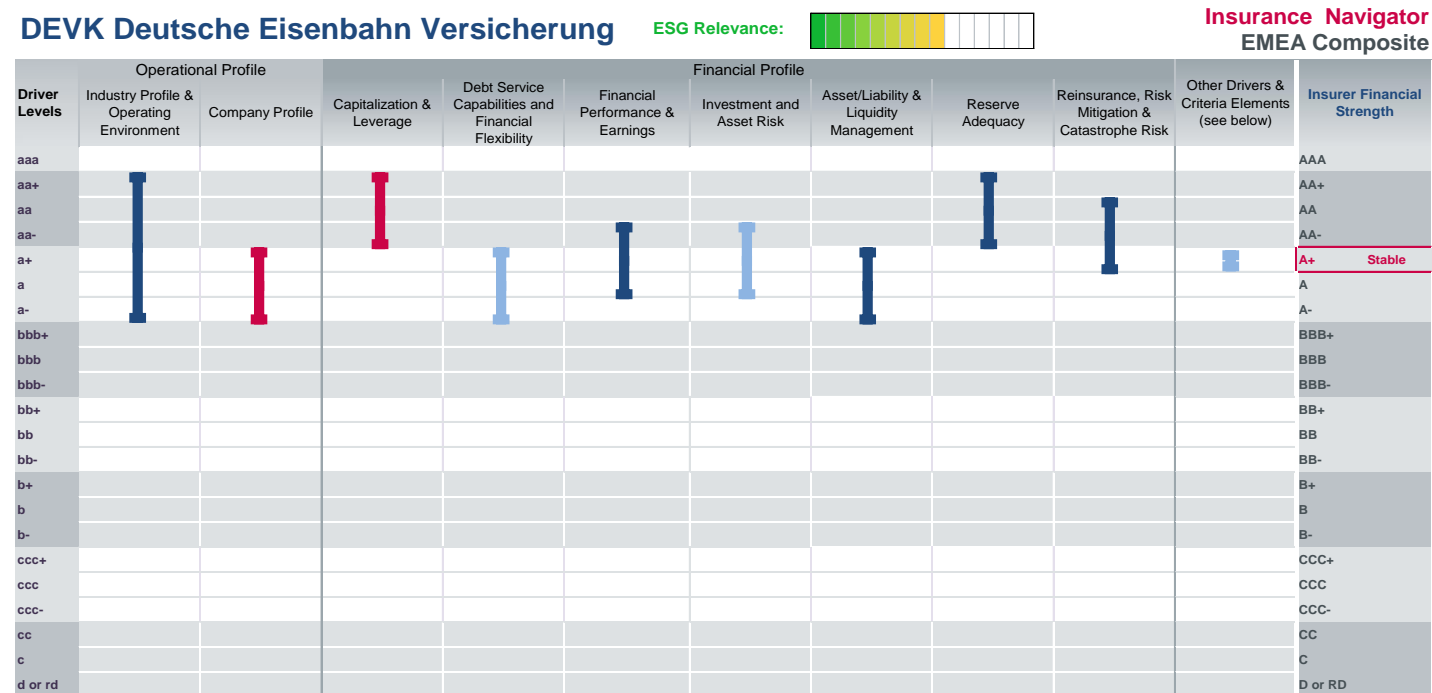
### Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- 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.
- Significant weakening in the DEVK group's reserving methodologies, as shown by a large reduction in reserve redundancies.

## Latest Developments

- In 1Q22, DEVK group's motor new business premium declined by about 25% from 1Q21, leading to a total premium decline of about 1% in this line. We believe this was due to the company's prudential underwriting methods in the very competitive and price-driven motor market. Nonetheless, we expect the motor business to remain one of group's most important segments in the coming years.
- Elevated inflation in Germany will lead to higher average claims and therefore put pressure on underwriting profitability. We expect the high inflation to negatively affect the company's 2022 result but that DEVK will reflect rising costs in its pricing strategy from 2023.

## Key Rating Drivers - Scoring Summary



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

Bar Chart Legend:	
Vertical Bars = Range of Rating Factor	
Bar Colors = Relative Importance	
■	Higher Influence
■	Moderate Influence
■	Lower Influence
Bar Arrows = Rating Factor Outlook	
↑	Positive
↓	Negative
↕	Evolving
□	Stable

## Company Profile

### Strong Company Profile

Fitch ranks DEVK's company profile as 'Moderate' compared to that of all other German composite insurance companies due to its 'Moderate' operating scale, 'Moderate' 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 5.1% to EUR4,117 million in 2021 (2020: EUR3,918 million). The five-year compound annual growth rate (CAGR) for 2017-2021 was 5.1%, above the German primary insurance market five-year CAGR of 3.2%. DEVK's premium growth in 2021 was driven by strategic growth in reinsurance premium to achieve a more diversified portfolio. Fitch believes that premium growth will continue to be driven by reinsurance business.

DEVK has a strong market position in the motor line, with almost half of its non-life premiums coming from the motor business at end-2021. Measured by GWP, we estimate DEVK to be the 11th-largest insurance companies in motor business. We expect the company to maintain its market position in 2022.

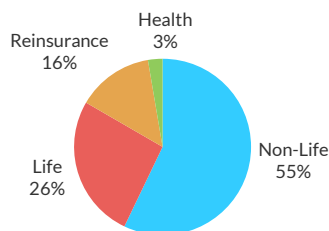
In the life business, DEVK's premium growth has been weak in recent years due to a decline in traditional life products. We expect the growth in life premium to remain weak in short term due to the continuing difficult market condition and the company's strategy of prioritising growth in the non-life segment.

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.

Fitch assess DEVK's corporate governance as 'Moderate/Favourable'. Our assessment is driven by its group structure, which is in line with the market norms, as well as independent and effective management board and transparent and timely financial disclosures. We expect no change in company's corporate governance.

### Total Premium

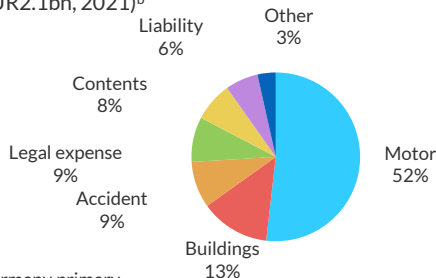
(EUR4.1bn, 2021)<sup>a</sup>



<sup>a</sup>Including SADA Assurances S.A. figures  
Source: Fitch Ratings, DEVK

### Non-Life Premium<sup>a</sup>

(EUR2.1bn, 2021)<sup>b</sup>



<sup>a</sup>Germany primary  
<sup>b</sup>Excluding SADA Assurances S.A. figures  
Source: Fitch Ratings, DEVK

## 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.

## Capitalization and Leverage

### Very Strong Capitalisation

DEVK scored 'Extremely Strong' in Fitch's Prism FBM model, based on end-2021 results. We expect DEVK to maintain this score at end-2022. DEVK's capitalisation benefits from its prudent reserving standards since the company's significant reserve redundancies on its balance sheet are partly considered capital in our capital model.

The insurer reported a strong regulatory group S2 ratio of 197% at end-2021 (2020: 173%), without transitional measures on technical provisions. The improvement in the S2 ratio in 2021 was driven by the increase in market interest rate and we expect the group S2 ratio to increase further in 2022 due to the further rise in the market yield.

DEVK reported very strong and stable non-life net leverage between 2.0x and 2.2x in the past five years. Life operating leverage remained stable and very strong at 10.4x in 2021 (2020: 10.4x).

### Financial Highlights

	2021	2020
Group solvency ratio <sup>a</sup> (%)	197	173
Non-life net written premium to equity <sup>b</sup> (x)	0.9	0.9
Non-life net leverage (x)	2.1	2.0
Life operating leverage (x)	10.4	10.4

<sup>a</sup> Without transitional measures.

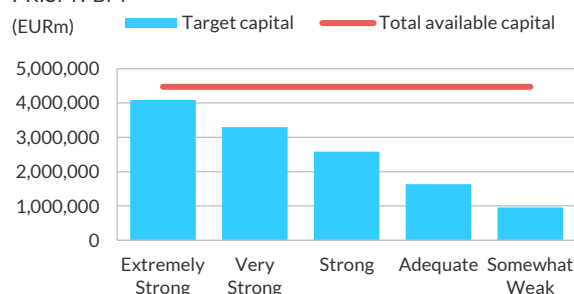
<sup>b</sup> Equity including claims equalisation reserve.

Note: Reported on a consolidated basis.

Source: Fitch Rating, DEVK

### Capitalisation Adequacy

PRISM FBM



Source: Fitch Ratings

### Financial Highlights

	2021	2020
Prism score	Extremely Strong	Extremely Strong
Prism total AC (EURm)	4,464,917	3,803,924
Prism AC/TC at Prism score (%)	110	102
Prism AC/TC at higher Prism score (%)	n.a.	n.a.

AC - Available capital. TC - Target capital

Note: Reported on a yearly basis.

Source: Fitch Ratings, DEVK

### Fitch Expectations

DEVK will maintain very strong capitalisation over the next 12 to 24 months, with a Prism FBM score of at least 'Very Strong' due to the expected moderate growth and strong retained earnings.

## Debt Service Capabilities and Financial Flexibility

### No Financial Leverage

DEVK had no outstanding debt at end-2021 and we do not expect the company to arise any debt in the medium term. We regard DEVK group's financial flexibility at 'a' category, since Fitch believes DEVK could raise funds if necessary.

### Fitch Expectations

We do not expect the group to require any external capital resources over the two-year rating horizon.

## Financial Performance and Earnings

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

DEVK has a strong combined ratio with an average of 95.2% in 2017-2021. However, DEVK's focus on motor insurance constrains the overall profitability due to the high competitiveness of the German motor insurance market.

DEVK's combined ratio deteriorated to 96.3% in 2021 (2020: 92.0%), driven by a flood from storm Bernd in July 2021, the largest claims event in DEVK's history, and the windstorm Volker in June 2021. We expect DEVK's net combined ratio to improve slightly about 1pp in 2022, due to lower incurred losses from weather-related events, partly offset by higher claims due to the current high inflation.

Despite the deteriorated combined ratio in 2021, DEVK's operating ratio slightly improved to 89.2% in 2021 (2020: 89.9%), due to an increase in investment income. Fitch regards DEVK's operating ratio as strong and expects it to be maintained in 2022. The ratio has remained below 90% since at least 2008.

### Financial Highlights

(%)	2021	2020
Net combined ratio	96.3	92.0
Operating ratio	89.2	89.9
Operating pre-tax return on equity	7.9	4.8
Life asset growth	5.0	2.4
Non-life gross written premium growth	5.7	7.2

Note: Reported on a consolidated basis.  
Source: Fitch Ratings, DEVK

### Fitch Expectations

- Fitch expects the net combined ratio to slightly improve in 2022, due to expected lower cat losses partly offset by higher inflation, and the 2022 operating ratio to improve due to the higher investment income.

## Investment and Asset Risk

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

Equity investments have accounted for 9.9% at end-2021 (end-2020: 9.2%), a level that exceeds the German non-life insurance industry's average. We expect the equity portion of the investments to remain over the market average in the near future.

Despite its relatively high equity investment, DEVK has a strong risky assets ratio, which has been less than 75% in the past five years. DEVK's unaffiliated equities ratio increased to 37.0% at end-2021 (end-2020: 33.3%), 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.

DEVK's fixed-income investments, that made up for more than 60% of group's total investments, were of strong credit quality at end-2021. According to the group's consolidated annual report, 52.3% were 'AA' rated and better, 30.4% were 'A' rated, 15.3% were 'BBB' rated, and only 2.0% were unrated or non-investment-grade bonds.

### Financial Highlights

(%)	2021	2020
Risky assets ratio	64.9	55.1
Unaffiliated common stocks ratio	37	33
Non-investment-grade bonds ratio	3.7	3.2
Return on investment	3.2	2.0

Note: Reported on a consolidated basis.  
Source: Fitch Ratings, DEVK

### Fitch Expectations

- Investment risk to remain manageable over the two-year rating horizon due to a stable investment strategy, despite a modest rise in equity investments over the next two years.

## Asset/Liability and Liquidity Management

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

We regard DEVK's duration gap in life business as being in line with the 'bbb' category (Fitch's duration gap guideline range for the 'bbb' rating category is three to 4.9 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. In 2021, DEVK's duration gap deteriorated slightly due to shorter asset duration and slightly longer liability duration. The current increase in the market interest rate will lower DEVK's reinvestment risk although the company will remain sensitive to the changes of the market yield.

A large part of DEVK's liabilities are from traditional life insurance products with guaranteed investment rate (GIR) payments to policyholders. Liabilities with GIR can become a negative rating factor in a low interest rate environment. However, we consider DEVK's risk arising from GIR policies as moderate, since about half of its insurance liabilities are related to non-life products or life products with no guarantees.

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

### Financial Highlights

(%)	2021	2020
Liquid assets to policyholder liabilities (life)	78.1	80.1
Liquid assets to loss and loss adjustment expense reserves (non-life)	169.5	178.5
Cash and cash equivalents to technical reserves	3.2	3.3

Note: Reported on a yearly basis.  
Source: Fitch Ratings, DEVK

### Fitch Expectations

- The duration gap could improve to 'A' category, supported by rising interest rates.

## 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-2021, based on its long history of reserve releases.

DEVK reported strong prior-year reserve adjustments (PYRAs), averaging 6.5% between 2017 and 2021, which is in line with the German non-life market average PYRA of 6.4%. 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.

According to DEVK's Solvency and Financial Condition Report at end-2021 and an S2 best estimate calculation, the group's reported reserves based on German GAAP accounting were significantly higher than the required reserves.

### Financial Highlights

(%)	2021	2020
Loss reserve development/surplus	-4.8	-5.2
Loss reserve development/net earned premiums	-5.3	-5.4
Net technical reserves/net earned premiums	130.0	123.3
Prior-year reserve adjustment/prior-year reserve	4.8	4.8

Note: Reported on a consolidated basis.  
Source: Fitch Ratings, DEVK

## Reinsurance, Risk Mitigation and Catastrophe Risk

### 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-250-year probable maximum loss to 4% of its non-life capital. The success of the company's reinsurance strategy was demonstrated in 2021, when total combined ratio remained under 100% despite a high level of weather-related losses. 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 had an average rating of 'A+'.

### Fitch Expectations

- We expect the credit quality of reinsurers to remain strong because there is no indication of change in important reinsurance partner.

## Appendix A: Peer Analysis

### Peer Comparison

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

## Appendix B: Industry Profile and Operating Environment

### Industry Profile and Operating Environment (IPOE)

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

## Appendix C: Other Rating Considerations

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

### Group Insurance Financial Strength (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 Quality (for more details see the separate rating report of Echo Re).

Name	Type	Rating	Outlook
DEVK Deutsche Eisenbahn Versicherung Sach- und HUK-Versicherungsverein a.G. Betriebliche Sozialeinrichtung der Deutschen Bahn	IFS	A+	Stable
DEVK Deutsche Eisenbahn Versicherung Lebensversicherungsverein a.G. Betriebliche Sozialeinrichtung der Deutschen Bahn	IFS	A+	Stable
DEVK Rueckversicherungs- und Beteiligungs-Aktiengesellschaft – DEVK RE	IFS	A+	Stable
DEVK Allgemeine Versicherungs-Aktiengesellschaft	IFS	A+	Stable
DEVK Allgemeine Lebensversicherungs-Aktiengesellschaft	IFS	A+	Stable
DEVK Rechtsschutz-Versicherungs-Aktiengesellschaft	IFS	A+	Stable
DEVK Krankenversicherungs-Aktiengesellschaft	IFS	A+	Stable
Echo Rueckversicherungs-AG	IFS	A-	Stable

Source: Fitch Ratings, DEVK



**Notching**

For notching purposes, Fitch assesses Germany’s regulatory environment 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**

Not applicable.

**Holding company debt**

Not applicable.

**Hybrids**

Not applicable.

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

**Debt Maturities**

Not applicable.

**Short-Term Ratings**

Not applicable.

**Hybrid – Equity/Debt Treatment**

Not applicable.

**Hybrids Treatment**

Not applicable.

**Recovery Analysis and Recovery Ratings**

Not applicable.

**Recovery Ratings**

Not applicable.

**Transfer and Convertibility Risk (Country Ceiling)**

Not applicable.

**Criteria Variations**

Not applicable.

Appendix D: Environmental, Social and Governance Considerations

Credit-Relevant ESG Derivation

			Overall ESG Scale		
DEVK Deutsche Eisenbahn Versicherung has 7 ESG potential rating drivers					
➔	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.	key driver	0	issues	5
➔	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.	driver	0	issues	4
➔	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.	potential driver	7	issues	3
➔	Governance is minimally relevant to the rating and is not currently a driver.	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; Company Profile; Reserve Adequacy	4
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Company Profile	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	Company 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	Company 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	Company Profile	4
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Company Profile; Ownership	3
Financial Transparency	3	Quality and timing of financial reporting and auditing processes	Company Profile	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 Consideration

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.

#### 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.

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 © 2022 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.