

Third-Party Partial Credit Support Rating Criteria

Cross-Sector

Scope

This report outlines Fitch Ratings' approach to assigning new and existing, international and national scale long-term instrument ratings backed by third-party partial credit support (PCS) globally. It addresses how differences in PCS structures affect the recovery prospects and ratings of instruments that benefit from PCS. These criteria do not affect Issuer Default Ratings (IDRs).

These criteria apply to non-financial corporates, financial institutions, insurance companies and sovereigns.

Key Rating Drivers

In these criteria, we view PCS as providing investors with additional recovery uplift (the "PCS contractual recovery rate") over the base recovery rate of the creditor classes. This enhanced recovery rate drives the notching approach of the partially supported instrument (PSI), subject to applicable caps.

The following Key Rating Drivers describe various factors that could affect the PSI recovery rate and, in turn, their instrument rating.

Total Recovery Rate and Notching: Fitch calculates the "total recovery rate" (also referred to as level of enhancement), which comprises the base recovery rate (as defined in individual sector criteria) and the PCS contractual recovery rate. Based on the total recovery rate, Fitch will then notch up or down from the issuer's international or national Long-Term IDR to determine the PSI rating.

Level of Enhancement: When determining the PCS amount, Fitch only considers the principal element of the PCS. No credit is given for interest even if it is quantifiable. Fitch may apply a present value (PV) adjustment where appropriate.

Recovery Sharing: The PCS provider's ranking against other creditors and subrogation rights may affect the issuer's base recovery rate for all creditors and influence the PSI total recovery rate and rating.

Conditionality of Credit Support: Claim conditionality and the claims process should be minimal and straightforward in order to gain credit from PCS. The extent and effect of impediments to PCS enforcement are assessed case by case, and may result in no credit given to the PCS.

Applicable Caps: The PSI rating will be capped by the PCS provider's IDR. In addition, for international scale ratings, the base recovery rate may be capped by country-specific caps on recovery ratings (RRs), as detailed in the *Country-Specific Treatment of Recovery Ratings Rating Criteria*.

Table of Contents

| | |
|-----------------------------------|---|
| Scope | 1 |
| Key Rating Drivers | 1 |
| The PSI Rating Process | 2 |
| National Scale Rating Application | 6 |
| Rating Assumption Sensitivity | 8 |
| Information and Limitations | 8 |
| Criteria Disclosure | 8 |
| Variations from Criteria | 8 |

This report updates and replaces *Third-Party Partial Credit Guarantees Rating Criteria*, dated 22 June 2020.

Related Criteria

- [Corporate Rating Criteria \(October 2022\)](#)
- [National Scale Rating Criteria \(December 2020\)](#)
- [Bank Rating Criteria \(September 2022\)](#)
- [Non-Bank Financial Institutions Rating Criteria \(Jan 2022\)](#)
- [Corporates Recovery Ratings and Instrument Ratings Criteria \(April 2021\)](#)
- [Country-Specific Treatment of Recovery Ratings Rating Criteria \(January 2021\)](#)
- [Sovereign Rating Criteria \(July 2022\)](#)

Analysts

Rogelio Gonzalez
+52 8141617034
rogelio.gonzalez@fitchratings.com

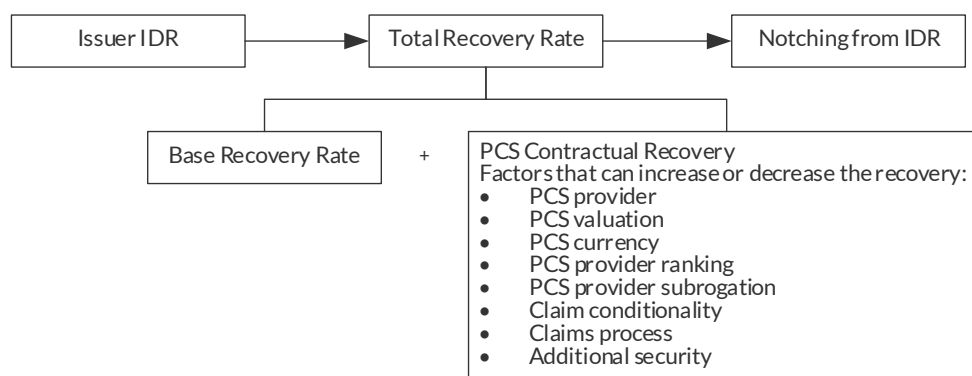
Rachel Chin
+44 20 3530 1629
rachel.chin@fitchratings.com

Alan Adkins
+44 20 3530 1702
alan.adkins@fitchratings.com

Carlos Masip
+34 917025773
carlos.masip@fitchratings.com

The PSI Rating Process

The flowchart below provides an overview of the PSI rating process on the international rating scale. Please refer to page 6 for the details of the national rating scale approach.



Source: Fitch Ratings

The analysis of PCS is predicated on Fitch's recovery-based methodology relevant for each asset class:

- The *Corporates Recovery Ratings and Instrument Ratings Criteria*;
- The relevant sections of the *Bank Rating Criteria*, *Non-Bank Financial Institutions Rating Criteria* and *Insurance Rating Criteria*;
- For sovereigns, as Fitch does not assign RRs to sovereign debt issues, the recovery analysis of PCS structures for sovereign issues is assessed using the *Corporates Recovery Ratings and Instrument Ratings Criteria*, which Fitch considers an appropriate approach in the context of these structures.

Step 1: Issuer IDR

Fitch determines the IDR of the issuer in accordance to the individual sector criteria.

Step 2: Total Recovery Rate

The PSI rating is driven by the total recovery rate of the PSI. The total recovery rate comprises:

- The base recovery rate of the issuer's secured/unsecured obligations, as determined in accordance to the individual sector criteria, and
- The PCS contractual recovery rate.

Base Recovery Rate

Similar to the generic corporate approach, the bottom of the rating band, typically senior unsecured, would be the starting point to assess the notching uplift. This corporates approach will apply to the financial institutions, insurance and sovereign sectors that use these criteria.

Caps on the Base Recovery Rate

For international ratings, the quality of the legal regime and local insolvency regime are relevant to estimating the base recovery rates. Fitch's *Country-Specific Treatment of Recovery Ratings Criteria* describes the country-specific caps on recovery for various countries. Country-specific caps are not applicable to national scale ratings.

Considerations Specific to Corporates

When the generic approach to recoveries is applied (for IDRs of 'BB-' and above), the assumed base recovery will be the lowest recovery percentage for the RR applied to the instrument under consideration.

For example, the assumed base recovery would be 31% for an instrument that is viewed as 'RR4' (i.e. 'RR4' on the *Bespoke Recovery Ratings Scale* table on page 5) and 51% for an instrument that is viewed as 'RR3' ('RR3' on the same table).

PCS Contractual Recovery Rate

The PCS contractual recovery rate is affected by structural features in the PCS structure, including:

- The valuation of the PCS;
- PCS provider quality
- The currency of the PCS;
- Growing value versus static value in relation to amortising debt (i.e. whether the PCS is a fixed dollar amount or a percentage of outstanding debt);
- The ranking of the PCS provider;
- The subrogation rights of the PCS provider;
- Conditionality;
- Claims processing.

Valuation of the PCS and PCS Provider Quality

The incremental recovery uplift provided by the PCS is fundamental to rating PSI, as is the credit quality of the PCS provider.

Fitch measures the size of the PCS as a percentage of principal balance. Fitch performs a PV analysis to calculate this percentage at day one. Where relevant, when discounting cash flows are received from the PCS, Fitch will apply an interest rate consistent with the credit risk of the PCS provider and the relevant currency of the credit support.

A PV adjustment would not be applied if the PCS has a bullet structure or can be accelerated, because noteholders have the option to receive the contractual PCS recovery immediately in a lump sum. In contrast, a PV adjustment would be applied if the PCS has an amortising structure and payments are collected from the PCS provider over the remaining life of the given support.

Fitch excludes interest recovery amounts from its recovery analysis even if it is quantifiable. The amount drawn down under partial interest support may vary depending on when the PCS loan's interest was last paid, compared with cross-default across the debt structure. Fitch is therefore unable to quantify the amounts payable under the credit support structure. Similarly, interest recovery amounts may be too small to be meaningful for the purposes of Fitch's recovery calculations.

The PCS provider should be rated higher than the entity benefiting from the PCS. Fitch will not rate the instrument higher than the PCS provider.

Recovery Sharing

Credit Support Provider Ranking: Senior, Subordinated or Pari Passu

Fitch will consider whether the PCS provider rights to the recovery proceeds of the issuer is senior, subordinated or pari passu with unsecured investors of the underlying obligation.

Senior

If the PCS provider is senior to the PSI noteholders, the PCS provider will receive all recovery proceeds of the issuer until the total amount of the drawn-upon PCS is paid to it. In this case, the PSI noteholder's claim as an unsecured creditor may be greatly diluted, and the main uplift is derived from the amount provided under the PCS.

Subordinated

If the PCS provider is subordinated to the PSI noteholders, the PSI noteholders will receive the full benefit of the PCS and their full portion of unsecured creditor recoveries.

Pari Passu

If the PCS provider is pari passu with unsecured investors of the underlying obligation, the total claim of PSI Noteholders would be diluted only by the proportion of the PCS provider as an equal-ranking creditor.

The differential is dependent on the overall capital structure and proportion of the PCS relative to the total debt of the company. If the PCS makes up a large portion of the issuer's debt, which is relatively rare, this will have a greater effect on the base recovery rate and an adjustment may be made.

Subrogation Rights

Subrogation rights require noteholders to surrender their recoverable claim to PCS providers in an amount equal to the drawn PCS coverage.

In Fitch's experience, most PCS loan agreements contain subrogation clauses. Even in cases where the document language is not specific, the concept is often present in local legal codes, and the rights are assumed to be available to PCS providers.

In cases where the PCS and related loan agreements are written without subrogation rights, it is important to understand the local bankruptcy regime to determine how PSI noteholders would be treated during a bankruptcy of the issuer.

The following examples demonstrate the potential effects of subrogation rights and Fitch's quantification of overall recovery expectations. In both examples, we assume:

- A USD500 million bond issue protected by 30% PCS;
- USD1 billion of total liabilities (including the USD500 million bond issue);
- PCS provider is *pari passu* with all creditors.

Example 1: Without Subrogation Rights

Fitch's estimate of the base recovery of this company is 50% under the bespoke approach, which would equate to USD500 million in total recovery proceeds and a USD250 million base recovery for noteholders of the PSI (before the benefit of the PCS).

Without subrogation rights, the base recovery of the creditors would be diluted by the company's USD150 million of additional debt (the amount owed to the PCS provider). The dilution would be spread over the company's total liabilities.

Total debt after the PCS drawdown would be USD1.15 billion, leading to a base recovery of 43.5% (USD500 million divided by USD1.15 billion) instead of the original 50%. This number is affected by the company's total debt level, and total recovery will be lower if the PCS makes up a larger portion of the company's debt.

Consequently, this 43.5% recovery rating for all creditors implies an 'RR4' rating for the issuer's instruments not benefiting from PCS. For the PSI bondholders, the incremental 30% recovery will lead to a total recovery of 73.5%, or 'RR2', yielding a two-notch uplift on the international scale.

Example 2: Subrogation Rights to PCS Provider

Fitch's estimate of the base recovery of this company is 50%, which would equate to USD500 million in total recovery proceeds and a USD250 million base recovery for noteholders of the PSI (before the benefit of the PCS).

In the case of subrogation rights, the face amount of the bond owed to PSI noteholders and investors would be reduced to USD350 million, and the PCS provider would be owed the remaining USD150 million. This in turn would mean the PSI noteholders' base recovery levels are directly diluted as the PSI noteholders will only be owed USD350 million by the company and not the original USD500 million, and the PCS provider will have a claim for repayment of the USD150 million.

The base recovery for the PSI noteholders would be USD175 million (50% of USD350 million), rather than the original USD250 million. USD150 million from the PCS would be added to this USD175 million, leading to a total recovery of USD325 million, or 65% of the original USD500 million invested, yielding an 'RR3' recovery with a one-notch benefit on the international scale.

Conditionality and Claims Processing

In general, any conditionality to partial credit support should be limited. Fitch will review on a case-by-case basis the credit implications of any conditionality and assess whether the conditionality diminishes any PCS credit¹.

Processing a claim under PCS should also be straightforward and without major conditions. If there is a potential for delay in claims processing, Fitch may incorporate the timing mismatch into the PV analysis.

Additional Security

There have been structures where noteholders have access to a specific security package that raises their recovery levels above the 31%–50% 'RR4' range and where the PCS provider does not have access to any proceeds of the security package. In such circumstances, noteholders may achieve very high recovery rates, perhaps in excess of 90% (which, if the country is not subject to the criteria's country caps, would be worth a one- to three-notch uplift from the IDR on the international scale, depending on the credit quality of the issuer; see *Country-Specific Treatment of Recovery Ratings Criteria*).

Step 3: Notching from the IDR

Fitch notches the PSI rating up or down from the entity's IDR based on the total recovery rate. The resultant instrument rating is capped by the PCS provider's rating as described on page 3.

PCS that is enforceable without recourse to the legal and judicial system of the jurisdiction in which an issuer or project is located is not subject to country-specific caps. Country-specific caps would generally not apply to the additional notching benefit due to incremental recovery from PCS, unless the trigger of the international or local PCS goes beyond the simplest evidence of non-payment and is reliant on the capped country's legal processes (i.e. processes, legal framework or rule of law that the country-specific criteria has categorised as less than optimal for creditors' recovery prospects).

The table below is used by all sectors that apply these criteria to define the notching for the total recovery rate, notwithstanding the issuer's IDR.

The presence of PCS does not automatically provide a notching uplift. If the total recovery rate of a PCS obligation is below the RR threshold to qualify for an uplift, no notching uplift will apply.

Bespoke Recovery Ratings Scale

| RR | Description | WGRC (%) | Notching from the IDR |
|-----|---------------|----------|------------------------------------------------------------------|
| RR1 | Outstanding | 91-100 | +3 (first-lien only) |
| RR2 | Superior | 71-90 | +2 (second-lien and unsecured are capped at 'RR2' ^a) |
| RR3 | Good | 51-70 | +1 |
| RR4 | Average | 31-50 | +0 (usually capped at 'RR4' for contractually subordinated debt) |
| RR5 | Below average | 11-30 | -1 |
| RR6 | Poor | 0-10 | -2 to -3 ^b |

^a Unless the issuer is a structurally senior subsidiary issuer in a multi-level corporate group structure

^b As many junior debt instruments may be rated 'RR6', varied notching enables differentiation in subordination of the debt within this category

Source: Fitch Ratings, Fitch's *Corporates Recovery Ratings and Instrument Ratings Criteria*

The overall maximum uplift for non-financial corporates issuers with an investment-grade IDR is one notch. For issuers with an IDR in the 'BB' category, instruments are capped at 'BBB-', and for those with an IDR in the 'B' category, it is three notches. Please see the *Corporates Recovery Ratings and Instrument Ratings Criteria* for further details.

¹ For example, Fitch gives limited credit to proposals with ongoing requirements to maintain coverage, or clauses that place conditions on the applicability of the PCS, such as a change in ownership, fulfilment of capex programmes or failure to pay the coverage premium.

National Scale Rating Application

Because of the expanded nature of the national scales, there may be larger rating differentiations among credits within each country (see *National Scale Rating Criteria* for further information). The impact of PCS can therefore lead to a wider notching benefit on the national scale than on the international scale. The goal is to ensure that the relativities expressed on the final national scale ratings of the partially supported transaction are generally consistent with those of the international scale ratings.

To quantify the differentiation between the notching for international and national scale ratings, Fitch analyses each national scale and the position of the issuer on each scale to determine the appropriate percentage of additional recovery from the PCS to receive one notch above the IDR.

Assuming the starting point to be the lower end of the range of average recovery estimates for the relevant instrument type, the incremental recovery needed per notch of benefit due to PCS under the national rating scale is shown in the table below.

Incremental Notching for National Ratings

| Level of enhancement above the base recovery | Third-party PCS (% of additional recovery) | Incremental notching under the long-term national rating scale |
|----------------------------------------------|--------------------------------------------|----------------------------------------------------------------|
| Outstanding | +51 and above | +4 to +6 |
| Superior | +31-50 | +2 to +4 |
| Good | +11-30 | +1 to +2 |

Source: Fitch Ratings

The higher-notching benefit will generally be applied when the country of the national scale being used is rated 'BB' or below on the international scale, and the national rating of the entity benefiting from the PCS is located in the section of the national scale where the additional granularity compared with the international scale is the greatest (i.e. there are more notches on the national rating scale for an equivalent notch on the international scale). Conversely, the notching will tend to be at the lower end of the range when the country of the national scale being used is rated 'BBB' or above on the international scale, and the national rating of the entity benefiting from the PCS is located in the section of the national scale where the additional granularity compared with the international scale is the smallest.

For example, for a "superior enhancement" above the base recovery, in *Hypothetical Case 1* on the following page, the notching benefit in the section of the scale up to 'A-(nat)', where the granularity is the strongest, would likely be three notches against two notches in the upper part of the scale. In *Hypothetical Case 2*, this would be the opposite, with the three-notch uplift applying to the upper portion of the scale down to 'BB(nat)' and the two notches at the bottom of the scale. The four-notch uplift would not apply here as the sovereign is rated above 'BBB'.

Hypothetical Case 1 of Relationship Between International and National Rating Scales

| International local-currency ratings | National ratings scale 1 |
|--------------------------------------|---------------------------|
| A- and above | - |
| BBB+ | AAA(nat) |
| BBB | AA+(nat) |
| BBB- | AA-(nat)/AA(nat) |
| BB+ | A+(nat) |
| BB | A(nat) |
| BB- | BBB+(nat)/A-(nat) |
| B+ | BBB-(nat)/BBB(nat) |
| B | BB-(nat)/BB(nat)/BB+(nat) |
| B- | B-(nat)/B(nat)/B+(nat) |
| CCC | CCC(nat) |
| CC | CC(nat) |
| C | C(nat) |
| D | D(nat) |

Source: Fitch Ratings

Hypothetical Case 2 of Relationship Between International and National Rating Scales

| International local-currency ratings | National ratings scale 2 |
|--------------------------------------|----------------------------|
| A- and above | - |
| BBB+ | AAA(nat)/AA+(nat) |
| BBB | AA-(nat)/AA(nat) |
| BBB- | A+(nat)/A(nat) |
| BB+ | BBB(nat)/BBB+(nat)/A-(nat) |
| BB | BBB-(nat)/BB+(nat) |
| BB- | BB-(nat)/BB(nat) |
| B+ | B+(nat) |
| B | B(nat) |
| B- | B-(nat) |
| CCC | CCC(nat) |
| CC | CC(nat) |
| C | C(nat) |
| D | D(nat) |

Source: Fitch Ratings

Similar to Fitch's three-notch maximum uplift for recovery issuer ratings on the international scale for entities rated 'B+' and below, a maximum benefit of six notches can be applied for rating debt instruments on the national scale.

Additionally, an uplift of four to six notches on the national scale can only be applied to entities whose credit quality is comparable to an issuer with an international scale rating in the 'B' rating category or below. The incremental notching for an issuer whose credit quality is comparable to an investment-grade rating on the international scale is limited to two notches on the national scale.

Rating Assumption Sensitivity

Fitch's opinions are forward-looking and include analysts' views of future performance. Below is a non-exhaustive list of the primary sensitivities that can influence the ratings of PSIs

- Changes in recovery. A change in the total recovery to noteholders can lead to changes in the instrument rating. This can be caused by a change in the expectation of the base recovery or the PCS incremental recovery.
- Changes in the credit quality of the PCS provider. While an upgrade of the PCS provider does not necessarily mean an upgrade of the PSI, a downgrade of the PCS provider can affect the instrument rating as it cannot be rated above the PCS provider rating.
- Changes in the IDR of the issuer. As the instrument backed by PCS is notched from the IDR, any change will affect the rating of the PSI
- Changes in the subrogation rights of the PCS provider.
- Changes in the ranking of the PCS provider in relation to the other creditors in the waterfall.
- Changes in the terms of the PCS , including enforcement conditionality, claims process, PCS valuation and currency.

Information and Limitations

Limitations

Ratings (including Watches and Outlooks) assigned by Fitch are subject to the limitations specified in Fitch's Ratings Definitions: <https://www.fitchratings.com/site/definitions>.

Data Sources

These Criteria are derived using information from previous PCS transactions, including transaction documentation, term sheets, details for repayment terms and rights to proceeds from liquidation in case of enforcement. This information is also used when assessing individual PSIs to determine the notching impact.

Criteria Disclosure

The following elements are included in Fitch's rating action commentary (RAC) and issuer research reports:

- The percentage amount of PCS granted to the debt instrument;
- The PCS provider rating (if publicly available);
- PCS characteristics:
 - Recovery sharing (PCS ranking and subrogation rights).
 - Other issues may include but are not limited to additional security, principal or interest and principal coverage by the PCS, and any different treatment to PCS noteholders by any local bankruptcy regime.
- The total amount recovered by the PSI noteholders and recovery rating, if applicable.

Variations from Criteria

Fitch's Criteria are designed to be used in conjunction with experienced analytical judgment exercised through a committee process. The combination of transparent criteria, analytical judgment applied on a transaction-by-transaction or issuer-by-issuer basis and full disclosure via RACs strengthens Fitch's rating process while assisting market participants in understanding the analysis behind Fitch's ratings.

A rating committee may adjust the application of these Criteria to reflect the risks of a specific transaction or entity. Such adjustments are called variations. All variations will be disclosed in the respective RACs, including their impact on the rating where appropriate.

A variation can be approved by a ratings committee where the risk, feature or other factor relevant to the assignment of a rating and the methodology applied to it are included within the scope of the Criteria, but where the analysis described in the Criteria requires modification to address factors specific to the particular transaction or entity.

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. 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.