

CREDIT OPINION

29 May 2025

Update

Send Your Feedback

RATINGS

SpareBank 1 Sogn og Fjordane

| | |
|-------------------|--|
| Domicile | Norway |
| Long Term CRR | A1 |
| Type | LT Counterparty Risk Rating - Fgn Curr |
| Outlook | Not Assigned |
| Long Term Debt | Not Assigned |
| Long Term Deposit | A1 |
| Type | LT Bank Deposits - Fgn Curr |
| Outlook | Negative |

Please see the [ratings section](#) at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

Contacts

Tom Ogden +46.8.5179.1294
Analyst
tom.ogden@moodys.com

Juliana Cerenkova +46.8.5179.1254
Ratings Associate
juliana.cerenkova@moodys.com

Nondas Nicolaidis +357.25.693.006
VP-Sr Credit Officer
nondas.nicolaidis@moodys.com

Simon James Robin +44 207 772 5347
Ainsworth
Associate Managing Director
simon.ainsworth@moodys.com

» Contacts continued on last page

SpareBank 1 Sogn og Fjordane

Update to credit analysis following outlook change to negative

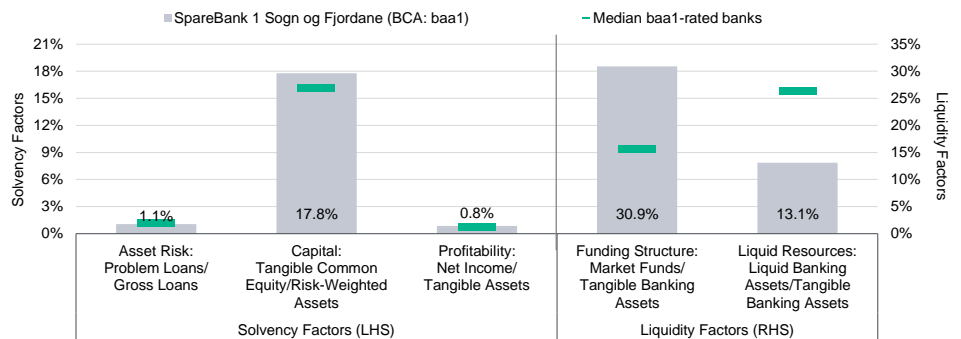
Summary

The A1 long-term deposit and issuer ratings of [SpareBank 1 Sogn og Fjordane's](#) (SSF) reflect the bank's standalone creditworthiness, as expressed by baa1 Baseline Credit Assessment (BCA), and very low loss-given-failure, which results in a three-notch uplift to its deposit and issuer ratings under our advanced Loss Given Failure (LGF) analysis. Low probability of support from the [Government of Norway](#) (Aaa, outlook stable), does not result in any further uplift.

The bank's baa1 BCA reflects its strong solvency metrics, underpinned by a resilient lending portfolio demonstrated by its low share of problem loans comprising 1.0% as of March 2025, robust profitability and very high core capital levels with a common equity tier 1 ratio of 17.3% as of March 2025, well above regulatory requirements.

These strengths are balanced against the bank's high level of capital markets funding and credit concentrations towards the bank's home region in Western Norway and sectoral concentration to primary industries and real-estate.

Exhibit 1
Rating Scorecard - Key financial ratios



These ratios are calculated based on our [Banks Methodology](#) scorecard. The bank's problem loan and profitability ratios are the weaker of the average of the latest three year-end ratios and the latest reported ratio. The bank's capital ratio is the latest reported figure. The bank's funding structure and liquid resources ratios are the latest year-end figures.

Source: Moody's Financial Metrics

Credit strengths

- » Low level of problem loans supported by retail-focused lending
- » Strong core capital levels
- » Sound recurring profitability, driven by efficient cost structure
- » Solid stock of liquid assets

Credit challenges

- » High geographic lending concentration and sizable real estate exposure
- » Substantial capital market funding reliance, despite its large deposit base
- » Limited earnings diversification by income stream and geography

Outlook

The negative outlook on the long-term deposit and issuer ratings reflects our expectation of a gradual decline in the volume of loss-absorbing instruments, which if sustained, could lead to higher potential loss rates for senior unsecured bondholders and junior depositors under our forward-looking LGF analysis in a resolution scenario.

Factors that could lead to an upgrade

An upgrade of SSF's long-term issuer and deposit ratings is unlikely in the next 12 to 18 months given the negative outlook. The outlook could return to stable if we expect the bank to continue issuing senior unsecured debt and more junior ranked securities in line with its current funding composition, together comprising more than 12% of tangible banking assets.

The bank's BCA could be upgraded if the bank improved its funding profile through a substantial reduction of confidence sensitive market funding or reduced its geographic, sector, and single borrower concentration while maintaining good asset quality and adequate coverage of problem loans.

Factors that could lead to a downgrade

The long-term issuer ratings of SSF could be downgraded if the bank issues a lower volume of senior unsecured and more junior debt securities, resulting in these securities comprising less than 12% of tangible banking assets. Additionally, both the long-term issuer and deposit ratings could be downgraded if the volume of more junior loss-absorbing securities falls below 8% of tangible banking assets.

Furthermore, its ratings and assessments could be downgraded if its credit risk profile worsens through elevated sectoral or borrower concentration, its franchise weakens reducing its earnings capacity, funding conditions become more difficult that would challenge the bank's refinancing capacity.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody's.com> for the most updated credit rating action information and rating history.

Key indicators

Exhibit 2

SpareBank 1 Sogn og Fjordane (Consolidated Financials) [1]

| | 03-25 ² | 12-24 ² | 12-23 ² | 12-22 ² | 12-21 ² | CAGR/Avg. ³ |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|------------------------|
| Total Assets (NOK Billion) | 81.5 | 79.5 | 73.6 | 70.8 | 65.8 | 6.8 ⁴ |
| Tangible Common Equity (NOK Billion) | 6.6 | 6.8 | 6.4 | 5.7 | 5.4 | 6.1 ⁴ |
| Problem Loans / Gross Loans (%) | 1.0 | 1.0 | 1.2 | 1.0 | 1.9 | 1.2 ⁵ |
| Tangible Common Equity / Risk Weighted Assets (%) | 17.8 | 18.3 | 18.2 | 16.8 | 16.1 | 17.4 ⁶ |
| Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%) | 9.6 | 9.7 | 11.9 | 10.0 | 18.7 | 12.0 ⁵ |
| Net Interest Margin (%) | 1.9 | 2.0 | 2.0 | 1.6 | 1.4 | 1.8 ⁵ |
| PPI / Average RWA (%) | 2.6 | 2.9 | 3.2 | 2.4 | 2.4 | 2.7 ⁶ |
| Net Income / Tangible Assets (%) | 0.8 | 1.0 | 1.1 | 0.8 | 1.0 | 1.0 ⁵ |
| Cost / Income Ratio (%) | 41.6 | 41.5 | 33.3 | 38.4 | 38.4 | 38.6 ⁵ |
| Market Funds / Tangible Banking Assets (%) | 30.9 | 30.9 | 30.4 | 27.0 | 27.3 | 29.3 ⁵ |
| Liquid Banking Assets / Tangible Banking Assets (%) | 14.4 | 13.1 | 11.1 | 11.6 | 11.2 | 12.3 ⁵ |
| Gross Loans / Due to Customers (%) | 197.1 | 197.2 | 198.9 | 184.5 | 182.9 | 192.1 ⁵ |

[1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel III - fully loaded or transitional phase-in; IFRS. [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime. [6] Simple average of Basel III periods.

Sources: Moody's Ratings and company filings

Profile

SpareBank 1 Sogn og Fjordane (SSF) is the largest bank headquartered in the region of Sogn og Fjordane (which has been a part of Vestland county since 2020) and offers retail and corporate customers products in banking, financing, insurance, savings, pensions and payment services. SSF's main market is Sogn og Fjordane but the bank has expanded the scope of its retail operations to include several larger cities around Norway. As of 31 December 2024, the bank reported total consolidated assets of around NOK79.5 billion (around €6.7 billion).

The bank uses its fully-owned subsidiary, Bustadkreditt Sogn og Fjordane AS (A1/negative, issuer rating/outlook), for covered bonds issuance. As of December 2024, SSF transferred 39% of its total loan book to Bustadkreditt Sogn og Fjordane AS. Following the completed move to SpareBank 1 Alliance in November 2024, SSF has also started transferring loans to the Alliance's covered bond vehicles. As of December 2024, the bank transferred NOK2.5 billion (4% of total loan book) to SpareBank 1 Boligkreditt.

Detailed credit considerations

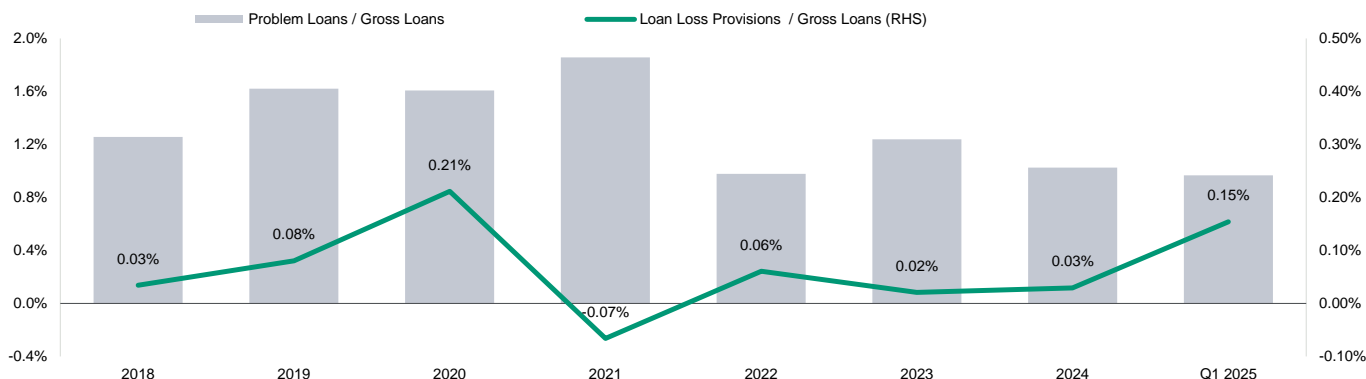
Low level of problem loans supported by retail-focused lending, albeit with high geographic lending concentration and sizable real estate exposure

SSF's strong asset quality with a low level of problem loans, 1.0% of gross loans as of March 2025, is underpinned by its high proportion of mortgage lending (around three-quarters of gross loans is to retail customers), a market segment with historically low delinquencies and losses. Despite risks stemming from the structurally high level of household debt in Norway, we expect benign macroeconomic conditions, with low unemployment and modest economic growth to continue supporting households repayment ability, and the bank's supporting asset quality.

While the bank has historically strong asset performance with low through-the-cycle loan losses, its credit profile is constrained by significant geographic lending concentration to its home region of Sogn og Fjordane. The bank has very sizable market shares in the local retail and corporate lending market, which makes it vulnerable to shocks in the region. Like many of its peers, its growing its retail book more actively outside its home county of Vestland, but together this only comprised 21.6% of total loans as of December 2024.

Exhibit 3

Strong asset quality performance with low share of problem loans and credit impairments
Problem loans and cost of risk ratios



Q1 2025 presents the loan loss provisions ratio on an annualised basis.

Sources: Bank's disclosures and Moody's Ratings

Exposure to the more volatile real estate and construction sectors accounted for 11% of total loans as of December 2024, and one-fifth of its non-performing corporate loans. Similar to some of its rated Norwegian peers, the bank has some single name lending concentrations, which given the nominally modest balance sheet size, could increase the pace and the extent of any deterioration in asset quality in a potentially worsening operating environment.

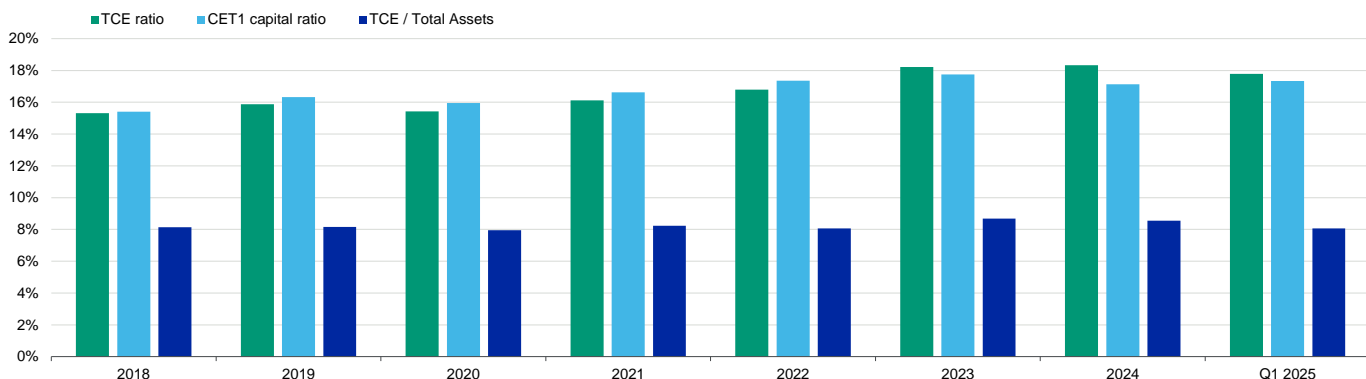
The assigned Asset Risk score of baa1 reflects the low level of problem loans balanced against its significant geographic lending concentrations and exposure to the more cyclical real estate sector.

Strong core capital levels

SSF maintains very high core capital levels, with a tangible common equity (TCE) and common equity tier 1 (CET1) capital ratios of 17.8% and 17.3% as of March 2025, and a very high leverage ratio of 8.1% for the same period, reflecting high capitalisation in comparison to its lower-risk lending focus. The bank's regulatory minimum CET1 capital requirement was 15.0%, including a Pillar 2 requirement of 1.7%, as of December 2024. SSF maintains its core capitalisation in excess of its buffer with a target CET1 capital ratio of 16.5%, and a goal to distribute at least 50% of its annual profit in dividends and gifts.

Exhibit 4

High core capital ratios to increase further under new capital rules
Capital metrics



Source: Bank's disclosures and Moody's Ratings

Following the implementation of updated capital rules from 1 April 2025, the bank's risk-weighted assets (RWA) will decrease, with lower requirements being applied to SME exposures and a more risk-sensitive approach to retail mortgages, benefitting the bank's low average loan-to-value ratio. As of March 2025, the bank expected this should result in two percentage points of uplift to its capital

adequacy ratio. It should be noted that SSF remains on the standardised model in calculating its RWA, although this may change for part of its RWA balance after joining the SpareBank 1 Alliance, as the SpareBank 1 Boligkreditt uses the internal ratings-based approach.

The assigned Capital score of aa3 reflects the bank's high core capital levels balanced against the limited shareholder investor base that constrains its ability and capacity to raise new capital if needed during periods of market volatility.

Sound recurring profitability driven by efficient cost structure but with limited earnings diversification

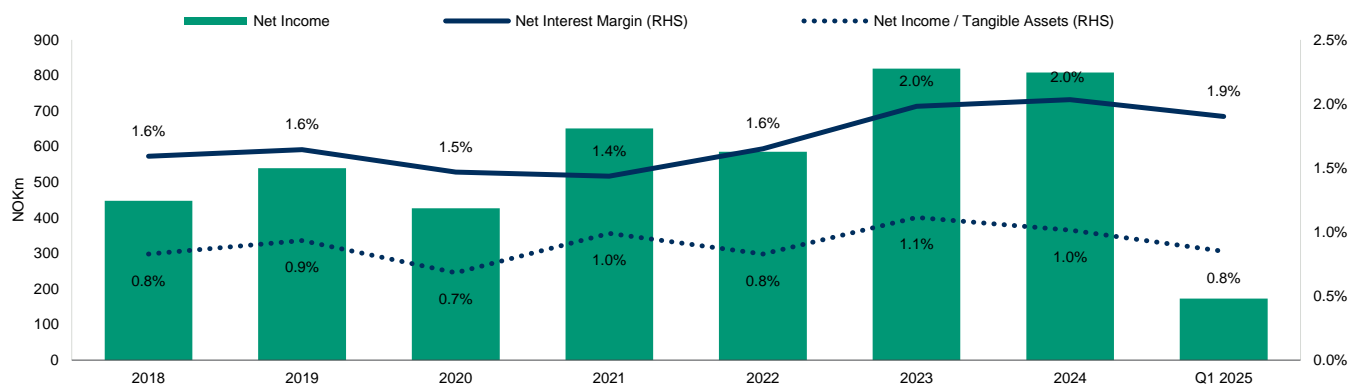
SSF's recurring profitability is sound, which benefits from an efficient cost structure, which we expect will improve after joining the SpareBank 1 Alliance. In recent years it has also benefitted from higher interest rates and moderate lending growth. Net interest margins have begun declining ahead of an expected reduction in the policy rate, which alongside strong competition will lead to a modest decline in the bank's net income to tangible assets.

Lending to retail clients grew by 4.5% year-on-year, while lending to corporate clients increased by 4.2%. This overall growth in lending supported SSF's net interest income, which rose to NOK1,586 million in 2024, an 8% increase compared to the prior corresponding period. However, profitability, measured as net income to tangible assets, edged down slightly to 1.0% in 2024 from 1.1% in 2023. It declined further to an 0.85% on an annualised basis in the first quarter of 2025.

Exhibit 5

SSF operates with strong margins

Profitability metrics



Q1 2025 ratios are presented on an annualised basis, while net income figure reflects quarterly net income.

Source: Bank's disclosures, Moody's Ratings

The bank has historically reported a modest contribution from net fees and commission income, accounting for only around 10% of total revenue in the 2024 financial year. This has limited its income diversification. However, we expect the share of non-interest income to rise as the bank leverages the full product suite available through its membership in the SpareBank 1 Alliance. This should support growth in net fee and commission income. While less predictable, the bank will also benefit from dividends from the Alliance's product companies. Additionally, access to more competitive pricing for systems and processes through the Alliance should help the bank maintain its low cost-to-income ratio.

The assigned Profitability score of baa2 reflects our expectation that profitability will decline over the next 12-18 months as a result of weakening net interest margins.

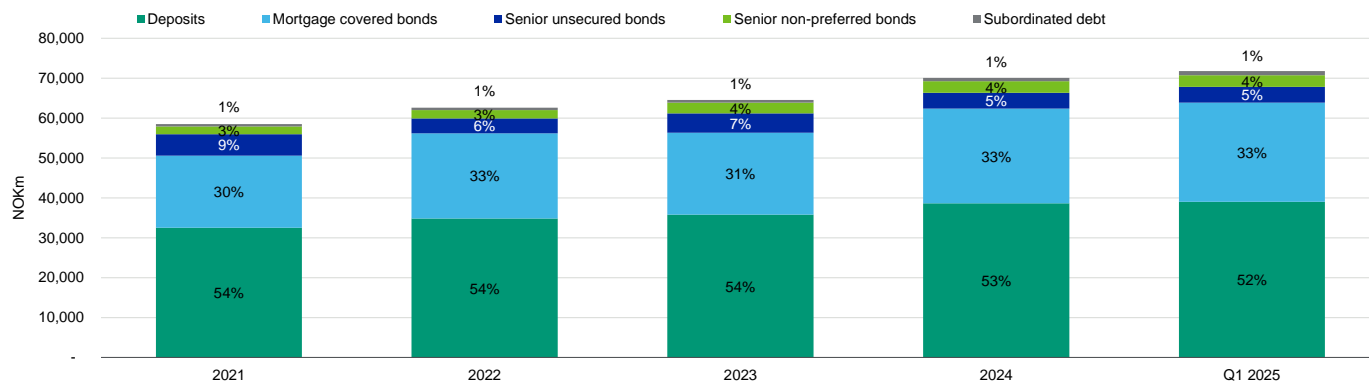
Substantial capital market funding reliance, despite its large deposit base

SSF's funding profile is supported by a sizeable deposit base, which accounted for roughly half of its non-equity funding as of March 2025. Around two-thirds of these deposits stem from retail customers, with a large portion of the residual deposits comprising relatively stable SME deposits. However, the bank remains significantly reliant on market funding, making it vulnerable to shifts in investor sentiment. While it issues a notable portion of senior debt, the majority of its wholesale funding consists of domestically issued covered bonds, which we view as more stable than unsecured market instruments, reflected in an adjustment to the market funds to tangible banking assets ratio.

Exhibit 6

The share of covered bond issuance within total liabilities has increased, as senior bonds has declined

Funding composition



Data labels present funding source as a share of total liabilities.

Source: Bank's disclosures and Moody's Ratings

Historically, covered bonds have been issued through the bank's wholly owned covered bond company, Bustadkreditt Sogn og Fjordane AS (BSF), which was established in 2009. Since SSF became fully integrated into the SpareBank 1 Alliance in November 2024, it has begun financing itself through the transfer of loans to the jointly owned covered bond company, SpareBank 1 Boligkreditt. This transition is expected to result in slightly lower funding costs. Consequently, we anticipate a gradual decline in the use of BSF-sourced funding as the bank increases its reliance on SpareBank 1 Boligkreditt.

Although SSF was previously able to issue LCR-eligible bonds through its own covered bond entity, we view the shift to SpareBank 1 Boligkreditt positively. It should broaden the bank's investor base by enabling participation in larger benchmark issuances.

Furthermore, the implementation of CRR3 in Norway on 1 April 2025 is expected to reduce the bank's average risk weights, thereby lowering its risk-weighted Minimum Requirements for Own Funds and Eligible Liabilities (MREL) and, consequently, the volume of required MREL-eligible issuance.

The assigned Funding Structure score of baa3 reflects the bank's high dependence on capital market funding and sizable retail-focused deposit base.

Solid stock of liquid assets

The bank's stock of liquid banking assets is solid, with holdings primarily comprising government securities and covered bonds. Similar to its peers, most of these are Norwegian covered bonds, which introduces some contagion risk. As of March 2025, SSF's liquid banking assets amounted to 14.4% of tangible banking assets, up from 11.1% as of December 2023 due to an expansion of the bank's liquidity portfolio. The bank's Liquidity Coverage Ratio (LCR) stood at 162% as of March 2025.

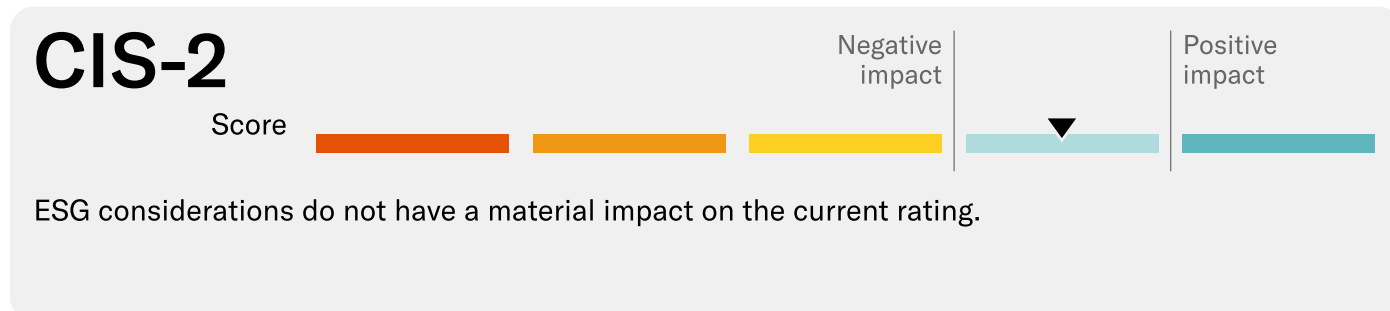
The assigned Liquid Resources score of baa3 reflects the bank's robust liquidity buffers.

ESG considerations

SpareBank 1 Sogn og Fjordane's ESG credit impact score is CIS-2

Exhibit 7

ESG credit impact score

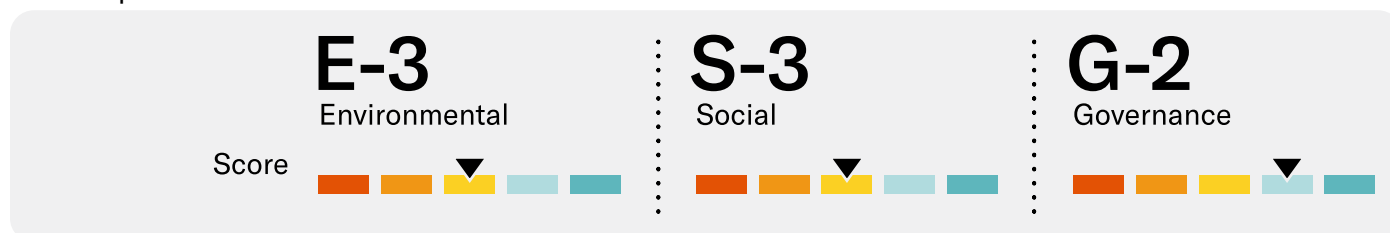


Source: Moody's Ratings

SSF's **CIS-2** reflects the limited credit impact of environmental and social risk factors on the rating to date, and neutral-to-low governance risks.

Exhibit 8

ESG issuer profile scores



Source: Moody's Ratings

Environmental

SSF faces moderate environmental risks primarily because of its portfolio exposure to carbon transition. These risks are primarily related to its corporate portfolio, however, exposures to the oil, offshore and shipping business are limited. In line with its peers, the bank is facing mounting business risks and stakeholder pressure to meet broader carbon transition goals. In response, the bank is developing its climate risk and portfolio management capabilities.

Social

SSF faces moderate industry-wide social risks related to regulatory and litigation risks, requiring high compliance standards. These risks are mitigated by the bank's developed policies and procedures. High cyber and personal data risks are mitigated by the bank's strong IT framework.

Governance

SSF faces low governance risks, and its risk management, policies and procedures are in line with industry practices. Despite sectoral and geographical concentrations, due to its limited reach, the bank benefits from strong underwriting standards which mitigate some of these concerns. The bank has a track record of sound capital and liquidity management and earnings stability while losses have been low, even at times of market turbulence. Being a regional savings bank it is fully owned by two community foundations in the form of listed equity certificates. The bank's Supervisory Board, comprises of representatives of EC holders, customer representatives and employees representatives. Related governance risks are however mitigated by Norway's developed institutional framework.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moody's.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Support and structural considerations

Loss Given Failure (LGF) analysis

We apply our Advanced LGF analysis to SSF because the bank is based in Norway, which we consider an operational resolution regime. For this analysis, we assume that equity and losses are at 3% and 8%, respectively, of tangible banking assets in a failure scenario. We also assume a 25% runoff of junior wholesale deposits and a 5% runoff in preferred deposits. Moreover, we assign a 25% probability to junior deposits being preferred over senior unsecured debt. These metrics are in line with our standard assumptions.

Our LGF analysis indicates that SSF's junior depositors and senior unsecured debtholders are likely to face very low loss given failure because of the large buffer of large volume of deposits and senior debt as well as loss-absorbing liabilities, which currently results in these ratings being positioned three notches above the BCA. The negative outlook on these ratings reflects our expectation of a gradual decline in loss-absorbing securities, which if sustained, could lead to higher potential loss rates for junior depositors and senior unsecured debtholders, and as a result reduced uplift from the BCA.

Government support considerations

SSF holds a dominant market position in both retail and corporate lending within its home region of Sogn og Fjordane in Western Norway. However, its operations and market share remain limited at the national level. Consequently, we consider the probability of government support in SSF's ratings to be low, resulting in no further uplift to the ratings.

About Moody's Bank Scorecard

Our scorecard is designed to capture, express and explain in summary form our Rating Committee's judgement. When read in conjunction with our research, a fulsome presentation of our judgement is expressed. As a result, the output of our scorecard may materially differ from that suggested by raw data alone (though it has been calibrated to avoid the frequent need for strong divergence). The scorecard output and the individual scores are discussed in rating committees and may be adjusted up or down to reflect conditions specific to each rated entity.

Rating methodology and scorecard factors

Exhibit 9

Rating Factors

| Macro Factors | | | | | | | |
|---|-----------------------|-------------------------------|-----------------------|-----------------------|-----------------------------------|----------------------|--|
| Weighted Macro Profile | Very Strong - | 100% | | | | | |
| Factor | Historic Ratio | Initial Score | Expected Trend | Assigned Score | Key driver #1 | Key driver #2 | |
| Solvency | | | | | | | |
| Asset Risk | | | | | | | |
| Problem Loans / Gross Loans | 1.1% | aa2 | ↔ | baa1 | Geographical concentration | Sector concentration | |
| Capital | | | | | | | |
| Tangible Common Equity / Risk Weighted Assets (Basel III - transitional phase-in) | 17.8% | aa2 | ↔ | aa3 | Access to capital | | |
| Profitability | | | | | | | |
| Net Income / Tangible Assets | 0.8% | baa1 | ↔ | baa2 | Earnings quality | Expected trend | |
| Combined Solvency Score | | aa3 | | a3 | | | |
| Liquidity | | | | | | | |
| Funding Structure | | | | | | | |
| Market Funds / Tangible Banking Assets | 30.9% | baa3 | ↔ | baa3 | Extent of market funding reliance | | |
| Liquid Resources | | | | | | | |
| Liquid Banking Assets / Tangible Banking Assets | 13.1% | baa3 | ↔ | baa3 | Stock of liquid assets | | |
| Combined Liquidity Score | | baa3 | | baa3 | | | |
| Financial Profile | | a2 | | baa1 | | | |
| Qualitative Adjustments | | | | Adjustment | | | |
| Business Diversification | | | | 0 | | | |
| Opacity and Complexity | | | | 0 | | | |
| Corporate Behavior | | | | 0 | | | |
| Total Qualitative Adjustments | | | | 0 | | | |
| Sovereign or Affiliate constraint | | | | Aaa | | | |
| BCA Scorecard-indicated Outcome - Range | | | | a3 - baa2 | | | |
| Assigned BCA | | | | baa1 | | | |
| Affiliate Support notching | | | | 0 | | | |
| Adjusted BCA | | | | baa1 | | | |
| Balance Sheet | | | | | | | |
| | | in-scope (NOK Million) | | % in-scope | at-failure (NOK Million) | % at-failure | |
| Other liabilities | | 31 540 | | 38.7% | 35 519 | 43.6% | |
| Deposits | | 39 008 | | 47.9% | 35 029 | 43.0% | |
| Preferred deposits | | 28 866 | | 35.4% | 27 423 | 33.6% | |
| Junior deposits | | 10 142 | | 12.4% | 7 607 | 9.3% | |
| Senior unsecured bank debt | | 3 926 | | 4.8% | 3 926 | 4.8% | |
| Junior senior unsecured bank debt | | 2 950 | | 3.6% | 2 950 | 3.6% | |
| Dated subordinated bank debt | | 1 034 | | 1.3% | 1 034 | 1.3% | |
| Preference shares (bank) | | 600 | | 0.7% | 600 | 0.7% | |
| Equity | | 2 445 | | 3.0% | 2 445 | 3.0% | |
| Total Tangible Banking Assets | | 81 503 | | 100.0% | 81 503 | 100.0% | |

| Debt Class | De Jure waterfall | | De Facto waterfall | | Notching | | LGF Notching Guidance vs. Adjusted BCA | Assigned LGF notching | Additional Notching | Preliminary Rating Assessment |
|------------------------------|-----------------------------------|----------------|-----------------------------------|----------------|----------|----------|--|-----------------------|---------------------|-------------------------------|
| | Instrument volume + subordination | Sub-ordination | Instrument volume + subordination | Sub-ordination | De Jure | De Facto | | | | |
| Counterparty Risk Rating | 22.8% | 22.8% | 22.8% | 22.8% | 3 | 3 | 3 | 3 | 0 | a1 |
| Counterparty Risk Assessment | 22.8% | 22.8% | 22.8% | 22.8% | 3 | 3 | 3 | 3 | 0 | a1 (cr) |
| Deposits | 22.8% | 8.6% | 22.8% | 13.4% | 3 | 3 | 3 | 3 | 0 | a1 |
| Senior unsecured bank debt | 22.8% | 8.6% | 13.4% | 8.6% | 3 | 2 | 3 | 3 | 0 | a1 |

| Instrument Class | Loss Given Failure notching | Additional notching | Preliminary Rating Assessment | Government Support notching | Local Currency Rating | Foreign Currency Rating |
|------------------------------|-----------------------------|---------------------|-------------------------------|-----------------------------|-----------------------|-------------------------|
| Counterparty Risk Rating | 3 | 0 | a1 | 0 | A1 | A1 |
| Counterparty Risk Assessment | 3 | 0 | a1 (cr) | 0 | A1(cr) | |
| Deposits | 3 | 0 | a1 | 0 | A1 | A1 |
| Senior unsecured bank debt | 3 | 0 | a1 | 0 | A1 | A1 |

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.

Source: Moody's Ratings

Ratings

Exhibit 10

| Category | Moody's Rating |
|--|----------------|
| SPAREBANK 1 SOGN OG FJORDANE | |
| Outlook | Negative |
| Counterparty Risk Rating | A1/P-1 |
| Bank Deposits | A1/P-1 |
| Baseline Credit Assessment | baa1 |
| Adjusted Baseline Credit Assessment | baa1 |
| Counterparty Risk Assessment | A1(cr)/P-1(cr) |
| Issuer Rating | A1 |
| BUSTADKREDITT SOGN OG FJORDANE AS | |
| Outlook | Negative |
| Counterparty Risk Rating | A1/P-1 |
| Counterparty Risk Assessment | A1(cr)/P-1(cr) |
| Issuer Rating | A1 |

Source: Moody's Ratings

© 2025 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved. CREDIT RATINGS ISSUED BY MOODY'S CREDIT RATINGS AFFILIATES ARE THEIR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED OR OTHERWISE MADE AVAILABLE BY MOODY'S (COLLECTIVELY, "MATERIALS") MAY INCLUDE SUCH CURRENT OPINIONS. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE APPLICABLE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S CREDIT RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN MOODY'S MATERIALS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S MATERIALS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS, ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES OR OTHERWISE MAKES AVAILABLE ITS MATERIALS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS, AND MATERIALS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR MATERIALS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. FOR CLARITY, NO INFORMATION CONTAINED HEREIN MAY BE USED TO DEVELOP, IMPROVE, TRAIN OR RETRAIN ANY SOFTWARE PROGRAM OR DATABASE, INCLUDING, BUT NOT LIMITED TO, FOR ANY ARTIFICIAL INTELLIGENCE, MACHINE LEARNING OR NATURAL LANGUAGE PROCESSING SOFTWARE, ALGORITHM, METHODOLOGY AND/OR MODEL.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the credit rating process or in preparing its Materials.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT, OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any credit rating, agreed to pay Moody's Investors Service, Inc. for credit ratings opinions and services rendered by it. MCO and all MCO entities that issue ratings under the "Moody's Ratings" brand name ("Moody's Ratings"), also maintain policies and procedures to address the independence of Moody's Ratings' credit ratings and credit rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold credit ratings from Moody's Investors Service, Inc. and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at ir.moody.com under the heading "Investor Relations — Corporate Governance — Charter and Governance Documents - Director and Shareholder Affiliation Policy."

Moody's SF Japan K.K., Moody's Local AR Agente de Calificación de Riesgo S.A., Moody's Local BR Agência de Classificação de Risco LTDA, Moody's Local MX S.A. de C.V., I.C.V., Moody's Local PE Clasificadora de Riesgo S.A., and Moody's Local PA Clasificadora de Riesgo S.A. (collectively, the "Moody's Non-NRSRO CRAs") are all indirectly wholly-owned credit rating agency subsidiaries of MCO. None of the Moody's Non-NRSRO CRAs is a Nationally Recognized Statistical Rating Organization.

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657 AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.

Additional terms for India only: Moody's credit ratings, Assessments, other opinions and Materials are not intended to be and shall not be relied upon or used by any users located in India in relation to securities listed or proposed to be listed on Indian stock exchanges.

Additional terms with respect to Second Party Opinions and Net Zero Assessments (as defined in Moody's Ratings Rating Symbols and Definitions): Please note that neither a Second Party Opinion ("SPO") nor a Net Zero Assessment ("NZA") is a "credit rating". The issuance of SPOs and NZAs is not a regulated activity in many jurisdictions, including Singapore. JAPAN: In Japan, development and provision of SPOs and NZAs fall under the category of "Ancillary Businesses", not "Credit Rating Business", and are not subject to the regulations applicable to "Credit Rating Business" under the Financial Instruments and Exchange Act of Japan and its relevant regulation. PRC: Any SPO: (1) does not constitute a PRC Green Bond Assessment as defined under any relevant PRC laws or regulations; (2) cannot be included in any registration statement, offering circular, prospectus or any other documents submitted to the PRC regulatory authorities or otherwise used to satisfy any PRC regulatory disclosure requirement; and (3) cannot be used within the PRC for any regulatory purpose or for any other purpose which is not permitted under relevant PRC laws or regulations. For the purposes of this disclaimer, "PRC" refers to the mainland of the People's Republic of China, excluding Hong Kong, Macau and Taiwan.

REPORT NUMBER 1444386

Contacts

| | | | |
|--|-----------------|---|------------------|
| Tom Ogden <i>Analyst</i> tom.ogden@moodys.com | +46.8.5179.1294 | Juliana Cerenkova <i>Ratings Associate</i> juliana.cerenkova@moodys.com | +46.8.5179.1254 |
| Nondas Nicolaidis <i>VP-Sr Credit Officer</i> nondas.nicolaidis@moodys.com | +357.25.693.006 | Simon James Robin <i>Ainsworth</i> <i>Associate Managing</i> <i>Director</i> simon.ainsworth@moodys.com | +44 207 772 5347 |