

First Credit Union Incorporated

Key Rating Drivers

IDRs Driven by VR: First Credit Union Incorporated's (FCU) Long-Term Issuer Default Ratings (IDRs) are driven by the Viability Rating (VR), which is assigned in line with the implied VR. The VR captures FCU's greater risk appetite relative to New Zealand banks and building societies, reflected in its higher exposure to personal loans than sector peers. This could make FCU's financial profile more volatile through the cycle. The ratings also capture FCU's small size compared with total system assets and its geographical concentration in parts of New Zealand.

Economic Recovery: Fitch Ratings expects New Zealand's economy to pick up in 2026 following modest GDP growth in 2025 and a contraction in 2024. This growth, combined with lower unemployment, is likely to lead to improved asset quality. That said, we maintain the operating environment score below the implied 'aa' category, as household debt remains high relative to many other jurisdictions. We also incorporate the less stringent regulatory oversight of non-bank deposit takers (NBDTs) relative to registered banks.

Concentrated, Consistent Business Model: FCU's simple and consistent business model partly offsets the credit union's small market position. This contributes to Fitch assigning a business profile factor score of 'bb', above the 'b' category implied score. FCU accounts for less than 0.1% of combined bank and NBDT system assets, which limits its pricing power.

Exposure to Non-Mortgage Loans: FCU has greater exposure to consumer loans than most New Zealand bank and building-society peers, which we consider an indication of an above-average risk appetite. The proportion of non-mortgage consumer loans in FCU's loan book has dropped in recent years but remains high relative to that of broader-sector peers.

Asset-Quality Headwinds Easing: We anticipate a gradual improvement in asset quality over the next two years as rate cuts alleviate pressure on borrowers. FCU's steady underwriting and proportional increase in its mortgage exposure, combined with our expectation of a moderate improvement in unemployment, should help contain arrears. The asset-quality score of 'bb' is below the implied 'a' category, reflecting concentration by product and geography.

Profitability Below Peers: We expect FCU's profitability metrics to remain modest over the financial year ending June 2026 (FY26), driven by some margin compression from competition and a lower rate environment, along with moderate levels of growth. We believe profitability will improve over the long term, as FCU shifts its resources from merger integration to business efficiency and growth activities. The divestment of its insurance business should also result in lower operating expenses and a simplified operating model.

Robust Capital Buffers: We expect no further merger activity and modest levels of loan and risk-weighted asset growth, meaning that pressure on FCU's capitalisation is unlikely. We forecast FCU's Fitch Core Capital ratio and total regulatory capital ratio to improve moderately over the next two years and for strong buffers over regulatory minimums to be maintained. The assigned 'bb+' score is below the implied 'a' category score due to the small absolute size of the capital base of only NZD71 million at FYE25.

Fully Deposit-Funded: We expect FCU's funding profile to be broadly stable over the next two years and for FCU to remain wholly deposit-funded. We have applied a negative adjustment on FCU's funding score of 'bbb-', from the 'a' category implied score, to reflect its lack of access to the Reserve Bank of New Zealand's liquidity facilities and modest deposit franchise.

Ratings

Foreign Currency	
Long-Term IDR	BB
Short-Term IDR	B

Local Currency	
Long-Term IDR	BB
Short-Term IDR	B

Viability Rating	bb
Government Support Rating	ns

Sovereign Risk	
Long-Term Foreign-Currency IDR	AA+
Long-Term Local-Currency IDR	AA+
Country Ceiling	AAA

Outlooks	
Long-Term Foreign-Currency IDR	Stable
Long-Term Local-Currency IDR	Stable
Sovereign Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Local-Currency IDR	Stable

Highest ESG Relevance Scores

Environmental	2
Social	3
Governance	3

Applicable Criteria

[Bank Rating Criteria \(March 2025\)](#)

Related Research

- [Fitch Affirms First Credit Union at 'BB'; Outlook Stable \(November 2025\)](#)
- [Asia-Pacific Developed Market Banks Outlook 2026 \(November 2025\)](#)
- [Developed Markets 100 Largest Banks Monitor \(July 2025\)](#)
- [Challenges Increasing for Smaller Banks in Australia and New Zealand \(June 2024\)](#)

Analysts

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Rating Sensitivities

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

IDRs and VR

FCU's Long-Term IDRs and VR may be downgraded if there is a weakening in the business profile, potentially reflected in persistent below-system growth in deposits and loans, above-system net interest margin attrition due to the need to price more sharply to compete, or a prolonged deterioration in the loan/customer deposit ratio.

Growing regulatory and investment burdens in an increasingly digitalised market may reduce FCU's competitive standing and also put pressure on the business profile assessment. This may prompt FCU to increase its appetite for riskier exposures, resulting in greater earnings volatility and pressure on capitalisation through the cycle.

The above scenario may be reflected in a combination of the following:

- the four-year average of stage 3/gross loans increasing above 4% for a sustained period (FY22-FY25 average: 1.8%);
- the four-year average of the operating profit/risk-weighted asset ratio falling to below 0.25% for a sustained period (FY22-FY25 average: 0.6%);
- the Fitch Core Capital ratio declining to below 9.5% without a credible plan to replenish regulatory capital buffers (FY25: 13.4%);
- the four-year average of the loan/customer deposit ratio sustained significantly above 100% (FY22-FY25 average: 84.5%).

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

IDRs and VR

An upgrade of the VR and Long-Term IDRs is unlikely in the short term, as it would require a significant improvement in the risk profile that results in more stable asset quality and earnings through the cycle.

Other Debt and Issuer Ratings

Short-Term IDRs

The Short-Term IDRs map to the Long-Term IDRs.

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

A downgrade of the Short-Term IDRs appears unlikely, as this would require a downgrade of the Long-Term IDRs to 'CCC+' or below.

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

An upgrade of the Short-Term IDRs would require an upgrade of the Long-Term IDRs to at least 'BBB-'.

Ratings Navigator

	Operating Environment	Business Profile 20%	Risk Profile 10%	Financial Profile				Implied Viability Rating	Viability Rating	Government Support Rating	LT Issuer Default Rating
				Asset Quality 20%	Earnings & Profitability 15%	Capitalisation & Leverage 25%	Funding & Liquidity 10%				
aaa								aaa	aaa	aaa	AAA
aa+								aa+	aa+	aa+	AA+
aa								aa	aa	aa	AA
aa-								aa-	aa-	aa-	AA-
a+								a+	a+	a+	A+
a								a	a	a	A
a-								a-	a-	a-	A-
bbb+								bbb+	bbb+	bbb+	BBB+
bbb								bbb	bbb	bbb	BBB
bbb-								bbb-	bbb-	bbb-	BBB-
bb+								bb+	bb+	bb+	BB+
bb								bb	bb	bb	BB Sta
bb-								bb-	bb-	bb-	BB-
b+								b+	b+	b+	B+
b								b	b	b	B
b-								b-	b-	b-	B-
ccc+								ccc+	ccc+	ccc+	CCC+
ccc								ccc	ccc	ccc	CCC
ccc-								ccc-	ccc-	ccc-	CCC-
cc								cc	cc	cc	CC
c								c	c	c	C
f								f	f	ns	D or RD

The Key Rating Driver (KRD) weightings used to determine the implied VR are shown as percentages at the top. In cases where the implied VR is adjusted upwards or downwards to arrive at the VR, the KRD associated with the adjustment reason is highlighted in red. The shaded areas indicate the benchmark-implied scores for each KRD.

Factor Outlook

■ Stable ◆ Evolving ▲ Positive ▼ Negative

VR - Adjustments to Key Rating Drivers

The operating environment score of 'a' has been assigned below the 'aa' category implied score for the following adjustment reasons: level or growth of credit (negative), regulatory and legal framework (negative).

The business profile score of 'bb' has been assigned above the 'b' category implied score for the following adjustment reason: business model (positive).

The asset-quality score of 'bb' has been assigned below the 'a' category implied score for the following adjustment reason: concentration (negative)

The capitalisation and leverage score of 'bb+' has been assigned below the 'a' category implied score for the following adjustment reason: size of capital base (negative).

The funding and liquidity score of 'bbb-' has been assigned below the 'a' category implied score for the following adjustment reason: liquidity access and ordinary support (negative).

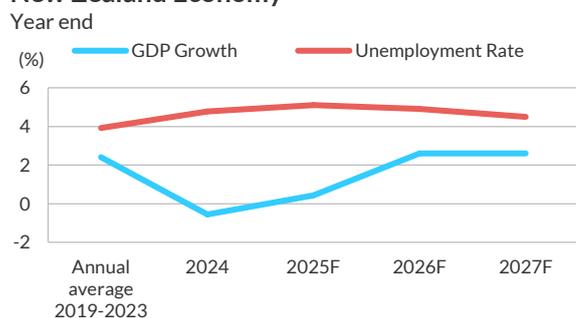
Company Summary and Key Qualitative Factors

Operating Environment

We expect New Zealand's GDP growth to increase by 2.6% in 2026, following a 0.6% contraction in 2024 and low overall growth in 2025, as interest-rate cuts start to take effect. The unemployment rate is likely to improve in 2026 as well. We project asset quality to improve while losses remain low, supported by conservative underwriting and macroprudential policies that were in place before the post-pandemic monetary tightening cycle, leading to a stable operating environment outlook.

Loans from the banking sector remain heavily exposed to households, primarily through residential mortgages. New Zealand has high household leverage relative to many other countries, although this has improved since 2022. Household debt/disposable income was 168% at end-June 2025, down from a cyclical high of 175% at end-2022.

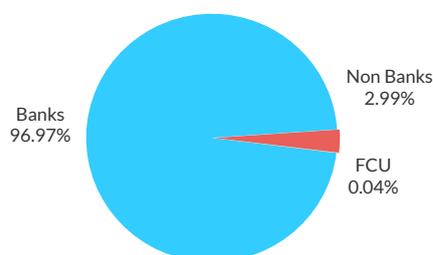
New Zealand Economy



Source: Fitch Ratings, Fitch Solutions

Market Shares

End-September 2025



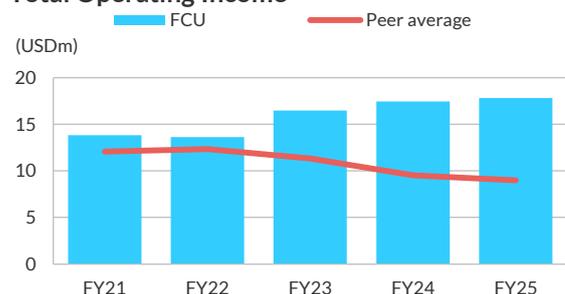
Source: Fitch Ratings, Fitch Solutions, banks

Business Profile

FCU is one of New Zealand's largest credit unions, primarily operating in the upper North Island around the city of Hamilton, where it is headquartered and regionally concentrated. FCU accounts for less than 0.1% of New Zealand bank and non-bank system assets. This means that it has limited competitive advantages and is generally a price-taker in its core operating segments. The recent merger with Credit Union Auckland (CUA) does not significantly change FCU's market position, as CUA was relatively small.

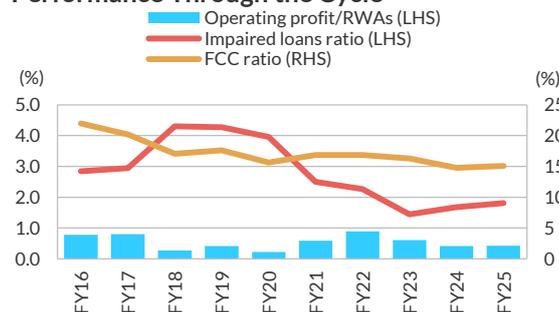
FCU's business model centres around providing residential mortgages and consumer loans to members, funded by retail deposits. The credit union has low reliance on volatile business segments, and we expect this to continue, underpinning our business profile assessment of 'bb'.

Total Operating Income



Source: Fitch Ratings, Fitch Solutions, banks

Performance Through the Cycle



Source: Fitch Ratings, Fitch Solutions, FCU

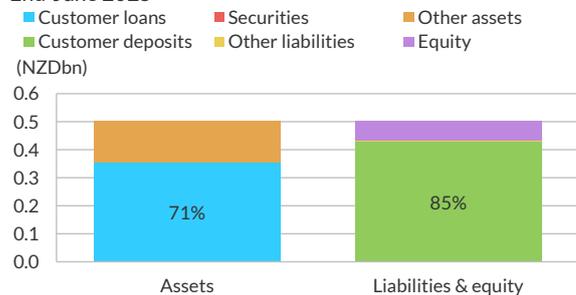
Risk Profile

FCU's underwriting standards and serviceability assessment are generally in line with industry practice. All loans are assessed on an amortising basis using an interest rate that is higher than the offered or advertised rate. Collateral is taken on most loans and is used as a backstop to losses. Exposures to commercial lending are limited.

FCU's risk-control framework is adequate for its operations but less sophisticated than those at larger New Zealand banks. Operational and market-risk frameworks are similarly adequate, given the low sales-incentive pay structure and lack of trading activity.

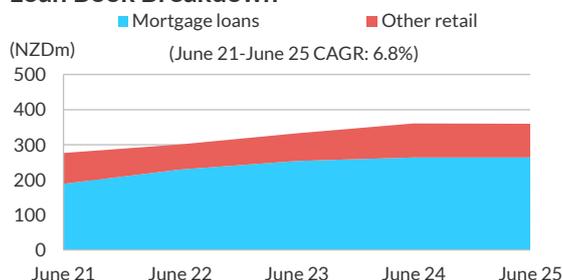
Balance Sheet

End-June 2025



Source: Fitch Ratings, Fitch Solutions, FCU

Loan Book Breakdown



CAGR: compound annual growth rate
Source: Fitch Ratings, Fitch Solutions, FCU

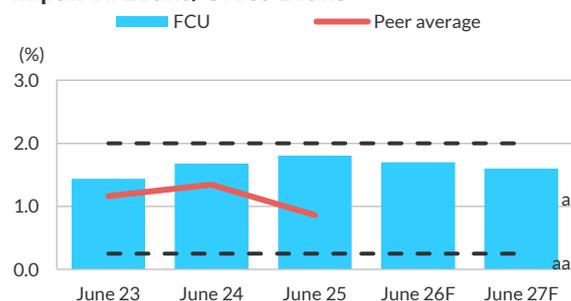
Financial Profile

Asset Quality

We expect the stage 3 loan/gross loans ratio to peak under 2% in 2025. Thereafter, asset quality should improve from better economic conditions, particularly as the Reserve Bank of New Zealand's relatively aggressive interest-rate cuts over the last year take effect. FCU's impaired loan ratio is likely to remain higher than most sector peers', reflecting the higher risk profile of its loan portfolio compared with larger peers and banks.

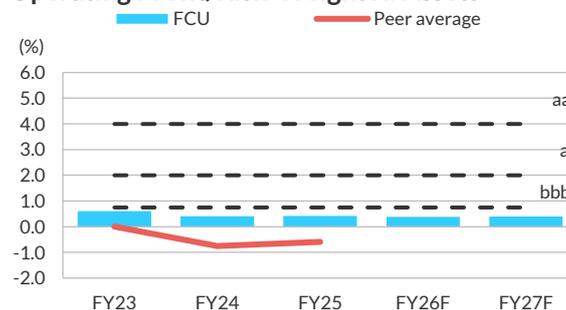
FCU's modest franchise and regional focus leaves its asset quality more susceptible to losses in the case of a regional downturn. The concentration risk is reflected in the assigned factor score of 'bb', which is lower than the implied 'a' category score. Single-name concentration is not high, however, and broadly better than smaller NBDT peers.

Impaired Loans/Gross Loans



Source: Fitch Ratings, Fitch Solutions, banks

Operating Profit/Risk-Weighted Assets



Source: Fitch Ratings, Fitch Solutions, banks

Earnings and Profitability

We expect FCU's modest earnings and profitability to persist over the next two years, with the operating profit/RWA ratio remaining at around 0.4%. These levels are commensurate with the assigned 'bb' score, but pressure on the score could build if there is prolonged weakness in the core metric or its ability to generate new capital for investment and growth.

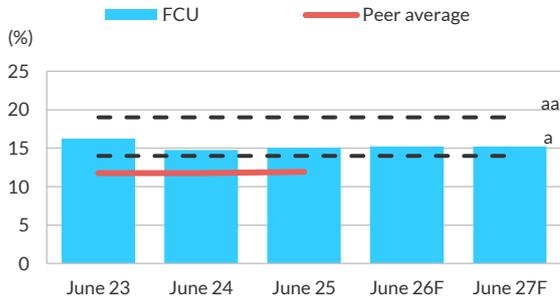
Strong competition for loans and the effect of rate cuts are likely to squeeze FCU's net interest margin. We anticipate the cost/income ratio to be around 85%-90% over the next two years, behind those of larger peers. This could reduce in the longer term as management continues to invest in technology, business simplification and scale expansion.

Capitalisation and Leverage

FCU's Fitch Core Capital ratio remains at the higher end of the range for Fitch-rated New Zealand NBDTs, and we believe this will continue to be so. We expect loan growth to be relatively modest at around 3% over the next two years due to high competition, which should limit downward pressure on the Fitch Core Capital ratio. At FYE25, FCU's regulatory total capital ratio was 13.4%, well above the 8% regulatory minimum.

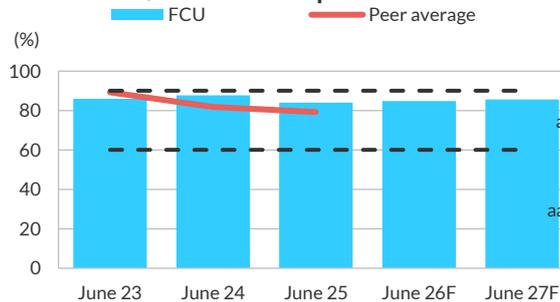
Fitch monitors closely the total regulatory capital ratios of NBDTs such as FCU and would regard a breach of the minimum requirement as indicative of a failure. Maintaining these ratios is the only regulatory capital requirement placed on these entities. Our base case is for FCU to maintain significant headroom above the 8% regulatory minimum through to FY27 (FYE25: 13.4%).

FCC Ratio



Source: Fitch Ratings, Fitch Solutions, banks

Gross Loans/Customer Deposits



Source: Fitch Ratings, Fitch Solutions, banks

Funding and Liquidity

Fitch expects the funding and liquidity profile to remain generally unchanged over the next two years. FCU is likely to maintain the core metric of loans/customer deposits at one of the strongest within its peer group, at around 85%. The credit union is funded entirely by retail deposits with relatively low levels of single-name depositor concentration. Geographical concentration is high due to its business model and is unlikely to change.

Additional Notes on Forecasts and Charts

Years denoted with an 'F' in tables and charts in this report represent Fitch's forecasts. The forecasts reflect Fitch's forward view on the bank's financial metrics per Fitch's *Bank Rating Criteria*. They are based on a combination of Fitch's macro-economic forecasts, outlook at the sector level and company-specific considerations. As a result, Fitch's forecasts may materially differ from the guidance provided by the rated entity to the market. To the extent Fitch is aware of material non-public information with respect to future events such as planned recapitalisations or merger and acquisition activity, Fitch will not reflect these non-public future events in its published forecasts. However, where relevant, such information is considered by Fitch as part of the rating process.

Black dashed lines represent boundaries for indicative quantitative ranges and implied scores for Fitch's core financial metrics for banks operating in the environments that Fitch scores in the 'a' category. The peer average includes Christian Savings Limited, Nelson Building Society, Unity Credit Union and Wairarapa Building Society. Latest data available for Christian Savings Limited, Nelson Building Society, Wairarapa Building Society is for FY24. Unless otherwise stated, the financial year (FY) end is 31 December for all banks in this report. The financial year end of FCU and Unity Credit Union is June 30, that of Christian Savings Limited is 31 August, and that of Nelson Building Society and Wairarapa Building Society is 31 March.

Financials

Financial Statements

	30 Jun 22	30 Jun 23	30 Jun 24	30 Jun 25	30 Jun 26F	30 Jun 27F
	12 months	12 months	12 months	12 months	12 months	12 months
	(NZD 000)	(NZD 000)	(NZD 000)	(NZD 000)	(NZD 000)	(NZD 000)
Summary income statement						
Net interest and dividend income	14,896	18,578	20,404	20,737	-	-
Net fees and commissions	6,201	7,917	7,655	7,885	-	-
Other operating income	1,503	1,265	1,134	1,193	-	-
Total operating income	22,600	27,760	29,193	29,815	28,908	29,244
Operating costs	18,441	23,970	25,405	26,292	25,591	26,018
Pre-impairment operating profit	4,159	3,790	3,788	3,523	3,316	3,226
Loan and other impairment charges	1,099	1,462	2,004	1,517	1,511	1,286
Operating profit	3,060	2,328	1,784	2,006	1,806	1,940
Other non-operating items (net)	-	-	30	-68	-	-
Tax	1	1	17	37	-	-
Net income	3,059	2,327	1,797	1,901	1,806	1,940
Other comprehensive income	1,413	-	-	-1,025	-	-
Fitch comprehensive income	4,472	2,327	1,797	876	-	-
Summary balance sheet						
Assets						
Gross loans	301,057	332,326	360,790	359,469	368,456	379,509
- Of which impaired	6,796	4,770	6,074	6,493	-	-
Loan loss allowances	2,775	1,928	3,015	3,187	-	-
Net loans	298,282	330,398	357,775	356,282	-	-
Interbank	94,107	80,456	81,064	79,991	-	-
Derivatives	-	-	-	-	-	-
Other securities and earning assets	6,998	7,625	8,120	8,572	-	-
Total earning assets	399,387	418,479	446,959	444,845	-	-
Cash and due from banks	26,610	21,821	23,738	40,405	-	-
Other assets	16,359	18,736	18,844	17,686	-	-
Total assets	442,356	459,036	489,541	502,936	514,988	530,575
Liabilities						
Customer deposits	374,298	386,472	411,656	428,326	434,751	443,446
Interbank and other short-term funding	-	-	-	-	-	-
Other long-term funding	-	-	-	-	-	-
Trading liabilities and derivatives	-	-	-	-	-	-
Total funding and derivatives	374,298	386,472	411,656	428,326	-	-
Other liabilities	4,091	4,452	7,545	3,394	-	-
Preference shares and hybrid capital	-	-	-	-	-	-
Total equity	63,967	68,112	70,340	71,216	-	-
Total liabilities and equity	442,356	459,036	489,541	502,936	-	-
Exchange rate	USD1= NZD1.6093	USD1= NZD1.6461	USD1= NZD1.6447	USD1= NZD1.6480	-	-

Source: Fitch Ratings, Fitch Solutions, FCU

Key Ratios

	30 Jun 22	30 Jun 23	30 Jun 24	30 Jun 25	30 Jun 26F	30 Jun 27F
Ratios (%; annualised as appropriate)						
Profitability						
Operating profit/risk-weighted assets	0.9	0.6	0.4	0.4	0.4	0.4
Net interest income/average earning assets	3.8	4.5	4.7	4.7	4.7	4.6
Non-interest expense/gross revenue	84.2	88.3	88.5	89.5	88.5	89.0
Net income/average equity	5.0	3.5	2.6	2.7	-	-
Asset quality						
Impaired loans ratio	2.3	1.4	1.7	1.8	1.7	1.6
Growth in gross loans	8.9	10.4	8.6	-0.4	2.5	3.0
Loan loss allowances/impaired loans	40.8	40.4	49.6	49.1	60.5	62.0
Loan impairment charges/average gross loans	0.4	0.5	0.6	0.4	0.4	0.3
Capitalisation						
Common equity Tier 1 ratio	-	-	-	-	-	-
Fully loaded common equity Tier 1 ratio	-	-	-	-	-	-
Fitch Core Capital ratio	16.8	16.3	14.8	15.1	15.2	15.2
Tangible common equity/tangible assets	14.5	14.8	14.4	14.2	-	-
Basel leverage ratio	-	-	-	-	-	-
Net impaired loans/common equity Tier 1	-	-	-	-	-	-
Net impaired loans/Fitch Core Capital	7.0	4.6	4.8	4.6	-	-
Funding and liquidity						
Gross loans/customer deposits	80.4	86.0	87.6	83.9	-	-
Gross loans/customer deposits + covered bonds	-	-	-	-	-	-
Liquidity coverage ratio	-	-	-	-	-	-
Customer deposits/total non-equity funding	100.0	100.0	100.0	100.0	-	-
Net stable funding ratio	-	-	-	-	-	-
Source: Fitch Ratings, Fitch Solutions, FCU						

Support Assessment

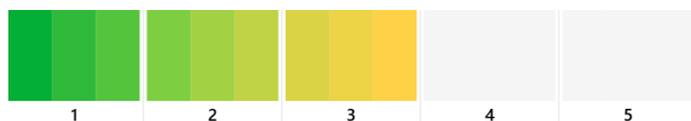
Government Support

Sovereign	New Zealand
Sovereign LT Issuer Default	● AA+/Stable
Total adjustment (notches)	—
Typical D-SIB Government Support for sovereign's rating level	a+ to a-
Actual jurisdiction D-SIB Government Support	N/A
Government Support Rating	ns
Government ability to support D-SIBs	
Size of banking system	● Negative
Structure of banking system	● Neutral
Sovereign financial flexibility (for rating level)	● Neutral
Government propensity to support D-SIBs	
Resolution legislation	● Negative
Support stance	● Negative
Government propensity to support bank	
Systemic importance	● Negative
Liability structure	● Positive
Ownership	● Neutral

The colours below indicate the influence of each support factor in our assessment.
Influence: Light blue = lower; Dark blue = moderate; Red = higher
Source: Fitch Ratings

The Government Support Rating of 'ns' (no support) reflects our expectation that there is no reasonable assumption of support being forthcoming, because of New Zealand's open bank resolution scheme. FCU is not part of the scheme, which allows for the imposition of losses on depositors and senior debt holders to recapitalise failed institutions. However, the existence of the scheme, in conjunction with FCU's low systemic importance, makes sovereign support doubtful.

Environmental, Social and Governance Considerations



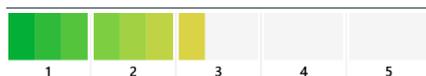
Environmental Relevance Scores

General issues	Score	Sector-specific issues	Reference
GHG Emissions & Air Quality	1	n.a.	n.a.
Energy Management	1	n.a.	n.a.
Water & Wastewater Management	1	n.a.	n.a.
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.
Exposure to Environmental Impacts	2	Impact of extreme weather events on assets and/or operations and corresponding risk appetite & management; catastrophe risk; credit concentrations	Business Profile (incl. Management & governance); Risk Profile; Asset Quality



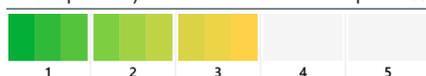
Social Relevance Scores

General issues	Score	Sector-specific issues	Reference
Human Rights, Community Relations, Access & Affordability	2	Services for underbanked and underserved communities: SME and community development programs; financial literacy programs	Business Profile (incl. Management & governance); Risk Profile
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security)	Operating Environment; Business Profile (incl. Management & governance); Risk Profile
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Business Profile (incl. Management & governance)
Employee Wellbeing	1	n.a.	n.a.
Exposure to Social Impacts	2	Shift in social or consumer preferences as a result of an institution's social positions, or social and/or political disapproval of core banking practices	Business Profile (incl. Management & governance); Financial Profile



Governance Relevance Scores

General issues	Score	Sector-specific issues	Reference
Management Strategy	3	Operational implementation of strategy	Business Profile (incl. Management & governance)
Governance Structure	3	Board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal /compliance risks; business continuity; key person risk; related party transactions	Business Profile (incl. Management & governance); Earnings & Profitability; Capitalisation & Leverage
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Business Profile (incl. Management & governance)
Financial Transparency	3	Quality and frequency of financial reporting and auditing processes	Business Profile (incl. Management & governance)



ESG Scoring

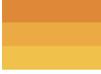
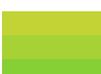
ESG relevance scores range from '1' to '5' based on a 15-level colour gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the general and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signalling the credit relevance of the sector-specific issues to an issuer's overall credit rating. The Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.

The panels underneath the relevance scores tables are visualisations of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The Score columns summarise rating relevance and impact to credit from ESG issues. The column on the far left identifies any ESG relevance sub-factor issues that are drivers or potential drivers of an issuer's credit rating (corresponding with scores of '3', '4' or '5'). All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The general and sector-specific issues draw on the classification standards published by the UN Principles for Responsible Investing, the Sustainability Accounting Standards Board and the World Bank.

Credit-Relevant ESG Scale

	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 the 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 the 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 the Navigator.
	2	Irrelevant to the entity rating but relevant to the sector.
	1	Irrelevant to the entity rating and irrelevant to the sector.

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit <https://www.fitchratings.com/topics/esg/products#esgrelevance-scores>.

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