Fitch Ratings

Singapore Annual Public Disclosure Report

April 2025

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Annual Public Disclosure Report

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This Annual Public Disclosure Report is published in accordance with Provisions 10.1 and 10.4 of the Code of Conduct for Credit Rating Agencies ("MAS CRA Code"), as issued by the Monetary Authority of Singapore, pursuant to section 321 of the Securities and Futures Act (Cap. 289). It provides information on the operations of Fitch Ratings Singapore Pte Ltd for the fiscal year ended 31 December 2024.

FitchRatings

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1. Code of Conduct and Ethics

Fitch Ratings supports the high-level principles outlined by IOSCO in its Statement of Principles Regarding the Activities of Credit Rating Agencies, together with the more expansive IOSCO Code of Conduct Fundamentals for Credit Rating Agencies ("IOSCO Code").

The Fitch Ratings Code of Conduct and Ethics applies to all of Fitch's global credit rating agencies including Fitch Ratings Singapore Pte Ltd. All Fitch Ratings' policies and procedures reflect Fitch Ratings' Code of Conduct and Ethics, which is based upon the global best practices outlined in the IOSCO Code, and, with respect to any given jurisdiction in which Fitch Ratings conducts credit rating activities, are consistent with all laws, rules and regulations applicable to Fitch Ratings in such jurisdiction, including the MAS CRA Code.

2. Legal Structure and Ownership

Legal Structure

Fitch Ratings operates in Singapore through its Singapore-incorporated subsidiary, Fitch Ratings Singapore Pte Ltd. The company is incorporated in accordance with applicable laws and licensed under the Securities and Futures Act.

Ownership

Fitch Ratings Singapore Pte Ltd is 100% owned by Fitch Ratings Ltd ("FRL"). FRL is 100% owned by Fitch Ratings, Inc. ("FRI"). FRI is 100% owned by Fitch Group, Inc. ("Fitch Group"), a holding company, which in turn is 100% owned indirectly by the Hearst Corporation.

The Hearst Corporation is a privately held diversified media and information company with headquarters in the United States. Its major interests (in addition to owning 100% of Fitch Group, Inc.) include ownership of magazines, newspapers, cable networks, television broadcasting, internet and marketing services businesses, TV production, newspaper features distribution, and real estate. It also maintains significant holdings in automotive and medical/pharmaceutical business information companies. It retains its ownership interest in Fitch Group, Inc. through Hearst Ratings II, Inc.

3. Information on Revenue

Fitch Ratings Singapore Pte Ltd's business activities are based on the provision of independent analysis and rating opinions regarding a variety of risks in the financial markets. Such rating activities include the development and provision of analytical opinions using a number of rating scales, ratings-related data and peer analysis tools, rating models, surveillance products, research products and other analytical services. These scales, products and services all reflect Fitch Ratings' independent risk analysis.

Fitch Ratings' rating opinions do not comment on the suitability of any particular type of investment or the appropriate level of risk for any user of these rating opinions. In preparing its rating opinions, Fitch Ratings is indifferent to the rating or assessment levels achieved and neither suggests nor cautions against individual 'target' levels of rating or assessment. Consequently, Fitch Ratings does not provide advisory or consulting services to any entity.

Fitch Ratings Singapore Pte Ltd does not provide any ancillary services. All revenue received by Fitch Ratings Singapore Pte Ltd is derived from rating activities.

The table below provides, the total revenue from rating activities during the 12-month fiscal period ended 31 December 2024 for Fitch Ratings Singapore Pte Ltd.

Total Revenue – 12 month period ending 31 December 2024	
Fitch Ratings Singapore Pte Ltd (SGD, 000)	**35,595**

4. Internal Control Mechanisms Ensuring the Quality of Credit Rating Activities

(1) Introduction

This section describes FRI's and FRL's, including any of FRI's and FRL's subsidiaries that issue credit ratings under the trade name of Fitch Ratings (collectively, "Fitch Ratings"), internal controls related to the issuance of credit ratings.

(2) Board Oversight

The Board of Directors of FRI (the "FRI Board") and FRL (the "FRL Board") (collectively, the "Boards") govern the most senior Credit Rating Agencies ("CRAs") within Fitch Group and operate under formal procedures. Each of the Boards performs its oversight activities on behalf of Fitch Ratings globally. In addition, where necessary pursuant to applicable local law, the local boards of directors of other Fitch Ratings' subsidiaries may perform additional oversight activities.

Among other matters, the Boards are responsible for the oversight and management of FRI and FRL in accordance with their fiduciary responsibilities and standards established by the laws of the jurisdictions in which FRI and FRL are organised, including approval of all components of the internal control framework, as well as overseeing that its components are subject to monitoring and regular update by management.

The Boards have delegated responsibility for the day-to-day running of FRI and FRL to a senior management team with sufficient skill and experience to ensure the sound and prudent management of FRI and FRL. The senior management team is responsible for the development and performance of controls and for assessing the adequacy and effectiveness of the control environment, establishing, implementing and updating the internal policies and procedures supporting the internal control framework. In establishing these policies and procedures, the senior management team has a documented decision-making process and defined roles and responsibilities.

The Boards oversee, among other matters:

- The process and maintenance of internal controls for the determination and issuance of credit ratings;
- The publishing of new and materially amended criteria and methodologies pertaining to determining credit ratings;
- The approval of new and materially amended policies pertaining to determining credit ratings;
- The program designed to manage conflicts of interest;
- The compensation and promotion processes; and
- The compliance and governance processes, including the efficiency and effectiveness of the Criteria Review and Approval Group ("CRAG").

(3) Policy Framework

All Fitch Ratings' policies and procedures reflect Fitch Ratings' Code of Conduct and Ethics and related policies[1], which is based upon the global best practices outlined in the IOSCO Code, and, with respect to any given jurisdiction in which Fitch Ratings conducts credit rating activities, are consistent with all laws, rules and regulations applicable to Fitch Ratings in such jurisdiction.

During the policy development or amendment stage, input is gathered from relevant constituents within Fitch Ratings including, where appropriate, the senior management of the Global Analytical Group, the Credit Policy Group ("CPG"), the Legal department ("Legal"), Ratings Operations (including Regulatory Affairs, Policies and Procedures), the Business and Relationship Management Group ("BRM"), the Global Compliance Group ("Compliance"), and any others as may be appropriate. Once a new or amended policy is finalised, it is subject to review and approval in accordance with Fitch Ratings' internal protocols. Certain Fitch Ratings' policies are also subject to review and approval by the Boards.

(4) Three Lines of Defence

Fitch Ratings' internal control structure is designed to ensure that Fitch Ratings' employees comply with Fitch Ratings' policies and procedures relating to or associated with the issuance of credit ratings. This control structure follows the model of the three lines of defence, and is ultimately overseen by the Boards:

- First Line of Defence: the Global Analytical Group, BRM, Ratings Operations and the Technology Group (see below in 5);
- Second Line of Defence: CPG, CRAG, Compliance, the Technology Risk function and the Operational Risk team (see below in 6); and
- Third Line of Defence: Internal Audit (see below in 7) and external or outsourced third-party audits, as needed.

(5) First Line of Defence

The overall responsibility to ensure that Fitch Ratings' policies and procedures relating to or associated with the issuance of credit ratings are followed rests with the senior managers and all members of the first line of defence.

a. Global Analytical Group

The senior managers of the Global Analytical Group are: (i) the Global Group Heads, each covering the analytical groups; and (ii) the Regional Group Heads covering certain geographical areas.

b. Business and Relationship Management

BRM is a separate function which carries out ratings-related commercial and marketing activities independently of the Global Analytical Group. This structure helps ensure that analytical staff are not influenced by business considerations. All discussions with an issuer, originator, arranger, sponsor, servicer or any other party that

[1] The Code and the related policies are available to the public on the Fitch Ratings' public website www.fitchratings.com/ethics#code-of-conduct

interacts with Fitch Ratings on behalf of the issuer concerning rating fees, fee arrangements or billings are handled either by BRM, finance and accounting staff, Legal, or others who are employed by Fitch Ratings to handle billing or fee collection matters, outside the Global Analytical Group. BRM staff also follow policies and procedures designed to ensure compliance with anti-money laundering laws, international sanctions and anti-bribery and corruption laws, as well as other aspects of credit rating agency regulation.

c. Ratings Operations

Ratings Operations is responsible for developing, implementing and monitoring procedures and controls with respect to the credit rating process in response to regulation, Fitch Ratings policy and senior management guidance. Ratings Operations works with members of the Global Analytical Group, BRM, Compliance, CPG, Human Resources, Legal and Technology to identify risks and implement procedural, training and/or technical solutions in support of the internal control framework and analysts' compliance with Fitch Ratings' policies and procedures. Ratings Operations also produces management reports and analysis to support the Global Analytical Group's compliance with the various procedures outlined in the Rating Process Manual.

d. Technology Group

Fitch Group's Technology function manages the technology infrastructure for Fitch Ratings globally. The Technology Group is led by Fitch Group's Chief Information Officer ("CIO"), and has both Fitch Group's Chief Technology Officer ("CTO") and Chief Software Officer ("CSO") reporting into him. In addition to typical IT tasks and responsibilities, the CTO also:

- Maintains and monitors infrastructure including desktops, networks and data applications and processes for ongoing operations;
- Plays a material role in supporting business continuity plans, including those related to the issuance and publication of credit ratings; and
- Manages and tests disaster recovery plans.

Together with Ratings Operations, the CSO develops custom applications required to support core ratings activities such as workflow systems, analysis and surveillance systems, and publishing and document management systems, and maintains those applications and systems.

(6) Second Line of Defence

Fitch Ratings' core control functions of CPG, CRAG, Compliance, the Technology Risk function and the Operational Risk team comprise the second line of defence. These functions operate at a global, rather than local level, with staff based in certain Fitch Ratings offices around the world providing support and oversight to all Fitch Ratings' offices globally.

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a. **Credit Policy Group**

CPG serves as an oversight function with respect to Fitch Ratings' analytical work. It includes the Chief Credit Officer[2], Group Credit Officers and Regional Credit Officers, as well as the Evaluating Committee Robustness[3] and Fitch Wire[4] functions. In fulfilling these responsibilities, CPG conducts the following activities, among others:

- Reviews current and future risks within and across rating groups to promote analytical coordination across sectors and regions and to challenge credit thinking with alternative viewpoints;
- Conducts reviews to assess credit rating performance and comparability; and in conjunction with the Chief Criteria Officer, reports on the effectiveness of ratings to the Boards;
- Links rating trends with current fundamentals, macro-economic developments and analytical forecasts and scenarios by industry or sector;
- Monitors analytical groups to ensure consideration of new developments with an appropriate sense of urgency and rigour, and reports on and makes recommendations in certain cases;
- Oversees the review of unique or complex rating proposals by global analytical groups;
- Develops and publishes areas of topical research that address credit market issues, and/or can be used to frame priorities, or help identify the next potential credit market development;
- Reviews analytical exceptions, incidents and complaints; and
- Carries out reviews of committee process against applicable criteria, as part of the Evaluating Committee Robustness program. Evaluating Committee Robustness assesses the analytical quality of rating committee packages and evaluates the consistency of criteria application as well as the clarity and adequacy of documentation of rating conclusions.

b. **Criteria Review and Approval Group**

CRAG serves as an oversight function with respect to Fitch Ratings' credit ratings criteria and related models, and includes the Chief Criteria Officer[2], Head of Model Validation, Manager of Ratings Performance Analytics, and Criteria Officers. In fulfilling these responsibilities, CRAG undertakes the following activities, among others:

- Oversees the review and approval process for rating criteria and related models. For new or materially changed criteria and models, CRAG recommends approval to the Board following its review process, which includes ensuring the inclusion of appropriate qualitative and quantitative assumptions (supported by back-testing where appropriate), sensitivities and key rating drivers. Analytical groups are responsible for

[2] From 1 January 2025, Evaluating Committee Robustness and Fitch Wire functions report into the new role of Chief Credit and Risk Officer ("CCRO"), a member of the Fitch Ratings Executive Committee, reporting directly to the President of Fitch Ratings, instead of to the CRO. The Chief Criteria Officer and the Manager of the Operational Risk team also report into the CCRO from that date. Additionally, the Operational Risk team was renamed the "Operational Risk Review" team.

[3] From 1 January 2025, the Evaluating Committee Robustness function was renamed the Credit Review group.

[4] Fitch Wire provides intra-day commentary on credit issues in the news.

proposing suitable criteria and changes to existing criteria for review by a Criteria Review Committee, independent from the analytical groups, whose voting members are CRAG employees;

- Conducts regular Transition and Default Studies and develops other quantitative ratings performance indicators to monitor the performance of Fitch Ratings' credit ratings over time and across analytical sectors and geographical regions to review the consistency of application of criteria;
- Manages a database of criteria and models to measure compliance with the requirements to review such criteria and models and to ensure only validated models are utilised;
- Reviews criteria change proposals and their justification and conducts model validation; and
- Oversees the identification, review, resolution, and reporting of errors related to models and criteria.

In addition to their oversight activities, both Credit Officers and CRAG contribute to the development of a training programme known as the Fitch Credit Academy which provides a formal structure to develop and assess the knowledge and skills analysts need to be effective in evaluating credit.

c. Global Compliance Group

The Global Compliance Group is responsible for advising on, supporting and overseeing compliance with the various laws, rules and regulations governing the issuance of credit ratings ("CRA Regulations") applicable in each jurisdiction in which Fitch Ratings operates, along with those requirements set forth in Fitch Ratings' Code of Conduct and Ethics and related policies regarding complaints, conflicts of interest and confidentiality (collectively, "Conduct Policies").

Compliance supports, monitors and reports on Fitch Ratings' compliance with CRA Regulations and the Conduct Policies on an ongoing basis through the core functions described below. It also manages the Fitch Ratings' Ethics Hotline and internal incident reporting systems and follows up on incidents where this is required.

Compliance is led by the Chief Compliance Officer (the "CCO"), who reports jointly into the CRO, and the Independent Non-Executive Directors of the Boards (the "INEDs")[5]. Compliance has local Compliance Officers in multiple geographical locations around the world. The CCO periodically informs the INEDs and the CRO on the goals, strategy and status of the Global Compliance Group, the compliance programme, and certain other compliance processes and controls including those undertaken by Compliance's core functions.

The Global Compliance Group comprises sub-teams of: (i) Regional Regulatory Compliance; (ii) Compliance Testing; (iii) E-Surveillance; (iv) Personal Conflicts Monitoring; and (v) Compliance Data, Systems and Metrics. Compliance sub-teams have a global focus with the exception of the regional Regulatory Compliance teams.

[5] From 1 January 2025, the CCO and the Head of Internal Audit report into the General Counsel and Executive Vice President (Legal and Regulatory) of Fitch Group instead of the CRO. The CCO and the Head of Internal Audit continue to report jointly into the INEDs.

Staff can be located in any geographical location where Fitch has an office, reflecting individuals' technical abilities to fulfil the relevant role. The functions of the sub-teams are as follows:

(i) Regional Regulatory Compliance

The regional Regulatory Compliance teams are responsible for maintaining (either directly or in conjunction with local country management) Fitch Ratings' licence or registration in all jurisdictions where it is licensed or registered as a credit rating agency. The regional Regulatory Compliance teams manage all regulatory exams, other regulatory requests for documents and information, and are responsible for oversight of the processes relating to the investigation and resolution of conduct-related complaints and other internal investigations. Each regional Regulatory Compliance team is overseen by a regional head for the Americas, APAC and EMEA, and regular outreach is undertaken to offices within these regions. Each regional Regulatory Compliance team is responsible for regulatory compliance matters within their specific region.

(ii) Personal Conflicts Monitoring ("PCM")

PCM is responsible for administering Fitch Ratings' Global Securities Trading and Conflicts of Interest Policy, which establishes policies designed to minimise actual and potential conflicts of interest that may arise from employees' personal investment activity, outside interests and external relationships, and gifts, business events and entertainment. PCM utilises a third-party trade surveillance platform to monitor Fitch Ratings employees' trading activity. PCM also administers the initial securities holdings certification and compliance questionnaire for new hires, as well as an annual compliance recertification of securities holdings and compliance questions for employees. Additionally, PCM administers a certification sent to the INEDs on an annual basis. Further, PCM is responsible for administering the exceptions and recusals that may be required as a result of a potential conflict of interest.

(iii) Compliance Testing

Compliance Testing is responsible for assessing adherence to policies and procedures; evaluating the effectiveness of corresponding internal controls; reporting identified findings to senior management; and ensuring management actions are closed in response to findings. The Compliance Testing Plan is determined annually using a risk-based approach and focuses on the results from the annual Compliance Risk Assessment. Other factors considered include any prior compliance testing, regulatory findings, and identified compliance findings and trends.

(iv) E-Surveillance

The E-Surveillance team monitors electronic communications sent and received by analytical and commercial employees, as well as other areas such as Core Operations, Finance, Middle Office, CPG and CRAG. Communication surveillance covers Fitch Ratings e-mail, Microsoft Teams messages and

Bloomberg Email as well as messaging. Communications on these channels are flagged by surveillance software when the content indicates a potential violation of certain policies and procedures. The team reviews all flagged communications to determine whether a violation occurred and, where appropriate, assesses items under the Employee Accountability Procedure.

(v) Compliance Data, Systems and Metrics

The team provides support across the Global Compliance Group in managing Fitch Ratings' policy, procedure and training framework globally, delivering regulatory disclosures, and creating reports and metrics for monitoring the effectiveness of compliance controls. These activities include completion of the Compliance Risk Assessment, reporting on monitoring the effectiveness of compliance controls, project management of workplan items, management of both the Ethics Hotline and internal complaint log system, as well as exception and incident management through the Exception Management System; and management of the internal governance, risk, and compliance system.

Additionally, the CCO oversees Fitch Ratings' policy, procedure and internal communications framework globally. At the direction of the CCO, Compliance Officers prepare and present training and other Compliance communications to Fitch Ratings' employees on a virtual and in-person basis, and coordinate and manage other Compliance communications to employees using a variety of media such as email and internal intranet articles.

d. Technology Risk Function

The Technology Risk[6] function ("Tech Risk") is responsible for managing the technology infrastructure globally and enabling Fitch Ratings to deliver against its strategic goals by reducing the risk of significant security incidents and data breaches.

Tech Risk is focused on understanding the risk environment so that measures can be taken to eliminate the risk or to reduce the likelihood and potential impact when an incident arises from a risk. Led by the Chief Information Security Officer ("CISO"), Tech Risk works with the Technology group to drive increased security and resilience across the Fitch Group environment. Tech Risk also:

- Creates, manages, and leads the implementation of the information security programme;
- Identifies and addresses the risks associated with the technology processes used in the issuance of credit ratings, along with Technology and senior members of the business, Legal and Compliance teams;
- Provides advice on developing operational resilience plans, including those related to the issuance and publication of credit ratings;
- Implements and manages foundational security controls designed to prevent and detect information security threats, and designs and tracks objective metrics tied to those controls;

[6] From 1 January 2025, the Data Privacy team (led by the Chief Privacy Officer) joined Tech Risk.

- Manages access control for all systems, ratings data and applications in compliance with confidentiality and conflict of interest policies; and
- Manages annual training and awareness activities for cybersecurity, including required annual training, regular phishing exercises, frequent messaging and awareness raising via the Fitch Group intranet channel, a monthly cybersecurity newsletter, a personal cybersecurity guide and annual cybersecurity awareness month activities.

e. The Operational Risk Team

The Operational Risk Manager reports to the CRO[2]. The Operational Risk team provides oversight of the policies, procedures and controls designed to manage the risk of loss arising out of Fitch Ratings' operations, including legal, reputational, strategic and commercial business risks. In fulfilling these responsibilities, the team conducts the following activities, among others:

- Execution of the annual analysis of Fitch Ratings' operational risks, via review and analysis of the Risk & Control Self Assessments conducted by each first line risk owner, which includes the evaluation of the effectiveness of existing, new or changed operational controls;
- Coordinates quarterly Operational Risk Committee meetings with first and second line risk owners;
- Works with other business areas to support policies and procedures related to business continuity plans and disaster recovery;
- Manages the annual Dodd Frank attestation process, to include coordinating all Internal Audit control testing results, data and information with all other potential findings (Exceptions & Incidents, complaints, Risk & Control Self Assessments), and working with various stakeholders to ensure appropriate outcomes; and
- Actions monthly reporting for IT incidents, whilst owning governance for report content and distribution.

The work of the Operational Risk team informs the regular reporting of the CRO[2] on the effectiveness of Fitch Ratings' policies and procedures to the Boards.

(7) Third Line of Defence – Internal Audit

Internal Audit ("IA") function's role as the third line of defence is independent from first line and second line activities. The IA function provides independent and objective assurance as to whether the design and effectiveness of Fitch Ratings' governance, risk management, and internal control processes are adequate. The scope of IA's mandate covers all of Fitch Ratings globally, excluding the examination of financial controls.

At least annually, the Head of IA develops a risk-based internal audit plan consisting of a schedule of audits for the next calendar year. The plan is reviewed and approved by the INEDs and CRO, and includes:

- Internal audits to evaluate the adequacy of internal controls within specific business or risk areas.

- Testing of key rating process controls to support the assessment of the internal control structure in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act.
- Testing of key rating process controls pertinent to specific requirements of EU CRA Regulation.

The Head of IA reports functionally to the INEDs and administratively (for example, day-to-day operations) to the CRO[5]. The Head of IA meets periodically with the INEDs and the CRO and reports quarterly to the Boards regarding the status of the internal audit plan, results of audit activity, open audit findings, and management actions.

5. Recordkeeping Policy

Fitch Ratings has global file maintenance and recordkeeping policies and practices that are designed, collectively, to ensure it maintains adequate records in accordance with all applicable laws and regulations including, but not limited to, the regulations in Singapore. There are two main recordkeeping policies that apply: the File Maintenance and Recordkeeping Policy for Analysts, and the File Maintenance and Recordkeeping Policy for BRM.

Additional details regarding the exact content of the information that must be included in certain documents referenced in the File Maintenance and Recordkeeping Policy for Analysts (such as rating committee minutes) are contained in internal manuals that provide detailed procedural guidance on the rating process.

Other non-analytical groups, such as the Accounts Group, maintain separate internal recordkeeping policies.

Collectively, these policies and procedures require that, among other things, Fitch Ratings Singapore Pte Ltd maintains records for a period of at least six years that cover:

- Documents including internal records and working papers used or created in support of determining and assigning any credit rating;
- Electronic or written communications received or sent by Fitch Ratings and its employees concerning fee negotiations;
- The solicitation status of each credit rating;
- The established procedures and methodologies used by Fitch Ratings to determine credit ratings;
- The procedures and measures implemented by Fitch Ratings to comply with any applicable regulation; and
- External and internal communications, including emails received and sent by Fitch Ratings and its employees that relates to initiating, determining, maintaining, monitoring, changing or withdrawing a credit rating.

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6. Management and Rating Analyst Rotation Policy

Management

Fitch Ratings operates in Singapore through its Singapore-incorporated subsidiary, Fitch Ratings Singapore Pte Ltd, which is 100% owned by FRL, a UK company.

The individual board members of Fitch Ratings Singapore Pte Ltd as at 31 December 2024 are Sing Chan Ng and Patrick Chong.

The organisation of Fitch Ratings' analytical management is not structured around the corporate organisation. Each analyst employed within Fitch Ratings Singapore Pte Ltd reports to a Regional Group Head, in some cases through a series of line managers. The Regional Group Heads report ultimately to a Global Group Head.

Currently, two of Fitch Ratings' five Global Group Heads are based in the UK and three are based in the US. All five Global Group Heads report to the Global Analytical Head who is based in the US. This Global Analytical Head reports to the President of Fitch Ratings who is based in the UK.

Rating Analyst Rotation Policy

Fitch Ratings' analyst Rotation Policy applies to its EU and UK operations, as well as those of Fitch Ratings' third country CRAs that issue credit ratings which are endorsed by Fitch Ratings for use in the EU and UK respectively. It was developed to be consistent with EU and UK CRA Regulations and ESMA's Guidance on the application of the endorsement regime for CRAs. It establishes, with respect to any EU, UK or third country CRA (including Fitch Ratings Singapore Pte Ltd) that issues endorsed ratings, the maximum permissible time periods for covering a rated entity. The Rotation Policy is available on Fitch Ratings' website at https://www.fitchratings.com/ethics#code-of-conduct.