

Rating Products and Services

EMEA Corporates

FitchRatings





About Fitch

Fitch Group is a global leader in financial information services with operations in more than 30 countries. Fitch Group is comprised of: Fitch Ratings, a global leader in credit ratings and research; Fitch Solutions, a leading provider of credit market data, analytical tools and risk services; Fitch Learning, a provider of learning and development solutions for the global financial services industry; and BMI Research, a provider of country risk and industry analysis specialising in emerging and frontier markets. With dual headquarters in London and New York, Fitch Group is majority owned by Hearst.

Fitch Ratings is committed to providing the world's securities markets with objective, timely, independent and forward-looking credit opinions that reflect its expectations of credit behaviour over a range of scenarios. To achieve its objectives, Fitch follows standardised procedures to ensure a globally consistent approach in the conducts of its rating processes.

The rating process begins when an issuer or intermediary (arranger, sponsor or underwriter) contacts a member of Fitch's Business Relationship Management (BRM) group with a request to engage Fitch.

Fitch's policy is that all discussions with issuers and intermediaries concerning ratings fees and commercial matters be handled exclusively by its BRM team. In addition, references to any commercial aspect of Fitch's relationship with issuers are similarly not permitted during any analytical discussion.

For more information on products, services and fees, please email products.services@fitchratings.com

Indicative Rating

Definition

A private point-in-time rating of the Issuer Default Rating (IDR) and instrument ratings.

Outcome is provided in writing and is point-in-time and is not intended for disclosure.

Audience

An unrated (by Fitch) issuer planning to take a debt structure to the capital markets that wishes to understand the credit rating implications for the proposed transaction.

Feedback

Confidential point-in-time rating letter provided with a detailed explanation of the rationale, key rating drivers, assumptions and rating sensitivities that support the Issuer Default Rating (IDR) outcome and instrument rating analysis.

Indicative Ratings are notch specific; and they are assigned an Outlook or Rating Watch.

Surveillance

After communication to you of the Indicative Rating, you should notify Fitch within 25 days* if you wish Fitch to publish the rating. Fitch will then publicly disseminate the resulting rating and the rating will be monitored. If you do not request that the rating be made public within this timeframe, the rating will be point-in-time only and apply only at the date of delivery or, in limited circumstances, and subject to Fitch approval, monitored on a non-public basis.

Disclosure

Indicative Ratings, as private point-in-time ratings, are not intended for disclosure and you will not disclose the rating (other than to your agents, advisers, auditors and consultants).

Under the regulatory affairs section of the Fitch website and in accordance with applicable law, Fitch will disclose the fact that an Indicative Rating was provided with respect to the entity and/or instrument provided they are not subsequently published. Such disclosures are made in the following circumstances:

- 1) Fitch becomes aware that another ESMA registered CRA (credit rating agency) has published a rating on the entity and/or instrument concerned.
- 2) If Fitch does not become aware of the publication of such a rating on the entity and/or instrument with respect to the entity and/or instrument 12 months after Fitch originally disclosed the indicative rating to the issuer.

**In the event that dissemination of a rating is delayed beyond four weeks from the date of the conclusion of the committee, a further committee must be held prior to publication of the rating. This standard is applied to any situation where Fitch has completed its credit work and is waiting until the parties to the transaction execute, publish, close, sign, or otherwise activate the instrument or transaction. Examples include waiting for: debt issuance, transaction closing, tap Issuance, subsequent related bond programme issuance, restructuring, offering circular publication, merger completion, etc.).*

Rating Assessment Service

Definition

A private point-in-time notch-specific view using a published rating scale of how an existing or potential rating may be changed by a given set of hypothetical circumstances.

Rating Assessments are an indication of what a Rating would be given a hypothetical situation.

Ratings Assessment Service (RAS) outcomes indicate to the issuer or their agent what rating level that issuer and its obligations would be likely to receive, given a set of hypothetical assumptions provided in respect of the assessed entity. Fitch analyses a number of proposed scenario(s) as presented in respect of the assessed entity;

Scenarios may include:

- Capital restructuring
- Divestitures and asset sales
- Mergers and acquisitions
- Privatisations
- Securitisations
- An internal business unit/subsidiary to be divested from the group as a separate new entity
- A new company which is yet to be incorporated

Audience

RAS can be provided in connection with an existing rating or for an entity not currently rated by Fitch, in this second case the RAS would be conducted in parallel with a Private Point-in-Time Rating in respect of that entity.

Feedback

The assessment is conducted under the same procedural standards as other rating products offered by Fitch.

Confidential point-in-time Rating Assessment feedback letter is provided to the assessed entity or its agent or the entity's majority owner or its agent. This includes a detailed explanation of the rationale and analysis to support the Rating Assessment outcome as well as a detailed list of assumptions and limitations applied in the assessment to reflect the hypothetical nature of the product.

Rating Assessments are not placed on Rating Watch or assigned an Outlook.

Surveillance

Ratings Assessments are an indication of what the Rating would be, and therefore will always be point-in-time. Ratings Assessments are not monitored.

Disclosure

In accordance with EU regulatory requirements, Fitch must disclose a certain level of information on cases where it has provided its RAS to an entity where the primary analyst is based in an EU-registered entity or a branch of an EU-registered entity. This disclosure can be found on the entity summary page for the issuer on Fitch's website, where the words "Rating Assessment Service" will appear under the "Other Permissible Services" section of the Disclosures link. This only applies to publicly rated entities and the actual outcome of the assessment is not disclosed.

If an issuer wishes to share the output of a RAS with a third party (e.g. another issuer or investor bidding for the business) then the third party may need to sign Fitch's hold harmless letter to indemnify Fitch against their access to and/or use of the Rating Assessment.



Private Point-in-Time Rating

Definition

A private point-in-time (“PPIT”) rating of the Issuer Default Rating (IDR). No instrument ratings provided. Outcome is provided in writing, is a point-in-time rating and is not intended for disclosure.

Audience

Issuers wanting to understand ratings and creditworthiness at company/issuer level.

Feedback

Confidential point-in-time rating letter provided with a detailed explanation of the rationale, key rating drivers, assumptions and rating sensitivities that support the Issuer Default Rating (IDR) outcome. PPIT ratings are notch specific; and they are assigned an Outlook or Rating Watch.

Surveillance

PPIT ratings will not be monitored by Fitch and therefore will not be updated to reflect any changed circumstances or information that may affect the rating assigned.

Disclosure

Private point-in-time ratings are not intended for disclosure and you will not disclose the rating (other than to your agents, advisers, auditors and consultants).



Public Monitored Rating

Definition

A public monitored rating of the Issuer Default Rating (IDR) and/or public debt instrument ratings.

Audience

An entity that wishes to have a public rating to access the capital markets to service its financing needs.

Feedback

Published on Fitch Ratings website.

Public Ratings are notch specific; and they are assigned an Outlook or Rating Watch.

Surveillance

Monitored ratings are subject to regular scheduled reviews by a rating committee, typically annually, although the review frequency may vary if deemed appropriate by Fitch or where required by local law. Ratings are monitored on an ongoing basis, and the review process is a continuous one.

Disclosure

Publicly disclosed.

Private Monitored Rating

Definition

A private monitored rating of the Issuer Default Rating (IDR) and/or private debt instrument ratings.

Audience

An entity that wishes to have a private rating to access the syndicated loan and/or private placement market for its financing needs. Private Monitored Ratings, subject to approval, may also be requested by issuers preparing to enter the public debt markets for the first time.

Feedback

Not published. Confidential rating letter provided.

Private Ratings are notch specific; and they are assigned an Outlook or Rating Watch.

Surveillance

Private monitored ratings are subject to regular scheduled reviews by a rating committee, typically annually, although the review frequency may vary if deemed appropriate by Fitch or where required by local law. Ratings are monitored on an ongoing basis, and the review process is a continuous one.

Disclosure

Private monitored ratings are not published.

Fitch will not publicly disseminate the credit rating, provided, however, Fitch shall be able to publicly disseminate the credit rating upon the occurrence of any of the following: (i) in response to a valid request for information in a subpoena, court order or as otherwise required by applicable law or by any judicial, legislative or regulatory authority or (ii) if the credit rating or any portion of the credit rating analysis becomes publicly known.

GLOSSARY OF TERMS

Credit Ratings provide an opinion on the relative ability of an entity to meet financial commitments, such as interest, preferred dividends, repayment of principal, insurance claims or counterparty obligations. Credit ratings are used by investors as indications of the likelihood of receiving the money owed to them in accordance with the terms on which they invested.

ESMA: The European Securities and Markets Authority

Issuer Default Ratings (IDRs) are generally assigned to Rated entities in a number of sectors, including financial and non-financial corporations, sovereigns and insurance companies. IDRs opine on an entity's relative vulnerability to default on financial obligations.

Point-in-time (PIT) refers to the surveillance level of the rating, and not to the time horizon of the analytical judgement. Thus, a view described as 'point-in-time' should reflect the same view of the issuer's future condition at that date as if the issuer or transaction is monitored but a PIT rating will not itself be monitored.

Rating Affirmation indicates the rating has been reviewed with no change in rating. Ratings affirmations may also include a change to an Outlook when an Outlook is used.

Rating Outlooks indicate the direction a rating is likely to move over a one- to two-year period. They reflect financial or other trends that have not yet reached the level that would trigger a rating action, but which may do so if such trends continue.

Rating Watches indicate that there is a heightened probability of a rating change and the likely direction of such a change.

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