EthiFinance Ratings

Asset Manager Rating Methodology

1. Introduction

The ratings that EthiFinance Ratings performs are opinions on the credit profile of an issuer. These opinions are based on the analysis of historical data and assessments of the company's future trends.

The opinions issued are stable over time due to the methodological approach of EthiFinance Ratings, without detriment to the possible revisions that may be carried out when a substantial change occurs that affects the asset manager.

In addition, the issued rating (solicited or unsolicited) is accompanied by an outlook (over the next year) that can be positive, stable, negative or under observation, depending on the perspective of both the sector and the performance of the company.

The methodology is based on the determination of the stand-alone credit profile of the company, to which in a second phase the effect of potential external support is assessed to arrive to the final Issuer Credit Rating. For ratings on specific issues, the starting point is the issuer's ratings to which an assessment of the specific seniority of the issue in relation to the other debt instruments is performed to arrive to an issue's rating. The rating measures the likelihood of a company missing a payment on its financial obligations where a default is defined as the non-payment by the company of its commitments to third parties or the initiation of bankruptcy proceedings.

We understand asset managers as companies that derive most of their revenues from management and performance fees for managing third-party's investments on behalf of retail or institutional investors. These investments are referred to as assets under management (AUM).

2. Scope

The objective of this methodology is to describe EthiFinance Ratings' approach to rating asset managers that operate both nationally and internationally.

The approach used by EthiFinance Ratings considers qualitative and quantitative elements. This analysis includes subjective factors and nuances that reflect our opinion as accurately as possible. Likewise, the methodology described here must be understood in a flexible manner due to the dynamic nature of the sector to which it is addressed. Therefore, the importance of the factors described below could vary to adapt the analysis to these changes. In addition, other factors may be used instead of those described below if necessary.

3. Asset Manager Assessment

EthiFinance Ratings utilizes three analytical categories to analyse the stand-alone credit profile, made up of key factors through which it is intended to reflect as faithfully as possible the main aspects that determine the credit profile of the company.

The categories are the following:

1. Operating environment: sovereign risk, industry sector, and regulatory standards.
2. Business profile: business model, positioning, and management/governance.
3. Financial profile: financial flexibility, profitability, and income stability.

However, the analytical categories are not isolated compartments, but are related to one another, affecting one another positively or negatively. In this way, certain operating environment factors can act as early indicators of what may be an increase in risk factors of the company. Additionally, business profile factors can limit the income stability and the financial flexibility of the company.

Table I: Analytical framework

		Categories	Criteria	Factors
ISSUER Credit Rating	Standalone Credit Profile	Operating environment (15%)	Sovereign risk (5%)	Sovereign rating (5%)
			Sector and regulation (10%)	Regulatory standards (5%)
				Strenght of the sector (5%)
		Business profile (45%)	Business model (15%)	Geographical and business diversification (5%)
			Positioning (7,5%)	Core Metric (AUM)
			Management and governance (22,5%)	Risk management (7,5%)
				Management quality & execution (7,5%)
				Governance (7,5%)
		Financial profile (40%)	Financial Flexibility (20%)	Core Metrics (Debt/EBITDA); Equity/Self- managed investments
			Profitability (20%)	Core Metrics (Pretax income margin; EBITDA / AUM)
		Adjustments	Support	Explicit support
				Implicit support
ISSUE Credit Rating		Obligations	Resolution regimes	Priority of claims

*Source: EthiFinance Ratings

EthiFinance Ratings defines the asset manager's stand-alone assessment as the likelihood of its failure to make timely payment of its obligations to third parties and contractual clients in the absence of any support. It is the opinion about its solvency profile without considering the possible support and is a consequence of the combination of the three analytical categories that appear in Table I.

Although each analytical category is given a weight, the final evaluation also considers qualitative (like trends) aspects that go beyond factors' weighting due to the static nature of the ratios that could limit the explanatory capacity of the analytical category.

To determine the stand-alone assessment, all the historical information from the public reporting to which the company is subject, whether quantitative or qualitative, is considered as a source of information.

This information can be provided directly by the company or, if its shares are listed, will come from public sources as a result of the information and transparency requirements that public companies are subject to.

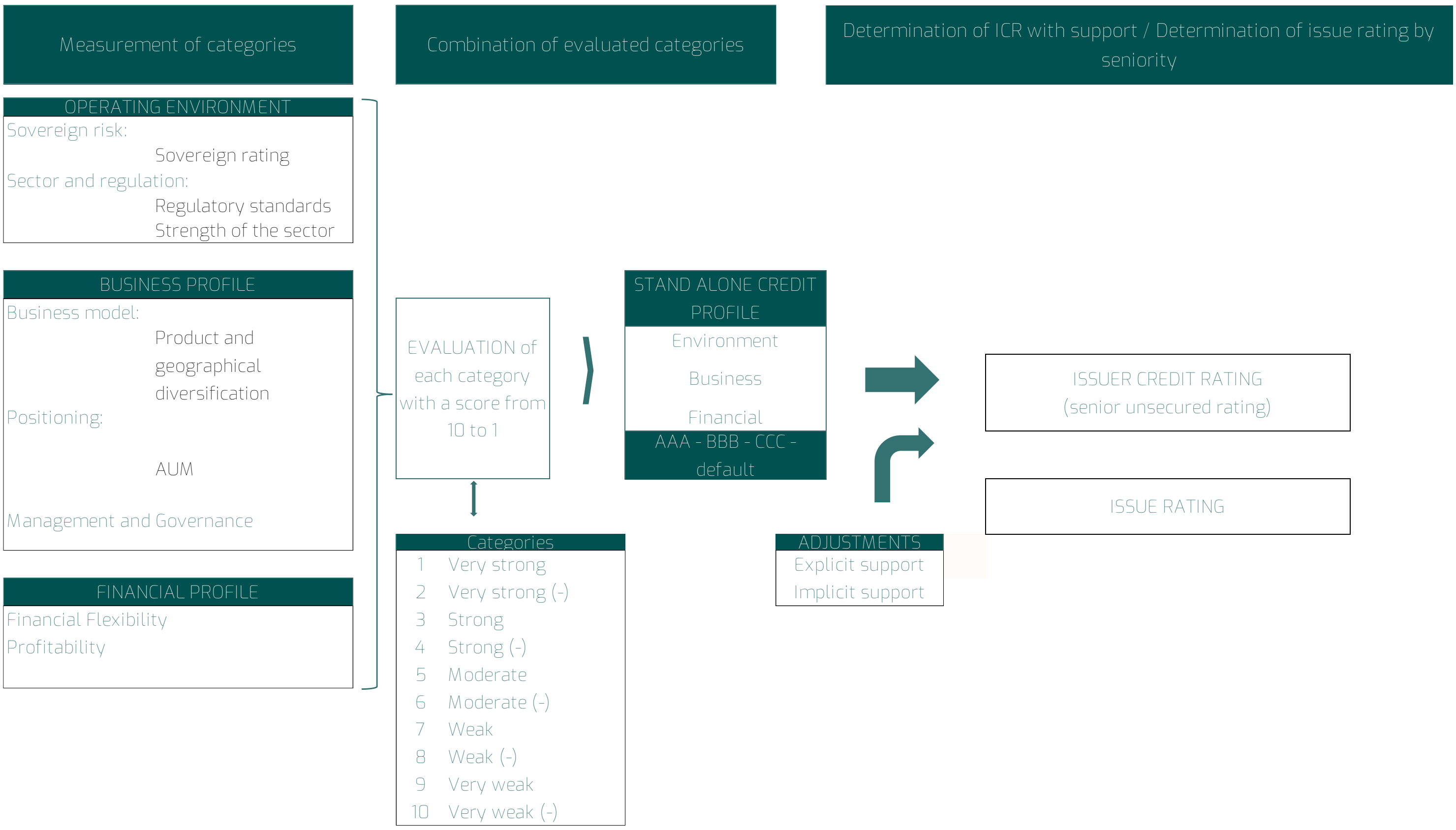
As can be seen in the following table, the measurement of the explanatory factors of each category is made through a numeric scale that evaluates the quality of each metric. Also, a score is given from 10 to 1 (being 1 the best). The combination of these factors drives the score of that category and the combination of the three analytical categories will result in the asset manager's stand-alone assessment. The final score will be mapped with the long-term rating scale of EthiFinance Ratings.

Score	1	2	3	4	5	6	7	8	9	10
Rating	AAA	AA	A	BBB	BB	B	CCC	CC	C	D

*Source: EthiFinance Ratings

However, the categories are not isolated compartments, but are related to one another, affecting each other positively or negatively. In such circumstances, EthiFinance Ratings may rebalance weightings to reflect the relatively lower importance of the category.

Table II: Workflow of the assessment



*Source: EthiFinance Ratings

Once the asset manager's stand-alone credit profile has been obtained, the rating will be modified by the potential explicit or implicit support. After this adjustment, the result will be the Issuer Credit Rating.

4. Assessment of Key Factors

Table III summarizes the categories with their key performance indicators applied to a specific example (scorecard). From now on, the meaning of each one will be detailed, its relevance when analysing the company, as well as the scale to be considered to specify the measurement of each indicator.

Scorecard example

				Final Score	RATING
Asset Manager XYZ	2022			4,65	BBB
	Data	Score	Weight	Subtotal	
MACRO & SECTORIAL ENVIRONMENT			15,0%	0,60	A-
Sovereign risk			5,0%	0,20	
Sovereign rating	*X*	*4*	*5,0%*	*0,20*	
Sector and regulation			10,0%	0,40	
Regulatory standards	*X%*	*6*	*5,0%*	*0,30*	
Sector strength	*X*	*2*	*5,0%*	*0,10*	
COMPANY PROFILE			45,0%	2,35	BB+
Business model			15,0%	0,70	
Geographical diversification	*X*	*5*	*5,0%*	*0,25*	
Product diversification	*X*	*3*	*5,0%*	*0,15*	
Distribution	*X*	*6*	*5,0%*	*0,30*	
Positioning			7,5%	0,60	
AuM	*X*	*8*	*7,5%*	*0,60*	
Management & strategy			22,5%	1,05	
Risk management	*X*	*4*	*7,5%*	*0,30*	
Governance	*X*	*5*	*7,5%*	*0,38*	
Quality	*X*	*5*	*7,5%*	*0,38*	
FINANCIAL PROFILE			40,0%	1,70	BBB+
Financial flexibility			20,0%	1,00	
Debt/EBITDA	*X%*	*4*	*10,0%*	*0,40*	
Equity/Self-managed investments	*X%*	*6*	*10,0%*	*0,60*	
Profitability			20,0%	0,70	
Pretax income margin	*X%*	*4*	*10,0%*	*0,40*	
EBITDA/AuM	*X%*	*3*	*10,0%*	*0,30*	
ADJUSTMENTS					

*Source: EthiFinance Ratings

As can be seen, an important distribution of each category has been elaborated through percentages of the total. This system provides the analysis with the necessary quantitative criteria to assign a numeric score to the asset manager, in addition to facilitating the comparison between companies that operate under different legislation, region or with different business mixes. However, the scorecard that this analysis provides must be complemented with a qualitative analysis that reflects the trends, positive or negative, on each indicator in its context. Taking all this analysis into account, a final rating will be obtained that faithfully reflects EthiFinance Ratings' opinion.

4.1 Operating Environment

The main elements of this category are:

- Sovereign risk.
- Industry Sector and regulation.

Why is the assessment of this category important

The operating environment of the company influences its financial strength because a robust regulatory supervision directed at monitoring business strategies protects investors and creditors. In addition, sovereign risk may limit the company's rating because there is a close relationship between the company's investment portfolio and the sovereign debt of the country of origin.

EthiFinance Ratings considers that the sovereign risks where the company operates may constrain the company's performance and, consequently, the strength of the other categories such as its business and financial profile.

This category considers factors related to the strength of the economy and credit profile of the sovereign debt, as well as aspects related to how stable and reliable is the legal framework and the industry sector. A company that operates in regions with sustainable public finances, where the legal framework guarantees the socio-economic relations of its citizens has high levels of penetration and efficiency, will have the fundamental factors for an adequate rating due to the existing link between sovereign and investment risk.

The analysis of the macroeconomic and jurisdictional environment considers all those regions where the analyzed company operates with a significant percentage of its business. Likewise, the stability of its currency and the political and social stability of the region are considered for the analysis. The objective of the regulation must be evaluated according to the degree of protection lent to investors and creditors. Therefore, solvency is a fundamental pillar for the regulator, which requires minimum capital standards, defines a management policy that minimizes risks, and details financial information requirements.

4.1.1 Sovereign Risk: Sovereign Rating

The main factor of this section is the sovereign risk of the countries where the company operates:

a. Sovereign rating

Sovereign rating	
Rating	Score
≥AA+	1
≥AA-	2
≥A	3
≥BBB+	4
≥BBB-	5
≥BB	6
≥B+	7
≥B-	8
≥CCC	9
≤CCC-	10

*Source: EthiFinance Ratings

A Sovereign rating determines the capacity of the government to meet its payment obligations and maintain fiscal, commercial and employment stability. The ability to influence and the relationship between sovereign risk and financial risk due to the exposure of asset managers to sovereigns through their debt investments makes the financial sector especially sensitive.

A sovereign with a weak credit rating is the result of a deteriorated economy that also needs government intervention to soften the imbalances, thus subjecting the government to additional stress. This deterioration impacts investments, increasing their volatility and affecting the value of sovereign debt and other financial assets.

4.1.2 Industry Sector and Regulation

The main factors of this section are regulatory standards and the strength of the sector where the company operates:

a. Regulatory standards

Regulatory standards	
Score	Description
1-2	Regulatory environment highly developed and transparent. Very effective application of current legislation and regulation.
3-4	Regulatory environment developed and transparent. Effective application of current legislation and regulation.
5-6	Regulatory environment less developed and acceptable level of transparency. The application of legislation and regulation may be less effective or transparent.
7-8	Regulatory environment is in development. Financial reporting and regulatory application shows less transparency.
9-10	Regulatory environment in the process of development and with minimum transparency. Application of legislation and regulation with difficulties. Reporting and regulatory execution lacking transparency.

*Source: EthiFinance Ratings

Additionally, it must be considered that the burden of maintaining compliance with the increasingly complex requirements of regulatory regimes, especially for asset managers operating on a global scale, necessitates additional back-office personnel and robust risk management.

b. Strength of the sector

Sector strength	
Score	Description
1-2	The sector generates strong profitability and operating cash flows. The sector is able to increase its pricing power during downturns.
3-4	The sector generates adequate profitability and operating cash flows. The sector is able to maintain its pricing power during downturns.
5-6	The sector generates moderate profitability and operating cash flows. The sector reduces its pricing power during downturns.
7-8	The sector generates low profitability and operating cash flows. The sector reduces its pricing power during downturns.
9-10	The sector generates very low profitability and operating cash flows. The sector sharply reduces its pricing power during downturns.

*Source: EthiFinance Ratings

4.2 Business Profile

The main elements of this category are:

- Business model
- Positioning
- Management and Governance

Why is the assessment of this category important

This category rates the business model that the company executes in the market given a strategy constrained by the risk appetite and the franchise strength.

The product and geographical diversification, where the distribution channel is very important, are the fundamental elements of this category. Diversification understood in the broadest sense contributes to the stability of income and the maintenance of an adequate financial structure throughout the cycle.

The assessments of the region's main competitors is fundamental to anticipate market trends as well as to identify possible strengths or weaknesses that could appear. The competitive strength of an asset manager can affect the ability of the company to maintain a certain level of financial performance in its key business lines and, therefore, affect its financial strength. It is essential to maintain certain levels of operational efficiency, which will be favoured by the size of the assets under management. However, it is important to analyse the leverage levels that the company maintains to achieve a large size, so that growth is not always linked to a competitive advantage.

Additionally, the strength of the brand is the result of the diligent development of the activity with their clients, reflecting an adequate management of current businesses and the ability to increase assets under management. The relationship of the brand with an activity based on quality can give the company a good reputation that acts as a barrier to entry for potential competitors. This reputation has its origin in an effective corporate governance, independent of the possible individual interests of the members of the company and with an adequate monitoring of the risks to which the company is exposed.

4.2.1 Business Model

The main factors of this section are the following:

a. Geographical diversification

Geographical diversification	
Score	Description
1-2	Very high level of diversification of the assets under management between geographies. Geographical diversification contributes very positively to the income stability throughout the cycle.
3-4	High level of diversification of the assets under management between geographies. Diversification of the business contributes positively to the income stability throughout the cycle.
5-6	Moderate level of diversification of the assets under management between geographies. Diversification of the business contributes in a limited way to the income stability throughout the cycle.
7-8	Insufficient level of diversification of the assets under management between geographies. Diversification of the business doesn't contribute to the income stability throughout the cycle.
9-10	Very insufficient level of diversification of the assets under management between geographies.

*Source: EthiFinance Ratings

b. Product diversification

Product diversification	
Score	Description
1-2	Very high level of asset class diversification of the assets under management. Product diversification contributes very positively to the income stability throughout the cycle.
3-4	High level of asset class diversification of the assets under management. Product diversification contributes positively to the income stability throughout the cycle.
5-6	Moderate level of asset class diversification of the assets under management. Product diversification contributes in a limited way to the income stability throughout the cycle.
7-8	Insufficient level of asset class diversification of the assets under management. Product diversification doesn't contribute to the income stability throughout the cycle.
9-10	Very insufficient level of asset class diversification of the assets under management.

*Source: EthiFinance Ratings

c. Distribution

Distribution	
Channels	Score
≥9	1
8	2
7	3
6	4
5	5
4	6
3	7
2	8
1	9
1	10

*Source: EthiFinance Ratings

For the evaluation of the distribution capabilities and the effectiveness of the service we must consider the number of distribution channels, the participation of the asset manager in these points of sale and the confidence that the company has in the distribution points. Additionally, the size of their points of sale and the proportion of regular customers who invest in their new funds are elements that we must consider.

A strong distributor may also be able to mask an underperforming portfolio manager or investment team. Market conditions and investor preferences are both cyclical and volatile, and without strong distribution capabilities, very few funds would maintain year-over-year strong asset inflows.

4.2.2 Positioning

The main factors of this section are the following:

a. Assets under management (AuM)

AuM	
€ Bn.	Score
≥50	1
≥25	2
≥15	3
≥6	4
≥4	5
≥3	6
≥2	7
≥1	8
≥0.5	9
<0.5	10

*Source: EthiFinance Ratings

We measure the scale through assets under management. Scale leads to competitive advantages in terms of efficiency and market profile. The increase in AuM with positive net sales is a good indicator to assess the capacity of the asset manager to increase its size in a sustainable manner. However, the decline in AuM with negative net sales may indicate the company's operational weaknesses.

4.2.3 Management & Governance

a. Governance

Shareholding of the asset manager can be evaluated by the ownership type: state, institutional / corporate, family groups... Usually, each type of shareholder has a specific conservative and professionalized corporate governance profile (conflicts of interest or shareholder value), with the ability to protect creditors through a rigorous policy of informative transparency. Stability and influence of its shareholding, separation of individual interests against the interests of its creditors and clients and recurrence in the reporting of its financial statements are aspects positively assessed.

Environmental, Social and Governance

In addition, EthiFinance Ratings maintains its commitment to ESG (Environmental, Social and Governance) through which it aims to measure the sustainability and ethical impact of both the entity's investments and customer relations and the management of its own employees. There are many environmental and social issues that impact the financial sector. We think ESG's implementation generates value for shareholders, clients and the sector in which asset managers operate.

All asset managers must monitor and reduce their environmental footprint, to ensure effective and ethical governance and to invest in ways that stimulate sustainable economic growth.

Although this is a cross-cutting issue (reputational risk, financial risks and legal risks) that affects even the financial aspects of the company, EthiFinance Ratings takes it into account in the measurement of corporate governance quality.

Governance	
Score	Description
1-2	Management presents a very high degree of knowledge, stability and experience. Succession plans at all levels are routinely undertaken. The company solidly achieves its business and financial objectives through the cycle.
3-4	Management presents a high degree of knowledge, stability and experience. Succession plans at the executive level are undertaken in a timely manner and with low turnover. The company mostly achieves its business and financial objectives with a reduced margin of error through the cycle.
5-6	Management has an adequate degree of knowledge, stability and experience. Executive level rotations are managed properly. The company mostly achieves its business and financial objectives. The execution varies with changes in the economic cycle.
7-8	Management has an acceptable degree of knowledge, stability and experience, although it could improve. Management team rotation and dependence on individual figures is higher than in best rated peers. The company often doesn't achieve its business and financial objectives. The execution is more variable with changes in the economic cycle.
9-10	Management may present significant weaknesses, whether lack of knowledge, stability or experience. Management team rotation is high. The company in most cases fails to achieve its business and financial objectives. The execution is highly variable with changes in the economic cycle.

*Source: EthiFinance Ratings

b. Management quality and Execution

Management quality is evaluated from the point of view of the managers' knowledge, their experience and stability of both the current staff and the succession plan in the higher and middle positions. Asset managers with a strong and effective corporate culture in all the regions where they operate will be able to run succession plans correctly.

Additionally, fulfilment of its financial and business objectives is very important for the company's strategic dimension because it is assessed, in addition to the achievement of objectives (comparative between strategic plan and results), managers' ability to set a strategic plan adapted through the cycle. The assessment of this section is evaluated in the long-term.

Management quality & Execution	
Score	Description
1-2	Management presents a very high degree of knowledge, stability and experience. Succession plans at all levels are routinely undertaken. The company solidly achieves its business and financial objectives through the cycle.
3-4	Management presents a high degree of knowledge, stability and experience. Succession plans at the executive level are undertaken in a timely manner and with low turnover. The company mostly achieves its business and financial objectives with a reduced margin of error through the cycle.
5-6	Management has an adequate degree of knowledge, stability and experience. Executive level rotations are managed properly. The company mostly achieves its business and financial objectives. The execution varies with changes in the economic cycle.
7-8	Management has an acceptable degree of knowledge, stability and experience, although it could improve. Management team rotation and dependence on individual figures is higher than in best rated peers. The company often doesn't achieve its business and financial objectives. The execution is more variable with changes in the economic cycle.
9-10	Management may present significant weaknesses, whether lack of knowledge, stability or experience. Management team rotation is high. The company in most cases fails to achieve its business and financial objectives. The execution is highly variable with changes in the economic cycle.

*Source: EthiFinance Ratings

c. Risk management

Asset managers are obliged to evaluate the risks of their investments. The risk exposure and the risk management that the company has carried out over the years are the fundamental elements that EthiFinance Ratings evaluates, paying special attention to the management of credit risk, market risk and operational risk.

4.3 Financial Profile

The main elements of this category are:

- Financial flexibility
- Profitability and Income stability

Why is the assessment of this category important

The financial profile of an asset manager is a key category in the credit profile analysis because, in addition to the aspects typical of the category, on many occasions it includes the influence of the operating environment and the management that the company performs.

In the two analytical criteria (financial flexibility and profitability and income stability), some factors are considered with a wide explanatory power. The analysis also evaluates the stability and the trend of its metrics for which a historical scope of at least the annual accounts of the last 3 years is needed. According to the type of factor, the data considered for the assessment is the last available or the average of the last 2 or 3 closed years.

A company that shows predictable results throughout the cycle, according to its risk profile, would be strengthened in addition to its solvency profile and would have a high rating.

In addition, equity provides a buffer for creditors, allowing the company to absorb adverse deviations experienced, and represents an important part of the financial strength of a company. The liquidity assessment considers the characteristics of the main assets and liabilities, the frequency and severity of the claims and the available liquid resources, among others.

The main sources of information for EthiFinance Ratings are the audited financial statements and the rest of the public information reported to the supervisor. For solicited ratings, the unaudited interim financial statements (monthly, quarterly, and half-yearly) will be used. In addition, the company may be asked for additional private information such as management reports, strategic plans and all types of institutional information for investors.

The financial analysis is always adapted to the idiosyncrasy of the company. In case of the existence of particular characteristics, other metrics can be used in addition to those indicated in the methodology or, if applicable, that are already collected, but adjusting them to the specific case.

4.3.1 Financial Flexibility

This section measures the refinancing capacity or the ability to pay back its debt, the investment capacity including executing acquisitions, the ability to face unexpected contingencies and maintaining access to capital markets.

Normally, the asset management business is intensive in cash generation and moderate capital expenditure demands in the usual course of its activity. Companies tend to have low leverage ratios (Debt / Ebitda). These companies usually incur debt when carrying out acquisitions. Financial flexibility can be impaired if the manager makes excessive use of its balance sheet. This scenario can occur in situations of market stress due to deterioration in the value of the investments held on its own balance sheet.

a. Debt / EBITDA

Debt/EBITDA	
x	Score
≤0.2	1
≤1	2
≤2	3
≤3	4
≤4	5
≤5	6
≤6	7
≤7	8
≤8	9
>8	10

*Source: EthiFinance Ratings

The ratio measures the manager's ability to de-lever its debt position through the operating cash flow. This ratio expresses how many times the company's indebtedness position (short and long term) exceeds the cash generation capacity (EBITDA). The higher the multiple, the greater the burden. Additionally, if EBITDA is below zero, a score of ten will be assigned.

b. Equity / Self-managed investments

Equity/Self-managed investments	
x	Score
≥90	1
≥30	2
≥15	3
≥9	4
≥6	5
≥4	6
≥3	7
≥2	8
≥1	9
<1	10

*Source: EthiFinance Ratings

This ratio is built by total reported shareholders' equity in the numerator and self-management investments in the denominator. The ratio measures an asset manager's relative ability to cover potential losses on its on-balance investments from its base of equity capital.

An asset manager that makes extensive use of its balance sheet and invests in illiquid assets is considered as riskier than a company that makes minimal use of its balance sheet. Balance sheet stability is a key credit consideration and typically the Agency attributes better credit profile to issuers that have relatively lower balance sheet risk.

4.3.2 Profitability

Profitability is a critical solvency factor of the asset manager since it is decisive in terms of the ability to serve the debt and increase capital, maintain competitiveness and confidence of the investor. The manager's revenues are highly correlated with the performance of financial markets and the investment profitability.

a. Pre-tax income margin

Pretax income margin	
%	Score
≥50	1
≥33	2
≥25	3
≥15	4
≥7.5	5
≥0	6
≥-3	7
≥-6	8
≥-9	9
<-9	10

*Source: EthiFinance Ratings

This metric is defined as pre-tax income measured against total revenue. The metric reflects the core earnings power of an asset manager.

We normally use a two-year average pre-tax profit margin. The higher the ratio, the more capacity the company will have to serve the debt and increase capital.

b. EBITDA / average AUM

EBITDA/avg. AuM	
%	Score
≥0.50	1
≥0.40	2
≥0.30	3
≥0.20	4
≥0.10	5
≥0.05	6
≥0.04	7
≥0.03	8
≥0.02	9
<0.02	10

*Source: EthiFinance Ratings

EBITDA / average AUM ratio shows the relationship between income generation and the scale of the asset manager. The higher the ratio, the better earnings profile adjusted to the scale the company will have and, therefore, the better positioning it will have with respect to its competitors and potential institutional and retail clients.

5. Support

5.1 Introduction

In this section, EthiFinance Ratings evaluates the support a company can receive from other institutions and the way in which this support fits into the credit rating of the company. This support is understood as that provided by institutions related to the company, such as its parent company or other related companies.

The support included in this section is that understood from a forward-looking perspective, that is, the support that would exist if the company needed it. Therefore, the fundamental aspects that should be evaluated in this type of support is the probability that it will be executed in case of need and the ability of the company that provides it to make it effective. The regulatory framework has the capacity to influence the analysis of this very important support.

However, the rating improvement due to the likelihood of support in those scenarios where it is possible will depend on the evaluation made of the credit profile of the supporter.

The support is determined by the probability and capacity of the related company to provide future support to the company in case of need. This support will depend on the importance that the company has for the rest of the group at an operational level or the reputational damage that could trigger a stress scenario.

5.2 Analysis of the support

The support is translated into the adjustment by notches until obtaining the Issuer Credit Rating of the company. In the process of applying the adjustments for the support, several factors are considered that have already been pointed out before and which are explained below.

Regarding the ability to provide support, the credit strength of the supporter is the fundamental element for its evaluation, so its credit rating would be considered. If this rating is based on consolidated financial statements, appropriate adjustments would be made to modify our evaluation of the supporter in isolation from the company receiving this support.

The assessment of the probability of execution in case of need considers aspects such as the control that the supporter has over the company analyzed, that is, if it is a sole shareholder, minority or is a subsidiary of the group with an indirect relationship. It is also important to know the existence of any legal support between both entities that guarantees this support and the strategic importance and the financial links that could exist and that would make it difficult for the supporter to let its subsidiary fail.

Finally, operating in the same region or under the same brand is a link that, despite being an intangible that is difficult to assess, shows a link between the company analyzed and the supporter and a mechanism for transmitting reputational risks that could affect the supporter.

This document updates the previous version while preserving its original methodological criteria; therefore, all existing ratings remain unchanged. In this version, the format has been updated and includes a higher level of detail.