Egan-Jones Ratings Company

2023 Form NRSRO Annual Certification

Exhibit 1 Credit Ratings Performance Statistics

Attached please find the Rating Transition and Default Rates listed as follows:

- Financial Institutions, Brokers, or Dealers 1-year, 3-year and 10-year Transition and Default Rates
- Insurance Companies 1-year, 3-year and 10-year Transition and Default Rates
- Corporate Issuers 1-year, 3-year and 10-year Transition and Default Rates

	Ratings as of 31/2021												1/2022 (Pe											comes durii /31/2022 (P	ng 12/31/2021 Percent)
Credit Rating	Number of Ratings Outstanding	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	В	B-	CCC+	CCC	CCC-	СС	С	Default	Paid off	Withdrawn (Other)
AAA	1	100.0%																							
AA+	3		66.7%																						33.3%
AA	6			83.3%																					16.7%
AA-	20			10.0%	80.0%																				10.0%
A+	43				2.3%	76.7%	4.7%																		16.3%
А	148				0.7%	2.7%	74.3%																	1.4%	20.9%
A-	190					2.6%	5.3%	57.8%	1.1%	1.1%															32.1%
BBB+	143				0.7%		1.4%	7.7%	61.5%	0.7%															28.0%
BBB	78							1.3%	7.7%	73.0%			1.3%												16.7%
BBB-	32							3.1%		6.3%	59.3%														31.3%
BB+	5								20.0%		20.0%	60.0%													
BB	4										25.0%	25.0%	25.0%			25.0%									
BB-	1													100.0%											
B+	4										25.0%				50.0%										25.0%
В	1															100.0%									
B-	1																100.0%								
CCC+	1															100.0%									
CCC	0																								
CCC-	0																								
СС	1																				100.0%				
С	0																								
Total	682																								

Financial Institutions, Brokers, or Dealers - 1-Year Transition and Default Rates (Long-Term Credit Ratings)

(December 31, 2021 through December 31, 2022)

	Ratings as of /31/2019											-	1/2022 (Pe											Outcomes /2019-12/3 (Percent)	1/2022
Credit Rating	Number of Ratings Outstanding	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	В	B-	CCC+	ССС	CCC-	сс	С	Default	Paid off	Withdraw n (Other)
AAA	1	100.0%																							
AA+	1		100.0%																						
AA	3																								100.0%
AA-	12			16.7%	33.4%	8.3%	8.3%	8.3%																	25.0%
A+	52				3.8%	34.7%	30.8%	7.7%	1.9%	1.9%															19.2%
А	128				1.6%	5.5%	41.2%	10.2%	3.9%	1.6%														0.8%	35.2%
A-	145				0.7%	1.4%	7.6%	27.6%	12.4%	2.8%															47.5%
BBB+	76						1.3%	10.5%	30.3%	7.9%	5.3%		1.3%												43.4%
BBB	36						2.8%	2.8%	11.1%	41.6%	5.6%														36.1%
BBB-	15							6.7%	13.3%	13.3%	6.7%	6.7%													53.3%
BB+	3										33.4%					33.3%									33.3%
BB	1														100.0%										
BB-	1																								100.0%
B+	1																								100.0%
В	0																								
B-	0																								
CCC+	0																								
CCC	1															100.0%									
CCC-	0																								
CC	0																								
С	0																								
Total	476																								

Financial Institutions, Brokers, or Dealers - 3-Year Transition and Default Rates (Long-Term Credit Ratings)

(December 31, 2019 through December 31, 2022)

	atings as of 1/2012										Ratings a		1/2022 (Pe		,									r Outcomes 12-12/31/20	s during)22 (Percent)
Credit Rating	Number of Ratings Outstandi ng	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	В	B-	CCC+	CCC	CCC-	СС	с	Default	Paid off	Withdrawn (Other)
AAA	0																								
AA+	0																								
AA	2						50.0%	50.0%																	
AA-	1						100.0%																		
A+	4					25.0%	50.0%	25.0%																	
А	10				10.0%	30.0%		10.0%	20.0%	10.0%															20.0%
A-	10						70.0%		10.0%																20.0%
BBB+	17					5.9%	23.5%	11.8%	17.6%	5.9%															35.3%
BBB	12						8.3%	16.7%	41.7%																33.3%
BBB-	9							11.1%		33.3%															55.6%
BB+	12							16.7%	8.3%	50.0%						8.3%									16.7%
BB	5								20.0%	20.0%							20.0%								40.0%
BB-	0																								
B+	5								20.0%		20.0%												20.0%		40.0%
В	4										25.0%														75.0%
B-	5																								100.0%
CCC+	2																								100.0%
CCC	1																						100.0%		
CCC-	0																								
CC	0																								
С	0																								
Total	99																								

Financial Institutions, Brokers, or Dealers - 10-Year Transition and Default Rates (Long-Term Credit Ratings)

(December 31, 2012 through December 31, 2022)

	Ratings as of /31/2021								X				1/2022 (Pe		,									comes durii /31/2022 (P	ng 12/31/2021 Percent)
Credit Rating	Number of Ratings Outstanding	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	В	B-	CCC+	CCC	CCC-	сс	С	Default	Paid off	Withdrawn (Other)
AAA	0																								
AA+	0																								
AA	0																								
AA-	1							100.0%																	
A+	5					80.0%	20.0%																		
А	13					7.7%	69.2%	15.4%																	7.7%
A-	16					6.3%	37.2%	31.3%	6.3%	6.3%		6.3%													6.3%
BBB+	17						5.9%	23.5%	41.2%	17.6%	5.9%	5.9%													
BBB	18								22.2%	61.1%	5.6%														11.1%
BBB-	5										80.0%	20.0%													
BB+	1										100.0%														
BB	1												100.0%												
BB-	3											33.3%		66.7%											
B+	4														100.0%										
В	1															100.0%									
B-	0																								
CCC+	0																								
CCC	1																			100.0%					
CCC-	2																			50.0%					50.0%
СС	1																				100.0%				\square
С	0																								
Total	89																								

Insurance Companies - 1-Year Transition and Default Rates (Long-Term Credit Ratings)

(December 31, 2021 through December 31, 2022)

Other Outcomes during Credit Ratings as of Credit Ratings as of 12/31/2022 (Percent) 12/31/2019-12/31/2022 12/31/2019 (Percent) Number of Credit Withdraw BBB+ BBB BBB-BB-В CCC+ ccc CCC-СС С Paid off AAA AA+ AA AA-A+ BB+ BB B+ B-Default Α A-Ratings n (Other) Rating Outstanding AAA 0 0 AA+ 0 AA 1 100.0% AA-5 20.0% 40.0% 40.0% A+ Α 15 6.7% 53.3% 26.7% 13.3% A-9 11.1% 22.2% 11.1% 33.4% 22.2% 13 7.7% 30.8% 38.4% 15.4% 7.7% BBB+ 7.1% 7.1% 43.0% 21.4% 21.4% 14 BBB 7 14.3% 42.8% 14.3% 14.3% 14.3% BBB-3 33.4% 33.3% 33.3% BB+ BB 0 100.0% BB-2 2 100.0% B+ 2 50.0% 50.0% В 0 B-0 CCC+ 1 100.0% CCC 0 CCC-0 СС С 0 74 Total

Insurance Companies - 3-Year Transition and Default Rates (Long-Term Credit Ratings)

(December 31, 2019 through December 31, 2022)

Insurance Companies - 10-Year Transition and Default Rates (Long-Term Credit Ratings)

(December 31, 2012 through December 31, 2022)

	atings as of 1/2012											as of 12/31												er Outcomes 12-12/31/20	s during)22 (Percent)
Credit Rating	Number of Ratings Outstandi ng	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	В	B-	CCC+	CCC	CCC-	СС	С	Default	Paid off	Withdrawn (Other)
AAA	0																								
AA+	0																								
AA	0																								
AA-	0																								
A+	3					33.3%	66.7%																		
Α	5					20.0%	20.0%			20.0%															40.0%
A-	10						10.0%	20.0%	10.0%		40.0%														20.0%
BBB+	10					10.0%	20.0%	20.0%	10.0%	10.0%	10.0%	10.0%													10.0%
BBB	7						14.3%	28.6%		14.3%															42.8%
BBB-	5								20.0%	20.0%		20.0%		20.0%											20.0%
BB+	1							100.0%																	
BB	3								33.4%	33.3%															33.3%
BB-	0																								
B+	1										100.0%														
В	0																								
B-	0																								ļļ
CCC+	0																								ļ
CCC	2								50.0%											50.0%					
CCC-	0																								
CC	1																								100.0%
С	1																								100.0%
Total	49																								

Corporate Issuers - 1-Year Transition and Default Rates (Long-Term Credit Ratings)

(December 31, 2021 through December 31, 2022)

	Ratings as of 31/2021												1/2022 (Pe											comes durir /31/2022 (P	ng 12/31/2021 'ercent)
Credit Rating	Number of Ratings Outstanding	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	В	B-	CCC+	CCC	CCC-	СС	С	Default	Paid off	Withdrawn (Other)
AAA	4	100.0%																							
AA+	15		93.3%																						6.7%
AA	52		7.7%	86.6%			1.9%																		3.8%
AA-	106			12.3%	78.3%	0.9%																			8.5%
A+	159			3.1%	17.6%	72.5%	3.1%		0.6%															0.6%	2.5%
Α	218			0.5%	1.4%	9.6%	73.7%	1.8%	0.5%	0.9%		0.5%												0.5%	10.6%
A-	259				1.9%	6.9%	15.1%	63.3%	3.9%	1.5%	0.8%		0.4%											0.4%	5.8%
BBB+	288				0.3%	0.7%	5.6%	10.8%	75.4%	3.5%	0.3%	0.3%													3.1%
BBB	330					0.9%	3.9%	5.5%	13.6%	64.3%	2.7%	0.6%	0.3%	0.3%		0.3%								0.3%	7.3%
BBB-	250					1.2%	0.8%	2.4%	4.8%	14.0%	55.6%	6.8%	1.2%	1.2%										0.4%	11.6%
BB+	226					0.4%	0.4%	1.3%	4.0%	5.3%	14.2%	50.2%	8.8%	0.4%	1.3%									1.8%	11.9%
BB	346								2.0%	2.6%	5.5%	8.1%	58.4%	6.6%	1.7%			0.3%						0.3%	14.5%
BB-	491							0.2%	0.4%	1.0%	2.0%	3.1%	6.9%	65.4%	4.3%	0.6%	0.2%							1.2%	14.7%
B+	424									0.5%	1.4%	2.6%	3.5%	8.0%	65.2%	4.5%	0.9%	0.2%						1.2%	12.0%
В	232									1.3%	0.9%	2.2%	2.6%	5.2%	9.9%	54.9%	3.9%	0.9%	0.9%					2.2%	15.1%
B-	150								0.7%	1.3%	0.7%		2.0%	6.0%	6.7%	12.0%	48.7%	5.3%	1.3%						15.3%
CCC+	103											2.9%	3.9%	5.8%	5.8%	7.8%	6.8%	43.7%	4.9%	1.9%			1.0%		15.5%
000	80												1.3%	2.5%	1.3%	10.0%	12.5%	12.5%	42.3%	7.5%	1.3%			1.3%	7.5%
CCC-	47													2.1%	2.1%	4.3%	4.3%	4.3%	10.6%	44.7%	8.5%				19.1%
CC	63													1.6%	1.6%		3.2%	3.2%	4.8%	7.9%	65.0%			1.6%	11.1%
С	16																				12.5%	62.5%			25.0%
Total	3859																								

Corporate Issuers - 3-Year Transition and Default Rates (Long-Term Credit Ratings)

(December 31, 2019 through December 31, 2022)

	Ratings as of /31/2019									Credit	Ratings a	us of 12/3 ⁻	1/2022 (Pe	ercent)										Outcomes /2019-12/3 (Percent)	1/2022
Credit Rating	Number of Ratings Outstanding	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	В	B-	CCC+	CCC	CCC-	сс	С	Default	Paid off	Withdraw n (Other)
AAA	3	100.0%																							
AA+	17	5.9%	70.5%	5.9%	5.9%	5.9%																			5.9%
AA	53		1.9%	64.1%	9.4%	5.7%	7.5%	1.9%	1.9%									1.9%							5.7%
AA-	64		3.1%	7.8%	40.5%	18.8%	7.8%	3.1%	6.3%	1.6%			1.6%												9.4%
A+	141			1.4%	9.9%	49.0%	19.9%	2.8%	5.7%	2.8%			0.7%												7.8%
Α	172			0.6%	1.2%	11.0%	37.7%	18.6%	7.0%	4.1%	1.2%	2.3%	1.7%	2.3%		0.6%		1.2%							10.5%
A-	181			0.6%	3.9%	6.6%	4.4%	25.2%	22.1%	11.0%	3.3%	2.2%	0.6%		2.8%	0.6%	0.6%							1.7%	14.4%
BBB+	193			0.5%		1.6%	8.3%	10.4%	26.4%	25.9%	8.8%	5.7%	2.1%	1.6%	1.0%		0.5%	0.5%	0.5%						6.2%
BBB	233				0.9%	3.0%	5.6%	4.7%	11.6%	27.1%	14.6%	6.9%	2.1%	2.1%	1.7%	2.1%	0.9%	0.4%	0.4%						15.9%
BBB-	186						2.7%	2.2%	5.9%	7.5%	24.7%	15.1%	8.1%	7.5%	1.1%	2.7%	1.1%	0.5%		0.5%				0.5%	19.9%
BB+	150				2.0%		2.7%	2.0%	4.0%	5.3%	14.7%	10.7%	8.0%	6.0%	5.3%	2.7%	0.7%	2.7%		1.3%	0.7%			0.7%	30.5%
BB	199					0.5%	1.5%	1.0%	2.0%	2.5%	2.5%	1.5%	21.1%	11.1%	7.0%	5.0%	1.5%	1.0%	0.5%	1.5%	0.5%	0.5%	0.5%	0.5%	37.8%
BB-	280							0.7%	0.7%	1.8%	1.8%	2.5%	5.7%	23.9%	17.9%	5.0%	2.1%	0.7%	1.1%			0.4%		1.8%	33.9%
B+	235						0.4%			1.3%	0.9%	2.6%	2.1%	4.7%	24.3%	8.9%	6.0%	3.4%	1.3%	0.4%	0.9%		0.4%	1.7%	40.7%
В	128								1.6%		1.6%	2.3%	1.6%	5.5%	10.2%	23.4%	9.4%	5.5%	1.6%				1.6%	3.1%	32.6%
B-	64											1.6%		3.1%	7.8%	6.3%	20.3%	6.3%	1.6%	3.1%	1.6%	1.6%	6.3%	1.6%	38.8%
CCC+	37											2.7%	2.7%	2.7%	2.7%	8.1%	2.7%	13.5%	8.1%	5.4%	10.8%		5.4%		35.2%
000	24							4.2%			4.2%			8.3%				12.5%		12.5%	8.3%		16.7%		33.3%
CCC-	9												11.1%				11.1%	11.1%					33.4%	0.40	33.3%
CC	11																		9.1%		36.3%		9.1%	9.1%	36.4%
С	0																								┝───┦
Total	2380																								

Corporate Issuers - 10-Year Transition and Default Rates (Long-Term Credit Ratings)

(December 31, 2012 through December 31, 2022)

	atings as of 1/2012											as of 12/31			-									er Outcome: 12-12/31/20	s during)22 (Percent)
Credit Rating	Number of Ratings Outstandi ng	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	В	B-	CCC+	CCC	CCC-	CC	С	Default	Paid off	Withdrawn (Other)
AAA	0																								
AA+	10		10.0%	40.0%	10.0%	10.0%	10.0%		10.0%				10.0%												
AA	14			21.4%		7.1%	43.1%			7.1%	7.1%	7.1%													7.1%
AA-	29				10.3%	13.8%	20.9%	10.3%	6.9%	13.8%	10.3%				3.4%										10.3%
A+	58				6.9%	8.6%	12.1%	17.2%	8.6%	8.6%	1.7%	5.2%	1.7%		3.4%	1.7%									24.3%
А	53				1.9%	15.1%	15.1%	13.2%	18.9%	5.7%		1.9%		1.9%		1.9%									24.4%
A-	96				2.1%	6.3%	8.3%	10.4%	10.4%	16.7%	7.3%	3.1%	1.0%	3.1%	2.1%			1.0%					1.0%		27.2%
BBB+	108					5.6%	4.6%	3.7%	15.7%	14.8%	13.9%	4.6%	6.5%	1.9%	1.9%	0.9%							0.9%		25.0%
BBB	94						3.2%	5.3%	14.9%	19.1%	6.4%	5.3%	4.3%		2.1%	3.2%	1.1%	1.1%					1.1%		32.9%
BBB-	94					1.1%	2.1%	6.4%	6.4%	6.4%	13.8%	8.5%	5.3%	5.3%	2.1%	3.2%	2.1%			1.1%			2.1%		34.1%
BB+	95				1.1%	2.1%	3.2%	4.2%	6.3%	9.5%	3.2%	5.3%	8.4%	6.3%	3.2%	2.1%	2.1%						2.1%		40.9%
BB	58						5.2%	3.4%	5.2%	3.4%	10.3%	5.2%	3.4%	10.3%	1.7%	8.6%	3.4%	1.7%	1.7%						36.5%
BB-	52					3.8%	1.9%	3.8%		1.9%	7.7%	3.8%	1.9%	3.8%	3.8%	5.8%	1.9%	3.8%					9.6%		46.5%
B+	58					1.7%	5.2%	1.7%	1.7%		6.9%	1.7%	3.4%	5.2%	6.9%	1.7%	3.4%	5.2%		1.7%			5.2%		48.4%
В	43						2.3%	2.3%		2.3%		4.7%		7.0%	2.3%	4.7%		4.7%			2.3%		7.0%		60.4%
B-	39						2.6%		2.6%	5.1%				5.1%			2.6%	2.6%	2.6%				15.4%		61.4%
CCC+	11									9.1%			9.1%	9.1%	9.1%					9.1%	9.1%		9.1%		36.3%
CCC	15								6.7%		6.7%			6.7%			6.7%		6.7%	6.7%					59.8%
CCC-	1																								100.0%
CC	11				9.1%								9.1%			9.1%							9.1%		63.6%
С	3																						33.3%		66.7%
Total	942																								

	atings as of 1/2021	,		it Ratings as of 1	12/31/2022 (Per	cent)		Other Outcome	es during 12/31/2 (Percent)	021-12/31/2022
Credit Rating	Number of Ratings Outstanding	A1+	A1	A2	A3	В	С	Default	Paid off	Withdrawn (Other)
A1+	325	72.7%	1.8%							25.5%
A1	326	13.2%	59.5%	0.6%						26.7%
A2	18		50.0%	44.4%						5.6%
A3	4				50.0%		25.0%			25.0%
В	4			25.0%	25.0%	50.0%				
С	2						100.0%			
Total	679									

Financial Institutions, Brokers, or Dealers - 1-Year Transition and Default Rates (Short-Term Credit Ratings) (December 31, 2021 through December 31, 2022)

	atings as of 1/2019		Cred	it Ratings as of 1	12/31/2022 (Per	cent)		Other Outcome	es during 12/31/2 (Percent)	019-12/31/2022
Credit Rating	Number of Ratings Outstanding	A1+	A1	A2	A3	В	С	Default	Paid off	Withdrawn (Other)
A1+	135	65.2%	7.4%							27.4%
A1	327	21.7%	31.8%	0.9%						45.6%
A2	7		57.1%							42.9%
A3	4		25.0%			25.0%	25.0%			25.0%
В	1									100.0%
С	1						100.0%			
Total	475									

Financial Institutions, Brokers, or Dealers - 3-Year Transition and Default Rates (Short-Term Credit Ratings) (December 31, 2019 through December 31, 2022)

Financial Institutions, Brokers, or Dealers - 10-Year Transition and Default Rates (Short-Term Credit Ratings)

Egan-Jones does not have sufficient records of its assigned credit ratings in this class for the length of time necessary to produce a 10-year Transition/Default Matrix.

	atings as of 1/2021		Cred	it Ratings as of 1	L2/31/2022 (Per	cent)		Other Outcome	es during 12/31/2 (Percent)	021-12/31/2022
Credit Rating	Number of Ratings Outstanding	A1+	A1	A2	A3	В	С	Default	Paid off	Withdrawn (Other)
A1+	24	87.5%	12.5%							
A1	42	11.9%	73.8%	4.8%						9.5%
A2	11		9.1%	81.8%	9.1%					
A3	5			20.0%	80.0%					
В	3					100.0%				
С	4						75.0%			25.0%
Total	89									

Insurance Companies - 1-Year Transition and Default Rates (Short-Term Credit Ratings) (December 31, 2021 through December 31, 2022)

	atings as of 1/2019		Cred	it Ratings as of 1	L2/31/2022 (Per	cent)		Other Outcome	es during 12/31/2 (Percent)	019-12/31/2022
Credit Rating	Number of Ratings Outstanding	A1+	A1	A2	A3	В	С	Default	Paid off	Withdrawn (Other)
A1+	16	81.2%	6.3%							12.5%
A1	41	19.5%	65.8%	9.8%						4.9%
A2	8		25.0%	50.0%	12.5%					12.5%
A3	5			40.0%	60.0%					
В	3				33.4%	33.3%	33.3%			
С	1									100.0%
Total	74									

Insurance Companies - 3-Year Transition and Default Rates (Short-Term Credit Ratings) (December 31, 2019 through December 31, 2022)

Insurance Companies - 10-Year Transition and Default Rates (Short-Term Credit Ratings)

Egan-Jones does not have sufficient records of its assigned credit ratings in this class for the length of time necessary to produce a 10-year Transition/Default Matrix.

Credit Ratings as of 12/31/2021		Credit Ratings as of 12/31/2022 (Percent)						Other Outcomes during 12/31/2021-12/31/2022 (Percent)		
Credit Rating	Number of Ratings Outstanding	A1+	A1	A2	A3	В	С	Default	Paid off	Withdrawn (Other)
A1+	775	88.7%	3.9%	0.3%						7.1%
A1	1034	11.5%	75.8%	3.8%	1.0%		0.1%			7.8%
A2	753	0.3%	16.5%	57.9%	5.8%	4.4%				15.1%
A3	650		5.7%	19.8%	54.3%	3.7%	1.7%			14.8%
В	368		2.4%	14.9%	22.8%	38.1%	6.0%	0.3%		15.5%
С	238		0.4%	1.7%	12.6%	14.7%	54.2%	1.7%		14.7%
Total	3818									

Corporate Issuers - 1-Year Transition and Default Rates (Short-Term Credit Ratings) (December 31, 2021 through December 31, 2022)

Credit Ratings as of 12/31/2019		Credit Ratings as of 12/31/2022 (Percent)						Other Outcomes during 12/31/2019-12/31/2022 (Percent)		
Credit Rating	Number of Ratings Outstanding	A1+	A1	A2	A3	В	С	Default	Paid off	Withdrawn (Other)
A1+	439	77.7%	10.5%	1.8%	0.2%	0.7%				9.1%
A1	749	19.8%	54.2%	6.4%	3.2%	1.3%	0.4%			14.7%
A2	346	5.5%	22.8%	23.7%	11.3%	3.2%	3.5%	0.3%		29.7%
A3	459	0.7%	6.5%	17.6%	23.7%	8.7%	3.1%	0.9%		38.8%
В	262	0.4%	3.1%	11.5%	22.5%	16.4%	6.5%	1.9%		37.7%
С	119	0.8%	2.5%	4.2%	9.2%	10.1%	17.6%	16.0%		39.6%
Total	2374									

Corporate Issuers - 3-Year Transition and Default Rates (Short-Term Credit Ratings) (December 31, 2019 through December 31, 2022)

Corporate Issuers - 10-Year Transition and Default Rates (Short-Term Credit Ratings)

Egan-Jones does not have sufficient records of its assigned credit ratings in this class for the length of time necessary to produce a 10-year Transition/Default Matrix.

The rating definitions and the definition of default are presented below. They are also publicly available at the following web address: <u>https://www.egan-jones.com/understanding-ratings/rating-definitions/</u>

Long-Term Credit Rating Definitions

AAA

Egan-Jones expects AAA ratings to have the highest level of creditworthiness with the lowest sensitivity to evolving credit conditions.

AA

Egan-Jones expects AA ratings to have a higher level of creditworthiness with very low sensitivity to evolving credit conditions.

A

Egan-Jones expects A ratings to have the high level of creditworthiness with low sensitivity to evolving credit conditions.

BBB

Egan-Jones expects BBB ratings to have the moderate level of creditworthiness with moderate sensitivity to evolving credit conditions.

BB, B, CCC, CC, and C

Obligations rated 'BB,' 'B,' 'CCC,' 'CC,' and 'C' are regarded as having significant speculative characteristics. 'BB' indicates the least degree of speculation and 'C' the highest. While such obligations will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposures to adverse conditions.

BB

Egan-Jones expects BB ratings to have a low level of creditworthiness with high sensitivity to evolving credit conditions.

В

Egan-Jones expects B ratings to have a lower level of creditworthiness with higher sensitivity to evolving credit conditions.

CČC

Egan-Jones expects CCC ratings to have a lowest level of creditworthiness with highest sensitivity to evolving credit conditions.

CC

Egan-Jones expects CC ratings to have the lowest level of creditworthiness and some expectation of recovery.

С

Egan-Jones expects C ratings to have the lowest level of creditworthiness and little expectation of recovery.

D

Egan-Jones expects D ratings to have the no determinable level of creditworthiness with uncertain recovery expectations.

An obligation rated D is in payment default. The D rating category is used when payments on an obligation are not made on the date due even if the applicable grace period has not expired, unless Egan-Jones believes that such payments will be made during such grace period. The D rating also will be used upon the filing of a bankruptcy petition or the taking of a similar action if payments on an obligation are jeopardized.

Plus (+) or minus (-)

The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories. **NR**

This indicates that no rating has been requested, that there is insufficient information on which to base a rating, or that Egan-Jones does not rate a particular obligation as a matter of policy.

Short-Term Credit Rating Definitions

A-1

A-1 ratings have the highest short-term creditworthiness.

A-2

A-2 ratings have a higher short-term creditworthiness.

A-3

A-3 ratings have moderate short-term creditworthiness.

В

B ratings have a low short-term creditworthiness.

C

C ratings have the lowest short-term creditworthiness.

D

D ratings have no discernable short-term creditworthiness.

A short-term obligation rated D is in payment default. The D rating category is used when payments on an obligation are not made on the date due even if the applicable grace period has not expired, unless Egan-Jones believes that such payments will be made during such grace period. The D rating also will be used upon the filing of a bankruptcy petition or the taking of a similar action if payments on an obligation are jeopardized. The rating history is publicly available at the following web address:

https://www.egan-jones.com/regulatory/sec-rule-17g-7/

For other annual certification documents, please visit

http://www.egan-jones.com/regulatory/form-nrsro/