

Credit Europe Bank N.V.

Full Rating Report

Ratings

Foreign Currency

Long-Term IDR BB-
Short-Term IDR B

Viability Rating bb-

Support Rating 5
Support Rating Floor NF

Sovereign Risk

Long-Term Foreign-Currency IDR AAA
Long-Term Local-Currency IDR AAA
Short-Term IDR F1+

Outlooks

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

Financial Data

Credit Europe Bank N.V.

	30 Jun 19	31 Dec 18
Total assets (USDm)	5,356.2	5,822.3
Total assets (EURm)	4,706.7	5,083.2
Total equity (EURm)	596.7	584.1
Published net income (EURm)	8.1	-326.5
Fitch comprehensive income (EURm)	12.6	-85.6
Pre-impairment operating ROAA (%)	0.7	1.0
Operating ROAA (%)	0.7	0.6
Operating ROAE (%)	6.2	5.0
Tangible equity / tangible assets (%)	12.5	11.3
Common equity Tier 1 ratio (%)	16.1	14.8

Source: Fitch Ratings, Fitch Solutions

Related Research

[Credit Europe Bank N.V. - Ratings Navigator \(October 2019\)](#)

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Key Rating Drivers

Niche Franchise in Volatile Economies: Credit Europe Bank N.V.'s (CEB) ratings consider its significant direct and indirect exposure to volatile operating environments, which has resulted in a relatively high impaired loans and low profitability. The ratings also reflect its niche but established trade finance franchise, experienced management and generally stable funding and liquidity.

Reduced Exposure to Russia: CEB spun off 90% of its interest in its Russian subsidiary, Credit Europe Bank (Russia) Ltd (CEBR) to its ultimate parent, in September 2018. The proportion of its exposure to counterparties based in developed markets has consequently increased. However, CEB will remain significantly exposed to emerging markets, mainly through its direct exposure to Turkey and its presence in Romania (about a quarter of gross loans each).

Deteriorating Asset Quality: CEB continues to report significantly above-average impaired assets, which accounted for an increased proportion of total assets at end-2018 and end-1H19 compared with previous years as CEB's balance-sheet size fell following the spin-off of the Russian operations. In addition, the bank's Turkish counterparties are facing more challenging conditions.

Spill-Over Risk from Turkey: CEB's lending to the western European operations of large Turkish groups in Europe may also indirectly expose it to the deterioration of the Turkish operating environment, in Fitch Ratings' view. A weakening of the Turkish parents' credit profiles could spill over to their international operations, to which CEB lends.

Asset-Quality Risks Pressure Capitalisation: CEB's buffers above regulatory minimums are low in absolute terms despite relatively high regulatory capital ratios. Unreserved impaired exposures now encumber about a third of the bank's FCC and our assessment of CEB's capitalisation also takes into account high single-name concentration in the loan book. This is mitigated by the close involvement of the bank's executives in managing corporate customers.

Modest but Improving Profitability: CEB's profitability remains relatively low, although it is improving. Annualised operating profit/risk-weighted assets reached 1.0% in 1H19 following muted performance in previous years. We expect CEB's ability to generate capital internally to improve due to almost full elimination of hedging costs relating to the bank's rouble-denominated investment in CEBR.

Granular Funding, Comfortable Liquidity: Granular retail deposits are CEB's main source of funding (about 75% of total non-equity funding). These deposits are collected online in the Netherlands and Germany and most benefit from the Dutch deposit guarantee, contributing to funding stability. Liquidity is comfortable, with high-quality liquid assets amounting to about 15% of total assets at end-June 2019.

Rating Sensitivities

Sensitive to Asset-Quality Trends: CEB's ratings could be downgraded if its asset quality continues to deteriorate, resulting in pressure on the bank's capitalisation. An upgrade would require a track record of loan book resilience and a reduction of risks stemming from the bank's exposure to the Turkish operating environment.

Operating Environment

Domiciled and Regulated in Europe; Exposed to Emerging Markets

CEB is headquartered in the Netherlands, but does not benefit directly from being domiciled in a highly rated country as most of its operations are exposed to emerging economies including Turkey (BB-/Negative) and Romania (BBB-/Stable). Its exposure to developed markets largely comprises trade finance activities and depends on global trade trends and fluctuations in commodity prices.

The Dutch operating environment is important for CEB in terms of banking regulation and in the context of its reliance on the Dutch deposit market. CEB benefits from being supervised by the Dutch central bank and Fitch views the regulatory environment as developed and transparent.

Company Profile

Niche Trade Finance and Corporate Franchise

CEB is a small bank with about EUR4.7 billion total assets at end-June 2019 and EUR0.6 billion of total equity. It has a niche but established franchise in key business segments such as trade and commodity finance and helps fund businesses of Turkish origin that have operations in western Europe. CEB is headquartered in Amsterdam but ultimately is exposed to emerging markets such as Turkey and Romania.

In 2018 and 1H19 CEB derived about 70% of its revenue from activities with wholesale customers, mostly in trade finance. In this key operating segment, the bank acts as a third party to mitigate payment risk to exporters and supply risk to importers by issuing and confirming letters of credit and guarantees. It also provides supply chain financing. CEB mostly deals with commodity traders focussed on metals and minerals, oil and oil derivatives and agricultural products. CEB also participates in project finance operations to fund the construction of vessels and real estate.

Small Retail Presence in Europe

CEB has retail banking operations in Romania to complement its franchise with corporate customers. CEB carries out its Romanian retail activities through a small network of about 50 branches. It also does point-of-sale financing via several merchant partnerships across the country. CEB's lending in Romania is split between credit cards and a small residual mortgage loan book. The Russian retail operation, mostly active in auto loans and credit cards, was spun off as part of CEBR in September 2018 and is no longer consolidated in CEB's financial statements.

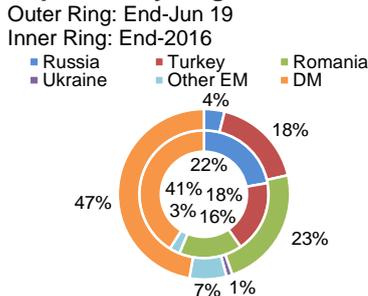
CEB also maintains a nominal retail franchise in Germany and the Netherlands, where it focuses on online deposit-gathering. At end-2018 it had about 215,000 clients across both countries and total deposits of about EUR2.6 billion.

Part of a Diversified Turkish Group

CEB's ultimate parent company is Fiba Holding, one of two holding companies controlled by Turkish businessman Murat Özyeğin. CEB's organisational structure offers good visibility into major legal entities, but the wider Fiba Group is significantly more complex. It oversees a diverse portfolio of investments in financial and non-financial companies. These investments are held via two holding companies: Fiba Holding A.S. for investments in the financial sector, and Fina Holding for non-financial companies (see structure chart in appendix).

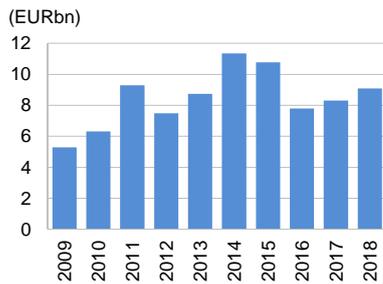
In September 2018, CEB sold 90% of its wholly owned Russian subsidiary, CEBR, to Fiba Holding (55%) and Fina Holding (35%). CEB subsequently retained only limited direct exposure to Russia.

Exposure by Region^a



^a On- and off-balance sheet
 Note 1: DM = Developed Markets
 Note 2: EM = Emerging Markets
 Source: Fitch Ratings, CEB

Trade Finance Volumes^a



^a notional amount of trade finance operations underwritten during the year
 Source: Fitch Ratings, CEB

Applicable Criteria

- [Global Bank Rating Criteria \(October 2018\)](#)
- [Short-Term Ratings Criteria \(May 2019\)](#)

Management and Strategy

CEB's management has an acceptable degree of depth and experience. The management board is very stable, and most of its members have served at the bank in different capacities for about 20 years. There is some reliance on key individuals, especially in corporate banking due to CEB's hands-on approach in this particular segment.

CEB's corporate governance does not present clear risks for creditors but is less developed than for higher-rated peers, in line with CEB's smaller size. Related-party transactions are moderate (about 25% of Fitch Core Capital) and conducted on an arm's-length basis.

In corporate banking, CEB is expertise driven and keeps to a limited number of sectors and products. In retail banking, CEB seeks to rationalise its operations in western Europe and continues to focus on credit cards in Romania. The bank's strategic objectives and execution have been variable due to its sensitivity to trade flows, fluctuations in commodity prices and a generally less stable operating environment.

Risk Appetite

Risk Appetite Driven by Business Model, Adequate Controls

CEB's risk appetite is above average, in Fitch's view. This reflects a business model with exposure to emerging markets (both direct and indirect) and cyclical industries, in line with the bank's niche trade finance and corporate banking business model. We believe CEB's hands-on approach with significant senior management involvement and acceptable risk controls partly mitigate these risks.

Corporate customers accounted for about 75% of CEB's credit exposure at end-June 2019 (excluding securities, derivatives and central bank balances). Oil and gas, metals and soft commodities, which are CEB's key areas of expertise, together represented about 20% of the bank's exposure. Retail and SME customers were about 15% of the total exposure, down from about 30% in previous years, due to the CEBR spin-off.

Average Exposure to Market Risk

CEB's exposure to market risk is average and mainly relates to foreign exchange and interest rate risk. With the spin-off of CEBR, the structural currency risk in CEB's balance sheet decreased, leading to less volatility in the bank's equity. CEB calculated that at end-2018 a 200bp parallel upward shift in the interest rate curve would have caused its net interest income to decrease by a moderate EUR20 million (-10%) over the next 12 months. The bank's trading book is small and conservatively managed.

Note on Charts

Blackdashed lines in the Asset Quality chart and further in the report represent indicative quantitative ranges and corresponding implied scores for Fitch's core financial metrics for banks operating in the environments that Fitch scores in the 'bb' category.

Peer average includes Credit Europe Bank N.V. (VR: bb-), Banque de Commerce et de Placements SA (bbb-), Fimbank Plc (bb-), Banca UBAE S.p.A. (b+), Union de Banques Arabes et Francaises - U.B.A.F. (bb), Arap Turk Bankasi A.S. (b+), Anadolubank A.S. (b+), and Garanti Bank S.A. (bb-).

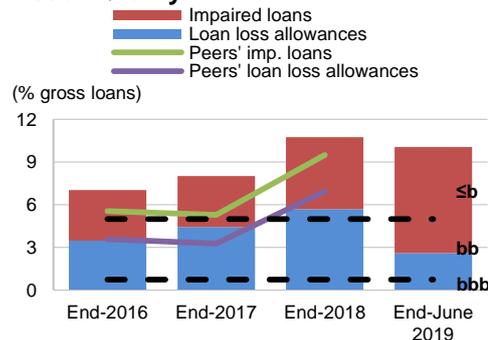
Peer average not provided for end-June 2019/1H19 due to data unavailability.

Financial Profile

Asset Quality

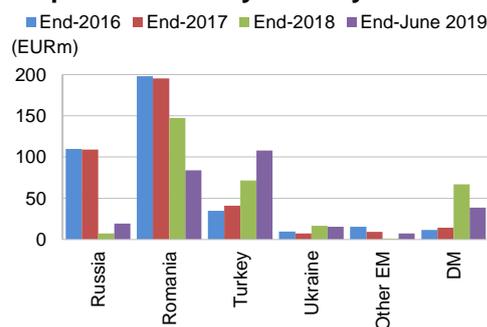
Deteriorating Asset Quality

Asset Quality



Source: Fitch Ratings, Banks

Impaired Loans by Country



Note: IFRS9 Stage 3 definition applies from end-2018
Source: Fitch Ratings, CEB

CEB's asset quality is more vulnerable than global industry averages, given borrower concentrations and its reduced but still significant exposure to the inherently more volatile emerging-market operating environments, such as Turkey. The bank's impaired loans/gross loans ratio was above average at 10.1% at end-June 2019.

Turkish Exposures Weigh on Asset Quality

Impaired assets account for an increased proportion of total assets as CEB's balance-sheet size decreased following CEBR's spin-off. However, the bank's exposures to Turkish borrowers (about a quarter of loans and 40% of Stage 3 loans) also weigh on the bank's asset quality as impaired loans have been rising since 2018. Fitch expects these loans to stay under pressure as Turkey is still navigating the fallout from the sharp depreciation of its currency.

Contained Risk from Mortgage Loans in Romania

At end-June 2019 the bank's retail portfolio (EUR360 million) was split 95%/5% between Romanian exposures (legacy mortgage loans and consumer loans) and a residual consumer loan portfolio in Germany. The Romanian walk-away law passed in 2016, which forced lenders to discharge borrowers against the transfer of title of their property, has been watered down by the constitutional court. This reduced borrowers' incentives for strategic default. Ultimately the risk on this portfolio is contained, but the recovery process will take time due to lengthy court procedures.

Pockets of Risk in Other Earning Assets

At end-June 2019, CEB's non-trading securities (about 10% of total assets) essentially comprise government and bank bonds with low investment-grade ratings. Non-investment grade and non-rated securities totalled a low 5% of FCC. Interbank exposures to non-rated and non-investment-grade counterparties were about the same level, but largely relate to CEB's short-term trade finance operations.

Earnings and Profitability

Modest but Improving Operating Profitability

CEB's profitability remains relatively low, although it is improving. Annualised operating profit/risk-weighted assets reached 1.0% in 1H19 after muted performance in previous years. Operating profit was partly supported by net releases of loan loss allowances in Romania, which we do not expect to be repeated in the same magnitude. We expect CEB's ability to generate capital internally to improve due to the almost full elimination of hedging costs relating to the bank's rouble-denominated investment in CEBR. These consumed most of CEB's comprehensive income before the spin-off.

Capitalisation and Leverage

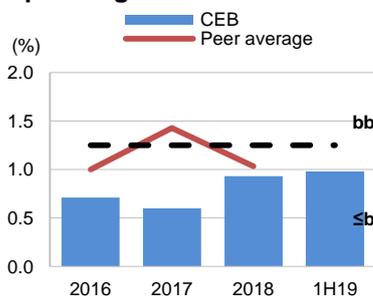
CEB's capital levels are not fully commensurate with risks, in our view, despite relatively high regulatory capital ratios. Its Fitch Core Capital (FCC) ratio and its fully loaded common equity Tier 1 (CET1) ratio were 15.8% and 16.1% at end-June 2019, respectively, but buffers above regulatory minimums are low in absolute terms. Unreserved impaired exposures, which have increased due to the challenging operating environment in Turkey, now encumber about a third of the bank's FCC. Our assessment of CEB's capitalisation also takes into account high single-name concentration in the loan book, which is partly mitigated by the close involvement of the bank's executives in managing corporate customers.

Funding and Liquidity

Granular Retail Deposit Base

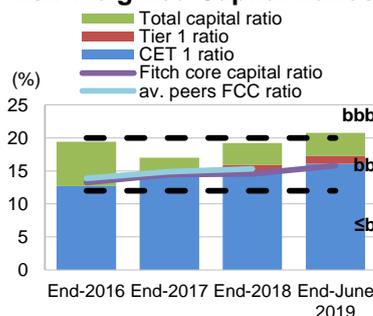
CEB's funding and liquidity are generally stable. CEB's main source of funding is a granular deposit base collected in the Netherlands, Germany and, to a lesser extent, Romania, but the rest of its depositor base reflects the material concentrations in its corporate loan book. CEB's wholesale funding is limited to interbank deposits and one external Tier 2 bond of USD150 million. Funding obtained from related parties is negligible at less than 5% of total funds.

Operating Profit/ RWAs



UBAF excluded from peer average for all periods due to data unavailability
Source: Fitch Ratings, Banks

Risk-Weighted Capital Ratios

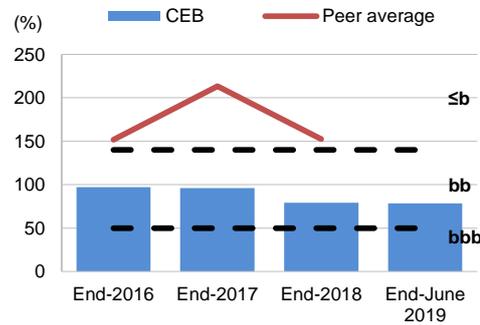


UBAF excluded from peer average for all periods due to data unavailability
Source: Fitch Ratings, Banks

Well-Managed Liquidity

The bank's consolidated liquidity is well managed, although it may not be fully fungible between local entities in our view. We estimate the buffer of unrestricted cash and balances with central banks and unencumbered securities to be about 20% of total assets at end-2018, which more than covers potentially lumpier corporate deposits.

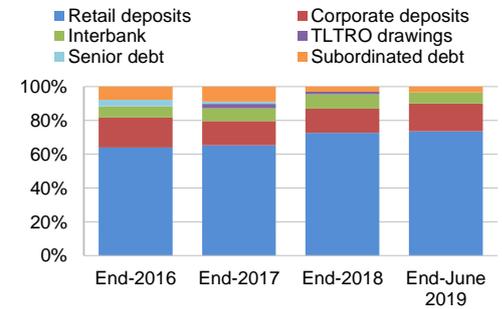
Loans/Deposits Ratio



Source: Fitch Ratings, Banks

Funding by Type

(% of Total Funding excl. Hybrid Capital)



Source: Fitch Ratings, CEB

Support

CEB's Support Rating of '5' and Support Rating Floor of 'No Floor' reflect Fitch's view that support from the Dutch state cannot be relied on. This reflects the bank's lack of systemic importance in the Netherlands, and legislative, regulatory and policy initiatives (including the implementation of the Bank Recovery and Resolution Directive) that have substantially reduced the likelihood of sovereign support for EU commercial banks in general.

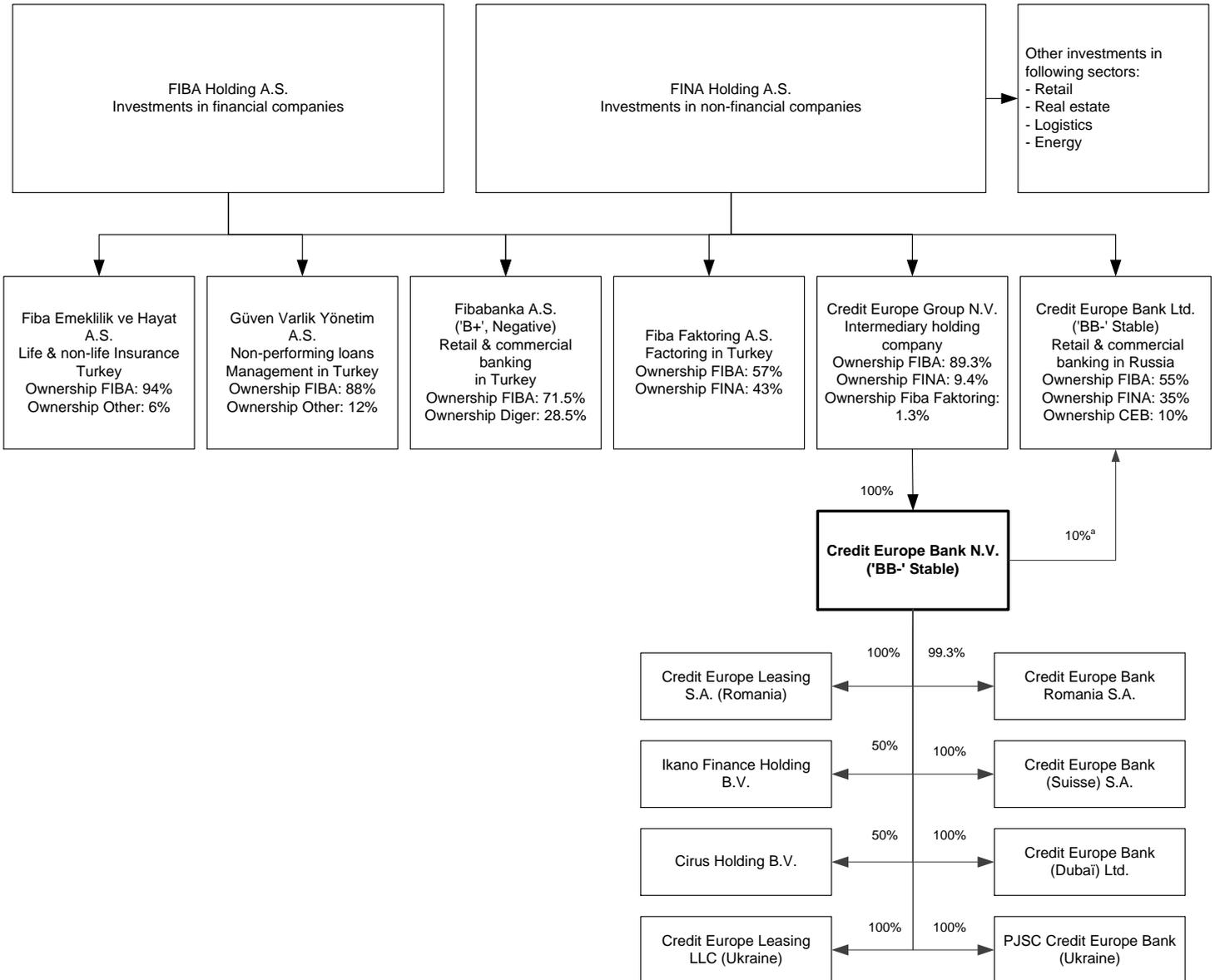
Similarly, support from the bank's private shareholder, although possible, cannot be reliably assessed.

Debt Ratings

Subordinated Debt

Subordinated Tier 2 notes issued by CEB are rated one notch below the bank's Viability Rating to reflect below-average recovery for this type of debt.

Appendix: Group Structure



^a Credit Europe Bank N.V. sold 90% of its interest in Credit Europe Bank Ltd. (CEB Russia) to FIBA Holding A.S. (55%) and FINA Holding A.S. (35%) in September 2018, following the approval from the Central Bank of the Russian Federation on 27 August 2018
Source: Fitch Ratings

**Credit Europe Bank N.V.
Income Statement**

	30 Jun 2019			31 Dec 2018		31 Dec 2017		31 Dec 2016	
	6 Months - Interim USDm Reviewed - Unqualified	6 Months - Interim EURm Reviewed - Unqualified	As % of Earning Assets	Year End EURm Audited - Unqualified	As % of Earning Assets	Year End EURm Audited - Unqualified	As % of Earning Assets	Year End EURm Audited - Unqualified	As % of Earning Assets
1. Interest Income on Loans	97.3	85.5	4.82	222.5	5.42	443.7	7.31	484.9	7.33
2. Other Interest Income	21.2	18.6	1.05	39.4	0.96	50.5	0.83	49.3	0.75
3. Dividend Income	0.0	0.0	0.00	0.1	0.00	0.2	0.00	1.8	0.03
4. Gross Interest and Dividend Income	118.5	104.1	5.87	262.0	6.38	494.4	8.14	536.0	8.10
5. Interest Expense on Customer Deposits	21.1	18.5	1.04	42.1	1.02	113.6	1.87	100.3	1.52
6. Other Interest Expense	29.1	25.6	1.44	54.5	1.33	94.3	1.55	131.1	1.98
7. Total Interest Expense	50.2	44.1	2.49	96.6	2.35	207.9	3.42	231.4	3.50
8. Net Interest Income	68.3	60.0	3.38	165.4	4.03	286.5	4.72	304.6	4.60
9. Net Fees and Commissions	17.5	15.4	0.87	29.0	0.71	53.2	0.88	55.8	0.84
10. Net Gains (Losses) on Trading and Derivatives	(16.4)	(14.4)	(0.81)	(44.5)	(1.08)	(34.0)	(0.56)	(36.8)	(0.56)
11. Net Gains (Losses) on Assets and Liabilities at FV	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Net Gains (Losses) on Other Securities	5.8	5.1	0.29	12.6	0.31	25.5	0.42	12.8	0.19
13. Net Insurance Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
14. Other Operating Income	20.7	18.2	1.03	31.7	0.77	66.8	1.10	48.0	0.73
15. Total Non-Interest Operating Income	27.7	24.3	1.37	28.8	0.70	111.5	1.84	79.8	1.21
16. Total Operating Income	95.9	84.3	4.76	194.2	4.73	398.0	6.55	384.4	5.81
17. Personnel Expenses	33.1	29.1	1.64	59.1	1.44	106.9	1.76	103.1	1.56
18. Other Operating Expenses	43.5	38.2	2.15	70.1	1.71	139.9	2.30	110.2	1.67
19. Total Non-Interest Expenses	76.6	67.3	3.80	129.2	3.15	246.8	4.06	213.3	3.22
20. Equity-accounted Profit/ Loss - Operating	(0.2)	(0.2)	(0.01)	1.0	0.02	0.8	0.01	0.1	0.00
21. Pre-Impairment Operating Profit	19.1	16.8	0.95	66.0	1.61	152.0	2.50	171.2	2.59
22. Loan Impairment Charge	(1.1)	(1.0)	(0.06)	29.4	0.72	111.4	1.83	122.3	1.85
23. Securities and Other Credit Impairment Charges	(0.2)	(0.2)	(0.01)	(0.2)	(0.00)	4.8	0.08	3.3	0.05
24. Operating Profit	20.5	18.0	1.02	36.8	0.90	35.8	0.59	45.6	0.69
25. Equity-accounted Profit/ Loss - Non-operating	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
26. Goodwill Impairment	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
27. Non-recurring Income	4.6	4.0	0.23	0.0	0.00	n.a.	-	n.a.	-
28. Non-recurring Expense	10.9	9.6	0.54	10.1	0.25	18.7	0.31	5.5	0.08
29. Change in Fair Value of Own Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
30. Other Non-operating Income and Expenses	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
31. Pre-tax Profit	14.1	12.4	0.70	26.7	0.65	17.1	0.28	40.1	0.61
32. Tax expense	4.9	4.3	0.24	5.3	0.13	2.0	0.03	6.2	0.09
33. Profit/Loss from Discontinued Operations	0.0	0.0	0.00	(347.9)	(8.47)	n.a.	-	n.a.	-
34. Net Income	9.2	8.1	0.46	(326.5)	(7.95)	15.1	0.25	33.9	0.51
35. Change in Value of AFS Investments	8.0	7.0	0.39	(5.9)	(0.14)	6.6	0.11	(9.3)	(0.14)
36. Revaluation of Fixed Assets	n.a.	n.a.	-	0.1	0.00	0.6	0.01	(0.4)	(0.01)
37. Currency Translation Differences	(2.7)	(2.4)	(0.14)	246.5	6.00	(33.6)	(0.55)	(23.7)	(0.36)
38. Remaining OCI Gains/(losses)	(0.1)	(0.1)	(0.01)	0.2	0.00	1.1	0.02	(1.8)	(0.03)
39. Fitch Comprehensive Income	14.3	12.6	0.71	(85.6)	(2.08)	(10.2)	(0.17)	(1.3)	(0.02)
40. Memo: Profit Allocation to Non-controlling Interests	0.0	0.0	0.00	(0.2)	(0.00)	0.1	0.00	0.1	0.00
41. Memo: Net Income after Allocation to Non-controlling Interests	9.2	8.1	0.46	(326.3)	(7.94)	15.0	0.25	33.8	0.51
42. Memo: Common Dividends Relating to the Period	n.a.	n.a.	-	n.a.	-	78.3	1.29	n.a.	-
43. Memo: Preferred Dividends and Interest on Hybrid Capital Account for as Equity Related to the Period	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-

Exchange rate

USD1 = EUR0.878734

USD1 = EUR0.873057

USD1 = EUR0.83382

USD1 = EUR0.9487

Credit Europe Bank N.V.
Balance Sheet

	30 Jun 2019		31 Dec 2018		31 Dec 2017		31 Dec 2016		
	6 Months - Interim USDm	6 Months - Interim EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets
Assets									
A. Loans									
1. Residential Mortgage Loans	284.5	250.0	5.31	310.7	6.11	371.5	5.04	426.8	5.26
2. Other Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Other Consumer/ Retail Loans	128.1	112.6	2.39	132.3	2.60	826.6	11.21	897.3	11.06
4. Corporate & Commercial Loans	2,643.5	2,322.9	49.35	2,322.6	45.69	3,249.1	44.07	3,575.3	44.08
5. Other Loans	28.1	24.7	0.52	125.7	2.47	248.7	3.37	475.0	5.86
6. Less: Loan Loss Allowances	80.6	70.8	1.50	164.3	3.23	208.5	2.83	186.4	2.30
7. Net Loans	3,003.6	2,639.4	56.08	2,727.0	53.65	4,487.4	60.87	5,188.0	63.97
8. Gross Loans	3,084.2	2,710.2	57.58	2,891.3	56.88	4,695.9	63.69	5,374.4	66.26
9. Memo: Impaired Loans included above	310.2	272.6	5.79	310.8	6.11	376.1	5.10	378.4	4.67
10. Memo: Specific Loan Loss Allowances	33.9	29.8	0.63	n.a.	-	n.a.	-	n.a.	-
B. Other Earning Assets									
1. Loans and Advances to Banks	278.6	244.8	5.20	432.0	8.50	538.1	7.30	306.7	3.78
2. Reverse Repos and Securities Borrowing	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Derivatives	172.7	151.8	3.23	189.9	3.74	236.4	3.21	344.4	4.25
4. Trading Securities and at FV through Income	155.1	136.3	2.90	59.9	1.18	53.2	0.72	2.7	0.03
5. Securities at FV through OCI / Available for Sale	450.2	395.6	8.41	692.0	13.61	750.8	10.18	767.1	9.46
6. Securities at Amortised Cost / Held to Maturity	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Other Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Total Securities	605.3	531.9	11.30	751.9	14.79	804.0	10.91	769.8	9.49
9. Memo: Government Securities included Above	280.6	246.6	5.24	292.5	5.75	640.1	8.68	437.2	5.39
10. Memo: Total Securities Pledged	94.9	83.4	1.77	160.1	3.15	166.6	2.26	6.3	0.08
11. Equity Investments in Associates	7.7	6.8	0.14	7.1	0.14	6.3	0.09	5.8	0.07
12. Investments in Property	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Insurance Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
14. Other Earning Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
15. Total Earning Assets	4,068.0	3,574.7	75.95	4,107.9	80.81	6,072.2	82.36	6,614.7	81.56
C. Non-Earning Assets									
1. Cash and Due From Banks	920.5	808.9	17.19	651.8	12.82	829.2	11.25	1,041.4	12.84
2. Memo: Mandatory Reserves included above	86.6	76.1	1.62	78.7	1.55	86.6	1.17	96.9	1.19
3. Foreclosed Assets	91.4	80.3	1.71	162.4	3.19	238.2	3.23	229.4	2.83
4. Fixed Assets	152.2	133.7	2.84	52.2	1.03	83.5	1.13	83.8	1.03
5. Goodwill	n.a.	n.a.	-	2.4	0.05	2.3	0.03	2.6	0.03
6. Other Intangibles	8.3	7.3	0.16	5.1	0.10	10.0	0.14	10.4	0.13
7. Current Tax Assets	4.0	3.5	0.07	4.4	0.09	6.8	0.09	8.7	0.11
8. Deferred Tax Assets	52.9	46.5	0.99	47.5	0.93	22.2	0.30	23.7	0.29
9. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Other Assets	58.9	51.8	1.10	49.5	0.97	108.1	1.47	95.8	1.18
11. Total Assets	5,356.2	4,706.7	100.00	5,083.2	100.00	7,372.5	100.00	8,110.5	100.00
Liabilities and Equity									
D. Interest-Bearing Liabilities									
1. Total Customer Deposits	3,927.0	3,450.8	73.32	3,649.8	71.80	4,899.0	66.45	5,531.5	68.20
2. Deposits from Banks	274.3	241.0	5.12	373.0	7.34	463.1	6.28	437.6	5.40
3. Repos and Securities Lending	15.2	13.4	0.28	43.5	0.86	166.6	2.26	10.7	0.13
4. Commercial Paper and Short-term Borrowings	n.a.	n.a.	-	0.0	0.00	2.3	0.03	262.8	3.24
5. Customer Deposits and Short-term Funding	4,216.5	3,705.2	78.72	4,066.3	79.99	5,531.0	75.02	6,242.6	76.97
6. Senior Unsecured Debt	n.a.	n.a.	-	0.0	0.00	68.6	0.93	0.2	0.00
7. Subordinated Borrowing	149.1	131.0	2.78	130.1	2.56	593.9	8.06	531.3	6.55
8. Covered Bonds	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Other Long-term Funding	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Total LT Funding	149.1	131.0	2.78	130.1	2.56	662.5	8.99	531.5	6.55
11. Memo: o/w matures in less than 1 year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Trading Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Total Funding	4,365.6	3,836.2	81.51	4,196.4	82.55	6,193.5	84.01	6,774.1	83.52
14. Derivatives	173.3	152.3	3.24	182.7	3.59	203.6	2.76	374.7	4.62
15. Total Funding and Derivatives	4,538.9	3,988.5	84.74	4,379.1	86.15	6,397.1	86.77	7,148.8	88.14
E. Non-Interest Bearing Liabilities									
1. Fair Value Portion of Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Credit impairment reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Reserves for Pensions and Other	3.9	3.4	0.07	6.9	0.14	7.5	0.10	8.3	0.10
4. Current Tax Liabilities	2.3	2.0	0.04	3.6	0.07	16.6	0.23	7.5	0.09
5. Deferred Tax Liabilities	32.4	28.5	0.61	24.7	0.49	23.7	0.32	36.9	0.45
6. Other Deferred Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Insurance Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Other Liabilities	49.6	43.6	0.93	41.0	0.81	52.9	0.72	45.2	0.56
10. Total Liabilities	4,627.1	4,066.0	86.39	4,455.3	87.65	6,497.8	88.14	7,246.7	89.35
F. Hybrid Capital									
1. Pref. Shares and Hybrid Capital accounted for as Debt	50.1	44.0	0.93	43.8	0.86	n.a.	-	n.a.	-
2. Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
G. Equity									
1. Common Equity	858.6	754.5	16.03	746.3	14.68	1,293.5	17.54	1,256.8	15.50
2. Non-controlling Interest	3.6	3.2	0.07	3.2	0.06	1.9	0.03	1.8	0.02
3. Securities Revaluation Reserves	(2.0)	(1.8)	(0.04)	(8.6)	(0.17)	(2.5)	(0.03)	(9.1)	(0.11)
4. Foreign Exchange Revaluation Reserves	(72.0)	(63.3)	(1.34)	(62.5)	(1.23)	(312.1)	(4.23)	(265.9)	(3.28)
5. Fixed Asset Revaluations and Other Accumulated OCI	(109.1)	(95.9)	(2.04)	(94.3)	(1.86)	(106.1)	(1.44)	(119.8)	(1.48)
6. Total Equity	679.0	596.7	12.68	584.1	11.49	874.7	11.86	863.8	10.65
7. Memo: Equity plus Pref. Shares and Hybrid Capital accounted for as Equity	679.0	596.7	12.68	584.1	11.49	874.7	11.86	863.8	10.65
8. Total Liabilities and Equity	5,356.2	4,706.7	100.00	5,083.2	100.00	7,372.5	100.00	8,110.5	100.00
9. Memo: Fitch Core Capital	666.2	585.4	12.44	572.6	11.26	855.5	11.60	845.8	10.43

Exchange rate

USD1 = EUR0.878734

USD1 = EUR0.873057

USD1 = EUR0.83382

USD1 = EUR0.9487

Credit Europe Bank N.V.
Summary Analytics

	30 Jun 2019	31 Dec 2018	31 Dec 2017	31 Dec 2016
	6 Months - Interim	Year End	Year End	Year End
A. Interest Ratios				
1. Interest Income/ Average Earning Assets	5.46	5.42	7.75	7.58
2. Interest Income on Loans/ Average Gross Loans	6.16	6.19	8.74	8.76
3. Interest Expense on Customer Deposits/ Average Customer Deposits	1.05	1.01	2.19	1.89
4. Interest Expense/ Average Interest-bearing Liabilities	2.13	1.87	3.11	3.27
5. Net Interest Income/ Average Earning Assets	3.15	3.42	4.49	4.31
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	3.20	2.81	2.75	2.58
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Assets	3.15	3.42	4.49	4.31
B. Other Operating Profitability Ratios				
1. Operating Profit/ Risk Weighted Assets	0.98	0.93	0.60	0.71
2. Non-Interest Expense/ Gross Revenues	79.83	66.53	62.01	55.49
3. Loans and securities impairment charges/ Pre-impairment Op. Profit	(7.14)	44.24	76.45	73.36
4. Operating Profit/ Average Total Assets	0.74	0.57	0.47	0.57
5. Non-Interest Income/ Gross Revenues	28.83	14.83	28.02	20.76
6. Non-Interest Expense/ Average Total Assets	2.77	1.99	3.22	2.65
7. Pre-impairment Op. Profit/ Average Equity	5.74	8.88	17.47	19.52
8. Pre-impairment Op. Profit/ Average Total Assets	0.69	1.02	1.98	2.13
9. Operating Profit/ Average Equity	6.15	4.95	4.12	5.20
C. Other Profitability Ratios				
1. Net Income/ Average Total Equity	2.77	(43.91)	1.74	3.86
2. Net Income/ Average Total Assets	0.33	(5.04)	0.20	0.42
3. Fitch Comprehensive Income/ Average Total Equity	4.30	(11.51)	(1.17)	(0.15)
4. Fitch Comprehensive Income/ Average Total Assets	0.52	(1.32)	(0.13)	(0.02)
5. Taxes/ Pre-tax Profit	34.68	19.85	11.70	15.46
6. Net Income/ Risk Weighted Assets	0.44	(8.29)	0.25	0.53
D. Capitalization				
1. FCC/ FCC-Adjusted Risk Weighted Assets	15.78	14.53	14.44	13.25
2. Tangible Common Equity/ Tangible Assets	12.47	11.29	11.63	10.45
3. Equity/ Total Assets	12.68	11.49	11.86	10.65
4. Basel Leverage Ratio	n.a.	n.a.	11.85	n.a.
5. Common Equity Tier 1 Capital Ratio	16.09	14.79	14.24	12.73
6. Fully Loaded Common Equity Tier 1 Capital Ratio	n.a.	n.a.	n.a.	n.a.
7. Tier 1 Capital Ratio	17.28	15.90	14.92	12.73
8. Total Capital Ratio	20.79	19.23	17.03	19.41
9. Impaired Loans less Loan Loss Allowances/ Fitch Core Capital	34.47	25.59	19.59	22.70
10. Impaired Loans less Loan Loss Allowances/ Equity	33.82	25.08	19.16	22.23
11. Cash Dividends Paid & Declared/ Net Income	n.a.	n.a.	518.54	n.a.
12. Risk Weighted Assets/ Total Assets	78.81	77.50	80.37	78.70
13. Risk Weighted Assets - Standardised/ Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
14. Risk Weighted Assets - Advanced Method/ Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
E. Loan Quality				
1. Impaired Loans/ Gross Loans	10.06	10.75	8.01	7.04
2. Growth of Gross Loans	(6.26)	(38.43)	(12.62)	(5.67)
3. Loan Loss Allowances/ Impaired Loans	25.97	52.86	55.44	49.26
4. Loan Impairment Charges/ Average Gross Loans	(0.07)	0.82	2.19	2.21
5. Growth of Total Assets	(7.41)	(31.05)	(9.10)	(3.00)
6. Loan Loss Allowances/ Gross Loans	2.61	5.68	4.44	3.47
7. Net Charge-offs/ Average Gross Loans	6.67	1.15	1.47	2.98
8. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	12.65	15.50	12.45	10.85
F. Funding and Liquidity				
1. Loans/ Customer Deposits	78.54	79.22	95.85	97.16
2. Liquidity Coverage Ratio	n.a.	n.a.	n.a.	n.a.
3. Customer Deposits/ Total Funding (including Pref. Shares & Hybrids)	88.93	86.08	79.10	81.66
4. Interbank Assets/ Interbank Liabilities	101.58	115.82	116.20	70.09
5. Net Stable Funding Ratio	n.a.	n.a.	n.a.	n.a.
6. Growth of Total Customer Deposits	(5.45)	(25.50)	(11.43)	1.18

Credit Europe Bank N.V.
Reference Data

	30 Jun 2019		31 Dec 2018		31 Dec 2017		31 Dec 2016		
	6 Months - Interim USDm	6 Months - Interim EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets
A. Off-Balance Sheet Items									
1. Managed Securitised Assets Reported Off-Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Other off-balance sheet exposure to securitizations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Guarantees	103.4	90.9	1.93	113.8	2.24	157.6	2.14	148.7	1.83
4. Acceptances and documentary credits reported off-balance sheet	443.0	389.3	8.27	316.2	6.22	255.7	3.47	274.4	3.38
5. Committed Credit Lines	283.2	248.9	5.29	260.2	5.12	623.4	8.46	770.8	9.50
6. Other Contingent Liabilities	9.3	8.2	0.17	10.1	0.20	10.6	0.14	n.a.	-
7. Other Off-Balance Sheet items	3.0	2.6	0.06	0.8	0.02	47.5	0.64	38.0	0.47
8. Total Assets under Management	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Average Balance Sheet									
1. Average Loans	3,187.3	2,800.8	59.51	3,591.9	70.66	5,075.2	68.84	5,536.8	68.27
2. Average Earning Assets	4,371.4	3,841.3	81.61	4,834.1	95.10	6,378.7	86.52	7,073.4	87.21
3. Average Total Assets	5,570.5	4,895.0	104.00	6,477.8	127.44	7,661.4	103.92	8,035.5	99.08
4. Average Managed Securitised Assets (OBS)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Average Interest-Bearing Liabilities	4,761.2	4,183.8	88.89	5,167.2	101.65	6,690.4	90.75	7,066.6	87.13
6. Average Common equity	854.0	750.4	15.94	1,079.0	21.23	1,276.6	17.32	1,101.4	13.58
7. Average Equity	671.9	590.4	12.54	743.6	14.63	869.9	11.80	877.2	10.82
8. Average Customer Deposits	4,040.2	3,550.3	75.43	4,153.1	81.70	5,184.4	70.32	5,306.4	65.43
C. Maturities									
Asset Maturities:									
Loans & Advances < 3 months	n.a.	n.a.	-	724.4	14.25	1,294.3	17.56	1,274.1	15.71
Loans & Advances 3 - 12 Months	n.a.	n.a.	-	398.0	7.83	776.4	10.53	821.6	10.13
Loans and Advances 1 - 5 Years	n.a.	n.a.	-	548.0	10.78	1,373.3	18.63	1,912.5	23.58
Loans & Advances > 5 years	n.a.	n.a.	-	1,056.7	20.79	1,043.4	14.15	1,179.8	14.55
Debt Securities < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks < 3 Months	n.a.	n.a.	-	401.6	7.90	497.5	6.75	304.4	3.75
Loans & Advances to Banks 3 - 12 Months	n.a.	n.a.	-	30.4	0.60	28.6	0.39	2.3	0.03
Loans & Advances to Banks 1 - 5 Years	n.a.	n.a.	-	0.0	0.00	12.0	0.16	0.0	0.00
Loans & Advances to Banks > 5 Years	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00
Liability Maturities:									
Retail Deposits < 3 months	n.a.	n.a.	-	1,187.7	23.37	1,518.4	20.60	1,825.1	22.50
Retail Deposits 3 - 12 Months	n.a.	n.a.	-	781.9	15.38	1,321.6	17.93	1,447.0	17.84
Retail Deposits 1 - 5 Years	n.a.	n.a.	-	1,152.2	22.67	1,456.5	19.76	1,555.8	19.18
Retail Deposits > 5 Years	n.a.	n.a.	-	528.0	10.39	602.5	8.17	703.6	8.68
Other Deposits < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks < 3 Months	n.a.	n.a.	-	259.4	5.10	176.2	2.39	166.5	2.05
Deposits from Banks 3 - 12 Months	n.a.	n.a.	-	38.3	0.75	101.7	1.38	92.6	1.14
Deposits from Banks 1 - 5 Years	n.a.	n.a.	-	75.3	1.48	185.2	2.51	178.5	2.20
Deposits from Banks > 5 Years	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00
Senior Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	1.0	0.01	57.7	0.71
Senior Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	2.3	0.03	205.1	2.53
Senior Debt Maturing 1 - 5 Years	n.a.	n.a.	-	n.a.	-	67.6	0.92	0.2	0.00
Senior Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	0.0	0.00	0.0	0.00
Total Senior Debt on Balance Sheet	n.a.	n.a.	-	n.a.	-	70.9	0.96	263.0	3.24
Fair Value Portion of Senior Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing < 3 months	n.a.	n.a.	-	0.0	0.00	345.1	4.68	0.0	0.00
Subordinated Debt Maturing 3-12 Months	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00
Subordinated Debt Maturing 1-5 Year	n.a.	n.a.	-	0.0	0.00	122.9	1.67	92.8	1.14
Subordinated Debt Maturing > 5 Years	n.a.	n.a.	-	130.1	2.56	125.9	1.71	438.5	5.41
Total Subordinated Debt on Balance Sheet	149.1	131.0	2.78	130.1	2.56	593.9	8.06	531.3	6.55
Fair Value Portion of Subordinated Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
D. Risk Weighted Assets									
1. Risk Weighted Assets	4,221.1	3,709.2	78.81	3,939.7	77.50	5,925.6	80.37	6,383.2	78.70
2. Fitch Core Capital Adjustments for Insurance and Securitisation									
Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Fitch Core Capital Adjusted Risk Weighted Assets	4,221.1	3,709.2	78.81	3,939.7	77.50	5,925.6	80.37	6,383.2	78.70
4. Other Fitch Adjustments to Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Fitch Adjusted Risk Weighted Assets	4,221.1	3,709.2	78.81	3,939.7	77.50	5,925.6	80.37	6,383.2	78.70
E. Fitch Core Capital Reconciliation									
1. Total Equity as reported (including non-controlling interests)	679.0	596.7	12.68	584.1	11.49	874.7	11.86	863.8	10.65
2. Fair-value adjustments relating to own credit risk on debt issued	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
3. Non-loss-absorbing non-controlling interests	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
4. Goodwill	0.0	0.0	0.00	2.4	0.05	2.3	0.03	2.6	0.03
5. Other intangibles	8.3	7.3	0.16	5.1	0.10	10.0	0.14	10.4	0.13
6. Deferred tax assets deduction	4.6	4.0	0.08	4.0	0.08	6.9	0.09	5.0	0.06
7. Net asset value of insurance subsidiaries	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
8. First loss tranches of off-balance sheet securitizations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
9. Fund for general banking risks if not already included and readily convertible into equity	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
10. Fitch Core Capital	666.2	585.4	12.44	572.6	11.26	855.5	11.60	845.8	10.43

Exchange Rate

USD1 = EUR0.878734

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