



Fitch Assigns Derivative Counterparty and Deposit Ratings to German Banks

Link to Fitch Ratings' Report: Fitch Assigns Derivative Counterparty and Deposit Ratings to German Banks (<https://www.fitchratings.com/site/re/891800>)

Fitch Ratings-London-12 December 2016: Fitch Ratings has assigned Derivative Counterparty Ratings (DCRs) to 18 banks and Deposit Ratings to 1,397 banks based in Germany. Fitch has also upgraded 10 structured notes with embedded market risk by one notch. A full list of rating actions is in the Rating Action Report which is available at www.fitchratings.com or by clicking the link above.

All other ratings of the issuers in this Rating Action Commentary and in the accompanying Rating Action Report are unaffected by the rating actions.

KEY RATING DRIVERS

DCRS, DEPOSIT RATINGS AND UNSECURED STRUCTURED NOTES WITH EMBEDDED MARKET RISK

The rating actions mark the first time Fitch has assigned Derivative Counterparty Ratings (DCRs), having introduced them in our July 2016 Global Bank Rating Criteria with an anticipated rollout in 4Q16. Assigned on the 'AAA' scale, DCRs are a product of developments in bank resolution frameworks that mean different types of banks' senior creditors may be treated more or less favourably relative to one another. DCRs are issuer ratings and express Fitch's view on banks' relative vulnerability to default. This relates to the riskiest type of derivative contracts with third-party, non-government counterparties, which we assume (either jointly or in isolation) will be an uncollateralised derivative exposure.

Germany is the first EU jurisdiction in which Fitch is rolling out DCRs and Deposit Ratings. This is because of the legal preference attributed to derivative counterparties and depositors relative to certain other senior liabilities, notably vanilla senior debt instruments, under Germany's new bank resolution framework. In Fitch's opinion, the legal framework is sufficiently sophisticated to allow for a bank in resolution to remain current on derivative counterparty obligations and deposits while defaulting on other senior liabilities.

The German Resolution Mechanism Act passed in September 2015 will become effective on 1 January 2017, creating a new statutory hierarchy of claims within the senior creditor class that will apply retroactively to all outstanding liabilities (without necessitating changes to their terms and conditions), not only to those issued from January 2017. The new regime modifies the ranking of liabilities of institutions subject to the Capital Requirements Regulation (CRR) by extending Section 46f of the German Banking Act (KWG) and by amending the insolvency statute accordingly.

These changes effectively create two statutory classes of uninsured, senior unsecured liabilities, whereby derivatives, money-market instruments, bank deposits and wholesale/corporate deposits in excess of EUR100,000 and liabilities to public-law institutions not eligible for insolvency rank senior to vanilla senior debt. Along with enhanced resolution powers under the Bank Recovery and Resolution Directive, this could result in lower vulnerability to default for derivative counterparties and deposits relative to vanilla senior debt and potentially superior recovery prospects as well, dependent on the form of intervention in a failed bank by resolution authorities and how the scenario plays out.

In addition, on 5 August 2016, the relevant German authorities, consisting of the banking supervisors, Deutsche Bundesbank and BaFin, and the acting resolution authority, the Federal Agency for Financial Market Stabilisation (FMSA), clarified the types of liabilities assigned to each class. The authorities have clarified the hierarchy of bonds with embedded derivatives by stating that structured products which are deemed complex or a potential source of contagion during resolution proceedings (notably those whose principal or interest payment depends on an event that is uncertain at the time of the issuance) rank senior to other senior unsecured debt. The authorities have also confirmed that more simple structured products will rank pari-passu to senior unsecured debt.

The European Commission (EC) presented on 23 November 2016 a proposal to amend Directive 2014/59/EU from mid-2017 by introducing a new class of senior non-preferred debt that would rank below other senior liabilities. Details have yet to emerge on the transposition of this proposal into German law and its implications on the new German insolvency regime. However, we expect that it will leave the new German approach intact as we understand the new debt class would rank pari-passu with outstanding vanilla senior debt.

Fitch has assigned Deposit Ratings to all banks that actively take deposits and DCRs to banks that act as notable derivative counterparties nationally or internationally, act as derivative counterparties to Fitch-rated transactions (eg, structured finance), or where Fitch otherwise understands there to be market interest.

DEUTSCHE BANK, COMMERZBANK, AAREAL BANK, SFG HT: ASSIGNED UPLIFT

In Fitch's opinion, (Deutsche Bank AG (DB, A-/RWN/a-), Commerzbank AG (CBK, BBB+/Stable/bbb+) and Aareal Bank AG (BBB+/Stable/bbb+) have sufficient combined buffers of qualifying junior and vanilla senior debt that could be used to recapitalise the banks, restore viability and prevent default on other "preferred" senior liabilities upon resolution.

The protection afforded to "preferred" senior debt, deposits and derivative counterparties by those buffers means DCRs, Long-Term Deposit Ratings and certain structured notes with embedded market risk are rated one notch higher than banks' respective Long-Term Issuer Default Ratings (IDR) to reflect these liabilities' lower vulnerability to default than vanilla senior debt. In assigning the uplift, we have assumed that the resolution tools will be used in time to avoid prolonged deposit freezes or interruption to derivative payments (apart from short-term stays). DB's Deposit Ratings and DCR are on Rating Watch Negative (RWN), in line with the bank's IDRs.

In Fitch's opinion, S-Finanzgruppe Hessen-Thüringen's (SFG HT, A+/Stable/a+) consolidated layer of subordinated and vanilla senior debt is also likely to be sufficient to recapitalise member banks, restore viability and prevent default on other "preferred" senior liabilities, including deposits upon resolution. As a result, the long-term Deposit Ratings of member banks are rated one notch higher than their Long-Term IDRs, as are the DCR and Long-Term Deposit Rating of SFG HT's central institution Landesbank Hessen-Thüringen Girozentrale (Helaba, A+/Stable/No VR). We do not assign DCR or Deposit Ratings to SFG HT itself because it is not a legal entity.

This assessment of the amount needed to recapitalise the banks is based on Fitch's assumptions that the authorities will trigger a bail-in once the Common Equity Tier 1 (CET1) ratio has depleted to 6%-7% and the banks will need to meet total pillar 1 and 2 requirements plus combined buffers after being recapitalised. We acknowledge that this intervention trigger could be set at a higher level for large systemically relevant banks to protect the financial sector's stability. However, our approach takes into account the fact that the resolution authorities have yet to build up a track-record of intervention and that the banks' resolution plans are evolving.

We have aligned Short-Term Deposit Ratings with the banks' Short-Term IDRs. For DB, this is in line with the implied mapping from its 'A' Long-Term Deposit Rating. For CBK and Aareal, we have assigned the lower of the two options available at a 'A-' level. This is because high uncertainty regarding what banks' balance sheets would look like upon default and how a resolution scenario may play out in Germany, given lack of precedent presents no reason for favouring short-term creditors.

We have assigned a DCR to Deutsche Bank Securities, Inc. (DBSI, A-/RWN/No VR), DB's US-based broker-dealer and a notable derivative counterparty, which is aligned with its Long-Term IDR, in turn aligned with DB's Long-Term IDR, based on expected support from DB. In the US, derivative counterparties have no definitive preferential status over other senior obligations and it is uncertain whether DB's senior debt buffer will be available cross-jurisdiction in a resolution scenario.

UNICREDIT BANK AG AND DEUTSCHE POSTBANK: SUFFICIENT BUFFERS BUT NO UPLIFT

UniCredit Bank AG's (HVB, A-/Negative/a-) DCR and Deposit Ratings are aligned with its IDRs. The bank's qualifying junior and vanilla/non-structured senior debt buffers are large, but Fitch does not have sufficient visibility on their sustainability in light of the strategic review ongoing at its parent, UniCredit S.p.A. (UC, BBB+/Negative/bbb+).

UC's restructuring measures, which are expected to be announced on 13 December 2016, could affect HVB's role and positioning within the group. This could have

uncertain implications on its debt issuance plans and, consequently, on the size and sustainability of its qualifying debt buffers and the relativity of its ratings relative to UC's. Therefore, its DCR and Deposit Ratings remain aligned with its IDRs for the time being.

We have assigned Deutsche Postbank (PB, BBB+/Stable/bbb+) Deposit Ratings aligned with its IDRs despite its sizeable qualifying debt buffer. We have not notched up its Deposit Ratings from its IDRs due to the uncertain sustainability of the buffer given the bank's deposit-focused funding mix and uncertainties with the expected ownership change. We have not assigned a DCR because PB is not a material derivative counterparty, in our view.

GFG, SFG, BHF-BANK: SMALL QUALIFIED DEBT BUFFER PREVENTS UPLIFT

Genossenschaftliche FinanzGruppe's (GFG, AA-/Stable/aa-) senior debt is issued predominantly out of its central institution, DZ Bank AG Deutsche Zentral-Genossenschaftsbank (DZ Bank, AA-/Stable/no VR). In our view, its consolidated layer of junior and vanilla senior/non-structured debt does not provide sufficient protection to preferred senior creditors such as depositors and derivative counterparties in a resolution of GFG to merit uplift for incremental probability of default reasons or to give sufficient comfort that recoveries on deposits in a default scenario would be above average.

This is primarily driven by the fact that DZ Bank traditionally places a large share of its senior debt issuance within GFG. It also reflects DZ Bank's limited debt issuance needs due to the modest size of its wholesale business relative to the predominantly retail deposit-funded GFG. Consequently, the Deposit Ratings of DZ Bank and of the 980 other cooperative bank members and DZ Bank's DCR are aligned with GFG's IDRs. We do not assign Deposit Ratings to GFG as it is not a legal entity.

In the case of Sparkassen Finanzgruppe (SFG, A+/Stable/a+), in Fitch's opinion the junior and vanilla/non-structured debt is far from offering material incremental probability of default protection to depositors or to provide comfort that recoveries in a default scenario would be above average. This is because we define SFG as consisting of the predominantly retail deposit-funded savings banks only and do not include their central institutions, i.e. the Landesbanken. Therefore, the Deposit Ratings of each savings bank are aligned with SFG's IDRs. We have not assigned Deposit Ratings to SFG as it is not a legal entity.

Similar to GFG and SFG, BHF-BANK (BBB-/Positive/bbb-) has been assigned Deposit Ratings aligned with its IDRs because its deposit-driven funding mix results in a very small qualifying debt buffer. Consequently, it is far from offering material incremental probability of default protection to depositors or to provide comfort that recoveries in a default scenario would be above average. It is not a major derivative counterparty, so we have not assigned a DCR.

LANDESBANKEN, LARGE DEVELOPMENT BANKS, WIND-DOWN INSTITUTIONS, BERLIN HYP: SUPPORT-DRIVEN IDRS, LACK OF INTEGRATION INTO OWNERS PREVENT UPLIFT

Fitch has assigned DCRs to publicly-owned institutions including the Landesbanken, development banks and wind-down institutions. We view all Landesbanken as notable derivative counterparties irrespective of their size in light of the hedging activities inherent in their business model. The DCRs of these banks are all aligned with their respective Long-Term IDRs. None of these issuers is eligible for a one-notch DCR uplift under our criteria because their IDRs are all driven by support from the central or regional governments (in addition to support from the regional savings banks and, ultimately, SFG in the Landesbanken's case).

We have not given any Deposit Rating uplift to the Landesbanken and their Deposit Ratings are thus aligned with their IDRs. In Fitch's opinion, debt buffers do not afford any obvious incremental probability of default benefit over and above the support benefit already factored into their IDRs. We do not apply any uplift for above-average recovery prospects in the event of default because of the limited visibility into recovery levels in such circumstances. In the highly unlikely event that Landesbanken failed and were not supported by their savings bank and regional state owners, their balance sheets would most likely differ substantially from the ones reported at end-1H16 or 3Q16.

A significant amount of the Landesbanken's debt is held by the savings banks and other Landesbanken, and it would be in the owners' and the savings bank support funds' interests to protect these obligations from default or loss if they could. In the event that the savings banks were no longer strong enough to prevent default, the asset value of Landesbanken's obligations on the savings bank balance sheets, and we believe of most other German assets, would likely be under high stress.

We do not assign Deposit Ratings to the wind-down institutions Erste Abwicklungsanstalt (EAA) and FMS Wertmanagement (both rated AAA), which do not actively collect deposits as both are non-bank institutions pursuant to the KWG. Similarly, we do not assign Deposit Ratings to the development banks KfW (also a non-bank pursuant to KWG), Landwirtschaftliche Rentenbank and NRW.BANK (all rated AAA) because with some exceptions, their statutes allow them to collect deposits only if there is a direct link to the fulfilment of their statutory duties. In practice, these banks are wholesale-funded and have no or no meaningful customer deposits. However, they are notable derivative counterparties and we have assigned DCRs in line with their 'AAA' Long-Term IDRs.

We do not believe that above-mentioned state-guaranteed non-banks could become subject to bail-in measures. Therefore, we consider it highly unlikely that they could become eligible for DCR uplift even if their Long-Term IDRs were downgraded below 'AAA'.

Berlin Hyp AG (A+/Stable/bbb-) has been assigned Deposit Ratings aligned with its IDRs. The bank's IDRs are driven by the strong support from its collective owners, the savings banks members of SFG. However, we do not consider Berlin Hyp to be highly integrated into SFG.

Moreover, we have not given any Deposit Rating uplift as, in Fitch's opinion, debt buffers do not afford any obvious incremental probability of default benefit over and above the support benefit already factored into Berlin Hyp's IDRs. We have also not assigned any uplift for above-average recovery prospects in the event of default because of the limited visibility into recovery levels in such circumstances. In a hypothetical scenario, where Berlin Hyp could not be supported, losses would likely be large and recoveries unlikely to be above-average.

We have not assigned a DCR to Berlin Hyp because we do not consider the bank to be a notable derivative counterparty.

HSBC TRINKAUS, AKBANK AG, SEB AG: IDRS DRIVEN BY SUPPORT FROM FOREIGN PARENTS PREVENT UPLIFT

These banks' IDRs are driven by Fitch's expectations of extraordinary support from their respective parents, as indicated by their IDRs, which are aligned with their parents' IDRs. We have not given any Deposit Rating uplift to these institutionally support-driven banks and their Deposit Ratings are thus aligned with their IDRs. In Fitch's opinion, debt buffers do not afford any obvious incremental probability of default benefit over and above the support benefit already factored into their IDRs.

We have also not assigned any uplift for above-average recovery prospects in the event of default because of the limited visibility into recovery levels in such circumstances. In a hypothetical scenario where these banks' parent banks are unable to support their subsidiaries, losses on any of the banks' riskiest material uninsured depositor class existing at such a time would likely be very large and recoveries unlikely to be above average.

STRUCTURED NOTES WITH EMBEDDED MARKET RISK

We have reviewed the terms and conditions of the unsecured structured notes with embedded market risk rated by Fitch, identified with the 'emr' suffix and issued by DB and CBK. Eight of these securities are from Deutsche Bank and two from CBK.

We estimate that the characteristics of these 10 instruments are in line with those that would lead to a preferred treatment relative to vanilla senior debt as outlined in the German authorities' guidance on KWG Section 46f. Therefore, we have upgraded DB and CBK's securities by one notch from their respective Long-Term IDRs to the same level as their respective Long-Term Deposit Ratings to reflect their lower vulnerability to default. Please refer to the linked Rating Action Report for ISINs.

These 10 rated notes represent only a small proportion of the total number of unsecured structured notes outstanding at both banks. Other notes could also be rated in line with them if they fulfil the characteristics of preferred liabilities.

RATING SENSITIVITIES

DCRS, DEPOSIT RATINGS AND UNSECURED STRUCTURED NOTES WITH EMBEDDED MARKET RISK

For all banks, DCRs, Deposit Ratings and ratings of the structured notes with embedded market risk are primarily sensitive to changes in the respective banks' IDRs.

For banks where the DCRs, Deposit Ratings and ratings of the structured notes with embedded market risk benefit from uplift relative to the banks' Long-Term IDRs (DB, CBK, SFG HT, Helaba, Aareal), they are also sensitive to the amount of subordinated and senior vanilla debt buffers relative to the recapitalisation amount likely to be needed to restore viability and prevent default on more senior derivative obligations, deposits and structured notes with embedded market risk.

A strong short-term volatility or long-term inflation of risk-weighted assets as a direct result of the implementation of more stringent regulatory requirements could

materially increase the debt buffer needed to recapitalise the banks upon failure and justify uplift.

The DCRs, Deposit Ratings and ratings of the structured notes with embedded market risk are also sensitive to increases in the banks' individual pillar 2 regulatory requirements as we assume that these determine the level to which the banks would have to be recapitalised upon resolution.

Furthermore, the DCRs, Deposit Ratings and ratings of the structured notes with embedded market risk are sensitive to Fitch's assumptions regarding the individual points of non-viability at which the regulator is likely to require a recapitalisation by way of bail-in of junior and standard senior instruments.

Subsequent changes to the resolution regime which may alter the hierarchy of the various instruments in resolution could also trigger a change in the DCRs and Deposit Ratings.

HVB's DCR and Long-Term Deposit Rating could be upgraded should Fitch gain sufficient comfort over the sustainability of its subordinated and vanilla senior debt buffers following UC's strategic review, but it will also depend on Fitch's assessment of the overall relativity of its ratings relative to those of UC. Likewise, we could upgrade PB's Long-Term Deposit Rating of PB should there be more clarity over the sustainability of its buffers.

Larger subordinated and senior vanilla debt buffers at the GFG and SFG levels could lead to an upgrade of the Long-Term Deposit Ratings assigned to GFG and SFG member banks and to an upgrade of the DCR and Long-Term Deposit Rating assigned to DZ Bank. Larger buffers could also benefit BHF-BANK's Long-Term Deposit Rating.

Contact:

Primary Analysts
Bridget Gandy (Deutsche Bank AG, Deutsche Bank Securities, Inc.)
Managing Director
+44 20 3530 1095
Fitch Ratings Limited
30 North Colonnade
London E14 5GN

Patrick Rioual (Aareal Bank AG, Deutsche Postbank AG, UniCredit Bank AG, DZ Bank AG Deutsche Zentral-Genossenschaftsbank, HSBC Trinkaus & Burkhardt AG, BHF-Bank AG, GFG member banks)

Director
+49 69 768 076 123
Fitch Deutschland GmbH
Neue Mainzer Strasse 46-50
60311 Frankfurt am Main

Roger Schneider (Commerzbank AG, KfW, Landwirtschaftliche Rentenbank, NRW.BANK, Erste Abwicklungsanstalt, FMS Wertmanagement, Bayerische Landesbank, Bremer Landesbank Kreditanstalt Oldenburg - Girozentrale, Landesbank Baden-Wuerttemberg, Landesbank Saar, Norddeutsche Landesbank Girozentrale, Landesbank Hessen-Thueringen Girozentrale, HSH Nordbank AG, Berlin Hyp AG, SFG HT member banks, SFG member banks)

Director
+49 69 768 076 242
Fitch Deutschland GmbH
Neue Mainzer Strasse 46-50
60311 Frankfurt am Main

Lindsey Liddell (Akbank AG)

Director
+44 20 3530 1008
Fitch Ratings Limited
30 North Colonnade
London E14 5GN

Bjorn Norrman (SEB AG)

Senior Director
+44 20 3530 1330
Fitch Ratings Limited
30 North Colonnade
London E14 5GN

Secondary Analysts

Lola Yusupova (Commerzbank AG, Deutsche Postbank AG, Landwirtschaftliche Rentenbank, NRW.BANK, Erste Abwicklungsanstalt, FMS Wertmanagement, Bayerische Landesbank, Landesbank Baden-Wuerttemberg, Landesbank Saar, Landesbank Hessen-Thueringen Girozentrale, SFG HT member banks, SFG member banks)

Associate Director
+49 69 768076 114

Christian Schindler (DZ Bank AG Deutsche Zentral-Genossenschaftsbank, GFG member banks)

Associate Director
+44 20 3530 1323

Ioana Sima (Deutsche Bank AG, Deutsche Bank Securities, Inc., Bremer Landesbank Kreditanstalt Oldenburg - Girozentrale, Norddeutsche Landesbank Girozentrale, HSH Nordbank AG)

Analyst
+44 20 3530 1736

Sebastian Schrimpf, CFA (Aareal Bank AG, UniCredit Bank AG, HSBC Trinkaus & Burkhardt AG, BHF-Bank AG, KfW, Berlin Hyp AG)

Analyst
+49 69 76 80 76 136

Ahmet Kilinc (Akbank AG)

Analyst
+44 20 3530 1272

Olivia Perney Guillot (SEB AG)

Senior Director
+33 1 44 299 174

Committee Chairperson

James Longsdon
Managing Director
+44 20 3530 1076

Media Relations: Elaine Bailey, London, Tel: +44 203 530 1153, Email: elaine.bailey@fitchratings.com.

Additional information is available on www.fitchratings.com

The following issuer(s) did not participate in the rating process, or provide additional information, beyond the issuer's available public disclosure: SEB AG

Applicable Criteria

Global Bank Rating Criteria (pub. 25 Nov 2016) (<https://www.fitchratings.com/site/re/891051>)

Related Research

Derivative Counterparty Ratings - A New Rating for Banks (<https://www.fitchratings.com/site/re/877242>)

Additional Disclosures

Solicitation Status (https://www.fitchratings.com/gws/en/disclosure/solicitation?pr_id=1016343)

With respect to this RAC, if the lead analyst is based in an EU-registered entity, the issuer(s) will be displayed below in the following colour when the ratings provided are unsolicited and the issuer(s) did not participate in the rating process, or provide additional information beyond the issuer's available public disclosure.

Issuer(s)

SEB AG

Endorsement Policy (<https://www.fitchratings.com/regulatory>)

ALL FITCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK: [HTTPS://WWW.FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS](https://www.fitchratings.com/understandingcreditratings) (<https://www.fitchratings.com/understandingcreditratings>). IN ADDITION, RATING DEFINITIONS AND THE TERMS OF USE OF SUCH RATINGS ARE AVAILABLE ON THE AGENCY'S PUBLIC WEB SITE AT WWW.FITCHRATINGS.COM. PUBLISHED RATINGS, CRITERIA, AND METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. FITCH'S CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTS OF INTEREST, AFFILIATE FIREWALL, COMPLIANCE, AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE CODE OF CONDUCT SECTION OF THIS SITE. FITCH MAY HAVE PROVIDED ANOTHER PERMISSIBLE SERVICE TO THE RATED ENTITY OR ITS RELATED THIRD PARTIES. DETAILS OF THIS SERVICE FOR RATINGS FOR WHICH THE LEAD ANALYST IS BASED IN AN EU-REGISTERED ENTITY CAN BE FOUND ON THE ENTITY SUMMARY PAGE FOR THIS ISSUER ON THE FITCH WEBSITE.

Copyright © 2016 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Fax: (212) 480-4435. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved. In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed.

The information in this report is provided "as is" without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US\$1,000 to US\$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US\$10,000 to US\$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001

Endorsement Policy - Fitch's approach to ratings endorsement so that ratings produced outside the EU may be used by regulated entities within the EU for regulatory purposes, pursuant to the terms of the EU Regulation with respect to credit rating agencies, can be found on the EU Regulatory Disclosures (<https://www.fitchratings.com/regulatory>) page. The endorsement status of all International ratings is provided within the entity summary page for each rated entity and in the transaction detail pages for all structured finance transactions on the Fitch website. These disclosures are updated on a daily basis.