

Eurocaja Rural, Sociedad Cooperativa de Credito

Full Rating Report

Ratings

Foreign Currency

Long-Term IDR	BBB
Short-Term IDR	F2

Viability Rating	bbb
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Support Rating	5
Support Rating Floor	NF

Sovereign Risk

Long-Term Foreign-Currency IDR	A-
Long-Term Local-Currency Rating	A-

Outlooks

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

Financial Data

Eurocaja Rural, Sociedad Cooperativa de Credito

	31 Dec 18	31 Dec 17
Total assets (USDm)	8,896	8,438
Total assets (EURm)	7,767	7,367
Total equity (EURm)	450	444
Pre-impairment operating profit (EURm)	51	53
Operating profit (EURm)	35	44
Net income (EURm)	23	25
Operating profit/risk weighted assets (%)	1.4	1.7
Impaired loans/gross loans (%)	2.6	2.7
Fitch Core Capital/risk weighted assets (%)	17.4	17.6
Fully loaded common equity tier 1 ratio (%)	17.1	17.2
Gross loans/customer deposits (%)	73.6	76.3

Source: Fitch Ratings, Fitch Solutions

Key Rating Drivers

Resilient Asset Quality, Concentrated Franchise: Eurocaja Rural, Sociedad Cooperativa de Credito's (Eurocaja) ratings reflect the bank's resilient asset-quality metrics throughout the cycle, sound capital position, and comfortable funding and liquidity. The ratings also factor in the bank's geographically concentrated franchise, modest profitability, large exposure to Spain's sovereign debt, which results in counterparty risk concentration and market risk, and a small equity base.

Better-than-Peers Asset Quality: Eurocaja's asset-quality indicators have remained stable and stronger than those of peers' through-the-cycle, as reflected in the low variability of the bank's metrics compared with peers' average. At end-2018, its problem-asset ratio, which includes non-performing loans (NPL - Stage 3 loans) and foreclosed assets, was close to 3% (down from 3.3% at end-2017), which is below that of domestic and many international peers.

Large Exposure to Sovereign Debt: Fitch Ratings gives credit to the bank's exceptionally high NPL coverage ratio, which at 124% at end-2018 protected the bank from asset-quality and collateral valuation shocks. This is against a large, although declining, exposure to Spain's sovereign debt, which brings counterparty risk concentration and exposes the bank to spread and interest-rate risks.

Satisfactory Capital Buffers: Eurocaja maintains satisfactory capital buffers above regulatory requirements. At end-2018, the bank's common equity Tier 1 (CET1) ratio of 17.1% was well above the bank's supervisory review and evaluation process (SREP) requirement of 7.9% for the CET1 and 11.4% for the total capital ratio. Capital was fully protected from unreserved problem assets at end-2018, which mitigated risks from the bank's small equity base.

Modest Profitability: Eurocaja's overall profitability is modest due to the bank's large low-risk/low-yield retail mortgage portfolio and low interest rates. The significant contribution from the bank's large securities portfolio has not prevented a decrease in interest income. Revenue was supported by higher fee and commission income in the past years. We expect profitability to remain modest without an increase in interest rates but to remain resilient due to sustained lower impairment charges given a strong NPL coverage ratio.

Comfortable Liquidity Position: Eurocaja has an ample and granular retail deposit base, which fully funds its loan book. The bank also makes extensive use of wholesale funding (about 30% of funding at end-2018), mostly in the form of repos, covered bonds and ECB funding to fund its securities portfolio. The bank's liquidity position, which consists of highly liquid assets, is more than adequate to cover short-term liabilities, which was reflected in a solid liquidity coverage ratio of 481% at end-March 2019.

Rating Sensitivities

Rating Upside Limited: Rating upside is currently limited. In the long term, an upgrade would require a meaningful and sustained improvement of core banking profitability, combined with a strengthening of the bank's franchise and business model. A further reduction of risk concentration from the bank's securities portfolio would also be rating-positive.

Asset Quality, Capital: Negative rating pressure could arise from a sharp deterioration in asset quality, increased risk appetite as a measure to offset low margins, or a deterioration of the bank's capitalisation. However, we currently consider these scenarios to be unlikely.

Related Research

[Eurocaja Rural, Sociedad Cooperativa de Credito - Ratings Navigator \(July 2019\)](#)

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Operating Environment

Supportive Economic Environment

Fitch affirmed Spain's rating at 'A-'/Stable in June 2019. The country's sovereign ratings are supported by a relatively high value-added and diversified economy (USD30,400 GDP per capita at end-June 2019), and governance indicators in line with the 'A' median. This is set against a very large stock of general government debt, external leverage that is among the highest of Fitch-rated sovereigns, political risks and a still-high unemployment rate (around 14%). The country also scores highly on the World Bank's Ease of Doing Business indicators (84.7 in 2018).

Spain's economy continued to grow above trend in 2018, by 2.6%, with domestic demand the main driver. This momentum continued into 2019 and Fitch expects growth for the whole year to be 2.3%. Business sentiment has been solid, and residential investment is rising. Consumer confidence has been volatile in recent months, but is still high. We expect growth to slow towards its potential over the next two-to-three years, and forecast 1.7% growth in 2020 and 1.6% in 2021.

Eurocaja mainly operates in the region of Castile-La Mancha, particularly in the province of Toledo. Unemployment rates in Castile-La Mancha are above the national average and GDP per capita is lower. The region is large but sparsely populated, which limits its contribution to Spain's GDP to about 3.5%. This is mostly driven by extractive industries, commerce and the public sector. Eurocaja is on the ECB's list of less significant entities and its supervision is, therefore, delegated to the Bank of Spain.

Company Profile

Sound but Concentrated Regional Franchise

Eurocaja is a small regional credit cooperative, largely focused on lending to individuals (mostly mortgage loans) and local SMEs, with an especial relevance of agricultural loans. It also offers some investment and bancassurance products, with business volumes having increased in recent years.

Eurocaja is headquartered in the province of Toledo, where it has good pricing power owing to its solid market shares of 15% in loans and 26% in deposits. The bank also has a good presence in the rest of Castile-La Mancha as it took advantage of the retrenchment of many competitors after the financial crisis. This allowed the bank to expand in its home region, organically and through branch and portfolio acquisitions. However, its presence and pricing power outside its core region is limited given its small national market share, which is below 1% for loans and deposits.

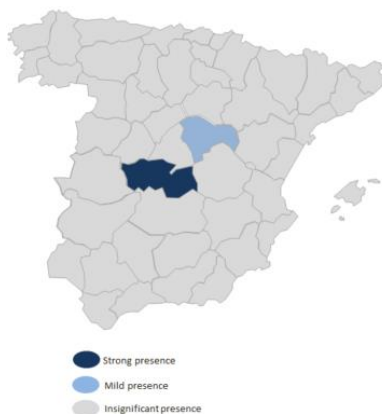
Management and Strategy

Clear Strategy Challenged by the Operating Environment

Senior management comprises executives with ample experience in the cooperative sector, adequate knowledge of the regional economy and a good record in executing the group's strategy. Fitch believes Eurocaja's corporate governance structure is effective. The board of directors consists of 14 non-executive members and the chief executive. The low remuneration and immaterial lending to board members and related parties reflect a sound corporate culture and help to safeguard board members' independence.

The bank's strategic objectives are focused on organically growing its business while reducing geographical concentration. This involves growing lending volumes especially in neighbouring regions, while maintaining its risk appetite without compromising asset quality. Eurocaja also aims to maintain current sound regulatory capital ratios in preparation for higher regulatory requirements.

Eurocaja's Geographical Presence in Spain



Source: Fitch Ratings, Eurocaja

Related Criteria

[Bank Rating Criteria \(October 2018\)](#)

[Short-Term Ratings Criteria \(May 2019\)](#)

Note on Charts

Black dashed 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 'bbb' category.

Risk Appetite

Prudent Underwriting Standards

Eurocaja has tight credit-risk policies, conservative underwriting standards and centralised monitoring systems that have remained unchanged throughout the economic cycle. This is a key factor that explains the sound asset-quality metrics and their low variability compared with those of domestic peers.

Loan approval processes follow a limit-based system with different layers of control bodies depending on client type and amount borrowed. The bank uses scoring systems and internal rating models taking the capacity of the borrower to repay as the primary variable when taking credit sanctioning decisions. It also uses quality of collateral assessments and loan/value ratios to support decisions on granting loans.

Eurocaja's loan book has grown significantly over the past few years, against the sector's trend of deleveraging. In 2013 and 2014, the bank acquired three performing loans' portfolios worth around EUR600 million from competitors that were retrenching from its home region. From 2015, the bank has also been able to grow its loan book organically, at an average yearly growth rate of close to 6%, well above the sector average.

Large Exposure to Spain's Sovereign Debt

Eurocaja's exposure to market risk is above average and mainly stems from its large portfolio of debt securities (31% of total assets or 5x FCC at end-2018). These are mostly related to Spanish government debt. The overall fixed income securities portfolio has an average duration of slightly more than three years. The bank calculates that a 200bp increase (decrease) in the yield curve would impact the value of the portfolio by -6.4% (+0.4%). On the retail banking book, the bank is positioned to interest-rate rises. At end-2018, the bank estimated that a +200bp shift in the yield curve would increase its annual net interest income (NII) by 24% (-0.7%).

Financial Profile

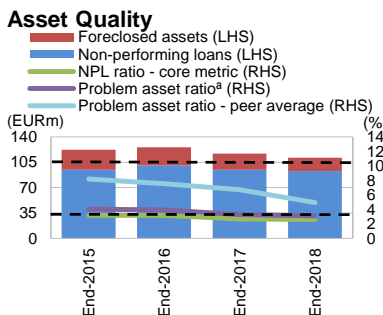
Asset Quality

Better-than-Peers' Asset Quality

At end-2018, lending was primarily oriented towards individuals (74% of gross loans, of which 94% were residential mortgage loans) and SMEs (24%). Exposure to real estate developers was low at below 2% of gross loans at end-2018. The loan mix, together with the bank's stable and prudent underwriting standards throughout the cycle, has resulted in healthier asset-quality metrics than those of domestic and most international peers.

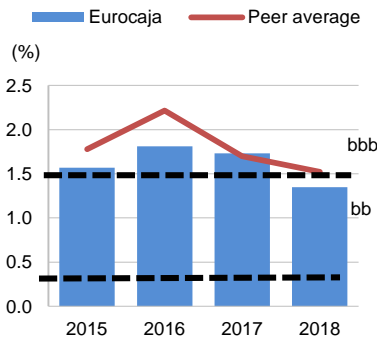
At end-2018, Eurocaja's NPL ratio was 2.6%, well below the Spanish sector average of 5.8% (only including domestic operations). The ratio has remained broadly stable around the 3% level in the last four years (trending down in the last two). This has been supported by some reduction of NPL volumes but most notably by loan growth during this period. The bank also had low volumes of foreclosed assets at end-2018. If considered, the problem-asset ratio was 3.1% at end-2018, which is also well below that of peers.

The strong asset-quality metrics are also supported by an exceptionally high NPL coverage ratio, which at end-2018 stood at 124%, providing protection against unexpected shocks. This is set against a large securities portfolio mainly concentrated in Spanish sovereign bonds that brings counterparty risk concentration.



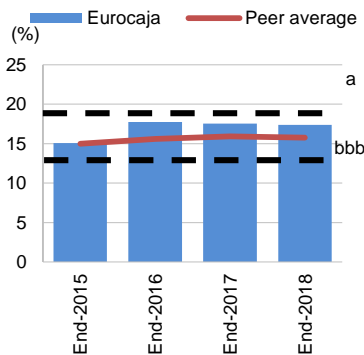
* Defined as NPLs and net foreclosed assets divided by gross loans and foreclosed assets
 Peers: Eurocaja Rural, SCC (Viability Rating:bbb); Caja Rural de Navarra, SCC (bbb+); Caja Rural del Sur, SCC (bbb+); Caja Laboral Popular (bbb+); Credit du Nord (bbb+); Credito Emiliano S.p.A (bbb); Banco di Desio e Della Brianza (bbb-)
 Source: Fitch Ratings

Operating Profit/RWAs



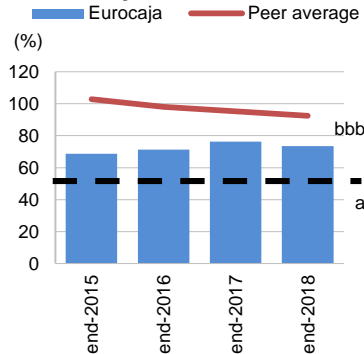
Source: Fitch Ratings, Banks

Fitch Core Capital Ratio



Source: Fitch Ratings, Banks

Loans/Deposits Ratio



Source: Fitch Ratings, Banks

Earnings and Profitability

Modest Core Banking Profitability

Eurocaja’s overall profitability is modest due to the low-risk/low-yield profile of its retail banking business and persistently low interest rates. Net interest income (NII) is the bank’s main revenue source (69% of total operating income in 2018), although a significant part of it relates to contributions from the securities portfolio.

Eurocaja’s operating income remained stable in 2018, as the decrease in NII was compensated by an increase in fees and commissions. Operating expenses slightly increased and we expect them to keep going up as the bank opens new branches to support business growth. However, the cost-to-income ratio remains below 60%, in line with peer average.

Given the already sound coverage levels, we expect loan impairment charges to remain low in the medium term, supporting earnings resilience. In our view, profitability will remain pressured by the low interest-rate environment and Eurocaja’s still less diversified business model.

Capitalisation and Leverage

Sound Capital Ratios, Small Equity Base

The bank maintains capitalisation and leverage ratios with satisfactory buffers above regulatory minimums, although its overall equity base is small. At end-2018, the fully loaded common equity Tier 1 ratio was 17%, well above the bank’s 2018 Supervisory Review and Evaluation Process requirements of 7.9% for common equity Tier 1 ratio and 11.4% for the total capital ratio. We expect earnings retention to remain high to support capital ratios at least at current levels. RWA density was a low 33% at end-2018. In our view, this reflects Eurocaja’s large low-risk mortgage lending business and exposure to sovereign bonds.

Capital was fully protected from unreserved problem assets at end-2018, which mitigated risks from the bank’s small equity base. The bank’s regulatory leverage ratio was also sound at 5.6%.

Funding and Liquidity

Retail-Based Funding; Wholesale Debt to Fund Securities

Eurocaja’s funding and liquidity are generally stable, although there is some reliance on wholesale funding. The bank’s main funding source is a stable and granular customer deposit base (68% of total non-equity funding at end-2018), which fully funds its loan book. The loans/deposits ratio was 74% at end-2018, well below that of peers. However, the bank also taps wholesale markets to fund its large securities portfolio, primarily in the form of overnight repos (14% of total funding at end-2018), covered bonds (14%) and TLTRO funding from the ECB (3%).

The fact that Eurocaja benefits from customer deposits in excess of its loan portfolio on a sustained basis results in a structurally strong liquidity position. At end-2018, the stock of unencumbered ECB-eligible assets was about EUR1.2 billion (16% of total assets). Additionally, the bank has the capacity to issue covered bonds, which could ultimately be retained and discounted at the ECB. The regulatory ratios were solid with a LCR and a NSFR of 481% and 146% at March-2019, respectively.

Support

Sovereign Support Not Reliable

Eurocaja’s Support Rating of ‘5’ and Support Rating Floor of ‘No Floor’ reflect Fitch’s belief that senior creditors of the bank can no longer rely on receiving full extraordinary support from the sovereign if it becomes non-viable. The EU’s Bank Recovery and Resolution Directive and the Single Resolution Mechanism for eurozone banks provide a framework for resolving banks that is likely to require senior creditors participating in losses, instead of, or ahead of, a bank receiving sovereign support.

ESG Considerations

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of 3 - ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity.

For more information on our ESG Relevance Scores, visit www.fitchratings.com/esg.

Eurocaja Rural, Sociedad Cooperativa De Credito
Income Statement

	31 Dec 2018			31 Dec 2017			31 Dec 2016			31 Dec 2015		
	Year End USDm Audited - Unqualified	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	Year End EURm Audited - Unqualified	As % of Earning Assets	Year End EURm Audited - Unqualified	As % of Earning Assets	
1. Interest Income on Loans	68.2	59.5	0.80	60.7	0.86	67.2	0.99	75.0	1.06			
2. Other Interest Income	46.6	40.7	0.55	43.4	0.62	48.3	0.71	48.7	0.69			
3. Dividend Income	0.2	0.2	0.00	0.6	0.01	0.0	0.00	0.1	0.00			
4. Gross Interest and Dividend Income	115.0	100.4	1.35	104.7	1.48	115.5	1.70	123.8	1.75			
5. Interest Expense on Customer Deposits	4.4	3.8	0.05	5.4	0.08	17.4	0.26	30.2	0.43			
6. Other Interest Expense	12.9	11.3	0.15	11.7	0.17	12.5	0.18	6.9	0.10			
7. Total Interest Expense	17.3	15.1	0.20	17.1	0.24	29.9	0.44	37.1	0.53			
8. Net Interest Income	97.7	85.3	1.14	87.6	1.24	85.6	1.26	86.7	1.23			
9. Net Fees and Commissions	37.7	32.9	0.44	31.9	0.45	28.4	0.42	22.4	0.32			
10. Net Gains (Losses) on Trading and Derivatives	0.0	0.0	0.00	0.0	0.00	(0.1)	(0.00)	(0.6)	(0.01)			
11. Net Gains (Losses) on Assets and Liabilities at FV	(3.0)	(2.6)	(0.03)	(1.2)	(0.02)	0.7	0.01	(2.6)	(0.04)			
12. Net Gains (Losses) on Other Securities	10.0	8.7	0.12	7.5	0.11	5.3	0.08	10.1	0.14			
13. Net Insurance Income	0.0	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-			
14. Other Operating Income	(1.4)	(1.2)	(0.02)	(2.3)	(0.03)	(2.1)	(0.03)	(2.4)	(0.03)			
15. Total Non-Interest Operating Income	43.3	37.8	0.51	35.9	0.51	32.2	0.47	26.9	0.38			
16. Total Operating Income	141.0	123.1	1.65	123.5	1.75	117.8	1.73	113.6	1.61			
17. Personnel Expenses	49.6	43.3	0.58	42.9	0.61	44.3	0.65	40.8	0.58			
18. Other Operating Expenses	33.0	28.8	0.39	27.3	0.39	24.8	0.36	27.0	0.38			
19. Total Non-Interest Expenses	82.6	72.1	0.97	70.2	0.99	69.1	1.02	67.8	0.96			
20. Equity-accounted Profit/ Loss - Operating	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00			
21. Pre-Impairment Operating Profit	58.4	51.0	0.68	53.3	0.76	48.7	0.72	45.8	0.65			
22. Loan Impairment Charge	19.0	16.6	0.22	9.3	0.13	5.0	0.07	7.1	0.10			
23. Securities and Other Credit Impairment Charges	(0.6)	(0.5)	(0.01)	0.2	0.00	(0.4)	(0.01)	(0.2)	(0.00)			
24. Operating Profit	40.0	34.9	0.47	43.8	0.62	44.1	0.65	38.9	0.55			
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	0.0	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-			
28. Non-recurring Expense	0.0	0.0	0.00	0.0	0.00	0.1	0.00	n.a.	-			
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	(10.0)	(8.7)	(0.12)	(14.4)	(0.20)	(17.4)	(0.26)	(13.2)	(0.19)			
31. Pre-tax Profit	30.0	26.2	0.35	29.4	0.42	26.6	0.39	25.7	0.36			
32. Tax expense	3.9	3.4	0.05	4.0	0.06	4.1	0.06	4.1	0.06			
33. Profit/Loss from Discontinued Operations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00			
34. Net Income	26.1	22.8	0.31	25.4	0.36	22.5	0.33	21.6	0.31			
35. Change in Value of AFS Investments	(16.8)	(14.7)	(0.20)	(16.1)	(0.23)	(8.8)	(0.13)	(26.0)	(0.37)			
36. Revaluation of Fixed Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
37. Currency Translation Differences	0.0	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-			
38. Remaining OCI Gains/(losses)	4.8	4.2	0.06	4.0	0.06	2.3	0.03	6.4	0.09			
39. Fitch Comprehensive Income	14.1	12.3	0.17	13.3	0.19	16.0	0.24	2.0	0.03			
40. Memo: Profit Allocation to Non-controlling Interests	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00			
41. Memo: Net Income after Allocation to Non-controlling Interests	26.1	22.8	0.31	25.4	0.36	22.5	0.33	21.6	0.31			
42. Memo: Common Dividends Relating to the Period	6.5	5.7	0.08	5.6	0.08	3.3	0.05	3.0	0.04			
43. Memo: Preferred Dividends and Interest on Hybrid Capital Accounted for as Equity Related to the Period	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			

Exchange rate

USD1 = EUR0.873057

USD1 = EUR0.83382

USD1 = EUR0.9487

USD1 = EUR0.9185

Eurocaja Rural, Sociedad Cooperativa De Credito
Balance Sheet

	31 Dec 2018			31 Dec 2017			31 Dec 2016			31 Dec 2015		
	Year End USDm	Year End 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	2,657.4	2,320.1	29.87	2,180.1	29.59	2,002.9	28.23	1,950.1	26.53			
2. Other Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
3. Other Consumer/ Retail Loans	211.2	184.4	2.37	158.9	2.16	207.0	2.92	231.2	3.14			
4. Corporate & Commercial Loans	971.3	848.0	10.92	989.2	13.43	659.2	9.29	801.9	10.91			
5. Other Loans	287.6	251.1	3.23	246.7	3.35	310.6	4.38	8.2	0.11			
6. Less: Loan Loss Allowances	132.2	115.4	1.49	103.8	1.41	101.7	1.43	104.0	1.41			
7. Net Loans	3,995.4	3,488.2	44.91	3,471.1	47.12	3,078.0	43.39	2,887.4	39.28			
8. Gross Loans	4,127.6	3,603.6	46.40	3,574.9	48.53	3,179.7	44.82	2,991.4	40.69			
9. Memo: Impaired Loans included above	106.3	92.8	1.19	94.8	1.29	100.9	1.42	94.8	1.29			
10. Memo: Specific Loan Loss Allowances	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
B. Other Earning Assets												
1. Loans and Advances to Banks	155.5	135.8	1.75	517.1	7.02	416.4	5.87	1,328.5	18.07			
2. Reverse Repos and Securities Borrowing	1,497.5	1,307.4	16.83	18.6	0.25	19.2	0.27	19.3	0.26			
3. Derivatives	1.7	1.5	0.02	0.4	0.01	0.5	0.01	0.3	0.00			
4. Trading Securities and at FV through Income	134.1	117.1	1.51	55.3	0.75	54.5	0.77	52.5	0.71			
5. Securities at FV through OCI / Available for Sale	1,345.6	1,174.8	15.13	1,912.3	25.96	2,182.7	30.77	2,291.2	31.17			
6. Securities at Amortised Cost / Held to Maturity	1,398.4	1,220.9	15.72	1,082.1	14.69	1,056.3	14.89	479.4	6.52			
7. Other Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
8. Total Securities	2,978.2	2,512.8	32.35	3,049.7	41.40	3,293.5	46.43	2,823.1	38.40			
9. Memo: Government Securities included Above	1,619.3	1,413.7	18.20	2,065.8	28.04	2,255.3	31.79	1,685.9	22.93			
10. Memo: Total Securities Pledged	924.0	806.7	10.39	0.0	0.00	0.0	0.00	0.0	0.00			
11. Equity Investments in Associates	0.0	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-			
12. Investments in Property	8.2	7.2	0.09	n.a.	-	n.a.	-	n.a.	-			
13. Insurance Assets	0.0	0.0	0.00	n.a.	-	n.a.	-	n.a.	-			
14. Other Earning Assets	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00			
15. Total Earning Assets	8,536.6	7,452.9	95.96	7,056.9	95.79	6,807.6	95.97	7,058.6	96.01			
C. Non-Earning Assets												
1. Cash and Due From Banks	219.7	191.8	2.47	195.3	2.65	169.9	2.40	164.1	2.23			
2. Memo: Mandatory Reserves included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
3. Foreclosed Assets	21.3	18.6	0.24	22.3	0.30	24.8	0.35	27.3	0.37			
4. Fixed Assets	56.9	49.7	0.64	46.1	0.63	44.3	0.62	43.5	0.59			
5. Goodwill	0.0	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-			
6. Other Intangibles	0.5	0.4	0.01	0.5	0.01	0.6	0.01	0.8	0.01			
7. Current Tax Assets	4.1	3.6	0.05	3.6	0.05	0.9	0.01	4.2	0.06			
8. Deferred Tax Assets	37.6	32.8	0.42	31.1	0.42	32.2	0.45	31.7	0.43			
9. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
10. Other Assets	19.4	16.9	0.22	11.1	0.15	13.5	0.19	21.5	0.29			
11. Total Assets	8,896.0	7,766.7	100.00	7,366.9	100.00	7,093.8	100.00	7,351.7	100.00			
Liabilities and Equity												
D. Interest-Bearing Liabilities												
1. Total Customer Deposits	5,610.9	4,898.6	63.07	4,683.4	63.57	4,456.6	62.82	4,358.8	59.29			
2. Deposits from Banks	128.3	112.0	1.44	111.0	1.51	123.0	1.73	123.7	1.68			
3. Repos and Securities Lending	1,121.1	978.8	12.60	819.7	11.13	767.7	10.82	852.0	11.59			
4. Commercial Paper and Short-term Borrowings	0.0	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-			
5. Customer Deposits and Short-term Funding	6,860.3	5,989.4	77.12	5,614.1	76.21	5,347.3	75.38	5,334.5	72.56			
6. Senior Unsecured Debt	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00			
7. Subordinated Borrowing	0.0	0.0	0.00	0.0	0.00	n.a.	-	n.a.	-			
8. Covered Bonds	1,146.7	1,001.1	12.89	1,000.4	13.58	999.7	14.09	498.1	6.78			
9. Other Long-term Funding	249.5	217.8	2.80	220.0	2.99	220.0	3.10	1,055.0	14.35			
10. Total LT Funding	1,396.1	1,218.9	15.69	1,220.4	16.57	1,219.7	17.19	1,553.1	21.13			
11. Memo: o/w matures in less than 1 year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
12. Trading Liabilities	0.0	0.0	0.00	0.0	0.00	0.0	0.00	n.a.	-			
13. Total Funding	8,256.4	7,208.3	92.81	6,834.5	92.77	6,567.0	92.57	6,887.6	93.69			
14. Derivatives	18.2	15.9	0.20	5.9	0.08	5.4	0.08	n.a.	-			
15. Total Funding and Derivatives	8,274.6	7,224.2	93.02	6,840.4	92.85	6,572.4	92.65	6,887.6	93.69			
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	2.4	2.1	0.03	2.2	0.03	0.8	0.01	1.7	0.02			
3. Reserves for Pensions and Other	18.2	15.9	0.20	13.2	0.18	14.9	0.21	5.1	0.07			
4. Current Tax Liabilities	2.3	2.0	0.03	1.5	0.02	2.0	0.03	1.8	0.02			
5. Deferred Tax Liabilities	11.9	10.4	0.13	14.7	0.20	18.8	0.27	21.0	0.29			
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	0.0	0.0	0.00	n.a.	-	n.a.	-	n.a.	-			
9. Other Liabilities	71.2	62.2	0.80	51.0	0.69	51.2	0.72	52.0	0.71			
10. Total Liabilities	8,380.7	7,316.8	94.21	6,923.0	93.97	6,660.1	93.89	6,969.2	94.80			
F. Hybrid Capital												
1. Pref. Shares and Hybrid Capital accounted for as Debt	n.a.	n.a.	-	n.a.	-	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	493.1	430.5	5.54	414.2	5.62	391.9	5.52	332.0	4.52			
2. Non-controlling Interest	0.0	0.0	0.00	0.0	0.00	0.0	0.00	2.2	0.03			
3. Securities Revaluation Reserves	21.0	18.3	0.24	29.4	0.40	41.4	0.58	48.0	0.65			
4. Foreign Exchange Revaluation Reserves	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00			
5. Fixed Asset Revaluations and Other Accumulated OCI	1.3	1.1	0.01	0.3	0.00	0.4	0.01	0.3	0.00			
6. Total Equity	515.3	449.9	5.79	443.9	6.03	433.7	6.11	382.5	5.20			
7. Memo: Equity plus Pref. Shares and Hybrid Capital accounted for as E	515.3	449.9	5.79	443.9	6.03	433.7	6.11	382.5	5.20			
8. Total Liabilities and Equity	8,896.0	7,766.7	100.00	7,366.9	100.00	7,093.8	100.00	7,351.7	100.00			
9. Memo: Fitch Core Capital	514.9	449.5	5.79	443.4	6.02	433.1	6.11	373.8	5.08			

Exchange rate

USD1 = EUR0.873057

USD1 = EUR0.83382

USD1 = EUR0.9487

USD1 = EUR0.9185

Eurocaja Rural, Sociedad Cooperativa De Credito Summary Analytics

	31 Dec 2018	31 Dec 2017	31 Dec 2016	31 Dec 2015
	Year End	Year End	Year End	Year End
A. Interest Ratios				
1. Interest Income/ Average Earning Assets	1.40	1.48	1.65	1.90
2. Interest Income on Loans/ Average Gross Loans	1.58	1.70	2.17	2.54
3. Interest Expense on Customer Deposits/ Average Customer Deposits	0.07	0.12	0.40	0.75
4. Interest Expense/ Average Interest-bearing Liabilities	0.21	0.25	0.44	0.59
5. Net Interest Income/ Average Earning Assets	1.19	1.24	1.22	1.33
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	0.96	1.11	1.15	1.22
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Assets	1.19	1.24	1.22	1.33
B. Other Operating Profitability Ratios				
1. Operating Profit/ Risk Weighted Assets	1.35	1.73	1.81	1.57
2. Non-Interest Expense/ Gross Revenues	58.57	56.84	58.66	59.68
3. Loans and securities impairment charges/ Pre-impairment Op. Profit	31.57	17.82	9.45	15.07
4. Operating Profit/ Average Total Assets	0.46	0.59	0.60	0.58
5. Non-Interest Income/ Gross Revenues	30.71	29.07	27.33	23.68
6. Non-Interest Expense/ Average Total Assets	0.95	0.95	0.95	1.01
7. Pre-impairment Op. Profit/ Average Equity	11.42	12.01	12.04	12.03
8. Pre-impairment Op. Profit/ Average Total Assets	0.67	0.72	0.67	0.68
9. Operating Profit/ Average Equity	7.81	9.87	10.91	10.22
C. Other Profitability Ratios				
1. Net Income/ Average Total Equity	5.11	5.72	5.56	5.68
2. Net Income/ Average Total Assets	0.30	0.34	0.31	0.32
3. Fitch Comprehensive Income/ Average Total Equity	2.75	3.00	3.96	0.53
4. Fitch Comprehensive Income/ Average Total Assets	0.16	0.18	0.22	0.03
5. Taxes/ Pre-tax Profit	12.98	13.61	15.41	15.95
6. Net Income/ Risk Weighted Assets	0.88	1.01	0.92	0.87
D. Capitalization				
1. FCC/ FCC-Adjusted Risk Weighted Assets	17.38	17.56	17.74	15.07
2. Tangible Common Equity/ Tangible Assets	5.79	6.02	6.11	5.09
3. Equity/ Total Assets	5.79	6.03	6.11	5.20
4. Basel Leverage Ratio	5.60	5.61	n.a.	n.a.
5. Common Equity Tier 1 Capital Ratio	17.05	17.01	15.95	13.58
6. Fully Loaded Common Equity Tier 1 Capital Ratio	17.05	17.24	n.a.	n.a.
7. Tier 1 Capital Ratio	17.05	17.01	15.95	13.58
8. Total Capital Ratio	17.05	18.03	16.92	14.58
9. Impaired Loans less Loan Loss Allowances/ Fitch Core Capital	(5.03)	(2.03)	(0.18)	(2.46)
10. Impaired Loans less Loan Loss Allowances/ Equity	(5.02)	(2.03)	(0.18)	(2.41)
11. Cash Dividends Paid & Declared/ Net Income	25.00	22.05	14.67	13.89
12. Risk Weighted Assets/ Total Assets	33.30	34.27	34.42	33.73
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	2.58	2.65	3.17	3.17
2. Growth of Gross Loans	0.80	12.43	6.29	3.49
3. Loan Loss Allowances/ Impaired Loans	124.35	109.49	100.79	109.70
4. Loan Impairment Charges/ Average Gross Loans	0.44	0.26	0.16	0.24
5. Growth of Total Assets	5.43	3.85	(3.51)	10.24
6. Loan Loss Allowances/ Gross Loans	3.20	2.90	3.20	3.48
7. Net Charge-offs/ Average Gross Loans	0.13	n.a.	n.a.	0.23
8. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	3.08	3.26	3.92	4.04
F. Funding and Liquidity				
1. Loans/ Customer Deposits	73.56	76.33	71.35	68.63
2. Liquidity Coverage Ratio	1,050.20	821.30	1,132.90	1,053.20
3. Customer Deposits/ Total Funding (including Pref. Shares & Hybrids)	67.96	68.53	67.86	63.28
4. Interbank Assets/ Interbank Liabilities	121.25	465.86	338.54	1,073.97
5. Net Stable Funding Ratio	n.a.	n.a.	n.a.	n.a.
6. Growth of Total Customer Deposits	4.59	5.09	2.24	10.80

Eurocaja Rural, Sociedad Cooperativa De Credito
Reference Data

	31 Dec 2018			31 Dec 2017			31 Dec 2016			31 Dec 2015		
	Year End USDm	Year End EURm	As % of Assets	Year End 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 Securitizated Assets Reported Off-Balance Sheet	n.a.	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.	-	n.a.	-	
3. Guarantees	23.5	20.5	0.26	93.7	1.27	97.2	1.37	102.4	1.39	102.4	1.39	
4. Acceptances and documentary credits reported off-balance sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
5. Committed Credit Lines	438.7	383.0	4.93	386.5	5.25	348.8	4.92	342.5	4.66	342.5	4.66	
6. Other Contingent Liabilities	9.0	7.9	0.10	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
7. Other Off-Balance Sheet items	121.0	105.6	1.36	132.9	1.80	221.5	3.12	285.5	3.88	285.5	3.88	
8. Total Assets under Management	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
B. Average Balance Sheet												
1. Average Loans	4,322.2	3,773.5	48.59	3,574.9	48.53	3,102.7	43.74	2,954.5	40.19	2,954.5	40.19	
2. Average Earning Assets	8,203.7	7,162.3	92.22	7,056.9	95.79	7,016.2	98.91	6,528.8	88.81	6,528.8	88.81	
3. Average Total Assets	8,713.3	7,607.2	97.95	7,366.9	100.00	7,306.0	102.99	6,744.2	91.74	6,744.2	91.74	
4. Average Managed Securitizated Assets (OBS)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
5. Average Interest-Bearing Liabilities	8,096.8	7,069.0	91.02	6,840.4	92.85	6,810.8	96.01	6,270.6	85.29	6,270.6	85.29	
6. Average Common equity	482.6	421.3	5.42	414.2	5.62	354.9	5.00	319.2	4.34	319.2	4.34	
7. Average Equity	511.5	446.6	5.75	443.9	6.03	404.4	5.70	380.6	5.18	380.6	5.18	
8. Average Customer Deposits	5,818.9	5,080.2	65.41	4,683.4	63.57	4,397.4	61.99	4,030.0	54.82	4,030.0	54.82	
C. Maturities												
Asset Maturities:												
Loans & Advances < 3 months	223.6	195.2	2.51	385.2	5.23	166.3	2.34	154.3	2.10	154.3	2.10	
Loans & Advances 3 - 12 Months	413.1	360.7	4.64	330.0	4.48	337.8	4.76	291.0	3.96	291.0	3.96	
Loans and Advances 1 - 5 Years	1,152.5	1,006.2	12.96	959.2	13.02	899.5	12.68	811.8	11.04	811.8	11.04	
Loans & Advances > 5 years	3,174.8	2,771.8	35.69	1,796.7	24.39	1,674.4	23.60	1,630.3	22.18	1,630.3	22.18	
Debt Securities < 3 Months	n.a.	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.	-	n.a.	-	
Debt Securities 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Debt Securities > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Loans & Advances to Banks < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Loans & Advances to Banks 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Loans & Advances to Banks 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Loans & Advances to Banks > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Liability Maturities:												
Retail Deposits < 3 months	576.6	503.4	6.48	1,150.1	15.61	2,906.8	40.98	2,815.2	38.29	2,815.2	38.29	
Retail Deposits 3 - 12 Months	1,907.6	1,665.4	21.44	1,749.9	23.75	1,475.2	20.80	2,080.6	28.30	2,080.6	28.30	
Retail Deposits 1 - 5 Years	848.9	741.1	9.54	590.8	8.02	74.6	1.05	73.2	1.00	73.2	1.00	
Retail Deposits > 5 Years	2,277.9	1,988.7	25.61	1,192.6	16.19	0.0	0.00	1.6	0.02	1.6	0.02	
Other Deposits < 3 Months	n.a.	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.	-	n.a.	-	
Other Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Other Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Deposits from Banks < 3 Months	125.5	109.6	1.41	107.5	1.46	885.9	12.49	1,411.7	19.20	1,411.7	19.20	
Deposits from Banks 3 - 12 Months	0.0	0.0	0.00	220.2	2.99	0.0	0.00	0.0	0.00	0.0	0.00	
Deposits from Banks 1 - 5 Years	252.2	220.2	2.84	3.3	0.04	201.3	2.84	0.0	0.00	0.0	0.00	
Deposits from Banks > 5 Years	0.0	0.0	0.00	0.0	0.00	4.5	0.06	7.2	0.10	7.2	0.10	
Senior Debt Maturing < 3 months	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	
Senior Debt Maturing 3-12 Months	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	
Senior Debt Maturing 1-5 Years	572.7	500.0	6.44	500.0	6.79	500.0	7.05	0.0	0.00	0.0	0.00	
Senior Debt Maturing > 5 Years	574.0	501.1	6.45	500.4	6.79	499.7	7.04	498.1	6.78	498.1	6.78	
Total Senior Debt on Balance Sheet	1,146.7	1,001.1	12.89	1,000.4	13.58	999.7	14.09	498.1	6.78	498.1	6.78	
Fair Value Portion of Senior Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Subordinated Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Subordinated Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Subordinated Debt Maturing 1-5 Year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Subordinated Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Total Subordinated Debt on Balance Sheet	0.0	0.0	0.00	0.0	0.00	n.a.	-	n.a.	-	n.a.	-	
Fair Value Portion of Subordinated Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
D. Risk Weighted Assets												
1. Risk Weighted Assets	2,962.0	2,586.0	33.30	2,524.7	34.27	2,441.4	34.42	2,479.8	33.73	2,479.8	33.73	
2. Fitch Core Capital Adjustments for Insurance and Securitisation Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
3. Fitch Core Capital Adjusted Risk Weighted Assets	2,962.0	2,586.0	33.30	2,524.7	34.27	2,441.4	34.42	2,479.8	33.73	2,479.8	33.73	
4. Other Fitch Adjustments to Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
5. Fitch Adjusted Risk Weighted Assets	2,962.0	2,586.0	33.30	2,524.7	34.27	2,441.4	34.42	2,479.8	33.73	2,479.8	33.73	
E. Fitch Core Capital Reconciliation												
1. Total Equity as reported (including non-controlling interests)	515.3	449.9	5.79	443.9	6.03	433.7	6.11	382.5	5.20	382.5	5.20	
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	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	0.0	0.00	
4. Goodwill	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	
5. Other intangibles	0.5	0.4	0.01	0.5	0.01	0.6	0.01	0.8	0.01	0.8	0.01	
6. Deferred tax assets deduction	0.0	0.0	0.00	0.0	0.00	0.0	0.00	7.9	0.11	7.9	0.11	
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	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	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	0.0	0.00	
10. Fitch Core Capital	514.9	449.5	5.79	443.4	6.02	433.1	6.11	373.8	5.08	373.8	5.08	

Exchange Rate

USD1 = EURO.873057

USD1 = EURO.83382

USD1 = EURO.9487

USD1 = EURO.9185

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