FITCH DOWNGRADES SEKERBANK AND ANADOLUBANK; AFFIRMS 6 SMALL TURKISH BANKS

Fitch Ratings-London-09 February 2017: Fitch Ratings has downgraded the Long-Term Issuer Default Ratings (IDRs) of Anadolubank A.S. to 'BB'- from 'BB' and of Sekerbank A.S. to 'B+' from 'BB-'.

At the same time, Fitch has affirmed the Long-Term IDRs of domestically-owned Fibabanka .A.S. (Fiba) and of five foreign-owned banks, Alternatifbank A.S. (ABank), BankPozitif Kredi ve Kalkinma Bankasi A.S. (BankPozitif), ICBC Turkey Bank A.S. (ICBC Turkey), Turkland Bank A.S (T-Bank) and Burgan Bank A.S. (Burgan). The Outlook on all banks' Long-Term ratings are Stable, except for T-Bank which is Negative.

A full list of rating actions is at the end of this commentary.

KEY RATING DRIVERS
IDRS, NATIONAL RATINGS AND SUPPORT RATINGS OF FOREIGN-OWNED BANKS
Institutional support drives the IDRs, National Ratings and Support Ratings of ABank (100% owned by The Commercial Bank (Q.S.C.), CBQ, A+/Stable) and its leasing subsidiary Alternatif Finansal Kiralama (ALease) (100% owned by ABank), BankPozitif (69.8% controlled by Bank Hapoalim, A/Stable), T-Bank (50% owned by Arab Bank Group, BBB-/Negative), ICBC Turkey (92.8% owned by Industrial and Commercial Bank of China, ICBC, A/Stable) and Burgan Bank A.S. (99% owned by Burgan Bank Kuwait, BBK, A+/Stable).

In the case of ABank, Burgan and ICBC Turkey, whose Support Ratings have been affirmed at '2', this high probability of support is based on Fitch's belief that the banks constitute strategically important subsidiaries for their parents. It also considers their majority ownership, integration, roles within their respective groups, and common branding (Burgan and ICBC Turkey). Nevertheless, the banks' Long-Term Foreign Currency (FC) IDRs are constrained by Turkey's 'BBB-' Country Ceiling. As a result their FC IDRs, along with that of ALease, have been downgraded following Fitch's recent downgrade of the sovereign rating and downwards revision of the Country Ceiling (see 'Fitch Downgrades Turkey's LTFC IDR to 'BB+'; Outlook Stable' dated 27 January 2017 at www.fitchratings.com). The Country Ceiling reflects transfer and convertibility risks and limits the extent to which support from foreign shareholders can be factored into the banks' Long-Term FC IDRs.

Furthermore, CBQ's ability to provide support to ABank could be constrained by Qatari regulatory limits in respect of the amount of support banks can extend to their foreign subsidiaries.

BankPozitif's IDRs are constrained by the Country Ceiling. However, unlike ABank, Burgan and ICBC Turkey, Fitch views BankPozitif to be of limited importance to its parent considering its narrow franchise and lack of strategic fit. Furthermore, Fitch could revise its support assumptions should the sale of BankPozitif become more likely and depending on the ability and propensity of any potential new shareholder to provide support. Nevertheless, a high level of integration and the bank's small size compared to parent contribute positively to our assessment of support and we have affirmed the bank's Support Rating at '2'.

T-Bank's 'BB' support-driven IDRs are notched twice from its parent Arab Bank Plc ('BBB-'/Negative) and its Support Rating has been affirmed at '3'. The Negative Outlook on the bank's IDRs mirrors that on its parent. Fitch's view of support is based on Arab Bank Group's only

50% ownership, which could limit the probability of support. It also reflects T-Bank's non-core jurisdiction relative to its parent's other strategically important subsidiaries and weak performance. Nevertheless, the bank's Support Rating also takes into account T-Bank's small size relative to its parent and the record of timely and sufficient provision of capital and liquidity support from both Arab Bank Plc and its remaining 50% shareholder, Lebanon's BankMed Sal.

IDRS, NATIONAL RATINGS AND SUPPORT RATINGS OF DOMESTICALLY-OWNED BANKS
The IDRs of Anadolubank, Fiba and Sekerbank are driven by their standalone creditworthiness as reflected in their Viability Ratings (VRs). Their '5' Support ratings and 'No Floor' Support Rating Floors reflect Fitch's view that support cannot be relied upon from the Turkish authorities, due to their very small franchises and limited systemic importance, or from shareholders.

VRs OF ALL BANKS
The VRs of all eight banks reflect their small absolute size (combined assets amounted to about 3% of sector assets at end-3Q16) and ensuing limited franchises and lack of competitive advantages. Most offer a mixture of commercial and retail banking services with a historical focus on small and medium-sized companies (SMEs). However, as SMEs have proven among the most sensitive to the weaker operating environment the banks are generally shifting their focus to larger commercial customers, where competition is also increasing.

The banks typically report below-sector-average return on equity (ROE) reflecting a lack of economies of scale, limited pricing power, typically high funding costs - albeit some of the foreign-owned banks benefit from access to cheaper, group funding - and typically fairly high loan impairment charges relative to pre-impairment operating profit (but with some variation among banks). Growth remained fairly muted in 9M16 (with the exception of Fiba and Anadolu) and banks' performance ratios are likely to weaken in 2017 given potential pressures on asset quality and performance in light of slowing GDP growth and higher funding costs.

The banks' asset quality metrics have deteriorated due to the lira depreciation, slower economic growth and loan book seasoning. The average NPL ratio for the banks increased to 4.5% at end-3Q16 (end-2015: 4.2%) while average watch loans increased to 7.7% (end-2015: 5.1%). Fitch expects further asset quality weakening given slowing GDP growth and negative trends in levels of watch list and restructured loans. A high level of FC and FC-indexed lending across the banks (albeit in most cases somewhat lower than at larger lenders) also heightens credit risk, particularly considering the rapid depreciation of the Turkish lira and the fact that borrowers are typically smaller companies, which are likely to be more weakly hedged.

The banks' average Fitch Core Capital (FCC) ratio (end-3Q16: 12.4%) is only adequate for their risk profiles at a time when internal capital generation is likely to weaken. Capital buffers have decreased in recent years as a result of lira depreciation (which inflates FC risk-weighted assets). The lira depreciated by 17% against the US dollar in Q416 alone and will have eroded buffers further. In addition, reported capital ratios at banks that use Fitch to benchmark their risk weightings will reduce due to the increase in the risk weighting on FC Turkish sovereign exposures as a result of Fitch's recent sovereign downgrade.

The banks' funding and liquidity ratios are generally fairly reasonable. The foreign-owned banks benefit from access, to varying degrees, to funding from their respective parents. ICBC Turkey's funding profile has changed significantly since its acquisition in May 2015 as parent funding has increased sharply and made up 48% of total non-equity funding at end-3Q16. This explains the bank's very high loans/deposits ratio. In the case of the domestically owned banks, Anadolubank has some reliance on short-term FC repo funding from international banks (comfortably covered by available FC liquidity), while Sekerbank and Fiba primarily sources longer-term wholesale funding from international development institutions.

The downgrade of Sekerbank's VR to 'b+' from 'bb-'primarily reflects asset quality and capital pressures. Non-performing loans (NPLs, overdue by 90 days) rose to 6% of gross loans at end-3Q16 (5.6% at end-2015), compared with the 3.3% sector average, and group 2 "watch list" loans increased to a high 13.2% of performing loans at end-3Q16 (8.5% at end-2015) above most peers. The NPL generation rate also rose to 3.1% in 9M16 (2015: 2.5%) indicating continued deterioration in underlying asset quality. Sekerbank has tightened its underwriting standards but the impact of this remains to be seen as loans season.

The downgrade also considers the bank's tight capitalisation. Sekerbank reported an FCC / weighted assets ratio of 11.6% at end-3Q16. Its total regulatory capital ratio was only slightly higher at 12.2%, just exceeding the 12% recommended regulatory minimum. Furthermore, unreserved NPLs were equal to a high 25% of its FCC at end-3Q16.

Sekerbank's internal capital generation is also weak and likely to remain under pressure due to limited growth, capital constraints, asset quality weakness and the bank's inherently high cost base. Its large branch network is an integral part of its strong regional franchise but results in a costs/assets ratio far above the sector average. Efforts to raise fresh capital from existing or new shareholders to stimulate growth are ongoing but uncertain.

The downgrade of Anadolubank to 'bb-', notwithstanding the bank's typically stronger financial metrics compared with peers, reflects downside risks to the bank's asset quality and performance as a result of the weaker operating environment and a reassessment of the bank's standalone creditworthiness relative to the largest banks in the sector following the recent sovereign downgrade. The bank's VR takes into account its record of reasonable asset quality, profitability and capitalisation. Its performance (9M16: ROE of 14% versus the sector average of 14.6%) is supported by generally higher margins than peers and solid cost efficiency ratios that are not out of line with those of the largest banks in the sector despite its significantly smaller size.

Fiba's 'bb-' VR reflects the bank's record of reasonable financial metrics and sound execution. It also reflects low credit losses to date, with lending largely weighted towards good quality Turkish corporates and reflecting moderate single-name concentration risk. NPLs amounted to just 2.1% of loans at end-3Q16, below both peer and sector averages (4.5% and 3.3%, respectively).

However, it also takes into account Fiba's above-sector-average loan growth in 2015 and 2016, which could result in a rise in impairments as loans season. In light of the bank's growth appetite, the depreciation of the Turkish lira and the bank's only modest internal capital generation, the FCC ratio of 10.8% at end-3Q16 seems fairly tight. However, the bank's capital buffer is supported by subordinated debt from its parent as a result of which its total capital ratio (end-9M16: 14.5%) far exceeds the regulatory minimum.

ICBC Turkey's 'b+' VR also reflects its weak performance - partly reflecting investments in the development of its franchise - and rapid growth up until 2015 (albeit from a very low base), which could result in asset quality problems as loans season. Furthermore, its growth strategy is focused on long-term FC lending (end-9M16: equal to 56% of gross loans), which gives rise to significant potential credit risks, in Fitch's view,-although the risks are mitigated by a focus on large Turkish corporates. ICBC Turkey's NPL ratio was 3.5% at end-3Q16 (net of a large cash-backed loan transferred from within the ICBC group), slightly above the sector average, while watch list loans have also risen, as for the sector.

The VR also considers the bank's adequate capitalisation (end-9M16: FCC ratio of 13.7%). A TRY440m capital injection, approved in 4Q16, is earmarked to fund new growth. Fitch also considers the prospects for ICBC Turkey's franchise to have improved given the availability of cheap, long-term funding from its parent.

ABank's 'b+' VR is constrained by its weak core capitalisation - as reflected in its 7.6% FCC ratio at end-3Q16- while also considering potential further lira depreciation, the bank's exceptionally high FC lending (71% of total loans, including FC-indexed loans, at end-2016), large unreserved NPLs (end-3Q16: equal to 23% of FCC) and weak internal capital generation. However, the bank's weaker performance follows a change in strategy, as a result of which lending remained broadly flat in 9M16. Furthermore, underlying cost efficiency is strong with the bank reporting an end-9M16 costs/assets ratio in line with the largest banks in the sector. Its funding costs are also at the lower end compared with peers thanks to access to group funding. Furthermore, ABank plans a USD40m rights issue in 2017, as a result of which the Tier 1 ratio is expected to remain fairly flat year-on-year at end-2017.

Burgan's NPL ratio (end-3Q16: 2.4% of gross loans) compares well with that of peers but recent rapid loan growth (notwithstanding a slower pace in 9M16) means that asset quality problems could increase as loans season, particularly considering the high share of FC loans (64% of total performing loans at end-3Q16). In addition, Fitch considers Burgan's FCC ratio (8.4% at end-3Q16) to be weak for its risk profile and compared to peers, although its total capital ratio, underpinned by subordinated debt from BBK, is comfortably above the regulatory minimum and sector average at 17%. Furthermore, Burgan is budgeting for capital support from its parent in 2017 to fund growth.

T-Bank's 'b+' VR considers significant pressures on the bank's asset quality and performance, with loan impairment charges absorbing a high 85% of pre-impairment profits in 9M16. Its NPL ratio increased to a high 7.6% at end-3Q16 (end-2014: 2.8%) as loans seasoned following rapid loan growth between2011 and 2015. Watch list loans amounted to a further 16% of loans at end-3Q16, the weakest ratio among peers. Balancing this is T-Bank's FCC ratio of 14.1% at end-3Q16, which compares well with peers, although it should be viewed in light of high net NPLs to FCC (24%).

BankPozitif's 'b+' VR reflects its small absolute size, frequent strategy changes and sole reliance on wholesale funding resulting from the absence of a deposit license at the bank. NPL ration increased to 6.3% from 4.2% in 9M16, reflecting the lumpy loan book. FCC was above peers at 18.3%, yet should be viewed in light of high concentrations and low provision coverage (37%). Refinancing risk is mitigated by access to parental funding and committed lines and by the bank's deleveraging plans.

BANK SUBSIDIARY - ALTERNATIF FINANSAL KIRALAMA

Alternatif Finansal Kiralama's ratings are equalised with those of ABank, reflecting its high integration with the parent.

SUBORDINATED DEBT RATING - ABANK

ABank's subordinated debt rating is notched from its FC IDR reflecting Fitch's view that support from the bank's owner would likely extend to subordinated creditors.

RATING SENSITIVITIES

IDRS, NATIONAL RATINGS, DEBT RATINGS, VIABILITY RATINGS

The IDRs, National Ratings, Support Ratings and debt ratings of ABank, Burgan, ICBC Turkey, BankPozitif and T-Bank could be downgraded in case of a marked weakening of the ability or propensity of parent institutions to provide support. With the exception of T-Bank, whose ratings are two notches below the Country Ceiling, the banks' ratings are also sensitive to further changes in the sovereign rating or Country Ceiling.

BankPozitif's Long-term IDRs are also sensitive to changes in the bank's strategic importance to its parent. Significant progress with the bank's potential sale would likely result in BankPozitif's ratings being placed on Rating Watch. The ratings of Alternatif Finansal Kiralama are sensitive to a change in the ability or propensity of Abank to provide support.

The Negative Outlook on T-Bank's ratings reflects that on Arab Bank, and a downgrade of the parent would likely result in a downgrade of the subsidiary. Any other material change in Fitch's view of support available to the bank from its parents would also result in a rating action.

Sekerbank, Fiba and Anadolubank's Long-Term IDRs are sensitive to changes in their VRs. The VRs of all eight banks are sensitive to a further weakening of the operating environment and the potential negative impact of this on their asset quality and performance and the sufficiency of their capital and liquidity buffers.

Upside potential for the banks' VRs is limited in the near term, given current operating environment pressures. A sharp improvement in asset quality and capital at Sekerbank could be positive for the bank's VR, while improvements in the franchises of ICBC Turkey, Fiba and Burgan, without a corresponding sharp increase in their risk appetites or a weakening of their underwriting standards, could result in upside potential for their VRs in the medium term. A track record of successful implementation of new strategy at ABank, together with a strengthening of its core capital ratios, could lead to an upgrade of its VR. Upside potential for Bank Pozitif's VR is limited given its niche franchise and small size.

The rating actions are as follows:

Alternatifbank A.S.
Long-Term FC IDR affirmed at 'BBB-'; Stable Outlook
Long-Term LC IDR affirmed at 'BBB-'; Stable Outlook
Short-Term FC IDR affirmed at 'F3'
Short-Term LC IDR affirmed at 'F3'
Viability Rating affirmed at 'b+'
Support Rating affirmed at '2'
National Long-Term Rating affirmed at 'AAA(tur)' Stable Outlook
USD250m senior notes guaranteed by Commercial Bank of Qatar affirmed at 'A+'
Subordinated debt rating affirmed at 'BB+'

Alternatif Finansal Kiralama A.S.
Long-Term FC IDR affirmed at 'BBB-'; Stable Outlook
Long-Term LC IDR affirmed at 'BBB-'; Stable Outlook
Short-Term FC IDR affirmed at 'F3'
Short-Term LC IDR affirmed at 'F3'
Support Rating affirmed at '2'
National Long-Term Rating affirmed at 'AAA(tur)' Stable Outlook

Anadolubank A.S.
Long-Term FC and LC IDRs downgraded to 'BB-' from 'BB'; Stable Outlook
Short-Term FC and LC IDRs affirmed at 'B'
Viability Rating downgraded to 'bb-' from 'bb'
Support Rating affirmed at '5'
Support Rating Floor affirmed at 'No Floor'
National Long-Term Rating affirmed at 'AA-(tur)' ; Stable Outlook

BankPozitif Kredi ve Kalkinma Bankasi A.S.
Long-Term FC and LC IDRs: affirmed at 'BBB-'; Stable Outlook
Short-Term FC and LC IDRs affirmed at 'F3'
Viability Rating affirmed at 'b+'

Support Rating affirmed at '2'
National Long-Term Rating affirmed at 'AA+(tur)' ; Stable Outlook
Senior unsecured debt: affirmed at 'BBB-'

Sekerbank T.A.S.
Long-Term FC and LC IDRs downgraded to 'B+' from 'BB-'; Outlook Stable
Short-Term FC and LC IDRs affirmed at 'B'
Viability Rating downgraded to'b+' from 'bb-'
Support Rating affirmed at '5'
Support Rating Floor affirmed at 'No Floor'
National Long-Term Rating downgraded to 'A(tur) from 'A+(tur)'; Outlook Stable

ICBC Turkey A.S.
Long-Term FC IDR affirmed at 'BBB-'; Stable Outlook
Long-Term LC IDR affirmed at 'BBB-'; Stable Outlook
Short-Term FC and LC IDRs affirmed at 'F3'
Viability Rating affirmed at 'b+'
Support Rating affirmed at '2'
National Long-Term Rating affirmed at 'AAA(tur)' Stable Outlook

Turkland Bank A.S.
Long-Term FC and LC IDRs affirmed at 'BB'; Negative Outlook
Short-Term FC and LC IDRs affirmed at 'B'
Viability Rating affirmed at 'b+'
Support Rating affirmed at '3'
National Long-Term Rating affirmed at 'AA-(tur)'; Negative Outlook

Fibabanka A.S.
Long-Term FC IDR: affirmed at 'BB-'; Outlook Stable
Long-Term LC IDR: affirmed at 'BB-'; Outlook Stable
Short-Term FC and LC IDRs affirmed at 'B'
Viability Rating: affirmed at 'bb-'
Support Rating: affirmed at '5'
Support Rating Floor: affirmed at 'No Floor'
National Long-Term Rating: affirmed at 'A+(tur)'; Outlook Stable

Burgan Bank A.S.
Long-Term FC IDR affirmed at 'BBB-'; Stable Outlook
Long-Term LC IDR affirmed at 'BBB-'; Stable Outlook
Short-Term FC IDR affirmed at 'F3'
Short-Term LC IDR affirmed at 'F3'
Viability Rating affirmed at 'b+'
Support Rating affirmed at '2'
National Long-Term Rating affirmed at 'AAA(tur)' Stable Outlook

Contact:
Primary Analyst
Lindsey Liddell (ABank, Anadolubank, Sekerbank, Alternatif Finansal Kiralama, Burgan)
Director
+44 20 3530 1008
Fitch Ratings Limited
30 North Colonnade
London E14 5GN

Aslan Tavitov (Fiba, ICBC Turkey, BankPozitif, T-Bank)
Director
+44 20 3530 1788

Secondary Analyst
Ahmet Kilinc (ABank, Anadolubank, Sekerbank, Alternatif Finansal Kiralama, Burgan)
Analyst
+44 20 3530 1272

Huseyin Sevinc (Fiba, ICBC Turkey, BankPozitif, T-Bank)
Analyst
+44 20 3530 1027

Committee Chairperson
Christian Kuendig
Senior Director
+44 20 3530 1399

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

Additional information is available on www.fitchratings.com

Applicable Criteria
Global Bank Rating Criteria (pub. 25 Nov 2016)
https://www.fitchratings.com/site/re/891051
Global Non-Bank Financial Institutions Rating Criteria (pub. 15 Jul 2016)
https://www.fitchratings.com/site/re/884128

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. 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 © 2017 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