S&P Global Ratings

RatingsDirect®

Abu Dhabi Commercial Bank PJSC

Primary Credit Analyst:
Benjamin J Young, Dubai (971) 4-372-7191; benjamin.young@spglobal.com

Secondary Contact:
Mohamed Damak, Dubai (971) 4-372-7153; mohamed.damak@spglobal.com

Table Of Contents

Abu Dhabi Commercial Bank PJSC

SACP	bbb+	+	Support	+2	+	Additional Factors	0

Anchor	bbb-	
Business Position	Strong	+1
Capital and Earnings	Strong	+1
Risk Position	Adequate	0
Funding	Average	0
Liquidity	Adequate	

ALAC Support	0
GRE Support	+2
Group Support	0
Sovereign Support	0

Issuer Credit Rating
A/Stable/A-1

Major Rating Factors

Strengths:	Weaknesses:
• Strong business position with a good track record of earnings generation. • Majority ownership by, and privileged relationship with, the government of Abu Dhabi. • Strong capitalization.	• High concentration risks on both sides of the balance sheet. • Sizable lending exposure in real estate and hospitality.

Outlook: Stable

The stable outlook reflects S&P Global Ratings' expectation that Abu Dhabi Commercial Bank PJSC's (ADCB's) business and financial profiles will remain largely resilient over the next two years.

A positive rating action over the next 12-24 months is unlikely. However, we could raise our ratings on ADCB if it unexpectedly strengthened its capital position, with our risk-adjusted capital (RAC) ratio sustainably exceeding 15%. This could result from a lower-than-expected dividend payout ratio.

We believe a downgrade of ADCB is also unlikely in the next 24 months because it would require a simultaneous downgrade of Abu Dhabi (AA/Stable/A-1+) and a weakening of the bank's intrinsic creditworthiness. The latter could happen if we saw a sharp drop in the bank's capitalization, with our RAC ratio falling below 10%, or a marked deterioration in asset-quality metrics. This could follow higher-than-expected losses in real estate and hospitality exposures, or an unexpected change in the bank's risk appetite. Although not in our base-case scenario, the ratings could also come under pressure if ADCB doesn't execute the post-merger integration of Union National Bank (UNB) and Al Hilal Bank (AHB) as we currently expect, leading to a negative effect on the bank's franchise or financial profile.

Rationale

Our ratings on ADCB reflect the bank's well-established franchise, stable management, and its predictable and balanced earnings generation across different business segments. ADCB's merger with UNB and AHB is progressing ahead of schedule and with very little sign of customer attrition and no reported operational issues. We expect this merger will further strengthen ADCB's already strong franchise in the United Arab Emirates (UAE), particularly in the retail and Islamic banking segments. That said, the merger has weakened ADCB's asset quality--from a nonperforming loan (NPL) ratio of 3.1% at March 31, 2019, to about 4% post consolidation of the two banks. Although the bank has reduced its exposure to the real estate and hospitality sectors, these sectors remain a notable concentration. We expect that the real estate market in the UAE will further deteriorate over 2020, leading to some upside pressure on NPLs before stabilizing thereafter.

ADCB's profitability compares favorably with that of UNB and AHB. Over the past three years, ADCB's favorable position was supported by its tightly managed cost of funding, superior cost discipline, and contained increase in credit losses. AHB, conversely, has suffered from a substantial increase in credit losses on its small and midsize enterprise exposures and from its cost inefficiencies, resulting in a high cost-to-income ratio. Although UNB's return on assets was largely comparable with that of ADCB, the bank operated with a substantially higher cost of funding due to its higher reliance on time deposits. Over 2019, the combined ADCB has started to repay some time deposits to maintain a relatively stable cost of funding.

We regard ADCB's capitalization as a key positive rating factor, underpinned by strong and high quality capital. We anticipate that ADCB's projected RAC ratio before concentration adjustments will exceed 12% over our two-year outlook horizon.

We view the bank's funding as comparable with the domestic banking average and its liquidity in line with peers'. This reflects the bank's solid base of stable customer deposits, in which the share of government and government-related entities (GREs) is close to 38%. We expect the bank to maintain a healthy and stable portion of liquid assets comprising cash, bank placements, and domestic sovereign bond holdings.

We view ADCB as a GRE. We believe there is a high likelihood that the government of Abu Dhabi would provide timely and sufficient extraordinary support to ADCB in the event of financial distress. Consequently, our long-term rating on the bank incorporates two notches of uplift above its intrinsic creditworthiness. We base our expectations on our assessment of ADCB's very strong link with, and important role for, the government of Abu Dhabi.

Anchor:'bbb-' for banks operating in the UAE

Our anchor for a commercial bank operating in the UAE is 'bbb-', reflecting an economic risk score of '5' and an industry risk score of '5'.

With regard to economic risk, we view the UAE's high income levels and strong fiscal and external positions as key strengths. The exceptional strength of the government's net asset position has counteracted the negative effect of lower oil prices on economic growth since late 2015. With oil prices stabilizing and economic growth improving, we see a degree of stabilization in the financial profiles of UAE banks. The country's real estate market remains in a correction phase, which we expect will continue in 2020 before stabilizing thereafter. Nevertheless, under our base-case scenario, repercussions will remain contained, given improved regulatory oversight and better underwriting standards.

Our assessment of industry risk reflects our view that the institutional framework in the UAE has improved in recent years, and banking regulations are broadly in line with international peers. UAE banks traditionally operate with healthy profitability and capitalization, and we do not expect this trend to change in 2020. In our view, systemwide funding will continue to benefit from a sizable share of government and GRE deposits. These traditionally provide more than 25% of deposits and we believe these, for the most part, are stable deposits. However, we expect total annual deposit growth to remain in the low-single digits over the next two years as infrastructure spending starts to ramp up.

Table 1

Abu Dhabi Commercial Bank PJSC--Key Figures

	--Year-ended Dec. 31--				
(Mil. AED)	**2019***	**2018**	**2017**	**2016**	**2015**
Adjusted assets	402,402	279,812	264,984	258,270	228,248
Customer loans (gross)	256,661	173,153	169,189	164,400	152,426
Adjusted common equity	43,563	27,154	26,373	24,382	22,472
Operating revenue	8,436	9,192	8,905	8,503	8,262
Noninterest expenses	3,233	3,084	2,948	2,796	2,810
Core earnings	3,750	4,840	4,278	4,157	4,944

*Data as of Sept. 30, 2019. AED--United Arab Emirates dirham.

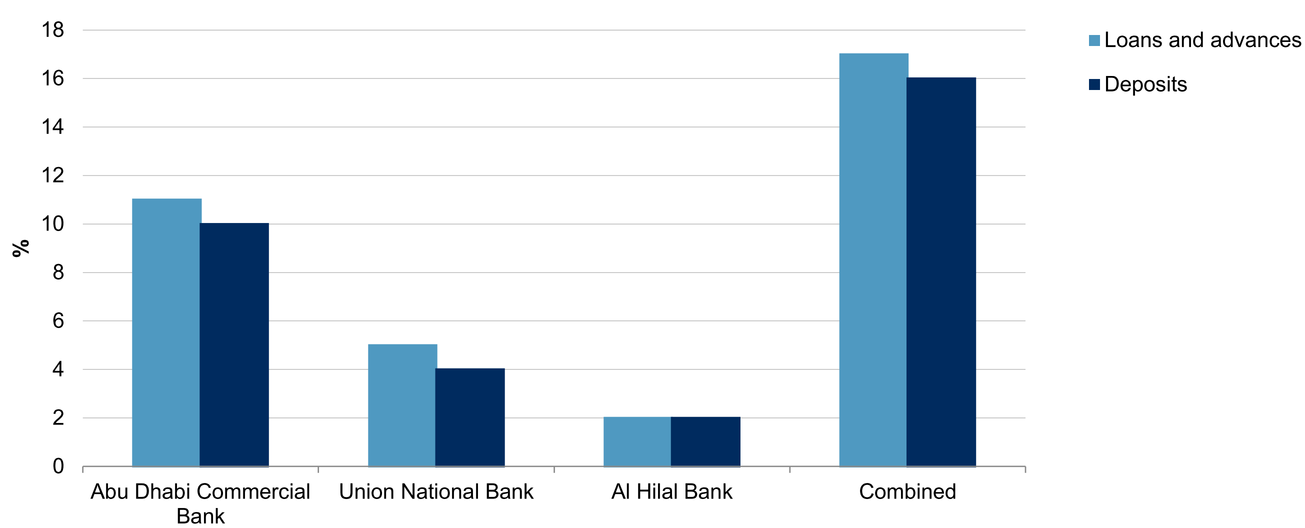
Business position:Faster-than-expected merger, reinforcing its franchise in the UAE

ADCB's merger with AHB and UNB is processing faster than planned, reinforcing its already strong business position in the UAE. We expect the merger to bolster its retail and corporate banking presence in the UAE, having already rebranded its branch network. We also base our assessment on predictable and balanced earnings generation across different business segments. Post-merger, ADCB is the third-largest bank in the UAE, with pro forma total assets of about UAE dirham (AED) 407 billion ($111 billion at Sept. 30, 2019), and a market share of about 16% of total loans. The 4% drop in total assets over 2019 (from AED423 billion) relates to a number of factors that we do not view as detrimental to ADCB's franchise. These include de-risking of retail loans, some large repayments by GREs and fair value adjustments on the merged banks. Weak economic growth has limited demand for new credit outside of the public sector over 2019 and ADCB has not increased its risk appetite.

ADCB has one of the strongest franchises in the UAE with a solid presence in both retail and wholesale banking. As such, we expect the bank's performance will generally be in line with prevailing economic conditions. Its privileged relationship with the government of Abu Dhabi will likely result in stable lending opportunities to public sector entities, offsetting the slightly improving but still weak private sector demand expected in the UAE over 2020. At June 30, 2019, ADCB accounted for 20% of UAE retail loans and 11% of Islamic loans. The merger structurally widens ADCB's customer base, with UNB's focus on local customers adding to ADCB's experience of serving expatriates. In contrast, AHB was a relatively small player in the UAE's Islamic banking market, which has been an area of focus for ADCB due to rapid growth in recent years. AHB's senior management team has been unstable and the bank has suffered from a lack of clear strategy and risk appetite. It has ample room for improvement in operational efficiency, asset quality, and business strategy.

Chart 1

ADCB's Market Share Has Increased Following The Merger



Copyright © 2019 by Standard & Poor's Financial Services LLC. All rights reserved.

ADCB aims to augment its domestic presence and we expect that some international operations will be unwound. For the combined bank, the vast majority of operating revenue (98% on a pro-forma basis to Sept. 30, 2019) comes from the UAE and we understand that there will be no shift in this strategy. Operating revenue is also focused on net interest income, which will account for about 80% (through Sept. 30, 2019, net interest income and Islamic financing income accounted for 78% of operating income).

Table 2

Abu Dhabi Commercial Bank PJSC--Business Position					
	--Year-ended Dec. 31--				
(%)	**2019***	**2018**	**2017**	**2016**	**2015**
Total revenue from business line (mil. AED)	8,436.2	9,191.5	8,905.2	8,503.3	8,261.8
Commercial banking/total revenue from business line	31.3	32.7	30.7	30.3	30.2
Retail banking/total revenue from business line	42.7	42.7	45.8	46.5	45.4
Commercial & retail banking/total revenue from business line	74.0	75.4	76.6	76.8	75.6
Trading and sales income/total revenue from business line	23.3	22.2	20.0	18.8	20.5
Asset management/total revenue from business line	2.7	2.4	3.4	4.3	3.9
Other revenues/total revenue from business line	N/A	N/A	0.1	0.1	0.0
Investment banking/total revenue from business line	23.3	22.2	20.0	18.8	20.5
Return on average common equity	13.0	16.9	15.6	16.2	20.9

*Data as of Sept. 30, 2019. AED--United Arab Emirates dirham. N/A--Not applicable.

Capital and earnings:Expected to remain strong

We regard ADCB's capital and earnings as strong. This reflects the bank's high level of capital, its strong core earnings generation, and manageable dividend payout policy, which enables it to maintain its capitalization. Through 2019, net interest income contracted by 7% on a pro-forma basis because the bank exited some lucrative retail loans, maintained higher liquid assets in preparation for the merger, and interest rates continued to decline.

On Dec. 31, 2018, the bank's stand-alone RAC ratio reached 12.8% and pro-forma combined RAC ratio 13.6%, thanks to the stronger capitalization of UNB and AHB. We expect the combined entity's RAC to exceed 12% over the next 12-24 months.

Under our base case scenario, we assume:

- Loan growth of 3%-4% in line with a slight recovery in the operating environment and investment plans from Abu Dhabi public sector entities.
- A broadly stable interest margin after a decline in the first nine months of 2019 due to the exit from some lucrative retail loans, maintaining higher liquid assets in preparation for the merger, and declining interest rates.
- An improvement in efficiency, thanks to the gradual realization of merger cost synergies. Absent these synergies, the bank's superior profitability will be diluted.
- A broadly stable cost of risk (75 basis points [bps]), with some continued pressure from the real estate sector over 2020.
- A dividend payout ratio of 50%-60% of net income.

ADCB continues to enjoy a strong and positive earnings buffer (capacity to cover normalized losses through earnings), which we estimate at about 150 bps.

Table 3

Abu Dhabi Commercial Bank PJSC--Capital And Earnings

	--Year-ended Dec. 31--				
(%)	**2019***	**2018**	**2017**	**2016**	**2015**
Tier 1 capital ratio	15.0	15.3	15.9	15.7	16.3
S&P Global Ratings' RAC ratio before diversification	N/A	12.8	N/A	N/A	N/A
S&P Global Ratings' RAC ratio after diversification	N/A	10.2	N/A	N/A	N/A
Adjusted common equity/total adjusted capital	87.9	87.2	86.8	85.9	84.9
Net interest income/operating revenue	77.4	78.5	75.2	72.9	75.1
Fee income/operating revenue	15.9	15.2	16.9	17.3	17.4
Market-sensitive income/operating revenue	4.3	4.6	4.5	6.8	4.3
Noninterest expenses/operating revenue	38.3	33.5	33.1	32.9	34.0
Preprovision operating income/average assets	2.0	2.2	2.3	2.3	2.5
Core earnings/average managed assets	1.5	1.8	1.6	1.7	2.3

*Data as of Sept. 30, 2019. N/A--Not applicable. N.M.--Not meaningful.

Table 4

Abu Dhabi Commercial Bank PJSC--Risk Adjusted Capital Framework Data

(Mil. AED)	Exposure*	Basel III RWA	Average Basel III RW(%)	S&P Global Ratings RWA	Average S&P Global Ratings RW (%)
Credit risk					
Government & central banks	70,239	--	--	1,849	3
Of which regional governments and local authorities	--	--	--	--	--
Institutions and CCPs	58,805	--	--	20,689	35
Corporate	143,501	--	--	139,123	97
Retail	37,703	--	--	30,715	81
Of which mortgage	7,537	--	--	3,531	47
Securitization§	--	--	--	--	--
Other assets†	5,523	--	--	8,415	152
Total credit risk	315,771	--	--	200,791	64
Credit valuation adjustment					
Total credit valuation adjustment	--	--	--	--	--
Market Risk					
Equity in the banking book	607	--	--	5,885	969
Trading book market risk	--	8,396	--	20,073	--
Total market risk	--	8,396	--	25,957	--
Operational risk					
Total operational risk	--	--	--	17,234	--

Table 4

Abu Dhabi Commercial Bank PJSC--Risk Adjusted Capital Framework Data (cont.)

(Mil. AED)	Exposure	Basel III RWA	Average Basel II RW (%)	S&P Global Ratings RWA	% of S&P Global Ratings RWA
Diversification adjustments					
RWA before diversification	--	212,407	--	243,982	100
Total Diversification/ Concentration Adjustments	--	--	--	60,731	25
RWA after diversification	--	212,407	--	304,714	125

(Mil. AED)	Tier 1 capital	Tier 1 ratio (%)	Total adjusted capital	S&P Global Ratings RAC ratio (%)
Capital ratio				
Capital ratio before adjustments	32,470	15.3	31,154	12.8
Capital ratio after adjustments‡	32,470	15.3	31,154	10.2

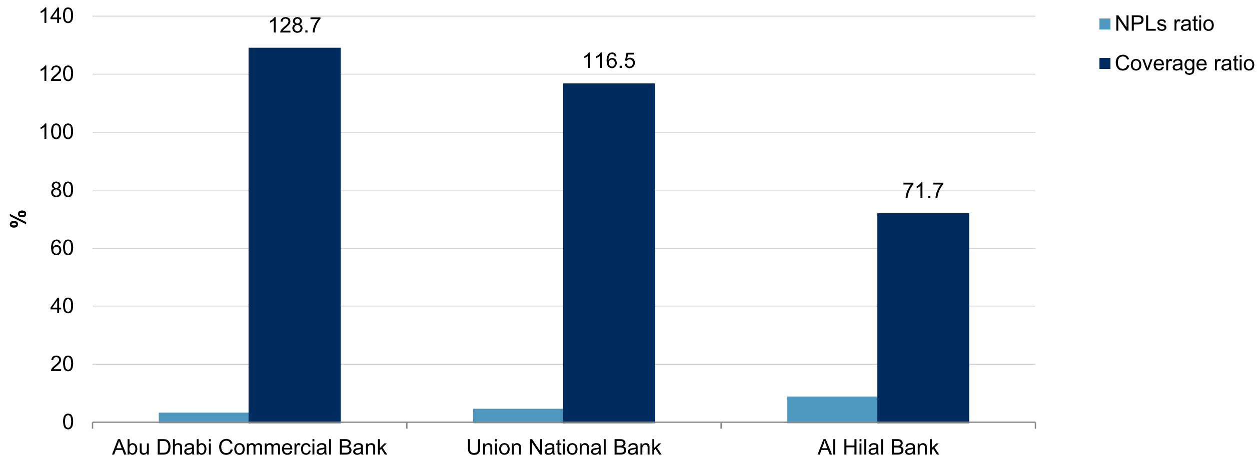
*Exposure at default. §Securitization Exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. AED--United Arab Emirates dirham. Sources: Company data as of 'Dec. 31 2018', S&P Global Ratings.

Risk position:Adequate, although exposed to ongoing weakness in UAE real estate

We assess ADCB's risk position as adequate, which reflects its good asset-quality indicators in a UAE context. We expect the bank's NPL ratio to remain at about 4% in the next 12-24 months. Excluding Purchased Originally Impaired loans, ADCB's NPL ratio stood at 2.4%. We expect coverage ratios to continue to exceed 100% over the same period, albeit lower than the pre-merger level (107% in comparison to 128.7% at year-end 2018 on a stand-alone basis). The bank's asset-quality indicators were somewhat diluted by the merger due to the weaker asset quality of UAB and AHB (see chart 2). However, they are still comparable with peers' in the UAE and the wider Gulf Cooperation Council (GCC; see chart 3). The bank's Stage 2 loans to total loans stood at approximately 9% at Sept. 30, 2019, which is broadly in line with the average for GCC rated banks. The bank's real estate exposure fell to 28% from 38% following the merger.

Chart 2

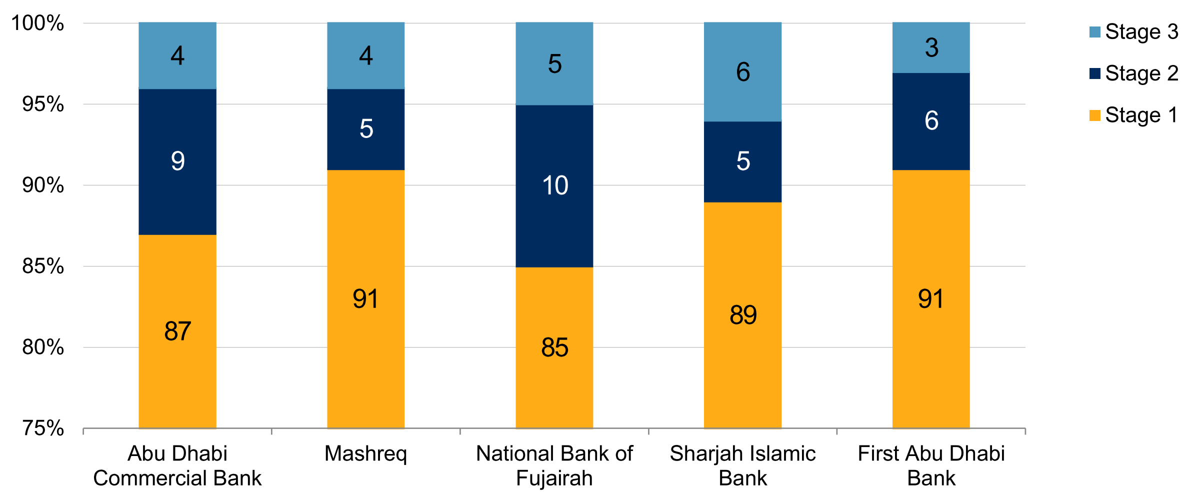
ADCB's Asset Quality Indicators Were Superior To UNB And AHB's At Year-End 2018



NPLs--Nonperforming loans.
Copyright © 2019 by Standard & Poor's Financial Services LLC. All rights reserved.

Chart 3

Post-Merger, ADCB's Asset Quality Is Comparable With Peers'*



*Percentage of total loans as definied under International Financial Reporting Standards 9.
Copyright © 2019 by Standard & Poor's Financial Services LLC. All rights reserved.

A key risk for ADCB stems from the bank's large exposure to the real estate and hospitality segment, which accounted for about one-third of the combined entity's total loans at Sept. 30, 2019. UAE residential real estate prices have continued to decline in 2019 and we expect further downside pressure over 2020 before stabilizing thereafter. However, we note ADCB's conservative lending approach and the relatively low loan-to-value ratios (average 70%) in its portfolio. We expect credit losses to increase slightly in the next 12 months before stabilizing in line with the real estate market and as the private sector slowly benefits from public sector growth initiatives.

Table 5

Abu Dhabi Commercial Bank PJSC--Risk Position

	--Year-ended Dec. 31--				
(%)	**2019***	**2018**	**2017**	**2016**	**2015**
Growth in customer loans	48.2	2.3	2.9	7.9	3.5
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	24.9	N/A	29.9	N/A
Total managed assets/adjusted common equity (x)	9.3	10.3	10.0	10.6	10.2
New loan loss provisions/average customer loans	0.9	0.7	1.0	1.0	0.3
Net charge-offs/average customer loans	0.6	0.8	0.8	1.0	0.4
Gross nonperforming assets/customer loans + other real estate owned	2.5	3.0	2.2	2.8	3.2
Loan loss reserves/gross nonperforming assets	109.5	128.7	160.0	129.2	127.7

*Data as of Sept. 30, 2019. RWA--Risk-weighted assets. N/A--Not applicable.

Funding and liquidity:Diversified funding profile and adequate liquidity

We see the merger as neutral for ADCB's funding and liquidity profile. This reflects the three banks' base of stable customer deposits, with government and related entities accounting for close to 38% of the combined total. We don't expect a major change in the combined entity's maintenance of a stable portion of liquid assets comprising cash, bank placements, and domestic sovereign bond holdings. We also understand that ADCB, through its privileged relationship with the government, could reinforce its liquidity stability by drawing on bilateral lines if needed.

Our assessment of ADCB's funding reflects the bank's solid base of core customer deposits, on the back of its well-established retail branch network. Although overall deposits have declined some 8% over 2019, consumer deposits have increased by 7% (including a 4% increase in current and saving account deposits to 38% of the total), reflecting management's decision to reduce more expensive time deposits. We expect these actions to help maintain margins as operational accounts are cheaper, more loyal, and less vulnerable to interest rate related re-pricing. At Sept. 30, 2019, the combined entity's loan-to-deposit ratio reached about 95%, which is higher than some GCC peers'. We note that because of its access to long-term funding and strong capital, the bank's stable funding ratio reached more than 1.1x. We expect ADCB will continue to enjoy sound access to long-term funding. It is one of the few banks in the region with well-established, long-term funding programs and access to hard currency, overseas funding at strong rates.

We believe ADCB's liquidity will remain adequate over the next two years. Its broad liquid assets to short-term wholesale funding stood at more than 3x over the past three years. The bank has kept 13% of its assets in cash, central bank reserves, or interbank deposits. Furthermore, the bank's large investment portfolio consists primarily of highly rated UAE and GCC bonds (see chart 4).

Table 6

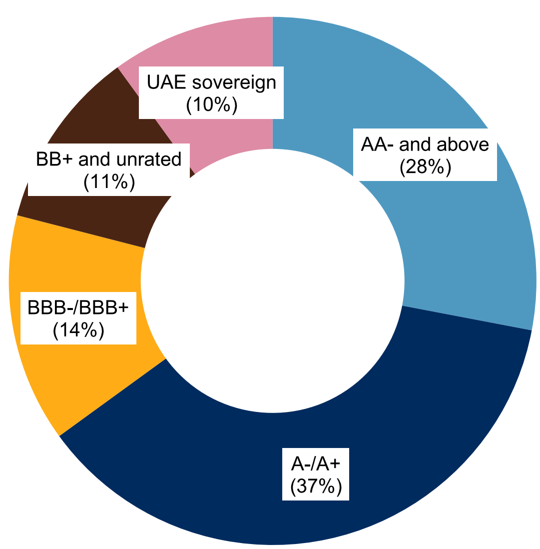
Abu Dhabi Commercial Bank PJSC--Funding And Liquidity

	--Year-ended Dec. 31--				
(%)	**2019***	**2018**	**2017**	**2016**	**2015**
Core deposits/funding base	80.5	78.2	77.0	75.4	77.8
Customer loans (net)/customer deposits	95.0	94.2	100.1	101.9	101.9
Long-term funding ratio	95.7	93.5	93.7	89.7	92.8
Stable funding ratio	120.5	120.7	115.6	110.5	110.3
Short-term wholesale funding/funding base	5.0	7.4	7.3	11.8	8.3
Broad liquid assets/short-term wholesale funding (x)	6.2	4.6	4.3	2.7	3.1
Net broad liquid assets/short-term customer deposits	33.1	35.2	32.5	28.2	23.2
Short-term wholesale funding/total wholesale funding	23.5	31.5	29.2	44.4	34.3
Narrow liquid assets/3-month wholesale funding (x)	9.0	12.5	6.0	5.8	5.5

*Data as of Sept. 30, 2019.

Chart 4

ADCB's Investment Portfolio Consists Mainly Of Highly Rated UAE And GCC Bonds



UAE--United Arab Emirates. GCC--Gulf Cooperation Council.

Copyright © 2019 by Standard & Poor's Financial Services LLC. All rights reserved.

Support:A positive rating factor

The issuer credit rating on ADCB includes two notches of uplift. This reflects our view of the bank as a GRE with a high likelihood of timely and sufficient extraordinary support from the government of Abu Dhabi if needed. We base our assessment on ADCB's:

- Very strong link with the Abu Dhabi government, because of its control and majority ownership by Abu Dhabi, and the latter's record of extraordinary support to ADCB. The Abu Dhabi government holds a 60.2% stake in ADCB (and other government entities own an additional 4.3%) and therefore has a significant interest in, and business relationship with, the bank. The emirate's government appoints the majority of the bank's directors. In 2009, the government injected AED4 billion (about $1.1 billion) in Tier 1 capital into the bank during a period of market stress.
- Important role for the Abu Dhabi government. ADCB is the second-largest bank in Abu Dhabi and has a strong deposit and loan market share in the emirate's banking market. The bank also provides funds to certain Abu Dhabi-based GREs and key sectors in the emirate's overall business activities.

Related Criteria

- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, July 20, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Guarantee Criteria, Oct. 21, 2016
- General Criteria: Rating Government-Related Entities: Methodology And Assumptions, March 25, 2015
- Criteria | Financial Institutions | Banks: Bank Hybrid Capital And Nondeferrable Subordinated Debt Methodology And Assumptions, Jan. 29, 2015
- Criteria | Financial Institutions | Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions, July 17, 2013
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- Criteria | Financial Institutions | Banks: Banks: Rating Methodology And Assumptions, Nov. 9, 2011
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009
- Criteria | Financial Institutions | Banks: Commercial Paper I: Banks, March 23, 2004

Related Research

- Summary: Abu Dhabi (Emirate of), Nov. 29, 2019
- Industry Report Card: GCC Banks 2020 Industry Outlook: Stable Credit Fundamentals Clouded By Event Risks, Oct. 9, 2019
- S&P Global Ratings Lowered Its Henry Hub Natural Gas Price Assumption For The Rest Of 2019 And For 2020, 2021; Long-Term U.S. Natural Gas, Canadian AECO, And Crude Oil Price Assumptions Unchanged, July 30, 2019
- Banking Industry Country Risk Assessment: United Arab Emirates, April 17, 2019
- IFRS 9 Data Gives Clearer View Of Asset Quality Trends At Gulf Banks, March 25, 2019

Anchor Matrix

Industry Risk	Economic Risk 1	2	3	4	**5**	6	7	8	9	10
1	a	a	a-	bbb+	bbb+	bbb	-	-	-	-
2	a	a-	a-	bbb+	bbb	bbb	bbb-	-	-	-
3	a-	a-	bbb+	bbb+	bbb	bbb-	bbb-	bb+	-	-
4	bbb+	bbb+	bbb+	bbb	bbb	bbb-	bb+	bb	bb	-
5	bbb+	bbb	bbb	bbb	**bbb-**	bbb-	bb+	bb	bb-	b+
6	bbb	bbb	bbb-	bbb-	bbb-	bb+	bb	bb	bb-	b+
7	-	bbb-	bbb-	bb+	bb+	bb	bb	bb-	b+	b+
8	-	-	bb+	bb	bb	bb	bb-	bb-	b+	b
9	-	-	-	bb	bb-	bb-	b+	b+	b+	b
10	-	-	-	-	b+	b+	b+	b	b	b-

Ratings Detail (As Of December 31, 2019)*

Abu Dhabi Commercial Bank PJSC	
Issuer Credit Rating	A/Stable/A-1
Commercial Paper	
Foreign Currency	A-1
Senior Unsecured	A
Issuer Credit Ratings History	
02-Apr-2015 *Foreign Currency*	A/Stable/A-1
30-Jul-2014	A/Positive/A-1
21-Jun-2011	A/Stable/A-1
02-Apr-2015 *Local Currency*	A/Stable/A-1
30-Jul-2014	A/Positive/A-1
21-Jun-2011	A/Stable/A-1

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

Additional Contact:
Financial Institutions Ratings Europe; FIG_Europe@spglobal.com

Copyright © 2019 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.