

FBN Holdings Plc

Full Rating Report

Ratings

FBN Holdings Plc

Long-Term IDR	B
Short-Term IDR	B
Viability Rating	b
Support Rating	5
Support Rating Floor	NF
National Long-Term Rating	A+(nga)
National Short-Term Rating	F1(nga)

First Bank of Nigeria Ltd

Long-Term IDR	B+
Short-Term IDR	B
Viability Rating	b
Support Rating	4
Support Rating Floor	B+
National Long-Term Rating	A+(nga)
National Short-Term Rating	F1(nga)

Sovereign Risk

Long-Term Foreign-Currency IDR	BB-
Long-Term Local-Currency IDR	BB
Country Ceiling	BB-

Outlooks

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

Financial Data

FBN Holdings Plc

	31 Mar 15	31 Dec 14
Total assets (USDm)	22.9	25.6
Total assets (NGNbn)	4,511.4	4,342.7
Total equity (NGNbn)	542.5	522.9
Operating profit (NGNbn)	26.9	92.3
Net income (NGNbn)	22.6	82.8
Comprehensive income (NGNbn)	19.6	85.4
Operating ROAA (%)	2.5	2.3
Operating ROAE (%)	20.5	18.8
Fitch core capital/weighted risks (%) ^a	18.3	15.9
Tier 1 ratio (%) ^a	14.3	12.5
Total capital ratio (%) ^a	19.5	16.7

^a Consolidated data for First Bank of Nigeria Ltd

Related Research

[FBN Holdings plc – Ratings Navigator \(March 2015\)](#)

[First Bank of Nigeria Ltd – Ratings Navigator \(March 2015\)](#)

[2015 Outlook: Nigerian Banks \(December 2014\)](#)

[Nigerian Banks: Peer Review \(October 2014\)](#)

Analysts

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Key Rating Drivers

IDR Driven by Operating Company: FBN Holdings Plc's (FBNH) IDR of 'B' is driven by its 'b' Viability Rating (VR). The latter is aligned with the VR of its main operating company, First Bank of Nigeria Ltd (FBN). This reflects consolidated prudential supervision as well as common branding. FBNH's Support Rating (SR) of '5' and Support Rating Floor (SRF) of 'NF' consider Fitch Ratings' view that state support available to banks would not apply to holding companies.

FBN's IDR, National Ratings, SR and SRF reflect the limited probability of support that Fitch believes would come from the Nigerian authorities given its perceived systemic importance but also Nigeria's constrained ability to provide support (BB-/Negative).

Highly Challenging Operating Environment: FBNH's and FBN's VRs are constrained by a highly challenging domestic environment. Low oil prices, currency pressure and political uncertainty are likely to weaken financial metrics in 2015, although to a degree this is already factored into the ratings.

Very Strong Domestic Franchise: FBNH has a strong mass-market retail franchise in Nigeria. It operates the largest bank in the country and is also the largest retail deposit taker. Foreign operations continue to grow and represented 9% of total revenues in 2014.

Highest Oil Exposure: Asset quality is acceptable although FBNH has the highest oil and gas exposure among peers. The upstream book in particular represents a key risk and parts of this may need restructuring if low oil prices persist. We expect asset quality metrics to weaken for all Nigerian banks in 2015, including FBNH, given the weaker operating environment.

Acceptable Earnings and Capital: FBNH's financial performance and capital ratios are acceptable and in line with peers. Earnings have held up well in recent years despite more burdensome regulations which have compressed margins. Key to the current strategy is to make more efficient use of FBNH's dominant franchise. This includes unlocking cost synergies and strengthening non-interest revenue from capital light products such as advisory services. Loan impairment charges (LICs) are likely to rise in 2015 but should be manageable for FBNH.

Strong Funding, Adequate Liquidity: FBNH is largely deposit funded and benefits from its strong retail franchise. It has also successfully accessed debt capital markets in recent years. Liquidity is adequate and we believe it is fungible within the group subject to FBN meeting its minimum regulatory liquidity ratio of 30%.

Rating Sensitivities

Limited VR Upside: The VRs of FBNH and FBN are sensitive to weaker asset quality, in particular relating to significant oil and gas exposures. VR upgrades, though unlikely at present, could arise in the longer term from the group successfully broadening its franchise and strengthening revenue generation.

Change in Support: FBN's IDR and SRF are sensitive to a prolonged and severe recession that would affect the ability or willingness of the Nigerian authorities to provide support. However, a one-notch downgrade of the sovereign would most likely not lead to a downgrade of the bank's ratings.

Support

FBN's IDR Based on Sovereign Support

FBN's IDR of 'B+' is driven by sovereign support, with a SR of '4' and SRF of 'B+'. Fitch views FBN as one of three domestic systemically important banks in Nigeria (DSIBs). These have been assigned a SRF of 'B+'. All other Nigerian banks that Fitch rates have been assigned a SRF of 'B' or 'B-', reflecting Fitch's view that while the authorities would be willing to support them, Fitch does not consider them DSIBs. In determining FBN's systemic importance, Fitch has taken into consideration its market shares (particularly in retail deposits), interconnectedness, complexity of operations and local regulatory definitions.

Fitch believes that the Nigerian authorities' willingness to support the Fitch rated Nigerian banks is high. Support for the banking sector by the Nigerian authorities has been clearly demonstrated, most recently during the 2008/2009 banking crisis. The authorities' ability to support the banking sector is limited and constrained by Nigeria's sovereign rating of 'BB-', now with a Negative Outlook. The revised Outlook (see Fitch's Sovereign rating action dated 30 March 2015), does not, in Fitch's opinion, indicate a material weakening in the ability of the sovereign to support the banking sector. Therefore, a potential one-notch downgrade of the sovereign rating would most likely not result in a simultaneous a downward revision of FBN's SRF.

No Sovereign Support for the Holding Company

FBNH has a SR of '5' and a SRF of 'NF' (No Floor). This reflects Fitch's view that while the Nigerian authorities' propensity to support the local banks is high, the same level of support would not apply to holding companies. FBNH's IDR of 'B' is driven by its VR of 'b'.

Operating Environment

Very Challenging Operating Environment; Negative Sovereign Outlook

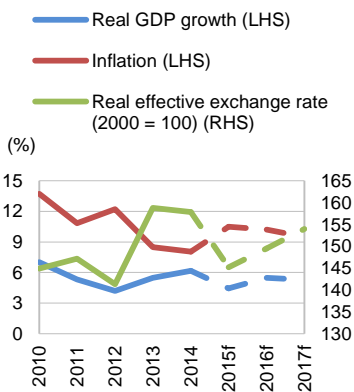
FBN and FBNH's VRs are constrained to the B range category as a result of Nigeria's very challenging operating environment. While the country benefits from substantial natural resources and strong economic growth, its governance and human development indicators are weak. The economy is highly sensitive to oil price vulnerability and the combination of deteriorating economic prospects and political uncertainty led Fitch to revise the sovereign outlook to Negative in March 2015 (the sovereign rating was affirmed at 'BB-'). Fitch expects a slowdown in GDP growth in 2015, and for Nigerian banks to report weaker profitability, asset quality and capital ratios.

Improved Regulatory Framework

Fitch views the Central Bank of Nigeria (CBN) as a relatively strong regulator in the context of the operating environment. Regulations have been tightened in recent years, including the introduction of IFRS reporting in 2012 and Basel II from end-2014. The CBN is focused on consumer protection and is phasing out certain bank charges, in particular the Commission on Turnover (COT) which was traditionally a major part of banks' revenue. Other policy actions affecting the banking sector included several revisions to the cash reserve requirement (now at 31% for all deposits) and restrictions on FX borrowing and net open positions.

The CBN has designated eight banks as D-SIFIs (note that this is different from Fitch's classification of DSIBs), including FBN. These banks are required to meet a minimum total capital ratio of 16%.

Figure 1
Nigeria - Key Financial Metrics



Source: Fitch

Related Criteria

[Global Bank Rating Criteria \(March 2015\)](#)

Company Profile

Tier-One Bank; Strong Retail Footprint

FBN is Nigeria's oldest bank. At end-2014, it represented 16% of total system assets. The bank has a significant mass market retail franchise with over 10 million active customer accounts and over 750 branches. In corporate banking it has a less dominant franchise, and strengthening this is a strategic priority. It is a primary dealer in the Nigerian bond market and one of the country's settlement banks.

In response to new banking regulation aimed at segregating banking and non-core banking activities, a holding company structure was adopted in 2012. FBNH is now listed on the Nigerian Stock Exchange.

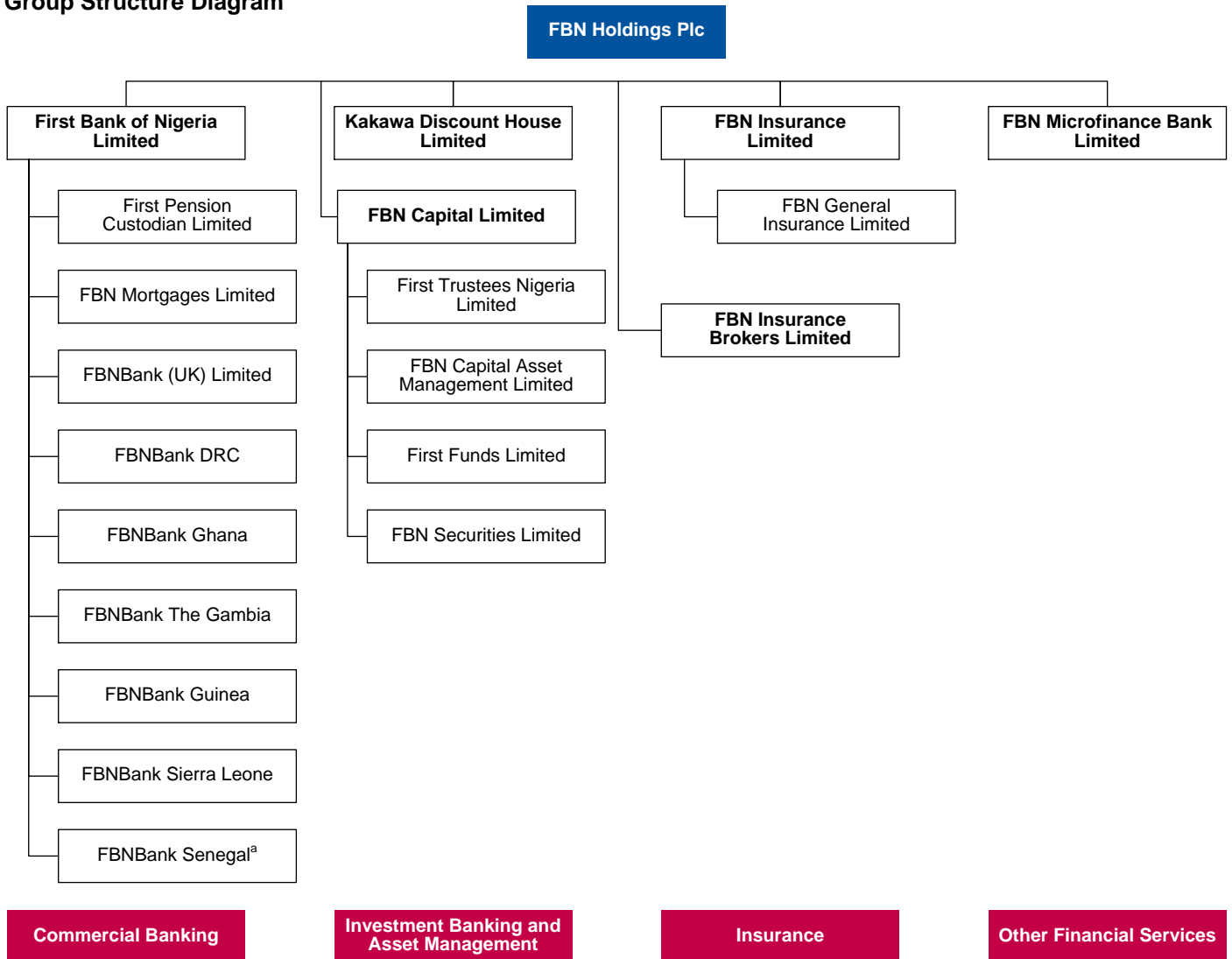
Traditional Commercial Banking; Foreign Expansion

FBNH is mainly focused on traditional commercial banking. It also provides investment banking and asset management, insurance and microfinance. FBN (and its subsidiaries – see organisation chart below) represented 93% and 94% of FBNH's revenues and assets at end-2014.

FBNH operates mainly in Nigeria. It also has a growing African footprint (operations in 11 other countries) as well as banking operations or representative offices in the UK, France, South Africa, China and the United Arab Emirates. International banking represented 9% of FBNH's revenue in 2014.

In 2014, FBNH took an 80% stake in ICB Senegal. This completed the acquisitions of the West Africa operations of International Commercial Bank (ICB), which commenced in 2013 with the acquisition of four entities in Ghana, Sierra Leone Guinea and The Gambia.

Figure 2
Group Structure Diagram



^a Name change yet to be finalised
Source: Fitch, Transaction document. As at date.

Management

Management Quality

FBNH's management is experienced and competent with a good degree of depth. Fitch believes that it is able to attract high calibre people thanks to its strong franchise.

Corporate Governance

Nigerian corporate governance standards are generally weak although we believe they have strengthened since the Nigerian banking crisis. FBNH complies with the CBN Code of Corporate Governance as well as the requirements of the Securities and Exchange Commission. At end-2014, FBNH's board comprised eight non-executive directors and one executive director (the group chief executive). Notably one of the non-executive directors is the chief executive of FBN. Two directors were classified as independent. FBNH's largest shareholder was Stanbic Nominees Nigeria, which acts as a custodian owner for a large number of individuals, with a 5.5% stake, and no other shareholder owned more than 5%. The ownership split was: 50% retail owners, 26% domestic institutions, 22% foreign institutions and 2% government-related entities.

Strategic Focus on Costs and Business Mix Optimisation

FBNH's strategy is focused on extracting more value from its dominant market position. This includes penetrating segments where the bank is less strong and re-organise and rationalise processes to extract more cost synergies. In corporate/institutional banking and among smaller businesses, the bank aims to capture market share in capital light fee driven business such as advisory and transaction services. In the individual customer segment, it increasingly targets the young and affluent emerging middle class, which is more sophisticated and demanding than its traditional customer base.

Execution – Lags Other Tier 1 Banks

FBNH benefits from significant scale and a strong domestic brand. However, we believe that it is less agile than better rated peers (on a VR basis) and that it lags behind these on operational efficiency and customer service, although it has made improvements in recent years. The financial performance during the Nigerian banking crisis was also more volatile. The current strategy is partly aimed at addressing these issues.

Risk Appetite

Adequate Controls and Underwriting Standards

FBNH's risk management framework appears adequate. The duties of risk management and business units are segregated, and there is an internal audit department. Obligor risk ratings, portfolio concentration limits and laddered approval levels are used to manage credit risk.

Modest Loan Growth Expected

Despite strong loan growth in 2014 (22%), we expect modest loan growth compared to the sector over time, reflecting an already dominant market position, the challenging operating environment and focus on growing fee based revenues, with less focus on lending volumes. FBNH has guided for up to 2% loan growth in 2015.

Moderate Market Risk

Market risk arises primarily in the banking operations of FBN, in particular interest rate risk. The bank estimated that a 350bp positive shift in the yield curve would have reduced net interest income (NII) by NGN5.0bn in 2014, or 2.1% of NII. Value-at-risk (VAR) analysis is performed on FBN's trading book, using a 99% confidence level and a 10-day holding period. The maximum VAR in 2014 was NGN1.3bn, mostly from interest rate risk. The group is exposed to exchange rate sensitivity, primarily the US dollar. It estimated that a 5% weakening of the naira would have reduced net income by NGN18bn in 2014. A significant currency fluctuation could also lead to weaker asset quality as just under 50% of the loan book is denominated in foreign currencies (mostly US dollars).

Financial Profile

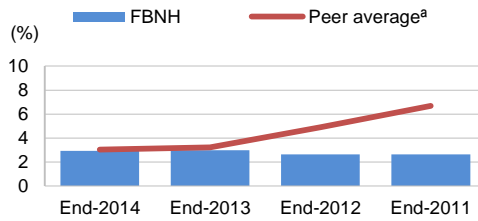
Asset Quality

In Line with Peers; Weakening Expected in 2015

FBNH's asset quality is in line with peers. We expect a weakening in 2015 due to slower economic growth and currency pressure although FBNH reported low LICs in 1Q15 compared to the sector. The reserve coverage ratio of 66% at end-2014 was relatively low. The vast majority of FBNH's lending is secured although it can be difficult to realise collateral in Nigeria. Domiciliation of receivables represents around two thirds of all collateral held and real estate around a quarter. The maximum loan to value (LTV) ratio for real estate lending is 70% (except for high net worth individuals).

Figure 3

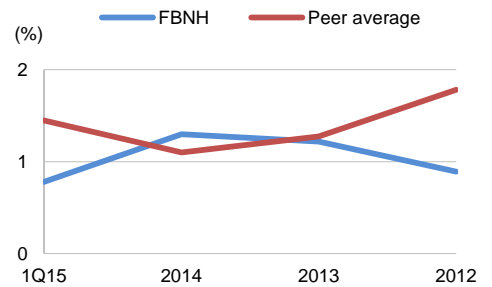
Impaired Loans/Gross Loans



^a Peers: Zenith Bank Plc (viability rating of 'b+'), United Bank For Africa Plc ('b-'), Guaranty Trust Bank PLC ('b+'), Access Bank Plc ('b'), Diamond Bank Plc ('b-'), Fidelity Bank PLC ('b-'), Union Bank of Nigeria PLC ('b-'), FCMB Group Plc ('b-'), Wema Bank PLC ('b-') Stanbic IBTC Holdings Plc. No interim data available at 1Q15
Source: Fitch, banks' financial statements

Figure 4

Loan Impairment Charges/ Average Gross Loans



Source: Fitch, banks' financial statements

Highest Oil and Gas Exposure; Upstream Most Vulnerable

FBN has the highest concentration to oil and gas of all peers, representing 44% of gross loans at end-2014. This was split 20% downstream, 17% upstream and 7% services. We believe the upstream lending is the most vulnerable to low oil prices as loans were extended when oil prices were much higher, and these companies are now faced with lower revenues as they sell the oil they extract. We expect that FBN may have to restructure some of these facilities, most likely by extending tenors. This could result in some additional LICs.

Borrowers in the downstream segment (which are primarily involved the importation and distribution of oil products) appear to be in better shape as they are less exposed to oil price falls given that sales are mainly to the state at a flexible price mechanism. Upstream lending is also longer tenor, whereas downstream financing is often short-term trade facilities. One area that we are seeing some stress in is oil services companies, which often have long-term contracts with international oil companies. If oil prices remain at currently low levels for a prolonged period, we believe that some of these contracts could be terminated or streamlined; this could lead to restructuring or higher impairments for some Nigerian banks.

Lower Borrower Concentration than Peers

FBNH's loan book is less concentrated than peers'. The top 20 credit exposures represented 35% and 127% of gross loans and FCC at end-September 2014.

Other Earnings Asset; Low Risk

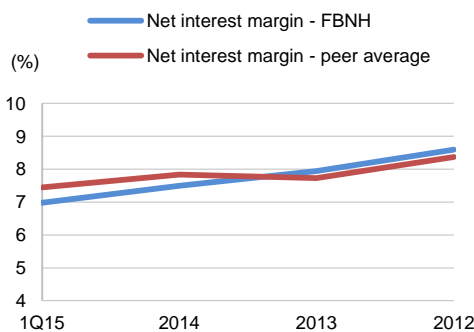
Other earning assets include mostly interbank placements and investments. Interbank placements are largely with high-quality banks outside Nigeria. FBNH's fixed income portfolio is of high quality. It is mostly made up of government securities.

Earnings and Profitability

Acceptable Profitability; 2015 Challenging

Figure 5

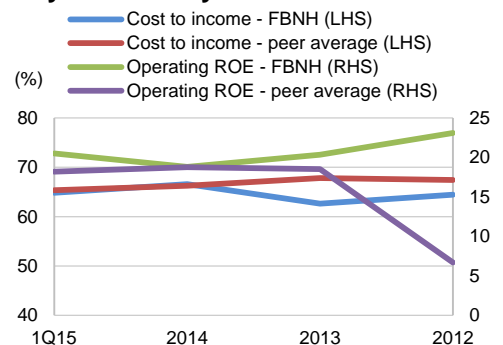
Key Profitability Metrics



Source: Fitch, banks' financial statements

Figure 6

Key Profitability Metrics



Source: Fitch, banks' financial statements

FBNH's financial performance is acceptable and in line with the sector, although it still lags behind the strongest rated peers in terms of cost efficiency. Nigerian banks have faced significant challenges in recent years from a series of regulatory changes that have pressured margins and disallowed certain types of income (most notably Commission on Turnover that is being phased out by 2016). FBNH has so far been able to mostly mitigate this by strong revenue growth, partly driven by loan growth but also by strengthening non-interest revenue. While the 1Q15 result was solid, we expect higher LICs and continued pressure on the net interest margin (NIM) to dampen earnings in 2015.

NIM Pressured by Regulation

NIM remains under pressure although it will probably stabilise around the 1Q15 level. It has fallen in recent years mainly due to subsequent increases in cash reserve requirements (placed with the CBN at 0% interest) for different types of deposits, a higher floor on savings deposit rates (increased to 3.1% from 1% in 2013), the raising of the monetary policy rate to 13% (from 12%) in November 2014 and increased FX lending. Lending margins should remain stable, reflecting a competitive environment.

Strategic Revenue Diversification

FBNH still generates a smaller share of revenue from non-interest income compared to strongly rated peers, although this is changing. As already mentioned FBNH is focused on growing fee based revenues.

Efficiency Improvements Expected

We believe there is scope to rationalise processes in order to extract more synergies from FBNH's significant franchise. This is a management priority and several initiatives are ongoing to streamline operations. Fitch expects the cost to income ratio to improve in the medium term.

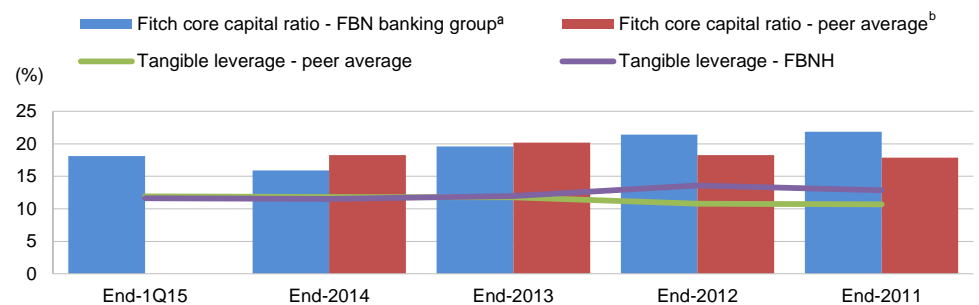
Capitalisation and Leverage

Acceptable Capital and Leverage Ratios

We expect acceptable capital and leverage ratios to be maintained. Risk weighted capital ratios decreased in 2014 on the back of relatively strong loan growth but in the medium term the bank should benefit from a slowdown in lending, resilient internal capital generation as well as balance sheet optimisation. The latter is a key focus, including shifting some term loans towards shorter-term self-liquidating facilitates, and risk weighted assets decreased by 8% in 1Q15 compared to a 2% fall in gross loans.

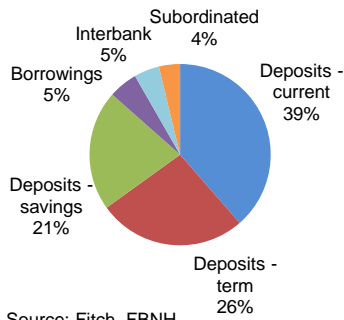
The capital base is largely made up of tier 1 capital (NGN412bn at end-March 2015). FBN also issued around NGN140bn of Tier 2 subordinated debt in 2013 and 2014. There are currently no plans to issue Tier 1 or Tier 2 notes in 2015.

Figure 7
Capital & Leverage



^a FBN Banking group = Consolidated data for First Bank of Nigeria Ltd and its subsidiaries
^b No 1Q15 interim data available for peers
 Source: Fitch, banks' financial statements

Figure 8
Non-Equity Funding
 End-March 2015



Source: Fitch, FBNH

Funding and Liquidity

Deposit Funded; Benefits from Strong Retail Franchise

FBNH has a strong funding position and benefits from its strong retail franchise. Like peers it is largely deposit funding and favours cheap current and savings accounts (CASAs) over more expensive term deposits. CASAs represented 69% of the deposit base at end-March 2015. Over half of total deposits are sourced from retail customers, and these are inherently very stable. Corporate deposit concentration is a feature of the Nigerian banking sector but it is less of an issue for FBNH than most peers. The loan to deposit ratio of just under 70% is healthy.

Adequate Liquidity; Proven Access to Capital Markets

Liquidity is adequate, with FBN reporting a regulatory liquidity ratio of 42.5% at end-March 2015. We believe liquidity is fungible within the group subject to a minimum regulatory liquidity ratio for FBN of 30%. FBN has a proven strong access to capital markets. It has successfully raised both senior and subordinated debt in recent years where some peers were unable to. We believe the retail franchise would allow it to source additional deposits quickly, for example by paying for term deposits.

FBN Holdings Plc
Income Statement

	31 Mar 2015			31 Dec 2014		31 Dec 2013		31 Dec 2012	
	3 Months - 1st Quarter		As % of Earning Assets	Year End NGNbn	As % of Earning Assets	Year End NGNbn	As % of Earning Assets	Year End NGNbn	As % of Earning Assets
	USDm	NGNbn							
1. Interest Income on Loans	346.9	68.3	7.60	251.2	7.28	220.0	7.10	200.2	7.24
2. Other Interest Income	136.9	27.0	3.00	111.4	3.23	103.6	3.34	95.2	3.44
3. Dividend Income	7.6	1.5	0.17	1.5	0.04	1.2	0.04	0.7	0.03
4. Gross Interest and Dividend Income	491.4	96.8	10.77	364.0	10.55	324.8	10.49	296.1	10.71
5. Interest Expense on Customer Deposits	154.2	30.4	3.38	98.0	2.84	79.5	2.57	60.9	2.20
6. Other Interest Expense	27.2	5.4	0.60	20.7	0.60	14.0	0.45	7.8	0.28
7. Total Interest Expense	181.4	35.7	3.98	118.7	3.44	93.5	3.02	68.7	2.49
8. Net Interest Income	310.0	61.1	6.79	245.3	7.11	231.3	7.47	227.3	8.22
9. Net Gains (Losses) on Trading and Derivatives	n.a.	n.a.	-	13.1	0.38	(1.8)	(0.06)	1.8	0.06
10. Net Gains (Losses) on Other Securities	0.8	0.2	0.02	(0.2)	(0.01)	2.9	0.09	2.1	0.08
11. Net Gains (Losses) on Assets at FV through Income Statement	13.0	2.6	0.29	(0.2)	(0.01)	(2.1)	(0.07)	0.0	0.00
12. Net Insurance Income	5.9	1.2	0.13	1.7	0.05	1.3	0.04	1.0	0.04
13. Net Fees and Commissions	64.9	12.8	1.42	60.8	1.76	54.1	1.75	59.9	2.17
14. Other Operating Income	53.6	10.6	1.17	33.6	0.98	10.2	0.33	8.1	0.29
15. Total Non-Interest Operating Income	138.2	27.2	3.03	108.7	3.15	64.6	2.09	72.9	2.64
16. Personnel Expenses	113.5	22.4	2.49	86.6	2.51	72.7	2.35	68.9	2.49
17. Other Operating Expenses	177.1	34.9	3.88	149.2	4.32	112.6	3.64	124.6	4.51
18. Total Non-Interest Expenses	290.7	57.3	6.37	235.8	6.83	185.3	5.98	193.5	7.00
19. Equity-accounted Profit/ Loss - Operating	n.a.	n.a.	-	n.a.	-	1.0	0.03	(0.6)	(0.02)
20. Pre-Impairment Operating Profit	157.5	31.0	3.45	118.2	3.43	111.6	3.60	106.2	3.84
21. Loan Impairment Charge	21.6	4.3	0.47	25.7	0.74	20.0	0.65	12.8	0.46
22. Securities and Other Credit Impairment Charges	(0.9)	(0.2)	(0.02)	0.3	0.01	0.3	0.01	(0.3)	(0.01)
23. Operating Profit	136.8	26.9	3.00	92.3	2.67	91.3	2.95	93.6	3.39
24. Equity-accounted Profit/ Loss - Non-operating	n.a.	n.a.	-	0.6	0.02	0.0	0.00	0.0	0.00
25. Non-recurring Income	n.a.	n.a.	-	0.0	0.00	n.a.	-	0.3	0.01
26. Non-recurring Expense	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
27. Change in Fair Value of Own Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
28. Other Non-operating Income and Expenses	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
29. Pre-tax Profit	136.8	26.9	3.00	92.9	2.69	91.3	2.95	93.9	3.40
30. Tax expense	22.0	4.3	0.48	10.0	0.29	20.7	0.67	17.1	0.62
31. Profit/Loss from Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
32. Net Income	114.7	22.6	2.51	82.8	2.40	70.6	2.28	76.8	2.78
33. Change in Value of AFS Investments	(18.6)	(3.7)	(0.41)	(3.2)	(0.09)	(12.0)	(0.39)	18.5	0.67
34. Revaluation of Fixed Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
35. Currency Translation Differences	3.3	0.7	0.07	5.3	0.15	0.4	0.01	1.1	0.04
36. Remaining OCI Gains/(losses)	n.a.	n.a.	-	0.4	0.01	2.5	0.08	(0.7)	(0.03)
37. Fitch Comprehensive Income	99.5	19.6	2.18	85.4	2.48	61.5	1.99	95.6	3.46
38. Memo: Profit Allocation to Non-controlling Interests	1.2	0.2	0.03	(0.2)	(0.01)	0.5	0.02	(0.2)	(0.01)
39. Memo: Net Income after Allocation to Non-controlling Interests	113.5	22.4	2.49	83.1	2.41	70.1	2.26	77.0	2.78
40. Memo: Common Dividends Relating to the Period	n.a.	n.a.	-	n.a.	-	36.0	1.16	32.6	1.18
41. Memo: Preferred Dividends Related to the Period	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-

Exchange rate

USD1 = NGN197.00000

USD1 = NGN169.68000

USD1 = NGN157.25700

USD1 = NGN157.32800

FBN Holdings Plc Balance Sheet

	31 Mar 2015			31 Dec 2014		31 Dec 2013		31 Dec 2012	
	3 Months - 1st Quarter	1st Quarter	As % of	Year End	As % of	Year End	As % of	Year End	As % of
	USDm	NGNbn	Assets	NGNbn	Assets	NGNbn	Assets	NGNbn	Assets
Assets									
A. Loans									
1. Residential Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Other Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Other Consumer/ Retail Loans	n.a.	n.a.	-	n.a.	-	143.4	3.71	141.6	4.39
4. Corporate & Commercial Loans	n.a.	n.a.	-	n.a.	-	1,670.8	43.18	1,439.1	44.60
5. Other Loans	11,015.5	2,170.1	48.10	2,221.6	51.16	0.0	0.00	0.0	0.00
6. Less: Reserves for Impaired Loans	237.1	46.7	1.04	42.6	0.98	45.0	1.16	39.3	1.22
7. Net Loans	10,778.4	2,123.3	47.07	2,179.0	50.18	1,769.1	45.73	1,541.4	47.77
8. Gross Loans	11,015.5	2,170.1	48.10	2,221.6	51.16	1,814.2	46.89	1,580.7	48.99
9. Memo: Impaired Loans included above	n.a.	n.a.	-	64.8	1.49	54.3	1.40	41.4	1.28
10. Memo: Loans at Fair Value included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Other Earning Assets									
1. Loans and Advances to Banks	3,025.5	596.0	13.21	460.9	10.61	430.6	11.13	439.9	13.63
2. Reverse Repos and Cash Collateral	n.a.	n.a.	-	n.a.	-	n.a.	-	0.0	0.00
3. Trading Securities and at FV through Income	106.3	20.9	0.46	27.6	0.64	5.3	0.14	3.9	0.12
4. Derivatives	42.2	8.3	0.18	n.a.	-	5.0	0.13	2.2	0.07
5. Available for Sale Securities	3,349.2	659.8	14.63	572.4	13.18	549.9	14.21	398.7	12.36
6. Held to Maturity Securities	743.7	146.5	3.25	207.8	4.78	327.8	8.47	369.4	11.45
7. Equity Investments in Associates	n.a.	n.a.	-	n.a.	-	7.0	0.18	6.3	0.20
8. Other Securities	444.9	87.6	1.94	n.a.	-	n.a.	-	n.a.	-
9. Total Securities	4,686.3	923.2	20.46	807.7	18.60	895.0	23.13	780.6	24.19
10. Memo: Government Securities included Above	2,353.0	463.5	10.27	387.7	8.93	353.5	9.14	146.4	4.54
11. Memo: Total Securities Pledged	444.9	87.6	1.94	68.5	1.58	53.7	1.39	50.1	1.55
12. Investments in Property	14.1	2.8	0.06	2.8	0.07	2.4	0.06	4.0	0.12
13. Insurance Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
14. Other Earning Assets	0.0	0.0	0.00	n.a.	-	n.a.	-	n.a.	-
15. Total Earning Assets	18,504.3	3,645.4	80.80	3,450.4	79.45	3,097.2	80.05	2,765.8	85.73
C. Non-Earning Assets									
1. Cash and Due From Banks	3,307.0	651.5	14.44	698.1	16.08	594.2	15.36	300.5	9.31
2. Memo: Mandatory Reserves included above	2,890.8	569.5	12.62	563.7	12.98	341.2	8.82	191.7	5.94
3. Foreclosed Real Estate	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Fixed Assets	448.8	88.4	1.96	88.2	2.03	81.3	2.10	75.4	2.34
5. Goodwill	n.a.	n.a.	-	6.1	0.14	6.6	0.17	1.6	0.05
6. Other Intangibles	55.6	11.0	0.24	4.0	0.09	2.2	0.06	1.9	0.06
7. Current Tax Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Deferred Tax Assets	44.5	8.8	0.19	9.0	0.21	7.1	0.18	8.2	0.25
9. Discontinued Operations	42.7	8.4	0.19	8.3	0.19	4.5	0.12	5.2	0.16
10. Other Assets	497.4	98.0	2.17	78.5	1.81	75.9	1.96	67.7	2.10
11. Total Assets	22,900.4	4,511.4	100.00	4,342.7	100.00	3,869.0	100.00	3,226.4	100.00
Liabilities and Equity									
D. Interest-Bearing Liabilities									
1. Customer Deposits - Current	7,257.5	1,429.7	31.69	1,273.1	29.32	1,546.7	39.98	1,354.4	41.98
2. Customer Deposits - Savings	4,041.1	796.1	17.65	728.7	16.78	665.7	17.21	548.9	17.01
3. Customer Deposits - Term	4,981.7	981.4	21.75	1,049.0	24.16	716.7	18.52	491.8	15.24
4. Total Customer Deposits	16,280.3	3,207.2	71.09	3,050.9	70.25	2,929.1	75.71	2,395.1	74.24
5. Deposits from Banks	849.2	167.3	3.71	171.2	3.94	82.0	2.12	89.4	2.77
6. Repos and Cash Collateral	206.7	40.7	0.90	34.3	0.79	0.0	0.00	0.0	0.00
7. Commercial Paper and Short-term Borrowings	0.0	0.0	0.00	206.3	4.75	58.0	1.50	47.4	1.47
8. Total Money Market and Short-term Funding	17,336.3	3,415.2	75.70	3,462.6	79.73	3,069.1	79.33	2,532.0	78.48
9. Senior Unsecured Debt (original maturity > 1 year)	1,687.3	332.4	7.37	163.4	3.76	94.9	2.45	50.5	1.57
10. Subordinated Borrowing	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Other Long-term Funding	n.a.	n.a.	-	n.a.	-	31.4	0.81	25.0	0.78
13. Total LT Funding (original maturity > 1 year)	1,687.3	332.4	7.37	163.4	3.76	126.3	3.26	75.5	2.34
14. Derivatives	n.a.	n.a.	-	10.9	0.25	1.7	0.04	1.8	0.06
15. Trading Liabilities	57.4	11.3	0.25	n.a.	-	0.0	0.00	0.0	0.00
16. Total Funding	19,080.9	3,758.9	83.32	3,636.9	83.75	3,197.1	82.63	2,609.3	80.87
E. Non-Interest Bearing Liabilities									
1. Fair Value Portion of Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Credit impairment reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Reserves for Pensions and Other	11.4	2.2	0.05	2.0	0.05	1.9	0.05	19.4	0.60
4. Current Tax Liabilities	72.6	14.3	0.32	11.8	0.27	34.2	0.88	23.4	0.72
5. Deferred Tax Liabilities	1.1	0.2	0.00	0.2	0.00	0.0	0.00	0.2	0.01
6. Other Deferred Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Discontinued Operations	13.6	2.7	0.06	1.6	0.04	0.0	0.00	0.8	0.03
8. Insurance Liabilities	393.5	77.5	1.72	68.9	1.59	72.4	1.87	57.1	1.77
9. Other Liabilities	573.4	113.0	2.50	98.4	2.27	91.6	2.37	74.8	2.32
10. Total Liabilities	20,146.4	3,968.8	87.97	3,819.8	87.96	3,397.2	87.81	2,785.1	86.32
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	2,039.4	401.8	8.91	379.5	8.74	384.0	9.92	394.0	12.21
2. Non-controlling Interest	21.9	4.3	0.10	4.0	0.09	4.5	0.12	2.5	0.08
3. Securities Revaluation Reserves	45.0	8.9	0.20	12.5	0.29	15.0	0.39	27.0	0.84
4. Foreign Exchange Revaluation Reserves	40.9	8.0	0.18	7.4	0.17	2.1	0.05	1.7	0.05
5. Fixed Asset Revaluations and Other Accumulated OCI	606.7	119.5	2.65	119.5	2.75	66.2	1.71	16.1	0.50
6. Total Equity	2,753.9	542.5	12.03	522.9	12.04	471.8	12.19	441.3	13.68
7. Total Liabilities and Equity	22,900.4	4,511.4	100.00	4,342.7	100.00	3,869.0	100.00	3,226.4	100.00
8. Memo: Fitch Core Capital	2,655.0	523.0	11.59	497.2	11.45	460.7	11.91	437.0	13.54
9. Memo: Fitch Eligible Capital	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-

Exchange rate

USD1 = NGN197.00000

USD1 = NGN169.68000

USD1 = NGN157.25700

USD1 = NGN157.32800

FBN Holdings Plc Summary Analytics

	31 Mar 2015	31 Dec 2014	31 Dec 2013	31 Dec 2012
	3 Months - 1st Quarter	Year End	Year End	Year End
A. Interest Ratios				
1. Interest Income on Loans/ Average Gross Loans	12.45	12.72	13.39	13.97
2. Interest Expense on Customer Deposits/ Average Customer Deposits	3.94	3.38	3.01	2.80
3. Interest Income/ Average Earning Assets	11.07	11.13	11.15	11.19
4. Interest Expense/ Average Interest-bearing Liabilities	3.92	3.56	3.27	2.80
5. Net Interest Income/ Average Earning Assets	6.98	7.50	7.94	8.59
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	6.49	6.72	7.26	8.11
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Asset	6.98	7.50	7.94	8.59
B. Other Operating Profitability Ratios				
1. Non-Interest Income/ Gross Revenues	30.83	30.71	21.83	24.29
2. Non-Interest Expense/ Gross Revenues	64.86	66.61	62.61	64.44
3. Non-Interest Expense/ Average Assets	5.25	5.82	5.27	6.36
4. Pre-impairment Op. Profit/ Average Equity	23.62	24.08	24.87	26.22
5. Pre-impairment Op. Profit/ Average Total Assets	2.84	2.92	3.17	3.49
6. Loans and securities impairment charges/ Pre-impairment Op. Profit	13.15	21.94	18.19	11.82
7. Operating Profit/ Average Equity	20.51	18.80	20.34	23.12
8. Operating Profit/ Average Total Assets	2.47	2.28	2.60	3.08
910000 missing from the selected business template	n.a.	n.a.	n.a.	n.a.
910200 missing from the selected business template	n.a.	n.a.	n.a.	n.a.
9. Operating Profit / Risk Weighted Assets	3.79	2.95	3.88	4.59
C. Other Profitability Ratios				
1. Net Income/ Average Total Equity	17.21	16.87	15.73	18.97
2. Net Income/ Average Total Assets	2.07	2.04	2.01	2.52
3. Fitch Comprehensive Income/ Average Total Equity	14.92	17.40	13.70	23.61
4. Fitch Comprehensive Income/ Average Total Assets	1.79	2.11	1.75	3.14
5. Taxes/ Pre-tax Profit	16.11	10.81	22.67	18.23
6. Net Income/ Risk Weighted Assets	3.18	2.65	3.00	3.76
913400 missing from the selected business template	n.a.	n.a.	n.a.	n.a.
D. Capitalization				
1. Fitch Core Capital/ Risk Weighted Assets	18.13	15.90	19.58	21.42
2. Fitch Eligible Capital/ Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
3. Tangible Common Equity/ Tangible Assets	11.64	11.52	11.99	13.58
4. Tier 1 Regulatory Capital Ratio	14.30	12.50	15.00	17.49
5. Total Regulatory Capital Ratio	19.50	16.70	17.70	19.08
6. Core Tier 1 Regulatory Capital Ratio	n.a.	n.a.	n.a.	n.a.
7. Equity/ Total Assets	12.03	12.04	12.19	13.68
8. Cash Dividends Paid & Declared/ Net Income	n.a.	n.a.	50.97	42.49
917500 missing from the selected business template	n.a.	n.a.	n.a.	n.a.
917700 missing from the selected business template	n.a.	n.a.	n.a.	n.a.
9. Internal Capital Generation	16.90	15.84	7.34	10.01
E. Loan Quality				
1. Growth of Total Assets	3.88	12.24	19.92	12.80
2. Growth of Gross Loans	(2.32)	22.46	14.77	22.97
3. Impaired Loans/ Gross Loans	n.a.	2.92	2.99	2.62
4. Reserves for Impaired Loans/ Gross Loans	2.15	1.92	2.48	2.49
5. Reserves for Impaired Loans/ Impaired Loans	n.a.	65.82	82.97	94.88
6. Impaired loans less Reserves for Impaired Loans/ Fitch Core Capital	n.a.	4.45	2.01	0.49
7. Impaired Loans less Reserves for Impaired Loans/ Equity	n.a.	4.23	1.96	0.48
8. Loan Impairment Charges/ Average Gross Loans	0.78	1.30	1.22	0.89
9. Net Charge-offs/ Average Gross Loans	n.a.	1.55	1.00	0.44
10. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Ass	n.a.	2.92	2.99	2.62
F. Funding and Liquidity				
1. Loans/ Customer Deposits	67.66	72.82	61.94	66.00
2. Interbank Assets/ Interbank Liabilities	356.27	269.30	524.90	491.84
3. Customer Deposits/ Total Funding (excluding derivatives)	85.32	84.14	91.66	91.86
4. Liquidity Coverage Ratio	n.a.	n.a.	n.a.	n.a.
5. Net Stable Funding Ratio	n.a.	n.a.	n.a.	n.a.

FBN Holdings Plc
Reference Data

	31 Mar 2015		As % of Assets	31 Dec 2014		As % of Assets	31 Dec 2013		As % of Assets	31 Dec 2012		As % of Assets
	3 Months - 1st Quarter	1st Quarter		Year End	As % of Assets		Year End	As % of Assets		Year End	As % of Assets	
	USDm	NGNbn		NGNbn			NGNbn		NGNbn			
A. Off-Balance Sheet Items												
1. Managed Securitized 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	n.a.	n.a.	-	429.3	9.89	459.7	11.88	322.5	10.00			
4. Acceptances and documentary credits reported off-balance sheet	n.a.	n.a.	-	272.7	6.28	233.9	6.05	211.8	6.57			
5. Committed Credit Lines	n.a.	n.a.	-	90.4	2.08	408.0	10.55	239.4	7.42			
6. Other Contingent Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
7. Total Assets under Management	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
933800 missing from the selected business template	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
934000 missing from the selected business template	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
934200 missing from the selected business template	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
B. Average Balance Sheet												
Average Loans	11,146.4	2,195.8	48.67	1,975.3	45.49	1,643.6	42.48	1,433.1	44.42			
Average Earning Assets	18,009.6	3,547.9	78.64	3,271.3	75.33	2,912.8	75.29	2,645.3	81.99			
Average Assets	22,472.2	4,427.0	98.13	4,053.2	93.34	3,517.3	90.91	3,043.3	94.32			
Average Managed Securitized Assets (OBS)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
Average Interest-Bearing Liabilities	18,771.2	3,697.9	81.97	3,335.8	76.81	2,860.2	73.93	2,456.3	76.13			
Average Common equity	1,982.8	390.6	8.66	418.0	9.63	370.0	9.56	376.2	11.66			
Average Equity	2,704.1	532.7	11.81	491.0	11.31	449.0	11.61	404.9	12.55			
Average Customer Deposits	15,883.4	3,129.0	69.36	2,900.5	66.79	2,642.3	68.29	2,173.2	67.36			
C. Maturities												
Asset Maturities:												
Loans & Advances < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
Loans & Advances 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
Loans and Advances 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
Loans & Advances > 5 years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
Debt Securities < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
Debt Securities 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
Debt Securities 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
Debt Securities > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
Loans & Advances to Banks < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
Loans & Advances to Banks 3 - 12 Months	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.	-			
Loans & Advances to Banks > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
Liability Maturities:												
Retail Deposits < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
Retail Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
Retail Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
Retail Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
Other Deposits < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	2,385.7	73.94			
Other Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	56.4	1.75			
Other Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	0.0	0.00			
Other Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
Deposits from Banks < 3 Months	n.a.	n.a.	-	162.6	3.74	80.2	2.07	n.a.	-			
Deposits from Banks 3 - 12 Months	n.a.	n.a.	-	8.6	0.20	1.9	0.05	n.a.	-			
Deposits from Banks 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
Deposits from Banks > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
Senior Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	44.7	1.39			
Senior Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	1.2	0.04			
Senior Debt Maturing 1- 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	4.4	0.14			
Senior Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	25.8	0.80			
Total Senior Debt on Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	76.2	2.36			
Fair Value Portion of Senior Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
951400 missing from the selected business template	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.	-			
Subordinated Debt Maturing 3-12 Months	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.	-			
Subordinated Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
Total Subordinated Debt on Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
Fair Value Portion of Subordinated Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
D. Equity Reconciliation												
1. Equity	2,753.9	542.5	12.03	522.9	12.04	471.8	12.19	441.3	13.68			
2. Add: Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
3. Add: Other Adjustments	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
4. Published Equity	2,753.9	542.5	12.03	522.9	12.04	471.8	12.19	441.3	13.68			
E. Fitch Eligible Capital Reconciliation												
1. Total Equity as reported (including non-controlling interests)	2,753.9	542.5	12.03	522.9	12.04	471.8	12.19	441.3	13.68			
2. Fair value effect incl in own debt/borrowings at fv on the B/S- CC only	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00			
3. Non-loss-absorbing non-controlling interests	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00			
4. Goodwill	0.0	0.0	0.00	6.1	0.14	6.6	0.17	1.6	0.05			
5. Other intangibles	55.6	11.0	0.24	4.0	0.09	2.2	0.06	1.9	0.06			
6. Deferred tax assets deduction	43.4	8.5	0.19	15.6	0.36	2.3	0.06	0.8	0.02			
7. Net asset value of insurance subsidiaries	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00			
8. First loss tranches of off-balance sheet securitizations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00			
9. Fitch Core Capital	2,655.0	523.0	11.59	497.2	11.45	460.7	11.91	437.0	13.54			
10. Eligible weighted Hybrid capital	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			
11. Government held Hybrid Capital	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00			
12. Fitch Eligible Capital	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-			

Exchange Rate

USD1 = NGN197.00000

USD1 = NGN169.68000

USD1 = NGN157.25700

USD1 = NGN157.32800

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