

FBN Holdings Plc

Full Rating Report

Ratings

FBN Holdings Plc and First Bank of Nigeria Ltd

Long-Term IDR	B-
Short-Term IDR	B

Viability Rating	b-
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Support Rating	5
Support Rating Floor	NF

National Long-Term Rating	BBB(nga)
National Short-Term Rating	F3(nga)

Sovereign Risk

Long-Term Foreign-Currency IDR	B+
Long-Term Local-Currency IDR	B+
Country Ceiling	B+

Outlooks

FBNH's Long-Term Foreign-Currency IDRs	Stable
FBN's Long-Term Foreign-Currency IDRs	Stable
Sovereign Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Local-Currency IDR	Stable

Financial Data

FBN Holdings Plc

	30 Jun 16	31 Dec 15
Total assets (USDm)	17,021	21,148
Total assets (NGNbn)	4,804	4,166
Total equity (NGNbn)	612	579
Operating profit (NGNbn)	45.9	20.1
Net income (NGNbn)	35.9	15.1
Operating ROAA (%)	2.1	0.5
Operating ROAE (%)	15.7	3.6
Tier 1 ratio (%) ^a	12.4	13.3
Total regulatory capital ratio (%)	16.8	18.0

^a FBN and subsidiaries

Related Research

Ratings Navigator: FBN Holdings Plc (August 2016)

Ratings Navigator: First Bank of Nigeria Ltd (August 2016)

Nigeria – Sovereign Report (August 2016)

2016 Outlook: Sub-Saharan African Banks (February 2016)

Analysts

Janine Dow
+44 20 3530 1464
janine.dow@fitchratings.com

Andrew Parkinson
+44 20 3530 1420
andrew.parkinson@fitchratings.com

Key Rating Drivers

IDR Driven by Operating Company: FBN Holdings Plc's (FBNH) IDR of 'B-' is driven by its Viability Rating (VR). The latter is aligned with the VR of its main operating company, First Bank of Nigeria Ltd (FBN). FBN's and FBNH's Support Ratings (SR) of '5' and Support Rating Floors (SRF) of 'NF' consider Fitch Ratings' view that state support cannot be relied upon, particularly in foreign currency and also that state support would not be available to holding companies.

Highly Challenging Operating Environment: FBNH's and FBN's VRs consider Nigeria's challenging and volatile domestic environment. Weak GDP growth, lower oil prices, disruption in oil production and foreign currency scarcity will affect the banks' financial metrics into 2017. This is to a large extent already factored into the ratings.

Solid Domestic Franchise: FBN is the largest bank in the country (about 15% market share by assets) and is also the largest retail deposit taker (about 17% market share) and has a good mass market retail franchise.

Higher-Risk Exposure to Oil & Gas: Asset quality is weak, with a very high impaired loans ratio (22.8% at end-1H16) reflecting FBNH's larger oil and gas exposure than peers (about 38% of total loans at end-1H16). Weak reserves for impaired loans expose the group to uncertainties around collateral valuation.

Profitability Under Pressure: Fitch expects profitability to remain under pressure into 2017, given Nigeria's challenging environment. Still high loan-impairment charges will continue to affect the bank's performance into 2017.

Limited Capital Buffers: Capital buffers are limited, considering FBNH's growing net impaired loans exposure to equity (over 50% of FBNH's equity at end-1H16). We expect lower profitability to further affect capital ratios at end- 2016. Any further currency depreciation would also be negative for capitalisation.

Liquidity Stronger than Peers: Foreign currency liquidity in Nigeria is under pressure, but FBNH's hard currency liquidity position appears stronger compared to peers. FBNH is largely deposit funded and benefits from its strong low-cost retail deposits franchise. We believe liquidity is fungible within the group, subject to FBN meeting its minimum regulatory liquidity ratio of 30%. The high deposit concentration in dollars is a source of strain on liquidity.

Rating Sensitivities

Downward Potential: FBN's and FBNH's IDRs would be downgraded if FBN's asset quality continues to deteriorate to a point where it impacts its capital position, or if its liquidity position weakens.

Change in Support: Upside to the SR and SRF of FBN is unlikely in the near term, due to the respective downgrade and downward revision. In the medium term, positive rating action could result from a significant improvement in the sovereign's foreign-currency reserves and a significant improvement in foreign currency liquidity in the system. It may also be triggered by clear evidence of timely extraordinary support for domestic banks.

Highly Challenging Operating Environment

Oil Price Shock Leading to Severe Economic Challenges

Nigeria's economy is facing considerable pressure from the fall in oil prices and their wider impact on the real economy.

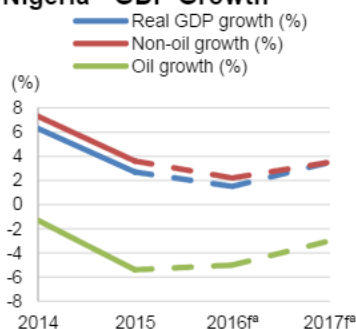
Slow real GDP growth, combined with low oil receipts, have led to an overall weakening of the country's financial flexibility, as reflected in Fitch's downgrade of the sovereign ratings in June 2016. The collapse of global oil prices has also led to a significantly weaker naira and scarcity of foreign currency. Inflation is rising (16.5% in June 2016, the highest level in 11 years) due to higher import costs. As a consequence of rising inflation, the benchmark interest rate was increased to 14% in July 2016 (from 12%).

The recent shift to a more flexible foreign exchange regime has led to further currency depreciation and has not reversed foreign currency shortages. However, in the near term, it will be key in attracting portfolio flows and foreign direct investment. Future economic diversification will also be largely dependent on addressing infrastructure deficiencies, especially in power generation and whether new industries can achieve scale and become competitive.

Fitch believes that banks will continue to face challenging conditions into 2017. Sustained low oil prices and production disruptions are expected to further impact government finances. The ripple effect will mean that most other economic sectors will also remain stressed. A prolonged devaluation of the naira, tight foreign currency liquidity and persistently high inflation rates (around 16.5% at end-1H16) will add to increasing headwinds for the banks.

Relatively Developed Financial Markets and Regulatory Framework

Nigeria - GDP Growth



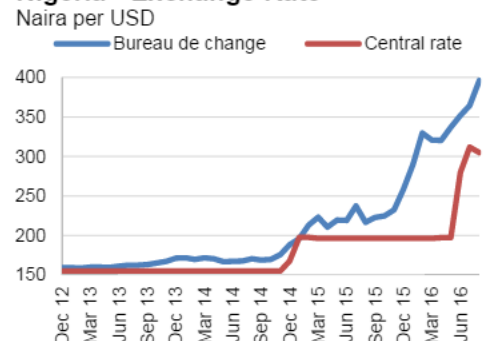
^a f - forecast
Source: Fitch

Nigeria - Economic Indicators



^a f - forecast
Source: IMF

Nigeria - Exchange Rate



Source: CBN

Nigeria is relatively under-banked, with a ratio of banking sector assets to GDP of about 30% in 2015. Despite this, Nigeria's financial markets are among the most developed in Africa. Fitch views the Central Bank of Nigeria (CBN) as a relatively strong regulator in the context of the operating environment and compared with other sub-Saharan African countries. Regulations have been tightened in recent years, with IFRS reporting introduced in 2012 and Basel II introduced at end-2014. The CBN has designated eight banks, including FBN, as domestic systemically important financial institutions (D-SIFIs), which is different from Fitch's classification of D-SIBs. These banks are required to meet a minimum total capital ratio of 15%.

Company Profile

Tier-One Bank; Strong Retail Footprint

FBN is Nigeria's oldest bank. It is also the largest domestic bank by total deposits. The bank has a significant mass market retail franchise, with about 12.1 million active customer accounts. It has a less dominant franchise in corporate banking.

Related Criteria

Global Bank Rating Criteria (Nov 2016)

FBNH is the non-operating holding company of FBN. FBNH is listed on the Nigerian Stock Exchange (NSE). The group operates through a holding company structure to segregate banking and non-banking activities – the latter being essentially merchant banking & asset management and insurance.

The majority of FBNH's operations centre on traditional commercial banking and it operates mainly in Nigeria. It also has a growing African footprint, with banking operations in seven other countries as well as representative offices and branches in the UK, France, South Africa, China and the United Arab Emirates. International banking represented 9% of FBNH's revenue in 1H16.

Management and Strategy

Underperformed Other Tier 1 Banks

Changes in top management occurred at both FBNH and the bank in 2016. The bank recruited a credit risk officer in 4Q16. The bank has been less agile than similarly sized peers in coping with Nigeria's challenging operating environment. Financial performance tends to be volatile and highly dependent on the economic environment, as evidenced during the Nigerian banking crisis in 2009 and again in the current operating environment.

FBNH complies with the governance standards of the CBN as well as the requirements of the Securities and Exchange Commission. FBNH's board comprises 10 members, made up of two independent directors, seven non-executive directors and one executive director (the Group Managing Director).

Focus on Strengthening Risk Management Procedures

Strategy is focused on changing FBN's risk taking culture. Risk processes and limits are currently being reviewed and more stringent risk policies and practices put in place. The bank also aims to improve asset quality through enhanced governance and oversight around the credit process, diversification of its loan portfolio and concentration reduction in the oil sector. Fitch believes that diversification will be difficult to achieve, given the lack of alternatives in Nigeria.

FBN will also focus on extracting more value from its dominant retail market position. This includes penetrating segments where the bank is less strong and rationalising processes to extract more cost synergies. Achieving further cost efficiencies is achievable, despite expected high inflation.

Risk Appetite

Revamping Underwriting Standards and Risk Controls

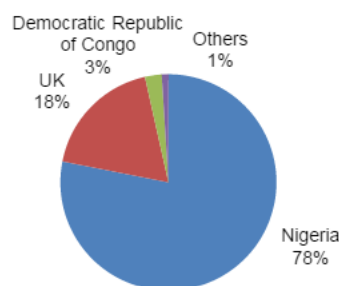
The group has been suffering from weak risk management practices, which have been highlighted by the significant drop in oil prices and other challenges faced by the Nigerian economy. The group announced a revamping of its risk management processes in early 2016 - mainly as regards credit risk management. Past lax obligor limits - the bank's largest exposure represented a high 21% of equity at end-2015 – are being revised, both from sector and obligor standpoints. Similarly, delegated approval limits have been revised downward to increase oversight and change the bank's risk culture and practices. In addition, an internal audit unit has been set up at FBNH to carry out specific audits of the subsidiaries.

Changing the risk culture will take time, meaning lax credit policies will continue to put pressure on asset quality metrics into 2017.

Muted Loan Growth Expected

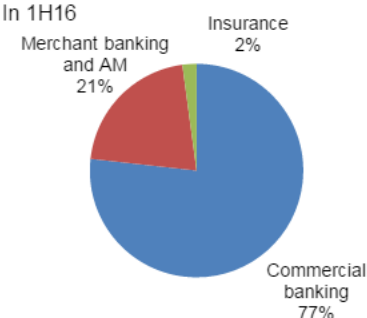
Higher interest rates (raised to 14% in August 2016), foreign currency scarcity and weak GDP growth will result in flat real loan growth in 2016. This does not take into account the translation effect of naira depreciation on the bank balance sheet, as half of the bank's loan book is in US dollar. We expect FBN's loan growth to be in line with the sector at end-2016.

FBN - Gross Loan by Geography At End-1H16



Source: FBNH

FBNH - Profit Before Tax by Activities In 1H16



Source: FBNH

Exposure to Market Risk

FBN's main market risks are interest-rate and foreign currency risks. Changes in the monetary policy rate, cash reserve ratio on deposits and the FX rate are all impacting the bank's operating income. FBN's loan book is 100%-rate sensitive, whereas a large part of its deposit base is unremunerated. The bank would therefore benefit from higher interest rates in the short term.

Exposure to foreign exchange (FX) risk is significant, given the extent of the bank's significant USD loan book (about half of total loans at end-1H16). FBN manages this through basic derivatives products and regulatory limits on net positions (20% limit of shareholder's equity on the banking book, as per the CBN's regulation). Fitch believes that indirectly, a material currency movement would also affect profitability due to the negative impact on asset quality. USD loans are largely to the oil sector (58% at end-1H16).

Financial Profile

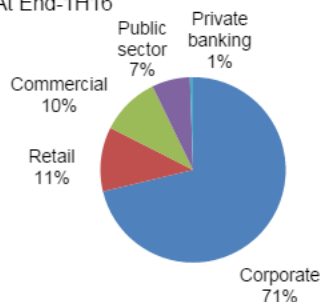
Weak Asset Quality

Asset-quality metrics have been affected by a severe deterioration of the bank's oil sector loan portfolio in 2015 and 1H16. Loans to the oil sector accounted for about two thirds of impaired loans at end-1H16. Fitch believes that further deterioration of the bank's quality metrics cannot be ruled out given the overall weakening of the private sector and FBN's particularly high oil sector exposure compared to peers (see [Vulnerable Large Oil Exposure](#)).

The quality of the loan portfolio is particularly weak, as evidenced by FBNH's high impaired loans ratio of 22.8% at end-1H16. On top of this, restructured loans and past due loans (all less than 90 days in arrears) represented about 2.7% and 3.2% respectively, of the loan portfolio, which is significantly worse than peers. Fitch believes that reserves for impaired loans are particularly weak (at a low 40% at end-1H16) and expose the bank to uncertainties around collateral valuation. Net credit risk exposure to equity is significantly worse than peers, at about 50% of FBNH's equity at end-1H16.

First Bank (Nigeria) - Gross Loan Portfolio

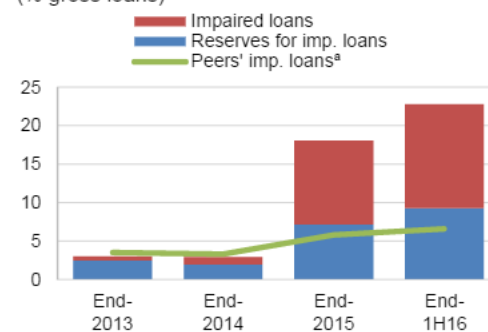
At End-1H16



Source: FBNH

Impaired Loans

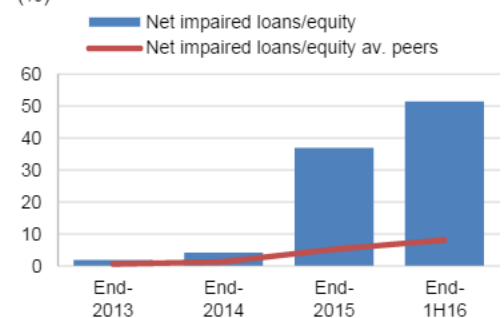
(% gross loans)



Source: Banks, adjusted by Fitch

Net Impaired Loans/Equity

(%)



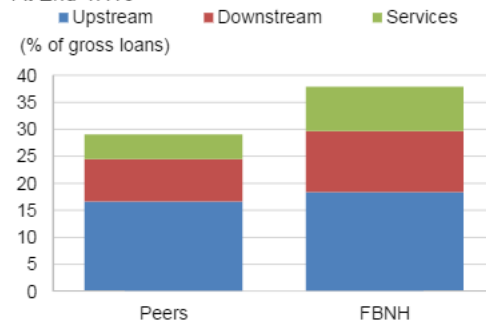
Source: Banks, adjusted by Fitch

Vulnerable Large Oil Exposure

FBNH has the highest concentration to oil and gas of all peers, with gross exposure to the oil sector reaching 38% of total loans at end-1H16 (see charts below). Fitch believes that problems in the oil sector could further affect the upstream portion of the portfolio. Fitch does not rule out that further oil exposures may have had to be restructured or impaired by end-2016. FBN's loan book is significantly concentrated by obligor compared to peers, which exposes the bank to event risk.

Oil Sector Exposures

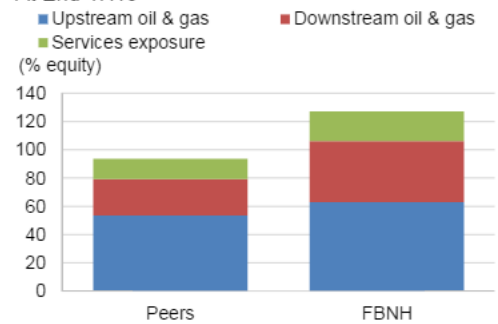
At End-1H16



Source: Fitch, FBNH

Oil Sector Exposures

At End-1H16

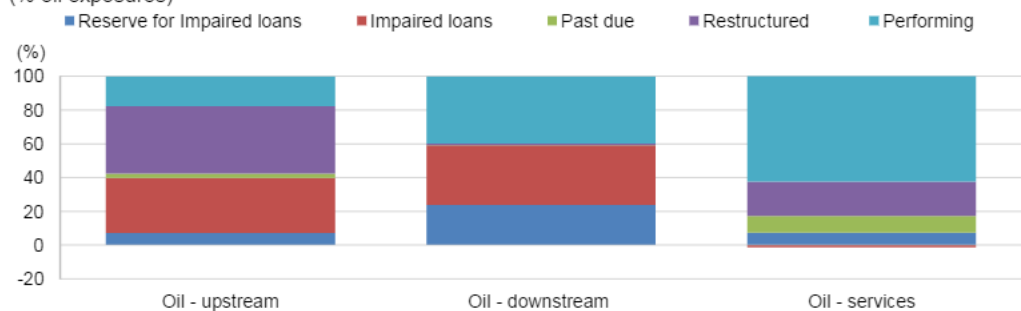


Source: Fitch, FBNH

Quality of Oil Exposures

End-2015

(% oil exposures)



Source: First Bank (Nigeria)

Higher Concentration than Peers Other Earning Assets

Other earning assets (about a third of total assets at end-1H16) are largely made up of Nigerian T-bills, government bonds and interbank placements. The interbank placements are split between domestic and non-Nigerian banks.

Contingent Risks

As of end-1H16, FBN had no overdue or extended trade finance obligations, unlike some domestic peers. The bank has managed to meet all trade finance obligations falling due on time, as per the original terms.

Earnings and Profitability

Profitability Under Pressure

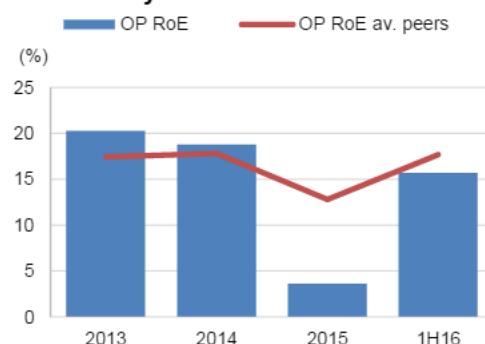
Fitch expects profitability to still be challenged in 2016 due to high loan impairment charges (LICs) and pressure on margins. Profitability was hit in 2015 by a severe increase in LICs.

Revenues are largely derived from lending activities (about half of operating income in 2015) with the remainder split equally between revenues generated on the investment portfolio and fees. Fitch expects profitability across the banking sector to remain sensitive to changes in the CBN's policies – notably cash reserve requirements (placed with the CBN at 0% interest) and changes in interest rates. Non-interest income is also expected to be under pressure, on the back of lower FX commissions and limited trading income. However, Fitch expects credit-related fees and commissions to continue generating satisfactory revenue.

LICs are expected to remain high in 2016 (60% of 1H16 pre-impairment operating profit) because of Nigeria's challenging environment. Despite inflation, the agency expects operating expenses to reduce in 2017, reflecting cost management initiatives. The group's cost-to-income ratio was at a low 47% in 1H16 because of significant revenue increases, driven by FX

translation gains.

Profitability



Source: Banks, adjusted by Fitch

Cost Efficiency



Source: Banks, adjusted by Fitch

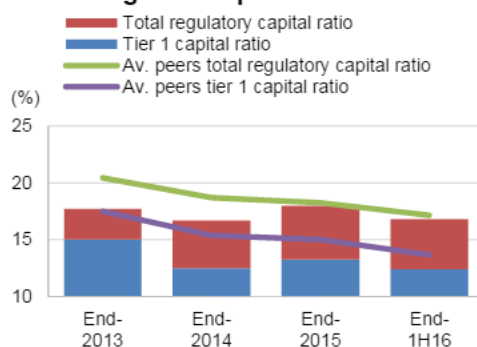
Capitalisation and Leverage

Pressured Capital and Leverage Ratios

FBN's risk-weighted capital ratios and leverage ratios are in line with the sector, reflecting the bank's resilient capacity to generate capital. However, capital buffers are limited, considering FBNH's growing net impaired loans exposure to equity (over 50% of FBNH's equity at end-1H16). Capital ratios are also declining, due to risk asset growth and lower retained earnings.

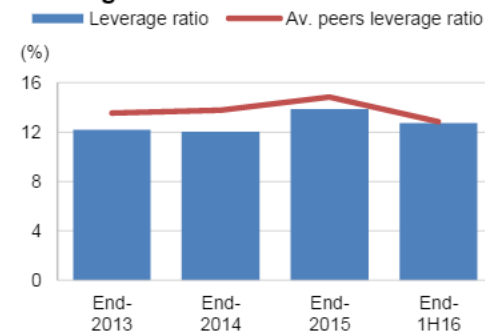
Following the implementation of the new FX regime in June 2016, FBN and its subsidiaries' total capital ratio decreased to 16.8% (from 18% at end-2015). We expect the CBN to restrict the bank to upstream more than 30% of dividends to FBNH, as the bank's impaired loans ratio is above the advisory guide of 5%. Fitch expects further currency depreciation, combined with a persistent rise in impaired loans, to result in further pressure on capital ratios at end-2016.

Risk-Weighted Capital Ratios



Source: Banks, adjusted by Fitch

Leverage Ratio^a



^a Equity/total assets
Source: Banks, adjusted by Fitch

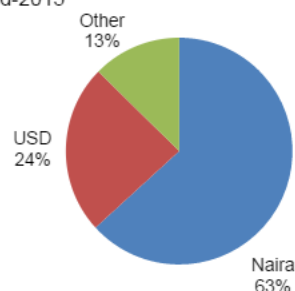
Funding and Liquidity

Mostly Deposit Funded; Benefits from Strong Retail Franchise

FBNH has a strong funding position, which benefits from its strong retail franchise. Like peers, it is largely deposit funded and favours cheap current and savings accounts (CASAs) over more expensive term deposits. CASAs represented about two-thirds of the deposit base at end-1H16. Over 70% 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 FBN than most peers.

Non-Equity Funding

By currency
End-2015

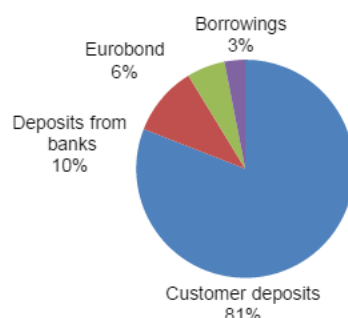


Source: FBNH

Other non-equity funding consists mainly of deposits from Nigerian banks, and two Eurobond issuances, maturing respectively in August 2020 and July 2021. USD funding represents a significant part of FBNH's non-equity funding, although sourced from well diversified customer deposits (around half of USD funding at end-9M16) - largely from the state oil company, other government-related enterprises and multinational corporates based in Nigeria. Raising new USD deposits and debt remains challenging in the current environment and therefore, refinance risk is significant.

Non- Equity Funding

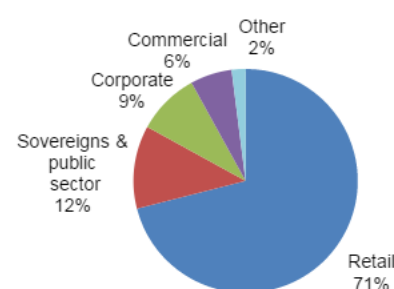
At End-1H16



Source: FBNH

Deposits Breakdown

End-1H16

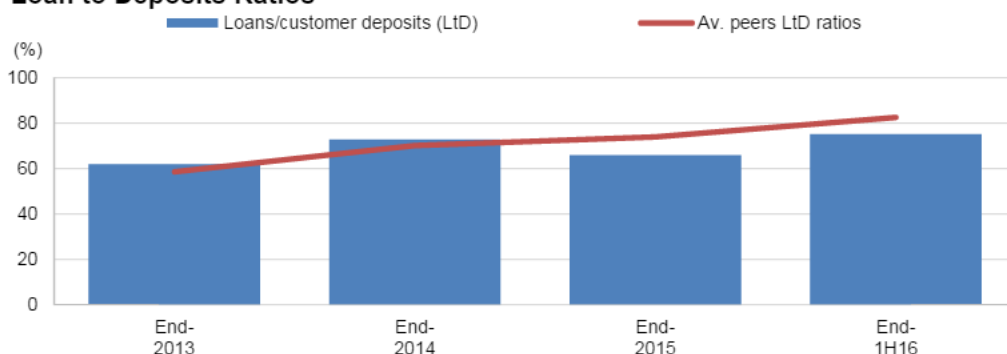


Source: FBNH

Adequate Liquidity

The loan-to-deposit ratio is healthy and below peers. We view USD liquidity as adequate, although under pressure. USD liquid assets were covering for all USD wholesale funding (excluding USD deposits) maturing within a year at end-1H16. The bank's local-currency liquidity compares well to peers. The bank reported a regulatory liquidity ratio of 53.2% at end-1H16 – well above the minimum regulatory requirement of 30%. We believe liquidity is fungible within the group, subject to the minimum regulatory liquidity ratio being met.

Loan to Deposits Ratios



Source: Banks, adjusted by Fitch

Unable to Rely on Sovereign Support

Fitch views FBN as one of the four domestic systemically important banks (D-SIBs) in Nigeria. However, FBN's SRF is at 'No Floor' ('NF') because Fitch believes that it can no longer rely on sovereign support, particularly in foreign currency. This is due to significant uncertainties about the ability of Nigeria ('B+/Stable') to provide support, given falling foreign currency reserves and on-going limitations in foreign exchange supply to the interbank market.

No Sovereign Support for the Holding Company

FBNH also has an SR of '5' and an SRF of 'NF'. This reflects Fitch's view that while the Nigerian authorities' propensity to support the local banks is high, this does not apply to holding companies. FBNH's IDR of 'B' is driven by its VR of 'b'.

FBN Holdings Plc Income Statement

	30 Jun 2016			31 Dec 2015			31 Dec 2014			31 Dec 2013		
	6 Months - Interim USDm Unaudited	6 Months - Interim NGNbn Unaudited	As % of Earning Assets	Year End NGNbn Audited - Unqualified	As % of Earning Assets	Year End NGNbn Audited - Unqualified	As % of Earning Assets	Year End NGNbn Audited - Unqualified	As % of Earning Assets	Year End NGNbn Audited - Unqualified	As % of Earning Assets	Year End NGNbn Audited - Unqualified
1. Interest Income on Loans	429.6	121.3	6.29	271.7	8.36	251.2	7.28	220.0	7.10	220.0	7.10	220.0
2. Other Interest Income	169.9	47.9	2.49	124.4	3.83	111.4	3.23	103.6	3.34	103.6	3.34	103.6
3. Dividend Income	2.7	0.8	0.04	1.5	0.05	1.5	0.04	1.2	0.04	1.2	0.04	1.2
4. Gross Interest and Dividend Income	602.2	170.0	8.81	397.7	12.23	364.0	10.55	324.8	10.49	324.8	10.49	324.8
5. Interest Expense on Customer Deposits	117.2	33.1	1.72	105.4	3.24	98.0	2.84	79.5	2.57	79.5	2.57	79.5
6. Other Interest Expense	35.6	10.1	0.52	25.8	0.79	20.7	0.60	14.0	0.45	14.0	0.45	14.0
7. Total Interest Expense	152.9	43.2	2.24	131.2	4.03	118.7	3.44	93.5	3.02	93.5	3.02	93.5
8. Net Interest Income	449.3	126.8	6.57	266.6	8.20	245.3	7.11	231.3	7.47	231.3	7.47	231.3
9. Net Gains (Losses) on Trading and Derivatives	(4.4)	(1.2)	(0.06)	13.2	0.41	13.1	0.38	9.6	0.31	9.6	0.31	9.6
10. Net Gains (Losses) on Other Securities	17.7	5.0	0.26	6.7	0.20	(0.2)	(0.01)	2.9	0.09	2.9	0.09	2.9
11. Net Gains (Losses) on Assets at Fair Value through Income Statement	5.2	1.5	0.08	0.2	0.01	(0.2)	(0.01)	(2.1)	(0.07)	(2.1)	(0.07)	(2.1)
12. Net Insurance Income	8.3	2.3	0.12	4.0	0.12	1.7	0.05	1.3	0.04	1.3	0.04	1.3
13. Net Fees and Commissions	106.5	30.1	1.56	54.5	1.68	60.8	1.76	54.1	1.75	54.1	1.75	54.1
14. Other Operating Income	193.1	54.5	2.83	14.5	0.44	33.6	0.98	(1.5)	(0.05)	(1.5)	(0.05)	(1.5)
15. Total Non-Interest Operating Income	326.4	92.1	4.78	93.0	2.86	108.7	3.15	64.3	2.08	64.3	2.08	64.3
16. Personnel Expenses	154.4	43.6	2.26	86.9	2.67	86.6	2.51	72.7	2.35	72.7	2.35	72.7
17. Other Operating Expenses	211.0	59.6	3.09	135.0	4.15	149.2	4.32	112.9	3.65	112.9	3.65	112.9
18. Total Non-Interest Expenses	365.4	103.1	5.35	221.9	6.82	235.8	6.83	185.6	5.99	185.6	5.99	185.6
19. Equity-accounted Profit/ Loss - Operating	n.a.	n.a.	-	n.a.	-	0.0	0.00	1.0	0.03	1.0	0.03	1.0
20. Pre-impairment Operating Profit	410.3	115.8	6.00	137.7	4.23	118.2	3.43	111.0	3.59	111.0	3.59	111.0
21. Loan Impairment Charge	247.7	69.9	3.62	117.6	3.62	25.7	0.74	20.0	0.65	20.0	0.65	20.0
22. Securities and Other Credit Impairment Charges	n.a.	n.a.	-	n.a.	-	0.3	0.01	n.a.	-	n.a.	-	n.a.
23. Operating Profit	162.6	45.9	2.38	20.1	0.62	92.3	2.67	91.0	2.94	91.0	2.94	91.0
24. Equity-accounted Profit/ Loss - Non-operating	n.a.	n.a.	-	n.a.	-	0.6	0.02	n.a.	-	n.a.	-	n.a.
25. Non-recurring Income	n.a.	n.a.	-	1.6	0.05	0.0	0.00	0.3	0.01	0.3	0.01	0.3
26. Non-recurring Expense	0.0	0.0	0.00	0.2	0.01	0.0	0.00	n.a.	-	n.a.	-	n.a.
27. Change in Fair Value of Own Debt	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-	n.a.	-	n.a.
28. Other Non-operating Income and Expenses	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-	n.a.	-	n.a.
29. Pre-tax Profit	162.6	45.9	2.38	21.5	0.66	92.9	2.69	91.3	2.95	91.3	2.95	91.3
30. Tax expense	35.5	10.0	0.52	6.4	0.20	10.0	0.29	20.7	0.67	20.7	0.67	20.7
31. Profit/Loss from Discontinued Operations	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-	n.a.	-	n.a.
32. Net Income	127.0	35.9	1.86	15.1	0.47	82.8	2.40	70.6	2.28	70.6	2.28	70.6
33. Change in Value of AFS Investments	(102.8)	(29.0)	(1.50)	41.5	1.28	(3.2)	(0.09)	(12.0)	(0.39)	(12.0)	(0.39)	(12.0)
34. Revaluation of Fixed Assets	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-	n.a.	-	n.a.
35. Currency Translation Differences	113.6	32.1	1.66	0.6	0.02	5.3	0.15	0.4	0.01	0.4	0.01	0.4
36. Remaining OCI Gains/(losses)	n.a.	n.a.	-	(1.4)	(0.04)	0.4	0.01	2.5	0.08	2.5	0.08	2.5
37. Fitch Comprehensive Income	137.8	38.9	2.02	55.9	1.72	85.4	2.48	61.5	1.99	61.5	1.99	61.5
38. Memo: Profit Allocation to Non-controlling Interests	1.8	0.5	0.03	(0.3)	(0.01)	(0.2)	(0.01)	0.5	0.02	0.5	0.02	0.5
39. Memo: Net Income after Allocation to Non-controlling Interests	125.3	35.4	1.83	15.4	0.47	83.1	2.41	70.1	2.26	70.1	2.26	70.1
40. Memo: Common Dividends Relating to the Period	n.a.	n.a.	-	n.a.	-	0.0	0.00	36.0	1.16	36.0	1.16	36.0
41. Memo: Preferred Dividends Related to the Period	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-	n.a.	-	n.a.

Exchange rate USD1 = NGN282.25000 USD1 = NGN197.00000 USD1 = NGN169.58000 USD1 = NGN157.25700

FBN Holdings Plc

Balance Sheet

	30 Jun 2016			31 Dec 2015		31 Dec 2014		31 Dec 2013	
	6 Months - Interim	6 Months - Interim	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.	-	0.0	0.00	n.a.	-
2. Other Mortgage Loans	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
3. Other Consumer/ Retail Loans	n.a.	n.a.	-	n.a.	-	0.0	0.00	143.4	3.71
4. Corporate & Commercial Loans	n.a.	n.a.	-	n.a.	-	0.0	0.00	1,870.8	43.18
5. Other Loans	8,246.7	2,327.6	48.45	1,957.0	46.97	2,221.6	51.16	0.0	0.00
6. Less: Reserves for Impaired Loans	764.9	215.9	4.49	139.7	3.35	42.6	0.98	45.0	1.16
7. Net Loans	7,481.9	2,111.8	43.96	1,817.3	43.62	2,179.0	50.18	1,769.1	45.73
8. Gross Loans	8,246.7	2,327.6	48.45	1,957.0	46.97	2,221.6	51.16	1,814.2	46.89
9. Memo: Impaired Loans included above	1,880.3	530.7	11.05	353.5	8.49	64.8	1.49	54.3	1.40
10. Memo: Loans at Fair Value included above	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
B. Other Earning Assets									
1. Loans and Advances to Banks	2,566.6	724.4	15.08	385.8	9.26	400.9	10.61	430.6	11.13
2. Reverse Repos and Cash Collateral	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
3. Trading Securities and at FV through Income	130.8	36.9	0.77	23.2	0.56	17.7	0.41	5.3	0.14
4. Derivatives	9.4	2.7	0.06	3.2	0.08	9.9	0.23	5.0	0.13
5. Available for Sale Securities	2,723.2	766.6	16.00	823.5	19.77	572.4	13.18	549.9	14.21
6. Held to Maturity Securities	470.6	132.8	2.77	188.6	4.53	207.8	4.78	327.8	8.47
7. Equity Investments in Associates	0.0	0.0	0.00	n.a.	-	0.0	0.00	7.0	0.18
8. Other Securities	348.3	98.3	2.05	7.3	0.18	0.0	0.00	n.a.	-
9. Total Securities	3,682.3	1,039.3	21.63	1,045.9	25.10	807.7	18.60	895.0	23.13
10. Memo: Government Securities included Above	1,857.6	524.3	10.91	524.6	12.59	387.7	8.93	353.5	9.14
11. Memo: Total Securities Pledged	299.4	84.5	1.76	105.6	2.54	68.5	1.58	53.7	1.39
12. Investments in Property	12.7	3.6	0.07	3.0	0.07	2.8	0.07	2.4	0.06
13. Insurance Assets	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
14. Other Earning Assets	0.0	0.0	0.00	n.a.	-	0.0	0.00	n.a.	-
15. Total Earning Assets	13,743.4	3,879.1	80.74	3,251.9	78.05	3,450.4	79.45	3,097.2	80.05
C. Non-Earning Assets									
1. Cash and Due From Banks	2,484.1	701.1	14.59	715.9	17.18	698.1	16.08	594.2	15.36
2. Memo: Mandatory Reserves included above	1,862.1	525.6	10.94	477.4	11.46	563.7	12.98	341.2	8.82
3. Foreclosed Real Estate	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
4. Fixed Assets	317.8	89.7	1.87	88.4	2.12	88.2	2.03	81.3	2.10
5. Goodwill	17.9	5.0	0.10	3.6	0.09	6.1	0.14	6.6	0.17
6. Other Intangibles	27.3	7.7	0.16	6.1	0.15	4.0	0.09	2.2	0.06
7. Current Tax Assets	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
8. Deferred Tax Assets	53.0	15.0	0.31	14.6	0.35	9.0	0.21	7.1	0.18
9. Discontinued Operations	n.a.	n.a.	-	0.6	0.01	8.3	0.19	4.5	0.12
10. Other Assets	377.8	106.6	2.22	85.1	2.04	78.5	1.81	75.9	1.96
11. Total Assets	17,021.2	4,804.2	100.00	4,166.2	100.00	4,342.7	100.00	3,869.0	100.00
Liabilities and Equity									
D. Interest-Bearing Liabilities									
1. Customer Deposits - Current	4,246.4	1,196.5	24.95	1,170.7	28.10	1,273.1	29.32	1,546.7	39.98
2. Customer Deposits - Savings	3,157.0	891.1	18.55	829.8	19.92	728.7	16.78	665.7	17.21
3. Customer Deposits - Term	3,569.6	1,007.5	20.97	970.4	23.29	1,049.0	24.16	716.7	18.52
4. Total Customer Deposits	10,972.9	3,095.1	64.47	2,970.9	71.31	3,050.9	70.25	2,929.1	75.71
5. Deposits from Banks	1,400.9	395.4	8.23	144.7	3.47	171.2	3.94	82.0	2.12
6. Repos and Cash Collateral	n.a.	n.a.	-	n.a.	-	0.0	0.00	0.0	0.00
7. Commercial Paper and Short-term Borrowings	n.a.	n.a.	-	36.1	0.87	34.3	0.79	58.0	1.50
8. Total Money Market and Short-term Funding	12,373.9	3,492.5	72.70	3,151.7	75.65	3,256.3	74.98	3,069.1	79.33
9. Senior Unsecured Debt (original maturity > 1 year)	1,184.3	334.3	6.96	220.0	5.28	149.1	3.43	94.9	2.45
10. Subordinated Borrowing	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
11. Covered Bonds	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Other Long-term Funding	n.a.	n.a.	-	n.a.	-	220.6	5.08	31.4	0.81
13. Total LT Funding (original maturity > 1 year)	1,184.3	334.3	6.96	220.0	5.28	369.7	8.51	126.3	3.26
14. Derivatives	129.8	36.6	0.76	12.5	0.30	10.9	0.25	1.7	0.04
15. Trading Liabilities	n.a.	n.a.	-	n.a.	-	0.0	0.00	0.0	0.00
16. Total Funding	13,687.9	3,863.4	80.42	3,384.2	81.23	3,636.9	83.75	3,197.1	82.63
E. Non-Interest Bearing Liabilities									
1. Fair Value Portion of Debt	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
2. Credit impairment reserves	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
3. Reserves for Pensions and Other	13.7	3.9	0.08	3.8	0.09	2.0	0.05	1.9	0.05
4. Current Tax Liabilities	42.2	11.9	0.25	8.8	0.21	11.8	0.27	34.2	0.88
5. Deferred Tax Liabilities	0.8	0.2	0.00	0.2	0.01	0.2	0.00	0.0	0.00
6. Other Deferred Liabilities	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
7. Discontinued Operations	n.a.	n.a.	-	n.a.	-	1.6	0.04	0.0	0.00
8. Insurance Liabilities	107.8	30.4	0.63	22.0	0.53	68.9	1.59	72.4	1.87
9. Other Liabilities	1,000.8	282.5	5.88	168.4	4.04	98.4	2.26	91.6	2.37
10. Total Liabilities	14,853.2	4,192.3	87.26	3,587.4	86.11	3,819.8	87.96	3,397.2	87.81
F. Hybrid Capital									
1. Pref. Shares and Hybrid Capital accounted for as Debt	n.a.	n.a.	-	n.a.	-	0.0	0.00	0.0	0.00
2. Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	-	n.a.	-	0.0	0.00	0.0	0.00
G. Equity									
1. Common Equity	1,916.1	540.8	11.26	510.9	12.26	452.3	10.41	384.0	9.92
2. Non-controlling Interest	8.0	2.3	0.05	3.7	0.09	4.0	0.09	4.5	0.12
3. Securities Revaluation Reserves	101.9	28.8	0.60	56.2	1.35	12.5	0.29	15.0	0.39
4. Foreign Exchange Revaluation Reserves	142.0	40.1	0.83	8.0	0.19	7.4	0.17	2.1	0.05
5. Fixed Asset Revaluations and Other Accumulated OCI	n.a.	n.a.	-	n.a.	-	48.7	1.07	66.2	1.71
6. Total Equity	2,168.0	611.9	12.74	578.8	13.89	522.9	12.04	471.8	12.19
7. Total Liabilities and Equity	17,021.2	4,804.2	100.00	4,166.2	100.00	4,342.7	100.00	3,869.0	100.00
8. Memo: Fitch Core Capital	2,070.7	584.5	12.17	548.8	13.17	497.2	11.45	460.7	11.91

Exchange rate

USD1 = NGN282.25000

USD1 = NGN197.00000 USD1 = NGN169.68000 USD1 = NGN157.25700

FBN Holdings Plc

Summary Analytics

	30 Jun 2016	31 Dec 2015	31 Dec 2014	31 Dec 2013
	6 Months - Interim	Year End	Year End	Year End
A. Interest Ratios				
1. Interest Income on Loans/ Average Gross Loans	11.80	12.98	12.72	13.39
2. Interest Expense on Customer Deposits/ Average Customer Deposits	2.24	3.43	3.38	3.01
3. Interest Income/ Average Earning Assets	9.93	11.58	11.13	11.15
4. Interest Expense/ Average Interest-bearing Liabilities	2.46	3.66	3.56	3.27
5. Net Interest Income/ Average Earning Assets	7.41	7.76	7.50	7.94
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	3.33	4.34	6.72	7.26
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Assets	7.41	7.76	7.50	7.94
B. Other Operating Profitability Ratios				
1. Non-Interest Income/ Gross Revenues	42.07	25.87	30.71	21.75
2. Non-Interest Expense/ Gross Revenues	47.11	61.70	66.61	62.78
3. Non-Interest Expense/ Average Assets	4.75	5.10	5.82	5.28
4. Pre-impairment Op. Profit/ Average Equity	39.56	24.75	24.08	24.73
5. Pre-impairment Op. Profit/ Average Total Assets	5.33	3.17	2.92	3.16
6. Loans and securities impairment charges/ Pre-impairment Op. Profit	60.37	85.38	21.94	18.01
7. Operating Profit/ Average Equity	15.68	3.62	18.80	20.28
8. Operating Profit/ Average Total Assets	2.11	0.46	2.28	2.59
9. Operating Profit / Risk Weighted Assets	2.69	0.67	2.95	3.87
C. Other Profitability Ratios				
1. Net Income/ Average Total Equity	12.25	2.72	16.87	15.73
2. Net Income/ Average Total Assets	1.65	0.35	2.04	2.01
3. Fitch Comprehensive Income/ Average Total Equity	13.29	10.05	17.40	13.70
4. Fitch Comprehensive Income/ Average Total Assets	1.79	1.29	2.11	1.75
5. Taxes/ Pre-tax Profit	21.86	29.58	10.81	22.67
6. Net Income/ Risk Weighted Assets	2.10	0.50	2.65	3.00
D. Capitalization				
1. FCC/FCC-Adjusted Risk Weighted Assets	17.04	18.15	15.90	19.58
2. Tangible Common Equity/ Tangible Assets	12.24	13.27	11.52	11.94
3. Tier 1 Regulatory Capital Ratio	12.40	13.26	12.46	15.00
4. Total Regulatory Capital Ratio	16.80	18.00	16.70	17.70
5. Common Equity Tier 1 Capital Ratio	n.a.	n.a.	n.a.	n.a.
6. Equity/ Total Assets	12.74	13.89	12.04	12.19
7. Cash Dividends Paid & Declared/ Net Income	n.a.	n.a.	n.a.	50.97
8. Internal Capital Generation	11.78	2.62	15.84	7.34
E. Loan Quality				
1. Growth of Total Assets	15.31	(4.06)	12.24	19.92
2. Growth of Gross Loans	18.94	(11.91)	22.46	14.77
3. Impaired Loans/ Gross Loans	22.80	18.06	2.92	2.99
4. Reserves for Impaired Loans/ Gross Loans	9.27	7.14	1.92	2.48
5. Reserves for Impaired Loans/ Impaired Loans	40.68	39.52	65.82	82.97
6. Impaired loans less Reserves for Impaired Loans/ Fitch Core Capital	53.87	38.96	4.45	2.01
7. Impaired Loans less Reserves for Impaired Loans/ Equity	51.45	36.94	4.23	1.96
8. Loan Impairment Charges/ Average Gross Loans	6.81	5.61	1.30	1.22
9. Net Charge-offs/ Average Gross Loans	n.a.	1.08	1.55	1.00
10. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	22.80	18.06	2.92	2.99
F. Funding and Liquidity				
1. Loans/ Customer Deposits	75.16	65.87	72.82	61.94
2. Interbank Assets/ Interbank Liabilities	183.20	266.69	269.30	524.90
3. Customer Deposits/ Total Funding (excluding derivatives)	80.93	88.11	84.14	91.66
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

	30 Jun 2016			31 Dec 2015		31 Dec 2014		31 Dec 2013	
	6 Months - Interim USDm	6 Months - Interim NGNbn	As % of Assets	Year End NGNbn	As % of Assets	Year End NGNbn	As % of Assets	Year End NGNbn	As % of Assets
A. Off-Balance Sheet Items									
1. Managed Securitised Assets Reported Off-Balance Sheet	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
2. Other off-balance sheet exposure to securitizations	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
3. Guarantees	n.a.	n.a.	-	295.5	7.09	429.3	9.89	459.7	11.88
4. Acceptances and documentary credits reported off-balance sheet	n.a.	n.a.	-	126.2	3.03	272.7	6.28	233.9	6.05
5. Committed Credit Lines	n.a.	n.a.	-	38.8	0.88	90.4	2.08	411.3	10.63
6. Other Contingent Liabilities	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
7. Total Assets under Management	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
B. Average Balance Sheet									
Average Loans	7,319.8	2,066.0	43.00	2,094.3	50.27	1,975.3	45.49	1,643.6	42.48
Average Earning Assets	12,190.7	3,440.8	71.62	3,434.4	82.44	3,271.3	75.33	2,912.8	75.29
Average Assets	15,486.3	4,371.0	90.98	4,348.4	104.37	4,053.2	93.34	3,517.3	90.91
Average Managed Securitised Assets (OBS)	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
Average Interest-Bearing Liabilities	12,476.4	3,521.5	73.30	3,579.6	85.92	3,335.8	76.81	2,860.2	73.93
Average Common equity	1,869.5	527.7	10.98	503.6	12.09	432.6	9.98	370.0	9.56
Average Equity	2,085.5	588.6	12.25	556.3	13.35	491.0	11.31	449.0	11.61
Average Customer Deposits	10,514.7	2,967.8	61.77	3,070.9	73.71	2,900.5	66.79	2,642.3	68.29
C. Maturities									
Asset Maturities:									
Loans & Advances < 3 months	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
Loans & Advances 3 - 12 Months	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
Loans and Advances 1 - 5 Years	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
Loans & Advances > 5 years	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
Debt Securities < 3 Months	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
Debt Securities 3 - 12 Months	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
Debt Securities 1 - 5 Years	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
Debt Securities > 5 Years	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
Loans & Advances to Banks < 3 Months	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
Loans & Advances to Banks 3 - 12 Months	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
Loans & Advances to Banks 1 - 5 Years	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
Loans & Advances to Banks > 5 Years	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
Liability Maturities:									
Retail Deposits < 3 months	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
Retail Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
Retail Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
Retail Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
Other Deposits < 3 Months	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
Other Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
Other Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
Other Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
Deposits from Banks < 3 Months	n.a.	n.a.	-	n.a.	-	162.6	3.74	80.2	2.07
Deposits from Banks 3 - 12 Months	n.a.	n.a.	-	n.a.	-	8.6	0.20	1.9	0.05
Deposits from Banks 1 - 5 Years	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
Deposits from Banks > 5 Years	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
Senior Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
Senior Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
Senior Debt Maturing 1- 5 Years	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
Senior Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
Total Senior Debt on Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Fair Value Portion of Senior Debt	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
Subordinated Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
Subordinated Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
Subordinated Debt Maturing 1- 5 Year	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
Subordinated Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
Total Subordinated Debt on Balance Sheet	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
Fair Value Portion of Subordinated Debt	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
D. Risk Weighted Assets									
1. Risk Weighted Assets	12,148.8	3,429.0	71.37	3,024.3	72.59	3,126.4	71.99	2,352.7	60.81
2. Fitch Core Capital Adjustments for Insurance and Securitisation Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Fitch Core Capital Adjusted Risk Weighted Assets	12,148.8	3,429.0	71.37	3,024.3	72.59	3,126.4	71.99	2,352.7	60.81
4. Other Fitch Adjustments to Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
5. Fitch Adjusted Risk Weighted Assets	12,148.8	3,429.0	71.37	3,024.3	72.59	3,126.4	71.99	2,352.7	60.81
E. Equity Reconciliation									
1. Equity	2,168.0	611.9	12.74	578.8	13.89	522.9	12.04	471.8	12.19
2. Add: Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	-	n.a.	-	0.0	0.00	0.0	0.00
3. Add: Other Adjustments	n.a.	n.a.	-	n.a.	-	0.0	0.00	n.a.	-
4. Published Equity	2,168.0	611.9	12.74	578.8	13.89	522.9	12.04	471.8	12.19
F. Fitch Core Capital Reconciliation									
1. Total Equity as reported (including non-controlling interests)	2,168.0	611.9	12.74	578.8	13.89	522.9	12.04	471.8	12.19
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	17.9	5.0	0.10	3.6	0.09	6.1	0.14	6.6	0.17
5. Other intangibles	27.3	7.7	0.16	6.1	0.15	4.0	0.09	2.2	0.06
6. Deferred tax assets deduction	52.2	14.7	0.31	20.3	0.49	15.6	0.36	2.3	0.06
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	2,070.7	584.5	12.17	548.8	13.17	497.2	11.45	460.7	11.91

Exchange Rate

USD1 = NGN282.25000

USD1 = NGN197.00000 USD1 = NGN169.68000 USD1 = NGN157.25700

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