

National Bank of Egypt (UK) Limited

Full Rating Report

Ratings

Foreign Currency

Long-Term IDR	B
Short-Term IDR	B
Support Rating	4

Sovereign Risk (UK)

Long-Term Foreign-Currency IDR	AA
Long-Term Local-Currency IDR	AA

Outlooks

Long-Term Foreign-Currency Rating	Positive
Sovereign Long-Term Foreign-Currency IDR	Negative
Sovereign Long-Term Local-Currency IDR	Negative

Financial Data

National Bank of Egypt (UK) Limited

	30 Jun 18	30 Jun 17
Total assets (USDm)	1,926.7	1,866.6
Total assets (GBPm)	1,471.0	1,438.2
Total equity (GBPm)	149.9	149.6
Net income (GBPm)	6.0	11.5
Operating ROAA (%)	0.5	1.0
Operating ROAE (%)	4.0	8.0
Fitch Core Capital/weighted risks (%)	18.6	19.0
Total capital ratio (%)	22.0	21.9
Impaired loans/gross Loans (%)	2.1	1.2
Loans/customer deposits (%)	8.0	13.1

Source: Fitch Ratings, Fitch Solutions

Key Rating Drivers

Support Drives IDRs: National Bank of Egypt (UK) Limited's (NBE UK) Issuer Default Ratings (IDRs) are equalised with those of its parent, National Bank of Egypt (NBE, B/Positive/b). This combines a high propensity to provide support with a weak ability to do so.

High Propensity to Support: Fitch Ratings believes that NBE would have a strong willingness to support NBE UK, if needed. This is based on the reputational damage that an NBE UK default would have on NBE, NBE UK's full ownership by NBE and the common branding between the banks. Synergies and operational integration between the banks are strong.

Weak Ability to Support: NBE's ability to provide support to NBE UK is weak, as indicated by its Long-Term IDR of 'B'. This considers strong correlation between NBE risk and Egyptian sovereign risk given NBE's exposure to domestic assets, including a large proportion of Egyptian government debt.

No Viability Rating Assigned: NBE UK's businesses are inherently dependent on NBE's franchise, and include trade finance activities with Egyptian counterparties and servicing the UK's Egyptian community. In addition, most of NBE UK's funding is provided either by NBE or by Egyptian state entities. As a result, we have not assigned a Viability Rating to NBE UK.

Challenging Operating Environment: At end-June 2018, 33% of NBE UK's total assets related to Egyptian country risk. Egyptian trade finance activities and lending have reduced since 2015 due to Egypt's muted economic growth.

Variable Profitability: The bank's net interest margin drives its overall profitability. Volatile changes in Egyptian interest rates, de-risking of the bank's assets and the lengthening of the bank's liability profile have contributed to a variable margin. Fitch expects the delivery of consistent profitability to remain a challenge.

Stabilised Capital Ratios: NBE UK's capital ratios have stabilised after an acute decline in FY16 (ending in June 2016), when risk-weighted assets were inflated by the appreciation of the US dollar against the British pound and by higher risk weightings on some Egyptian exposures. Capital levels are adequate for NBE UK's risk profile.

Funding Concentration: NBE UK is predominantly wholesale-funded and its funding base is concentrated. This has been continually demonstrated by substantial inflows and outflows of deposits shaping the funding profile. Liquidity risk is mitigated by NBE UK's longstanding relationship with its main depositors and a large portfolio of high-quality liquid assets.

Rating Sensitivities

Rating Action on NBE: NBE UK's ratings are primarily sensitive to any change to NBE's ratings, which are in turn sensitive to a change in Egypt's sovereign rating. NBE UK's ratings are also sensitive to our assessment of its role as a core subsidiary of NBE.

Related Research

[Egypt \(August 2018\)](#)

[National Bank of Egypt \(November 2017\)](#)

Analysts

Eric Dupont
+33 1 44 29 91 31
eric.dupont@fitchratings.com

Mark Cordwell
+44 20 3530 1644
mark.cordwell@fitchratings.com

Support

Support from National Bank of Egypt Drives Ratings

NBE UK was established in 1992 and is a wholly owned subsidiary of NBE, the largest state-owned bank in Egypt. It accounted for about 2.4% of NBE’s total assets at end-June 2018, down from 4.8% at end-June 2017 due to NBE’s large balance sheet growth. The bank is regulated by the Financial Conduct Authority and Prudential Regulation Authority, as it is incorporated in the UK. It is also subject to all applicable UK banking regulation.

NBE UK’s ratings are based on our assessment of institutional support available from its parent, NBE, and consider NBE’s ability and willingness to support its UK subsidiary. NBE’s willingness to support is strong, in our view, but its ability to do so is constrained by its own financial strength (and indirectly by Egypt’s, NBE’s sole owner). As a result, we believe that, although it is possible that NBE (most probably in coordination with the Egyptian government) would support NBE UK, the probability of support is limited.

Fitch believes that a default of NBE UK would constitute significant reputational risk for NBE and would damage its franchise in the UK and Egypt due to NBE UK’s funding profile, which relies heavily on deposits from Egyptian government entities. We believe it is likely that NBE would be willing to support NBE UK, if needed, given NBE UK’s ownership, its common branding with NBE as well as its synergies and integration with NBE (in terms of management and risk governance). NBE has previously injected capital into NBE UK. During FY17 (ending in June 2017), NBE UK drew down on a further USD15 million of Tier 2 unsecured debt available from its parent. That was in addition to the USD30 million that was drawn down in 2010.

In our view, the above considerations mitigate other factors that could indicate a lower propensity for NBE to support NBE UK. These include its operations in a market (the UK) that we consider strategic but non-core for NBE and NBE UK’s record of volatile performance.

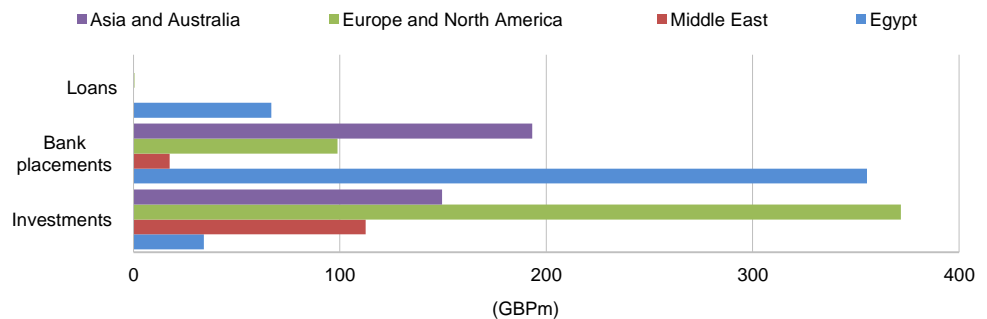
Operating Environment

UK-Domiciled but Exposed to Egypt

NBE UK is domiciled in the UK, but most of its business flows (notably in trade finance) and its credit exposure (particularly bank and lending exposure) relate to Egypt. As a result, NBE UK is primarily sensitive to changes in Egypt’s operating environment. Exposure to the UK and other developed countries is limited to large banks and highly-rated bonds.

Earning Assets By Region

June 2018



Source: Fitch Ratings, NBE UK (Europe and North America Includes Investments of Supranationals)

The Central Bank of Egypt’s (CBE) international reserves have risen sharply and the current account deficit has started to narrow since the CBE’s exchange rate reform in November 2016. International reserves reached USD44.3 billion in July 2018 (compared with USD19.1 billion in October 2016). This equates to around six months of current external payments, an increase from less than three months during 2012-2015.

Related Criteria

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

Public finances will remain a key weakness of Egypt's credit profile, but we expect continued fiscal consolidation to proceed. According to preliminary data, the budget recorded a primary surplus (although marginal at 0.1% of GDP) for the first time in 15 years. This was due to control of some expenditure items, notably public-sector wages, the contribution from the new VAT and stronger growth.

Macroeconomic stability has started to improve from a fragile state. High inflation will remain a weakness but the inflationary increase following the exchange-rate depreciation and fiscal reforms is starting to weaken. Fitch forecasts that real GDP growth will accelerate to 5.5% in FY19 (ending in June 2019).

Company Profile

Wholesale Business Model

Most of NBE UK's business relates to wholesale banking, with its marginal retail activities largely focusing on the Egyptian community in the UK. The bank's three main business lines focus on wholesale clients in Egypt and the Middle East. These are Lending (bi-lateral and syndicated loans), Treasury (largely investments of Egyptian deposits and foreign-currency operations) and Documentary Credit (trade finance).

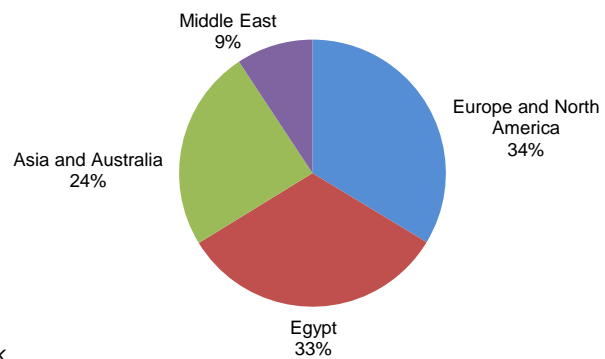
NBE UK's strategy will focus on increasing its loan book and trade finance on a selective basis, after de-risking its balance sheet by increasing its largely investment-grade bond portfolio at the expense of its commercial credit exposure. Operational risk is mitigated by NBE UK typically transacting with a small number of longstanding counterparties and strong regulatory oversight.

Risk Appetite

Adequate Risk Appetite

Geographical Exposure by Assets

June 2018



Source: Fitch Ratings, NBE UK

NBE UK's risk management is adequate for its level of risk. The bank applies the standardised approach to calculate capital requirements for credit risk under Basel II, and the basic indicator approach for operational risk. About 94% of its Pillar 1 capital requirement related to credit risk at end-June 2018, with the rest largely relating to operational risk.

NBE UK does not maintain a trading book and market risk, which is moderate, largely relates to net open-currency positions. The bank has increased its use of derivative products with the sole purpose of hedging currency-exchange and interest-rate risk. Both foreign-exchange positions and interest-rate risk are frequently monitored.

Financial Profile

Asset Quality

Sound Asset Quality but Large Concentration Risk

Asset-Quality Ratios (%)

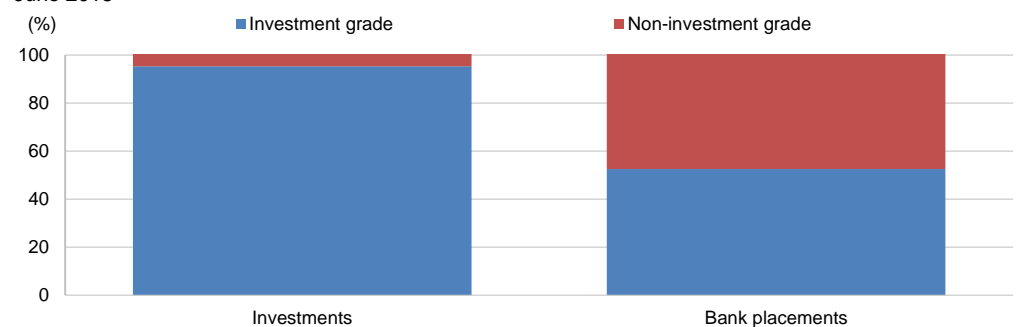
	June 2018	June 2017	June 2016	June 2015
Growth of gross loans	-40.0	12.3	10.7	30.3
Impaired loans/gross loans	2.1	1.2	1.2	7.7
Loan loss allowances/impaired loans	85.7	92.3	58.3	8.7
Loan loss allowances/gross loans	1.8	1.1	0.7	0.7
Loan impairment charges/average gross loans	0.0	0.4	-0.3	0.0

Source: Fitch Ratings, NBE UK

NBE UK's balance sheet is of good quality, with large amounts of high-quality bond investments and interbank placements mitigating higher credit risk in its small loan book. At end-June 2018, 63% of the balance sheet consisted of highly-rated bonds or placements with European or other well-rated banks. The loan book (largely Egyptian country risk) and other Egyptian risks (bonds and bank placements) made up a third of total assets.

Credit Quality of NBE UK's Investments and Placements

June 2018



Source: Fitch Ratings, NBE UK

NBE UK's interbank placements (GBP714 million, or 50% of assets, at end-June 2018) continue to be evenly split between investment- and non-investment-grade counterparties. The investment-grade counterparties are located in Europe and Asia, while the non-investment-grade counterparties are solely in Egypt. Related-party placements (entirely with NBE) are high, reflecting the bank's role as a foreign subsidiary. Related-party loans that are outstanding totalled GBP132 million at end-June 2018, equivalent to almost 88% of the bank's core capital.

NBE UK's bond portfolio is of good quality, with the GBP34.6 million Egyptian sovereign bond exposure being the only sub-investment-grade exposure at end-June 2018. NBE UK's remaining bond exposure (93%) is rated investment-grade and largely relates to bank, government and supranational debt. During FY18 (ending in June 2018), the bank's bond portfolio migrated towards higher-rated issuances, which we understand will continue as the management team wants to de-risk the securities book.

NBE UK's loan book contracted by 40% in FY18 and decreased to only 4.5% of total assets (from 8% at end-June 2017). The contraction was due to the maturity of a facility to a single obligor; concentration risk can be high given the bank's Egyptian focus. The increase in the impaired loans ratio was attributed to the contraction in the loan book, as there was no generation of impaired loans in FY18. NBE UK reports under Financial Reporting Standard 102 and is not subject to IFRS 9 requirements. Nevertheless, levels of loan-loss allowances remain suitable.

Earnings and Profitability

Variable Profitability

Earnings and Profitability Ratios (%)

	FY18	FY17	FY16	FY15
Net interest income/average earning assets	0.9	1.2	0.8	0.6
Non-interest expenses/gross revenues	60.2	40.6	61.8	46.8
Loans and securities impairment charges/ pre-impairment operating profit	0.0	2.7	-5.5	0.0
Operating profit/average total assets	0.5	1.0	0.5	0.9
Operating profit/risk-weighted assets	0.9	1.8	0.9	2.1
Net income/average equity	4.0	8.0	3.3	5.7

Source: Fitch Ratings, NBE UK

NBE UK's earnings remain volatile, as demonstrated by the bank's core-earnings metrics over the past four years. The net interest margin narrowed in FY18, with the increase in funding costs (as the bank secured longer term funding) surpassing the rise in asset yields. In addition, the bank spent significant sums to improve its corporate governance standards. As a result, costs consumed 60.2% of operating income in FY18 and net income halved. Given the bank's new funding lines, preference for higher rated bonds and the downward trend of interest rates in Egypt, Fitch expects the bank's profitability to remain challenged.

Capitalisation and Leverage

Adequately Capitalised

Capitalisation and Leverage Ratios (%)

	June 2018	June 2017	June 2016	June 2015
FCC/FCC adjusted risk weighted assets	18.6	19.0	20.2	30.3
Tangible common equity/tangible assets	10.2	10.4	9.8	14.2
Tier 1 regulatory capital ratio	17.5	17.5	19.7	28.6
Total regulatory capital ratio	22.0	21.9	21.9	32.6
Impaired loans less loan loss allowances/ Fitch Core Capital	0.1	0.1	0.4	4.4

Source: Fitch Ratings, NBE UK

NBE UK's capital and leverage ratios are adequate but should be viewed in consideration of the bank's single-name and geographical concentrations. NBE UK's capital adequacy ratio (CAR) was 22% at end-June 2018, providing the bank with a modest buffer over regulatory requirements. The bank aims to maintain its CAR at a minimum of 20%.

Capital ratios have declined over the past four years due to the appreciation of a predominantly US dollar balance sheet relative to the sterling capital (presentational currency). Internal capital generation has continued to lag behind balance-sheet growth. Dividends are being repatriated to the parent only in periods of strong profitability.

Funding and Liquidity

Maturity Profile Lengthened

Funding and Liquidity Ratios (%)

	June 2018	June 2017	June 2016	June 2015
Loans/customer deposits	8.0	13.1	30.9	13.2
Liquidity coverage ratio	228.0	201.0	n.a.	n.a.
Customer deposits/total funding (excluding derivatives)	63.6	66.3	25.5	80.9
Interbank assets/interbank liabilities	150.3	180.7	71.0	281.5
Net stable funding ratio	129.0	75.0	n.a.	n.a.
Growth of total customer deposits	-1.7	164.6	-52.6	-16.4

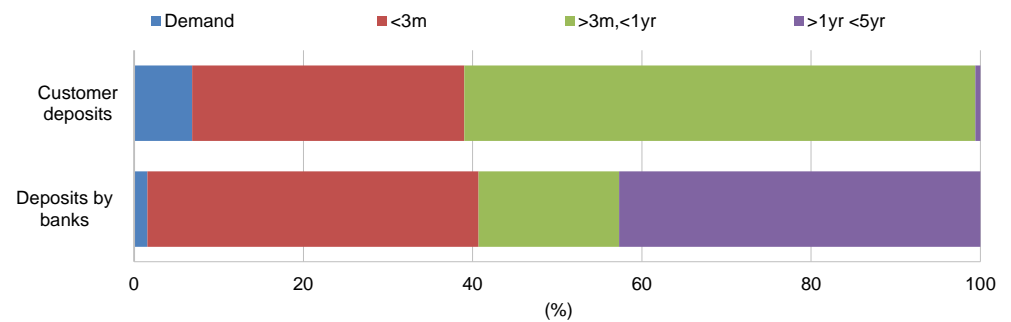
Source: Fitch Ratings, NBE UK

Customer deposits accounted for about 63.6% of non-equity funding at end-June 2018, with bank deposits (34%) accounting for most of the rest. NBE UK's deposit base is extremely concentrated, with 89% of deposits (customer and bank) either relating to Egyptian governmental agencies or Egyptian banks. NBE tends to contribute an average of 15% to NBE UK's funding.

NBE UK converted a USD150 million two-year repo facility to a USD250 million five-year secured loan with a highly rated German bank in July 2017. This was intended to lengthen the bank's funding profile, diversify funding sources and improve contingent liquidity. The extension of the bank's liability maturity profile has improved its net stable funding ratio (NSFR) (132% at end-June 2018), which sits comfortably above the regulatory requirement of 100%.

NBE UK Funding Contractual Maturity Profile

June 2018



Source: Fitch Ratings, NBE UK

NBE UK maintains an adequate liquid asset buffer, which accounts for at least 20% of the balance sheet and is frequently recalibrated in line with internal stress testing and Prudential Regulatory Authority individual liquidity guidance requirements. In its internal stress test, the bank assumes an immediate outflow of the vast majority of Egyptian governmental agency deposits, which we believe represents a credible stress. NBE UK comfortably met the 100% requirement, given its liquidity coverage ratio of 280% at end-June 2018.

National Bank of Egypt (UK) Limited
Income Statement

	30 Jun 2018			30 Jun 2017		30 Jun 2016		30 Jun 2015	
	Year End USDm Audited - Unqualified	Year End GBPm Audited - Unqualified	As % of Earning Assets	Year End GBPm Audited - Unqualified	As % of Earning Assets	Year End GBPm Audited - Unqualified	As % of Earning Assets	Year End GBPm Audited - Unqualified	As % of Earning Assets
1. Interest Income on Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Other Interest Income	64.4	49.2	3.36	41.1	2.87	31.4	2.23	19.2	1.93
3. Dividend Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Gross Interest and Dividend Income	64.4	49.2	3.36	41.1	2.87	31.4	2.23	19.2	1.93
5. Interest Expense on Customer Deposits	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Other Interest Expense	47.3	36.1	2.47	24.8	1.73	22.1	1.57	12.6	1.27
7. Total Interest Expense	47.3	36.1	2.47	24.8	1.73	22.1	1.57	12.6	1.27
8. Net Interest Income	17.2	13.1	0.89	16.3	1.14	9.3	0.66	6.6	0.66
9. Net Fees and Commissions	6.4	4.9	0.33	7.4	0.52	5.3	0.38	13.0	1.31
10. Net Gains (Losses) on Trading and Derivatives	0.8	0.6	0.04	1.2	0.08	(0.9)	(0.06)	(0.2)	(0.02)
11. Net Gains (Losses) on Assets and Liabilities at FV	n.a.	n.a.	-	0.0	0.00	0.7	0.05	(0.6)	(0.06)
12. Net Gains (Losses) on Other Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Net Insurance Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
14. Other Operating Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
15. Total Non-Interest Operating Income	7.2	5.5	0.38	8.6	0.60	5.1	0.36	12.2	1.23
16. Total Operating Income	24.4	18.6	1.27	24.9	1.74	14.4	1.02	18.8	1.89
17. Personnel Expenses	8.8	6.7	0.46	6.0	0.42	5.4	0.38	5.7	0.57
18. Other Operating Expenses	5.9	4.5	0.31	4.1	0.29	3.5	0.25	3.1	0.31
19. Total Non-Interest Expenses	14.7	11.2	0.77	10.1	0.70	8.9	0.63	8.8	0.89
20. Equity-accounted Profit/ Loss - Operating	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
21. Pre-Impairment Operating Profit	9.7	7.4	0.51	14.8	1.03	5.5	0.39	10.0	1.01
22. Loan Impairment Charge	0.0	0.0	0.00	0.4	0.03	(0.3)	(0.02)	0.0	0.00
23. Securities and Other Credit Impairment Charges	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
24. Operating Profit	9.7	7.4	0.51	14.4	1.00	5.8	0.41	10.0	1.01
25. Equity-accounted Profit/ Loss - Non-operating	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
26. Goodwill Impairment	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
27. Non-recurring Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
28. Non-recurring Expense	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
29. Change in Fair Value of Own Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
30. Other Non-operating Income and Expenses	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
31. Pre-tax Profit	9.7	7.4	0.51	14.4	1.00	5.8	0.41	10.0	1.01
32. Tax expense	1.8	1.4	0.10	2.9	0.20	1.2	0.09	2.1	0.21
33. Profit/Loss from Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
34. Net Income	7.9	6.0	0.41	11.5	0.80	4.6	0.33	7.9	0.80
35. Change in Value of AFS Investments	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
36. Revaluation of Fixed Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
37. Currency Translation Differences	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
38. Remaining OCI Gains/(losses)	n.a.	n.a.	-	0.0	0.00	n.a.	-	n.a.	-
39. Fitch Comprehensive Income	7.9	6.0	0.41	11.5	0.80	4.6	0.33	7.9	0.80
40. Memo: Profit Allocation to Non-controlling Interests	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
41. Memo: Net Income after Allocation to Non-controlling Interests	7.9	6.0	0.41	11.5	0.80	4.6	0.33	7.9	0.80
42. Memo: Common Dividends Relating to the Period	n.a.	n.a.	-	5.8	0.40	n.a.	-	8.7	0.88
43. Memo: Preferred Dividends and Interest on Hybrid Capital Accounted for as Equity Related to the Period	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-

Exchange rate

USD1 = GBP0.7635

USD1 = GBP0.7705

USD1 = GBP0.7414

USD1 = GBP0.6362

National Bank of Egypt (UK) Limited
Balance Sheet

	30 Jun 2018		30 Jun 2017		30 Jun 2016		30 Jun 2015		As % of Assets
	Year End USDm	Year End GBPm	Year End USDm	Year End GBPm	Year End USDm	Year End GBPm	Year End USDm	Year End GBPm	
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.	-	n.a.	-	n.a.	-
4. Corporate & Commercial Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Other Loans	87.5	66.8	4.54	111.3	7.74	99.1	7.00	89.5	8.97
6. Less: Loan Loss Allowances	1.6	1.2	0.08	1.2	0.08	0.7	0.05	0.6	0.06
7. Net Loans	85.9	65.6	4.46	110.1	7.66	98.4	6.96	88.9	8.91
8. Gross Loans	87.5	66.8	4.54	111.3	7.74	99.1	7.00	89.5	8.97
9. Memo: Impaired Loans included above	1.8	1.4	0.10	1.3	0.09	1.2	0.08	0.9	0.69
10. Memo: Specific Loan Loss Allowances	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Other Earning Assets									
1. Loans and Advances to Banks	872.7	666.3	45.30	716.9	49.85	648.2	45.82	396.6	39.73
2. Reverse Repos and Securities Borrowing	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Derivatives	11.3	8.6	0.58	1.5	0.10	0.5	0.04	0.2	0.02
4. Trading Securities and at FV through Income	12.3	9.4	0.64	0.0	0.00	13.5	0.95	12.1	1.21
5. Available for Sale Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Held to Maturity Securities	935.2	714.0	48.54	604.6	42.04	649.0	45.87	495.0	49.58
7. Other Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Total Securities	947.5	723.4	49.18	604.6	42.04	662.5	46.83	507.1	50.80
9. Memo: Government Securities included Above	104.1	79.5	5.40	98.5	6.85	131.9	9.32	100.9	10.11
10. Memo: Total Securities Pledged	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
11. Equity Investments in Associates	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Investments in Property	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Insurance Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
14. Other Earning Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
15. Total Earning Assets	1,917.4	1,463.9	99.52	1,433.1	99.65	1,409.6	99.63	992.8	99.45
C. Non-Earning Assets									
1. Cash and Due From Banks	0.5	0.4	0.03	0.3	0.02	0.2	0.01	0.2	0.02
2. Memo: Mandatory Reserves included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Foreclosed Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Fixed Assets	0.5	0.4	0.03	0.1	0.01	0.2	0.01	0.3	0.03
5. Goodwill	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Other Intangibles	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Current Tax Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Deferred Tax Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Other Assets	8.3	6.3	0.43	4.7	0.33	4.8	0.34	5.0	0.50
11. Total Assets	1,926.7	1,471.0	100.00	1,438.2	100.00	1,414.8	100.00	998.3	100.00
Liabilities and Equity									
D. Interest-Bearing Liabilities									
1. Total Customer Deposits	1,093.6	835.0	56.76	849.0	59.03	320.9	22.68	677.5	67.87
2. Deposits from Banks	580.6	443.3	30.14	396.7	27.58	913.5	64.57	140.9	14.11
3. Repos and Securities Lending	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Commercial Paper and Short-term Borrowings	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Customer Deposits and Short-term Funding	1,674.3	1,278.3	86.90	1,245.7	86.62	1,234.4	87.25	818.4	81.98
6. Senior Unsecured Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Subordinated Borrowing	44.7	34.1	2.32	34.6	2.41	22.3	1.58	19.1	1.91
8. Covered Bonds	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Other Long-term Funding	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Total LT Funding	44.7	34.1	2.32	34.6	2.41	22.3	1.58	19.1	1.91
11. Memo: o/w matures in less than 1 year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Trading Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Total Funding	1,718.9	1,312.4	89.22	1,280.3	89.02	1,256.7	88.83	837.5	83.89
14. Derivatives	0.1	0.1	0.01	2.8	0.19	16.8	1.19	15.4	1.54
15. Total Funding and Derivatives	1,719.1	1,312.5	89.23	1,283.1	89.22	1,273.5	90.01	852.9	85.44
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	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Current Tax Liabilities	1.0	0.8	0.05	1.3	0.09	0.5	0.04	0.5	0.05
5. Deferred Tax Liabilities	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00
6. Other Deferred Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Insurance Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Other Liabilities	10.2	7.8	0.53	4.2	0.29	2.7	0.19	2.7	0.27
10. Total Liabilities	1,730.3	1,321.1	89.81	1,288.6	89.60	1,276.7	90.24	856.1	85.76
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	196.3	149.9	10.19	149.6	10.40	138.1	9.76	142.2	14.24
2. Non-controlling Interest	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Securities Revaluation Reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Foreign Exchange Revaluation Reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Fixed Asset Revaluations and Other Accumulated OCI	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
6. Total Equity	196.3	149.9	10.19	149.6	10.40	138.1	9.76	142.2	14.24
7. Memo: Equity plus Pref. Shares and Hybrid Capital accounted for as E	196.3	149.9	10.19	149.6	10.40	138.1	9.76	142.2	14.24
8. Total Liabilities and Equity	1,926.7	1,471.0	100.00	1,438.2	100.00	1,414.8	100.00	998.3	100.00
9. Memo: Fitch Core Capital	196.3	149.9	10.19	149.6	10.40	138.1	9.76	142.2	14.24

Exchange rate

USD1 = GBP0.7635

USD1 = GBP0.7705

USD1 = GBP0.7414

USD1 = GBP0.6362

National Bank of Egypt (UK) Limited

Summary Analytics

	30 Jun 2018	30 Jun 2017	30 Jun 2016	30 Jun 2015
	Year End	Year End	Year End	Year End
A. Interest Ratios				
1. Interest Income/ Average Earning Assets	3.40	2.89	2.61	1.76
2. Interest Income on Loans/ Average Gross Loans	n.a.	n.a.	n.a.	n.a.
3. Interest Expense on Customer Deposits/ Average Customer Deposits	n.a.	n.a.	n.a.	n.a.
4. Interest Expense/ Average Interest-bearing Liabilities	2.78	1.94	2.08	1.32
5. Net Interest Income/ Average Earning Assets	0.90	1.15	0.77	0.61
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	0.90	1.12	0.80	0.61
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Assets	0.90	1.15	0.77	0.61
B. Other Operating Profitability Ratios				
1. Operating Profit/ Risk Weighted Assets	0.92	1.83	0.85	2.13
2. Non-Interest Expense/ Gross Revenues	60.22	40.56	61.81	46.81
3. Loans and securities impairment charges/ Pre-impairment Op. Profit	0.00	2.70	(5.45)	0.00
4. Operating Profit/ Average Total Assets	0.51	1.01	0.48	0.91
5. Non-Interest Income/ Gross Revenues	29.57	34.54	35.42	64.89
6. Non-Interest Expense/ Average Total Assets	0.77	0.71	0.74	0.80
7. Pre-impairment Op. Profit/ Average Equity	4.94	10.28	3.92	7.23
8. Pre-impairment Op. Profit/ Average Total Assets	0.51	1.04	0.46	0.91
9. Operating Profit/ Average Equity	4.94	10.01	4.14	7.23
C. Other Profitability Ratios				
1. Net Income/ Average Total Equity	4.01	7.99	3.28	5.71
2. Net Income/ Average Total Assets	0.41	0.81	0.38	0.72
3. Fitch Comprehensive Income/ Average Total Equity	4.01	7.99	3.28	5.71
4. Fitch Comprehensive Income/ Average Total Assets	0.41	0.81	0.38	0.72
5. Taxes/ Pre-tax Profit	18.92	20.14	20.69	21.00
6. Net Income/ Risk Weighted Assets	0.74	1.46	0.67	1.68
D. Capitalization				
1. FCC/ FCC-Adjusted Risk Weighted Assets	18.56	18.97	20.23	30.28
2. Tangible Common Equity/ Tangible Assets	10.19	10.40	9.76	14.24
3. Equity/ Total Assets	10.19	10.40	9.76	14.24
4. Basel Leverage Ratio	9.40	9.50	9.17	12.86
5. Common Equity Tier 1 Capital Ratio	n.a.	n.a.	n.a.	n.a.
6. Fully Loaded Common Equity Tier 1 Capital Ratio	n.a.	n.a.	n.a.	n.a.
7. Tier 1 Capital Ratio	17.51	17.51	19.67	28.59
8. Total Capital Ratio	22.03	21.90	21.89	32.63
9. Impaired Loans less Loan Loss Allowances/ Fitch Core Capital	0.13	0.07	0.36	4.43
10. Impaired Loans less Loan Loss Allowances/ Equity	0.13	0.07	0.36	4.43
11. Cash Dividends Paid & Declared/ Net Income	n.a.	50.43	n.a.	110.13
12. Risk Weighted Assets/ Total Assets	54.90	54.83	48.24	47.04
13. Risk Weighted Assets - Standardised/ Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
14. Risk Weighted Assets - Advanced Method/ Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
E. Loan Quality				
1. Impaired Loans/ Gross Loans	2.10	1.17	1.21	7.71
2. Growth of Gross Loans	(39.98)	12.31	10.73	30.28
3. Loan Loss Allowances/ Impaired Loans	85.71	92.31	58.33	8.70
4. Loan Impairment Charges/ Average Gross Loans	0.00	0.38	(0.32)	0.00
5. Growth of Total Assets	2.28	1.65	41.72	(16.18)
6. Loan Loss Allowances/ Gross Loans	1.80	1.08	0.71	0.67
7. Net Charge-offs/ Average Gross Loans	n.a.	n.a.	n.a.	n.a.
8. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	2.10	1.17	1.21	7.71
F. Funding and Liquidity				
1. Loans/ Customer Deposits	8.00	13.11	30.88	13.21
2. Liquidity Coverage Ratio	228.00	201.00	n.a.	n.a.
3. Customer Deposits/ Total Funding (excluding derivatives)	63.62	66.31	25.54	80.90
4. Interbank Assets/ Interbank Liabilities	150.30	180.72	70.96	281.48
5. Net Stable Funding Ratio	129.00	75.00	n.a.	n.a.
6. Growth of Total Customer Deposits	(1.65)	164.57	(52.63)	(16.43)

National Bank of Egypt (UK) Limited
Reference Data

	30 Jun 2018			30 Jun 2017			30 Jun 2016			30 Jun 2015		
	Year End USDm	Year End GBPm	As % of Assets	Year End GBPm	As % of Assets	Year End GBPm	As % of Assets	Year End GBPm	As % of Assets	Year End GBPm	As % of Assets	
A. Off-Balance Sheet Items												
1. Managed Securitised 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.	-	1.6	0.11	2.0	0.14	2.0	0.20	0.20	0.20	
4. Acceptances and documentary credits reported off-balance sheet	n.a.	n.a.	-	50.2	3.49	75.7	5.35	50.9	5.10	5.10		
5. Committed Credit Lines	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.7	0.07	0.07		
6. Other Contingent Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
7. Other Off-Balance Sheet items	n.a.	n.a.	-	0.0	0.00	n.a.	-	n.a.	-	n.a.	-	
8. Total Assets under Management	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
B. Average Balance Sheet												
1. Average Loans	116.7	89.1	6.06	105.2	7.31	94.3	6.67	79.1	7.92	7.92		
2. Average Earning Assets	1,897.2	1,448.5	98.47	1,421.4	98.83	1,201.2	84.90	1,090.3	109.22	109.22		
3. Average Total Assets	1,905.2	1,454.6	98.89	1,426.5	99.19	1,206.6	85.28	1,094.7	109.66	109.66		
4. Average Managed Securitised Assets (OBS)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
5. Average Interest-Bearing Liabilities	1,699.8	1,297.8	88.23	1,278.3	88.88	1,063.2	75.15	953.2	95.48	95.48		
6. Average Common equity	196.2	149.8	10.18	143.9	10.01	140.2	9.91	138.3	13.85	13.85		
7. Average Equity	196.2	149.8	10.18	143.9	10.01	140.2	9.91	138.3	13.85	13.85		
8. Average Customer Deposits	1,102.8	842.0	57.24	585.0	40.68	499.2	35.28	744.1	74.54	74.54		
C. Maturities												
Asset Maturities:												
Loans & Advances < 3 months	85.5	65.3	4.44	105.1	7.31	93.5	6.61	84.2	8.43	8.43		
Loans & Advances 3 - 12 Months	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00	0.00		
Loans and Advances 1 - 5 Years	0.1	0.1	0.01	5.0	0.35	5.6	0.40	5.3	0.53	0.53		
Loans & Advances > 5 years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.		
Debt Securities < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.		
Debt Securities 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.		
Debt Securities 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.		
Debt Securities > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.		
Loans & Advances to Banks < 3 Months	669.9	511.5	34.77	670.1	46.59	603.1	42.63	369.7	37.03	37.03		
Loans & Advances to Banks 3 - 12 Months	172.9	132.0	8.97	46.8	3.25	0.4	0.03	11.8	1.18	1.18		
Loans & Advances to Banks 1 - 5 Years	29.7	22.7	1.54	0.0	0.00	44.7	3.16	15.1	1.51	1.51		
Loans & Advances to Banks > 5 Years	n.a.	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.	-	n.a.		
Retail Deposits 3 - 12 Months	n.a.	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.	-	n.a.		
Retail Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.		
Other Deposits < 3 Months	426.9	325.9	22.15	395.2	27.48	301.3	21.30	374.6	37.52	37.52		
Other Deposits 3 - 12 Months	660.5	504.3	34.28	451.6	31.40	19.0	1.34	302.9	30.34	30.34		
Other Deposits 1 - 5 Years	6.4	4.9	0.33	2.2	0.15	0.6	0.04	0.0	0.00	0.00		
Other Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.		
Deposits from Banks < 3 Months	236.4	180.5	12.27	163.9	11.40	391.2	27.65	75.2	7.53	7.53		
Deposits from Banks 3 - 12 Months	96.3	73.5	5.00	232.8	16.19	410.5	29.01	65.7	6.58	6.58		
Deposits from Banks 1 - 5 Years	247.9	189.3	12.87	0.0	0.00	111.8	7.90	0.0	0.00	0.00		
Deposits from Banks > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.		
Senior Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.		
Senior Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.		
Senior Debt Maturing 1- 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.		
Senior Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.		
Total Senior Debt on Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.		
Fair Value Portion of Senior Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.		
Subordinated Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.		
Subordinated Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.		
Subordinated Debt Maturing 1- 5 Year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.		
Subordinated Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.		
Total Subordinated Debt on Balance Sheet	44.7	34.1	2.32	34.6	2.41	22.3	1.58	19.1	1.91	1.91		
Fair Value Portion of Subordinated Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.		
D. Risk Weighted Assets												
1. Risk Weighted Assets	1,057.8	807.6	54.90	788.5	54.83	682.5	48.24	469.6	47.04	47.04		
2. Fitch Core Capital Adjustments for Insurance and Securitisation Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.		
3. Fitch Core Capital Adjusted Risk Weighted Assets	1,057.8	807.6	54.90	788.5	54.83	682.5	48.24	469.6	47.04	47.04		
4. Other Fitch Adjustments to Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	n.a.		
5. Fitch Adjusted Risk Weighted Assets	1,057.8	807.6	54.90	788.5	54.83	682.5	48.24	469.6	47.04	47.04		
E. Fitch Core Capital Reconciliation												
1. Total Equity as reported (including non-controlling interests)	196.3	149.9	10.19	149.6	10.40	138.1	9.76	142.2	14.24	14.24		
2. Fair-value adjustments relating to own credit risk on debt issued	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00		
3. Non-loss-absorbing non-controlling interests	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00		
4. Goodwill	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00		
5. Other intangibles	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00		
6. Deferred tax assets deduction	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00		
7. Net asset value of insurance subsidiaries	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00		
8. First loss tranches of off-balance sheet securitizations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00		
9. Fund for general banking risks if not already included and readily convertible into equi	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	0.00		
10. Fitch Core Capital	196.3	149.9	10.19	149.6	10.40	138.1	9.76	142.2	14.24	14.24		

Exchange Rate

USD1 = GBP0.7635

USD1 = GBP0.7705

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