

Rating Action: Moody's concludes reviews on 8 Austrian Raiffeisen Banking Group member banks

Global Credit Research - 01 Jul 2015

Actions follow conclusion of methodology-related reviews and revision of government support considerations

Frankfurt am Main, July 01, 2015 -- Moody's Investors Service has today concluded its rating reviews on eight Raiffeisen banks and/or related group entities, which are part of the Raiffeisen Banking Group (RBG or 'the Group'; unrated) based in Austria (Aaa stable).

The rating reviews were initiated on 23 December 2014, reflecting the rating agency's assessment that Raiffeisen Bank International AG's (RBI) substantial banking activities in Russia (Ba1 negative) pose materially increased risks to the earnings and capital of RBI and the entire Group. The rating review for RBI was subsequently extended on 18 February 2015 and again for all eight Raiffeisen banks on 17 March 2015, following the publication of Moody's new bank rating methodology and revisions to Moody's government support assumptions for these banks.

Please refer to: https://www.moody's.com/research/--PR_321005, for the rating action published on 17 March 2015 and https://www.moody's.com/researchdocumentcontentpage.aspx?docid=PBC_179038, for Moody's new bank rating methodology, published on 16 March 2015.

In light of the new bank rating methodology, today's actions reflect the following considerations (1) the Macro Profiles applicable to each Raiffeisen Group bank, based on the geographic breakdown of their asset bases; (2) the banks' financial profiles and related qualitative factors; (3) the assessment of the "moderate" to "very high" probability but weakened capacity of affiliate support from the cross-sector mechanism of the Austrian Raiffeisen banks' sector, resulting in an overall weakening of sector support uplift; (4) protection offered to creditors more senior in the creditor hierarchy, as captured by Moody's Advanced Loss Given Failure (LGF) liability analysis; and (5) Moody's view of the decline in likelihood of support from the Austrian government, in case of need.

Among the actions taken today by Moody's on the total eight affected banks are the following:

- one long-term deposit rating was upgraded, one confirmed, and six downgraded
- one short-term deposit ratings was upgraded, four affirmed and three confirmed
- one long-term bank issuer/senior unsecured debt ratings was upgraded, one confirmed and six downgraded
- one baseline credit assessment (BCA) was affirmed, one confirmed and five were downgraded
- seven adjusted BCAs were downgraded

Moody's has also assigned Counterparty Risk (CR) Assessments to eight banks.

Bank level subordinated debt and hybrid securities ratings, have either been confirmed or downgraded as part of this rating action. Subsequently, Moody's has withdrawn the outlooks for all subordinated and hybrid instrument ratings for its own business reasons. For more information, please refer to Moody's Investors Service's Policy for Withdrawal of Credit Ratings, available at [moody's.com](http://www.moody's.com).

Outlooks, which provide an opinion on the likely rating direction over the medium term, are now assigned only to long-term deposit and issuer/senior unsecured debt ratings.

Please click on the following link to access a full list of affected credit ratings. This list is an integral part of this press release and identifies each affected issuer: http://www.moody's.com/viewresearchdoc.aspx?docid=PBC_182747

Moody's has also published a Special Comment entitled "Key Analytic Considerations in Our Rating Actions on

Austrian Banks", providing more background on today's rating action. Subscribers can access the report under the following link:

http://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_1006111

RATINGS RATIONALE

The new methodology includes a number of elements that Moody's has developed to help accurately predict bank failures and determine how each creditor class is likely to be treated when a bank fails and enters resolution. These new elements capture insights gained from the crisis and the fundamental shift in the banking industry and its regulation.

(1) THE "MODERATE+" TO "VERY STRONG -" BANK-SPECIFIC MACRO PROFILES

The Macro Profile constitutes an assessment of the macroeconomic environment in which a bank operates. The domestic Austrian Raiffeisenlandesbanks' macro profile derive from their asset base, which is dominated by exposures to borrowers in Austria which has a macro profile of "Very Strong-". However, the higher credit risks associated with RBI's international diversification mean that its macro profile is "Moderate+". RBI has substantial portions of its exposures to Central and Eastern Europe/Commonwealth of Independent States (CEE/CIS), in particular Russia.

Austrian banks benefit from operating in an environment with very high economic, institutional and government financial strength and very low susceptibility to event risk. Despite rising house prices, private-sector debt is low and declining, supporting credit conditions. Funding conditions benefit from high levels of domestic and foreign customer deposits. Austria's largest banks rely on wholesale capital markets to fund parts of their CEE lending, but this dependency has reduced. The macro profile also takes into account the banking sector's high market fragmentation, low fee-income generation and intense competition for domestic business.

(2) DIVERGING BCAs REFLECT THE INDIVIDUAL BANKS' PROFILES AND HIGH CORRELATION TO TAIL RISKS AT THE LEVEL OF RBI

Following its review, Moody's says that the individual entity's capitalisation, risk profile, profitability and funding situation determine the wide range of BCAs: there are four entities in the 'ba', and three in the 'baa' category. Exposures to higher-risk countries like CEE/CIS, as well as varying degrees of capital strengths against the individual risk profiles are among the key distinguishing factors.

The BCAs of the domestic Raiffeisenlandesbanks also take into account the interlinkages within the sector and in particular tail risks through their ownership stakes in Raiffeisen Zentralbank Österreich AG (RZB), the majority owner of RBI. At the same time, their access to sector funding at the level of primary Raiffeisen banks with some excess liquidity mitigates the Raiffeisenlandesbanks' wholesale funding reliance, such that the highest individual BCA level of rated Raiffeisenlandesbanks is now baa3 (previously baa2), while RBI's ba3 BCA has been affirmed.

3) MODERATE GROUP FUNDAMENTALS REFLECTED IN REDUCED AFFILIATE SUPPORT

As part of the review, Moody's has reassessed the Austrian Raiffeisen sector's financial capacity to provide support to its members, based on the co-operative group's combined financial strength. Moody's considers the Group's capitalisation as moderate relative to its overall credit profile, which is focused on -- and therefore strongly correlated with -- its higher-risk CEE/CIS exposures, housed at RBI. Higher capital would be required to protect the sector against likely losses under an adverse scenario. Given the lack of material improvement of the Group's capital levels in recent years, Moody's reassessment has resulted in a more limited support capacity than assessed previously.

Furthermore, the rating agency has re-assessed the Group's renewed institutional protection schemes that extend to all rated domestic sector institutions including RZB, but excluding RBI. Nonetheless, RZB's majority ownership of RBI leads the rating agency to believe that there is some likelihood that RBI will indirectly benefit from sector support, which may be forthcoming for RZB in case of need.

As a result, the cross-sector support attributed to RBI has been lowered to "moderate", leading to one notch of affiliate support uplift to an adjusted BCA of ba2 instead of two previously (ba1).

For the six rated Raiffeisenlandesbanks, their adjusted BCAs include the unchanged "very high" assigned probability of sector support and range between baa3 and ba1 (from baa2 and baa3 previously), mostly in line with their standalone BCAs.

4) PROTECTION OFFERED TO DEPOSITORS AND SENIOR CREDITORS AS CAPTURED BY MOODY'S ADVANCED LGF LIABILITY ANALYSIS.

Austrian banks are subject to the EU's Bank Resolution and Recovery Directive (BRRD), which Moody's considers to be an Operational Resolution Regime. Accordingly, Moody's applies its Advanced LGF analysis to Austrian banks' liability structures, thereby mostly applying its standard assumptions. These assumptions include a residual tangible common equity of 3%, losses post-failure of 8% of tangible banking assets, a 25% run-off in junior wholesale deposits, a 5% run-off in preferred deposits, and a 25% probability of deposits being preferred to senior unsecured debt.

The Advanced LGF analysis results in a "very low" to "extremely low" loss-given-failure for long-term junior deposits as well as senior unsecured debt ratings, reflecting the banks' substantial volume of deposit funding as well as the amount of senior unsecured debt and securities more subordinated to it.

These parameters, the banks' individual subordinated instruments in their capital structure, which afford a buffer for the banks' more senior creditors, and the volumes of senior debt and deposits, mean that the banks' debt and deposit ratings generally include up to two notches of uplift derived from Moody's LGF analysis. This excludes RBI whose ratings benefit from three notches of uplift.

For more information on Moody's LGF analysis and a discussion of the differences in creditor hierarchies Moody's "How Resolution Frameworks Drive Our Creditor Hierarchies" at https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_1003760 (in addition to the methodology itself).

(5) REDUCED LIKELIHOOD OF GOVERNMENT SUPPORT

Moody's has lowered its expectations about the degree of support that the government might provide to a bank in Austria. The main trigger for this reassessment is the introduction of BRRD and its recent application to Heta Asset Resolution AG (Carinthian-state-guaranteed senior unsecured debt ratings rated Ca, negative), as wind-down institutions are in the scope of the Austrian transposition of the BRRD.

With the implementation of bank resolution legislation, Moody's has either eliminated or lowered its assumption about the probability of government support for the banks in the EU, thereby generally attributing a "moderate" probability of government support to banking groups in the EU which are considered systemically relevant. While Moody's considers the group of Austrian Raiffeisen co-operative banks to be systemically relevant, the rating agency now only attributes a "low" probability of Austrian government support -- from mostly "high" previously -- in light of the precedent set by triggering a resolution of Heta. Moody's believes that the wider scope of the BRRD implementation in Austria and its recent application illustrates the Austrian government's willingness to apply burden-sharing.

The rating agency's assessment of a "low" probability of support results in no government support uplift for Raiffeisen sector banks' senior debt and deposit ratings. The subsequent negative effect on these banks' ratings from a decline in the expectation of government support has, for RBI, been counterbalanced by the extremely low loss assumptions under the new LGF framework. But, for other banks, the benefits of the LGF analysis did not fully offset the lowering of their standalone strengths as well as the removal of government support uplift.

See also "Austrian application of BRRD to wind-down entity Heta sets precedent" at https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_1003540.

RATIONALE FOR THE NEGATIVE OUTLOOK ON DEBT AND DEPOSIT RATINGS

The Raiffeisen sector's financial strength is a limiting factor on the Raiffeisenlandesbanks' individual creditworthiness. The major downsizing and restructuring over the coming years that aim to strengthen capital and reduce tail risks could place further pressure on RBI's already weakened standalone credit profile. Therefore, the negative outlook assigned to the long-term senior ratings of all sector entities reflects the overall resulting challenges for the sector.

--- BANK SPECIFIC ANALYTIC FACTORS

---RAIFFEISEN BANK INTERNATIONAL (RBI)

The confirmation of RBI's Baa2 long-term deposit and senior unsecured debt ratings reflects (1) the affirmation of the bank's ba3 BCA; (2) the one-notch downgrade of its adjusted BCA to ba2, incorporating "moderate" affiliate

support resulting in one notch of sector support uplift from RBG (two previously); (3) the result of Moody's LGF analysis; together fully offsetting (4) the removal of government support uplift.

RBI's standalone ba3 BCA reflects ongoing pressure on its modest capitalisation relative to the bank's business risks. Persistent tailwinds from its operations in the CIS in particular have led the bank to announce a set of significant medium-term restructuring measures.

Moody's expects that the ongoing challenges in key markets, including Russia and Ukraine (Ca negative) will place significant pressure on RBI's capitalisation and profits. The strengthening of the Swiss franc since the beginning of 2015 is also likely to slightly exacerbate capital pressures. The announced strategic review program aims to free-up capital and strengthen capital buffers, thereby focusing on a further significant reduction in risk-weighted assets, including the disposal of RBI's Polish subsidiary.

While all of these measures are focused on fostering capital buffers, Moody's says that the announced measures bear execution risk with their medium-term horizon until 2017, and are associated with restructuring costs that will weaken RBI's earnings capacity. Additionally, the rouble devaluation will also result in significantly lower euro-denominated earnings from the bank's Russian banking activities, a key contributor to RBI's profits.

Under Moody's Advanced LGF analysis, RBI's long-term deposit and senior unsecured debt ratings take into account an extremely low loss-given-failure for senior unsecured debt and wholesale deposits, leading Moody's to incorporate three notches of uplift above RBI's ba2 adjusted BCA.

The outlook on the long-term deposit rating is negative reflecting (1) RBI's ongoing vulnerability to tail risks and the challenges associated with the group's far-reaching downsizing and restructuring program; and (2) the associated risks for the wider Raiffeisen group's earnings and capitalisation prospects.

--- RAIFFEISEN ZENTRALBANK OESTERREICH (RZB)

The one-notch upgrade of RZB's long-term deposit and issuer ratings to Baa2 follows the confirmation of RBI's long-term ratings at this level. With the implementation of bank resolution legislation in Austria, Moody's considers that RZB's liabilities carry the same risk as RBI's liabilities, reflecting the rating agency's assumption that resolution tools will be applied at the level of RZB. Therefore, these instruments' ratings reflect similar risks and Moody's removed the structural subordination previously applied to RZB's senior obligations.

The confirmation of RZB's backed senior unsecured debt ratings at Baa2 follows the confirmation of RBI's Baa2 rated senior unsecured debt ratings, reflecting an unconditional and irrevocable guarantee from RBI.

--- RAIFFEISENLANDESBANK OBEROESTERREICH AG (RLB OOE)

The one-notch downgrade of RLB OOE's long-term ratings to Baa2 reflects (1) the confirmation of the bank's ba1 BCA; (2) the one-notch downgrade of its adjusted BCA to ba1, incorporating "very high" affiliate support resulting in no uplift from RBG; (3) the result of Moody's LGF analysis resulting in two notches of uplift; and (4) the removal of government support uplift.

The confirmation of RLB OOE's BCA reflects the bank's improving, though still only adequate capitalisation, and its weak asset quality albeit that concentration risks have eased. RLB OOE is one of the larger RZB shareholders, though the bank has been able to balance capitalisation and profitability pressures to date.

For RLB OOE, Moody's LGF analysis indicates a very low loss-given-failure for senior unsecured debt and deposits, leading to a two-notch uplift for RLB OOE's wholesale deposits as well as its senior unsecured debt from its ba1 adjusted BCA.

---RAIFFEISENLANDESBANK NIEDEROESTERREICH-WIEN (RLB NOE)

The one-notch downgrade of RLB NOE's long-term ratings to Baa2 reflects (1) the two notch downgrade of the bank's BCA to ba2; (2) the one-notch downgrade of its adjusted BCA to ba1, incorporating "very high" affiliate support resulting in one notch of uplift from RBG; (3) the result of Moody's LGF analysis resulting in two notches of uplift; and (4) the removal of government support uplift.

Despite the bank's adequate asset quality and its strong liquidity profile, the downgrade of RLB NOE's BCA to ba2 reflects the rating agency's anticipation that ongoing pressure on capitalisation and profitability -- given that it is the largest shareholder in RZB -- will cause further deterioration in the bank's financial profile.

For RLB NOE, Moody's LGF analysis indicates a very low loss-given-failure for senior unsecured debt and deposits, leading to a two-notch uplift for RLB NOE's wholesale deposits as well as its senior unsecured debt from its ba1 adjusted BCA.

--- RAIFFEISEN-LANDESBANK STEIERMARK AG (RLB STEIERMARK)

The two-notch downgrade of RLB Steiermark's long-term ratings to Baa2 reflects (1) the two-notch downgrade of the bank's BCA to ba1; (2) the two-notch downgrade of its adjusted BCA to ba1, incorporating "very high" affiliate support resulting in no uplift from RGB; (3) the result of Moody's LGF analysis resulting in two notches of uplift; and (4) the removal of government support uplift.

The downgrade of RLB Steiermark's BCA to ba1 reflects the rating agency's anticipation of continued pressure on RLB Steiermark's asset quality and profitability, with further potential adverse effects for its current solid capitalisation.

For RLB Steiermark, Moody's LGF analysis indicates a very low loss-given-failure for senior unsecured debt and deposits, leading to a two-notch uplift for RLB Steiermark's wholesale deposits from its ba1 adjusted BCA.

--RAIFFEISEN-LANDESBANK TIROL AG (RLB TIROL)

The one-notch downgrade of RLB Tirol's long-term ratings to Baa1 reflects (1) the one-notch downgrade of the bank's BCA to baa3; (2) the subsequent downgrade of its adjusted BCA to baa3, incorporating "very high" affiliate support resulting in no uplift from RGB; (3) the result of Moody's LGF analysis resulting in two notches of uplift; and (4) the removal of government support uplift.

Despite improving capitalisation and its solid liquidity, the downgrade of RLB Tirol's BCA to baa3 reflects the bank's exposure to credit pressures in the wider RGB group, implying some degree of tail risk for its solvency.

For RLB Tirol, Moody's LGF analysis indicates a very low loss-given-failure for senior unsecured debt and deposits, leading to a two-notch uplift for RLB Tirol's wholesale deposits from its baa3 adjusted BCA.

--- RAIFFEISENLANDESBANK VORARLBERG (RLB VORARLBERG)

The one-notch downgrade of RLB Vorarlberg's long-term ratings to Baa1 reflects (1) the one-notch downgrade of the bank's BCA to baa3; (2) the subsequent one-notch downgrade of its adjusted BCA to baa3, incorporating "very high" affiliate support resulting in no uplift from RGB; (3) the result of Moody's LGF analysis resulting in two notches of uplift; and (4) the removal of government support uplift.

Despite improving capitalisation and its solid liquidity, the downgrade of RLB Vorarlberg's BCA to baa3 reflects the bank's exposure to credit pressures in the wider RGB group, implying some degree of tail risk for its solvency.

For RLB Vorarlberg, Moody's LGF analysis indicates a very low loss-given-failure for senior unsecured debt and deposits, leading to a two-notch uplift for RLB Vorarlberg's wholesale deposits from its baa3 adjusted BCA.

--- RAIFFEISENVERBAND SALZBURG (RVS)

The one-notch downgrade of RVS's long-term ratings to Baa1 reflects (1) the one-notch downgrade of the bank's BCA to baa3; (2) the subsequent one-notch downgrade of its adjusted BCA to baa3, incorporating "very high" affiliate support resulting in no uplift from RGB; (3) the result of Moody's LGF analysis resulting in two notches of uplift; and (4) the removal of government support uplift.

Despite improving capitalisation and its solid liquidity, the downgrade of RVS's BCA to baa3 reflects the bank's exposure to credit pressures in the wider RGB group, implying some degree of tail risk for its solvency.

For RVS, Moody's LGF analysis indicates a very low loss-given-failure for senior unsecured debt and deposits, leading to a two-notch uplift for RVS's wholesale deposits from its baa3 adjusted BCA.

RATIONALE FOR COUNTERPARTY RISK ASSESSMENTS

Moody's has also assigned CR Assessments to eight rated Raiffeisen sector banks. CR Assessments are opinions of how counterparty obligations are likely to be treated if a bank fails, and are distinct from debt and deposit ratings in that they (1) consider only the risk of default rather than expected loss and (2) apply to counterparty obligations and contractual commitments rather than debt or deposit instruments. The CR Assessment is an opinion of the counterparty risk related to a bank's covered bonds, contractual performance

obligations (servicing), derivatives (e.g., swaps), letters of credit, guarantees and liquidity facilities.

The CR Assessment takes into account the issuer's standalone strength as well as the likelihood of affiliate and government support in the event of need, reflecting the anticipated seniority of these obligations in the liabilities hierarchy. The CR Assessment also incorporates other steps authorities can take to preserve the key operations of a bank, should it enter a resolution.

For the eight affected banks, the CR Assessment, prior to government support, is in most cases positioned three notches above the adjusted BCA and therefore above the senior unsecured and deposit ratings, reflecting Moody's view that its probability of default is lower than that of senior unsecured debt and deposits. Moody's believes that senior obligations represented by the CR Assessment will be more likely preserved in order to limit contagion, minimize losses and avoid disruption of critical functions.

Because Moody's assigns a "low" probability of Austrian government support to the ratings of the Group's members -- which results in no uplift from government support -- the CR Assessments also do not benefit from government support.

WHAT COULD CHANGE THE RATINGS UP/DOWN

The negative outlook implies no upward rating pressure on the long-term ratings.

The banks' BCAs could be downgraded following (1) a material deterioration in their asset quality and capital, particularly for those banks that display risk concentrations and/or a dependence on RBI profits; (2) a failure to strengthen common equity levels as higher regulatory requirements are introduced or phased in; and/or (3) a material deterioration of profits.

Furthermore, alterations in the bank's liability structure may change the amount of uplift provided by Moody's LGF analysis and lead to a higher or lower notching from the banks' adjusted BCAs, thereby affecting their debt and/or deposit ratings.

The banks' BCAs could be upgraded following (1) a reduction (or mitigation) of asset risk, including market risk; (2) a strengthening of common equity levels; and (3) greater stability of profits for those banks whose profits have previously shown volatility.

PRINCIPAL METHODOLOGY

The principal methodology used in these ratings was Banks published in March 2015. Please see the Credit Policy page on www.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

Please click on this link http://www.moodys.com/viewresearchdoc.aspx?docid=PBC_182747 for the List of Affected Credit Ratings. This list is an integral part of this Press Release and provides, for each of the credit ratings covered, Moody's disclosures on the following items:

- Unsolicited ratings
- Non participating issuers
- [EU only] participation in unsolicited ratings
- Person approving the credit rating
- Releasing office

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the rating action on the support provider and in relation to each particular rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner

that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

For any affected securities or rated entities receiving direct credit support from the primary entity(ies) of this rating action, and whose ratings may change as a result of this rating action, the associated regulatory disclosures will be those of the guarantor entity. Exceptions to this approach exist for the following disclosures, if applicable to jurisdiction: Ancillary Services, Disclosure to rated entity, Disclosure from rated entity.

The following information supplements Disclosure 10 ("Information Relating to Conflicts of Interest as required by Paragraph (a)(1)(ii)(J) of SEC Rule 17g-7") in the regulatory disclosures made at the ratings tab on the issuer/entity page on www.moodys.com for each credit rating:

For identification of which credit ratings have payors that have or have not paid Moody's for services other than determining a credit rating in the most recently ended fiscal year, please see the detailed list under the following link: http://www.moodys.com/viewresearchdoc.aspx?docid=PBC_182747. The list is an integral part of this press release.

The below contact information is provided for information purposes only. Please see the ratings tab of the issuer page at www.moodys.com, for each of the ratings covered, Moody's disclosures on the lead analyst and the Moody's legal entity that has issued the ratings.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Please see www.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the ratings tab on the issuer/entity page on www.moodys.com for additional regulatory disclosures for each credit rating.

Swen Metzler
Vice President - Senior Analyst
Financial Institutions Group
Moody's Deutschland GmbH
An der Welle 5
Frankfurt am Main 60322
Germany
JOURNALISTS: 44 20 7772 5456
SUBSCRIBERS: 44 20 7772 5454

Carola Schuler
MD - Banking
Financial Institutions Group
JOURNALISTS: 44 20 7772 5456
SUBSCRIBERS: 44 20 7772 5454

Releasing Office:
Moody's Deutschland GmbH
An der Welle 5
Frankfurt am Main 60322
Germany
JOURNALISTS: 44 20 7772 5456
SUBSCRIBERS: 44 20 7772 5454

MOODY'S
INVESTORS SERVICE

© 2015 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY'S INVESTORS SERVICE, INC. AND ITS RATINGS AFFILIATES ("MIS") ARE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES,

CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND CREDIT RATINGS AND RESEARCH PUBLICATIONS PUBLISHED BY MOODY'S ("MOODY'S PUBLICATIONS") MAY INCLUDE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL, FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS AND MOODY'S OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S PUBLICATIONS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. CREDIT RATINGS AND MOODY'S PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. NEITHER CREDIT RATINGS NOR MOODY'S PUBLICATIONS COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS AND PUBLISHES MOODY'S PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS FOR RETAIL INVESTORS TO CONSIDER MOODY'S CREDIT RATINGS OR MOODY'S PUBLICATIONS IN MAKING ANY INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the rating process or in preparing the Moody's Publications.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any rating, agreed to pay to Moody's Investors Service, Inc. for appraisal and rating services rendered by it fees ranging from \$1,500 to approximately \$2,500,000. MCO and MIS also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moody.com under the heading "Investor Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

For Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail clients. It would be dangerous for "retail clients" to make any investment decision based on MOODY'S credit rating. If in doubt you should contact your financial or other professional adviser.

For Japan only: MOODY'S Japan K.K. ("MJKK") is a wholly-owned credit rating agency subsidiary of MOODY'S Group Japan G.K., which is wholly-owned by Moody's Overseas Holdings Inc., a wholly-owned subsidiary of MCO. Moody's SF Japan K.K. ("MSFJ") is a wholly-owned credit rating agency subsidiary of MJKK. MSFJ is not a Nationally Recognized Statistical Rating Organization ("NRSRO"). Therefore, credit ratings assigned by MSFJ are Non-NRSRO Credit Ratings. Non-NRSRO Credit Ratings are assigned by an entity that is not a NRSRO and, consequently, the rated obligation will not qualify for certain types of treatment under U.S. laws. MJKK and MSFJ are credit rating agencies registered with the Japan Financial Services Agency and their registration numbers are FSA Commissioner (Ratings) No. 2 and 3 respectively.

MJKK or MSFJ (as applicable) hereby disclose that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MJKK or MSFJ (as applicable) have, prior to assignment of any rating, agreed to pay to MJKK or MSFJ (as applicable) for appraisal and rating services rendered by it fees ranging from JPY200,000 to approximately JPY350,000,000. MJKK and MSFJ also maintain policies and procedures to address Japanese regulatory requirements.