

**Rating Action: Moody's takes actions on 17 Italian banks' ratings**

---

Global Credit Research - 22 Jun 2015

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

London, 22 June 2015 -- Moody's Investors Service has today taken actions on 17 banks in Italy (Baa2 stable), of which 16 were on review. The reviews, initiated on 17 March 2015, followed the introduction of the rating agency's revised bank rating methodology published on 16 March 2015.

In light of the revised banking methodology, Moody's rating actions generally reflect the following considerations (1) the "Moderate +" Macro Profile of Italy; (2) the banks' modest core financial ratios; (3) the protection offered to senior creditors by substantial volumes of deposits and senior debt, as captured by Moody's Advanced Loss Given Failure (LGF) liability analysis; and (4) Moody's view of a decline in the likelihood of government support, in case of need.

Among the actions that Moody's has taken on the Italian banks are the following:

- 11 long-term bank deposit and 10 issuer/senior unsecured debt ratings upgraded
- One long-term bank deposit and three issuer/senior unsecured debt ratings downgraded
- Three long-term bank deposit and one issuer/senior unsecured debt ratings confirmed
- One long-term bank deposit rating affirmed
- Four short-term bank deposit and one issuer/senior unsecured debt ratings upgraded
- One short-term bank deposit and one issuer/senior unsecured debt ratings downgraded
- Three short-term bank deposit and one issuer/senior unsecured debt ratings confirmed
- Eight short-term bank deposit and four issuer/senior unsecured debt ratings affirmed;
- Seven baseline credit assessment (BCAs) affirmed and two downgraded

Moody's has also assigned Counterparty Risk (CR) Assessments to 19 Italian banks and their branches, in line with its revised bank rating methodology. These include four banks whose ratings were not on review.

Moody's has withdrawn the outlooks on all junior instrument ratings for its own business reasons. Please refer to Moody's Investors Service's Policy for Withdrawal of Credit Ratings, available on its website, [www.moodys.com](http://www.moodys.com).

Moody's has assigned stable outlooks to the long-term deposit and issuer/senior unsecured debt ratings of the 17 affected banks. 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.

For more information on these rating actions, please access "Key Analytic Considerations in Our Rating Actions on Italian Banks" at: [http://www.moodys.com/viewresearchdoc.aspx?docid=PBC\\_1005806](http://www.moodys.com/viewresearchdoc.aspx?docid=PBC_1005806)

Please click on the following link to access the List of Affected Credit Ratings. This list is an integral part of this Press Release and identifies each affected issuer: [http://www.moodys.com/viewresearchdoc.aspx?docid=PBC\\_182500](http://www.moodys.com/viewresearchdoc.aspx?docid=PBC_182500)

Please refer to this link for the initial bank review: [https://www.moodys.com/research/Moodys-reviews-global-bank-ratings--PR\\_321005](https://www.moodys.com/research/Moodys-reviews-global-bank-ratings--PR_321005)

Please refer to this link for the new bank rating methodology: [http://www.moodys.com/viewresearchdoc.aspx?docid=PR\\_320662](http://www.moodys.com/viewresearchdoc.aspx?docid=PR_320662)

## RATINGS RATIONALE

The revised bank rating methodology includes a number of elements that Moody's has developed to help more 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 +" MACRO PROFILE OF ITALY

Lower economic growth and greater event risk relative to some other European countries are the main characteristics of the Italian banks' macro environment. In addition, credit conditions are weakened by the high leverage of the corporate sector, which is highly reliant on short-term debt and bank lending. Bank funding has stabilised but conditions remain fragile. On the other hand, Moody's assesses institutional strength as "high +", which is partly supported by commonly agreed EU political, economic, fiscal and legal standards.

### (2) THE BANKS' MODEST CORE FINANCIAL RATIOS

The Italian banks' BCAs (ba2 on an average asset-weighted basis) reflect their modest financial ratios, including weak asset quality, sufficient capital adequacy, low profitability and satisfactory liquidity metrics. However, the banks' BCAs range from baa3 to caa3, reflecting different degrees of resilience to Italy's prolonged recession and bank-specific factors (see below for the analytical considerations for the individual banks covered in this press release).

### (3) PROTECTION OFFERED TO SENIOR CREDITORS, AS CAPTURED BY MOODY'S ADVANCED LGF LIABILITY ANALYSIS

Under its revised methodology, Moody's applies its Advanced LGF analysis to the liability structures of banks subject to operational resolution regimes. Moody's expects that Italy, as a member of the European Union, will introduce bank resolution legislation in line with the EU Bank Recovery and Resolution Directive (BRRD). Accordingly, Moody's applies its Advanced LGF analysis to these banks' liability structures. This analysis results generally in "very low" loss given failure for long-term deposits and senior debt, taking into account the banks' substantial volume of deposits and senior unsecured debt, including senior bonds sold to retail clients.

### (4) DECLINE IN THE LIKELIHOOD OF GOVERNMENT SUPPORT

Deposit and senior unsecured debt ratings of Italian banks now range from A3 to Caa1. The lowering of Moody's government support assumptions reflects the reduced likelihood of support being forthcoming within the context of the expected implementation of the Bank Recovery and Resolution Directive (BRRD). In most cases, the recognition of the likelihood of very low loss on senior debt and deposits, as per Moody's Advanced LGF framework, has offset the negative effect on the banks' ratings from a decline in the expectation of government support.

## RATIONALE FOR THE STABLE OUTLOOKS

Most Italian banks now carry a stable outlook, reflecting the stabilisation of (1) Italy's operating environment, with Moody's expectations of GDP growth between 0.5% and 1% in 2015 and 2016 (see the Global Macro Outlook published 12 May 2015); and (2) banks' financials, with problem loan levels that Moody's believes are now close to their peak, strengthened capital adequacy and improving profitability.

### --- BANK-SPECIFIC ANALYTIC FACTORS

#### --UniCredit Spa

The upgrade of UniCredit's long-term deposit and senior debt ratings to Baa1, with a stable outlook, reflects the affirmation of the bank's BCA at ba1 and the Advanced LGF analysis that provides three notches of uplift from the bank's ba1 BCA. UniCredit benefits from a sizeable volume of senior debt and a significant amount of securities subordinated to it, resulting in extremely low expected loss severity in the event of resolution.

The affirmation of UniCredit's ba1 BCA incorporates the bank's weak asset quality and still-low profitability, which the bank's sufficient capital and sound liquidity partly mitigate. UniCredit's problem loans are high, at around 13% of loans at March 2015. In Q1 2015, UniCredit's net income fell by 28% to EUR512 million, compared to the equivalent period of 2014, largely owing to a 17% rise in loan loss provisions. Moody's however expects problem loan levels to remain broadly stable in 2015, with net income strengthening, based on the anticipated economic

improvement in Italy.

The bank's transitional Common Equity Tier 1 (CET1) was 10.5%, representing a sufficient 100 bp cushion over the ECB's prudential requirement. UniCredit benefits from liquid assets well in excess of one-year wholesale maturities and a funding profile well diversified geographically and by type of instrument.

There is no uplift from Moody's "moderate" government support assumptions (lowered from "very high" and two notches previously) as the Baa1 long-term deposit and senior debt ratings are already higher than Italy's Baa2 government bond rating.

+++++

--UniCredit Leasing S.p.A.

The downgrade of UniCredit Leasing's issuer ratings to Ba1/Not-Prime from Baa3/Prime-3 reflects the elimination of government support from the ratings. Moody's says that UniCredit Leasing still benefits from very high affiliate support from the company's parent, UniCredit SpA, which leads to a four-notch uplift from the company's BCA of b2, to an adjusted BCA of ba1, in line with UniCredit SpA's BCA.

There is no offsetting effect under the Advanced LGF, as Moody's does not consider non-bank companies such as UniCredit Leasing likely to be included in the scope of the BRRD. There is no uplift from Moody's "low" government support assumptions; previously UniCredit Leasing benefited from one notch of government support indirectly through UniCredit SpA's deposit rating, which itself benefited from two notches of government support.

+++++

--Intesa Sanpaolo Spa

The upgrade of Intesa's long-term deposit and senior debt ratings to Baa1, with a stable outlook, reflects the affirmation of the bank's baa3 BCA and the Advanced LGF analysis that provides two notches of uplift from the bank's BCA. Intesa benefits from a sizeable volume of senior debt and the limited amount of securities subordinated to it, resulting in very low expected loss severity in the event of resolution.

The affirmation of Intesa's BCA at baa3 reflects the bank's sound capital adequacy, providing a considerable buffer to offset the bank's weak asset quality and still-low, albeit improving, profitability. In March 2015, Intesa's transitional CET1 was 13.2%, well above the level of its peers and the ECB's 9% specific requirement. As at the same date, problem loans were high at about 13% of loans, but Moody's believes they will peak in 2015, based on a 21% year-on-year reduction of net new inflows in Q1 2015. In Q1 2015, Intesa's net income more than doubled to EUR1.1 billion compared to Q1 2014 primarily owing to a 30% reduction of loan loss provisions and a 15% growth in fees, and Moody's anticipates a further improvement in Intesa's profitability from 2015 onwards. The bank's reported 44% quarterly cost to income ratio was better than those of its peers.

There is no uplift from Moody's "moderate" government support assumptions (lowered from "very high" and one notch previously) as the Baa1 long-term deposit and senior debt ratings are already higher than Italy's Baa2 government bond rating.

+++++

--Banca IMI

The upgrade of Banca IMI's long-term deposit and senior debt ratings to Baa1, with stable outlook, reflects the Advanced LGF analysis applied to the parent, Intesa. Moody's believes a resolution of the Intesa group would include its domestic subsidiary, and the rating agency's central scenario is that domestic ring-fencing between Intesa and Banca IMI would not be applied by the resolution authorities. For this reason, Moody's applied Intesa's LGF assumptions to Banca IMI, which resulted in two notches of LGF uplift for Banca IMI's deposit and senior debt rating above the baa3 BCA. There is no uplift from Moody's "low" government support assumptions (which remain unchanged).

+++++

-- Unione di Banche Italiane S.c.p.A

The upgrade of UBI's deposit and senior debt ratings to Baa2/Prime-2, with a stable outlook, reflects the affirmation of the bank's BCA at ba1 and the Advanced LGF analysis that provides two notches of uplift from the

bank's ba1 adjusted BCA. UBI benefits from a sizeable volume of senior debt and the limited amount of securities subordinated to it, resulting in very low expected loss severity in the event of resolution. The affirmation of UBI's BCA at ba1 reflects the bank's sound capital and liquidity profile. UBI's standalone BCA also incorporates its weakened asset-quality metrics due to the continued increase -- albeit decelerating -- in non-performing loans, and its modest profitability.

There is no uplift given Moody's assumption of a "low" probability of government support, compared to one notch of uplift previously.

+++++

--Banca Nazionale del Lavoro S.P.A.

The upgrade of BNL's long-term deposit and senior debt ratings to Baa1, with a stable outlook, from Baa2 reflects the affirmation of the bank's ba2 BCA, the downgrade of the adjusted BCA to baa3 from baa2, and the advanced LGF analysis that provides two notches of uplift from the bank's baa3 adjusted BCA. BNL benefits from a sizeable volume of senior debt and the limited amount of securities subordinated to it, resulting in very low expected loss severity, in the event of resolution.

The affirmation of BNL's BCA at ba2 reflects the bank's modest regulatory capital, high reliance on ECB and parental funding, improved capital levels, and ongoing funding support from its parent BNP Paribas (deposits, senior unsecured A1/A1 stable, BCA baa1). As some support from BNP is already included in BNL's BCA, Moody's says that it reduced the uplift for affiliate support in BNL's adjusted BCA to two notches, from three previously.

There is no government support uplift given Moody's assumption that the probability of such support will be low.

+++++

--Cassa di Risparmio di Parma e Piacenza Spa (Cariparma)

The upgrade of Cariparma's long-term deposit and senior debt ratings to A3, with a stable outlook, reflects one notch of affiliate support uplift from Credit Agricole SA (adjusted BCA of baa2) and two-notch uplift under the Advanced LGF analysis from the bank's baa2 adjusted BCA. Cariparma benefits from a sizeable volume of senior debt and the limited amount of securities subordinated to it, resulting in very low expected loss severity in the event of resolution.

There is no uplift from Moody's "low" government support assumptions (lowered from "moderate" previously).

+++++

--Banca Popolare di Milano S.C.a.r.l

The upgrade of BPM's long-term deposit and senior debt ratings to Ba3, with a stable outlook, reflects the affirmation of the bank's BCA at b2 and the Advanced LGF analysis that provides two notches of uplift from the bank's b2 adjusted BCA. BPM benefits from a sizeable volume of senior debt and the limited amount of securities subordinated to it, resulting in very low expected loss severity in the event of resolution. The affirmation of BPM's BCA at b2 reflects the bank's improved capital levels, following several capital reinforcement measures during 2014, as well as its continued balance-sheet deleveraging that has gradually improved its liquidity profile. The bank's standalone BCA also reflects its (1) corporate-governance shortcomings; (2) weakened asset-quality indicators due to the continued increase -- albeit decelerating -- in non-performing loans; and (3) low profitability, albeit modestly improving.

There is no government support uplift given Moody's assumption that the probability of such support is low, compared to one notch previously.

+++++

--Credito Emiliano SpA (Credem)

The upgrade of Credem's deposit ratings to Baa2, with a stable outlook, reflects the Advanced LGF analysis that provides one notch of uplift from the bank's baa3 BCA. Credem benefits from a sizeable volume of senior debt and the limited amount of securities subordinated to it, resulting in low expected loss severity in the event of resolution.

There is no government support uplift given Moody's assumption that the probability of such support will be low.

+++++

--Credito Valtellinese (CreVal)

The upgrade of CreVal's long-term deposit and senior debt ratings to Ba2, with a stable outlook, reflects the Advanced LGF analysis that provides two notches of uplift from the bank's b1 BCA. CreVal benefits from a sizeable volume of senior debt and the limited amount of securities subordinated to it, resulting in very low expected loss severity in the event of resolution. There is no government support uplift given Moody's assumption that the probability of such support will be low

+++++

--FCA Bank Spa

The upgrade of FCA Bank's long-term deposit and issuer ratings to Baa2, with a stable outlook, reflects the one-notch lowering of the BCA to ba3, the unchanged two notches of affiliate support uplift from Credit Agricole SA (adjusted BCA of baa2) and two notches of uplift from the Advanced LGF analysis. FCA Bank benefits from a sizeable volume of senior debt, resulting in very low expected loss severity in the event of resolution. There is no further uplift given Moody's "low" government support assumption.

The lowering of the BCA reflects Moody's application of a stricter constraint of one notch above the B1 rating of FCA Bank's industrial parent, Fiat Chrysler Automobiles NV (FCA), from two notches previously. Under the previous methodology, the two-notch difference between the bank's BCA and the rating of FCA itself in part reflected the lower expected loss inherent in the car financing business. Expected loss is now incorporated in Moody's LGF analysis, leading us to reposition the BCA closer to FCA's rating, better reflecting their intrinsically tight links and similar failure probabilities.

+++++

--Iccrea Bancalmpresa S.p.a.

The affirmation of Iccrea's Ba2 deposit ratings, with a stable outlook, reflects the affirmation of the bank's b1 BCA and ba3 adjusted BCA, and the Advanced LGF analysis that provides one notch of uplift from the bank's ba3 adjusted BCA. Iccrea benefits from a moderate volume of senior debt and the limited amount of securities subordinated to it, resulting in low expected loss severity in the event of resolution.

There is no government support uplift given Moody's assumption that the probability of such support will be low. The affirmation of Iccrea's b1 BCA reflects the bank's very high integration within the Iccrea group, deteriorating asset quality, modest capitalisation, and good liquidity. The affirmed ba3 adjusted BCA reflects Iccrea's affirmed BCA as well as Moody's unchanged "moderate" support assumption coming from the Italian cooperative banking network (unrated).

+++++

--Banca Sella Holding

The confirmation of Banca Sella's Ba1 deposit ratings, with a stable outlook, reflects the downgrade of the bank's BCA to ba3 from ba2 and the Advanced LGF analysis that provides two notches of uplift from the bank's ba3 BCA. Banca Sella benefits from a sizeable volumes of senior debt and the limited amount of securities subordinated to it, resulting in very low expected loss severity in the event of resolution. The downgrade of Banca Sella's (P)Ba2 senior unsecured MTN rating reflects the downgrade of the bank's BCA to ba3 from ba2 and the Advanced LGF analysis that provides one notch of uplift from the bank's ba3 BCA, indicating low expected loss severity in the event of resolution.

The downgrade of Banca Sella's BCA to ba3 from ba2 reflects the bank's modest capital and low profitability in the context of deteriorating asset quality. In December 2014, Banca Sella reported a CET 1 ratio of 9%, which is equivalent to our Tangible Common Equity to adjusted risk-weighted assets ratio of just 7.4%. Asset quality continued to deteriorate in 2014, with problem loans reaching 12% of gross loans. Deteriorating asset quality also impacted profitability; Banca Sella reported 0.5% net profit over tangible assets, mostly owing to one-off gains from the sale of government bonds.

There is no uplift from Moody's "low" government support assumptions, compared to "moderate" and one notch previously.

+++++

--Cassa Centrale Banca-Credito Coop d Nord Est (Cassa Centrale Banca)

The confirmation of Cassa Centrale Banca's Baa3 deposit and issuer ratings reflects the Advanced LGF analysis that provides no uplift from the bank's baa3 BCA. Moody's said it believes that Cassa Centrale Banca deposits and senior unsecured debt are likely to face moderate loss-given-failure, due to the very limited loss absorption provided by subordinated debt and limited volume of debt and deposits themselves. Additionally, Moody's said that its LGF analysis takes into account the rating agency's expectation that Cassa Centrale Banca's balance sheet will significantly reduce in size in the next 18 months. This results in these ratings being positioned at the same level as the BCA.

There is no government support uplift given Moody's assumption that the probability of such support will be low.

+++++

--Cassa Centrale Raiffeisen

The two-notch upgrade of Cassa Centrale Raiffeisen's deposit and issuer ratings to Baa1, with a stable outlook, reflects the Advanced LGF analysis that provides two notches of uplift from the bank's baa3 adjusted BCA. Cassa Centrale Raiffeisen benefits from a sizeable volumes of senior debt, given its wholesale profile, resulting in very low expected loss severity in the event of resolution.

There is no government support uplift given Moody's assumption that the probability of such support will be low.

+++++

-- Banca del Mezzogiorno -- Mediocredito Centrale Spa

The confirmation of Banca del Mezzogiorno's long-term deposit ratings of Ba1, with a stable outlook, is due to the Advanced LGF analysis that provides two notches of uplift from the bank's ba3 adjusted BCA and offsets reduced government support assumptions. Banca del Mezzogiorno benefits from a sizeable volumes of senior debt, resulting in very low expected loss severity in the event of resolution.

This offsets the lowering in Moody's government support assumptions, via the bank's owner Poste Italiane (Baa2 stable), to "low" from "high", leading to no government support uplift compared to two notches previously.

+++++

--Mediocredito Trentino Alto Adige

The downgrade of MTAA's long-term deposit and issuer ratings to Ba1 from Baa3, with a stable outlook, reflects reduced public support assumptions, partly offset by the Advanced LGF analysis that provides two notches of uplift from the bank's adjusted BCA of ba3.

The lowering in Moody's government support assumptions, via MTAA's public-sector owners, the Autonomous Provinces of Trento and Bolzano (both rated A3 with stable outlook), and the Autonomous Region of Trentino-Alto Adige (not rated), to "low" from "very high" results in no government support uplift, compared to three notches previously.

This is partly offset by a sizeable volumes of senior debt, resulting in very low expected loss severity in the event of resolution.

--- ASSIGNMENT OF COUNTERPARTY RISK ASSESSMENTS

Moody's has also assigned CR Assessments to 19 Italian banks and their branches. 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 Assessments for most Italian banks are one notch above their deposit ratings and reflect the seniority of the counterparty obligations and the volume of liabilities subordinated to them under Moody's Advanced LGF framework.

For the following banks the CR Assessments are capped at Baa1(cr), one notch above Italy's Baa2 government bond ratings, reflecting the more limited benefit of subordination to such obligations under a scenario of sovereign default:

Intesa Sanpaolo

Cassa di Risparmio di Parma e Piacenza

Banca Nazionale del Lavoro

Credito Emiliano

Cassa Centrale Raiffeisen

#### WHAT COULD CHANGE THE RATINGS UP/DOWN

Upward rating momentum on the banks' ratings could develop from (1) a reduction of problem loans, for example through sales or organic improvements driven by better economic conditions; and/or (2) a sustained strengthening of profitability.

Downward rating pressure could emerge if (1) problem loans continue to increase; (2) net losses reduce capital adequacy; and/or (3) external events, such as a potential exit of Greece (Caa2 negative) from the euro area, which would constrain economic growth and funding conditions.

#### 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](http://www.moodys.com) for a copy of this methodology.

The principal methodology used in rating Unicredit Leasing S.P.A. was Finance Company Global Rating Methodology published in March 2012. Please see the Credit Policy page on [www.moodys.com](http://www.moodys.com) for a copy of this methodology.

#### REGULATORY DISCLOSURES

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](http://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 ratings of rated entity Credito Valtellinese was initiated by Moody's and were not requested by this rated entity.

Rated entity Credito Valtellinese or its agent(s) participated in the rating process. This rated entity or its agent(s), if any, provided Moody's - access to the books, records and other relevant internal documents of the 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](http://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\\_182500](http://www.moodys.com/viewresearchdoc.aspx?docid=PBC_182500) . 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](http://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](http://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](http://www.moodys.com) for additional regulatory disclosures for each credit rating.

Carlo Gori  
Vice President - Senior Analyst  
Financial Institutions Group  
Moody's Investors Service Ltd.  
One Canada Square  
Canary Wharf  
London E14 5FA  
United Kingdom  
JOURNALISTS: 44 20 7772 5456  
SUBSCRIBERS: 44 20 7772 5454

Nicholas Hill  
Managing Director  
Financial Institutions Group  
JOURNALISTS: 44 20 7772 5456  
SUBSCRIBERS: 44 20 7772 5454

Releasing Office:  
Moody's Investors Service Ltd.  
One Canada Square  
Canary Wharf  
London E14 5FA  
United Kingdom  
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](http://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.