

Ratings

Category	Moody's Rating
Outlook	Stable
Bank Deposits	A2/P-1
Bank Financial Strength	C
Baseline Credit Assessment	A3
Adjusted Baseline Credit Assessment	A3
Senior Unsecured	A2
Subordinate	Baa2
Pref. Stock	Baa3 (hyb)
Other Short Term	(P)P-1

Contacts

Analyst	Phone
Oscar Heemskerk/London	44.20.7772.5454
Janne Thomsen/London	
Simon Harris/London	
Anton Mahkats/London	

Key Indicators

Sydbank A/S (Consolidated Financials)[1]

	[2]6-11	[2]12-10	[2]12-09	[2]12-08	[3]12-07	Avg.
Total Assets (DKK million)	145,722.0	150,843.0	157,821.0	156,094.0	132,323.0	[4]2.4
Total Assets (EUR million)	19,536.8	20,241.7	21,209.9	20,971.3	17,745.9	[4]2.4
Total Assets (USD million)	28,325.2	27,155.2	30,430.7	29,151.1	25,945.4	[4]2.2
Tangible Common Equity (DKK million)	9,424.0	10,309.2	9,316.0	7,306.2	6,930.2	[4]8.0
Tangible Common Equity (EUR million)	1,263.5	1,383.4	1,252.0	981.6	929.4	[4]8.0
Tangible Common Equity (USD million)	1,831.8	1,855.9	1,796.3	1,364.5	1,358.9	[4]7.8
Net Interest Margin (%)	2.1	2.1	2.2	1.9	1.7	[5]2.0
PPI / Avg RWA (%)	1.8	2.7	3.1	1.6	2.1	[6]2.3
Net Income / Avg RWA (%)	0.4	0.5	1.0	0.6	2.2	[6]0.6
(Market Funds - Liquid Assets) / Total Assets (%)	3.0	4.9	2.8	6.5	2.2	[5]3.9
Core Deposits / Average Gross Loans (%)	79.7	75.9	75.5	82.2	83.3	[5]79.3
Tier 1 Ratio (%)	14.1	14.3	13.1	9.7	8.9	[6]12.8
Tangible Common Equity / RWA (%)	12.5	14.0	12.0	8.8	8.5	[6]11.8
Cost / Income Ratio (%)	68.1	56.2	53.8	67.4	57.0	[5]60.5
Problem Loans / Gross Loans (%)	3.3	3.5	3.5	2.0	2.1	[5]2.9
Problem Loans / (Equity + Loan Loss Reserves) (%)	24.9	24.8	27.9	22.7	22.2	[5]24.5

Source: Moody's

[1] All ratios are adjusted using Moody's standard adjustments [2] Basel II; IFRS [3] Basel I; IFRS [4] Compound Annual Growth Rate based on IFRS reporting periods [5] IFRS reporting periods have been used for average calculation [6] Basel II & IFRS reporting periods have been used for average calculation

Opinion

SUMMARY RATING RATIONALE

Moody's rates Sydbank A/S A2/Prime-1/C. The C bank financial strength rating (BFSR), which translates into a Baseline Credit Assessment (BCA) of A3, reflects the Danish bank's strong regional franchise and satisfactory financial strength. However, the rating is constrained by Sydbank's high credit risk concentration and its reliance on interbank funding. The bank's overall profitability has weakened significantly over the past years - and the economic outlook in Denmark remains challenging.

The A2 long-term senior debt and deposit ratings incorporate the bank's BCA of A3 as well as a one notch uplift from systemic support.

Credit Strengths

- Strong local brand and solid retail franchise in southern and central Jutland
- Adequate earnings from core banking operations
- Satisfactory capitalisation
- Co-operation agreements, which facilitates a wider product range

Credit Challenges

- Preserving asset quality during the continued challenging economic environment
- Relatively high level of single-loan exposures and some industry concentration
- Enhancement and sustainability of fee & commission income
- Improvement in overall profitability
- On the funding side, reliance on interbank funding and increased pressure on funding markets following the implementation of Bank Package III

Rating Outlook

Sydbank's ratings have a stable outlook reflecting that the ratings are well positioned in its rating category.

What Could Change the Rating - Up

A sustainable improvement in asset quality and earnings could exert upward pressure on the ratings. However, Moody's does not see this as likely in the medium term.

What Could Change the Rating - Down

The bank's ratings could be adversely affected if funding costs were to increase or credit quality weakens to a greater extent than we assume in our base case scenario, which would exert pressure on the bank's earnings and capitalisation.

Recent Results and Company Events

RECENT RESULTS

In H1 2011 Sydbank reported a pre-tax profit of DKK181 million, a 46% reduction from the corresponding period in the previous year. The reduction primarily reflected market value adjustments, which fell significantly by 84% to DKK39 million. Net interest income also dropped by 10% to DKK1.5 billion. Nevertheless, Moody's positively notes that loan loss provisions have declined by 33% year-on-year to DKK495 million.

The group's Tier 1 ratio stood at 14.1% at end-June 2011 (14.3% at YE 2010), comfortably above the solvency ratio requirement of 9.6% at end-June 2011 (unchanged from YE 2010).

RECENT EVENTS

In February 2011, Moody's placed Sydbank's long-term senior debt and deposit ratings on review for possible downgrade. The review followed similar actions taken for other Danish banks and reflected a reduction of Moody's systemic support assumptions for the Danish banking market to low from high. The reassessment of Danish systemic support assumptions followed the bankruptcy of Amagerbanken and the demonstrated willingness and ability of the Danish government to use resolution tools provided under new legislation to impose losses on deposit holders and senior creditors in the event of a bank failure. Furthermore, as a result of the burden sharing with senior debt holders and depositors, Moody's expects that Danish banks' funding will, going forward be more vulnerable to investor and depositor transfers in the event of stress.

This review was concluded in May 2011, when Sydbank's long-term debt and deposit ratings were downgraded to A2 from A1 and the stand alone BFSR was downgraded to C from C+. The downgrades reflect Moody's assessment that core profitability will remain weak going forward, in a low-growth environment with increasing funding costs. Increased deposit competition and market concerns related to Bank Package III increase the vulnerability of Sydbank's funding and liquidity positions. Following the review, Sydbank's long term senior debt and deposit ratings continue to benefit from one notch of systemic support uplift.

DETAILED RATING CONSIDERATIONS

Detailed considerations for Sydbank's currently assigned ratings are as follows:

Bank Financial Strength Rating

Moody's assigns a C BFSR to Sydbank. The assigned BFSR is one notch below the C+ outcome of Moody's bank financial strength scorecard. In Moody's opinion a C is an appropriate measure of the Sydbank's current financial strength, given the challenges facing the bank, particularly in terms of expected increasing funding costs and continued pressure on asset quality.

Qualitative Rating Factors (50%)

Factor 1: Franchise Value

Trend: Neutral

Sydbank's franchise value is underpinned by its position as the fourth-largest banking group in Denmark, reportedly serving around 390,000

customers, including approximately 32,000 corporate clients. Its core business consists of corporate, investment and private banking, with a focus on private individuals and small and medium-sized enterprises (SMEs) through a network of 102 branches in Denmark. It also has three branches in northern Germany and a subsidiary bank in Switzerland. While the bank has a national presence, its heartland is southern and central Jutland, Funen and the greater Copenhagen area, where most of its branch network is based.

Moody's views Sydbank's well-established regional presence as an important factor underpinning its ratings. The bank reports a market share of 6-9% depending on customer segment and type of business, with the majority of its customers being based in Jutland. Moody's estimates the bank's nationwide market share just below 4% in total lending when including the mortgage lending market.

In Switzerland, the bank has a private banking subsidiary in St Gallen, which was established in 2003 to support its long-established private banking international branch in Gråsten, Denmark. Sydbank intends to further develop its businesses in Germany and Switzerland, but we do not expect these operations to be significant contributors to its profit over the medium term.

The bank continues to subscribe to an open architecture model, providing its customers with alternatives across a full range of banking services and third party pension and life products. Co-operation agreements include the primary mortgage credit institutions Totalkredit and DLR Kredit.

The C score for franchise value reflects the bank's good position in its region and adequate position nationwide, but also some volatility in its earnings.

Factor 2: Risk Positioning

Trend: Neutral

Sydbank has 143,000 shareholders, and each of its shares carries one vote at the annual general meeting, with the maximum number of votes per shareholder restricted to 5,000. These limitations would make a hostile takeover expensive - and thus highly unlikely. At YE 2010, two shareholders owned more than 5% of the shares, Nykredit (a Danish mortgage credit institution) and ATP (a Danish pension fund), whose holdings fell to 4.9% in early 2011.

The board of directors consists of 10 members, of which four are employee representatives. The group's executive management has three members, and the chief executive officer, although new to the position, has been with the bank for a number of years. The bank has good risk management processes and uses the internal ratings-based (IRB) approach to determine credit risk related to retail and corporate exposures under Basel II. However, high credit risk concentration remains a constraining factor for the risk management score.

Interest rate risk (in relation to 100 bps change in interest rates) represented approximately 1% of Tier 1 capital at year-end 2010. The bank's currency risk is limited and is mainly denominated in euros. Its equity risk consists of listed and unlisted shares, as well as holdings in associates. The combined figure was DKK2.2 billion at end-2010. A stress-test scenario of a 25% decline in equity prices corresponds to around 5% of tier 1 capital. In our view, Sydbank's market risk appetite is therefore limited.

Overall, Sydbank scores C for risk positioning.

Factor 3: Regulatory Environment

This factor does not address bank-specific issues; instead, it evaluates whether regulatory bodies are independent and credible, whether they demonstrate enforcement power, and whether they adhere to global standards of best practice for risk control. Please refer to Moody's analysis of Denmark's regulatory environment in the latest Banking System Profile, published in December 2010.

Factor 4: Operating Environment

Trend: Neutral

This factor is common to all Danish banks. Moody's assigns an A- score for the overall operating environment, which includes economic stability, integrity and corruption, and the legal system (in accordance with World Bank guidance). Please refer to Moody's analysis of Denmark's operating environment in the latest Banking System Profile, published in December 2010.

Quantitative Rating Factors (50%)

Factor 5: Profitability

Trend: Weakening

In 2010, Sydbank reported audited pre-tax profits of DKK 558 million, down 44% year-on-year as a result of increased impairment changes and lower positive market valuation adjustments. Risk-weighted recurring earnings power (pre-provision income in relation to risk-weighted assets) decreased to 2.8% from 3.0% in 2009.

Net interest income is the most important component of earnings, representing around two-thirds of operating income. Net interest income decreased 5% year-on-year to DKK 3.2 billion, as a result of a 4% decrease in gross loans and higher funding costs. Fee and commission income increased 19% year-on-year, largely driven by increased demand for asset management services, while market value adjustments of the investment portfolio decreased by 37% to DKK 420 million, pushing overall operating income down 5% year-on-year.

Total operating expenses remained largely unchanged year-on-year, however loan impairment charges increased 14% year-on-year to DKK 1.6 billion and accounted for 74% of pre-provision income.

The score for profitability is D+ and is calculated according to Basel II risk-weighted assets.

We assign a weakening trend to the bank's profitability score to reflect our expectations of continued subdued lending growth, increased funding costs, and the expectation of increased competition, although these negative effects will be somewhat mitigated by the expiry of costs associated with Banking Package I (costing the bank DKK 384 million in 2010). Due to the continued challenging economic environment and its potential effect on asset quality, we also expect problem loans to continue increasing, and a subsequently continued need for elevated loan loss

provisions.

Factor 6: Liquidity

Trend: Weakening

Although the bank's reliance on interbank funding remains high (having reduced from 34% of total funding at year-end 2009 to 28% at Q1 2011), Moody's notes that it is offset by the size of its securities portfolio, with liquid assets amounting to 30% of total assets as of year-end 2010. The bank's deposit base represents about 50% of funding. We positively note that the bank did not use government guaranteed funding, but expect increased pressure on the bank's funding profile following the implementation of Bank Package III.

Moody's notes that Sydbank, in common with other regional and local banks, funds its retail and commercial mortgage loans through Totalkredit/Nykredit and DLR.

The bank scores C- for liquidity, with a weakening trend reflecting the expected deterioration of Danish funding markets post Bank Package III.

Factor 7: Capital Adequacy

Trend: Neutral

At year-end 2010, the Tier 1 and total capital ratios were 14.3% and 15.4%, respectively, up from 15.2% and 13.1% as of year-end 2009. The individual solvency requirement for the bank is 9.6%, which - s of year-end 2010 - meant the bank had a capital cushion exceeding its individual requirement of DKK 4.3 billion (equivalent to 2.7% of total credit exposures). The bank has a stated internal capital target of 13.4%.

The bank applies the advanced IRB approach for credit risk in the retail portfolio and applies the foundation IRB approach for the corporate portfolio. Basel II has had a positive impact on the capital ratios, but we do not expect the bank to release capital, as there are some concentrations in its loan book.

Considering Sydbank's risk profile and internal capital-generation capability, we continue to view its economic capital as satisfactory. The bank therefore scores A for capital adequacy.

Factor 8: Efficiency

Trend: Neutral

Sydbank's cost-to-income ratio stood at 56% in 2010, which is higher than in 2009 (54%) but in line with the five year average.

Sydbank is reshaping its branch coverage in Denmark and is currently focusing on improving its work processes and as a result closed eight small branches in 2010. However, in Moody's opinion, the bank's relatively small size may make it difficult to improve the level of costs, as it will be difficult to achieve economies of scale.

In common with other Danish banks, Sydbank has had to bear the costs of participating in the Danish government guarantee scheme and support mechanism. For 2010, the total cost including the monthly guarantee commission and provision for the guarantee amounted to DKK384 million.

The score for cost efficiency is C.

Factor 9: Asset Quality

Trend: Weakening

At year-end 2010, Sydbank's problem loans (measured as gross loans subject to individual impairments) represented 3.5% of its gross loans, unchanged year-on-year. Moody's notes that although Sydbank's problem loan ratio is higher than many of its international peers, it is among the lowest of the rated Danish banks.

Around 35% of Sydbank's loan portfolio is to retail customers (mortgage loans financed by Totalkredit/Nykredit or DLR Kredit do not appear on Sydbank's balance sheet). Sydbank provides a guarantee on losses on loans transferred to DLR Kredit, whereas losses on loans transferred to Totalkredit/Nykredit are deducted from the fees paid by these mortgage credit institutions.

Typical for Nordic, and in particular regional banks, Sydbank displays high credit risk concentration. To assess borrower concentration Moody's compares the sum of the top 20 largest exposures to the Tier 1 capital or pre-provision income - whichever provides the highest ratio. Measured at the worse of the ratio to earnings and Tier 1, Sydbank is in the "D" concentration bucket. There is also some industry concentration in the loan book - property-related exposures account for 13% of loans and credit, and finance & insurance exposures for 17%. The exposure to agriculture accounts for 7% of loans and guarantees. Overall, corporate lending accounts for around 65% of the loan portfolio.

The overall macroeconomic situation in Denmark remains weak, putting pressure on the corporate and retail sectors. This situation supports our expectation of a weakening trend for Sydbank's asset quality in the near/medium term.

The score for this factor is C, with a weakening trend.

Global Local Currency Deposit Rating (Joint Default Analysis)

Moody's assigns a GLC deposit rating of A2 to Sydbank. The rating receives a one-notch uplift from the A3 BCA, based on Moody's assessment of a moderate probability of systemic support in the event of a stress situation and the Aaa local currency deposit ceiling of Denmark.

Notching Considerations

The ratings for the bank's hybrid obligations are notched off the BCA according to "Moody's Guidelines for Rating Bank Hybrid Securities and Subordinated Debt" published on 17 November 2009.

Foreign Currency Deposit Rating

Sydbank's A2 foreign currency deposit rating is unconstrained given that Denmark has a country ceiling of Aaa.

Foreign Currency Debt Rating

Sydbank's A2 foreign currency debt rating is unconstrained given that Denmark has a country ceiling of Aaa.

ABOUT MOODY'S BANK RATINGS

Bank Financial Strength Rating

Moody's Bank Financial Strength Ratings (BFSRs) represent Moody's opinion of a bank's intrinsic safety and soundness and, as such, exclude certain external credit risks and credit support elements that are addressed by Moody's Bank Deposit Ratings. BFSRs do not take into account the probability that the bank will receive such external support, nor do they address risks arising from sovereign actions that may interfere with a bank's ability to honor its domestic or foreign currency obligations. Factors considered in the assignment of BFSRs include bank-specific elements such as financial fundamentals, franchise value, and business and asset diversification. Although BFSRs exclude the external factors specified above, they do take into account other risk factors in the bank's operating environment, including the strength and prospective performance of the economy, as well as the structure and relative fragility of the financial system, and the quality of banking regulation and supervision.

Global Local Currency Deposit Rating

A deposit rating, as an opinion of relative credit risk, incorporates the BFSR as well as Moody's opinion of any external support. Specifically, Moody's Bank Deposit Ratings are opinions of a bank's ability to repay punctually its deposit obligations. As such, they are intended to incorporate those aspects of credit risk relevant to the prospective payment performance of rated banks with respect to deposit obligations, which includes: intrinsic financial strength, sovereign transfer risk (in the case of foreign currency deposit ratings), and both implicit and explicit external support elements. Moody's Bank Deposit Ratings do not take into account the benefit of deposit insurance schemes which make payments to depositors, but they do recognize the potential support from schemes that may provide assistance to banks directly.

According to Moody's joint default analysis (JDA) methodology, the global local currency deposit rating of a bank is determined by the incorporation of external elements of support into the bank's Baseline Credit Assessment. In calculating the Global Local Currency Deposit rating for a bank, the JDA methodology also factors in the rating of the support provider, in the form of the local currency deposit ceiling for a country, Moody's assessment of the probability of systemic support for the bank in the event of a stress situation and the degree of dependence between the issuer rating and the Local Currency Deposit Ceiling.

National Scale Rating

National scale ratings are intended primarily for use by domestic investors and are not comparable to Moody's globally applicable ratings; rather they address relative credit risk within a given country. AAaa rating on Moody's National Scale indicates an issuer or issue with the strongest creditworthiness and the lowest likelihood of credit loss relative to other domestic issuers. National Scale Ratings, therefore, rank domestic issuers relative to each other and not relative to absolute default risks. National ratings isolate systemic risks; they do not address loss expectation associated with systemic events that could affect all issuers, even those that receive the highest ratings on the National Scale.

Foreign Currency Deposit Rating

Moody's ratings on foreign currency bank obligations derive from the bank's local currency rating for the same class of obligation. The implementation of JDA for banks can lead to high local currency ratings for certain banks, which could also produce high foreign currency ratings. Nevertheless, it should be noted that foreign currency deposit ratings are in all cases constrained by the country ceiling for foreign currency bank deposits. This may result in the assignment of a different, and typically lower, rating for the foreign currency deposits relative to the bank's rating for local currency obligations.

Foreign Currency Debt Rating

Foreign currency debt ratings are derived from the bank's local currency debt rating. In a similar way to foreign currency deposit ratings, foreign currency debt ratings may also be constrained by the country ceiling for foreign currency bonds and notes; however, in some cases the ratings on foreign currency debt obligations may be allowed to pierce the foreign currency ceiling. A particular mix of rating factors are taken into consideration in order to assess whether a foreign currency bond rating pierces the country ceiling. They include the issuer's global local currency rating, the foreign currency government bond rating, the country ceiling for bonds and the debt's eligibility to pierce that ceiling.

About Moody's Bank Financial Strength Scorecard

Moody's bank financial strength model (see scorecard below) is a strategic input in the assessment of the financial strength of a bank, used as a key tool by Moody's analysts to ensure consistency of approach across banks and regions. The model output and the individual scores are discussed in rating committees and may be adjusted up or down to reflect conditions specific to each rated entity.

Rating Factors

Sydbank A/S

Rating Factors [1]	A	B	C	D	E	Total Score	Trend
Qualitative Factors (50%)						C+	
Factor: Franchise Value						C	Neutral
Market Share and Sustainability			x				

Geographical Diversification			x				
Earnings Stability			x				
Earnings Diversification [2]							
Factor: Risk Positioning						C	Neutral
Corporate Governance [2]							
- Ownership and Organizational Complexity							
- Key Man Risk							
- Insider and Related-Party Risks							
Controls and Risk Management			x				
- Risk Management				x			
- Controls	x						
Financial Reporting Transparency			x				
- Global Comparability	x						
- Frequency and Timeliness	x						
- Quality of Financial Information				x			
Credit Risk Concentration						x	
- Borrower Concentration						x	
- Industry Concentration			x				
Liquidity Management				x			
Market Risk Appetite	x						
Factor: Operating Environment						A-	Neutral
Economic Stability			x				
Integrity and Corruption	x						
Legal System	x						
Financial Factors (50%)						C	
Factor: Profitability						D+	Weakening
PPI / Average RWA- Basel II			2.46%				
Net Income / Average RWA- Basel II				0.72%			
Factor: Liquidity						C-	Weakening
(Mkt funds-Liquid Assets) / Total Assets				10.81%			
Liquidity Management			x				
Factor: Capital Adequacy						A	Neutral
Tier 1 Ratio - Basel II	12.36%						
Tangible Common Equity / RWA- Basel II	11.56%						
Factor: Efficiency						C	Neutral
Cost / Income Ratio			59.17%				
Factor: Asset Quality						C	Weakening
Problem Loans / Gross Loans			3.02%				
Problem Loans / (Equity + LLR)			25.10%				
Lowest Combined Score (15%)						C-	
Economic Insolvency Override						Neutral	
Aggregate Score						C+	
Assigned BFSR						C	

[1] - Where dashes are shown for a particular factor (or sub-factor), the score is based on non public information [2] - A blank score under Earnings diversification or Corporate Governance indicates the risk is neutral



© 2011 Moody's Investors Service, Inc. and/or its licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ARE MOODY'S INVESTORS SERVICE, INC.'S ("MIS") CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES. MIS 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 ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. CREDIT RATINGS DO NOT CONSTITUTE INVESTMENT OR FINANCIAL ADVICE, AND CREDIT RATINGS ARE NOT RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. CREDIT RATINGS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MIS ISSUES ITS CREDIT RATINGS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL MAKE ITS OWN STUDY

AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

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. Under no circumstances shall MOODY'S have any liability to any person or entity for (a) any loss or damage in whole or in part caused by, resulting from, or relating to, any error (negligent or otherwise) or other circumstance or contingency within or outside the control of MOODY'S or any of its directors, officers, employees or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication or delivery of any such information, or (b) any direct, indirect, special, consequential, compensatory or incidental damages whatsoever (including without limitation, lost profits), even if MOODY'S is advised in advance of the possibility of such damages, resulting from the use of or inability to use, any such information. The ratings, financial reporting analysis, projections, and other observations, if any, constituting part of the information contained herein are, and must be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell or hold any securities. Each user of the information contained herein must make its own study and evaluation of each security it may consider purchasing, holding or selling. 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.

MIS, 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 MIS have, prior to assignment of any rating, agreed to pay to MIS 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's.com under the heading "Shareholder Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

Any publication into Australia of this document is by MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657, which holds Australian Financial Services License no. 336969. 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.

Notwithstanding the foregoing, credit ratings assigned on and after October 1, 2010 by Moody's Japan K.K. ("MJKK") are MJKK's current opinions of the relative future credit risk of entities, credit commitments, or debt or debt-like securities. In such a case, "MIS" in the foregoing statements shall be deemed to be replaced with "MJKK". 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.

This credit rating is an opinion as to the creditworthiness or a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors. It would be dangerous for retail investors to make any investment decision based on this credit rating. If in doubt you should contact your financial or other professional adviser.