



## Rating Action: Moody's affirms Rabobank's deposit and senior unsecured debt ratings of Aa2, outlook is stable

---

01 Dec 2023

Paris, December 01, 2023 – Moody's Investors Service (Moody's) today affirmed the Aa2 long-term deposit and senior unsecured debt ratings of Rabobank and maintained the stable outlook on these ratings. The rating agency also affirmed Rabobank's Baseline Credit Assessment (BCA) and Adjusted BCA at a3. Moody's concurrently affirmed Rabobank's long-term senior non-preferred debt rating (referred to as "junior senior unsecured") at A3, as well as the bank's subordinated debt rating at Baa1, and its Additional Tier 1 (AT1) securities at Baa3(hyb).

A list of affected ratings can be found at the end of this press release.

### RATINGS RATIONALE

#### AFFIRMATION OF THE BCA REFLECTS THE BANK'S SOUND AND STABLE FUNDAMENTALS

The affirmation of Rabobank's BCA of a3 reflects Moody's expectation that the bank's well-entrenched franchise, low risk profile and high earnings retention will continue to support its strong solvency. The bank's leading position, in the domestic retail market and in the agribusiness sector globally, are the primary drivers of its relatively stable underlying earnings generation capacity, which has been supported recently by higher interest rates and modest credit losses.

Rabobank's profitability has been constrained in recent years by subdued lending activities, stemming from the bank's decision to optimize risk-weighted assets in anticipation of Basel III finalization. Moody's however expects Rabobank's net profit to materially increase in 2023, driven by higher margins on domestic deposits, which more than offset subdued loan production and asset margin pressure. The rating agency expects 2024 revenues to moderate from 2023 level, as deposit costs increase and loan volumes remain low, but to remain higher than levels reported by the bank prior to 2023.

While the cost-reduction program will yield results, Moody's expects these to be offset in the short term by additional staffing requirements to fight financial and economic crime, and increased labour costs due to inflationary pressures. While impairment charges were still low in the first half of 2023 (at 16 bps), Moody's expects that they will return to the through-the-cycle range of 20-25 bps as a result of the current economic slowdown. The investigation conducted by the Dutch Public Prosecution Service for a possible violation of the Dutch Anti-Money Laundering (AML) and Anti-Terrorist Financing Act could also result in a settlement or fine that could potentially have a significant one-off impact on the net profit.

The affirmation of the a3 BCA is also underpinned by the bank's high and stable capitalization (Tangible Common Equity (TCE) stood at 17.4% of risk-weighted assets at end-June 2023), which provides a strong loss-absorption capacity. Moody's expects the TCE ratio to remain above 16% in 2024 and 2025, due to increased earnings, high profit retention, and minimal remaining risk-weighted asset inflation stemming from the finalization of Basel III implementation.

Moody's also views Rabobank's asset quality as sound, because of (1) its relatively conservative underwriting policy, and (2) strong track record of low credit losses, in part due to its high (63% of its private-sector lending) exposure to the diversified Dutch economy. In this regard, Moody's expects problem loans, which had declined in recent years as a result of proactive management (down to 2.1% at end June 2023 from 3.1% at YE 2020 - Moody's calculations), to increase in the coming quarters due to the economic growth contraction.

Given the Dutch caretaker government's ambition to materially reduce nitrogen depositions by 2030 or 2035, Rabobank reclassified a significant part of its exposure to Dutch dairy farmers as Stage 2 loans (€6 billion, compared to the total private sector loan portfolio of €433 billion), despite substantial government support packages for farmers, and made a management overlay of €54 million. Details of the nitrogen reduction plan are still highly uncertain in the context of the November 2023 election, and the potential need for future risk charges is strongly mitigated by the government support measures in place and by the highly collateralized nature of the portfolio.

Finally, the rating agency's affirmation of the BCA reflects Rabobank's robust funding structure. Similar to other Dutch banks, Rabobank makes heavy use of wholesale funding, but this reliance has been markedly reduced over the last few years (market funding decreased to 24.5% of tangible banking assets as of end-June 2023, from 39.5% in 2014) and is mitigated by sizeable liquidity buffers and the long duration of its funding.

## LONG-TERM RATINGS

Moody's affirmation of Rabobank's long-term deposit and senior unsecured debt ratings of Aa2 reflects (1) Rabobank's BCA of a3; (2) three notches of uplift from Moody's Advanced Loss Given Failure (LGF) analysis, reflecting an extremely low loss-given-failure for deposit holders and senior unsecured creditors; and (3) one notch of uplift stemming from a moderate probability of government support, given the systemic importance of the bank in the Dutch market.

The Advanced LGF analysis indicates a moderate loss-given-failure for the junior senior unsecured debt, which results in no rating uplift from the Adjusted BCA.

The bank's dated subordinated debt instruments are rated one notch below the bank's Adjusted BCA to reflect their high loss-given-failure. The AT1 securities are rated three notches below the bank's BCA to reflect the high loss-given-failure, the optional coupon-skip mechanism and the non-cumulative nature of its coupons.

## OUTLOOK

The outlook on Rabobank's long-term deposit and senior unsecured debt ratings is stable, reflecting Moody's expectation that Rabobank will maintain its strong capitalization and stable profitability over the outlook period, while asset quality deterioration will remain contained.

## FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATINGS

Moody's could upgrade the BCA, and consequently the long-term deposit and senior unsecured debt ratings, if Rabobank were to materially improve its structural profitability without deteriorating its low asset risk profile, or if the bank were to further reduce its reliance on confidence-sensitive wholesale funding.

The junior senior unsecured debt rating could also be upgraded if the bank continues to increase the buffer of junior senior unsecured debt relative to its total assets.

Moody's could downgrade the BCA if (1) the bank's profitability becomes more volatile, for instance because of rising cost of risk and unsuccessful remediation and efficiency plans, or (2) its asset quality were to deteriorate materially. Rabobank's long-term deposit and senior unsecured debt ratings would be downgraded as a consequence of a downgrade of the bank's BCA.

Rabobank's deposit and senior unsecured debt ratings could also be downgraded as a result of a higher loss-given-failure because of lower volumes of these instruments or lower amounts of subordinated debt, or both.

## LIST OF AFFECTED RATINGS

Issuer: Rabobank

..Outlook Actions:

....Outlook, Remains Stable

..Affirmations:

....LT Counterparty Risk Rating (Foreign Currency) , Affirmed Aa2

....LT Counterparty Risk Rating (Local Currency) , Affirmed Aa2

....ST Counterparty Risk Rating (Foreign Currency) , Affirmed P-1

....ST Counterparty Risk Rating (Local Currency) , Affirmed P-1

....LT Bank Deposits (Foreign Currency) , Affirmed Aa2 STA

....LT Bank Deposits (Local Currency) , Affirmed Aa2 STA

....ST Bank Deposits (Foreign Currency) , Affirmed P-1

....ST Bank Deposits (Local Currency) , Affirmed P-1

....LT Deposit Note/CD Program (Foreign Currency) , Affirmed (P)Aa2

....LT Deposit Note/CD Program (Local Currency) , Affirmed (P)Aa2

....ST Deposit Note/CD Program (Local Currency) , Affirmed (P)P-1

....LT Counterparty Risk Assessment , Affirmed Aa2(cr)

....ST Counterparty Risk Assessment , Affirmed P-1(cr)

....LT Issuer Rating , Affirmed Aa2 STA

....Baseline Credit Assessment , Affirmed a3

....Adjusted Baseline Credit Assessment , Affirmed a3

....Senior Unsecured Regular Bond/Debenture (Foreign Currency) , Affirmed Aa2 STA

....Senior Unsecured Regular Bond/Debenture (Local Currency) , Affirmed Aa2 STA

....BACKED Senior Unsecured Regular Bond/Debenture (Foreign Currency) , Affirmed Aa2 STA

....Senior Unsecured Medium-Term Note Program (Foreign Currency) , Affirmed (P)Aa2

....Senior Unsecured Medium-Term Note Program (Local Currency) , Affirmed (P)Aa2

....BACKED Senior Unsecured Medium-Term Note Program (Foreign Currency) , Affirmed (P)Aa2

....Junior Senior Unsecured Regular Bond/Debenture (Foreign Currency) , Affirmed A3

....Junior Senior Unsecured Regular Bond/Debenture (Local Currency) , Affirmed A3

....Junior Senior Unsecured Medium-Term Note Program (Local Currency) , Affirmed (P)A3

- ....Subordinate Regular Bond/Debenture (Foreign Currency) , Affirmed Baa1
- ....Subordinate Regular Bond/Debenture (Local Currency) , Affirmed Baa1
- ....BACKED Subordinate Regular Bond/Debenture (Foreign Currency) , Affirmed Baa1
- ....Subordinate Medium-Term Note Program (Local Currency) , Affirmed (P)Baa1
- ....Preferred Stock Non-cumulative (Foreign Currency) , Affirmed Baa3 (hyb)
- ....Preferred Stock Non-cumulative (Local Currency) , Affirmed Baa3 (hyb)
- ....Commercial Paper (Foreign Currency) , Affirmed P-1
- ....Commercial Paper (Local Currency) , Affirmed P-1
- ....Other Short Term (Foreign Currency) , Affirmed (P)P-1
- ....Other Short Term (Local Currency) , Affirmed (P)P-1
- ....BACKED Other Short Term (Foreign Currency) , Affirmed (P)P-1

Issuer: Rabobank Australia Limited

..Outlook Actions:

- ....Outlook, Remains Stable

..Affirmations:

- ....BACKED LT Bank Deposits (Local Currency) , Affirmed Aa2 STA
- ....BACKED ST Bank Deposits (Local Currency) , Affirmed P-1

Issuer: Rabobank London

Outlook: NOO

..Affirmations:

- ....LT Deposit Note/CD Program (Foreign Currency) , Affirmed (P)Aa2
- ....ST Deposit Note/CD Program (Foreign Currency) , Affirmed (P)P-1
- ....Commercial Paper (Foreign Currency) , Affirmed P-1

Issuer: Rabobank USA Financial Corporation

Outlook: NOO

..Affirmations:

- ....BACKED Commercial Paper (Local Currency) , Affirmed P-1

Issuer: Rabobank, Australia Branch

..Outlook Actions:

....Outlook, Remains Stable

..Affirmations:

....LT Counterparty Risk Rating (Foreign Currency) , Affirmed Aa2

....LT Counterparty Risk Rating (Local Currency) , Affirmed Aa2

....ST Counterparty Risk Rating (Foreign Currency) , Affirmed P-1

....ST Counterparty Risk Rating (Local Currency) , Affirmed P-1

....LT Deposit Note/CD Program (Foreign Currency) , Affirmed (P)Aa2

....ST Deposit Note/CD Program (Foreign Currency) , Affirmed (P)P-1

....LT Counterparty Risk Assessment , Affirmed Aa2(cr)

....ST Counterparty Risk Assessment , Affirmed P-1(cr)

....Senior Unsecured Regular Bond/Debenture (Local Currency) , Affirmed Aa2 STA

....Senior Unsecured Medium-Term Note Program (Foreign Currency) , Affirmed (P)Aa2

....Senior Unsecured Medium-Term Note Program (Local Currency) , Affirmed (P)Aa2

....Subordinate Medium-Term Note Program (Foreign Currency) , Affirmed (P)Baa1

....Commercial Paper (Foreign Currency) , Affirmed P-1

....Other Short Term (Foreign Currency) , Affirmed (P)P-1

....Other Short Term (Local Currency) , Affirmed (P)P-1

Issuer: Rabobank, Hong Kong Branch

Outlook: NOO

..Affirmations:

....LT Counterparty Risk Rating (Foreign Currency) , Affirmed Aa2

....LT Counterparty Risk Rating (Local Currency) , Affirmed Aa2

....ST Counterparty Risk Rating (Foreign Currency) , Affirmed P-1

....ST Counterparty Risk Rating (Local Currency) , Affirmed P-1

....LT Deposit Note/CD Program (Foreign Currency) , Affirmed (P)Aa2

....LT Deposit Note/CD Program (Local Currency) , Affirmed (P)Aa2

....ST Deposit Note/CD Program (Foreign Currency) , Affirmed (P)P-1

....ST Deposit Note/CD Program (Local Currency) , Affirmed (P)P-1

....LT Counterparty Risk Assessment , Affirmed Aa2(cr)

....ST Counterparty Risk Assessment , Affirmed P-1(cr)

Issuer: Rabobank, New York Branch

..Outlook Actions:

....Outlook, Remains Stable

..Affirmations:

....LT Counterparty Risk Rating (Foreign Currency) , Affirmed Aa2

....LT Counterparty Risk Rating (Local Currency) , Affirmed Aa2

....ST Counterparty Risk Rating (Foreign Currency) , Affirmed P-1

....ST Counterparty Risk Rating (Local Currency) , Affirmed P-1

....LT Bank Deposits (Local Currency) , Affirmed Aa2 STA

....LT Deposit Note/CD Program (Local Currency) , Affirmed (P)Aa2

....ST Deposit Note/CD Program (Local Currency) , Affirmed (P)P-1

....LT Counterparty Risk Assessment , Affirmed Aa2(cr)

....ST Counterparty Risk Assessment , Affirmed P-1(cr)

....Senior Unsecured Regular Bond/Debenture (Local Currency) , Affirmed Aa2 STA

....Senior Unsecured Medium-Term Note Program (Local Currency) , Affirmed (P)Aa2

....Commercial Paper (Local Currency) , Affirmed P-1

....Other Short Term (Local Currency) , Affirmed (P)P-1

Issuer: Rabobank, New Zealand Branch

..Outlook Actions:

....Outlook, Remains Stable

..Affirmations:

....LT Counterparty Risk Rating (Foreign Currency) , Affirmed Aa2

....LT Counterparty Risk Rating (Local Currency) , Affirmed Aa2

....ST Counterparty Risk Rating (Foreign Currency) , Affirmed P-1

....ST Counterparty Risk Rating (Local Currency) , Affirmed P-1

...LT Deposit Note/CD Program (Foreign Currency) , Affirmed (P)Aa2  
...ST Deposit Note/CD Program (Foreign Currency) , Affirmed (P)P-1  
...LT Counterparty Risk Assessment , Affirmed Aa2(cr)  
...ST Counterparty Risk Assessment , Affirmed P-1(cr)  
...Senior Unsecured Regular Bond/Debenture (Local Currency) , Affirmed Aa2 STA  
...Senior Unsecured Medium-Term Note Program (Foreign Currency) , Affirmed (P)Aa2  
...Subordinate Medium-Term Note Program (Foreign Currency) , Affirmed (P)Baa1  
...Commercial Paper (Foreign Currency) , Affirmed P-1  
...Commercial Paper (Local Currency) , Affirmed P-1  
...Other Short Term (Foreign Currency) , Affirmed (P)P-1

Issuer: Rabobank, Paris Branch

Outlook: NOO

..Affirmations:

...LT Counterparty Risk Rating (Foreign Currency) , Affirmed Aa2  
...LT Counterparty Risk Rating (Local Currency) , Affirmed Aa2  
...ST Counterparty Risk Rating (Foreign Currency) , Affirmed P-1  
...ST Counterparty Risk Rating (Local Currency) , Affirmed P-1  
...ST Deposit Note/CD Program (Local Currency) , Affirmed P-1  
...LT Counterparty Risk Assessment , Affirmed Aa2(cr)  
...ST Counterparty Risk Assessment , Affirmed P-1(cr)

Issuer: Rabobank, Singapore Branch

Outlook: NOO

..Affirmations:

...LT Counterparty Risk Rating (Foreign Currency) , Affirmed Aa2  
...LT Counterparty Risk Rating (Local Currency) , Affirmed Aa2  
...ST Counterparty Risk Rating (Foreign Currency) , Affirmed P-1  
...ST Counterparty Risk Rating (Local Currency) , Affirmed P-1  
...LT Counterparty Risk Assessment , Affirmed Aa2(cr)

....ST Counterparty Risk Assessment , Affirmed P-1(cr)

....Commercial Paper (Local Currency) , Affirmed P-1

Issuer: Rabobank, The Netherlands Branch

Outlook: NOO

..Affirmations:

....LT Counterparty Risk Rating (Foreign Currency) , Affirmed Aa2

....LT Counterparty Risk Rating (Local Currency) , Affirmed Aa2

....ST Counterparty Risk Rating (Foreign Currency) , Affirmed P-1

....ST Counterparty Risk Rating (Local Currency) , Affirmed P-1

....LT Counterparty Risk Assessment , Affirmed Aa2(cr)

....ST Counterparty Risk Assessment , Affirmed P-1(cr)

## PRINCIPAL METHODOLOGY

The principal methodology used in these ratings was Banks Methodology published in July 2021 and available at <https://ratings.moodys.com/rmc-documents/71997>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

## REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on <https://ratings.moodys.com/rating-definitions>.

For ratings issued on a program, series, category/class of debt or security this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series, category/class of debt, security 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 credit rating action on the support provider and in relation to each particular credit 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 issuer/deal page for the respective issuer on <https://ratings.moodys.com>.

For any affected securities or rated entities receiving direct credit support from the primary entity(ies) of this credit rating action, and whose ratings may change as a result of this credit 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 have been disclosed to the rated entity or its designated agent(s) and issued with no amendment resulting from that disclosure.

These ratings are solicited. Please refer to Moody's Policy for Designating and Assigning Unsolicited Credit Ratings



available on its website <https://ratings.moodys.com>.

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

The Global Scale Credit Rating(s) discussed in this Credit Rating Announcement was(were) issued by one of Moody's affiliates outside the UK and is(are) endorsed for use in the UK in accordance with the UK CRA Regulation.

Please see <https://ratings.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 issuer/deal page on <https://ratings.moodys.com> for additional regulatory disclosures for each credit rating.

Roland Auquier  
Vice President - Senior Analyst  
Financial Institutions Group  
Moody's France SAS  
21 Boulevard Haussmann  
Paris, 75009  
France  
JOURNALISTS: 44 20 7772 5456  
Client Service: 44 20 7772 5454

Olivier Panis  
Senior Vice President  
Financial Institutions Group  
JOURNALISTS: 44 20 7772 5456  
Client Service: 44 20 7772 5454

Releasing Office:  
Moody's France SAS  
21 Boulevard Haussmann  
Paris, 75009  
France  
JOURNALISTS: 44 20 7772 5456  
Client Service: 44 20 7772 5454

---

© 2023 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 CREDIT RATINGS AFFILIATES ARE THEIR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED BY MOODY'S (COLLECTIVELY, "PUBLICATIONS") MAY INCLUDE SUCH CURRENT OPINIONS. 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 OR IMPAIRMENT. SEE APPLICABLE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S CREDIT RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED

TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER 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. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS, ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES ITS 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, ASSESSMENTS, OTHER OPINIONS, AND PUBLICATIONS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR PUBLICATIONS WHEN MAKING AN 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.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED BENCHMARK.

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 credit rating process or in preparing its 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 CREDIT RATING, ASSESSMENT, 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 credit rating, agreed to pay to Moody's Investors Service, Inc. for credit ratings opinions and services rendered by it fees ranging from \$1,000 to approximately \$5,000,000. MCO and Moody's Investors Service also maintain policies and procedures to address the independence of Moody's Investors Service credit ratings and credit rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold credit ratings from Moody's Investors Service, Inc. 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."

Additional terms 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 investors.

Additional terms 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 credit rating, agreed to pay to MJKK or MSFJ (as applicable) for credit ratings opinions and services rendered by it fees ranging from JPY100,000 to approximately JPY550,000,000.

MJKK and MSFJ also maintain policies and procedures to address Japanese regulatory requirements.