

Rating Action: **Moody's Reviews Ratings for European Banks**

Global Credit Research - 15 Feb 2012

London, 15 February 2012 -- Moody's Investors service has today announced rating actions affecting 114 financial institutions (counted by group) in 16 European countries. The actions reflect, to differing degrees, the combined pressures from (i) the adverse and prolonged impact of the euro area crisis, which makes the operating environment very difficult for European banks; (ii) the deteriorating creditworthiness of euro area sovereigns, which led to the adjustment of the ratings for nine European sovereigns on 13 February 2012 <http://www.moodys.com/EUSovereign>; and (iii) longer-term, the substantial challenges faced by banks and securities firms with significant capital market activities. While there are mitigating factors such as the currently supportive stance of many governments towards their banking systems and accommodative monetary policies, these are overshadowed by the aforementioned pressures, in Moody's opinion. Moody's expects that once the reviews announced today are resolved, its EU bank ratings will fully reflect the effects of currently foreseen adverse credit drivers.

The reviews announced today follow an earlier announcement from 19 January 2012 according to which the ratings of a number of European banks were expected to be placed on review for downgrade during first-quarter 2012; see release titled "Moody's: Global bank ratings likely to decline in 2012" http://www.moodys.com/research/Moodys-Global-bank-ratings-likely-to-decline-in-2012--PR_235663

RATINGS RATIONALE

Moody's actions can be summarised as follows:

IMPACT OF THE EURO AREA CRISIS ON EUROPEAN BANKS

- (i) For 99 financial institutions, the standalone credit assessments have been placed on review for downgrade.
- (ii) For 109 institutions, the long-term debt and deposit ratings have been placed on review for downgrade.
- (iii) For 66 institutions, the short-term ratings have been placed on review for downgrade.

IMPACT OF REPOSITIONING OF EUROPEAN SOVEREIGN RATINGS ON GOVERNMENT-GUARANTEED BANK DEBT AND GOVERNMENT-RELATED ISSUERS

- (iv) Government-guaranteed debt ratings have been downgraded for those banks in Portugal, Slovenia and Spain whose senior (unguaranteed) debt ratings are now at or below their respective sovereign ratings.
- (v) Government-guaranteed debt ratings have been placed on review for downgrade for those banks in Portugal and Spain whose senior (unguaranteed) debt ratings are currently higher than the government debt ratings. A few ratings for government-guaranteed debt of such banks in Spain were downgraded and subsequently placed on review.
- (vi) The outlook on any bank debt guaranteed by France, Austria or the UK has been changed to negative from stable.
- (vii) The ratings of government-related financial institutions in France, Italy, Slovenia and Spain, whose ratings are based on the sovereign ratings, have been downgraded in the case of Italian, Slovenian or

Spanish institutions; and their outlook has been changed to negative in the case of French institutions.

AFFECTED EUROPEAN FINANCIAL INSTITUTIONS BY COUNTRY

The financial institutions affected by this announcement are headquartered in the following countries (counted by group and listed by parent domicile): Austria (8), Belgium (1), Denmark (8), Finland (1), France (10), Germany (7), Italy (24), Luxembourg (1), Netherlands (6), Norway (1), Portugal (6), Slovenia (4), Spain (21), Sweden (5), Switzerland (2), UK (9).

LIST OF AFFECTED CREDIT RATINGS

Please click on this 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_139856. The list also shows all European banks whose ratings had been placed on review for downgrade previously (for reasons set out in the press releases announcing those reviews) and which are also affected by one or more of the drivers discussed here. Those previously-initiated reviews will be concluded in coordination with the rating reviews announced today.

RATINGS RATIONALE -- STANDALONE CREDIT ASSESSMENTS

Moody's decision to place on review for downgrade the standalone credit assessments of 99 European banks (and consequently their long-term debt and deposit ratings, and in some cases their short-term and subordinated ratings) reflects the aforementioned key drivers. Moody's views the banks whose standalone credit assessments have been placed on review for downgrade as vulnerable to one or more of these pressures. The main drivers of today's announcement are described in more detail in Moody's Comment "Why Global Bank Ratings Are Likely To Decline In 2012" issued on 19 January 2012.

The key drivers are:

(1) VERY DIFFICULT OPERATING ENVIRONMENT IN EUROPE

Moody's will assess the effects on European bank credit profiles from the difficult prevailing operating conditions in Europe. The current environment is characterised by disrupted markets and a deteriorating, uncertain economic outlook. In many countries, weakening sovereign creditworthiness is exacerbating these negative characteristics. Moody's has identified for review those banks that are susceptible to the current conditions, given reliance on wholesale funding, assets that are vulnerable to impairment and business franchises that are vulnerable to a loss of customer and investor confidence. The rating reviews will consider how the prevailing operating conditions affect each bank, depending on its geographic presence, business model, idiosyncratic factors and current rating levels. Further detail is provided in a report titled "Euro Area Debt Crisis Weakens Bank Credit Profiles", published 19 Jan 2012.

(2) WEAKENING SOVEREIGN CREDITWORTHINESS

The sovereign rating actions announced on 13 February 2012 have direct implications for the ratings of a number of banks in Italy, Spain and Portugal. They are vulnerable to weakened sovereign creditworthiness on the broader operating environment, while some of them also have sizeable sovereign exposures. Weaker sovereign credit profiles may lead to downgrades of bank standalone credit assessments, in line with Moody's approach to limiting standalone ratings that are above the relevant sovereign. The linkage between sovereign and bank creditworthiness is explained further in Moody's report titled "How Sovereign Credit Quality May Affect Other Ratings", published 13 Feb 2012.

(3) CHALLENGES FROM CAPITAL MARKETS ACTIVITIES

Moody's will also assess the challenges confronting financial institutions that have significant capital markets operations. These difficulties include inherent vulnerabilities such as confidence-sensitivity, a high degree of interconnectedness and opacity of risk. Rapidly-changing capital markets positions expose

these firms to unexpected losses that can overwhelm the resources of even the largest, most diversified financial groups. In addition, firms with large capital markets operations are confronting evolving adverse trends, such as more fragile funding conditions, wider credit spreads, and increased regulatory burdens. Combined, these issues have in Moody's view diminished the longer-term profitability and revenue prospects of these firms.

FOCUS OF REVIEWS OF STANDALONE CREDIT ASSESSMENTS

During the review period, Moody's will assess what steps, if any, the relevant issuer can take to reduce its susceptibility to the current environment and its ability to adapt its business model to mitigate longer-term pressures. The review will also focus on the extent to which each bank's standalone credit strength is likely to be affected by the same factors that caused the sovereign actions. Furthermore, each review will consider how far the risks identified are mitigated by positive factors, such as the highly accommodative stance of the European Central Bank (ECB) and other central banks in Europe and by regulatory efforts in Europe and elsewhere to improve the soundness of banks.

RATINGS RATIONALE -- LONG- AND SHORT-TERM DEBT & DEPOSIT RATINGS

Changes in a bank's standalone credit assessment will in most cases affect its long-term debt and deposit ratings. In addition, the weakening sovereign creditworthiness reflected in Moody's repositioning of sovereign ratings may affect not only banks' standalone credit profiles, but also the ability and/or willingness of governments to support banks if required. Moody's assumptions about government (or systemic) support lead to the debt and deposit ratings of many banks being positioned above their standalone credit strength. This support-driven uplift may decline for some banks affected by today's actions.

While Moody's recognises the clear intent of governments around the world to reduce support for creditors, the policy framework in many countries remains supportive for now, not least because of the painful economic repercussions of large, disorderly bank failures and the difficulty of resolving complex, interconnected institutions.

POTENTIAL OUTCOME OF REVIEWS

The following guidance is indicative only. The final rating impact for each bank will be determined during the review.

Standalone credit assessments: For most banks whose standalone credit assessments have been placed on review for downgrade today, Moody's expects the reviews to result in downgrades of their standalone credit assessments by one to three notches.

Long-term debt and deposit ratings: The ratings list http://www.moodys.com/viewresearchdoc.aspx?docid=PBC_139856 indicates, by up to how many notches an issuer's long-term debt and deposit ratings may decline. The long-term debt and deposit ratings for 18 institutions that currently are rated investment grade (Baa3 and higher) may see their long-term debt and deposit ratings downgraded to sub-investment grade ratings (Ba1 and lower) as a result of the reviews.

Short-term ratings: 30 issuers with currently Prime-1 short-term ratings may see these ratings downgraded to Prime-2. Furthermore, 17 issuers with currently Prime ratings (Prime-1 through Prime-3) may see these ratings downgraded to Not Prime.

REVIEWS OF SUBORDINATED DEBT AND HYBRIDS

For all banks whose standalone credit assessments have been placed on review, Moody's has also extended the review to the ratings of all subordinated, junior subordinated and hybrid instruments. Moody's will incorporate into the rating reviews announced today the previously-initiated reviews for

downgrade of subordinated, junior subordinated and Tier-3 instruments ratings of European banks. For more detail, see press release titled "Announcement: Moody's reviews European banks' subordinated, junior and Tier 3 debt for downgrade", published 29 November 2011
http://www.moodys.com/research/Moodys-reviews-European-banks-subordinated-junior-and-Tier-3-debt-PR_231957.

WHAT COULD CHANGE RATINGS UP

Moody's believes there is little likelihood of any upward rating pressure for any of the banks covered by today's announcement, unless: (i) the European operating environment improves materially; (ii) a decline in riskier assets meaningfully reduces a bank's exposure to the above-described adverse drivers; (iii) the banks' use of wholesale funding declines significantly; and (iv) the extent of any capital market activities falls significantly.

WHAT COULD CHANGE RATINGS DOWN

For all banks whose ratings are included in the reviews announced today, the most important rating drivers are: (i) pressures and uncertainty caused by the very difficult operating environment; (ii) pressure on profitability; (iii) asset-side vulnerabilities of banks; (iv) challenges caused by restricted and more expensive wholesale funding access; and (v) the risks inherent in any capital market activities.

RATING IMPLICATIONS FOR SUBSIDIARIES WILL BE ASSESSED SEPARATELY

Moody's will separately address the subsidiaries of the western European banks included in today's announcement that might be affected by a weakening of the parent's credit profile.

RESEARCH REFERENCES

For further detail please refer to

- Press Release: Moody's: Global bank ratings likely to decline in 2012, 19 Jan 2012
- Special Comment: Euro Area Debt Crisis Weakens Bank Credit Profiles, 19 Jan 2012
- Special Comment: European Banks: How Moody's Analytic Approach Reflects Evolving Challenges, 19 Jan 2012
- Special Comment: Why Global Bank Ratings Are Likely to Decline in 2012, 19 Jan 2012
- Special Comment "How Sovereign Credit Quality May Affect Other Ratings", 13 Feb 2012.
- <http://www.moodys.com/EUSovereign>

The methodologies used in these ratings were Bank Financial Strength Ratings: Global Methodology published in February 2007, Incorporation of Joint-Default Analysis into Moody's Bank Ratings: A Refined Methodology published in March 2007, Moody's Guidelines for Rating Bank Hybrid Securities and Subordinated Debt published in November 2009 and Government-Related Issuers: Methodology published in July, 2010.

Please see the Credit Policy page on www.moodys.com for a copy of these methodologies.

REGULATORY DISCLOSURES

Please click on this link http://www.moodys.com/viewresearchdoc.aspx?docid=PBC_139856 for the List of Affected Credit Ratings. This list is an integral part of this Press Release and provides, for each of the credit ratings covered, Moody's disclosures on the following items: Endorsement, Unsolicited ratings, EU

participation in unsolicited ratings, RAS/IAS Disclosure, Person approving the credit rating.

For ratings issued on a program, series or category/class of debt, this announcement provides relevant 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 relevant 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 relevant 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.

Some ratings were initiated by Moody's and were not requested by the rated entities. Please click on this link http://www.moodys.com/viewresearchdoc.aspx?docid=PBC_139856 for the List of Affected Credit Ratings for the specific designation of unsolicited ratings.

Some rated entities or their agents participated in the rating process. The rated entities or their agents provided Moody's access to the books, records and other relevant internal documents of these rated entities. Please click on this link http://www.moodys.com/viewresearchdoc.aspx?docid=PBC_139856 for the List of Affected Credit Ratings for the specific designation of participating issuers in unsolicited ratings.

Some rated entities or their agents participated in the rating process. The rated entities or their agents provided Moody's access to the books, records and other relevant internal documents of these rated entities. Please click on this link http://www.moodys.com/viewresearchdoc.aspx?docid=PBC_139856 for the List of Affected Credit Ratings for the specific designation of participating issuers in unsolicited ratings.

Information sources used to prepare the ratings are the following : parties involved in the ratings, parties not involved in the ratings, public information, and confidential and proprietary Moody's Investors Service information.

Moody's adopts all necessary measures so that the information it uses in assigning the ratings 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.

Moody's considers the quality of information available on the rated entities, obligations or credits satisfactory for the purposes of issuing these ratings.

Some rated entities have received a Rating Assessment Service within the last two years preceding the Credit Rating Action. Please click on this link http://www.moodys.com/viewresearchdoc.aspx?docid=PBC_139856 for the List of Affected Credit Ratings for the specific issuers who received RAS.

Moody's Investors Service may have provided Ancillary or Other Permissible Service(s) to the rated entities or their related third parties within the two years preceding the credit rating action. Please see the special report "Ancillary or other permissible services provided to entities rated by MIS's EU credit rating agencies" on the ratings disclosure page on our website www.moodys.com for further information.

The below contact information is provided for information purposes only. Please see the issuer page on www.moodys.com for Moody's regulatory disclosure of the name of the lead analyst and the office that has issued the credit rating.

The relevant Releasing Office for each rating is identified under the Debt/Tranche List section on the Ratings tab of each issuer/entity page on moodys.com.

Please see the ratings disclosure page on www.moodys.com for general disclosure on potential conflicts of interests.

Please see the ratings disclosure page on www.moodys.com for information on (A) MCO's major shareholders (above 5%) and for (B) further information regarding certain affiliations that may exist between directors of MCO and rated entities as well as (C) the names of entities that hold ratings from MIS that have also publicly reported to the SEC an ownership interest in MCO of more than 5%. A member of the board of directors of this rated entity may also be a member of the board of directors of a shareholder of Moody's Corporation; however, Moody's has not independently verified this matter.

Please see Moody's Rating Symbols and Definitions on the Rating Process page on www.moodys.com for further information on the meaning of each rating category and the definition of default and recovery.

Please see ratings tab on the issuer/entity page on www.moodys.com for the last rating action and the rating history.

The date on which some ratings were first released goes back to a time before Moody's ratings were fully digitized and accurate data may not be available. Consequently, Moody's provides a date that it believes is the most reliable and accurate based on the information that is available to it. Please see the ratings disclosure page on our website www.moodys.com for further information.

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

Simon Harris
MD - Financial Institutions
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

Johannes Wassenberg
MD - Banking
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



© 2012 Moody's Investors Service, Inc. and/or its licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY'S INVESTORS SERVICE, INC. ("MIS") AND ITS AFFILIATES 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. 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 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.moodys.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 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. 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.