MOODY'S
INVESTORS SERVICE

Rating Action: Moody's takes rating actions on 11 UK banks and building societies reflecting their increased resilience to expected deterioration in the UK operating environment

Global Credit Research - 02 Aug 2017

London, 02 August 2017 -- Moody's Investors Service today affirmed the ratings of eight UK banks and building societies, changing the outlooks on the deposit ratings of five UK banks and building societies to stable from negative and maintaining stable outlooks on the deposit ratings of three other firms. In addition, Leeds Building Society's ratings were downgraded, Principality Building Society's ratings were upgraded and the ratings of Lloyds Banking Group plc and subsidiaries were placed on review for upgrade, apart from the P-1 short-term ratings of Lloyds Bank Plc which were affirmed. The change in outlooks reflects Moody's view that UK banks and building societies are now generally better positioned for a modest worsening in the UK operating environment, given in particular their improved asset quality and capitalization, while maintaining sound funding and liquidity metrics.

"We expect UK banks' solvency to remain robust, with broadly stable profitability and liquidity as well as strong funding positions, despite our expectation over the next 12-18 months of a modest deterioration in operating conditions," says Laurie Mayers, an Associate Managing Director at Moody's.

Moody's changed the outlooks on the deposit ratings of five UK banks and building societies to stable from negative (Coventry Building Society, Nationwide Building Society, Nottingham Building Society, Santander UK PLC and TSB Bank plc) and maintained the stable outlooks on the deposit ratings of three issuers (Close Brothers Ltd., West Bromwich Building Society and Yorkshire Building Society). The baseline credit assessment (BCA) and long-term deposit and senior unsecured ratings of Leeds Building Society were downgraded and the outlook on long-term ratings was changed to stable from negative. The BCA and long-term deposit and senior unsecured programme ratings of Principality Building Society were upgraded, while the stable outlook on its deposit rating was maintained. The outlook was changed to positive on the senior unsecured ratings of Yorkshire Building Society. The BCA of Lloyds Bank Plc and all long-term ratings of Lloyds Bank Plc and all short-term and long-term ratings of Lloyds Banking Group plc were placed on review for upgrade. The BCAs and deposit ratings of the other eight firms were affirmed.

Moody's lowered its UK macro profile to 'Strong+' from 'Very Strong-', recognizing the likely deterioration in the operating environment in a system which is already characterized by a high level of personal indebtedness and rapid consumer credit growth. This also reflects a slower economy and increased uncertainty surrounding the UK's exit from the European Union following the recent general election, which now outweigh the benefits of the UK's strong bank regulatory framework. Nevertheless, strengthening credit fundamentals over the past year have enhanced the resilience of the UK banks and building societies to this expected deterioration in the operating environment.

Please click on this link http://www.moodys.com/viewresearchdoc.aspx?docid=PBC_196693 for the List of Affected Credit Ratings. This list is an integral part of this Press Release and identifies each affected issuer.

RATINGS RATIONALE

Please click on this link http://www.moodys.com/viewresearchdoc.aspx?docid=PBC_196693 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:

• Principal Methodology

Moody's expects that the high degree of uncertainty over the UK's future trade relationship with the EU will lead to lower GDP growth over the next two years, in response to diminished confidence and lower spending and investment. The agency expects the UK economy to weaken significantly through the remainder of this year, with its baseline scenario seeing growth declining to 1.5% this year and 1.0% in 2018 as noted in the report "Government of United Kingdom -- Aa1 Negative Annual Credit Analysis" (accessible at the following link for subscribers https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_1078317).

Operating conditions for banks may therefore deteriorate modestly over the next 12-18 months, with a more sluggish economy, higher competition and continued low interest rates eroding banks' revenues and modestly weakening the credit quality of their loan books. Yet despite this, Moody's expects that UK banks' solvency will remain robust, profitability will be broadly stable and liquidity and funding positions will remain strong. The agency expects banks' contingency planning (to mitigate the loss of revenues from EU-based clients) to result in additional costs for some UK banks but that these should be moderate. These considerations drove the affirmations of the BCAs and ratings on Close Brothers Ltd., Coventry Building Society, Nationwide Building Society, Nottingham Building Society, Santander UK PLC, TSB Bank plc, West Bromwich Building Society and Yorkshire Building Society.

The actions on Leeds Building Society, Principality Building Society and Lloyds Banking Group and subsidiaries reflect more idiosyncratic factors relating to their credit fundamentals in addition to an assessment of their sensitivity to the expected weakening of the UK operating environment; please see below for more detail.

OUTLOOKS

The stable outlooks on the deposit ratings reflect Moody's view that the deterioration in the UK operating environment is now less likely to lead to reduced creditworthiness given in particular these banks' improved asset quality and capitalization, while maintaining sound funding and liquidity metrics.

Accordingly, Moody's changed the outlooks on the deposit ratings of five UK banks and building societies to stable from negative (Coventry Building Society, Nationwide Building Society, Nottingham Building Society, Santander UK PLC and TSB Bank plc). The outlooks on the deposit ratings of three issuers remain stable (Close Brothers Ltd., West Bromwich Building Society and Yorkshire Building Society).

SPECIFIC ANALYTICAL FACTORS FOR THE 11 BANKS AND BUILDING SOCIETIES

Coventry Building Society, Nottingham Building Society, and Yorkshire Building Society

Moody's has revised the outlooks on the ratings of Coventry Building Society and Nottingham Building Society to stable from negative, maintained the stable outlook on the deposit ratings of Yorkshire Building Society, and placed Yorkshire Building Society's senior unsecured debt ratings on positive outlook. The rating agency also affirmed all ratings and BCAs for these building societies.

At the same time, the rating agency affirmed Coventry Building Society's a3 BCA and A2 long-term deposit and senior unsecured debt ratings, Nottingham Building Society's baa1 BCA and Baa1 long-term deposit rating, and Yorkshire Building Society's baa1 BCA, A3 long-term deposit rating and Baa1 senior unsecured debt ratings. The short-term ratings and counterparty risk assessments (CR Assessments) were also affirmed.

The stable outlooks reflect these building societies' ability to withstand the expected deterioration in the UK operating environment. While this will erode these building societies' revenues, profitability and asset quality, their credit profiles will remain healthy due to their strong capital positions, strong loan quality, and robust liquidity and funding. The positive outlook on Yorkshire Building Society's senior unsecured debt ratings reflect Moody's expectation that the loss-given-failure for the Society's senior unsecured bond holders will reduce, based on the rating agency's expectation that bail-in eligible debt relative to tangible banking assets will increase over the outlook period.

The affirmation of the BCAs of these building societies reflects their strong capital metrics, their conservative risk profiles and funding profiles based mostly on retail deposits. The standalone assessments take into account their robust asset quality metrics, expected growth, the negative pressure on profitability given increased competition in the UK mortgage market and continued low interest rates, and increased use of the Bank of England's Term Funding Scheme (TFS) funding.

The affirmation of the building societies' long-term ratings reflect (i) their BCAs; (ii) Moody's Advanced Loss Given Failure (LGF) analysis; and (iii) Moody's assessment of a low probability of government support.

The BCAs of these entities could be upgraded in the event that the UK operating environment improves combined with strengthened capitalisation and profitability or material improvements in funding structure and liquid resources. A positive change in the building societies' BCAs would likely affect all ratings. The building societies' deposit and senior debt ratings could also be upgraded if the building societies were to issue significant amounts of long-term debt and/or subordinated long-term debt.

The BCAs of these entities could be downgraded in the event of (i) a deterioration in asset quality, capitalisation, or profitability beyond the agency's expectations; or (ii) a deterioration in funding structure and/or liquidity position. A downward movement in the BCAs of these entities would likely result in downgrades to all ratings. The building societies' long-term senior unsecured debt and deposit ratings could also be downgraded in response to a reduction in the volume of debt or deposits that could be bailed in, which would increase loss-given-failure for these instruments.

Close Brothers Ltd.

Moody's has affirmed the long- and short-term ratings of Close Brothers Ltd. (CBL) and Close Brothers Group PLC (CBG), as well as the BCA of CBL. The rating agency has also maintained the stable outlook on the long-term deposit ratings of CBL and on the issuer rating of CBG. The continued stable outlook and affirmation of Close Brothers Ltd.'s a2 BCA reflects: (i) the bank's moderated loan growth; (ii) largely secured lending base; (iii) high capital levels and (iv) consistent levels of profitability. As a result the bank's deposit ratings were also affirmed at Aa3, with a stable outlook, and its short-term deposit rating affirmed at Prime-1. Moody's also affirmed the bank's Aa2(cr)/P-1(cr) CR Assessment of Close Brothers Ltd., three notches above the BCA, reflecting the substantial volume of bail-in-able liabilities protecting operating obligations as well as a low probability of government support. The long-term issuer rating of Close Brothers Group was affirmed at A3.

The ratings for CBL and CBG are high relative to UK peers, so a further upgrade is unlikely. The above-system average growth rate of the loan book, together with exposure to certain cyclical sectors and the risk inherent in the group's securities business limit upward potential for the BCA. However, the bank's standalone assessment could be upgraded because of (i) a further improvement in asset quality metrics; and (ii) an increase in customer deposit funding.

CBL's deposit ratings could be upgraded if the holding company, CBG, were to issue significant amounts of long-term debt, reducing the loss-given-failure for the bank's senior creditors.

The ratings could be downgraded because of continued rapid loan-book growth combined with greater-than-expected asset quality deterioration, which could materialise in a more severe downturn in the UK economy. A reversal in the improving profitability trend or a weakening of the group's funding and liquidity profile could also be negative for the ratings.

A lower BCA would likely result in a downgrade to all ratings. The deposit and senior unsecured debt ratings could also be downgraded due to a change in the liability structure, most likely a reduction in the volume of bail-in-able wholesale and institutional deposits and senior debt which would increase their loss-given-failure.

Leeds Building Society

Moody's has downgraded Leeds Building Society's (Leeds') long-term deposit and senior unsecured debt ratings to A3 from A2, short-term deposit ratings to Prime-2 from Prime-1 and its subordinated MTN ratings to (P)Baa2 from (P)Baa1. The rating agency has also downgraded Leeds' BCA to baa1 from a3 and its long-term CR Assessment to A1(cr) from Aa3(cr), as well as affirmed the short-term CR Assessment at P-1(cr). The outlook on all long-term ratings is stable.

The downgrade of Leeds' BCA reflects Moody's view that despite Leeds' continued reduction of problem loan levels over the past four years, the Society's rapid loan growth makes it more vulnerable than higher-rated peers to a deterioration in its operating environment. The BCA also takes into account Leeds' improving loan-to-value profile, strong capitalisation, good profitability, and solid funding structure focused on retail deposits.

The downgrade of Leeds' long-term ratings reflects the downgrade of its BCA and also takes into account Moody's Advanced LGF analysis, as well as Moody's assessment of a low probability of government support.

The stable outlook reflects Moody's expectation that the Society will continue to reduce its problem loan levels, as well as maintain its strong capitalisation and good profitability, withstanding further deterioration to its credit profile, despite the expected deterioration in the UK operating environment.

Leeds' BCA could be upgraded in the event that the UK operating environment improves combined with strengthened asset quality, capitalisation and/or profitability or material improvements in funding structure and liquid resources. A positive change in the Society's BCA would likely affect all ratings. Leeds' deposit and senior debt ratings could also be upgraded if the Society were to issue significant amounts of long-term debt and/or subordinated long-term debt.

Leeds' BCAs could be downgraded in the event of (i) continued rapid loan growth; (ii) a deterioration in asset quality, capitalisation, or profitability beyond the agency's expectations; or (iii) a material deterioration in funding structure and/or liquidity position. A downward movement in the BCA of the Society would likely result in downgrades to all ratings. Leeds' long-term senior unsecured debt and deposit ratings could also be downgraded as a result of a reduction in the volume of debt that could be bailed in, which would increase loss-given-failure for these instruments.

Lloyds Banking Group

Moody's placed Lloyds Bank Plc's (Lloyds') A1 long-term deposit and its A1 long-term senior unsecured debt ratings on review for upgrade. The bank's BCA and adjusted BCA of baa1 were placed on review for upgrade, as was the Baa1 senior unsecured debt of the holding company, Lloyds Banking Group plc (LBG). All other ratings of Lloyds and LBG were also placed on review for upgrade, with the exception of short-term debt and deposit ratings already rated Prime-1, which were affirmed.

The review for upgrade of the bank's BCA will focus on the sustainability of the group's improved asset risk and profitability and stable capital position despite expectations of a more challenging macroeconomic environment ahead. The assessment of forward looking profitability will take into account Moody's expectation of declining conduct costs, which have pressurized LBG's profits in recent years. These included charges related to Payment Protection Insurance (PPI) mis-selling, which have totaled GBP18 billion for LBG, since 2011.

Through an assessment of forward looking funding plans, the review will also consider the prospects for upward pressure to be placed on Lloyds' ratings, aside from that which would arise from an upgrade of the BCA, due to additional issuance of senior debt by LBG in order to meet its Minimum Requirements for Eligible Liabilities and own Funds (MREL).

Lloyds' BCA could be upgraded should Moody's conclude that its improved solvency levels are sustainable. An upgrade of Lloyds' BCA would result in an upgrade of all long term ratings. Additional upward pressure could be placed on Lloyds' senior unsecured ratings were Moody's to determine that a sufficient increase in loss absorbency for senior bank creditors was expected and would be sustainable.

Given that the BCA and ratings are under review for upgrade, a downgrade is unlikely. However, a downgrade of Lloyds' BCA could be driven by (i) a more acute than expected deterioration in the UK's operating environment, in particular, economic growth, unemployment and the property market; and/or (ii) a material decline in the bank's capital metrics. A downward movement in Lloyds' BCA would likely result in downgrades to all long-term ratings.

Lloyds's long-term senior unsecured debt and deposit ratings could also be downgraded in response to a reduction in the volume of debt that could be bailed in, which would increase loss-given-failure for these instruments.

Nationwide Building Society

Moody's changed the outlook on Nationwide's deposit and senior unsecured ratings to stable from negative and affirmed the BCA and all of the ratings of Nationwide Building Society. The outlook change reflects the rating agency's expectation of a moderate deterioration in the operating environment in the UK, to which Nationwide Building Society is now more resilient.

The affirmation of Nationwide Building Society's BCA reflects: (i) robust asset quality; (ii) high levels of capitalisation and (iii) moderate levels of market funding. As a result, the Society's deposit ratings were also affirmed at Aa3, with a stable outlook, and its short-term deposit rating was affirmed at Prime-1. Moody's also affirmed the Society's Aa2(cr)/P-1(cr) CR Assessment, four notches above the BCA, reflecting the substantial volume of bail-in-able liabilities protecting operating obligations as well as a moderate probability of government support given the Society's large balance sheet and systemic importance.

The likelihood of an upgrade is low because of Nationwide's limited geographic and business diversification. An upgrade to the BCA could be driven by the Society's organic capital generation and improvement in its leverage metrics, due to continued stable earnings and further improvements in asset quality. A higher BCA would likely lead to an upgrade of all ratings.

Nationwide's deposit and senior debt ratings could also be upgraded if the Society were to issue significant amounts of long-term debt and more subordinated debt.

A downgrade in Nationwide's BCA could be driven by a sharper deterioration in the UK economy or an unexpected deterioration in asset quality and capital. A lower BCA would likely result in downgrades to all ratings.

Nationwide's long-term senior unsecured debt and deposit ratings could also be downgraded in response to a reduction in the volume of debt that could be bailed in, which would increase loss-given-failure for these instruments.

Principality Building Society

Moody's has upgraded Principality Building Society's (Principality's) long-term deposit and senior unsecured programme ratings to (P)Baa2 from (P)Baa3, short-term ratings to Prime-2 from Prime-3, subordinated debt rating to (P)Baa3 from (P)Ba1, and permanent interest bearing shares (PIBS) to Ba2(hyb) from Ba3(hyb). The rating agency also upgraded Principality's BCA to baa2 from baa3 and its long-term CR Assessment to A3(cr) from Baa1(cr), as well as affirmed the short term CR Assessment at P-2(cr). The outlook on the ratings is stable.

The upgrade in Principality's BCA reflects Moody's expectation that the Society will continue to reduce its legacy loan portfolio, thus improving its asset risk profile despite the expected weakening in the operating environment, as well as maintain its strong capitalisation, retail-oriented funding base, while experiencing only a moderate drop in profitability.

The upgrade of Principality's long-term ratings reflect (i) the upgrade of its BCA; (ii) Moody's Advanced LGF analysis; and (iii) Moody's assessment of a low probability of government support.

The stable outlook reflects Moody's expectation that the Society will continue to reduce its legacy book, which currently contributes to problem loan levels above those of peers, as well as maintain its strong capitalisation and good funding profile, despite the expected weakening in the operating environment.

Principality's BCA could be upgraded as a result of a sustainable reduction in market funding reliance, increased liquid resources, or improvements to asset quality and profitability. A positive change in the Society's BCA would likely affect all ratings. Principality's deposit and senior debt ratings could also be upgraded if the Society were to issue significant amounts of long-term debt and/or subordinated long-term debt.

Principality's BCA could be downgraded as a result of (i) a significant deterioration in its asset quality metrics; (ii) a material weakening in profitability, which would reduce its loss-absorption capacity; and (iii) a deterioration in the Society's funding and liquidity position, including a reduction in the quantity or quality of its liquidity buffer. A downward movement in the BCA of the Society would likely result in downgrades to all ratings. Principality's long-term senior unsecured debt and deposit ratings could also be downgraded in response to a reduction in the volume of debt or deposits that could be bailed in, which would increase loss-given-failure for these instruments.

Santander UK PLC

Moody's affirmed the long-term issuer rating, senior unsecured ratings and long-term deposit ratings of Santander UK PLC (SAN UK) at Aa3. The rating agency also affirmed the long-term issuer rating of Santander UK Group Holdings plc (SAN UK Group Holding) at Baa1. The outlooks on the issuer, senior unsecured and deposit ratings have been changed to stable from negative. SAN UK's a3 standalone baseline credit assessment (BCA), its Aa2(cr)/Prime-1(cr) Counterparty Risk Assessment and its other long and short term ratings were also affirmed.

The affirmation of the long-term ratings and the change of outlook to stable were prompted by a combination of factors: (i) Moody's assessment that SAN UK's profitability and asset quality will remain resilient despite a more challenging UK operating environment, and (ii) Moody's expectation that the implementation of ring-fencing will not result in any material changes to the bank's credit fundamentals, given the small volume of prohibited activities moving outside SAN UK.

Moody's expects SAN UK's net interest margin (NIM) to remain broadly stable in 2017, as the achieved reduction in retail deposit costs and the benefit of drawing on cheaper funding from the TFS offset competitive pressures on lending margins, and asset quality to remain sound.

The affirmation of the long-term issuer rating, senior unsecured ratings and long-term deposit ratings reflects (i) the affirmation of the BCA; (ii) Moody's Advanced LGF analysis; and (iii) a moderate probability of government support given the firm's large balance sheet and systemic importance.

SAN UK's long-term deposit, issuer and senior unsecured ratings would be upgraded in the event of an upgrade of the BCA. This could be triggered by: (i) a structural reduction in its reliance on market funding; (ii) continued strong asset quality despite growth in its SME lending portfolio; and (iii) continued improvement in its solvency profile through internal capital generation. The rating could also be upgraded if the group were to issue significant amounts of subordinated debt, or long-term senior holding company debt.

SAN UK's long-term deposit, issuer and senior unsecured ratings would be downgraded in the event of a downgrade of the BCA. This could be triggered by: (i) a significant deterioration in its asset quality metrics; (ii) a material weakening in profitability, which would reduce the bank's going concern loss-absorption capacity; and (iii) a deterioration in the bank's funding and liquidity position, including a further reduction in the quantity or quality of its liquidity buffer. The rating could also be downgraded due to a reduction in more subordinated debt or senior long-term holding company debt, which would increase its loss-given-failure.

TSB Bank plc

Moody's changed the outlook on the Baa2 issuer and deposit ratings of TSB Bank plc (TSB) to stable from negative and affirmed its BCA and all ratings. Moody's also downgraded TSB's CR Assessment to A3(cr)/P-2(cr) from A2(cr)/P-1(cr). The agency affirmed and changed the outlook to stable from negative on the Baa3 issuer rating of TSB Banking Group plc.

The stable outlooks reflect TSB's ability to withstand the expected deterioration in the UK operating environment, as well as persistently low interest rates. While this will erode TSB's revenues, profitability and asset quality, its credit profile will remain healthy.

The affirmation of TSB's BCA at baa2 reflects: (i) The bank's very low level of problem loans; (ii) high capital metrics; (iii) very limited reliance on wholesale funding; and (iv) good liquidity metrics. As a result, the bank's long-term issuer and deposit ratings were affirmed at Baa2 and its short-term deposit rating was affirmed at Prime-2. The downgrade of the CR Assessment to A3(cr)/P-2(cr) from A2(cr)/P-1(cr) reflects Moody's expectations that TSB's asset growth will continue and that the growth will largely be funded by deposits and TFS drawings, leading to lower relative volume of bail-in eligible liabilities protecting operating obligations, and a low probability of government support. The long-term issuer and subordinated ratings of TSB Banking Group were affirmed at Baa3.

The bank's BCA could be upgraded following improvements in the bank's asset risk, capital levels, and/or profitability, combined with an upgrade of its parent's BCA, Banco Sabadell, S.A. (Sabadell, BCA ba2; long-term deposits Baa2). A positive change in TSB's BCA would likely lead to an upgrade of all ratings. TSB's deposit ratings could also be upgraded if the bank were to issue significant amounts of long-term debt, including structurally subordinated debt issued through its holding company.

TSB's BCA could be downgraded following a material deterioration in solvency or liquidity metrics or a downgrade in Sabadell's BCA. A downward movement in TSB's BCA would likely result in downgrades to all ratings. TSB's deposit ratings could also be downgraded in response to a reduction in the volume of deposits or debt that could be bailed in, which would increase loss-given-failure for depositors.

West Bromwich Building Society

The stable outlooks on the long-term deposit ratings of West Bromwich Building Society (West Brom) were maintained. Moody's affirmed the BCA of West Brom at b1, its long and short-term deposit ratings at B1/Not Prime and its non-cumulative preference stock rating at Caa1(hyb). West Brom's long- and short-term CR Assessment was affirmed at Ba1(cr)/Not-Prime(cr).

The stable outlook on West Brom's deposit ratings reflects Moody's view that the Society's creditworthiness will not be significantly impacted by a prolonged period of uncertainty for the UK.

The ratings affirmation reflects West Brom's solid leverage metrics, its retail deposit funding base, and its comfortable liquidity position, which counter-balance its high, albeit declining, stock of problem loans, its legacy commercial lending portfolio, and its weak profitability. The affirmation takes into account the downside risks related to the pending clarification of whether or not its profit participating deferred shares (PPDS) will continue to qualify as CET1 capital, as well as the results of Moody's Advanced LGF analysis and a low probability of government support.

West Brom's BCA could be upgraded as a result of continued improvements in its asset quality metrics combined with confirmation that its PPDS will continue to qualify as CET1 capital. A positive change in the building society's BCA would likely lead to an upgrade in all ratings. West Brom's deposit ratings could also be upgraded if, after regaining access to wholesale markets, the building society were to issue significant amounts of senior unsecured debt and/or subordinated long-term debt.

West Brom's BCA could be downgraded in the event its PPDS no longer qualify as CET1 capital or the Society's funding or liquidity position deteriorated without improvements in its solvency metrics. A downward movement in the BCA of the Society would likely result in downgrades to all its ratings. West Brom's deposit ratings could also be downgraded in response to a reduction in the volume of debt or deposits that could be bailed in, which would increase loss-given-failure for depositors.

REGULATORY DISCLOSURES

Please click on this link http://www.moodys.com/viewresearchdoc.aspx?docid=PBC_196693 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:

• Releasing Office

• Person Approving the Credit Rating

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 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 ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

For any affected securities or rated entities receiving direct credit support from the primary entity(ies) of this 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.

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

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

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

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

Michael Eberhardt, CFA
VP - Senior Credit Officer
Financial Institutions Group
Moody's Investors Service Ltd.
One Canada Square
Canary Wharf
London E14 5FA
United Kingdom
JOURNALISTS: 44 20 7772 5456

Client Service: 44 20 7772 5454

Nicholas Hill
MD - Banking
Financial Institutions Group
JOURNALISTS: 44 20 7772 5456
Client Service: 44 20 7772 5454

Laurie Mayers
Associate Managing Director
Financial Institutions Group
JOURNALISTS: 44 20 7772 5456
Client Service: 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
Client Service: 44 20 7772 5454

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 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 AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS OR MOODY'S PUBLICATIONS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.