Rating Action: Moody's concludes reviews on nine Malaysian financial institutions; assigns Counterparty Risk Assessments to eight banks

Global Credit Research - 16 Jun 2015

Actions follow conclusion of Moody's methodology-related review and revision of government support considerations

Singapore, June 16, 2015 -- Moody's Investors Service has concluded its rating reviews on nine Malaysian financial institutions and assigned counterparty risk assessments (CR Assessments) to eight banks.

Moody's reviews on the ratings of nine Malaysian financial institutions were initiated on 18 March 2015 following the publication of Moody's new bank rating methodology, and include revisions in Moody's government support assumptions for these banks. For more information, see press release at http://www.moodys.com/viewresearchdoc.aspx?docid=PR_321005.

As a result of the implementation of Moody's new bank rating methodology, in particular the change in Moody's view that the capacity for government support is best reflected by the government's bond rating, which is A3 in the case of Malaysia, Moody's has lowered the local currency bank deposit ratings of Malaysian banks that were previously positioned above Malaysia's A3 government rating. In particular, Moody's has downgraded the local currency deposit ratings of Malayan Banking Berhad (Maybank), Public Bank Berhad (Public Bank), CIMB Bank Berhad (CIMB Bank) and CIMB Islamic Bank Berhad (CIMB Islamic Bank) to A3 from A1, and the long-term local currency bank deposit rating of Hong Leong Bank Berhad (Hong Leong Bank) to A3 from A2. These ratings are now positioned at Malaysia's sovereign rating level, and have a positive outlook in line with the positive outlook on the government bond rating.

Moody's has also downgraded the long-term local and foreign currency issuer ratings of CIMB Group Holdings Berhad (CIMBGH, a holding company) to Baa1 from A3. This action is driven by the downgrade of CIMB Bank's local currency deposit rating to A3, and reflects the structural subordination of CIMBGH's creditors relative to CIMB Bank's creditors. The rating outlook for CIMBGH is positive.

Moody's has revised the outlook on Hong Leong Financial Group Berhad's (HLFG, a holding company) Baa1 issuer rating to positive from stable, to reflect the lower refinancing risk of the debt issued by the holding company.

At the same time, Moody's has upgraded the BCAs and Adjusted BCAs of AmBank (M) Berhad (AmBank) and RHB Bank Berhad (RHB Bank) to baa3 from ba1, and the BCA of CIMB Islamic Bank to baa2 from ba1. The BCA upgrades are driven by the banks' improved financial fundamentals, as discussed in detail in the sections below.

Moody's confirmed AmBank's Baa1 deposit and senior unsecured ratings, and (P)Baa1 senior unsecured MTN rating. The deposit and debt rating outlook is positive.

Moody's affirmed RHB Bank's A3 deposit and senior unsecured ratings, and (P)A3 senior unsecured MTN rating. The deposit and debt rating outlook remains stable.

In addition, Moody's has assigned CR Assessments to eight banks - and their branches where applicable - in line with Moody's new bank rating methodology. The CR assessments are as follows: (1) AmBank -- A3(cr)/P-2(cr); (2) CIMB Bank -- A3(cr)/P-2(cr); (3) CIMB Islamic Bank -- A3(cr)/P-2(cr); (4) Hong Leong Bank -- A3(cr)/P-2(cr); (5) HSBC Malaysia Bank Berhad -- A1(cr)/P-1(cr); (6) Maybank -- A2(cr)/P-1(cr); (7) Public Bank -- A2(cr)/P-1(cr); (8) RHB Bank -- A3(cr)/P-2(cr).

For its own business reasons, Moody's has withdrawn the outlooks for the preferred securities and all other junior instrument ratings for the banking groups listed below. All of the other subordinated and junior subordinated debt ratings and preferred stock ratings were affirmed as part of this rating action, with the exception of AmBank's preferred stock rating - which was upgraded. The rationale for the affirmation of these ratings is the continuation of their key strengths; good loan quality; and healthy earnings capacity supported by a stable operating environment. Please refer to Moody's Investors Service's "Policy for Withdrawal of Credit Ratings", available on its website, www.moodys.com.
Outlooks, which provide an opinion on the likely rating direction over the medium term, are now assigned only to long-term deposit, issuer and senior unsecured debt ratings.


A full list of all affected ratings for the Malaysian financial institutions can be found at the end of this press release.

RATINGS RATIONALE

The new bank rating methodology includes a number of elements that Moody's has developed to help accurately predict bank failures and determine how each creditor class is likely to be treated when a bank fails and enters resolution. These new elements capture insights gained from the crisis and the fundamental shift in the banking industry and its regulation.

In terms of the application of Moody's new methodology to Malaysian banks, Moody's rating actions reflect the following considerations: 1) Moody's view of Malaysia's "Strong" macro profile; 2) the banks' strong core financial ratios; 3) qualitative adjustments at the BCA level; 4) affiliate support considerations; and 5) revisions in Moody's government support assumptions for the Malaysian banks.

1) The "Strong" macro profile of Malaysia

Because the banks' operate domestically, they benefit from Malaysia's very high degree of economic strength, a high degree of institutional strength and low susceptibility to event risk. Private-sector debt, and particularly that of households, is high relative to GDP, but Moody's notes that credit growth has been moderating in recent quarters. Malaysia banks are largely deposit funded with a low reliance on wholesale funding. Additionally, the stability of the banking system is supported by a moderate competitive landscape.

2) Malaysian banks' strong core financial ratios

The average BCA of Moody's-rated Malaysian banks is baa1, and takes into account the banks' strong core financial metrics, including strong asset quality, good capital adequacy, generally healthy profitability metrics despite pressured net interest margins, and robust funding and liquidity profiles.

3) Qualitative adjustments to the BCA of one bank

Moody's makes one qualitative adjustment to arrive to the BCA of RHB Bank. The adjustment is driven by the bank's historic corporate behavior.

4) Affiliate support for two banks

Moody's incorporates affiliate support in the ratings of CIMB Islamic Bank and HSBC Bank Malaysia.

5) Revisions in Moody's government support assumptions for Malaysian banks

Moody's has downgraded the local currency deposit ratings of Maybank, Public Bank, CIMB Bank and CIMB Islamic Bank to A3 from A1, and of Hong Leong Bank to A3 from A2. These actions are driven by Moody's revised government support assumptions for all banks in the country. Other ratings assigned to these banks remain unchanged or were affirmed.

The outlook on the ratings of these banks is positive.

According to Moody's new bank rating methodology, Moody's now considers that the capacity for government support in all countries is limited to a government's bond rating -- which is A3 in the case of Malaysia.

For the avoidance of any doubt, Moody's still includes "very high" or "high" government support assumptions in the deposit and senior debt ratings of Malaysian banks. The Malaysian authorities have a solid track record of providing support to and orchestrating bailouts of failed banks during and after the 1997-1998 Asian financial crisis. While government support was not needed during the 2008-2009 crisis because of the banks' strong financial profiles, Moody's considers that such support will be made available to banks and their holding companies, in case of need.

Moody's previous assumptions for government support considered that the extensive policy tools available to central banks to support banks could result in a capacity for the sovereign to provide support to banks that is
higher than its own creditworthiness. As a result, some bank ratings were positioned above the relevant sovereign ratings.

BANK-SPECIFIC ANALYTICAL FACTORS

CIMB ISLAMIC BANK

Moody’s has affirmed the A3 foreign currency deposit and issuer ratings of CIMB Islamic Bank. Moody’s also downgraded the bank’s local currency deposit rating to A3 from A1, because of the revised government support assumptions for all banks in the country. The rating outlook is positive.

Moody’s has also upgraded CIMB Islamic Bank’s BCA to baa2 from ba1.

The affirmation of the A3 foreign currency ratings is driven by: (1) the bank’s improved standalone financial profile; (2) Moody’s “affiliate-backed” support assumptions from CIMB Bank, leading to an Adjusted BCA of baa1 for CIMB Islamic Bank; and (3) very high likelihood of government support, resulting in one notch of rating uplift above the bank’s Adjusted BCA.

Moody’s has upgraded the BCA of CIMB Islamic Bank to baa2 from ba1 because of the bank’s improved capital position and decrease in nominal leverage. The improvements were supported by strong retained earnings, slower credit growth, and the reallocation of a part of general reserves into common equity.

CIMB Islamic Bank’s nominal leverage, calculated as total assets divided by total equity, improved to 15.5x in 2014, from 19x in 2013 and 22x in 2012. Its tangible common equity-to-total assets ratio had also improved to 5.6% in 2014, from 4.1% in 2012.

While CIMB Islamic Bank’s leverage is more aggressive -- when compared to other rated banks in Malaysia -- this situation is driven by the bank’s lower density of risk weighted assets, because a large portion of its loans is granted to government-related companies which have low risk-weightings.

The bank’s core profitability remains strong, supported by its large network in Malaysia and the good level of consumer demand for Islamic financing. Its impaired loans ratio increased mildly to 1.3% in 2014 from 0.8% in 2013; however, this situation was mainly driven by loan seasoning and weak credit growth in 2014.

AMBank AND AMBB CAPITAL (L) LTD.

Moody’s has confirmed the Baa1 deposit and senior debt ratings of AmBank. The rating outlook is positive.

Moody’s has also upgraded AmBank’s BCA and Adjusted BCA to baa3 from ba1.

The upgrade of AmBank’s BCA is underpinned by the bank’s improving solvency position, particularly its stronger capitalization and improving level of asset quality over the past three years.

AmBank’s Common Equity Tier 1 (CET1) ratio improved to 10.1% at end-December 2014, from 9.6% at end-March 2014, from retained earnings and low growth in risk-weighted assets. The bank’s impaired loans ratio declined to 1.7% at end-December 2014, from 2.1% at end-March 2014. Its impaired loan coverage measured by total impairment allowances as a percentage of gross impaired loans stood at a relatively high 119% at end-December 2014.

The bank has benefited from its strategy of optimizing business growth with a focus on profitability and credit quality. With risk underwriting, governance and product innovation, AmBank has leveraged the expertise and international connectivity of Australia and New Zealand Banking Grp. Ltd. (deposits Aa2 stable, BCA a1) - the bank’s 23.8% shareholder - to support its growth.

AmBank’s key weakness remains its liquidity profile, reflective of its modest size in Malaysia and the challenges it faces in gathering and growing low-cost deposits in a competitive market. While its funding profile continues to lag peer banks in Malaysia, the bank has made good progress in expanding its deposit base.

While Moody’s has upgraded the Adjusted BCA of AmBank to baa3, it did not upgrade its Baa1 deposit ratings because they already incorporate Moody’s assumptions of very high government support, resulting in two notches of uplift from the bank’s Adjusted BCA. Moody’s could upgrade the bank’s Baa1 deposit ratings if it upgrades the A3 Malaysian sovereign rating.

Subsequently, the preferred stock rating of AMBB Capital (L) Ltd (a special purpose vehicle), which is notched
down from AmBank’s Adjusted BCA, was upgraded to Ba3 (hyb) from B1(hyb), following the upgrade of AmBank’s Adjusted BCA.

RHB BANK

Moody’s has affirmed the A3 deposit and senior debt ratings of RHB Bank. The outlook is stable.

Moody’s has also upgraded RHB Bank’s BCA and Adjusted BCA to baa3 from ba1.

The affirmation of the A3 ratings is driven by the bank’s improved financial profile and Moody’s assumption of very high government support, resulting in three notches of government support uplift above the bank’s baa3 Adjusted BCA.

The upgrade of RHB Bank’s BCA to baa3 from ba1 is underpinned by the bank’s improved solvency profile. Its asset quality improved in 2014, as reflected by the decrease in its impaired loans ratio to 2.0% in 2014 from 2.8% in 2013, driven by recoveries and write-offs of legacy problem loans.

The bank maintains a good capital adequacy position, as reflected by its consolidated CET1 ratio of 10.6% (post-dividend) as of 31 December 2014, an improvement from 10.3% in 2013. Its profitability is also good and stable, with a 0.9% return on assets for 2014.

Although asset quality has improved, RHB Bank’s impaired loans ratio is still somewhat higher when compared to other Malaysian banks, reflecting RHB Bank’s historic risk appetite that Moody’s considers to be somewhat higher relative to higher-rated Malaysian banks.

HOLDING COMPANY RATINGS: CIMB GROUP AND HONG LEONG FINANCIAL GROUP

Moody’s has downgraded the issuer ratings of CIMBGH, a holding company, to Baa1 from A3. This action is driven by today’s downgrade of CIMB Bank’s local currency deposit rating to A3, and reflects the structural subordination of CIMBGH’s creditors relative to CIMB Bank’s creditors. The outlook on CIMBGH’s ratings is positive.

Moody’s has affirmed the Baa1 issuer ratings of HLFG, the holding company of Hong Leong Bank. The affirmation of HLFG’s ratings is driven by the stable financial fundamentals of its main banking operating entity, Hong Leong Bank, and Moody’s assumption of very high government support for HLFG.

Moody’s has revised the outlook on HLFG’s ratings to positive from stable, because of lower refinancing risk at the holding company level. HLFG’s standalone debt decreased by around 30% as of December 2014 from June 2014, and amounted to about MYR921 million. HLFG’s double leverage ratio -- measured by its investments in subsidiaries as a percentage of its capital -- improved to 106% as of end-December 2014 from 109% as of end-June 2014.

The positive outlook of HLFG’s ratings now mirrors the positive outlook on the ratings of Hong Leong Bank.

The Baa1 issuer ratings assigned to CIMBGH and to HLFG reflect Moody’s assumption of very high government support, in case of need. Moody’s considers that the Malaysian government will be equally supportive of holding companies and operational companies.

RATIONALE FOR COUNTERPARTY RISK ASSESSMENTS

Moody’s has assigned CR assessments to eight Malaysian banks and their branches where applicable.

CR assessments are opinions of how counterparty obligations are likely to be treated if a bank fails, and are distinct from debt and deposit ratings in that they: (1) consider only the risk of default rather than expected loss; and (2) apply to counterparty obligations and contractual commitments rather than debt or deposit instruments.

A CR assessment is an opinion of the counterparty risk related to a bank’s covered bonds, contractual performance obligations (servicing), derivatives (e.g., swaps), letters of credit, guarantees and liquidity facilities.

For most Malaysian banks, the CR Assessment, prior to government support, is positioned one notch above the Adjusted BCA. Moody’s then assigns government support assumptions, in line with Moody’s support assumptions on deposits and senior unsecured debt. Such assignments reflect Moody’s view that any support provided by governmental authorities to a bank, and which benefits senior unsecured debt or deposits, is very likely to benefit operating activities and obligations reflected by the CR Assessments.
Such a view is consistent with Moody's view that governments are likely to maintain the banks' operations as a going concern to reduce contagion and preserve the banks' critical functions.

The CR Assessments of A2(cr) for Maybank and Public Bank are positioned one notch above these banks' Adjusted BCAs of a3.

For HSBC Bank Malaysia Berhad, its CR Assessment of A1(cr) is driven by Moody's assumptions of very high affiliate support from Hongkong and Shanghai Banking Corporation Ltd. (deposits Aa2 stable, BCA aa3). HSBC Bank Malaysia's CR Assessment is positioned at the same level as the bank's Adjusted BCA.

The CR Assessments of A3(cr) for AmBank, CIMB Bank, CIMB Islamic Bank, Hong Leong Bank and RHB Bank are in line with the Malaysian sovereign rating of A3, and reflect the banks' lower Adjusted BCAs of between baa3 and baa1, relative to the a3 Adjusted BCAs of Maybank and Public Bank, as well as assumptions of very high government support.

WHAT COULD CHANGE THE RATINGS UP/DOWN

Malaysian banks with long-term deposits rated at the same level as Malaysia's sovereign A3 rating are unlikely to be upgraded.

The long-term deposit ratings -- and where applicable issuer ratings -- of Maybank, Public Bank, CIMB Bank, CIMB Islamic Bank, Hong Leong Bank, AmBank and HSBC Bank Malaysia (foreign currency deposit rating only) could be upgraded in case of upgrade of the Malaysia's A3 sovereign rating, provided that these banks maintain strong standalone financial metrics. The deposit ratings of the same banks will be downgraded if the Malaysian sovereign rating is downgraded.

The A3 deposit ratings of RHB Bank could be upgraded if both conditions are met: (1) Malaysia's sovereign rating is upgraded; and (2) RHB Bank demonstrates sustained improvements in its standalone creditworthiness, such as an improved funding profile, materially lower problem loans ratio, and improved capital adequacy.

The Baa1 issuer ratings of CIMBGH and HLFG will likely follow the direction of the deposit ratings of CIMB Bank and Hong Leong Bank, respectively, provided that the double leverage at these holding companies remains healthy, which according to Moody's is a level below 120%.

The ratings assigned to Malaysian banks' junior securities will be upgraded or downgraded if the respective banks' Adjusted BCAs are upgraded or downgraded.

The a3 BCAs of Maybank and Public Bank have no upside potential until the A3 Malaysian sovereign rating is upgraded.

The baa1 BCA of CIMB Bank could be increased if the bank improves its core capital adequacy and materially lowers its problem loans ratio.

The baa2 BCA of CIMB Islamic could be increased if the bank further improves its capital adequacy and nominal leverage, while keeping credit risks under control.

The baa1 BCA of Hong Leong Bank could be increased if the bank improves its financial fundamentals, namely its asset quality, capital adequacy and funding profile.

The baa3 BCA of AmBank could be increased if the bank further improves its capital adequacy and funding profile, while maintaining stable asset quality metrics.

The BCAs of Malaysian banks could be downgraded in case of material deterioration in their asset quality, capital adequacy, profitability, liquidity and/or funding structures.

Moreover, the BCAs of these banks could be lowered if the banks materially increase their exposures to borrowers in countries that Moody's considers as higher risk than Malaysia. Such countries would typically have a macro profile that is lower than Malaysia's "strong" macro profile.

Taking into account today's announcement, the bank ratings are as follows:

AmBank (M) Berhad
- Foreign currency long-term deposit rating confirmed at Baa1, with a positive outlook
- Foreign currency short-term deposit rating affirmed at P-2
- Foreign currency long-term senior unsecured debt rating confirmed at Baa1, with a positive outlook
- Foreign currency senior unsecured MTN rating confirmed at (P)Baa1
- BCA and adjusted BCA upgraded to baa3 from ba1
- Assignment of CR Assessments of A3(cr)/P-2(cr)

AMBB Capital (L) Ltd
- Foreign currency backed preferred stock non-cumulative rating upgraded to Ba3(hyb) from B1(hyb)

CIMB Bank
- Long-term and short-term local currency deposit ratings downgraded to A3/P-2 from A1/P-1, with a positive outlook
- Long-term and short-term foreign currency deposit ratings remain unchanged at A3/P-2, with a positive outlook
- Long-term and short-term foreign currency issuer ratings remain unchanged at A3/P-2, with positive outlook
- Foreign currency senior unsecured rating remains unchanged at A3, with a positive outlook
- Foreign currency senior unsecured MTN rating remains unchanged at (P)A3
- Subordinate MTN rating affirmed at (P)Baa3
- BCA and adjusted BCA remain unchanged at baa1
- Assignment of CR Assessment of A3(cr)/P-2(cr)

CIMB Bank, Singapore Branch
- Local currency senior unsecured rating remains unchanged at A3, with a positive outlook
- Foreign currency senior unsecured MTN rating remains unchanged at (P)A3
- Assignment of CR Assessment of A3(cr)/P-2(cr)

CIMB Bank, Labuan Branch
- Foreign currency senior unsecured rating remains unchanged at A3, with a positive outlook
- Foreign currency senior unsecured MTN rating remains unchanged at (P)A3
- Assignment of CR Assessment of A3(cr)/P-2(cr)

SBB Capital Corporation
- Foreign currency backed preferred stock non-cumulative affirmed at Ba1(hyb)

CIMB Group Holdings Berhad
- Long-term Local and foreign currency issuer ratings downgraded to Baa1 from A3, with a positive outlook
- Short-term Local and foreign currency issuer ratings affirmed at P-2

CIMB Islamic Bank Berhad
- Long-term and short-term local currency deposit ratings downgraded to A3/P-2 from A1/P-1, with a positive outlook
- Long-term and short-term foreign currency deposit ratings affirmed at A3/P-2, with a positive outlook
- Long-term and short-term local currency issuer ratings downgraded to A3/P-2 from A1/P-1, with a positive outlook
- Long-term and short-term foreign currency issuer rating affirmed at A3/P-2, with positive outlook
- BCA upgraded to baa2 from ba1
- Adjusted BCA affirmed at baa1
- Assignment of CR Assessment of A3(cr)/P-2(cr)

Hong Leong Bank Berhad
- Long-term and short-term local currency deposit ratings downgraded to A3/P-2 from A2/P-1, with a positive outlook
- Long-term and short-term foreign currency deposit ratings remain unchanged at A3/P-2, with a positive outlook
- Foreign currency senior unsecured rating remains unchanged at A3, with a positive outlook
- Foreign currency senior unsecured MTN rating remains unchanged at (P)A3
- BCA and adjusted BCA remains unchanged at baa1
- Assignment of CR Assessment of A3(cr)/P-2(cr)

Hong Leong Financial Group Berhad
- Local and foreign currency issuer rating affirmed at Baa1, outlook changed to positive from stable

HSBC Bank Malaysia Berhad
- Long-term and short-term local currency deposit ratings remain unchanged at A1/P-1, with a stable outlook
- Long-term and short-term foreign currency deposit ratings remain unchanged at A3/P-2, with a positive outlook
- BCA remains unchanged at baa1
- Adjusted BCA remains unchanged at a1
- Assignment of CR Assessment of A1(cr)/P-1(cr)

Public Bank Berhad
- Long-term and short-term local currency deposit ratings downgraded to A3/P-2 from A1/P-1, with a positive outlook
- Long-term and short-term foreign currency deposit ratings remain unchanged at A3/P-2, with a positive outlook
- Foreign currency preference stock rating affirmed at Baa2(hyb)
- BCA and Adjusted BCA remains unchanged at a3
- Assignment of CR Assessment of A2(cr)/P-1(cr)

Malayan Banking Berhad
- Long-term and short-term local currency deposit ratings downgraded to A3/P-2 from A1/P-1, with a positive outlook
- Long-term and short-term foreign currency deposit ratings remain unchanged at A3/P-2, with a positive outlook
- Foreign currency senior unsecured MTN rating remains unchanged at (P)A3
- Foreign currency commercial paper rating remains unchanged at P-2
- Foreign currency preferred stock rating affirmed at Baa2(hyb)
- BCA and adjusted BCA remain unchanged at a3
- Assignment of CR Assessment of A2(cr)/P-1(cr)

Malayan Banking Berhad, Hong Kong Branch

- Foreign currency commercial paper rating remains unchanged at P-2
- Foreign currency senior unsecured MTN rating remains unchanged at (P)A3
- Assignment of CR Assessment of A2(cr)/P-1(cr)

Malayan Banking Berhad, Singapore Branch

- Foreign currency commercial paper rating remains unchanged at P-2
- Foreign currency senior unsecured MTN rating remains unchanged at (P)A3
- Assignment of CR Assessment of A2(cr)/P-1(cr)

RHB Bank Berhad

- Long-term and short-term foreign currency deposit ratings affirmed at A3/P-2, with a stable outlook
- Foreign currency other short term rating affirmed at (P)P-2
- Foreign currency senior unsecured rating affirmed at A3, with a stable outlook
- Foreign currency senior unsecured MTN rating affirmed at (P)A3
- BCA and adjusted BCA upgraded to baa3 from ba1
- Assignment of CR Assessment of A3(cr)/P-2(cr)

PRINCIPAL METHODOLOGY

The principal methodology used in these ratings was Banks published in March 2015. Please see the Credit Policy page on www.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody’s rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the rating action on the support provider and in relation to each particular rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

For any affected securities or rated entities receiving direct credit support from the primary entity(ies) of this rating action, and whose ratings may change as a result of this rating action, the associated regulatory disclosures will be those of the guarantor entity. Exceptions to this approach exist for the following disclosures, if applicable to jurisdiction: Ancillary Services, Disclosure to rated entity, Disclosure from rated entity.

The following information supplements Disclosure 10 ("Information Relating to Conflicts of Interest as required by Paragraph (a)(1)(ii)(J) of SEC Rule 17g-7") in the regulatory disclosures made at the ratings tab on the issuer/entity page on www.moodys.com for each credit rating as indicated:
Moody’s was not paid for services other than determining a credit rating in the most recently ended fiscal year by the person(s) that paid Moody’s to determine this credit rating.

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

Please see www.moodys.com 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.

Eugene Tarzimanov
VP - Senior Credit Officer
Financial Institutions Group
Moody’s Investors Service Singapore Pte. Ltd.
50 Raffles Place #23-06
Singapore Land Tower
Singapore 48623
Singapore
JOURNALISTS: (852) 3758 -1350
SUBSCRIBERS: (852) 3551-3077

Stephen Long
MD - Financial Institutions
Financial Institutions Group
JOURNALISTS: (852) 3758 -1350
SUBSCRIBERS: (852) 3551-3077

Releasing Office:
Moody’s Investors Service Singapore Pte. Ltd.
50 Raffles Place #23-06
Singapore Land Tower
Singapore 48623
Singapore
JOURNALISTS: (852) 3758 -1350
SUBSCRIBERS: (852) 3551-3077

© 2015 Moody’s Corporation, Moody’s Investors Service, Inc., Moody’s Analytics, Inc. and/or their licensors and affiliates (collectively, “MOODY’S”). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY’S INVESTORS SERVICE, INC. AND ITS RATINGS AFFILIATES (“MIS”) ARE MOODY’S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND CREDIT RATINGS AND RESEARCH PUBLICATIONS PUBLISHED BY MOODY’S (“MOODY’S PUBLICATIONS”) MAY INCLUDE MOODY’S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES. MOODY’S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL, FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS AND MOODY’S OPINIONS INCLUDED IN MOODY’S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY’S PUBLICATIONS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY’S ANALYTICS, INC. CREDIT RATINGS AND MOODY’S PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND CREDIT RATINGS AND MOODY’S PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. NEITHER CREDIT RATINGS NOR MOODY’S
PUBLICATIONS COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS AND PUBLISHES MOODY'S PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS FOR RETAIL INVESTORS TO CONSIDER MOODY'S CREDIT RATINGS OR MOODY'S PUBLICATIONS IN MAKING ANY INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the rating process or in preparing the Moody's Publications.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody’s Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody’s Corporation (“MCO”), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody’s Investors Service, Inc. have, prior to assignment of any rating, agreed to pay to Moody’s Investors Service, Inc. for appraisal and rating services rendered by it fees ranging from $1,500 to approximately $2,500,000. MCO and MIS also maintain policies and procedures to address the independence of MIS’s ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moodys.com under the heading “Investor Relations — Corporate Governance — Director and Shareholder Affiliation Policy.”

For Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY’S affiliate, Moody’s Investors Service Pty Limited ABN 61 003 399 657 AFSL 336969 and/or Moody’s Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended
to be provided only to “wholesale clients” within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY’S that you are, or are accessing the document as a representative of, a “wholesale client” and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to “retail clients” within the meaning of section 761G of the Corporations Act 2001. MOODY’S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail clients. It would be dangerous for “retail clients” to make any investment decision based on MOODY’S credit rating. If in doubt you should contact your financial or other professional adviser.

For Japan only: MOODY’S Japan K.K. (“MJKK”) is a wholly-owned credit rating agency subsidiary of MOODY’S Group Japan G.K., which is wholly-owned by Moody’s Overseas Holdings Inc., a wholly-owned subsidiary of MCO. Moody’s SF Japan K.K. (“MSFJ”) is a wholly-owned credit rating agency subsidiary of MJKK. MSFJ is not a Nationally Recognized Statistical Rating Organization (“NRSRO”). Therefore, credit ratings assigned by MSFJ are Non-NRSRO Credit Ratings. Non-NRSRO Credit Ratings are assigned by an entity that is not a NRSRO and, consequently, the rated obligation will not qualify for certain types of treatment under U.S. laws. MJKK and MSFJ are credit rating agencies registered with the Japan Financial Services Agency and their registration numbers are FSA Commissioner (Ratings) No. 2 and 3 respectively.

MJKK or MSFJ (as applicable) hereby disclose that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MJKK or MSFJ (as applicable) have, prior to assignment of any rating, agreed to pay to MJKK or MSFJ (as applicable) for appraisal and rating services rendered by it fees ranging from JPY200,000 to approximately JPY350,000,000. MJKK and MSFJ also maintain policies and procedures to address Japanese regulatory requirements.