

Global Credit Research - 29 Apr 2013

Sao Paulo, Brazil

## Ratings

Category	Moody's Rating
Outlook	Stable
Bank Deposits	Ba2/NP
NSR Bank Deposits -Dom Curr	A1.br/BR-1
Bank Financial Strength	D
Baseline Credit Assessment	(ba2)
Adjusted Baseline Credit Assessment	(ba2)

## Contacts

Analyst	Phone
Alexandre Albuquerque/Sao Paulo	55.11.3043.7300
M. Celina Vansetti/New York City	1.212.553.1653

## Key Indicators

### Banco Industrial do Brasil S.A. (Consolidated Financials)[1]

	[2]12-12	[2]12-11	[2]12-10	[2]12-09	[2]12-08	Avg.
Total Assets (BRL billion)	2.6	2.4	2.2	1.8	1.6	[3]12.6
Total Assets (USD billion)	1.3	1.3	1.3	1.0	0.7	[3]16.3
Tangible Common Equity (BRL billion)	0.4	0.4	0.4	0.4	0.4	[3]3.9
Tangible Common Equity (USD billion)	0.2	0.2	0.2	0.2	0.2	[3]7.4
Net Interest Margin (%)	4.1	4.2	5.3	7.1	5.8	[4]5.3
PPI / Average RWA (%)	2.9	2.4	3.7	4.6	2.7	[5]3.2
Net Income / Average RWA (%)	1.8	1.3	2.2	2.4	1.7	[5]1.9
(Market Funds - Liquid Assets) / Total Assets (%)	21.4	10.5	6.5	-1.6	-5.1	[4]6.3
Core Deposits / Average Gross Loans (%)	50.1	67.0	80.8	70.3	61.4	[4]65.9
Tier 1 Ratio (%)	16.9	18.1	19.7	23.7	21.3	[5]20.0
Tangible Common Equity / RWA (%)	16.8	18.1	19.7	23.7	21.3	[5]19.9
Cost / Income Ratio (%)	52.5	56.6	48.7	44.1	56.6	[4]51.7
Problem Loans / Gross Loans (%)	0.8	1.5	0.8	--	1.3	[4]1.1
Problem Loans / (Equity + Loan Loss Reserves) (%)	2.9	5.1	2.4	--	2.8	[4]3.3

Source: Moody's

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

## Opinion

### SUMMARY RATING RATIONALE

Moody's assigns a bank financial strength rating (BFSR) of D to Banco Industrial do Brasil S.A. (BIB). The rating translates into a baseline credit assessment (BCA) of ba2. BIB's BFSR is supported by the bank's well-defined focus on small- and middle-market (SME) lending. The rating also benefits from the bank's disciplined operation and management's conservative lending policy, both of which lead to good asset quality.

In Moody's view, BIB would receive no support from the government should a systemic crisis occur, given the bank's small participation in the retail deposit market in Brazil. Because the absence of systemic support results in no lift in notches from the bank's BCA, Moody's assigns a global local currency (GLC) deposit rating of Ba2 to BIB.

In April 26, 2013, Moody's affirmed all ratings assigned to BIB. The outlook on all ratings remained stable.

### Rating Drivers

- Highly liquid assets, mostly composed of short-term self-liquidating credit operations
- Historically low leverage, when compared with local peers'
- Long track-record of low delinquency ratios on the back of a conservative credit culture
- Increased competition from rivals with broader product offerings
- Funding dependence on wholesale deposits

### Rating Outlook

All ratings have a stable outlook.

### What Could Change the Rating - Up

Positive pressure on BIB's ratings could derive from more robust, predictable, and diversified revenue generation and a strengthened franchise as a middle-market lender. Increased diversification in the bank's funding structure could also be positive to ratings, as could maintaining a tight gap in the term structure of assets and liabilities. In addition, ratings could also benefit from further improvement in corporate governance practices.

### What Could Change the Rating - Down

Negative pressure on BIB's ratings could result from margin compression and a decline in revenues due to harsher competition in the middle-market lending segment. Ratings may also be pushed down as a result of a potential increase in funding costs, which could eventually hit profitability ratios. Moreover, margins could also decline as a result of government cuts in the benchmark interest rate. A consistent decline in profitability could compromise the bank's capacity to replenish capital through earnings, which is also negative for ratings on the long run.

## DETAILED RATING CONSIDERATIONS

Detailed rating considerations for BIB's currently assigned ratings, include:

### Bank Financial Strength Rating

**PROFITABILITY RATIOS ARE RELATIVELY STABLE, IN LINE WITH SHAREHOLDER'S CONSERVATIVE CREDIT RISK APPETITE**

As of December 2012, the bank reported a jump of 53% in net income to R\$44.4 million (on an annual basis). The increase in the bank's bottom-line result was driven mostly by a reduction in interest expenses (9.8% y-o-y), as BIB reported a decline in the balance of time deposits and repurchase agreements in the end of 2012. Therefore, the drop in BIB's interest expense is explained mostly as a reduction in volume rather than due to access to lower funding rates.

BIB reported improvement of annualized profitability ratios relative to 2011 in line with the better result, as evidenced by the ratio of pre-provision to average risk-weighted asset (RWA) of 2.88%, compared to 2.37%, and net income to average RWA at 1.82%, compared to 1.25%. Net interest margins declined slightly to 4.1% from 4.2%. The slight increase in ratios resulted from lower funding and credit costs, even in light of the intense competitive environment in its core market and the decline of benchmark interest rates. Despite relative improvement in ratios during last year, the bank reported profitability metrics lower than those posted 2009 and before.

Most of the bank's revenues are originated from lending operations. In December 2012, approximately 48% of BIB's earnings originated were originated with SME lending and 21% with trade finance operations. In that sense, loans to small- and mid-sized companies comprised the majority of the bank's loan book (84% of total). Revenues from securities also make an important contribution, accounting for roughly 19% of total earnings; they are mostly driven by investment in government securities. The composition of BIB's earning mix has not varied significantly over time, which shows consistency in management's strategy for the bank as well as conservatism related to growth.

The bank has reported adequate efficiency ratios over the last few years, in part because of its lean operating structure. Nevertheless, BIB posted an efficiency ratio of 52.5% in December 2012, a result influenced by the increase in lending volume during the last year.

#### BANK REPORTED FUNDING GROWTH IN 2012

BIB's funding structure relies mostly on wholesale-based deposits, in the form of time deposits with financial institutions and asset management companies, and shows high concentration in terms of depositors. Therefore, BIB's funding base is quite similar to those of other banks focused on loan operations with small- and mid-sized companies. Nevertheless, BIB's funding base has shown some qualitative improvements over the last four to five years. More specifically, there has been a change in the deposit mix, with an increase in time deposits with financial institutions and lower participation of pension funds. The former ones tending to be less liquidity-sensitive than the latter ones.

After March 2011, BIB made use of DPGEs as an additional source of funding, which, as of year-end 2012, accounted for 8.6% of BIB's deposits and 4.4% of total funding. So far, funding costs have not been hurt by issued DPGE since the bank has not increased exposure to this instrument.

The bank's incursions in the international markets include trade finance facilities with multilateral banks, such as a US\$30 million credit line from the IFC. In December 2010, the bank received a US\$60 million A/B loan facility from IFC with tenor of up to 5 years, withdrawing US\$15 million in A loan with the IFC, and a syndicated B loan of US\$19 million plus Euro 7.7 million. BIB also has a 10-year US\$15 million subordinated debt with the DEG due January 2017.

#### HIGH LEVEL OF COLLATERALIZATION SUPPORTS LOW DELINQUENCY

The total volume of loans on BIB's balance sheet went up by 15.5% during 2012, showing a more conservative performance than the 21.4% growth reported in the previous year. In 2011, the increased delinquency of small- and medium-sized enterprise (SME) loans within the Brazilian financial system motivated BIB's management to become more conservative towards credit risk, which contributed to the actual reduction of the bank's loan book.

The quality of the bank's loan book remained good, as shown by the ratio of non-performing loans to gross loans of 0.79%, almost half the ratio of 1.52% reported in December 2011. Credit risk is also mitigated by the high level of collateralization that exists in BIB's portfolio in the form of self-liquidating receivables. Moreover, NPL ratios benefit from the bank's conservative risk management practices, which are supported by systems developed in-house that monitor the performance of receivables used as collateral.

The decline in provision expenses reported in the 2012 (down by 58.5%) is explained by management's more conservative approach in respect to assessing credit risk. As a result, there was a reduction in the volume of non-performing loans (NPLs) overdue more than 90 days. Moreover, there was also an improvement in the ratios of reserves to NPLs, going up to 134.74% vis-à-vis 113.23%, in December 2011.

#### CAPITAL RATIOS REMAIN ADEQUATE

Capital ratios have remained at good levels for the past four years. In December 2012, the bank's BIS ratio reached 17.86%, slightly lower from 19.37% at the end of 2011; therefore, capital levels are above local minimum requirements of 11%. The adequate capital cushion presented by BIB reflects the conservative approach of its shareholder towards the expansion of the bank's operation. At this juncture, capital does not represent a credit challenge for the bank.

#### FRANCHISE VALUE

BIB has a modest franchise in the segment of commercial lending to small- and mid-sized companies. Nevertheless, the bank enjoys an adequate track record in that market, which has enabled management to develop an expertise in analyzing client risk profiles and becoming familiar with both the organization and the structure of SMEs. As a result, BIB has built a self-liquidating credit portfolio fully backed by guarantees with a good liquidity level, as stated by management. As a family-owned bank, BIB is controlled by a single shareholder (Mr. Carlos Mansur); however, it does boast a professionalized management.

In 2005, BIB started to operate in the payroll-deductible lending business. However, the fierce competition in the segment, along with the small margins and high costs imposed by third-party intermediaries responsible for loan origination, led management to gradually decrease BIB's participation in that segment and to increase its focus on operations oriented to the middle-market segment. In December 2012, loan operations were divided as 84% SME lending and 16% consumer finance products, in the form of payroll loans.

BIB's wholesale operations are concentrated in the southeastern region of Brazil. The bank has seven branches that provide support to its commercial-lending activities.

#### Global Local Currency Deposit Rating (Joint Default Analysis)

Moody's GLC deposit rating of Ba2 for BIB does not receive any lift from the bank's BCA of ba2 because Moody's believes the Brazilian government would probably not extend any support to the bank should a systemic crisis occur. The reason for this is the insignificant size of BIB's participation in Brazil's retail deposit market.

Moody's also does not consider that support from the main shareholder, Mr. Mansur, would be forthcoming. Nevertheless, Mr. Mansur has already demonstrated his prudent attitude towards BIB's solvency by reinvesting dividends in the bank and by maintaining the capital ratio at a high level. According to management, proceeds from the sale of Mr. Mansur's companies would likely be directed to the bank. Furthermore, Mr. Mansur also maintains resources in the bank in the form of deposit certificates.

### **National Scale Rating**

BIB has Brazilian National Scale Ratings of A1.br and BR-1. The ratings are supported by BIB's creditworthiness in its niche market of commercial lending to SMEs.

### **Foreign Currency Deposit Rating**

Moody's assigns a Ba2 foreign currency deposit rating for BIB. The rating is three notches below the country's foreign currency deposit ceiling of Baa2.

## **ABOUT MOODY'S BANK RATINGS**

### **Bank Financial Strength Rating**

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

Moody's uses the Baseline Credit Assessment (BCA) to map BFSRs onto the 21-point aaa-c rating scale and like the BFSR, it reflects a bank stand-alone default risk. Each point on the aaa-c scale represents a specific probability of default and therefore allows Moody's to use the BCA as an input to Moody's Joint Default Analysis (JDA), described below. The baseline credit assessment reflects what the local currency deposit rating of the bank with the given BFSR would be without any assumed external support from a government or third party.

### **Global Local Currency Deposit Rating**

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

According to Moody's joint default analysis (JDA) methodology, the global local currency deposit rating of a bank is determined by the incorporation of any external elements of support into the bank's Baseline Credit Assessment. In assigning the local currency deposit rating to a bank, the JDA methodology also factors in the rating of the various potential support providers (parent company, cooperative group, regional or national governments), as well as the degree of dependence that may exist between each one of them and the bank. Moody's assessment of the probability of systemic support (by a national government) is derived from the analysis of the capacity of a government and its central bank to provide support on a system-wide basis. The systemic support indicator is determined for a particular country and serves as an input for all bank ratings in that country. The support indicator can be set at, above or, in rare cases, below the government's local currency bond rating for that country.

### **National Scale Rating**

National scale ratings are intended primarily for use by domestic investors and are not comparable to Moody's globally applicable ratings; rather they address relative credit risk within a given country. A Aaa rating on Moody's National Scale indicates an issuer or issue with the strongest creditworthiness and the lowest likelihood of credit loss relative to other domestic issuers. National Scale Ratings, therefore, rank domestic issuers relative to each other and not relative to [http://www.moodys.com/research/Banco-Industrial-do-Brasil-SA-Credit-Opinion--COP\\_80869...](http://www.moodys.com/research/Banco-Industrial-do-Brasil-SA-Credit-Opinion--COP_80869...) 4/29/2013

absolute default risks. National ratings isolate systemic risks; they do not address loss expectation associated with systemic events that could affect all issuers, even those that receive the highest ratings on the National Scale.

### Foreign Currency Deposit Rating

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

### Foreign Currency Debt Rating

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

### About Moody's Bank Financial Strength Scorecard

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

## Rating Factors

### Banco Industrial do Brasil S.A.

Rating Factors [1]	A	B	C	D	E	Total Score	Trend
<b>Qualitative Factors (70%)</b>						<b>D+</b>	
<b>Factor: Franchise Value</b>						<b>D</b>	<b>Neutral</b>
<b>Market share and sustainability</b>				x			
<b>Geographical diversification</b>				x			
<b>Earnings stability</b>				x			
<b>Earnings Diversification [2]</b>							
<b>Factor: Risk Positioning</b>						<b>E</b>	<b>Neutral</b>
<b>Corporate Governance [2]</b>					x		
- Ownership and Organizational Complexity				x			
- Key Man Risk				x			
- Insider and Related-Party Risks					x		
<b>Controls and Risk Management</b>			x				
- Risk Management				x			
- Controls		x					
<b>Financial Reporting Transparency</b>				x			
- Global Comparability				x			
- Frequency and Timeliness	x						
- Quality of Financial Information				x			
<b>Credit Risk Concentration</b>				x			
- Borrower Concentration				x			
- Industry Concentration	x						
<b>Liquidity Management</b>				x			
<b>Market Risk Appetite</b>			x				
<b>Factor: Operating Environment</b>						<b>D</b>	<b>Neutral</b>

Economic Stability					x		
Integrity and Corruption					x		
Legal System			x				
Financial Factors (30%)						C+	
Factor: Profitability						C+	Neutral
PPI % Average RWA (Basel II)		2.97%					
Net Income % Average RWA (Basel II)			1.75%				
Factor: Liquidity						D	Neutral
(Market Funds - Liquid Assets) % Total Assets				12.80%			
Liquidity Management				x			
Factor: Capital Adequacy						A	Neutral
Tier 1 Ratio (%) (Basel II)	18.25%						
Tangible Common Equity % RWA (Basel II)	18.20%						
Factor: Efficiency						B	Neutral
Cost / Income Ratio		52.59%					
Factor: Asset Quality						B+	Neutral
Problem Loans % Gross Loans		1.05%					
Problem Loans % (Equity + LLR)	3.47%						
Lowest Combined Financial Factor Score (9%)						D	
<i>Economic Insolvency Override</i>						Neutral	
Aggregate BFSR Score						C-	
Aggregate BCA Score						baa1/baa2	
Assigned BFSR						D	
Assigned BCA						ba2	

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



© 2013 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

[http://www.moody's.com/research/Banco-Industrial-do-Brasil-SA-Credit-Opinion--COP\\_80869...](http://www.moody's.com/research/Banco-Industrial-do-Brasil-SA-Credit-Opinion--COP_80869...) 4/29/2013

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](http://www.moodys.com) under the heading "Shareholder 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 657AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail 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.