

CREDIT OPINION

7 September 2023

Update



Send Your Feedback

RATINGS

Banco BBVA Peru S.A.

Domicile	Lima, Peru
Long Term CRR	Baa1
Type	LT Counterparty Risk Rating - Fgn Curr
Outlook	Not Assigned
Long Term Debt	Not Assigned
Long Term Deposit	Baa1
Type	LT Bank Deposits - Fgn Curr
Outlook	Negative

Please see the [ratings section](#) at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

Contacts

Rodrigo Marimon +52.55.4840.1315
Bernales
AVP-Analyst
rodrigo.bernales@moodys.com

» [Contacts continued on last page](#)

CLIENT SERVICES

Americas 1-212-553-1653
Asia Pacific 852-3551-3077
Japan 81-3-5408-4100
EMEA 44-20-7772-5454

Banco BBVA Perú S.A.

Update to credit analysis

Summary

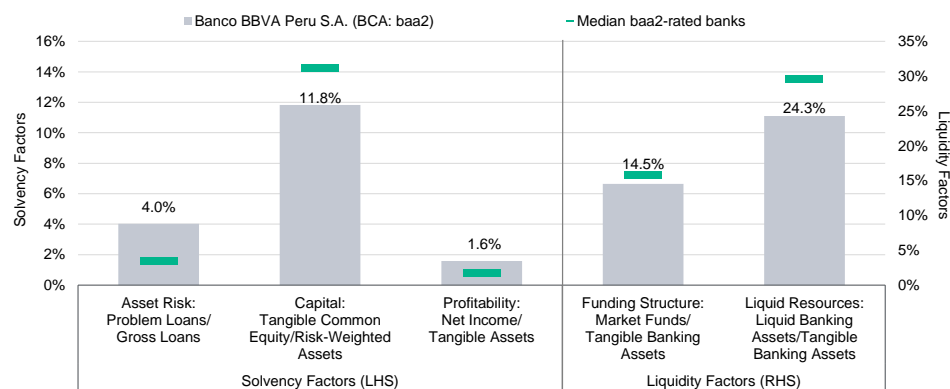
[Banco BBVA Perú S.A.](#)'s (BBVA) Baa1 deposit ratings and baa2 Baseline Credit Assessment (BCA) reflect the bank's adequate asset-risk metrics that are supported by disciplined risk policies and its good earnings generation capacity as the second-largest banking franchise in [Peru](#) (Baa1 negative). The ratings also capture its ample retail deposit base which limits reliance on market funding. However, BBVA's capitalization level remains moderate, resulting from its stronger expansion into unsecured consumer lending in recent years, which increased the bank's exposure to riskier assets.

The negative outlook considers our view that social and political risks have intensified, threatening, over the next few years, a deterioration in institutional cohesion, governability, policy effectiveness and economic strength in Peru.

BBVA's Baa1 deposit ratings benefit from one notch of uplift from its Adjusted BCA of baa2 and reflect our assumption of high probability of government support in case of stress, because of its systemic importance and sizable deposit market share.

Exhibit 1

Rating Scorecard - BBVA's key financial ratios against the global median of baa2-rated banks As of June 2023



For the asset-risk and profitability ratios, we calculate the average of the three latest year-end numbers and the latest quarterly data, if available, and the ratio used is the weaker of the average versus the latest period. For the capital ratio, we use the latest reported figure. For the funding structure and liquid resources ratios, we use the latest year-end figures.

Source: Moody's Investors Service

Credit strengths

- » Adequate asset quality based on a well-balanced lending portfolio, industry diversification and conservative credit risk management
- » Good earnings generation is based on adequate margins and high cost efficiency
- » Ample base of granular low-cost deposits and limited use of market funds

Credit challenges

- » Capitalization metrics are moderate and lower than those of its global peers
- » A deterioration in the direction of economic institutions, such as the central bank, the bank regulator and the ministry of finance, that have so far supported solid fundamentals in the financial system could negatively affect the bank's financial strength
- » Increase in problem loans related to the bank's expansion into consumer lending, as well as some delays in the realization of government guarantees

Outlook

The negative outlook on the supported deposit and senior unsecured debt ratings of BBVA, is aligned to the change in the outlook of Peru's sovereign rating to negative which reflects Moody's view that social and political risks have intensified.

Factors that could lead to an upgrade

Upward pressure on BBVA's BCA would arise from a higher capitalization and sustained improvement in profitability without an increase in delinquencies and credit costs.

Factors that could lead to a downgrade

Further deterioration in BBVA's asset quality resulting from its expansion into unsecured consumer lending and a delayed recovery in profitability, which would also create uncertainty around the recovery in its capital levels, would lead to downward pressure on the bank's BCA. Given moderate affiliate support from [Banco Bilbao Vizcaya Argentaria, S.A.](#) (BBVA Spain, A2/A3 stable, baa2) and high government support, BBVA's supported ratings would not be affected by a downgrade of its BCA.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody.com> for the most updated credit rating action information and rating history.

Key indicators

Exhibit 2

Banco BBVA Peru S.A. (Consolidated Financials) [1]

	06-23 ²	12-22 ²	12-21 ²	12-20 ²	12-19 ²	CAGR/Avg. ³
Total Assets (PEN Million)	100,217.8	97,898.1	101,373.3	107,233.0	81,659.9	6.0 ⁴
Total Assets (USD Million)	27,647.8	25,671.4	25,452.1	29,644.5	24,662.5	3.3 ⁴
Tangible Common Equity (PEN Million)	11,171.0	11,113.7	10,005.0	9,061.7	8,987.9	6.4 ⁴
Tangible Common Equity (USD Million)	3,081.8	2,914.3	2,512.0	2,505.1	2,714.5	3.7 ⁴
Problem Loans / Gross Loans (%)	4.0	3.7	3.3	3.0	2.8	3.4 ⁵
Tangible Common Equity / Risk Weighted Assets (%)	11.8	11.6	11.3	11.3	11.4	11.5 ⁶
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	18.3	17.2	16.7	15.9	14.0	16.4 ⁵
Net Interest Margin (%)	5.1	4.5	3.4	3.4	4.3	4.1 ⁵
PPI / Average RWA (%)	4.6	4.1	3.8	3.5	4.1	4.0 ⁶
Net Income / Tangible Assets (%)	2.1	2.1	1.5	0.6	2.0	1.7 ⁵
Cost / Income Ratio (%)	37.5	38.5	38.6	40.3	37.6	38.5 ⁵
Market Funds / Tangible Banking Assets (%)	14.2	14.5	22.5	19.9	14.6	17.2 ⁵
Liquid Banking Assets / Tangible Banking Assets (%)	25.1	24.3	25.8	34.1	26.5	27.2 ⁵
Gross Loans / Due to Customers (%)	106.3	109.4	116.3	97.6	104.5	106.8 ⁵

[1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel II; LOCAL GAAP. [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime. [6] Simple average of Basel II periods.

Sources: Moody's Investors Service and company filings

Profile

Banco BBVA Perú S.A. (BBVA) offers commercial and retail banking services to individuals, micro businesses, small and medium-sized enterprises (SMEs), and large companies. As of June 2023, BBVA was the second-largest Peruvian bank, with market shares of 20.1% in terms of loans and 18.4% in terms of deposits, and reported total consolidated assets of PEN100.2 billion (\$27.6 billion).

BBVA was established in 1951 and is the result of the acquisition of Banco Continental in 1995 by Grupo Empresarial Breca (formerly known as Grupo Brescia) and Spain's [Banco Bilbao Vizcaya Argentaria, S.A.](#) (BBVA Spain, A2/A3 stable, baa2).¹

The Breca Group is a diversified holding company with interests in mining, mainly through Minsur S.A., insurance through [Rímac Seguros y Reaseguros](#) (Baa2 stable), agriculture, retail, hospitals, cement and hotels.

Detailed credit considerations

Well-balanced lending portfolio and industry diversification

A well-balanced loan portfolio, conservative origination practices and industry diversification will preserve BBVA's asset quality as loans generated during the pandemic come due.

BBVA's 90+ day nonperforming loans (NPLs) increased to 4.0% of gross loans as of June 2023, compared with 3.7% as of June 2022 and are well above the Peruvian banking system's 3.5% as of June 2023, as a result of the bank's strategic shift towards consumer lending and rapid increase in small and medium-sized enterprises (SMEs)' NPLs. Some delays in the receipt of government guarantees has also resulted in some deterioration.

Asset quality could be further challenged by the erosion in investment and business sentiments because of social and political risks. In late 2022 and early 2023, the sectors most affected by road closures and the state of emergency, were agriculture, tourism, transportation and mining, particularly in the south of the country where protests were concentrated. The most exposed industries accounted for 27% of BBVA's loans, as of June 2023.

Nevertheless, BBVA has a sizable exposure to lower-risk corporate and residential mortgages, which accounted for 61% of gross loans as of June 2023 and will ensure that expected losses remain modest and lower than those of peers. The bank's ample use of the Reactiva Perú state guarantees has limited the deterioration. The bank's exposures to higher risk portfolios, such as consumer loans (excluding mortgages) represented 15.4% of gross loans as of June 2023, up from 11.4% in 2019.

Allowance for loan losses are at good levels of 6.6% as of June 2023 and still above pre-pandemic levels. We expect this level of coverage to mitigate any potential further deterioration.

Capitalization is moderate and lower than global peers, but benefits from improved profitability

BBVA's capitalization ratio has been historically below that of its domestic peers as a result of its high dividend payments. We expect BBVA's capitalization to remain in line with the current levels.

The bank's capitalization metric, measured as tangible common equity (TCE)/risk-weighted assets (RWA), was 11.8% as of June 2023, quite above its three-year average of 11.3%, but below that of the Peruvian banking system's average of around 13.2% as of March 2023, despite higher profitability.

Earnings generation benefits from adequate margins, low credit and operating costs

BBVA's good earnings generation is a key credit strength that stems from an ample net interest income (NIM), as well as low credit and operating costs. BBVA's margin has traditionally trailed those of its peers in Peru, but it has benefited in the last 12 months from the bank's expansion into consumer lending and the rapid increase in reference rates. We expect profitability will remain stable during the next 12 months, as a result of higher margins that offset a rise in credit costs related to higher than expected inflation and economic contraction during 2023.

Net income increased 5.1% in the first half of 2023, benefiting from a higher net interest margin (NIM), which offset higher provisioning costs. BBVA's net income increased to 2.1% of tangible assets as of June 2023, well above the last two years and in line with pre-pandemic levels. Through June 2023, credit costs stood at a low 2.1% of average gross loans in June 2023.

The bank's NIM benefited from the strategy to focus on consumer loans, the ample increase in reference rates and its retail deposit base. The NIM (Moody's calculation) increased to 5.1% as of June 2023, 112 basis points above June 2022, in spite of the increase in interest expenses.

In addition, BBVA's cost-to-income ratio remains relatively low at 37.5% in June 2023, slightly below 38.9% as of June 2022. The bank has contained operating expenses despite a high inflation environment.

Large deposit base remains a strength

BBVA's large core deposit base, mainly composed of retail deposits, is a strength. The bank has the second-largest market share in terms of deposits in the Peruvian banking system, at 18.4% as of June 2023. Demand accounts have historically constituted nearly 70% of the bank's total deposits, leading to high stability to the funding costs.

Although deposits have contracted since 2020, BBVA's deposits remained around 21% higher than the pre-pandemic levels, as of June 2023, similar to other banks in the region. Around half of the bank's deposits come from individuals and increased 5.2% during the twelve months ended June 2023. Moreover, although deposits continued to grow, they became more expensive in June 2023 due to a remarkable increase on term deposits, specially on retail term deposits which increased nearly 1.1x, compared to one year earlier. The bank's high dependence on US dollar-denominated deposits remained stable, reducing its balance-sheet currency mismatches and dependence on central bank currency swaps.

Market funds are low as percentage of tangible banking assets and stood at 14.2% as of June 2023, down from 19.5%, one year prior.

BBVA's liquid resources are high and largely invested in high-quality instruments, including cash, Baa1-rated Peruvian central bank instruments and sovereign treasuries, and US sovereign bonds. The bank's liquid assets totaled 25.1% of its tangible banking assets as of June 2023.

BBVA's BCA would be affected by deterioration of Peru's economic institutions, that sustain its Moderate (+) Macro Profile

Peru's Moderate (+) Macro Profile benefits from a long-standing track record of macroeconomic stability and market-friendly policies. Solid economic fundamentals, absence of major macroeconomic imbalances and robust economic institutions have provided a strong and stable environment that supports the country's investment-driven economy.

Social and political risks have intensified, threatening, over the next few years, a deterioration in institutional cohesion, governability, policy effectiveness and economic strength through successive governments. While social unrest threatens to weaken the strength of

Peru's institutions and governance, Moody's expects that Peru will maintain robust economic institutions that have provided a supportive business environment for the country's banking system. The Moderate (+) Macro Profile assessment will deteriorate if institutional strength weakens because of policies that disrupt the status quo of the central bank, the local regulator or the Ministry of Finance.

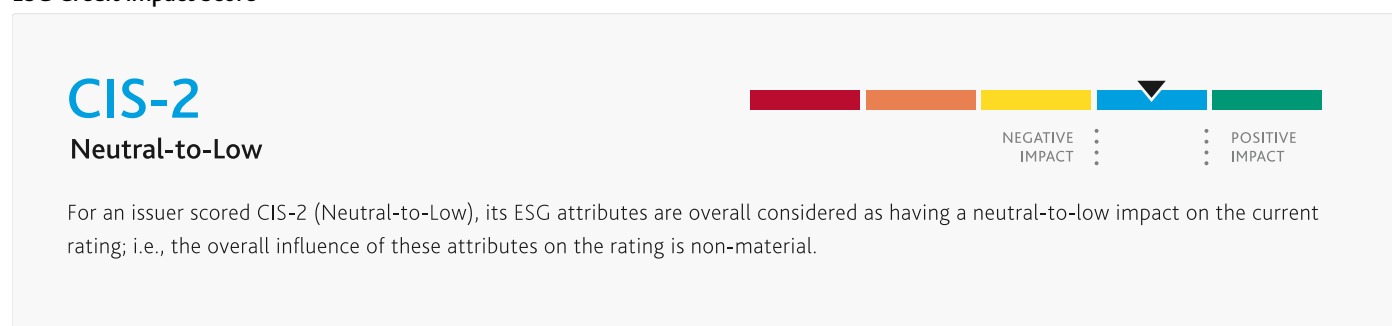
Bank lending accelerated during the pandemic but growth was mainly related to the Reactiva Perú program, a state guarantee program that limits asset risks. Peruvian banks continue to be largely core deposit funded and have benefited from ample access to central bank liquidity facilities. Dollarization remains relatively high in Peru. Nevertheless, most US dollar lending is made to US dollar earners with a natural hedge made up of US dollar deposits. The high concentration of the system provides strong pricing power to banks.

ESG considerations

Banco BBVA Peru S.A.'s ESG Credit Impact Score is Neutral-to-Low CIS-2

Exhibit 3

ESG Credit Impact Score

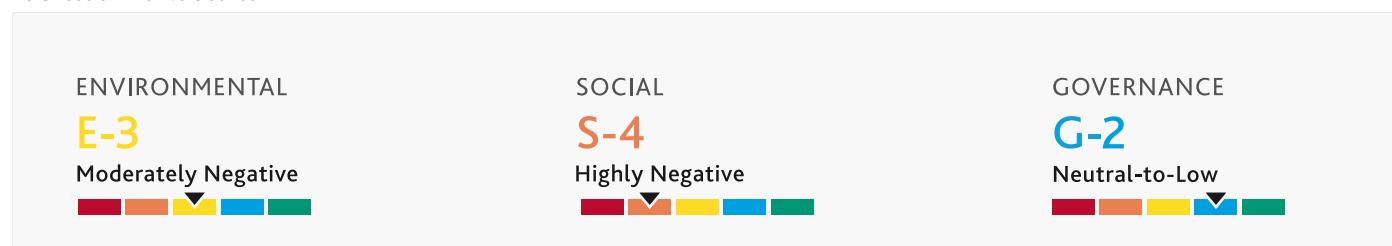


Source: Moody's Investors Service

BBVA Peru's **CIS-2** indicates that ESG considerations are not material to the rating because of the limited credit impact of environmental, social and governance risk factors on the rating to date. Moreover, BBVA Peru's ratings benefit from a high level of government support. BBVA Peru has a track record of strong risk management and consistent earnings recurrence.

Exhibit 4

ESG Issuer Profile Scores



Source: Moody's Investors Service

Environmental

BBVA Peru faces environmental risks because of its indirect exposure to carbon transition risks through its commercial portfolio. In line with other subsidiaries of the BBVA group, the bank is facing mounting business risks and stakeholder pressure to meet broader carbon transition goals. In response, BBVA Peru is engaging in developing its climate risk and portfolio management capabilities.

Social

BBVA Peru faces industrywide social risks related to customer relations. Opportunities from financial inclusion are reflected in a better-than-industry average exposure to demographic and societal trends. High cyber and personal data risks are mitigated by technology solutions and organizational measures to prevent data breaches.

Governance

BBVA Peru's governance risks and its risk management framework and corporate governance are in line with industry practices. Although the bank is not fully owned by Banco Bilbao Vizcaya Argentaria, S.A., we incorporate benefits to the subsidiary's board structure, policies and procedures score from those of its parent given the bank's strategic importance and public affiliation to the parent, the parent's oversight of its subsidiary board and the regulated nature of both entities. BBVA Peru has also demonstrated to have a prudent and stable financial strategy, in line with other subsidiaries of the group.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moody's.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Support and structural considerations

Affiliate support considerations

We incorporate a moderate likelihood of affiliate support from parent bank BBVA Spain, because of its importance to the franchise. BBVA's ratings nevertheless do not benefit from any uplift because BBVA Spain's intrinsic credit strength is in line with that of its Peruvian subsidiary BBVA (baa2).

Government support considerations

We assess a high likelihood of government support for BBVA's deposits, which results in one notch of uplift from its Adjusted BCA of baa2, because of its large deposit market share, high visibility into the Peruvian market and the significant systemic consequences of an unsupported failure. Financial dollarization limits the Peruvian central bank's capacity to act as a true lender of last resort.

Counterparty Risk (CR) Assessment

BBVA's CR Assessment is Baa1(cr)/P-2(cr)

BBVA's CR Assessment is Baa1(cr)/Prime-2(cr). The CR Assessment is placed at the level of the bank's deposit ratings, reflecting our view that the willingness of the Peruvian government to support any of the bank's obligations is limited by its own capacity.

Counterparty Risk Ratings (CRRs)

BBVA's local- and foreign-currency CRRs are Baa1/P-2

BBVA's long- and short-term CRRs are Baa1/Prime-2. The CRRs are placed at the level of the bank's deposit rating, reflecting our view that the Peruvian government's willingness to support any of the bank's obligations is limited by its own capacity to provide support.

Methodology and scorecard

About Moody's Bank Scorecard

Our scorecard is designed to capture, express and explain in summary form our Rating Committee's judgment. When read in conjunction with our research, a fulsome presentation of our judgment is expressed. As a result, the outcome of our scorecard may significantly differ from that suggested by raw data alone (though it has been calibrated to avoid the frequent need for strong divergence). The scorecard outcome and the individual scores are discussed in Rating committees and may be adjusted up or down to reflect conditions specific to each rated entity.

Ratings

Exhibit 6

Category	Moody's Rating
BANCO BBVA PERU S.A.	
Outlook	Negative
Counterparty Risk Rating	Baa1/P-2
Bank Deposits	Baa1/P-2
Baseline Credit Assessment	baa2
Adjusted Baseline Credit Assessment	baa2
Counterparty Risk Assessment	Baa1(cr)/P-2(cr)

Source: Moody's Investors Service

Endnotes

1 The bank ratings shown in this report are the deposit rating, senior unsecured debt rating and BCA.

© 2023 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved. CREDIT RATINGS ISSUED BY MOODY'S CREDIT RATINGS AFFILIATES ARE THEIR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED BY MOODY'S (COLLECTIVELY, "PUBLICATIONS") MAY INCLUDE SUCH CURRENT OPINIONS. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE APPLICABLE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S CREDIT RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S PUBLICATIONS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS, ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES ITS PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

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

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

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

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

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

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

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

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

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657 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 investors.

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

MJKK or MSFJ (as applicable) hereby disclose that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MJKK or MSFJ (as applicable) have, prior to assignment of any credit rating, agreed to pay to MJKK or MSFJ (as applicable) for credit ratings opinions and services rendered by it fees ranging from JPY100,000 to approximately JPY550,000,000.

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

REPORT NUMBER 1378757

Contacts

Rodrigo Marimon
Bernales
AVP-Analyst
rodrigo.bernales@moodys.com

+52.55.4840.1315

Ceres Lisboa
Associate Managing
Director
ceres.lisboa@moodys.com

+55.11.3043.7317

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454