

**Credit Opinion: Promsvyazbank**

**Promsvyazbank**

*Moscow, Russia*

**Ratings**

Category	Moody's Rating
Outlook	Stable
Bank Deposits	Ba2/NP
Bank Financial Strength	D
Senior Unsecured	Ba2
Subordinate	Ba3

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**Key Indicators**

**Promsvyazbank**

	[1]2007	2006	2005	2004	2003	Avg.
Total assets (US\$ million)	11946.67	6856.41	3854.35	2096.31	1421.43	[2]73.03
Shareholders' Equity (US\$ million)	1127.76	697.88	406.17	269.54	192.25	[2]57.42
Return on average assets	1.56	1.78	2.02	2.54	2.22	2.02
Recurring earnings power [3]	3.21	2.99	3.23	5.16	5.04	3.93
Net interest margin	5.88	5.49	4.93	6.46	6.68	5.89
Cost/income ratio (%) [4]	51.29	55.56	52.93	38.93	35.51	46.84
Problem loans % gross loans	0.45	0.33	0.35	2.05	1.00	0.84
Equity % Assets	9.44	10.18	10.54	12.86	13.53	11.31

[1] As of December 31. [2] Compound annual growth rate. [3] Preprovision income % average assets [4] Non-Interest Expense % Operating Income

**Opinion**

**SUMMARY RATING RATIONALE**

Moody's assigns a Bank Financial Strength Rating (BFSR) of D to Promsvyazbank (PSB), which translates into a Baseline Credit Assessment of Ba2/NP. The rating reflects: (i) the bank's entrenched and still growing market franchise in the corporate segment, along with the diversification of business to the SME and retail segments, (ii) its significant geographical expansion over recent years, with almost half of business volume now attributable to the regional network, (iii) improvements in corporate governance and risk management; (iv) the bank's historically stable and solid financial fundamentals and (v) its sound liquidity management. The rating also factors in PSB's adequate asset quality and its proven ability to support its business growth by maintaining necessary capitalisation levels, through both internal capital generation and the raising of new capital.

The factors constraining PSB's ratings are: (i) the still significant single-name concentration of the bank's loan book, (ii) the still modest share of earnings derived from retail business segment (albeit this indicator is on an upward trend), (iii) potential concerns over the future ability of the bank to withstand intensifying competition in the longer term, as well as (iv) certain corporate governance issues, mainly relating to the current structure of the Board of Directors.

PSB's Global Local Currency (GLC) deposit ratings of Ba2/Not Prime do not incorporate any element of systemic support given the bank's relatively low social importance in the context of the overall Russian economy. Nor do PSB's deposit ratings factor in any support from the bank's shareholders. Although such support can not be ruled out, its scope and timeliness are somewhat uncertain, in Moody's view. PSB's GLC deposit ratings, therefore, are based solely on its BCA.

### **Credit Strengths**

- Solid and sustainable market positions in corporate banking and longstanding business relationships with a variety of large corporate clients
- Ongoing diversification of business to retail and SME segments, as well as intensive regional expansion
- Entrenched positions in trade finance and factoring segments, which ensures further diversification of the bank's revenue streams
- Historically robust asset quality to date, with low level of reported NPLs
- Healthy profitability and cost-efficiency indicators
- Fairly well-diversified funding base and sound liquidity position
- On-going enhancements in the bank's corporate governance and risk management systems

### **Credit Challenges**

- The still significant single-name concentration of the bank's loan book reflecting still substantial risk appetite (albeit partially mitigated by the adequate asset quality of the major borrowers)
- Relatively modest, albeit growing, retail and SME franchise
- The rapid growth of the retail and SME business lines and expanding infrastructure may pose risk management challenges and weigh on the bank's cost efficiency, while the seasoning of the retail and SME loan books may translate to weakening asset quality indicators
- The oversight role of the Board of Directors could be improved, inter alia, through introduction of independent directors, as well as establishment of a number of core committees

### **Rating Outlook**

All of PSB's ratings carry a stable outlook.

### **What Could Change the Rating - Up**

PSB's BFSR was upgraded from D- to D in early 2008 and is unlikely to enjoy a further upgrade in the near future. However, in the longer term, it could move upward provided the bank continues to further expand and diversify its market franchise and revenue streams, while maintaining sound financial fundamentals and consistently upgrading its corporate governance and risk management practices.

### **What Could Change the Rating - Down**

A significant deterioration in PSB's financial performance, asset quality or liquidity position could have a negative impact on its deposit ratings, as would a weakening market position and a material loss of market share to other banks. However, we do not expect such a development to occur under normal economic conditions.

### **Recent Results and Developments**

In 2007 PSB's business grew faster than the Russian banking system overall, with the bank's total IFRS assets having increased by 62% to RUB293 billion (US\$11.9 billion) as at YE2007 from RUB181 billion (US\$6.9 billion) a year before, due to an increase of almost 80% in the bank's loan book. Shareholders' equity increased for the same period by 51% to RUB27.7 billion (US\$1.1 billion) from RUB18.4 billion (US\$0.7 billion).

PSB's net IFRS income for 2007 totalled RUB3.7 billion (US\$151 million), up from RUB2.6 billion (US\$99 million) a year before. ROAA and ROAE are maintained at the stable levels: 1.6% and 17.4%, respectively, for 2007, compared to 1.8% and 17.3%, respectively, a year before.

In April 2008, the bank's current shareholders agreed to carry out a new share issue for the total amount of RUB4.3 billion (approx. US\$180 million) by mid-2008 pro rata to their current stakes in the bank's equity.

## DETAILED RATING CONSIDERATIONS

Detailed considerations for PSB's currently assigned ratings are as follows:

### Bank Financial Strength Rating

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As a point of reference, the assigned BFSR is at the same level as the D outcome of Moody's bank financial strength scorecard.

### Qualitative Rating Factors (70%)

#### Factor 1: Franchise Value

Trend: Improving

PSB was initially established to serve the needs of the telecommunications industry, in which its shareholders have expertise and interest. Since then the bank has significantly diversified its franchise and business positions, as well as geographical coverage. The bank has been constantly climbing up in the Russian bank ratings and as of YE2007 ranked 12th among Russian banks in terms of assets, up from 14th a year previously.

PSB has been historically strong in corporate banking, having established longstanding partnerships with a large number of mid-and upper-mid-size companies, while recently starting to serve Russian top-100 names. The bank benefited from the current situation with liquidity deficit on the banking markets where some banks ceased growth of their loan books. Due to its adequate liquidity position PSB has been able to capture some large clients from these banks. The bank's corporate banking activities are fairly well diversified with it offering a full range of services to its clientele; in particular, it is a recognised expert in factoring (where it was one of the top-3 market leaders in 2007) and international finance (it has more than 100 partners internationally, total volume of trade finance transactions in 2007 - US\$2.4 billion, 70% increase vs. 2006).

In 2007, the corporate segment remained PSB's major business line (54% of total revenues), although its share decreased slightly (from 57% in 2006) thanks to faster growth of the retail business. The retail segment's share of the bank's total operating revenue increased to 18.5% in 2007 from 14.0% in 2006, in line with the business diversification strategy it adopted. This strategy was also reflected in aggressive branch development: at YE2007 the bank's distribution chain was represented by 43 branches, 207 sub-branches and 5 representative offices (255 outlets in total). As regards operations offshore, the bank has a branch in Cyprus and representative offices in China, India, Ukraine and Kyrgyzstan. At YE2007 54% of PSB's loans were issued to its clients located outside of the Moscow region.

PSB's investment banking business line mainly targets fee-generating products (e.g. debt origination, corporate finance, consulting) to meet the demands of its corporate clientele, while its proprietary risk positions are insignificant.

We believe that PSB, on its way to capture a remarkable share of Russia's retail market, will face fierce competition from the key players, including state-owned banks. However, it still may succeed in acquiring and maintaining a larger share of the market, building upon its wide and still expanding regional coverage and also employing its established relationships with large regional companies as an additional channel to promote own retail products.

The score for franchise value is D, to which we attach an improving trend taking into consideration PSB's consistently strengthening positions in both corporate and retail banking segments, along with the gradual

diversification of its business - in terms of both a more granular banking book and geographical expansion.

## Factor 2: Risk Positioning

Trend: Improving

PSB is beneficially owned by brothers Dmitry and Alexey Ananiev (who together control 84.68% of the bank's shares on a parity basis) and Commerzbank (CB), which acquired its 15.32% stake at the end of 2006 and has since been maintaining its share through participation in regular capital increases. Although CB has no representatives on PSB's Board of Directors or any direct influence on the bank's strategy and management decisions, Moody's still views the presence of a foreign institutional shareholder in PSB's capital as a positive factor raising the bank's corporate governance standards and providing additional value in the context of sharing CB's proven expertise in risk management, banking technologies and processes, as well as retail business.

There are no independent directors sitting on the bank's Board of Directors and the risk management function has no direct reporting line to the Board. However, the bank is currently in the process of strengthening the oversight capacity of the Board through establishing a number of core committees under this body (in addition to the currently existing Internal Control Committee), including a separate Risk Management Committee, and introducing a number of independent directors.

At the same time, Moody's notes that the risk management and control procedures at PSB are strong and subject to ongoing improvements involving upgrades of the respective IT applications and the risk analysis approaches. PSB's related-party exposure has been steadily declining to 1.86% of the gross loan portfolio, or 14% of equity, as at YE2007 (YE2006: 3.27% and 21%, respectively) and will drop further following the move to terminate the bank's affiliation with one of its longstanding customers, as well as PSB's clearly articulated policy to further reduce related-party business.

PSB's focus on larger corporate customers has naturally led to significant concentrations in the loan book in relation to equity. As at YE2007, the 20 largest customer exposures accounted for 217% of Tier 1 capital, which was partially mitigated by high credit quality of these top 20 borrowers and granular allocation of exposure between them, as well as the fact that a sizeable share of the top 20 loan exposures (approx. 15%) is attributable to relatively short-term trade finance lending and factoring. Servicing top-notch corporate clients remains a strategic priority for PSB. In addition to this, retail and, recently, SME lending have been added, gradually acquiring more sizeable share in the bank's business volumes, which, in our opinion, leads to diversification of the bank's overall customer base and contributes to stability of its revenue streams.

The largest industry exposure - wholesale trade (which is itself fairly diversified) - accounting for 12% of the total loan portfolio and 100% of Tier 1 capital does not raise any significant concerns, while the bank's exposure to real estate and construction sectors (considered by Moody's jointly, since we see a high correlation of risks between the two) is in need of better diversification, although it is still reasonable compared to peers.

PSB's market risk appetite has been cut to a fairly moderate level. The bank's securities portfolio as at YE2007 did not exceed 9% of total assets (14% a year before), with half of it attributable to Russian government bonds used exclusively for liquidity purposes, and the other half mainly comprising fixed income instruments. Only insignificant foreign currency positions remain non-hedged; interest rate risks are not high.

The unadjusted score for risk positioning is E. However, we note consistent enhancements in the bank's corporate governance and risk management practices, which are very likely to continue in the future. We, therefore, adjust the score upward to D- and assign an improving trend to it.

## Factor 3: Regulatory Environment

All Russian banks are subject to the same score on the regulatory environment. This factor does not address bank-specific issues; instead, it evaluates whether regulatory bodies are independent and credible, demonstrate enforcement powers and adhere to global standards of best practices for risk control. Refer to Moody's Banking System Outlook for Russia, published in September 2007, to obtain a detailed discussion on the regulatory environment.

## Factor 4: Operating Environment

Trend: Neutral

This factor is also common to all Russian banks. Moody's assigns an E+ score for the overall operating environment. Refer to Moody's Banking System Outlook for Russia, published in September 2007, to obtain a detailed discussion on the operating environment.

Quantitative Rating Factors (30%)

## Factor 5: Profitability

Trend: Neutral

PSB's profitability is maintained at an adequate level (2007: ROAA - 1.56%, ROAE - 17.4%; 2006: ROAA - 1.76%, ROAE - 17.3%), notwithstanding the overall deceleration of the Russian banks' profitability growth in 2007 as compared to a more successful 2006. The bank's recurring earning power increased to 3.21% in 2007 from 2.99% in 2006, mainly on the back of widening net interest margin which increased to 5.88% in 2007 from 5.49% a year before due to the switch to the higher-yielding retail and SME segments, as well as regional expansion.

PSB's income structure is of a healthy and non-volatile nature, with the net interest income being the core contributor to total operating income (78% in 2007 up from 71% a year before), and fee-and-commission income providing another stable income stream, although we are of the opinion that a further increase in the share of fee-based income in total operating income (which was effectively maintained at around 15% of total operating income in both 2007 and 2006) can be achieved, taking into account PSB's expanded product lines for both corporate and retail clients with wide cross-selling opportunities.

Moody's welcomes PSB's improving quality of earnings and currently low reliance on volatile sources of income; we believe that the B outcome for profitability generated by the scorecard based on the three-year average, along with a neutral trend, is a fair reflection of the bank's position.

## Factor 6: Liquidity

Trend: Neutral

PSB has a fairly diversified funding base thanks to its established positions in the corporate segment and on the wholesale money markets, both domestic and international. Customer accounts made up 53% of PSB's non-equity funding as of YE2007 and were represented mostly by corporate current accounts and short-term deposits. The dynamics of retail deposits followed that of total customer funding, so that the portion of individual accounts was approximately one quarter of total customer accounts in both 2007 and 2006, which leaves room for further improvement via an increase of the share of more granular and relatively stable retail funds.

PSB's market funding is well diversified by instruments and sources including trade/project finance facilities (36% of total market funding as at YE2007), syndicated loans (22%), Eurobonds (19%), bilateral loans, domestic bonds etc. The large portion of trade/project finance on the liability side of the balance sheet satisfactorily explains PSB's somewhat high ratio of net loans to customer deposits (YE2007: 127%, YE2006: 124%), while the bank's established and long-term relationships with a large number of international financial institutions and trade agencies, as well as its recognised profile as a net creditor on the Russian domestic interbank market provide some comfort as regards PSB's further access to market funding.

Refinancing risk is mitigated by the current structure of PSB's wholesale funding, which is sufficiently long-term and well-spread by maturities, with no peak repayments in either 2008 or the next year. The concentration of customer accounts and deposits remains high (the top-20 customer deposits accounted for 25.84% of the total as at YE2007), but the risk of sizeable withdrawals is mitigated by positive cumulative maturity gaps across all time bands.

The score for liquidity generated by the scorecard is C-, which we believe to be an appropriate measure of the bank's liquidity profile, given, on the one hand, its generally diversified funding structure, but on the other hand, certain reliance on sizeable corporate deposits and the still moderate portion of more granular individual deposits on its balance sheet.

## Factor 7: Capital Adequacy

Trend: Neutral

In recent years, PSB's capital adequacy, although supported by good profitability and capital injections from the current shareholders, as well as Tier 2 capital instruments - subordinated loans and revaluation of property - was still lagging behind the rapid growth of the bank's business volumes. The next capital injection in the amount of RUB4.3 billion (approx. US\$180 million) planned for Q2 2008 and approved by the shareholders is likely to ease pressure on capital.

Although PSB's capitalisation has historically been adequate and the commitment and financial capacity of PSB's current shareholders to support the bank's growth by additional capital contributions have been proven, we are still of the opinion that, given the bank's growth pace, the need for capital may at times exceed shareholders' funds or their technical ability to make timely injections. We, therefore, adjust downward an A score generated by the scorecard to a B score, attaching to it a neutral trend.

## Factor 8: Efficiency

Trend: Neutral

So far PSB has been successful in curbing its operating expenses at the level adequate for a country-wide universal bank (the cost-to-income ratio was 51% in 2007, down from 56% in 2006; the ratio of operating expenses to average assets was 3.38% in 2007 and 3.70% in 2006), despite its rapid geographical expansion, IT systems upgrade and the need to increase the number of professional staff. This was in part thanks to the fact that the costly retail segment still represents only one-fifth of the bank's total business (in terms of revenues).

Looking forward, we expect the efficiency metrics to deviate around their current values, on the one hand, because some additional sizeable investments are foreseen in IT and in the distribution chain, but on the other hand - because the current business structure will start to provide greater economies of scale. We believe the score for cost efficiency of B is, together with a neutral trend, a fair measure of the bank's current position.

#### Factor 9: Asset Quality

Trend: Neutral

PSB's asset quality has been robust so far, supported by the relatively good credit standing of the bank's major corporate borrowers. Although the ratio of problem loans to gross loans increased slightly to 0.50% (missed instalments only) at YE2007 from 0.33% at YE2006, it was sufficiently covered by loan loss reserves (2.41% and 2.09%, respectively). The level of problem loans, including principal amounts and interest payments, was also at a comfortable 1.8% level at YE2007 (YE2006: 1.2%).

At the same time, Moody's is cautious about the concentration levels in PSB's corporate loan books, whereby a default of only one large borrower could lead to a significant deterioration in the bank's overall asset quality (although the high quality of top borrowers is a mitigating factor). In addition, the shift to retail and SME lending, in which the bank still lacks sufficient expertise, especially taking into account the targeted products (mainly non-secured consumer loans and auto-loans), may lead to a greater share of non-performing loans going forward.

We adjust an A score generated by the BFSR scorecard for this factor to a B score, attaching a neutral trend to it.

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

PSB's Ba2/Not Prime global local currency deposit ratings are directly linked to the bank's BCA and do not incorporate any element of government support, given that the bank's systemic importance for the Russian banking system and economy is relatively modest.

The likelihood of support, in case of need, from the bank's shareholders cannot be ruled out; however, the timeliness and scope of such support are uncertain. Therefore, parental support has not been factored into PSB's ratings to date.

#### **Notching Considerations**

PSB's senior unsecured debt ratings are at the same level as its GLC deposit rating, while the bank's subordinated debt ratings are notched off its GLC deposit rating.

#### **Foreign Currency Deposit Rating**

The Ba2/Not Prime foreign currency deposit ratings of PSB factor in the foreign currency transfer risk. PSB's Ba2/NP foreign currency deposit ratings are at the same level as its GLC deposit ratings and are not constrained by Russia's country ceiling for foreign currency deposits.

#### **Foreign Currency Debt Rating**

PSB's senior unsecured obligations are rated Ba2 and the bank's subordinated obligations are rated Ba3, namely: (i) PSB's USD200 million Loan Participation Notes issued by Promsvyaz Finance PLC (Ireland) in October 2005 (maturing in October 2010) and the bank's USD225 million Loan Participation Notes issued by PSB Finance S.A. (Luxembourg) in October 2006 and March 2007 (maturing in October 2011) are rated Ba2; (ii) PSB's USD200 million subordinated Loan Participation Notes issued by PSB Finance S.A. in August 2006 and October 2006 (maturing in May 2012) and the bank's USD100 million subordinated Loan Participation Notes issued by PSB Finance S.A. in January 2008 (maturing in January 2018) are rated Ba3.

#### **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. BFSRs 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 BFSRs include bank-specific elements such as financial fundamentals, franchise value, and business and asset diversification. Although BFSRs 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.

#### Global Local Currency Deposit Rating

A deposit rating, as an opinion of relative credit risk, incorporates the BFSR 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, they are intended to incorporate those aspects of credit risk relevant to the prospective payment performance of rated banks with respect to deposit obligations, which 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 external elements of support into the bank's Baseline Risk Assessment. In calculating the Global Local Currency Deposit rating for a bank, the JDA methodology also factors in the rating of the support provider, in the form of the local currency deposit ceiling for a country, Moody's assessment of the probability of systemic support for the bank in the event of a stress situation and the degree of dependence between the issuer rating and the Local Currency Deposit Ceiling.

#### 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 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 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 ratings 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

#### Promsvyazbank

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Rating Factors [1]	A	B	C	D	E	Total Score	Trend
<b>Qualitative Factors (70%)</b>						<b>E+</b>	
<b>Factor: Franchise Value</b>						<b>D</b>	<b>Improving</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>Improving</b>
<b>Corporate Governance [2]</b>					x		
- Ownership and Organizational Complexity							
- Key Man Risk							
- 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>E+</b>	<b>Neutral</b>
<b>Economic Stability</b>					x		
<b>Integrity and Corruption</b>					x		
<b>Legal System</b>				x			
<b>Financial Factors (30%)</b>						<b>B-</b>	
<b>Factor: Profitability</b>						<b>B</b>	<b>Neutral</b>
<b>PPP % Avg RWA</b>		3.49%					
<b>Net Income % Avg RWA</b>		1.96%					
<b>Factor: Liquidity</b>						<b>C-</b>	<b>Neutral</b>
<b>(Mkt funds-Liquid Assets) % Total Assets</b>				11.97%			
<b>Liquidity Management</b>			x				
<b>Factor: Capital Adequacy</b>						<b>A</b>	<b>Neutral</b>
<b>Tier 1 ratio (%)</b>	10.84%						
<b>Tangible Common Equity % RWA</b>	10.42%						
<b>Factor: Efficiency</b>						<b>B</b>	<b>Neutral</b>
<b>Cost/income ratio</b>		53.26%					
<b>Factor: Asset Quality</b>						<b>A</b>	<b>Neutral</b>
<b>Problem Loans % Gross Loans</b>	0.38%						
<b>Problem Loans % (Equity + LLR)</b>	2.18%						
<b>Lowest Combined Score (9%)</b>						<b>C-</b>	
<b>Economic Insolvency Override</b>						<b>Neutral</b>	
<b>Aggregate Score</b>						<b>D</b>	
<b>Assigned BFSR</b>						<b>D</b>	

[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

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