

Deutsche Pfandbriefbank AG - Public-Sector Covered Bonds

Covered Bonds / Germany

Contacts

Beers, Dennis - +49 (697) 073-0979 - Dennis.Beers@moodys.com
Zeidler, Elisabeth - +44 (207) 772-5283 - elisabeth.zeidler@moodys.com



Click on the icon to download data into Excel & to see Glossary of terms used
Click [here](#) to access the covered bond programme webpage on moodys.com

Monitoring

Monitor.CB@moodys.com
London: +44 20 7772-5454, csdlondon@moodys.com

Client Service Desk

Reporting as of:

31/12/2021

All amounts in EUR (unless otherwise specified)

For information on how to read this report, see the latest
Moody's Covered Bonds Sector Update

Data as provided to Moody's Investors Service (note 1)

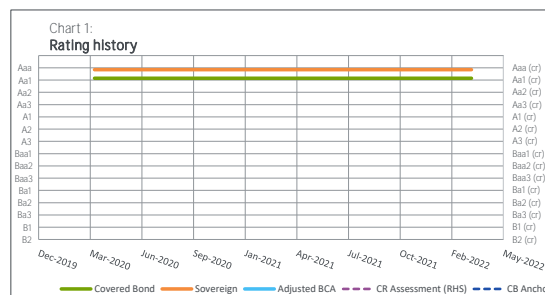
I. Programme Overview

Overview

Year of initial rating assignment:	2001
Total outstanding liabilities:	EUR 10,173,743,440
Total assets in the Cover Pool:	EUR 11,419,917,728
Issuer name / CR Assessment:	Deutsche Pfandbriefbank AG / Unpublished
Group or parent name / CR Assessment:	n/a
Main collateral type:	Public Sector

Ratings

Covered bonds rating:	Aa1
Entity used in Moody's EL & TPI analysis:	Deutsche Pfandbriefbank AG
CB anchor:	CR Assessment + 1 notch
CR Assessment:	Unpublished
Adjusted BCA / SUR:	n/a / n/a
Unsecured claim used for Moody's EL analysis:	Yes



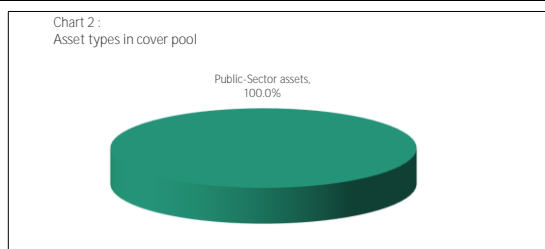
II. Value of the Cover Pool

Collateral quality

Collateral Score:	15.2%
Collateral Score excl. systemic risk:	n/a

Cover Pool losses

Collateral Risk (Collateral Score post-haircut):	7.6%	48%
Market Risk:	8.3%	52%
	15.9%	100%



III. Over-Collateralisation Levels

(notes 2 & 3)

Over-Collateralisation (OC) figures presented below include Eligible only collateral.
Over-Collateralisation levels are provided on any of the following: nominal basis or unstressed NPV basis or on stressed NPV basis.
NPV stress assumptions applied as required by the legal framework for German Pfandbriefe.

Current situation

Committed OC (Stressed NPV):	2.0%
Current OC (Unstressed NPV):	13.5%
OC consistent with current rating (note 4)	8.5%

Sensitivity scenario CB anchor

	OC consistent with current rating	
Scenario 1: CB anchor is lowered by	1 notch	11.0%

IV. Timely Payment Indicator & TPI Leeway

Timely Payment Indicator (TPI):	High
TPI Leeway:	Unpublished

Legal framework

Does a specific covered bond law apply for this programme:	Yes, Pfandbrief Act
Main country in which collateral is based:	Germany
Country in which issuer is based:	Germany

Timely payment

Refinancing period for principal payments of 6 months or greater:	Yes
Liquidity reserve to support timely payments on all issuances:	Yes
Principal Payment	Soft Bullet

Please refer to section 4 of the Pfandbrief Act.

(note 1) The data reported in this PO is based on information provided by the issuer and may include certain assumptions made by Moody's. Moody's accepts no responsibility for the information provided to it and, whilst it believes the assumptions it has made are reasonable, cannot guarantee that they are or will remain accurate. Although Moody's encourages all issuers to provide reporting data in a consistent manner, there may be differences in the way that certain data is categorised by issuers. The data reporting template (which Issuers are requested to use) is available on request. Credit ratings, TPI and TPI Leeway shown in this PO are as of publication date.

(note 2) This assumes the Covered Bonds rating is not constrained by the TPI. Also to the extent rating assumptions change following a downgrade or an upgrade of the Issuer, the necessary OC stated here may also change. This is especially significant in the case of CR assessments of A3(cr) or Baa1(cr), as the necessary OC following a 1 notch downgrade may then be substantially higher than the amount suggested here as market risks are considered more critically by Moody's at this time. In any event, the necessary OC amounts stated here are subject to change at anytime at Moody's discretion.

(note 3) This is the minimum OC calculated to be consistent with the current rating under Moody's expected loss model. However, the level of OC consistent with a given rating level may differ from this amount where ratings are capped under the TPI framework and, for example, where committee discretion is applied.

(note 4) The OC consistent with the current rating is the minimum level of over-collateralisation which is necessary to support the covered bond rating at its current level on the basis of the pool as per the cut-off date. The sensitivity run is based on certain assumptions, including that the Covered Bonds rating is not constrained by the TPI. Further, this sensitivity run is a model output only and therefore a simplification as it does not take into account certain assumptions that may change as an issuer is downgraded, and as a result the actual OC number consistent with the current rating may be higher than shown. The OC required may also differ from the model output in situations when committee discretion is applied. In any event, the OC amounts stated here are subject to change at anytime at Moody's discretion.

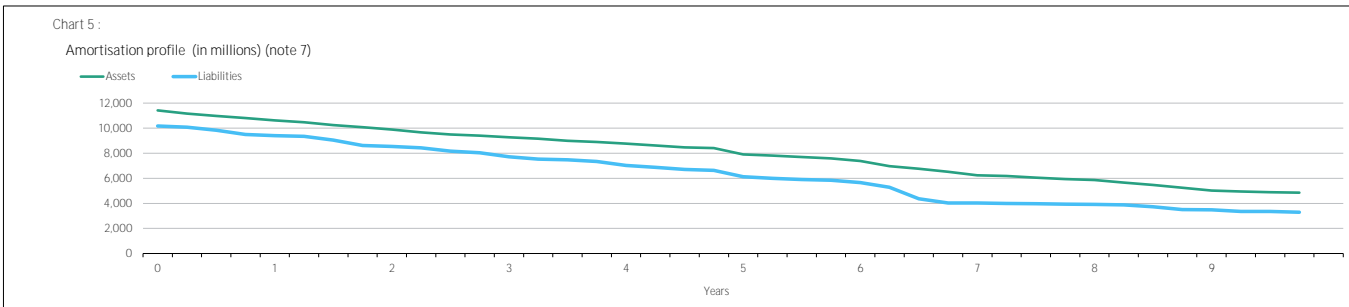
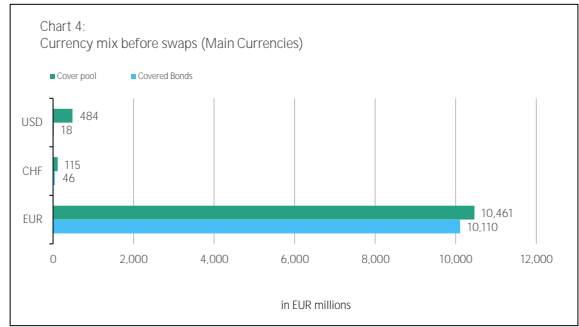
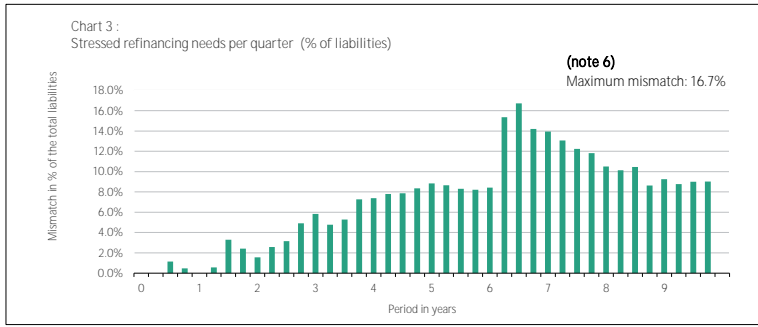
V. Asset Liability Profile

Interest Rate & Duration Mismatch (note 5)

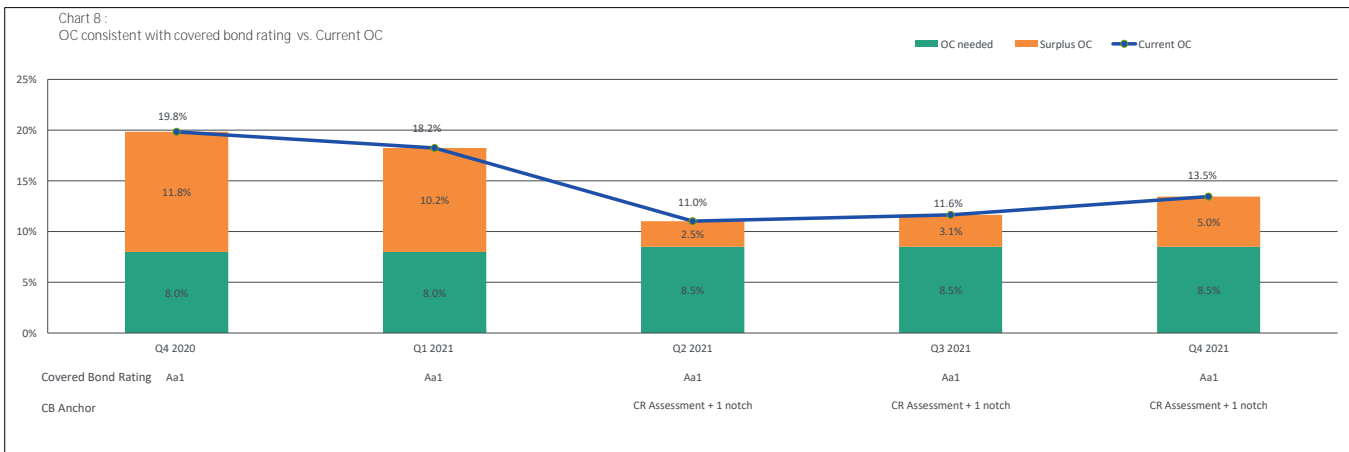
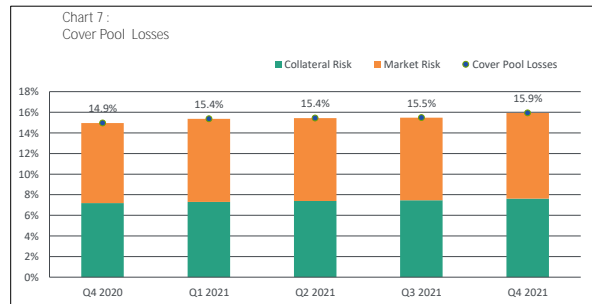
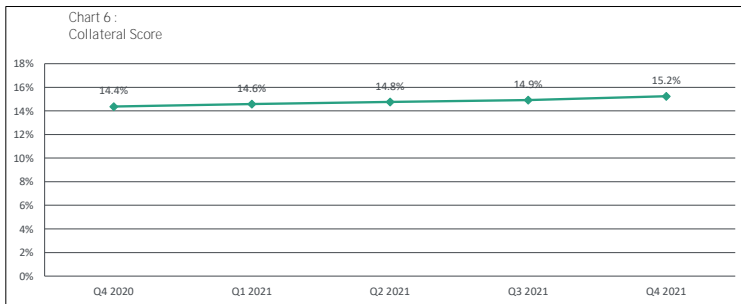
Fixed rate assets in the cover pool:	74.4%
Fixed rate covered bonds outstanding:	76.0%
WAL of outstanding covered bonds:	7.3 years
WAL of the cover pool:	8.9 years

Swap Arrangements

Interest rate swap(s) in the Cover Pool:	No
Intra-group interest rate swap(s) provider(s):	No
Currency swap(s) in the Cover Pool:	No
Intra-group currency swap(s) provider(s):	No



VI. Performance Evolution



This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moody's.com for the most updated credit rating action information and rating history.

(note 5) This assumes no prepayment.
 (note 6) Based on principal flows only. Assumptions include no prepayments, principal collections limited to the portion of assets that make up the amount of the liabilities plus committed OC, no further CB issuance and no further assets added to the cover pool.
 (note 7) Assumptions include no swap in place in Cover Pool, no prepayment and no further CB issuance.

VII. Cover Pool Information - Public Sector Assets

Overview

Asset type:	Public Sector
Asset balance:	11,419,917,728
WA remaining Term (in months):	138
Number of borrowers:	258
Number of loans / bonds:	523
Exposure to the 10 largest borrowers:	50.7%
Average exposure to borrowers:	44,263,247

Specific Loan and Borrower characteristics

Repo eligible loans / bonds:	81.2%
Percentage of fixed rate loans / bonds:	74.4%
Percentage of bullet loans/ bonds:	75.6%
Loans / bonds in non-domestic currency:	8.4%
Performance	
Loans / bonds in arrears (≥ 2months - < 6months):	0.0%
Loans / bonds in arrears (≥ 6months - < 12months):	0.0%
Loans / bonds in arrears (≥ 12months):	0.0%
Loans / bonds in a foreclosure procedure:	0.0%

Table A : Borrower type by country

	Austria	Germany	France	Other	Totals
Direct claim against supranational	0.0%	0.0%	0.0%	3.2%	3.2%
Direct claim against sovereign	27.8%	1.7%	1.5%	0.0%	31.0%
Loan with guarantee of sovereign	3.2%	0.0%	5.5%	6.7%	15.4%
Direct claim against region/federal state	0.0%	16.5%	7.3%	4.4%	28.2%
Loan with guarantee of region/federal state	2.6%	4.5%	0.6%	1.7%	9.3%
Direct claim against municipality	0.0%	0.4%	5.4%	2.2%	7.9%
Loan with guarantee of municipality	0.5%	0.6%	1.2%	0.0%	2.4%
Others	0.0%	0.0%	2.0%	0.6%	2.6%
	34.1%	23.7%	23.4%	18.8%	

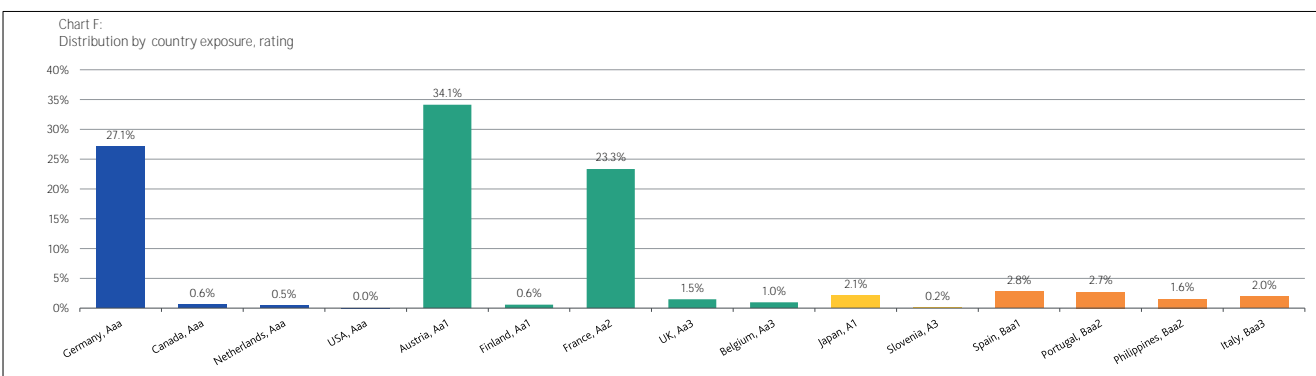
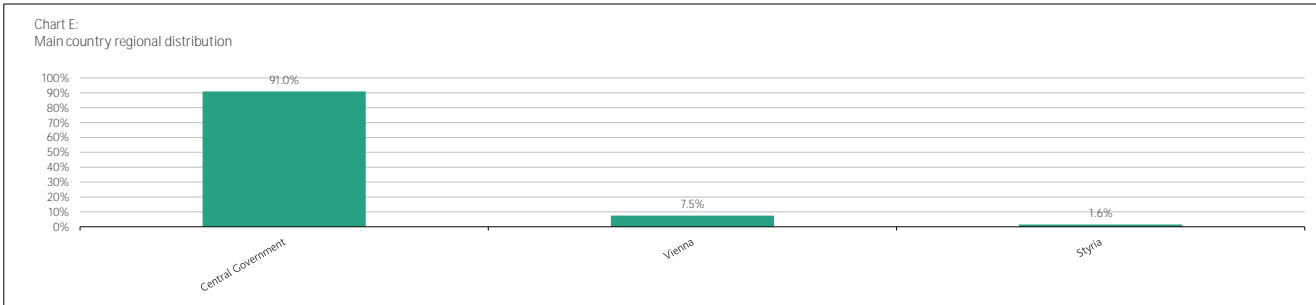
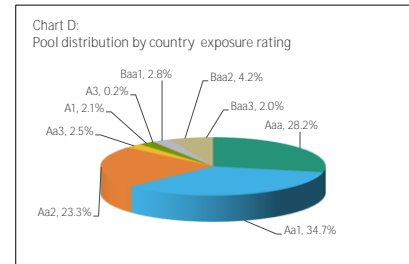
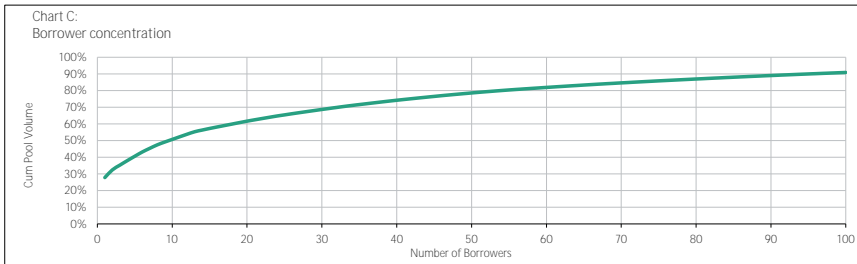
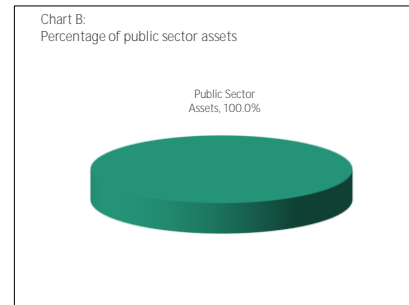


Table A and Chart C are based on debtor data. Charts D, E and F are based on guarantor data or, on unavailability of such information, on debtor data, as reported by the issuer. Deutsche Pfandbriefbank AG - Public-Sector Covered Bonds

VIII. Liabilities Information: Largest 50 Issuances

ISIN	Series Number	Currency	Outstanding Amount	Issuance Date	Expected Maturity	Extended Maturity	Interest Rate Type	Coupon	Principal Payment
DE000A13SWG1	n/d	EUR	800.000.000	20/04/2016	20/04/2035	20/04/2036	Fixed rate	1.250%	Soft Bullet
DE000A1R06C5	n/d	EUR	700.000.000	29/05/2013	29/05/2028	29/05/2029	Fixed rate	2.375%	Soft Bullet
DE000A3L5K24	n/d	EUR	400.000.000	11/06/2021	21/12/2026	21/12/2027	Floating rate	+ 100 bps	Soft Bullet
DE000A3E5K32	n/d	EUR	300.000.000	11/06/2021	20/03/2028	20/03/2029	Floating rate	+ 100 bps	Soft Bullet
DE000A254Z67	n/d	EUR	250.000.000	18/06/2020	20/04/2023	20/04/2024	Floating rate	+ 1 bps	Soft Bullet
DE000A254Z83	n/d	EUR	250.000.000	18/06/2020	05/07/2022	05/07/2023	Floating rate	+ 1 bps	Soft Bullet
209052DW	n/d	EUR	200.000.000	21/01/2005	03/06/2024	03/06/2025	Fixed rate	4.055%	Soft Bullet
DE000A254Z75	n/d	EUR	200.000.000	18/06/2020	21/08/2023	21/08/2024	Floating rate	+ 1 bps	Soft Bullet
HI3651211	n/d	EUR	150.000.000	11/12/2007	15/12/2025	15/12/2026	Fixed rate	4.750%	Soft Bullet
HI3652211_1	n/d	EUR	150.000.000	11/12/2007	27/12/2024	27/12/2025	Fixed rate	4.740%	Soft Bullet
258370DW	n/d	EUR	106.328.084	20/03/2006	20/03/2026	20/03/2027	Fixed rate	4.102%	Soft Bullet
192566DW	n/d	EUR	100.000.000	29/07/2004	29/07/2033	29/07/2034	Fixed rate	5.000%	Soft Bullet
195411DW	n/d	EUR	100.000.000	01/09/2004	01/09/2033	01/09/2034	Fixed rate	4.788%	Soft Bullet
196932DW	n/d	EUR	100.000.000	17/09/2004	17/09/2030	17/09/2031	Fixed rate	4.765%	Soft Bullet
197000DW	n/d	EUR	100.000.000	20/09/2004	20/09/2028	20/09/2029	Fixed rate	4.755%	Soft Bullet
DE000A12UA83	n/d	EUR	100.000.000	23/01/2015	23/01/2025	23/01/2026	Fixed rate	0.721%	Soft Bullet
DE000A1A6L18	n/d	EUR	100.000.000	15/10/2009	15/10/2024	15/10/2025	Floating rate	+ 47 bps	Soft Bullet
DE000A254ZV6	n/d	EUR	100.000.000	09/06/2020	08/03/2024	08/03/2025	Floating rate	+ 1 bps	Soft Bullet
HG3495211	n/d	EUR	100.000.000	26/04/2002	26/04/2022	26/04/2023	Floating rate	+ 0 bps	Soft Bullet
HG3624211_1	n/d	EUR	90.000.000	08/09/2003	08/09/2028	08/09/2029	Fixed rate	4.892%	Soft Bullet
165981DW	n/d	EUR	85.000.000	12/08/2003	14/08/2023	14/08/2024	Fixed rate	4.770%	Soft Bullet
NP000010	n/d	EUR	80.000.000	15/12/2011	12/06/2028	12/06/2029	Fixed rate	3.455%	Soft Bullet
302366DW	n/d	EUR	75.000.000	26/02/2007	26/02/2031	26/02/2032	Fixed rate	7.965%	Soft Bullet
646316DW	n/d	EUR	75.000.000	04/10/2011	02/08/2030	02/08/2031	Fixed rate	3.403%	Soft Bullet
NP000001	n/d	EUR	65.000.000	14/10/2011	11/04/2033	11/04/2034	Fixed rate	3.702%	Soft Bullet
1144862DW	n/d	EUR	50.000.000	25/06/2021	15/09/2031	15/09/2032	Fixed rate	4.259%	Soft Bullet
131022DW	n/d	EUR	50.000.000	12/11/2001	17/06/2030	17/06/2031	Floating rate	+ 0 bps	Soft Bullet
166290DW	n/d	EUR	50.000.000	15/08/2003	15/08/2025	15/08/2026	Fixed rate	4.767%	Soft Bullet
166292DW	n/d	EUR	50.000.000	15/08/2003	15/08/2028	15/08/2029	Fixed rate	4.797%	Soft Bullet
202358DW	n/d	EUR	50.000.000	16/11/2004	16/11/2022	16/11/2023	Fixed rate	4.376%	Soft Bullet
214743DW	n/d	EUR	50.000.000	14/03/2005	14/03/2028	14/03/2029	Fixed rate	4.250%	Soft Bullet
216591DW	n/d	EUR	50.000.000	30/03/2005	30/03/2033	30/03/2034	Fixed rate	4.283%	Soft Bullet
229218DW	n/d	EUR	50.000.000	15/07/2005	15/07/2025	15/07/2026	Fixed rate	3.818%	Soft Bullet
297885DW	n/d	EUR	50.000.000	19/01/2007	19/01/2022	19/01/2023	Fixed rate	5.030%	Soft Bullet
DE000ATX2558	n/d	EUR	50.000.000	20/08/2013	20/08/2024	20/08/2025	Fixed rate	2.375%	Soft Bullet
328687DW	n/d	EUR	50.000.000	13/08/2007	12/08/2022	12/08/2023	Fixed rate	4.013%	Soft Bullet
331848DW	n/d	EUR	50.000.000	28/09/2007	28/09/2035	28/09/2036	Fixed rate	4.700%	Soft Bullet
689070DW	n/d	EUR	50.000.000	04/08/2011	30/03/2035	30/03/2036	Fixed rate	4.295%	Soft Bullet
919088DW	n/d	EUR	50.000.000	27/08/2013	22/03/2035	22/03/2036	Fixed rate	4.310%	Soft Bullet
935340DW	n/d	EUR	50.000.000	17/03/2014	30/03/2035	30/03/2036	Fixed rate	4.295%	Soft Bullet
HG9902473211	n/d	EUR	50.000.000	28/12/2005	28/12/2026	28/12/2027	Fixed rate	3.790%	Soft Bullet
HG9902600211	n/d	EUR	50.000.000	23/01/2006	23/01/2032	23/01/2033	Fixed rate	3.790%	Soft Bullet
HG9902619211	n/d	EUR	50.000.000	23/01/2006	24/01/2033	24/01/2034	Fixed rate	3.790%	Soft Bullet
HG9902627211	n/d	EUR	50.000.000	24/01/2006	24/01/2033	24/01/2034	Fixed rate	3.790%	Soft Bullet
HG9902643211	n/d	EUR	50.000.000	25/01/2006	26/01/2032	26/01/2033	Fixed rate	3.800%	Soft Bullet
HG9902678211	n/d	EUR	50.000.000	25/01/2006	25/01/2033	25/01/2034	Fixed rate	3.805%	Soft Bullet
HG9902686211_1	n/d	EUR	50.000.000	25/01/2006	26/01/2032	26/01/2033	Fixed rate	3.805%	Soft Bullet
HG9902694211	n/d	EUR	50.000.000	26/01/2006	26/01/2033	26/01/2034	Fixed rate	3.805%	Soft Bullet
HG9902708211	n/d	EUR	50.000.000	01/02/2006	27/01/2034	27/01/2035	Fixed rate	3.840%	Soft Bullet
HG9902775211	n/d	EUR	50.000.000	31/01/2006	01/02/2033	01/02/2034	Fixed rate	3.960%	Soft Bullet

© 2022 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 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 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 — 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. ("MJJK") 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 MJJK. 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. MJJK 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.

MJJK 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 MJJK or MSFJ (as applicable) have, prior to assignment of any credit rating, agreed to pay to MJJK or MSFJ (as applicable) for credit ratings opinions and services rendered by it fees ranging from JPY100,000 to approximately JPY550,000,000.

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