Standard & Poor's Ratings Definitions

Publication date: 10-Nov-06, 18:38:37 EST
Reprinted from RatingsDirect

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(**Editor's note:** The Ratings Definitions have been updated to include Standard & Poor's New Zealand Relative Strength Rating rating definitions.)

ISSUE CREDIT RATING DEFINITIONS

A Standard & Poor's issue credit rating is a current opinion of the creditworthiness of an obligor with respect to a specific financial obligation, a specific class of financial obligations, or a specific financial program (including ratings on medium-term note programs and commercial paper programs). It takes into consideration the creditworthiness of guarantors, insurers, or other forms of credit enhancement on the obligation and takes into account the currency in which the obligation is denominated. The issue credit rating is not a recommendation to purchase, sell, or hold a financial obligation, inasmuch as it does not comment as to market price or suitability for a particular investor.

Issue credit ratings are based on current information furnished by the obligors or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform an audit in connection with any credit rating and may, on occasion, rely on unaudited financial information. Credit ratings may be changed, suspended, or withdrawn as a result of changes in, or unavailability of, such information, or based on other circumstances.

Issue credit ratings can be either long term or short term. Short-term ratings are generally assigned to those obligations considered short-term in the relevant market. In the U.S., for example, that means obligations with an original maturity of no more than 365 days—including commercial paper. Short-term ratings are also used to indicate the creditworthiness of an obligor with respect to put features on long-term obligations. The result is a dual rating, in which the short-term rating addresses the put feature, in addition to the usual long-term rating. Medium-term notes are assigned long-term ratings.

Long-Term Issue Credit Ratings

Issue credit ratings are based, in varying degrees, on the following considerations:

- Likelihood of payment—capacity and willingness of the obligor to meet its financial commitment on an obligation in accordance with the terms of the obligation;
- Nature of and provisions of the obligation;
- Protection afforded by, and relative position of, the obligation in the event of bankruptcy, reorganization, or other arrangement under the laws of bankruptcy and other laws affecting creditors' rights.

The issue rating definitions are expressed in terms of default risk. As such, they pertain to senior obligations of an entity. Junior obligations are typically rated lower than senior obligations, to reflect the lower priority in bankruptcy, as noted above. (Such differentiation applies when an entity has both senior and subordinated obligations, secured and unsecured obligations, or operating company and holding company obligations.) Accordingly, in the case of junior debt, the rating may not conform exactly with the category definition.

AAA

An obligation rated 'AAA' has the highest rating assigned by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is extremely strong.

AA

An obligation rated 'AA' differs from the highest-rated obligations only to a small degree. The obligor's capacity to meet its financial commitment on the obligation is very strong.

A

An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong.

BBB

An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.

BB, B, CCC, CC, and C

Obligations rated 'BB', 'B', 'CCC', 'CC', and 'C' are regarded as having significant speculative characteristics. 'BB' indicates the least degree of speculation and 'C' the highest. While such obligations will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposures to adverse conditions.

BB

An obligation rated 'BB' is less vulnerable to nonpayment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.

B

An obligation rated 'B' is more vulnerable to nonpayment than obligations rated 'BB', but the obligor currently has the capacity to meet its financial commitment on the obligation. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitment on the obligation.

CCC

An obligation rated 'CCC' is currently vulnerable to nonpayment, and is dependent upon favorable business, financial, and economic conditions for the obligor to meet its financial commitment on the obligation. In the event of adverse business, financial, or economic conditions, the obligor is not likely to have the capacity to meet its financial commitment on the obligation.

CC

An obligation rated 'CC' is currently highly vulnerable to nonpayment.

C

A subordinated debt or preferred stock obligation rated 'C' is currently highly vulnerable to nonpayment. The 'C' rating may be used to cover a situation where a bankruptcy petition has been filed or similar action taken, but payments on this obligation are being continued. A 'C' also will be assigned to a preferred stock issue in arrears on dividends or sinking fund payments, but that is currently paying.

D

An obligation rated 'D' is in payment default. The 'D' rating category is used when payments on an obligation are not made on the date due even if the applicable grace period has not expired, unless Standard & Poor's believes that such payments will be made during such grace period. The 'D' rating also will be used upon the filing of a bankruptcy petition or the taking of a similar action if payments on an obligation are jeopardized.

Plus (+) or minus (-)

The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

NR

This indicates that no rating has been requested, that there is insufficient information on which to base a rating, or that Standard & Poor's does not rate a particular obligation as a matter of policy.

Short-Term Issue Credit Ratings

A-1

A short-term obligation rated 'A-1' is rated in the highest category by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitment on these obligations is extremely strong.

A-2

A short-term obligation rated 'A-2' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rating categories. However, the obligor's capacity to meet its financial commitment on the obligation is satisfactory.

A-3

A short-term obligation rated 'A-3' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.

B

A short-term obligation rated 'B' is regarded as having significant speculative characteristics. Ratings of 'B-1', 'B-2', and 'B-3' may be assigned to indicate finer distinctions within the 'B' category. The obligor currently has the capacity to meet its financial commitment on the obligation; however, it faces major ongoing uncertainties which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.

B-1. A short-term obligation rated 'B-1' is regarded as having significant speculative characteristics, but the obligor has a relatively stronger capacity to meet its financial commitments over the short-term compared to other speculative-grade obligors.

B-2. A short-term obligation rated 'B-2' is regarded as having significant speculative characteristics, and the obligor has an average speculative-grade capacity to meet its financial commitments over the short-term compared to other speculative-grade obligors.

B-3. A short-term obligation rated 'B-3' is regarded as having significant speculative characteristics, and the obligor has a relatively weaker capacity to meet its financial commitments over the short-term compared to other speculative-grade obligors.

C

A short-term obligation rated 'C' is currently vulnerable to nonpayment and is dependent upon favorable business, financial, and economic conditions for the obligor to meet its financial commitment on the obligation.

D

A short-term obligation rated 'D' is in payment default. The 'D' rating category is used when payments on an obligation are not made on the date due even if the applicable grace period has not expired, unless Standard & Poor's believes that such payments will be made during such grace period. The 'D' rating also will be used upon the filing of a bankruptcy petition or the taking of a similar action if payments on an obligation are jeopardized.

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Active Qualifiers (Currently applied and/or outstanding)

i

This subscript is used for issues in which the credit factors, terms, or both, that determine the likelihood of receipt of payment of interest are different from the credit factors, terms or both that determine the likelihood of receipt of principal on the obligation. The 'i' subscript indicates that the rating addresses the interest portion of the obligation only. The 'i' subscript will always be used in conjunction with the 'p' subscript, which addresses likelihood of receipt of principal. For example, a rated obligation could be assigned ratings of "AAAp NRi" indicating that the principal portion is rated "AAA" and the interest portion of the obligation is not rated.

L

Ratings qualified with 'L' apply only to amounts invested up to federal deposit insurance limits.

p

This subscript is used for issues in which the credit factors, the terms, or both, that determine the likelihood of receipt of payment of principal are different from the credit factors, terms or both that determine the likelihood of receipt of interest on the obligation. The 'p' subscript indicates that the rating addresses the principal portion of the obligation only. The 'p' subscript will always be used in conjunction with the 'i' subscript, which addresses likelihood of receipt of interest. For example, a rated obligation could be assigned ratings of "AAAp NRi" indicating that the principal portion is rated "AAA" and the interest portion of the obligation is not rated.

pi

Ratings with a 'pi' subscript are based on an analysis of an issuer's published financial information, as well as additional information in the public domain. They do not, however, reflect in-depth meetings with an issuer's management and are therefore based on less comprehensive information than ratings without a 'pi' subscript. Ratings with a 'pi' subscript are reviewed annually based on a new year's financial statements, but may be reviewed on an interim basis if a major event occurs that may affect the issuer's credit quality.

pr

The letters 'pr' indicate that the rating is provisional. A provisional rating assumes the successful completion of the project financed by the debt being rated and indicates that payment of debt service requirements is largely or entirely dependent upon the successful, timely completion of the project. This rating, however, while addressing credit quality subsequent to completion of the project, makes no comment on the likelihood of or the risk of default upon failure of such completion. The investor should exercise his own judgment with respect to such likelihood and risk.

preliminary

Preliminary ratings are assigned to issues, including financial programs, in the following circumstances.

- Preliminary ratings may be assigned to obligations, most commonly structured and project finance issues, pending receipt of final documentation and legal opinions. Assignment of a final rating is conditional on the receipt and approval by Standard & Poor's of appropriate documentation. Changes in the information provided to Standard & Poor's could result in the assignment of a different rating. In addition, Standard & Poor's reserves the right not to issue a final rating.
- Preliminary ratings are assigned to Rule 415 Shelf Registrations. As specific issues, with defined terms, are offered from the master registration, a final rating may be assigned to them in accordance with Standard & Poor's policies. The final rating may differ from the preliminary rating.

t

This symbol indicates termination structures that are designed to honor their contracts to full maturity or, should certain events occur, to terminate and cash settle all their contracts before their final maturity date.

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Inactive Qualifiers (No longer applied or outstanding)

*

This symbol indicated continuance of the ratings is contingent upon Standard & Poor's receipt of an executed copy of the escrow agreement or closing documentation confirming investments and cash flows. Discontinued use in August 1998.

c

This qualifier was used to provide additional information to investors that the bank may terminate its obligation to purchase tendered bonds if the long-term credit rating of the issuer is below an investment-grade level and/or the issuer's bonds are deemed taxable. Discontinued use in January 2001.

q

A 'q' subscript indicates that the rating is based solely on quantitative analysis of publicly available information. Discontinued use in April 2001.

r

The 'r' modifier was assigned to securities containing extraordinary risks, particularly market risks, that are not covered in the credit rating. The absence of an 'r' modifier should not be taken as an indication that an obligation will not exhibit extraordinary non-credit related risks. Standard & Poor's discontinued the use of the 'r' modifier for most obligations in June 2000 and for the balance of obligations (mainly structured finance transactions) in November 2002.

Local Currency and Foreign Currency Risks

Country risk considerations are a standard part of Standard & Poor's analysis for credit ratings on any issuer or issue. Currency of repayment is a key factor in this analysis. An obligor's capacity to repay foreign currency obligations may be lower than its capacity to repay obligations in its local currency due to the sovereign government's own relatively lower capacity to repay external versus domestic debt. These sovereign risk considerations are incorporated in the debt ratings assigned to specific issues. Foreign currency issuer ratings are also distinguished from local currency issuer ratings to identify those instances where sovereign risks make them different for the same issuer.

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ISSUER CREDIT RATING DEFINITIONS

A Standard & Poor's issuer credit rating is a current opinion of an obligor's overall financial capacity (its creditworthiness) to pay its financial obligations. This opinion focuses on the obligor's capacity and willingness to meet its financial commitments as they come due. It does not apply to any specific financial obligation, as it does not take into account the nature of and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences, or the legality and enforceability of the obligation. In addition, it does not take into account the creditworthiness of the guarantors, insurers, or other forms of credit enhancement on the obligation. The issuer credit rating is not a recommendation to purchase, sell, or hold a financial obligation issued by an obligor, as it does not comment on market price or suitability for a particular investor.

Counterparty credit ratings, ratings assigned under the Corporate Credit Rating Service (formerly called the Credit Assessment Service) and sovereign credit ratings are all forms of issuer credit ratings.

Issuer credit ratings are based on current information furnished by obligors or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform an audit in connection with any issuer credit rating and may, on occasion, rely on unaudited financial information. Issuer credit ratings may be changed, suspended, or withdrawn as a result of changes in, or unavailability of, such information, or based on other circumstances. Issuer credit ratings can be either long term or short term. Short-term issuer credit ratings reflect the obligor's creditworthiness over a short-term time horizon.

Long-Term Issuer Credit Ratings

AAA

An obligor rated 'AAA' has extremely strong capacity to meet its financial commitments. 'AAA' is the highest issuer credit rating assigned by Standard & Poor's.

AA

An obligor rated 'AA' has very strong capacity to meet its financial commitments. It differs from the highest-rated obligors only to a small degree.

A

An obligor rated 'A' has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.

BBB

An obligor rated 'BBB' has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.

BB, B, CCC, and CC

Obligors rated 'BB', 'B', 'CCC', and 'CC' are regarded as having significant speculative characteristics. 'BB' indicates the least degree of speculation and 'CC' the highest. While such obligors will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposures to adverse conditions.

BB

An obligor rated 'BB' is less vulnerable in the near term than other lower-rated obligors. However, it faces major ongoing uncertainties and exposure to adverse business, financial, or economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitments.

B

An obligor rated 'B' is more vulnerable than the obligors rated 'BB', but the obligor currently has the capacity to meet its financial commitments. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitments.

CCC

An obligor rated 'CCC' is currently vulnerable, and is dependent upon favorable business, financial, and economic conditions to meet its financial commitments.

CC

An obligor rated 'CC' is currently highly vulnerable.

Plus (+) or minus (-)

The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

R

An obligor rated 'R' is under regulatory supervision owing to its financial condition. During the pendency of the regulatory supervision the regulators may have the power to favor one class of obligations over others or pay some obligations and not others. Please see Standard & Poor's issue credit ratings for a more detailed description of the effects of regulatory supervision on specific issues or classes of obligations.

SD and D

An obligor rated 'SD' (selective default) or 'D' has failed to pay one or more of its financial obligations (rated or unrated) when it came due. A 'D' rating is assigned when Standard & Poor's believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due. An 'SD' rating is assigned when Standard & Poor's believes that the obligor has selectively defaulted on a specific issue or class of obligations but it will continue to meet its payment obligations on other issues or classes of obligations in a timely manner. Please see Standard & Poor's issue credit ratings for a more detailed description of the effects of a default on specific issues or classes of obligations.

NR

An issuer designated NR is not rated.

Short-Term Issuer Credit Ratings

A-1

An obligor rated 'A-1' has strong capacity to meet its financial commitments. It is rated in the highest category by Standard & Poor's. Within this category, certain obligors are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitments is extremely strong.

A-2

An obligor rated 'A-2' has satisfactory capacity to meet its financial commitments. However, it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in the highest rating category.

A-3

An obligor rated 'A-3' has adequate capacity to meet its financial obligations. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.

B

An obligor rated 'B' is regarded as vulnerable and has significant speculative characteristics. Ratings of 'B-1', 'B-2', and 'B-3' may be assigned to indicate finer distinctions within the 'B' category. The obligor currently has the capacity to meet its financial commitments; however, it faces major ongoing uncertainties which could lead to the obligor's inadequate capacity to meet its financial commitments.

B-1: Obligors with a 'B-1' short-term rating have a relatively stronger capacity to meet their financial commitments over the short-term compared to other speculative-grade obligors.

B-2: Obligors with a 'B-2' short-term rating have an average speculative-grade capacity to meet their financial commitments over the short-term compared to other speculative-grade obligors.

B-3: Obligors with a 'B-3' short-term rating have a relatively weaker capacity to meet their financial commitments over the short-term compared to other speculative-grade obligors.

C

An obligor rated 'C' is currently vulnerable to nonpayment and is dependent upon favorable business, financial, and economic conditions for it to meet its financial commitments.

R

An obligor rated 'R' is under regulatory supervision owing to its financial condition. During the pendency of the regulatory supervision the regulators may have the power to favor one class of obligations over others or pay some obligations and not others. Please see Standard & Poor's issue credit ratings for a more detailed description of the effects of regulatory supervision on specific issues or classes of obligations.

SD and D

An obligor rated 'SD' (selective default) or 'D' has failed to pay one or more of its financial obligations (rated or unrated) when it came due. A 'D' rating is assigned when Standard & Poor's believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due. An 'SD' rating is assigned when Standard & Poor's believes that the obligor has selectively defaulted on a specific issue or class of obligations but it will continue to meet its payment obligations on other issues or classes of obligations in a timely manner. Please see Standard & Poor's issue credit ratings for a more detailed description of the effects of a default on specific issues or classes of obligations.

NR

An issuer designated NR is not rated.

Local Currency and Foreign Currency Risks

Country risk considerations are a standard part of Standard & Poor's analysis for credit ratings on any issuer or issue. Currency of repayment is a key factor in this analysis. An obligor's capacity to repay foreign currency obligations may be lower than its capacity to repay obligations in its local currency due to the sovereign government's own relatively lower capacity to repay external versus domestic debt. These sovereign risk considerations are incorporated in the debt ratings assigned to specific issues. Foreign currency issuer ratings are also distinguished from local currency issuer ratings to identify those instances where sovereign risks make them different for the same issuer.

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RATING OUTLOOK DEFINITIONS

A Standard & Poor's rating outlook assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years). In determining a rating outlook, consideration is given to any changes in the economic and/or fundamental business conditions. An outlook is not necessarily a precursor of a rating change or future CreditWatch action.

- Positive means that a rating may be raised.
- Negative means that a rating may be lowered.
- Stable means that a rating is not likely to change.
- Developing means a rating may be raised or lowered.

CreditWatch

CreditWatch highlights the potential direction of a short- or long-term rating. It focuses on identifiable events and short-term trends that cause ratings to be placed under special surveillance by Standard & Poor's analytical staff. These may include mergers, recapitalizations, voter referendums, regulatory action, or anticipated operating developments. Ratings appear on CreditWatch when such an event or a deviation from an expected trend occurs and additional information is necessary to evaluate the current rating. A listing, however, does not mean a rating change is inevitable, and whenever possible, a range of alternative ratings will be shown. CreditWatch is not intended to include all ratings under review, and rating changes may occur without the ratings having first appeared on CreditWatch. The "positive" designation means that a rating may be raised; "negative" means a rating may be lowered; and "developing" means that a rating may be raised, lowered, or affirmed.

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BANK LOAN AND RECOVERY RATING DEFINITIONS

Bank loan ratings and recovery ratings are "issue credit ratings" as that term is defined elsewhere in the Standard & Poor's rating criteria, with unique characteristics as described below.

Bank Loan Ratings

Bank loan ratings incorporate both the risk of default and the likelihood of full ultimate recovery in the event of default, and utilize the traditional Standard & Poor's letter-based rating scale. The bank loan rating in many cases is the same as the loan issuer's corporate credit rating (CCR). However, Standard & Poor's may assign a loan rating that exceeds the CCR by one or more "notches" in order to reflect the likelihood of full recovery in the event of default.

- A bank loan rating one notch above the borrower's corporate credit rating denotes a high likelihood of full recovery of principal in the event of default.
- A bank loan rating two notches above the CCR denotes an even higher likelihood of full recovery.
- A bank loan rating three notches above the CCR denotes the highest likelihood of full recovery.

Recovery Ratings

Recovery ratings focus solely on the nominal expected loss and recovery of principal in the event of default, and utilize an ordinal scale that runs from 1+ to 5. The recovery rating, however, because it is not linked to, or limited by, the CCR or any other rating, provides a direct, totally transparent opinion about the expected recovery, as described hereafter.

- A recovery rating of '1+' denotes the highest expectation of full recovery of the rated loan's principal in the event of default.

- A recovery rating of '1' denotes a high expectation of full recovery of principal in the event of default.
- A recovery rating of '2' denotes an expectation of substantial (i.e. 80-100%) recovery of principal in the event of default.
- A recovery rating of '3' denotes an expectation of meaningful (i.e. 50-80%) recovery of principal in the event of default.
- A recovery rating of '4' denotes an expectation of marginal (i.e. 25-50%) recovery of principal in the event of default.
- A recovery rating of '5' denotes an expectation of negligible (i.e. 0-25%) recovery of principal in the event of default.

Standard & Poor's reserves the right to assign plus (+) or minus (-) symbols to its recovery ratings in order to further refine the expected recovery characteristics of the rated issues.

Standard & Poor's bank loan and recovery rating analysis uses the concept of "nominal recovery," i.e., it does not discount the repayment received at the end of the workout period or bankruptcy to calculate a present value at the time of default or some other point in the past. "Full recovery of principal" means 100% of the par amount of principal outstanding received after a typical workout or bankruptcy period in the relevant jurisdiction.

The relationship between bank loan ratings and recovery ratings is as set forth on the following table:

Standard & Poor's Bank Loan & Recovery Ratings			
Bank Loan Rating	**Recovery Rating Scale**	**Analytical Description**	**Recovery Expectation**
(Notching vs. Corporate Credit Rating)			
CCR + 3 or more notches	1+	Highest expectation of full recovery of principal	100% of principal
CCR + 1 or 2 notches	1	High expectation of full recovery of principal	100% of principal
BLR = CCR (Un-notched)	2	Substantial recovery of principal	80%-100% of principal
BLR = CCR (Un-notched)	3	Meaningful recovery of principal	50%-80% of principal
BLR = CCR (Un-notched)	4	Marginal recovery of principal	25%-50% of principal
BLR = CCR (Un-notched)	5	Negligible recovery of principal	0%-25% of principal

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STRUCTURED FINANCE SERVICER EVALUATION DEFINITIONS

Strong

This is the highest ranking category. It is Standard & Poor's opinion that a servicer ranked "strong" demonstrates a very high degree of ability, efficiency and competence in servicing when compared to other servicers ranked by Standard & Poor's.

Above Average

It is Standard & Poor's opinion that a servicer ranked "above average" demonstrates a high degree of ability, efficiency, and competence in servicing when compared to other servicers ranked by Standard & Poor's.

Average

It is Standard & Poor's opinion that a servicer ranked "average" demonstrates an acceptable degree of ability, efficiency, and competence in servicing when compared to other servicers ranked by Standard & Poor's.

Below Average

It is Standard & Poor's opinion that a servicer ranked "below average" demonstrates a low degree of ability, efficiency, and/or competence in servicing when compared to other servicers ranked by Standard & Poor's.

Weak

It is Standard & Poor's opinion that a servicer ranked "weak" demonstrates a very low degree of ability, efficiency, and/or competence in servicing when compared to other servicers ranked by Standard & Poor's.

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PRINCIPAL STABILITY FUND RATINGS

A Standard & Poor's principal stability fund rating, also known as a "money market fund rating," is a current opinion of a fund's capacity to maintain stable principal or a stable net asset value. When assigning a principal stability rating to a fund, Standard & Poor's analysis focuses on the creditworthiness of the fund's investments and counterparties, the market price exposure of its investments, the sufficiency of the fund's portfolio liquidity, and management's ability and policies to maintain the fund's stable net asset value by limiting exposure to loss. Principal stability fund ratings are assigned to funds that seek to maintain a stable or an accumulating net asset value.

Principal stability fund ratings, or money market fund ratings, are identified by the 'm' subscript to distinguish the principal stability rating from a Standard & Poor's traditional issue or issuer credit rating. A traditional issuer or issue credit rating addresses a borrowers ability to repay principal and interest on a timely basis. A principal stability fund rating is not directly comparable with an issue credit rating due to the differences in investment characteristics, rating criteria and creditworthiness of portfolio investments. For example, a principal stability fund or money market fund seeks to provide investors with greater liquidity, price stability, and diversification than a long-term bond, but not necessarily the credit quality that would be indicated by the corresponding issuer or issue credit rating. Principal stability fund ratings are not commentaries on yield levels. The ratings are based on current information furnished to Standard & Poor's by fund or pool sponsors or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform an audit of the fund's financial information in connection with any principal stability fund rating and may, on occasion, rely on unaudited financial information. The rating may be changed, suspended, or withdrawn as a result of changes in, or unavailability of, information related to the fund.

A principal stability fund rating is not a recommendation to buy, sell or hold the shares of a fund

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PRINCIPAL STABILITY FUND RATING DEFINITIONS

AAAm

A fund rated 'AAAm' has extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit, market and/or liquidity risks. 'AAAm' is the highest principal stability fund rating assigned by Standard & Poor's.

AAm

A fund rated 'AAm' has very strong capacity to maintain principal stability and to limit exposure to principal losses due to credit, market and/or liquidity risks.

Am

A fund rated 'Am' has strong capacity to maintain principal stability but is somewhat more susceptible to principal losses due to adverse credit, market and/or liquidity risks than higher-rated funds.

BBBm

A fund rated 'BBBm' has adequate capacity to maintain principal stability. However, adverse market conditions and/or higher levels of redemption activity are more likely to lead to a weakened capacity to limit exposure to principal loss as a result of higher exposure to credit, market and/or liquidity risks

BBm

A fund rated 'BBm' has uncertain capacity to maintain principal stability and is vulnerable to principal losses resulting from its exposures to credit, market and/or liquidity risks.

Dm

A fund rated 'Dm' has failed to maintain principal stability resulting in a realized or unrealized loss of principal.

G

The letter 'G' follows the rating symbol when a fund's portfolio consists primarily of direct U.S. government securities.

Plus (+) or minus (-)

The ratings may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories.

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FUND CREDIT QUALITY RATINGS

Fund credit quality ratings, identified by the 'f' subscript, are assigned to fixed-income funds and other actively managed funds that exhibit variable net asset values. These ratings are current assessments of the overall credit quality of a fund's portfolio. The ratings reflect the level of protection against losses from credit defaults and are based on an analysis of the credit quality of the portfolio investments and the likelihood of counterparty defaults.

AAAf

The fund's portfolio holdings provide extremely strong protection against losses from credit defaults.

AAf

The fund's portfolio holdings provide very strong protection against losses from credit defaults.

Af

The fund's portfolio holdings provide strong protection against losses from credit defaults.

BBBf

The fund's portfolio holdings provide adequate protection against losses from credit defaults.

BBf

The fund's portfolio holdings provide uncertain protection against losses from credit defaults.

Bf

The fund's portfolio holdings exhibit vulnerability to losses from credit defaults.

CCCf

The fund's portfolio holdings make it extremely vulnerable to losses from credit defaults.

Plus (+) or minus (-)

The ratings from 'Aaf' to 'CCCf' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

The credit ratings are not a recommendation to purchase, sell, or hold any security held or issued by the fund, inasmuch as they do not comment as to market price, yield, or suitability for a particular investor. The ratings are based on current information furnished to Standard & Poor's by the fund or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform an audit in connection with any rating and may, on occasion, rely on unaudited financial information. The ratings may be changed, suspended, or withdrawn as a result of changes in, or unavailability of, such information, or based on other circumstances.

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FUND VOLATILITY RATINGS DEFINITIONS

A fund volatility rating is a current opinion of a fixed-income investment fund's sensitivity to changing market conditions relative to the risk of a portfolio composed of government securities and denominated in the base currency of the fund. (Government securities (for S1 through S4 categories) are intended to signify the most liquid, highest quality securities issued by a sovereign government.) Volatility ratings evaluate the fund's sensitivity to interest rate movements, credit risk, investment diversification or concentration, liquidity, leverage, and other factors.

S1

Funds that possess low sensitivity to changing market conditions are rated S1. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprised of government securities maturing within one to three years and denominated in the base currency of the fund. Within this category, certain funds are designated with a plus sign (+). This indicates the fund's extremely low sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising the highest quality fixed-income instruments with an average maturity of 12 months or less.

S2

Funds that possess low to moderate sensitivity to changing market conditions are rated S2. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing within three to seven years and denominated in the base currency of the fund.

S3

Funds that possess moderate sensitivity to changing market conditions are rated S3. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing within seven to 10 years and denominated in the base currency of the fund.

S4

Funds that possess moderate to high sensitivity to changing market conditions are rated S4. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing beyond 10 years and denominated in the base currency of the fund.

S5

Funds that possess high sensitivity to changing market conditions are rated S5. These funds may be exposed to a variety of significant risks including high concentration risks, high leverage, and investments in complex structured and/or illiquid securities.

S6

Funds that possess the highest sensitivity to changing market conditions are rated S6. These funds include those with highly speculative investment strategies with multiple forms of significant risks, with little or no diversification benefits.

The ratings are based on current information furnished by the fund to Standard & Poor's or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform an audit in connection with any rating, and may rely on unaudited financial information. The ratings may be changed, suspended, or withdrawn as a result of changes in, or unavailability of, such information, or based on other circumstances. The rating is not a recommendation to purchase, sell, or hold any security held or issued by the fund, inasmuch as it does not comment on market price, yield, or suitability for a particular investor.

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CANADIAN FUND SENSITIVITY RATING DEFINITIONS

A fund sensitivity rating is a current opinion of a fund's inherent share price and return sensitivity to changing market conditions, as measured by the variability of its share price and return. The rating is based on a fund's Value at Risk (VaR)* relative to a 1-year risk free benchmark.¶ For each sensitivity rating category, risk limits are established that are based on a multiple of VaR compared to the 1-year market benchmark.

Low Sensitivity

Funds that possess low share price and return variability compared to a 1-year risk free benchmark are rated 'Low Sensitivity.' Within the category, certain funds are rated 'Extremely Low Sensitivity', indicating extremely low sensitivity to changing market conditions.

Low to Moderate Sensitivity

Funds that possess low to moderate share price and return variability compared to a 1-year risk free benchmark are rated 'Low to Moderate Sensitivity.'

Moderate Sensitivity

Funds that possess moderate share price and return variability compared to a 1-year risk free benchmark are rated 'Moderate Sensitivity.'

Moderate to High Sensitivity

Funds that possess moderate to high share price and return variability compared to a 1-year risk free benchmark are rated 'Moderate to High Sensitivity.'

High Sensitivity

Funds that possess high share price and return variability compared to a 1-year risk free benchmark are rated 'High Sensitivity.'

Extremely High Sensitivity

Funds that possess extremely high share price and return variability compared to a 1-year risk free benchmark are rated 'Extremely High Sensitivity.'

*Value at Risk (VaR) is a probability-based metric for quantifying the market risk of assets and portfolios. VaR is often used as an approximation of the "maximum reasonable loss" over a chosen time horizon. To quantify a fund's sensitivity rating profile, Standard & Poor's utilizes the 250-day historical 99% VaR of the fund's return versus the same VaR of the benchmark.

¶Risk free benchmark for the country of domicile for each rated fund. Where no risk free benchmark is available, Standard & Poor's utilizes the most appropriate benchmark for that market.

Below is a list of the benchmarks used in the analysis:

- United States: 1-Year T-Bill Index
- Canada: Scotia 1-Year Canadian T-Bill Index

The ratings are based on current information furnished by the fund to Standard & Poor's or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform an audit in connection with any rating, and may rely on unaudited financial information. The ratings may be changed, suspended, or withdrawn as a result of changes in, or unavailability of, such information, or based on other circumstances. The rating is not a recommendation to purchase, sell, or hold any security held or issued by the fund, inasmuch as it does not comment on market price, yield, or suitability for a particular investor.

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BRAZILIAN ASSET MANAGER PRACTICES CLASSIFICATIONS

A Brazilian Asset Manager Practices Classification (AMPC) is an opinion of the overall quality of an asset management company including management features and operational procedures. The classification includes an analysis of the manager's systems and controls, as compared to those employed by other asset managers in the country.

In assessing asset management companies, Standard & Poor's will review the depth and quality of an asset manager's resources dedicated to the investment management process. As part of this review, Standard & Poor's will examine the asset manager's risk management systems, daily operating procedures including the degree of oversight and controls.

The classification is based on information supplied by management of the company and other information considered to be reliable. It is neither an audit of compliance with the company's procedures or industry standards, nor an opinion as to compliance with laws and regulation. The Classification is not an opinion on whether asset managers meet their duties, including fiduciary duties, under laws, regulations or contracts with clients. The Classification is also not a comment on the performance, quality, or suitability of funds managed or held by the asset manager. It is also not an opinion on the safety of assets held with the asset manager or whether assets will be available to clients in the event the asset manager or any other party asserts a claim to the assets or becomes insolvent or subject to a legal proceeding related to ownership of the assets. A classification is not a recommendation to use the services of any asset manager.

The Asset Manager Practices Classification is designed to complement the credit risk ratings on managers and fund ratings. The Asset Manager Practices Classification has a specific symbology ranging from "AMP1" to "AMP5", which also differentiates it from credit risk ratings that use the symbology 'AAA' through 'D' and represent Standard & Poor's opinion of the ability and willingness an asset manager to honor its own debt obligations. The Asset Manager Practices Classification also does not take into consideration the asset manager's ability or willingness to reach any specific performance level for any funds or managed portfolio. The investment risks associated with each fund are separate and distinct. Fund credit quality ratings (which range from 'AAAf' to 'CCCf') address the level of protection the fund's portfolio holdings provide against losses from credit defaults while the bond fund volatility ratings scale, which ranges from 'S1' (lowest sensitivity) to 'S6' (highest sensitivity), expresses Standard & Poor's current opinion of a fixed-income fund's sensitivity to changing market conditions.

The overall quality of the asset manager's practices is classified as:

AMP1--VERY STRONG

This classification is assigned to those asset managers that show very strong management features, as compared to those employed by other asset managers in the country.

AMP2—STRONG

This classification is assigned to those asset managers that show strong management features, as compared to those employed by other asset managers in the country.

AMP3--GOOD

This classification is assigned to those asset managers that show good management features, as compared to those employed by other asset managers in the country.

AMP4--MARGINAL

This classification is assigned to those asset managers that show marginal management features, as compared to those employed by other asset managers in the country.

AMP5—WEAK

This classification is assigned to those asset managers that show weak management features, as compared to those employed by other asset managers in the country.

All classifications are relative to other asset management companies operating within Brazil.

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INSURER FINANCIAL STRENGTH RATING DEFINITIONS

A Standard & Poor's insurer financial strength rating is a current opinion of the financial security characteristics of an insurance organization with respect to its ability to pay under its insurance policies and contracts in accordance with their terms. Insurer financial strength ratings are also assigned to health maintenance organizations and similar health plans with respect to their ability to pay under their policies and contracts in accordance with their terms.

This opinion is not specific to any particular policy or contract, nor does it address the suitability of a particular policy or contract for a specific purpose or purchaser. Furthermore, the opinion does not take into account deductibles, surrender or cancellation penalties, timeliness of payment, nor the likelihood of the use of a defense such as fraud to deny claims. For organizations with cross-border or multinational operations, including those conducted by subsidiaries or branch offices, the ratings do not take into account potential that may exist for foreign exchange restrictions to prevent financial obligations from being met.

Insurer financial strength ratings are based on information furnished by rated organizations or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform an audit in connection with any rating and may on occasion rely on unaudited financial information. Ratings may be changed, suspended, or withdrawn as a result of changes in, or unavailability of such information or based on other circumstances.

Insurer financial strength ratings do not refer to an organization's ability to meet nonpolicy (i.e. debt) obligations. Assignment of ratings to debt issued by insurers or to debt issues that are fully or partially supported by insurance policies, contracts, or guarantees is a separate process from the determination of insurer financial strength ratings, and follows procedures consistent with issue credit rating definitions and practices. Insurer financial strength ratings are not a recommendation to purchase or discontinue any policy or contract issued by an insurer or to buy, hold, or sell any security issued by an insurer. A rating is not a guaranty of an insurer's financial strength or security.

Long-Term Insurer Financial Strength Ratings

An insurer rated 'BBB' or higher is regarded as having financial security characteristics that outweigh any vulnerabilities, and is highly likely to have the ability to meet financial commitments.

AAA

An insurer rated 'AAA' has extremely strong financial security characteristics. 'AAA' is the highest insurer financial strength rating assigned by Standard & Poor's.

AA

An insurer rated 'AA' has very strong financial security char acteristics, differing only slightly from those rated higher.

A

An insurer rated 'A' has strong financial security characterist ics, but is somewhat more likely to be affected by adverse business conditions than are insurers with higher ratings.

BBB

An insurer rated 'BBB' has good financial security characteristics, but is more likely to be affected by adverse business conditions than are higher-rated insurers.

An insurer rated 'BB' or lower is regarded as having vulnerable characteristics that may outweigh its strengths. 'BB' indicates the least degree of vulnerability within the range; 'CC' the highest.

BB

An insurer rated 'BB' has marginal financial security characteristics. Positive attributes exist, but adverse business conditions could lead to insufficient ability to meet financial commitments.

B

An insurer rated 'B' has weak financial security characteristics. Adverse business conditions will likely impair its ability to meet financial commitments.

CCC

An insurer rated 'CCC' has very weak financial security characteristics, and is dependent on favorable business conditions to meet financial commitments.

CC

An insurer rated 'CC' has extremely weak financial security characteristics and is likely not to meet some of its financial commitments.

R

An insurer rated 'R' is under regulatory supervision owing to its financial condition. During the pendency of the regulatory supervision, the regulators may have the power to favor one class of obligations over others or pay some obligations and not others. The rating does not apply to insurers subject only to nonfinancial actions such as market conduct violations.

NR

An insurer designated 'NR' is not rated, which implies no opinion about the insurer's financial security.

Plus (+) or minus (-)

Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

CreditWatch

CreditWatch highlights the potential direction of a rating, focusing on identifiable events and short-term trends that cause ratings to be placed under special surveillance by Standard & Poor's. The events may include mergers, recapitalizations, voter referenda, regulatory actions, or anticipated operating developments. Ratings appear on CreditWatch when such an event or a deviation from an expected trend occurs and additional information is needed to evaluate the rating. A listing, however, does not mean a rating change is inevitable, and whenever possible, a range of alternative ratings will be shown. CreditWatch is not intended to include all ratings under review, and rating changes may occur without the ratings having first appeared on CreditWatch. The "positive" designation means that a rating may be raised; "negative" means that a rating may be lowered; "developing" means that a rating may be raised, lowered or affirmed.

Short-Term Insurer Financial Strength Ratings

Short-Term insurer financial strength ratings reflect the insurer's creditworthiness over a short-term time horizon.

A-1

An insurer rated 'A-1' has a strong ability to meet its financial commitments on short-term policy obligations. It is rated in the highest category by Standard & Poor's. Within this category, certain insurers are designated with a plus sign (+). This indicates that the insurer's ability to meet its financial commitments on short-term policy obligations is extremely strong.

A-2

An insurer rated 'A-2' has a good ability to meet its financial commitments on short-term policy obligations. However, it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than insurers in the highest rating category.

A-3

An insurer rated 'A-3' has an adequate ability to meet its financial commitments on short-term policy obligations. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened ability of the insurer to meet its financial obligations.

B

An insurer rated 'B' is regarded as vulnerable and has significant speculative characteristics. The insurer currently has the ability to meet its financial commitments on short-term policy obligations; however, it faces major ongoing uncertainties which could lead to the insurer's inadequate ability to meet its financial obligations.

C

An insurer rated 'C' is regarded as currently vulnerable to nonpayment and is dependent upon favorable business, financial, and economic conditions for it to meet its financial commitments on short-term policy obligations.

R

See definition of "R" under long-term ratings.

Plus (+) or minus (-)

Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

Standard & Poor's ratings and other assessments of creditworthiness and financial strength are not a recommendation to purchase or discontinue any policy or contract issues by an insurer or to buy, hold, or sell any security issued by an insurer. In addition, neither a rating nor an assessment is a guaranty of an insurer's financial strength.

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FINANCIAL ENHANCEMENT RATING DEFINITIONS

A Standard & Poor's insurer financial enhancement rating is a current opinion of the creditworthiness of an insurer with respect to insurance policies or other financial obligations that are predominantly used as credit enhancement and/or financial guarantees. When assigning an insurer financial enhancement rating, Standard & Poor's analysis focuses on capital, liquidity, and company commitment necessary to support a credit enhancement or financial guaranty business. The insurer financial enhancement rating is not a recommendation to purchase, sell, or hold a financial obligation, inasmuch as it does not comment as to market price or suitability for a particular investor.

Insurer financial enhancement ratings are based on information furnished by the insurers or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform an audit in connection with any credit rating and may, on occasion, rely on unaudited financial information. Insurer financial enhancement ratings may be changed, suspended, or withdrawn as a result of changes in, or unavailability of, such information or based on other circumstances. Insurer financial enhancement ratings are based, in varying degrees, on all of the following considerations:

- Likelihood of payment--capacity and willingness of the insurer to meet its financial commitment on an obligation in accordance with the terms of the obligation;
- Nature of and provisions of the obligations; and
- Protection afforded by, and relative position of, the obligation in the event of bankruptcy, reorganization, or other arrangement under the laws of bankruptcy and other laws affecting creditors' rights.

Insurer Financial Enhancement Ratings

AAA

An insurer rated 'AAA' has extremely strong capacity to meet its financial commitments. 'AAA' is the highest insurer financial enhancement rating assigned by Standard & Poor's.

AA

An insurer rated 'AA' has very strong capacity to meet its financial commitments. It differs from the highest-rated insurers only to a small degree.

A

An insurer rated 'A' has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than insurers in higher-rated categories.

BBB

An insurer rated 'BBB' has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the insurer to meet its financial commitments.

BB, B, CCC, and CC

Insurers rated 'BB', 'B', 'CCC', and 'CC' are regarded as having significant speculative characteristics. 'BB' indicates the least degree of speculation and 'CC' the highest. While such insurers will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposures to adverse conditions.

BB

An insurer rated 'BB' is less vulnerable in the near term than other lower-rated insurers. However, it faces major ongoing uncertainties and exposure to adverse business, financial, or economic conditions which could lead to the insurer's inadequate capacity to meet its financial commitments.

B

An insurer rated 'B' is more vulnerable than the insurers rated 'BB', but the insurer currently has the capacity to meet its financial commitments. Adverse business, financial, or economic conditions will likely impair the insurer's capacity or willingness to meet its financial commitments.

CCC

An insurer rated 'CCC' is currently vulnerable, and is dependent upon favorable business, financial, and economic conditions to meet its financial commitments.

CC

An insurer rated 'CC' is currently highly vulnerable.

Plus (+) or minus (-)

Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

R

An insurer rated 'R' is under regulatory supervision owing to its financial condition. During the pendency of the regulatory supervision the regulators may have the power to favor one class of obligations over others or pay some obligations and not others. Please see Standard & Poor's issue credit ratings for a more detailed description of the effects of regulatory supervision on specific issues or classes of obligations.

NR

An issuer designated NR is not rated.

Local Currency and Foreign Currency Risks

Country risk considerations are a standard part of Standard & Poor's analysis for credit ratings on any issuer or issue. Currency of repayment is a key factor in this analysis. An insurer's capacity to repay foreign currency obligations may be lower than its capacity to repay obligations in its local currency due to the sovereign government's own relatively lower capacity to repay external versus domestic debt. These sovereign risk considerations are incorporated in the debt ratings assigned to specific issues. Foreign currency issuer ratings are also distinguished from local currency issuer ratings to identify those instances where sovereign risks make them different for the same issuer.

Rating Outlook Definitions

A Standard & Poor's rating outlook assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years). In determining a rating outlook, consideration is given to any changes in the economic and/or fundamental business conditions. An outlook is not necessarily a precursor of a rating change or future CreditWatch action.

- Positive means that a rating may be raised.
- Negative means that a rating may be lowered.
- Stable means that a rating is not likely to change.
- Developing means a rating may be raised or lowered.

CreditWatch

CreditWatch highlights the potential direction of a short- or long-term rating. It focuses on identifiable events and short-term trends that cause ratings to be placed under special surveillance by Standard & Poor's analytical staff. These may include mergers, recapitalizations, voter referendums, regulatory action, or anticipated operating developments. Ratings appear on CreditWatch when such an event or a deviation from an expected trend occurs and additional information is necessary to evaluate the current rating. A listing, however, does not mean a rating change is inevitable, and whenever possible, a range of alternative ratings will be shown. CreditWatch is not intended to include all ratings under review, and rating changes may occur without the ratings having first appeared on CreditWatch. The "positive" designation means that a rating may be raised; "negative" means a rating may be lowered; and "developing" means that a rating may be raised, lowered, or affirmed.

National Scale Ratings

National scale ratings, denoted with a prefix such as 'mx' (Mexico) or 'ra' (Argentina), assess an insurer's financial security relative to other insurers in its home market. For more information, refer to the separate definitions for national scale ratings.

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BANK FUNDAMENTAL STRENGTH RATING DEFINITIONS

A

A bank or financial institution, in the absence of extraordinary assistance or interference from its corporate group, regulator or government, assigned a Bank Fundamental Strength Rating (BFSR) of 'A' has very strong fundamental strength compared with that of its global peers. 'A' is the highest BFSR assigned by Standard & Poor's.

B

A bank or financial institution, in the absence of extraordinary assistance or interference from its corporate group, regulator or government, assigned a BFSR of 'B' has strong fundamental strength. The bank or financial institution is, however, more susceptible to the adverse effects of changes in circumstances and economic conditions than those entities rated 'A'.

C

A bank or financial institution, in the absence of extraordinary assistance or interference from its corporate group, regulator or government, assigned a BFSR of 'C' has adequate fundamental strength. However, the bank or financial institution is more sensitive to uncertainties and adverse circumstances to a greater degree than higher-rated entities.

D

A bank or financial institution, in the absence of extraordinary assistance or interference from its corporate group, regulator or government, assigned a BFSR of 'D' is vulnerable to a greater degree, than financial institutions rated higher, to adverse circumstances in its operating environment.

E

A bank or financial institution, in the absence of extraordinary assistance or interference from its corporate group, regulator or government, assigned a BFSR of 'E' is likely to be facing significant weaknesses in its fundamental credit profile and may be in default on some or all of its obligations. The bank or financial institution's continued operation may be at the forbearance of the industry regulator, and external assistance may be necessary. 'E' is the lowest BFSR assigned by Standard & Poor's.

NR

An issuer designated NR is not rated.

Plus (+)

The ratings from 'B' to 'E' may be modified by the addition of a plus sign to show the higher relative standing within the rating categories.

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BANK SURVIVABILITY ASSESSMENT DEFINITIONS

A Standard & Poor's bank survivability assessment is a current opinion on the likelihood that over the medium term, a bank will either directly or through a successor organization, remain in operation, regardless of whether it is solvent or insolvent, paying all of its obligations on a timely basis or not. The survivability assessment, however, does not itself comment on which particular functions the bank might continue to perform and which may cease in a stress situation. The bank survivability evaluation is linked to the issuer credit rating, and generally would be the same or higher than the issuer credit rating. A relatively low survivability assessment does not constitute an opinion by Standard & Poor's that a particular bank is likely to fail; rather it indicates a vulnerability to adverse circumstances which could affect the bank's ability to meet its financial obligations on a timely basis, without special circumstances which would clearly enhance the likelihood that it would continue to operate in such an event.

Compared to the issuer credit rating, the survivability assessment places greater emphasis on factors such as a bank's relative position in the banking system of its country, in terms of market share and financial strength, special roles, and ownership by the government or a strong parent. The survivability assessment thus takes into account that certain banks, even though they may exhibit certain weaknesses that might impair the likelihood that they will be able to be repay all of their financial obligations on a timely basis, could be either among the strongest within their own country or considered "too big to fail," and thus are more likely, if necessary, to be kept open through direct government support or regulatory forebearance. The survivability assessment also takes into account that in the event of systemic crises, governments sometimes temporarily freeze deposits or otherwise cause them to default on certain financial obligations, but typically allow certain banks to remain in operation.

The existence of a survivability assessment at a given level does not imply that any particular unrated financial obligation of the bank will be repaid or otherwise honored with that level of likelihood. The survivability assessment is in effect the ceiling at which certain obligations of, or supported by the bank might be rated absent external support such as a guarantee. Standard & Poor's will evaluate the likelihood that a particular type of obligation would still be honored over the expected lifetime of a particular transaction, in rating a particular issue of, or supported by the bank. Therefore, users of ratings should consult the ratings on the specific issues.

Survivability assessments are based on current information furnished by the bank or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform an audit in connection with the survivability assessment, and may, on occasion, rely on unaudited financial information. Survivability assessments may be changed, suspended, or withdrawn, as the result of changes in the bank's credit ratings, as well as to changes in, or unavailability of information, or based on other circumstances.

AAA

A bank with an 'AAA' survivability assessment has extremely strong likelihood of remaining in operation either directly or through successors, and the assessment typically would only be given to banks that also maintain that level of capacity to meet their financial commitments on a timely basis. 'AAA' is the highest survivability evaluation assigned by Standard & Poor's.

AA

A bank with an 'AA' survivability assessment has very strong likelihood of continuing operations, and the assessment also typically would only be given to banks that also maintain that level of capacity to meet their financial commitments on a timely basis. The likelihood differs from that of the highest assessed banks only to an small degree.

A

A bank with a survivability assessment of 'A' has strong likelihood of continuing operations, but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than banks assessed in higher categories.

BBB

A bank with a survivability assessment of 'BBB' has adequate likelihood of continuing operations. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened likelihood of so doing, than in the higher categories.

BB

A bank with a survivability assessment of 'BB' faces significant ongoing uncertainties and exposure to adverse business, financial, or economic conditions. These could lead to uncertainties in the bank's ability to maintain operations in which case the bank may become subject to regulatory intervention.

B

A bank with a survivability assessment of 'B' is vulnerable. Adverse business, financial or economic conditions will likely impair the bank's ability to maintain operations in which case the bank may become subject to regulatory intervention.

CCC

A bank with a survivability assessment of 'CCC' is CURRENTLY VULNERABLE, and is dependent upon favorable business, financial, economic, or regulatory actions to remain in business.

CC

A bank evaluated at 'CC' is currently highly vulnerable.

Plus (+) or minus (-)

Evaluations from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major categories.

R

A bank evaluated at 'R' is currently under regulatory supervision owing to its financial condition. Its ability to remain in business will be determined by future regulatory action.

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MUNICIPAL ISSUE RATINGS DEFINITIONS

A Standard & Poor's issue credit rating is a current opinion of the creditworthiness of an obligor with respect to a specific financial obligation, a specific class of financial obligations, or a specific financial program. It takes into consideration the creditworthiness of guarantors, insurers, or other forms of credit enhancement on the obligation. The issue credit rating is not a recommendation to purchase, sell, or hold a financial obligation, inasmuch as it does not comment as to market price or suitability for a particular investor.

Issue credit ratings are based on current information furnished by the obligors or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform an audit in connection with any credit rating and may, on occasion, rely on unaudited financial information. Credit ratings may be changed, suspended, or withdrawn as a result of changes in, or unavailability of, such information, or based on other circumstances.

Issue credit ratings can be either long term or short term. Short-term ratings are generally assigned to those obligations considered short term in the relevant market. In the U.S., for example, that means obligations with an original maturity of no more than 365 days—including commercial paper. Short-term ratings are also used to indicate the creditworthiness of an obligor with respect to put features on long-term obligations. The result is a dual rating, in which the short-term ratings address the put feature, in addition to the usual long-term rating. Medium-term notes are assigned long-term ratings.

Long-Term Issue Credit Ratings

Issue credit ratings are based in varying degrees, on the following considerations:

- Likelihood of payment—capacity and willingness of the obligor to meet its financial commitment on an obligation in accordance with the terms of the obligation;

- Nature of and provisions of the obligation; and
- Protection afforded by, and relative position of, the obligation in the event of bankruptcy, reorganization, or other arrangement under the laws of bankruptcy and other laws affecting creditors' rights.

The issue ratings definitions are expressed in terms of default risk. As such, they pertain to senior obligations of an entity. Junior obligations are typically rated lower than senior obligations, to reflect the lower priority in bankruptcy, as noted above.

AAA

An obligation rated 'AAA' has the highest rating assigned by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is extremely strong.

AA

An obligation rated 'AA' differs from the highest-rated obligations only to a small degree. The obligor's capacity to meet its financial commitment on the obligation is very strong.

A

An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong.

BBB

An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.

BB, B, CCC, CC, and C

Obligations rated 'BB', 'B', 'CCC', 'CC', and 'C' are regarded as having significant speculative characteristics. 'BB' indicates the least degree of speculation and 'C' the highest. While such obligations will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposures to adverse conditions.

BB

An obligation rated 'BB' is less vulnerable to nonpayment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions, which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.

B

An obligation rated 'B' is more vulnerable to nonpayment than obligations rated 'BB', but the obligor currently has the capacity to meet its financial commitment on the obligation. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitment on the obligation.

CCC

An obligation rated 'CCC' is currently vulnerable to nonpayment and is dependent upon favorable business, financial, and economic conditions for the obligor to meet its financial commitment on the obligation. In the event of adverse business, financial, or economic conditions, the obligor is not likely to have the capacity to meet its financial commitment on the obligation.

CC

An obligation rated 'CC' is currently highly vulnerable to nonpayment.

C

The 'C' rating may be used to cover a situation where a bankruptcy petition has been filed or similar action has been taken, but payments on this obligation are being continued.

D

An obligation rated 'D' is in payment default. The 'D' rating category is used when payments on an obligation are not made on the date due even if the applicable grace period has not expired, unless Standard & Poor's believes that such payments will be made during such grace period. The 'D' rating also will be used upon the filing of a bankruptcy petition or the taking of a similar action if payments on an obligation are jeopardized.

Plus (+) or minus (-)

The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

NR

An issue designated NR is not rated.

Short-Term Issue Credit Ratings

Notes

A Standard & Poor's U.S. municipal note rating reflects the liquidity factors and market access risks unique to notes. Notes due in three years or less will likely receive a note rating. Notes maturing beyond three years will most likely receive a long-term debt rating. The following criteria will be used in making that assessment:

- Amortization schedule—the larger the final maturity relative to other maturities, the more likely it will be treated as a note; and
- Source of payment—the more dependent the issue is on the market for its refinancing, the more likely it will be treated as a note.

Note rating symbols are as follows:

SP-1

Strong capacity to pay principal and interest. An issue determined to possess a very strong capacity to pay debt service is given a plus (+) designation.

SP-2

Satisfactory capacity to pay principal and interest, with some vulnerability to adverse financial and economic changes over the term of the notes.

SP-3

Speculative capacity to pay principal and interest.

Commercial Paper

A Standard & Poor's commercial paper rating is a current assessment of the likelihood of timely payment of debt having an original maturity of no more than 365 days. Ratings are graded into several categories, ranging from 'A' for the highest-quality obligations to 'D' for the lowest. These categories are as follows:

A-1

This designation indicates that the degree of safety regarding timely payment is strong. Those issues determined to possess extremely strong safety characteristics are denoted with a plus sign (+) designation.

A-2

Capacity for timely payment on issues with this designation is satisfactory. However, the relative degree of safety is not as high as for issues designated 'A-1'.

A-3

Issues carrying this designation have an adequate capacity for timely payment. They are, however, more vulnerable to the adverse effects of changes in circumstances than obligations carrying the higher designations.

B

Issues rated 'B' are regarded as having only speculative capacity for timely payment.

C

This rating is assigned to short-term debt obligations with a doubtful capacity for payment.

D

Debt rated 'D' is in payment default. The 'D' rating category is used when interest payments of principal payments are not made on the date due, even if the applicable grace period has not expired, unless Standard & Poor's believes such payments will be made during such grace period.

Dual Ratings

Standard & Poor's assigns "dual" ratings to all debt issues that have a put option or demand feature as part of their structure.

The first rating addresses the likelihood of repayment of principal and interest as due, and the second rating addresses only the demand feature. The long-term debt rating symbols are used for bonds to denote the long-term maturity and the commercial paper rating symbols for the put option (for example, 'AAA/A-1+'). With short-term demand debt, note rating symbols are used with the commercial paper rating symbols (for example, 'SP-1+/A-1+').

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MUNICIPAL ISSUER CREDIT RATING DEFINITIONS

A Standard & Poor's issuer credit rating is a current opinion of an obligor's overall financial capacity (its creditworthiness) to pay its financial obligations. This opinion focuses on the obligor's capacity and willingness to meet its financial commitments as they come due. It does not apply to any specific financial obligation, as it does not take into account the nature of and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences, or the legality and enforceability of the obligation. In addition, it does not take into account the creditworthiness of the guarantors, insurers, or other forms of credit enhancement on the obligation. The issuer credit rating is not a recommendation to purchase, sell or hold a financial obligation issued by an obligor, as it does not comment on market price or suitability for a particular investor.

Issuer credit ratings are based on current information furnished by obligors or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform an audit in connection with any issuer credit rating and may, on occasion, rely on unaudited financial information. Issuer credit ratings may be changed, suspended, or withdrawn as a result of changes in, or unavailability of, such information, or based on other circumstances. Issuer credit ratings can be either long term or short term. Short-term issuer credit ratings reflect the obligor's creditworthiness over a short-term time horizon.

Long-Term Issuer Credit Ratings

AAA

An obligor rated 'AAA' has extremely strong capacity to meet its financial commitments. 'AAA' is the highest issuer credit rating assigned by Standard & Poor's.

AA

An obligor rated 'AA' has very strong capacity to meet its financial commitments. It differs from the highest-rated obligors only to a small degree.

A

An obligor rated 'A' has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.

BBB

An obligor rated 'BBB' has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.

BB, B, CCC, and CC

Obligors rated 'BB', 'B', 'CCC', and 'CC' are regarded as having significant speculative characteristics. 'BB' indicates the least degree of speculation and 'CC' the highest. While such obligors will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposures to adverse conditions.

BB

An obligor rated 'BB' is less vulnerable in the near term than other lower-rated obligors. However, it faces major ongoing uncertainties and exposure to adverse business, financial, or economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitments.

B

An obligor rated 'B' is more vulnerable than the obligors rated 'BB', but the obligor currently has the capacity to meet its financial commitments. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitments.

CCC

An obligor rated 'CCC' is currently vulnerable, and is dependent upon favorable business, financial, and economic conditions to meet its financial commitments.

CC

An obligor rated 'CC' is currently highly vulnerable.

Plus (+) or minus (-)

The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

SD and D

An obligor rated 'SD' (selective default) or 'D' has failed to pay one or more of its financial obligations (rated or unrated) when it came due. A 'D' rating is assigned when Standard & Poor's believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due. An 'SD' rating is assigned when Standard & Poor's believes that the obligor has selectively defaulted on a specific issue or class of obligations but it will continue to meet its payment obligations on other issues or classes of obligations in a timely manner. Please see Standard & Poor's issue credit ratings for a more detailed description of the effects of a default on specific issues or classes of obligations.

NR

An issuer designated NR is not rated.

Short-Term Issuer Credit Ratings

A-1

An obligor rated 'A-1' has strong capacity to meet its financial commitments. It is rated in the highest category by Standard & Poor's. Within this category, certain obligors are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitments is extremely strong.

A-2

An obligor rated 'A-2' has satisfactory capacity to meet its financial commitments. However, it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in the highest rating category.

A-3

An obligor rated 'A-3' has adequate capacity to meet its financial obligations. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.

B

An obligor rated 'B' is regarded as vulnerable and has significant speculative characteristics. The obligor currently has the capacity to meet its financial commitments; however, it faces major ongoing uncertainties which could lead to the obligor's inadequate capacity to meet its financial commitments.

C

An obligor rated 'C' is currently vulnerable to nonpayment and is dependent upon favorable business, financial, and economic conditions for it to meet its financial commitments.

R

An obligor rated 'R' is under regulatory supervision owing to its financial condition. During the pendency of the regulatory supervision the regulators may have the power to favor one class of obligations over others or pay some obligations and not others. Please see Standard & Poor's issue credit ratings for a more detailed description of the effects of regulatory supervision on specific issues or classes of obligations.

SD and D

An obligor rated 'SD' (selective default) or 'D' has failed to pay one or more of its financial obligations (rated or unrated) when it came due. A 'D' rating is assigned when Standard & Poor's believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due. An 'SD' rating is assigned when Standard & Poor's believes that the obligor has selectively defaulted on a specific issue or class of obligations but it will continue to meet its payment obligations on other issues or classes of obligations in a timely manner. Please see Standard & Poor's issue credit ratings for a more detailed description of the effects of a default on specific issues or classes of obligations.

NR

An issuer designated NR is not rated.

CreditWatch and Rating Outlooks

A Standard & Poor's rating evaluates default risk over the life of a debt issue, incorporating an assessment of all future events to the extent they are known or considered likely. But Standard & Poor's also recognizes the potential for future performance to differ from initial expectations. Rating outlooks and CreditWatch listings address this possibility by focusing on the scenarios that could result in a rating change.

CreditWatch highlights potential changes in ratings of bonds, short-term, and other fixed-income securities. Issues appear on CreditWatch when an event or deviation from an expected trend has occurred or is expected and additional information is necessary to take a rating action. Such rating reviews normally are completed within 90 days, unless the outcome of a specific event is pending. A listing does not mean a rating change is inevitable. However, in some cases, it is certain that a rating change will occur and only the magnitude of the change is unclear.

Wherever possible, a range of alternative ratings that could result is shown. CreditWatch is not intended to include all issues under review, and rating changes will occur without the issue appearing on CreditWatch. An issuer cannot automatically appeal a CreditWatch listing, but analysts are sensitive to issuer concerns and the fairness of the process.

A Standard & Poor's rating outlook assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years). In determining a rating outlook, consideration is given to any changes in the economic and/or fundamental business conditions. An outlook is not necessarily a precursor of a rating change or future CreditWatch action.

- Positive means that a rating may be raised.
- Negative means that a rating may be lowered.
- Stable means that a rating is not likely to change.

- Developing means a rating may be raised or lowered.

CreditWatch designations and outlooks may be "positive," which indicates a rating may be raised, or "negative," which indicates a rating may be lowered. "Developing" is used for those unusual situations in which future events are so unclear that the rating potentially may be raised or lowered. "Stable" is the outlook assigned when ratings are not likely to be changed, but should not be confused with expected stability of the company's financial performance.

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SWAP RISK RATING DEFINITIONS

A Standard & Poor's Swap Risk Rating is a current opinion of the likelihood of loss associated with a specific swap transaction (the "Swap Transaction") entered into by two counterparties.

A swap risk rating takes into consideration the terms of the Swap Transaction including, without limitation, the creditworthiness of one or more reference or underlying obligations or obligors (the "Portfolio") above a certain specified threshold percentage/amount, termination events, and potential recovery percentage or amount on the Portfolio. All swap risk ratings take into consideration the creditworthiness of the Portfolio.

A swap risk rating may be modified by the designation "Portfolio", "Single Counterparty--Protection Buyer" and "Single Counterparty--Protection Seller". A Swap Risk Rating (Portfolio) takes into consideration only the creditworthiness of the credit default swap Portfolio. A Swap Risk Rating (Single Counterparty--Protection Buyer) takes into consideration the creditworthiness of the Portfolio and the buyer of protection under the Swap Transaction. A Swap Risk Rating (Single Counterparty--Protection Seller) takes into consideration the creditworthiness of the Portfolio and the seller of protection under the Swap Transaction. Because the terms of each Swap Transaction are highly customized, a swap risk rating may address different risks; therefore the swap risk ratings should not be viewed as benchmarks related to swap risk across different swap transactions.

Swap risk ratings will be modified by a subscript that identifies the type of swap risk rating assigned.. The letter ratings will be followed by the designations "srp", "srb", and "srs" to correspond with related designations:

- Portfolio ("srp") ratings only take into consideration the creditworthiness of the reference portfolio of the credit default swap;
- Single counterparty--Protection Buyer ("srb") ratings take into consideration the creditworthiness of the reference portfolio and the buyer of protection under the swap transaction; and
- Single counterparty--Protection Seller ("srs") ratings take into consideration the creditworthiness of the reference portfolio and the seller of protection under the swap transaction.

A Swap Risk Rating (Portfolio) does not address either counterparty risk (including risk of periodic payments). Each of Swap Risk Ratings (Single Counterparty--Protection Buyer) or (Single Counterparty--Protection Seller) addresses the counterparty risk of one of the Counterparties to the Swap Transaction, respectively. None of the swap risk ratings address the specific amount of termination payments that would be payable under the Swap Transaction. The specific risks addressed by each swap risk rating are stated in the rating letter and the terms and conditions issued for each rated Swap Transaction.

Swap risk ratings are based on information furnished by the counterparties or their agents or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform an audit in connection with any swap risk rating and may rely on unaudited financial information. Swap risk ratings may be changed, suspended, withdrawn, or placed on CreditWatch as a result of changes in, or unavailability of such information or based on other circumstances. A swap risk rating is not investment, financial, or other advice and no person should rely upon a swap risk rating as such. A swap risk rating is not a "market rating" nor is it a recommendation to buy, hold, or sell any swap or other obligations.

Swap Risk Ratings

AAA

A Swap Transaction with a swap risk rating of 'AAA' has the highest rating assigned by Standard & Poor's. The likelihood of loss under the Swap Transaction is extremely low.

AA

A Swap Transaction with a swap risk rating of 'AA' differs from the highest-rated Swap Transaction only to a small degree. The likelihood of loss under the Swap Transaction is very low.

A

A Swap Transaction with a swap risk rating of 'A' is somewhat more susceptible to the adverse effects or changes in circumstances and economic conditions than Swap Transactions in higher-rated categories. However, the likelihood of loss under the Swap Transaction is still low.

BBB

A Swap Transaction with a swap risk rating of 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to an increased likelihood of loss under the Swap Transaction.

BB, B, CCC, and CC

A Swap Transaction with a swap risk rating of 'BB', 'B', 'CCC', and 'CC' is regarded as having significant speculative characteristics.

BB

A Swap Transaction with a swap risk rating of 'BB' indicates less vulnerability to a risk of loss than other speculative issues. However, major ongoing uncertainties or exposure to adverse business, financial or economic conditions could lead to a substantial increase in the likelihood of loss under the Swap Transaction.

B

A Swap Transaction with a swap risk rating of 'B' is more vulnerable to a risk of loss than a Swap Transaction with a swap risk rating of 'BB'. However, major ongoing uncertainties or exposure to adverse business, financial or economic conditions will likely lead to a substantial increase in the likelihood of loss under the Swap Transaction.

CCC

A Swap Transaction with a swap risk rating of 'CCC' is currently vulnerable to a risk of loss. In the event of adverse business, financial or economic conditions, the Swap Transaction is likely to incur loss.

CC

A Swap Transaction with a swap risk rating of 'CC' is currently highly vulnerable to loss.

D

A Swap Transaction with a swap risk rating of 'D' has incurred or experienced loss.

Plus (+) or minus (-)

A swap risk rating from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major swap risk rating categories.

NR

A Swap Transaction designated 'NR' is not rated, which implies no opinion about its swap risk rating, including without limitation, that a swap risk rating has not been requested or that a swap risk rating has been withdrawn.

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NATIONAL SCALE RATINGS DEFINITIONS

ADEF (France) NATIONAL SCALE RATINGS DEFINITIONS

Long-Term Ratings

Applying to obligations with an original maturity greater than one year.

frAAA

The highest rating. The issuer shows an excellent capacity to service and repay debt.

frAA1, frAA2, frAA3

Same capacity to service and repay debt, but to a lesser degree.

frA1, frA2, frA3

Strong capacity to service and repay debt normally, but vulnerability to the external environment and to technical changes.

frBBB1, frBBB2, frBBB3

Capacity to service and repay debt normally is still satisfactory, but risks increase if conditions become adverse.

frBB1, frBB2, frBB3, frB1, frB2, frB3, frCCC, frCC

Increasing uncertainty surrounding service and repayment of debt. Debt carries an increasing degree of risk.

frC

Payment default foreseeable in the near term.

D

Debt in payment default.

Short-Term Ratings

Applying to obligations maturing within one year.

frT1

The highest rating. Debt offers a high level of security of repayment at maturity.

frT2

Debt is vulnerable to changes in the economic environment and therefore includes a certain speculative element.

frT3

Debt carries some risk of nonpayment at maturity.

frT4

Debt has a considerable risk of payment default or issuer has already defaulted on all or part of its debt.

Direct questions about ADEF scale ratings to the Communications Department in Paris (33) 1-4420-6740.

ARGENTINA NATIONAL SCALE RATINGS DEFINITIONS

Standard & Poor's Argentina national credit rating scale serves issuers, insurers, counterparties, intermediaries and investors in the Argentine financial markets by providing both debt credit ratings, which apply to a specific debt instrument, and enterprise credit ratings, which apply to an obligor (i.e., borrower, guarantor, insurer, or other provider of credit enhancement). The Argentina national credit rating scale uses Standard & Poor's global rating symbols with the addition of an "ra" prefix to denote "Republica de Argentina" and the scale's focus on Argentine financial markets. In contrast to Standard & Poor's global scale, the Argentina national scale does not address sovereign risk and, in particular, the potential risk of exchange controls. In turn, the Argentina national scale makes no rating distinctions between debt issues denominated in U.S. dollars or Argentine pesos. As a result, the Argentina national rating scale is not directly comparable to Standard & Poor's global scale.

Debt Credit Ratings

A Standard & Poor's Argentina national scale debt credit rating is a current opinion of the creditworthiness of an obligor to meet the financial commitments associated to a specific debt, bond, lease, commercial paper program, certificate of deposit, or other financial instrument ("obligation") relative to the debt servicing and repayment capacity of other Argentine obligors with respect to their own financial obligations. Argentine obligors include all active borrowers, guarantors, insurers, and other providers of credit enhancement domiciled in Argentina, as well as any foreign obligor active in the Argentine financial markets.

A debt credit rating is not a recommendation to purchase, sell, or hold a specific obligation, as it does not comment on market price or suitability for a particular investor. Debt credit ratings are based on current information furnished by the obligors or obtained by Standard & Poor's from other sources deemed reliable. Standard & Poor's does not perform an audit in connection with any credit rating, and may, on occasion, rely on unaudited financial information. Debt credit ratings may be changed, suspended, or withdrawn as a result of changes in, or availability of, such information, or based on other circumstances.

Standard & Poor's Argentina national scale debt credit ratings are based, in varying degrees, on the following considerations:

- Likelihood of payment--the rating assesses the obligor's capacity and willingness to meet its financial commitments in accordance with the terms of the obligation;
- The obligation's nature and provisions; and
- Protection afforded to, and relative position of, the obligation in the event of bankruptcy, reorganization, or other arrangement under bankruptcy laws and other laws affecting creditors' rights.

Long-Term Debt Credit Ratings

Applying to obligations with an original maturity of one year and over.

raAAA

An obligation rated 'raAAA' has the highest rating assigned on Standard & Poor's Argentina national scale. The obligor's capacity to meet its financial commitments on the obligation, relative to other Argentine obligors, is extremely strong.

raAA

An obligation rated 'raAA' differs from the highest-rated debt only to a small degree. The obligor's capacity to meet its financial commitments on the obligation, relative to other Argentine obligors, is very strong.

raA

An obligation rated 'raA' is somewhat more susceptible to adverse effects of changes in circumstances and economic conditions than higher-rated debt. Still, the obligor's capacity to meet its financial commitments on the obligation, relative to other Argentine obligors, is strong.

raBBB

An obligation rated 'raBBB' denotes adequate protection parameters relative to other Argentine obligations. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity on the part of the obligor to meet its financial commitments on the obligation.

raBB, raB, raCCC, raCC, and raC

Obligations rated 'raBB', 'raB', 'raCCC', 'raCC', or 'raC' on the Standard & Poor's Argentina national scale are regarded as having significant speculative characteristics relative to other Argentine obligations. 'raBB' indicates the least degree of speculation and 'raC' the highest. While such obligations will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposure to adverse conditions relative to other Argentine obligations.

raBB

An obligation rated 'raBB' denotes somewhat weak protection parameters relative to other Argentine obligations. The obligor's capacity to meet its financial commitments on the obligation is somewhat weak because of major ongoing uncertainties or exposure to adverse business, financial, or economic conditions.

raB

An obligation rated 'raB' denotes weak protection parameters relative to other Argentine obligations. The obligor currently has the capacity to meet its financial commitments on the obligation. Adverse business, financial, or economic conditions, however, would likely impair capacity or willingness of the obligor to meet its financial commitments on the obligation.

raCCC

An obligation rated 'raCCC' is currently vulnerable to nonpayment and is dependent upon favorable business and financial conditions for the obligor to meet its financial commitments on the obligation.

Plus (+) or minus (-)

The ratings from 'raAA' to 'raCCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative strength within the rating category.

raCC

An obligation rated 'raCC' is currently highly vulnerable to nonpayment.

raC

The 'raC' rating may be used to cover a situation where a bankruptcy petition has been filed or similar action has been taken, but payments on the obligation are being continued.

D

An obligation is rated 'D' when it is in payment default, or the obligor has filed for bankruptcy. The 'D' rating is used when interest or principal payments are not made on the date due, even if the applicable grace period has not expired, unless Standard & Poor's believes that such payments will be made during such grace period.

Short-Term Debt Credit Ratings

Applying to obligations with an original maturity of less than one year.

raA-1

A short-term obligation rated 'raA-1' is rated in the highest category on Standard & Poor's Argentina national scale. The obligor's capacity to meet its commitments on the obligation, relative to other Argentine obligors, is strong.

raA-2

A short-term obligation rated 'raA-2' is slightly more susceptible to adverse changes in circumstances and economic conditions than obligations rated 'raA-1'. The obligor's capacity to meet its financial commitments on the obligation, relative to other Argentine obligors, is satisfactory.

raA-3

A short-term obligation rated 'raA-3' denotes adequate protection parameters relative to other short-term Argentine obligations. It is, however, more vulnerable to adverse effects of changes in circumstances than obligations carrying the higher designations.

raB

A short-term obligation rated 'raB' denotes significant vulnerability to adverse business, financial, or economic conditions regarding timely payment of interest or repayment of principal, relative to other short-term Argentine obligations.

raC

A short-term obligation rated 'raC' denotes doubtful capacity for payment.

D

A short-term obligation rated 'D' denotes a payment default.

Rating Outlook Definitions

A Standard & Poor's Argentina national scale rating outlook assesses the potential direction of an obligor's long-term credit rating over the intermediate to longer term. In determining a rating outlook, consideration is given to any changes in the economic and/or fundamental business conditions. An outlook is not necessarily a precursor of a rating change or future CreditWatch action.

- Positive indicates that ratings may be raised.
- Negative means ratings may be lowered.
- Stable indicates that ratings are not likely to change.
- Developing means ratings may be raised or lowered.

CreditWatch

CreditWatch highlights the potential direction of a short- or long-term rating. It focuses on identifiable events and short-term trends that cause ratings to be placed under special surveillance by Standard & Poor's analytical staff. These may include mergers, recapitalizations, voter referendums, regulatory action, or anticipated operating developments. Ratings appear on CreditWatch when such an event or a deviation from an expected trend occurs and additional information is necessary to evaluate the current rating. A listing, however, does not mean a rating change is inevitable. CreditWatch is not intended to include all ratings under review, and rating changes may occur without the ratings having first appeared on CreditWatch. The "positive" designation means that a rating may be raised; "negative" means a rating may be lowered; and "developing" means that a rating may be raised, lowered, or affirmed.

Enterprise Credit Ratings

A Standard & Poor's Argentina national scale enterprise credit rating is a current opinion of the overall creditworthiness of a debt issuer, guarantor, insurer, or other provider of credit enhancement ("obligor") to meet its financial obligations relative to other Argentine obligors. Such Argentine obligors include all active borrowers, guarantors, insurers, and other providers of credit enhancement domiciled in Argentina, as well as foreign obligors active in the Argentine financial markets. Counterparty credit ratings are a form of enterprise credit ratings.

Enterprise credit ratings do not apply to specific obligations, as they do not take into account the nature and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences, or the legality and enforceability of the obligation. In addition, it does not take into account the creditworthiness of the guarantors, insurers, or other forms of credit enhancement on the obligation.

An enterprise credit rating is not a recommendation to purchase, sell, or hold a financial obligation issued by an obligor, as it does not comment on market price or suitability for a particular investor. Enterprise credit ratings are based on current information furnished by the obligors or obtained by Standard & Poor's from other sources deemed reliable. Standard & Poor's does not perform an audit in connection with any credit rating and may, on occasion, rely on unaudited financial information. Enterprise credit ratings may be changed, suspended, or withdrawn as a result of changes in, or availability of, such information, or based on other circumstances.

Long-Term Enterprise Credit Ratings

Applying to obligors' capacity to meet financial commitments over a time horizon of one year and over.

raAAA

An obligor rated 'raAAA' has an extremely strong capacity to meet its financial commitments relative to other Argentine obligors.

raAA

An obligor rated 'raAA' differs from the highest-rated obligors only to a small degree, and has a very strong capacity to meet its financial commitments relative to other Argentine obligors.

raA

An obligor rated 'raA' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than higher-rated obligors. Still, the obligor has a strong capacity to meet its financial commitments relative to that of other Argentine obligors.

raBBB

An obligor rated 'raBBB' has an adequate capacity to meet its financial commitments relative to that of other Argentine obligors. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.

raBB, raB, raCCC, and raCC

Obligors rated 'raBB', 'ruB', 'ruCCC', or 'raCC' on the Standard & Poor's Argentina national rating scale are regarded as having high risk relative to other Argentine obligors. While such obligors will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposure to adverse conditions relative to other Argentine obligors.

raBB

An obligor rated 'raBB' has a somewhat weak capacity to meet its financial commitments relative to that of other Argentine obligors. The obligor faces ongoing uncertainties or exposure to adverse business, financial, or economic conditions that could result in an inadequate capacity on the part of the obligor to meet its financial commitments.

raB

An obligor rated 'raB' has a weak capacity to meet its financial commitments relative to that of other Argentine obligors. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitments.

raCCC

An obligor rated 'raCCC' is currently vulnerable and is dependent upon favorable business and financial conditions to meet its financial commitments.

Plus (+) or minus (-)

The ratings from 'raAA' to 'raCCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative strength within the rating category.

raCC

An obligor rated 'raCC' is currently highly vulnerable to defaulting on its financial commitments.

SD and D

An obligor rated 'SD' (selective default) or 'D' has failed to pay one or more of its financial obligations (rated or unrated) when it came due. A 'D' rating is assigned when Standard & Poor's believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due. An 'SD' rating is assigned when Standard & Poor's believes that the obligor has selectively defaulted on a specific obligation or class of obligations but it will continue to meet its payment obligations on other issues or classes of obligations in a timely manner. Please see Standard & Poor's debt credit ratings for a more detailed description of the effects of a default on specific issues or classes of obligations.

Short-Term Enterprise Credit Ratings

Applying to obligors' capacity to meet financial commitments over a time horizon of less than one year.

raA-1

The obligor's capacity to meet financial commitments on short-term obligations relative to that of other Argentine obligors is strong.

raA-2

The obligor's capacity to meet financial obligations on short-term obligations relative to that of other Argentine obligors is satisfactory.

raA-3

The obligor's capacity to meet financial commitments on short-term obligations relative to that of other Argentine obligors is adequate. However, the obligor may be more vulnerable to adverse changes in business circumstances or economic conditions than higher-rated obligors.

raB

The obligor's capacity to meet financial commitments on short-term obligations, relative to that of other Argentine obligors, is weak and vulnerable to adverse business, financial, or economic conditions.

raC

The obligor's capacity to meet commitments on short-term obligations is doubtful.

SD and D

An obligor rated 'SD' (selective default) or 'D' has failed to pay one or more of its financial obligations (rated or unrated) when it came due. A 'D' rating is assigned when Standard & Poor's believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due. An 'SD' rating is assigned when Standard & Poor's believes that the obligor has selectively defaulted on a specific obligation or class of obligations but it will continue to meet its payment obligations on other issues or classes of obligations in a timely manner. Please see Standard & Poor's debt credit ratings for a more detailed description of the effects of a default on specific issues or classes of obligations.

Rating Outlook Definitions

A Standard & Poor's Argentina national scale rating outlook assesses the potential direction of an obligor's long-term credit rating over the intermediate to longer term. In determining a rating outlook, consideration is given to any changes in the economic and/or fundamental business conditions. An outlook is not necessarily a precursor of a rating change or future CreditWatch action.

- Positive indicates that ratings may be raised.
- Negative means ratings may be lowered.
- Stable indicates that ratings are not likely to change.
- Developing means ratings may be raised or lowered.

CreditWatch

CreditWatch highlights the potential direction of a short- or long-term rating. It focuses on identifiable events and short-term trends that cause ratings to be placed under special surveillance by Standard & Poor's analytical staff. These may include mergers, recapitalizations, voter referendums, regulatory action, or anticipated operating developments. Ratings appear on CreditWatch when such an event or a deviation from an expected trend occurs and additional information is necessary to evaluate the current rating. A listing, however, does not mean a rating change is inevitable. CreditWatch is not intended to include all ratings under review, and rating changes may occur without the ratings having first appeared on CreditWatch. The "positive" designation means that a rating may be raised; "negative" means a rating may be lowered; and "developing" means that a rating may be raised, lowered, or affirmed.

Direct questions about Argentina scale ratings to Fernanda Cravero in Buenos Aires (54) 114-891-2133.

BRAZIL NATIONAL SCALE DEFINITIONS

The Standard & Poor's Brazil national scale serves issuers, insurers, counterparties, intermediaries, and investors in the Brazilian financial markets by providing both debt credit ratings, which apply to a specific debt instrument, and enterprise credit ratings, which apply to an obligor (i.e., borrower, guarantor, insurer, or other provider of credit enhancement). The Brazil national scale uses Standard & Poor's global rating symbols, with the addition of a "br" prefix to denote "Brazil" and the scale's focus on Brazilian financial markets. The criteria employed for determining ratings on the Brazil national scale are broadly similar to those employed on the Standard & Poor's global scale. However, certain direct sovereign risk considerations weigh less heavily on the Brazil national scale than on the global scale. For example, some types of sovereign risk considerations that could adversely affect all issuers equally would have a more muted effect on the Brazil national scale than on the global scale. Indeed, sovereign risk is examined only in a local context relative to the credit risk of other Brazilian obligors. As a result, the Standard & Poor's Brazil national scale is not directly comparable to Standard & Poor's global scale or to any other national rating scale.

Debt Credit Ratings

A Standard & Poor's Brazil national scale debt credit rating is a current opinion of the creditworthiness of an obligor with respect to a specific debt, bond, lease, commercial paper program, certificate of deposit, or other financial instrument ("obligation") relative to the creditworthiness of other Brazilian obligors with respect to their own financial obligations. Brazilian obligors include all active borrowers, guarantors, insurers, and other providers of credit enhancement domiciled in Brazil, as well as any foreign obligor active in the Brazilian financial markets.

A debt credit rating is not a recommendation to purchase, sell, or hold a specific obligation, as it does not comment on market price or suitability for a particular investor. Debt credit ratings are based on current information furnished by the obligors or obtained by Standard & Poor's from other sources deemed reliable. Standard & Poor's does not perform an audit in connection with any credit rating, and may, on occasion, rely on unaudited financial information. Debt credit ratings may be changed, suspended, or withdrawn as a result of changes in, or availability of, such information, or based on other circumstances.

Standard & Poor's Brazil national scale debt credit ratings are based, in varying degrees, on the following considerations:

- The relative likelihood of payment--the rating assesses the obligor's capacity and willingness to meet its financial commitments in accordance with the terms of the obligation, compared with other Brazilian obligors;
- The obligation's nature and provisions; and
- Protection afforded to, and relative position of, the obligation in the event of bankruptcy, reorganization, or other arrangement under bankruptcy laws and other laws affecting creditors' rights.

Long-Term Debt Credit Ratings

Applying to obligations with an original maturity of one year and over.

brAAA

An obligation rated 'brAAA' has the highest rating assigned on Standard & Poor's Brazil national scale. The obligor's capacity to meet its financial commitments on the obligation, relative to other Brazilian obligors, is very strong.

brAA

An obligation rated 'brAA' differs from the highest-rated debt only to a small degree. The obligor's capacity to meet its financial commitments on the obligation, relative to other Brazilian obligors, is strong.

brA

An obligation rated 'brA' is somewhat more susceptible to adverse effects of changes in circumstances and economic conditions than higher-rated debt. Still, the obligor's capacity to meet its financial commitments on the obligation, relative to other Brazilian obligors, is moderately strong.

brBBB

An obligation rated 'brBBB' exhibits adequate protection parameters relative to other Brazilian obligations. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity on the part of the obligor to meet its financial commitments on the obligation.

brBB, brB, brCCC, brCC, and brC

Obligations rated 'brBB', 'brB', 'brCCC', 'brCC', or 'brC' on the Standard & Poor's Brazil national scale are regarded as having significant speculative characteristics relative to other Brazilian obligations. 'brBB' indicates the least degree of speculation and 'brC' the highest. While such obligations will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposure to adverse conditions relative to other Brazilian obligations.

brBB

An obligation rated 'brBB' is less vulnerable to nonpayment than other Brazilian obligations considered speculative. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions, which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.

brB

An obligation rated 'brB' is more vulnerable to nonpayment than Brazilian obligations rated 'brBB'. The obligor currently has the capacity to meet its financial commitments on the obligation, but adverse business, financial, or economic conditions would likely impair capacity or willingness of the obligor to meet its financial commitments on the obligation.

brCCC

An obligation rated 'brCCC' is currently vulnerable to nonpayment, relative to other Brazilian obligations, and is dependent upon favorable business and financial conditions for the obligor to meet its financial commitments on the obligation. In the event of adverse business, financial, or economic conditions, the obligor is not likely to have the capacity to meet its financial commitment on the obligation.

Plus (+) or minus (-)

The ratings from 'brAA' to 'brCCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative strength within the rating category.

brCC

An obligation rated 'brCC' is currently highly VULNERABLE to nonpayment, relative to other Brazilian obligations.

brC

The 'brC' rating may be used to cover a situation where a bankruptcy petition has been filed or similar action has been taken, but payments on the obligation are being continued.

D

An obligation rated 'D' is in payment default. The 'D' rating is used when interest or principal payments are not made on the date due, even if the applicable grace period has not expired, unless Standard & Poor's believes that such payments will be made during such grace period. The 'D' rating category also will be used upon the filing of a bankruptcy petition or the taking of a similar action if payments on an obligation are jeopardized.

Short-Term Debt Credit Ratings

Applying to obligations with an original maturity of less than one year.

brA-1

A short-term obligation rated 'brA-1' is rated in the highest category on Standard & Poor's Brazil national scale. The obligor's capacity to meet its commitments on the obligation, relative to other Brazilian obligations, is strong.

brA-2

A short-term obligation rated 'brA-2' exhibits satisfactory protection parameters, relative to other Brazilian obligations. However, it is more susceptible to adverse changes in circumstances and economic conditions than obligations rated 'brA-1'.

brA-3

A short-term obligation rated 'brA-3' exhibits adequate protection parameters relative to other short-term Brazilian obligations. It is, however, more vulnerable to adverse effects of changes in circumstances than obligations carrying the higher designations.

brB

A short-term obligation rated 'brB' is vulnerable and faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions that could lead to inadequate capacity to meet timely payment of obligations, relative to other Brazilian obligations.

brC

A short-term obligation rated 'brC' is currently vulnerable to nonpayment, relative to other Brazilian obligations and is dependent upon favorable business, financial, and economic conditions for the obligor to meet its financial commitment on that obligation.

D

A short-term obligation rated 'D' is in payment default. The 'D' rating category is used when payments on an obligation are not made on the date due even if the applicable grace period has not expired, unless Standard & Poor's believes that such payments will be made during the grace period. The 'D' rating will also be used upon the filing of a bankruptcy petition or the taking of a similar action if payments on an obligation are jeopardized.

Rating Outlook Definitions

A Standard & Poor's Brazil national scale rating outlook assesses the potential direction of a long-term credit rating over the intermediate to longer term. In determining a rating outlook, consideration is given to any changes in the economic and/or fundamental business conditions. An outlook is not necessarily a precursor of a rating change or future CreditWatch action.

- Positive means that ratings may be raised.
- Negative means ratings may be lowered.
- Stable means that ratings are not likely to change.
- Developing means ratings may be raised or lowered.

CreditWatch

CreditWatch highlights the potential direction of a short- or long-term rating on the Standard & Poor's Brazil national scale. It focuses on identifiable events and short-term trends that cause ratings to be placed under special surveillance by Standard & Poor's analytical staff. These may include mergers, recapitalizations, voter referendums, regulatory action, or anticipated operating developments. Ratings appear on CreditWatch when such an event or a deviation from an expected trend occurs and additional information is necessary to evaluate the current rating. A listing, however, does not mean that a rating change is inevitable and, whenever possible, a range of alternative ratings will be shown. CreditWatch is not intended to include all ratings under review, and rating changes may occur without the ratings having first appeared on CreditWatch.

A CreditWatch listing on the Standard & Poor's Brazil national scale may also indicate that payment capacity is impaired due to the effects of a direct sovereign action that affects most obligors in the Brazilian market. The "positive" designation means that a rating may be raised; "negative" means a rating may be lowered; and "developing" means that a rating may be raised, lowered, or affirmed.

Enterprise Credit Ratings

A Standard & Poor's Brazil national scale enterprise credit rating is a current opinion of the overall creditworthiness of a debt issuer, guarantor, insurer, or other provider of credit enhancement ("obligor") to meet its financial obligations as they come due, relative to other Brazilian obligors. Such Brazilian obligors include all active borrowers, guarantors, insurers, and other providers of credit enhancement domiciled in Brazil, as well as foreign obligors active in the Brazilian financial markets. A counterparty credit rating is a form of enterprise credit rating.

Enterprise credit ratings do not apply to specific obligations, as they do not take into account the nature and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences, or the legality and enforceability of the obligation. In addition, they do not take into account the creditworthiness of the guarantors, insurers, or other forms of credit enhancement on the obligation.

An enterprise credit rating is not a recommendation to purchase, sell, or hold a financial obligation issued by an obligor, as it does not comment on market price or suitability for a particular investor. Enterprise credit ratings are based on current information furnished by the obligors or obtained by Standard & Poor's from other sources deemed reliable. Standard & Poor's does not perform an audit in connection with any credit rating and may, on occasion, rely on unaudited financial information. Enterprise credit ratings may be changed, suspended, or withdrawn as a result of changes in, or availability of, such information, or based on other circumstances.

Long-Term Enterprise Credit Ratings

Apply to obligors' capacity to meet financial commitments over a time horizon of one year and over.

brAAA

An obligor rated 'brAAA' has a very strong capacity to meet its financial commitments relative to that of other Brazilian obligors. 'brAAA' is the highest enterprise credit rating assigned on the Standard & Poor's Brazil national scale.

brAA

An obligor rated 'brAA' differs from the highest-rated obligors only to a small degree, and has a strong capacity to meet its financial commitments relative to that of other Brazilian obligors.

brA

An obligor rated 'brA' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than higher-rated obligors. Still, the obligor has a moderately strong capacity to meet its financial commitments relative to that of other Brazilian obligors.

brBBB

An obligor rated 'brBBB' has an adequate capacity to meet its financial commitments relative to that of other Brazilian obligors. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.

brBB, brB, brCCC, brCC

Obligors rated 'brBB', 'brB', 'brCCC', or 'brCC' on the Standard & Poor's Brazil national scale are regarded as having significant speculative characteristics relative to other Brazilian obligors. 'brBB' indicates the least degree of speculation and 'brCC' the highest. While such obligors will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposure to adverse conditions, relative to other Brazilian obligors.

brBB

An obligor rated 'brBB' is LESS VULNERABLE in the near term than other lower-rated Brazilian obligors. However, it faces ongoing uncertainties or exposure to adverse business, financial, or economic conditions which could result in an inadequate capacity on the part of the obligor to meet its financial commitments.

brB

An obligor rated 'brB' is MORE VULNERABLE than obligors rated 'brBB'. The obligor currently has the capacity to meet its financial commitments relative to other Brazilian obligors. Adverse business, financial, or economic conditions would likely impair the obligor's capacity or willingness to meet its financial commitments.

brCCC

An obligor rated 'brCCC' is CURRENTLY VULNERABLE and is dependent upon favorable business and financial conditions to meet its financial commitments relative to other Brazilian obligors.

Plus (+) or minus (-)

The ratings from 'brAA' to 'brCCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative strength within the rating category.

brCC

An obligor rated 'brCC' is currently highly vulnerable to defaulting on its financial commitments relative to other Brazilian obligors.

brR

An obligor rated 'brR' is under regulatory supervision owing to its financial condition. During the pendency of the regulatory supervision, the regulators may have the power to favor one class of obligations over others or pay some obligations and not others. Please see Standard & Poor's debt credit ratings for a more detailed description of the effects of regulatory supervision on specific issues or classes of obligations.

SD and D

An obligor rated 'SD' (selective default) or 'D' has failed to pay one or more of its financial obligations (rated or unrated) when it came due. A 'D' rating is assigned when Standard & Poor's believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due. An 'SD' rating is assigned when Standard & Poor's believes that the obligor has selectively defaulted on a specific obligation or class of obligations but it will continue to meet its payment obligations on other issues or classes of obligations in a timely manner. Please see Standard & Poor's debt credit ratings for a more detailed description of the effects of a default on specific issues or classes of obligations.

Short-Term Enterprise Credit Ratings

Apply to obligors' capacity to meet financial commitments over a time horizon of less than one year.

brA-1

The obligor's capacity to meet financial commitments relative to that of other Brazilian obligors is strong. It is rated in the highest category on the Standard & Poor's Brazil national scale.

brA-2

The obligor's capacity to meet financial obligations relative to that of other Brazilian obligors is satisfactory. However, it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in the highest Brazilian rating category.

brA-3

The obligor's capacity to meet financial commitments relative to that of other Brazilian obligors is adequate. It is, however, more vulnerable to adverse economic conditions or changing circumstances than obligors carrying the highest designations.

brB

The obligor's capacity to meet financial commitments, relative to that of other Brazilian obligors is vulnerable and it faces major ongoing uncertainties or exposure to adverse business, financial, and economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitments.

brC

An obligor currently rated 'brC' is currently vulnerable to nonpayment relative to other Brazilian obligors and is dependent upon favorable business, financial, and economic conditions to meet its financial commitments.

brR

An obligor rated 'brR' is under regulatory supervision owing to its financial condition. During the pendency of the regulatory supervision, the regulators may have the power to favor one class of obligations over others or pay some obligations and not others. Please see Standard & Poor's debt credit ratings for a more detailed description of the effects of regulatory supervision on specific issues or classes of obligations.

SD and D

An obligor rated 'SD' (selective default) or 'D' has failed to pay one or more of its financial obligations (rated or unrated) when it came due. A 'D' rating is assigned when Standard & Poor's believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due. An 'SD' rating is assigned when Standard & Poor's believes that the obligor has selectively defaulted on a specific obligation or class of obligations but it will continue to meet its payment obligations on other issues or classes of obligations in a timely manner. Please see Standard & Poor's debt credit ratings for a more detailed description of the effects of a default on specific issues or classes of obligations.

Rating Outlook Definitions

A Standard & Poor's Brazil national scale rating outlook assesses the potential direction of a long-term credit rating over the intermediate to longer term. In determining a rating outlook, consideration is given to any changes in the economic and/or fundamental business conditions. An outlook is not necessarily a precursor of a rating change or future CreditWatch action.

- Positive means that ratings may be raised.
- Negative means ratings may be lowered.
- Stable means that ratings are not likely to change.
- Developing means ratings may be raised or lowered.

CreditWatch

CreditWatch highlights the potential direction of a short- or long-term rating. It focuses on identifiable events and short-term trends that cause ratings to be placed under special surveillance by Standard & Poor's analytical staff. These may include mergers, recapitalizations, voter referendums, regulatory action, or anticipated operating developments. Ratings appear on CreditWatch when such an event or a deviation from an expected trend occurs and additional information is necessary to evaluate the current rating. A listing, however, does not mean a rating change is inevitable. CreditWatch is not intended to include all ratings under review, and rating changes may occur without the ratings having first appeared on CreditWatch. The "positive" designation means that a rating may be raised; "negative" means a rating may be lowered; and "developing" means that a rating may be raised, lowered, or affirmed.

Direct questions about Standard & Poor's Brazil national scale ratings to Marcos Viesi in Sao Paulo (55) 11-5501-8941.

CANADIAN NATIONAL SCALE RATINGS DEFINITIONS

Canadian Commercial Paper Rating Scale Rating Definitions

A Canadian commercial paper rating is a current opinion of the capacity of an obligor to meet the financial commitments associated with a specific commercial paper program or other short-term financial instrument ("obligation") relative to the debt servicing and repayment capacity of other obligors active in the Canadian domestic financial markets ("obligors") with respect to their own financial obligations. A credit rating is not a recommendation to purchase, sell, or hold a specific obligation, as it does not comment on market price or suitability for a particular investor. Credit ratings are based on current information furnished by the obligors or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform an audit in connection with any credit rating. Debt credit ratings may be changed, suspended, or withdrawn as a result of changes in, or unavailability of, such information, or based on other circumstances.

A-1(High)

A short-term obligation rated 'A-1(High)' is rated in the highest category by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is extremely strong. Obligations rated 'A-1(High)' on the Canadian commercial paper rating scale would qualify for a rating of 'A-1+' on Standard & Poor's global short-term rating scale.

A-1(Mid)

Short-term obligations rated 'A-1(Mid)' reflect a strong capacity for the obligor to meet its financial commitment on the obligation. Obligations rated 'A-1(Mid)' on the Canadian commercial paper rating scale would qualify for a rating of 'A-1' on Standard & Poor's global short-term rating scale.

A-1(Low)

A short-term obligation rated 'A-1(Low)' is slightly more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rating categories. However, the obligor's capacity to meet its financial commitment on the obligation is satisfactory. Obligations rated 'A-1(Low)' on the Canadian commercial paper rating scale would qualify for a rating of 'A-2' on Standard & Poor's global short-term rating scale.

A-2

Obligations rated 'A-2' reflect a satisfactory capacity of the obligor to fulfill its financial commitment on the obligation, while exhibiting higher susceptibility to changing circumstances or economic conditions than obligations rated 'A-1(Low)'. Obligations rated 'A-2' on the Canadian commercial paper rating scale would qualify for a rating of 'A-2' on Standard & Poor's global short-term rating scale.

A-3

A short-term obligation rated 'A-3' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation. Obligations rated 'A-3' on the Canadian commercial paper rating scale would qualify for a rating of 'A-3' on Standard & Poor's global short-term rating scale.

B

A short-term obligation rated 'B' is regarded as having significant speculative characteristics. The obligor currently has the capacity to meet its financial commitment on the obligation; however, it faces major ongoing uncertainties that could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.

C

A short-term obligation rated 'C' is currently vulnerable to nonpayment and is dependent upon favorable business, financial, and economic conditions for the obligor to meet its financial commitment on the obligation.

D

A short-term obligation rated 'D' is in payment default. The 'D' rating category is used when payments on an obligation are not made on the date due even if the applicable grace period has not expired, unless Standard & Poor's believes that such payments will be made during such grace period. The 'D' rating also will be used upon the filing of a bankruptcy petition or the taking of a similar action if payments on an obligation are jeopardized.

Canadian Preferred Share Scale Ratings

The Standard & Poor's Canadian preferred share rating scale serves issuers, investors, and intermediaries in the Canadian financial markets by expressing preferred share ratings (determined in accordance with global rating criteria) in terms of rating symbols that have been actively used in the Canadian market over a number of years. A Standard & Poor's preferred share rating on the Canadian scale is a current assessment of the creditworthiness of an obligor with respect to a specific preferred share obligation issued in the Canadian market, relative to preferred shares issued by other issuers in the Canadian market. There is a direct correspondence between the specific ratings assigned on the Canadian preferred share scale and the various rating levels on the global debt rating scale of Standard & Poor's. The Canadian scale rating is fully determined by the applicable global scale rating, and there are no additional analytical criteria associated with the determination of ratings on the Canadian scale. It is the practice of Standard & Poor's to present an issuer's preferred share ratings on both the global rating scale and on the Canadian national scale when listing the ratings for a particular issuer.

The following list shows the national scale preferred share ratings and the corresponding global scale preferred share ratings:

- P-1(High) corresponds to AA
- P-1(Mid) corresponds to AA-
- P-1(Mid) corresponds to A+
- P-1(Low) corresponds to A
- P-1(Low) corresponds to A-
- P-2(High) corresponds to BBB+
- P-2(Mid) corresponds to BBB
- P-2(Low) corresponds to BBB-
- P-3(High) corresponds to BB+
- P-3(Mid) corresponds to BB
- P-3(Low) corresponds to BB-
- P-4(High) corresponds to B+
- P-4(Mid) corresponds to B
- P-4(Low) corresponds to B-
- P-5(High) corresponds to CCC+
- P-5(Mid) corresponds to CCC
- P-5(Low) corresponds to CCC-
- CC corresponds to CC
- C corresponds to C
- D corresponds to D

CreditWatch

CreditWatch highlights the potential direction of a short- or long-term rating. It focuses on identifiable events and short-term trends that cause ratings to be placed under special surveillance by Standard & Poor's analytical staff. These may include mergers, recapitalizations, voter referendums, regulatory action, or anticipated operating developments. Ratings appear on CreditWatch when such an event or a deviation from an expected trend occurs and additional information is necessary to evaluate the current rating. A listing, however, does not mean a rating change is inevitable. CreditWatch is not intended to include all ratings under review, and rating changes may occur without the ratings having first appeared on CreditWatch. The "positive" designation means that a rating may be raised; "negative" means a rating may be lowered; and "developing" means that a rating may be raised, lowered, or affirmed.

Direct questions about Standard & Poor's Canadian national scale ratings to Rachel Shain in Toronto (416) 507-2528.

CaVal (Mexico) NATIONAL SCALE RATINGS DEFINITIONS

A Standard & Poor's debt rating on the CaVal national scale is a current assessment of the creditworthiness of an obligor with respect to a specific obligation denominated in Mexican pesos relative to other Mexican obligors. The CaVal scale does not incorporate sovereign risk considerations, including convertibility and transfer risk, nor are the CaVal scale ratings directly comparable to Standard & Poor's international scale ratings. This assessment may take into consideration obligors such as guarantors, insurers, or lessees. The debt rating is not a recommendation to purchase, sell, or hold a security, as it does not comment on market price or suitability for a particular investor.

The ratings are based, in varying degrees, on the following considerations:

- Likelihood of default--the rating assesses the obligor's capacity and willingness as to timely payment of interest and repayment of principal in accordance with the terms of the obligation;
- The obligation's nature and provisions;
- Protection afforded to, and relative position of, the obligation in the event of bankruptcy, reorganization, or other arrangement under bankruptcy laws and other laws affecting creditor's rights.

In order to highlight the distinction with Standard & Poor's international ratings, the prefix "mx" has been added to the CaVal symbology to denote the scale's focus on the Mexican capital markets.

Long-Term Ratings Definitions

Applying to debt issues with an original maturity of over one year.

mxAAA

Debt rated 'mxAAA' has the highest CaVal scale rating assigned by Standard & Poor's. Capacity to pay interest and repay principal is extremely strong, relative to other Mexican obligors.

mxAA

Debt rated 'mxAA' has a very strong capacity to pay interest and repay principal relative to other Mexican obligors and differs from the highest-rated debt only to a small degree.

mxA

Debt rated 'mxA' has a strong capacity to pay interest and repay principal relative to other Mexican obligors, although it is somewhat more susceptible to adverse effects of changes in circumstances and economic conditions than debt in higher-rated categories.

mxBBB

Debt rated 'mxBBB' is regarded as having an adequate capacity to pay interest and repay principal relative to other Mexican obligors. It normally exhibits adequate protection parameters, but adverse economic conditions or changing circumstances are more likely to lead to weakened capacity to pay.

mxBB, mxB, mxCCC, and mxCC

Debt rated 'mxBB', 'mxB', 'mxCCC', or 'mxCC' is regarded as having predominantly speculative characteristics with respect to capacity to pay interest and repay principal. 'mxBB' indicates the least degree of speculation and 'mxCC' the highest degree of speculation. While such debt will likely have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposure to adverse conditions.

mxBB

Debt rated 'mxBB' has less near-term vulnerability to default than other speculative-grade debt relative to other Mexican obligors. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions that could lead to inadequate capacity to meet timely interest and principal payments.

mxB

Debt rated 'mxB' has greater vulnerability to default, but presently has the capacity to meet interest payments and principal repayments relative to other Mexican obligors. Adverse business, financial, or economic conditions would likely impair capacity or willingness to pay interest and repay principal.

mxCCC

Debt rated 'mxCCC' has a currently identifiable vulnerability to default and is dependent on favorable business, financial, and economic conditions to meet timely payment of interest and repayment of principal relative to other Mexican obligors. In the event of adverse business, financial, or economic conditions, it is not likely to have the capacity to pay interest and repay principal.

Plus (+) or minus (-)

The ratings from 'mxAA' to 'mxCCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative strength within the rating category.

mxCC

Debt rated 'mxCC' has a strong probability of default.

D

Debt is rated 'D' when the issue is in payment default or the obligor has filed for bankruptcy. The 'D' rating is used when interest or principal payments are not made on the date due, even if the applicable grace period has not expired, unless Standard & Poor's believes that such payments will be made during such grace period.

Short-Term Ratings Definitions

Applying to debt issues with an original maturity of less than one year.

mxA-1

This highest category assigned under the CaVal scale indicates that the degree of safety regarding timely payment of interest and repayment of principal is strong relative to other Mexican obligors. Debt determined to possess extremely strong safety characteristics is denoted with a plus

(+) sign designation.

mxA-2

Capacity for timely payment of interest and repayment of principal on issues with this designation is satisfactory, relative to other Mexican obligors. However, the relative degree of safety is not as high as for issues designated 'mxA-1'.

mxA-3

Debt carrying this designation has an adequate capacity for timely payment of interest and repayment of principal relative to other Mexican obligors. It is, however, more vulnerable to the adverse effects of changes in circumstances than obligations carrying the higher designations.

mxB

Debt rated 'mxB' faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions that could lead to inadequate capacity to meet timely payment of interest or repayment of principal relative to other Mexican obligors.

mxC

This rating is assigned to short-term debt obligations with a doubtful capacity for payment, relative to other Mexican obligors.

D

This rating indicates that the short-term obligation is in payment default.

Rating Outlook Definitions

A Standard & Poor's CaVal national scale rating outlook assesses the potential direction of a long-term credit rating over the intermediate to longer term. In determining a rating outlook, consideration is given to any changes in the economic and/or fundamental business conditions. An outlook is not necessarily a precursor of a rating change or future CreditWatch action.

- Positive means that ratings may be raised.
- Negative means ratings may be lowered.
- Stable means that ratings are not likely to change.
- Developing means ratings may be raised or lowered.

CreditWatch

CreditWatch highlights the potential direction of a short- or long-term rating. It focuses on identifiable events and short-term trends that cause ratings to be placed under special surveillance by Standard & Poor's analytical staff. These may include mergers, recapitalizations, voter referendums, regulatory action, or anticipated operating developments. Ratings appear on CreditWatch when such an event or a deviation from an expected trend occurs and additional information is necessary to evaluate the current rating. A listing, however, does not mean a rating change is inevitable. CreditWatch is not intended to include all ratings under review, and rating changes may occur without the ratings having first appeared on CreditWatch. The "positive" designation means that a rating may be raised; "negative" means a rating may be lowered; and "developing" means that a rating may be raised, lowered, or affirmed.

Enterprise Credit Ratings

A Standard & Poor's CaVal national scale enterprise credit rating is a current opinion of the overall creditworthiness of a debt issuer, guarantor, insurer, or other provider of credit enhancement ("obligor") to meet its financial obligations as they come due, relative to other Mexican obligors. Such Mexican obligors include all active borrowers, guarantors, insurers, and other providers of credit enhancement domiciled in Mexico, as well as foreign obligors active in the Mexican financial markets. A counterparty credit rating is a form of enterprise credit rating.

Enterprise credit ratings do not apply to specific obligations, as they do not take into account the nature and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences, or the legality and enforceability of the obligation. In addition, they do not take into account the creditworthiness of the guarantors, insurers, or other forms of credit enhancement on the obligation.

An enterprise credit rating is not a recommendation to purchase, sell, or hold a financial obligation issued by an obligor, as it does not comment on market price or suitability for a particular investor. Enterprise credit ratings are based on current information furnished by the obligors or obtained by Standard & Poor's from other sources deemed reliable. Standard & Poor's does not perform an audit in connection with any credit rating and may, on occasion, rely on unaudited financial information. Enterprise credit ratings may be changed, suspended, or withdrawn as a result of changes in, or availability of, such information, or based on other circumstances.

Long-Term Enterprise Credit Ratings

Apply to obligors' capacity to meet financial commitments over a time horizon of one year and over.

mxAAA

An obligor rated 'mxAAA' has a very strong capacity to meet its financial commitments relative to that of other Mexican obligors. 'mxAAA' is the highest enterprise credit rating assigned on the Standard & Poor's CaVal national scale.

mxAA

An obligor rated 'mxAA' differs from the highest-rated obligors only to a small degree, and has a strong capacity to meet its financial commitments relative to that of other Mexican obligors.

mxA

An obligor rated 'mxA' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than higher-rated obligors. Still, the obligor has a moderately strong capacity to meet its financial commitments relative to that of other Mexican obligors.

mxBBB

An obligor rated 'mxBBB' has an adequate capacity to meet its financial commitments relative to that of other Mexican obligors. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.

mxBB, mxB, mxCCC, mxCC

Obligors rated 'mxBB', 'mxB', 'mxCCC', or 'mxCC' on the Standard & Poor's CaVal national scale are regarded as having significant speculative characteristics relative to other Mexican obligors. 'mxBB' indicates the least degree of speculation and 'mxCC' the highest. While such obligors will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposure to adverse conditions, relative to other Mexican obligors.

mxBB

An obligor rated 'mxBB' is LESS VULNERABLE in the near term than other lower-rated Mexican obligors. However, it faces ongoing uncertainties or exposure to adverse business, financial, or economic conditions which could result in an inadequate capacity on the part of the obligor to meet its financial commitments.

mxB

An obligor rated 'mxB' is MORE VULNERABLE than obligors rated 'mxBB'. The obligor currently has the capacity to meet its financial commitments relative to other Mexican obligors. Adverse business, financial, or economic conditions would likely impair the obligor's capacity or willingness to meet its financial commitments.

mxCCC

An obligor rated 'mxCCC' is CURRENTLY VULNERABLE and is dependent upon favorable business and financial conditions to meet its financial commitments relative to other Mexican obligors.

Plus (+) or minus (-)

The ratings from 'mxAA' to 'mxCCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative strength within the rating category.

mxCC

An obligor rated 'mxCC' is currently highly vulnerable to defaulting on its financial commitments relative to other Mexican obligors.

mxR

An obligor rated 'mxR' is under regulatory supervision owing to its financial condition. During the pendency of the regulatory supervision, the regulators may have the power to favor one class of obligations over others or pay some obligations and not others. Please see Standard & Poor's debt credit ratings for a more detailed description of the effects of regulatory supervision on specific issues or classes of obligations.

SD and D

An obligor rated 'SD' (selective default) or 'D' has failed to pay one or more of its financial obligations (rated or unrated) when it came due. A 'D' rating is assigned when Standard & Poor's believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due. An 'SD' rating is assigned when Standard & Poor's believes that the obligor has selectively defaulted on a specific obligation or class of obligations but it will continue to meet its payment obligations on other issues or classes of obligations in a timely manner. Please see Standard & Poor's debt credit ratings for a more detailed description of the effects of a default on specific issues or classes of obligations.

Short-Term Enterprise Credit Ratings

Apply to obligors' capacity to meet financial commitments over a time horizon of less than one year.

mxA-1

The obligor's capacity to meet financial commitments relative to that of other Mexican obligors is strong. It is rated in the highest category on the Standard & Poor's CaVal national scale.

mxA-2

The obligor's capacity to meet financial obligations relative to that of other Mexican obligors is satisfactory. However, it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in the highest CaVal rating category.

mxA-3

The obligor's capacity to meet financial commitments relative to that of other Mexican obligors is adequate. It is, however, more vulnerable to adverse economic conditions or changing circumstances than obligors carrying the highest designations.

mxB

The obligor's capacity to meet financial commitments, relative to that of other Mexican obligors is vulnerable and it faces major ongoing uncertainties or exposure to adverse business, financial, and economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitments.

mxC

An obligor currently rated 'mxC' is currently vulnerable to nonpayment relative to other Mexican obligors and is dependent upon favorable business, financial, and economic conditions to meet its financial commitments.

mxR

An obligor rated 'mxR' is under regulatory supervision owing to its financial condition. During the pendency of the regulatory supervision, the regulators may have the power to favor one class of obligations over others or pay some obligations and not others. Please see Standard & Poor's debt credit ratings for a more detailed description of the effects of regulatory supervision on specific issues or classes of obligations.

SD and D

An obligor rated 'SD' (selective default) or 'D' has failed to pay one or more of its financial obligations (rated or unrated) when it came due. A 'D' rating is assigned when Standard & Poor's believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due. An 'SD' rating is assigned when Standard & Poor's believes that the obligor has selectively defaulted on a specific obligation or class of obligations but it will continue to meet its payment obligations on other issues or classes of obligations in a timely manner. Please see Standard & Poor's debt credit ratings for a more detailed description of the effects of a default on specific issues or classes of obligations.

Rating Outlook Definitions

A Standard & Poor's CaVal national scale rating outlook assesses the potential direction of a long-term credit rating over the intermediate to longer term. In determining a rating outlook, consideration is given to any changes in the economic and/or fundamental business conditions. An outlook is not necessarily a precursor of a rating change or future CreditWatch action.

- Positive means that ratings may be raised.
- Negative means ratings may be lowered.
- Stable means that ratings are not likely to change.
- Developing means ratings may be raised or lowered.

CreditWatch

CreditWatch highlights the potential direction of a short- or long-term rating. It focuses on identifiable events and short-term trends that cause ratings to be placed under special surveillance by Standard & Poor's analytical staff. These may include mergers, recapitalizations, voter referendums, regulatory action, or anticipated operating developments. Ratings appear on CreditWatch when such an event or a deviation from an expected trend occurs and additional information is necessary to evaluate the current rating. A listing, however, does not mean a rating change is inevitable. CreditWatch is not intended to include all ratings under review, and rating changes may occur without the ratings having first appeared on CreditWatch. The "positive" designation means that a rating may be raised; "negative" means a rating may be lowered; and "developing" means that a rating may be raised, lowered, or affirmed.

Direct questions about CaVal scale ratings to Ericka Alcantara in Mexico City (52) 55-5081-4427.

JAPAN SME NATIONAL SCALE RATINGS DEFINITIONS

The Standard & Poor's Japan Small and Medium-Sized Enterprise (SME) national scale serves Japanese SMEs, lenders, suppliers, and other parties that have an interest in SME creditworthiness by providing enterprise credit ratings. A Standard & Poor's Japan SME rating indicates the overall financial capacity of a Japanese SME to meet its financial obligations as they come due, relative to other Japanese SME obligors. A Standard & Poor's Japan SME rating is a quantitatively derived indicator of creditworthiness. Calculations differ significantly from Standard & Poor's rating criteria and do not include subjective assessments or judgments of individual SMEs by analysts. Japan SME ratings are expressed using Standard & Poor's traditional credit rating symbols, but in lower case (e.g., 'bbb') to highlight that they are quantitatively derived.

Standard & Poor's Japan SME national scale is not directly comparable to Standard & Poor's global scale, to any other national rating scale or to scales for any quantitatively derived rating estimates. Japan SME ratings are assigned to small and medium-sized enterprises in Japan. For every rating category, firms with a Japan SME rating are typically smaller than firms with an "equivalent" Standard & Poor's credit rating on the global scale. Standard & Poor's rating analysts do not determine Japan SME ratings and, if Standard & Poor's ratings criteria were applied, it is unlikely that analysts would rate companies as indicated by the Japan SME ratings.

A Japan SME rating does not apply to any specific obligation, as it does not take into account the nature and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences, or the legality and enforceability of the obligation. In addition, it does not take into account the creditworthiness of the guarantors, insurers, or other forms of credit enhancement on the obligation.

A Japan SME rating is not a recommendation to purchase, sell, or hold a financial obligation, as it does not comment on market price or suitability for a particular investor. Japan SME ratings are based on current information furnished by the obligors or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform an audit in connection with any Japan SME rating, and may, on occasion, rely on unaudited financial information. Japan SME ratings are not subject to ongoing surveillance; they are only updated when new financial statements are provided to Standard & Poor's. Japan SME ratings may be changed, suspended, or withdrawn as a result of changes in, or unavailability of, such information, or based on other circumstances.

aaa

An obligor rated 'aaa' has a very strong capacity to meet its financial commitments relative to that of other Japanese SMEs. 'aaa' is the highest credit rating assigned on the Standard & Poor's Japan SME rating scale.

aa

An obligor rated 'aa' differs from the highest-rated obligors only to a small degree, and has a strong capacity to meet its financial commitments relative to that of other Japanese SMEs.

a

An obligor rated 'a' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than higher-rated obligors. Still, the obligor has a moderately strong capacity to meet its financial commitments relative to that of other Japanese SMEs.

bbb

An obligor rated 'bbb' has a reasonably adequate capacity to meet its financial commitments relative to that of other Japanese SMEs. However, adverse economic conditions or changing circumstances could impair the obligor's capacity to meet its financial commitments.

bb

An obligor rated 'bb' has somewhat weak capacity to meet its financial commitments relative to that of other Japanese SMEs. However, it faces ongoing uncertainties or exposure to adverse business, financial, or economic conditions, which could result in an inadequate capacity to meet its financial commitments.

b

An obligor rated 'b' has a weak capacity to meet its financial commitments relative to that of other Japanese SMEs. Adverse business, financial, or economic conditions will likely impair the obligor's capacity to meet its financial commitments.

ccc

An obligor rated 'ccc' is currently vulnerable to nonpayment relative to other Japanese SMEs, and is dependent upon favorable business and financial conditions to meet its financial commitments. In the event of adverse business, financial or economic conditions, the obligor is not likely to have the capacity to meet its financial commitments.

Direct questions about Japan SME national scale ratings to Takamasa Yamaoka in Tokyo (81) 3-4550-8719.

KAZAKHSTAN NATIONAL SCALE RATINGS DEFINITIONS

The Standard & Poor's Kazakhstan national scale serves issuers, insurers, counterparties, intermediaries, and investors in the financial markets of Kazakhstan by providing both debt credit ratings, which apply to a specific debt instrument, and issuer credit ratings, which apply to an obligor (i.e., borrower, guarantor, insurer, or other provider of credit enhancement). The Standard & Poor's Kazakhstan national scale uses Standard & Poor's global rating symbols with the addition of a "kz" prefix to denote "Kazakhstan" and the scale's focus on Kazakh financial markets. For the most part, the criteria employed for determining ratings on the Standard & Poor's Kazakhstan national scale are similar to those employed on the Standard & Poor's global scale. However, certain direct sovereign risk considerations weigh less heavily on the Standard & Poor's Kazakhstan national scale than on the global scale. For example, some types of sovereign risk considerations that could adversely affect all issuers equally would have a more muted effect on Standard & Poor's Kazakhstan national scale than on the global scale. Indeed, sovereign risk is examined only in a local context relative to the credit risk of other Kazakh obligors. As a result, the Standard & Poor's Kazakhstan national scale is not directly comparable to Standard & Poor's global scale or to any other national rating scale.

Debt Credit Ratings

A Standard & Poor's Kazakhstan national scale debt credit rating is a current opinion of the creditworthiness of an obligor with respect to a specific debt, bond, lease, commercial paper program, certificate of deposit, or other financial instrument ("obligation") relative to the creditworthiness of other Kazakh obligors with respect to their own financial obligations. Kazakh obligors include all active borrowers, guarantors, insurers, and other providers of credit enhancement residing in Kazakhstan, as well as any foreign obligor active on Kazakh financial markets.

A debt credit rating is not a recommendation to purchase, sell, or hold a specific obligation, as it does not comment on market price or suitability for a particular investor. Debt credit ratings are based on current information furnished by the obligors or obtained from other reliable sources. Standard & Poor's does not perform an audit in connection with any credit rating and may, on occasion, rely on unaudited financial information. Debt credit ratings may be changed, suspended, or withdrawn as a result of changes in, or the availability of, such information, or based on other circumstances.

Standard & Poor's Kazakhstan national scale debt credit ratings are based, in varying degrees, on the following considerations:

- The relative likelihood of payment--the rating assesses the obligor's capacity and willingness to meet its financial commitments in accordance with the terms of the obligation, compared with other Kazakh obligors;
- The obligation's nature and provisions; and
- Protection afforded to, and the relative position of, the obligation in the event of bankruptcy, reorganization, or other arrangement under bankruptcy laws and other

laws affecting creditors' rights.

kzAAA

An obligation rated 'kzAAA' has the highest rating assigned on Standard & Poor's Kazakhstan national scale. The obligor's capacity to meet its financial commitments on the obligation, relative to other Kazakh obligors, is very strong.

kzAA

An obligation rated 'kzAA' differs from the highest-rated debt only to a small degree. The obligor's capacity to meet its financial commitments on the obligation, relative to other Kazakh obligors, is strong.

kzA

An obligation rated 'kzA' is somewhat more susceptible to adverse effects of changes in circumstances and economic conditions than higher-rated debt. Still, the obligor's capacity to meet its financial commitments on the obligation, relative to other Kazakh obligors, is moderately strong.

kzBBB

An obligation rated 'kzBBB' exhibits reasonably adequate protection parameters relative to other Kazakh obligations. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity on the part of the obligor to meet its financial commitments on the obligation.

kzBB, kzB, kzCCC, kzCC, and kzC

Obligations rated 'kzBB', 'kzB', 'kzCCC', 'kzCC', or 'kzC' on the Standard & Poor's Kazakhstan national rating scale are regarded as having high risk relative to other Kazakh obligations. While such obligations will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposure to adverse conditions relative to other Kazakh obligations.

kzBB

An obligation rated 'kzBB' denotes somewhat weak protection parameters relative to other Kazakh obligations. The obligor's capacity to meet its financial commitments on the obligation is somewhat weak because of major ongoing uncertainties or exposure to adverse business, financial, or economic conditions.

kzB

An obligation rated 'kzB' denotes weak protection parameters relative to other Kazakh obligations. Adverse business, financial, or economic conditions, however, would likely impair capacity or willingness of the obligor to meet its financial commitments on the obligation.

kzCCC

An obligation rated 'kzCCC' is currently vulnerable to nonpayment, relative to other Kazakh obligations, and is dependent upon favorable business and financial conditions for the obligor to meet its financial commitments on the obligation. In the event of adverse business, financial, or economic conditions, the obligor is not likely to have the capacity to meet its financial commitment on the obligation.

Plus (+) or minus (-)

The ratings from 'kzAA' to 'kzCCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative strength within the rating category.

kzCC

An obligation rated 'kzCC' is currently highly vulnerable to nonpayment relative to other Kazakh obligations.

kzC

The 'kzC' rating may be used to cover a situation where a bankruptcy procedure has been started or similar action has been taken, but payments on the obligation are being continued.

D

An obligation rated 'D' is in payment default. The 'D' rating is used when interest or principal payments are not made on the date due, even if the applicable grace period has not expired, unless Standard & Poor's believes that such payments will be made during such grace period. The 'D' rating category also will be used upon the filing of a bankruptcy petition or the taking of a similar action if payments on an obligation are jeopardized.

CreditWatch

CreditWatch highlights the potential direction of a short- or long-term rating. It focuses on identifiable events and short-term trends that cause ratings to be placed under special surveillance by Standard & Poor's analytical staff. These may include mergers, recapitalizations, voter referendums, regulatory action, or anticipated operating developments. Ratings appear on CreditWatch when such an event or a deviation from an expected trend occurs and additional information is necessary to evaluate the current rating. A listing, however, does not mean a rating change is inevitable. CreditWatch is not intended to include all ratings under review, and rating changes may occur without the ratings having first appeared on CreditWatch. The "positive" designation means that a rating may be raised; "negative" means a rating may be lowered; and "developing" means that a rating may be raised, lowered, or affirmed.

Issuer Credit Ratings

A Standard & Poor's Kazakhstan national scale issuer credit rating is a current opinion of the overall creditworthiness of a debt issuer, guarantor, insurer, or other provider of credit enhancement ("obligor") to meet its financial obligations as they come due, relative to other Kazakh obligors. Such Kazakh obligors include all active borrowers, guarantors, insurers, and other providers of credit enhancement residing in Kazakhstan, as well as foreign obligors active on Kazakh financial markets. A counterparty credit rating is a form of issuer credit rating.

Issuer credit ratings do not apply to specific obligations, as they do not take into account the nature and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences, or the legality and enforceability of the obligation. In addition, they do not take into account the creditworthiness of the guarantors, insurers, or other forms of credit enhancement on the obligation.

An issuer credit rating is not a recommendation to purchase, sell, or hold a financial obligation issued by an obligor, as it does not comment on market price or suitability for a particular investor. Issuer credit ratings are based on current information furnished by the obligors or obtained from other reliable sources. Standard & Poor's does not perform an audit in connection with any credit rating and may, on occasion, rely on unaudited financial information. Issuer credit ratings may be changed, suspended, or withdrawn as a result of changes in, or the availability of, such information, or based on other circumstances.

kzAAA

An obligor rated 'kzAAA' has a very strong capacity to meet its financial commitments relative to that of other Kazakh obligors. 'kzAAA' is the highest issuer credit rating assigned according to the Standard & Poor's Kazakhstan national scale.

kzAA

An obligor rated 'kzAA' differs from the highest-rated obligors only to a small degree, and has a strong capacity to meet its financial commitments relative to that of other Kazakh obligors.

kzA

An obligor rated 'kzA' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than higher-rated obligors. Still, the obligor has a moderately strong capacity to meet its financial commitments relative to that of other Kazakh obligors.

kzBBB

An obligor rated 'kzBBB' has a reasonably adequate capacity to meet its financial commitments relative to that of other Kazakh obligors. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.

kzBB, kzB, kzCCC, kzCC, and kzC

Obligors rated 'kzBB', 'kzB', 'kzCCC', 'kzCC', or 'kzC' on the Standard & Poor's Kazakhstan national rating scale are regarded as having high risk relative to other Kazakh obligors. While such obligors will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposure to adverse conditions relative to other Kazakh obligors.

kzBB

An obligor rated 'kzBB' denotes somewhat weak capacity to meet its financial commitments, although it is less vulnerable than other lower-rated Kazakh obligors. However, it faces ongoing uncertainties or exposure to adverse business, financial, or economic conditions, which could result in an inadequate capacity on the part of the obligor to meet its financial commitments.

kzB

An obligor rated 'kzB' is more vulnerable than obligors rated 'kzBB'. The obligor currently has a weak capacity to meet its financial commitments relative to other Kazakh obligors. Adverse business, financial, or economic conditions would likely impair the obligor's capacity or willingness to meet its financial commitments.

kzCCC

An obligor rated 'kzCCC' is currently vulnerable relative to other Kazakh obligors and is dependent upon favorable business and financial conditions to meet its financial commitments.

Plus (+) or minus (-)

The ratings from 'kzAA' to 'kzCCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative strength within the rating category.

kzCC

An obligor rated 'kzCC' is currently highly vulnerable to defaulting on its financial commitments relative to other Kazakh obligors.

kzC

An obligor rated 'kzC' is under regulatory supervision owing to its financial condition. During the pendency of the regulatory supervision, the regulators may have the power to favor one class of obligations over others or pay some obligations and not others. Please see Standard & Poor's debt credit ratings for a more detailed description of the effects of regulatory supervision on specific issues or classes of obligations.

SD and D

An obligor rated 'SD' (selective default) or 'D' has failed to pay one or more of its financial obligations (rated or unrated) when it came due. A 'D' rating is assigned when Standard & Poor's believes that the default will be a general default and that the obligor will fail to pay all or nearly all of its obligations as they come due. An 'SD' rating is assigned when Standard & Poor's believes that the obligor has selectively defaulted on a specific obligation or class of obligations, but will continue to meet its payment obligations on other issues or classes of obligations in a timely manner. Please see Standard & Poor's debt credit ratings for a more detailed description of the effects of a default on specific issues or classes of obligations.

CreditWatch

CreditWatch highlights the potential direction of a short- or long-term rating. It focuses on identifiable events and short-term trends that cause ratings to be placed under special surveillance by Standard & Poor's analytical staff. These may include mergers, recapitalizations, voter referendums, regulatory action, or anticipated operating developments. Ratings appear on CreditWatch when such an event or a deviation from an expected trend occurs and additional information is necessary to evaluate the current rating. A listing, however, does not mean a rating change is inevitable. CreditWatch is not intended to include all ratings under review, and rating changes may occur without the ratings having first appeared on CreditWatch. The "positive" designation means that a rating may be raised; "negative" means a rating may be lowered; and "developing" means that a rating may be raised, lowered, or affirmed.

Direct questions about Kazakhstan national scale ratings to Rob Richards in Frankfurt (49) 69-33-999-0.

NEW ZEALAND RELATIVE STRENGTH RATING DEFINITIONS

A Standard & Poor's New Zealand Relative Strength Rating is a current opinion of the overall creditworthiness of an entity over a two-year period, and is a relative measure of risk compared to other New Zealand nonbank finance entities. The New Zealand nonbank finance sector has significantly higher risk attributes than those of the New Zealand banking sector, and consequently, is likely to exhibit greater volatility and default experience.

New Zealand Relative Strength Ratings are measures of probability of default at the enterprise level, and are based on a holistic analysis of risk management and financial- and business-profile attributes.

Like Standard & Poor's other credit ratings, New Zealand Relative Strength Ratings are not market ratings. That is, they are not buy, sell, or hold recommendations for any debt or equity security, and do not take into account yield, price, other market factors, or suitability for a particular investor. Ratings are based on current information furnished by the entity or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform an audit and may, on occasion, rely on unaudited financial information. Credit ratings may be changed, suspended, or withdrawn as a result of changes in, or the unavailability of, such information, or based on other circumstances.

nzf1+

An entity rated 'nzf1+' has extremely strong capacity to meet financial commitments relative to that of other New Zealand finance entities.

nzf1

An entity rated 'nzf1' has very strong capacity to meet financial commitments relative to that of other New Zealand finance entities.

nzf2

An entity rated 'nzf2' has strong capacity to meet its financial commitments relative to that of other New Zealand finance entities.

nzf3

An entity rated 'nzf3' has reasonably strong capacity to meet its financial commitments relative to that of other New Zealand finance entities.

nzf4 nzf5

An entity rated 'nzf4' or 'nzf5' has adequate capacity to meet its financial commitments relative to that of other New Zealand finance entities.

nzf6

An entity rated 'nzf6' has reasonably adequate capacity to meet its financial commitments relative to that of other New Zealand finance entities.

nzf7

An entity rated 'nzf7' has reasonably weak capacity to meet financial commitments, although it is less vulnerable than lower-rated New Zealand finance entities.

nzf8

An entity rated 'nzf8' has weak capacity to meet its financial commitments relative to that of other New Zealand finance entities.

nzf9

An entity rated 'nzf9' is highly vulnerable to defaulting.

NzfD

An entity rated 'nzfD' has either failed to pay one or more of its financial obligations when due or it has been placed into receivership.

CreditWatch

CreditWatch highlights the potential direction of a rating. It focuses on identifiable events and short-term trends that cause ratings to be placed under special surveillance by Standard & Poor's analytical staff. These may include mergers, recapitalizations, voter referendums, regulatory action, or anticipated operating developments. Ratings appear on CreditWatch when such an event or a deviation from an expected trend occurs and additional information is necessary to evaluate the current rating. A listing, however, does not mean a rating change is inevitable. CreditWatch is not intended to include all ratings under review, and rating changes may occur without the ratings having first appeared on CreditWatch. The "positive" designation means that a rating may be raised; "negative" means a rating may be lowered; and "developing" means that a rating may be raised, lowered, or affirmed.

Direct questions about New Zealand relative strength ratings to Paul Stephen in Melbourne at (61) 3-9631-2070.

NORDIC NATIONAL SCALE RATINGS DEFINITIONS

Applying to short-term obligations.

K-1

Highest creditworthiness. An issuer of commercial paper assigned to this category is regarded as having a very good capacity for timely payment of rated debt. Cash flow and liquidity are more than satisfactory to meet predictable demands in the foreseeable future.

K-2

High creditworthiness. An issuer of commercial paper assigned to this category is regarded as having a good capacity for timely repayment of rated debt. Cash flow and liquidity are satisfactory to meet predictable financial demands in the foreseeable future.

K-3

Adequate creditworthiness. An issuer of commercial paper assigned to this category is regarded as having an adequate capacity for timely repayment of rated debt. Cash flow and access to liquidity are sufficient to meet predictable financial demands in the future.

K-4

Speculative capacity. An issuer of commercial paper assigned to this category is regarded as having doubtful capacity for timely repayment of rated debt. It is doubtful that cash flow and access to liquidity are sufficient to meet predictable financial demands within the near future.

K-5

Deficient capacity. An issuer of commercial paper assigned to this category is, or is expected to become, unable to meet predictable financial demands.

BK

Default. An issuer of commercial paper assigned to this category is in default.

CreditWatch

CreditWatch highlights the potential direction of a rating. It focuses on identifiable events and short-term trends that cause ratings to be placed under special surveillance by Standard & Poor's analytical staff. These may include mergers, recapitalizations, voter referendums, regulatory action, or anticipated operating developments. Ratings appear on CreditWatch when such an event or a deviation from an expected trend occurs and additional information is necessary to evaluate the current rating. A listing, however, does not mean a rating change is inevitable. CreditWatch is not intended to include all ratings under review, and rating changes may occur without the ratings having first appeared on CreditWatch.

The "positive" designation means that a rating may be raised; "negative" means a rating may be lowered; and "developing" means that a rating may be raised, lowered, or affirmed.

Direct questions about Nordic scale ratings to Michaela Höglund in Stockholm at (46) 8-440-5916.

RUSSIA NATIONAL SCALE RATINGS DEFINITIONS

The Standard & Poor's Russia national scale serves issuers, insurers, counterparties, intermediaries, and investors in the financial markets of Russia by providing both debt credit ratings, which apply to a specific debt instrument, and issuer credit ratings, which apply to an obligor (i.e., borrower, guarantor, insurer, or other provider of credit enhancement). The Standard & Poor's Russia national scale uses Standard & Poor's global rating symbols with the addition of an "ru" prefix to denote "Russia" and the scale's focus on Russian financial markets. For the most part, the criteria employed for determining ratings on the Standard & Poor's Russia national scale are similar to those employed on the Standard & Poor's global scale. However, certain direct sovereign risk considerations weigh less heavily on the Standard & Poor's Russia national scale than on the global scale. For example, some types of sovereign risk considerations that could adversely affect all issuers equally would have a more muted effect on Standard & Poor's Russia national scale than on the global scale. Indeed, sovereign risk is examined only in a local context relative to the credit risk of other Russian obligors. As a result, the Standard & Poor's Russia national scale is not directly comparable to Standard & Poor's global scale or to any other national rating scale.

Debt Credit Ratings

A Standard & Poor's Russia national scale debt credit rating is a current opinion of the creditworthiness of an obligor with respect to a specific debt, bond, lease, commercial paper program, certificate of deposit, or other financial instrument ("obligation") relative to the creditworthiness of other Russian obligors with respect to their own financial obligations. Russian obligors include all active borrowers, guarantors, insurers, and other providers of credit enhancement residing in Russia, as well as any foreign obligor active on Russian financial markets.

A debt credit rating is not a recommendation to purchase, sell, or hold a specific obligation, as it does not comment on market price or suitability for a particular investor. Debt credit ratings are based on current information furnished by the obligors or obtained from other reliable sources. Standard & Poor's does not perform an audit in connection with any credit rating and may, on occasion, rely on unaudited financial information. Debt credit ratings may be changed, suspended, or withdrawn as a result of changes in, or the availability of, such information, or based on other circumstances.

Standard & Poor's Russia national scale debt credit ratings are based, in varying degrees, on the following considerations:

- The relative likelihood of payment--the rating assesses the obligor's capacity and willingness to meet its financial commitments in accordance with the terms of the obligation, compared with other Russian obligors;
- The obligation's nature and provisions; and
- Protection afforded to, and the relative position of, the obligation in the event of bankruptcy, reorganization, or other arrangement under bankruptcy laws and other laws affecting creditors' rights.

ruAAA

An obligation rated 'ruAAA' has the highest rating assigned on Standard & Poor's Russia national scale. The obligor's capacity to meet its financial commitments on the obligation, relative to other Russian obligors, is very strong.

ruAA

An obligation rated 'ruAA' differs from the highest-rated debt only to a small degree. The obligor's capacity to meet its financial commitments on the obligation, relative to other Russian obligors, is strong.

ruA

An obligation rated 'ruA' is somewhat more susceptible to adverse effects of changes in circumstances and economic conditions than higher-rated debt. Still, the obligor's capacity to meet its financial commitments on the obligation, relative to other Russian obligors, is moderately strong.

ruBBB

An obligation rated 'ruBBB' exhibits adequate protection parameters relative to other Russian obligations. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity on the part of the obligor to meet its financial commitments on the obligation.

ruBB, ruB, ruCCC, ruCC, and ruC

Obligations rated 'ruBB', 'ruB', 'ruCCC', 'ruCC', or 'ruC' on the Standard & Poor's Russia national rating scale are regarded as having high risk relative to other Russian obligations. While such obligations will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposure to adverse conditions relative to other Russian obligations.

ruBB

An obligation rated 'ruBB' is less vulnerable to nonpayment than other lower-rated Russian obligations. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions, which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.

ruB

An obligation rated 'ruB' is more vulnerable to nonpayment than Russian obligations rated 'ruBB'. The obligor currently has the capacity to meet its financial commitments on the obligation, but adverse business, financial, or economic conditions would likely impair capacity or willingness of the obligor to meet its financial commitments on the obligation.

ruCCC

An obligation rated 'ruCCC' is currently vulnerable to nonpayment, relative to other Russian obligations, and is dependent upon favorable business and financial conditions for the obligor to meet its financial commitments on the obligation. In the event of adverse business, financial, or economic conditions, the obligor is not likely to have the capacity to meet its financial commitment on the obligation.

Plus (+) or minus (-)

The ratings from 'ruAA' to 'ruCCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative strength within the rating category.

ruCC

An obligation rated 'ruCC' is currently highly vulnerable to nonpayment relative to other Russian obligations.

ruC

The 'ruC' rating may be used to cover a situation where a bankruptcy procedure has been started or similar action has been taken, but payments on the obligation are being continued.

D

An obligation rated 'D' is in payment default. The 'D' rating is used when interest or principal payments are not made on the date due, even if the applicable grace period has not expired, unless Standard & Poor's believes that such payments will be made during such grace period. The 'D' rating category also will be used upon the filing of a bankruptcy petition or the taking of a similar action if payments on an obligation are jeopardized.

CreditWatch

CreditWatch highlights the potential direction of a short- or long-term rating. It focuses on identifiable events and short-term trends that cause ratings to be placed under special surveillance by Standard & Poor's analytical staff. These may include mergers, recapitalizations, voter referendums, regulatory action, or anticipated operating developments. Ratings appear on CreditWatch when such an event or a deviation from an expected trend occurs and additional information is necessary to evaluate the current rating. A listing, however, does not mean a rating change is inevitable. CreditWatch is not intended to include all ratings under review, and rating changes may occur without the ratings having first appeared on CreditWatch. The "positive" designation means that a rating may be raised; "negative" means a rating may be lowered; and "developing" means that a rating may be raised, lowered, or affirmed.

Issuer Credit Ratings

A Standard & Poor's Russia national scale issuer credit rating is a current opinion of the overall creditworthiness of a debt issuer, guarantor, insurer, or other provider of credit enhancement ("obligor") to meet its financial obligations as they come due, relative to other Russian obligors. Such Russian obligors include all active borrowers, guarantors, insurers, and other providers of credit enhancement residing in Russia, as well as foreign obligors active on Russian financial markets. A counterparty credit rating is a form of issuer credit rating.

Issuer credit ratings do not apply to specific obligations, as they do not take into account the nature and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences, or the legality and enforceability of the obligation. In addition, they do not take into account the creditworthiness of the guarantors, insurers, or other forms of credit enhancement on the obligation.

An issuer credit rating is not a recommendation to purchase, sell, or hold a financial obligation issued by an obligor, as it does not comment on market price or suitability for a particular investor. Issuer credit ratings are based on current information furnished by the obligors or obtained from other reliable sources. Standard & Poor's does not perform an audit in connection with any credit rating and may, on occasion, rely on unaudited financial information. Issuer credit ratings may be changed, suspended, or withdrawn as a result of changes in, or the availability of, such information, or based on other circumstances.

ruAAA

An obligor rated 'ruAAA' has a very strong capacity to meet its financial commitments relative to that of other Russian obligors. 'ruAAA' is the highest issuer credit rating assigned according to the Standard & Poor's Russia National Scale.

ruAA

An obligor rated 'ruAA' differs from the highest-rated obligors only to a small degree, and has a strong capacity to meet its financial commitments relative to that of other Russian obligors.

ruA

An obligor rated 'ruA' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than higher-rated obligors. Still, the obligor has a moderately strong capacity to meet its financial commitments relative to that of other Russian obligors.

ruBBB

An obligor rated 'ruBBB' has an adequate capacity to meet its financial commitments relative to that of other Russian obligors. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.

ruBB, ruB, ruCCC, ruCC, and ruC

Obligors rated 'ruBB', 'ruB', 'ruCCC', 'ruCC', or 'ruC' on the Standard & Poor's Russia national rating scale are regarded as having high risk relative to other Russian obligors. While such obligors will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposure to adverse conditions relative to other Russian obligors.

ruBB

An obligor rated 'ruBB' is less vulnerable than other lower-rated Russian obligors. However, it faces ongoing uncertainties or exposure to adverse business, financial, or economic conditions, which could result in an inadequate capacity on the part of the obligor to meet its financial commitments.

ruB

An obligor rated 'ruB' is more vulnerable than obligors rated 'ruBB'. The obligor currently has the capacity to meet its financial commitments relative to other Russian obligors. Adverse business, financial, or economic conditions would likely impair the obligor's capacity or willingness to meet its financial commitments.

ruCCC

An obligor rated 'ruCCC' is currently vulnerable relative to other Russian obligors and is dependent upon favorable business and financial conditions to meet its financial commitments.

Plus (+) or minus (-)

The ratings from 'ruAA' to 'ruCCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative strength within the rating category.

ruCC

An obligor rated 'ruCC' is currently highly vulnerable to defaulting on its financial commitments relative to other Russian obligors.

ruC

An obligor rated 'ruC' is under regulatory supervision owing to its financial condition. During the pendency of the regulatory supervision, the regulators may have the power to favor one class of obligations over others or pay some obligations and not others. Please see Standard & Poor's debt credit ratings for a more detailed description of the effects of regulatory supervision on specific issues or classes of obligations.

SD and D

An obligor rated 'SD' (selective default) or 'D' has failed to pay one or more of its financial obligations (rated or unrated) when it came due. A 'D' rating is assigned when Standard & Poor's believes that the default will be a general default and that the obligor will fail to pay all or nearly all of its obligations as they come due. An 'SD' rating is assigned when Standard & Poor's believes that the obligor has selectively defaulted on a specific obligation or class of obligations, but will continue to meet its payment obligations on other issues or classes of obligations in a timely manner. Please see Standard & Poor's debt credit ratings for a more detailed description of the effects of a default on specific issues or classes of obligations.

CreditWatch

CreditWatch highlights the potential direction of a short- or long-term rating. It focuses on identifiable events and short-term trends that cause ratings to be placed under special surveillance by Standard & Poor's analytical staff. These may include mergers, recapitalizations, voter referendums, regulatory action, or anticipated operating developments. Ratings appear on CreditWatch when such an event or a deviation from an expected trend occurs and additional information is necessary to evaluate the current rating. A listing, however, does not mean a rating change is inevitable. CreditWatch is not intended to include all ratings under review, and rating changes may occur without the ratings having first appeared on CreditWatch. The "positive" designation means that a rating may be raised; "negative" means a rating may be lowered; and "developing" means that a rating may be raised, lowered, or affirmed.

Direct questions about Russia national scale ratings to Alexei Novikov in Moscow (7) 095-783-4012.

SOUTH AFRICA NATIONAL SCALE RATINGS DEFINITIONS

The Standard & Poor's South Africa national scale serves issuers, insurers, counterparties, intermediaries, and investors in the financial markets of South Africa by providing both debt credit ratings, which apply to a specific debt instrument, and issuer credit ratings, which apply to an obligor (i.e., borrower, guarantor, insurer, or other provider of credit enhancement). The Standard & Poor's South Africa national scale uses Standard & Poor's global rating symbols with the addition of a "za" prefix to denote "South Africa" and the scale's focus on South African financial markets. For the most part, the criteria employed for determining ratings on the Standard & Poor's South Africa national scale are similar to those employed on the Standard & Poor's global scale. However, certain direct sovereign risk considerations weigh less heavily on the Standard & Poor's South Africa national scale than on the global scale. For example, some types of sovereign risk considerations that could adversely affect all issuers equally would have a more muted effect on Standard & Poor's South Africa national scale than on the global scale. Indeed, sovereign risk is examined only in a local context relative to the credit risk of other South African obligors. As a result, the Standard & Poor's South Africa national scale is not directly comparable to Standard & Poor's global scale or to any other national rating scale.

Debt Credit Ratings

A Standard & Poor's South Africa national scale debt credit rating is a current opinion of the creditworthiness of an obligor with respect to a specific debt, bond, lease, commercial paper program, certificate of deposit, or other financial instrument ("obligation") relative to the creditworthiness of other South African obligors with respect to their own financial obligations. South African obligors include all active borrowers, guarantors, insurers, and other providers of credit enhancement residing in South Africa, as well as any foreign obligor active on South African financial markets.

A debt credit rating is not a recommendation to purchase, sell, or hold a specific obligation, as it does not comment on market price or suitability for a particular investor. Debt credit ratings are based on current information furnished by the obligors or obtained from other reliable sources. Standard & Poor's does not perform an audit in connection with any credit rating and may, on occasion, rely on unaudited financial information. Debt credit ratings may be changed, suspended, or withdrawn as a result of changes in, or the unavailability of, such information, or based on other circumstances. Standard & Poor's South Africa national scale debt credit ratings are based, in varying degrees, on the following considerations:

- The relative likelihood of payment--the rating assesses the obligor's capacity and willingness to meet its financial commitments in accordance with the terms of the obligation, compared with other South African obligors;
- The obligation's nature and provisions; and
- Protection afforded to, and the relative position of, the obligation in the event of bankruptcy, reorganization, or other arrangement under bankruptcy laws and other laws affecting creditors' rights.

zaAAA

An obligation rated 'zaAAA' has the highest rating assigned on Standard & Poor's South Africa national scale. The obligor's capacity to meet its financial commitments on the obligation, relative to other South African obligors, is very strong.

zaAA

An obligation rated 'zaAA' differs from the highest-rated debt only to a small degree. The obligor's capacity to meet its financial commitments on the obligation, relative to other South African obligors, is strong.

zaA

An obligation rated 'zaA' is somewhat more susceptible to adverse effects of changes in circumstances and economic conditions than higher-rated debt. Still, the obligor's capacity to meet its financial commitments on the obligation, relative to other South African obligors, is moderately strong.

zaBBB

An obligation rated 'zaBBB' exhibits reasonably adequate protection parameters relative to other South African obligations. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity on the part of the obligor to meet its financial commitments on the obligation.

zaBB, zaB, zaCCC, zaCC, and zaC

Obligations rated 'zaBB', 'zaB', 'zaCCC', 'zaCC', or 'zaC' on the Standard & Poor's South Africa national rating scale are regarded as having high risk relative to other South African obligations. While such obligations will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposure to adverse conditions relative to other South African obligations.

zaBB

An obligation rated 'zaBB' denotes somewhat weak protection parameters relative to other South African obligations. The obligor's capacity to meet its financial commitments on the obligation is somewhat weak because of major ongoing uncertainties or exposure to adverse business, financial, or economic conditions.

zaB

An obligation rated 'zaB' is more vulnerable than obligations rated 'zaBB' relative to other South African obligations. The obligor currently has a weak capacity to meet its financial obligations. Adverse business, financial, or economic conditions, however, would likely impair capacity or willingness of the obligor to meet its financial commitments on the obligation.

zaCCC

An obligation rated 'zaCCC' is currently vulnerable to nonpayment, relative to other South African obligations, and is dependent upon favorable business and financial conditions for the obligor to meet its financial commitments on the obligation. In the event of adverse business, financial, or economic conditions, the obligor is not likely to have the capacity to meet its financial commitment on the obligation.

Plus (+) or minus (-)

The ratings from 'zaAA' to 'zaCCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative strength within the rating category.

zaCC

An obligation rated 'zaCC' is currently highly vulnerable to nonpayment relative to other South African obligations.

zaC

The 'zaC' rating may be used to cover a situation where a bankruptcy procedure has been started or similar action has been taken, but payments on the obligation are being continued.

D

An obligation rated 'D' is in payment default. The 'D' rating is used when interest or principal payments are not made on the date due, even if the applicable grace period has not expired, unless Standard & Poor's believes that such payments will be made during such grace period. The 'D' rating category also will be used upon the filing of a bankruptcy petition or the taking of a similar action if payments on an obligation are jeopardized.

Short-Term Debt Credit Ratings

Apply to obligations with an original maturity of less than one year.

zaA-1

A short-term obligation rated 'zaA-1' is rated in the highest category on Standard & Poor's South African national scale. The obligor's capacity to meet its commitments on the obligation, relative to other South African obligors, is strong.

zaA-2

A short-term obligation rated 'zaA-2' is slightly more susceptible to adverse changes in circumstances and economic conditions than obligations rated 'zaA-1'. The obligor's capacity to meet its financial commitments on the obligation, relative to other South African obligors, is satisfactory.

zaA-3

A short-term obligation rated 'zaA-3' denotes adequate protection parameters relative to other short-term South African obligations. It is, however, more vulnerable to adverse effects of changes in circumstances than obligations carrying the higher designations.

zaB

A short-term obligation rated 'zaB' denotes significant vulnerability to adverse business, financial, or economic conditions regarding timely payment of interest or repayment of principal, relative to other short-term South African obligations.

zaC

A short-term obligation rated 'zaC' denotes doubtful capacity for payment.

D

A short-term obligation rated 'D' denotes a payment default.

Issuer Credit Ratings

A Standard & Poor's South Africa national scale issuer credit rating is a current opinion of the overall creditworthiness of a debt issuer, guarantor, insurer, or other provider of credit enhancement ("obligor") to meet its financial obligations as they come due, relative to other South African obligors. Such South African obligors include all active borrowers, guarantors, insurers, and other providers of credit enhancement residing in South Africa, as well as foreign obligors active on South African financial markets. A counterparty credit rating is a form of issuer credit rating.

Issuer credit ratings do not apply to specific obligations, as they do not take into account the nature and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences, or the legality and enforceability of the obligation. In addition, they do not take into account the creditworthiness of the guarantors, insurers, or other forms of credit enhancement on the obligation.

An issuer credit rating is not a recommendation to purchase, sell, or hold a financial obligation issued by an obligor, as it does not comment on market price or suitability for a particular investor. Issuer credit ratings are based on current information furnished by the obligors or obtained from other reliable sources. Standard & Poor's does not perform an audit in connection with any credit rating and may, on occasion, rely on unaudited financial information. Issuer credit ratings may be changed, suspended, or withdrawn as a result of changes in, or the unavailability of, such information, or based on other circumstances.

zaAAA

An obligor rated 'zaAAA' has a very strong capacity to meet its financial commitments relative to that of other South African obligors. 'zaAAA' is the highest issuer credit rating assigned according to the Standard & Poor's South Africa national scale.

zaAA

An obligor rated 'zaAA' differs from the highest-rated obligors only to a small degree, and has a strong capacity to meet its financial commitments relative to that of other South African obligors.

zaA

An obligor rated 'zaA' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than higher-rated obligors. Still, the obligor has a moderately strong capacity to meet its financial commitments relative to that of other South African obligors.

zaBBB

An obligor rated 'zaBBB' has a reasonably adequate capacity to meet its financial commitments relative to that of other South African obligors. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.

zaBB, zaB, zaCCC, zaCC, and zaC

Obligors rated 'zaBB', 'zaB', 'zaCCC', 'zaCC', or 'zaC' on the Standard & Poor's South Africa national rating scale are regarded as having high risk relative to other South African obligors. While such obligors will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposure to adverse conditions relative to other South African obligors.

zaBB

An obligor rated 'zaBB' denotes somewhat weak capacity to meet its financial commitments, although it is less vulnerable than other lower-rated South African obligors. However, it faces ongoing uncertainties or exposure to adverse business, financial, or economic conditions, which could result in an inadequate capacity on the part of the obligor to meet its financial commitments.

zaB

An obligor rated 'zaB' is more vulnerable than obligors rated 'zaBB'. The obligor currently has a weak capacity to meet its financial commitments relative to other South African obligors. Adverse business, financial, or economic conditions would likely impair the obligor's capacity or willingness to meet its financial commitments.

zaCCC

An obligor rated 'zaCCC' is currently vulnerable relative to other South African obligors and is dependent upon favorable business and financial conditions to meet its financial commitments.

Plus (+) or minus (-)

The ratings from 'zaAA' to 'zaCCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative strength within the rating category.

zaCC

An obligor rated 'zaCC' is currently highly vulnerable to defaulting on its financial commitments relative to other South African obligors.

zaC

An obligor rated 'zaC' is under regulatory supervision owing to its financial condition. During the pendency of the regulatory supervision, the regulators may have the power to favor one class of obligations over others or pay some obligations and not others. Please see Standard & Poor's debt credit ratings for a more detailed description of the effects of regulatory supervision on specific issues or classes of obligations.

SD and D

An obligor rated 'SD' (selective default) or 'D' has failed to pay one or more of its financial obligations (rated or unrated) when it came due. A 'D' rating is assigned when Standard & Poor's believes that the default will be a general default and that the obligor will fail to pay all or nearly all of its obligations as they come due. An 'SD' rating is assigned when Standard & Poor's believes that the obligor has selectively defaulted on a specific obligation or class of obligations, but will continue to meet its payment obligations on other issues or classes of obligations in a timely manner. Please see Standard & Poor's debt credit ratings for a more detailed description of the effects of a default on specific issues or classes of obligations.

Short-Term Issuer Credit Ratings

Apply to obligors' capacity to meet financial commitments over a time horizon of less than one year.

zaA-1

An obligor rated 'zaA-1' is rated in the highest category on Standard & Poor's South African national scale. The obligor's capacity to meet its commitments on the obligation, relative to other South African obligors, is strong.

zaA-2

An obligor rated 'zaA-2' is slightly more susceptible to adverse changes in circumstances and economic conditions than obligations rated 'zaA-1'. The obligor's capacity to meet its financial commitments on the obligation, relative to other South African obligors, is satisfactory.

zaA-3

An obligor rated 'zaA-3' denotes adequate protection parameters relative to other short-term South African obligations. It is, however, more vulnerable to adverse effects of changes in circumstances than obligors carrying the higher designations.

zaB

An obligor with a 'zaB' short-term rating has a weak capacity to meet financial commitments, relative to that of other South Africa obligors, and is vulnerable to adverse business, financial, or economic conditions.

zaC

An obligor with a 'zaC' short-term rating has a doubtful capacity to meet financial commitments.

'SD' and 'D'

An obligor rated 'SD' (selective default) or 'D' has failed to pay one or more of its financial obligations (rated or unrated) when it came due. A 'D' rating is assigned when Standard & Poor's believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due. An 'SD' rating is assigned when Standard & Poor's believes that the obligor has selectively defaulted on a specific issue or class of obligations but it will continue to meet its payment obligations on other issues or classes of obligations in a timely manner.

Rating Outlook Definitions

A Standard & Poor's South Africa national scale rating outlook assesses the potential direction of an obligor's long-term credit rating over the intermediate to longer-term. In determining a rating outlook, consideration is given to any changes in the economic and/or fundamental business conditions. An outlook is not necessarily a precursor of a rating change or future CreditWatch action.

- Positive indicates that ratings may be raised.
- Negative means ratings may be lowered.
- Stable indicates that ratings are not likely to change.
- Developing means ratings may be raised or lowered.

CreditWatch

CreditWatch highlights the potential direction of a short- or long-term rating. It focuses on identifiable events and short-term trends that cause ratings to be placed under special surveillance by Standard & Poor's analytical staff. These may include mergers, recapitalizations, voter referendums, regulatory action, or anticipated operating developments. Ratings appear on CreditWatch when such an event or a deviation from an expected trend occurs and additional information is necessary to evaluate the current rating. A listing, however, does not mean a rating change is inevitable. CreditWatch is not intended to include all ratings under review, and rating changes may occur without the ratings having first appeared on CreditWatch. The "positive" designation means that a rating may be raised; "negative" means a rating may be lowered; and "developing" means that a rating may be raised, lowered, or affirmed.

Direct questions about South Africa national scale ratings to Rob Richards in Frankfurt (49) 69-33-999-0.

TURKEY NATIONAL SCALE RATINGS DEFINITIONS

The Standard & Poor's Turkey national scale serves issuers, insurers, counterparties, intermediaries, and investors in the financial markets of the Republic of Turkey by providing both debt credit ratings, which apply to a specific debt instrument, and issuer credit ratings, which apply to an obligor (i.e., borrower, guarantor, insurer, or other provider of credit enhancement). The Standard & Poor's Turkey national scale uses Standard & Poor's global rating symbols with the addition of a "tr" prefix to denote "Turkey" and the scale's focus on Turkish financial markets. For the most part, the criteria employed for determining ratings on the Standard & Poor's Turkey national scale are similar to those employed on the Standard & Poor's global scale. However, certain direct sovereign risk considerations weigh less heavily on the Standard & Poor's Turkey national scale than on the global scale. For example, some types of sovereign risk considerations that could adversely affect all issuers equally would have a more muted effect on Standard & Poor's Turkey national scale than on the global scale. Indeed, sovereign risk is examined only in a local context relative to the credit risk of other Turkish obligors. As a result, the Standard & Poor's Turkey national scale is not directly comparable to Standard & Poor's global scale or to any other national rating scale.

Debt Credit Ratings

A Standard & Poor's Turkey national scale debt credit rating is a current opinion of the creditworthiness of an obligor with respect to a specific debt, bond, lease, commercial paper program, certificate of deposit, or other financial instrument ("obligation") relative to the creditworthiness of other Turkish obligors with respect to their own financial obligations. Turkish obligors include all active borrowers, guarantors, insurers, and other providers of credit enhancement residing in Turkey, as well as any foreign obligor active on Turkish financial markets.

A debt credit rating is not a recommendation to purchase, sell, or hold a specific obligation, as it does not comment on market price or suitability for a particular investor. Debt credit ratings are based on current information furnished by the obligors or obtained from other reliable sources. Standard & Poor's does not perform an audit in connection with any credit rating and may, on occasion, rely on unaudited financial information. Debt credit ratings may be changed, suspended, or withdrawn as a result of changes in, or the unavailability of, such information, or based on other circumstances.

Standard & Poor's Turkey national scale debt credit ratings are based, in varying degrees, on the following considerations:

- The relative likelihood of payment--the rating assesses the obligor's capacity and willingness to meet its financial commitments in accordance with the terms of the obligation, compared with other Turkish obligors;
- The obligation's nature and provisions; and
- Protection afforded to, and the relative position of, the obligation in the event of bankruptcy, reorganization, or

other arrangement under bankruptcy laws and other laws affecting creditors' rights.

trAAA

An obligation rated 'trAAA' has the highest rating assigned on Standard & Poor's Turkey national scale. The obligor's capacity to meet its financial commitments on the obligation, relative to other Turkish obligors, is very strong.

trAA

An obligation rated 'trAA' differs from the highest-rated debt only to a small degree. The obligor's capacity to meet its financial commitments on the obligation, relative to other Turkish obligors, is strong.

trA

An obligation rated 'trA' is somewhat more susceptible to adverse effects of changes in circumstances and economic conditions than higher-rated debt. Still, the obligor's capacity to meet its financial commitments on the obligation, relative to other Turkish obligors, is moderately strong.

trBBB

An obligation rated 'trBBB' exhibits reasonably adequate protection parameters relative to other Turkish obligations. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity on the part of the obligor to meet its financial commitments on the obligation.

trBB, trB, trCCC, trCC, and trC

Obligations rated 'trBB', 'trB', 'trCCC', 'trCC', or 'trC' on the Standard & Poor's Turkey national rating scale are regarded as having high risk relative to other Turkish obligations. While such obligations will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposure to adverse conditions relative to other Turkish obligations.

trBB

An obligation rated 'trBB' denotes somewhat weak protection parameters relative to other Turkish obligations. The obligor's capacity to meet its financial commitments on the obligation is somewhat weak because of major ongoing uncertainties or exposure to adverse business, financial, or economic conditions.

trB

An obligation rated 'trB' is more vulnerable than obligations rated 'trBB' relative to other Turkish obligations. The obligor currently has a weak capacity to meet its financial obligations. Adverse business, financial, or economic conditions, however, would likely impair capacity or willingness of the obligor to meet its financial commitments on the obligation.

trCCC

An obligation rated 'trCCC' is currently vulnerable to nonpayment, relative to other Turkish obligations, and is dependent upon favorable business and financial conditions for the obligor to meet its financial commitments on the obligation. In the event of adverse business, financial, or economic conditions, the obligor is not likely to have the capacity to meet its financial commitment on the obligation.

Plus (+) or minus (-)

The ratings from 'trAA' to 'trCCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative strength within the rating category.

trCC

An obligation rated 'trCC' is currently highly vulnerable to nonpayment relative to other Turkish obligations.

trC

The 'trC' rating may be used to cover a situation where a bankruptcy procedure has been started or similar action has been taken, but payments on the obligation are being continued.

D

An obligation rated 'D' is in payment default. The 'D' rating is used when interest or principal payments are not made on the date due, even if the applicable grace period has not expired, unless Standard & Poor's believes that such payments will be made during such grace period. The 'D' rating category also will be used upon the filing of a bankruptcy petition or the taking of a similar action if payments on an obligation are jeopardized.

Short-Term Debt Credit Ratings

Apply to obligations with an original maturity of less than one year.

trA-1

A short-term obligation rated 'trA-1' is rated in the highest category on Standard & Poor's Turkish national scale. The obligor's capacity to meet its commitments on the obligation, relative to other Turkish obligors, is strong.

trA-2

A short-term obligation rated 'trA-2' is slightly more susceptible to adverse changes in circumstances and economic conditions than obligations rated 'trA-1'. The obligor's capacity to meet its financial commitments on the obligation, relative to other Turkish obligors, is satisfactory.

trA-3

A short-term obligation rated 'trA-3' denotes adequate protection parameters relative to other short-term Turkish obligations. It is, however, more vulnerable to adverse effects of changes in circumstances than obligations carrying the higher designations.

trB

A short-term obligation rated 'trB' denotes weak protection parameters relative to other short-term Turkish obligations. It is vulnerable to adverse business, financial, or economic conditions.

trC

A short-term obligation rated 'trC' denotes doubtful capacity for payment.

D

A short-term obligation rated 'D' denotes a payment default.

Issuer Credit Ratings

A Standard & Poor's Turkey national scale issuer credit rating is a current opinion of the overall creditworthiness of a debt issuer, guarantor, insurer, or other provider of credit enhancement ("obligor") to meet its financial obligations as they come due, relative to other Turkish obligors. Such Turkish obligors include all active borrowers, guarantors, insurers, and other providers of credit enhancement residing in Turkey, as well as foreign obligors active on Turkish financial markets. A counterparty credit rating is a form of issuer credit rating.

Issuer credit ratings do not apply to specific obligations, as they do not take into account the nature and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences, or the legality and enforceability of the obligation. In addition, they do not take into account the creditworthiness of the guarantors, insurers, or other forms of credit enhancement on the obligation.

An issuer credit rating is not a recommendation to purchase, sell, or hold a financial obligation issued by an obligor, as it does not comment on market price or suitability for a particular investor. Issuer credit ratings are based on current information furnished by the obligors or obtained from other reliable sources. Standard & Poor's does not perform an audit in connection with any credit rating and may, on occasion, rely on unaudited financial information. Issuer credit ratings may be changed, suspended, or withdrawn as a result of changes in, or the unavailability of, such information, or based on other circumstances.

trAAA

An obligor rated 'trAAA' has a very strong capacity to meet its financial commitments relative to that of other Turkish obligors. 'trAAA' is the highest issuer credit rating assigned according to the Standard & Poor's Turkey national scale.

trAA

An obligor rated 'trAA' differs from the highest-rated obligors only to a small degree, and has a strong capacity to meet its financial commitments relative to that of other Turkish obligors.

trA

An obligor rated 'trA' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than higher-rated obligors. Still, the obligor has a moderately strong capacity to meet its financial commitments relative to that of other Turkish obligors.

trBBB

An obligor rated 'trBBB' has a reasonably adequate capacity to meet its financial commitments relative to that of other Turkish obligors. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.

trBB, trB, trCCC, trCC, and trC

Obligors rated 'trBB', 'trB', 'trCCC', 'trCC', or 'trC' on the Standard & Poor's Turkey national rating scale are regarded as having high risk relative to other Turkish obligors. While such obligors will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposure to adverse conditions relative to other Turkish obligors.

trBB

An obligor rated 'trBB' denotes somewhat weak capacity to meet its financial commitments, although it is less vulnerable than other lower-rated Turkish obligors. However, it faces ongoing uncertainties or exposure to adverse business, financial, or economic conditions, which could result in an inadequate capacity on the part of the obligor to meet its financial commitments.

trB

An obligor rated 'trB' is more vulnerable than obligors rated 'trBB'. The obligor currently has a weak capacity to meet its financial commitments relative to other Turkish obligors. Adverse business, financial, or economic conditions would likely impair the obligor's capacity or willingness to meet its financial commitments.

trCCC

An obligor rated 'trCCC' is currently vulnerable relative to other Turkish obligors and is dependent upon favorable business and financial conditions to meet its financial commitments.

Plus (+) or minus (-)

The ratings from 'trAA' to 'trCCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative strength within the rating category.

trCC

An obligor rated 'trCC' is currently highly vulnerable to defaulting on its financial commitments relative to other Turkish obligors.

trC

An obligor rated 'trC' is under regulatory supervision owing to its financial condition. During the pendency of the regulatory supervision, the regulators may have the power to favor one class of obligations over others or pay some obligations and not others. Please see Standard & Poor's debt credit ratings for a more detailed description of the effects of regulatory supervision on specific issues or classes of obligations.

SD and D

An obligor rated 'SD' (selective default) or 'D' has failed to pay one or more of its financial obligations (rated or unrated) when it came due. A 'D' rating is assigned when Standard & Poor's believes that the default will be a general default and that the obligor will fail to pay all or nearly all of its obligations as they come due. An 'SD' rating is assigned when Standard & Poor's believes that the obligor has selectively defaulted on a specific obligation or class of obligations, but will continue to meet its payment obligations on other issues or classes of obligations in a timely manner. Please see Standard & Poor's debt credit ratings for a more detailed description of the effects of a default on specific issues or classes of obligations.

Short-Term Issuer Credit Ratings

Apply to obligors' capacity to meet financial commitments over a time horizon of less than one year.

trA-1

An obligor with a 'trA-1' short-term rating has a strong capacity to meet financial commitments relative to that of other Turkey obligors.

trA-2

An obligor with a 'trA-2' short-term rating has a satisfactory capacity to meet financial obligations relative to that of other Turkey obligors.

trA-3

An obligor with a 'trA-3' short-term rating has an adequate capacity to meet financial commitments relative to that of other Turkey obligors. However, the obligor is more vulnerable to adverse changes in business circumstances or economic conditions than higher rated obligors.

trB

An obligor with a 'trB' short-term rating has a weak capacity to meet financial commitments, relative to that of other Turkey obligors, and is vulnerable to adverse business, financial, or economic conditions.

trC

An obligor with a 'trC' short-term rating has a doubtful capacity to meet financial commitments.

'SD' and 'D'

An obligor rated 'SD' (selective default) or 'D' has failed to pay one or more of its financial obligations (rated or unrated) when it came due. A 'D' rating is assigned when Standard & Poor's believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due. An 'SD' rating is assigned when Standard & Poor's believes that the obligor has selectively defaulted on a specific issue or class of obligations but it will continue to meet its payment obligations on other issues or classes of obligations in a timely manner.

Rating Outlook Definitions

A Standard & Poor's Turkey national scale rating outlook assesses the potential direction of an obligor's long-term credit rating over the intermediate to longer-term. In determining a rating outlook, consideration is given to any changes in the economic and/or fundamental business conditions. An outlook is not necessarily a precursor of a rating change or future CreditWatch action.

- Positive indicates that ratings may be raised.
- Negative means ratings may be lowered.
- Stable indicates that ratings are not likely to change.
- Developing means ratings may be raised or lowered.

CreditWatch

CreditWatch highlights the potential direction of a short- or long-term rating. It focuses on identifiable events and short-term trends that cause ratings to be placed under special surveillance by Standard & Poor's analytical staff. These may include mergers, recapitalizations, voter referendums, regulatory action, or anticipated operating developments. Ratings appear on CreditWatch when such an event or a deviation from an expected trend occurs and additional information is necessary to evaluate the current rating. A listing, however, does not mean a rating change is inevitable. CreditWatch is not intended to include all ratings under review, and rating changes may occur without the ratings having first appeared on CreditWatch. The "positive" designation means that a rating may be raised; "negative" means a rating may be lowered; and "developing" means that a rating may be raised, lowered, or affirmed.

Direct questions about Turkey national scale ratings to Rob

Richards in Frankfurt (49) 69-33-999-0.

TAIWAN RATINGS DEFINITIONS

Taiwan Ratings Corporation (TRC) provides both debt credit ratings, which apply to a specific debt instrument, and issuer credit ratings, which apply to an obligor (i.e., borrower, guarantor, insurer, or other provider of credit enhancement).

Debt Credit Ratings

A TRC debt credit rating is a current opinion of the capacity of an obligor to meet the financial commitments associated to a specific debt, bond, lease, commercial paper program, certificate of deposit, or other financial instrument ("obligation"), relative to the debt servicing and repayment capacity of other obligors active in the Taiwanese domestic financial markets ("obligors"), with respect to their own financial obligations. TRC debt credit rating symbols are accompanied by a "tw" prefix to denote Taiwan and the rating scale's focus on Taiwanese financial markets. As such, the TRC rating scale is not directly comparable to Standard & Poor's global scale.

A debt credit rating is not a recommendation to purchase, sell, or hold a specific obligation, as it does not comment on market price or suitability for a particular investor. Debt credit ratings are only for investor information and are not a guarantee. They do not create a fiduciary relationship.

Debt credit ratings are based on current information furnished by the obligors or obtained by TRC from other sources it considers reliable. TRC does not perform an audit in connection with any credit rating and may, on occasion, rely on unaudited financial information. Debt credit ratings may be changed, suspended, or withdrawn as a result of changes in, or unavailability of, such information, or based on other circumstances.

TRC Debt Credit Ratings are based, in varying degrees, on the following considerations:

- Likelihood of default--the rating assesses the obligor's ability and willingness as to timely payment of interest and repayment of principal in accordance with the terms of the obligation.
- The obligation's nature and provisions, such as collateral, mortgages, or expressions of subordination.
- Protection afforded to, and relative position of, the obligation in the event of bankruptcy, reorganization, or other arrangement under bankruptcy laws and other laws affecting creditors' rights.

Long-Term Debt Credit Ratings

Applying to obligations with an original maturity of one year and over.

twAAA

An obligation rated 'twAAA' has the highest rating assigned by TRC. The obligor's capacity to meet its financial commitments on the obligation, relative to other obligors in the Taiwan market, is EXTREMELY STRONG.

twAA

An obligation rated 'twAA' differs from the highest-rated debt only to a small degree. The obligor's capacity to meet its financial commitments on the obligation, relative to other

Taiwanese obligors, is very strong.

twA

An obligation rated 'twA' is somewhat more susceptible to adverse effects of changes in circumstances and economic conditions than higher-rated debt. Still, the obligor's capacity to meet its financial commitments on the obligation, relative to other Taiwanese obligors, is strong.

twBBB

An obligation rated 'twBBB' denotes adequate protection parameters relative to other Taiwanese obligations. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity on the part of the obligor to meet its financial commitments on the obligation.

twBB , twB, twCCC, twCC, and twC

Obligations rated 'twBB', 'twB', 'twCCC', 'twCC', or 'twC' on the TRC rating scale are regarded as having high risk relative to other Taiwanese obligations. While such obligations will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposure to adverse conditions relative to other Taiwanese obligations.

twBB

An obligation rated 'twBB' denotes somewhat weak protection parameters relative to other Taiwanese obligations. The obligor's capacity to meet its financial commitments on the obligation is somewhat weak because of major ongoing uncertainties or exposure to adverse business, financial, or economic conditions.

twB

An obligation rated 'twB' denotes weak protection parameters relative to other Taiwanese obligations. The obligor currently has the capacity to meet its financial commitments on the obligation. Adverse business, financial, or economic conditions, however, would likely impair capacity or willingness of the obligor to meet its financial commitments on the obligation.

twCCC

An obligation rated 'twCCC' is currently vulnerable to nonpayment and is dependent upon favorable business and financial conditions for the obligor to meet its financial commitments on the obligation.

Plus (+) or minus (-)

The ratings from 'twAA' to 'twCCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative strength within the rating category.

twCC

An obligation rated 'twCC' is currently highly vulnerable to nonpayment.

twC

The 'twC' rating may be used to cover a situation where a bankruptcy petition has been filed or similar action has been taken, but payments on the obligation are being continued.

D

An obligation is rated 'D' when it is in payment default, or the obligor has filed for bankruptcy. The 'D' rating is used when interest or principal payments are not made on the date due, even if the applicable grace period has not expired, unless TRC believes that such payments will be made during such grace period.

Short-Term Debt Credit Ratings

Applying to obligations with an original maturity of less than one year.

twA-1

A short-term obligation rated 'twA-1' is rated in the highest category by TRC. The obligor's capacity to meet its financial commitments on the obligation, relative to that of other obligors in the Taiwan market ("obligors"), is strong.

twA-2

A short-term obligation rated 'twA-2' is slightly more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations rated 'twA-1'. The obligor's capacity to meet its financial commitments on the obligation, relative to that of other Taiwanese obligors, is satisfactory.

twA-3

A short-term obligation rated 'twA-3' denotes adequate protection parameters relative to those of other short-term Taiwanese obligations. It is, however, more vulnerable to the adverse effects of changes in circumstances and economic conditions than obligations carrying the higher designations.

twB

A short-term obligation rated 'twB' denotes significant vulnerability to adverse business, financial, or economic conditions regarding prospects for timely meeting of financial commitments relative to that of other short-term Taiwanese obligations.

twC

A short-term obligation rated 'twC' denotes doubtful capacity for payment.

D

A short-term obligation rated 'D' denotes a payment default.

Rating Outlook Definitions

A TRC rating outlook assesses the potential direction of an obligor's long-term credit rating over the intermediate to longer term. In determining a rating outlook, consideration is given to any changes in the economic and/or fundamental business conditions. An outlook is not necessarily a precursor of a rating change or future CreditWatch action.

- Positive indicates that ratings may be raised.
- Negative means ratings may be lowered.
- Stable indicates that ratings are not likely to change.
- Developing means ratings may be raised or lowered.

CreditWatch

CreditWatch highlights the potential direction of a short- or long-term rating. It focuses on identifiable events and short-term trends that cause ratings to be placed under special surveillance by Standard & Poor's analytical staff. These may include mergers, recapitalizations, voter referendums, regulatory action, or anticipated operating developments. Ratings appear on CreditWatch when such an event or a deviation from an expected trend occurs and additional information is necessary to evaluate the current rating. A listing, however, does not mean a rating change is inevitable. CreditWatch is not intended to include all ratings under review, and rating changes may occur without the ratings having first appeared on CreditWatch. The "positive" designation means that a rating may be raised; "negative" means a rating may be lowered; and "developing" means that a rating may be raised, lowered, or affirmed.

Issuer Credit Ratings

A TRC issuer credit rating is a current opinion of the overall capacity of a debt issuer, guarantor, insurer, or other provider of credit enhancement ("obligor") to meet its financial obligations relative to other obligors active in the Taiwanese domestic financial markets ("obligors"). Such obligors may include corporates, government enterprises, financial institutions, and insurance companies, among other types of entities. Counterparty credit ratings are a form of issuer credit ratings.

TRC issuer credit rating symbols are accompanied by a "tw" prefix to denote Taiwan and the rating scale's focus on Taiwanese financial markets. As such, the TRC rating scale does not address sovereign risk and is not directly comparable to Standard & Poor's global scale.

Issuer credit ratings do not apply to specific obligations, as they do not take into account the nature and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences, or the legality and enforceability of the obligation. In addition, it does not take into account the creditworthiness of the guarantors, insurers, or other forms of credit enhancement on the obligation.

An issuer credit rating is not a recommendation to purchase, sell, or hold a financial obligation issued by an obligor, as it does not comment on market price or suitability for a particular investor. Issuer credit ratings are only for investor information and are not a guarantee. They do not create a fiduciary relationship.

Issuer credit ratings are based on current information furnished by the obligors or obtained by TRC from other sources it considers reliable. TRC does not perform an audit in connection with any credit rating, and may, on occasion, rely on unaudited financial information. Issuer credit ratings may be changed, suspended, or withdrawn as a result of changes in, or unavailability of, such information, or based on other circumstances.

Long-Term Issuer Credit Ratings

Applying to obligors' capacity to meet financial commitments over a time horizon of one year and over.

twAAA

An obligor rated 'twAAA' has an extremely strong capacity to meet its financial commitments relative to other obligors in the Taiwan market.

twAA

An obligor rated 'twAA' differs from the highest-rated obligors only to a small degree, and has a very strong capacity to meet its financial commitments relative to other Taiwanese obligors.

twA

An obligor rated 'twA' is somewhat more susceptible to adverse effects of changes in circumstances and economic conditions than higher-rated obligors. Still, the obligor has a strong capacity to meet its financial commitments relative to other Taiwanese obligors.

twBBB

An obligor rated 'twBBB' has an adequate capacity to meet its financial commitments relative to other Taiwanese obligors. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.

twBB, twB, twCCC, and twCC

Obligors rated 'twBB', 'twB', 'twCCC', or 'twCC' on the TRC rating scale are regarded as having high risk relative to other Taiwanese obligors. While such obligors will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposure to adverse conditions relative to other Taiwanese obligors.

twBB

An obligor rated 'twBB' has a somewhat weak capacity to meet its financial commitments relative to other Taiwanese obligors. The obligor faces ongoing uncertainties or exposure to adverse business, financial, or economic conditions that could result in an inadequate capacity on the part of the obligor to meet its financial commitments.

twB

An obligor rated 'twB' has a weak capacity to meet its financial commitments relative to other Taiwanese obligors. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitments.

twCCC

An obligor rated 'twCCC' is currently vulnerable and is dependent upon favorable business and financial conditions to meet its financial commitments.

Plus (+) or minus (-)

The ratings from 'twAA' to 'twCCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative strength within the rating category.

twCC

An obligor rated 'twCC' is currently highly vulnerable to defaulting on its financial commitments.

twR

An obligor rated 'twR' is under regulatory supervision owing to its financial condition. During the pendency of the regulatory supervision, the regulators may have the power to favor one class of obligations over others or pay some obligations and not others. Please see TRC debt credit ratings for a more detailed description of the effects of the regulatory supervision on specific issues or classes of obligations.

SD and D

An obligor rated 'SD' (selective default) or 'D' has failed to pay one or more of its financial obligations (rated or unrated) when it came due. A 'D' rating is assigned when TRC believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due. An 'SD' rating is assigned when TRC believes that the obligor has selectively defaulted on a specific issue or class of obligations, but will continue to meet its payment obligations on other issues or classes of obligations in a timely manner. Please see TRC debt credit ratings for a more detailed description of the effects of a default on specific issues or classes of obligations.

Short-Term Issuer Credit Ratings

Applying to obligors' capacity to meet financial commitments over a time horizon of less than one year.

twA-1

The obligor's capacity to meet financial commitments on short-term obligations, relative to that of other obligors in the Taiwan market, is strong.

twA-2

The obligor's capacity to meet financial obligations on short-term obligations, relative to that of other Taiwanese obligors, is satisfactory.

twA-3

The obligor's capacity to meet financial commitments on short-term obligations, relative to that of other Taiwanese obligors, is adequate. However, the obligor may be more vulnerable to adverse changes in business circumstances or economic conditions than higher-rated obligors.

twB

The obligor's capacity to meet financial commitments on short-term obligations, relative to that of other Taiwanese obligors, is weak and vulnerable to adverse business, financial, or economic conditions.

twC

The obligor's capacity to meet commitments on short-term obligations is doubtful.

twR

An obligor rated 'twR' is under regulatory supervision owing to its financial condition. During the pendency of the regulatory supervision, the regulators may have the power to favor one class of obligations over others or pay some obligations and not others. Please see TRC debt credit ratings for a more detailed description of the effects of the regulatory supervision on specific issues or classes of obligations.

SD and D

An obligor rated 'SD' (selective default) or 'D' has failed to pay one or more of its financial obligations (rated or unrated) when it came due. A 'D' rating is assigned when TRC believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due. An 'SD' rating is assigned when TRC believes that the obligor has selectively defaulted on a specific issue or class of obligations, but will continue to meet its payment obligations on other issues or classes of obligations in a timely manner. Please see TRC debt credit ratings for a more detailed description of the effects of a default on specific issues or classes of obligations.

Rating Outlook Definitions

A TRC rating outlook assesses the potential direction of an obligor's long-term credit rating over the intermediate to longer term. In determining a rating outlook, consideration is given to any changes in the economic and/or fundamental business conditions. An outlook is not necessarily a precursor of a rating change or future CreditWatch action.

- Positive indicates that ratings may be raised.
- Negative means ratings may be lowered.
- Stable indicates that ratings are not likely to change.
- Developing means ratings may be raised or lowered.

CreditWatch

CreditWatch highlights the potential direction of a short- or long-term rating. It focuses on identifiable events and short-term trends that cause ratings to be placed under special surveillance by Standard & Poor's analytical staff. These may include mergers, recapitalizations, voter referendums, regulatory action, or anticipated operating developments. Ratings appear on CreditWatch when such an event or a deviation from an expected trend occurs and additional information is necessary to evaluate the current rating. A listing, however, does not mean a rating change is inevitable. CreditWatch is not intended to include all ratings under review, and rating changes may occur without the ratings having first appeared on CreditWatch. The "positive" designation means that a rating may be raised; "negative" means a rating may be lowered; and "developing" means that a rating may be raised, lowered, or affirmed.

Direct questions about Taiwan national scale ratings to Tony Tsai in Taipei (8862) 8722-5855.

UKRAINE NATIONAL SCALE RATINGS DEFINITIONS

The Standard & Poor's Ukraine national scale serves issuers, insurers, counterparties, intermediaries, and investors in the financial markets of Ukraine by providing both debt credit ratings, which apply to a specific debt instrument, and issuer credit ratings, which apply to an obligor (i.e., borrower, guarantor, insurer, or other provider of credit enhancement). The Standard & Poor's Ukraine national scale uses Standard & Poor's global rating symbols with the addition of a "ua" prefix to denote "Ukraine" and the scale's focus on Ukrainian financial markets. For the most part, the criteria employed for determining ratings on the Standard & Poor's Ukraine national scale are similar to those employed on the Standard & Poor's global scale. However, certain direct sovereign risk considerations weigh less heavily on the Standard & Poor's Ukraine national scale than on the global scale. For example, some types of sovereign risk considerations that could adversely affect all issuers equally would have a more muted effect on Standard & Poor's Ukraine national scale than on the global scale. Indeed, sovereign risk is examined only in a local context relative to the credit risk of other Ukrainian obligors. As a result, the Standard & Poor's Ukraine national scale is not directly comparable to Standard & Poor's global scale or to any other national rating scale.

Debt Credit Ratings

A Standard & Poor's Ukraine national scale debt credit rating is a current opinion of the creditworthiness of an obligor with respect to a specific debt, bond, lease, commercial paper program, certificate of deposit, or other financial instrument ("obligation") relative to the creditworthiness of other Ukrainian obligors with respect to their own financial obligations. Ukrainian obligors include all active borrowers, guarantors, insurers, and other providers of credit enhancement residing in Ukraine, as well as any foreign obligor active on Ukrainian financial markets.

A debt credit rating is not a recommendation to purchase, sell, or hold a specific obligation, as it does not comment on market price or suitability for a particular investor. Debt credit ratings are based on current information furnished by the obligors or obtained from other reliable sources. Standard & Poor's does not perform an audit in connection with any credit rating and may, on occasion, rely on unaudited financial information. Debt credit ratings may be changed, suspended, or withdrawn as a result of changes in, or the availability of, such information, or based on other circumstances.

Standard & Poor's Ukraine national scale debt credit ratings are based, in varying degrees, on the following considerations:

- The relative likelihood of payment--the rating assesses the obligor's capacity and willingness to meet its financial commitments in accordance with the terms of the obligation, compared with other Ukrainian obligors;
- The obligation's nature and provisions; and
- Protection afforded to, and the relative position of, the obligation in the event of bankruptcy, reorganization, or other arrangement under bankruptcy laws and other laws affecting creditors' rights.

uaAAA

An obligation rated 'uaAAA' has the highest rating assigned on Standard & Poor's Ukraine national scale. The obligor's capacity to meet its financial commitments on the obligation, relative to other Ukrainian obligors, is very strong.

uaAA

An obligation rated 'uaAA' differs from the highest-rated debt only to a small degree. The obligor's capacity to meet its financial commitments on the obligation, relative to other Ukrainian obligors, is strong.

uaA

An obligation rated 'uaA' is somewhat more susceptible to adverse effects of changes in circumstances and economic conditions than higher-rated debt. Still, the obligor's capacity to meet its financial commitments on the obligation, relative to other Ukrainian obligors, is moderately strong.

uaBBB

An obligation rated 'uaBBB' exhibits reasonably adequate protection parameters relative to other Ukrainian obligations. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity on the part of the obligor to meet its financial commitments on the obligation.

uaBB, uaB, uaCCC, uaCC, and uaC

Obligations rated 'uaBB', 'uaB', 'uaCCC', 'uaCC', or 'uaC' on the Standard & Poor's Ukraine national rating scale are regarded as having high risk relative to other Ukrainian obligations. While such obligations will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposure to adverse conditions relative to other Ukrainian obligations.

uaBB

An obligation rated 'uaBB' denotes somewhat weak protection parameters relative to other Ukrainian obligations. The obligor's capacity to meet its financial commitments on the obligation is somewhat weak because of major ongoing uncertainties or exposure to adverse business, financial, or economic conditions.

uaB

An obligation rated 'uaB' denotes weak protection parameters relative to other Ukrainian obligations. Adverse business, financial, or economic conditions, however, would likely impair capacity or willingness of the obligor to meet its financial commitments on the obligation.

uaCCC

An obligation rated 'uaCCC' is currently vulnerable to nonpayment, relative to other Ukrainian obligations, and is dependent upon favorable business and financial conditions for the obligor to meet its financial commitments on the obligation. In the event of adverse business, financial, or economic conditions, the obligor is not likely to have the capacity to meet its financial commitment on the obligation.

Plus (+) or minus (-)

The ratings from 'uaAA' to 'uaCCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative strength within the rating category.

uaCC

An obligation rated 'uaCC' is currently highly vulnerable to nonpayment relative to other Ukrainian obligations.

uaC

The 'uaC' rating may be used to cover a situation where a bankruptcy procedure has been started or similar action has been taken, but payments on the obligation are being continued.

D

An obligation rated 'D' is in payment default. The 'D' rating is used when interest or principal payments are not made on the date due, even if the applicable grace period has not expired, unless Standard & Poor's believes that such payments will be made during such grace period. The 'D' rating category also will be used upon the filing of a bankruptcy petition or the taking of a similar action if payments on an obligation are jeopardized.

CreditWatch

CreditWatch highlights the potential direction of a short- or long-term rating. It focuses on identifiable events and short-term trends that cause ratings to be placed under special surveillance by Standard & Poor's analytical staff. These may include mergers, recapitalizations, voter referendums, regulatory action, or anticipated operating developments. Ratings appear on CreditWatch when such an event or a deviation from an expected trend occurs and additional information is necessary to evaluate the current rating. A listing, however, does not mean a rating change is inevitable. CreditWatch is not intended to include all ratings under review, and rating changes may occur without the ratings having first appeared on CreditWatch. The "positive" designation means that a rating may be raised; "negative" means a rating may be lowered; and "developing" means that a rating may be raised, lowered, or affirmed.

Issuer Credit Ratings

A Standard & Poor's Ukraine national scale issuer credit rating is a current opinion of the overall creditworthiness of a debt issuer, guarantor, insurer, or other provider of credit enhancement ("obligor") to meet its financial obligations as they come due, relative to other Ukrainian obligors. Such Ukrainian obligors include all active borrowers, guarantors, insurers, and other providers of credit enhancement residing in Ukraine, as well as foreign obligors active on Ukrainian financial markets. A counterparty credit rating is a form of issuer credit rating.

Issuer credit ratings do not apply to specific obligations, as they do not take into account the nature and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences, or the legality and enforceability of the obligation. In addition, they do not take into account the creditworthiness of the guarantors, insurers, or other forms of credit enhancement on the obligation.

An issuer credit rating is not a recommendation to purchase, sell, or hold a financial obligation issued by an obligor, as it does not comment on market price or suitability for a particular investor. Issuer credit ratings are based on current information furnished by the obligors or obtained from other reliable sources. Standard & Poor's does not perform an audit in connection with any credit rating and may, on occasion, rely on unaudited financial information. Issuer credit ratings may be changed, suspended, or withdrawn as a result of changes in, or the availability of, such information, or based on other circumstances.

uaAAA

An obligor rated 'uaAAA' has a very strong capacity to meet its financial commitments relative to that of other Ukrainian obligors. 'uaAAA' is the highest issuer credit rating assigned according to the Standard & Poor's Ukraine national scale.

uaAA

An obligor rated 'uaAA' differs from the highest-rated obligors only to a small degree, and has a strong capacity to meet its financial commitments relative to that of other Ukrainian obligors.

uaA

An obligor rated 'uaA' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than higher-rated obligors. Still, the obligor has a moderately strong capacity to meet its financial commitments relative to that of other Ukrainian obligors.

uaBBB

An obligor rated 'uaBBB' has a reasonably adequate capacity to meet its financial commitments relative to that of other Ukrainian obligors. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.

uaBB, uaB, uaCCC, uaCC, and uaC

Obligors rated 'uaBB', 'uaB', 'uaCCC', 'uaCC', or 'uaC' on the Standard & Poor's Ukraine national rating scale are regarded as having high risk relative to other Ukrainian obligors. While such obligors will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposure to adverse conditions relative to other Ukrainian obligors.

uaBB

An obligor rated 'uaBB' denotes somewhat weak capacity to meet its financial commitments, although it is less vulnerable than other lower-rated Ukrainian obligors. However, it faces ongoing uncertainties or exposure to adverse business, financial, or economic conditions, which could result in an inadequate capacity on the part of the obligor to meet its financial commitments.

uaB

An obligor rated 'uaB' is more vulnerable than obligors rated 'uaBB'. The obligor currently has a weak capacity to meet its financial commitments relative to other Ukrainian obligors. Adverse business, financial, or economic conditions would likely impair the obligor's capacity or willingness to meet its financial commitments.

uaCCC

An obligor rated 'uaCCC' is currently vulnerable relative to other Ukrainian obligors and is dependent upon favorable business and financial conditions to meet its financial commitments.

Plus (+) or minus (-)

The ratings from 'uaAA' to 'uaCCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative strength within the rating category.

uaCC

An obligor rated 'uaCC' is currently highly vulnerable to defaulting on its financial commitments relative to other Ukrainian obligors.

uaC

An obligor rated 'uaC' is under regulatory supervision owing to its financial condition. During the pendency of the regulatory supervision, the regulators may have the power to favor one class of obligations over others or pay some obligations and not others. Please see Standard & Poor's debt credit ratings for a more detailed description of the effects of regulatory supervision on specific issues or classes of obligations.

SD and D

An obligor rated 'SD' (selective default) or 'D' has failed to pay one or more of its financial obligations (rated or unrated) when it came due. A 'D' rating is assigned when Standard & Poor's believes that the default will be a general default and that the obligor will fail to pay all or nearly all of its obligations as they come due. An 'SD' rating is assigned when Standard & Poor's believes that the obligor has selectively defaulted on a specific obligation or class of obligations, but will continue to meet its payment obligations on other issues or classes of obligations in a timely manner. Please see Standard & Poor's debt credit ratings for a more detailed description of the effects of a default on specific issues or classes of obligations.

CreditWatch

CreditWatch highlights the potential direction of a short- or long-term rating. It focuses on identifiable events and short-term trends that cause ratings to be placed under special surveillance by Standard & Poor's analytical staff. These may include mergers, recapitalizations, voter referendums, regulatory action, or anticipated operating developments. Ratings appear on CreditWatch when such an event or a deviation from an expected trend occurs and additional information is necessary to evaluate the current rating. A listing, however, does not mean a rating change is inevitable. CreditWatch is not intended to include all ratings under review, and rating changes may occur without the ratings having first appeared on CreditWatch. The "positive" designation means that a rating may be raised; "negative" means a rating may be lowered; and "developing" means that a rating may be raised, lowered, or affirmed.

Direct questions about Ukraine national scale ratings to Rob Richards in Frankfurt (49) 69-33-999-0.

URUGUAY NATIONAL RATING SCALE

Standard & Poor's Uruguay national credit rating scale serves issuers, insurers, counterparties, intermediaries and investors in the Uruguayan financial markets by providing both debt credit ratings, which apply to a specific debt instrument, and enterprise credit ratings, which apply to an obligor (i.e., borrower, guarantor, insurer, or other provider of credit enhancement). The Uruguay national credit rating scale uses Standard & Poor's global rating symbols with the addition of a "uy" prefix to denote "República Oriental del Uruguay" and the scale's focus on Uruguay financial markets. In contrast to Standard & Poor's global scale, the Uruguay national scale does not address sovereign risk and, in particular, the potential risk of exchange controls. In turn, the Uruguay national scale makes no rating distinctions between debt issues denominated in U.S. dollars or Uruguayan pesos. As a result, the Uruguay national rating scale is not directly comparable to Standard & Poor's global scale.

Issuer Credit Rating Definitions

A Standard & Poor's Uruguay issuer credit rating is a current opinion of the overall creditworthiness of a debt issuer, guarantor, insurer, or other provider of credit enhancement ("obligor") to meet its financial obligations relative to other Uruguayan obligors. Such Uruguay obligors include all active borrowers, guarantors, insurers and other providers of credit enhancement domiciled in Uruguay, as well as foreign obligors active in the Uruguay financial markets. Counterparty credit ratings are a form of issuer credit ratings.

Issuer credit ratings do not apply to specific obligations, as they do not take into account the nature of and provisions of the obligations, its standing in bankruptcy or liquidation, statutory preferences, or the legality and enforceability of the obligation. In addition, it does not take into account the creditworthiness of the guarantors, insurers, or other forms of credit enhancement on the obligation.

An issuer credit rating is not a recommendation to purchase, sell, or hold a financial obligation issued by an obligor, as it does not comment on market price or suitability for a particular investor. Issuer credit ratings are based on current information furnished by the obligors or obtained by Standard & Poor's from other sources deemed reliable. Standard & Poor's does not perform an audit in connection with any credit rating, and may, on occasion, rely on unaudited financial information. Issuer credit ratings may be changed, suspended, or withdrawn as a result of changes in, or availability of, such information, or based on other circumstances.

Long-Term Issuer Credit Ratings

Apply to obligors' capacity to meet financial commitments over a time horizon of one year and over.

uyAAA

An obligor rated 'uyAAA' has a very strong capacity to meet its financial commitments relative to other Uruguay obligors.

uyAA

An obligor rated 'uyAA' differs from the highest rated obligors only to a small degree, and has a strong capacity to meet its financial commitments relative to other Uruguay obligors.

uyA

An obligor rated 'uyA' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than higher-rated obligors. Still, the obligor has a moderately strong capacity to meet its financial commitments relative to that of other Uruguay obligors.

uyBBB

An obligor rated 'uyBBB' has an adequate capacity to meet its financial commitments relative to that of other Uruguay obligors. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.

uyBB, uyB, uyCCC, uyCC

Obligors rated 'uyBB', 'uyB', 'uyCCC', 'uyCC' on the Standard & Poor's Uruguay national rating scale are regarded as having high risk relative to other Uruguayan obligors. While such obligors will likely have some quality and procedures characteristics, these may be outweighed by large uncertainties or major exposure to adverse conditions relative to other Uruguay obligors.

uyBB

An obligor rated 'uyBB' has a somewhat weak capacity to meet its financial commitments relative to that of other Uruguay obligors. The obligor faces ongoing uncertainties or exposure to adverse business, financial, or economic conditions which could result in an inadequate capacity on the part of the obligor to meet its financial commitments.

uyB

An obligor rated 'uyB' has a weak capacity to meet its financial commitments relative to that of other Uruguay obligors. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitments.

uyCCC

An obligor rated 'uyCCC' is currently vulnerable relative to other Uruguay obligors, and is dependent upon favorable business and financial conditions to meet its financial commitments.

uyCC

An obligor rated 'uyCC' is currently highly vulnerable to defaulting on its financial commitments.

'R'

An obligor rated 'R' is under regulatory supervision owing to its financial condition. During the pendency of the regulatory supervision the regulators may have the power to favor one class of obligations over others or pay some obligations and not others.

The ratings from 'uyAA' to 'uyCCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative strength within the rating category.

'uySD' and 'uyD'

An obligor rated 'uySD' (Selective Default) or 'uyD' has failed to pay one or more of its financial obligations (rated or unrated) when it came due. A 'uyD' rating is assigned when Standard & Poor's believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due. An 'uySD' rating is assigned when Standard & Poor's believes that the obligor has selectively defaulted on a specific issue or class of obligations but it will continue to meet its payment obligations on other issues or classes of obligations in a timely manner.

Short-Term Issuer Credit Ratings

Apply to obligors' capacity to meet financial commitments over a time horizon of less than one year.

uyA-1

The obligor's capacity to meet financial commitments on short-term obligations relative to that of other Uruguay obligors is strong.

uyA-2

The obligor's capacity to meet financial obligations on short-term obligations relative to that of other Uruguay obligors is satisfactory.

uyA-3

The obligor's capacity to meet financial commitments on short-term obligations relative to that of other Uruguay obligors is adequate. However, the obligor may be more vulnerable to adverse changes in business circumstances or economic conditions than higher-rated obligors.

uyB

The obligor's capacity to meet financial commitments on short-term obligations, relative to that of other Uruguay obligors is weak, and vulnerable to adverse business, financial, or economic conditions.

uyC

The obligor's capacity to meet commitments on short-term obligations is doubtful.

'R'

An obligor rated 'R' is under regulatory supervision owing to its financial condition. During the pendency of the regulatory supervision the regulators may have the power to favor one class of obligations over others or pay some obligations and not others.

'uySD' and 'uyD'

An obligor rated 'uySD' (Selective Default) or 'uyD' has failed to pay one or more of its financial obligations (rated or unrated) when it came due. A 'uyD' rating is assigned when Standard & Poor's believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due. A 'uySD' rating is assigned when Standard & Poor's believes that the obligor has selectively defaulted on a specific issue or class of obligations but it will continue to meet its payment obligations on other issues or classes of obligations in a timely manner.

Rating Outlook Definitions

A Standard & Poor's Uruguay national scale rating outlook assesses the potential direction of an obligor's long-term credit rating over the intermediate to longer-term. In determining a rating outlook, consideration is given to any changes in the economic and/or fundamental business conditions. An outlook is not necessarily a precursor of a rating change or future CreditWatch action.

- Positive indicates that ratings may be raised.
- Negative means ratings may be lowered.
- Stable indicates that ratings are not likely to change.
- Developing means ratings may be raised or lowered.

CreditWatch

CreditWatch highlights the potential direction of a short- or long-term rating. It focuses on identifiable events and short-term trends that cause ratings to be placed under special surveillance by Standard & Poor's analytical staff. These may include mergers, recapitalizations, voter referendums, regulatory action, or anticipated operating developments. Ratings appear on CreditWatch when such an event or a deviation from an expected trend occurs and additional information is necessary to evaluate the current rating. A listing, however, does not mean a rating change is inevitable, and whenever possible, a range of alternative ratings will be shown. CreditWatch is not intended to include all ratings under review, and rating changes may occur without the ratings having first appeared on CreditWatch. The "positive" designation means that a rating may be raised; "negative" means a rating may be lowered; and "developing" means that a rating may be raised, lowered, or affirmed.

Debt Credit Ratings

A Standard & Poor's Uruguayan national scale debt credit rating is a current opinion of the creditworthiness of an obligor to meet the financial commitments associated to a specific debt, bond, lease, commercial paper program, certificate of deposit, or other financial instrument ("obligation") relative to the debt servicing and repayment capacity of other Uruguayan obligors with respect to their own financial obligations. Uruguayan obligors include all active borrowers, guarantors, insurers and other providers of credit enhancement domiciled in Uruguay, as well as any foreign obligor active in the Uruguayan financial markets.

A debt credit rating is not a recommendation to purchase, sell, or hold a specific obligation, as it does not comment on market price or suitability for a particular investor. Debt credit ratings are based on current information furnished by the obligors or obtained by Standard & Poor's from other sources deemed reliable. Standard & Poor's does not perform an audit in connection with any credit rating, and may, on occasion, rely on unaudited financial information. Debt credit ratings may be changed, suspended, or withdrawn as a result of changes in, or availability of, such information, or based on other circumstances.

Standard & Poor's Uruguayan national scale debt credit ratings are based, in varying degrees, on the following considerations:

- Likelihood of payment—the rating assesses the obligor's capacity and willingness to meet its financial commitments in accordance with the terms of the obligation; compared to other Uruguayan obligors;
- The obligation's nature and provisions; and
- Protection afforded to, and relative position of, the obligation in the event of bankruptcy, reorganization, or other arrangement under bankruptcy laws and other laws affecting creditors' rights.

Long-Term Debt Credit Ratings

Apply to obligations with an original maturity of one year and over.

uyAAA

An obligation rated 'uyAAA' has the highest rating assigned on Standard & Poor's Uruguayan national scale. The obligor's capacity to meet its financial commitments on the obligation, relative to other Uruguayan obligors, is very strong.

uyAA

An obligation rated 'uyAA' differs from the highest rated debt only to a small degree. The obligor's capacity to meet its financial commitments on the obligation, relative to other Uruguayan obligors, is strong.

uyA

An obligation rated 'uyA' is somewhat more susceptible to adverse effects of changes in circumstances and economic conditions than higher-rated debt. Still, the obligor's capacity to meet its financial commitments on the obligation, relative to other Uruguayan obligors, is moderately strong.

uyBBB

An obligation rated 'uyBBB' denotes adequate protection parameters relative to other Uruguayan obligations. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity on the part of the obligor to meet its financial commitments on the obligation.

uyBB, uyB, uyCCC, uyCC, uyC

Obligations rated 'uyBB', 'uyB', 'uyCCC', 'uyCC' on the Standard & Poor's Uruguay national rating scale are regarded as having high risk relative to other Uruguayan obligations. While such obligations will likely have some quality and protective characteristics these may be outweighed by large uncertainties or major exposure to adverse conditions relative to other Uruguay obligations.

uyBB

An obligation rated 'uyBB' denotes somewhat weak protection parameters relative to other Uruguayan obligations. the obligor's capacity to meet its financial commitments on the obligation is somewhat weak because of major ongoing uncertainties or exposure to adverse business, financial, or economic conditions.

uyB

An obligation rated 'uyB' denotes weak protection parameters relative to other Uruguayan obligations. The obligor currently has the capacity to meet its financial commitments on the obligation. But adverse business, financial, or economic conditions would likely impair capacity or willingness of the obligor to meet its financial commitments on the obligation.

uyCCC
An obligation rated 'uyCCC' is currently vulnerable to nonpayment relative to other Uruguayan obligations, and is dependent upon favorable business and financial conditions for the obligor to meet its financial commitments on the obligation.

uyCC
An obligation rated 'uyCC' is currently highly vulnerable to nonpayment, relative to other Uruguayan obligations.

uyC
The 'uyC' rating may be used to cover a situation where a bankruptcy petition has been filed or similar action has been taken, but payments on the obligation are being continued.

uyD
An obligation is rated 'uyD' when it is in payment default, or the obligor has filed for bankruptcy. The 'uyD' rating is used when interest or principal payments are not made on the date due, even if the applicable grace period has not expired, unless Standard & Poor's believes that such payments will be made during such grace period. Additionally, Standard & Poor's may assign a 'uyD' rating to issues having been subject to a tender or exchange offer, regarding which any of the respective bondholders receives an amount of cash or other securities having a total value that is less than par.

The ratings from 'uyAA' to 'uyCCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative strength within the rating category.

Short-Term Debt Credit Ratings
Apply to obligations with an original maturity of less than one year.

uyA-1
A short-term obligation rated 'uyA-1' is rated in the highest category on Standard & Poor's Uruguayan domestic scale. The obligor's capacity to meet its commitments on the obligation, relative to other Uruguayan obligors, is strong.

uyA-2
A short-term obligation rated 'uyA-2' is slightly more susceptible to adverse changes in circumstances and economic conditions than obligations rated 'uyA-1'. The obligor's capacity to meet its financial commitments on the obligation, relative to other Uruguayan obligors, is satisfactory.

uyA-3
A short-term obligation rated 'uyA-3' denotes adequate protection parameters relative to other short-term Uruguayan obligations. It is, however, more vulnerable to adverse effects of changes in circumstances than obligations carrying the higher designations.

uyB
A short-term obligation rated 'uyB' denotes significant vulnerability to adverse business, financial, or economic conditions regarding timely payment of interest or repayment of principal, relative to other short-term Uruguayan obligations.

uyC

A short-term obligation rated 'uyC' denotes doubtful capacity for payment.

uyD

A short-term obligation rated 'uyD' denotes a payment default.

Rating Outlook Definitions

A Standard & Poor's Uruguayan national scale rating outlook assesses the potential direction of an obligor's long-term credit rating over the intermediate to longer term. In determining a rating outlook, consideration is given to any changes in the economic and/or fundamental business conditions. An outlook is not necessarily a precursor of a rating change or future CreditWatch action.

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CreditWatch

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Direct questions about Uruguay scale ratings to Fernanda Cravero in Buenos Aires (54) 114-891-2133.

CORPORATE GOVERNANCE SCORES

A corporate governance score (CGS) reflects Standard & Poor's assessment of a company's corporate governance practices and policies and the extent to which these serve the interests of the company's financial stakeholders, with an emphasis on shareholders' interests. These governance practices and policies are measured against Standard & Poor's corporate governance scoring methodology, which is based on a synthesis of international codes, governance best practices and guidelines of good governance practice.

A CGS is articulated on a scale of CGS 1 (lowest) to CGS 10 (highest).

CGS 10 and CGS 9

A company that, in Standard & Poor's opinion, has very strong corporate governance processes and practices overall. A company in these scoring categories has, in Standard & Poor's opinion, few weaknesses in any of the major areas of governance analysis.

CGS 8 and CGS 7

A company that, in Standard & Poor's opinion, has strong corporate governance processes and practices overall. A company in these scoring categories has, in Standard & Poor's opinion, some weaknesses in certain of the major areas of governance analysis.

CGS 6 and CGS 5

A company that, in Standard & Poor's opinion, has moderate corporate governance processes and practices overall. A company in these scoring categories has, in Standard & Poor's opinion, weaknesses in several of the major areas of governance analysis.

CGS 4 and CGS 3

A company that, in Standard & Poor's opinion, has weak corporate governance processes and practices overall. A company in these scoring categories has, in Standard & Poor's opinion, significant weaknesses in a number of the major areas of governance analysis.

CGS 2 and CGS 1

A company that, in Standard & Poor's opinion, has very weak corporate governance processes and practices overall. A company in these scoring categories has, in Standard & Poor's opinion, significant weaknesses in most of the major areas of analysis.

Companies with the same score have, in the opinion of Standard & Poor's, similar company specific governance processes and practices overall, irrespective of the country of domicile. The scores do not address specific legal, regulatory, and market environments, and the extent to which these support or hinder governance at the company level, a factor which may affect the overall assessment of the governance risks associated with an individual company (see below 'Country Factors').

GovernanceWatch

A "GovernanceWatch" designation may be used to highlight the fact that identifiable governance events and short-term trends have caused a CGS to be placed on review. GovernanceWatch does not mean that a change to the CGS is inevitable. GovernanceWatch is not intended to include all CGSs under review, and changes to the CGS may occur without the CGS having first appeared on GovernanceWatch.

Country Factors

Although Standard & Poor's publishes country governance analyses from time to time, it is important to note that Standard & Poor's does not currently score individual countries. However, consideration of a country's legal, regulatory and market environment is an important element in the overall analysis of the risks associated with the governance practices of an individual company. For example two companies with the same company scores, but domiciled in countries with contrasting legal, regulatory and market standards, present different risk profiles should their governance practices deteriorate i.e. in the event of deterioration in a specific company's governance standards, investors and stakeholders are likely to receive better protection in a country with stronger and better enforced laws and regulations. However, in Standard & Poor's opinion, companies with high corporate governance scores have less governance related risk than companies with low scores, irrespective of the country of domicile.

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RATING TERMINOLOGY

Credit Assessment

Credit assessments are preliminary indicators of creditworthiness expressed in either a broad rating category or in descriptive terms. They provide an evaluation of the general strengths and weaknesses of an issuer, obligor, a proposed financing structure, or elements of such structures. Credit assessments represent a point-in-time evaluation and are generally confidential. Standard & Poor's does not maintain ongoing surveillance on credit assessments.

Credit Estimate

A credit estimate is a confidential indication provided to a third party of the likely issuer credit rating on an unrated company. The rating estimate is based on input from a variety of sources including Credit Model, where applicable, and abbreviated methodology that draws on analytical experience and industry knowledge of the Standard & Poor's analysts(s) specializing in the industry in which the company operates. These estimates do not involved direct contact with the company or the in-depth insight into competitive, financial, or strategic issues that such contact allows. Standard & Poor's does not maintain ongoing surveillance on Credit Estimates, but can perform periodic updates upon request.

Credit Evaluation

Credit evaluation is used widely as a generic term in evaluating the creditworthiness of nonrated instruments. It is often used in conjunction with individual loans in CMBS transactions. It is also used as a general term, interchangeable with credit opinion and credit analysis.

Public Information (pi) Rating

Ratings with a 'pi' subscript are based on an analysis of an issuer's published financial information, as well as additional information in the public domain. They do not, however, reflect in-depth meetings with an issuer's management and are therefore based on less-comprehensive information than ratings without a 'pi' subscript. Ratings with a 'pi' subscript are reviewed annually based on a new year's financial statements, but may be reviewed on an interim basis if a major event occurs that may affect the issuer's credit quality.

Shadow Rating

Shadow ratings are used in Public Finance and Structured Finance for issues backed by bond insurance to assess risks being taken by the monoline bond insurers.

SPURS (Standard & Poor's Underlying Rating)

This is a rating of a stand-alone capacity of an issue to pay debt service on a credit-enhanced debt issue, without giving effect to the enhancement that applies to it. These ratings are published only at the request of the debt issuer/obligor with the designation SPUR to distinguish them from the credit-enhanced rating that applies to the debt issue. As long as the SPUR rating is outstanding, Standard & Poor's will maintain surveillance on the issue.

Stand-Alone Rating

A stand-alone rating is the rating that would likely be achieved in the absence of constraint or enhancement by a third party (parent, subsidiary, guarantor, or government entity).

Survivability Assessment

A Standard & Poor's bank survivability assessment is a current opinion on the likelihood that over the medium-term, a bank will either directly or through a successor organization, remain in operation, regardless of whether it is solvent or insolvent, paying all of its obligations on a timely basis or not. The survivability assessment, however, does not itself comment on which particular functions the bank might continue to perform and that may cease in a stress situation. The bank survivability evaluation is linked to the issuer credit rating, and generally would be the same or higher than the issuer credit rating. A relatively low survivability assessment does not constitute an opinion by Standard & Poor's that a particular bank is likely to fail; rather it indicates a vulnerability to adverse circumstances which could affect the bank's ability to meet its financial obligations on a timely basis, without special circumstances which would clearly enhance the likelihood that it would continue to operate in such an event.

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