

Announcement

Moody's assigns backed Aaa ratings to certain senior debt securities covered by Danish government's guarantee scheme

London, 18 December 2008 -- Moody's Investors Service has today assigned backed ratings of Aaa to certain senior debt securities of the rated Danish banks reflecting the unconditional and irrevocable guarantee that has been put in place by the Aaa-rated Kingdom of Denmark. The guarantee scheme covers deposits and senior unsecured debt of the participating Danish banks, both existing and new instruments, for a two-year period that expires on 30 September 2010. The outlook on the backed Aaa ratings is stable in line with that on the rating of Denmark.

The backed Aaa ratings have been assigned to those existing long-term senior unsecured debt securities of Danske Bank A/S, FIH Erhvervsbank A/S, Fionia Bank A/S, Jyske Bank A/S, Nordea Bank Danmark A/S, Nykredit Bank A/S, Spar Nord Bank A/S and Sydbank A/S that mature on or prior to 30 September 2010.

Furthermore, should the rated Danish banks issue new long-term senior unsecured debt that is covered by the guarantee and that matures within the guarantee period, Moody's will assign backed Aaa ratings to these instruments as well.

As stated in Moody's previous comment dated 16 October 2008, the rating agency views the guarantee scheme that has been put in place by the Danish government together with the country's banking sector (Private Contingency Association) as helpful in terms of providing liquidity and in restoring confidence in the domestic banking system. However, as such support had been already factored into the banks' current ratings under Moody's Joint-Default Analysis methodology, and given the temporary nature of the guarantee, this will not impact the banks' ratings for long-term bank deposits or debt that matures after the end of the guarantee period.

The guarantee system has been implemented by law in the Act on Financial Stability. Moody's notes that, although the Act does not address the issue of timeliness, the government has made statements in respect of timely payments and coverage under the guarantee scheme via publicly available market notices. Therefore, Moody's expects any claims to be paid in a timely manner.

The Danish guarantee scheme is different from most of the schemes currently in place in Europe as the support is extended via a government-owned entity "the Winding-Up Company" and it encompasses all senior unsecured claims.

Moody's believes that the government's intent is clear -- to restore confidence in the financial system. The rating agency expects that the government would act in a manner consistent with this objective in the execution of the guarantee's provisions should credit events or liquidity problems occur at any of the eligible institutions.

The Moody's-rated Danish banks that are covered by the guarantee scheme are as follows:

Amagerbanken A/S -- rated A3/P-2/C- (Negative outlook)

Danske Bank A/S -- rated Aa1/P-1/B (Ratings under review for possible downgrade)

FIH Erhvervsbank A/S -- rated A2/P-1/C (Ratings under review for possible downgrade)

Fionia Bank A/S -- rated A3/P-2/D- (Ratings under review for possible downgrade)

Foroya Banki P/F -- rated A3/P-2/C- (Stable outlook)

Jyske Bank A/S -- rated Aa2/P-1/B- (Negative outlook)

Nordea Bank Danmark A/S -- rated Aa1/P-1/B- (Stable outlook)

Nykredit Bank A/S -- rated Aa3/P-1/C+ (Stable outlook)

Ringkjøbing Landbobank A/S -- rated A1/P-1/C+ (Stable outlook)

Spar Nord Bank A/S -- rated A1/P-1/C (Stable outlook)

Sydbank A/S -- rated Aa3/P-1/C+ (Stable outlook)

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