



Tailored Service & Local Expertise
with Global Reach

MOODY'S
PUBLIC SECTOR EUROPE

A unique credit rating agency dedicated to Europe's public sector

Moody's Public Sector Europe is a first-of-its-kind credit rating agency positioned to play a leading role in the continued development of Europe's public sector.

Offering a tailored service and local expertise with global reach, Moody's Public Sector Europe has a heightened ability to respond to specific customer needs, while using Moody's rigorous rating methodologies.

Issuers could widen their financing options by obtaining a globally comparable Moody's rating through Moody's Public Sector Europe.

Public service providers such as regional and local governments, housing associations, universities and hospitals could benefit from enhanced appeal to both local and international investors attracted by the sector's diverse risk profile.

The local focus of Moody's Public Sector Europe positions this tailored credit rating agency at the forefront of identifying credit trends in Europe's public sector. Our international team produces transparent, independent credit analysis, with increased issuer-focused insight in local European languages, as well as thought leadership on credit trends in the public sector.

Flexibility to respond to changing dynamics in Europe's public sector debt market

The creation of Moody's Public Sector Europe is driven by a trend of growing European public sector debt issuance and heightened local and international investor interest in this sector. As bank lending and state spending in core European countries remains constrained, we anticipate that public sector providers will increasingly turn to the debt capital markets to meet their funding needs. Research by Moody's Public Sector Europe shows that debt issuance will likely increase in the coming years as new funding opportunities emerge.

Total Annual Funding Needs 2015-2016

€12 bln



Total Annual Funding Needs 2015-2016

€17-21 bln

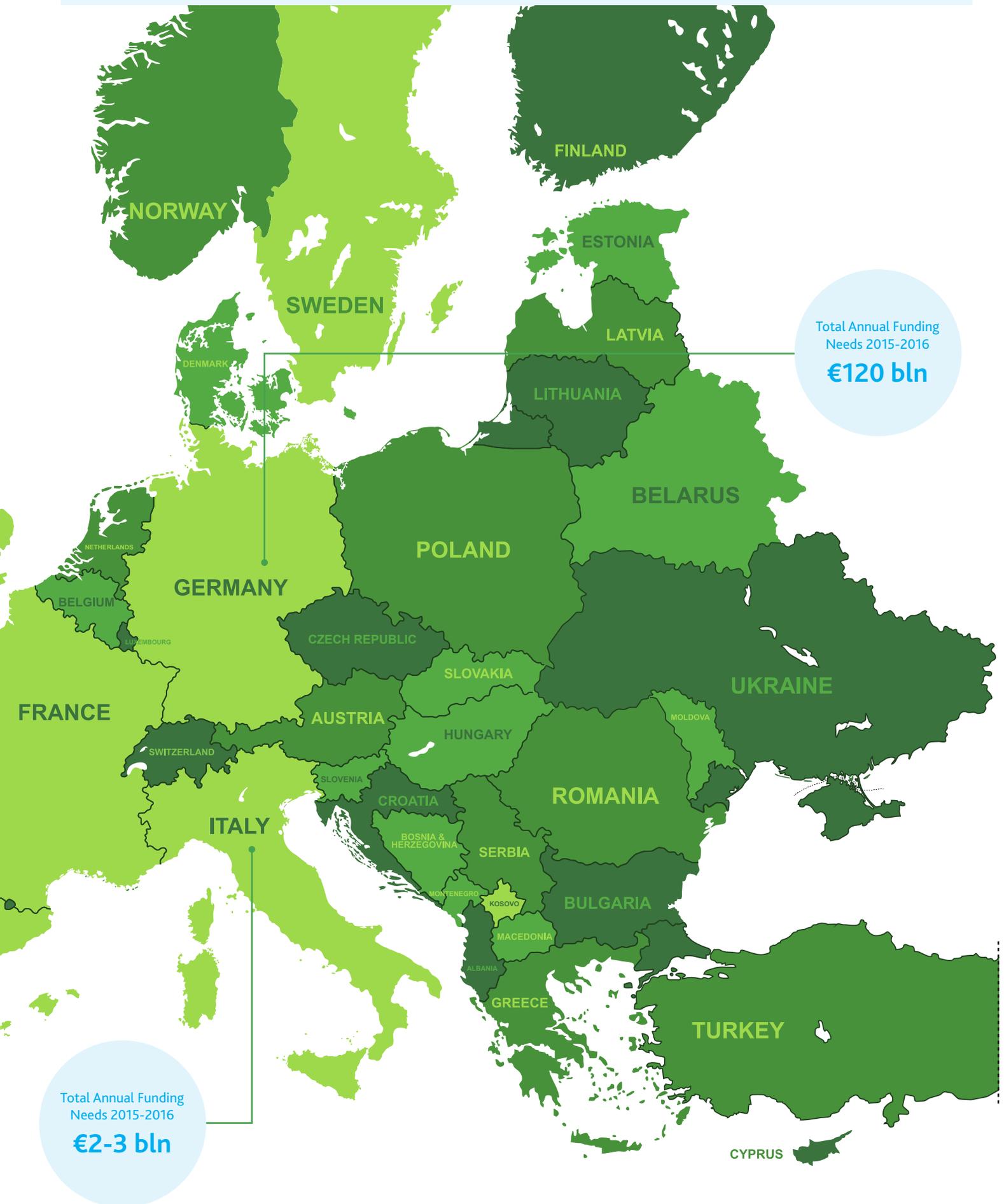


Total Annual Funding Needs 2015-2016

€22-27 bln

The map shows countries currently in scope for Moody's Public Sector Europe.

PUBLIC SECTOR ISSUERS IN CORE EUROPE TO INCREASINGLY TAP CAPITAL MARKETS



What Moody's Public Sector Europe offers

RESPONSIVENESS: Focus on providing a timely, efficient and responsive service, while maintaining Moody's rigorous ratings standards and methodologies.

INCREASED PREMIUM RESEARCH: Issuer-specific commentary in local languages, in addition to thought leadership on sector trends.

DIVERSE LANGUAGE SKILLS: Our international team has multiple language skills, and a commitment to offer more local language research.

LONG TRACK RECORD: Moody's has been a leading independent provider of credit rating opinions for over 100 years and rating public sector issuers for nearly as long.

INTERNATIONALLY-RESPECTED BRAND NAME:

Moody's ratings are respected by investors, supported by a track record of accuracy and intensive investor outreach.

Benefits of a rating provided by Moody's Public Sector Europe

TRANSPARENCY AND CREDIT BENCHMARKING: Provides an independent assessment against which borrowers can benchmark creditworthiness through a globally comparable rating scale.

PLANNING AND BUDGETING: The rating can help borrowers to formulate internal capital plans and funding strategies.

ACCESS TO FINANCING: May reduce borrowers' cost of funding and improve access to financing from both domestic and international investors. The credibility of our ratings may allow rated issuers to enter the capital markets more economically.

Solutions designed to be timely, complement existing suite of ratings products and address current or future funding or rating needs

PRIVATE OR PUBLIC ENTITY WITH **PUBLIC DEBT**



PRIVATE OR PUBLIC ENTITY WITH JUST **PRIVATE DEBT**



COVERING THE

European public sector universe

€400+

billion of capital market
debt rated

29

countries covered

180+

public ratings

79,000

government entities in
15 European countries
in our database

Moody's Public Sector Europe services public sector entities wishing to broaden their access to financing.

Moody's Public Sector Europe plays a leading role in the evolving European public sector debt market



Regional and Local Governments

We observe that regional and local governments (RLGs) are increasingly turning to capital markets, individually as well as through specialized lenders and joint issuances, to diversify their funding sources and compensate for reduction in government transfers. In addition to issuer-specific insight, our value proposition extends to research on key sector themes, such as the impact of new regulatory frameworks on creditworthiness, RLGs' funding needs and trends, national and international peer comparisons, and sector outlooks.



Housing Associations

Housing associations are making greater use of capital markets in order to offset tight bank lending conditions and to fund their development projects. Moody's Public Sector Europe is the United Kingdom's market leader in this sector and rates a number of housing associations across Europe. Our thought leadership in this sector extends to research on key themes, including recently diversification into sales activity, mergers, interest rate risk, welfare reform, financial disintermediation, the impact of low inflation, the new regulatory framework, and sector outlook.



Universities

Moody's Public Sector Europe leverages on the analytical leadership of Moody's Global Higher Education team to ensure the highest quality credit ratings and analytical insight for universities. Moody's currently rates over 540 higher education institutions across the globe, including premier institutions in Europe. Published research topics include geography- or issuer-specific research, as well as wider trend reports comparing market developments, or on topics such as the ongoing reform of the UK higher education sector, increasing global competition, accelerating fundraising initiatives and the impact of student housing strategies on credit quality.



Hospitals

Globally, Moody's rates nearly \$200 billion of debt of 1,200 hospitals. In Europe, we rate the overwhelming majority of France's largest public hospitals through two joint issuances, which provides Moody's Public Sector Europe analysts with in-depth insight into sector developments. In addition to borrower-specific insight, we produce research on a variety of topics that affect day-to-day operations and strategies of public hospitals, including their financial developments and projections, funding access, and exposure to variable-rate debt.



Not-for-Profits

Moody's Public Sector Europe's expertise extends to the rating of not-for-profit organizations, such as foundations and charities. Our knowledge of the sector is deepened by Moody's portfolio of private monitored ratings and nearly 100 public ratings in the US. Recognizing that the sector is very diverse, the methodologies used by Moody's Public Sector Europe to rate these entities takes into account differences among organizations, including those whose main purpose is operational or endowment management.



Other Public Services

Issuers rated by Moody's Public Sector Europe include the vast majority of public sector entities with a public policy mandate. These will be rated using Moody's dedicated methodologies, and as appropriate, Moody's Government-Related Issuer Methodology, which we apply to those issuers in which the sovereign or regional government has a substantial ownership stake (over 20% in most cases). In addition to RLGs, housing associations, universities, hospitals and not-for-profits, these can also include public service providers such as mass transit, water and toll road companies, as well as financial institutions supporting regional and local governments' funding activities, and public sector agencies.

CONTACTS

Francesco Soldi

Vice President, Relationship Management
+39.02.9148.1149
francesco.soldi@moodys.com

Julian Knapp

EMEA Communications
+44.20.7772.1967
julian.knapp@moodys.com

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