

Rating Action: ScandiNotes Five p.l.c.

Moody's takes rating actions on notes issued by ScandiNotes Five p.l.c.

DKK 1,563 million of debt securities affected

London, 23 March 2009 -- Moody's Investors Service announced today it downgraded and left on review for further possible downgrade its ratings of two classes of notes issued by ScandiNotes Five p.l.c. Moody's also downgraded and left on review for further possible downgrade its underlying ratings of the Classes B and C notes which are guaranteed by the European Investment Fund.

The transaction is a static CLO backed by 15 subordinated loans made to Danish commercial and savings banks.

Today's rating actions are the result of (i) credit deterioration in the underlying portfolio, which includes but is not limited to exposure to Roskilde Bank whose subordinated debt is expected to experience a substantial loss following the decision not to transfer subordinated liabilities to the new bank under the government scheme and (ii) the application of revised and updated key modelling parameter assumptions that Moody's uses to rate and monitor ratings of collateralised loan obligations (CLOs). Moody's announced that changes to these assumptions in a press release titled "Moody's updates key assumptions for rating CLOs," published on 4 February 2009. The revisions affect default probability and correlation, which are key parameters underlying this rating.

Moody's initially analyzed and continues to monitor this transaction using primarily the methodology and its supplements for cash flow CLOs as described in Moody's Special Reports and press releases below:

--Moody's Approach to Rating Collateralized Loan Obligations (December 2008)

--Moody's modifies approach to rating structured finance securities wrapped by financial guarantors (October 2008)

These reports can be found at www.moody's.com in the Credit Policy & Methodologies directory, in the Ratings Methodologies subdirectory. Other methodologies and factors that may have been considered in the process of rating this issue can also be found in the Credit Policy & Methodologies directory.

Today's rating actions are as follows:

ScandiNotes Five p.l.c.:

(1) DKK 218,100,000 Class A Floating Rate Limited Recourse Secured Senior Notes due 2015

Current Rating: Aa2, on review for possible downgrade

Prior Rating: Aaa

Prior Rating Date: 3 December 2007, assigned Aaa

(2) DKK 255,000,000 Class D 4% Limited Recourse Secured Junior Notes due 2015

Current Rating: Ca

Prior Rating: Ba3, on review for possible downgrade

Prior Rating Date: 10 September 2008, Ba3 placed under review for possible downgrade

Underlying Ratings:

(1) DKK 672,000,000 Class B Floating Rate Guaranteed Limited Recourse Secured Senior Notes due 2015

Current Underlying Rating: Baa3, on review for possible downgrade

Prior Underlying Rating: Aaa

Prior Rating Date: 26 March 2008, assigned Aaa

(2) DKK 417,900,000 Class C 4% Guaranteed Limited Recourse Secured Mezzanine Notes due 2015

Current Underlying Rating: B3, on review for possible downgrade

Prior Underlying Rating: A2

Prior Rating Date: 26 March 2008, assigned A2

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