

Announcement: Moody's: No negative rating impact on Atrium-1 and Atrium-2 following Belfius Bank's downgrade

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London, 06 November 2012 -- Moody's has determined that the proposed action (the "Proposal") of Belfius Bank (Baa1/P-2) (the "Bank") to continue as Standby Facility and Liquidity Facility Provider notwithstanding a breach of a replacement trigger will not, in and of itself at this time, result in a reduction or withdrawal of the current ratings of the notes (the "Notes") issued by Atrium-1 N.V. and Atrium-2 N.V. (together, the "Issuers"). Moody's does not express an opinion as to whether the proposal may be considered to have negative effects in any other respect.

In the transactions, the Bank is currently acting as Standby Facility and Liquidity Facility provider and the Community of Flanders (the "Guarantor") guarantees all payments due by Domus Flandria N.V. (the "Borrower") on the securitised loans. Therefore, the ratings of the Notes on both transactions are fully linked to the Community of Flanders' long-term rating. In the event that the Borrower is unable to pay instalments when due, the Borrower would draw on the Standby Facility for up to four months, whilst Belfius would concurrently notify the Guarantor of each drawing under the Standby Facility. This allows for an early notice to the Guarantor that its guarantee would eventually be called after the fourth drawing. The Liquidity Facility is available to provide liquidity for one month in the event that once the guarantee has been called, there is a delay in the payment to be made by the Guarantor. The Standby Facility and the Liquidity Facility benefit from the guarantee, which covers all principal and interest due under the loans.

Moody's has assessed the Proposal described above that the Bank has decided to take as a result of the downgrade of the Bank to Baa1/P-2 on 24th May 2012. Moody's has assessed the probability and impact of a default of the Bank on the ability of the Issuers to meet their obligations under the transactions, including the impact of the loss of liquidity following failure to pay by the Borrower should the Bank default. Moody's believes that the Proposal would in effect remove any trigger which would require the Bank to be replaced as Standby and Liquidity Facilitator should the Bank be downgraded further. Moody's concluded that the continued appointment of the Bank as Standby and Liquidity Facility provider in both transactions does not presently have an adverse effect on the ratings of the Notes. However, further deterioration in the credit quality of the Bank could negatively affect the rating on the Notes by increasing the likelihood of a payment disruption. Moody's did not express an opinion as to whether the amendment could have other, non credit-related effects.

As explained above, Moody's methodology to rate these transactions considers a full linkage to the rating of the Community of Flanders.

Moody's noted that on 2 July 2012, it released a Request for Comment, in which the rating agency has requested market feedback on potential changes to its rating implementation guidance for the temporary use of cash in structured finance transactions. If the revised rating implementation guidance is implemented as proposed, the rating on the Notes should not be negatively affected. Please refer to Moody's Request for Comment, entitled "The Temporary Use of Cash in Structured Finance Transactions: Eligible Investment and Bank Guidelines: Request for Comment" for further details regarding the implications of the proposed methodology changes on Moody's ratings.

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