

RatingsDirect®

Allianz SE

Primary Credit Analyst:

Sebastian Dany, Frankfurt + 49 693 399 9238; sebastian.dany@spglobal.com

Secondary Contact:

Volker Kudszus, Frankfurt + 49 693 399 9192; volker.kudszus@spglobal.com

Support:

Kalyani Joshi, Pune + 91(0)2042008017; Kalyani.Joshi@spglobal.com

Table Of Contents

Credit Highlights

Outlook

Key Assumptions

Business Risk Profile

Financial Risk Profile

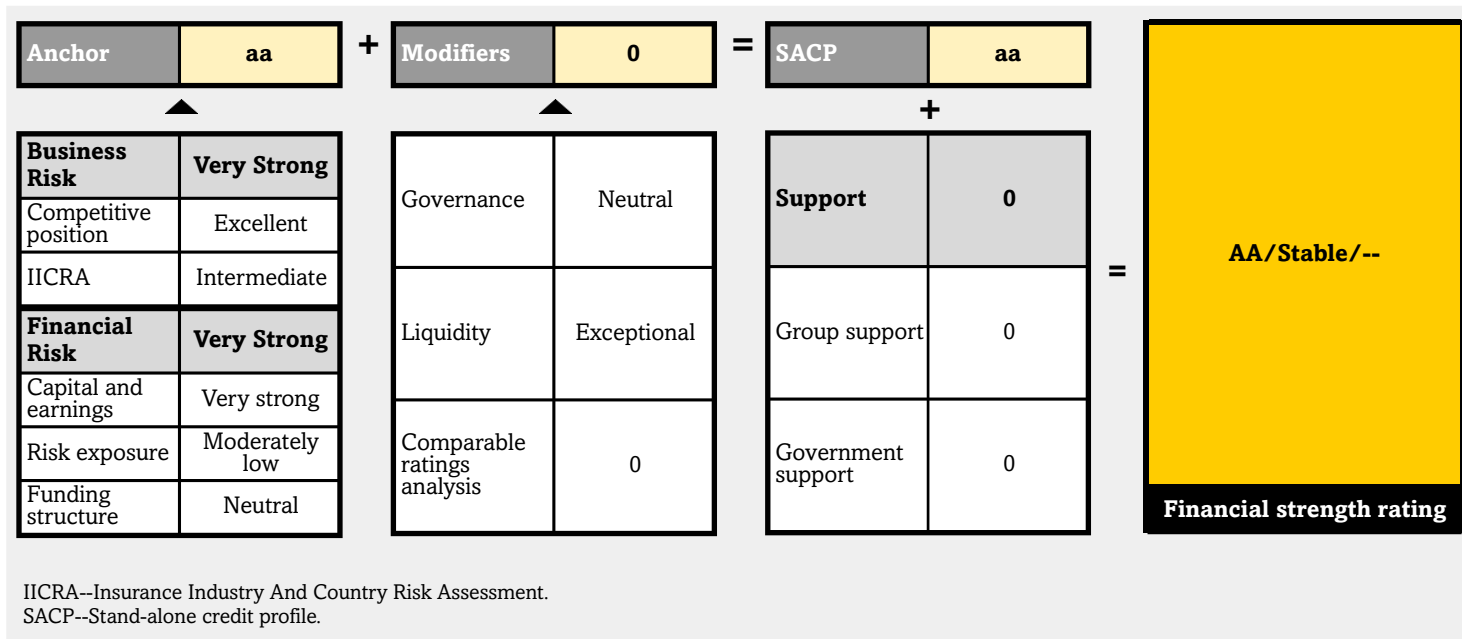
Other Key Credit Considerations

Related Criteria

Related Research

Appendix

Allianz SE



Credit Highlights

Overview	
Key strengths	Key risks
Globally diversified multiline insurer with an excellent brand.	Ongoing low interests leading to depressed investment results.
Capacity and willingness to strengthen capitalization based on our capital model.	Meaningful exposure to the Italian economy, underpinned by government bonds of about €20 billion.
Profitable asset management, which remains an important earnings contributor.	

S&P Global Ratings believe Allianz SE remains competitive as a leading global insurance group. As one of the largest global multiline insurers, Allianz enjoys an outstanding brand. It benefits from a large diversification among various business lines and sectors, which besides traditional lines of insurance segments, includes industrial insurance business via Allianz Global Corporate & Specialty (AGCS) and trade-credit insurance via Euler Hermes.

We expect Allianz's earnings will continue to benefit from strong asset management. Despite an impact from the COVID-19 pandemic of roughly €1.3 billion on the group's operating profit, the group achieved solid earnings in 2020 of about €6.8 billion. It benefits from lucrative asset management earnings, which contributed almost €2.9 billion, or 27% to the overall group's operating profit. We view Allianz's diversified business operations supported by its asset-management business, including PIMCO, as a key rating strength compared with other global insurance groups that we rate 'AA-' (for example, AXA Group [core operating entities rated AA-/Stable/--]).

We anticipate Allianz will ensure very strong capitalization according to our risk-based capital model. The group's capitalization has fallen slightly below the 'AA' threshold as of year-end 2020. Nevertheless, based on Allianz's earnings capacity, we forecast that capital adequacy will improve to the very strong range by year-end 2021. Furthermore, we expect the group to finance potential acquisitions, like the recent Aviva Poland deal (for more information, see "Allianz SE Affirmed At 'AA' On Acquisition Of Aviva Poland; Outlook Stable," published April 1, 2021, on RatingsDirect), by

issuing hybrid capital if needed to ensure very strong capitalization.

Outlook: Stable

The stable outlook indicates our expectation that, even after the Aviva Poland acquisition, Allianz's capitalization will recover to the 'AA' range by year-end 2021, according to our risk-based model. We also expect that, over the next two years, the group will maintain its excellent brand and reputation and continue to benefit from robust diverse income streams from its various global business activities.

Downside scenario

We could lower the ratings if, contrary to our expectations, Allianz's capitalization according to our capital model does not improve to the 'AA' level in either of the next two years. We might also consider lowering the ratings if the group's earnings, in particular the contribution from asset-management earnings, substantially weakened.

Upside scenario

We regard an upgrade as unlikely, mainly because the group's capitalization is clearly deficient relative to the 'AAA' confidence level.

Key Assumptions

- After the global economy being in recession in 2020, we expect GDP to rise in 2021.
- We forecast a 4.2% GDP in the eurozone in 2021 and 4.4% in 2022. For the U.S., we expect real GDP growth of about 6.5% and 3.1% in 2021 and 2022, respectively.
- Low interest rates remain a key risk to EMEA-based insurers, with eurozone 10-year government bond yields of about 0.0% in 2021 and 0.3% in 2022, based on our economic estimates. The U.S. 10-year Treasury rate is also low, at around 2.0% in 2021 and 2.3% in 2022.

Allianz SE--Key Metrics

(Mil. €)	2023f	2022f	2021f	2020	2019	2018	2017	2016
Gross premiums written	>86,500	>85,000	>83,500	82,986	82,919	77,824	77,345	76,331
Net premiums written	>79,000	>78,500	>77,000	76,234	77,372	72,683	72,433	71,430
Net income (excluding minimum interest)	~8,000	~8,000	~8,000	6,807	7,914	7,462	6,803	6,962
Return on shareholders' equity (%)*	~9	~9	~9	8.8	11.8	11.6	10.4	10.8
P/C net combined ratio (%)*§	93-96	93-96	93-96	97.3	96.4	94.5	96.2	95.5
Net investment yield (%)	~2	~2	~2	2.5	2.7	2.5	2.9	3.0
Return on revenue (%)	>10	>10	>10	9.8	11.3	11.6	11.0	11.5
Return on assets (%)	~1.0	~1.0	~1.0	1.0	1.2	1.3	1.2	1.3

Allianz SE--Key Metrics (cont.)

(Mil. €)	2023f	2022f	2021f	2020	2019	2018	2017	2016
Fixed-charge coverage (x)	>9	>9	>9	10.6	11.0	10.4	9.7	9.7
Financial leverage (%)†	<40	<40	<40	30.0	30.0	33.9	28.0	27.6
Financial obligations to EBITDA	~3	~3	~3	3.2	2.8	2.8	2.9	2.7
S&P Global Ratings capital adequacy	Very strong	Very strong	Very strong	Strong	Very strong	Very strong	Extremely strong	Very strong

*Calculated according to S&P Global Ratings' definitions. §Includes premium refunds. †Calculation changed as per 2018 following the criteria update of the insurance rating methodology as per July 1, 2019. Wording for capital adequacy scores for 2018 and earlier based on insurance criteria which was superseded in July 2019. f--Forecast. P/C--Property/casualty.

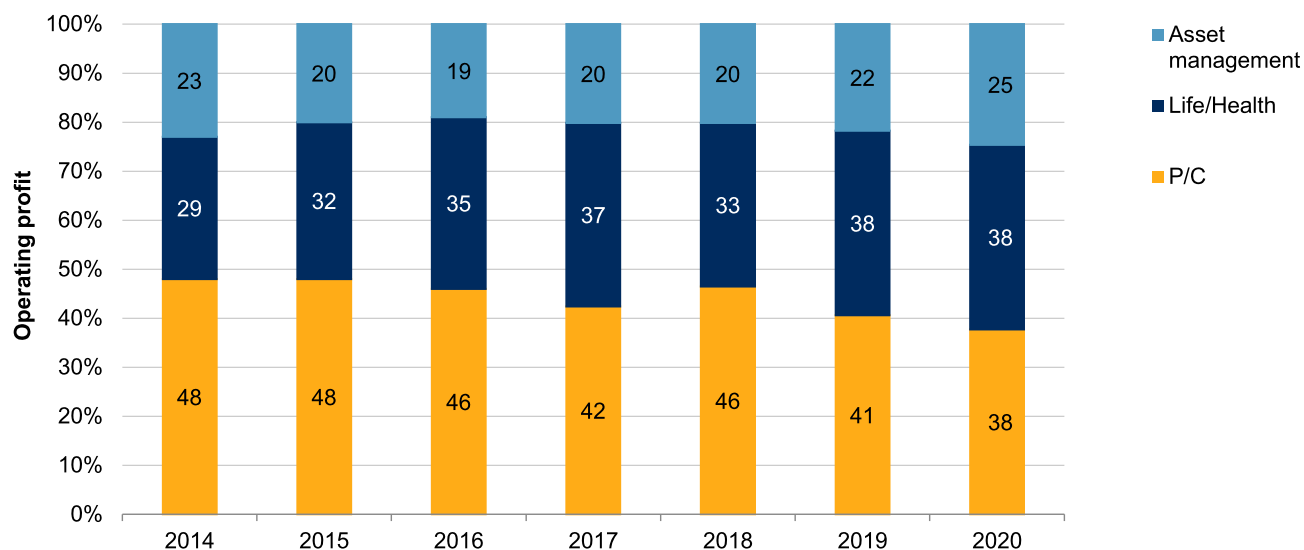
Business Risk Profile: Very Strong

Allianz enjoys a highly recognized reputation as a leading global multi-line insurer along with defendable market positions in key European insurance markets such as Germany, France, and Italy.

In our view, Allianz benefits from its diversified operating activities in property and casualty (P/C), and life and health, which contributes to the group's robust revenue and earnings. Furthermore, Allianz benefits from solid noninsurance fee income stemming from its asset management business, mainly through PIMCO, a top 10 global asset manager (see charts 1 and 2).

Chart 1

Asset Management Is An Important Earnings Contributor



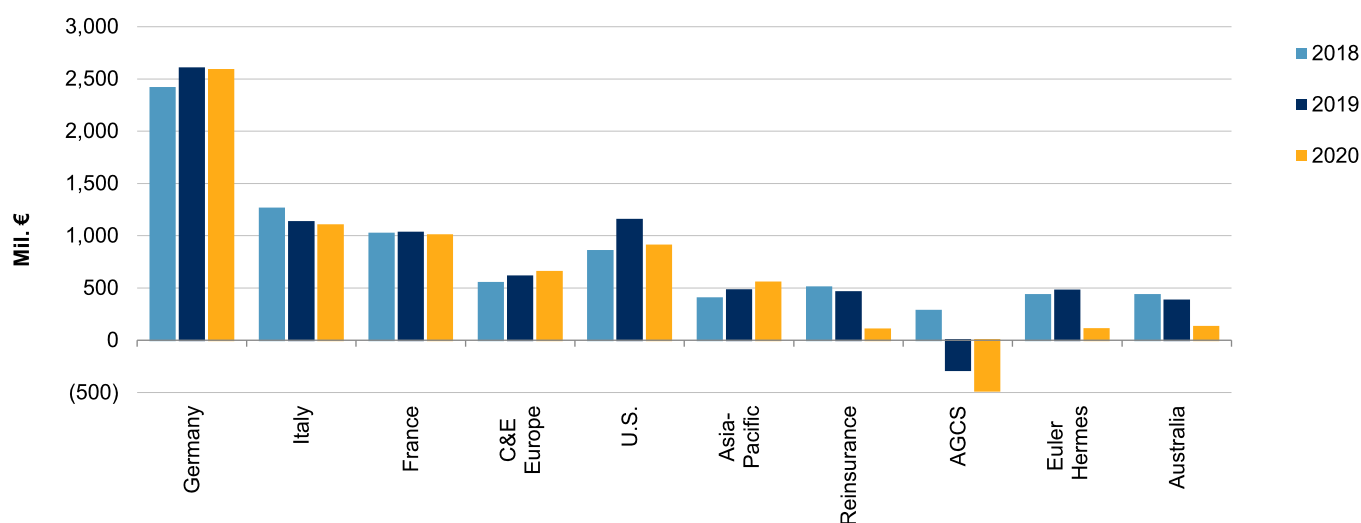
P/C--Property/casualty. Source: S&P Global Ratings.

Copyright © 2021 by Standard & Poor's Financial Services LLC. All rights reserved.

Still, Allianz continues to demonstrate sound operating performance also in 2020, a year in which COVID-19 severely affected earnings. AGCS in particular took a hit from COVID-19. It has been already underperforming for a while, and reported a combined ratio of 115.5% (for more information, see "While AGCS's 2020 Results Are Gloomy, Its Prospects Are Brightening", published Feb. 19, 2021). Nonetheless, we expect that the Allianz group will remain highly committed to AGCS and its industrial business.

Chart 2

Diversified Income Streams Support Solid Results During The Pandemic



P/C--Property/casualty. Source: S&P Global Ratings.

Copyright © 2021 by Standard & Poor's Financial Services LLC. All rights reserved.

Financial Risk Profile: Very Strong

Thanks to its earnings strength, we anticipate that Allianz's capital adequacy measured by risk-based capital model will improve to very strong by year-end 2021, which we understand is in line with the group's long-term capitalization targets.

The decline of capitalization in 2020 was mainly because of the prevailing low interest rates and an increased dividend payout ratio of almost 60%, compared with 50% in previous years. Allianz's operating results have been stronger than our expectations, with solid earnings of €6.8 billion for 2020 despite the COVID-19 impact of €1.3 billion. In addition, for 2020, the group's combined ratio stood at 97.3%, despite AGCS's weak underwriting performance.

Our improved earnings and profitability forecast for 2021-2023 builds on our expectation that asset management will remain an important earnings contributor, and the property and casualty (P/C) results will recover, thanks to increased focus on efficiency and price increases. Furthermore, we incorporate in our assumptions an ordinary annual dividend payout of €4.0 billion-€4.5 billion. We also consider that Allianz strives to enhance its scale and presence in selected

markets, particular in the protection and unit-linked life business or in the P/C business. For example, recently, the group announced its intention to purchase the Polish and Italian P/C business from Aviva. Our forecast therefore includes acquisitions or additional share buyback of about €2 billion for 2021-2023.

That said, we expect Allianz will--besides pursuing its profitability and return on equity targets--remain committed to strict capital management to achieve its capitalization targets under both our insurance capital model and Solvency II.

In our view, the group's asset mix is conservative and well-balanced, with about 86% in fixed income investments and an equity share of about 9%. Allianz reported alternative investments of €176.5 billion, exceeding its targeted portfolio value of €170.0 billion. We view most of the alternative investment portfolio as rather high-risk, which could lead to volatility in investment results.

From our perspective, the group remains exposed to market and credit risk due to its €19.8 billion investment in Italian government bonds. We see this as a potential source of volatility and possible constraint on its credit quality.

In the life insurance segment, we acknowledge Allianz's clear focus on capital-light saving products, protection and unit-linked business. Nevertheless, the group's back-book remains dominated by guaranteed products, and the guarantees only abate slowly.

In our view, Allianz has installed solid risk controls for all its main risks, and benefits from sound risk management capabilities. We therefore believe it unlikely that the group will suffer losses outside its risk tolerances.

Other Key Credit Considerations

Liquidity

We expect Allianz's liquidity to remain exceptional, owing to the strength of available liquidity sources, mainly premium income, and a highly liquid asset portfolio relative to liabilities.

Factors specific to the holding company

We rate Allianz in line with the core operating companies of Allianz Group. This reflects our view of Allianz's various and material business activities and income streams from reinsurance, asset management, and treasury. It also reflects ample liquidity at the holding company level.

Environmental, social, and governance

We believe Allianz's exposure to environmental and social risk factors are in line with the wider insurance industry and other global multiline peers, such as AIG, AXA, and Zurich. Allianz's exposure to environmental risk factors largely stems from concerns that climate change could increase the frequency and severity of claims for damage because of extreme weather.

The insurer's investment portfolio also carries some risk, because changes in climate-related policy or public opinion could increase the volatility of asset valuations. Allianz has a sophisticated risk-management framework through which it identifies, models, and controls risk. Overall, we consider the group well protected against extreme natural catastrophe events, as it demonstrated in 2017 when it reported limited losses following hurricanes Harvey, Maria, and Irma. Natural catastrophe losses after reinsurance were less than €400 million, while its overall claims stood at €31

billion. Shareholder equity was €65 billion in 2017.

Allianz offers a wide range of life insurance products, including saving products and annuities. We regard the group's exposure to social factors as comparable with that of other life insurance companies. For example, demographic developments are causing an increase in longevity, a trend that will increase insurance liabilities.

We view Allianz's governance as healthy, with no material constraints. The group's benefits from a stringent strategic planning, clear internal processes, and a deeply embedded risk culture, which helps to manage and reduce risks.

Accounting considerations

Allianz prepares its consolidated financial statements under International Financial Reporting Standards. In assessing the group's capital adequacy, we adjust reported shareholders' equity, mainly for:

- Credit for life value-in-force business;
- Inclusion of free and unallocated policyholder bonus reserves in life insurance; and
- Risk capital requirements for quantitative credit for the group's economic capital model.

Related Criteria

- Criteria | Insurance | General: Insurers Rating Methodology, July 1, 2019
- General Criteria: Hybrid Capital: Methodology And Assumptions, July 1, 2019
- General Criteria: Group Rating Methodology, July 1, 2019
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011
- Criteria | Insurance | General: A New Level Of Enterprise Risk Management Analysis: Methodology For Assessing Insurers' Economic Capital Models, Jan. 24, 2011
- Criteria | Insurance | General: Refined Methodology And Assumptions For Analyzing Insurer Capital Adequacy Using The Risk-Based Insurance Capital Model, June 7, 2010

Related Research

- Allianz SE Affirmed At 'AA' On Acquisition Of Aviva Poland; Outlook Stable , April 1, 2021
- Allianz And Core Subsidiaries Affirmed At 'AA', March 15, 2021
- While AGCS's 2020 Results Are Gloomy, Its Prospects Are Brightening , Feb 19, 2021

Appendix

Allianz SE--Credit Metrics History				
Ratio/Metric (Mil. €)	2020	2019	2018	2017
S&P Global Ratings capital adequacy	Strong	Very strong	Very strong	Extremely strong
Total invested assets	938,076	897,343	796,165	792,644
Total shareholder equity	84,594	77,364	63,679	68,602
Gross premiums written	82,986	82,919	77,824	77,345
Net premiums written	76,234	77,372	72,683	72,433
Net premiums earned	75,714	75,914	71,472	71,426
Reinsurance utilization (%)	8.1	6.7	6.6	6.4
EBIT	10,274	11,781	11,276	10,884
Net income (attributable to all shareholders)	6,807	7,914	7,462	6,803
Return on revenue (%)	9.8	11.3	11.6	11.0
Return on assets (including investment gains/losses) (%)	1.0	1.2	1.3	1.2
Return on shareholders' equity (reported) (%)	8.8	11.8	11.6	10.4
P/C: net combined ratio (%)	97.3	96.4	94.5	96.2
P/C: net expense ratio (%)	26.8	27.5	28.0	28.7
P/C: return on revenue (%)	7.9	8.5	10.8	9.0
Life: Net expense ratio (%)	28.6	25.6	23.7	26.7
Net investment yield (%)	2.5	2.7	2.5	2.9
Net investment yield including investment gains/(losses) (%)	3.1	3.4	2.9	3.7
EBITDA fixed-charge coverage (x)	10.6	11.0	10.4	9.7
EBIT fixed-charge coverage (x)	10.3	10.8	10.1	9.5
Financial obligations/ EBITDA adjusted	3.2	2.8	2.8	2.9
Financial leverage including pension deficit as debt (%)	30.0	30.0	33.9	32.0

Note: Wording for capital adequacy scores for 2018 and earlier based on insurance criteria which was superseded in July 2019.

Business And Financial Risk Matrix								
Business risk profile	Financial risk profile							
	Excellent	Very Strong	Strong	Satisfactory	Fair	Marginal	Weak	Vulnerable
Excellent	aa+	aa	aa-	a+	a-	bbb	bb+	b+
Very Strong	aa	aa/aa-	aa-/a+	a+/a	a-/bbb+	bbb/bbb-	bb+/bb	b+
Strong	aa-/a+	a+/a	a/a-	a-/bbb+	bbb+/bbb	bbb-/bbb-	bb-/bb-	b+/b
Satisfactory	a	a/a-	a-/bbb+	bbb+/bbb	bbb/bbb-	bbb-/bbb-	bb+/bb	bb-/b+
Fair	a-	a-/bbb+	bbb+/bbb	bbb/bbb-	bbb-/bbb-	bbb-/bbb-	bb+/bb-	b+/b
Weak	bbb+/bbb	bbb/bbb-	bbb-/bb+	bb+/bb	bb/bb-	bb-/b+	bb-/b+	b-/b-
Vulnerable	bbb-/bb+	bb+/bb	bb/bb-	bb-/b+	b+/b	b/b-	b-/b-	b-

Note: Where table indicates two possible outcomes, we determine the anchor as follows: For financial risk profiles that we assess as satisfactory or stronger, we consider the relative strength of both the business risk and financial risk profiles within the cell. This is based on a holistic assessment of the relative strengths of the rating factors of the business risk profile and financial risk profile. For financial risk profiles that we assess as fair or weaker, we typically place more weight on the relative strength of the rating factors of the financial risk profile.

Ratings Detail (As Of April 16, 2021)*

Operating Company Covered By This Report**Allianz SE**

Financial Strength Rating	
<i>Local Currency</i>	AA/Stable/--
Issuer Credit Rating	AA/Stable/A-1+
Commercial Paper	
<i>Local Currency</i>	A-1+
Junior Subordinated	A
Junior Subordinated	A+

Related Entities**AGCS Marine Insurance Co.**

Financial Strength Rating	
<i>Local Currency</i>	AA/Negative/--
Issuer Credit Rating	
<i>Local Currency</i>	AA/Negative/--

Allianz Australia Insurance Ltd.

Financial Strength Rating	
<i>Local Currency</i>	AA-/Stable/--
Issuer Credit Rating	
<i>Local Currency</i>	AA-/Stable/--

Allianz Banque

Issuer Credit Rating	AA-/Stable/A-1+
Commercial Paper	
<i>Local Currency</i>	A-1+
Senior Unsecured	AA-

Allianz Elementar Lebensversicherungs AG

Financial Strength Rating	
<i>Local Currency</i>	AA/Stable/--
Issuer Credit Rating	
<i>Local Currency</i>	AA/Stable/--

Allianz Elementar Versicherungs - AG

Financial Strength Rating	
<i>Local Currency</i>	AA/Stable/--
Issuer Credit Rating	
<i>Local Currency</i>	AA/Stable/--

Allianz Fire and Marine Insurance Japan Ltd.

Financial Strength Rating	
<i>Local Currency</i>	AA/Negative/--
Issuer Credit Rating	
<i>Local Currency</i>	AA/Negative/--

Allianz France

Issuer Credit Rating	
<i>Local Currency</i>	A+/Stable/A-1
Junior Subordinated	BBB+

Ratings Detail (As Of April 16, 2021)*(cont.)

Allianz Global Corporate and Specialty South Africa Ltd.

Financial Strength Rating

Local Currency

BB+/Stable/--

Issuer Credit Rating

Local Currency

BB+/Stable/--

South Africa National Scale

zaAAA/--/--

Allianz Global Corporate & Specialty SE

Financial Strength Rating

Local Currency

AA/Negative/--

Issuer Credit Rating

Local Currency

AA/Negative/--

Allianz Global Risks U.S. Insurance Co.

Financial Strength Rating

Local Currency

AA/Negative/--

Issuer Credit Rating

Local Currency

AA/Negative/--

Allianz IARD

Financial Strength Rating

Local Currency

AA/Stable/--

Issuer Credit Rating

Local Currency

AA/Stable/--

Allianz Insurance PLC

Financial Strength Rating

Local Currency

AA-/Stable/--

Issuer Credit Rating

Local Currency

AA-/Stable/--

Allianz Lebensversicherungs AG

Financial Strength Rating

Local Currency

AA/Stable/--

Issuer Credit Rating

Local Currency

AA/Stable/--

Allianz Life Insurance Co. of New York

Financial Strength Rating

Local Currency

AA/Stable/--

Issuer Credit Rating

Local Currency

AA/Stable/--

Allianz Life Insurance Co. of North America

Financial Strength Rating

Local Currency

AA/Stable/--

Issuer Credit Rating

Local Currency

AA/Stable/--

Allianz PLC

Financial Strength Rating

Local Currency

AA-/Stable/--

Ratings Detail (As Of April 16, 2021)*(cont.)

Issuer Credit Rating	
<i>Local Currency</i>	AA-/Stable/--
Allianz Private Krankenversicherungs - AG	
Financial Strength Rating	
<i>Local Currency</i>	AA/Stable/--
Issuer Credit Rating	
<i>Local Currency</i>	AA/Stable/--
Allianz Re Dublin DAC	
Financial Strength Rating	
<i>Local Currency</i>	AA-/Stable/--
Allianz Reinsurance America, Inc.	
Financial Strength Rating	
<i>Local Currency</i>	AA-/Stable/--
Allianz Risk Transfer AG	
Financial Strength Rating	
<i>Local Currency</i>	AA-/Stable/--
Issuer Credit Rating	
<i>Local Currency</i>	AA-/Stable/A-1+
Financial Enhancement Rating	
<i>Local Currency</i>	AA-/--/--
Allianz Risk Transfer (Bermuda) Ltd.	
Financial Strength Rating	
<i>Local Currency</i>	AA-/Stable/--
Issuer Credit Rating	
<i>Local Currency</i>	AA-/Stable/--
Financial Enhancement Rating	
<i>Local Currency</i>	AA-/--/--
Allianz SpA	
Financial Strength Rating	
<i>Local Currency</i>	A/Stable/--
Issuer Credit Rating	
<i>Local Currency</i>	A/Stable/--
Allianz Suisse Lebensversicherungs - Gesellschaft	
Financial Strength Rating	
<i>Local Currency</i>	AA/Stable/--
Issuer Credit Rating	
<i>Local Currency</i>	AA/Stable/--
Allianz Suisse Versicherungs - Gesellschaft	
Financial Strength Rating	
<i>Local Currency</i>	AA/Stable/--
Issuer Credit Rating	
<i>Local Currency</i>	AA/Stable/--

Ratings Detail (As Of April 16, 2021)*(cont.)

Allianz Underwriters Insurance Co.

Financial Strength Rating

Local Currency

AA/Negative/--

Issuer Credit Rating

Local Currency

AA/Negative/--

Allianz Versicherungs AG

Financial Strength Rating

Local Currency

AA/Stable/--

Issuer Credit Rating

Local Currency

AA/Stable/--

Allianz Vie

Financial Strength Rating

Local Currency

AA/Stable/--

Issuer Credit Rating

Local Currency

AA/Stable/--

American Automobile Insurance Co.

Financial Strength Rating

Local Currency

AA/Negative/--

Issuer Credit Rating

Local Currency

AA/Negative/--

American Insurance Co.

Financial Strength Rating

Local Currency

AA/Negative/--

Issuer Credit Rating

Local Currency

AA/Negative/--

Associated Indemnity Corp.

Financial Strength Rating

Local Currency

AA/Negative/--

Issuer Credit Rating

Local Currency

AA/Negative/--

Chicago Insurance Co.

Financial Strength Rating

Local Currency

AA/Negative/--

Issuer Credit Rating

Local Currency

AA/Negative/--

Euler Hermes North America Insurance Co.

Financial Strength Rating

Local Currency

AA/Stable/--

Issuer Credit Rating

AA/Stable/--

Euler Hermes Reinsurance AG

Financial Strength Rating

Local Currency

AA/Stable/--

Issuer Credit Rating

AA/Stable/--

Ratings Detail (As Of April 16, 2021)*(cont.)

Euler Hermes S.A.

Financial Strength Rating

Local Currency

AA/Stable/--

Issuer Credit Rating

AA/Stable/A-1+

Fairmead Insurance Ltd.

Financial Strength Rating

Local Currency

AA-/Stable/--

Issuer Credit Rating

Local Currency

AA-/Stable/--

Fireman's Fund Indemnity Corp.

Financial Strength Rating

Local Currency

AA/Negative/--

Issuer Credit Rating

Local Currency

AA/Negative/--

Fireman's Fund Insurance Co.

Financial Strength Rating

Local Currency

AA/Negative/--

Issuer Credit Rating

Local Currency

AA/Negative/--

Highway Insurance Co. Ltd.

Financial Strength Rating

Local Currency

AA-/Stable/--

Interstate Fire & Casualty Co.

Financial Strength Rating

Local Currency

AA/Negative/--

Issuer Credit Rating

Local Currency

AA/Negative/--

Liverpool Victoria Insurance Co. Ltd.

Financial Strength Rating

Local Currency

AA-/Stable/--

National Surety Corp.

Financial Strength Rating

Local Currency

AA/Negative/--

Issuer Credit Rating

Local Currency

AA/Negative/--

Domicile

Germany

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

Copyright © 2021 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.