

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

Research Contributor:

Nadeem Shaikh, CRISIL Global Analytical Center, an S&P affiliate, Mumbai

Table Of Contents

Credit Highlights

Outlook

Assumptions

Business Risk Profile

Financial Risk Profile

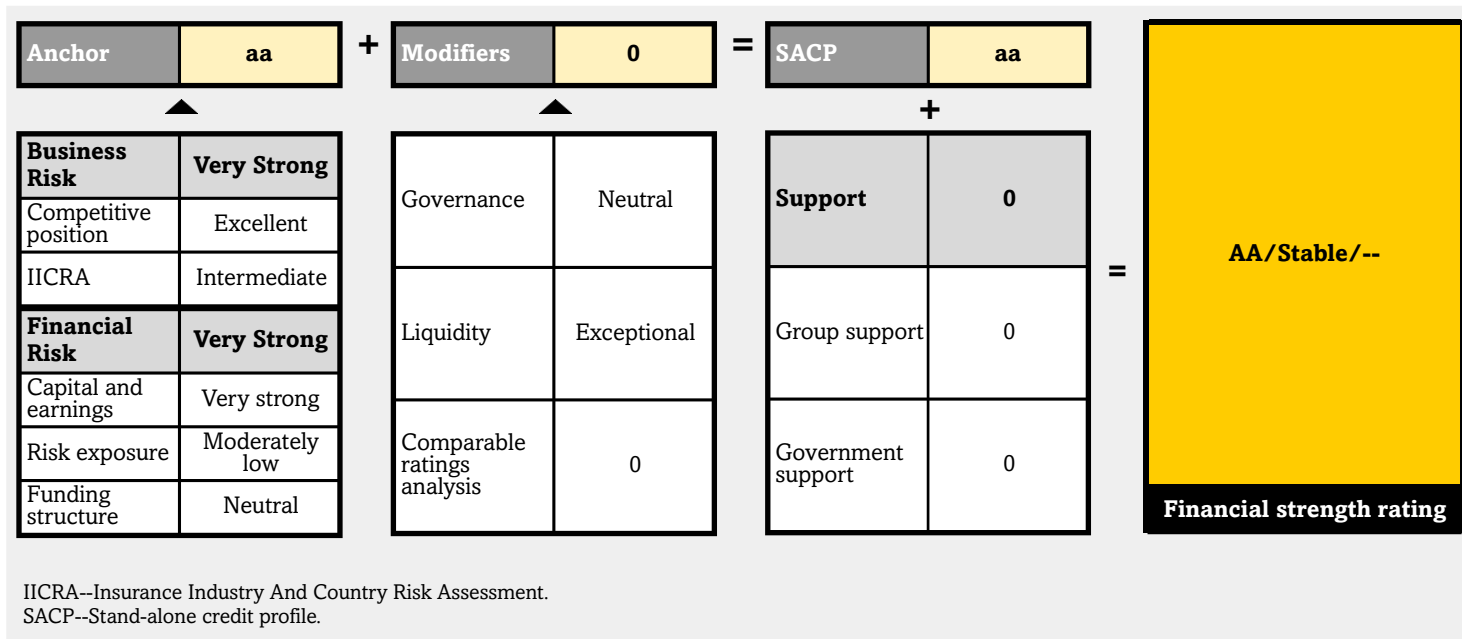
Other Key Credit Considerations

Related Criteria

Related Research

Appendix

Allianz SE



Credit Highlights

Overview	
Key strengths	Key risks
Excellent brand despite governance concerns.	Governance deficits overshadowing performance of asset-management business.
Capacity and willingness to recover capitalization after capital hit to the very strong level of our risk-based capital model.	Capital market volatility and geopolitical uncertainties could weigh on investment results.
Diversified insurance income streams.	

S&P Global Ratings anticipates Allianz will remain a leading global insurance group. Allianz enjoys leading positions in several markets around the globe, supported by an outstanding brand despite the governance issues at its subsidiary, Allianz Global Investors US. The company also benefits from healthy diversification across business lines and sectors, including Allianz Global Corporate & Specialty (AGCS) and trade-credit insurance, via Allianz Trade.

We expect Allianz's earnings will recover in 2023 and 2024 after a decline in 2022. We consider Allianz's diversified earnings streams, supported by its asset-management business (including PIMCO), to be a key rating strength compared with other global insurance groups. This is evident in constantly strong operating results. However, we expect that extraordinary claims payments linked to Allianz Global Investors' Structured Alpha Funds will lead to a reduced net income of about €6 billion for 2022 compared with our expectation of about €8 billion for 2023.

We expect Allianz's capitalization to recover to the very strong level of our risk-based capital model. Due to Allianz's tight capital management and market turbulence, the group's capital adequacy, as per our risk-based capital model, has dropped to the strong range. However, we anticipate a full recovery by end-2022. Our expectation is supported by Allianz's robust earnings capacity overall, the group's commitment to maintain its capitalization, and its ability to issue

hybrid capital when needed.

Outlook: Stable

The stable outlook indicates our expectation that, according to our risk-based model, Allianz's capitalization has slid below the 'AA' range but will recover by end-2022. We anticipate that, over the next two to three years, the company will manage its capital adequacy tightly to the 'AA' range, with some potential oscillation between the lower end of the 'AA' range and the higher end of the 'A' range, depending on market conditions. We also expect Allianz will continue to demonstrate its willingness and ability to replenish capital to the 'AA' level shortly after any dip. In our view, Allianz is likely to solve its governance deficits, and earnings from its asset management operation are forecast to completely recover in 2023, and to make a material contribution to group earnings. Furthermore, we anticipate that, over the next two years, Allianz will maintain its excellent brand and reputation, and continue to benefit from the robust and diverse income streams from its various global business activities.

Downside scenario

We could consider lowering the ratings if, contrary to our expectations, Allianz's capitalization according to our capital model failed to recover to the 'AA' level by year-end 2022, or dropped materially below the 'AA' level for a prolonged period during 2023-2024, and if we lose confidence in the group's willingness and ability to recover its capital position within a few months of such a decline. This could happen, for instance, as a result of:

- A severe market downturn, for example, triggered by geopolitical turmoil, which resulted in material investment impairments; or
- Aggressive dividend pay-outs or share buybacks.

We might also consider lowering the ratings if:

- Further governance deficits were detected; or
- The group's earnings, and particularly the contribution from asset management net income, do not fully recover in 2023.

Upside scenario

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

Assumptions

- We forecast GDP growth of 3.1% in the eurozone for 2022, followed by 0.3% and 1.8% for 2023 and 2024, respectively. For the U.S., we expect real GDP will contract 1.6% in 2022, followed by growth of 0.2% and 1.6% in 2023 and 2024, respectively.
- Inflation to remain high at 8.2% for the eurozone and 8.3% for the U.S. for 2022, as prices rise sharply due to oil and gas supply chain disruptions.

- Interest rates to increase. In the eurozone, we anticipate 10-year government bond yields of about 1.6% and 2.2% in 2022 and 2023, respectively. For the U.S., we expect the 10-year Treasury rate to increase to about 2.8% in 2022 and 3.3% in 2023.

Allianz SE--Key Metrics								
(Mil. €)	2024f	2023f	2022f	2021	2020	2019	2018	2017
Gross premiums written	>90,000	>88,500	>87,000	86,063	82,986	82,919	77,824	77,345
Net premiums written	>82,000	>81,000	>80,000	78,497	76,234	77,372	72,683	72,433
Net income (excl. minority interest)	~8,000	~8,000	~6,000	6,610	6,807	7,914	7,462	6,803
Return on shareholders' equity (%)*†	~15.0	~15.0	~10.0	8.4	8.8	11.8	11.6	10.4
P/C net combined ratio (%)*†	93.0-96.0	93.0-96.0	93.0-96.0	94.7	96.9	96.4	94.5	96.2
Net investment yield (%)	~2.5	~2.5	~2.0	2.4	2.5	2.7	2.5	2.9
Return on revenue (%)	>10.0	>10.0	>10.0	9.3	9.8	11.3	11.6	11.0
Return on assets (%)	~1.0	~1.0	~1.0	0.9	1.0	1.2	1.3	1.2
Fixed-charge coverage (x)‡	>9.0	>9.0	>9.0	10.7	10.5	11.0	10.4	9.7
Financial leverage (%)§	~40.0	~40.0	~40.0	32.1	30.5	30.0	33.9	28.0
Financial obligations to EBITDA	~3.0	~3.0	~3.0	3.7	3.4	2.8	2.8	2.9
S&P Global Ratings' capital adequacy	Very strong	Very strong	Very strong	Very strong	Strong	Very strong	Very strong	Extremely strong

f--S&P Global Ratings forecast. *Includes premium refunds. §Calculation changed as per 2018 following the criteria update of the insurance rating methodology as per July 1, 2019. †Calculated according to S&P Global Ratings' definitions. Wording for capital adequacy scores for 2018 and earlier based on insurance criteria which was superseded in July 2019. S&P Global Ratings' capital adequacy is an estimate for 2019. ‡EBITDA fixed-charge coverage.

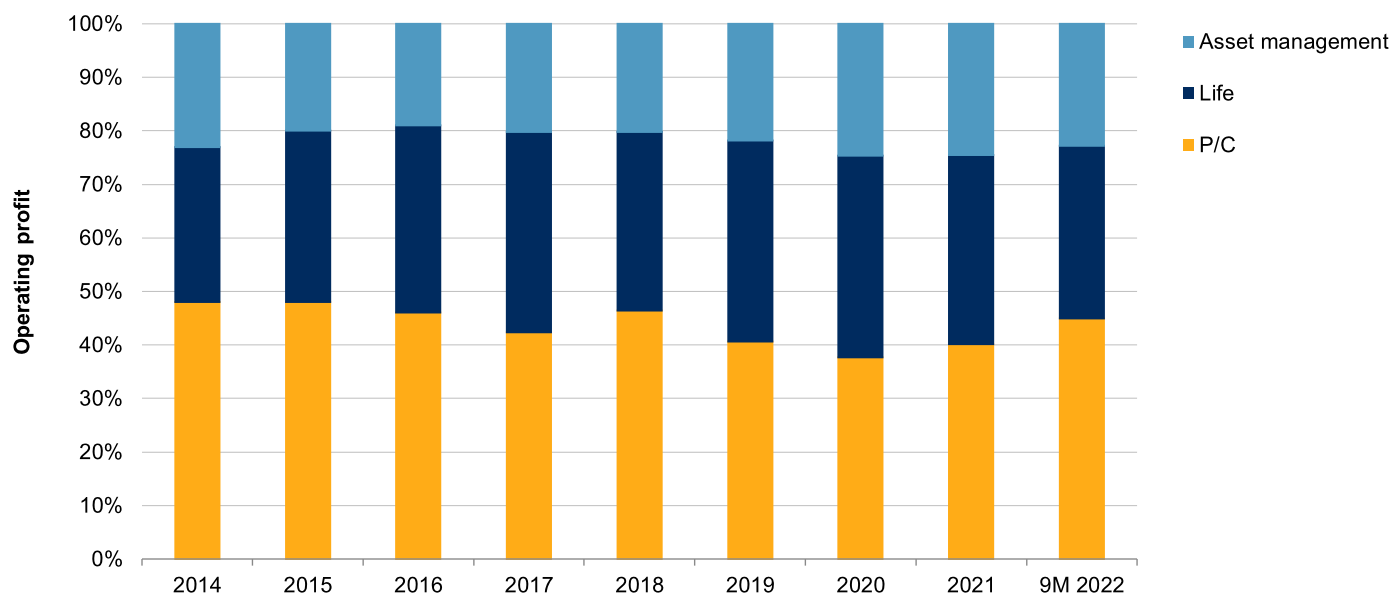
Business Risk Profile: Very Strong

As a leading global multi-line insurer Allianz benefits from a broad international footprint with strong market positions in key European insurance markets, including Germany, France, and Italy. Its position is further supported by one of the best-known brands in the insurance sector globally.

Allianz enjoys diversified insurance businesses, including property and casualty (P/C) and life and health, which support robust revenue and earnings. With the exception of 2021 and 2022, the group also has stable non-insurance income 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 For Allianz



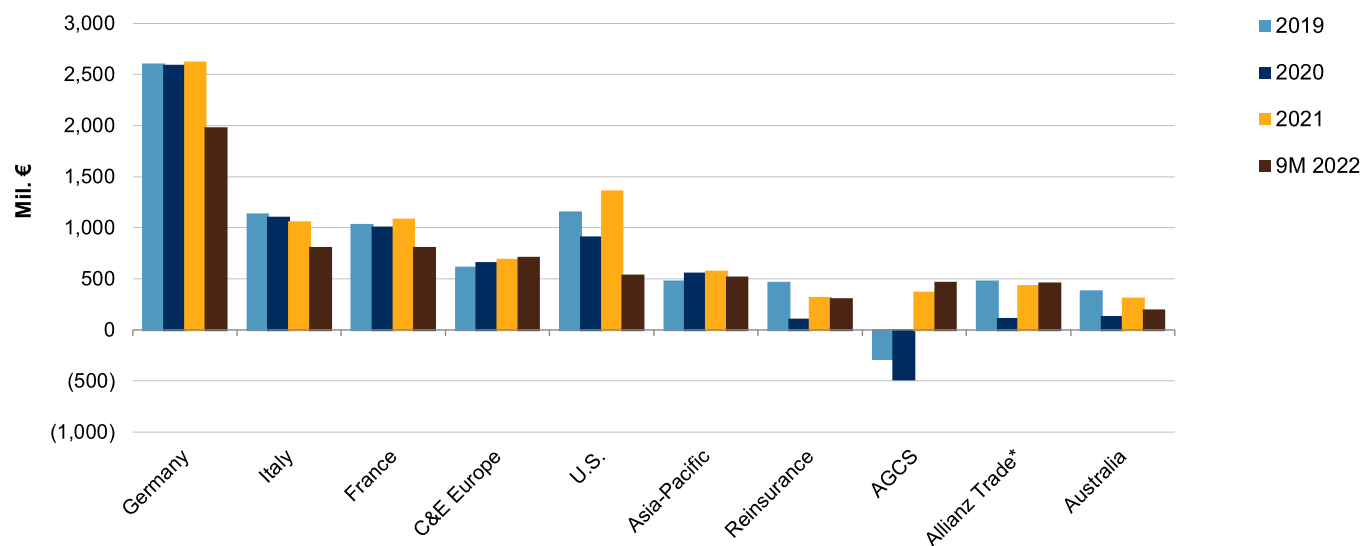
Source: S&P Global Ratings. P/C--Property and casualty.

Copyright © 2022 by Standard & Poor's Financial Services LLC. All rights reserved.

We acknowledge in particular AGCS' continued recovery, strengthened its underwriting performance across all business lines, achieving a combined (loss and expense) ratio of 95.4% for the entire subgroup as of Sept. 30, 2022. We expect this positive trend will continue and AGCS will post profitable underwriting, potentially yielding a combined ratio of approximately 96%, absent of any extraordinary events over the coming 12-18 months. As such our outlook on AGCS' is stable (see "Insurer Allianz 'AA' Rating Affirmed Despite Capital Decline; Allianz Unit AGCS Outlook Now Stable On Better Performance," published Oct 5, 2022, on RatingsDirect).

Chart 2

Allianz's Diversified Income Streams (Operating Profit P/C And Life/Health) Offset AGCS Weak Results



Source: S&P Global Ratings. *Euler Hermes rebranded to Allianz. C&E Europe--Central and Eastern Europe. P/C--Property and casualty. Copyright © 2022 by Standard & Poor's Financial Services LLC. All rights reserved.

Financial Risk Profile: Very Strong

The group's capitalization, according to our risk-based capital model, fell below the 'AA' threshold as of June 30, 2022. This was mainly driven by market turbulence, including declining stock markets and sharply rising interest rates, tight capital management, and additional claim provisions for the Structured Alpha Funds of €1.6 billion, net of tax, in the first half of 2022--taking total claim provisions linked to the governance deficits in relation to Structured Alpha to almost €6 billion.

We understand that Allianz manages its capital more tightly than in the past. We therefore anticipate the group's capital adequacy may occasionally drop below the 'AA' range. That said, we understand that Allianz remains committed to maintaining very strong capitalization at the 'AA' level, according to our capital model. Hence, we expect Allianz will restore its capital adequacy, such that it will recover to the 'AA' range by end-2022. Over the next two to three years, we expect capital adequacy to remain in or close to the 'AA' range.

We maintain our view that Allianz has generally very strong earnings capacity across its diverse operations. This is supported by the overall solid underlying results for the first nine months of 2022, with an operating profit of €10.2 billion (€9.9 billion for the same period in 2021), despite challenging market conditions and impairments on assets

because of the Russia–Ukraine conflict. With that, the group is also on track to achieve its own target of an operating profit for the full year of about €13 billion. For 2023 and 2024, we expect annual net income will recover to about €8 billion, supported by recovered earnings from asset management.

Like for other insurance groups, we expect that the group's leverage ratio will increase following a decline in the group's shareholder equity due to a drop in unrealized gains. For Allianz, we anticipate a leverage ratio of about 40% in 2022 or slightly above. For 2023 and 2024, we expect on the one hand some relief based on earnings retention. On the other hand, shareholder equity is likely to be lower after the introduction of International Financial Reporting Standard (IFRS) 17, which will pressure leverage. However, we do not see risks from the group's funding structure, because we believe Allianz has the capacity and flexibility to withstand a stress scenario.

Similarly, due to the decline in shareholder equity we view the group's return on equity as currently artificially inflated and thus not a fair measure of performance.

We regard Allianz's asset mix as balanced, with a focus on investment-grade bonds. Its portfolio consists of about 83% fixed-income investments and 12% equity. Allianz reported alternative investments of €212.1 billion. We view most of the alternative investment portfolio as rather higher risk, meaning it could lead to volatility in investment results.

The group's investment in Italian government bonds, worth about €19.2 billion, has remained stable. We consider this exposure to market and credit risk a potential source of volatility and a possible constraint to the group's credit quality.

Other Key Credit Considerations

Group support

We rate Allianz's French subsidiaries Allianz Vie and Allianz IARD at AA/Stable/-- and its Italian subsidiary Allianz SpA at A/Stable/-- above our respective ratings on France (unsolicited AA/Negative/A-1+) and Italy (unsolicited BBB/Stable/A-2). This reflects our view that Allianz would provide extraordinary support if required.

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.

Environmental, social, and governance

ESG Credit Indicators

E-1	E-2	E-3	E-4	E-5	S-1	S-2	S-3	S-4	S-5	G-1	G-2	G-3	G-4	G-5
- N/A					- N/A					- Risk management, culture, and oversight				

N/A—Not applicable. ESG credit indicators provide additional disclosure and transparency at the entity level and reflect S&P Global Ratings' opinion of the influence that environmental, social, and governance factors have on our credit rating analysis. They are not a sustainability rating or an S&P Global Ratings ESG Evaluation. The extent of the influence of these factors is reflected on an alphanumerical 1-5 scale where 1 = positive, 2 = neutral, 3 = moderately negative, 4 = negative, and 5 = very negative. For more information, see our commentary "ESG Credit Indicator Definitions And Applications," published Oct. 13, 2021.

Governance factors are a moderately negative consideration in our credit rating analysis of Allianz. We believe that the group's risk-management culture was not robust enough to identify the misconduct of certain group employees. If further governance deficits emerged, we might consider lowering the ratings.

Environmental and social factors have no material influence on our credit rating analysis.

Accounting considerations

Allianz prepares its consolidated financial statements under IFRS. 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

- General Criteria: Hybrid Capital: Methodology And Assumptions, March 2, 2022
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Insurance | General: Insurers 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

Related Research

- Insurer Allianz 'AA' Rating Affirmed Despite Capital Decline; Allianz Unit AGCS Outlook Now Stable On Better Performance, Oct. 5, 2022
- Allianz 'AA' Rating Affirmed Despite Governance Deficits; Outlook Stable, May 23, 2022
- Allianz Global Corporate & Specialty SE, March 30, 2022

Appendix

Allianz SE--Credit Metrics History					
(Mil. €)	2021	2020	2019	2018	2017
S&P Global Ratings' capital adequacy	Strong	Strong	Very strong	Very strong	Extremely strong
Total invested assets	978,237	938,076	897,343	796,165	792,644
Total shareholder equity	84,222	84,594	77,364	63,679	68,602
Gross premiums written	86,063	82,986	82,919	77,824	77,345
Net premiums written	78,497	76,234	77,372	72,683	72,433
Net premiums earned	77,656	75,714	75,914	71,472	71,426
Reinsurance utilization (%)	8.8	8.1	6.7	6.6	6.4
EBIT	9,988	10,282	11,781	11,276	10,884
Net income (attributable to all shareholders)	6,610	6,807	7,914	7,462	6,803
Return on revenue (%)	9.3	9.8	11.3	11.6	11.0
Return on assets (including investment gains/losses) (%)	0.9	1.0	1.2	1.3	1.2
Return on shareholders' equity (reported) (%)	8.4	8.8	11.8	11.6	10.4
P/C: net combined ratio (%)	94.7	96.9	96.4	94.5	96.2
P/C: net expense ratio (%)	26.9	26.8	27.5	28.0	28.7
P/C: return on revenue (%)	10.0	7.9	8.5	10.8	9.0
Life: Net expense ratio (%)	29.2	28.6	25.6	23.7	26.7
Net investment yield (%)	2.4	2.5	2.7	2.5	2.9
Net investment yield including investment gains/(losses) (%)	3.4	3.1	3.4	2.9	3.7
EBITDA fixed-charge coverage (x)	10.7	10.5	11.0	10.4	9.7
EBIT fixed-charge coverage (x)	10.4	10.2	10.8	10.1	9.5
Financial obligations / EBITDA adjusted (x)	3.7	3.4	2.8	2.8	2.9
Financial leverage including pension deficit as debt (%)	32.1	30.5	30.0	33.9	32.0

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-	b/b-
Fair	a-	a-/bbb+	bbb+/bbb	bbb/bbb-	bbb-/bbb-	bbb-/bbb-	bb-/bb-	b-
Weak	bbb+/bbb	bbb/bbb-	bbb-/bb+	bb+/bb	bb/bb-	bb-/bb-	bb-/bb-	b-
Vulnerable	bbb-/bb+	bb+/bb	bb/bb-	bb-/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 December 7, 2022)*

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

Financial Strength Rating

Local Currency

AA/Stable/--

Issuer Credit Rating

AA/Stable/A-1+

Commercial Paper

Local Currency

A-1+

Junior Subordinated

A

Junior Subordinated

A+

Related Entities**AGCS Marine Insurance Co.**

Financial Strength Rating

Local Currency

AA/Stable/--

Issuer Credit Rating

Local Currency

AA/Stable/--

Allianz Australia Insurance Ltd.

Financial Strength Rating

Local Currency

AA-/Stable/--

Issuer Credit Rating

Local Currency

AA-/Stable/--

Allianz Banque

Issuer Credit Rating

AA-/Stable/A-1+

Commercial Paper

Local Currency

A-1+

Senior Unsecured

AA-

Allianz Elementar Lebensversicherungs AG

Financial Strength Rating

Local Currency

AA/Stable/--

Issuer Credit Rating

Local Currency

AA/Stable/--

Allianz Elementar Versicherungs - AG

Financial Strength Rating

Local Currency

AA/Stable/--

Issuer Credit Rating

Local Currency

AA/Stable/--

Allianz Fire and Marine Insurance Japan Ltd.

Financial Strength Rating

Local Currency

AA/Stable/--

Issuer Credit Rating

Local Currency

AA/Stable/--

Allianz France

Issuer Credit Rating

Local Currency

A+/Stable/A-1

Junior Subordinated

BBB+

Ratings Detail (As Of December 7, 2022)*(cont.)

Allianz Global Corporate and Specialty South Africa Ltd.

Financial Strength Rating

Local Currency

BB+/Positive/--

Issuer Credit Rating

Local Currency

BB+/Positive/--

South Africa National Scale

zaAAA/--/--

Allianz Global Corporate & Specialty SE

Financial Strength Rating

Local Currency

AA/Stable/--

Issuer Credit Rating

Local Currency

AA/Stable/--

Allianz Global Risks U.S. Insurance Co.

Financial Strength Rating

Local Currency

AA/Stable/--

Issuer Credit Rating

Local Currency

AA/Stable/--

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 Insurance Singapore Pte. Ltd.

Financial Strength Rating

Local Currency

A+/Stable/--

Issuer Credit Rating

Local Currency

A+/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/--

Ratings Detail (As Of December 7, 2022)*(cont.)

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

Ratings Detail (As Of December 7, 2022)*(cont.)

Allianz Suisse Versicherungs - Gesellschaft

Financial Strength Rating

Local Currency

AA/Stable/--

Issuer Credit Rating

Local Currency

AA/Stable/--

Allianz Underwriters Insurance Co.

Financial Strength Rating

Local Currency

AA/Stable/--

Issuer Credit Rating

Local Currency

AA/Stable/--

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/Stable/--

Issuer Credit Rating

Local Currency

AA/Stable/--

Chicago Insurance Co.

Financial Strength Rating

Local Currency

AA/Stable/--

Issuer Credit Rating

Local Currency

AA/Stable/--

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/--

Euler Hermes S.A.

Financial Strength Rating

Local Currency

AA/Stable/--

Issuer Credit Rating

AA/Stable/A-1+

Ratings Detail (As Of December 7, 2022)*(cont.)

Fairmead Insurance Ltd.

Financial Strength Rating

Local Currency

AA-/Stable/--

Issuer Credit Rating

Local Currency

AA-/Stable/--

Fireman's Fund Insurance Co.

Financial Strength Rating

Local Currency

AA/Stable/--

Issuer Credit Rating

Local Currency

AA/Stable/--

Highway Insurance Co. Ltd.

Financial Strength Rating

Local Currency

AA-/Stable/--

Interstate Fire & Casualty Co.

Financial Strength Rating

Local Currency

AA/Stable/--

Issuer Credit Rating

Local Currency

AA/Stable/--

Liverpool Victoria Insurance Co. Ltd.

Financial Strength Rating

Local Currency

AA-/Stable/--

National Surety Corp.

Financial Strength Rating

Local Currency

AA/Stable/--

Issuer Credit Rating

Local Currency

AA/Stable/--

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 © 2022 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.