

July 3, 2009

## Andorra (Principality of)

**Primary Credit Analyst:**

Sarah N'Sonde, Paris (33) 1-4420-6665; sarah\_nsonde@standardandpoors.com

**Secondary Credit Analyst:**

Lorenzo Pareja, Madrid (34) 91-389-6962; lorenzo\_pareja@standardandpoors.com

### Table Of Contents

---

Major Rating Factors

Rationale

Outlook

Comparative Analysis

Political Environment: Economic Policy Continuity Expected Despite Change Of Government

Economic Prospects: Many Challenges

Fiscal Flexibility: Indicators Expected To Remain Gloomy

# Andorra (Principality of)

## Major Rating Factors

### Strengths:

- A wealthy economy
- A stable political and institutional framework

### Weaknesses:

- An open economy vulnerable to external shocks
- Significant focus on tourism-related activities
- The potential risks posed by the size of Andorra's banking sector, which is large relative to the economy

### Sovereign Credit Rating

A+/Stable/A-1+

## Rationale

The ratings on Andorra are supported by the country's prosperous economy, with high GDP per capita, estimated at \$38,500 in 2009.

The ratings are also supported by the stable political institutions and the strong consensus in favor of fiscal prudence in the country. Andorra has traditionally displayed a relatively robust policy response to guard against external vulnerabilities. Andorra also presents revenue flexibility--spurred by an upcoming tax reform--a modest debt burden, and strong liquid assets

General government debt indeed remains moderate; we estimate it was 34% of GDP at year-end 2009--the 'A' median is 39%--while at the same time Andorra has substantial assets, estimated at €700 million in 2008.

That said, in 2008 the government posted a small net debtor position of about 1% of GDP, for the first time in 10 years; we anticipate it will remain in a debtor position in the medium term.

Additionally, Andorra's two key economic sectors face structural challenges--namely the banking sector and tourism-related activities--which have, in our view, weakened the country's economic growth model.

Despite the government's continuous efforts to improve the quality and diversity the Andorran tourism offer, we anticipate that it will encounter challenges in the medium term, given the ongoing economic recession in the two countries that are Andorra's main sources of tourists, Spain and France. This is demonstrated by the severe first-quarter 2009 fall in visitors to Andorra (down 15% compared with the same period of 2008).

Moreover, Andorra's financial service industry has traditionally operated within a low tax regime that boosted its competitiveness. Given the international community's pressure on Andorra, as well as on peers with similar banking profiles, Andorran financial institutions will have to compete on a more level playing field. We thus view growing uncertainties affecting the banking sector's competitiveness and, ultimately, its profitability, which could weaken the sovereign's revenue base. This is particularly the case should nonresident depositors--more than one-third of total Andorran deposits--move gradually toward jurisdictions with more complete financial services offerings.

In terms of the country's macroeconomic developments, we expect a real GDP contraction for the third consecutive year, which we estimate at 3% in 2009. We expect growth to return to positive territory by 2011. In addition, we

expect the general government deficit to remain significant, despite the authorities' plans to increase direct and indirect taxes this year, mainly due to still-sizeable capital expenditures. We expect a general government deficit at about 4% of GDP.

## Outlook

The stable outlook reflects the principality's track record over successive governments of a prudent policy approach, and our expectation that this will continue. Moreover, we anticipate that current and future governments will pursue efforts to provide appropriate responses to somewhat subdue the impact of the external shocks that threaten the Andorran economy.

The ratings could come under negative pressure if the government fails to address the country's structural weaknesses, or if macroeconomic indicators deteriorate beyond our current expectations. Conversely, we could raise the ratings if we consider that the weaknesses in the Andorran economic growth structure have been appropriately addressed, leading to sustainable growth across a broad range of sectors, thus reducing the principality's current high dependency on tourism-related activities and the financial sector.

**Table 1**

Principality of Andorra Selected Indicators										
	2004	2005	2006	2007	2008	2009e	2010f	2011f	2012f	Median A
GDP per capita (\$)	34,988.7	36,974.1	38,535.5	42,231.6	44,948.6	38,533.2	36,985.2	39,661.8	40,743.5	18,632.0
Real GDP (% change)	7.5	5.0	6.2	(0.5)	(3.3)	(3.8)	(1.3)	0.1	0.8	(0.1)
Real GDP per capita (% change)	1.0	2.9	2.7	(2.8)	(4.9)	(5.2)	(2.6)	(1.3)	0.8	(1.0)
General government balance (% of GDP)	1.0	(0.6)	(2.0)	(2.6)	(3.8)	(3.7)	(5.0)	(4.4)	(3.3)	(3.6)
General government debt (% of GDP)	16.2	16.2	18.4	22.6	28.9	33.7	38.5	41.9	44.0	37.3
Net general government debt (% of GDP)	(10.4)	(11.9)	(10.3)	(6.8)	1.3	5.0	9.6	13.7	13.8	27.5
General government interest exp. (% of revenues)	2.4	2.2	3.0	4.9	7.6	9.2	10.3	12.9	13.0	5.9
Domestic credit to private sector & NFPEs (% of GDP)	176.2	205.9	227.4	252.6	273.0	284.7	289.5	290.1	289.5	89.7
Consumer price index (average; % change)	3.3	3.1	3.2	3.9	4.6	1.0	1.8	2.3	2.0	2.8

f--Forecast. e--Estimate. NFPEs--Nonfinancial public sector enterprises. CARs--Current account receipts.

## Comparative Analysis

- Andorra's small economy has a high level of prosperity, with GDP per capita above the 'A' median.
- Andorra's economy is less diversified than that of most peers.
- Andorra's small net debtor position compares unfavorably with that of peers.

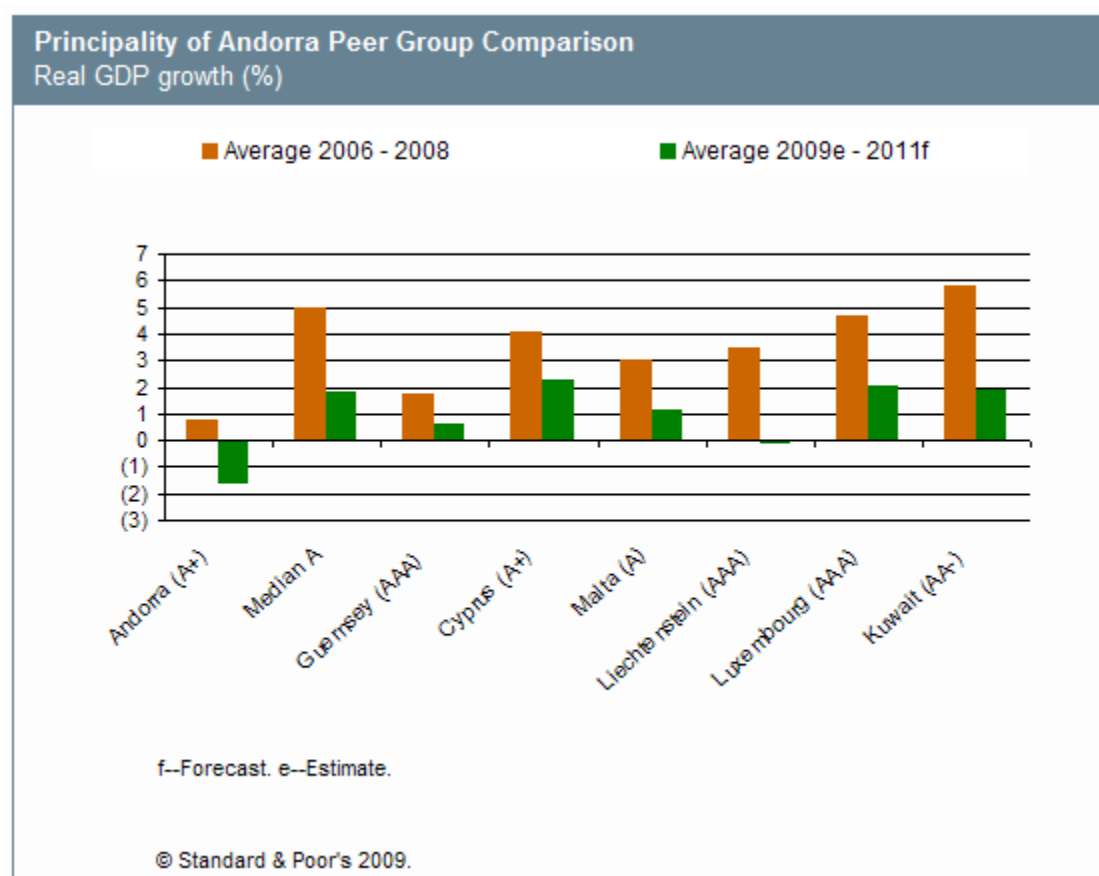
Andorra's economy is comparable with that of other small jurisdictions, such as the Grand Duchy of Luxembourg and the Principality of Liechtenstein (both rated foreign currency AAA/Stable/A-1+; all ratings hereafter refer to

foreign currency sovereign credit ratings). The higher long-term ratings on these sovereigns, however, reflect greater prosperity and more diversified economies. Andorra can also be compared with Guernsey (AAA/Stable/A-1+) and the Republic of Cyprus (A+/Stable/A-1), which are also small, open economies with sizable financial sectors. The Republic of Malta is also a useful comparator (A/Stable/A-1) as well as the State of Kuwait (AA-/Stable/A-1+), to a lesser extent, as an example of a higher rated narrow economy which benefits from stronger assets than Andorra.

Andorra has high GDP per capita, projected at \$38,500 in 2009, which is higher than the 'A' median (\$18,600). However, this compares unfavorably with peers like Luxembourg and Lichtenstein which are some of the wealthiest economies in the rated universe.

Moreover, the real GDP growth trend in Andorra compares unfavorably with the 'A' median (see chart 1). This is due to Andorra's narrow economy which mainly relies on two main sectors, which are particularly weak at the moment, therefore durably jeopardizing growth prospects. This contrasts with the situation in Cyprus, for example, where many sectors have growth potential such as communication, business services, and private education.

**Chart 1**

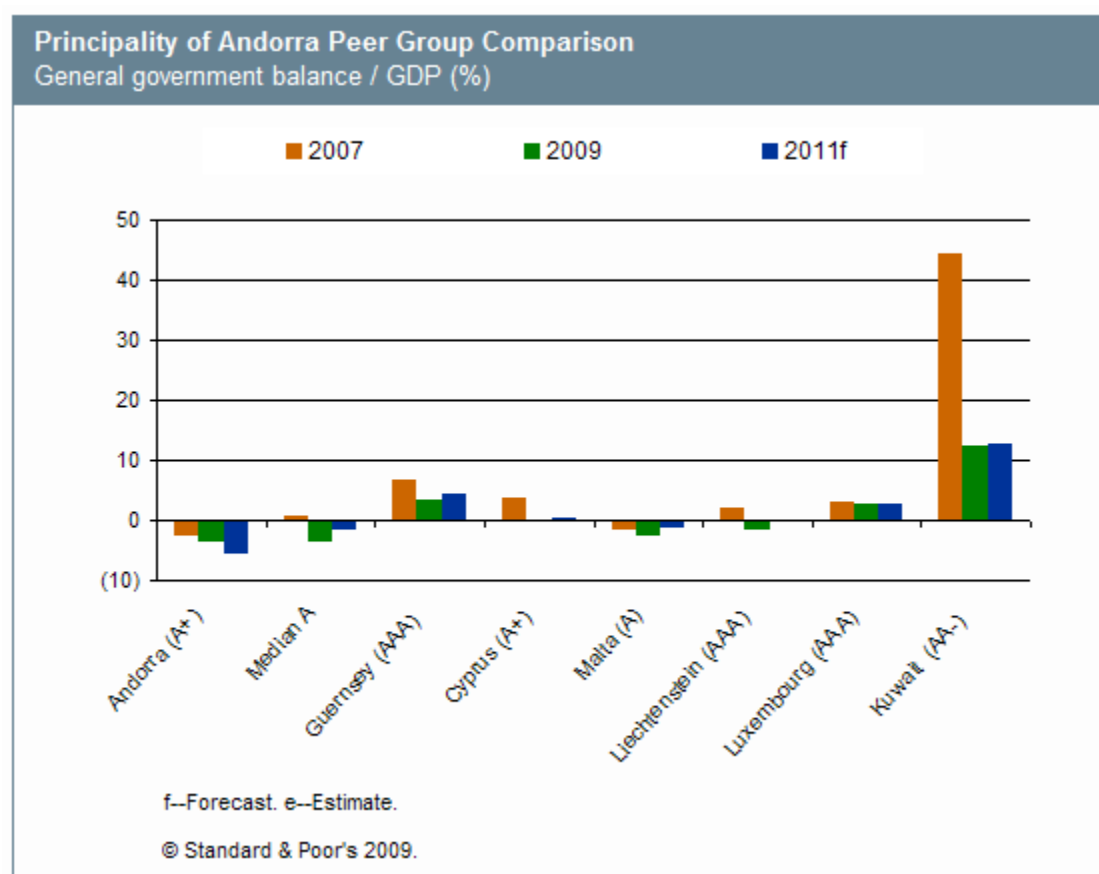


Moreover, as the international community has recently moved toward a tougher approach regarding bank secrecy and now seems firmly committed to improve the transparency of banking practices, Andorra and peers with similar banking sector profiles, such as Liechtenstein, might to various degrees, lose their comparative advantage. The OECD (Organisation for Economic Co-Operation and Development) classifies Andorra as a "tax haven,"

committed to the internationally agreed tax standard but yet to substantially implement it. However, we consider that Liechtenstein's extraordinarily high level of wealth and well diversified economy provides more flexibility to absorb external shocks than Andorra's economy.

Despite the expected measures that the government plans to implement to increase direct and indirect tax revenues in 2009 and in the medium term, we expect the government's fiscal position to remain in deficit, estimated at 4% of GDP in 2009. This is broadly in line with the 'A' median but compares unfavorably with higher rated peers such as Kuwait where a high surplus of 12% of GDP is expected this year (see chart 2). This is due to the fact that Kuwait enjoys a rich natural resources endowment, particularly oil, which has led the country to build a strong external and fiscal position in recent years.

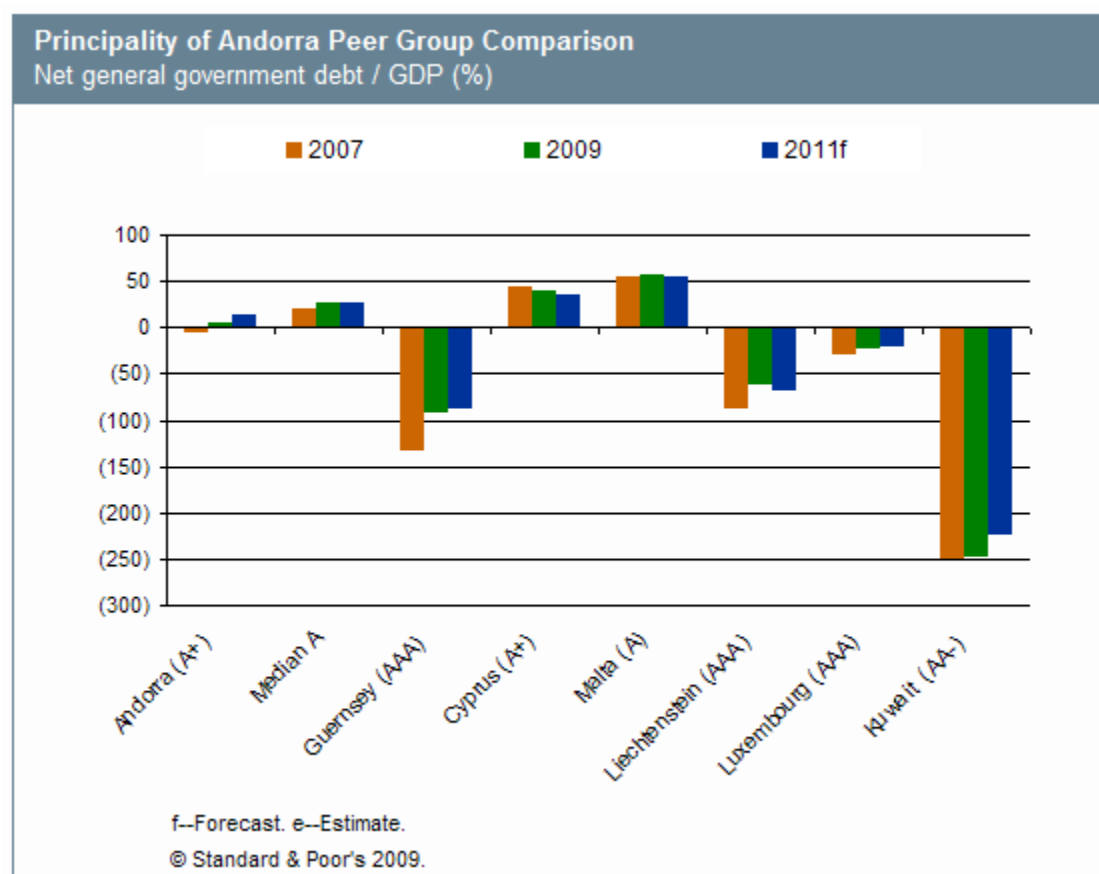
**Chart 2**



Andorra's debt burden compares favorably with the 'A' median, but is higher than that of most peers.

Additionally, we expect Andorra's general government to be in a small net debtor position of about 5% of GDP this year and to remain in a debtor position in the medium term, which contrasts with the majority of its peers and the 'A' median (see chart 3).

Chart 3



## Political Environment: Economic Policy Continuity Expected Despite Change Of Government

- The Social Democratic Party (SDs) won the 2009 parliamentary elections over the "Reformist Coalition" led by the outgoing Liberal Party (LP).
- Continuity in dialogue with the international community in addressing criticisms on tax heavens, together with macroeconomic policy, is expected to continue.
- EU membership is not on the agenda, but formal relations with the EU are good.

Andorra is a parliamentary co-principality. The joint and indivisible position of Head of State is held by two princes: the Bishop of La Seu d'Urgell (a small city in north Catalonia) and the President of the Republic of France. The co-princes, who hold their title on a personal basis, do not represent their respective jurisdictions, but abide by the Andorran constitution. The co-princes are not actively involved in governing the Principality, and their role is limited to the political and representative tasks that the constitution assigns them. Their responsibilities include calling general elections, sanctioning and promulgating laws, and appointing the Head of Government, among other things. Their actions, however, have to be countersigned either by the Head of Government or the Head of Parliament. The co-principality arrangement dates back to the thirteenth century and has worked as a tenable formula in supporting Andorra's political and territorial independence, its good relations with neighboring Spain

and France, and its integration within Europe.

Political ties with Spain and France were deepened with the signature of tripartite agreements in 2003 that regulate free circulation and mutual preferential treatment of French and Spanish nationals in Andorra, and vice versa. In 2007, the government signed further Memorandums of Understanding with Portugal and Spain. Economic relations with the EU are governed by the Customs Union agreement signed in 1990. Given the independent nature of the Principality it is unlikely to consider EU membership for the time being.

The political scene is dominated by two main parties, the Social Democratic Party (SDs) and the Liberal Party (LP). SDs won the latest 2009 legislative elections with 45% of votes, against the "reformist coalition" (32% of votes). Therefore, with 14 seats (over 28 seats in the parliament) against 11 for the liberals, Jaume Bartumeu Cassany, head of the SDs has become the new prime minister of Andorra. Given that the SDs won half of the seats, they will have to make alliances with smaller parties in order to gain majority votes in parliament.

We anticipate that one of the new government's main tasks will be to pursue the Andorran government's dialogue with the international community regarding the increasing call for more transparency and exchange of information with Andorra and peers with a similar banking sector business model (see "Economic Structure" section below). The co-prince of Andorra and French president, Nicolas Sarkozy, has been one of the figures to make such criticisms.

The two main political parties have little differences in terms of macroeconomic policy or the necessity to raise taxes. Their policies differ mainly on local issues. Moreover, previous governments have been negotiating with the EU in order to withdraw punitive taxes applied to Andorran exports by key trade partners; negotiations are expected to continue.

## Economic Prospects: Many Challenges

- The country's economy is driven by the services sector, with tourism-related services being the largest contributor to gross value added.
- We anticipate challenging times ahead for the Andorran tourism sector.
- The global economic recession is expected to further weaken Andorran economic performance.
- The Andorran banking system's financial indicators are healthy but we expect the sector to face challenges in the future.

**Table 2**

Principality of Andorra Economic & Financial Indicators										
	2004	2005	2006	2007	2008	2009e	2010f	2011f	2012f	
Nominal GDP (bil. €)	2.2	2.3	2.5	2.6	2.6	2.5	2.5	2.6	2.7	
Nominal GDP (bil. \$)	2.7	2.9	3.1	3.5	3.8	3.3	3.2	3.5	3.6	
GDP per capita (\$)	34,989	36,974	38,535	42,232	44,949	38,533	36,985	39,662	40,743.5	
Real GDP (% change)	7.5	5.0	6.2	(0.5)	(3.3)	(3.8)	(1.3)	0.1	0.8	
Real GDP per capita (% change)	1.0	2.9	2.7	(2.8)	(4.9)	(5.2)	(2.6)	(1.3)	0.8	
Consumer price index (% change)	3.3	3.1	3.2	3.9	4.6	1.0	1.8	2.3	2.0	
Domestic credit to private sector & NFPEs (% change)	26.3	26.1	17.9	14.3	9.3	1.3	2.2	2.6	2.7	
Domestic credit to private sector & NFPEs (% of GDP)	176.2	205.9	227.4	252.6	273.0	284.7	289.5	290.1	289.5	

f--Forecast. e--Estimate. NFPEs--Nonfinancial public sector enterprises.

## **Economic structure**

Andorra is a small but prosperous economy, dominated by the services sector.

The set of available statistics on Andorra's economy is limited. Andorra does not produce national accounts, although the government has recently started to produce GDP figures. Andorra has no currency of its own, but uses the euro.

The country's economic structure is challenged, as the two pillars of its economy, namely tourism and the banking sector, are expected to experience a severe downturn in the medium to long term.

Tourism and tourism-related commerce (representing nearly 50% of gross value added) is the main driving force behind Andorra's economic performance. Due to its economic structure, the Andorran economy is vulnerable to economic developments in France and Spain, which account for almost all visitors (75%) and tourists (95%). The Andorran tourism sector, characterized by modern infrastructure, includes the largest ski complex in the Pyrenees.

The past attractiveness of Andorra, due to low indirect taxes, is likely to gradually fade away with the reforms that are being put in place in the country (see "Fiscal flexibility" section below). The difficult access to the Principality also constrains an expansion in the number of visitors.

Although we don't expect its capacity of about 10 million visitors a year to massively fall in the short term, despite the gradual decline that we have been observing, the industry is seriously challenged. The country has experienced early signals of structural difficulties in the sector, such as the gradual decline on average in visitors in the past three years.

This trend is expected to be exacerbated by the global economic recession, notably in Spain and France. Visitor numbers in first-quarter 2009 have already fallen by 15% compared with the same period of 2008.

The government is attempting, in close collaboration with the private sector, to improve the quality and diversity of the tourism offer. Its main targets have been improving the quality of tourist facilities, widening the scope of activities on offer and promoting Andorra as a conference and services center. That said, in our opinion, Andorra's limited tourism offer is unlikely to change substantially in the long term and will be hit by the global economic recession.

Andorra's second-largest economic sector, its banking system (17% of gross value added), continues to be characterized by healthy financial indicators. Moreover, early this year, Andorran authorities stated that the Andorran banking system has not been exposed to "toxic assets," according to their 2008 data; and that the investment management companies' exposure is limited to 3% of the total capital of investment entities.

Of the six banks in the system, only one is foreign owned, by Banco de Sabadell S.A. (A/Stable/A-1). Banking secrecy and, until mid-2005, the absence of savings tax have attracted nonresident deposits to Andorran banks. Nonresident deposits represented about 36% of total deposits in 2008.

Criticism of tax haven countries from the international community, including the OECD and G20 countries, has been very strong recently, exacerbated by the severe economic recession. Their main request is that tax havens implement international standards of transparency and exchange of banking information.

Andorran authorities have started to address these criticisms and managed to get the country withdrawn from the OECD list of non-cooperative countries in first-quarter 2009. They achieved this by committing themselves to

improve transparency. For example, they have signed an agreement with the OECD on the exchange of information, which still allows them to ensure bank secrecy practices to Andorran customers to a limited extent. Moreover, the incoming government will have to prepare a law before the end of the year, which will aim to raise Andorran legislation to international standards on tax matters.

Looking forward, it remains unclear at this stage whether the international community will call for more restrictive measures than those already in motion on tax haven jurisdictions.

In this context of uncertainties and bad publicity, there is a risk that the country's banking system will have to align with international standards. Therefore, the leading Andorran financial institutions will potentially have to compete on a more level playing field. We thus view growing uncertainties affecting the banking sector's competitiveness and, ultimately, its profitability.

### Economic growth

We anticipate another difficult year for the Andorran economy in 2009, given the severe recession in the Spanish economy. Andorra's real GDP is expected to contract to 4% this year.

Given the current challenges that the two pillars of its economy are facing, combined with the expected slow recovery in Spain, we don't anticipate major improvements in the country's economic growth prospects, but a slow and contained recovery, as we expect that Spain's economic situation will gradually improve in the medium term. We therefore project lackluster real GDP growth of about 0.1% by 2011.

## Fiscal Flexibility: Indicators Expected To Remain Gloomy

- We anticipate Andorra's general government fiscal position to remain in deficit in the medium term, despite government's plans for measures to broaden the tax base.
- The general government has fallen into a small net debtor position in 2008 for the first time in 10 years, which is expected to continue in the medium term.
- Contingent liabilities largely reflect Andorra's sizable banking sector.

**Table 3**

Principality of Andorra Fiscal Indicators										
	2004	2005	2006	2007	2008	2009e	2010f	2011f	2012f	
<b>(% of GDP)</b>										
General government revenues	16.4	16.5	16.4	17.8	16.7	17.8	17.3	17.1	17.0	
Of which central government	11.2	11.0	11.2	12.5	12.2	14.3	13.8	13.6	13.5	
General government expenditures	15.4	17.0	18.4	20.4	20.4	21.4	22.3	21.4	20.3	
Of which central government	12.8	12.7	14.1	15.2	16.0	16.6	17.4	16.5	15.6	
General government balance	1.0	(0.6)	(2.0)	(2.6)	(3.8)	(3.7)	(5.0)	(4.4)	(3.3)	
Of which central government	(1.6)	(1.7)	(2.9)	(2.7)	(3.8)	(2.4)	(3.6)	(2.8)	(2.0)	
Of which local authorities	1.2	(0.3)	(0.7)	(1.2)	(0.8)	(2.2)	(2.3)	(2.4)	(2.2)	
General government primary balance	1.4	(0.2)	(1.5)	(1.7)	(2.5)	(2.0)	(3.2)	(2.2)	(1.2)	
Central government primary balance	(1.3)	(1.5)	(2.5)	(2.0)	(3.0)	(1.2)	(2.4)	(1.4)	(0.6)	
General government balance (% of revenues)	6.1	(3.4)	(12.2)	(14.6)	(22.7)	(20.6)	(28.8)	(25.5)	(19.6)	
General gov't interest payments (% of revenues)	2.4	2.2	3.0	4.9	7.6	9.2	10.3	12.9	13.0	

**Table 3**

Principality of Andorra Fiscal Indicators (cont.)									
Central gov't interest payments (% of revenues)	1.9	2.0	3.0	5.2	7.4	8.1	8.7	10.8	10.6
General government debt	16.2	16.2	18.4	22.6	28.9	33.7	38.5	41.9	44.0
Of which central government debt	10.4	11.4	13.4	16.5	21.2	23.6	27.3	29.4	27.9
General government net debt	(10.4)	(11.9)	(10.3)	(6.8)	1.3	5.0	10.2	14.3	13.8
Of which central government net debt	9.6	10.4	12.5	15.8	20.6	23.5	27.2	29.3	27.9

f--Forecast. e--Estimate.

### Revenue, expenditure, and balance performance

The government's main source of revenue, representing more than 80% of the total in 2008, comes from indirect taxes, particularly a tax on imports and consumption that is ultimately paid by final consumers--mostly tourists. Until recently, budgetary revenues were restricted due to very limited direct taxation and the associated low fiscal burden on Andorra's residents. There has been an increasing consensus in the country on the necessity to increase both direct and indirect taxes, in order to subdue pressures on the government's budget.

A tax on the finance and insurance sectors was introduced in 2000 and was widened to cover all domestically produced services in 2006. The government also introduced a tax on production and increased the tax on imports and consumption in the same year. Moreover, the withholding tax on the interest income of EU residents will be gradually raised to 35% in 2011 from 15% in 2005. A company income tax is also likely to be set in the short to medium term, together with the gradual openness of the economy to foreign companies. Finally, the government also plans to increase direct taxes.

The Andorran social security ratio is characterized by surpluses, averaging 1.3% of GDP in the past five years (net of gains and losses on social security assets), and the accumulation of substantial assets, which in 2008 amounted to about €700 million, equivalent to about 27% of GDP. This high level of assets mainly comes from the high level of social security assets.

However, the social security surplus position has been shrinking, estimated at less than 1% of GDP in 2009 against 1.5% in 2005, calling for a reform of the Social Security Law to prevent the future emergence of deficits.

Andorra's expenditure structure largely reflects the need to maintain and upgrade the country's tourism infrastructure. Capital expenditures, including capital transfers to local governments, are by far the largest expense item--representing more than 40% of total expenses in the past two years and therefore constitute a significant pressure on the government budget.

Moreover, due to geographical constraints, completions of some contracted works are delayed. At the end of 2008, the government had a bill of €120 million for works contracted but not yet paid, due to late completion.

As a consequence, despite the government's plans to reduce budgeted capital expenditures in the medium term, we expect them to remain relatively high. We anticipate central government capital expenditures in 2010 to be at a similar level as in 2008, at about 7% of GDP.

Consequently, the general government deficit will remain higher than the 'A' median in the medium term; it is expected to be about 4% by 2010.

## Government debt and interest burden

Andorra's central government debt burden remains in line with the 'A' median, although rapidly increasing. Central government debt is estimated at 24% of GDP this year against 16% in 2007.

Total general government debt is expected to reach about 34% of GDP in 2009, and has been rising as well. Most short-term debt is due to banks and there were plans early this year to issue T-bills.

After years of having a creditor position, net of social security assets, general government fell into a small debtor position of 1% of GDP in 2008, for the first time in 10 years. Before that date, it recorded a very large creditor position of about 10% of GDP on average in the past three years.

Interest expenses have increased significantly since 2001, when the government started to pay interest on government debt to Andorra's banks, in return for taxing their activities. Meanwhile, the general government interest burden increased sharply since 2007, reaching about 7% of total general government revenues in 2008, notably due to the relatively high cost of short-term financing plus the additional interest payments resulting from the lease on a new waste management plant, which runs until 2026.

## Contingent liabilities

The contingent liability posed by the banking system in a reasonable worst-case scenario is significant and estimated, at 57% of GDP, which is well above the 'A' median of 23% of GDP. There is currently no deposit insurance mechanism in place, nor is there a lender of last resort.

<b>Ratings Detail (As Of July 3, 2009)*</b>	
<b>Andorra (Principality of)</b>	
Sovereign Credit Rating	A+/Stable/A-1+
Senior Unsecured (1 Issue)	A+
<b>Sovereign Credit Ratings History</b>	
26-May-2009	A+/Stable/A-1+
12-Aug-2008	AA-/Negative/A-1+
16-Aug-2007	AA/Negative/A-1+
11-Aug-2004	AA/Stable/A-1+
<b>Default History</b>	
None	
<b>Population</b>	85,570
<b>Per Capita GDP</b>	\$38,533
<b>Current Government</b>	
Prime Minister: Jaume Bartumeu Cassany. The joint and indivisible position of Head of State is held by the two co-princes: the Bishop of Urgell and the President of the Republic of France.	
<b>Election Schedule</b>	
Parliamentary	
Last..... April 2009	
Next..... 2013	

\*Unless otherwise noted, all ratings in this report are global scale ratings. Standard & Poor's credit ratings on the global scale are comparable across countries. Standard & Poor's credit ratings on a national scale are relative to obligors or obligations within that specific country.

**Additional Contact:**

Sovereign Ratings; SovereignLondon@standardandpoors.com

**Additional Contact:**

Sovereign Ratings; SovereignLondon@standardandpoors.com

Copyright © 2009, Standard & Poors, a division of The McGraw-Hill Companies, Inc. (S&P). S&P and/or its third party licensors have exclusive proprietary rights in the data or information provided herein. This data/information may only be used internally for business purposes and shall not be used for any unlawful or unauthorized purposes. Dissemination, distribution or reproduction of this data/information in any form is strictly prohibited except with the prior written permission of S&P. Because of the possibility of human or mechanical error by S&P, its affiliates or its third party licensors, S&P, its affiliates and its third party licensors do not guarantee the accuracy, adequacy, completeness or availability of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. S&P GIVES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. In no event shall S&P, its affiliates and its third party licensors be liable for any direct, indirect, special or consequential damages in connection with subscribers or others use of the data/information contained herein. Access to the data or information contained herein is subject to termination in the event any agreement with a third-party of information or software is terminated.

Analytic services provided by Standard & Poor's Ratings Services (Ratings Services) are the result of separate activities designed to preserve the independence and objectivity of ratings opinions. The credit ratings and observations contained herein are solely statements of opinion and not statements of fact or recommendations to purchase, hold, or sell any securities or make any other investment decisions. Accordingly, any user of the information contained herein should not rely on any credit rating or other opinion contained herein in making any investment decision. Ratings are based on information received by Ratings Services. Other divisions of Standard & Poor's may have information that is not available to Ratings Services. Standard & Poor's has established policies and procedures to maintain the confidentiality of non-public information received during the ratings process.

Ratings Services receives compensation for its ratings. Such compensation is normally paid either by the issuers of such securities or third parties participating in marketing the securities. While Standard & Poor's reserves the right to disseminate the rating, it receives no payment for doing so, except for subscriptions to its publications. Additional information about our ratings fees is available at [www.standardandpoors.com/usratingsfees](http://www.standardandpoors.com/usratingsfees).

Any Passwords/user IDs issued by S&P to users are single user-dedicated and may ONLY be used by the individual to whom they have been assigned. No sharing of passwords/user IDs and no simultaneous access via the same password/user ID is permitted. To reprint, translate, or use the data or information other than as provided herein, contact Client Services, 55 Water Street, New York, NY 10041; (1)212.438.7280 or by e-mail to: [research\\_request@standardandpoors.com](mailto:research_request@standardandpoors.com).