

About S&P Global Ratings

S&P Global Ratings, a part of S&P Global Inc. (NYSE: SPGI), is the world's leading provider of credit ratings. We have more than 1 million credit ratings outstanding on government, corporate, financial sector and structured finance entities and securities. With approximately 1,400 credit analysts, a presence in 26 countries and more than 150 years' experience of assessing credit risk, we offer a unique combination of global coverage and local insight. We provide our opinions and research about relative credit risk; market participants gain information to help support the growth of transparent, liquid debt markets worldwide. To learn more, please visit us at spglobal.com/ratings.

S&P Global has a proud 156-year heritage as a trusted source of information to the business community -- bringing transparency and cutting edge research and analytics to markets worldwide.

Integrity, excellence, and relevance remain at the center of everything we do.

Today, across markets, the need for actionable insights is critical, because every decision is only as good as the intelligence used to make it. That is why our employees are committed to a common purpose: we provide the intelligence that is essential for companies, governments, and individuals to make decisions with conviction.

About Credit Ratings

Credit ratings are opinions about credit risk. Our ratings express our opinion about the ability and willingness of an issuer, such as a corporation or state or city government, to meet its financial obligations in full and on time.

Credit ratings can also speak to the credit quality of an individual debt issue, such as a corporate or municipal bond, and the relative likelihood that the issue may default.

As part of its ratings analysis, S&P Global Ratings evaluates available current and historical information and assesses the potential impact of foreseeable future events. For example, in rating a corporation as an issuer of debt, the agency may factor in anticipated ups and downs in the business cycle that may affect the corporation's creditworthiness. While the forward looking opinions of rating agencies can be of use to investors and market participants who are making long- or short-term investment and business decisions, credit ratings are not a guarantee that an investment will pay out or that it will not default.

About The S&P Global Ratings Scale

<i>Investment Grade</i>	AAA	Extremely strong capacity to meet financial commitments. Highest rating
	AA	Very strong capacity to meet financial commitments
A		Strong capacity to meet financial commitments, but somewhat susceptible to adverse economic conditions and changes in circumstances
BBB		Adequate capacity to meet financial commitments, but more subject to adverse economic conditions
BBB-		Considered lowest investment-grade by market participants
<i>Speculative Grade</i>	BB+	Considered highest speculative-grade by market participants
	BB	Less vulnerable in the near-term but faces major ongoing uncertainties to adverse business, financial and economic conditions
B		More vulnerable to adverse business, financial and economic conditions but currently has the capacity to meet financial commitments
CCC		Currently vulnerable and dependent on favorable business, financial and economic conditions to meet financial commitments
CC		Highly vulnerable; default has not yet occurred, but is expected to be a virtual certainty
C		Currently highly vulnerable to non-payment, and ultimate recovery is expected to be lower than that of higher rated obligations

D	Payment default on a financial commitment or breach of an imputed promise; also used when a bankruptcy petition has been filed or similar action taken
<i>Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.</i>	

About Our Clients

Investors

Investors most often use credit ratings to help assess credit risk and to compare different issuers and debt issues when making investment decisions and managing their portfolios. Individual investors, for example, may use credit ratings in evaluating the purchase of a municipal or corporate bond from a risk tolerance perspective.

Institutional investors, including mutual funds, pension funds, banks, and insurance companies, often use credit ratings to supplement their own credit analysis of specific debt issues. In addition, institutional investors may use credit ratings to establish thresholds for credit risk and investment guidelines.

Intermediaries

Investment bankers help to facilitate the flow of capital from investors to issuers. They may use credit ratings to benchmark the relative credit risk of different debt issues, as well as to set the initial pricing for individual debt issues they structure and to help determine the interest rate these issues will pay.

Investment bankers may look to a rating agency's criteria when seeking to understand that rating agency's approach toward rating different debt issues or different tiers of debt. Investment bankers may also serve as arrangers of debt issues. In this capacity, they may establish special purpose entities that package assets, such as retail mortgages and student loans, into securities or structured finance instruments, which they then market to investors.

Issuers

Issuers, including corporations, financial institutions, national governments, states, cities and municipalities, use credit ratings to provide independent views of their creditworthiness and the credit quality of their debt issues.

Issuers may also use credit ratings to help communicate the relative credit quality of debt issues, thereby expanding the universe of investors. In addition, credit ratings may help them anticipate the interest rate to be offered on their new debt issues.

Businesses and Financial Institutions

Businesses and financial institutions, especially those involved in credit-sensitive transactions,

may use credit ratings to assess counterparty risk, which is the potential risk that a party to an agreement may not fulfill its financial obligations.

For example, in deciding whether to lend money to a particular organization or in selecting a company that will guarantee the repayment of a debt issue in the event of default, a business may wish to consider the counterparty risk.

A credit rating agency's opinion of counterparty risk can therefore help businesses analyze their credit exposure to financial firms that have agreed to assume certain financial obligations and to evaluate the viability of potential partnerships and other business relationships.

<i>Credit Ratings</i>	
Product	Description
Public Rating	Provided at issuer/issue/ recovery level.
Private Rating	Provided at issuer/issue/recovery level. Available for issuers of up to US\$1 billion of rated private debt.
Confidential Rating	Generally provided at issuer level.
<i>Ancillary Products (non-credit ratings)</i>	
Rating Evaluation Service (RES)	Indicative view of creditworthiness based on hypothetical scenario(s) you provide.
Credit Assessment(CA)	View of creditworthiness based on existing structure.
Private Credit Analysis (PCA)	Indication of creditworthiness of an unrated third party. For single counterparty use.

Leadership

John Berisford

President

S&P Global Ratings

Previously, he served as Executive Vice President of Human Resources for the Company. In this role, he was instrumental in creating and executing on the Company's Growth and Value Plan, resulting in the creation of S&P Global Ratings and the sale of McGraw Hill Education. He led the initiative to create the Company's focused Business Unit operating model while strengthening the HR function with new capabilities to support the Company's growth and performance goals. In addition, Mr. Berisford led the succession process that enabled a seamless CEO transition in 2013.

Before joining S&P Global Ratings in January 2011, Mr. Berisford spent 22 successful years at PepsiCo where he led a number of important global initiatives and transformations. Among other strategic projects, he led the integration after PepsiCo acquired the independent Pepsi Bottling Group into its overall corporate structure. He serves on a variety of boards, and is currently chairman of the S&P Global U.S. and NRSRO Boards, executive chairman of the S&P Global Ratings European Board and a director of the CRISIL Board.

Mr. Berisford holds a bachelor's degree in political science from West Liberty College in West Virginia and a master's degree in labor and industrial relations from West Virginia University.

To read more about the S&P Global Ratings Executive Committee Leadership, visit:

http://www.spratings.com/en_US/executive-committee

Recent announcements

New Green Bond And ESG Evaluation Tools Proposed By S&P Global Ratings

NEW YORK (S&P Global Ratings) Sept. 7, 2016--S&P Global Ratings is seeking market feedback on two proposed evaluation tools, separate from its credit ratings, that are intended to assess risks to sustainability at both the individual project and corporate entity levels. White papers on both frameworks are available at www.spratings.com/infrastructure and market participants are invited to submit comments through brief feedback surveys that may be accessed through www.spratings.com/greenbonds and www.spratings.com/esg.

The new assessment tools include a new Green Bond Evaluation tool that would analyze and estimate the environmental impact of projects or initiatives financed by bonds, and an Environmental, Social, and Governance (ESG) Evaluation Framework and methodology for corporate issuers.

"In response to growing market interest, we believe that our proposed tools will offer a unique assessment of risks associated with sustainability over the medium- to long term," said Michael Wilkins, Head of Environmental & Climate Risk Research and an infrastructure ratings analyst at S&P Global Ratings. "Investors have told us that they want to develop more meaningful insights into the environmental, social, and governance characteristics of individual debt securities and corporate entities. We believe these two approaches will help to achieve that goal."

GREEN BOND EVALUATION AND ASSESSMENT

The proposed Green Bond Evaluation methodology would consider projects that aim to mitigate climate change through greenhouse gas reduction, and adaptation projects that mitigate the impact of natural catastrophes. The proposed evaluation would consist of at least three scores-- a Transparency score, a Governance score, and a Mitigation and/or Adaptation score. This approach would assess a bond financing against each category, with the resulting scores weighted and amalgamated into a final Green Bond Evaluation.

ESG EVALUATION AND ASSESSMENT

The proposed ESG evaluation framework would gauge a company's impact on the natural and social environments it inhabits, the governance mechanisms it has in place to oversee those effects, and potential losses it may face as a result of its exposure to these risks.

The ESG Assessment will aim to rank issuers on a five-point scale based on the degree of an issuer's exposure to ESG risk factors over a two- to five-year horizon and beyond. As currently envisaged, medium-term (two to five-year) and long-term factors will receive different weightings under the proposed methodology, with medium-term risks receiving a greater weighting due to the more apparent nature of the factors and their likely impact.

While the proposed tools are not credit ratings or an assessment of creditworthiness, they draw on S&P Global Ratings' significant and ongoing engagement with the market on environmental, social, and governance issues and green bond financings.

In May 2016, S&P Global Ratings expressed support for initiatives being promulgated by the United Nations Principles for Responsible Investment (UN-PRI) that recognize the needs of investors for greater clarity on how ESG factors are considered in credit analysis. In January 2016, Michael Wilkins was named a member of the Financial Stability Board (FSB) Task Force on Climate-related Financial Disclosures, an industry-led body that is developing voluntary climate-related financial disclosure standards.

S&P Global Calls for Funding U.S. Infrastructure with Repatriated Corporate Profits

\$150 Billion Infrastructure Investment Could Be Raised If Half of the \$2+ Trillion in Offshore Profits is Returned

NEW YORK, October 5, 2016 – S&P Global (NYSE: SPGI) today published research that suggests a private sector solution to help finance America’s bridges, roads, and other public works projects: requiring companies to commit a portion of any overseas profits they bring back for infrastructure improvements.

In the report, co-authored by S&P Global Ratings U.S. Chief Economist Beth Ann Bovino, U.S. multinationals would be incentivized to repatriate offshore profits. The report suggests a zero tax rate on repatriated earnings in exchange for companies committing 15% of the returned money to investments in, for example, in interest-bearing infrastructure bonds issued by state and local governments.

The opportunity to reap a return on investment on infrastructure bonds, rather than lose money to taxation, is a substantial enticement for U.S. companies to participate, the report notes.

“There is bipartisan support, including from the presidential candidates, to address our country’s infrastructure problems, but there is little consensus on how to fill the huge gap between what the government can finance and how much money is needed to pay for these projects,” said Ms. Bovino. “Private capital can be part of the solution. Today’s report suggests a one-time economic growth catalyst that could raise \$150 billion for infrastructure projects if half of the more than \$2 trillion in undistributed U.S. corporate earnings overseas are repatriated.”

Ms. Bovino’s research has demonstrated that infrastructure investment would spur economic expansion and create jobs through the “multiplier effect.” For example:

- Every dollar invested in infrastructure would currently add \$1.30 to the economy in a few years; and
- \$150 billion in spending (spread evenly over eight quarters, starting at the beginning of next year) would create roughly 307,000 infrastructure-related jobs in the first two years. The investment would eventually add \$189.5 billion to GDP.

The report acknowledges the idea that “companies could come to expect periodic tax holidays, and would continue to park overseas earnings outside the U.S. until the next opportunity arises. In this light, S&P stresses that its proposal represents just the first measure in a more wide-ranging overhaul of the current tax code.

S&P Global sees this as a strong first step toward a long-term, sustainable fix to the U.S. corporate-tax regime that would help reduce the cash hoarding outside the U.S.,” the authors write.

The report notes that one way to broader tax reform and to permanently relieve the potential tax burden on overseas cash would be for the U.S. to switch from the worldwide tax system to a territorial system, in which income is taxed by the country in which it is generated – a system used by most countries.

Many companies may currently view their overseas cash as effectively trapped because of the high tax cost of repatriation.

Research by S&P Global Ratings in May 2016 found that the top 15 companies that disclose their cash holdings by region increased their cash balances by 14% -- with cash outside the U.S. accounting for \$87 billion. These 15 companies now hold 83% of their cash overseas—up from 70% in 2011. At the same time, the debt of these 15 borrowers grew even faster last year, by \$99 billion, suggesting that they had exhausted their domestic cash flows and resorted to increased borrowing to finance dividends and share repurchases – so-called “synthetic repatriation.”

“We believe most companies never intended to have such large cash piles parked overseas, and that, if given the choice, many would prefer to repatriate cash, invest in the U.S. and limit their debt,” the authors observe.

Read “Rebuilding Through Repatriation: How Corporate Cash Can Save America’s Infrastructure,” at S&P Global’s website at www.spglobal.com/Market-Insights.

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