

**CREDIT OPINION**

6 February 2025



**Contacts**

**Debra Roane** +1.212.553.6899  
VP-Sr Credit Officer  
debra.roane@moodys.com

**Michael Osborn** +1.212.553.7799  
VP-Senior Credit Officer  
michael.osborn@moodys.com

**Emily Raimes** +1.212.553.7203  
Associate Managing Director  
emily.raimes@moodys.com

**CLIENT SERVICES**

**Americas** 1-212-553-1653

**Asia Pacific** 852-3551-3077

**Japan** 81-3-5408-4100

**EMEA** 44-20-7772-5454

# University of Washington, WA

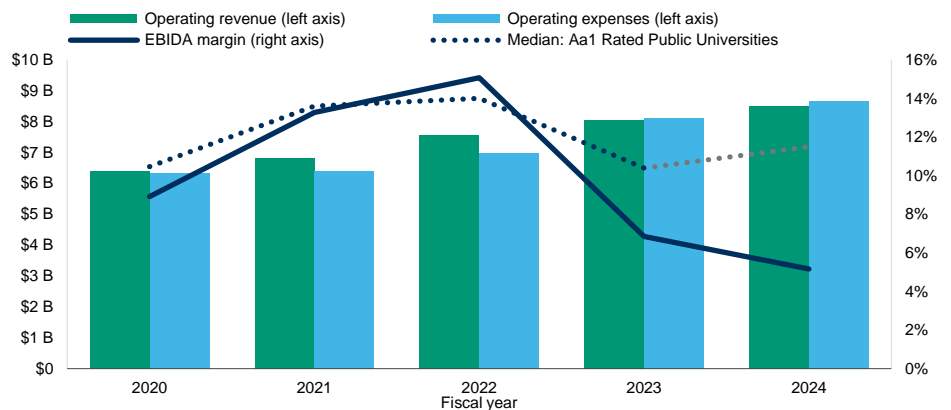
## Update to credit analysis following downgrade

**Summary**

The [University of Washington's](#) excellent credit quality (Aa1 stable) incorporates the synergies and strengths of its large-scale research, healthcare, and educational operations that support its excellent brand and strategic positioning. As the state's flagship university with a comprehensive array of programs, the university benefits from stellar student demand. A prominent research profile enhanced by its sizable academic medical center bolster UW's market position. Overall wealth levels are considerable and growing, supported by strong fundraising, but lag Aa1-rated peers when measured against the university's growing scale. UW's governance and management are favorable, including integrated planning and very active oversight. The university's primary credit challenge is its thinner operating performance. That performance reflects a combination of its health care exposure and its own rising expense pressures. Relatively high leverage, including a large pension liability, is another offsetting credit consideration.

Exhibit 1

**Thinner operating performance driven by increased expense pressure**



Preliminary median data for fiscal 2024  
Source: Moody's Ratings

**Credit strengths**

- » Sizable scale with a national research profile, strong student demand and major clinical care operations contribute to significant credit strength
- » Very strong overall wealth, with \$9.4 billion of total cash and investments, enhances financial flexibility
- » Consistently robust fundraising, with three year average gifts of \$348 million through fiscal 2024, provides funds for academic and capital investment, bolstering excellent strategic position

- » Integrated planning and strong fiscal oversight enhance prospects for strengthened operations

### Credit challenges

- » Ongoing thin operating performance reflecting a combination of weak performance of the healthcare enterprise along with the university's own expense pressures
- » Wealth compared to size of operations and monthly liquidity is lower than peers
- » Large unfunded pension liability adds to leverage
- » Limited tuition pricing flexibility due to state caps on resident undergraduate tuition increases

### Rating outlook

The stable outlook incorporates the university's and medical entities concerted efforts to improve operating performance and to gradually return to more robust margins. In addition, the outlook incorporates the university's sizeable wealth which provides strong source of financial flexibility.

### Factors that could lead to an upgrade

- » Substantial improvement in operating performance with EBIDA margins between 10% to 12% on a sustainable basis
- » Strengthening in performance of UW medicine and related healthcare entities
- » Growth in cash and investments to provide more robust coverage of debt and operations

### Factors that could lead to a downgrade

- » Further deterioration in healthcare entities' operating performance
- » EBIDA margins sustained below 6% to 8% given already thinner than peers total cash and investments relative to operations and debt
- » Material debt plans beyond those outlined or reduction in wealth/liquidity relative to debt and expenses
- » For the short term rating, reduction in same day liquidity, increased calls on liquidity, or weakening of debt and treasury management

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody's.com> for the most updated credit rating action information and rating history.

## Key indicators

Exhibit 2

### University of Washington, WA

	2020	2021	2022	2023	2024	Median: Aa Rated Public Universities
Total FTE Enrollment	60,829	60,359	60,422	60,494	62,054	31,582
Operating Revenue (\$000)	6,412,529	6,835,587	7,555,487	8,041,838	8,504,053	1,560,341
Annual Change in Operating Revenue (%)	3.5	6.6	10.5	6.4	5.7	4.9
Total Cash & Investments (\$000)	6,723,076	8,275,094	8,349,287	8,535,846	9,443,739	2,146,033
Total Adjusted Debt (\$000)	7,146,355	7,838,041	8,596,919	8,038,576	7,026,434	1,760,397
Total Cash & Investments to Total Adjusted Debt (x)	0.9	1.1	1.0	1.1	1.3	1.1
Total Cash & Investments to Operating Expenses (x)	1.1	1.3	1.2	1.1	1.1	1.2
Monthly Days Cash on Hand (x)	173	214	197	171	170	189
EBIDA Margin (%)	8.9	13.3	15.1	6.8	5.2	11.7
Total Debt to EBIDA (x)	4.2	2.6	2.9	6.1	7.3	4.4
Annual Debt Service Coverage (x)	3.0	5.1	5.7	2.5	2.1	3.2

Source: Moody's Ratings

## Profile

Founded in 1861, the University of Washington is the State of Washington's flagship university with fall 2024 full time equivalent students (FTEs) of 62,054 on its campuses in Seattle, Tacoma and Bothell. UW's operations are sizable with \$8.5 billion of operating revenue in fiscal 2024. UW is also one of the nation's largest research universities with \$1.7 billion of research awards for fiscal 2024.

UW operates UW Medicine, whose service area is broad as the only academic medical center and Level 1 trauma care provider for Washington, Wyoming, Alaska, Montana and Idaho (WWAMI). The university's consolidated operations incorporate the UW Medicine's Select Units operations comprising primarily the 910-bed University of Washington Medical Center (UWMC) and other smaller entities as well as Harborview Medical Center (not consolidated) and Valley Medical Center (discrete component). In fiscal 2022 the Fred Hutchinson Cancer Center (FHCC) (A2/negative) entered into a new comprehensive clinical affiliation with UWMC which now governs all of the adult cancer related clinical activities of both organizations. As a result, the FHCC is now reported as a discrete component unit outside consolidated results.

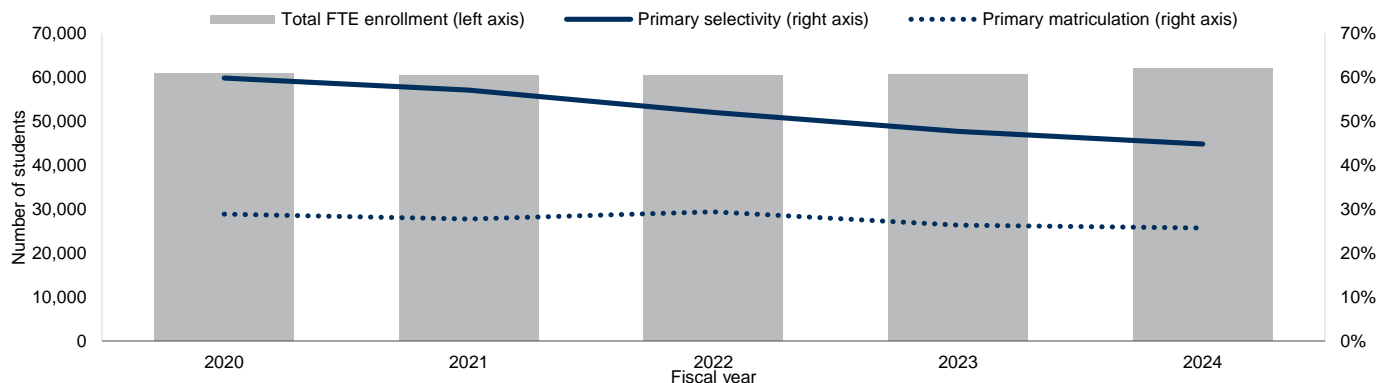
## Detailed credit considerations

### Market profile

The University of Washington will maintain its excellent brand and strategic positioning anchored by its large, national research enterprises and strong student demand as the state's flagship university. With the scale, diversity, and reputation of its research program including most prominently its medical complex, UW will continue to succeed in an increasingly competitive research environment. Awards that reached \$1.7 billion in fiscal 2024 are poised to rise in fiscal 2025. Nevertheless, grants from federal agencies are exposed to an increasingly uncertain outlook with potential changes to federal policy and growing competition. The university has well-developed contingency plans to address any federal funding reduction.

Student demand remains favorable, based on UW's academic reputation and diversified programs, with graduate and professional students representing about one-third of total university enrollment. Enrollment of 62,054 FTEs and tuition revenue growth has remained moderate and will continue to be driven by non-resident graduates and STEM programs. International students are around 10% of undergraduates and 24% of graduates and professionals. In fall 2024, enrollment grew by 2.6% with increases at the main Seattle campus and the smaller Bothell and Tacoma campuses. The state retains tuition setting authority for resident undergraduate tuition, which rose by 3.0% in fall 2024.

Exhibit 3  
Strong student demand reflects state's flagship university status



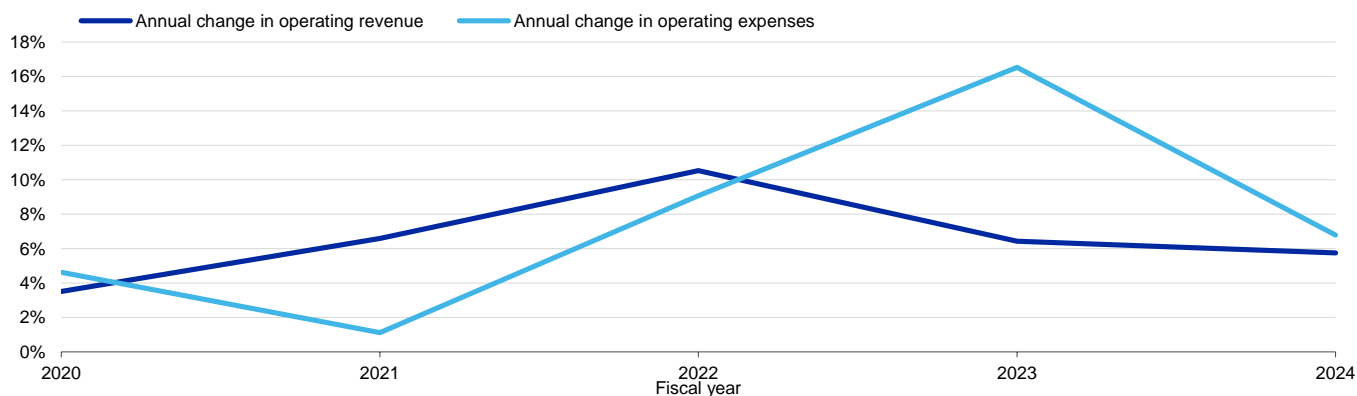
Source: Moody's Ratings

### Operating performance

UW's operating performance will continue to be challenged by expense pressures at the university and at its health care operations. Fiscal 2025 outcomes are projected by the university to be close to the low EBIDA margin generated in fiscal 2024, which measured 5.2%. Rising compensation costs related to salary increases and new hiring are driving expense growth. State appropriations remain relatively low at approximately 7% of operating revenues but have risen strongly in recent years and are projected to rise by 1% to \$610 million in fiscal 2025, following a 14% increase in the prior year. The 2025-2027 biennial could be less favorable as the financial performance of state has weakened and as a result the Governor's budget is calling for 3% reductions in appropriations for four year colleges.

The sizeable academic medical center, contributing \$3.0 billion or 36% to the university's fiscal 2024 consolidated revenue, contributes to weaker overall operating performance, challenged by elevated labor costs and length of stay. Nevertheless fiscal 2024 (proforma) operating cash flow margin of UW Medicine Select Units of 4.7% (excluding one-time items) was improved from the 3% registered in fiscal 2023 (proforma), with expectations of around 4.3% in fiscal 2025.

Exhibit 4  
Expense pressures at university and healthcare operations lead to thinning operating performance



Source: Moody's Ratings

### Financial resources and liquidity

The University of Washington's growing total wealth, with total cash and investments a sizeable \$9.4 billion in fiscal 2024 are projected to increase moderately in fiscal 2025. UW's exceptional fundraising success with three year average gifts at \$347 million as of fiscal 2024 along with lowered endowment draws of 4.5% since fiscal 2022 will support growth in reserves. Nevertheless, compared to the

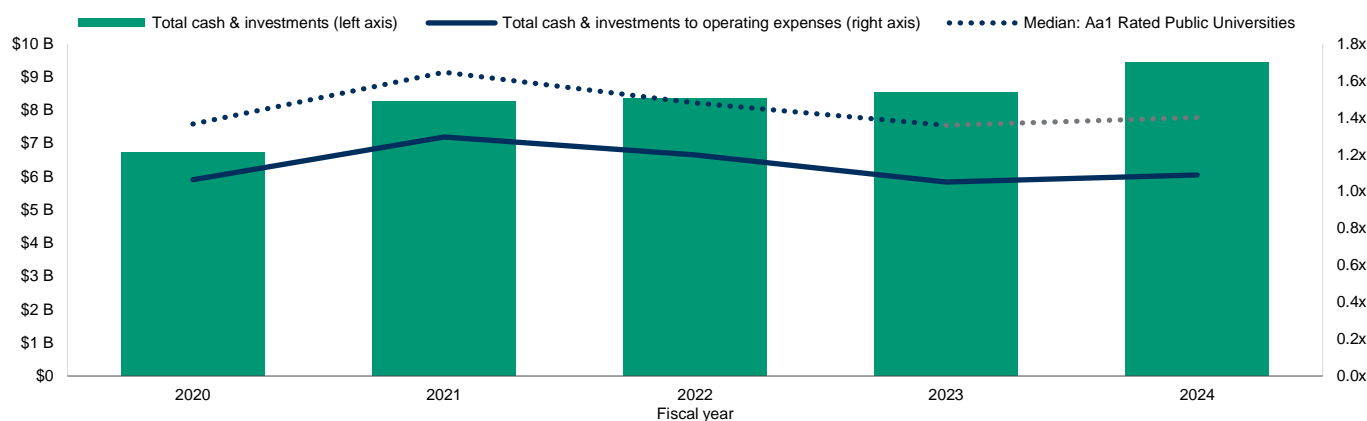
size of its operations the cushion of 1.1x is below the estimated 1.4x of Aa1-rated peers. UW's monthly liquidity is modestly lower than the 287 days of Aa1-rated peers (estimated for fiscal 2024), with 170 days, but still sufficient relative to business risks.

The university's well diversified investment portfolio consists of its Consolidated Endowment Fund (CEF), long term portfolio amounting to \$5.5 billion with a 11.3% gain in fiscal 2024 and its \$2.9 billion Invested Funds (IF) holding its operating fund investments, which had a gain of 6.2%. University of Washington Investment Management Company (UWINCO) including a CIO oversee the CEF and IF.

UW's Commercial Paper program is authorized at \$250 million is supported by the university's self-liquidity. At September 30, 2024 UW reported \$1.5 billion of discounted daily liquidity. The internal daily liquidity provides an extremely strong 15x coverage of the maximum \$100 million of commercial paper that can mature in one business week. The university's external liquidity consists of one line of credit agreement of \$100 million with US Bank National Association through September 30, 2027.

Exhibit 5

**Overall wealth is strong and growing but lower than Aa1 median when compared to the size of operations**



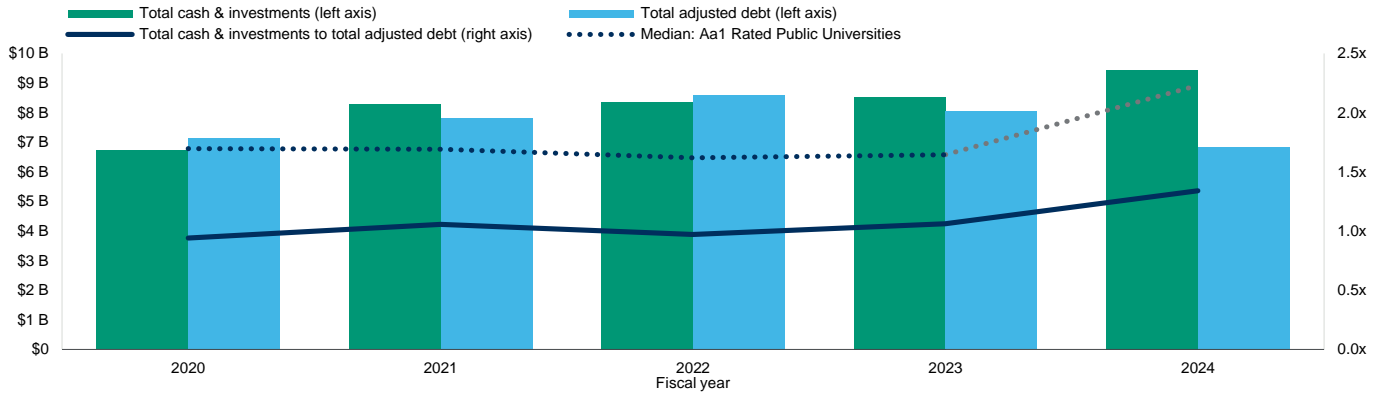
Preliminary median data for fiscal 2024  
 Source: Moody's Ratings

**Leverage and coverage**

UW's leverage will remain stable over the next several years reflecting a prudent strategy of borrowing roughly in line with amortizing debt. From 2025 to 2029, moderate borrowing is projected at just over \$625 million or averaging around \$125 million annually, compared to around \$110 million in annual maturities. This is an important credit factor as debt affordability is lower than peers with total debt to EBIDA at 7.3x compared to the estimated median of Aa1-rated peers at 3.3x. In fiscal 2025, the university plans to issue \$45 million new money borrowing and will issue long-term bonds to refund \$292 million an assortment of Build Back America bonds and lease revenue bonds for savings.

Large unfunded pension liabilities of \$3.3 billion (Moody's adjusted net pension liability (ANPL) at June 30, 2024; average over last three years), brings total adjusted debt to just over \$7 billion. Total cash and investment to total adjusted debt is 1.3x and below the Aa1-rated estimated median of 2.2x in fiscal 2024.

Exhibit 6  
Elevated leverage is partially offset by strong debt management with minimal new borrowing

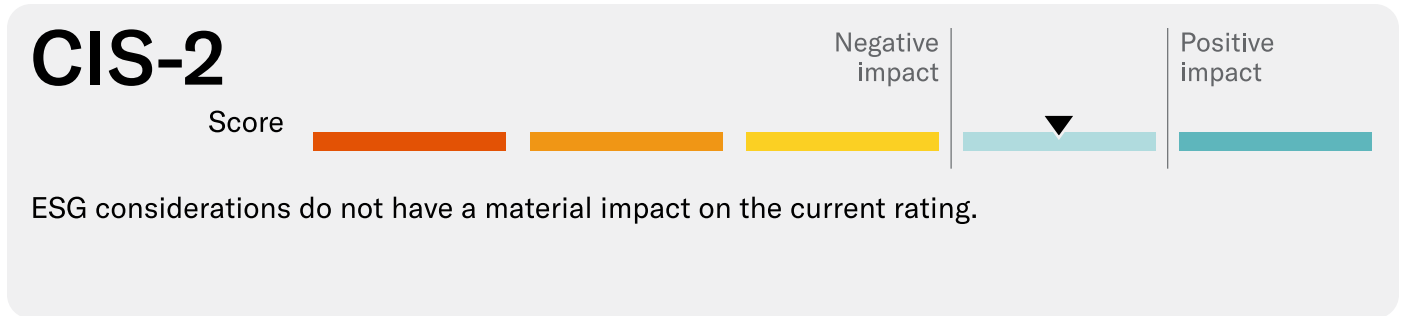


Preliminary median data for fiscal 2024  
Source: Moody's Ratings

### ESG considerations

University of Washington, WA's ESG credit impact score is CIS-2

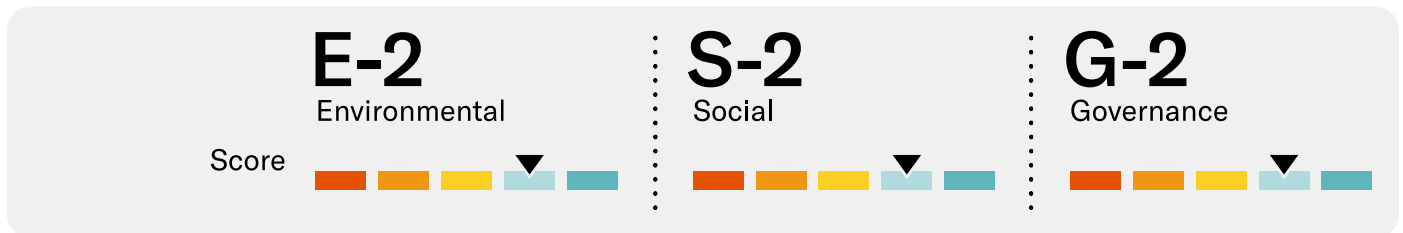
Exhibit 7  
ESG credit impact score



Source: Moody's Ratings

University of Washington's **CIS-2** indicates that ESG considerations are not material to the rating. The score incorporates the university's excellent brand along with strengths in management credibility that are balanced by human capital, board and organizational structure risks. Substantial wealth and state support partially offset the university ESG risk exposures.

Exhibit 8  
ESG issuer profile scores



Source: Moody's Ratings

### Environmental

Environmental risks are **E-2** across all categories. Seattle, the university's primary location, has some exposure to extreme rainfall. The university adopted its Sustainability Action Plan in 2020 which builds on its Climate Action Plan that was initiated in 2009. The plan

sets out specific targets to be achieved over five years addressing energy, transportation, food, waste, academic research, purchasing among others.

### Social

University of Washington's social risks are **S-2** with some exposure to human capital risks. Good customer relations with key stakeholders are anchored by the university's flagship status with a sizeable, nationally renowned research enterprises and strong demand for its educational and clinical services. The university's large academic medical center and partnerships with entities within the Seattle research hub enhance its reputation. The university will continue to face competition for students partially mitigated by its flagship status and out of state attendance. The human capital challenges include substantial pension liabilities, unionization and the competitive landscape for nursing and clinical staff.

### Governance

The University of Washington's governance risk is **G-2** reflecting the positive impact of management credibility balanced by Board and organizational structure risks. A demonstrated record of highly effective stewardship of a large, operationally complex academic, healthcare and research enterprise reflects management credibility. A highly integrated financial and capital planning framework demonstrates good financial management. The importance of the university's role in the state's economy reinforces state's relationship although funding is comparatively low. The appointment of the university's 11-member Board of Regents by the governor introduces risk related to potential political considerations influencing policies. The organizational challenges reflect the complex network of healthcare entities with various levels of relationship to the university.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moody's.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

## Rating methodology and scorecard factors

The [Higher Education](#) rating methodology includes a scorecard that summarizes the factors that are generally most important to higher education credit profiles. Because the scorecard is a summary and may not include every consideration in the credit analysis for a specific issuer, a scorecard-indicated outcome may or may not match an assigned rating. We assess brand and strategic positioning, operating environment, and financial strategy on a qualitative basis, as described in the methodology.

Exhibit 9

### University of Washington, WA

Scorecard Factors and Sub-factors	Value	Score
<b>Factor 1: Scale (15%)</b>		
Adjusted Operating Revenue (USD Million)	8,504	Aaa
<b>Factor 2: Market Profile (20%)</b>		
Brand and Strategic Positioning	Aa	Aa
Operating Environment	Aa	Aa
<b>Factor 3: Operating Performance (10%)</b>		
EBIDA Margin	5%	Baa
<b>Factor 4: Financial Resources and Liquidity (25%)</b>		
Total Cash and Investments (USD Million)	9,444	Aaa
Total Cash and Investments to Operating Expenses	1.1	Aa
<b>Factor 5: Leverage and coverage (20%)</b>		
Total Cash and Investments to Total Adjusted Debt	1.3	Aa
Annual Debt Service Coverage	2.1	Aa
<b>Factor 6: Financial Policy and Strategy (10%)</b>		
Financial Policy and Strategy	Aa	Aa
Scorecard-Indicated Outcome		Aa2
Assigned Rating		Aa1

Data is based on most recent fiscal year available. Debt may include pro forma data for new debt issued or proposed to be issued after the close of the fiscal year.

For non-US issuers, nominal figures are in US dollars consistent with the Higher Education Methodology.

Fiscal 2024 results

Source: Moody's Ratings

© 2025 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved. CREDIT RATINGS ISSUED BY MOODY'S CREDIT RATINGS AFFILIATES ARE THEIR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED OR OTHERWISE MADE AVAILABLE BY MOODY'S (COLLECTIVELY, "MATERIALS") MAY INCLUDE SUCH CURRENT OPINIONS. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE APPLICABLE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S CREDIT RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN MOODY'S MATERIALS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S MATERIALS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS, ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES OR OTHERWISE MAKES AVAILABLE ITS MATERIALS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS, AND MATERIALS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR MATERIALS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. FOR CLARITY, NO INFORMATION CONTAINED HEREIN MAY BE USED TO DEVELOP, IMPROVE, TRAIN OR RETRAIN ANY SOFTWARE PROGRAM OR DATABASE, INCLUDING, BUT NOT LIMITED TO, FOR ANY ARTIFICIAL INTELLIGENCE, MACHINE LEARNING OR NATURAL LANGUAGE PROCESSING SOFTWARE, ALGORITHM, METHODOLOGY AND/OR MODEL.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the credit rating process or in preparing its Materials.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT, OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any credit rating, agreed to pay Moody's Investors Service, Inc. for credit ratings opinions and services rendered by it. MCO and all MCO entities that issue ratings under the "Moody's Ratings" brand name ("Moody's Ratings"), also maintain policies and procedures to address the independence of Moody's Ratings' credit ratings and credit rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold credit ratings from Moody's Investors Service, Inc. and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at [ir.moody.com](http://ir.moody.com) under the heading "Investor Relations — Corporate Governance — Charter and Governance Documents - Director and Shareholder Affiliation Policy."

Moody's SF Japan K.K., Moody's Local AR Agente de Calificación de Riesgo S.A., Moody's Local BR Agência de Classificação de Risco LTDA, Moody's Local MX S.A. de C.V., I.C.V., Moody's Local PE Clasificadora de Riesgo S.A., and Moody's Local PA Clasificadora de Riesgo S.A. (collectively, the "Moody's Non-NRSRO CRAs") are all indirectly wholly-owned credit rating agency subsidiaries of MCO. None of the Moody's Non-NRSRO CRAs is a Nationally Recognized Statistical Rating Organization.

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.

Additional terms for India only: Moody's credit ratings, Assessments, other opinions and Materials are not intended to be and shall not be relied upon or used by any users located in India in relation to securities listed or proposed to be listed on Indian stock exchanges.

Additional terms with respect to Second Party Opinions and Net Zero Assessments (as defined in Moody's Ratings Rating Symbols and Definitions): Please note that neither a Second Party Opinion ("SPO") nor a Net Zero Assessment ("NZA") is a "credit rating". The issuance of SPOs and NZAs is not a regulated activity in many jurisdictions, including Singapore. JAPAN: In Japan, development and provision of SPOs and NZAs fall under the category of "Ancillary Businesses", not "Credit Rating Business", and are not subject to the regulations applicable to "Credit Rating Business" under the Financial Instruments and Exchange Act of Japan and its relevant regulation. PRC: Any SPO: (1) does not constitute a PRC Green Bond Assessment as defined under any relevant PRC laws or regulations; (2) cannot be included in any registration statement, offering circular, prospectus or any other documents submitted to the PRC regulatory authorities or otherwise used to satisfy any PRC regulatory disclosure requirement; and (3) cannot be used within the PRC for any regulatory purpose or for any other purpose which is not permitted under relevant PRC laws or regulations. For the purposes of this disclaimer, "PRC" refers to the mainland of the People's Republic of China, excluding Hong Kong, Macau and Taiwan.

REPORT NUMBER 1437179

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454