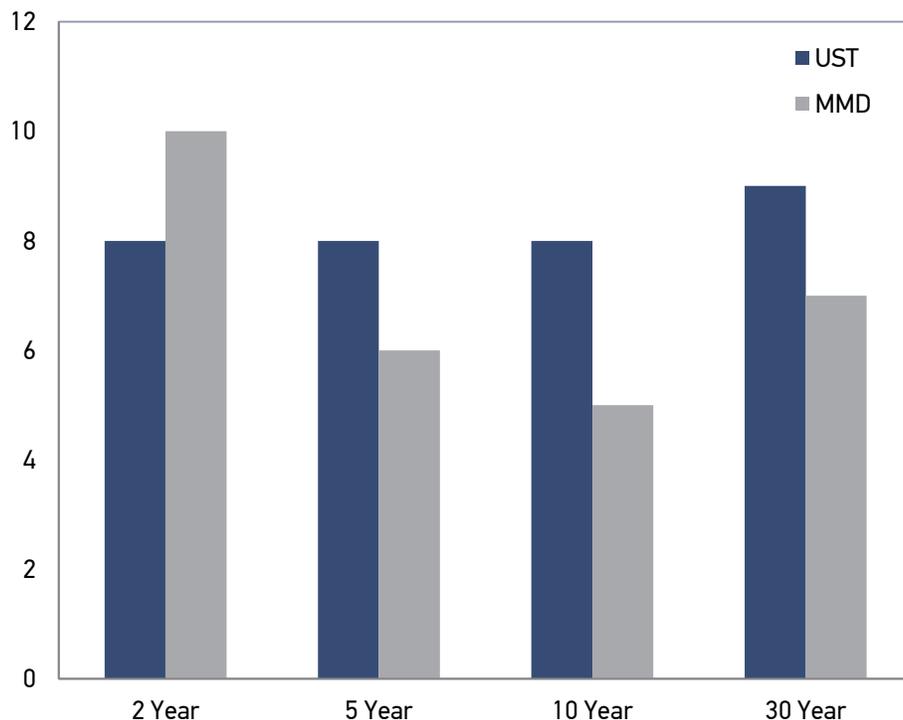




S&P Reviewing NC Counties Impacted by Hurricane Florence

- Tuesday S&P published a list of 47 municipalities, utilities and public power credits that it is reviewing to ascertain any credit ramifications as a result of Hurricane Florence. Geographically, the reviews will be mostly concentrated around New Hanover, Onslow and Brunswick counties in North Carolina.
- Our analysis indicates that North Carolina counties, and particularly the coastal regions as a result of the ever-present storm-related risks, tend to have exceptionally strong liquidity levels that will mitigate the higher upfront overtime costs for emergency personnel and services. The healthy liquidity levels will be used to bridge the gap between these higher upfront costs and reimbursements from FEMA, the state and P&C insurers.
- S&P's reviews will focus on whether there will be a permanent loss of revenues supporting individual credits, which we see as minimal.

Weekly Change in Treasury and Muni Yields



Source: Thompson Reuters

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