
Quarterly Credit Report

Q3/2014

Volume 4, No 2



Introduction

The Quarterly Credit Report (QCR) is an analysis of credit outlooks across regions, economies and sectors. This analysis incorporates probabilities of default (PD) generated by the Risk Management Institute's (RMI) default forecast model, a part of the RMI Credit Research Initiative at the National University of Singapore (NUS). The QCR provides insights on trends in credit outlooks to credit professionals, investors and researchers.

QCR Volume 4, Issue 2 covers the third quarter of 2014. We discuss the general credit outlook for a selection of economies from around the world, based on relevant indicators, and relate this discussion to forecasts provided by RMI's probability of default (PD) model.

The appendices in this volume include a comprehensive overview of various outputs that are produced by the operational PD system of RMI. While the PD system outputs default forecasts at horizons ranging from one month to five years, the QCR reports only 1-year PDs in order to allow the reader to make consistent comparisons. In addition to the PD produced by the RMI system, the appendices provide important macroeconomic, corporate credit and sovereign risk indicators. These summarize the credit situation, as well as make detailed data available for reference purposes.

The commentary in the QCR is based on median PD of *exchange-listed firms* within economies and industry sectors. Classification into economies is based on each firm's country of domicile, and classification into industry sectors is based on each firm's Level I Bloomberg Industry Classification. An exception is for the banking and real estate sectors, where firms are included based on the Level II Bloomberg Industry Classifications. The daily frequency PD graphs in the written commentary are aggregates of firms that have a PD in both the first ten days and last ten days of the quarter. This prevents, for example, drops in the aggregate PD when high PD firms default and leave the sample.

The economies that are considered in each region are based on a selection of 70 economies covered by RMI's default forecast model.

The developed economies of Asia-Pacific include: Australia, Hong Kong, Japan, New Zealand, Singapore, South Korea and Taiwan.

The emerging economies of Asia-Pacific include: China, India, Indonesia, Kazakhstan, Malaysia, Pakistan, the Philippines, Sri Lanka, Thailand and Vietnam.

Latin America includes: Argentina, Brazil, Chile, Colombia, Mexico, Peru and Venezuela.

North America includes: Canada and the US.

Eastern Europe includes: Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, the former Yugoslav Republic of Macedonia, Poland, Romania, Russian, Slovakia, Slovenia, Turkey and Ukraine.

Western Europe includes: Austria, Belgium, Cyprus, Denmark, Finland, France, Germany, Greece, Iceland, Italy, Ireland, Luxembourg, Malta, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the UK.

Africa & the Middle East includes: Bahrain, Egypt, Israel, Jordan, Morocco, Nigeria, Saudi Arabia, South Africa and the United Arab Emirates.

Credit Research Initiative

The QCR is a companion publication to the Global Credit Review and Weekly Credit Brief, with all three publications produced as part of the Credit Research Initiative (CRI) undertaken by RMI.

These publications supplement RMI's operational probability of default (PD) model. The model takes financial statements and market data from a database of more than 60,000 listed firms and estimates a PD for each firm, effectively transforming big data into smart data. The outputs from the RMI PD model are available free for all users at:

www.rmicri.org

As of September 2014, the PD system covers 106 economies in Africa, Asia-Pacific, Latin America, North America, the Middle East and Europe. The probabilities of default for more than 60,000 firms are available, including historical data for firms that are now delisted from exchanges or firms that have defaulted. PDs aggregated at the region, economy and sector level are also available. The full list of firms are freely available to users who can give evidence of their professional qualifications to ensure that they will not mis-use the data. General users who do not request global access are restricted to a list of 3,000 firms. The PD system operates in a transparent manner, and a detailed description of our model is provided in a [Technical Report](#) available on our website.

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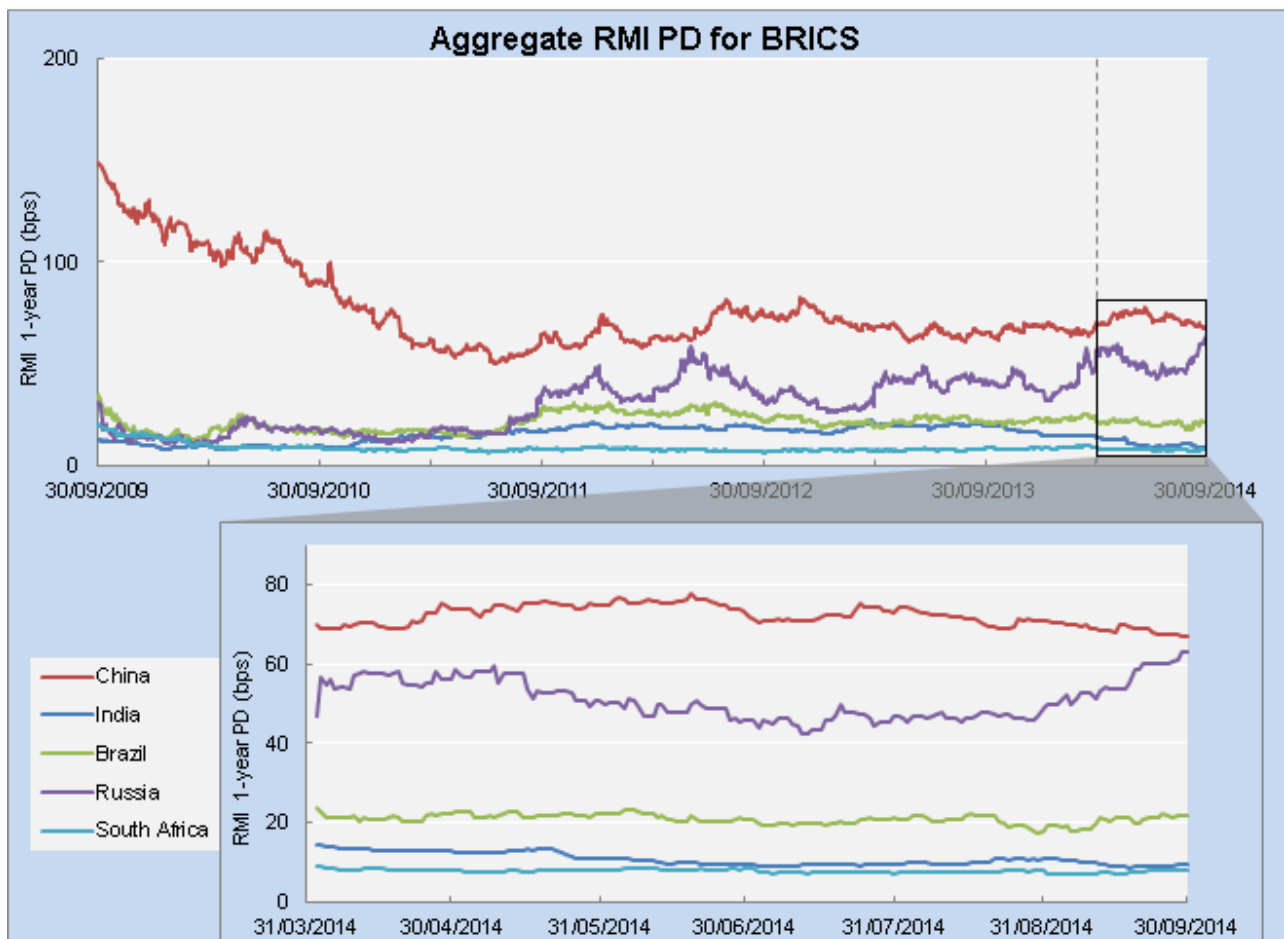
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Acronyms

BIS	Bank for International Settlements
BOE	The Bank of England
BSP	Bangko Sentral Ng Pilipinas
CAD	Current Account Deficit
CRA	Credit Rating Agency
CRR	Cash Reserve Ratio
CSRC	China Securities Regulatory Commission
EBA	European Banking Authority
EFSF	European Financial Stability Fund
ESM	European Stability Mechanism
EU	The European Union
FDI	Foreign Direct Investment
GFC	2008-2009 Global Financial Crisis
GIPS	Greece, Italy, Portugal, & Spain
IMF	International Monetary Fund
INE	Instituto Nacional de Estadística
LATDB	Liquid assets to deposits and short-term borrowings ratio
LHS	Left-hand side of graph
LTRO	Long term refinancing operation
MAS	Monetary Authority of Singapore
MoM	Month on Month
MRO	Main refinancing operation
NIM	Net Interest margin
NPL	Non-performing loan
OECD	Organisation for Economic Co-operation and Development
PBOC	The People's Bank of China
PMI	Purchasing Managers Index
QoQ	Quarter on Quarter
RBA	Reserve Bank of Australia
RBI	Reserve Bank of India
RHS	Right-hand side of graph
RRR	Reserve requirement ratio
YoY	Year On Year

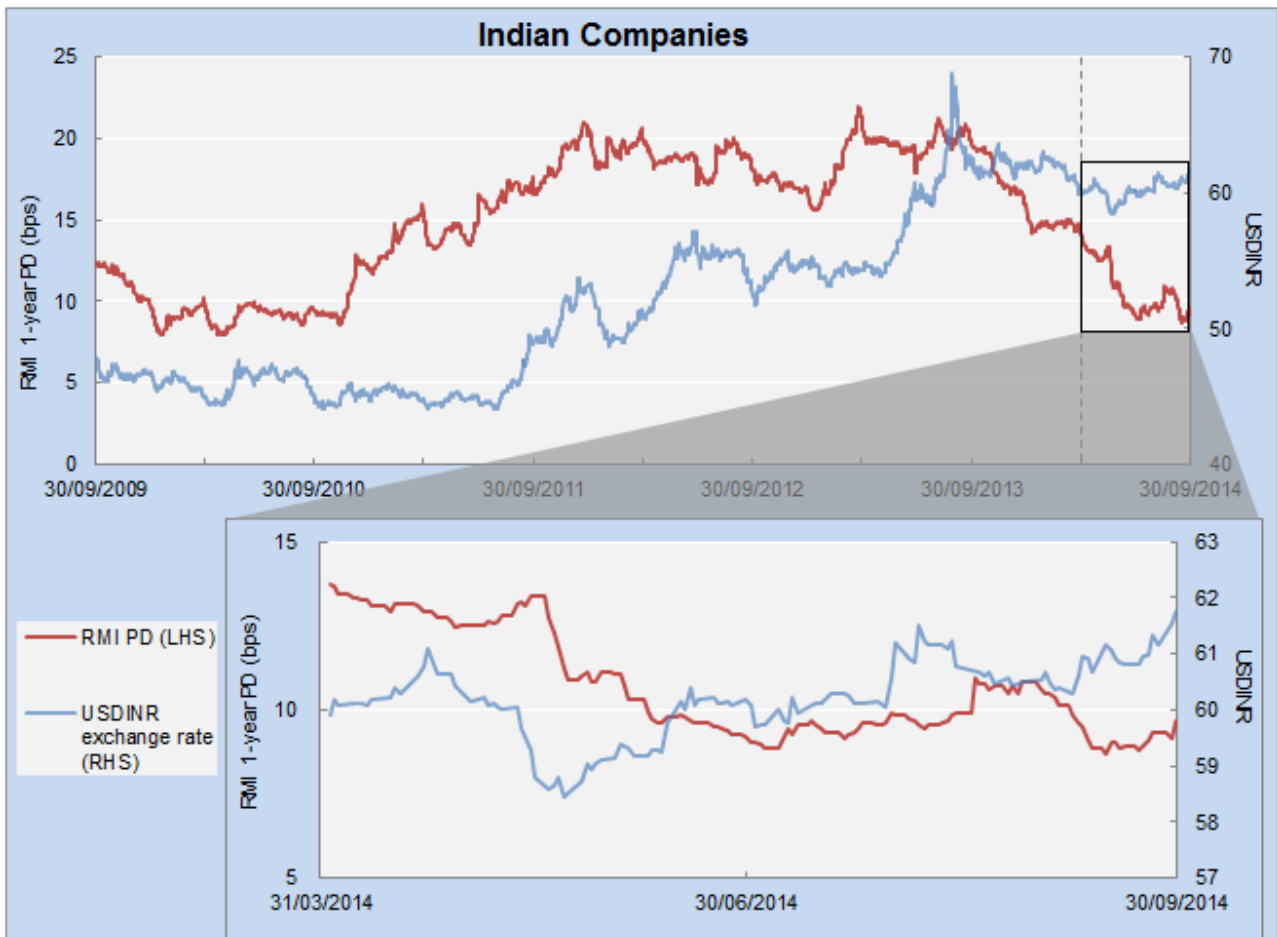
BRICS

The RMI aggregate 1-year PDs for BRICS nations - Brazil, Russia, India, China and South Africa, were mostly unchanged during Q3 2014. The aggregate RMI 1-year PD for Russian firms deteriorated during the quarter due to the situation in Ukraine and consequent sanctions imposed by the West. Demand for US dollars and Euros is growing among Russian firms as they have been locked out of western debt markets and have to contend with USD 54.7bn of debt repayments in Q4, leaving the Ruble under pressure. The plunge in oil prices is adding to Russian economic woes and could push the country towards recession. The aggregate RMI 1-year PD for Brazilian companies were unchanged during Q3, in the run up to the Presidential elections. Brazilian GDP decreased in Q1 and Q2, which puts the country in a technical recession. The BRICS bank was officially created with a starting capital of USD 50bn at the sixth BRICS summit in July as an alternative to the Western led World Bank and to focus on financing areas of mutual interest.



Indian Companies

The RMI aggregate 1-year PD for Indian companies was stable during Q3 as it remained at the same level in September and June. Economic activities picked up in India in Q2 with a 5.7% annualized growth as broad based recovery was seen in manufacturing, electricity and construction. Recent trend in manufacturing showed continued expansion albeit at a slightly slower pace with the HSBC PMI index at 51.0 in September. Wholesale inflation demonstrated a declining trajectory with a 3.7% expansion in August vs a 5.2% in July. India's current account deficit narrowed sharply to 1.7% of GDP from 4.8% of GDP last year. RBI kept the policy rate and cash reserve ratio unchanged as of June 3, 2014 to stay the course of a disinflationary monetary stance. RBI maintained its target of a 6% inflation by Jan 2016 and GDP mean growth estimate for next year at 5.5% with mild slowdown in Q2 and Q3 before recovering in 2015. Bank credit expansion remained mostly slow with a YoY growth of 9.7% in 2014 (until September 19) vs. 17.6% over the same period in 2013. S&P raised the outlook on India's sovereign rating to stable from negative in a vote of confidence for the new central government's handling of the economy and removing the threat of a downgrade to junk status.



Economy

- India's Gross Domestic Product for Q2 grew at an annual rate of 5.7% against a 4.7% expansion in the same quarter last year. Agriculture sector expanded by 3.8% vs. 4.0% last year, but more importantly mining sector which had been marred by policy delays and environmental clearances grew only 2.1% as against a contraction of 3.9%. Manufacturing expanded 3.5% in Q1FY2014-15 from a contraction of 1.2% last year. Other sectors that showed a robust growth trend were electricity (+10.2%), construction (+4.8%) and trade & transport (+2.8%). The Gross Fixed Capital Formation (GFCF) at factor cost has remained strong at 32.7% vs. 32.3% last year.¹
- Industrial production in general saw a clear bottoming out in the Q2. Within the broad Index of Industrial Production (IIP) the indices of mining, manufacturing and electricity, registered growth rates of 3.2% (vs. -4.6% last year), 3.1% (vs. -1.1% last year) and 11.3% (vs. +3.5% last year) during the quarter respectively; growth rates a year ago are indicated in brackets. In the next year, high expectations are being built for a sharp recovery due to pro-growth policies by the new Modi administration. IMF forecasts a 5.6% GDP growth in 2014 and 6.4% in 2015.^{2,3}
- Operating conditions for manufacturing continues to improve as indicated by the HSBC India Manufacturing PMI, which although dropped to 51.0 in September vs. 52.4 in August, remains above the 50.0 threshold which indicates an expansion. The report suggests that although the manufacturing sector witnessed some easing of cost pressures, output and new order growth slowed down. The growth of new business was broad-based with best performance seen in capital goods. However, the pace of growth has slowed from August and was moderate overall.⁴
- The annual rate of inflation, based on monthly WPI, stood at 2.38% in the month of September (over September 2013) as compared to 3.74% for the prior month. In terms of recent trend, primary articles with a 20.12% weightage rose 2.18% YoY vs. 3.89% YoY in August due to a softening of food articles (14.34% weighted) which grew 3.52% YoY in September 2014 vis-a-vis 5.15% in August. Fuel prices (14.9% weighted) cooled off with a rise of 1.33% YoY vs. 4.54% growth in August.⁵
- India's current account deficit (CAD) narrowed sharply to USD 7.8bn (1.7% of GDP) during Q2 from USD 21.8bn (4.8% of GDP) in the same quarter last year. However, it was higher than USD 1.2bn (0.2% of GDP) as seen in Q1. The lower CAD was primarily on account of a contraction in the trade deficit contributed by both a rise in exports and a decline in imports. Merchandise exports at USD 81.7bn were up by 10.6% in between April and June as against a decline of 1.5% last year, while imports at USD 116.4bn were down by 6.5% vs. a growth of 4.7% last year. Decline in imports was mainly correlated by a steep decline of 57.2% in gold imports.⁶
- In Q3, the Indian Rupee (INR) declined by 4.5% from 59.2 to 61.9/USD in line with a depreciation against the USD. Seeing in most currencies as the US economy continued to show signs of strengthening and prospects of a shift in US monetary stance towards tightening looked closer than earlier anticipated. Even though the foreign portfolio inflows into India during this quarter remained strong with close to USD 13bn of net inflows across equity and debt markets, RBI continued to intervene in the spot FX market to soak up USD and build reserves.^{7,8}

Monetary

- In the fourth bi-monthly monetary policy on June 3, 2014, RBI Governor Raghuram Rajan kept the policy rate (repo rate) and Cash Reverse Ratio unchanged at 8% and 4% respectively. At the same time, the liquidity provided under the export credit refinance (ECR) facility was reduced from 32% of eligible export credit outstanding to 15% with effect from Oct 10 2014.⁹
- The central bank also noted the potential threat from a spike in global volatility across asset classes with investors misreading the timing of a reversal in the accommodative US monetary. Moreover, it was observed that headwinds may arise in the form of rising geopolitical threats or if the slowdown in the Euro area growth widens and prolongs. Even domestically, activity came off somewhat as the growth of industrial production slumped in July, as capital goods production followed consumer durables into contraction.
- The current account deficit (CAD), which was at 1.7% of GDP for Q2 is likely to remain under check with the YTD trade deficit being narrower than last year. The improvement in the trade balance has benefited from the fall in gold imports.
- RBI has re-iterated its objective to 6% target inflation by January 2016. Even though the recent trend in inflation has been on the downside, the central bank has indicated policy preparedness to contain inflationary pressures if the risks materialise. RBI retained its GDP mean growth estimate for 2014 at 5.5% with mild slowdown in Q2 and Q3 before recovering in Q1 2015.¹⁰

Funding & Liquidity

- India's 10-year government securities yield has declined from 8.75% as of June to 8.51% in September aided by a declining inflation trajectory and also due to tailwind from significant cuts in global commodity prices. India imports close to 80% of its oil requirement and the country's trade balance benefits immensely from a falling crude (WTI has collapsed from 105/bbl to 95/bbl during the period).¹¹
- India attracted close to USD 815mn worth of bids from foreign investors during its auction of government debt on September 11, 2014 - much higher than the roughly USD 500mn on offer. Indian debt paper has seen strong demand from foreign investors due to improving economic prospects.¹²
- Growth in bank credit overall remained slow with a YoY credit expansion of 9.7% in 2014 (until September 19) vs. 17.6% over the same period in 2013. The credit growth was a mere 1.3% QoQ during the Q3. Within this, non-food credit contracted -9.8% while other loans, credit and overdrafts grew 1.5%.¹³

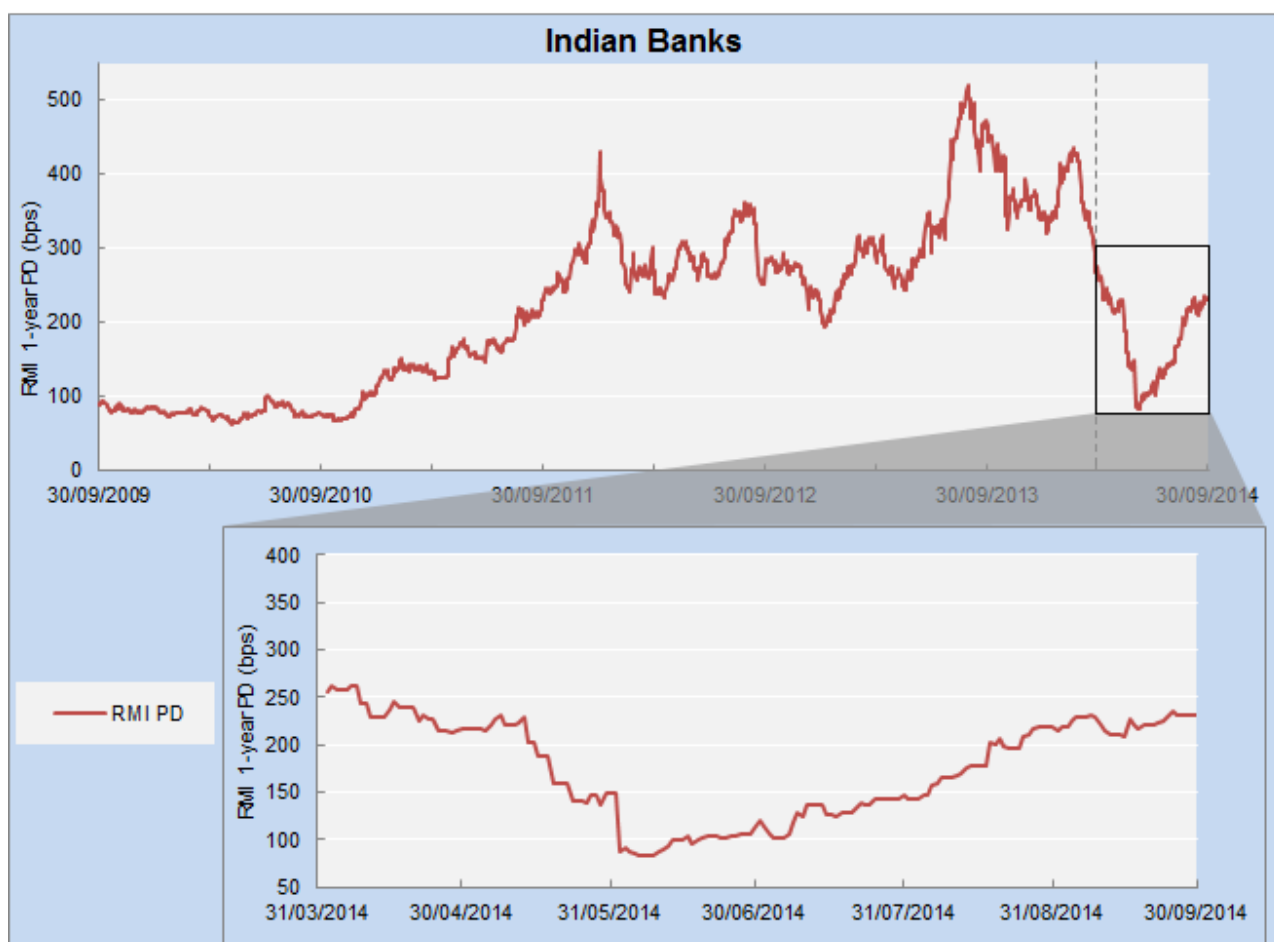
Sovereign Credit Ratings

- S&P raised the outlook on India's sovereign rating to stable from negative in a vote of confidence for the new central government's handling of the economy and thus removed the threat of a downgrade to junk status. For the past 2 years S&P had maintained India's sovereign rating at BBB-, its lowest investment grade rating. Moody's currently assigns a 'Baa3' rating on India, with a stable outlook, while Fitch has affirmed India's long-term foreign and local currency issuer default rating (IDR) at 'BBB-' with stable outlook, indicating low default risk.^{14,15}
- The decisively positive election outcome and BJP's landslide victory is definitely credit positive as it boosts the prospect that a stable government will address the country's economic challenges. Following S&P, other major credit rating agencies are also likely to upgrade India's credit rating over the next 12-18 months as the anticipated policy reforms get rolled out.¹⁶

- Rating agencies typically look at a country's current account deficit (CAD), inflation and growth outlook to form a view on the sovereign credit rating. The recent months have seen an improvement on all 3 fronts in India. It is possible that stronger ratings could mean lower borrowing costs for Indian companies seeking to raise funds as the economy recovers.¹⁷

Indian Banks

The RMI aggregate 1-year PD for Indian banks remained stable in Q3. Aggregate balance sheet of Indian banks expanded marginally by 3.1% to INR 87.2tn during the quarter, while the Credit-Deposit (CD) ratio remained flat at 77% indicating tepid incremental demand for credit. Liquidity position remained tight in the quarter with average call money market rate rising to 9.44% from 8.11% a quarter ago due to aggressive reverse repo action by the RBI and a weak credit growth of 1.9%. RBI largely retained its stance on the monetary policy keeping the policy rate and cash reserve ratio unchanged at 8% and 4%. Deposit rates in the banking system remained mostly unchanged across all tenors. Asset quality remains a cause of concern especially for the state-owned banks with Gross NPAs inching up from 3.26% to 3.85% in the last 1 year. Moreover, with the Indian Supreme Court canceling nearly all coal blocks allocations made in the last 20 years on grounds of illegal and arbitrary allocations, large credit exposures to the affected power, mining and metals sectors are feared to turn delinquent in the coming quarters.



Profitability

- Total liabilities of the Indian banks increased by 3.1% to INR 87.2tn in Q3 from INR 84.7tn in Q2. Total assets with Indian banks was almost flat, growing 3.1% to INR 25.7tn vs. INR 24.9tn, while the total credit expanded by 1.3% to INR 61.4tn vs. INR 60.6tn.¹⁸
- The Credit-Deposit ratio for the banking system as of October 4, 2014 was flat at 76.99% compared with the end of Q2. Cash-Deposit ratio also during the same period declined from 4.89% to 4.80%.¹⁹

Funding & Liquidity

- The weighted-average call money rate, the interest rate on short-term finance repayable on demand, rose to 9.44% as of October 4, 2014 compared to 8.11% as of June 27, 2014. Since the RBI has been active in the reverse repo market withdrawing liquidity created due to its intervention in the spot currency market, the quarter ending Sep 2014 has seen a relatively tight liquidity position in the money markets.²⁰
- Cash balances of scheduled commercial banks including cash in hand and balances with RBI were flat at INR 3.85tn as of September 19, 2014 when compared to a balance of INR 3.88tn on June 27, 2014. Aggregate deposits at Indian banks increased marginally by 1.9% QOQ (as of September 19, 2014) to INR 81.1tn from INR 79.5tn on June 27, 2014.²¹
- Deposit rates on INR-denominated maturities of less than 1 year did not change with 6 month rates staying in the range of 8.25% to 8.50% in Q3. Similarly, the 1-2 years deposit rates on INR deposits rates also remained stable at about 9.0% in Q3.²²
- For the month of August, the RBI net-injected (adjusted for absorptions) an average of INR 232bn per day into the banking system via liquidity operations, with as high as INR 858bn on August 8, 2014. Bulk of this injection was through Repo operations where an average of INR 153bn was net-injected per day, while the marginal standing facility (MSF) window was used to pump in an average of INR 11.0bn per day during the month. There were 5 major Term Repo auctions during the month which accounted for a total of INR 1.47tn of liquidity injection.²³

Asset Quality

- The Supreme Court of India on September 24, 2014 canceled all but four out of 218 coal block allocations made by various Indian governments over the last 20 years citing the allocations as illegal and arbitrary. Only the government-run blocks that operate on a non-JV basis have been spared. Many of India's public sector banks with high exposure to the power and iron & steel sectors are coming under massive asset quality stress as the corporations get stripped off their coal assets.²⁴
- The court ruling has come at a time when asset quality of banks is already a cause of concern with overall gross NPA (GNPA) ratio increasing from 3.26% on March 2013 to 3.85% as on March 2014. It is estimated that the additional NPAs arising out of the mining, power and iron & steel sectors could add another USD 10-12bn of aggregate NPAs to the system.²⁵
- However, Fitch Ratings has indicated that early signs of asset-quality stability are emerging at some large state-owned banks, which should be boosted by a pick-up in economic growth and it expects stressed assets of Indian banks to peak by March 2015 followed by a cyclical recovery.²⁶

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² Aug 29, 2014, [Estimates of Quarterly Gross Domestic for the First Quarter \(April-June\) 2014-2015](#), Ministry of Statistics and Programme Implementation, mospi.nic.in

³ Oct 8, 2014, [IMF projects India's GDP to pick up in 2015 to 6.4 per cent](#), The Economic Times, economic-times.indiatimes.com

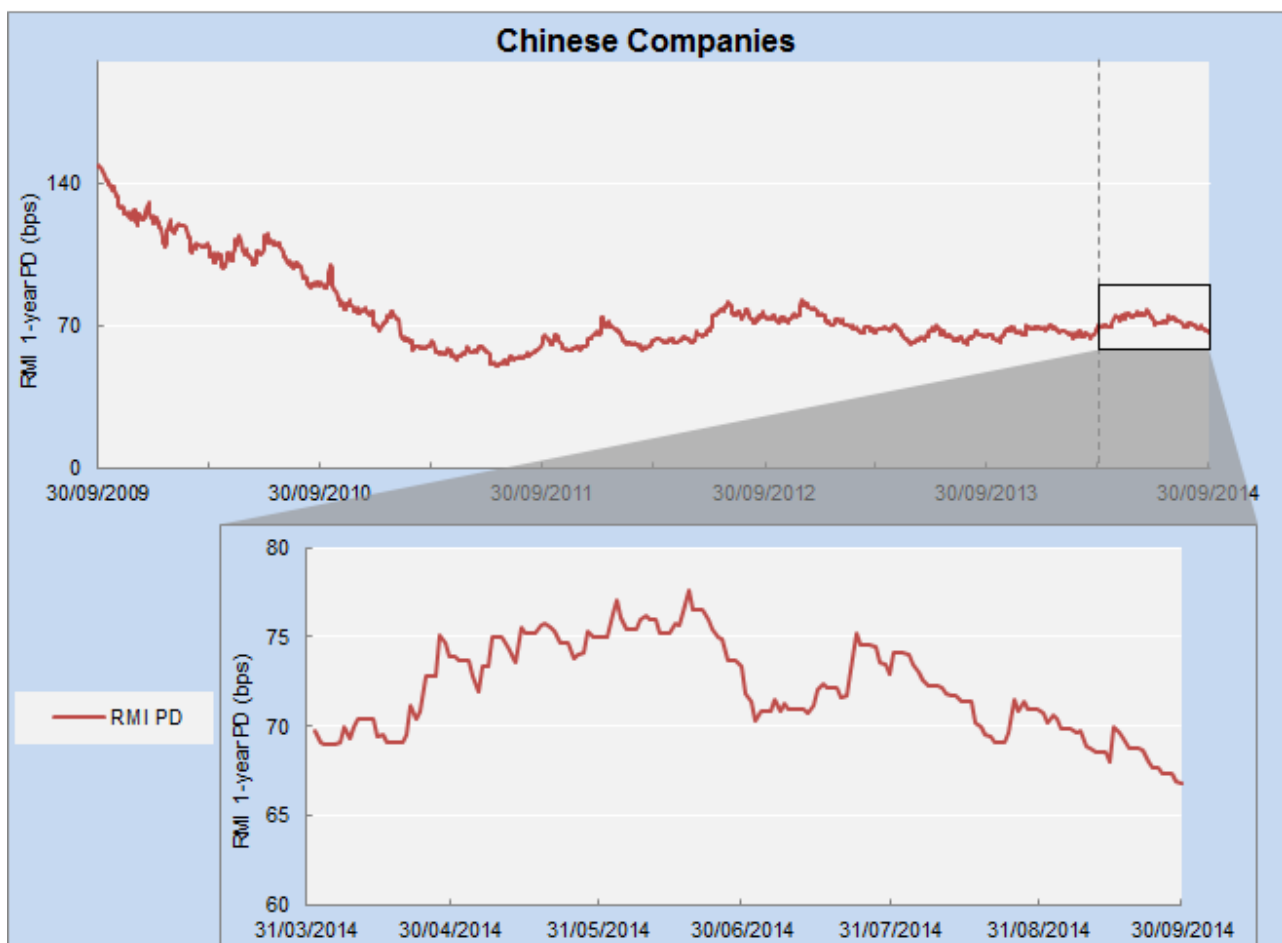
⁴ Oct 1, 2014, [HSBC India Manufacturing PMI](#), Markit Economics, markiteconomics.com

⁵ Oct 14, 2014, [Index Numbers of Wholesale Price in India](#), Ministry of Commerce & Industry Office of The Economic Advisor, eaindustry.nic.in

- ⁶Sep 1, 2014, [Developments in Indias Balance of Payments during the First Quarter \(Apr-Jun\) of 2014-15](#), The Reserve Bank of India, rbi.org.in
- ⁷Sep 30, 2014, [RBI Leaves Rates Unchanged as Caution Over Inflation Prevails](#), International Business Times, ibtimes.co.uk
- ⁸July 2014, [Foreign Portfolio Investors Investments, National Securities Depository Limited \(NSDL\)](#), National Securities Depository Limited (NSDL), fpi.nsd.co.in
- ⁹30 Sep, 2014, [Fourth Bi-Monthly Monetary Policy Statement, 2014-15](#), The Reserve Bank of India, rbi.org.in
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- ¹⁶Oct 4, 2014, [Moody's ratings are independent of other agencies' actions](#), The Business Standard, business-standard.com
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- ¹⁸Oct 10, 2014, [Scheduled Commercial Banks - Business in India](#), Reserve Bank of India, rbi.org.in
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- ²²Oct 2014, [Bank Fixed Deposits](#), CNBC India, moneycontrol.com
- ²³Oct 10, 2014, [Liquidity Operations by RBI](#), Reserve Bank of India, rbi.org.in
- ²⁴Sep 24, 2014, [PSU banks under pressure on asset quality concerns](#), Business Standard, business-standard.com
- ²⁵Sep 25, 2014, [NPA worries: Banks call meet to chalk out strategy](#), The Indian Express, indianexpress.com
- ²⁶Oct 2, 2014, [Stressed assets in Indian banks to peak in FY15: Fitch](#), Live Mint (WSJ), livemint.com

Chinese Companies

The RMI aggregate 1-year PD for Chinese companies declined slightly in Q3. Non-financial Chinese companies maintained healthy profit despite a drop in the economic growth rate. Exports and imports continued to expand, with most companies optimistic about future growth opportunities. Funding conditions remained stable but the credit supply from small lenders has declined in Q3. Small lenders may not be as willing to issue new loans but the shortfall in overall credit supply has been made up by the larger banks. Liquidity conditions remain healthy as effective interest rates have declined in Q3. The Chinese property market continues to weaken but the impact to the real economy at this point appears to be minimal. The fall in housing prices is likely to continue in Q4 and there may not be any growth in the sector in 2015. The credit outlook for Chinese companies is stable for Q4 but may be downgraded to negative if the economy continues to slowdown.



Economy

- The Chinese economy grew at an annual rate of 7.3% during Q3, down from 7.5% in Q2. This is China's slowest quarterly growth since the global financial crisis.²⁷
- Retail sales climbed 11.6% YoY in September to CNY 18.92tn. In the first nine months of the year, retail sales have risen 12% YoY. Online retail sales however climbed 49.9% from a year ago to CNY 1.82tn, while disposable annual income increased 10.5% YoY to CNY 14,986.

- China's registered urban unemployment rate dropped slightly to 4.07% in Q3 from 4.08% in Q2. China added a total of 10.82mn jobs in the first nine months of the year.^{28,29}
- China's official PMI index reached 51.1 in September and remained unchanged from August. The HSBC China Manufacturing PMI also registered a flat reading in Q3, as the index registered a 50.2 level in August and September. This shows that China's manufacturing sector continues to expand at a modest pace.^{30,31}
- The HSBC China Services Business Activity Index for China pulled back to 53.5 in September, down from a 17-month high of 54.1 in August. A sub-index measuring new business fell to 53.2 in September from a 19 month high of 53.9 in August, but sub-indexes measuring employment and outstanding business both inched up.³²
- China's exports and imports increased in Q3, with export rising 15.3% from a year earlier and imports rising 7% YoY. However, the trade surplus decreased from USD 49.8bn in August to USD 31bn in Q3, indicating the continued need for government stimulus.³³

Monetary

- In August, China's M2 money supply unexpectedly dropped to a YoY rate of 12.8%, the slowest pace in five months. Premier Li Keqiang said that credit demand was lower due to a slump in China's property sector.³⁴
- The 1-year benchmark loan rate and time deposit rates remained at 6% and 3% in Q3. However, the one-year swap rate declined below the central bank's savings benchmark for the first time since 2012. This follows a growth slowdown and a decline in inflation, but the People's Bank of China would likely continue with prudent monetary policies to maintain moderate liquidity and push further reforms in interest rate and exchange rate.^{35,36}
- Chinese banks issued CNY 857bn of new loans in September, up from CNY 702bn a month earlier. However, new loans from China's small banks fell to CNY 89bn in Q3, nearly half the CNY 161bn level in September last year. China's small loan providers have declined significantly as the slowing economy has made both borrowers and lenders more wary of risk.³⁷

Funding & Liquidity

- China's 10-year government bond yield decreased from 4.05% in Q2 to 3.98% in Q3.
- Outstanding loans made to Chinese banks reached CNY 16.74tn in Q3, up 18.2% YoY. The growth rate in Q3 was 1 percentage point lower than Q2.³⁸
- The average weighted lending rate for non-financial firms remained at 6.97% in September, down 0.12 percentage points from August, and down 0.23 percentage points from September last year.

Policy

- The central bank revealed details about its new unconventional tool to provide liquidity to the banking system. The central bank conducted two rounds of liquidity injections in September and October totaling CNY 769bn in a bid to lower interest rates and support economic growth. Funds injected had a tenor of 3 months at an interest rate of 3.5%.³⁹
- The Chinese government aims to invest in a number of areas such as air- and water-pollution prevention, clean-energy projects, public hospitals, nursing homes, fitness centres, etc. During this period, the central bank had raised its re-lending quota for the agricultural sector by USD 3.26bn to support a vulnerable part of the economy. Besides, China continued its prudent monetary policy during this period, using a set of monetary instruments flexibly to achieve reasonable growth in loans and social financing.⁴⁰
- China's property market continued to deteriorate for a fifth straight month in September. Aiming to boost an economy that is increasingly threatened by the recession in housing market, China cut mortgage rates and downpayment requirement for some home buyers for the first time since 2008. The new policy offered a 30% discount on the mortgage rates to second-home buyers, which was only limited to first-home buyers previously. In addition, the downpayment levels were cut to 30% from 60%-70%.⁴¹

Sovereign Credit Ratings

- Moody's maintained an Aa3 rating on the Chinese government with a stable outlook during Q3. Fitch and S&P both retained stable outlooks, with respective ratings of A+ and AA-.

Chinese Banks

The RMI aggregate 1-year PD for Chinese banks increased slightly during Q3, as bad loans increased and deposits declined. Net interest margins have dropped as the amount of deposits have fallen. Capital adequacy ratios remain stable and may improve further as banks issue more bonds in order to meet the Basel III recommendations. This, however may translate to further weakness in the banks' profitability as lenders seek more capital in the face of a slowing economy and increase their future interest expenses. Present plans to introduce more bank regulation would be credit negative as banks face higher compliance costs against a backdrop of a weak property market and an elevated probability of higher non-performing loans.



Profitability

- Aggregate earnings of 12 listed Chinese banks that reported earnings decreased 0.54% QoQ to CNY 343bn in Q2.
- The average NIM for the same banks fell slightly from 3.09% in Q1 2014 to 3.10% in Q2 2014.
- Net interest income and fee-based income for these banks accounted for 73.2% and 24.0% in Q2 respectively, compared to 70.6% and 22.9% in Q1. Going forward, fees and commissions earned from custodial service charges and management fees could become a larger part of revenues.

Funding & Liquidity

- Average weighted coupon rates on 5-year CNY-denominated likely improved in Q3. The Agricultural Bank of China sold Basel III compliant Additional Tier 1 security at 6%, which was below the market's expectations. Yields from local government funding vehicles have dropped below 6% from around 8% at the start of the year.
- China's benchmark money-market rate declined during Q3 after the PBOC increased the cash supply to combat economic slowdown. Caused by the weak cash demand, weighted average of the seven-day repurchase agreement rate, a benchmark of inter-bank funding availability, decreased by 109bps since June to 2.91%. Cash demand would be strengthened during the week-long National Day holiday in China, but inter-bank liquidity was expected to remain ample even after the holidays.⁴²
- Four of the five largest banks posted a drop in deposits. Industrial and Commercial Bank of China posted the largest decline in funds in Q3, as deposits fell by CNY 388bn. Central bank data showed that the decline in deposits is the first quarterly decline since 1999. In September, the China Banking Regulatory Commission introduced new rules to eliminate "illicit" measures such as kickbacks and imposing higher-than-regulated deposit rates.

Regulations

- Due to the slowdown of the Chinese economy, the PBOC injected more liquidity into the 5 biggest banks via a relatively new mechanism known as the standing lending facility. This amount is equivalent to a 50bps cut to China's reserve requirement ratio.^{43,44}
- As Chinese banks implement the Basel III capital requirements, the largest five Chinese state-owned banks will have to raise up to USD 20bn in additional capital by the end of the year. This capital raising could test investors' appetite amid slowing profitability growth, risking non-performing loans and recession in the property market. Besides, it further fortifies the balance sheets of systematically important banks and better positions Chinese banks for on-going asset growth.^{45,46}
- In order to prevent banks from collecting large amounts of deposits during the month end to inflate their financial position and to maintain the stability of financial system, Chinese regulators have imposed measures to limit the end-of-month deposit amount to 3% of the average daily level during that month. This law effectively disallows banks from attracting deposits with above-limit interest rates or using wealth management products to indirectly boost their assets towards the month end.⁴⁷

Asset Quality

- The non-performing loan ratio averaged 1.14% in Q3, up from 1.03% at the end of 2013. The amount of bad loans on China's largest banks have increased 22% since the start of the year. However, the bad loans remain a small portion of the overall loan portfolio. China's four largest banks had CNY 415bn of non-performing loans on their books, which is 22% from Q3 2013.⁴⁸

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²⁹September 10, 2014, [Unemployment rate in 31 major cities at about 5%](http://china.org.cn/index.htm), China, <http://china.org.cn/index.htm>

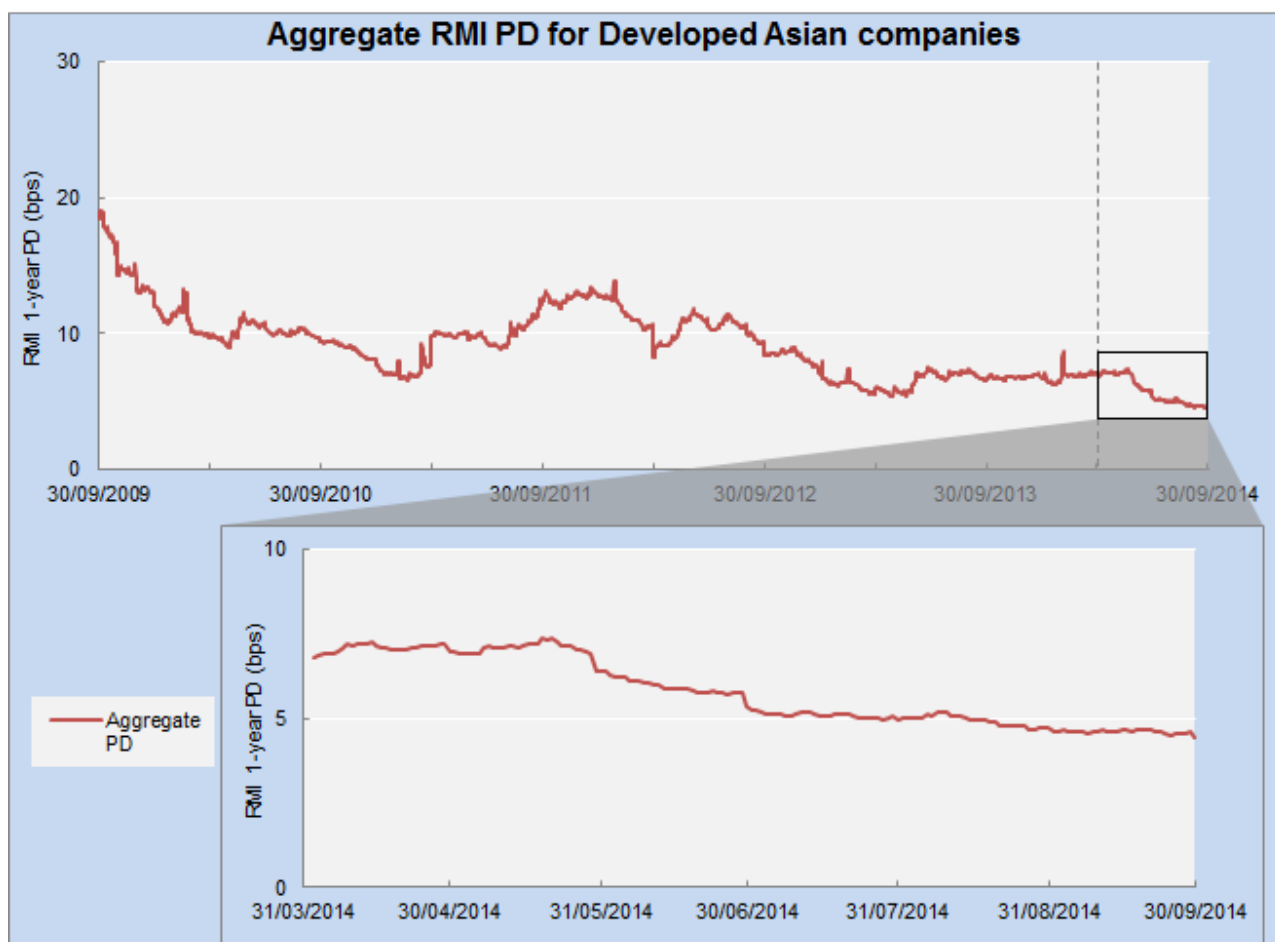
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- ⁴⁷September 14, 2014, [China caps end-month bank deposits to limit window-dressing](#), Reuters, reuters.com
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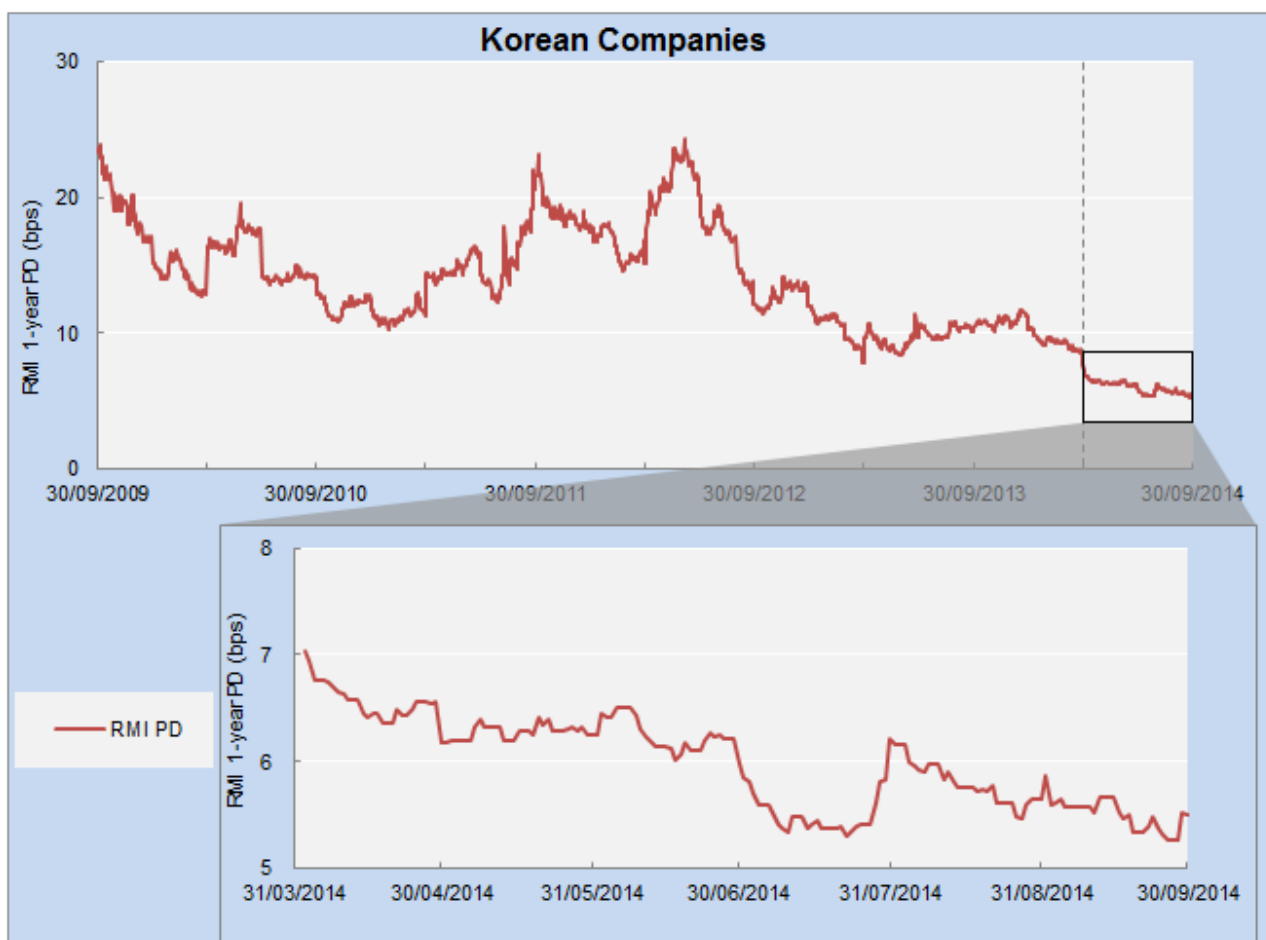
Asia-Pacific - Developed economies

The RMI aggregate 1-year PDs for listed companies in the developed Asia Pacific region as a whole decreased marginally during Q3. This can be driven by high domestic demand in this region. In Japan, the continuation of Prime Minister Shinzo Abe’s economic policy - Abenomics, involves “three arrows”: fiscal stimulus, monetary stimulus, and deregulation propelled the economy growth in Q3. But, any further increase in sales tax in 2015 will adversely affect the economy. Towards the end of Q3, Occupy Central movement in Hong Kong, a civil disobedience campaign tried to pressure the Chinese government into granting an electoral system, dominated the headlines. The reputational risk in Hong Kong economy did not affect the credit risk of Hong Kong companies as the territory’s companies continue to enjoy low PDs. Likewise, there was little change in Singapore companies’ credit profiles during the quarter.



South Korean Companies

The RMI aggregate 1-year PD for South Korean companies stayed flat during Q3, holding at record low. Korean companies benefited from government spending during the quarter, which helped to offset the weakness in exports. The government's initiatives to boost domestic business centered firms would have a positive impact on the credit profiles of retail and construction firms moving forward. Exporters may be facing a challenging environment due to weak external demand but the depreciation of the KRW could lend support to the earnings profiles of exporting firms in Q4. The funding and liquidity profiles of Korean companies continue to remain healthy in a low interest rate environment. Credit conditions for Korean firms are likely to remain stable.



Economy

- The South Korean economy grew at an annual rate of 3.2% in Q3, the lowest in five quarters, as corporate spending and exports decreased. However, private consumption expanded during the quarter together with government expenditure and construction investments. The IMF forecasts Korea's GDP to reach 3.7% in 2014.⁴⁹
- The government unveiled a USD 40bn stimulus package in July, aimed at boosting domestic demand and eased mortgage rules to boost the real estate market, hoping that a rise in property prices would lead to higher domestic demand. Observers criticized the move to relax mortgage loan limits as the country's household debt has more than doubled over the last decade to nearly USD 1tn, which could lead to a large number of defaults in the event of a downturn.⁵⁰

- Korea's seasonally adjusted unemployment rate improved marginally from 3.6% in Q2 to 3.5% in Q3. The unemployment rate dropped to 3.4% in July but rose slightly to 3.5% in August. The agriculture and insurance sectors lost 128,000 and 37,000 jobs respectively compared with a year earlier in September, while the manufacturing sector added 173,000 jobs in the same period. The unemployment rate for citizens between 15 and 29 was 8.1% in September, lower from 8.4% a month earlier.⁵¹
- The Ministry of Trade, Industry and Energy said that Korean exports remained at USD 47.75bn in Q3. Exports have continued to fall after peaking at USD 50.27bn in April. Overall, total exports were close to the USD 47.98bn level at the beginning of the year. However, statistics in September showed that exports to China and US have improved as exports to these two countries increased 6.5% YoY and 19.9% YoY respectively. However, exports to Europe dropped by 5.1% YoY.⁵²
- The HSBC South Korea Manufacturing PMI improved slightly from 48.4 in Q2 to 48.8 in Q3, although the readings below 50 still signal deteriorating business conditions in the manufacturing sectors. Respondents to the survey said that the pace of output decline slowed in Q3 as the business climate remains challenging due to a deteriorating order book situation.⁵³
- The muted labor market and weak exports may have affected consumer spending in Korea in Q3. Sales at South Korea's top department stores registered declines in September from a year ago. Combined retail activity at Hyundai Department Store, Lotte Shopping Centre and Shinsegae Co dropped 6.3% YoY, which exceeded the Finance Ministry's forecast of a 5.5% decline. Sales at discount stores also dropped 10.1% YoY.⁵⁴

Monetary

- The Bank of Korea cut the key benchmark interest rate during Q3, from 2.50% to 2.25% in August and from 2.25% to 2.00% in October. The central bank downgraded its estimates for growth and inflation as Governor Lee Ju Yeol foresees a weak recovery sentiment, posing risks to economic growth. The central bank cut its growth forecast for 2015 from 4% to 3.9% and its inflation outlook from 2.7% to 2.4%. Analysts expect another rate cut from the bank within 6 months as households are suffering from high debt, corporate earnings have been disappointing and exports have been lackluster.⁵⁵

Funding & Liquidity

- Yields on 10-year South Korean government bonds declined sharply during Q3, falling from 3.20% in June to 2.88% in September.
- South Korea's M2 money supply continued to expand in Q3, increasing at the fastest rate since October 2010. M2 Money Supply grew by 7.6% YoY in August following higher lending to households as demand for mortgages improved.⁵⁶
- Interest rates on new loans to large Korean corporates fell to 3.96% per annum in September, down from 4.27% in June. Likewise, interest rates on new loans to small companies declined from 4.72% to 4.50% in the same period. Corporate rates have been falling and likely to remain low since more anticipation of rate cuts by the central bank.⁵⁷

Politics

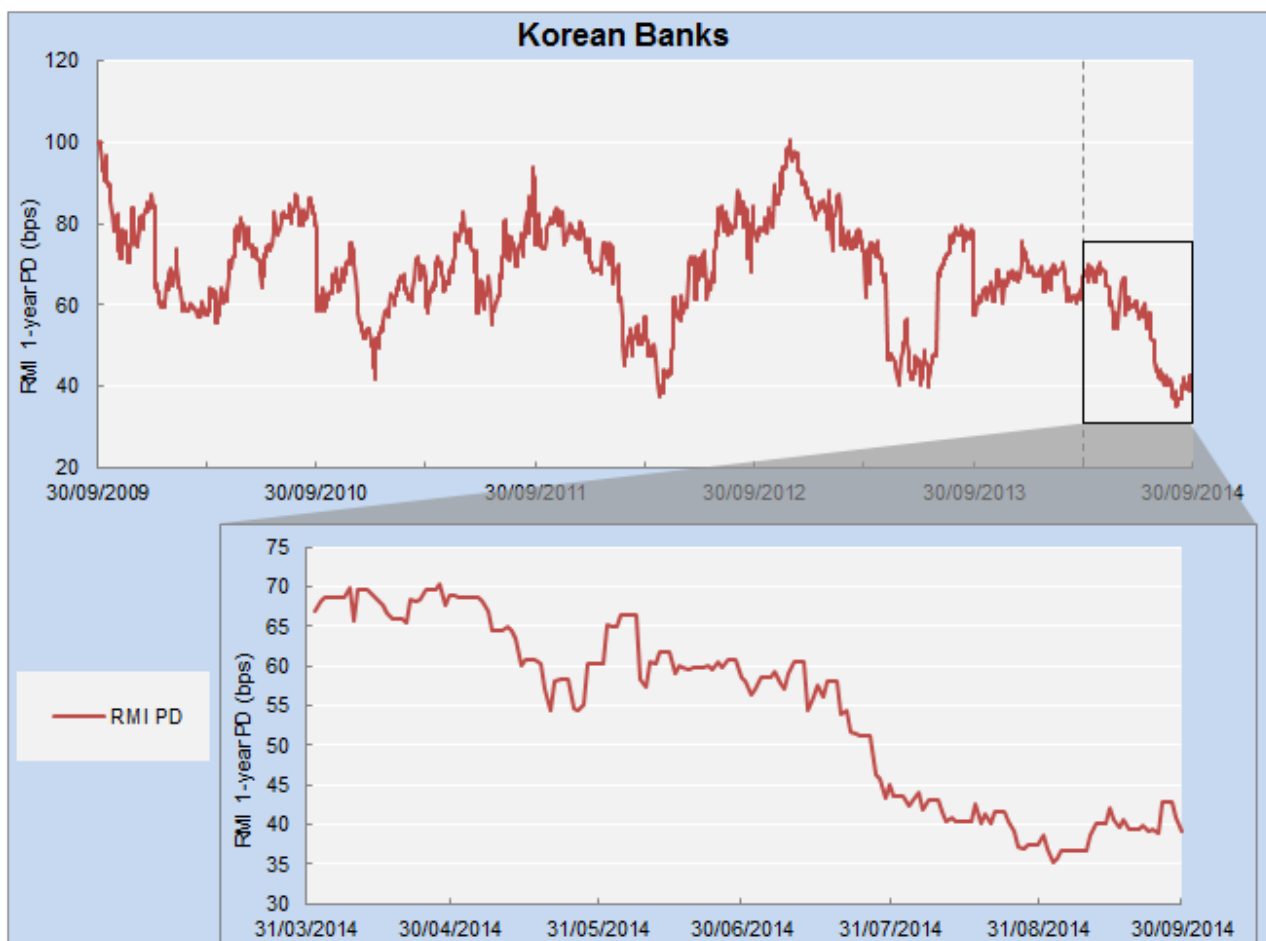
- The ruling party secured a strong win in the July's by-elections despite falling approval ratings in the wake of the Sewol ferry disaster in April. President Park will likely continue to pursue a pro-business policy in line with her predecessor but paying greater attention to social equality and welfare. In October, the President warned of long term stagnation risks that the economy faces and asked parliament to approve the plan to increase fiscal spending by 5.7% in 2015.
- The Ministry of Health and Welfare is considering to increase cigarette prices over the next six years in order to cut the country's high smoking rate. The tobacco tax, if implemented in 2015 would raise the tax revenue by KRW 2.7tn per year. The government said that the revenue raised by the increased tobacco taxes will be used for antismoking programs.⁵⁸

Sovereign Credit Ratings

- The three major agencies maintained their ratings on the country's sovereign debt in Q3, with the country rated AA- by Fitch, Aa3 by Moody's and A+ by S&P. All three CRAs maintained stable outlooks on the sovereign issuer.

South Korean Banks

The RMI aggregate 1-year PD for South Korean banks fell during Q3, on the back of higher net earnings and market capitalization. NIMS decreased marginally during the quarter but banks managed to improve their overall earnings through their non-interest income avenues. The cost of borrowing fell as the central bank cut interest rates. Bond issuances are likely to increase as banks try to meet Basel III capital requirements and keep their Tier-1 capital structures above regulatory requirements. Regulators have recently issued the liquidity coverage ratio guidelines for next year which could compel Korean banks to keep a larger proportion of their balance sheets in shorter term assets. Funding structure and liquidity metrics remained at healthy levels as deposits registered improving growth rates in Q3. Some of the banks reported increased purchases of export and exchange bills from exporters which boosted the banks' proportion of foreign currency assets. With the abovementioned factors in mind, the credit outlook for Korean banks did improve in Q3. Operating profits are likely to grow further in Q4 as loan loss reserves stabilize and cost structures become more efficient. But in the long run, higher Basel III capital restrictions could translate to lower return on equity ratios.



Profitability

- South Korean banks' aggregate net income declined 28% QoQ during Q3 to KRW 1886bn, after soaring by more than KRW 2640bn in Q2. Shinhan Financial Group, Korea's largest bank by assets reported an improvement of 21% in net earnings in Q3, driven mainly by loan volume growth with a 2.1% QoQ increase in retail loans and 2.0% increase in corporate loans.
- A proxy for the aggregate NIMs of Korean banks, based on the difference in lending and deposit rates, declined marginally to 2.44% in September from 2.49% in June.

Funding & Liquidity

- Average coupon rates on new issuances of 5-year KRW-denominated bank bonds fell to 2.84% in Q3, from 3.12% in Q2.
- Data published by the Korea Federation of Banks showed that the short term Cost of Funds Index rate declined during Q3, from 2.51% at the start of July to 2.23% at the end of September. COFIX is determined by the average interest rate paid on capital funding by nine major Korean lenders.
- Local currency deposits have grown 5.25% YoY after increasing from KRW 1048 in June to KRW 1051 in August. Foreign currency deposits also expanded at a similar pace as it climbed 5.17% YoY to KRW 71tn in August.⁵⁹
- 1 year KRW denominated time deposit rates decreased from 2.68% in June to 2.36% in September. Average rates on longer term deposits maturing in 5 years or more also fell from 2.89% to 2.70% in the same period.⁶⁰
- Overall liquidity in the South Korean banking system decreased during Q2, with the aggregate LATDB ratio for listed banks falling to 5.47% in Q2 from 5.68% in Q1.

Capital Levels & Regulations

- On August 26, 2014, the Financial Services Commission (FSC) introduced the liquidity coverage ratio (LCR) for Korean banks in line with the Basel III guidelines. Domestic banks will be required to meet a minimum liquidity coverage ratio of 100% starting next year. Domestic branches of foreign banks will need a minimum LCR of 20% in 2015 but this requirement increases by 10% in every subsequent year. Specialized and policy banks will have to meet a minimum LCR of 60% next year.⁶¹
- In July, the FSC announced plans to reform financial regulation by removing out-dated and unnecessary regulation to overcome high entry barriers for businesses. Financial firms from startups seeking capital to public institutions will benefit from the reduction of red tape procedures. For example, public financial institutions are expected to save up to KRW 12bn annually from the decreased requirement of document filings. The current practice of corporate lending, mainly on loan guarantee and collaterals will also be improved. The FSC conducted a review of 3100 financial regulations, out of which 1700 regulations have been shortlisted for further reviews. Out of these 1700 laws, 700 of them have been changed.⁶²

Asset Quality

- The Bank of Korea said that the default rate on corporate bills soared to the highest level in three years in August at 0.28% due to an increase in defaults amongst conglomerates. The number of bankrupt companies rose to 83 in July, before falling to 70 in September.⁶³
- The Financial Supervisory Services said that the delinquency rate of loans reached 0.96% at the end of August as banks wrote off fewer bad debt. Both delinquency rates of corporate and household loans increased in Q3 as 1.16% of corporate loans have overdue payments. 0.71% of household debt have outstanding payments past their due dates. The amount of new bad loans increased to KRW 2.1tn in August.⁶⁴

⁴⁹Oct 24, 2014, [Weak exports weigh on South Korea GDP](http://www.ft.com), Financial Times, <http://www.ft.com>

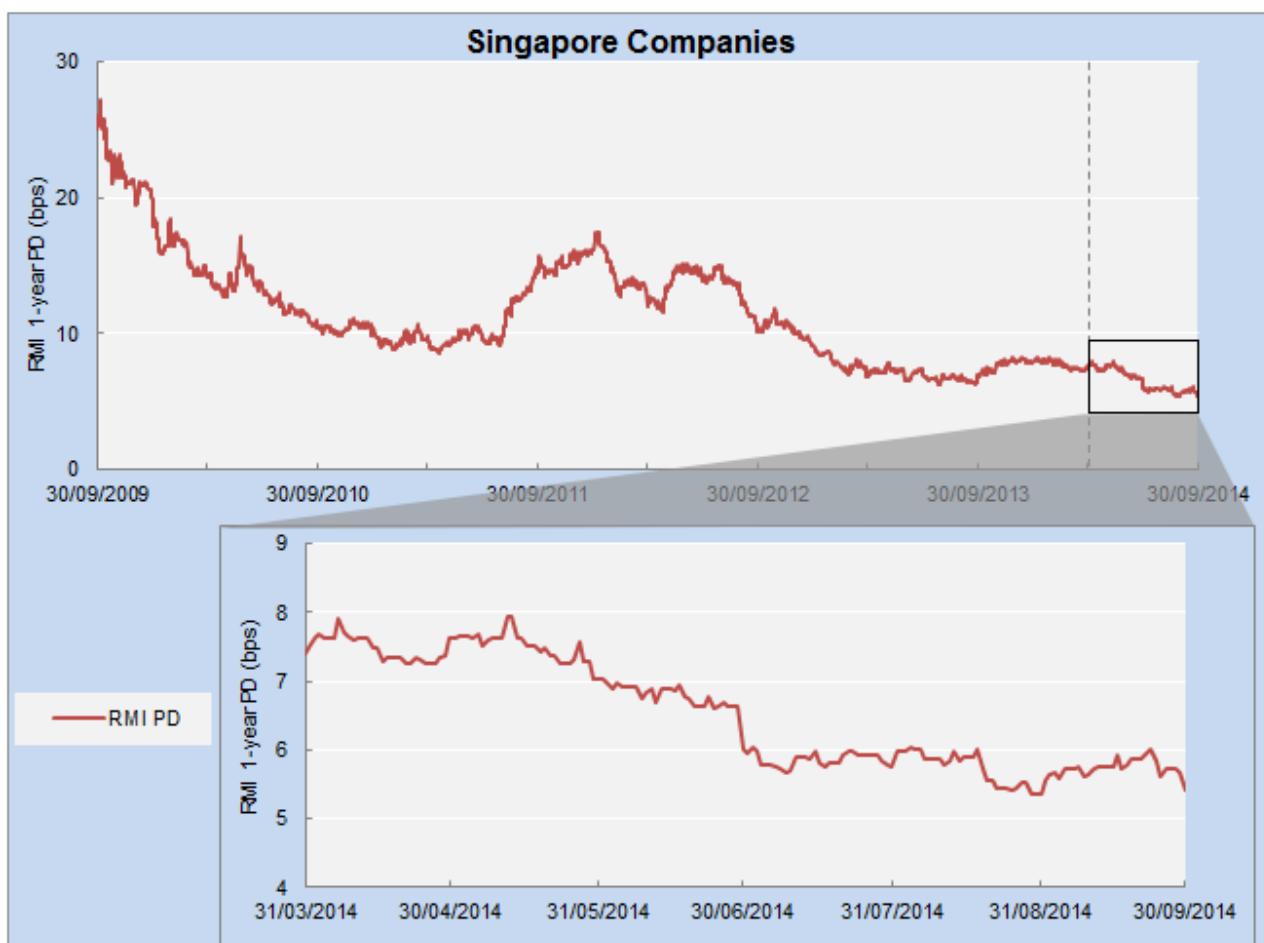
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Singapore Companies

The RMI aggregate 1-year PD for Singapore companies, currently at 5.71bps on September 30, 2014, declined from 6.29bps at the end of Q2 2014, reflecting modest economic growth in Q3 due to the improvement of the manufacturing sector. However, the GDP growth of construction sector slowed down in Q3 due to the still tight foreign manpower policy. In general, funding and liquidity profiles remain healthy despite a slowdown in lending in Q3 caused by a contraction in demand for bank credit. Still, the Monetary Authority of Singapore (MAS) is unlikely to change its current monetary policy stance of a gradual appreciation of the SGD so as to keep inflation in check. Going forward, the credit outlook for Singapore remains positive, considering a slower but more sustainable growth path of domestic economy.



Economy

- Singapore's GDP grew by 1.2% QoQ on a seasonally adjusted basis in Q3, a reversal from a marginal 0.1% contraction in Q2, due to the growth of the manufacturing sector by 1.2% QoQ in Q3, an improvement from a contraction of 15.1% in Q2. The growth rate remain constant during the last two quarters with a 2.4% YoY. However, the GDP of construction sector merely grew by 1.4% YoY, a much slower rate than the 4.1% expansion in the preceding quarter, mainly due to the still tight foreign manpower policy. Looking forward, the central bank expects Singapore's economy to expand at a modest pace in the quarters ahead.^{65,66}

- Singapore's PMI manufacturing index remained the same at 50.5 at the end of Q3 as the end of the previous quarter.⁶⁷
- Non-oil domestic exports (NODX) rose by 0.9% YoY in September 2014, following a 6.0% expansion in August, as 3.0% increase in non-electronic NODX outweighed a 4.0% decline in electronic NODX. The growth in NODX resulted mainly from the rising demand in most of its major export markets, among which China, Taiwan, and Malaysia were the top three regions contributing to the growth.⁶⁸
- Retail sales rose to 5.3% MoM in August, following a 0.2% contraction in July. The increase in retail sales was 3.5% excluding motor vehicles. Likewise, retail sales grew by 5.4% on a YoY basis.⁶⁹

Monetary

- The Monetary Authority of Singapore (MAS) is expected to continue its monetary policy towards inflation control as announced in its October Monetary Policy Statement, maintaining a modest and gradual appreciation of the SGD and keeping both the slope and the width of the policy band unchanged.^{70,71}

Funding & Liquidity

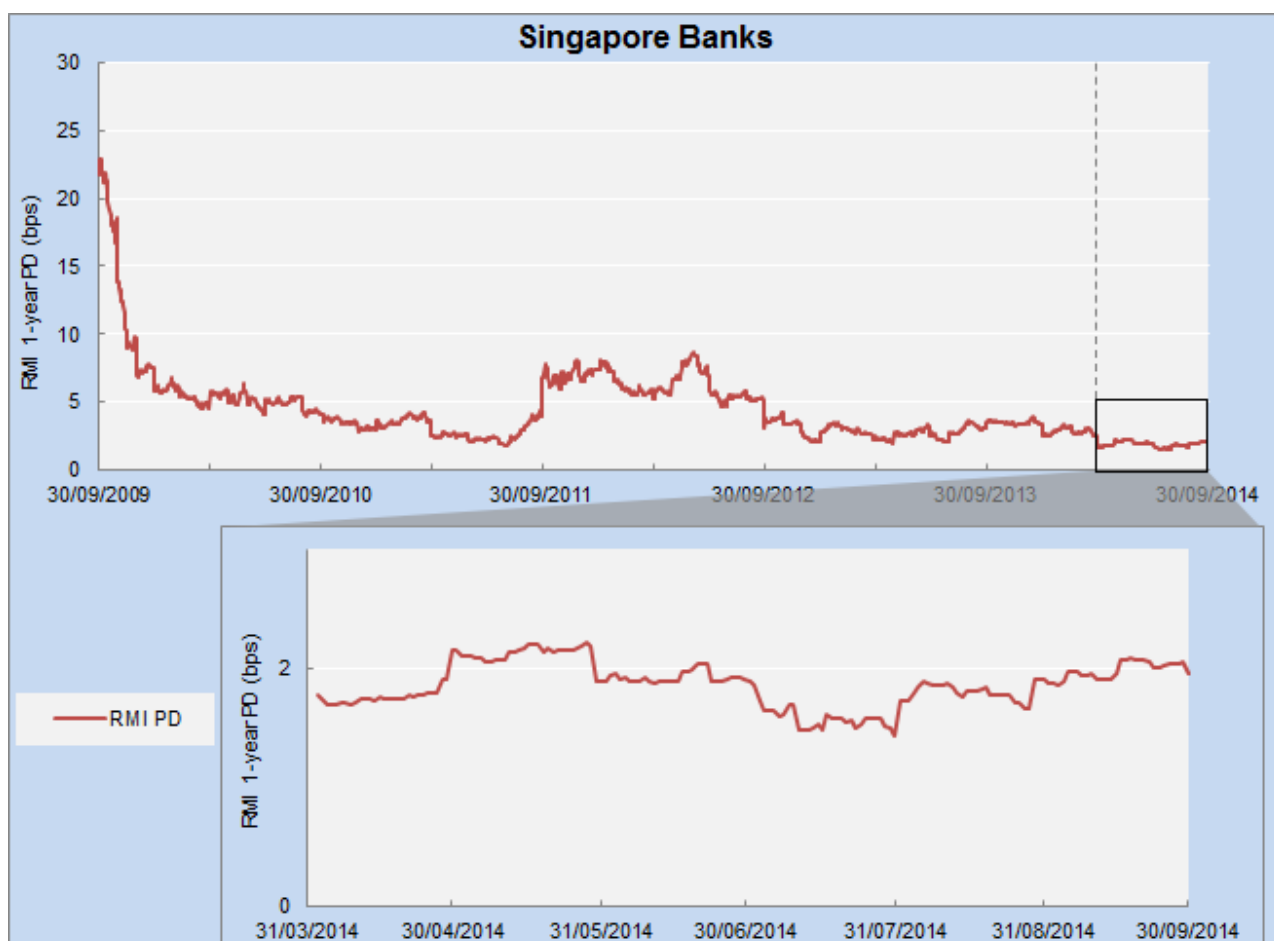
- The yield on 10-year Singapore government bonds ended at 2.47% in Q3, slightly higher than the 2.32% at the end of Q2 2014.
- Bank lending to non-financial Singapore companies had slowed down over Q3 2014. Slipping from the YoY growth rate of 13.5% at the end of the earlier quarter, loans to non-financials expanded by 12.3% YoY in September 2014, the second lowest growth rate in the most recent three years.⁷²
- The prime lending rate remained at 5.35% in Q3, unchanged since January 2014.⁷³

Sovereign Credit Ratings

- Singapore retained its AAA rating at all three major rating agencies over Q3 2014, and remains one of only nine countries worldwide with top credit ratings and stable outlooks.

Singapore Banks

The RMI 1-year aggregate PD for Singapore banks remained flat over Q3 2014, ending the quarter at 1.95bps, up from 1.90bps at the end of Q2. Out of the top three domestic banking groups which all reported stronger profits in Q3, OCBC contributed the most to the increase in aggregate earnings of the 3 banks. Funding and liquidity profile remains healthy. Despite a small drop in SGD loan-to-deposit ratio and aggregate LATDB over Q3, the statutory liquidity ratio have been rising, reflecting a stable liquidity position of Singapore banks. In addition, banks remain sufficiently capitalized under Basel III requirements alongside stable liquidity levels. Although the strong profitability and stable funding and liquidity profile, it is noteworthy that asset quality for banks has been worsened as the amount of provisions for losses, the amount of non-performing loans, and the amount of write-offs on credit card debt all went up over Q3.



Profitability

- Aggregate earnings at the three major Singapore banks continued to soar over Q3, expanding 15.1% QoQ to SGD 3.11bn, up from SGD 2.70bn at the end of Q2. Out of the three banks, OCBC contributed the most to the rise in aggregate earnings with a net income of SGD 1.23bn in Q3 compared to SGD 0.92bn at the end of Q2.⁷⁴
- The growth of issued loans made by Singaporean banks further slowed down in September 2014 compared with a 12.3% growth rate at the end of Q2, reaching its lowest level at 10.6% YoY since September 2010.⁷⁵

Funding & Liquidity

- Average coupon rates on new issuances of 5-year SGD-denominated bonds issued by Singaporean banks declined gradually over Q3 2014 to 3.57%, down from 4.11% as recorded at the end of Q2.
- Total SGD deposits at the three major domestic banks increased by 1.80% QoQ in September 2014, ending the period at SGD 544.6bn as compared to SGD 535.0bn at the end of Q2. Loan growth was slightly outpaced by deposits, giving rise to a loan-to-deposit ratio at 1.11 in September, down from 1.12 in June.
- Unlike Q2, deposit rates remained flat at 0.31% 12-month fixed deposit rate in the preceding quarter and the savings deposit rate also stayed flat at 0.11% during the same period. Fixed deposits continued to increase and reached 38.3% of all deposits in September from 37.5% in June 2014, while the proportion of savings deposits contracted to 34.8% from 35.4%.^{76,77}
- The aggregate LATDB ratio for Singapore banks fell to 37.3% over Q3 2014, down from 38.0% at the end of Q2 2013.
- The statutory liquidity ratio of banks rose to 17.0% in September 2014, up from 16.6% at the end of Q2.⁷⁸

Capital Levels & Regulations

- Bank reserves and capital levels, now stand at 6.9% of total liabilities, increased to SGD 71.7bn in September from SGD 68.7bn at the end of Q2. The phase-in of Basel III in Singapore started in January 2013, with all three Singaporean banks meeting the requirements. Starting from 2015, the MAS intends to implement the Basel-III compliant Liquidity Coverage Ratio (LCR) as the liquidity standard for all banks and financial companies.^{79,80}
- To implement the LCR rules in Singapore more properly, the MAS revised the framework in terms of the approach and the timeline. The new liquidity requirements are issued in a consultation paper released in August 2014. Firstly, although all big banks are still required to adopt the LCR framework, the MAS offers smaller banks with a choice to comply with either the LCR or a MLA framework, which is a less risk-sensitive framework to liquidity risk. Also, the MAS sets different liquidity requirements for banks by class. For DBS, OCBC and UOB, the LCR requirement will be set at 60%; for all other locally-incorporated banks, it will be set at 70%; for banks that are headquartered in another jurisdiction, it will be set down to 50%. Lastly, the MAS allows banks in Singapore other than the top 3 to comply with LCR requirement later by 1 January 2016, while the top 3 Singaporean banks still have to comply with the requirement by 1 January 2015.⁸¹

Asset Quality

- Banks' provisions for loan losses in Q3 2014 increased significantly by 23% QoQ to SGD 437mn from 356mn in Q2 2014. Provisions at the end of 2013 were SGD 361mn. Non-performing loans at the three major Singapore banks increased in Q3, reaching SGD 6.05bn from SGD 5.80bn in Q2 after a 4.38% growth on a quarterly basis. Write-offs on credit card debt over a three month period rose to 71.8mn in September from 65.3mn at the end of Q2.⁸²

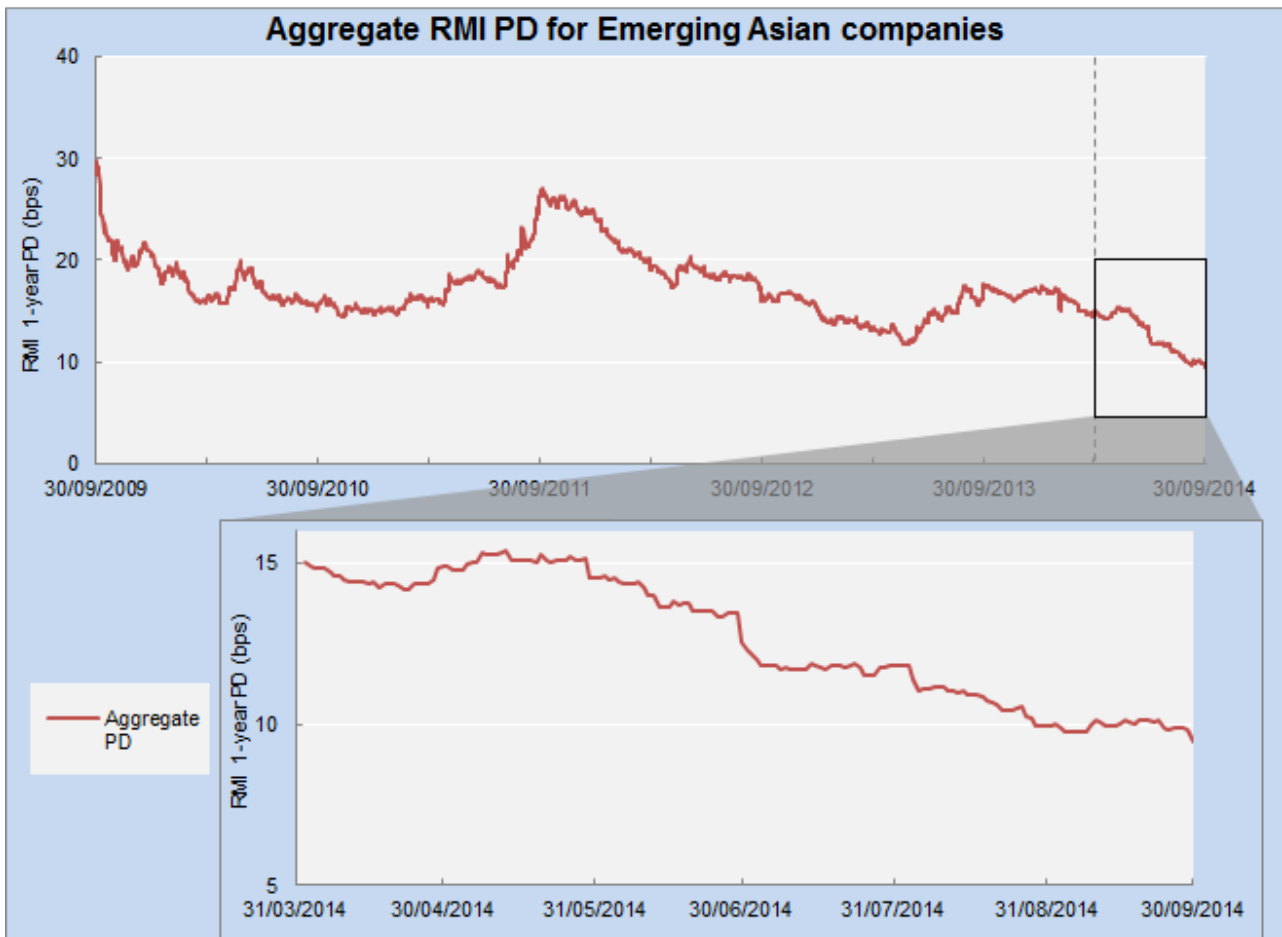
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- ⁶⁸October 17, 2014, [SINGAPORE'S EXTERNAL TRADE September 2014](#), International Enterprise Singapore, iesingapore.gov.sg
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Asia-Pacific - Emerging economies

Aggregate PD levels for companies in emerging economies in Asia-Pacific decreased in Q3, dropping to the lowest level in more than five years. Companies domiciled in Indonesia, Malaysia, the Philippines and Thailand witnessed an improvement in their credit profiles as the aggregate market values of their firms increased during the quarter. Overall, currencies in the emerging economies fell against the US dollar during the quarter as the fear of US Federal Reserve ending its quantitative easing takes its toll on emerging Asia currencies. Thailand saw former commander in Chief of the Royal Thai Army, Prayut Chan-o-cha assume office as the prime minister of the Kingdom after a bloodless coup in May to end a political stalemate. Thailand's economy has not been growing, domestic demand within the country has fallen and martial law has been imposed. In Malaysia, the downing of Malaysia Airlines Flight 17 saw the privatization of the national carrier. The five ASEAN economies (Indonesia, Malaysia, Philippines, Thailand, and Vietnam) displayed modest economic growth in Q3 with the Philippines projected to grow 6.2% in 2014.



Indonesian Companies

The RMI aggregate 1-year PD for Indonesian companies declined during Q3. GDP growth was moderated in the quarter to 5.1% weighed down by a tight monetary and fiscal policy and also affected by lower mining and quarrying output as commodity exports declined. Household consumption that accounts for 56% of GDP grew 5.6% YoY and remains as a bright spot for the economy. Trade balance slipped into a deficit in August 2014 after a surplus in the previous month hurt by a decrease in the non-oil & gas trade balance. Recent trend in manufacturing indicates a rebound in activity. In September, HSBC Manufacturing PMI rebounded from a 12-month low to 50.7 from 49.5 indicating an expansion. CPI inflation was moderated further to an annualized 4.53% in Sep 2014 and remains on a declining trajectory. Aggregate liquidity situation remains tight currently and there have been large sovereign and municipal foreign currency bond issuances in the quarter. However, local demand for credit is expected to trend lower and Bank Indonesia now expects the credit growth to fall below previous estimate of 15-17% in 2014. Major credit rating agencies maintained their ratings and stable outlook on Indonesia's debt.



Economy

- Indonesia's GDP growth slowed to 5.12% in Q2 due to tightening in both monetary and fiscal policy to reduce the current account deficit and cool inflation. The economy faced a slowdown in investments but growth was supported by domestic consumption demand, which has remained resilient.⁸³

- In Q2, exports declined 1%, while imports fell 5% after the government had imposed a ban on exports of ore such as copper and iron in January that has hurt mining activity and exports. Government expenditure also declined 0.7%, as political uncertainty surrounding the general elections which happened in June may have caused some delays in project spending. Consumption that accounts for 56% of Indonesia's economic activity, maintained its growth pace at 5.6%.⁸⁴
- The IDR after briefly strengthening during July 2014 from 11850/USD on June to 11580/USD in July, it went on a weakened path against the USD ending Q3 at 12180/USD in line with a general USD strength against all major and EM currencies. The currency remains vulnerable to external shocks and risk aversion events like US Federal signalling an end to its quantitative easing, the Euro area slipping back into recession and geopolitical tensions between Russia and the international community.
- Indonesia's trade deficit in August was USD 310mn after a surplus of USD 50mn in July due to a decrease in non-oil and gas trade balance which accounted for USD 490bn. The negative non-oil and gas surplus was affected by the increase in non-oil and gas import by 15.0% MoM, while exports increased by 2.1% MoM. Trade surplus was helped by a decrease in the oil and gas trade deficit to USD 0.8bn from USD 1.67bn in July as oil and gas import contracted by 18.5% MoM while export expanded by 4.1% MoM.⁸⁵
- Manufacturing conditions improved in September with the HSBC PMI rebounding from a 12-month low to 50.7 from 49.5 in August, signalling an expansion. There was growth in both output and new orders as demand picked up. Purchasing activity was also higher as stocks of raw materials and semi-manufactured goods held by the manufacturers increased. However, input cost inflation continued although mitigated by increase in output charges.⁸⁶
- CPI inflation in September reached 0.27% MoM, down from the previous month of 0.47% MoM helped by the low inflation pressure of volatile food. On an annualised basis, CPI inflation reached 4.53% YoY in September and was below Bank Indonesia's forecast and the historical average during the last 5 years. On the other hand, the inflation pressure of administered prices increased related to the price adjustment of some energy commodities. Bank Indonesia re-iterated its inflation target of 4.5% +/- 1% for 2014 and 4.0% +/- 1% for 2015.⁸⁷

Monetary

- In Bank Indonesia policy meeting on October 7, the central bank maintained status quo with BI Rate at 7.50%, the lending facility rate at 7.50% and the deposit facility rate at 5.75% consistent with the intended inflation trajectory to reach 4.51% for 2014 and 4.01% for 2015. BI reiterated its stance to keep inflation under control and manage the current account deficit along with maintaining exchange rate stability.⁸⁸
- BI however noted that although private consumption growth remains a bright spot of growth in the economy, the growth rate has declined in the wake of the 2014 Presidential Election reflected by slower growth in retail sales indicators. Moreover, government spending is yet to rebound in line with seasonal trends due to budget savings implemented to control the fiscal deficit. In general BI now expects the 2014 GDP growth to be at the lower end of the previous projection, within the range 5.1-5.5%.⁸⁹

Funding & Liquidity

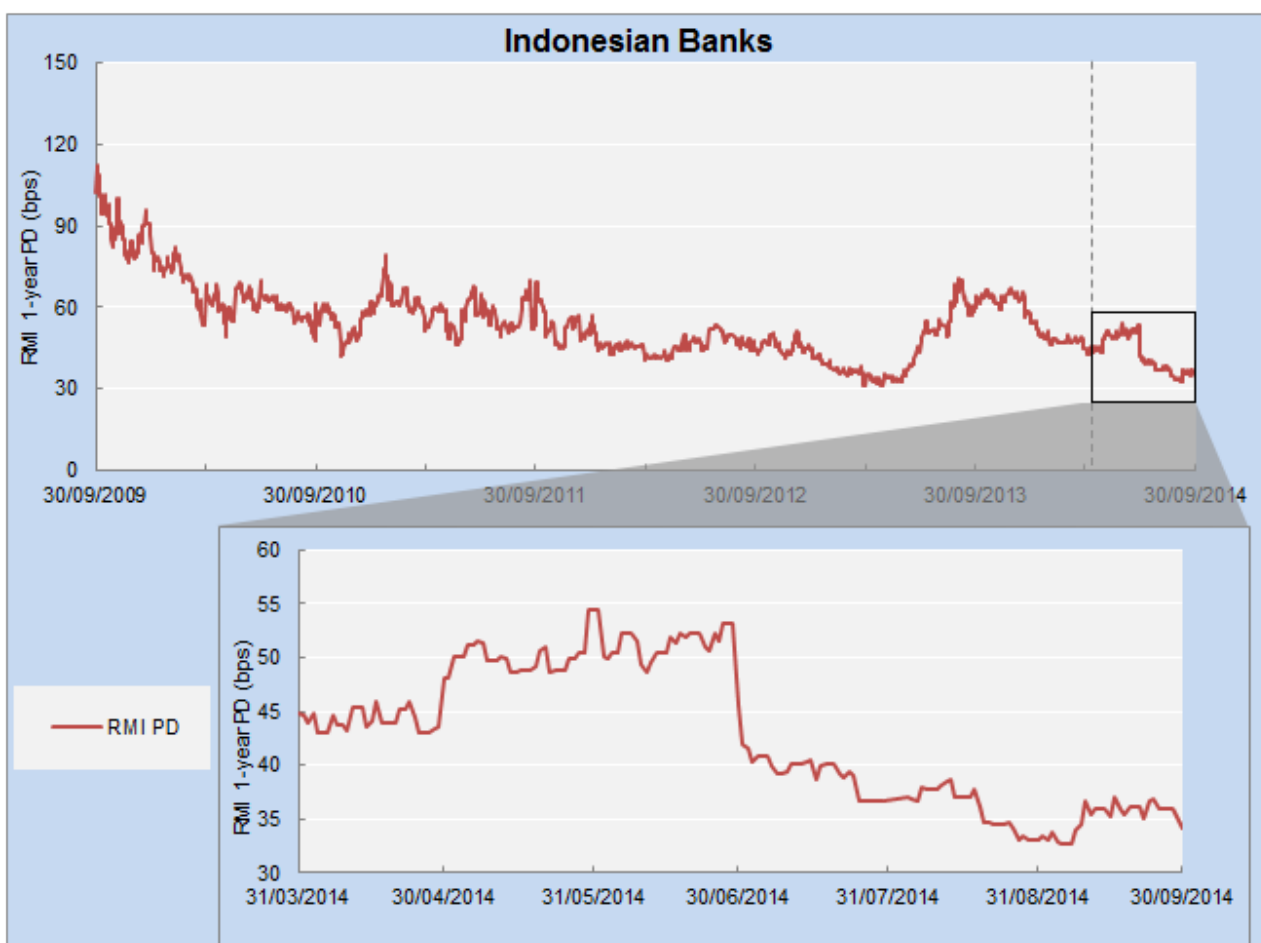
- Indonesia sold EUR 1bn of 7-year EUR-denominated bonds at 2.976% on July 2, 2014, taking advantage of record-low interest rates in the Euro-zone. Similar maturity bonds trading in the secondary market were quoting at 4.032% at the time indicating a strong demand for the sovereign paper. Indonesia sold almost 58% of its 2014 issuance target of about USD 35bn in H1-2014, front-loading the fund raising before the general elections.⁹⁰
- Indonesia also plans to sell sovereign bonds denominated in USD, EUR and JPY in the coming quarters to meet a gross issuance target of about USD 39bn planned for 2015, 13% higher than 2014 to cover the budget deficit.⁹¹
- Indonesia's biggest province, West Java, is planning to sell about USD 350mn bonds in Q4 2014 to fund an airport, kick-starting a municipal debt market in Indonesia. It is expected that many of Indonesia's 33 provinces will follow suit as the new government rolls out massive infrastructure upgrade programmes and push to lift GDP growth to 7%.⁹²
- Indonesia Eximbank, the country's export financing agency, also issued USD 222mn bonds at close to 9.00% yield with the total 2014 issuances at about USD 450mn and plans to reach a total issuance target of about USD 2bn to help finance its loan expansion.⁹³
- Total credit made by Indonesian banks to clients and other banks rose by 13.9% YoY in August but was almost flat on a QoQ basis over the Q2 average disbursements. Total liabilities that included time and demand liabilities that were raised domestically or in foreign currencies rose 12.0% on a YoY basis but rose only 1.88% over the average disbursements made in Q2.⁹⁴
- World Bank expects the economic expansion in Indonesia to moderate to 5.2% in 2014 from 5.8% in 2013 constrained by falling commodity prices, lower-than-expected government spending and slower credit expansion. Bank Indonesia now expects the credit growth to fall below 15-17% in 2014 that was estimated earlier this year owing to slowing economic activity.^{95,96}

Sovereign Credit Ratings

- Moody's, Fitch and S&P retained their Baa3, BBB- and BB+ ratings, respectively, on the Indonesian government in Q3. All 3 CRAs maintained their stable outlook on Indonesia's sovereign debt.⁹⁷
- Moody's re-iterated that it maintains a stable outlook for Indonesia's sovereign and corporate debt rating in the next quarters due to the country's healthy credit, solid macroeconomic fundamentals, and reduced political tensions. The economy is expected to weather headwinds such as looming higher US interest rates and slowing growth in Euro area and China.⁹⁸
- S&P in an investor note on September 1, 2014 stated that Indonesian banks are well placed to withstand any strain from rising rates and capital outflows owing to solid fundamentals and robust pre-provision operating profit to absorb higher credit costs.⁹⁹
- Fitch Ratings also affirmed its faith in the large Indonesian banks owing to strengthened supervisory oversight along with the resilient risk profiles as the banks remain well capitalized despite a challenging operating environment over the last year.¹⁰⁰

Indonesian Banks

Credit profiles for Indonesian banks generally improved in Q3 as the RMI aggregate 1-year PD for Indonesian banks decreased during the quarter. Growth in credit offtake in Indonesia has moderated slightly but still remains amongst the highest in the region with the Net Interest Income (NII) for expanding 14% YoY in August. The Net Interest Margins (NIMs) on an aggregate basis were 4.21% in August 2014 and have seen a downward pressure as tight liquidity conditions and higher competition has increased the banks cost of funds. Aggregate Loan-to-Deposit ratio of 90.6% (up from 88.9% in Aug 2013) and Liquid Assets ratio at 14.2% (down from 15.75% in Aug 2013) points to higher demand for funds. Moreover, average local currency deposit rates for the 12 month or more tenor have risen from 6.11% to 8.74% in the same period indicating strong appetite in banks to grow liabilities. Indonesian banks remain well capitalized with an aggregate Capital Adequacy of 19.7% and Core Tier I Capital of 18.1%.



Profitability

- Indonesian banks have amongst the highest average net interest margins (NIMs) in Asia at an average 6.9%, explained mostly by the high persistent inflation levels and a relatively low cost of funding. However, credit growth in 2014 is expected to slow down to 15-20% and the banking industry is bracing for three challenges, namely margin pressure, increased competition and increased credit risk from loan portfolios. The high margins are expected to get squeezed as competition for funds has intensified, as evidenced by a high Credit-Deposit ratio already above 90%.¹⁰¹

- Listed Indonesian banks gave a healthy performance in August, as the cumulative Net Interest Income (NII) rose 14.0% YoY to IDR 177.7tn on an aggregate basis. This robust growth is on the back of a 15.0% YoY growth in July and 16.4% growth in June. Even though aggregate credit demand has slowed down in recent months, it still remains one of the highest in the region and is driven by a resilient credit offtake in the non-bank third-party category that grew 13.2% YoY in August.¹⁰²
- Net Interest Margin (NIM) for the listed banks in Indonesia at 4.21% in August has remained relatively stable in the recent quarters (avg. 4.21% in Q1 and 4.23% in Q2). However, the margins have declined substantially from 5.46% in August 2013 as tight liquidity has forced most banks to vie for deposits with higher interest rates in an interest rate war of sorts.¹⁰³

Funding & Liquidity

- At 90.6% in August, the aggregate Loan-to-Deposit ratio for Indonesian banks has remained extremely high (was 90.2% in June 2014 and 88.9% in August 2013) underscoring a tight liquidity situation with high demand and less supply of credit and explains the still high margins that the banks continue to enjoy, despite coming off in recent months.
- Aggregate bank deposits from third party customers (non-bank) increased 12.1% YoY in August to IDR 3.85tn. It was however, relatively flat from IDR 3.83tn in Q2 and up 6.6% from Q3 level of IDR 3.62tn. For the local state-owned banks, there was a 12.0% increase YOY but flat performance QoQ in garnering bank deposits.¹⁰⁴
- Liquidity in the banking system remains tight, with the Liquid Assets Ratio falling to 14.21% in August from 15.75% a year ago. The ratio remained on average around 15.74% in Q2 and 14.93% in Q1.¹⁰⁵
- Local currency deposit rates have continued to tighten in the recent months. Time deposit rates for third party deposits (non-bank) for the 12 month or more tenor were quoting at 8.74% on average for the month in August. This compares to an average rate of 8.12% in Q2 and 6.11% in August 2013.¹⁰⁶

Regulation

- Indonesian banks' capital position has remained strong, with the aggregate Capital Adequacy Ratio at 19.7% in August. This compares to 19.45% in June and 18.02% last year (August 2013). Likewise, Core Capital Tier 1 ratio was 18.10% vs. 16.34% a year ago.¹⁰⁷
- A new banking bill to be introduced in Indonesia is expected to include a plan to restrict the operation of foreign banks unless those banks register as local legal entities thereby capping the level of foreign ownership. The change will ensure better protection for the banking sector against any widespread banking crises overseas. Additionally the maximum foreign ownership will be capped at 40%.¹⁰⁸

Asset Quality

- While the total earning assets for the banking system as a whole rose to IDR 4.36tn in August, flat QoQ and up 14.3% YoY from IDR 3.81tn in August 2013. Non-Performing Assets rose to IDR 81.3tn in August, up 6.1% QoQ and up 15.2% YoY from IDR 70.5tn in August 2013.

- There are some indications of the level of stress developing in the system as noticed in the large jump in "Special Mention" category of loans (loans overdue for up to 90 days but yet to turn bad) within the otherwise "Earning Assets" bucket. Aggregate Special Mention loans have remained high at IDR 150.1tn in August vs. IDR 151tn as on June and IDR 124.5tn as of August 2013.¹⁰⁹
- Similarly, the sub-standard and doubtful loans within earning assets have risen to IDR 13.1tn and IDR 14.9tn respectively as of August, while such loans were just IDR 12.3tn and IDR 8.9tn at same time last year. Loans classified as Lost (written-off) also increased to IDR 51.2tn from IDR 41.5tn last year.¹¹⁰

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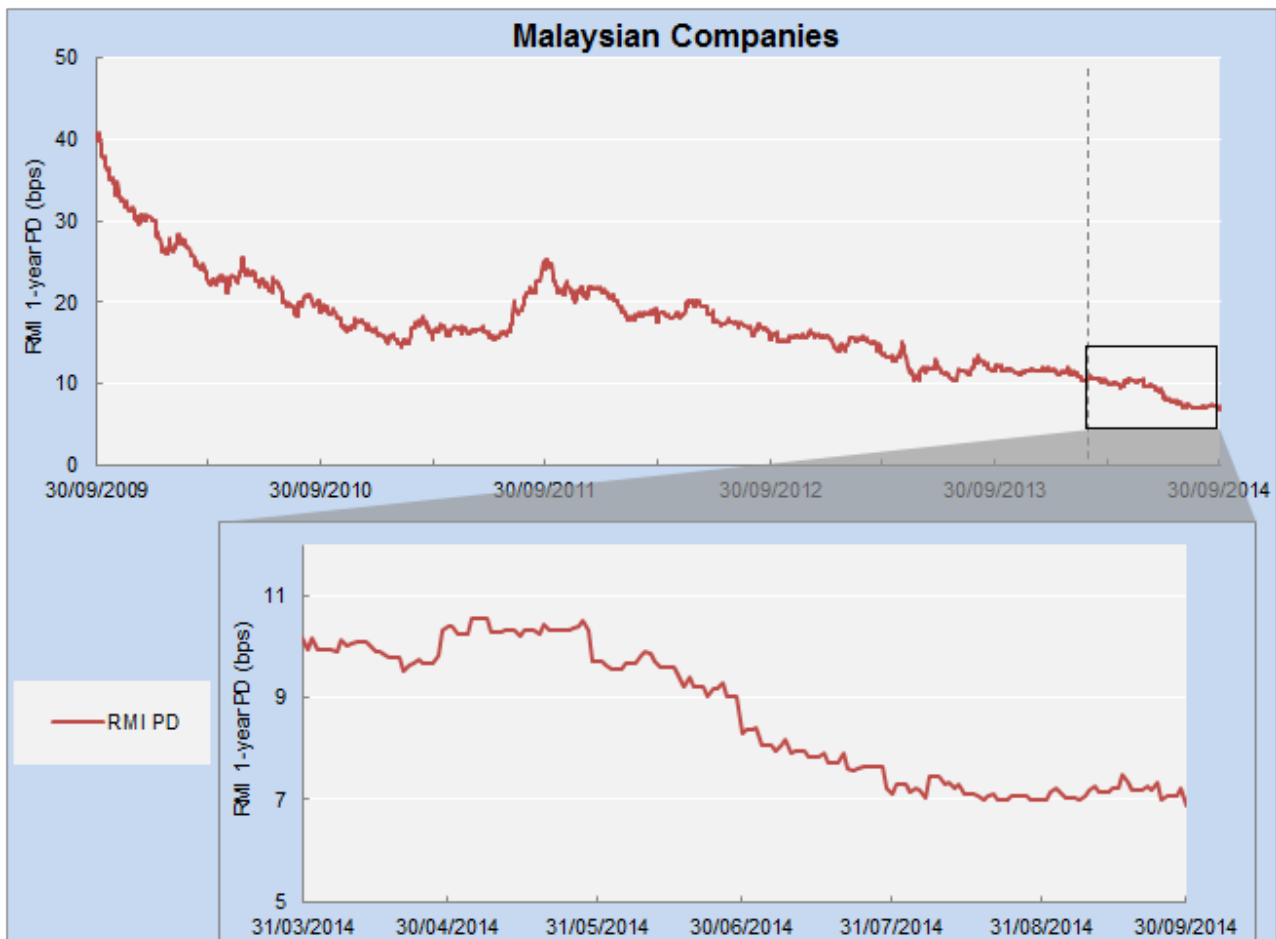
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Malaysian Companies

The RMI aggregate 1-year PD for Malaysian companies decreased slightly in Q3 2014, falling to a low in July and remained at the same level in August and September. GDP growth accelerated during the quarter as higher exports and private consumption provided support to the earnings profiles of non-financial firms. The cost of borrowing increased after the central bank hiked rates, but the availability of credit to firms remains stable. A poll of consumer and business sentiment showed that retail spending and consumer sentiment may be negatively in Q4 due to expectation of higher prices from the GST implementation next year. Loan issuances have increased as firms may be in a rush to secure funding before rates move higher. The recent decision by the central bank is, after all the first since 2011. Inflationary pressures may affect earnings of domestic companies in Q4 but external demand, especially in agriculture and electronic products may lend support to the net profits of exporting firms. The budget unveiled by the Government would offset some of the initial downward pressure on earnings. As there are more positive factors to negatives, the credit profiles of Malaysian firms are likely to remain stable with the help of new fiscal policies.



Economy

- Malaysia’s GDP increased by an annual rate of 6.4% in Q2, exceeding the previous quarter’s growth rate of 6.2%. The service sector grew 6.0% YoY on the back of higher wholesale and retail activities. The manufacturing sector expanded 7.3% YoY as demand for electronics and electrical exports increased. Agriculture exports such as palm oil grew by 7.1% YoY in Q2.¹¹¹

- The IMF projects an annual GDP growth rate of 5.9% for Malaysia this year and 5.2% in 2015, which is higher than the average growth rate of 4.7% for other ASEAN countries. The IMF expects economic growth to remain buoyed by favorable external demand and broadly accommodative policies and financial conditions.¹¹²
- Malaysia's unemployment rate declined marginally from 2.8% in July to 2.7% in August. Unemployment is at the lowest level since August 2012. The tight labor market has led to higher compensations for workers as average salaries have increased between 10% and 25% in the last 12 months, especially in the banking and finance sector.¹¹³
- Surveys by the Malaysia Institute of Economic Research showed that the confidence levels of consumers and businesses deteriorated in Q3. The Consumer Sentiment Index decreased from 100.1 in Q2 to 98 in Q3 as consumers worry over rising prices. The Business Condition Index meanwhile showed that business confidence has declined from 113 in Q2 to 95.9 in Q3. Businesses said that sales have decreased in Q3 and inventories have increased with customers placing lesser orders for goods and services.¹¹⁴
- Consumer prices have increased by 3.3% in the first nine months of the year. The cost of food and non-alcoholic beverages increased by 14.8% YoY while restaurant and hotel prices have climbed by 4.8% YoY. More tourist attractions in the Johor region boosted tourist arrivals to Malaysia, prompting hoteliers to raise prices.¹¹⁵
- External trade improved as exports increased from MYR 61.2bn in Q2 to MYR 63.9bn in Q3. The largest exports were electrical and electronic products, which increased by MYR 1.1bn. Imports meanwhile expanded from MYR 56.4bn to MYR 60.1bn. As of August 2014, Singapore and China are Malaysia's largest trading partners. And account for 27.6% of the country's trade volume.¹¹⁶
- Prime Minister Najib Razak recently unveiled Malaysia's Budget for 2015, with plans to cut the fiscal deficit from 3.5% of GDP this year to 3.0% of GDP. The government is expected to earn gross tax revenues of MYR 23.3bn from the GST implementation in April 2015. Personal income tax will be cut by one to three percentage points. The highest bracket earners, who used to pay a tax rate of 26%, will pay a tax rate of 24%. The corporate tax rate will be lowered by 1%, from 25% to 24%. Tax rates for small-and-medium enterprises will also be cut down from 20% to 19%. In addition, the government said that first time home owners will only pay half of the required stamp duties which will take effect until 2016.¹¹⁷

Monetary

- Bank Negara raised the overnight policy rate by 0.25% to 3.25% during Q3. In the latest monetary policy statement, the central bank said that it expects the domestic economy to continue growing at a moderate pace and expects inflation to increase in 2015. In the second half of 2015, the absence of external price pressures and more moderate demand conditions are expected to mitigate the impact of higher inflation. The Monetary Policy Committee will continue to assess the risks of destabilizing financial imbalances. Further adjustment to the degree of monetary accommodation may be taken depending on the performance of the economy.¹¹⁸
- Malaysia's broadest measure of money supply (M3) grew 0.70% between June and September to MYR 1.50tn, up from MYR 1.49tn in Q2. The pace of annual growth, however has been falling, from a peak of 15.9% YoY in February 2012 to 5.2% YoY in September.¹¹⁹

Funding & Liquidity

- The yield on the 10-year Malaysia sovereign note decreased from 4.04% in Q2 to 3.92% in Q3.
- Bank lending to non-financial Malaysian firms increased in Q3 as aggregate loan volumes climbed from MYR 75.80bn in June to MYR 87.02bn in September. Loans issued to wholesale retailers and restaurants increased 37.83% during Q3 while loans issued to transportation firms fell by 7.67%.¹²⁰
- Average commercial bank lending rates in Malaysia increased from 4.54% in June to 4.72% per annum in September, the highest level since August 2012.¹²¹

Politics

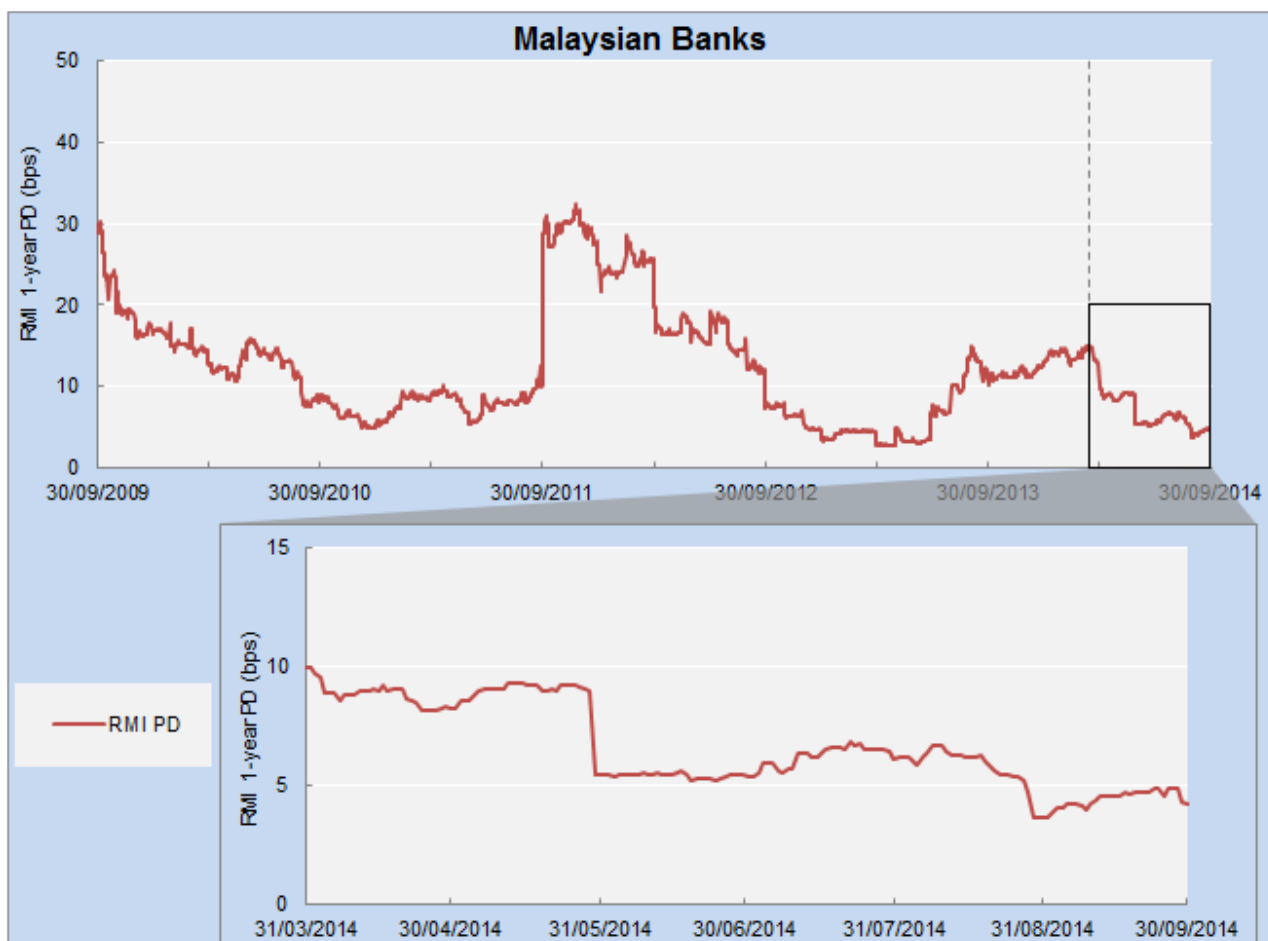
- Disunity in the opposition Pakatan Rakyat Party should strengthen the position of the ruling Barisan Nasional (BN) coalition. The leader of the Pakatan Rakyat Party, Anwar Ibrahim could face a five year sentence and a ban on standing for political office if he loses his appeal against a Supreme Court decision in March. The Supreme Court had overturned an earlier acquittal for sodomy charges against Mr Anwar. Relations with Singapore have grown closer as both states plan to build a high speed rail link connecting both countries.

Sovereign Credit Ratings

- The Malaysian government retained its sovereign credit ratings at from all three rating agencies. Long term foreign currency bonds are rated A3, A- and A- by Moody's, Fitch and S&P respectively with mixed outlooks. Moody's has a positive outlook on the issuer while Fitch and S&P have negative and stable outlooks.

Malaysian Banks

The RMI aggregate 1-year PD for Malaysian banks decreased during Q3, as earnings improved due to higher NIMs and lower loss provisions. Operating revenues were likely higher in Q3 as net interest incomes increased and credit costs remained stable. Banks continued to register healthy loan and deposit growth rates in Q3. Banks issued more loans to small-and-medium businesses in Q3 despite higher lending rates. Even though there were no fixed income issuances during the quarter, a number of banks managed to raise capital through equity rights. Bank liquidity remained strong as Tier-1 capital ratios improved marginally during the quarter. Funding profiles of banks have also strengthened as retail deposits continued to grow. The amount of impaired loans climbed to the highest in nine months, but the ratio of impaired loans to total loans remained stable. Overall, the abovementioned factors support a stable credit outlook for Malaysian banks.



Profitability

- Aggregate net incomes of listed Malaysian banks increased 1.64% QoQ during Q2. Public Bank, the nation’s second largest bank by market cap gave a strong preview of Q3 earnings in October. The bank reported its highest earnings in three years due to lower loan loss provisions and improvement in net interest margins, earnings were reportedly higher by 13.8% from a year ago.
- The amount of bank loan applications increased during Q3 from MYR 70.85bn to MYR 76.14bn. The amount of working capital loans increased by MYR 5.9bn during the quarter while the amount of residential loans dropped by MYR 1.03bn.¹²²

- A proxy for the average NIM of Malaysian commercial banks, based on average interest rate spreads, increased marginally from June through September, as margins climbed from 1.39% to 1.42%. The average lending rates among commercial banks have been revised higher as a result of keen competition among banks.¹²³

Funding & Liquidity

- There were no MYR denominated issuances in Q3, but a bond sale in November by the Amlslamic Bank showed that coupon rates may have increased from an average rate of 4.20% in Q2 to above 4.5%.
- Deposit growth continued to expand in Q3, as total deposits increased by 1.10% QoQ to MYR 1.56tn, although slower than the 1.23% growth rate in Q2.¹²⁴
- 12-month commercial paper rates increased 15bps to 3.30% in Q3 while saving deposit rates climbed from 1.01% in June to 1.08% in September.¹²⁵
- Overall liquidity in the Malaysian banking system improved in Q2, as the aggregate LATDB ratio of listed banks increased from 15.01% in Q2 to 16.06% in Q3.

Capital Levels & Regulations

- Capital adequacy ratios for banks improved during Q3. Common Equity Tier 1 Capital ratios grew from 12.7% to 12.8 in Q3. Tier 1 Capital ratios increased from 13.4% to 13.5% during the quarter. Total Capital ratio also increased from 15.3% to 15.5%.¹²⁶

Asset Quality

- The amount of impaired loans at Malaysian banks rose slightly from MYR 22.5bn in Q2 to MYR 23bn in Q3, reaching the highest level for the year. The ratio of impaired loans to total loans however remains at 1.3%.
- Banks have decreased their provisions for bad loans in Q3, causing the ratio of impairment provisions to total impaired loans to decline from 105% in Q2 to 102.2% in Q3.¹²⁷

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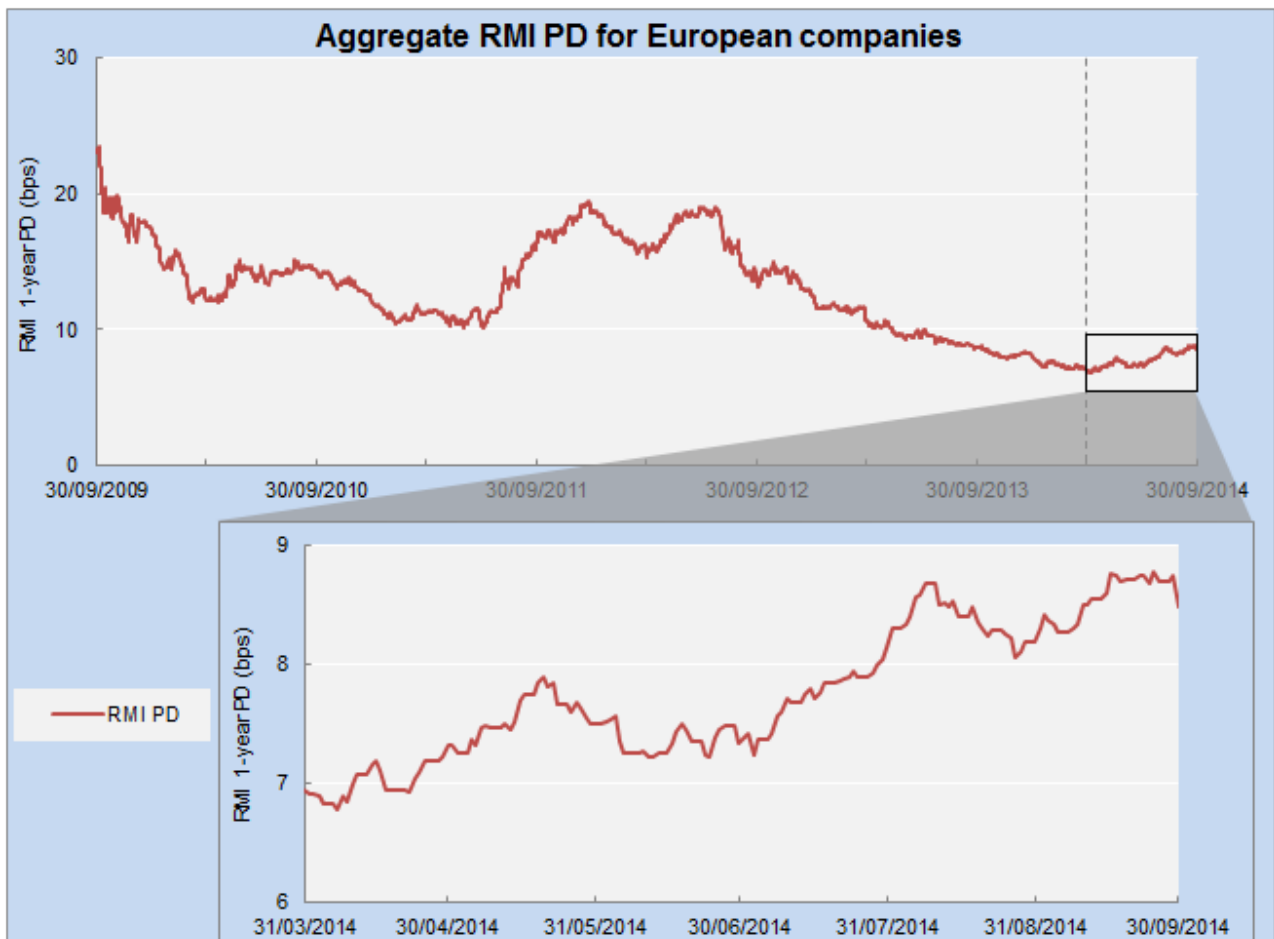
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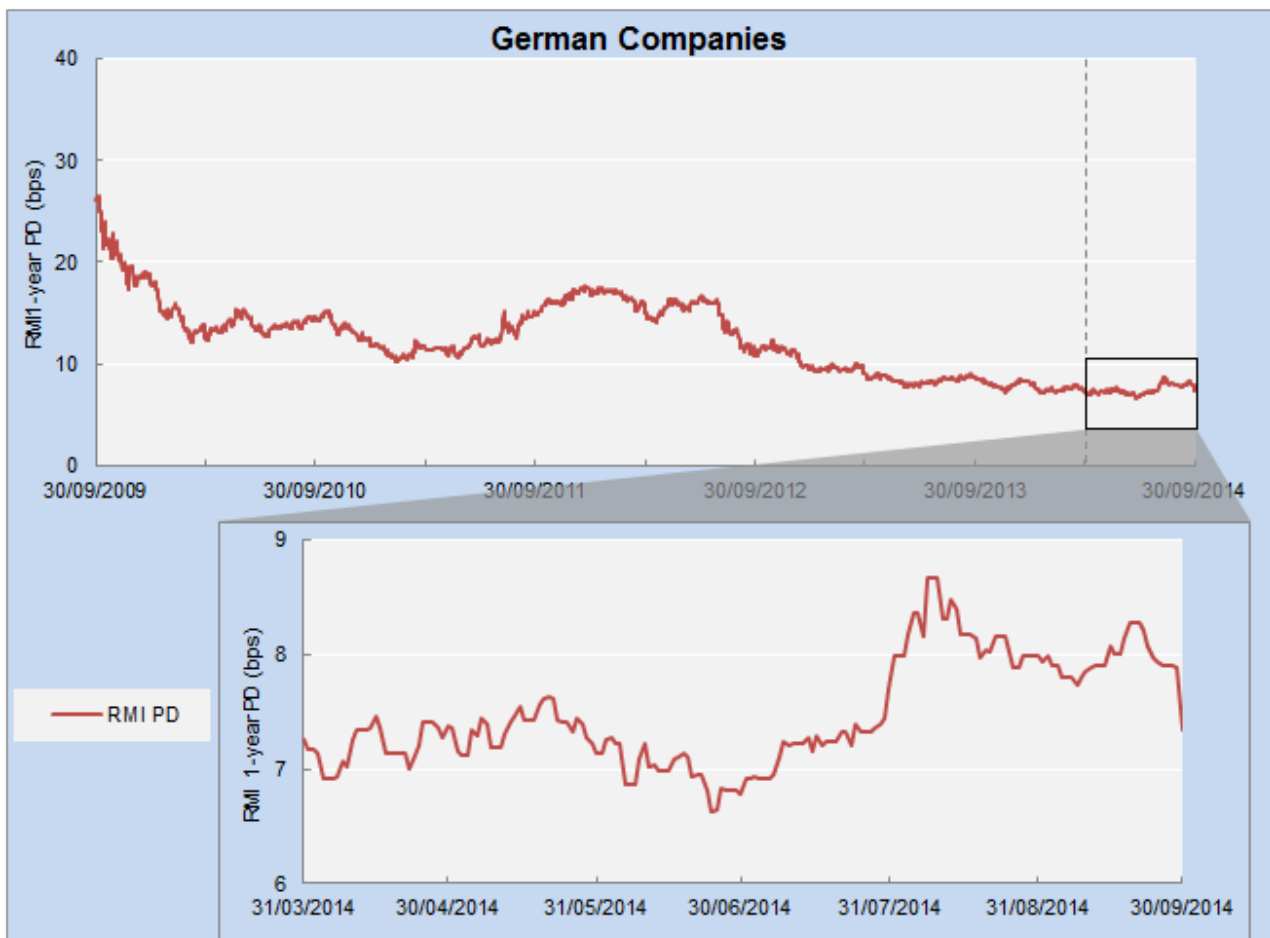
Europe

The RMI aggregate 1-year PD for European firms edged up during Q3 as the European Union’s sanctions against Russia in September affected certain businesses in the economic bloc. Disappointing economic growth rates in from major economies like Germany and France have added to the woes of the already troubled economies like Greece, Cyprus, Portugal and Spain that are looking to their big brothers for assistance. Furthermore, the referendum for Scotland to go independence has somewhat affected the credit profile of United Kingdom in the quarter. The benchmark FTSE 100 Index lost close to 2% and the British pound depreciated some 5% versus the greenback during the quarter. To combat low inflation and slow economic growth in Euro zone, the European Central bank surprised the financial markets all three of its main interest rates by 10 basis points. The benchmark rate was lowered to 0.05 percent and the deposit rate to minus 0.2 percent. The central bank also embarked on a purchase program for Asset-Backed Securities and covered bonds worth as much as EUR 500bn.



German Companies

The RMI aggregate 1-year PD for listed German companies stayed flat during Q3. Both IMF and OECD cut their 2014 economic forecasts for Germany (IMF from 1.9% to 1.5% this year; OECD's indicator for Germany fell from 99.7 from 100.1 in July). Despite both PMI and consumer confidence slightly improved from previous quarter Germany's economic sentiment indicator was down 0.3 points in September. Chancellor Merkel has expressed her willingness to expand the government's spending, which may boost growth in Germany and the European bloc as well. Overall, the credit outlook for German companies remains negative with uncertainties ranging from rising political risks in Ukraine and Greece, recession fears in Euro zone and the weaker German economy's momentum.



Economy

- Germany cut its 2014 GDP growth rate forecast YoY to 1.2% from 1.8%, and its 2015 prediction to 1.3% from 2% as recession concerns mount in Europe.¹²⁸
- The IMF cut its estimates for German economic growth in 2014 and 2015 to about 1.5% for each year because of the crises in Ukraine and the Middle East. The OECD's indicator, followed IMF, suggest Eurozone slowdown, particularly its powerhouse, Germany.^{129,130}
- The seasonal-adjusted unemployment rate in Germany held steady at 6.7% on September 30, 2014. However, its joblessness increased unexpectedly from 13 thousands to 2.91mn in September.¹³¹
- Germany's Manufacturing PMI Index stood at 51.8 for October from 49.9 in September when analysts had been expecting a drop to 49.5.
- The Service PMI eased to 54.8 from 55.7 but it remained in the expansionary territory.¹³²

- The European Commission Germany economic sentiment indicator (ESI), which combines the assessments for business and consumer surveys, decreased in both the euro area (by 0.7 points to 99.9) and the EU (by 1.0 point to 103.6) in September. Germany, the largest economy in the region was down by 0.3 points.¹³³
- The index for consumer confidence in Germany increased a point to 97 in Q3 2014.¹³⁴
- German retail sales increased strongly in August, official data showed retail sales climbed 2.5% when adjusted for calendar and seasonal variations.¹³⁵

Funding & Liquidity

- Yields on 10-year German government bond yields fell below 1% at 0.946% on September 30 amid growing deflation fears in the Euro zone.¹³⁶
- The cost of new loans to non-financial German companies decreased from 4.35% at the end of Q2 to 4.13% in August.¹³⁷
- Even with lower costs of loans, the outstanding loans to non-financial companies slightly increased by 0.06% from EUR 907.096bn in June to EUR 907.675bn in September.¹³⁸

Political

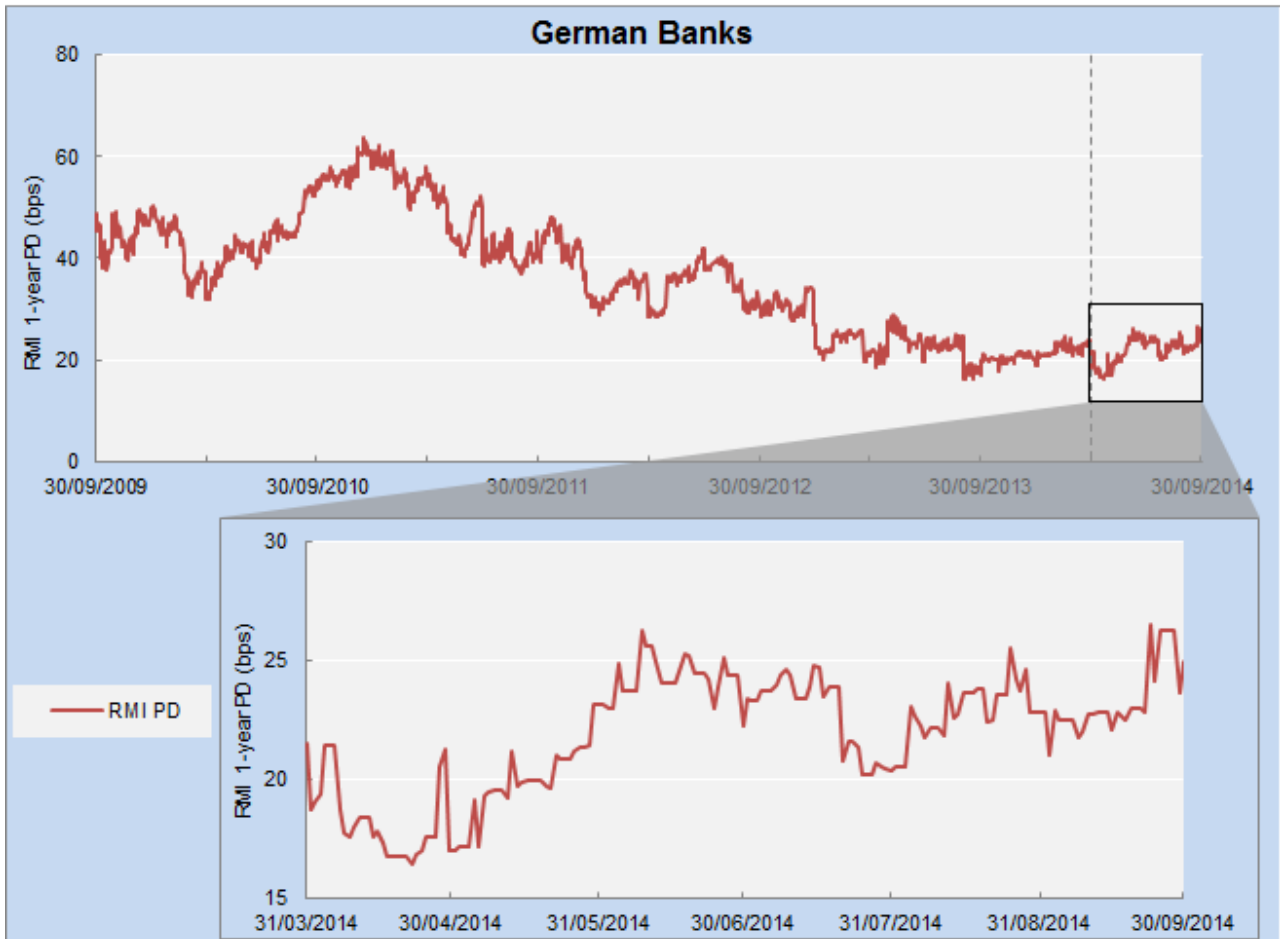
- By a lot of measures, German economy, the largest in Europe, was stalled in Q3. Chancellor Angela Merkel expressed a growing willingness to use government spending to stimulate growth at the beginning of October. This new track is quite different from Merkel's past standing on balancing the federal budget. The German national statistics office stated in October that exports slumped by 5.8% in August compared to July. That was the sharpest drop since 2009, aftermath of 2008 financial crisis, and can be a wake-up call to Germany's export-driven economy. The conflict in Ukraine had also made investors cautious in investing in this region.¹³⁹

Sovereign Credit Ratings

- Standard and Poor's credit rating for Germany stands at AAA; Moody's rating for Germany sovereign debt is Aaa; and Fitch's credit rating for Germany is AAA. All three credit rating agency hold "stable" outlook on the German government.¹⁴⁰

German Banks

The RMI aggregate 1-year PD for listed German banks increased slightly in Q3. Even the results of ECB’s comprehensive assessment on German banks illustrated overall strong capital structure of German banks, the profitability of German banks decreased in Q3. Lenders reported weak earnings momentum in the quarter. The biggest European investment bank, Deutsche bank, posted EUR 92bn loss on legal cost. The deposit rate of banks dropped to 0.61% on August 2014. In the long run, the total deposits had decreased since Q3 2010 till now. The sector’s credit outlook remains gloomy amid depressing earning and region’s faltering growth.



Profitability

- Aggregate earnings for German banks stepped into negative territory in Q3 i.e. decreased 3.64% QoQ and decreased 1.13% YoY after reporting poor earnings results. Even Deutsche bank, Europe’s largest investment bank by revenue, reported 94% profit slid in Q3 after it set aside EUR 1.2bn to cover potential legal costs and income from debt trading fell. Aggregate net interest margins of listed German banks dropped to 1.87% in Q2 from 1.89% in Q1.¹⁴¹

Funding & Liquidity

- Coupons on new 5-year German bank bond issuances averaged 0.188% in Q3, which is lower than the 0.220% in Q2.
- Total deposits increased by 2.51% from EUR 915bn in Q1 to EUR 938bn in Q2. But from a longer perspective, the total deposits of German banks started to drop from EUR 1,532bn in Q3 2010.
- Deposit rates kept dropping to 0.61% on August 2014 i.e. decreased 15% QoQ and 28% YoY.¹⁴²
- Overall liquidity in the German banking sector improved in Q2, with the aggregate LATDB ratio for listed German banks increasing to 21.27% from 20.76% in Q1.

Capital Levels & Regulations

- For ECB comprehensive assessment released on October 26, only one out of 24 German lenders failed the test of capital strength under the European Central Bank's adverse scenario and none of them fell short after 2014 capital hikes were taken into account. The only bank that failed the adverse scenario test was Munchener Hypothekenbank, which had raised EUR 408mn this year, meaning that no more action is required. The Bundesbank and BaFin, German regulators, pointed out that the banks in Germany had strengthened their balance sheets by EUR 14.4bn this year. But the results still leave some of German banks in weaker positions. HSH Nordbank passed with the narrowest margin. IKB scraped through with a capital ratio of 6.5% in the adverse scenario.¹⁴³

Asset Quality

- German Central Bank stated that despite receiving healthy results from ECB stress test, the banking sector still faces challenges particularly stemming from low interest rate. Compared with many other banks, the German banks depend more on interest income and less on fees. However, a lot of German banks that were saddle with vast amount of bad loans after the collapse of Lehman Brothers had improved their financial health.¹⁴⁴
- Banks' total holding of bonds issued by Eurozone government at German banks increased to EUR 365bn in Q3 from EUR 355bn in Q2.¹⁴⁵

¹²⁸Oct 14, 2014, [Germany Cuts Growth Outlook as Recession Peril Mounts](#), Bloomberg, bloomberg.com

¹²⁹Oct 5, 2014, [South Korea unveils USD 11bn stimulus spending, cuts GDP forecast](#), The Guardian, the-guardian.com

¹³⁰Oct 8, 2014, [OECD Indicators Suggest Eurozone Slowdown](#), Investor's Business Daily, investors.com

¹³¹Sep 30, 2014, [German unemployment unexpectedly rises in September](#), Reuters, channelnewsasia.com

¹³²Oct 23, 2014, [Euro zone business growth Euro Rebounds on German PMI But Sterling Extends Losses on Weak Data unexpectedly gains pace, prices still falling - PMI](#), International Business Times, ib-times.co.uk

¹³³Sep 29, 2014, [BUSINESS AND CONSUMER SURVEY RESULTS](#), European Commission, europa.eu

¹³⁴Oct 29, 2014, [Global Consumer Confidence Rises in Third Quarter](#), WSJ, wsj.com

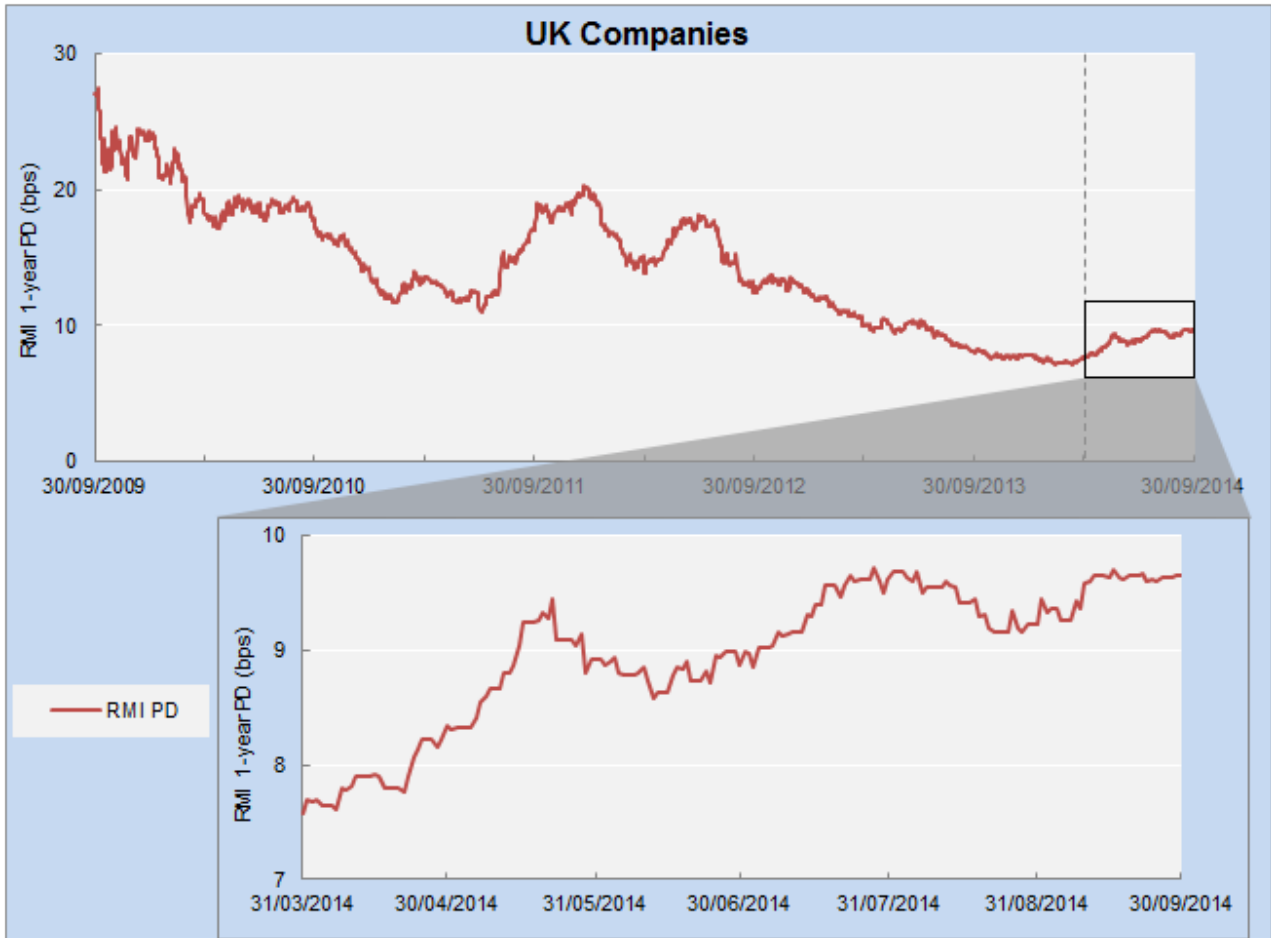
¹³⁵Sep 30, 2014, [German retail sales rise in August](#), Market Watch, marketwatch.com

¹³⁶Sep 30, 2014, [Strong dollar, rising volatility mark Q3 markets. Same again in Q4?](#), Reuters, reuters.com

- ¹³⁷ Aug, 2014, [MFI: Interest per annum on new loans to non-financial corporaions](#), European Central Bank, europa.eu
- ¹³⁸ Sep 30, 2014, [MFI: Total loans to non-financial corporations](#), European Central Bank, europa.eu
- ¹³⁹ Oct 9, 2014, [Merkel Hints at Economic Policy Shift in Germany](#), NYTimes, ecos.bok.or.kr
- ¹⁴⁰ Oct 29, 2014, [Germany/ Credit Rating](#), TradingEconomics, koreajoongangdaily.joins.com
- ¹⁴¹ Oct 29, 2014, [Deutsche Bank Profit Falls 94% on EUR 1.2bn Charge](#), Bloomberg, bloomberg.com
- ¹⁴² Aug, 2014, [MFI: Interest Rate Statistics](#) , European Central Bank, europa.eu
- ¹⁴³ Oct 26, 2014 [German banks surprise after stress tests](#), FT, ft.com
- ¹⁴⁴ Oct 26, 2014 [Despite Good News From ECB Tests, German Banks Still Face Challenges](#), WSJ, wsj.com
- ¹⁴⁵ Sep, 2014 [MFI: Outstanding amounts at the end of the period](#), European Central Bank, europa.eu

UK Companies

The RMI aggregate 1-year PD for UK companies remained flat through Q3. Economic recovery continued through the quarter, with the unemployment rate down to a record low level since 2008 and 0 with ever decreasing Jobless Claims. To increase the liquidity and thus to boost demands, the authority maintains the interest rate at record low. Despite the market expectations, the interest rate may not increase due to the coming general election. Moreover, financing conditions remain favorable for companies, which can access to government treasuries, with yields on government bonds in a decreasing trend. United Kingdom sovereign credit ratings remained unchanged.



Economy

- The UK economy is in a continuing recovery mode. The most recent GDP number (for Q3 2014) showed that the economy grew by 0.7% QoQ, slightly slower than the revised 0.9% in Q2. The industrial production has also increased steadily, rising from 1.4%YoY in June this year to 2.5%YoY up until August this year.

- Unemployment fell to 6.0% during August, a further decreased from 6.2% in July and to a record low since the 2008 Financial Crisis. Jobless Claims Monthly Change has been negative throughout 2014 and remained at -37.4, -33.2 and -18.6 in July, August and September respectively.
- Following a 2-year record high contraction in April, retail sales remained stable on YoY basis, at 3.1%, 4.4% and 3.1% in July, August and September respectively. GfK Consumer confidence grew positive during Q3, beyond the 5-year average level but declined a little to -1.0 in September.
- The UK manufacturing PMI stagnated over Q2 2014 and declined in Q3 2014 to 51.6 in September from 56.8 at the end of Q2 this year, but there was little disappointment in this as the number remains above 50 - showing an expansion in manufacturing activity. The services PMI decreased from 60.5 to 58.7 in September, the lowest level for three months.^{146,147}

Monetary

- The Bank of England's Monetary Policy Committee at its meeting on October 8 voted to maintain Bank Rate at 0.5%. The Committee also voted to maintain the stock of purchased assets financed by the issuance of central bank reserves at GBP 375bn. The expansion aims to increase the liquidity in the UK economy and boost the demand.¹⁴⁸
- The BoE has held UK interest rates at a record low of 0.5%. Markets are expecting an increase some time during the new year, although some commentators think it could be later this year as the Bank may not want to raise rates close to a general election, scheduled for May 2015.¹⁴⁹

Funding & Liquidity

- Yields on 10-year UK government bonds continued to decrease to 2.43% on September 30, slightly lower than the 2.67% at the end of Q2.
- Interest rates on new loans to non-financials rose 10bps to 3.56% per annum in August. Going forward, interest rates are unlikely to reflect sovereign yields, which have been distorted by central bank purchases and investors' flight to safety.¹⁵⁰

Politics

- On September 19, Scotland voted to remain part of the United Kingdom, rejecting independence by about 55% against 45% in a poll that attracted a British record 84.59% turnout and is set to spur major constitutional changes.¹⁵¹
- This conference season has confirmed that the UK's three major parties will go into the coming election in near agreement about the need for further immediate cuts in public borrowing. Each party has a different idea about what it means to balance the country's books, but all three agree that it must be done by the end of the next parliament.¹⁵²

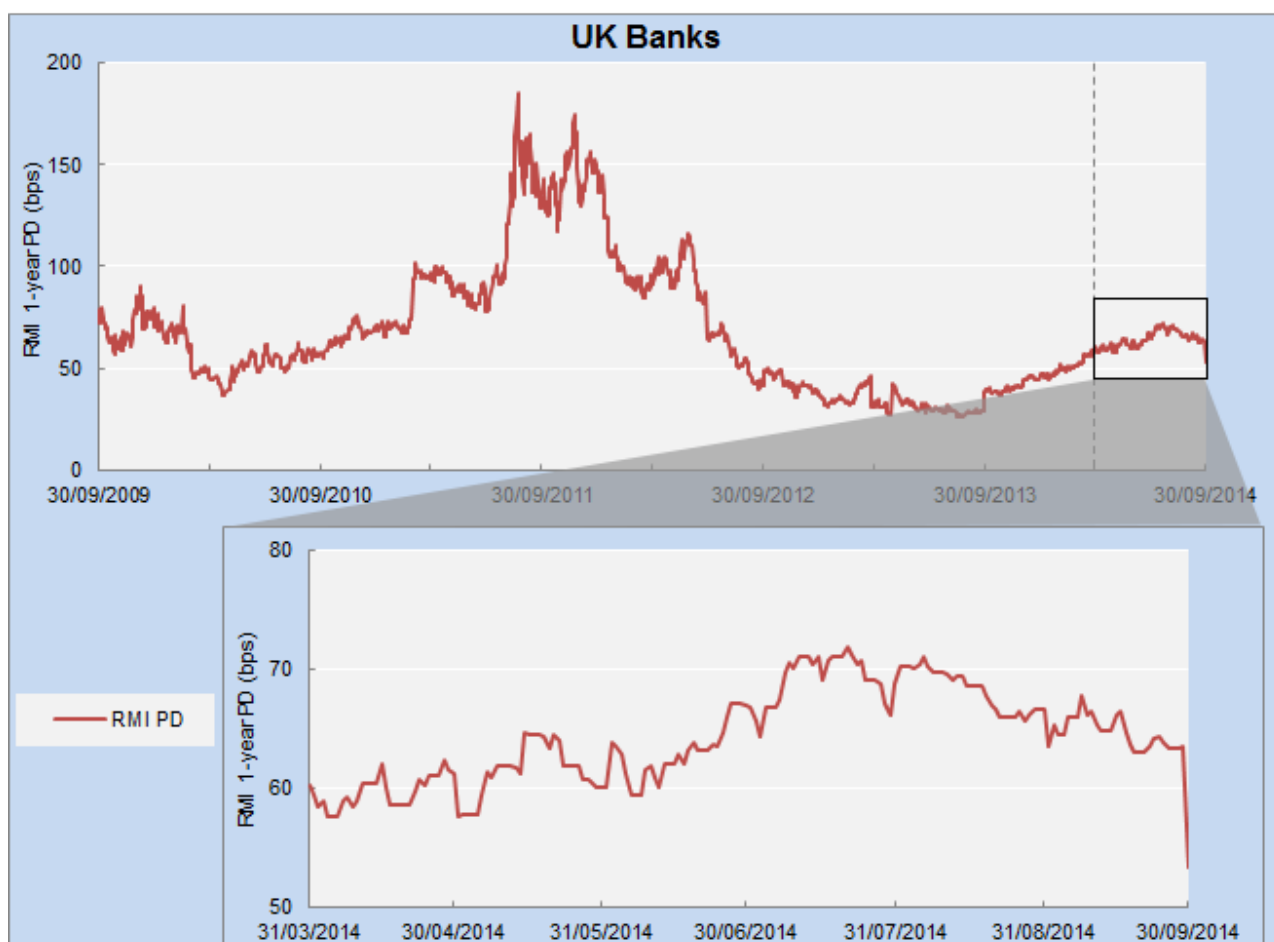
Sovereign Credit Ratings

- United Kingdom sovereign credit ratings were unchanged through this quarter as well. After downgrades from Fitch and Moody's in 2013, United Kingdom has maintained its foreign currency long-term rating. Fitch rates the debt one notch below top rating at AA+, likewise for Moody's which gives an Aa1 rating. S&P however, continues to hold the rating at AAA.

- In February this year, S&P warned that in the event of independency, Scotland would struggle to match the AAA credit rating of the United Kingdom, and the credit ratings of Scottish insurers would be at risk if the country leaves the UK. It is possible that these warnings have affected the final outcome of the referendum in September 2014.¹⁵³

UK Banks

There were little changes in PDs for UK banks as the RMI aggregate 1-year PD remained around the same level from Q2. As the economic recovery continues, earnings at UK banks turned out to be positive. However, risks such as misconduct costs and bad loans still exist. Total domestic deposits remained almost unchanged throughout the quarter while the average coupon rate increased to a dramatically high, representing a constant funding and liquidity condition and rising financial costs. Bad debt write-offs also declined to a history low due to the improving economy, and banks had more exposures to emerging markets and lower exposures to economies with sanctions. A new regulatory framework for individuals has been imposed by Prudential Regulation Authority. The proposals in this consultation are intended to create a new framework to encourage individuals to take greater responsibility for their actions, and will make it easier for both firms and regulators to hold individuals to account.¹⁵⁴



Profitability

- Earnings at UK lenders turned out to be positive during Q3, with Barclays, Lloyds and RBS all reporting profits on earnings beyond expectations; this trend is likely to continue due to a recovering domestic economy. However, risks from further misconduct costs are likely to occur as presented by Barclays's efforts in setting aside more money for legal expenses recently.
- Earnings at more diversified HSBC and Standard Chartered strengthened during Q3 and are likely to continue based on the growth patterns in Emerging Asia, Standard Chartered warned that profits would fall in the second half of 2014, due to the hit from a surge in bad loans and higher regulation and compliance costs to Q3 earnings.

Funding & Liquidity

- Average coupon rates on 5-year USD-denominated UK bank bonds reached 2.33% during Q3, rising from 0.95% during Q2 and 1.18% during Q1 2014.
- Total domestic deposits at UK banks remained almost constant during Q3, though there was a slight decline from GBP 2.132tr in June to GBP 2.092tr in September.¹⁵⁵

Asset Quality

- Provisions for bad loans at listed UK lenders increased during Q3, while BoE data shows bad debt write-offs declined to a history low. The quality of domestic loan portfolios is likely to improve while the economy continues to recover.¹⁵⁶
- British banks are highly exposed to China. China has the biggest new loans surge came from the UK-based banks, which include HSBC and Standard Chartered. Both are British-domiciled and have most of their assets in Asia. UK banks reduced exposures to GIIIPS nations during Q3, and significantly reduced exposures to Russia.
- The dollar held just below a four-year high against a basket of currencies on Friday, fuelled by the biggest yield advantage over the euro in nearly 15 years as the Federal Reserve contemplates hiking interest rates.

Regulation

- Prudential Regulation Authority (PRA) proposed changes to reconcile its own recovery and resolution framework, in effect since January, with the EU framework. The changes, included in a consultation paper released in July 2014, include new rules on recovery plans, resolution packs and financial support agreements within a group, notifications of failure or likely failure, and including bail-in agreements in contracts.¹⁵⁷
- The European Union Bank Recovery and Resolution Directive provides authorities with a common set of tools and powers for dealing with failing banks, and requires banks to facilitate this process by providing information for recovery and resolution planning purposes as well as meeting resolvability requirements.¹⁵⁸

¹⁴⁶October 1, 2014, [Markit/CIPS UK Manufacturing PMI](http://www.markiteconomics.com/Public/Page.mvc/home), Markit, <http://www.markiteconomics.com/Public/Page.mvc/home>

¹⁴⁷October 3, 2014, [Markit/CIPS UK Services PMI](http://www.markiteconomics.com/Public/Page.mvc/home), Markit, <http://www.markiteconomics.com/Public/Page.mvc/home>

¹⁴⁸October 9, 2014, [Bank of England maintains Bank Rate at 0.5% and the size of the Asset Purchase Programme at 375 billion](http://www.bankofengland.co.uk), BoE, <http://www.bankofengland.co.uk>

¹⁴⁹October 9, 2014, [UK interest rates remain at record low of 0.5%](http://www.bbc.com/), BBC, <http://www.bbc.com/>

¹⁵⁰October 1, 2014, [UK MFIs: Interest per annum on new loans to non-financial corporations](http://sdw.ecb.europa.eu/), ECB, <http://sdw.ecb.europa.eu/>

¹⁵¹September 19, 2014, [Scotland votes to remain in the UK, 'devo max' underway](http://www.euractiv.com/), EurActiv, <http://www.euractiv.com/>

¹⁵²October 7, 2014, [It's Time to Think Again About Rapid Deficit Reduction](http://www.huffingtonpost.co.uk/politics/), HuffPost, <http://www.huffingtonpost.co.uk/politics/>

¹⁵³August 22, 2014, [Scottish insurers face referendum threat, S&P warns](http://www.ft.com/home/asia), FT, <http://www.ft.com/home/asia>

¹⁵⁴July 30, 2014 [Strengthening accountability in banking: a new regulatory framework for individuals](http://www.bankofengland.co.uk/pr/Pages/default.aspx), PRA, <http://www.bankofengland.co.uk/pr/Pages/default.aspx>

¹⁵⁵Oct 29, 2014, [UK MFIs: Balance sheet](http://www.bankofengland.co.uk), BoE, <http://www.bankofengland.co.uk>

¹⁵⁶Oct 29, 2014, [Write-offs of loans by banks and building societies](http://www.bankofengland.co.uk), BoE, <http://www.bankofengland.co.uk>

¹⁵⁷August 6, 2014, [U.K. Proposing Regulatory Changes to Satisfy EU Banking Union](http://www.complianceweek.com/), Compliance Week, <http://www.complianceweek.com/>

¹⁵⁸ July 24, 2014, [Implementing the Bank Recovery and Resolution Directive - CP13/14](http://www.bankofengland.co.uk), BoE, <http://www.bankofengland.co.uk>

Appendices

The appendices provide readers with a comprehensive overview of various outputs that are produced by RMI's operational probability of default (PD) system. While the PD system provides default forecasts at horizons ranging from one month to five years, here only RMI 1-year PDs are reported. In addition to the PD produced by the RMI system, important macroeconomic, corporate credit and sovereign risk indicators are provided. These summarize the credit situation at a glance, as well as provide detailed data for reference purposes.

Appendix A and Appendix B give RMI 1-year aggregate PD where the aggregations are by region, economy and sector. In these sections, the RMI 1-year aggregate PD is based on the median PD of active listed firms. These are given as month-end data, and are based on RMI's default forecast model calibrated on October 15, 2014, using data up to September 30, 2014. For a detailed description of RMI's default forecast model, the [Technical Report](#) is available on our website.

Appendix A provides 1-year aggregate PD by economy and sector. For each economy, the graph on the left shows the time series of 1-year aggregate PD for all exchange listed firms within the economy (thick blue, left axis), and the time series of the number of firms with PD (thin orange, right axis). The table on the right provides the median and standard deviation of PDs for firms within ten industry sectors at the end of Q2 2014 and Q3 2014. Note that the statistics are for firms that have a PD at both dates so that consistent comparisons can be made. The median and standard deviation of the difference of individual PD is also given. The industry sectors are based on the Level I Bloomberg Industry Classification.

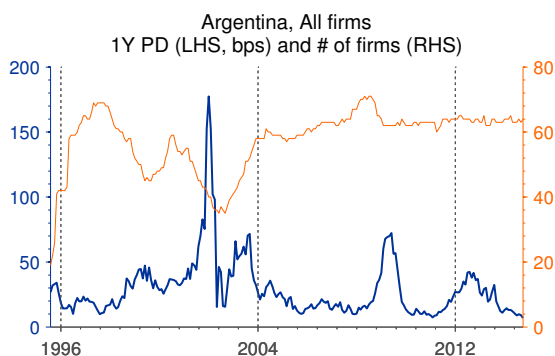
Appendix B gives 1-year aggregate PD by the seven regions of Asia-Pacific developed, Asia-Pacific emerging, North America, Latin America, Eastern Europe, Western Europe and Africa & the Middle East. The top two graphs of each regions show the time series of the distribution of Probability of Default implied Ratings (PDiR). The PDiR methodology is described in the last section of Appendix D. The different colored areas in the graph indicate different PDiR classes. From the bottom, the blue area indicates the percentage of CCC/C firms, the bottom-most white area indicates B firms, the orange area indicates BB firms, the middle white area indicates BBB firms, the green area indicates A firms, the top-most white area indicates AA firms, and the maroon area indicates AAA firms.

The bottom 12 graphs in each region show the time series of RMI 1-year aggregate PD for all exchange listed firms in the region, all non-financial firms in the region, and firms in each of the ten industry sectors in the region. Each graph shows the PD in thick blue on the left axis and the count of firms with PD in thin orange on the right axis.

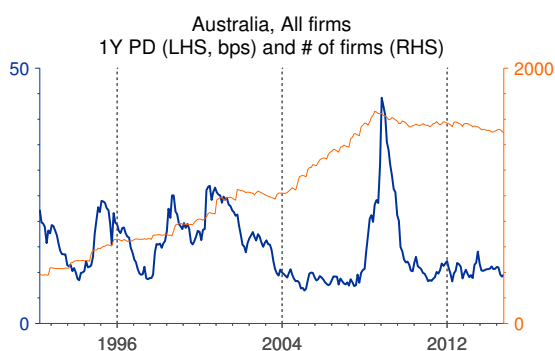
Appendix C provides common macroeconomic, corporate credit and sovereign risk indicators for each economy along with the RMI 1-year aggregate PD for financial and non-financial firms. The graphs on the left give historical context to the values, and the table on the right give the data from the previous five quarters. For variables that are more frequent than quarterly, the last value in the quarter is used. But if a variable is available at a monthly frequency and the end of September data was not available at the time this report was compiled, the previous month's data is given with an asterisk.

Appendix D gives a more detailed description of the data in Appendix C, along with a description of the PDiR.

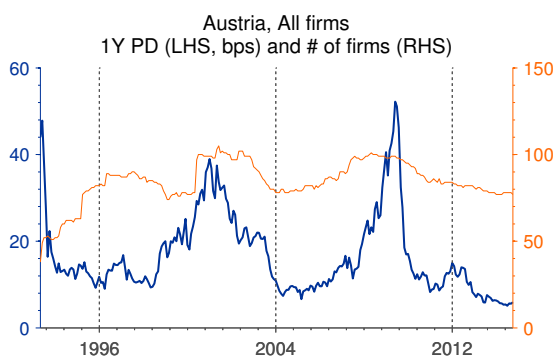
A PD by economies



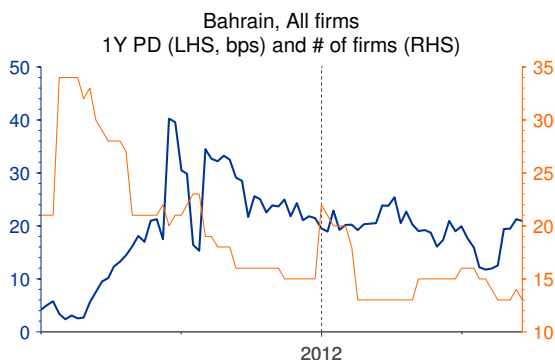
Argentina	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	10	7.5	5.8	7.0	18.6	-0.7	18.1
Basic Materials	6	15.1	32.2	13.5	17.4	-2.0	16.1
Communications	5	7.1	4.9	6.5	2.8	-0.5	2.2
Consumer Cyclical	7	11.3	68.8	7.0	47.4	-5.1	25.4
Consumer Non-cyclical	15	8.7	20.5	4.6	9.7	-2.7	12.7
Diversified	1	21.7	-	10.5	-	-11.2	-
Energy	3	6.9	1.9	4.2	4.5	-2.6	2.6
Industrial	6	13.2	24.9	10.6	18.6	-4.8	8.0
Technology	1	3.8	-	2.3	-	-1.5	-
Utilities	8	18.8	14.7	11.5	15.2	-1.1	7.8



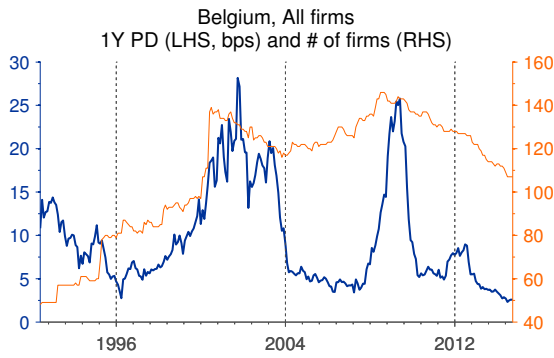
Australia	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	142	3.0	106.1	2.5	53.8	-0.1	60.7
Basic Materials	651	17.3	86.9	13.9	84.7	-1.1	64.0
Communications	68	5.7	33.6	4.9	34.0	-0.2	18.2
Consumer Cyclical	69	4.2	20.8	3.9	15.2	-0.2	9.4
Consumer Non-cyclical	181	4.6	29.0	3.5	88.3	-0.2	75.2
Diversified	8	2.0	7.4	1.9	6.6	-0.0	1.2
Energy	200	19.9	140.3	13.6	76.9	-0.9	99.2
Industrial	114	11.8	74.3	10.5	39.0	-1.0	44.3
Technology	35	3.8	28.7	4.4	27.0	-0.0	10.8
Utilities	14	2.5	71.0	3.3	15.4	-0.2	56.7



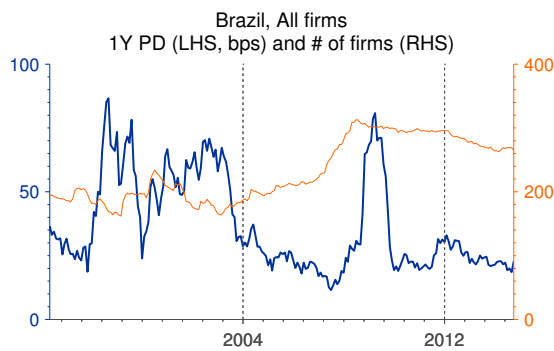
Austria	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	21	10.1	34.5	10.5	36.7	0.3	7.0
Basic Materials	5	4.2	13.1	3.9	21.4	-0.2	8.3
Communications	2	5.9	0.2	7.0	1.6	1.2	1.7
Consumer Cyclical	13	3.9	56.2	4.2	56.9	0.6	3.5
Consumer Non-cyclical	8	9.7	9.3	8.8	9.3	-0.7	4.5
Energy	4	4.2	2.3	7.7	7.5	3.5	5.3
Industrial	17	4.5	19.2	6.4	22.7	1.5	5.5
Technology	5	4.4	3.9	7.0	7.5	1.0	3.8
Utilities	2	2.7	0.9	2.5	0.4	-0.3	1.3



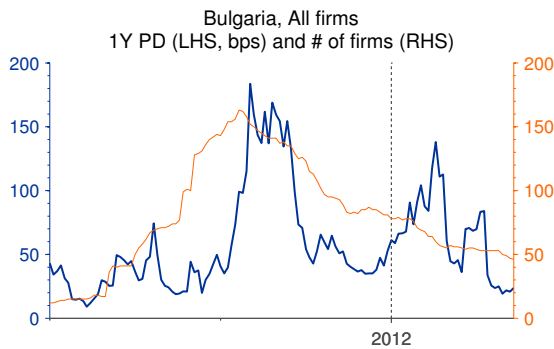
Bahrain	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	12	19.5	18.6	23.9	14.0	1.8	10.5



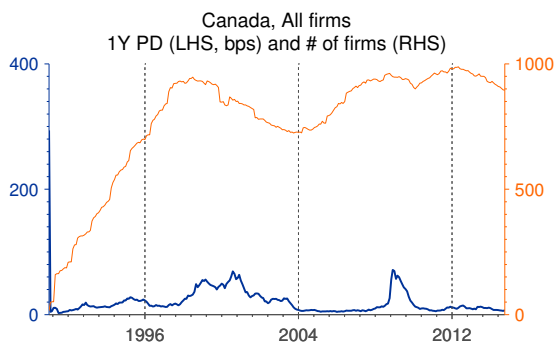
Belgium	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	30	1.5	90.5	1.4	66.1	0.0	27.6
Basic Materials	7	4.4	10.3	2.8	5.2	0.2	8.0
Communications	6	9.0	4.9	6.5	11.4	-0.9	8.3
Consumer Cyclical	7	3.0	8.9	2.5	11.2	0.4	2.5
Consumer Non-cyclical	22	2.1	8.5	3.5	12.2	-0.1	5.5
Diversified	5	0.5	1.0	0.5	0.9	0.0	0.4
Energy	1	191.2	-	106.1	-	-85.0	-
Industrial	22	3.9	7.8	4.0	11.4	0.6	8.2
Technology	5	2.1	9.3	3.4	9.4	0.1	1.2
Utilities	2	0.9	1.0	0.8	0.9	-0.0	0.1



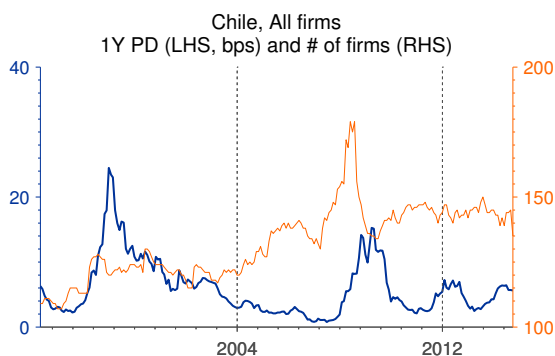
Brazil	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	61	33.1	114.2	35.7	126.7	0.9	28.1
Basic Materials	22	29.1	204.5	39.4	445.8	0.1	249.4
Communications	10	20.5	39.3	37.0	62.6	5.8	27.4
Consumer Cyclical	47	13.7	152.5	11.6	136.4	-0.0	73.2
Consumer Non-cyclical	44	6.4	99.4	7.3	97.3	0.1	17.8
Diversified	6	24.5	54.1	40.0	80.6	15.5	26.7
Energy	6	26.1	58.0	28.8	146.3	0.3	134.1
Industrial	29	36.5	150.6	49.8	166.1	2.7	42.4
Technology	6	0.7	52.2	0.9	47.1	0.0	7.7
Utilities	30	15.4	78.7	18.2	124.9	1.6	53.6



Bulgaria	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	11	15.3	10.8	10.6	13.9	1.2	6.0
Basic Materials	3	15.4	6.8	20.0	2.5	7.9	8.6
Consumer Cyclical	1	16.7	-	17.2	-	0.5	-
Consumer Non-cyclical	10	18.9	23.6	18.0	39.1	2.0	25.3
Diversified	8	22.9	14.3	27.1	23.9	2.0	20.0
Energy	2	52.9	63.3	70.8	86.3	17.9	23.0
Industrial	11	7.1	13.8	9.6	13.9	0.4	5.3



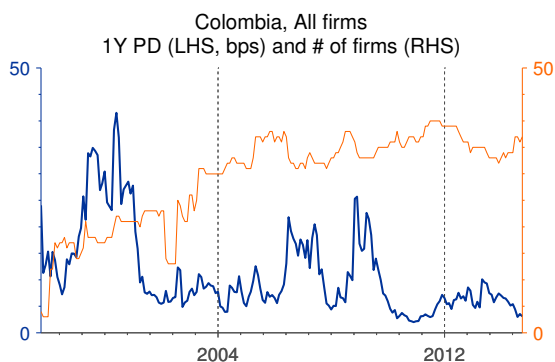
Canada	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	127	2.8	40.3	2.1	60.6	-0.0	30.6
Basic Materials	296	16.4	169.8	18.0	378.8	0.6	255.6
Communications	42	6.6	276.7	6.2	458.4	-0.0	257.9
Consumer Cyclical	62	1.8	216.9	1.6	369.2	0.0	235.2
Consumer Non-cyclical	93	9.2	181.5	5.8	166.2	-0.0	186.5
Diversified	6	11.7	36.1	11.7	49.7	4.9	14.4
Energy	150	2.3	145.5	3.8	357.6	0.2	303.7
Industrial	73	3.0	147.4	3.6	160.1	-0.0	98.0
Technology	27	9.2	115.9	14.5	180.6	2.0	86.8
Utilities	12	1.0	12.5	0.5	21.7	-0.2	9.4



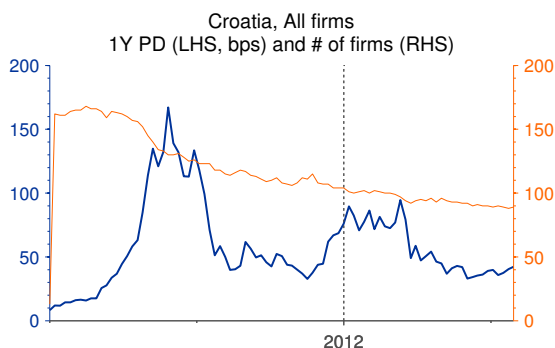
Chile	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	33	7.5	20.3	10.4	19.4	0.0	7.1
Basic Materials	15	8.5	23.9	6.6	19.9	-1.1	5.0
Communications	3	11.5	1.1	11.9	3.6	-0.7	3.4
Consumer Cyclical	16	6.8	61.0	6.2	49.8	-0.4	12.8
Consumer Non-cyclical	27	6.2	38.0	5.6	33.4	-0.7	7.3
Diversified	6	6.5	118.5	6.5	96.7	-1.6	21.8
Industrial	18	17.8	33.3	14.0	38.0	-1.1	20.0
Technology	1	0.5	-	0.2	-	-0.2	-
Utilities	15	2.1	4.1	1.3	3.1	-0.6	1.8



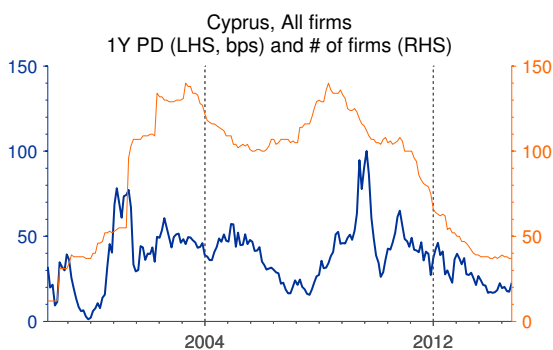
China	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	225	77.2	100.8	67.3	79.1	-3.9	45.2
Basic Materials	337	125.7	109.4	106.1	114.1	-12.6	88.7
Communications	151	32.2	88.5	34.6	82.1	0.0	40.2
Consumer Cyclical	493	72.4	88.7	65.0	82.7	-3.3	36.1
Consumer Non-cyclical	436	55.7	94.4	51.5	109.3	-1.6	66.6
Diversified	30	163.5	83.5	133.7	59.7	-21.5	43.4
Energy	85	62.4	86.9	56.2	83.1	-3.5	40.7
Industrial	784	79.2	91.4	73.0	72.6	-5.9	41.9
Technology	155	40.7	63.1	38.0	70.9	0.0	42.9
Utilities	72	121.4	97.2	105.1	68.6	-19.3	42.0



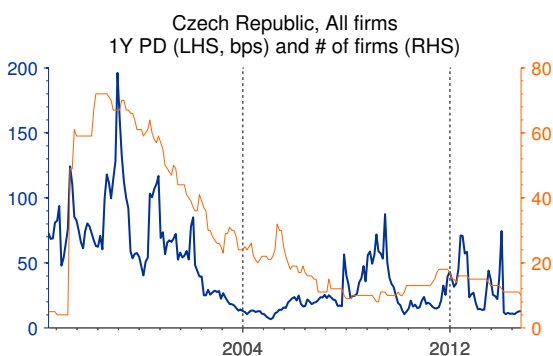
Colombia	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	11	9.6	23.1	8.1	27.3	-0.2	8.3
Basic Materials	3	4.4	6.7	3.0	5.5	-2.3	1.4
Communications	1	3.6	-	2.2	-	-1.3	-
Consumer Cyclical	3	6.0	45.9	3.7	67.6	-0.0	21.8
Consumer Non-cyclical	1	0.4	-	0.2	-	-0.2	-
Diversified	2	11.9	13.3	1.4	0.0	-10.5	13.3
Energy	3	6.4	7.6	4.0	9.2	1.7	3.1
Industrial	8	1.9	30.0	2.8	16.5	0.7	14.2
Utilities	4	4.4	8.7	2.3	2.0	-1.6	9.8



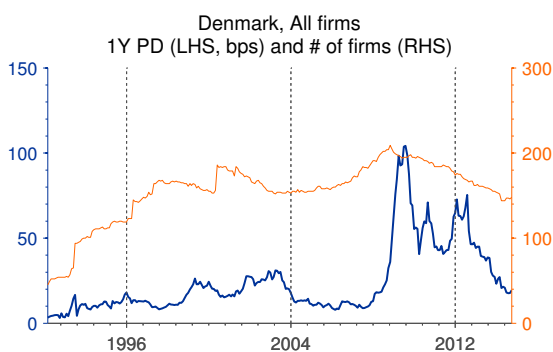
Croatia	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	11	9.0	24.2	12.6	24.7	-0.3	4.1
Basic Materials	3	65.4	112.1	64.1	155.9	1.4	44.4
Communications	4	13.0	94.7	19.6	103.7	6.8	11.3
Consumer Cyclical	25	10.0	27.2	12.6	17.2	0.4	15.7
Consumer Non-cyclical	24	21.1	39.0	33.1	62.2	3.2	29.6
Diversified	1	23.2	-	26.5	-	3.3	-
Energy	2	1.2	1.5	1.5	1.9	0.3	0.4
Industrial	14	44.0	58.8	56.9	82.3	1.6	32.5



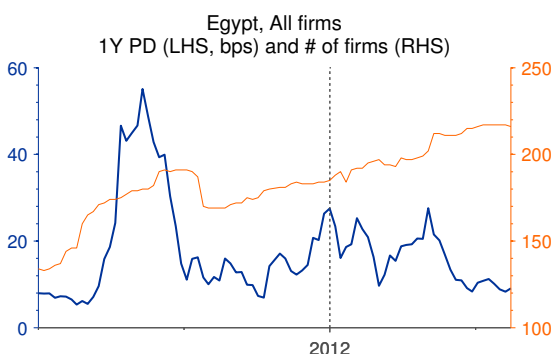
Cyprus	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	12	21.9	31.9	25.1	34.0	0.5	10.3
Basic Materials	2	27.0	5.4	21.2	3.7	-5.7	1.7
Communications	1	12.4	-	17.6	-	5.2	-
Consumer Cyclical	5	35.1	33.9	21.6	68.7	-0.5	40.0
Consumer Non-cyclical	5	25.7	9.9	26.5	29.8	0.8	22.7
Energy	5	13.6	52.3	14.0	88.7	3.7	39.1
Industrial	5	13.6	9.6	14.2	15.1	5.5	8.3
Technology	1	8.5	-	11.1	-	2.6	-



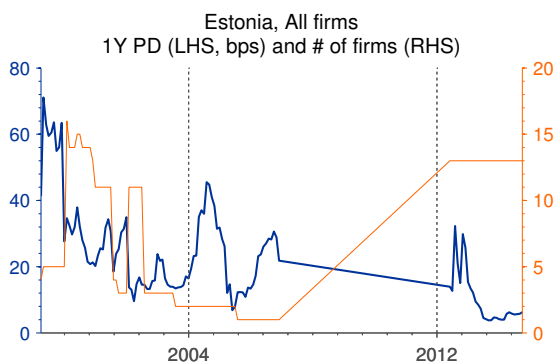
Czech Republic	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	1	6.9	-	6.8	-	-0.1	-
Communications	1	1.8	-	1.6	-	-0.2	-
Consumer Cyclical	2	1.9	0.9	1.7	0.9	-0.2	0.0
Consumer Non-cyclical	1	26.4	-	27.5	-	1.1	-
Diversified	1	0.9	-	3.4	-	2.4	-
Energy	3	5.7	31.3	11.5	34.1	5.8	4.3
Utilities	1	3.9	-	4.4	-	0.6	-



Denmark	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	45	31.6	68.9	31.8	95.9	2.5	47.2
Basic Materials	2	6.0	8.3	5.9	8.0	-0.1	0.3
Communications	10	13.7	25.2	14.6	25.8	0.5	3.5
Consumer Cyclical	18	22.8	76.9	29.4	42.2	2.6	51.1
Consumer Non-cyclical	23	4.4	58.8	5.7	46.6	0.2	41.5
Diversified	2	7.0	6.3	2.5	2.2	-4.5	8.5
Energy	1	9.3	-	21.0	-	11.7	-
Industrial	32	18.1	87.5	18.7	125.6	2.7	43.3
Technology	10	11.2	40.5	16.5	43.8	3.3	16.1
Utilities	1	45.6	-	43.1	-	-2.5	-



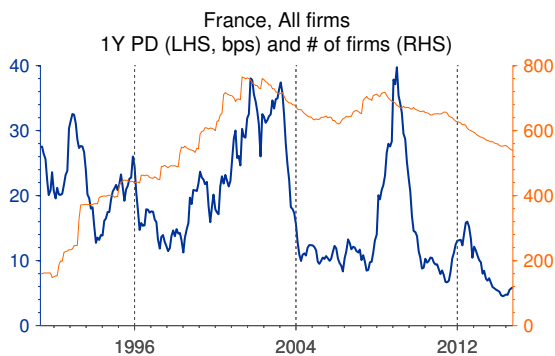
Egypt	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	71	13.9	27.3	10.1	27.1	-0.9	10.9
Basic Materials	23	12.4	23.8	10.3	26.1	-0.4	5.2
Communications	6	10.9	23.0	11.9	28.4	0.2	13.3
Consumer Cyclical	25	14.0	17.1	12.8	16.8	-1.0	7.7
Consumer Non-cyclical	47	8.2	17.5	7.9	19.9	-0.0	6.8
Diversified	1	4.1	-	4.6	-	0.6	-
Energy	2	7.5	0.3	7.1	0.5	-0.4	0.1
Industrial	40	4.6	16.5	4.1	19.8	-0.2	5.6
Utilities	1	5.0	-	5.4	-	0.4	-



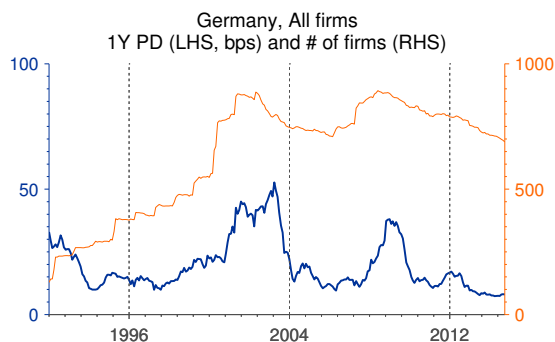
Estonia	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Communications	1	9.7	-	11.4	-	1.7	-
Consumer Cyclical	5	2.6	11.0	4.8	12.2	-0.0	4.9
Consumer Non-cyclical	1	3.1	-	4.7	-	1.6	-
Industrial	5	1.4	2.2	1.4	3.0	0.1	1.3
Utilities	1	0.3	-	0.2	-	-0.1	-



Finland	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	15	3.5	19.5	4.1	10.4	0.0	10.0
Basic Materials	9	3.9	3.7	5.3	7.7	1.5	4.7
Communications	16	6.8	34.3	6.4	30.6	0.3	12.1
Consumer Cyclical	9	4.7	6.7	8.2	7.6	1.3	3.5
Consumer Non-cyclical	17	5.8	5.9	7.8	6.0	0.1	3.5
Diversified	1	0.8	-	0.7	-	-0.1	-
Energy	1	7.3	-	4.6	-	-2.7	-
Industrial	37	6.4	24.6	6.4	37.3	0.3	18.1
Technology	14	5.4	25.2	6.3	33.3	0.3	9.0
Utilities	1	0.5	-	0.5	-	0.0	-



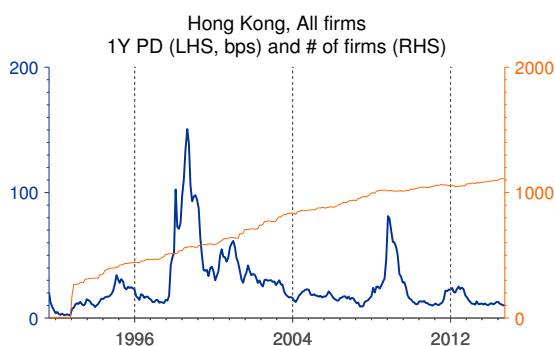
France	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	89	5.6	22.0	5.5	25.3	0.1	10.0
Basic Materials	18	8.8	45.2	8.7	76.1	0.8	31.6
Communications	54	5.9	13.6	6.9	24.8	1.0	15.2
Consumer Cyclical	79	5.9	18.8	7.5	22.1	1.6	15.0
Consumer Non-cyclical	106	3.1	12.0	4.1	21.9	0.6	15.4
Diversified	7	3.8	53.2	4.3	149.6	1.7	97.0
Energy	12	8.3	244.3	10.9	121.4	2.2	123.7
Industrial	93	4.5	17.2	6.1	18.7	1.1	11.3
Technology	68	4.5	14.9	6.3	19.3	1.0	13.1
Utilities	10	4.3	7.1	4.0	12.2	0.2	5.4



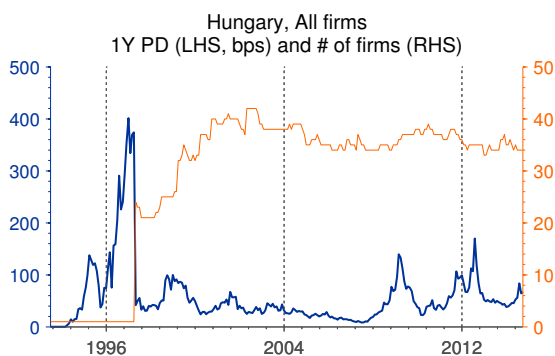
Germany	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	163	11.8	287.4	10.9	311.4	-0.0	32.0
Basic Materials	25	4.4	11.0	4.4	41.7	0.1	31.6
Communications	67	8.1	115.1	10.3	191.4	0.1	145.2
Consumer Cyclical	86	7.4	46.2	8.7	89.1	0.7	60.0
Consumer Non-cyclical	103	7.1	71.8	6.9	45.4	0.3	53.5
Diversified	5	6.9	29.1	12.2	28.2	0.0	2.7
Energy	18	10.5	234.9	11.6	418.4	1.4	185.0
Industrial	136	6.5	35.7	8.0	46.0	0.9	17.4
Technology	75	4.7	43.0	6.9	22.7	0.3	35.4
Utilities	10	4.3	30.6	4.3	22.4	-0.7	8.3



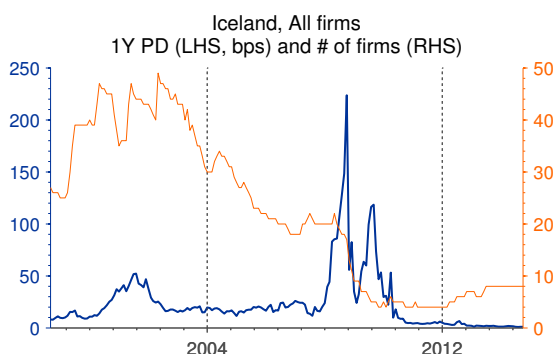
Greece	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	18	17.0	28.8	19.1	69.2	4.1	41.6
Basic Materials	13	13.0	40.9	24.9	61.4	2.0	27.0
Communications	11	37.9	62.5	45.5	338.4	11.9	277.7
Consumer Cyclical	34	15.7	93.1	18.3	64.0	1.5	42.7
Consumer Non-cyclical	38	28.2	47.5	38.1	62.2	2.4	27.9
Diversified	1	30.4	-	26.0	-	-4.4	-
Energy	5	19.4	13.2	18.2	12.6	3.4	5.4
Industrial	64	30.6	94.5	35.4	80.6	3.9	89.4
Technology	9	8.0	51.8	7.7	66.2	-0.2	44.3
Utilities	3	2.2	4.9	4.6	9.2	2.4	4.4



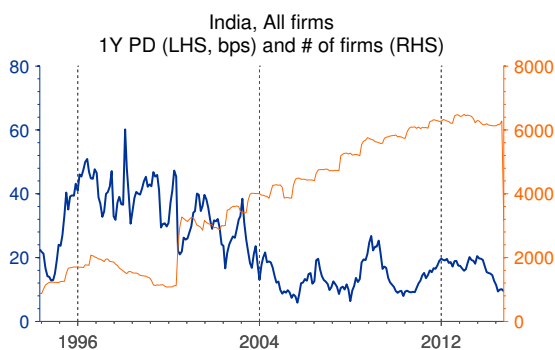
Hong Kong	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	242	9.2	45.7	7.9	46.5	-0.1	20.1
Basic Materials	55	16.0	94.7	18.6	83.7	-0.8	37.2
Communications	75	13.9	36.4	10.4	42.4	-0.1	33.5
Consumer Cyclical	258	10.3	41.8	9.7	25.9	-0.2	27.1
Consumer Non-cyclical	125	10.1	62.0	9.1	48.5	-0.3	32.6
Diversified	42	6.5	24.2	8.1	20.1	-0.3	11.1
Energy	36	15.7	44.1	16.3	36.2	-0.6	17.0
Industrial	191	18.4	57.6	15.7	39.5	-0.1	46.0
Technology	55	11.6	116.8	7.6	39.5	-2.4	93.9
Utilities	21	5.4	14.5	5.6	10.8	0.0	7.4



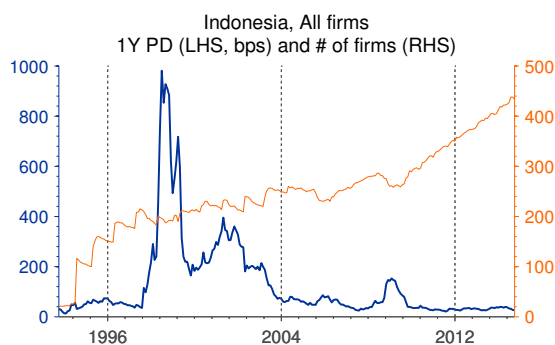
Hungary	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	7	20.1	9.4	22.1	20.3	0.7	16.2
Basic Materials	2	28.2	31.3	25.4	27.2	-2.8	4.0
Communications	3	26.3	417.6	128.2	296.6	-1.5	137.3
Consumer Cyclical	5	52.6	28.8	58.9	85.0	3.2	70.2
Consumer Non-cyclical	7	33.5	49.1	60.9	44.6	3.6	38.3
Diversified	2	61.5	62.1	82.8	88.5	21.2	26.3
Energy	3	35.0	37.0	39.7	67.4	4.7	30.9
Industrial	1	44.9	-	41.2	-	-3.8	-
Technology	2	59.7	48.2	68.8	48.1	9.2	0.2
Utilities	2	25.2	3.5	28.1	4.8	3.0	1.3



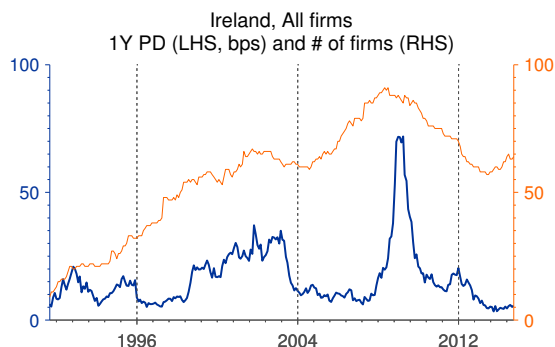
Iceland	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Communications	1	3.6	-	3.9	-	0.3	-
Consumer Cyclical	2	1.9	2.4	2.4	3.0	0.5	0.5
Consumer Non-cyclical	2	0.8	0.5	0.6	0.8	-0.1	0.3
Industrial	2	2.7	2.7	2.9	3.3	0.2	0.5
Technology	1	1.1	-	1.0	-	-0.1	-



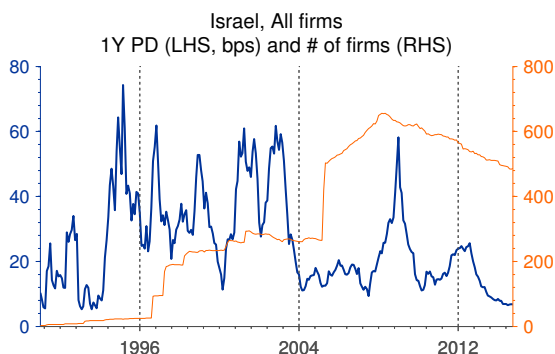
India	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	460	6.0	65.0	7.3	92.2	0.4	67.8
Basic Materials	423	11.4	24.2	11.0	46.0	0.1	31.3
Communications	123	7.9	49.9	9.7	85.7	1.0	39.4
Consumer Cyclical	622	10.7	77.3	10.4	73.5	0.3	79.8
Consumer Non-cyclical	505	7.1	21.5	6.6	47.1	0.1	33.5
Diversified	30	10.4	14.8	20.5	20.9	2.8	11.8
Energy	56	14.2	24.9	17.8	38.3	3.0	23.4
Industrial	669	9.3	30.0	9.8	52.7	0.7	35.6
Technology	190	6.7	48.6	7.9	92.6	0.1	49.4
Utilities	37	28.9	25.2	34.1	103.4	8.2	90.0



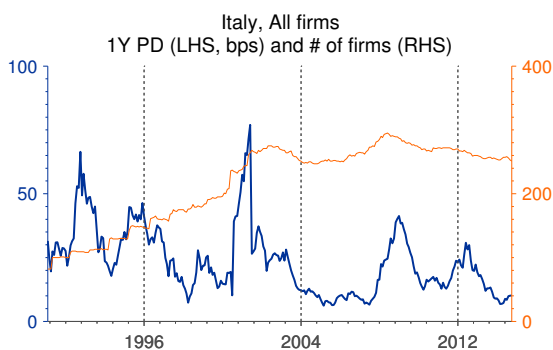
Indonesia	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	111	27.1	39.7	17.3	31.3	-6.6	21.6
Basic Materials	43	22.9	59.7	20.6	53.0	-2.7	42.5
Communications	24	18.2	45.7	11.3	36.6	-5.7	22.4
Consumer Cyclical	68	15.3	32.8	12.3	28.6	-1.7	13.2
Consumer Non-cyclical	73	9.6	41.5	8.2	34.4	-1.0	23.7
Diversified	2	29.2	4.5	21.9	24.7	-7.3	20.2
Energy	35	24.2	42.7	18.0	33.9	-5.9	32.3
Industrial	57	14.2	19.6	10.5	16.2	-3.0	9.7
Technology	5	8.8	15.3	2.1	10.3	-5.5	6.4
Utilities	3	12.2	45.5	7.8	39.4	-6.3	6.6



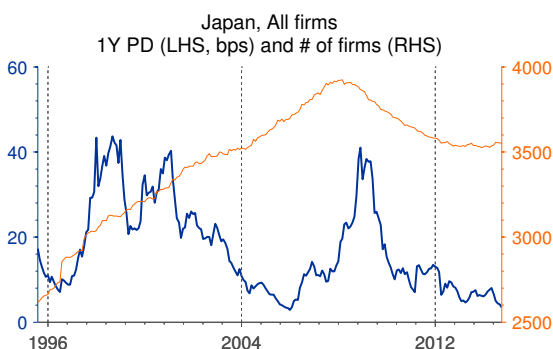
Ireland	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	11	6.6	17.2	3.6	12.8	-1.2	6.6
Basic Materials	10	27.0	16.4	32.5	22.8	-2.2	15.9
Communications	3	7.0	24.3	8.7	23.6	-0.2	1.3
Consumer Cyclical	3	0.3	3.1	0.3	3.5	0.1	0.4
Consumer Non-cyclical	18	2.7	7.9	2.7	12.1	0.0	4.5
Energy	9	37.8	26.5	23.7	28.1	-6.0	17.2
Industrial	6	1.9	6.8	3.1	10.1	0.6	3.4
Technology	3	0.9	0.9	1.1	0.6	-0.0	0.4



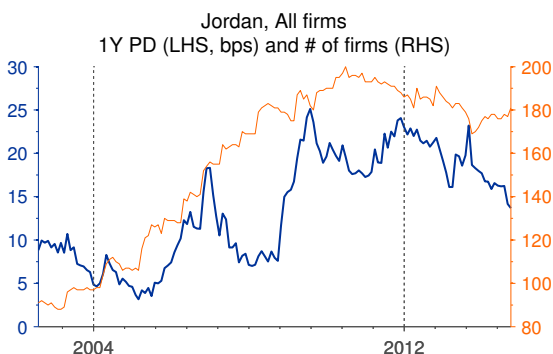
Israel	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	133	7.7	173.7	7.5	213.2	-0.1	244.1
Basic Materials	14	5.5	43.3	4.3	27.4	-0.9	16.9
Communications	35	8.6	59.0	9.3	165.1	0.1	138.7
Consumer Cyclical	45	5.8	40.2	5.2	28.8	0.1	13.1
Consumer Non-cyclical	93	6.0	13.1	7.5	18.2	0.4	10.9
Diversified	9	8.2	478.1	10.2	849.4	0.0	371.5
Energy	31	2.3	55.2	2.2	63.7	-0.0	24.5
Industrial	91	6.9	53.2	6.7	180.9	-0.2	168.5
Technology	32	5.1	28.3	5.9	24.2	0.2	11.3



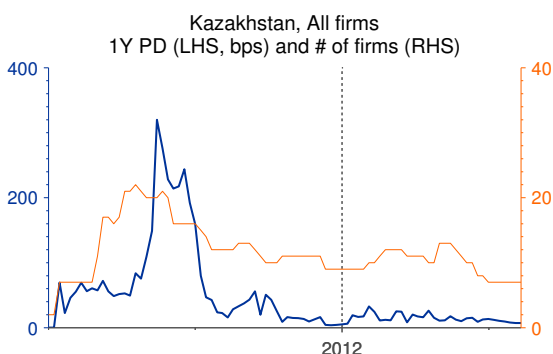
Italy	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	52	15.8	20.7	20.3	23.7	3.2	11.7
Basic Materials	5	12.0	28.9	10.1	45.2	0.9	16.4
Communications	30	9.2	18.3	15.6	53.4	2.8	44.8
Consumer Cyclical	48	6.1	16.3	9.5	19.3	1.4	8.5
Consumer Non-cyclical	30	4.6	10.4	7.4	10.6	1.3	3.5
Diversified	2	41.9	13.9	65.7	20.9	23.8	7.0
Energy	12	7.6	6.6	10.9	10.2	4.1	3.9
Industrial	46	5.1	12.6	7.1	12.3	1.6	5.0
Technology	14	9.8	27.5	9.6	29.2	1.4	16.1
Utilities	12	2.4	3.1	3.4	4.1	0.8	2.1



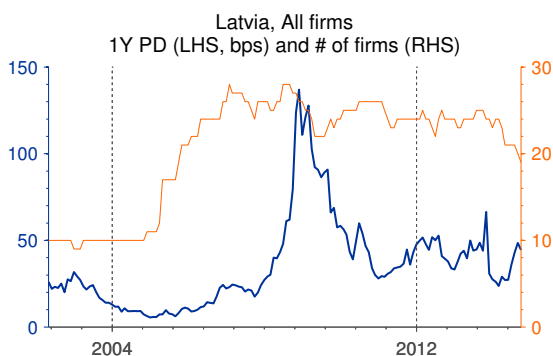
Japan	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	321	15.2	30.2	11.8	27.0	-1.4	11.2
Basic Materials	242	6.2	11.2	4.6	9.6	-1.1	5.6
Communications	251	4.3	19.8	3.5	13.5	-0.5	11.1
Consumer Cyclical	862	4.3	16.3	3.0	15.0	-0.6	7.5
Consumer Non-cyclical	591	2.1	14.3	1.5	13.7	-0.2	5.4
Diversified	2	25.1	15.9	16.0	10.2	-9.1	5.7
Energy	15	12.5	17.9	10.7	49.1	-0.8	43.6
Industrial	966	6.3	14.8	4.5	13.1	-1.1	7.6
Technology	267	3.8	16.0	3.1	16.0	-0.3	8.4
Utilities	22	8.6	26.3	4.0	17.7	-3.7	14.1



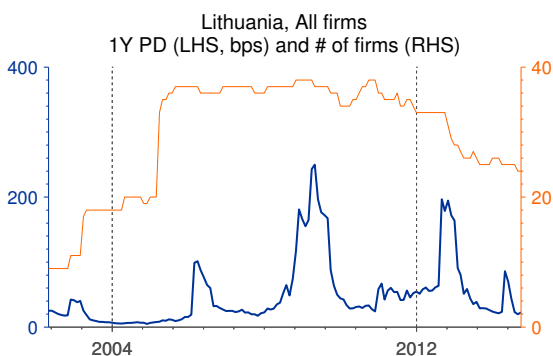
Jordan	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	86	16.4	32.7	14.4	24.8	-1.3	15.6
Basic Materials	18	12.9	46.8	16.3	26.5	-0.8	24.8
Communications	3	22.7	182.7	20.3	150.9	-5.8	32.0
Consumer Cyclical	16	18.2	76.0	15.6	74.2	-1.4	10.3
Consumer Non-cyclical	24	13.3	19.8	11.8	21.2	-1.1	11.0
Diversified	2	30.0	33.5	32.0	34.2	1.9	0.6
Energy	2	34.4	48.6	34.3	48.5	-0.1	0.1
Industrial	23	24.3	32.5	18.4	31.9	-2.6	12.9
Utilities	2	58.1	10.7	56.0	6.1	-2.1	4.6



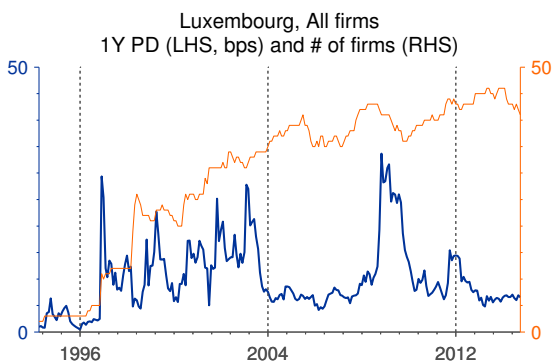
Kazakhstan	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	3	62.8	82.9	109.9	62.1	-2.2	59.3
Communications	2	15.3	7.6	12.4	6.1	-2.9	1.5
Energy	2	1.1	0.3	1.9	1.0	0.8	1.3



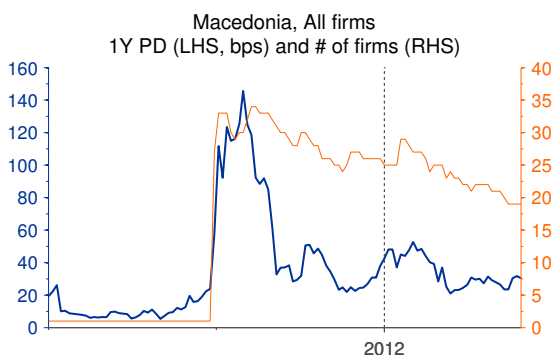
Latvia	#	2014Q2		2014Q3		Q3-Q2	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Basic Materials	1	19.4	–	35.4	–	16.0	–
Communications	1	11.8	–	12.9	–	1.2	–
Consumer Cyclical	3	77.7	34.9	38.2	36.8	1.6	25.7
Consumer Non-cyclical	7	16.1	26.9	19.3	40.2	3.2	23.0
Energy	1	15.9	–	25.2	–	9.3	–
Industrial	5	69.7	44.4	92.0	51.0	10.2	19.7
Utilities	1	2.2	–	3.5	–	1.3	–



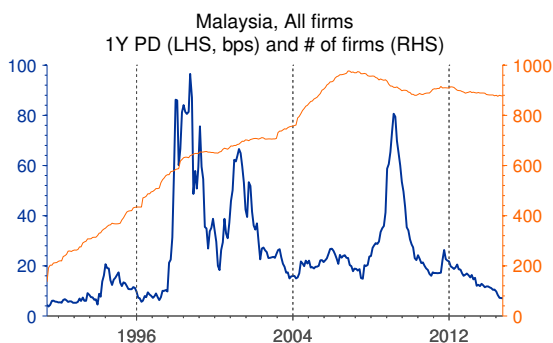
Lithuania	#	2014Q2		2014Q3		Q3-Q2	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	3	22.9	10.6	15.2	78.3	0.8	69.7
Basic Materials	1	3.0	–	2.1	–	-0.9	–
Communications	1	0.0	–	0.0	–	-0.0	–
Consumer Cyclical	4	20.5	25.1	21.6	26.4	0.9	1.7
Consumer Non-cyclical	7	4.4	3.8	4.5	8.1	1.2	4.6
Energy	1	0.4	–	0.4	–	0.0	–
Industrial	3	43.5	58.4	40.6	53.2	-2.8	5.3
Utilities	4	10.5	16.2	6.0	9.6	-5.3	7.3



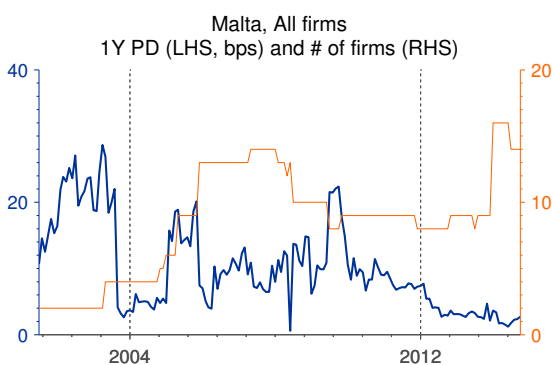
Luxembourg	#	2014Q2		2014Q3		Q3-Q2	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	14	8.8	67.5	6.9	31.3	0.0	37.8
Basic Materials	5	5.6	2.2	12.0	10.8	5.6	10.6
Communications	5	1.1	7.4	2.7	12.7	1.5	6.3
Consumer Cyclical	1	12.9	–	23.6	–	10.6	–
Consumer Non-cyclical	8	2.6	20.5	5.0	36.7	1.6	16.4
Energy	1	16.9	–	48.0	–	31.2	–
Industrial	4	6.1	4.6	7.1	7.1	0.5	3.6
Technology	2	7.9	8.1	9.7	10.6	1.8	2.5



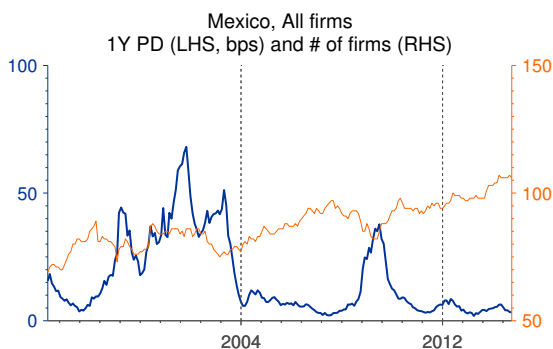
Macedonia	#	2014Q2		2014Q3		Q3-Q2	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	4	28.0	7.8	24.7	14.7	-1.9	8.1
Basic Materials	3	30.6	21.5	34.3	33.0	3.7	11.6
Communications	1	9.4	–	7.8	–	-1.7	–
Consumer Cyclical	2	16.8	23.7	15.9	22.5	-0.9	1.2
Consumer Non-cyclical	4	12.4	15.2	9.3	13.5	-0.6	2.9
Industrial	4	17.7	8.6	21.9	60.7	-1.3	67.7
Utilities	1	62.7	–	60.0	–	-2.8	–



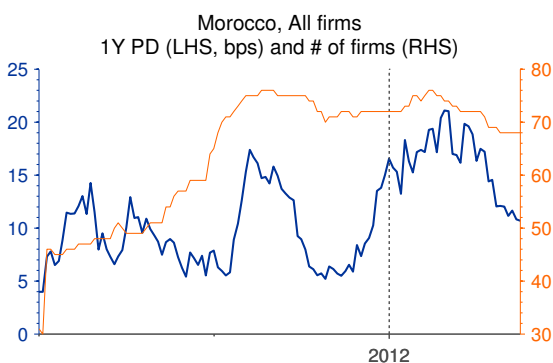
Malaysia	#	2014Q2		2014Q3		Q3-Q2	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	132	5.9	31.3	5.2	28.4	-0.7	16.1
Basic Materials	62	16.2	133.4	12.3	104.4	-0.8	33.0
Communications	37	9.7	37.6	8.5	32.0	-0.6	12.9
Consumer Cyclical	115	7.8	30.6	7.2	23.4	-0.6	12.5
Consumer Non-cyclical	144	3.3	42.1	2.8	41.0	-0.1	10.9
Diversified	22	7.2	25.9	8.8	26.2	-0.1	8.3
Energy	26	6.4	22.1	4.5	16.2	-0.2	9.6
Industrial	270	11.2	44.6	9.7	38.8	-0.5	22.7
Technology	57	8.3	35.6	9.1	34.2	-0.8	13.6
Utilities	5	7.1	10.8	4.4	4.5	-0.5	9.5



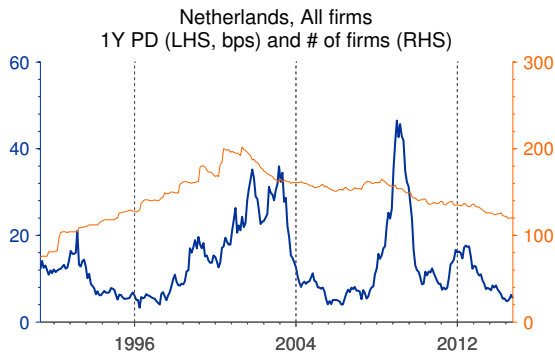
Malta	#	2014Q2		2014Q3		Q3-Q2	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	7	4.7	3.3	4.8	2.3	0.0	1.7
Communications	1	0.4	-	0.1	-	-0.3	-
Consumer Cyclical	3	22.7	24.7	18.4	16.6	0.2	22.0
Consumer Non-cyclical	2	0.4	0.5	0.1	0.0	-0.4	0.5
Industrial	1	0.1	-	0.1	-	-0.0	-



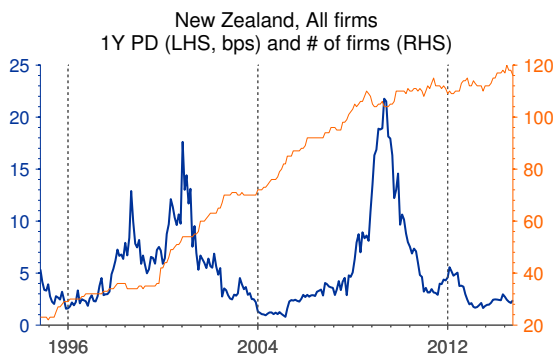
Mexico	#	2014Q2		2014Q3		Q3-Q2	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	26	7.8	12.7	6.3	18.7	-1.2	7.5
Basic Materials	12	4.0	10.6	2.7	6.7	-1.4	5.5
Communications	8	12.3	12.8	8.2	17.5	-0.5	8.1
Consumer Cyclical	22	5.3	41.7	6.2	22.1	-0.2	31.2
Consumer Non-cyclical	17	2.0	4.2	1.3	3.1	-0.5	1.9
Diversified	5	3.4	4.6	2.2	3.7	-1.1	1.0
Industrial	15	2.7	51.9	2.3	28.6	-0.1	28.1
Utilities	1	0.5	-	0.2	-	-0.2	-



Morocco	#	2014Q2		2014Q3		Q3-Q2	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	19	19.4	28.3	13.3	25.9	-4.0	4.5
Basic Materials	10	10.0	10.1	8.9	9.8	-1.0	3.0
Communications	1	0.5	-	0.1	-	-0.4	-
Consumer Cyclical	7	11.2	5.5	11.6	7.7	0.2	4.6
Consumer Non-cyclical	11	4.6	42.0	2.7	35.9	-0.8	6.1
Energy	1	156.8	-	75.8	-	-81.0	-
Industrial	12	8.4	22.6	9.8	18.0	-1.0	5.8
Technology	5	14.1	15.8	10.7	15.0	-2.1	1.9
Utilities	2	18.4	20.2	16.4	18.8	-2.0	1.4



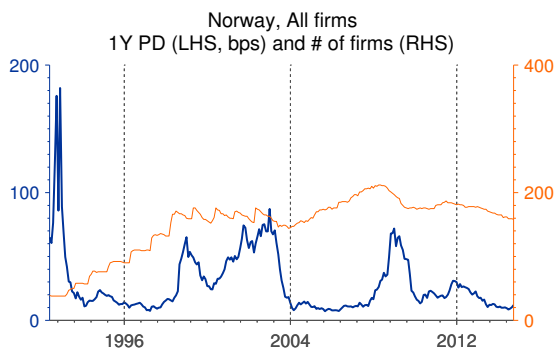
Netherlands	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	19	7.0	32.5	8.1	60.0	0.4	37.2
Basic Materials	8	3.3	16.6	6.7	19.2	2.3	4.0
Communications	10	10.4	16.3	8.7	23.6	0.1	8.0
Consumer Cyclical	12	6.6	3.9	7.6	5.5	-0.2	3.2
Consumer Non-cyclical	24	3.9	16.9	4.7	42.1	0.5	27.3
Energy	6	0.7	34.0	4.8	19.4	0.0	16.0
Industrial	25	3.9	9.6	5.3	15.1	0.4	9.0
Technology	15	3.8	31.7	3.2	69.5	0.3	38.2



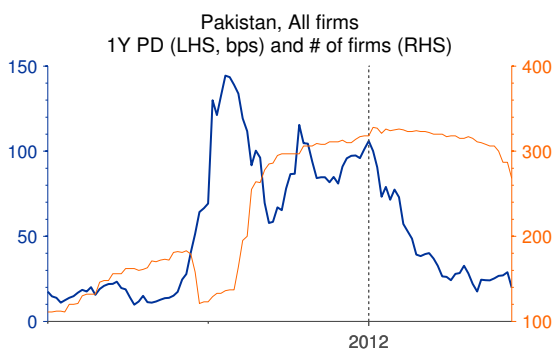
New Zealand	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	19	0.3	30.1	0.3	20.5	0.0	16.9
Basic Materials	3	3.0	22.4	31.2	19.7	0.2	16.7
Communications	7	11.3	21.3	9.6	24.9	-0.2	8.0
Consumer Cyclical	19	2.9	38.2	2.9	18.2	-0.1	27.7
Consumer Non-cyclical	34	2.6	35.4	3.4	24.0	-0.0	27.7
Diversified	3	2.8	11.6	3.3	34.1	0.3	40.4
Energy	4	2.3	31.3	2.0	26.5	-0.4	4.8
Industrial	13	1.8	32.9	1.7	29.7	-0.0	7.2
Technology	5	1.6	10.6	3.2	14.3	1.2	3.9
Utilities	8	0.9	1.1	1.2	1.3	0.0	0.4



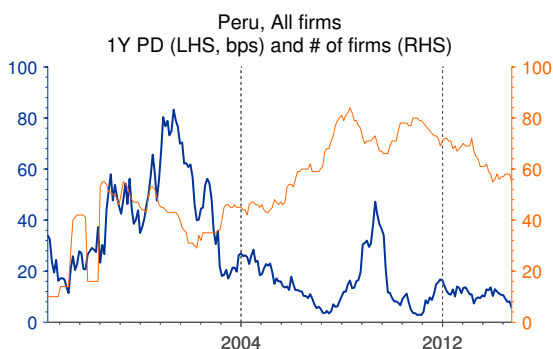
Nigeria	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	48	15.2	40.8	12.7	37.3	-1.7	15.8
Basic Materials	11	20.9	38.5	7.3	35.2	-2.1	11.2
Communications	5	18.1	35.8	11.2	35.2	-4.7	10.1
Consumer Cyclical	15	56.9	91.4	31.3	73.0	-21.1	38.3
Consumer Non-cyclical	35	21.0	62.5	17.6	39.7	-2.9	31.6
Energy	8	39.9	53.3	30.9	54.0	-1.9	12.5
Industrial	19	25.2	78.2	25.5	76.8	-3.0	16.0
Technology	2	52.3	22.3	28.4	29.2	-23.9	6.9



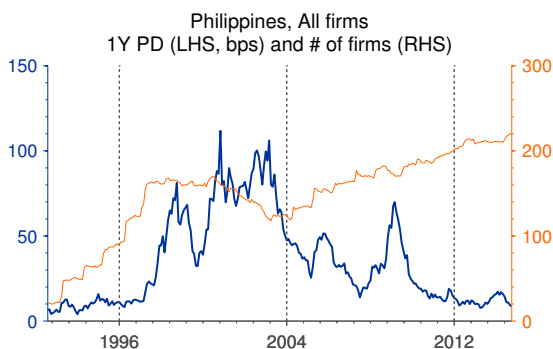
Norway	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	35	17.1	23.5	14.1	34.1	-2.1	16.8
Basic Materials	6	3.5	19.6	5.0	22.4	1.4	3.0
Communications	9	5.8	14.2	6.6	12.1	0.6	3.9
Consumer Cyclical	3	4.3	9.3	7.0	7.1	-0.2	3.0
Consumer Non-cyclical	24	5.7	33.7	6.3	71.9	0.5	38.7
Diversified	1	8.7	-	13.5	-	4.8	-
Energy	24	8.6	67.0	16.3	51.2	4.9	33.8
Industrial	45	8.4	29.3	14.1	44.6	1.3	31.7
Technology	9	7.9	4.2	12.2	9.1	4.0	5.8
Utilities	2	3.1	3.1	3.7	3.1	0.6	0.0



Pakistan	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	67	32.6	57.7	34.1	55.3	-0.1	20.6
Basic Materials	25	8.2	50.3	7.7	63.1	-0.1	14.3
Communications	6	18.1	75.6	18.9	70.5	-1.7	8.8
Consumer Cyclical	64	30.3	83.4	32.5	83.0	-0.9	11.9
Consumer Non-cyclical	42	6.6	101.4	5.5	91.4	-0.4	14.8
Energy	10	14.1	70.5	14.5	79.0	-0.2	9.3
Industrial	42	18.5	29.5	17.2	30.7	-0.4	10.6
Technology	1	30.4	-	25.6	-	-4.9	-
Utilities	11	27.4	237.8	28.2	249.9	4.6	24.8



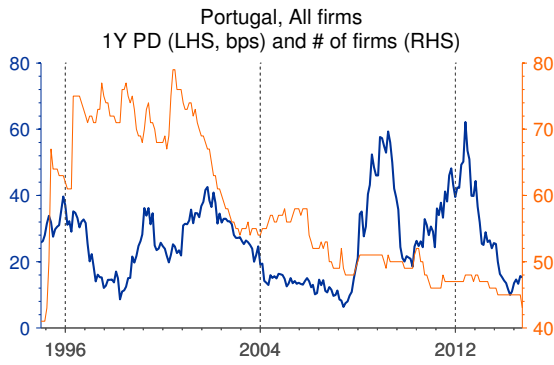
Peru	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	9	9.2	13.6	4.8	16.3	-1.3	3.6
Basic Materials	14	9.7	20.5	5.5	24.9	-0.7	9.0
Communications	2	7.2	1.3	5.9	1.8	-1.3	3.0
Consumer Cyclical	3	7.8	26.1	4.6	44.0	-0.3	18.2
Consumer Non-cyclical	12	11.8	45.7	7.9	65.4	-1.2	21.2
Diversified	3	11.3	5.1	12.8	6.1	-0.9	2.2
Energy	2	250.5	125.9	775.2	845.7	524.7	719.8
Industrial	2	10.6	5.1	5.8	0.9	-4.8	4.2
Utilities	5	1.0	4.3	0.4	2.2	-0.8	2.2



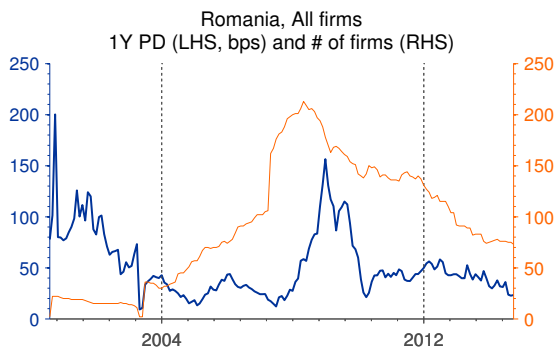
Philippines	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	73	17.5	38.6	11.0	28.5	-1.7	27.2
Basic Materials	24	11.1	31.9	8.7	40.6	-0.7	30.9
Communications	13	9.4	55.3	3.2	44.2	-0.0	22.9
Consumer Cyclical	26	17.1	22.8	10.6	28.0	-2.1	16.3
Consumer Non-cyclical	30	9.6	33.6	7.4	36.3	-0.4	17.1
Diversified	14	3.8	47.4	1.4	35.0	-0.5	22.9
Energy	13	7.0	17.4	8.4	8.4	0.1	14.6
Industrial	10	8.6	28.5	7.7	30.0	0.0	7.5
Technology	2	2.6	0.5	2.4	0.1	-0.2	0.7
Utilities	12	8.1	5.9	4.9	3.8	-3.0	3.7



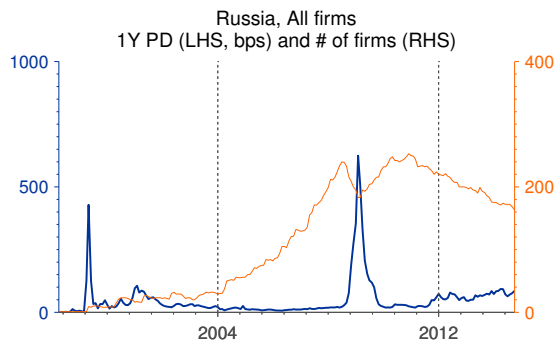
Poland	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	101	23.5	59.3	30.0	99.8	5.2	64.3
Basic Materials	25	14.1	14.2	17.0	15.8	3.5	9.9
Communications	56	19.0	231.5	26.8	204.8	4.5	36.1
Consumer Cyclical	74	21.2	32.8	27.7	64.7	5.5	40.1
Consumer Non-cyclical	85	21.5	49.7	27.0	72.8	4.1	39.0
Energy	17	17.7	52.9	27.1	66.9	2.9	20.4
Industrial	131	18.1	33.6	28.1	86.4	7.0	71.6
Technology	46	13.3	108.5	18.4	101.4	3.8	67.1
Utilities	11	9.3	76.4	9.0	88.6	1.5	13.3



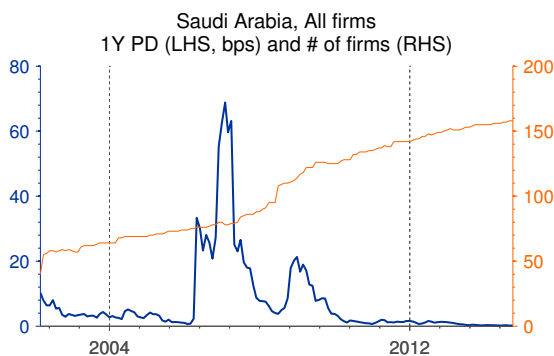
Portugal	#	2014Q2		2014Q3		Q3-Q2	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	4	16.1	29.1	18.0	13.6	0.3	15.9
Basic Materials	6	2.9	17.3	5.9	15.8	0.6	2.3
Communications	7	16.7	17.2	15.2	9.9	-1.4	13.6
Consumer Cyclical	6	61.3	35.5	57.3	29.7	3.4	22.4
Consumer Non-cyclical	5	4.1	24.9	5.6	40.8	1.3	16.3
Diversified	2	38.0	26.1	65.0	53.6	27.1	27.4
Energy	1	0.3	-	0.3	-	0.0	-
Industrial	7	14.6	55.7	28.6	44.7	4.9	13.5
Technology	3	34.8	23.8	30.7	34.2	10.2	16.5
Utilities	2	4.0	1.1	4.2	0.2	0.2	0.9



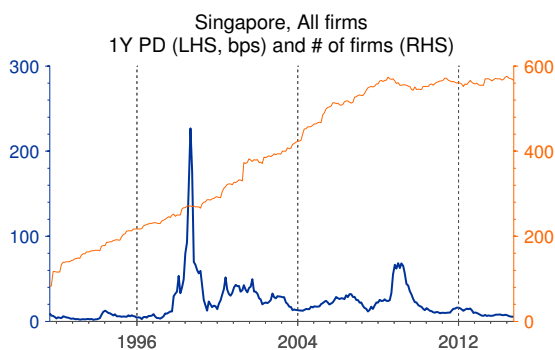
Romania	#	2014Q2		2014Q3		Q3-Q2	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	7	6.5	16.8	7.2	8.9	-0.6	9.0
Basic Materials	9	26.2	16.8	21.4	16.8	-3.0	7.9
Consumer Cyclical	10	15.1	21.0	12.1	25.5	-0.5	7.0
Consumer Non-cyclical	10	10.0	55.5	9.5	64.0	-0.2	10.7
Energy	11	11.5	52.1	8.7	39.0	-0.4	19.9
Industrial	23	18.3	29.9	17.9	17.2	-1.1	20.6
Utilities	3	2.6	23.5	2.8	17.1	-0.1	6.4



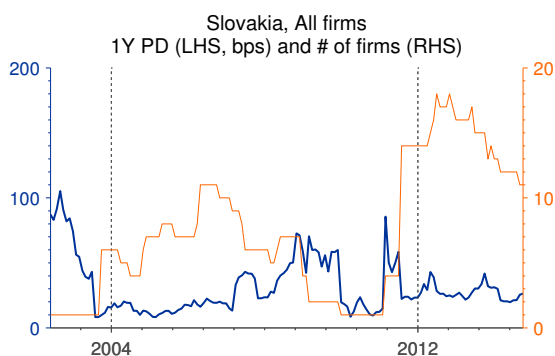
Russia	#	2014Q2		2014Q3		Q3-Q2	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	19	51.2	53.5	82.2	52.7	14.0	28.6
Basic Materials	21	19.2	43.1	27.4	79.5	-0.3	54.4
Communications	10	13.7	42.7	31.9	94.0	5.4	86.5
Consumer Cyclical	12	57.8	31.7	105.6	51.6	33.3	53.0
Consumer Non-cyclical	21	31.3	33.7	53.4	36.7	10.5	17.6
Diversified	1	252.4	-	217.7	-	-34.7	-
Energy	18	24.4	50.0	23.7	59.9	4.8	25.0
Industrial	12	44.7	162.7	90.3	286.9	26.3	125.2
Technology	2	4.8	1.0	22.9	27.2	18.1	26.2
Utilities	46	60.9	63.5	93.9	69.3	25.6	33.6



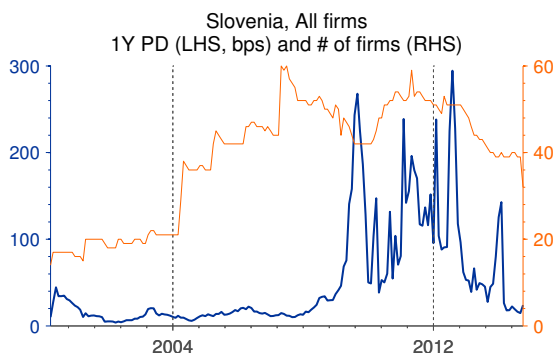
Saudi Arabia	#	2014Q2		2014Q3		Q3-Q2	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	56	0.3	4.3	0.2	3.7	-0.0	0.8
Basic Materials	18	1.0	2.2	0.7	2.1	-0.1	0.5
Communications	7	2.5	9.5	1.5	11.1	-0.1	2.0
Consumer Cyclical	15	0.2	1.1	0.1	0.8	0.0	0.4
Consumer Non-cyclical	24	0.2	1.0	0.2	0.7	-0.1	0.6
Diversified	3	1.7	0.8	0.9	1.5	-0.2	0.9
Energy	2	1.4	0.3	0.8	0.3	-0.6	0.1
Industrial	30	0.1	3.2	0.0	1.2	-0.1	2.2
Utilities	2	24.1	34.1	26.8	37.9	2.7	3.9



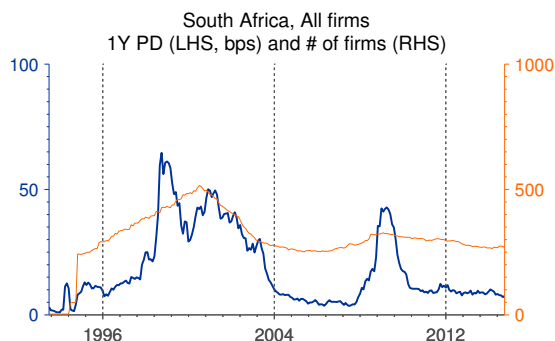
Singapore	#	2014Q2		2014Q3		Q3-Q2	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	94	1.5	37.4	0.6	74.9	-0.2	48.3
Basic Materials	34	15.2	69.4	15.5	80.6	0.2	24.8
Communications	29	5.8	60.3	6.2	119.1	0.1	76.5
Consumer Cyclical	79	7.7	20.8	6.3	27.2	-0.0	10.2
Consumer Non-cyclical	76	3.9	28.6	4.0	43.3	0.0	27.4
Diversified	13	3.3	26.1	3.0	39.9	0.0	15.8
Energy	31	12.2	28.9	7.8	38.8	0.0	14.4
Industrial	179	8.6	56.9	9.8	67.1	0.0	42.2
Technology	27	5.7	38.2	6.9	40.7	-0.1	18.5
Utilities	2	1.8	0.0	2.6	2.4	0.8	2.4



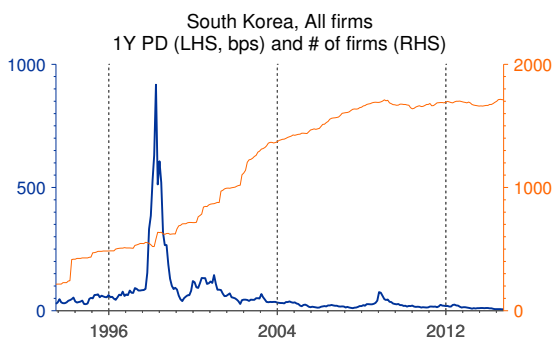
Slovakia	#	2014Q2		2014Q3		Q3-Q2	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	2	16.2	0.5	17.4	0.6	1.2	0.1
Basic Materials	1	29.9	-	36.4	-	6.5	-
Consumer Cyclical	2	8.8	12.4	17.7	25.0	8.9	12.5
Consumer Non-cyclical	3	14.1	11.9	27.6	13.3	4.8	6.5
Energy	1	14.4	-	21.4	-	7.1	-
Industrial	1	78.5	-	77.1	-	-1.5	-
Technology	1	9.6	-	8.8	-	-0.8	-



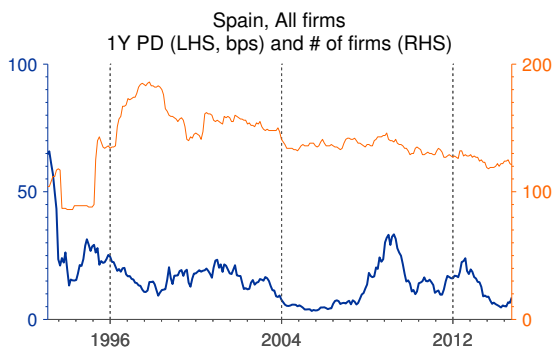
Slovenia	#	2014Q2		2014Q3		Q3-Q2	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	3	27.3	31.9	15.7	16.8	-11.5	15.2
Basic Materials	3	6.4	3.2	6.1	3.1	-0.4	0.6
Communications	1	30.4	-	39.7	-	9.3	-
Consumer Cyclical	6	8.2	123.4	9.2	108.9	0.3	15.2
Consumer Non-cyclical	11	5.8	5.7	6.7	13.8	0.3	13.7
Diversified	1	43.0	-	47.1	-	4.0	-
Energy	1	2.2	-	2.4	-	0.2	-
Industrial	4	11.0	10.9	11.7	6.8	-2.3	5.4
Technology	1	5.3	-	3.9	-	-1.4	-



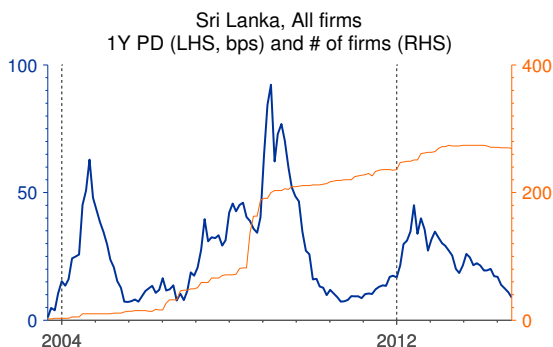
South Africa	#	2014Q2		2014Q3		Q3-Q2	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	68	9.1	20.4	7.3	27.1	-0.0	12.8
Basic Materials	40	13.5	89.8	15.6	118.7	0.4	61.4
Communications	13	4.8	32.1	4.1	47.2	-0.1	25.4
Consumer Cyclical	31	2.0	10.4	2.0	15.9	0.1	6.6
Consumer Non-cyclical	35	3.7	115.2	3.5	148.9	-0.1	39.6
Diversified	8	9.7	23.8	10.1	30.9	1.0	7.3
Energy	7	5.2	20.3	8.0	16.9	0.7	5.7
Industrial	52	12.8	143.2	14.7	56.2	0.9	133.6
Technology	15	5.7	183.6	5.1	76.4	-0.6	138.7



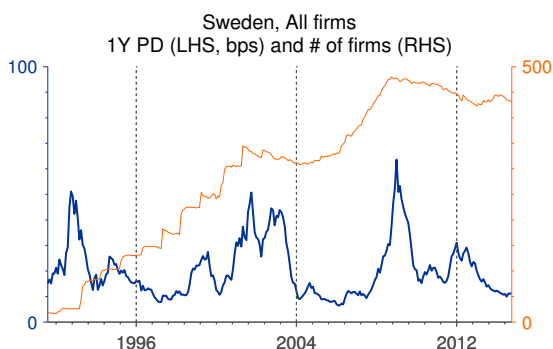
South Korea	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	100	13.2	53.8	8.6	33.0	-1.2	34.9
Basic Materials	182	5.1	34.6	5.5	28.7	-0.1	10.6
Communications	180	5.6	30.8	5.1	35.9	-0.1	16.9
Consumer Cyclical	269	6.3	36.0	5.5	46.3	-0.2	28.7
Consumer Non-cyclical	248	2.5	15.1	2.3	12.1	-0.1	6.3
Diversified	15	7.8	27.1	5.8	28.4	0.0	8.8
Energy	12	10.3	31.3	11.4	10.2	-1.8	30.6
Industrial	479	8.4	54.0	8.5	52.8	-0.1	22.0
Technology	203	5.8	26.3	6.2	48.5	-0.1	37.2
Utilities	17	5.9	14.0	4.8	10.3	-3.5	6.0



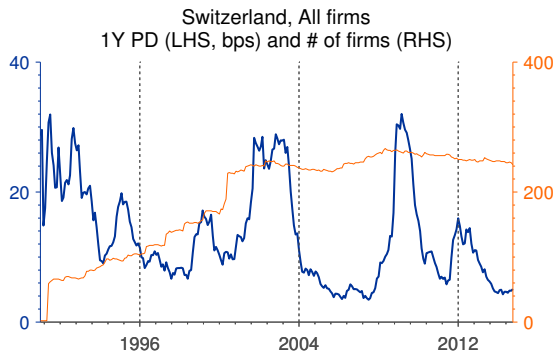
Spain	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	27	13.8	9.4	16.6	15.5	2.3	8.7
Basic Materials	7	2.6	6.6	2.9	3.4	0.3	3.3
Communications	11	4.5	30.8	7.4	35.4	3.1	9.7
Consumer Cyclical	9	4.8	18.7	9.0	24.1	1.4	6.0
Consumer Non-cyclical	26	3.9	9.9	4.7	23.9	0.7	14.7
Energy	3	10.0	7.4	12.6	12.1	2.6	5.0
Industrial	26	6.2	19.9	9.6	31.0	4.8	12.1
Technology	3	2.4	1.9	5.4	3.6	3.0	1.8
Utilities	7	1.0	2.3	0.8	3.4	-0.2	1.2



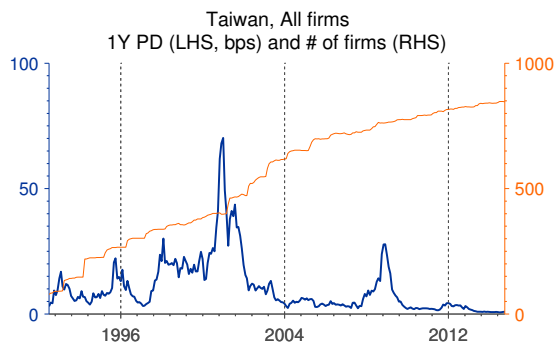
Sri Lanka	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	87	31.2	87.5	15.9	56.3	-10.5	38.3
Basic Materials	13	13.3	25.9	10.2	14.4	-2.6	13.9
Communications	4	3.6	5.1	2.5	4.5	-1.0	0.7
Consumer Cyclical	60	9.9	23.2	5.9	27.1	-2.9	13.2
Consumer Non-cyclical	55	11.7	23.5	7.7	14.8	-3.6	9.7
Diversified	16	16.4	45.1	12.2	29.7	-3.3	20.7
Energy	3	1.4	2.7	2.1	2.0	0.0	1.0
Industrial	23	17.7	33.9	11.4	25.8	-6.4	13.1
Technology	3	5.0	809.4	2.6	832.4	-1.9	23.0
Utilities	5	5.9	16.5	1.8	1.8	-2.3	17.1



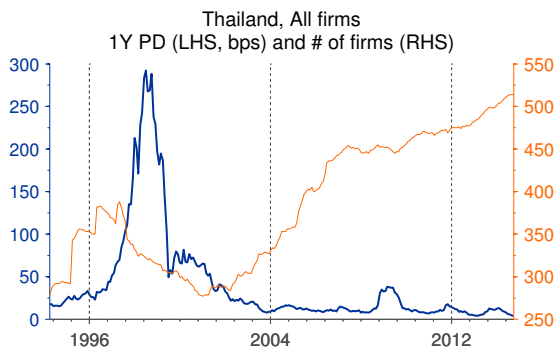
Sweden	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	58	5.0	26.4	5.1	40.1	0.1	21.1
Basic Materials	27	19.9	36.7	30.2	55.3	2.9	43.6
Communications	41	12.5	89.9	16.1	68.5	1.2	86.3
Consumer Cyclical	49	6.9	23.8	8.0	29.7	0.6	11.9
Consumer Non-cyclical	107	11.9	35.2	11.1	38.3	0.2	16.1
Diversified	8	11.3	41.8	12.0	43.2	1.1	2.2
Energy	14	21.2	29.4	14.9	76.4	1.2	54.6
Industrial	86	8.8	42.3	11.8	39.7	1.0	23.7
Technology	36	9.4	60.8	9.3	70.6	0.6	24.6
Utilities	1	15.6	-	18.3	-	2.7	-



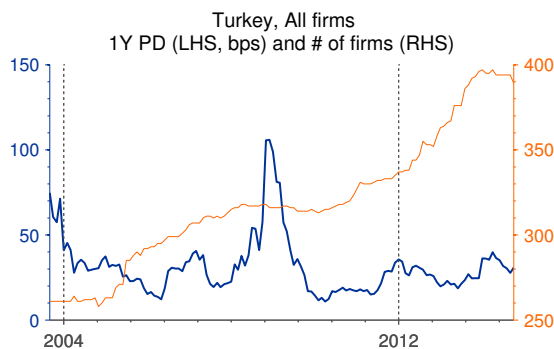
Switzerland	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	66	10.4	142.7	7.5	46.9	-0.0	116.8
Basic Materials	17	3.8	14.1	4.1	14.8	0.3	8.3
Communications	14	3.0	26.5	4.5	61.9	0.1	36.1
Consumer Cyclical	18	5.0	21.7	6.7	22.4	1.3	3.4
Consumer Non-cyclical	38	2.0	183.2	2.5	104.5	-0.0	78.9
Diversified	4	8.9	14.5	12.7	23.3	3.9	8.8
Energy	5	61.1	61.8	76.7	61.0	3.0	33.0
Industrial	64	2.5	10.1	2.5	13.7	0.2	9.8
Technology	10	5.7	21.6	4.0	24.3	0.4	6.7
Utilities	6	8.3	18.1	6.3	15.6	-2.6	3.3



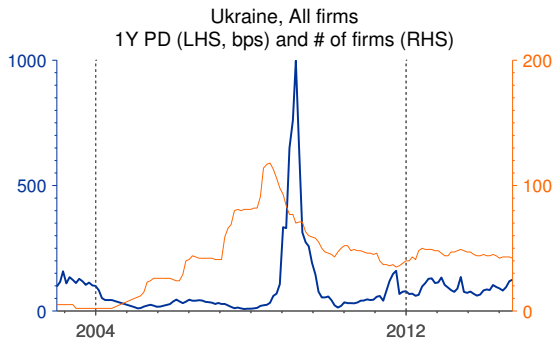
Taiwan	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	81	2.5	23.4	2.1	21.3	0.0	3.5
Basic Materials	74	0.4	3.1	0.6	5.2	0.1	3.7
Communications	38	0.6	2.2	1.1	10.9	0.2	9.9
Consumer Cyclical	140	0.7	5.8	0.8	7.1	0.1	1.9
Consumer Non-cyclical	57	0.2	1.5	0.3	3.9	0.0	2.8
Diversified	1	0.0	-	0.0	-	0.0	-
Energy	5	3.2	2.0	3.8	2.2	0.4	1.2
Industrial	296	0.7	8.8	1.0	19.3	0.2	12.2
Technology	149	0.6	8.0	0.9	7.9	0.2	2.9
Utilities	5	0.0	0.0	0.0	0.0	0.0	0.0



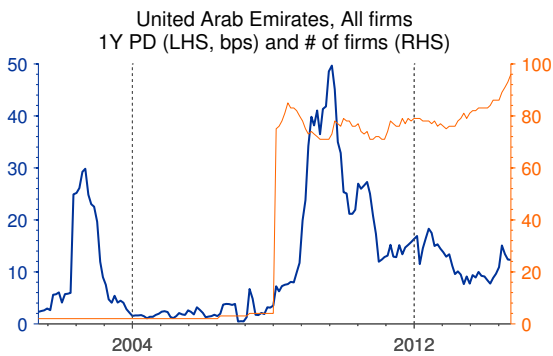
Thailand	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	95	15.3	20.2	9.7	16.6	-3.3	9.9
Basic Materials	51	7.5	22.0	5.5	26.9	-0.8	10.2
Communications	40	4.1	14.8	3.0	12.2	-0.4	5.8
Consumer Cyclical	116	4.6	20.2	3.3	15.5	-0.8	8.0
Consumer Non-cyclical	73	1.8	14.6	1.3	10.4	-0.2	9.1
Diversified	2	2.2	2.5	0.7	0.8	-1.5	1.6
Energy	17	8.1	35.8	3.2	27.2	-3.6	9.1
Industrial	98	6.2	21.0	3.3	23.9	-1.2	10.9
Technology	12	8.4	8.7	4.4	16.5	-2.1	17.6
Utilities	8	3.3	3.7	1.6	4.3	-0.5	1.7



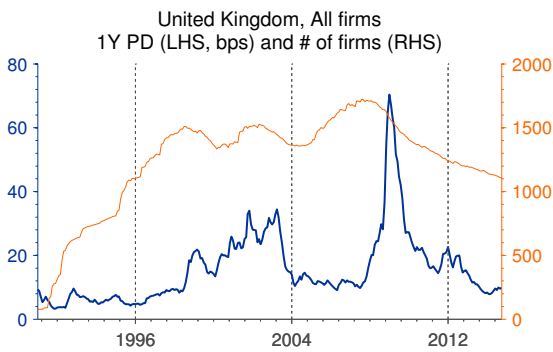
Turkey	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	100	21.2	27.3	23.0	35.7	0.8	16.1
Basic Materials	35	12.7	32.3	9.8	19.7	-0.4	18.8
Communications	13	27.6	32.0	32.8	32.7	0.2	5.5
Consumer Cyclical	94	23.7	45.2	23.1	41.3	-0.6	14.2
Consumer Non-cyclical	54	20.6	52.8	17.5	53.5	-1.0	33.3
Diversified	12	25.5	18.3	30.7	28.9	6.1	13.7
Energy	4	16.1	9.1	10.0	18.6	-0.6	11.7
Industrial	65	12.0	44.5	11.2	50.9	-0.7	33.3
Technology	4	19.1	27.8	8.9	7.1	-7.1	25.0
Utilities	8	24.7	23.6	22.6	22.8	-0.4	7.8



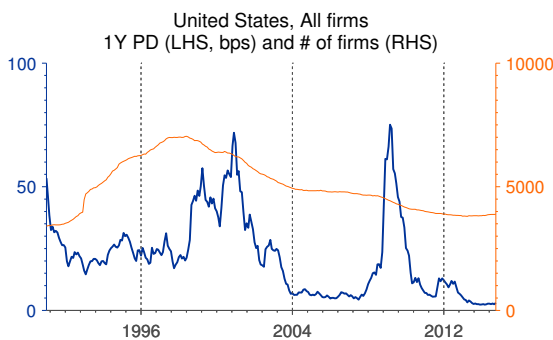
Ukraine	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	3	127.5	16.0	145.2	22.3	41.4	26.9
Basic Materials	7	100.1	74.9	108.0	167.7	30.7	102.3
Communications	1	83.5	-	56.5	-	-27.0	-
Consumer Cyclical	3	91.2	58.2	162.3	75.0	37.4	30.8
Consumer Non-cyclical	9	35.1	32.6	75.5	68.1	25.5	60.0
Diversified	1	36.1	-	47.3	-	11.2	-
Energy	5	125.3	57.0	176.1	121.5	50.9	68.5
Industrial	9	51.3	73.3	109.8	140.9	7.1	85.7
Utilities	4	46.0	23.4	52.9	49.4	6.9	32.0



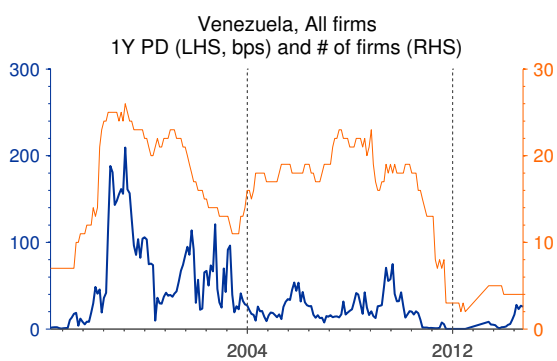
United Arab Emirates	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	47	16.0	12.6	13.1	11.7	-2.2	5.9
Communications	2	0.5	0.5	2.3	2.8	1.8	3.3
Consumer Cyclical	3	9.6	8.2	10.9	8.7	-0.9	2.8
Consumer Non-cyclical	14	11.7	23.9	11.5	17.5	-0.0	14.2
Energy	4	11.3	10.4	9.6	36.1	-0.1	27.3
Industrial	17	19.7	71.5	16.8	80.3	-1.0	11.6
Utilities	1	33.5	-	33.2	-	-0.2	-



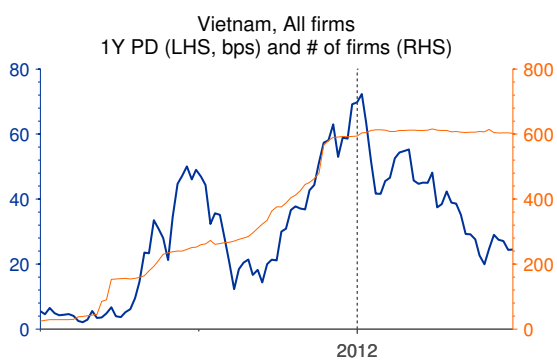
United Kingdom	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	186	9.8	41.1	10.2	36.3	0.2	23.8
Basic Materials	99	15.2	49.5	15.5	263.3	-0.1	228.4
Communications	96	11.3	46.8	14.3	44.6	0.2	23.1
Consumer Cyclical	137	8.4	42.7	8.9	30.4	0.2	30.7
Consumer Non-cyclical	210	6.8	28.9	7.9	21.8	0.1	20.9
Diversified	9	11.1	16.5	7.4	16.9	0.5	5.8
Energy	95	13.3	53.7	15.7	58.7	0.2	44.9
Industrial	166	7.8	28.8	9.1	30.3	0.3	27.9
Technology	84	9.2	27.0	10.9	22.0	0.2	13.8
Utilities	11	2.6	28.7	2.2	28.5	-0.2	12.2



United States	2014Q2			2014Q3		Q3-Q2	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	904	4.9	87.5	5.5	81.0	0.0	55.8
Basic Materials	141	1.2	95.0	1.3	74.3	0.0	75.1
Communications	307	3.4	40.4	4.5	43.5	0.2	35.2
Consumer Cyclical	454	1.5	231.7	2.2	212.5	0.1	267.7
Consumer Non-cyclical	788	3.4	128.1	4.0	254.3	0.1	138.7
Diversified	9	7.0	145.9	10.7	130.4	0.1	18.5
Energy	310	2.4	163.2	3.5	218.4	0.5	139.9
Industrial	480	1.1	32.4	1.5	48.4	0.1	32.4
Technology	343	1.5	21.6	1.6	49.5	0.0	40.6
Utilities	93	0.1	9.4	0.1	18.1	0.0	10.0



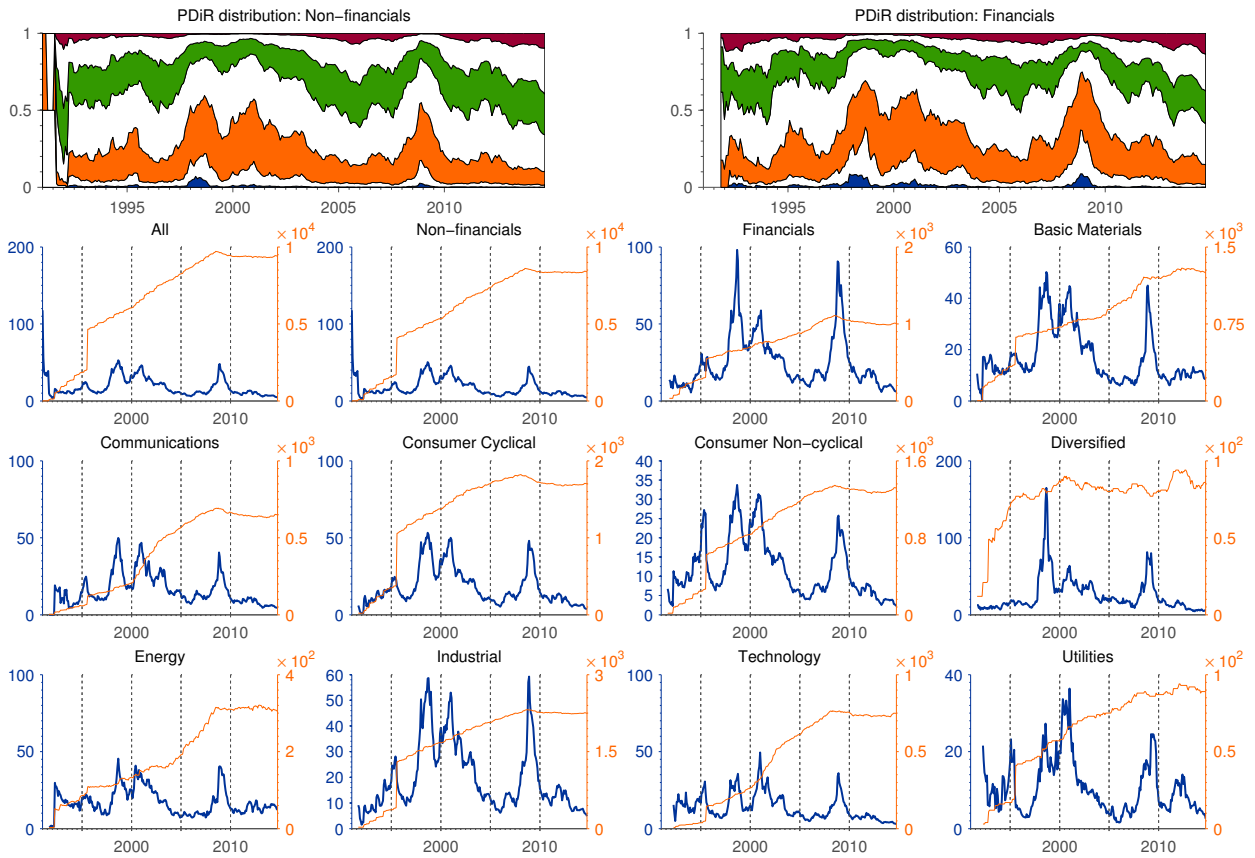
Venezuela	2014Q2		2014Q3		Q3-Q2		
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	4	29.5	18.0	31.8	20.0	1.8	3.9



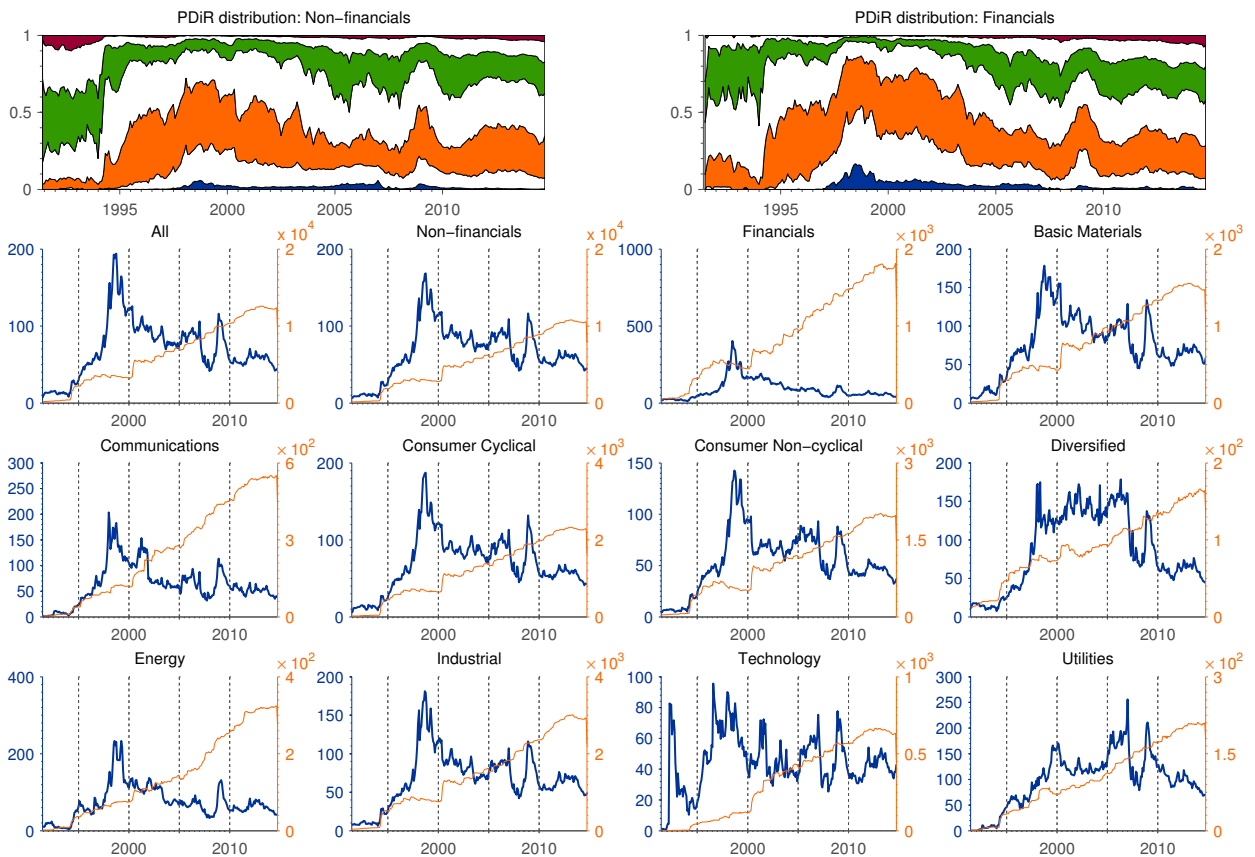
Vietnam	#	2014Q2		2014Q3		Q3-Q2	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	77	15.6	36.4	14.5	36.0	-1.3	13.1
Basic Materials	51	18.2	57.0	20.7	53.5	-0.2	24.2
Communications	21	17.9	26.6	14.6	20.1	0.0	14.2
Consumer Cyclical	48	24.8	27.1	22.5	25.6	-1.5	14.5
Consumer Non-cyclical	90	15.2	37.9	12.0	34.0	-0.7	16.0
Diversified	17	18.4	52.2	12.8	40.3	-5.4	14.4
Energy	21	44.4	61.6	23.9	49.3	-5.0	22.8
Industrial	245	44.3	51.0	38.6	52.9	-2.8	21.6
Technology	7	30.5	27.2	20.9	27.6	-3.5	7.4
Utilities	19	6.0	25.5	6.5	27.6	-0.2	5.2

B PD by regions

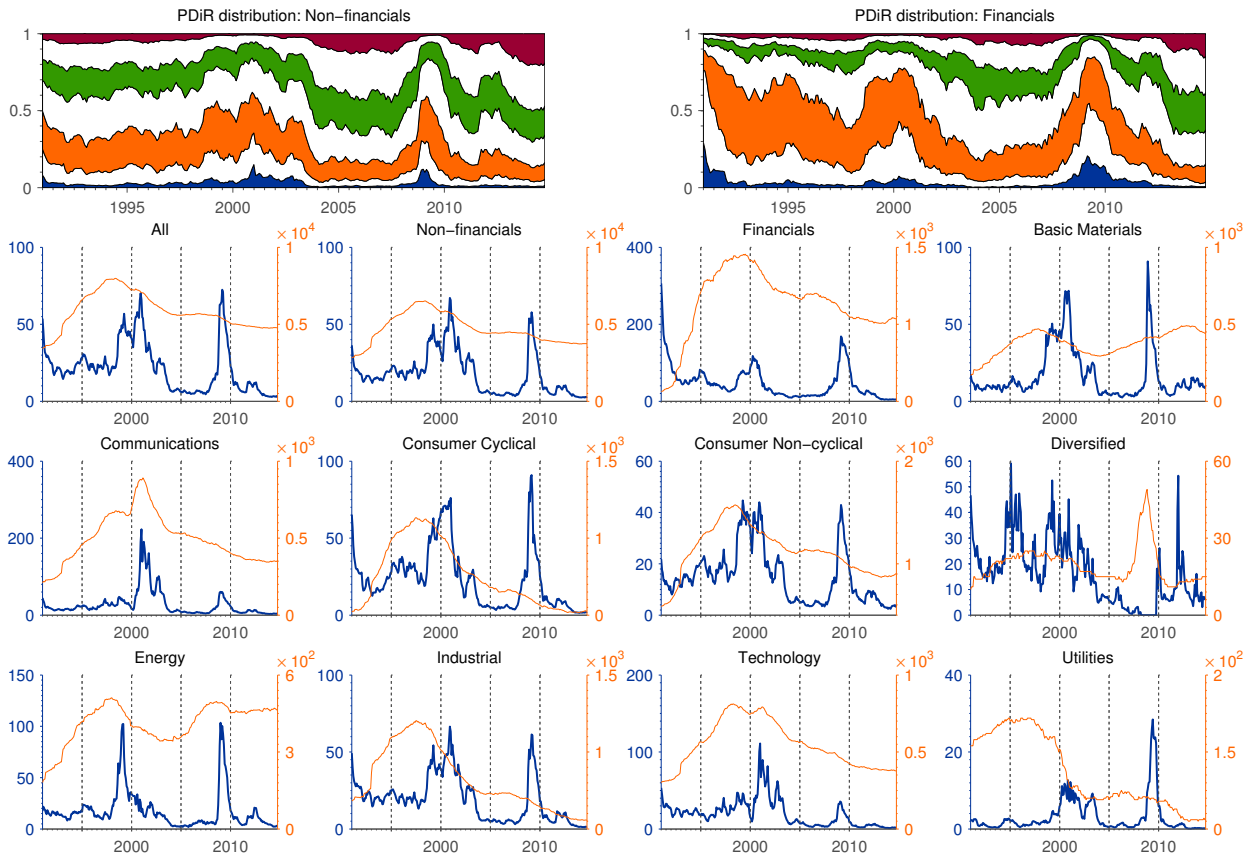
Asia Pacific - developed economies



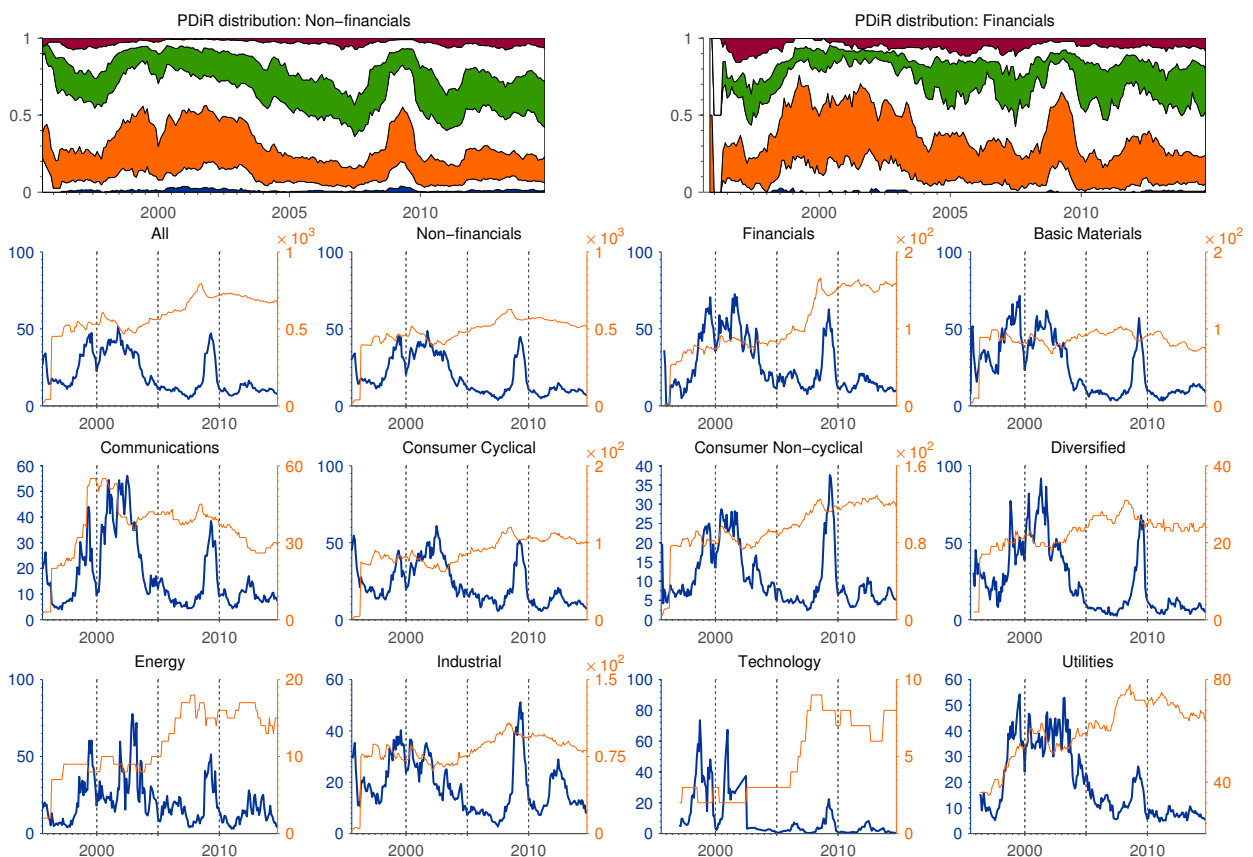
Asia Pacific - emerging economies



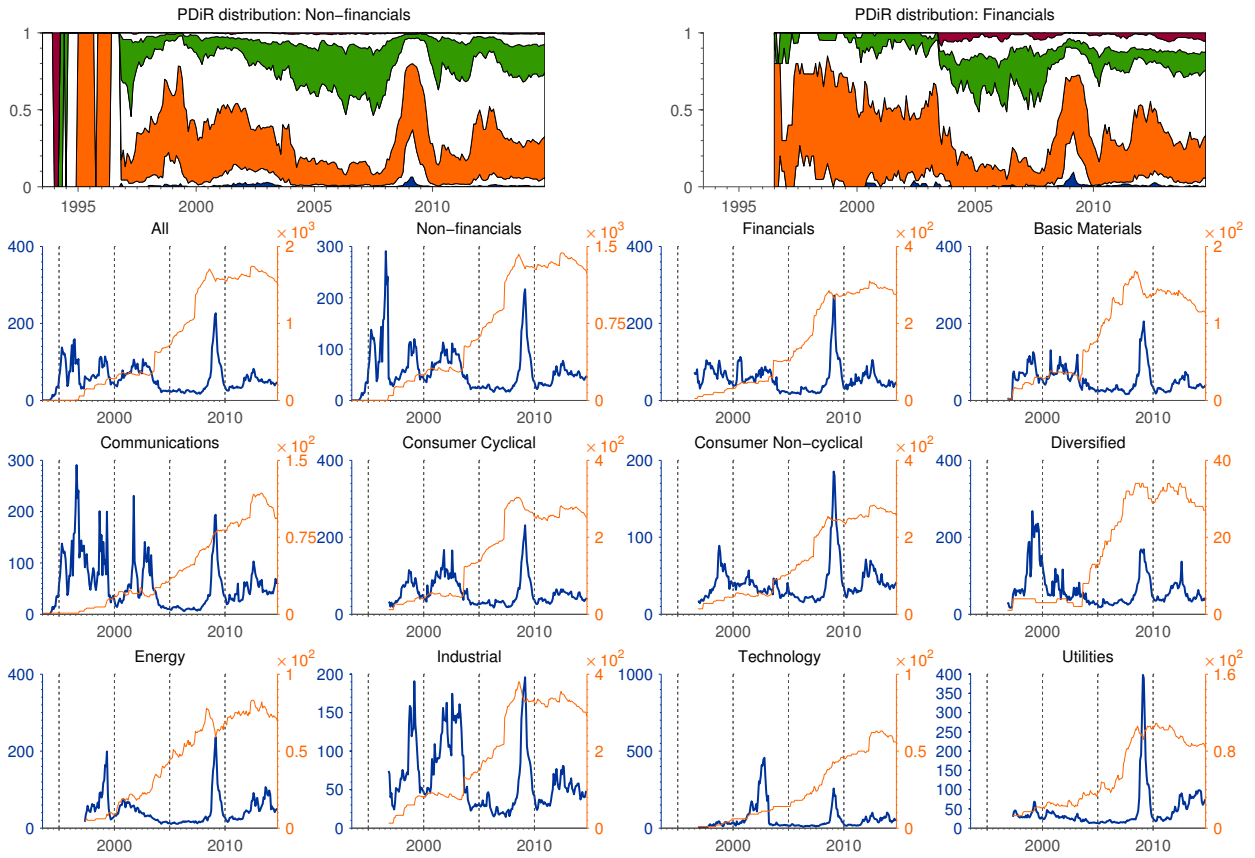
North America



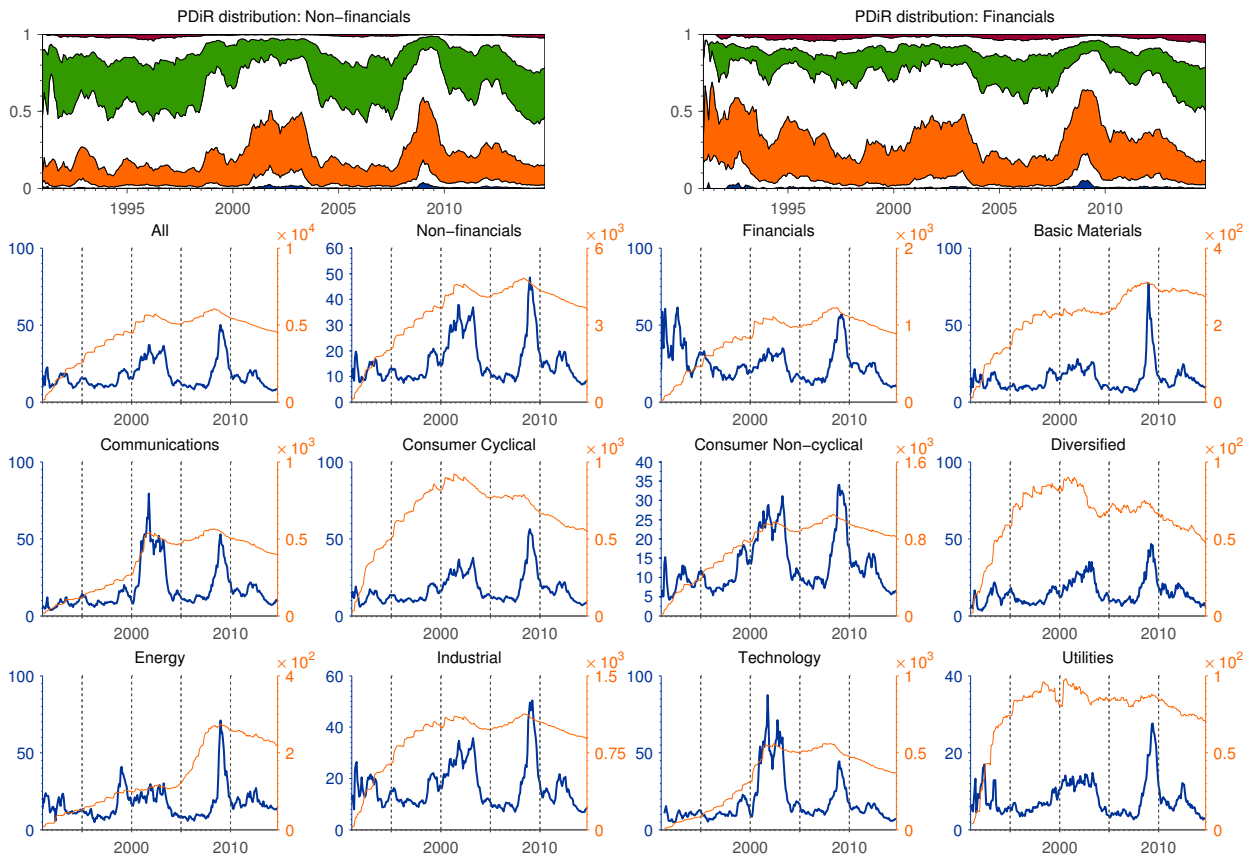
Latin America



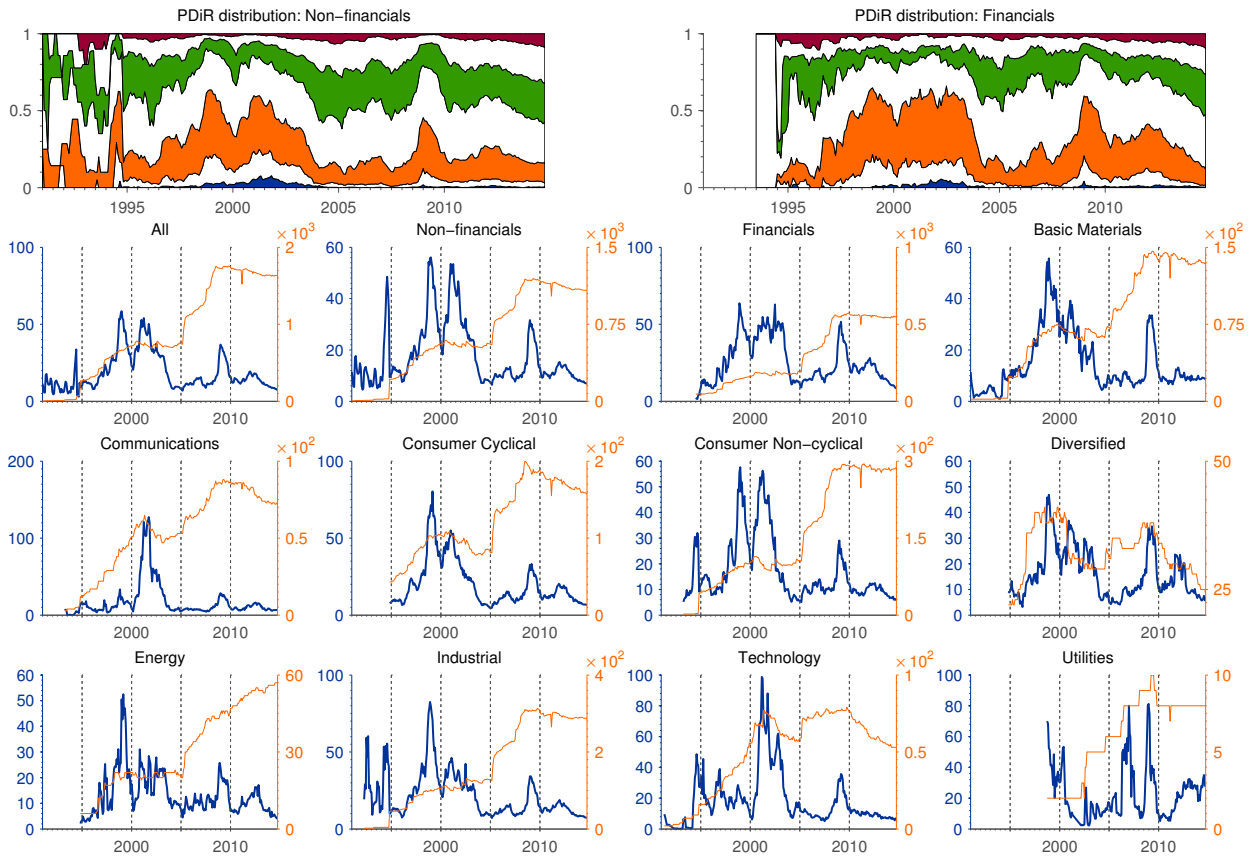
Eastern Europe



Western Europe

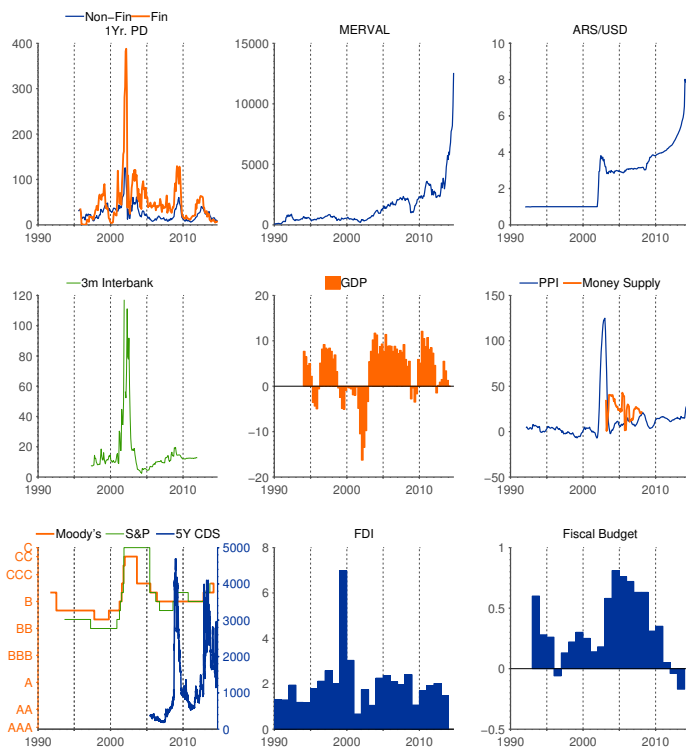


Africa & the Middle East

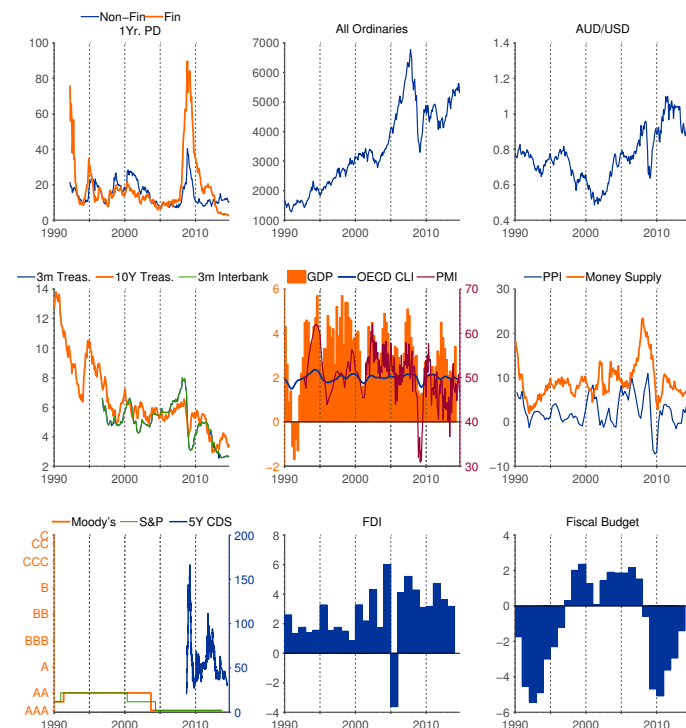


C Macroeconomic Indicators

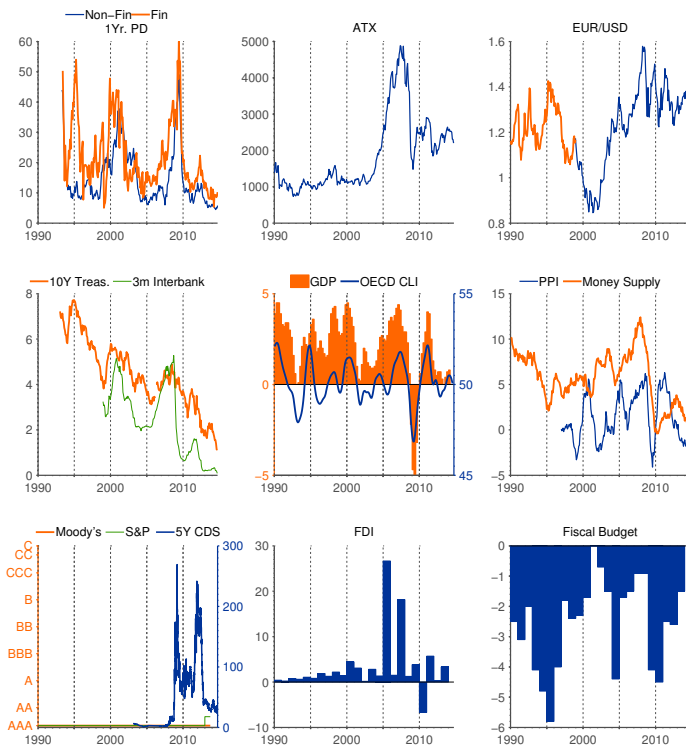
Descriptions of the data contained in this section are provided in Appendix D.



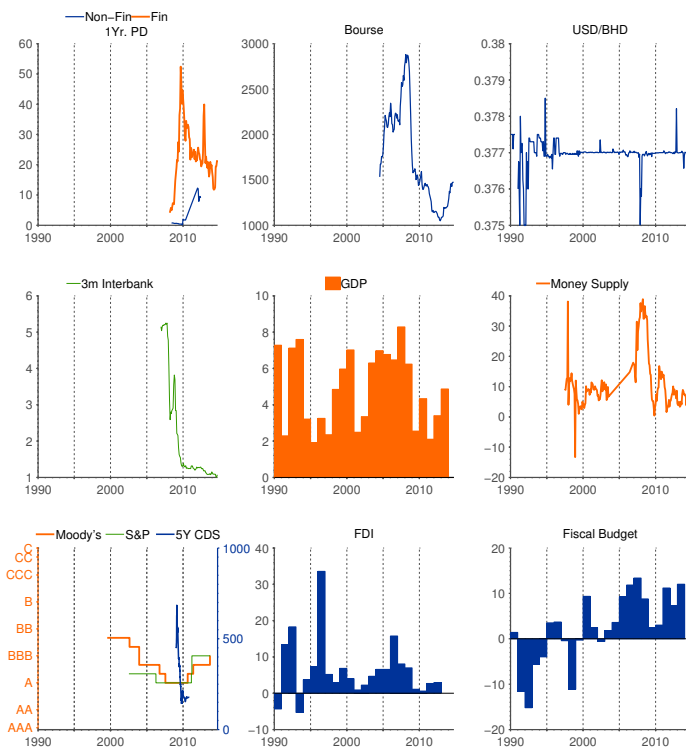
Argentina	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	18.46	13.78	15.40	9.66	6.82
1Yr. PD, Fin.	10.05	9.78	10.50	6.02	5.32
MERVAL	4784	5391	6374	7887	12549
ARS/USD	5.79	6.52	8.00	8.13	8.43
GDP (YoY%)	3.4	1.3	0.0	-	-
PPI (YoY%)	15.2	15.1	27.8	29.4*	26.8*
Sov. Rating, Moody's	Caa1	Caa1	Caa1	Caa1	Caa1
Sov. Rating, S&P	CCC+	CCC+	CCC+	CCC+	CCC+
5Y CDS (bps)	2527.46	1653.60	1876.37	1761.26	2666.13
FDI (%GDP)	-	1.48	-	-	-
Fiscal Budget (%GDP)	-	-0.17	-	-	-



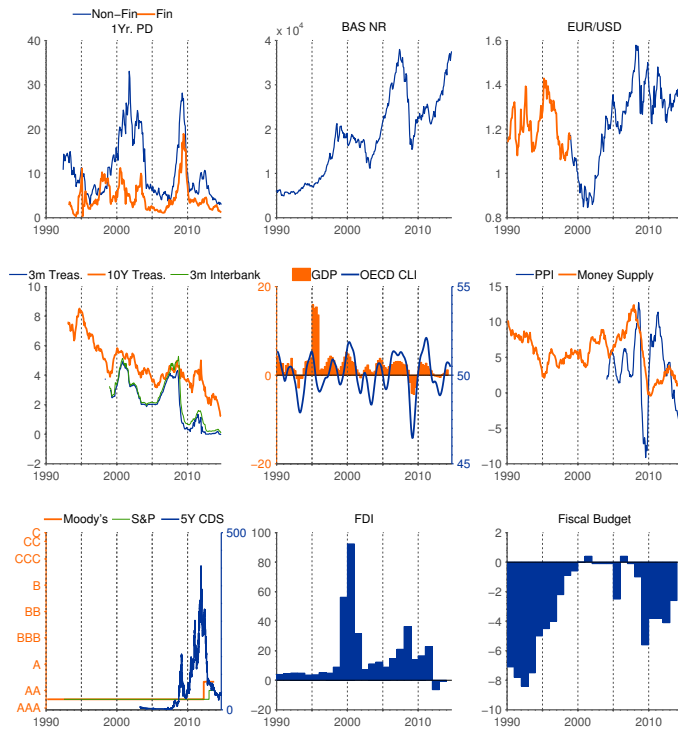
Australia	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	11.27	11.42	11.56	12.03	10.43
1Yr. PD, Fin.	3.36	2.91	3.47	2.84	2.63
All Ordinaries	5218	5353	5403	5382	5297
AUD/USD	0.93	0.89	0.93	0.94	0.87
3m Treas. Yield (%)	2.58	2.63	2.67	2.69	2.71
10Y Treas. Yield (%)	3.81	4.24	4.08	3.54	3.48
3m Interbank (%)	2.56	2.61	2.65	2.68	2.69
GDP (YoY%)	2.2	2.6	3.4	-	-
OECD CLI	99.94	100.03	99.82	99.64	99.59*
PMI	51.7	47.6	47.9	48.9	46.5
PPI (YoY%)	2.8	2.1	3.9	3.7	-
Money Supply (YoY%)	6.0	6.6	6.6	6.8	8.0*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
5Y CDS (bps)	51.84*	39.00	45.83*	32.16	-
FDI (%GDP)	-	3.17	-	-	-
Fiscal Budget (%GDP)	-	-1.40	-	-	-



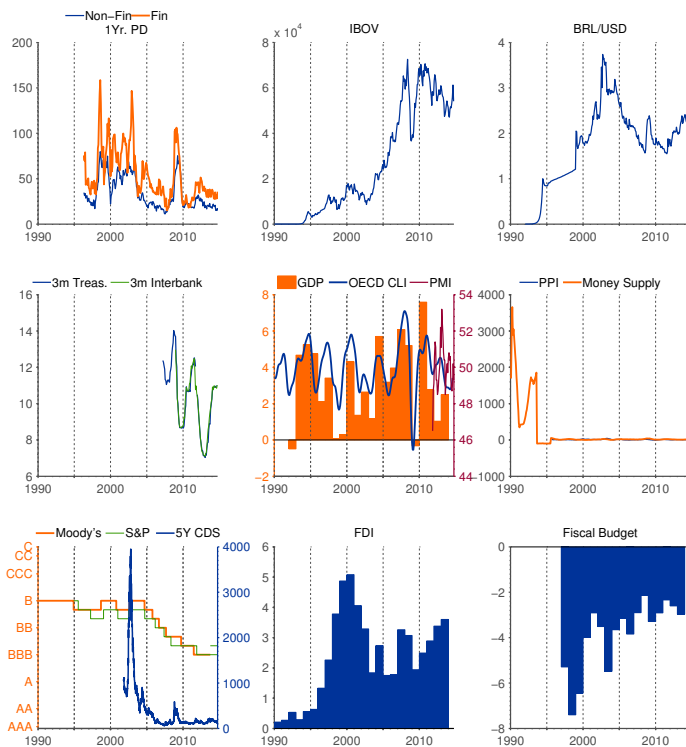
Austria	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	5.35	6.25	5.63	4.47	5.79
1Yr. PD, Fin.	7.98	7.83	5.35	9.14	10.23
ATX	2528	2547	2524	2501	2204
EUR/USD	1.35	1.37	1.38	1.37	1.26
10Y Treas. Yield (%)	2.18	2.27	1.81	1.55	1.15
3m Interbank (%)	0.23	0.29	0.31	0.21	0.08
GDP (YoY%)	0.4	0.7	0.8	-	-
OECD CLI	100.17	100.47	100.47	100.19	100.06*
PPI (YoY%)	-1.3	-1.1	-1.8	-0.8	-1.4*
Money Supply (YoY%)	1.9	1.0	1.0	1.5	2.0*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AA+	AA+	AA+	AA+	AA+
5Y CDS (bps)	29.2	37.3	38.9	29.3	24.3
FDI (%GDP)	-	3.33	-	-	-
Fiscal Budget (%GDP)	-	-1.50	-	-	-



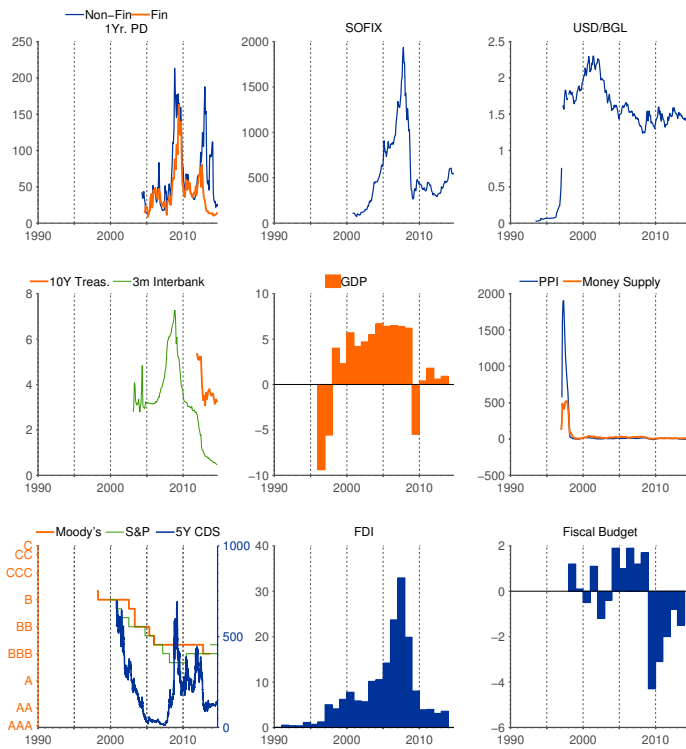
Bahrain	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Fin.	20.92	17.61	11.73	19.40	20.93
Bourse	1194	1249	1357	1428	1476
USD/BHD	0.38	0.38	0.38	0.38	0.38
3m Interbank (%)	1.10	1.15	1.09	1.08	1.07
GDP (YoY%)	-	4.87	-	-	-
Money Supply (YoY%)	8.91	7.52	3.79	6.66	7.71*
Sov. Rating, Moody's	Baa2	Baa2	Baa2	Baa2	Baa2
Sov. Rating, S&P	BBB	BBB	BBB	BBB	BBB
Fiscal Budget (%GDP)	-	12.01	-	-	-



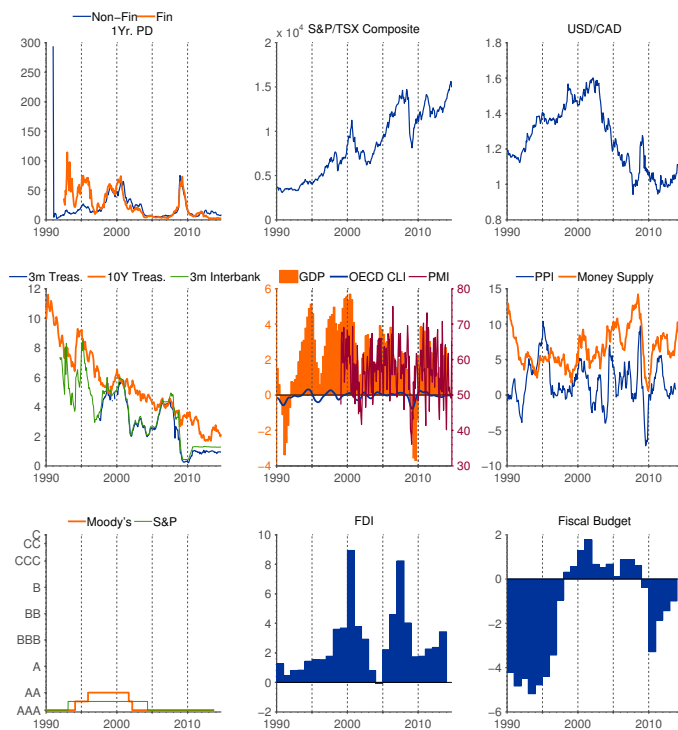
Belgium	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	4.24	3.93	3.14	2.98	2.96
1Yr. PD, Fin.	2.35	2.76	2.32	1.43	1.18
BAS NR	31253	33394	35104	37057	37555
EUR/USD	1.35	1.37	1.38	1.37	1.26
3m Treas. Yield (%)	0.03	0.06	0.19	0.00	-0.04
10Y Treas. Yield (%)	2.57	2.56	2.21	1.70	1.22
3m Interbank (%)	0.23	0.29	0.31	0.21	0.08
GDP (YoY%)	0.4	0.8	1.2	-	-
OECD CLI	100.16	100.67	100.71	100.54	100.47*
PPI (YoY%)	-1.8	-2.5	-3.9	-2.5	-3.1*
Money Supply (YoY%)	1.9	1.0	1.0	1.5	2.0*
Sov. Rating, Moody's	Aa3	Aa3	Aa3	Aa3	Aa3
Sov. Rating, S&P	AA	AA	AA	AA	AA
5Y CDS (bps)	60.71	47.34	43.00	40.81	44.98
FDI (%GDP)	-	-0.67	-	-	-
Fiscal Budget (%GDP)	-	-2.60	-	-	-



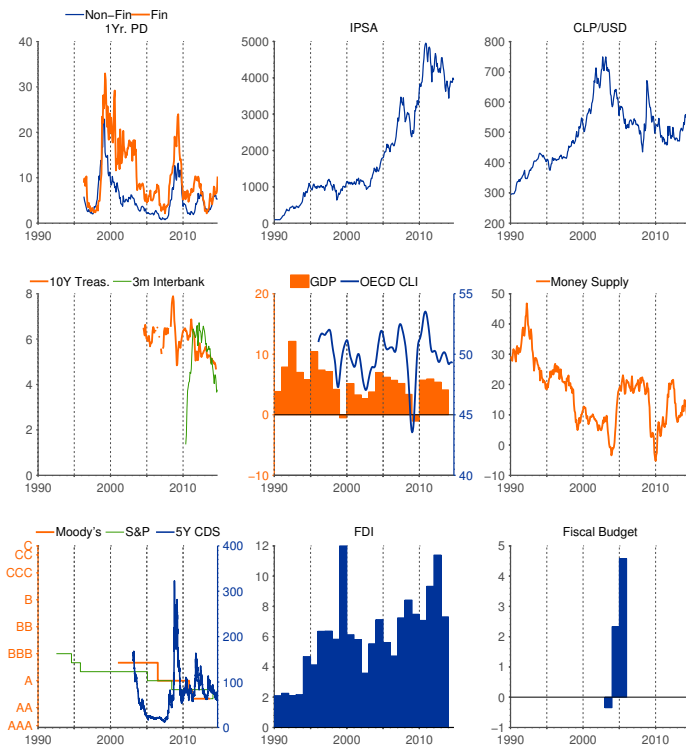
Brazil	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	18.79	17.32	19.72	15.10	17.68
1Yr. PD, Fin.	31.22	38.01	28.25	27.92	35.70
IBOV	52338.2	51507.2	50414.9	53168.2	54116.0
BRL/USD	2.22	2.36	2.27	2.21	2.45
3m Treas. Yield (%)	8.87	10.23	10.86	10.90	11.00*
3m Interbank (%)	9.52	10.26	10.92	10.89	11.02
GDP (YoY%)	-	2.5	-	-	-
OECD CLI	98.89	98.88	98.79	99.12	99.41*
PMI	49.9	50.5	50.6	48.7	49.3
PPI (YoY%)	3.5	5.1	7.7	6.0	1.9
Money Supply (YoY%)	9.33	10.95	12.23	11.29	10.59*
Sov. Rating, Moody's	Baa2	Baa2	Baa2	Baa2	Baa2
Sov. Rating, S&P	BBB-	BBB-	BBB-	BBB-	BBB-
5Y CDS (bps)	176.74	193.77	169.00	144.50	174.12
FDI (%GDP)	-	3.60	-	-	-
Fiscal Budget (%GDP)	-	-2.97	-	-	-



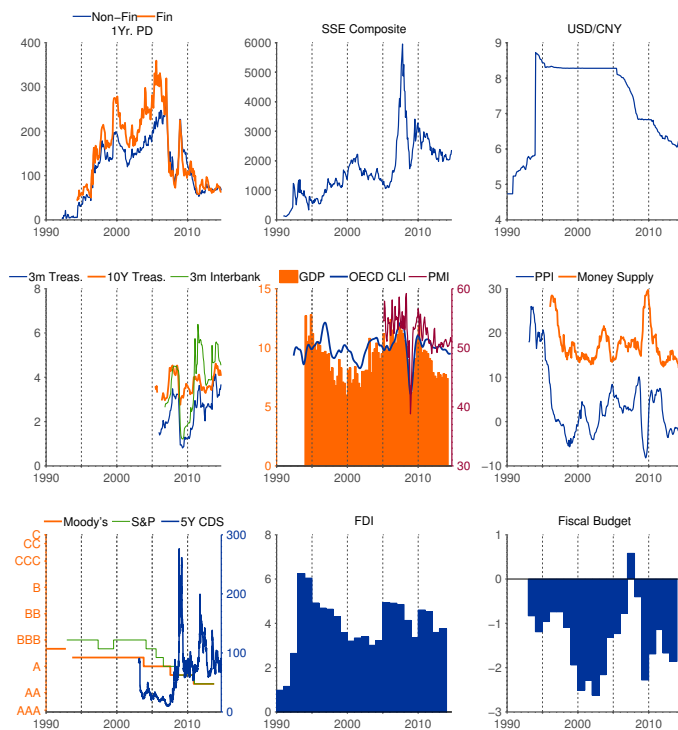
Bulgaria	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	94.15	111.33	31.63	21.76	26.69
1Yr. PD, Fin.	13.43	12.52	10.42	11.88	14.62
SOFIX	456	492	600	551	540
USD/BGL	1.45	1.42	1.42	1.43	1.55
10Y Treas. Yield (%)	3.68	3.52	3.45	3.23	3.22
3m Interbank (%)	0.70	0.65	0.56	0.53	0.47
GDP (YoY%)	-	0.9	-	-	-
PPI (YoY%)	-3.5	-2.8	-1.6	-0.5	-1.0*
Money Supply (YoY%)	8.1	8.9	8.3	7.4	7.0*
Sov. Rating, Moody's	Baa2	Baa2	Baa2	Baa2	Baa2
Sov. Rating, S&P	BBB-	BBB-	BBB-	BBB-	BBB-
5Y CDS (bps)	116.52	123.51	127.32	118.66	140.29
FDI (%GDP)	-	3.56	-	-	-
Fiscal Budget (%GDP)	-	-1.50	-	-	-



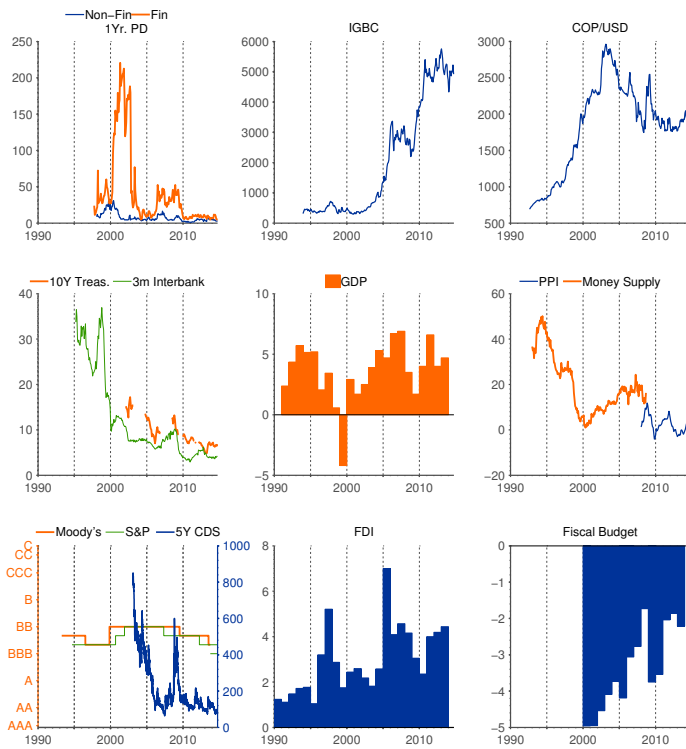
Canada	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	11.94	12.03	8.33	7.57	8.96
1Yr. PD, Fin.	2.74	2.67	3.48	2.50	2.05
S&P/TSX Composite	12787	13622	14335	15146	14961
USD/CAD	1.03	1.06	1.11	1.07	1.12
3m Treas. Yield (%)	0.97	0.92	0.89	0.95	0.92
10Y Treas. Yield (%)	2.54	2.76	2.46	2.24	2.15
3m Interbank (%)	1.27	1.27	1.27	1.27	1.27
GDP (YoY%)	2.2	2.7	2.1	-	-
OECD CLI	99.80	99.90	99.88	99.97	100.02*
PMI	59.4	40.2	61.8	49.7	65.2
PPI (YoY%)	0.9	0.8*	-	-	-
Money Supply (YoY%)	7.5	9.2	8.8	8.2	9.3*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
FDI (%GDP)	-	3.43	-	-	-
Fiscal Budget (%GDP)	-	-0.99	-	-	-



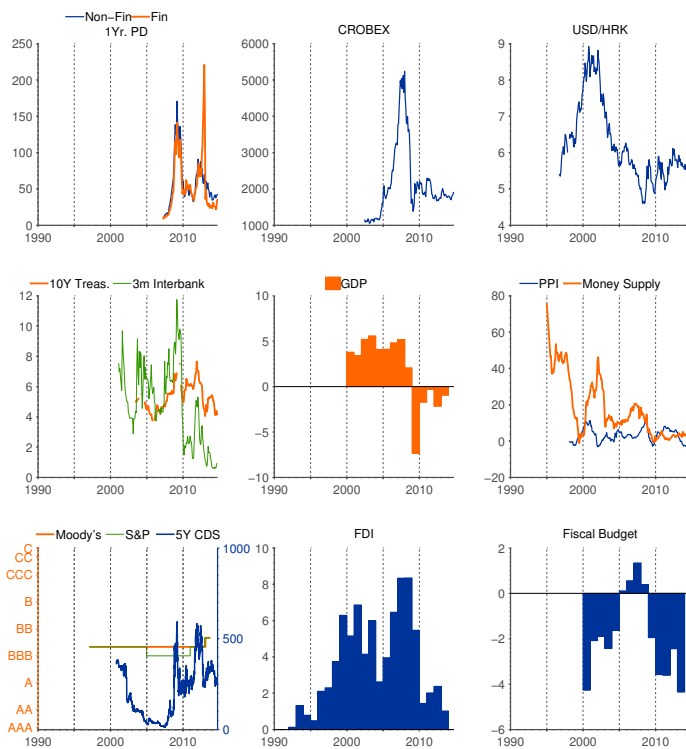
Chile	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	2.97	4.28	5.87	6.18	5.25
1Yr. PD, Fin.	6.48	4.16	8.05	6.87	10.27
IPSA	3823.8	3699.2	3772.8	3875.7	3943.6
CLP/USD	504.67	525.45	549.47	552.95	598.31
10Y Treas. Yield (%)	5.27	5.14	5.02	4.86	4.66*
3m Interbank (%)	5.58	5.14	4.37	4.42	3.77
GDP (YoY%)	-	4.1	-	-	-
OECD CLI	99.75	99.21	99.30	99.32	99.35*
Money Supply (YoY%)	13.0	14.9	11.3	5.7	6.9*
Sov. Rating, Moody's	Aa3	Aa3	Aa3	Aa3	Aa3
Sov. Rating, S&P	AA-	AA-	AA-	AA-	AA-
5Y CDS (bps)	89.63	79.55	77.34	63.63	77.66
FDI (%GDP)	-	7.31	-	-	-



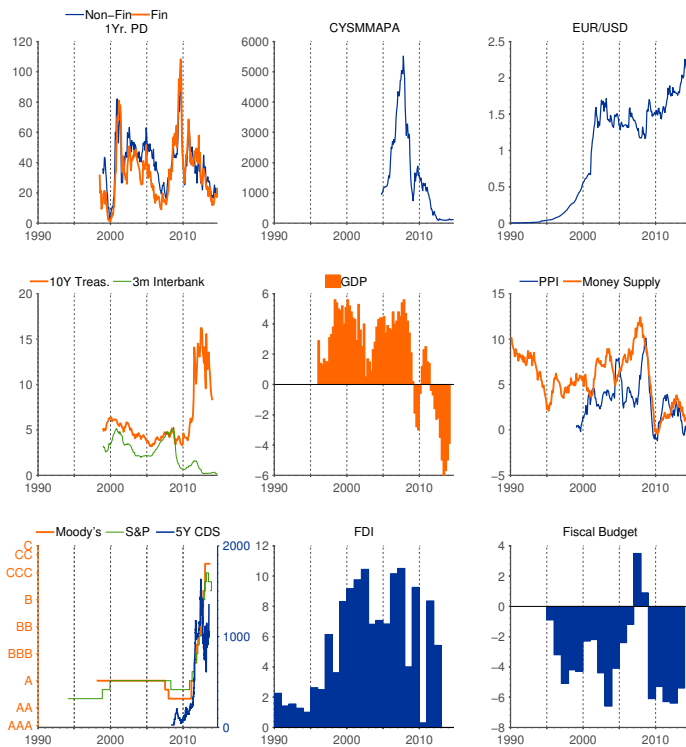
China	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	66.93	70.01	70.96	72.80	66.52
1Yr. PD, Fin.	66.63	71.31	74.97	74.87	63.84
SSE Composite	2175	2116	2033	2048	2364
USD/CNY	6.12	6.05	6.22	6.20	6.14
3m Treas. Yield (%)	4.05	4.14	3.10	3.18	3.68
10Y Treas. Yield (%)	4.07	4.62	4.51	4.09	4.07
3m Interbank (%)	4.67	5.56	5.50	4.75	4.54
GDP (YoY%)	7.8	7.7	7.4	-	-
OECD CLI	99.69	99.51	99.05	98.99	99.08*
PMI	51.1	51.0	50.3	51.0	51.1
PPI (YoY%)	-1.3	-1.4	-2.3	-1.1	-1.2*
Money Supply (YoY%)	14.2	13.6	12.1	14.7	12.8*
Sov. Rating, Moody's	Aa3	Aa3	Aa3	Aa3	Aa3
Sov. Rating, S&P	AA-	AA-	AA-	AA-	AA-
5Y CDS (bps)	86.5	79.8	92.3	77.0	88.8
FDI (%GDP)	-	3.76	-	-	-
Fiscal Budget (%GDP)	-	-1.86	-	-	-



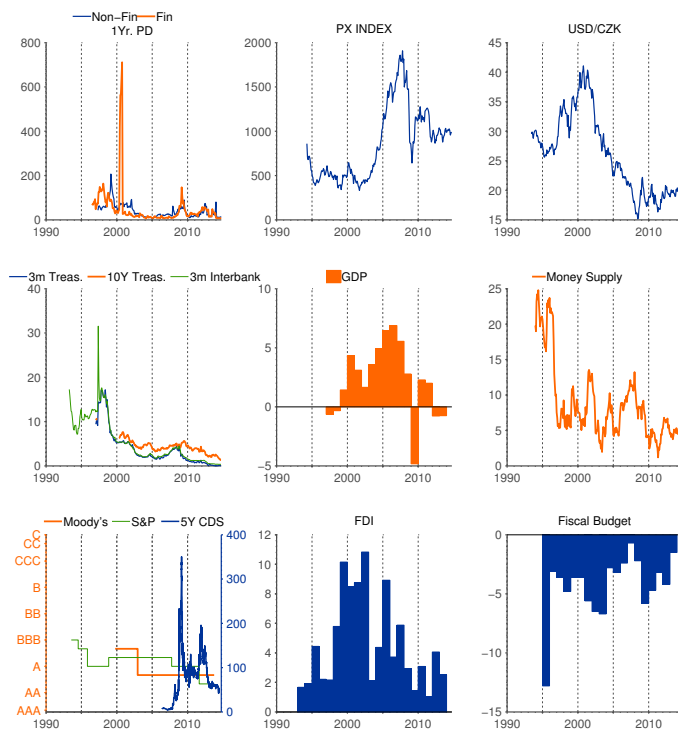
Colombia	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	5.86	4.18	3.80	2.91	3.00
1Yr. PD, Fin.	4.75	7.02	11.88	9.15	5.24
IGBC	5254	4739	5029	5022	4923
COP/USD	1906.00	1929.51	1971.20	1877.44	2024.85
10Y Treas. Yield (%)	6.87	6.77	6.47	6.56	6.85
3m Interbank (%)	4.02	3.71	3.78	4.12	4.27
GDP (YoY%)	-	4.7	-	-	-
PPI (YoY%)	-1.3	-0.5	2.6	2.5	3.0*
Sov. Rating, Moody's	Baa3	Baa3	Baa3	Baa3	Baa3
Sov. Rating, S&P	BBB	BBB	BBB	BBB	BBB
5Y CDS (bps)	134.66	118.66	106.02	80.88	99.58
FDI (%GDP)	-	4.44	-	-	-
Fiscal Budget (%GDP)	-	-2.21	-	-	-



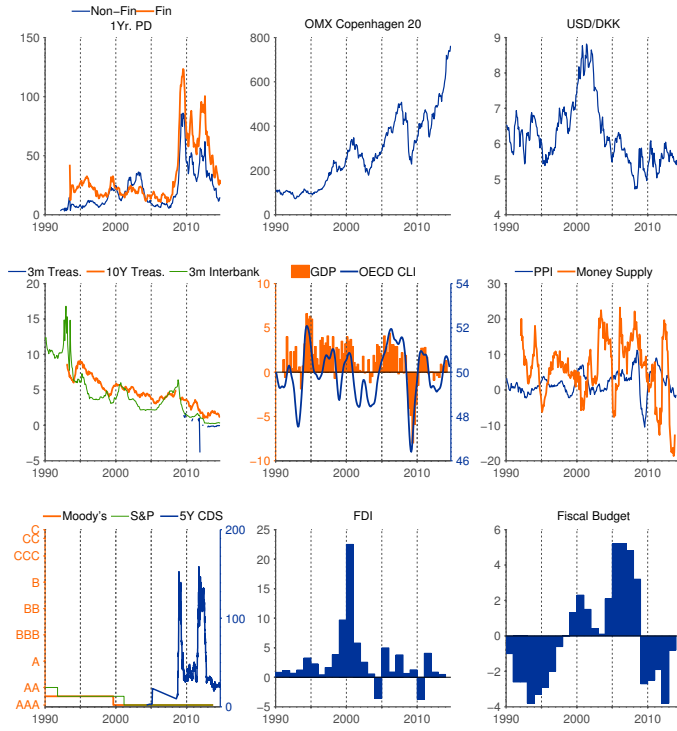
Croatia	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	43.49	34.43	37.51	37.73	43.23
1Yr. PD, Fin.	25.31	23.23	26.86	21.70	36.27
CROBEX	1810.5	1794.3	1758.4	1791.5	1918.1
USD/HRK	5.6	5.5	5.6	5.5	6.0
10Y Treas. Yield (%)	5.25	5.45	5.07	4.11	4.10
3m Interbank (%)	1.60	0.70	0.60	0.62	0.93
GDP (YoY%)	-	-1.0	-	-	-
PPI (YoY%)	-1.80	-2.40	-3.10	-2.10	-2.40*
Money Supply (YoY%)	5.08	2.93	3.29	2.70	3.41*
Sov. Rating, Moody's	Ba1	Ba1	Ba1	Ba1	Ba1
Sov. Rating, S&P	BB+	BB+	BB+	BB+	BB+
5Y CDS (bps)	331.90	343.87	305.00	240.54	262.14
FDI (%GDP)	-	1.02	-	-	-
Fiscal Budget (%GDP)	-	-4.35	-	-	-



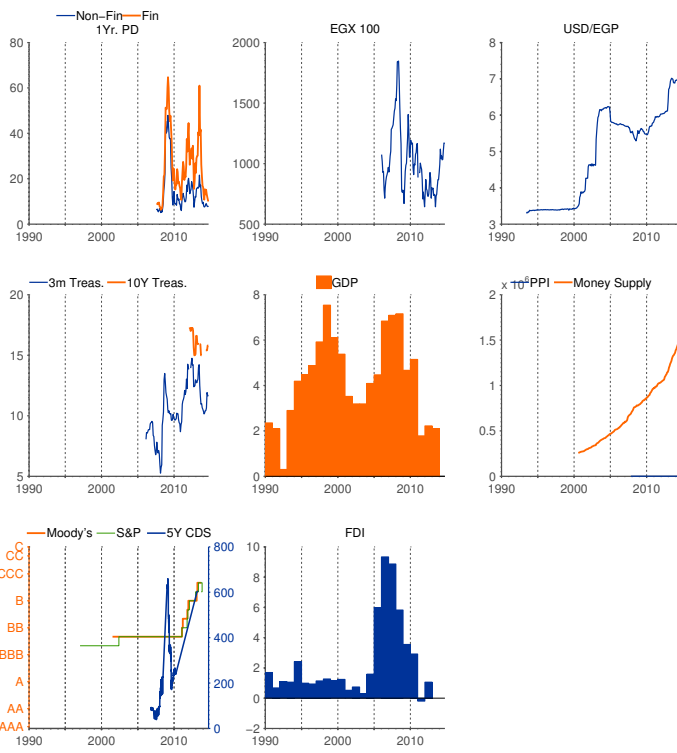
Cyprus	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	20.97	18.33	21.16	23.14	18.59
1Yr. PD, Fin.	22.88	12.00	13.29	18.04	23.48
CYSMMAPA	93	103	118	115	111
EUR/USD	1.35	1.37	1.38	1.37	1.26
10Y Treas. Yield (%)	11.13	8.53	8.27*	-	-
3m Interbank (%)	0.23	0.29	0.31	0.21	0.08
GDP (YoY%)	-5.7	-5.0	-3.9	-	-
PPI (YoY%)	-0.40	-0.10	-0.30	-0.30	-0.30*
Money Supply (YoY%)	1.90	1.00	1.00	1.50	2.00*
Sov. Rating, Moody's	Caa3	Caa3	Caa3	Caa3	Caa3
Sov. Rating, S&P	B-	B-	B-	B-	B-
5Y CDS (bps)	1359.55*	-	-	-	-
Fiscal Budget (%GDP)	-	-5.40	-	-	-



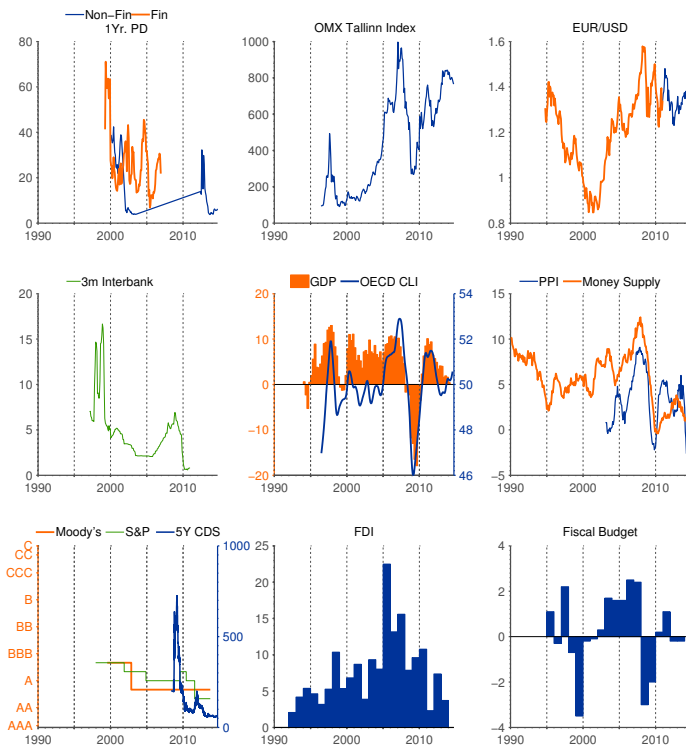
Czech Republic	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	22.81	80.46	12.01	10.81	13.56
1Yr. PD, Fin.	33.52	8.26	7.08	6.93	6.85
PX INDEX	958	989	1006	1009	991
USD/CZK	19	20	20	20	22
3m Treas. Yield (%)	0.07	0.09	0.00	0.10	0.05
10Y Treas. Yield (%)	2.37	2.57	2.18	1.60	1.34
3m Interbank (%)	0.45	0.38	0.37	0.35	0.35
GDP (YoY%)	-	-0.8	-	-	-
Money Supply (YoY%)	5.10	4.77	5.11	3.91	3.71*
Sov. Rating, Moody's	A1	A1	A1	A1	A1
Sov. Rating, S&P	AA-	AA-	AA-	AA-	AA-
5Y CDS (bps)	60.2	61.2	55.7	43.2	-
FDI (%GDP)	-	2.52	-	-	-
Fiscal Budget (%GDP)	-	-1.50	-	-	-



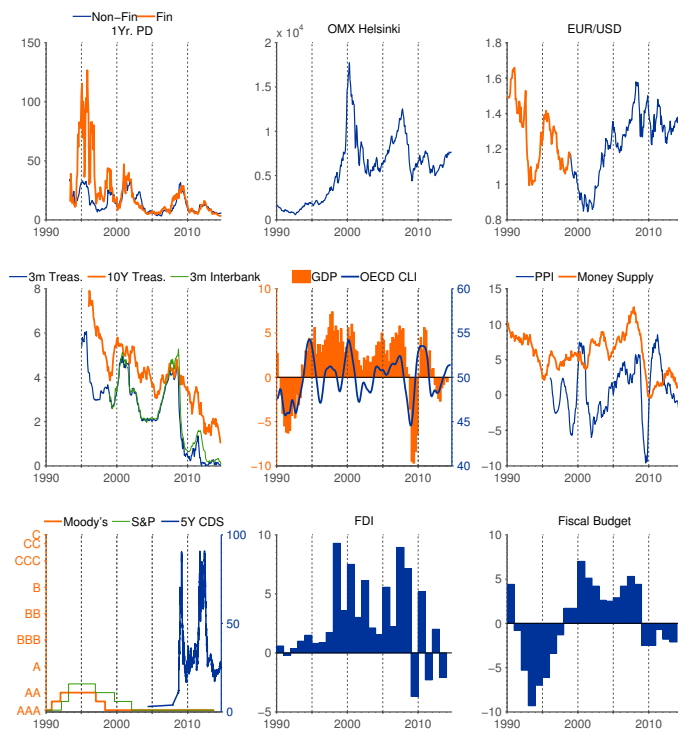
Denmark	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	24.42	20.83	14.56	11.44	14.38
1Yr. PD, Fin.	44.55	31.33	37.10	26.50	25.82
OMX Copenhagen 20	566	616	702	741	763
USD/DKK	5.51	5.43	5.42	5.45	5.89
3m Treas. Yield (%)	-0.11	-0.20	-0.16	-0.07	-0.05
10Y Treas. Yield (%)	1.97	1.98	1.62	1.63	1.21
3m Interbank (%)	0.27	0.26	0.30	0.38	0.29
GDP (YoY%)	0.7	0.7	1.3	-	-
OECD CLI	100.29	100.69	100.67	100.35	100.23*
PPI (YoY%)	-1.8	-1.4	-	-	-
Money Supply (YoY%)	-17.7	-12.6*	-	-	-
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
5Y CDS (bps)	23.5	28.4	24.1	24.0	24.8
FDI (%GDP)	-	0.48	-	-	-
Fiscal Budget (%GDP)	-	-0.80	-	-	-



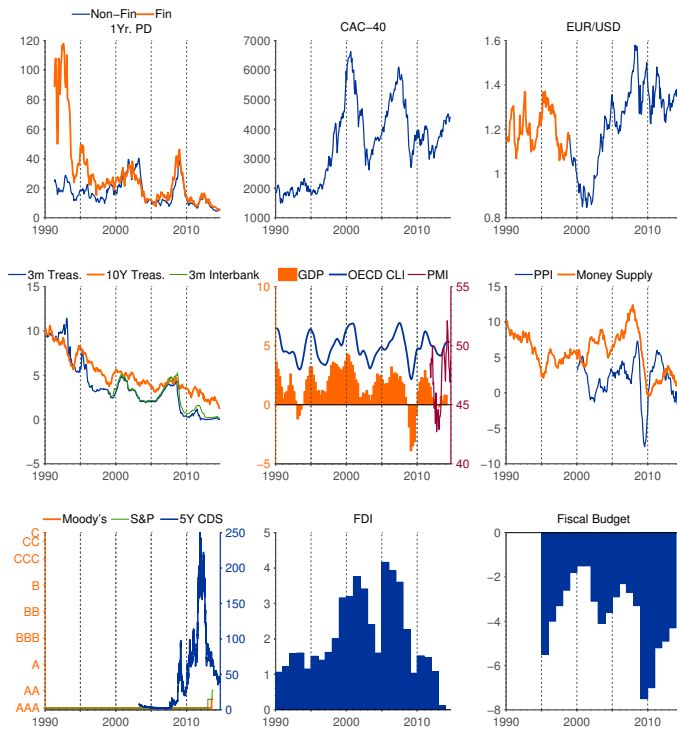
Egypt	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	12.16	9.60	7.71	8.39	7.89
1Yr. PD, Fin.	26.19	16.21	15.38	13.15	10.00
EGX 100	811.3	923.1	1041.3	1034.3	1167.9
USD/EGP	6.89	6.95	6.97	7.15	7.14
3m Treas. Yield (%)	10.95	10.53	10.23	10.64	11.61
10Y Treas. Yield (%)	15.00	15.00*	-	15.40	15.80
GDP (YoY%)	-	2.10	-	-	-
PPI (YoY%)	206.4	207.7	208.8	209.1	216.7*
Money Supply (YoY%)	1334967.0	1387688.0	1438421.0	1516591.0	-
Sov. Rating, Moody's	Caa1	Caa1	Caa1	Caa1	Caa1
Sov. Rating, S&P	B-	B-	B-	B-	B-



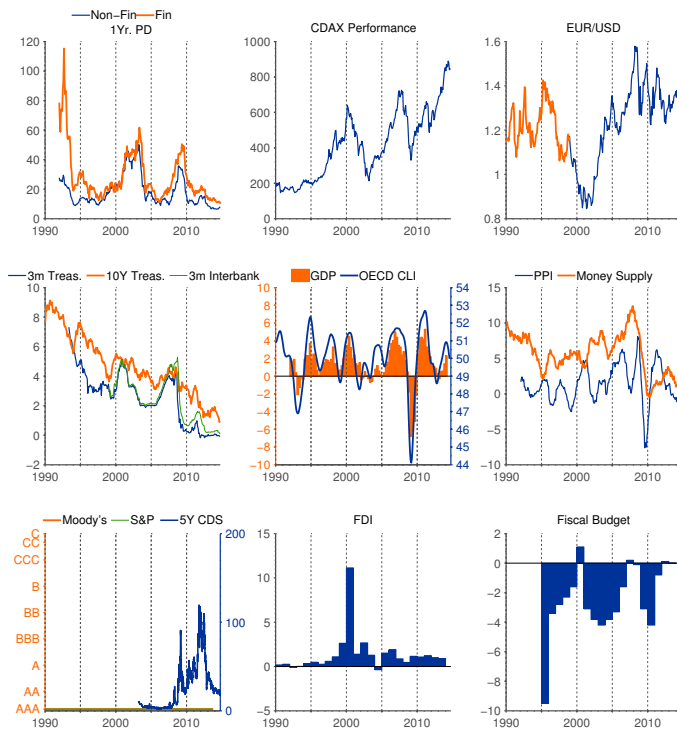
Estonia	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	3.81	4.15	5.78	5.53	6.29
OMX Tallinn Index	837	818	797	802	765
EUR/USD	1.35	1.37	1.38	1.37	1.26
GDP (YoY%)	1.9	1.6	0.4	-	-
OECD CLI	100.07	100.24	100.18	100.42	100.57*
PPI (YoY%)	4.9	2.4	-2.6	-3.1	-1.0*
Money Supply (YoY%)	1.90	1.00	1.00	1.50	2.00*
Sov. Rating, Moody's	A1	A1	A1	A1	A1
Sov. Rating, S&P	AA-	AA-	AA-	AA-	AA-
5Y CDS (bps)	65.89	62.34	57.04	57.77	63.15
FDI (%GDP)	-	3.72	-	-	-
Fiscal Budget (%GDP)	-	-0.20	-	-	-



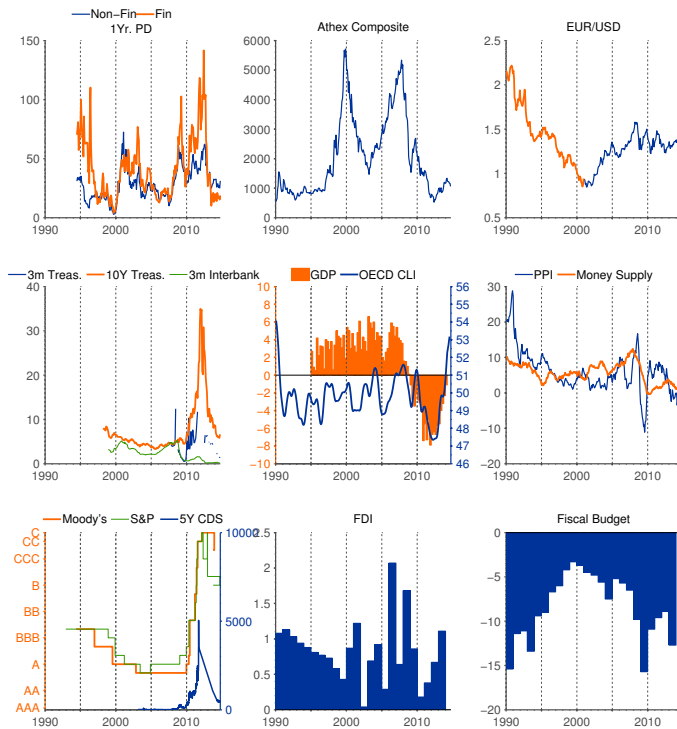
Finland	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	6.34	6.32	5.43	5.51	6.16
1Yr. PD, Fin.	5.12	6.34	4.29	3.34	3.00
OMX Helsinki	6864.4	7337.0	7351.5	7578.5	7667.9
EUR/USD	1.35	1.37	1.38	1.37	1.26
3m Treas. Yield (%)	0.21	0.18	0.15	0.06	0.02
10Y Treas. Yield (%)	2.00	2.13	1.87	1.44	1.05
3m Interbank (%)	0.23	0.29	0.31	0.21	0.08
GDP (YoY%)	-0.8	-0.2	-0.5	-	-
OECD CLI	100.40	100.97	101.30	101.40	101.38*
PPI (YoY%)	-1.1	-0.8	-2.1	-0.6	-0.8*
Money Supply (YoY%)	1.9	1.0	1.0	1.5	2.0*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
5Y CDS (bps)	21.68	21.59	22.89	23.66	27.49
FDI (%GDP)	-	-2.06	-	-	-
Fiscal Budget (%GDP)	-	-2.10	-	-	-



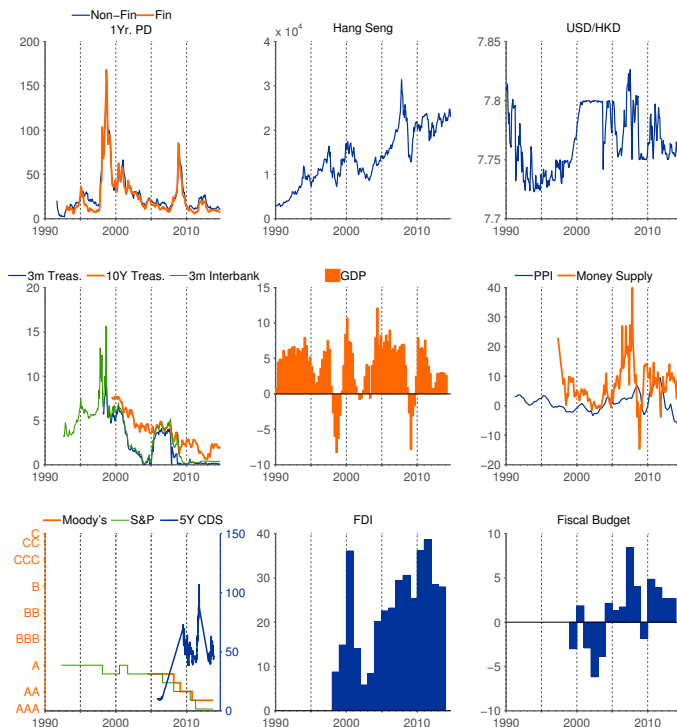
France	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	5.49	5.06	4.35	4.69	5.96
1Yr. PD, Fin.	7.60	7.43	6.32	5.58	5.48
CAC-40	4143.4	4295.9	4391.5	4422.8	4416.2
EUR/USD	1.35	1.37	1.38	1.37	1.26
3m Treas. Yield (%)	0.06	0.15	0.19	0.02	-0.03
10Y Treas. Yield (%)	2.32	2.56	2.08	1.70	1.28
3m Interbank (%)	0.23	0.29	0.31	0.21	0.08
GDP (YoY%)	0.3	0.8	0.8	-	-
OECD CLI	99.84	100.20	100.32	100.31	100.29*
PMI	49.8	47.0	52.1	48.2	48.8
PPI (YoY%)	-0.6	0.2	-1.9	-0.2	-1.4*
Money Supply (YoY%)	1.9	1.0	1.0	1.5	2.0*
Sov. Rating, Moody's	Aa1	Aa1	Aa1	Aa1	Aa1
Sov. Rating, S&P	AA	AA	AA	AA	AA
5Y CDS (bps)	68.37	53.76	49.25	39.64	44.57
FDI (%GDP)	-	0.12	-	-	-
Fiscal Budget (%GDP)	-	-4.30	-	-	-



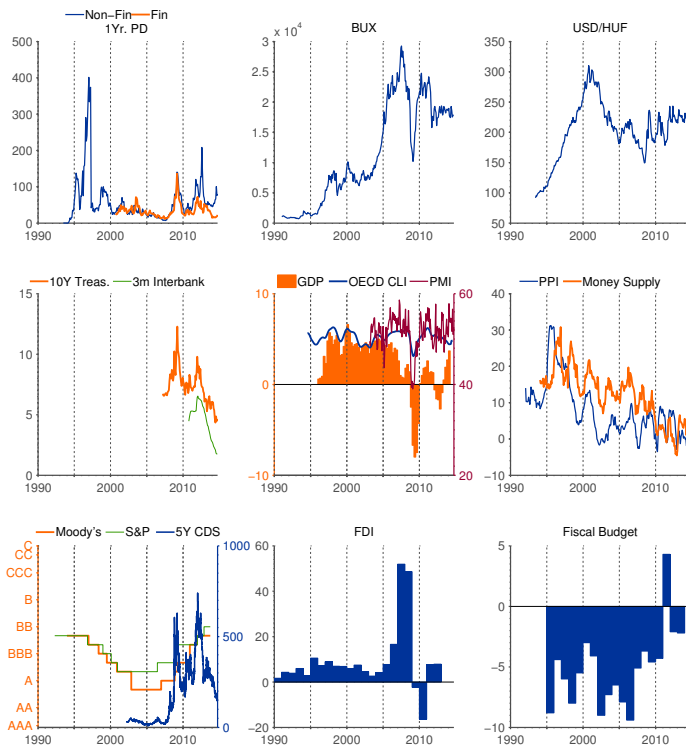
Germany	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	7.48	6.75	6.52	6.73	7.57
1Yr. PD, Fin.	13.88	13.06	11.06	11.42	10.11
CDAX Performance	771	853	856	881	845
EUR/USD	1.35	1.37	1.38	1.37	1.26
3m Treas. Yield (%)	-0.01	0.09	0.05	-0.03	-0.09
10Y Treas. Yield (%)	1.78	1.93	1.57	1.25	0.95
3m Interbank (%)	0.23	0.29	0.31	0.21	0.08
GDP (YoY%)	0.6	1.4	2.3	-	-
OECD CLI	100.49	100.89	100.82	100.24	99.98*
PPI (YoY%)	-0.5	-0.5	-0.9	-0.8	-0.8*
Money Supply (YoY%)	1.90	1.00	1.00	1.50	2.00*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
5Y CDS (bps)	24.3	25.1	22.3	20.0	18.0
FDI (%GDP)	-	0.90	-	-	-
Fiscal Budget (%GDP)	-	0.00	-	-	-



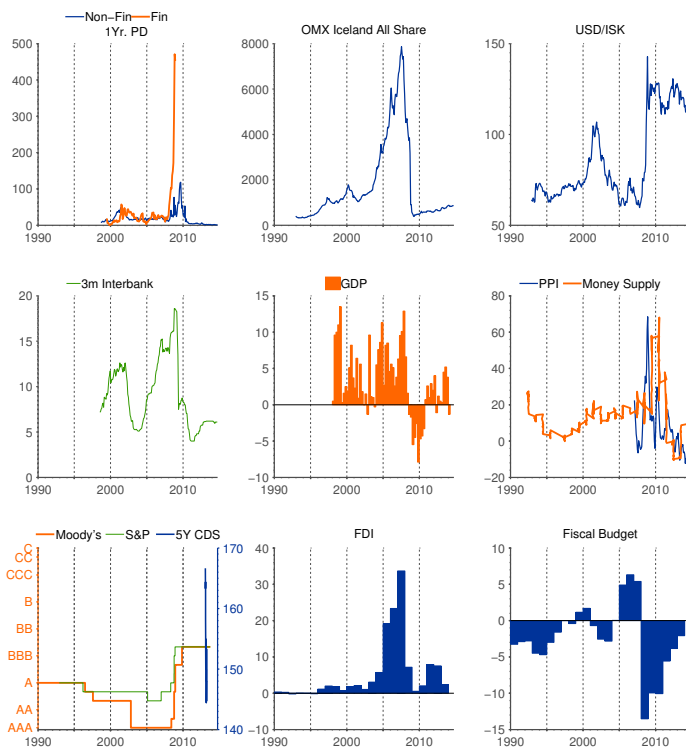
Greece	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	28.97	32.15	25.96	25.40	31.22
1Yr. PD, Fin.	20.98	20.05	14.03	16.77	18.90
Athex Composite	1014	1163	1336	1214	1062
EUR/USD	1.35	1.37	1.38	1.37	1.26
3m Treas. Yield (%)	4.36	-	-	2.27*	1.52
10Y Treas. Yield (%)	9.32	8.42	6.57	5.96	6.63
3m Interbank (%)	0.23	0.29	0.31	0.21	0.08
GDP (YoY%)	-3.2	-2.3	-1.1	-	-
OECD CLI	99.87	100.78	102.28	102.93	103.18*
PPI (YoY%)	-1.4	0.0	-1.8	1.6	-0.2*
Money Supply (YoY%)	1.9	1.0	1.0	1.5	2.0*
Sov. Rating, Moody's	Caa3	Caa3	Caa3	Caa3	Caa3
Sov. Rating, S&P	B	B	B	B	B
5Y CDS (bps)	1064.5	-	-	441.0	451.6
FDI (%GDP)	-	1.11	-	-	-
Fiscal Budget (%GDP)	-	-12.70	-	-	-



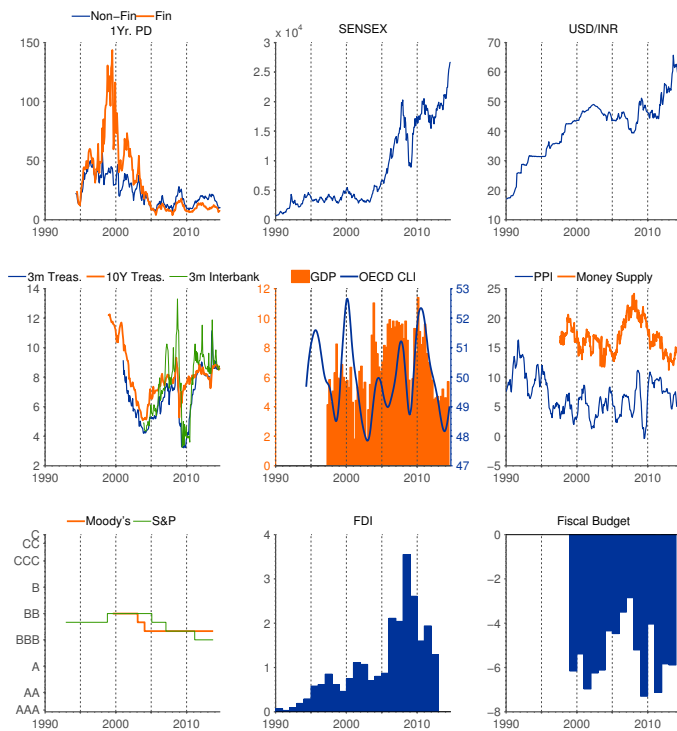
Hong Kong	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	11.75	11.46	12.30	12.41	10.68
1Yr. PD, Fin.	9.26	10.75	7.81	9.20	7.90
Hang Seng	22860	23306	22151	23191	22933
USD/HKD	7.76	7.75	7.76	7.75	7.77
3m Treas. Yield (%)	0.17	0.14	0.17	0.09	0.09
10Y Treas. Yield (%)	2.11	2.33	2.34	2.04	2.02
3m Interbank (%)	0.39	0.38	0.37	0.38	0.38
GDP (YoY%)	3.0	2.9	2.6	-	-
PPI (YoY%)	-5.2	-5.5	-6.2	-0.4	-
Money Supply (YoY%)	9.6	5.7	7.1	13.1	13.9*
Sov. Rating, Moody's	Aa1	Aa1	Aa1	Aa1	Aa1
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
5Y CDS (bps)	46.67	45.65*	-	-	-
FDI (%GDP)	-	27.97	-	-	-
Fiscal Budget (%GDP)	-	2.65	-	-	-



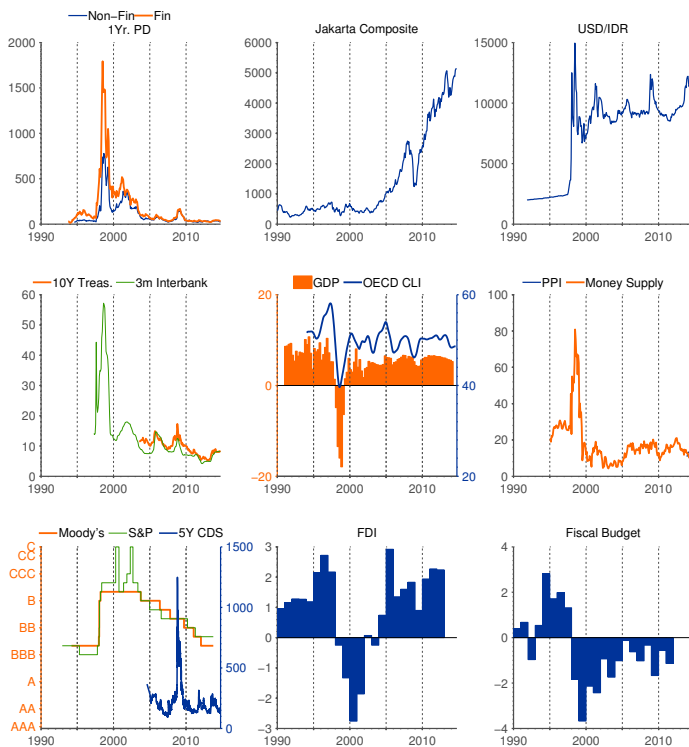
Hungary	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	50.13	45.42	55.17	66.43	78.97
1Yr. PD, Fin.	30.18	14.62	15.39	15.84	22.42
BUX	18663	18564	17530	18606	17885
USD/HUF	220	216	223	226	246
10Y Treas. Yield (%)	5.84	5.84	5.54	4.35	4.63
3m Interbank (%)	3.35	2.80	2.39	2.08	1.74
GDP (YoY%)	1.9	2.7	3.7	-	-
OECD CLI	99.51	98.97	98.87	99.63	99.66*
PMI	54.4	50.5	53.7	51.7	52.6
PPI (YoY%)	1.6	0.5	-1.9	-0.6	-0.4*
Money Supply (YoY%)	3.3	5.5	1.0	3.7	6.3*
Sov. Rating, Moody's	Ba1	Ba1	Ba1	Ba1	Ba1
Sov. Rating, S&P	BB	BB	BB	BB	BB
5Y CDS (bps)	277.9	260.0	235.6	167.1	170.7
Fiscal Budget (%GDP)	-	-2.20	-	-	-



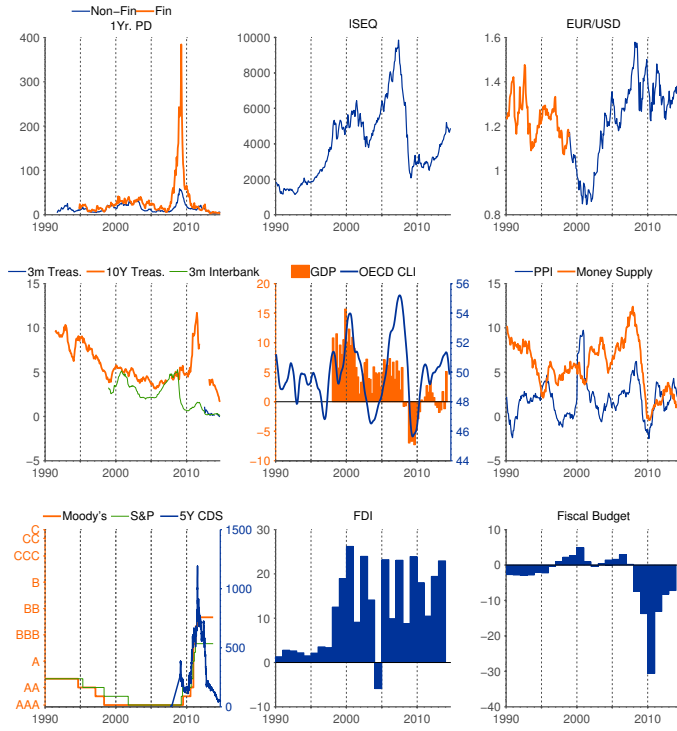
Iceland	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	2.01	1.26	1.87	1.14	1.02
OMX Iceland All Share	765	865	823	831	866
USD/ISK	120.38	115.18	112.79	112.86	120.89
3m Interbank (%)	6.20	6.20	6.10	6.10	6.10
GDP (YoY%)	5.2	3.8	-1.3	-	-
PPI (YoY%)	-1.9	-7.1	-9.5	-1.8	5.6*
Money Supply (YoY%)	8.7*	-	-	-1.7	-2.7*
Sov. Rating, Moody's	Baa3	Baa3	Baa3	Baa3	Baa3
Sov. Rating, S&P	BBB-	BBB-	BBB-	BBB-	BBB-
FDI (%GDP)	-	2.37	-	-	-
Fiscal Budget (%GDP)	-	-2.08	-	-	-



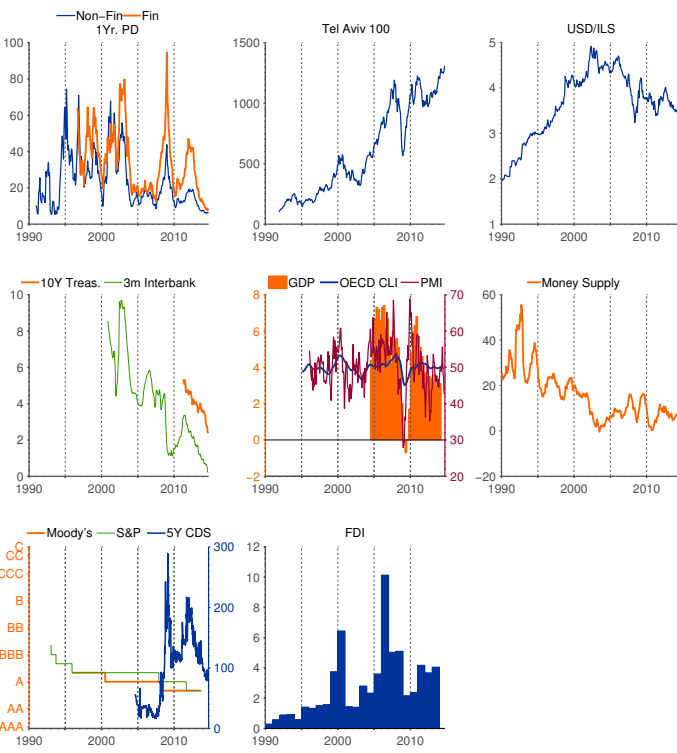
India	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	21.05	15.99	14.96	9.57	9.73
1Yr. PD, Fin.	11.33	10.92	10.19	6.43	7.25
SENSEX	19379.8	21170.7	22386.3	25413.8	26630.5
USD/INR	62.62	61.80	59.89	60.19	61.76
3m Treas. Yield (%)	9.57	8.59	8.55	8.55	8.61
10Y Treas. Yield (%)	8.76	8.82	8.80	8.75	8.51
3m Interbank (%)	9.88	8.90	9.25	8.50	8.75
GDP (YoY%)	5.2	4.6	4.6	5.7	-
OECD CLI	98.19	98.20	98.46	98.87	99.01*
PPI (YoY%)	7.0	6.4	6.0	5.7	3.7*
Money Supply (YoY%)	13.00	14.90	14.00	12.20	12.70
Sov. Rating, Moody's	Baa3	Baa3	Baa3	Baa3	Baa3
Sov. Rating, S&P	BBB	BBB	BBB	BBB	BBB
Fiscal Budget (%GDP)	-	-5.89	-	-	-



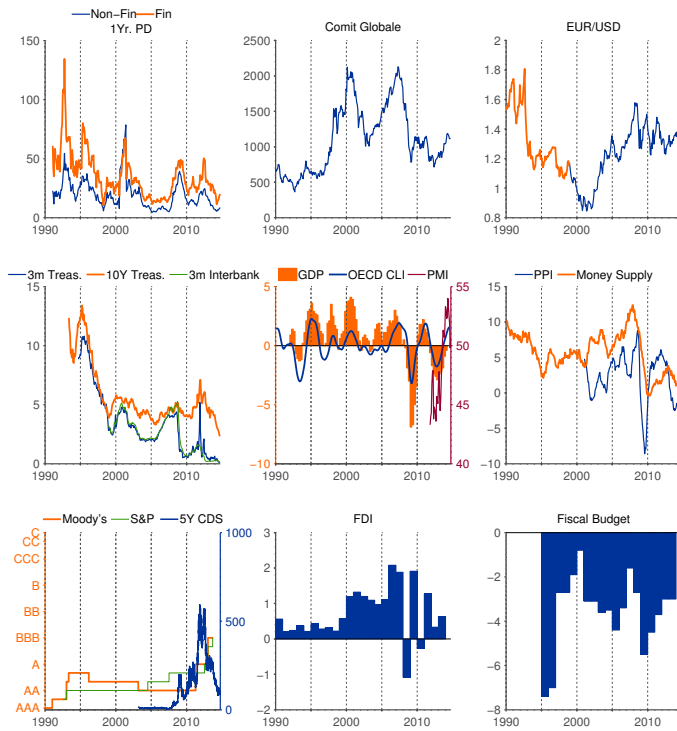
Indonesia	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	34.88	34.21	34.69	30.20	24.49
1Yr. PD, Fin.	38.61	41.85	40.41	40.59	29.20
Jakarta Composite	4316	4274	4768	4879	5138
USD/IDR	11406.00	12171.00	11361.00	11875.00	12188.00
10Y Treas. Yield (%)	8.50	8.45	7.99	8.21	8.52
3m Interbank (%)	7.16	7.84	8.13	8.15	8.07
GDP (YoY%)	5.7	5.6	5.3	-	-
OECD CLI	98.81	98.33	98.47	98.62	98.62*
PPI (YoY%)	-	12.7	13.2	12.2	8.7
Money Supply (YoY%)	14.57	12.70	10.05	13.13	11.05*
Sov. Rating, Moody's	Baa3	Baa3	Baa3	Baa3	Baa3
Sov. Rating, S&P	BB+	BB+	BB+	BB+	BB+
5Y CDS (bps)	285.57*	236.85	175.32	161.48	166.97



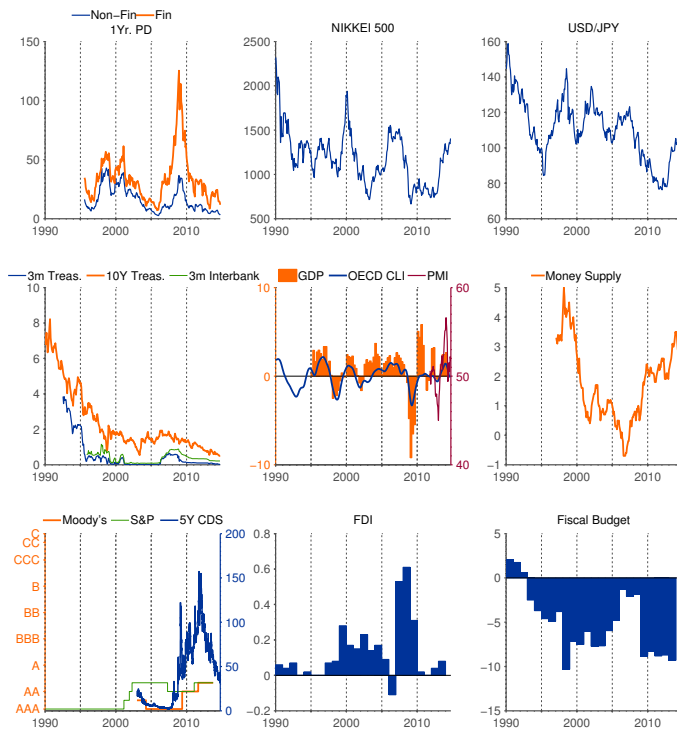
Ireland	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	3.17	3.58	4.23	5.41	6.14
1Yr. PD, Fin.	4.47	4.45	4.33	4.40	3.18
ISEQ	4238	4539	4995	4700	4875
EUR/USD	1.35	1.37	1.38	1.37	1.26
3m Treas. Yield (%)	0.25	0.13	0.30	0.12	-0.01
10Y Treas. Yield (%)	3.88	3.51	3.02	2.36	1.65
3m Interbank (%)	0.23	0.29	0.31	0.21	0.08
GDP (YoY%)	1.70	-1.20	5.10	-	-
OECD CLI	101.13	101.29	101.19	100.16	99.83*
PPI (YoY%)	3.6	3.1	2.1	0.4	-0.5*
Money Supply (YoY%)	1.90	1.00	1.00	1.50	2.00*
Sov. Rating, Moody's	Ba1	Ba1	Ba1	Ba1	Ba1
Sov. Rating, S&P	BBB+	BBB+	BBB+	BBB+	BBB+
5Y CDS (bps)	142.16	119.41	77.72	45.78	54.33
FDI (%GDP)	-	22.94	-	-	-
Fiscal Budget (%GDP)	-	-7.20	-	-	-



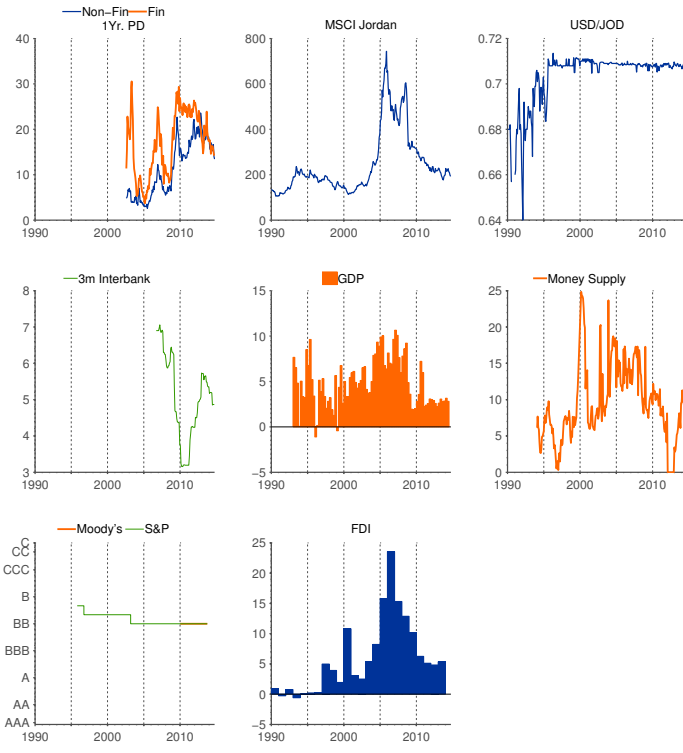
Israel	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	7.46	7.69	6.27	6.04	6.45
1Yr. PD, Fin.	14.09	11.86	9.16	7.67	7.49
Tel Aviv 100	1143	1208	1283	1253	1306
USD/ILS	3.52	3.47	3.49	3.43	3.68
10Y Treas. Yield (%)	3.77	3.65	3.40	2.81	2.37
3m Interbank (%)	1.00	0.93	0.69	0.65	0.21
GDP (YoY%)	3.0	2.9	3.1	-	-
OECD CLI	99.76	99.89	100.16	99.80	99.56*
PMI	44.9	46.8	48.9	48.9	42.6*
Money Supply (YoY%)	4.86	6.80	7.75	7.73	7.76*
Sov. Rating, Moody's	A1	A1	A1	A1	A1
Sov. Rating, S&P	A+	A+	A+	A+	A+
5Y CDS (bps)	120.6	100.4	87.4	81.6	87.2
FDI (%GDP)	-	4.05	-	-	-



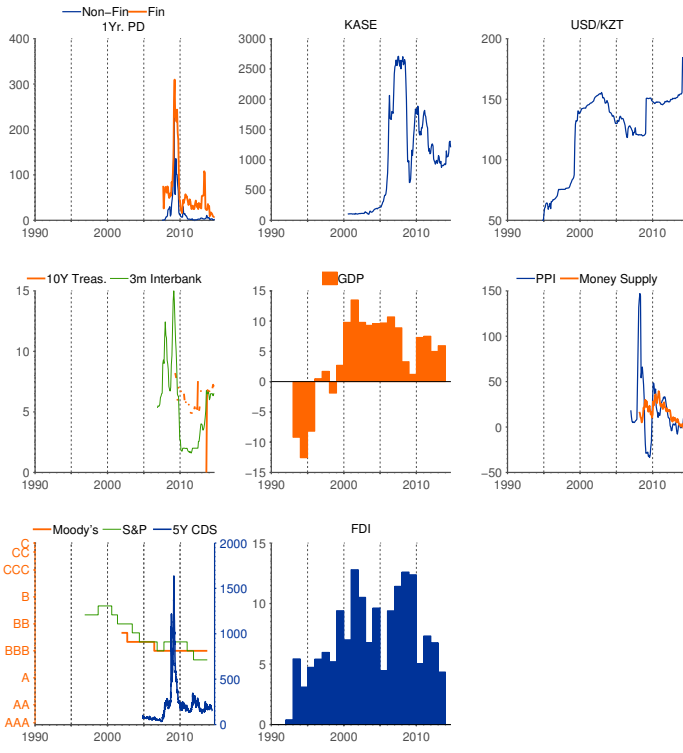
Italy	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	8.78	6.81	5.43	6.59	8.57
1Yr. PD, Fin.	26.63	20.29	11.30	15.12	19.96
Comit Globale	950	1041	1181	1155	1119
EUR/USD	1.35	1.37	1.38	1.37	1.26
3m Treas. Yield (%)	0.54	0.64	0.41	0.18	0.11
10Y Treas. Yield (%)	4.43	4.13	3.29	2.85	2.33
3m Interbank (%)	0.23	0.29	0.31	0.21	0.08
GDP (YoY%)	-1.9	-0.9	-0.4	-	-
OECD CLI	100.17	100.67	101.21	101.53	101.54*
PMI	50.8	53.3	52.4	52.6	50.7
PPI (YoY%)	-2.2	-2.1	-1.9	-1.8	-2.0*
Money Supply (YoY%)	1.9	1.0	1.0	1.5	2.0*
Sov. Rating, Moody's	Baa2	Baa2	Baa2	Baa2	Baa2
Sov. Rating, S&P	BBB	BBB	BBB	BBB	BBB
5Y CDS (bps)	268.01	168.45	130.66	94.51	105.96
FDI (%GDP)	-	0.63	-	-	-
Fiscal Budget (%GDP)	-	-3.00	-	-	-



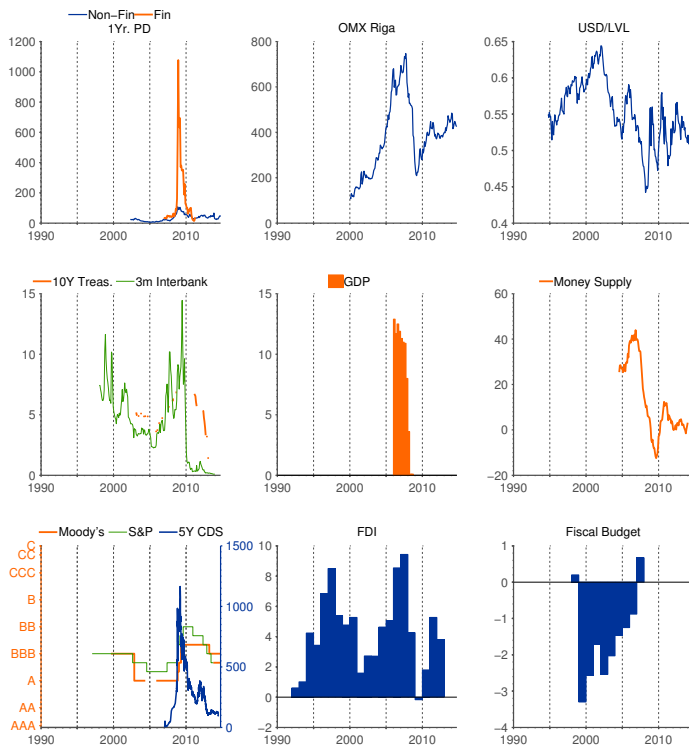
Japan	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	5.67	5.56	7.03	4.52	3.13
1Yr. PD, Fin.	19.16	18.52	22.65	14.67	11.79
NIKKEI 500	1227	1346	1269	1327	1406
USD/JPY	98.27	105.31	103.23	101.33	109.65
3m Treas. Yield (%)	0.04	0.06	0.03	0.03	0.00
10Y Treas. Yield (%)	0.69	0.74	0.64	0.57	0.53
3m Interbank (%)	0.23	0.22	0.21	0.21	0.21
GDP (YoY%)	2.4	2.4	2.7	-	-
OECD CLI	101.10	101.43	100.99	100.12	99.86*
PMI	52.5	55.2	53.9	51.5	51.7
Money Supply (YoY%)	3.1	3.4	2.9	2.5	2.4*
Sov. Rating, Moody's	Aa3	Aa3	Aa3	Aa3	Aa3
Sov. Rating, S&P	AA-	AA-	AA-	AA-	AA-
5Y CDS (bps)	62.38	39.29	49.18	36.50	44.24
FDI (%GDP)	-	0.08	-	-	-
Fiscal Budget (%GDP)	-	-9.29	-	-	-



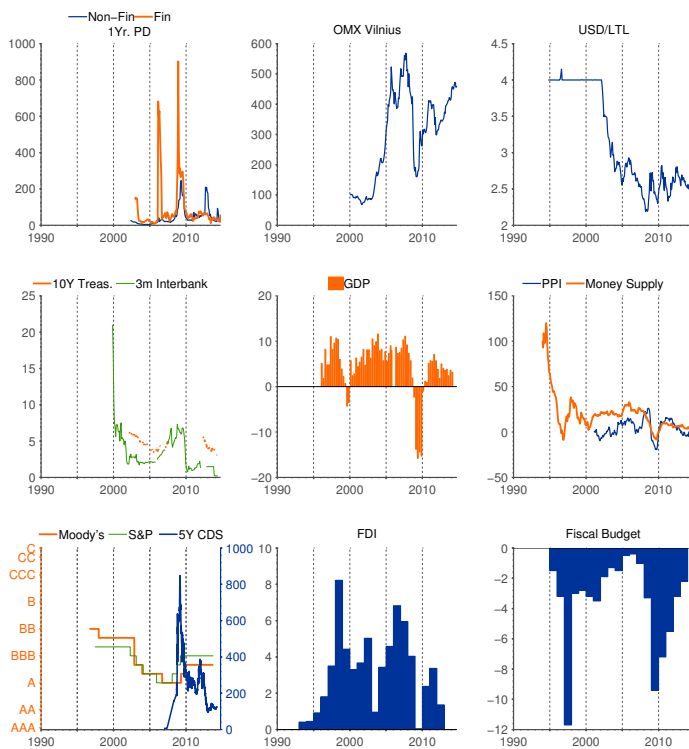
Jordan	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	17.82	17.70	17.05	15.23	13.44
1Yr. PD, Fin.	19.48	17.42	14.60	16.20	14.22
MSCI Jordan	177	198	216	213	193
USD/JOD	0.71	0.71	0.71	0.71	0.71
3m Interbank (%)	5.48	5.35	5.20	4.85	4.87
GDP (YoY%)	2.8	2.9	3.2	2.8	-
Money Supply (YoY%)	7.49	9.69	9.67	9.68	9.42*
Sov. Rating, Moody's	Ba2	Ba2	Ba2	Ba2	Ba2
Sov. Rating, S&P	BB	BB	BB	BB	BB
FDI (%GDP)	-	5.34	-	-	-



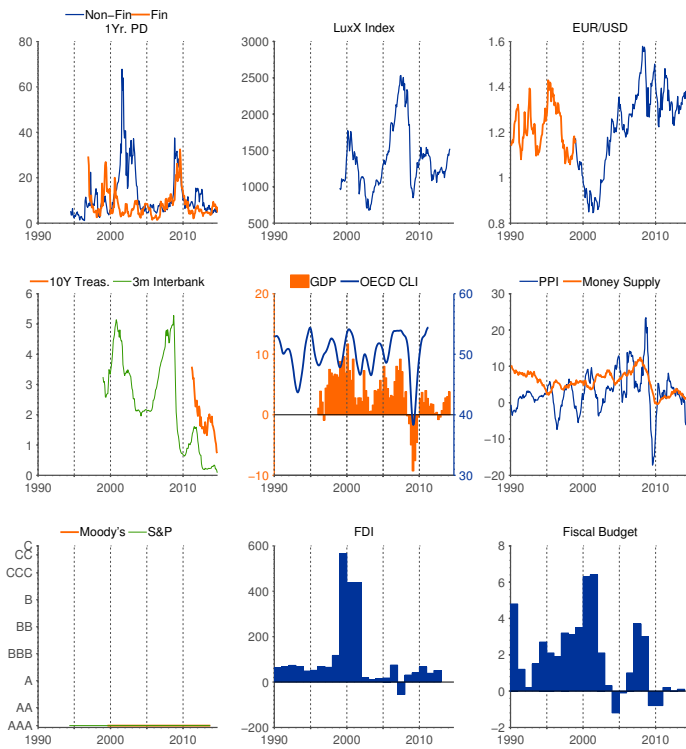
Kazakhstan	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	7.30	5.57	3.09	1.27	2.62
1Yr. PD, Fin.	23.41	31.45	17.26	9.46	7.28
KASE	900	918	1046	1121	1204
USD/KZT	153.82	154.27	182.08	183.51	181.93
10Y Treas. Yield (%)	6.20	6.70*	6.70*	6.95	7.12
3m Interbank (%)	6.50	6.50	6.50	6.50	6.50
GDP (YoY%)	-	6.0	-	-	-
PPI (YoY%)	1.8	-0.5	9.1	20.3	9.7
Money Supply (YoY%)	3.36	1.53	-1.39	6.48	11.30*
Sov. Rating, Moody's	Baa2	Baa2	Baa2	Baa2	Baa2
Sov. Rating, S&P	BBB+	BBB+	BBB+	BBB+	BBB+
5Y CDS (bps)	184.82	171.97	188.37	150.37	-
FDI (%GDP)	-	4.34	-	-	-



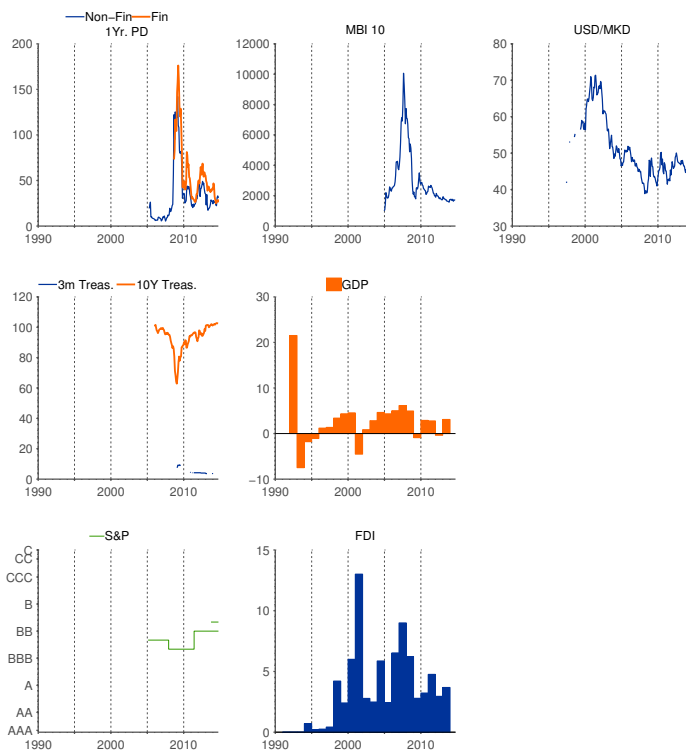
Latvia	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	44.03	27.55	29.04	35.87	44.39
OMX Riga	454	460	416	448	425
USD/LVL	0.52	0.51	0.51	0.51	0.56
3m Interbank (%)	0.10	0.09	-	-	-
Money Supply (YoY%)	-1.53	3.18	-	-	-
Sov. Rating, Moody's	Baa1	Baa1	Baa1	Baa1	Baa1
Sov. Rating, S&P	BBB+	BBB+	BBB+	BBB+	BBB+
5Y CDS (bps)	125.95	116.28	121.32	97.45	-



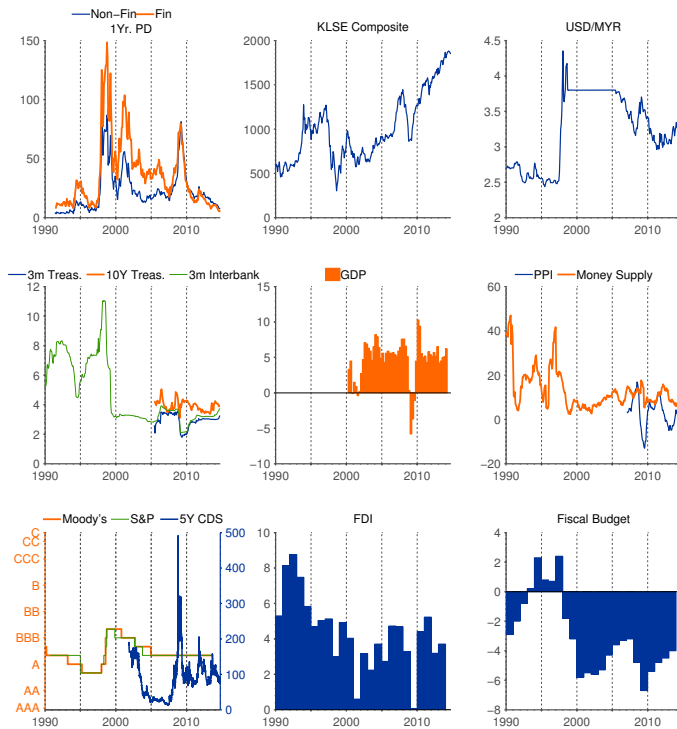
Lithuania	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	27.95	23.26	22.29	46.20	17.41
1Yr. PD, Fin.	43.20	28.97	30.33	21.83	58.59
OMX Vilnius	422	422	451	472	458
USD/LTL	2.55	2.51	2.51	2.52	2.73
10Y Treas. Yield (%)	4.02	3.83*	3.07	3.09*	-
3m Interbank (%)	1.48	0.27	0.20	0.20*	-
GDP (YoY%)	2.4	3.6	3.2	-	-
PPI (YoY%)	-4.4	-2.7	0.4	-2.6	-4.4*
Money Supply (YoY%)	3.90	4.90	3.30	3.70	3.70*
Sov. Rating, Moody's	Baa1	Baa1	Baa1	Baa1	Baa1
Sov. Rating, S&P	BBB	BBB	BBB	BBB	BBB
5Y CDS (bps)	124.98	119.86	128.63	-	-
Fiscal Budget (%GDP)	-	-2.20	-	-	-



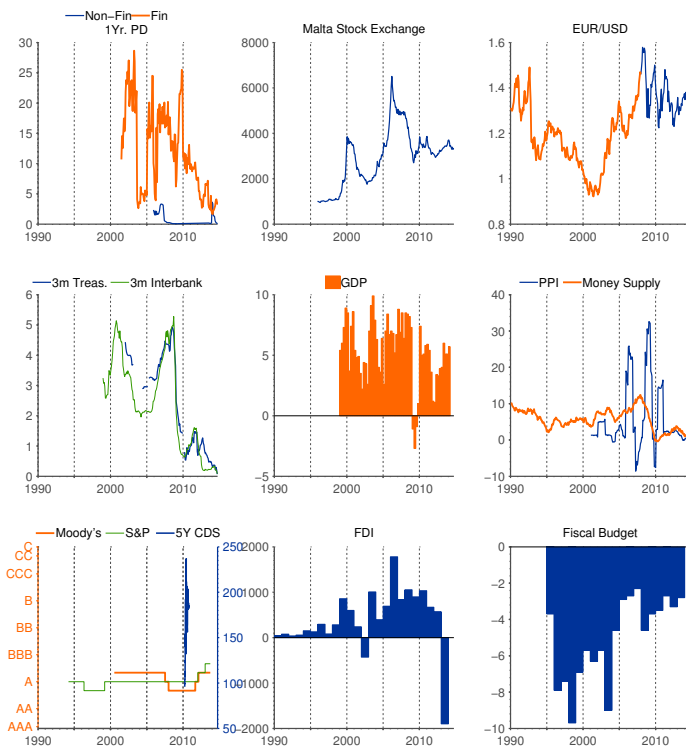
Luxembourg	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	6.44	4.21	5.70	4.97	6.52
1Yr. PD, Fin.	3.55	6.89	7.42	7.29	4.64
LuxX Index	1256	1449	1524	-	-
EUR/USD	1.35	1.37	1.38	1.37	1.26
10Y Treas. Yield (%)	1.90	1.94	1.54	1.12	0.73
3m Interbank (%)	0.23	0.29	0.31	0.21	0.08
GDP (YoY%)	2.8	3.0	3.8	-	-
PPI (YoY%)	2.4	0.2	-6.1	-4.6	-3.6*
Money Supply (YoY%)	1.90	1.00	1.00	1.50	2.00*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
Fiscal Budget (%GDP)	-	0.10	-	-	-



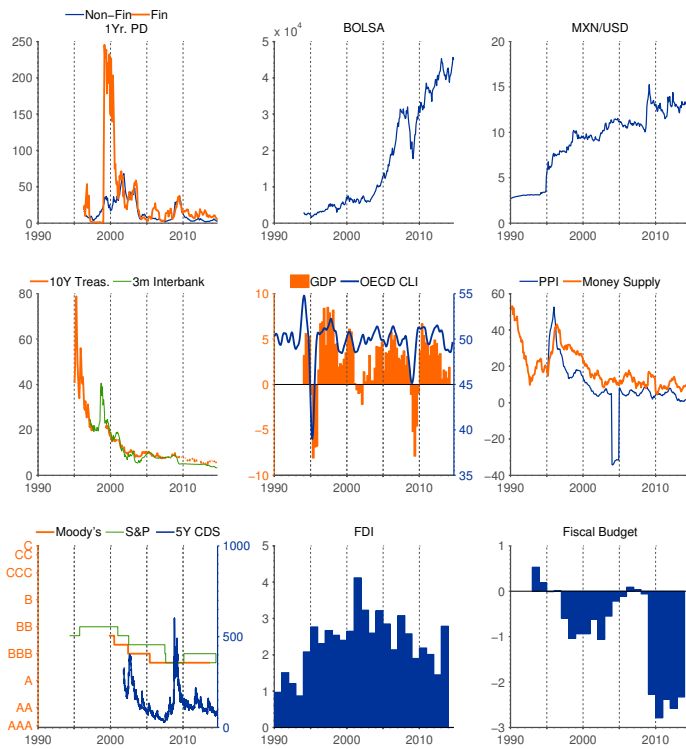
Macedonia	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	28.73	24.40	26.89	22.29	30.64
1Yr. PD, Fin.	39.47	40.33	32.35	27.91	29.24
MBI 10	1634	1739	1725	1633	1706
USD/MKD	45.44	44.67	44.73	45.16	49.02
3m Treas. Yield (%)	-	3.65	-	-	-
10Y Treas. Yield (%)	101.44	101.11	102.13	102.49	102.38
GDP (YoY%)	-	3.1	-	-	-
Sov. Rating, S&P	BB-	BB-	BB-	BB-	BB-
FDI (%GDP)	-	3.68	-	-	-



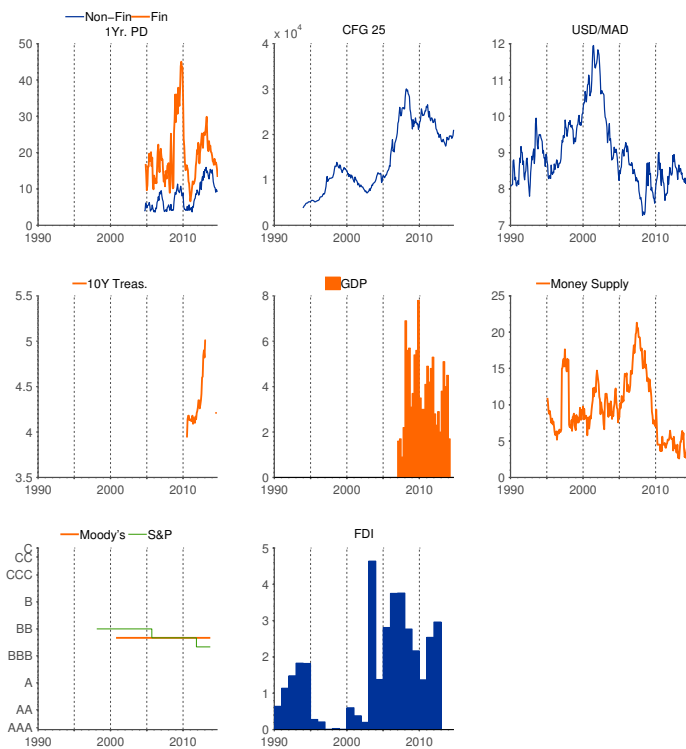
Malaysia	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	12.71	11.92	10.71	9.05	7.68
1Yr. PD, Fin.	10.15	10.96	8.93	5.88	5.06
KLSE Composite	1769	1867	1849	1883	1846
USD/MYR	3.26	3.28	3.26	3.21	3.28
3m Treas. Yield (%)	3.00	3.00	3.00	3.04	3.27
10Y Treas. Yield (%)	3.74	4.13	4.11	4.04	3.92
3m Interbank (%)	3.21	3.32	3.33	3.55	3.74
GDP (YoY%)	5.0	5.1	6.2	-	-
PPI (YoY%)	-1.4	4.3	3.6	2.4	1.8*
Money Supply (YoY%)	6.85	7.35	5.88	5.58	4.80*
Sov. Rating, Moody's	A3	A3	A3	A3	A3
Sov. Rating, S&P	A-	A-	A-	A-	A-
5Y CDS (bps)	104.83	109.44	101.83	84.84	90.00
FDI (%GDP)	-	3.71	-	-	-
Fiscal Budget (%GDP)	-	-4.00	-	-	-



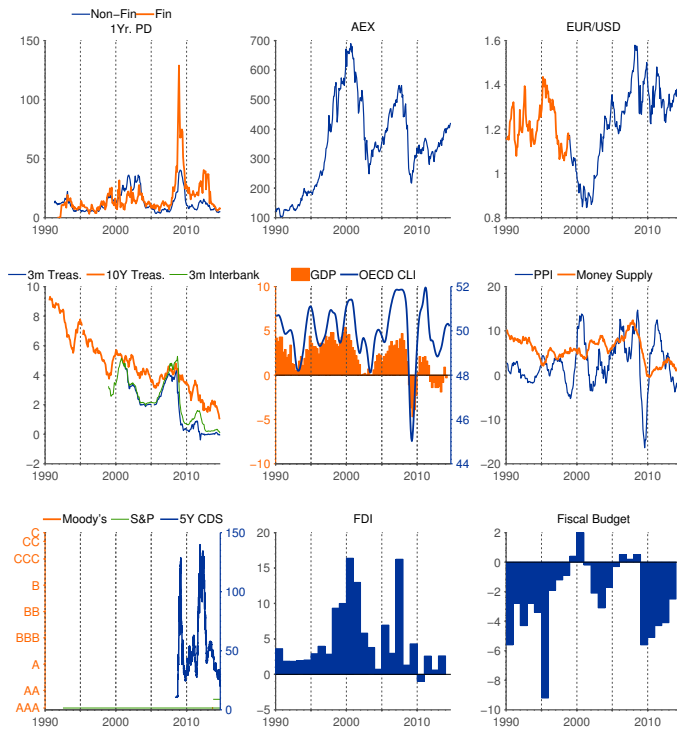
Malta	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	0.11	3.63	1.34	0.32	0.09
1Yr. PD, Fin.	2.39	1.71	2.33	3.84	3.21
Malta Stock Exchange	3418	3686	3424	3298	3333
EUR/USD	1.35	1.37	1.38	1.37	1.26
3m Treas. Yield (%)	0.50	0.39	0.37	0.21	0.07
3m Interbank (%)	0.23	0.29	0.31	0.21	0.08
GDP (YoY%)	5.1	5.1	5.7	-	-
PPI (YoY%)	-0.1	0.1	0.4	-1.9	-1.5*
Money Supply (YoY%)	1.90	1.00	1.00	1.50	2.00*
Sov. Rating, Moody's	A3	A3	A3	A3	A3
Sov. Rating, S&P	BBB+	BBB+	BBB+	BBB+	BBB+
FDI (%GDP)	-	-1898.80	-	-	-
Fiscal Budget (%GDP)	-	-2.80	-	-	-



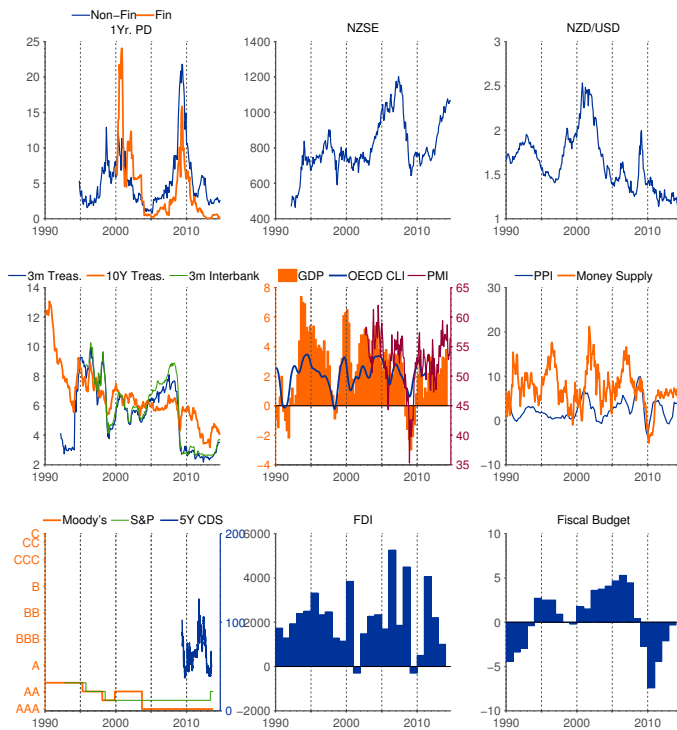
Mexico	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	2.85	3.52	5.93	3.50	2.61
1Yr. PD, Fin.	9.10	7.89	10.78	7.41	6.14
BOLSA	40185	42727	40462	42737	44986
MXN/USD	13.09	13.04	13.06	12.97	13.43
10Y Treas. Yield (%)	6.13	6.33	6.32	5.87*	5.69*
3m Interbank (%)	4.03	3.80	3.81	3.32	3.29
GDP (YoY%)	1.4	0.7	1.9	-	-
OECD CLI	98.78	98.78	98.54	99.22	99.69*
PPI (YoY%)	0.8	1.3	1.8	2.0	2.6*
Money Supply (YoY%)	7.90	8.80	9.40	11.50	10.30*
Sov. Rating, Moody's	Baa1	Baa1	Baa1	Baa1	Baa1
Sov. Rating, S&P	BBB+	BBB+	BBB+	BBB+	BBB+
5Y CDS (bps)	123.32	91.51	87.50	67.06	87.13
FDI (%GDP)	-	2.79	-	-	-
Fiscal Budget (%GDP)	-	-2.33	-	-	-



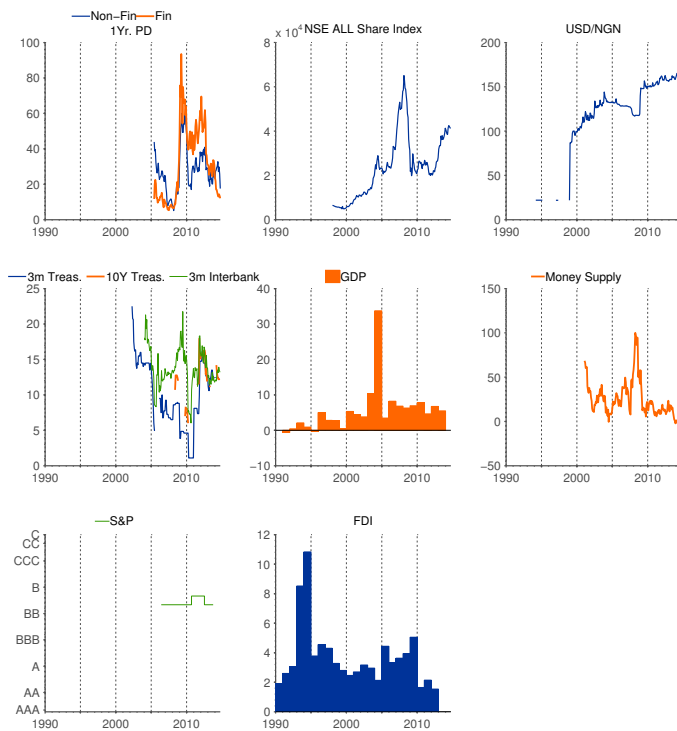
Morocco	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	15.40	15.28	11.15	9.10	9.27
1Yr. PD, Fin.	21.91	19.10	16.62	17.33	13.29
CFG 25	17966	18818	19679	19140	21011
USD/MAD	8.28	8.18	8.17	8.19	8.76
10Y Treas. Yield (%)	-	-	-	-	4.21*
GDP (YoY%)	4.0	4.5	1.7	-	-
Money Supply (YoY%)	5.30	2.80	3.70	3.70	3.90*
Sov. Rating, Moody's	Ba1	Ba1	Ba1	Ba1	Ba1
Sov. Rating, S&P	BBB-	BBB-	BBB-	BBB-	BBB-



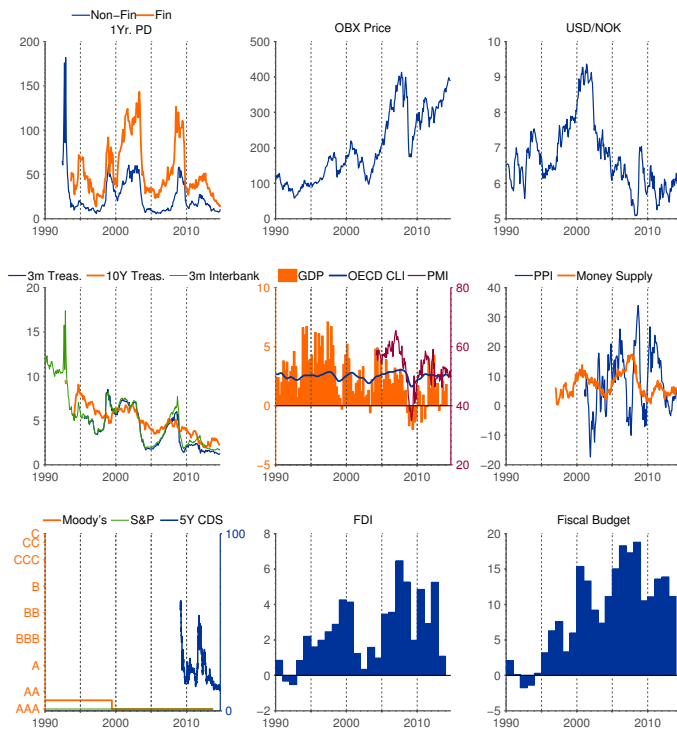
Netherlands	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	6.57	7.41	4.88	4.30	5.32
1Yr. PD, Fin.	11.41	8.80	6.50	6.54	6.98
AEX	375	402	403	413	421
EUR/USD	1.35	1.37	1.38	1.37	1.26
3m Treas. Yield (%)	0.01	0.00	0.12	-0.05	-0.08
10Y Treas. Yield (%)	2.16	2.23	1.91	1.48	1.09
3m Interbank (%)	0.23	0.29	0.31	0.21	0.08
GDP (YoY%)	-0.8	0.9	-0.3	-	-
OECD CLI	99.83	100.18	100.32	100.27	100.21*
PPI (YoY%)	-2.6	-2.5	-3.6	-1.5	-2.8*
Money Supply (YoY%)	1.90	1.00	1.00	1.50	2.00*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AA+	AA+	AA+	AA+	AA+
5Y CDS (bps)	49.73	36.11	32.67	28.96	23.83
FDI (%GDP)	-	2.61	-	-	-
Fiscal Budget (%GDP)	-	-2.50	-	-	-



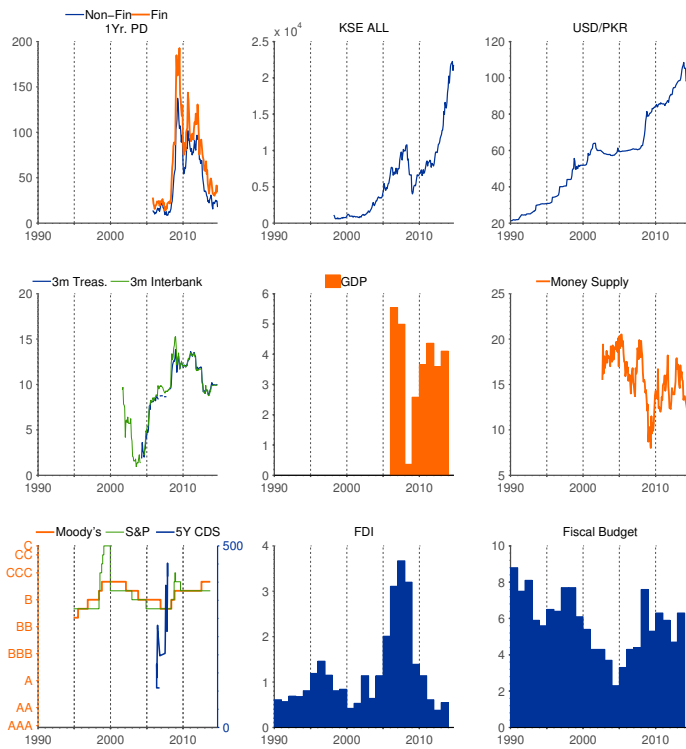
New Zealand	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	2.12	2.69	2.66	2.56	2.64
1Yr. PD, Fin.	0.50	0.56	0.62	0.13	0.22
NZSE	996	999	1061	1050	1065
NZD/USD	1.20	1.22	1.15	1.14	1.28
3m Treas. Yield (%)	2.56	2.76	2.91	3.48	3.50
10Y Treas. Yield (%)	4.57	4.72	4.59	4.41	4.14
3m Interbank (%)	2.69	2.84	3.15	3.65	3.71
GDP (YoY%)	3.3	3.2	3.8	-	-
PMI	55.0	56.5	58.7	53.7	56.5*
PPI (YoY%)	4.1	3.8	4.0	2.5	-
Money Supply (YoY%)	7.30	5.80	5.00	5.40	5.20*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AA	AA	AA	AA	AA
5Y CDS (bps)	49.49*	-	-	-	-
FDI (%GDP)	-	1005.30	-	-	-
Fiscal Budget (%GDP)	-	-0.32	-	-	-



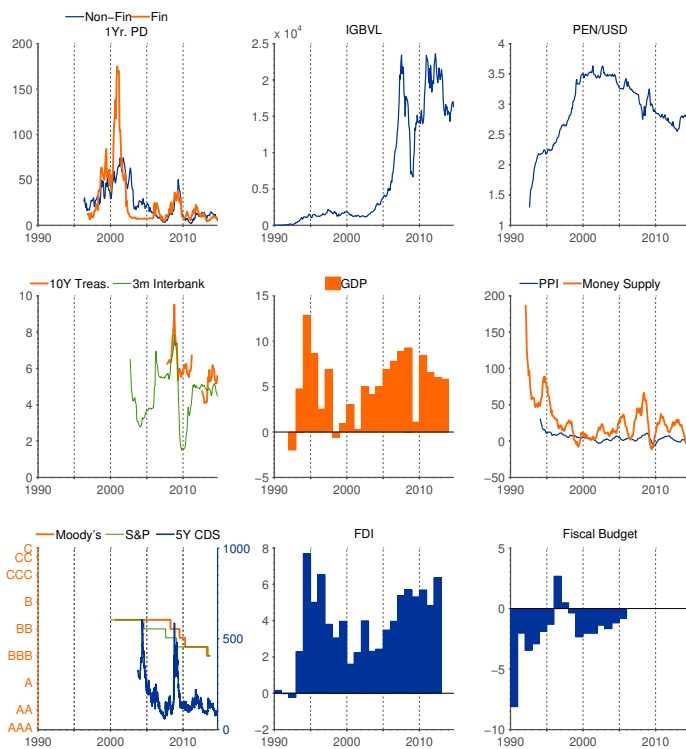
Nigeria	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	27.98	23.40	29.35	27.12	17.56
1Yr. PD, Fin.	33.63	23.75	16.89	13.00	12.09
NSE ALL Share Index	36585	41329	38748	42482	41210
USD/NGN	161.27	160.30	165.05	162.89	163.82
3m Treas. Yield (%)	12.75	12.45	12.45*	12.45	12.45*
10Y Treas. Yield (%)	-	-	14.20	12.24	12.23
3m Interbank (%)	12.04	11.79	11.96	13.13	13.19
GDP (YoY%)	-	5.5	-	-	-
Money Supply (YoY%)	2.11	1.20	0.19	2.15	10.33*
Sov. Rating, S&P	BB-	BB-	BB-	BB-	BB-



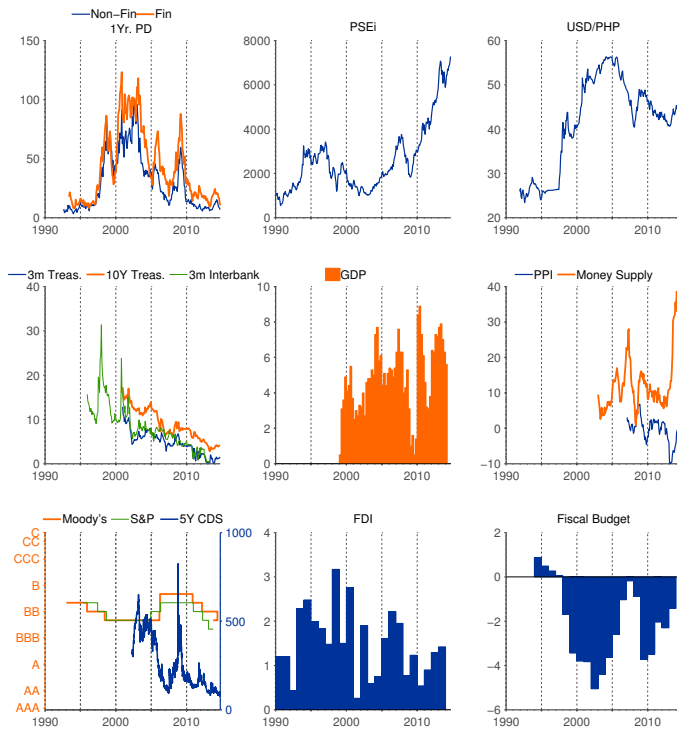
Norway	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	10.34	8.62	8.29	7.25	10.53
1Yr. PD, Fin.	28.54	19.90	18.36	16.54	13.28
OBX Price	336	367	374	398	390
USD/NOK	6.01	6.07	5.99	6.13	6.43
3m Treas. Yield (%)	1.53	1.30	1.32	1.18	1.28
10Y Treas. Yield (%)	2.81	3.00	2.92	2.48	2.27
3m Interbank (%)	1.70	1.69	1.73	1.75	1.65
GDP (YoY%)	2.1	1.2	1.8	-	-
OECD CLI	100.21	100.56	100.43	99.94	99.78*
PMI	52.5	50.9	52.2	49.6	49.4
PPI (YoY%)	3.2	4.8	0.1	1.2	-3.3*
Money Supply (YoY%)	4.10	6.00	6.00	7.30	5.70*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
5Y CDS (bps)	15.16	14.34	13.38	13.12	12.33
FDI (%GDP)	-	1.08	-	-	-
Fiscal Budget (%GDP)	-	11.14	-	-	-



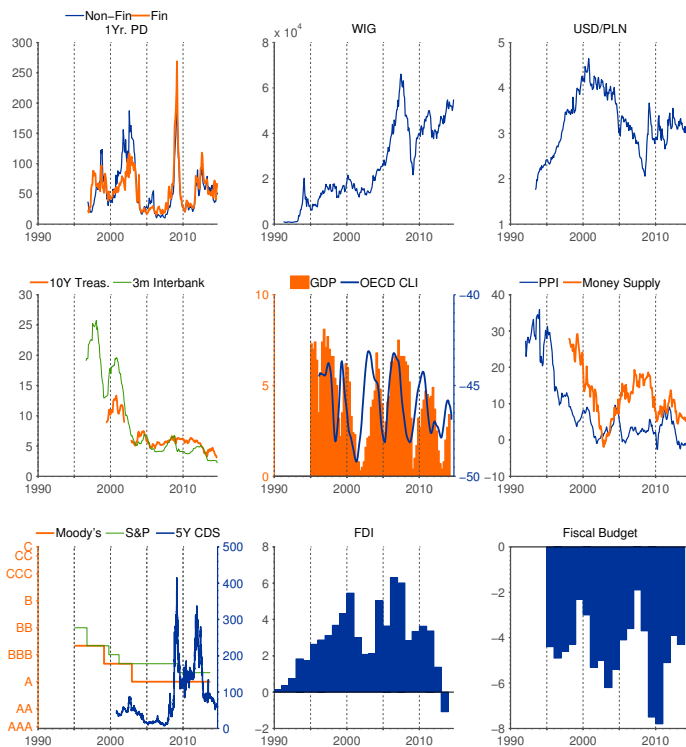
Pakistan	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	27.70	19.35	22.58	25.20	17.56
1Yr. PD, Fin.	47.80	38.27	30.93	32.62	33.85
KSE ALL	15837	18664	20397	21973	21778
USD/PKR	106.06	105.33	98.19	98.72	102.65
3m Treas. Yield (%)	9.35	10.20	9.98	9.93	10.02
3m Interbank (%)	9.18	9.84	9.93	9.92	9.93
GDP (YoY%)	-	4.1	-	-	-
Money Supply (YoY%)	15.40	13.70	12.70	12.50	12.50*
Sov. Rating, Moody's	Caa1	Caa1	Caa1	Caa1	Caa1
Sov. Rating, S&P	B-	B-	B-	B-	B-
FDI (%GDP)	-	0.55	-	-	-
Fiscal Budget (%GDP)	-	6.30	-	-	-



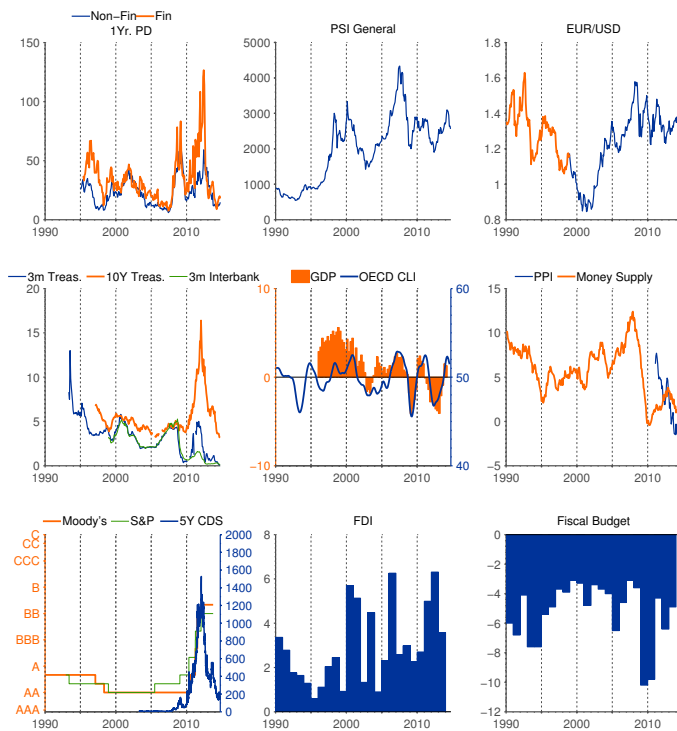
Peru	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	13.95	12.92	11.25	9.22	5.86
1Yr. PD, Fin.	6.57	8.01	9.86	9.22	4.26
IGBVL	15920	15754	14299	16662	16227
PEN/USD	2.79	2.80	2.81	2.80	2.89
10Y Treas. Yield (%)	5.31	5.55	6.01	5.30	5.63
3m Interbank (%)	4.81	4.58	5.08	5.01	4.47
GDP (YoY%)	-	5.8	-	-	-
PPI (YoY%)	2.2	1.6	2.6	2.1	0.4
Money Supply (YoY%)	14.20	5.90	-2.20	0.90	3.40*
Sov. Rating, Moody's	Baa2	Baa2	Baa2	Baa2	Baa2
Sov. Rating, S&P	BBB	BBB	BBB	BBB	BBB
5Y CDS (bps)	149.16	133.07	111.18	82.88	104.50



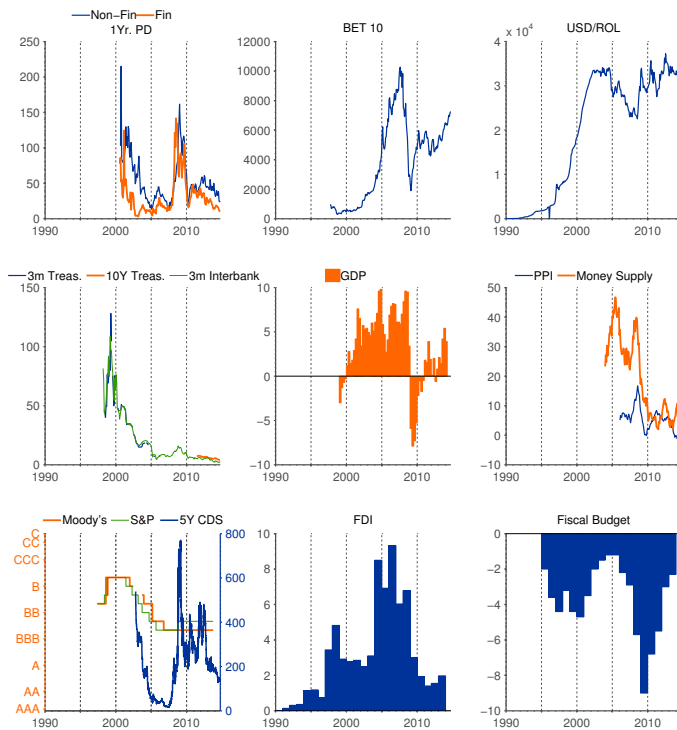
Philippines	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	8.92	11.50	15.23	9.26	6.86
1Yr. PD, Fin.	19.75	24.38	20.75	17.03	10.41
PSEI	6192	5890	6429	6844	7283
USD/PHP	43.48	44.40	44.81	43.66	44.97
3m Treas. Yield (%)	0.55	0.33	1.50	1.15	1.52
10Y Treas. Yield (%)	3.48	3.50	4.20	3.90	4.20
GDP (YoY%)	7.0	6.3	5.6	-	-
PPI (YoY%)	-6.8	-4.1	0.1	-2.5	-1.7*
Money Supply (YoY%)	31.73	33.07	35.53	23.72	-
Sov. Rating, Moody's	Ba1	Ba1	Ba1	Ba1	Ba1
Sov. Rating, S&P	BBB-	BBB-	BBB-	BBB-	BBB-
5Y CDS (bps)	106.79	114.17	104.82	87.18	99.48
FDI (%GDP)	-	1.42	-	-	-
Fiscal Budget (%GDP)	-	-1.42	-	-	-



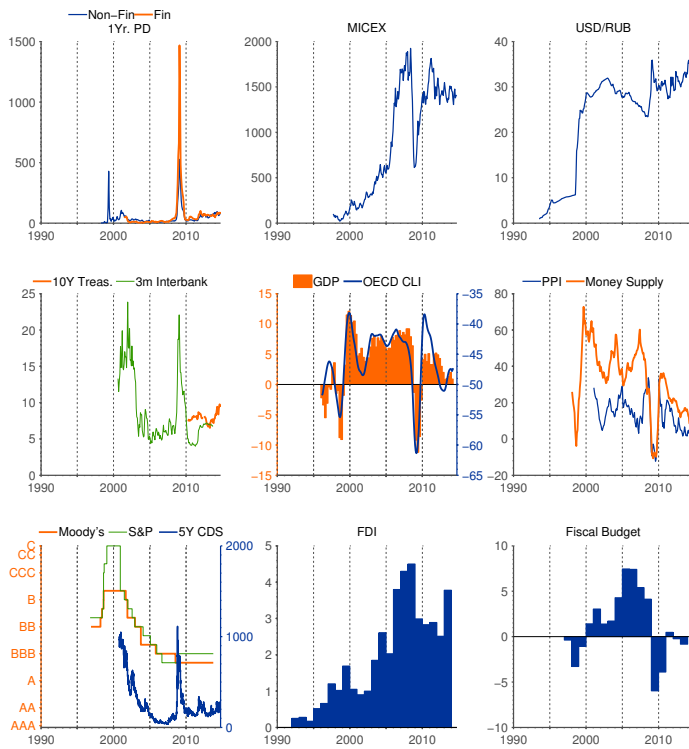
Poland	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	57.08	64.31	38.70	37.49	50.30
1Yr. PD, Fin.	49.52	52.66	66.56	40.55	61.09
WIG	50302	51284	52373	51935	54879
USD/PLN	3.12	3.02	3.03	3.04	3.31
10Y Treas. Yield (%)	4.48	4.35	4.23	3.45	3.05
3m Interbank (%)	2.57	2.61	2.61	2.58	2.18
GDP (YoY%)	2.0	2.7	3.4	-	-
OECD CLI	4.05	4.17	3.80	3.11*	-
PPI (YoY%)	-1.4	-1.0	-1.3	-1.8	-1.5*
Money Supply (YoY%)	6.11	6.24	5.19	5.24	7.40*
Sov. Rating, Moody's	A2	A2	A2	A2	A2
Sov. Rating, S&P	A-	A-	A-	A-	A-
5Y CDS (bps)	86.42	79.70	70.70	59.86	70.32
FDI (%GDP)	-	-1.08	-	-	-
Fiscal Budget (%GDP)	-	-4.30	-	-	-



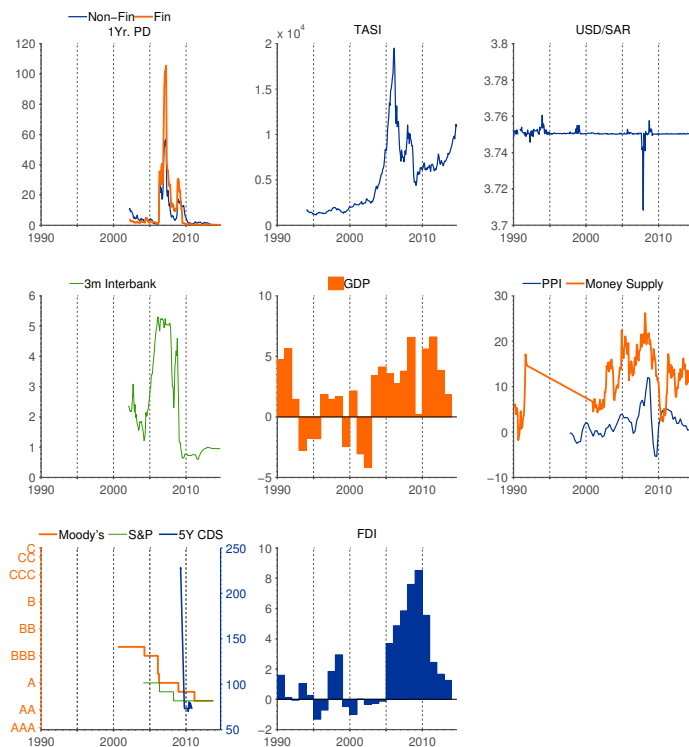
Portugal	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	12.03	13.19	9.96	11.61	14.77
1Yr. PD, Fin.	29.19	16.88	8.85	17.23	17.93
PSI General	2542	2698	3100	2940	2561
EUR/USD	1.35	1.37	1.38	1.37	1.26
3m Treas. Yield (%)	0.95	0.61	0.43	0.22	0.06
10Y Treas. Yield (%)	6.68	6.13	4.07	3.65	3.16
3m Interbank (%)	0.23	0.29	0.31	0.21	0.08
GDP (YoY%)	-0.9	1.5	1.3	-	-
OECD CLI	99.98	101.53	102.33	101.73	101.46*
PPI (YoY%)	-1.4	-0.3	-1.5	-0.4	-0.9*
Money Supply (YoY%)	1.90	1.00	1.00	1.50	2.00*
Sov. Rating, Moody's	Ba3	Ba3	Ba3	Ba3	Ba3
Sov. Rating, S&P	BB	BB	BB	BB	BB
5Y CDS (bps)	494.65	351.68	183.55	163.67	165.32
FDI (%GDP)	-	3.58	-	-	-
Fiscal Budget (%GDP)	-	-4.90	-	-	-



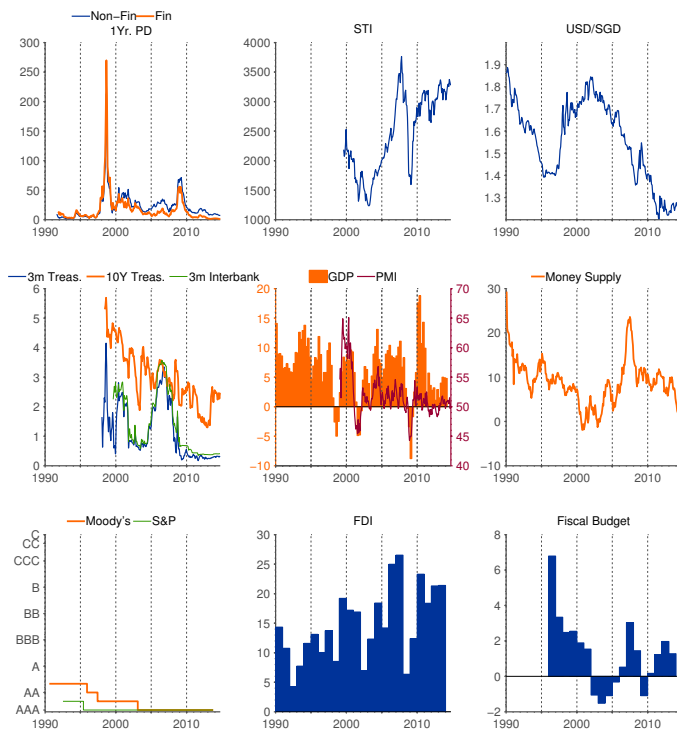
Romania	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	39.66	33.73	39.55	38.24	24.70
1Yr. PD, Fin.	14.28	15.02	18.48	14.84	10.55
BET 10	6042	6494	6324	7014	7263
USD/ROL	32935.00	32466.01	32379.50	32030.46	34932.00
10Y Treas. Yield (%)	5.20	5.29	5.33	4.38	4.28
3m Interbank (%)	3.04	2.19	2.72	2.17	2.85
GDP (YoY%)	4.2	5.4	3.9	-	-
PPI (YoY%)	0.3	-0.1	-1.1	0.3	0.5*
Money Supply (YoY%)	4.75	8.76	6.31	5.25	5.62*
Sov. Rating, Moody's	Baa3	Baa3	Baa3	Baa3	Baa3
Sov. Rating, S&P	BB+	BB+	BB+	BB+	BB+
5Y CDS (bps)	192.75	184.62	166.65	135.00	144.33
FDI (%GDP)	-	1.97	-	-	-
Fiscal Budget (%GDP)	-	-2.30	-	-	-



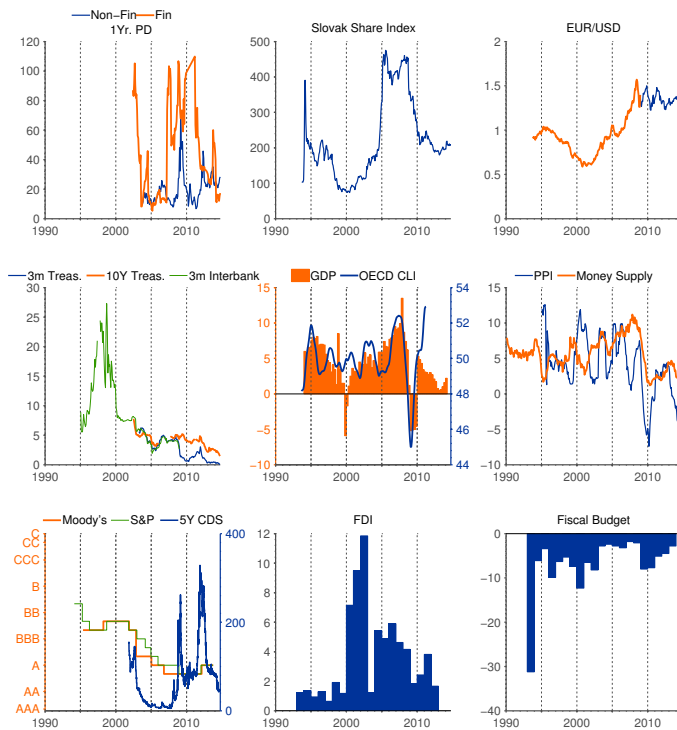
Russia	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	75.29	75.34	95.01	61.76	84.83
1Yr. PD, Fin.	62.01	47.19	73.39	75.26	91.59
MICEX	1463	1504	1369	1476	1411
USD/RUB	32.39	32.87	35.17	33.98	39.60
10Y Treas. Yield (%)	7.29	7.80	8.80	8.37	9.38
3m Interbank (%)	6.82	-	-	-	-
GDP (YoY%)	1.3	2.0	0.9	-	-
OECD CLI	2.43	2.51	2.68	-	-
PPI (YoY%)	1.9	3.7	5.0	8.9	5.7*
Money Supply (YoY%)	16.10	14.60	8.50	6.70	6.60*
Sov. Rating, Moody's	Baa1	Baa1	Baa1	Baa1	Baa1
Sov. Rating, S&P	BBB	BBB	BBB	BBB	BBB
5Y CDS (bps)	172.64	165.16	222.07	183.69	248.51
FDI (%GDP)	-	3.78	-	-	-
Fiscal Budget (%GDP)	-	-0.84	-	-	-



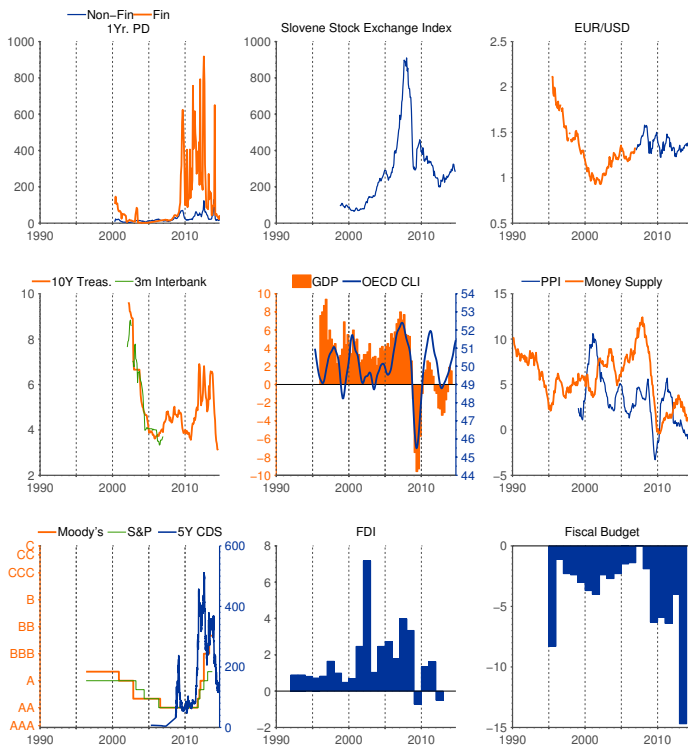
Saudi Arabia	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	0.39	0.32	0.29	0.24	0.18
1Yr. PD, Fin.	0.37	0.15	0.30	0.24	0.17
TASI	7965	8536	9474	9513	10855
USD/SAR	3.75	3.75	3.75	3.75	3.75
3m Interbank (%)	0.96	0.96	0.95	0.95	0.94
GDP (YoY%)	-	1.9	-	-	-
PPI (YoY%)	1.4	0.4	0.5	0.6	-
Money Supply (YoY%)	13.40	10.90	13.60	12.30	14.50*
Sov. Rating, Moody's	Aa3	Aa3	Aa3	Aa3	Aa3
Sov. Rating, S&P	AA-	AA-	AA-	AA-	AA-
FDI (%GDP)	-	1.25	-	-	-



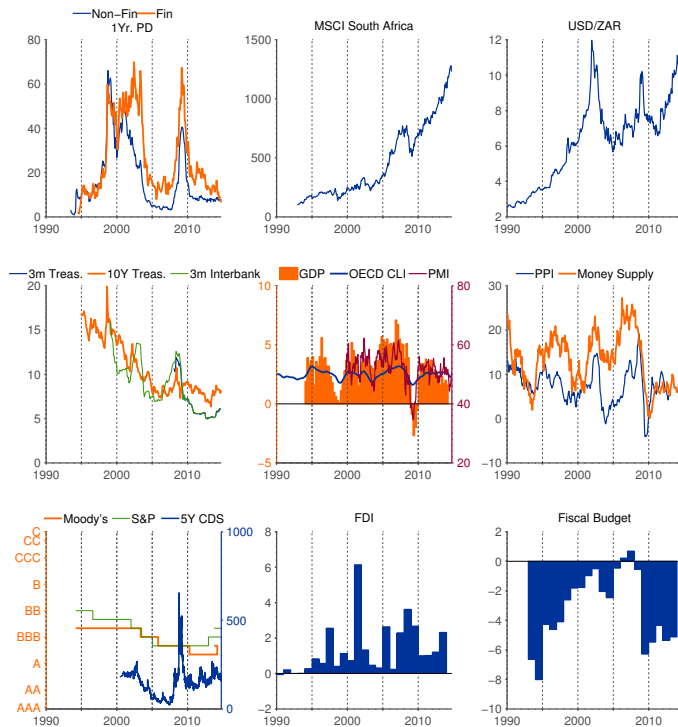
Singapore	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	8.89	10.13	8.74	7.89	7.27
1Yr. PD, Fin.	2.01	2.29	2.01	1.41	0.60
STI	3168	3167	3189	3256	3277
USD/SGD	1.26	1.26	1.26	1.25	1.28
3m Treas. Yield (%)	0.29	0.31	0.32	0.32	0.33
10Y Treas. Yield (%)	2.35	2.56	2.49	2.32	2.47
3m Interbank (%)	0.37	0.40	0.41	0.40	0.41
GDP (YoY%)	5.0	4.9	4.8	-	-
PMI	50.5	49.7	50.8	50.5	50.5
Money Supply (YoY%)	7.50	4.30	2.00	0.70	1.60*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
FDI (%GDP)	-	21.40	-	-	-
Fiscal Budget (%GDP)	-	1.28	-	-	-



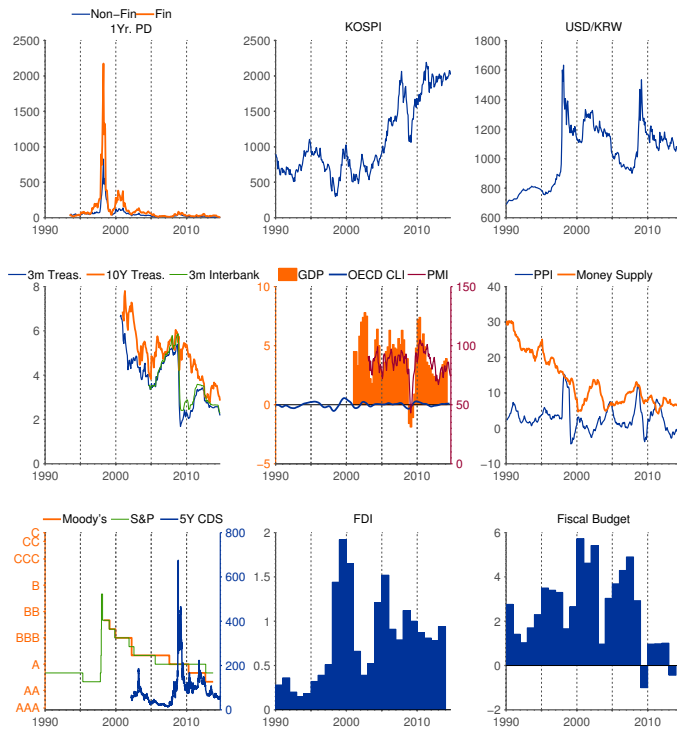
Slovakia	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	35.07	24.21	23.53	22.98	28.31
1Yr. PD, Fin.	60.03	47.01	11.13	15.89	17.39
Slovak Share Index	196	198	219	207	210
EUR/USD	1.35	1.37	1.38	1.37	1.26
3m Treas. Yield (%)	0.43	0.44	0.27	0.23	0.06
10Y Treas. Yield (%)	2.71	2.51	2.13	2.02	1.47
GDP (YoY%)	1.0	1.6	2.2	-	-
PPI (YoY%)	-0.8	-1.7	-4.0	-3.3	-3.6*
Money Supply (YoY%)	3.70	2.40	2.20	2.30	2.70*
Sov. Rating, Moody's	A2	A2	A2	A2	A2
Sov. Rating, S&P	A	A	A	A	A
5Y CDS (bps)	85.00	83.85	71.83	50.00	49.31
Fiscal Budget (%GDP)	-	-2.80	-	-	-



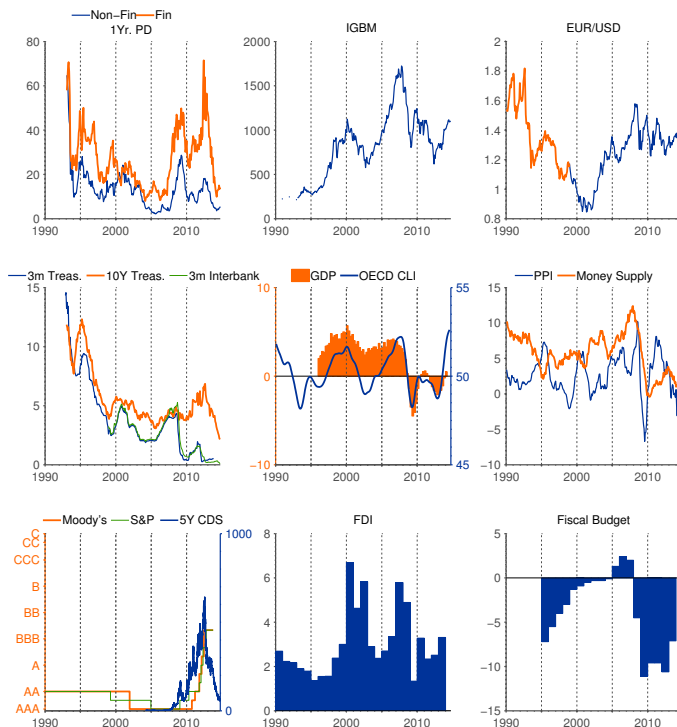
Slovenia	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	44.20	130.19	14.91	17.77	21.08
1Yr. PD, Fin.	48.91	93.26	44.46	33.43	43.95
Slovene Stock Exchange Index	258	284	288	324	284
EUR/USD	1.35	1.37	1.38	1.37	1.26
10Y Treas. Yield (%)	6.56	5.27	3.85	3.13	3.16*
GDP (YoY%)	-0.8	1.9	1.5	-	-
OECD CLI	99.68	100.08	100.45	100.97	101.45
PPI (YoY%)	-0.4	-0.5	-0.9	-0.9	-0.6*
Money Supply (YoY%)	1.90	1.00	1.00	1.50	2.00*
Sov. Rating, Moody's	Ba1	Ba1	Ba1	Ba1	Ba1
Sov. Rating, S&P	A-	A-	A-	A-	A-
5Y CDS (bps)	352.45	282.15	172.78	119.98	127.64
Fiscal Budget (%GDP)	-	-14.70	-	-	-



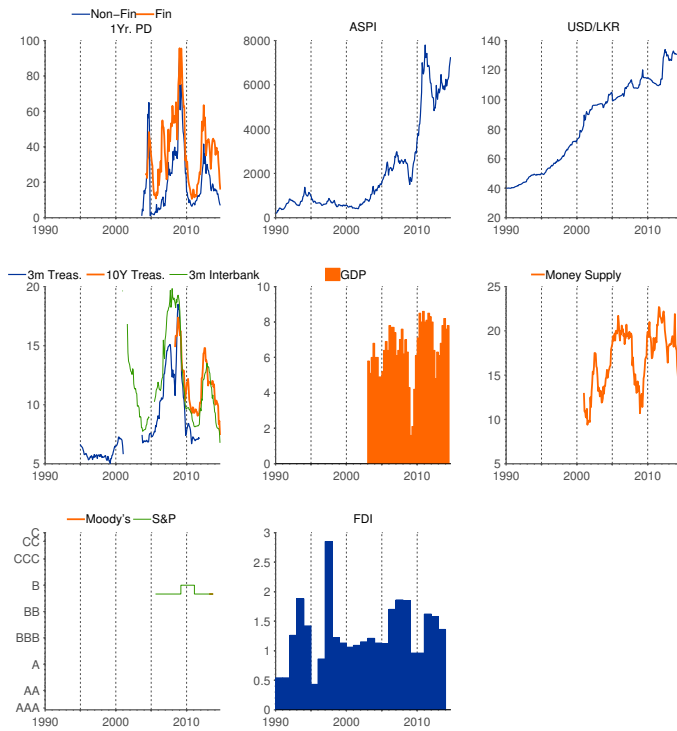
South Africa	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	7.96	7.91	8.71	7.41	7.87
1Yr. PD, Fin.	13.70	12.68	10.24	9.28	7.12
MSCI South Africa	1076	1138	1187	1248	1230
USD/ZAR	10.03	10.49	10.53	10.64	11.29
3m Treas. Yield (%)	5.10	5.31	5.74	6.06	6.06
10Y Treas. Yield (%)	7.60	7.98	8.26	8.26	8.22
3m Interbank (%)	5.13	5.22	5.72	5.83	6.13
GDP (YoY%)	1.7	2.0	1.6	-	-
OECD CLI	100.57	100.41	99.96	99.17	98.88*
PMI	50.0	49.9	50.3	46.6	50.7
Money Supply (YoY%)	7.00	5.92	7.86	7.26	6.41*
Sov. Rating, Moody's	Baa1	Baa1	Baa1	Baa1	Baa1
Sov. Rating, S&P	BBB-	BBB-	BBB-	BBB-	BBB-
5Y CDS (bps)	197.23	204.11	194.80	176.63	195.32
FDI (%GDP)	-	2.32	-	-	-
Fiscal Budget (%GDP)	-	-5.13	-	-	-



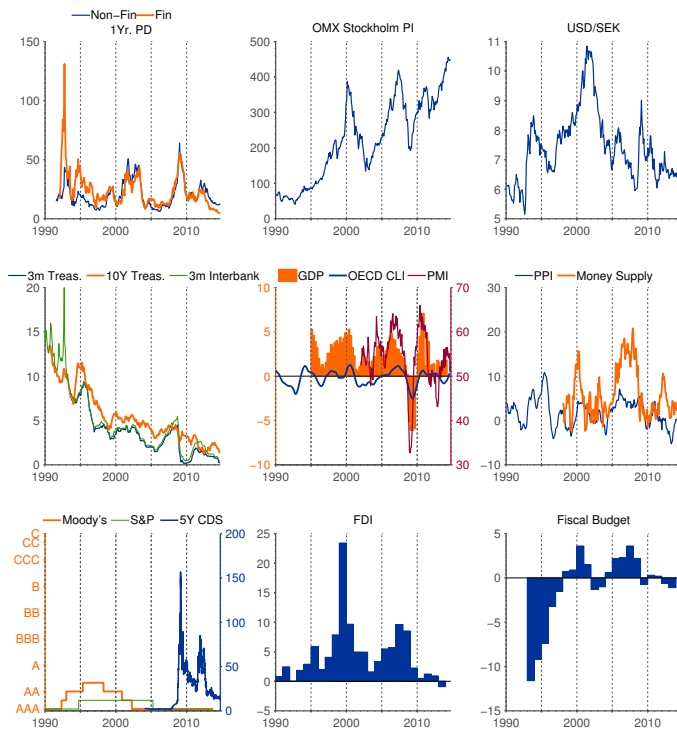
South Korea	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	10.05	10.03	7.29	5.85	5.46
1Yr. PD, Fin.	32.42	29.52	22.18	13.01	8.35
KOSPI	1997	2011	1986	2002	2020
USD/KRW	1074.64	1049.80	1064.70	1011.84	1055.21
3m Treas. Yield (%)	2.53	2.56	2.58	2.56	2.18
10Y Treas. Yield (%)	3.42	3.59	3.52	3.17	2.85
3m Interbank (%)	2.65	2.66	2.65	2.64	2.28
GDP (YoY%)	3.4	3.7	3.9	-	-
OECD CLI	100.58	100.69	100.90	100.89	100.86*
PMI	77.0	78.0	85.0	81.0	74.0
PPI (YoY%)	-1.8	-0.4	-0.5	0.1	-0.2*
Money Supply (YoY%)	6.70	6.60	6.40	6.70	6.90*
Sov. Rating, Moody's	Aa3	Aa3	Aa3	Aa3	Aa3
Sov. Rating, S&P	A+	A+	A+	A+	A+
5Y CDS (bps)	82.88*	65.95	60.99	53.17	59.48
FDI (%GDP)	-	0.94	-	-	-
Fiscal Budget (%GDP)	-	-0.44	-	-	-



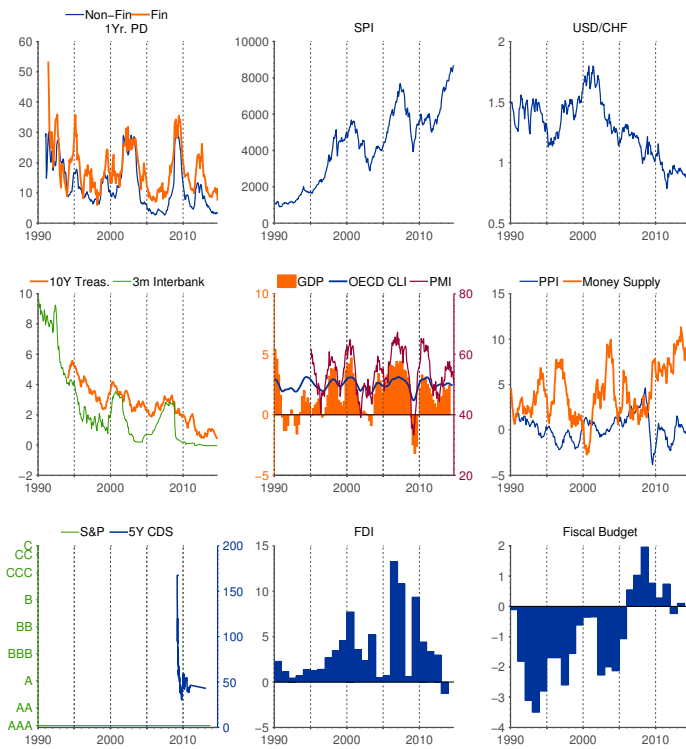
Spain	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	5.99	4.58	3.57	4.11	5.47
1Yr. PD, Fin.	23.25	15.54	9.88	13.17	14.01
IGBM	933	1012	1056	1116	1105
EUR/USD	1.35	1.37	1.38	1.37	1.26
3m Treas. Yield (%)	0.50	0.55*	-	-	-
10Y Treas. Yield (%)	4.30	4.15	3.23	2.66	2.14
3m Interbank (%)	0.23	0.29	0.31	0.21	0.08
GDP (YoY%)	-1.1	-0.2	0.5	-	-
OECD CLI	100.70	101.58	102.24	102.55	102.61*
PPI (YoY%)	0.1	0.6	-1.5	0.3	-0.6*
Money Supply (YoY%)	1.90	1.00	1.00	1.50	2.00*
Sov. Rating, Moody's	Baa3	Baa3	Baa3	Baa3	Baa3
Sov. Rating, S&P	BBB-	BBB-	BBB-	BBB-	BBB-
5Y CDS (bps)	228.22	157.48	104.18	66.33	61.48
FDI (%GDP)	-	3.31	-	-	-
Fiscal Budget (%GDP)	-	-7.10	-	-	-



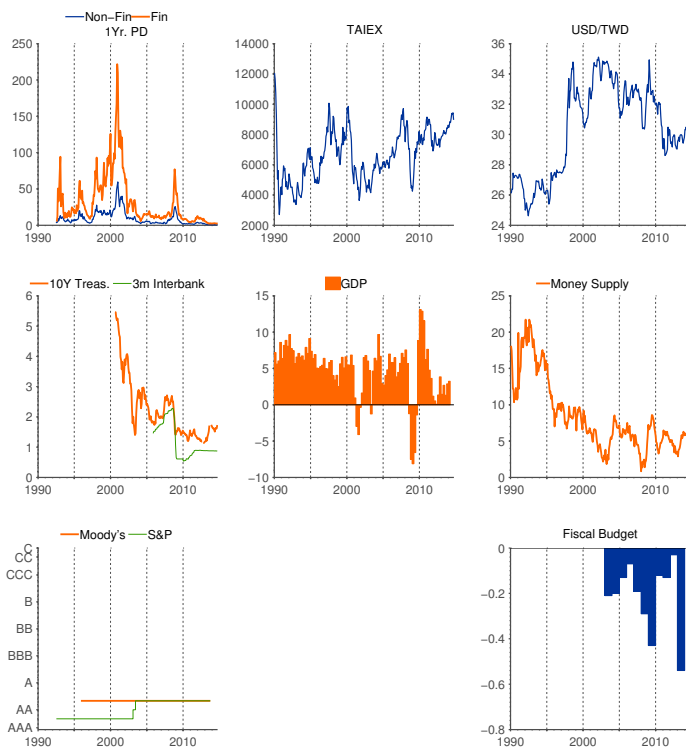
Sri Lanka	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	18.23	16.29	15.32	11.39	6.96
1Yr. PD, Fin.	44.61	40.88	39.53	30.91	15.88
ASPI	5803	5913	5968	6379	7252
USD/LKR	132.00	130.79	130.70	130.32	130.35
10Y Treas. Yield (%)	11.98	10.78	10.35	9.88	7.43
3m Interbank (%)	10.81	9.39	8.25	8.00	6.77
GDP (YoY%)	7.8	8.2	7.6	7.8	-
Money Supply (YoY%)	19.60	18.00	15.10	13.90*	-
Sov. Rating, Moody's	B1	B1	B1	B1	B1
Sov. Rating, S&P	B+	B+	B+	B+	B+
FDI (%GDP)	-	1.36	-	-	-



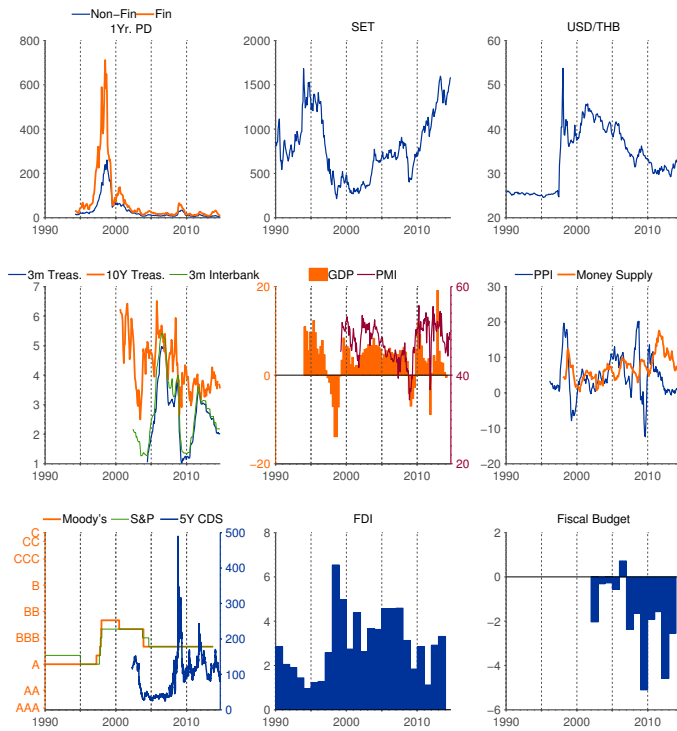
Sweden	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	13.51	13.80	12.02	11.84	12.46
1Yr. PD, Fin.	8.75	7.13	7.49	4.94	4.55
OMX Stockholm PI	399	424	440	449	448
USD/SEK	6.43	6.44	6.47	6.68	7.21
3m Treas. Yield (%)	0.90	0.74	0.75	0.56	0.19
10Y Treas. Yield (%)	2.43	2.50	2.12	1.85	1.49
3m Interbank (%)	1.21	0.94	0.92	0.75	0.47
GDP (YoY%)	0.6	3.0	1.8	-	-
OECD CLI	98.37	98.65	99.22	100.28	100.70*
PMI	56.0	52.2	56.5	54.8	53.4
PPI (YoY%)	-1.1	0.3	1.0	2.3	2.7*
Money Supply (YoY%)	1.30	3.13	3.00	4.40	4.59*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
5Y CDS (bps)	17.11	16.67	15.72	14.50	14.63
FDI (%GDP)	-	-0.92	-	-	-
Fiscal Budget (%GDP)	-	-1.10	-	-	-



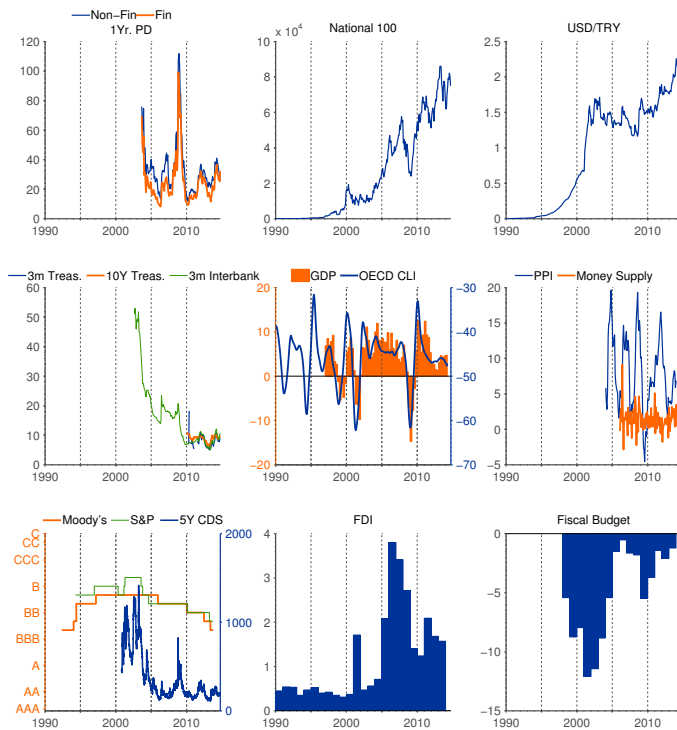
Switzerland	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	4.59	3.31	3.14	3.00	3.61
1Yr. PD, Fin.	9.11	8.99	10.56	10.83	7.41
SPI	7611	7838	8202	8456	8696
USD/CHF	0.90	0.89	0.88	0.89	0.96
10Y Treas. Yield (%)	1.02	1.07	0.95	0.66	0.49
3m Interbank (%)	-0.04	-0.04	-0.04	-0.05	-0.06
GDP (YoY%)	2.0	2.1	2.4	-	-
OECD CLI	100.26	100.41	100.10	99.72	99.65*
PMI	55.4	55.0	54.4	54.0	50.4
PPI (YoY%)	0.3	-0.3	-0.4	-0.5	-0.9*
Money Supply (YoY%)	9.42	7.66	9.07	4.11	3.37*
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
FDI (%GDP)	-	-1.26	-	-	-
Fiscal Budget (%GDP)	-	0.10	-	-	-



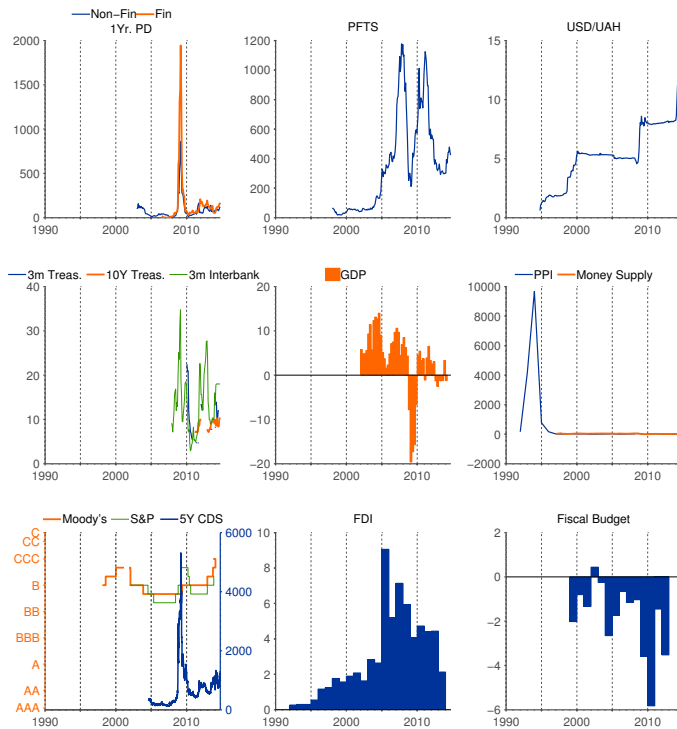
Taiwan	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	0.83	0.68	0.65	0.60	0.87
1Yr. PD, Fin.	2.76	2.47	2.74	2.49	2.06
TAIEX	8174	8612	8849	9393	8967
USD/TWD	29.63	29.81	30.49	29.89	30.43
10Y Treas. Yield (%)	1.71*	1.69	1.60	1.63	1.73
3m Interbank (%)	0.88	0.88	0.88	0.88	0.88
GDP (YoY%)	1.3	2.9	3.2	-	-
Money Supply (YoY%)	5.70	5.79	5.93	5.38	5.75*
Sov. Rating, Moody's	Aa3	Aa3	Aa3	Aa3	Aa3
Sov. Rating, S&P	AA-	AA-	AA-	AA-	AA-
Fiscal Budget (%GDP)	-	-0.54	-	-	-



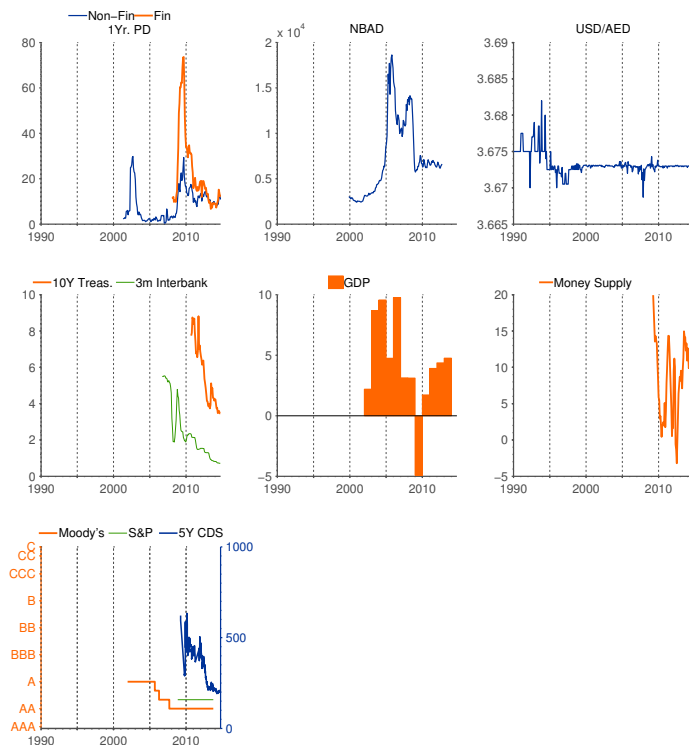
Thailand	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	7.67	8.16	7.24	4.47	2.94
1Yr. PD, Fin.	26.11	29.93	26.56	13.96	8.66
SET	1383	1299	1376	1486	1586
USD/THB	31.24	32.70	32.42	32.44	32.43
3m Treas. Yield (%)	2.53	2.31	2.06	2.06	2.03
10Y Treas. Yield (%)	3.90	3.90	3.70	3.81*	3.55
3m Interbank (%)	2.60	2.40	2.18	2.18	2.18
GDP (YoY%)	2.7	0.6	-0.5	-	-
PMI	47.5	45.0	49.4	48.0	49.1*
PPI (YoY%)	0.7	1.0	1.4	1.3	-1.1
Money Supply (YoY%)	7.09	7.32	6.40	4.36	4.05*
Sov. Rating, Moody's	Baa1	Baa1	Baa1	Baa1	Baa1
Sov. Rating, S&P	BBB+	BBB+	BBB+	BBB+	BBB+
5Y CDS (bps)	118.85*	129.89	123.67	111.91	93.00
FDI (%GDP)	-	3.31	-	-	-
Fiscal Budget (%GDP)	-	-2.55	-	-	-



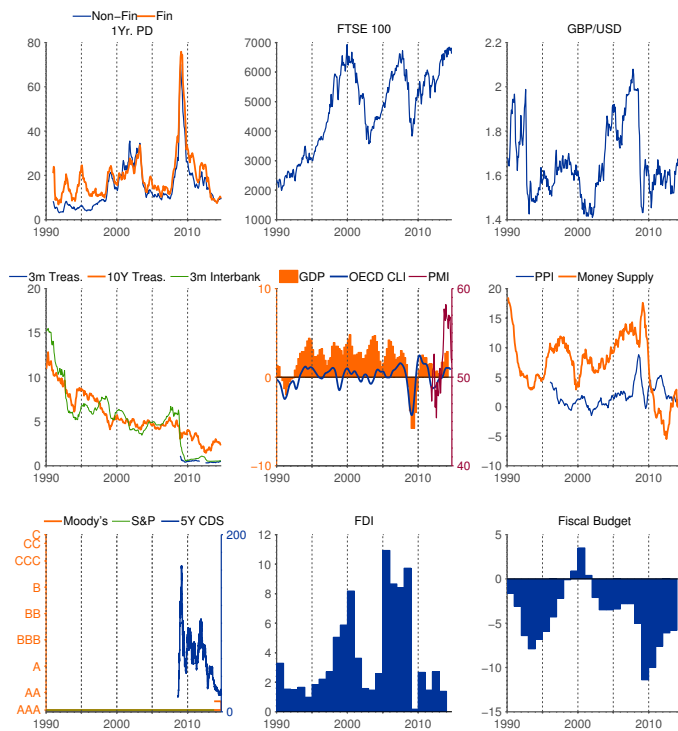
Turkey	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	26.02	38.39	40.96	33.44	30.34
1Yr. PD, Fin.	20.13	29.90	36.57	26.79	32.17
National 100	74487	67802	69736	78489	74938
USD/TRY	2.02	2.15	2.14	2.12	2.28
3m Treas. Yield (%)	6.84	8.03	10.83	7.95	8.99
10Y Treas. Yield (%)	8.99	10.15	10.10	8.71	9.72
3m Interbank (%)	7.19	9.12	12.14	9.03	10.69
GDP (YoY%)	4.2	4.5	4.7	-	-
OECD CLI	3.74	3.00	2.27*	-	-
PPI (YoY%)	8.3	6.8	-	-	-
Money Supply (YoY%)	1.93	3.45	0.80	2.74	0.25*
Sov. Rating, Moody's	Baa3	Baa3	Baa3	Baa3	Baa3
Sov. Rating, S&P	BB+	BB+	BB+	BB+	BB+
5Y CDS (bps)	213.59	244.72	219.80	176.81	207.66
FDI (%GDP)	-	1.57	-	-	-
Fiscal Budget (%GDP)	-	-1.22	-	-	-



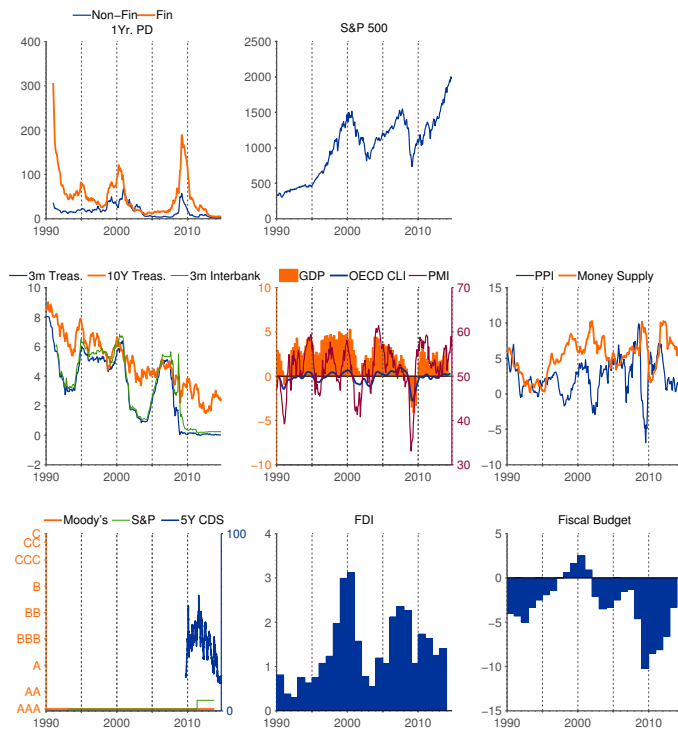
Ukraine	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	67.52	84.81	102.37	78.27	122.64
1Yr. PD, Fin.	72.20	52.07	117.05	121.92	151.77
PFTS	299	301	369	444	424
USD/UAH	8.19	8.24	11.12	11.75	12.95
3m Treas. Yield (%)	7.75*	-	14.00	12.00	12.00*
10Y Treas. Yield (%)	10.26	9.04	8.56	8.40	10.43
3m Interbank (%)	10.30	16.00	18.00	18.00	18.00
GDP (YoY%)	-1.2	3.3	-1.2	-	-
PPI (YoY%)	-0.9	1.7	3.9	15.9	24.2*
Money Supply (YoY%)	19.10	17.60	18.00	13.40	18.30*
Sov. Rating, Moody's	Caa2	Caa2	Caa2	Caa2	Caa2
Sov. Rating, S&P	B-	B-	B-	B-	B-
5Y CDS (bps)	1085.56	816.68	890.14	840.10	1303.98
FDI (%GDP)	-	2.13	-	-	-



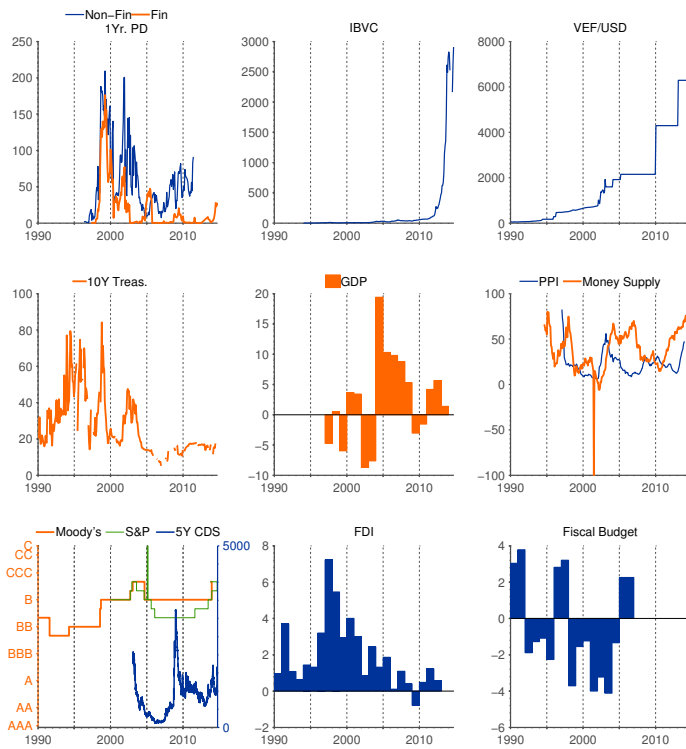
United Arab Emirates	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	8.59	9.09	8.04	10.72	10.86
1Yr. PD, Fin.	8.90	8.81	8.88	15.21	12.29
USD/AED	3.67	3.67	3.67	3.67	3.67
10Y Treas. Yield (%)	4.32	4.25	3.74	3.60	3.47
3m Interbank (%)	0.86	0.81	0.78	0.73	0.71
GDP (YoY%)	-	4.8	-	-	-
Money Supply (YoY%)	12.31	12.63	10.87	12.34	12.73*
Sov. Rating, Moody's	Aa2	Aa2	Aa2	Aa2	Aa2
Sov. Rating, S&P	AA-	AA-	AA-	AA-	AA-
5Y CDS (bps)	211.51	214.83	191.67	193.46	198.08



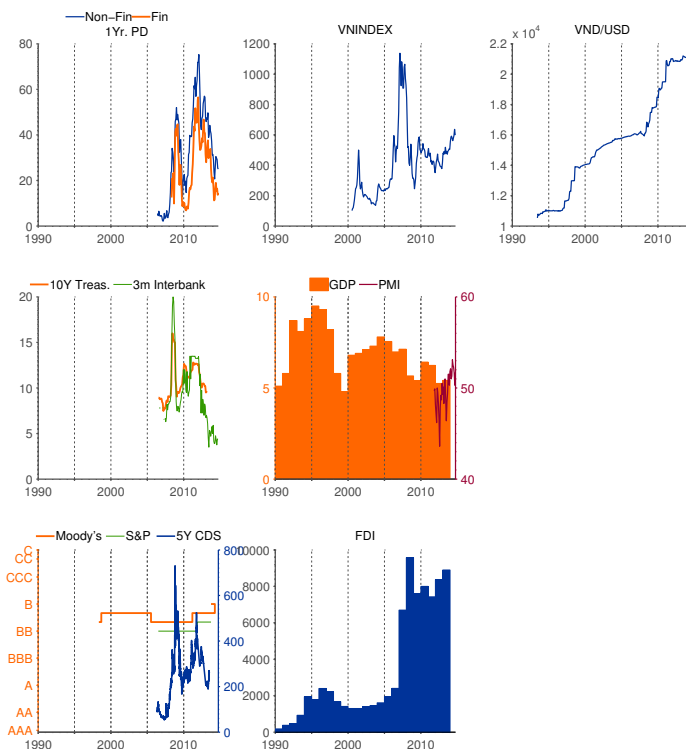
United Kingdom	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	8.69	8.34	8.15	9.11	9.71
1Yr. PD, Fin.	9.41	8.22	8.39	9.89	10.18
FTSE 100	6462	6749	6598	6744	6623
GBP/USD	1.62	1.66	1.67	1.71	1.62
3m Treas. Yield (%)	0.40	0.35	0.44	0.44	0.47
10Y Treas. Yield (%)	2.72	3.02	2.74	2.67	2.42
3m Interbank (%)	0.52	0.53	0.52	0.55	0.57
GDP (YoY%)	1.7	2.7	2.9	-	-
OECD CLI	100.80	101.05	101.03	100.96	100.84*
PMI	57.0	57.1	55.5	56.8	51.6
PPI (YoY%)	1.2	1.0	0.4	0.3	-0.3*
Money Supply (YoY%)	2.60	0.30	-0.20	-0.70	-1.50*
Sov. Rating, Moody's	Aa1	Aa1	Aa1	Aa1	Aa1
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
5Y CDS (bps)	34.02	28.00	24.17	19.08	20.58
FDI (%GDP)	-	1.39	-	-	-
Fiscal Budget (%GDP)	-	-5.80	-	-	-



United States	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	1.92	1.71	1.79	1.88	2.44
1Yr. PD, Fin.	5.36	4.52	4.91	4.87	5.43
S&P 500	1682	1848	1872	1960	1972
3m Treas. Yield (%)	0.01	0.07	0.03	0.02	0.02
10Y Treas. Yield (%)	2.61	3.03	2.72	2.53	2.49
3m Interbank (%)	0.24	0.24	0.24	0.24	0.24
GDP (YoY%)	2.3	3.1	1.9	-	-
OECD CLI	100.46	100.37	100.34	100.56	100.62*
PMI	56.0	56.5	53.7	55.3	56.6
PPI (YoY%)	0.3	1.4	1.8	2.7	2.3*
Money Supply (YoY%)	6.30	5.40	6.10	6.70	6.50*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AA+	AA+	AA+	AA+	AA+
5Y CDS (bps)	33.38	29.00	18.96	16.34	16.18
FDI (%GDP)	-	1.40	-	-	-
Fiscal Budget (%GDP)	-	-3.30	-	-	-



Venezuela	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Fin.	2.05	2.29	5.85	27.87	25.66
IBVC	1795	2737	2523	-	2909
VEF/USD	6292.10	6292.10	6292.10	6292.10	6292.10
10Y Treas. Yield (%)	14.28	16.78*	14.96	17.54	-
GDP (YoY%)	-	1.4	-	-	-
PPI (YoY%)	38.9	47.1	-	-	-
Money Supply (YoY%)	63.30	69.00	76.00	71.70	69.90*
Sov. Rating, Moody's	Caa1	Caa1	Caa1	Caa1	Caa1
Sov. Rating, S&P	CCC+	CCC+	CCC+	CCC+	CCC+
5Y CDS (bps)	933.75	1150.17	1260.62	920.97	1588.43



Vietnam	2013		2014		
	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	40.56	31.45	20.65	29.88	25.03
1Yr. PD, Fin.	25.04	21.26	11.58	15.57	14.46
VNINDEX	493	505	592	578	599
VND/USD	21113.00	21095.00	21098.00	21330.00	21228.00
3m Interbank (%)	4.70	5.00	3.90	4.30	4.40
GDP (YoY%)	-	5.4	-	-	-
PMI	51.5	51.8	51.3	52.3	51.7
Sov. Rating, Moody's	B2	B2	B2	B2	B2
Sov. Rating, S&P	BB-	BB-	BB-	BB-	BB-
5Y CDS (bps)	264.50*	-	-	-	-
FDI (%GDP)	-	8900.00	-	-	-

D Data notes

This Appendix provides a comprehensive list of the macroeconomic and capital market data provided in Appendix C as well as their sources. Most of the data was obtained from Bloomberg. In some cases, the data was not available in Bloomberg and was obtained directly from primary sources. In either case, the primary sources for the data are listed in the tables below. The data was retrieved on October 15 and every effort has been made to verify its accuracy.

The last section of this Appendix describes the Probability of Default implied Rating (PDiR). The PDiR has been introduced to aid intuition about PD values for individual companies.

Stock index (top-center graph) The one-year return on an economy's stock index is one input variable for RMI's default forecast model. The stock indices used in the model are the ones that are displayed in Appendix C. A list of the stock indices included in Appendix C can be found [here](#).

FX rate (top-right graph) Foreign exchange (FX) rates are quoted by market convention against the US dollar. For Eurozone countries, a fixed official rate is used to convert the domestic currency to the Euro prior to the introduction of the common currency. In the graphs, the FX rate for the domestic currency before the economy adopted the Euro is in orange, and the FX rate for the Euro after the Euro was adopted is in blue. The table below shows the conversion dates and rates. The exchange rate for the Cypriot Pound is excluded due to scaling reasons.

Conversion to Euro

Economy	Conversion Date	Conversion Rate (per Euro)	Economy	Conversion Date	Conversion Rate (Per Euro)
Austria	31/12/1998	13.7603	Italy	31/12/1998	1936.27
Belgium	31/12/1998	40.3399	Luxembourg	31/12/1998	40.3399
Estonia	31/12/2010	15.6466	Malta	31/12/2007	0.4293
Finland	31/12/1998	5.94573	Netherlands	31/12/1998	2.20371
France	31/12/1998	6.55957	Portugal	31/12/1998	200.482
Germany	31/12/1998	1.95583	Slovakia	31/12/2008	30.126
Greece	31/12/2000	340.75	Slovenia	31/12/2006	239.64
Ireland	31/12/1998	0.787564	Spain	31/12/1998	166.386

10-year treasury bond yield (middle-left graph) All 10-year treasury bond yields are based on Bloomberg indices except for the following list: Bank Negara Malaysia for Malaysia, Korea Financial Investment Association for South Korea and Philippine Dealing & Exchange Corp for Philippines.

3-month government bond yield (middle-left graph) The primary sources of the 3-month government bond yields are listed in [here](#).[†]

3-month interbank rate (middle-left graph) The primary sources of the 3-month interbank rates can be found [here](#).

[†]The RMI CRI model uses Germany's three-month Bublic rate for all eurozone countries after their adoption of the euro. For the period before joining the eurozone, their own interest rates are used where available.

GDP (middle-center graph, left axis) Real GDP YoY changes are seasonally-adjusted except for China, Hong Kong, Iceland, India, Malaysia, Philippines, Singapore, South Korea, Taiwan and Thailand. A list of primary sources of the GDP data can be found [here](#).

OECD CLI (middle-center graph, right axis) The OECD Composite Leading Indicator for each economy is intended to provide early signals of turning points between different trends in the economic cycle. For forecasting purposes, peaks in CLI are candidate early signals of downturns in the economic cycle, and troughs in the CLI are candidate early signals of upturns in the economic cycle. More information can be obtained at www.oecd.org/std/clits. The OECD CLI shown in Appendix C is amplitude adjusted with a deduction of 50 for the purpose of presentation along with the PMI.

PMI (middle-center graph, right axis) The Purchasing Managers Index or similar indices are used to reflect an economy's manufacturing activities. An index reading above 50 indicates an expansion of manufacturing activity while a reading below 50 indicates a contraction. An exception is the Business Survey Index used in South Korea, which has 100 as its benchmark. A list of primary sources of the Purchasing Managers Index data can be found [here](#).

PPI (middle-right graph) The Producers' Price Index or similar indices are presented as YoY changes. A list of primary sources of the Producers' Price Index data can be found [here](#).

Money Supply (middle-right graph) YoY growth of money supply uses M3 when it is available for an economy. The exceptions are: Brazil, Chile, China, Cyprus, the Czech Republic, Indonesia, Jordan, Kazakhstan, Latvia, Lithuania, Mexico, Nigeria, Norway, Pakistan, Peru, Romania, Russia, Sri Lanka, Taiwan, Thailand and the US where M2 is used; and Croatia and the UK where M4 is used. For Eurozone countries, data after the adoption of the Euro represents total money supply growth of the Euro. A list of primary sources of the Money Supply data can be found [here](#).

Sovereign credit ratings (bottom-left graph, left axis) For most of the economies, the Standard & Poor's and Moody's sovereign ratings are for foreign currency long term debt. Moody's ratings for France, Germany, India, Japan, Netherlands, Singapore, Switzerland, Taiwan, United Kingdom and the United States are foreign currency long term issuer ratings instead. Among the above mentioned economies, France, Germany, Switzerland, United Kingdom and the United States ratings are cited from Moody's website directly, with the remainder of the data from Moody's and S&P retrieved from Bloomberg. For graphical purposes, selective or restricted defaults are reflected as C grades in the graphs. For example, according to S&P data, Indonesia had selective default events on March 29, 1999; April 17, 2000 and April 23, 2002, seen as C grades in the graphs above.

5Y CDS spread (bottom-left graph, right axis) 5-year Credit Default Swap spreads are for each economy's long term sovereign debt. All of the CDS data is sourced from Bloomberg.

FDI (bottom-center graph) FDI into each economy is presented as a percentage of GDP. The World Bank is the primary source of all FDI data.

Fiscal budget (bottom-right graph) Fiscal budget is presented as a percentage of GDP. A list of primary sources of the Fiscal Budget data can be found [here](#).

PDiR

The Probability of Default implied Rating (PDiR) has been introduced to aid intuition about what different values of 1-year PD from RMI’s default forecast model imply about a firm’s credit quality. In short, the 1-year PD for a firm is used to imply a credit rating based on historically observed default rates for credit rating agency ratings.

The table at right classifies firms into S&P-equivalent PDiR based on their 1-year PD. For example, if a firm has a 1-year PD of 50bps, then it will be assigned an S&P-equivalent rating of BB. The upper bounds for each PDiR are derived using default and rating transition data provided by credit rating agencies to the European Securities and Markets Authority (ESMA) Central Ratings Repository.[†] RMI uses this data to compute issuer-weighted 1-year average default rates (ADR) for each ratings cohort, using ratings data from 2003-2013.

PDiR	Upper bound (bps)
AAA	0.16
AA	2.46
A	9.58
BBB	37.2
BB	144
B	563
CCC/C	–

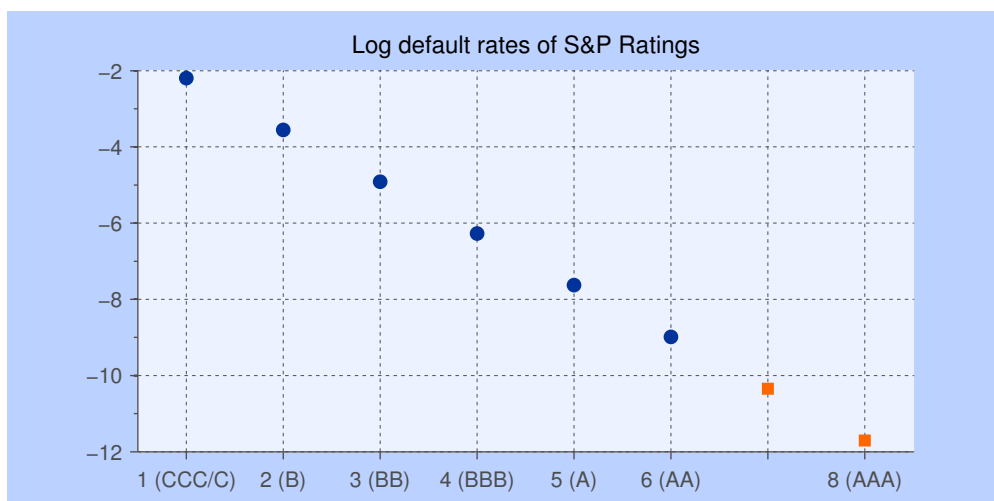
Computing the boundaries between different PDiR classes: The blue circles in the graph below indicate the logarithm of the observed ADR for firms rated by S&P with ratings from AA down to CCC/C.

Given the linear relationship between the observed log default rates and the ratings, we interpolate the log default rate for each rating notch from this result by plotting a line of best fit through the observed points (red diamonds). We then take the boundary between PDiR classes as the mid-point of the interpolated log default rates.

For example, the upper bound for BBB is computed as:

$$UB(BBB) = \exp\left(\frac{\log(ADR(BBB)) + \log(ADR(BB))}{2}\right).$$

For the upper boundary for AAA firms, a mid-point of observed log ADR cannot be taken as the ADR is zero for S&P rated AAA firms. Instead, a line of best fit can be plotted through the six observed points for the other rating classes in order to extrapolate the green diamonds. However, taking the default rate based on the first extrapolated green diamond results in a boundary that leads to a far larger fraction of PDiR-rated AAA firms as compared to actual rated AAA firms. Thus, the boundary between AA and AAA is taken as the mid-point between the first and second green diamond.



[†]Central Ratings Repository, European Securities and Markets Authority (ESMA).

About RMI and the Credit Research Initiative

The NUS Risk Management Institute (RMI) was established in August 2006 as a research institute at NUS dedicated to the area of financial risk management. The establishment of RMI was supported by the Monetary Authority of Singapore (MAS) under its program on Risk Management and Financial Innovation. RMI seeks to complement, support and develop Singapore's financial sector's knowledge and expertise in risk management, and thereby help to take on the challenges arising from globalization, structural change and volatile financial markets.

Credit Research Initiative (CRI) is a non-profit project undertaken by NUS-RMI in response to the 2008-2009 GFC. The CRI takes a "public good" approach to credit ratings by providing the outputs from our default forecast system in a transparent, non-profit basis. In the current phase, the CRI model generates probabilities of default (PD) on a daily basis for corporate entities in 106 economies in Africa, Asia-Pacific, Europe, Latin America, the Middle East and North America. Our PD can serve as a benchmark against traditional rating agencies' systems or internal credit analyses for industry analysts and business professionals. For more information about RMI and the CRI project, please visit our main site at <http://rmicri.org>

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