
Quarterly Credit Report

Q2/2015

Volume 5, No 1



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 - Credit Research Initiative's (RMI-CRI) 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 5, Issue 1 covers the second quarter of 2015. 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-CRI'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-CRI. 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-CRI 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 78 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: Bangladesh, China, India, Indonesia, Kazakhstan, Malaysia, Pakistan, the Philippines, Sri Lanka, Thailand and Vietnam.

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

North America includes: Canada and the US.

Eastern Europe includes: Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, the former Yugoslav Republic of Macedonia, Montenegro, Poland, Romania, Russian, Serbia, Slovakia, Slovenia, Tunisia, 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, Kuwait, Jordan, Morocco, Oman, Nigeria, Saudi Arabia, South Africa, Tunisia 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-CRI'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-CRI PD model are available free for all users at:

www.rmicri.org

As of June 2015, the PD system covers 118 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 5,000 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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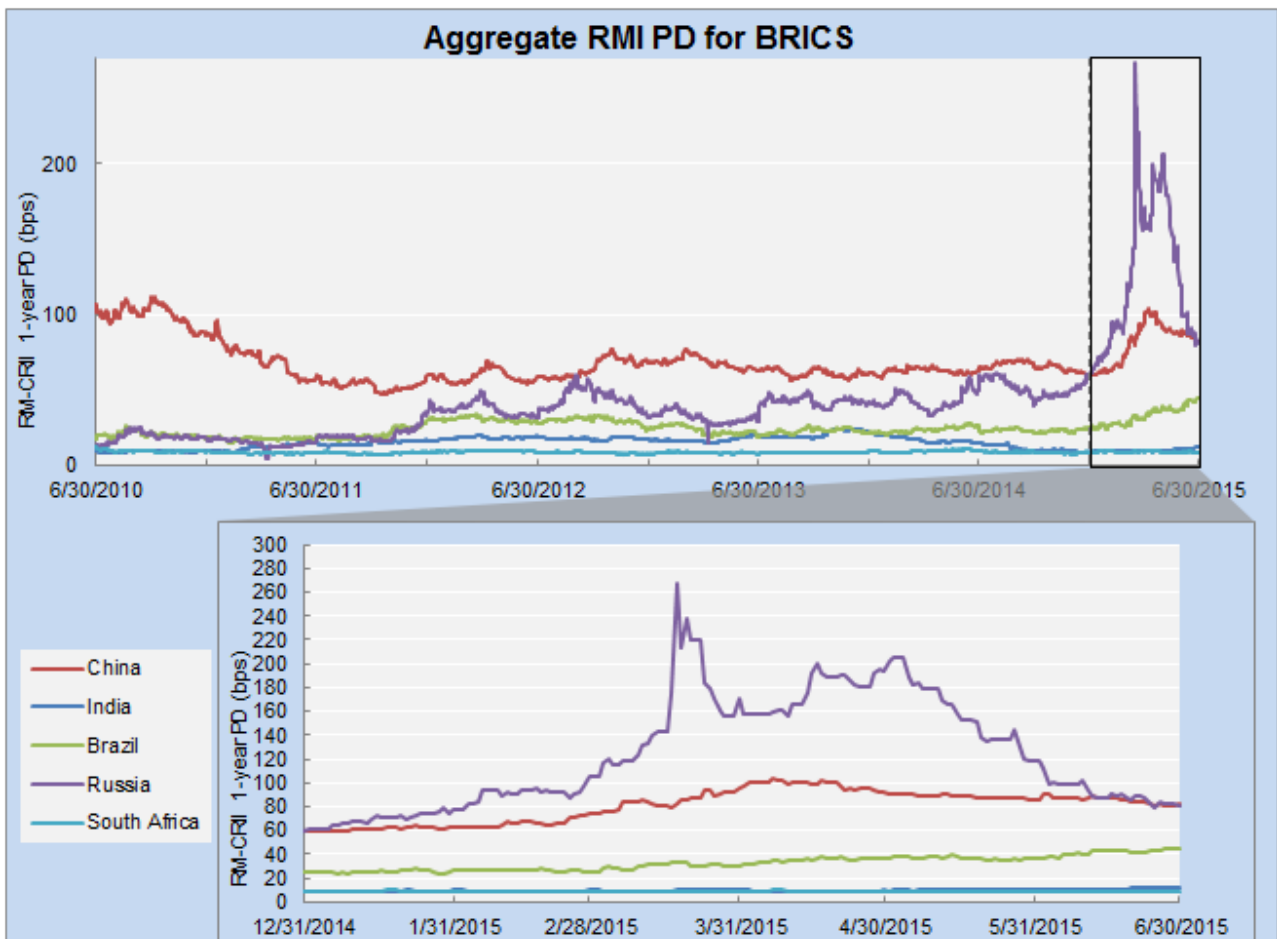
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Acronyms

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

Most of the firms in the BRICS region witnessed improvements in their credit profiles. The RMI-CRI aggregate 1-year PD for Chinese firms fell slightly, while the default measure for Indian firms stayed stable. Brazilian firms saw a rise in the RMI-CRI aggregate 1-year PD. Thanks to a series of economy-boosting measures, including interest rate cuts and implementation of export friendly policies by the Chinese government, China's Q2 GDP growth remained at 7%, in line with the official target. By contrast, the decrease in investment and contraction of industrial production had a huge impact on Brazil's Q2 GDP growth, ending with -0.9% YoY growth and -0.6% QoQ growth respectively. In the same quarter, the RMI-CRI aggregate 1-year PD for Russian companies continued the downward trend. The improved economic situation could benefit from the relieved tension over Ukraine and the government rate cut which aimed to boost economy growth.



Russian Companies

The RMI-CRI aggregate 1-year PD for Russian companies increased dramatically during Q2, reflecting a lasting economic predicament due to the weak currency and oil price. Although inflation and unemployment rate dropped in Q2, the country's GDP plunged by the largest magnitude since 2009. Russia remained in the dilemma of economic growth and well-controlled inflation risk.



Economy

- Russian GDP fell by 4.6% in Q2, which was a deeper drop compared to 2.2% in Q1. The combination of currency crisis, sluggish consumer demand and a selloff in oil had made the country's economy shrink the most since 2009.¹
- Inflation fell to 15.3% in June from 16.9% in March, which has been the highest level since 2002. It could be attributed to the easing of the rise in cost of food and housing. According to forecasts compiled by Bloomberg, the consumer-price increase will have been slowed to 12.6% by the fourth quarter of 2015.²
- Unemployment rate in Russia decreased for the third consecutive month to 5.4%, which was the lowest level since the end of last year. The improvement in jobless rate was possibly due to increase in demand for seasonal agricultural and construction jobs, which was unexpected on the backdrop of unstable domestic economic situation. The number of economically active people remained flat at approximately 77mn in May and June, while real wage fell 7.2% MoM in June.³

- Russian private sector deteriorated in June. The services Purchasing Managers' Index produced by HSBC took a battering and fell to 49.5 in June from 52.8 in May. It went below the 50-threshold despite the increase in new business.
- By contrast, the Russian manufacturing sector witnessed a modest recovery. The HSBC manufacturing Purchasing Managers' Index climbed in June to 48.7 from 47.6 in May. However, the figure was still below 50, suggesting that it is still highly likely that Russian manufacturing sector will go down in near future.⁴

Monetary

- Russia's central bank cut its key interest rate on July 31, 2015 by the smallest amount this year to 11.5% from 11.0%, followed by the last rate to 11.5% from 12.5% on June 15, 2015. Although the resultant currency depreciation had helped the impact of falling oil prices on Russia government's budget, it also pushed up inflation. According to the central bank, boosting growth was currently more essential than trying to curb the inflation. The small interest cut suggested that policymakers have already tried their best to strike a balance between boosting the economy and controlling the inflation rate well.⁵

Funding & Liquidity

- Russian government 10-year yields fell gradually during Q2 to 10.96% in June 2015 from 11.98% in March 2015.
- Average weighted interest rates on RUB-denominated loans to individuals increased slightly from 24.55% in March 2015 to 20.44% in June. The rate of loans to non-financial organizations slipped from 17.00% to 15.85%. The jump in the average weighted interest rates corresponded to the rate cuts in June.⁶

Policy

- Government revised a harsh state budget proposal due to the ongoing trilemma of low oil prices, continued sanctions and a deep recession. According to the Ministry of Finance, the budget revenues are projected to be RUB 12.5tn of 2015 and expenditures would stay at RUB 15.2tn of 2015. Decreasing revenue will push budget deficit from RUB 431bn of 2014 to RUB 2.7tn in 2015. Russia proposed tight monetary and fiscal policy against deficit pressure.⁷
- Both federal state civil servants and state officials' salaries would be downsized by 10% to show commitment of reducing public spending in real terms. According to Finance Minister Anto Siluanov Wage, indexation has been deferred in order to further constrain the expenditure. To avoid the residents' discontent and worse economic condition, the government would remain the social commitments, such as military spending, the payment of pensions, benefits and subsidies.⁸

Sovereign Credit Ratings

- S&P maintained a BB+ rating, Fitch maintained a BBB- rating and Moody's maintained Ba1 rating on Russia government during Q2 2015. All three rating agencies remained negative on the country's outlook.⁹

Russian Banks

The RMI aggregate 1-year PD for Russian banks improved in Q2 2015. The profit turnaround is mainly because Russia banks' earnings turned better on lower loan-loss provisions, which is not a persistent long-term profit driver for banks. Therefore, despite better profitability and liquidity for banks in Q2, the rising bad debt and fewer lending opportunities amid Russia's recession still weighed on banking sector's long-lasting profitability.



Profitability

- After a painful period caused by the ruble crash in 2014, the central bank governor confirmed that Russia's banking sector has turned the corner by returning to profit in the second quarter.¹⁰
- VTB, Russian second largest lender by asset, was a typical case of profit recovery. The bank reported return to profit in the second quarter due to lower loan-loss provisions and a recovery in margins, while it remained cautious on the outlook for the rest of the year as the uncertainty about the length of the economic downturn.¹¹

Funding & Liquidity

- Funds of Organizations remained at a relatively low level during Q2 2015, increasing by 24.1% YoY but dropping by 10.0% QoQ in May 2015.¹²
- Deposits of Individuals may also have accelerated during Q2, increasing by 15.7% YoY and 1.3% QoQ in May.¹³
- Average weighted interest rates on individual and nonfinancial organizations' deposits (except for Sberbank) up to 1 year (except demand deposits) decreased during Q2 2015 from 13.31% and 13.30% in March to 11.41% and 11.05% in June.¹⁴

Capital Levels & Regulations

- Required Reserve Ratio for credit institution remains at 4.25% as Bank of Russia's requirement in the end of second quarter. International Reserves of Russian Federation increased to USD 362.0bn in June from USD 360.8bn in March.¹⁵
- The Bank of Russia announced the implement of liquidity rules in view of the Basel III regulatory framework, which applies to Russian ten important banks, including Uni-Credit Bank, Gazprombank, VTB, Sberbank, Alfa Bank, Otkritie, Rosbank, Promsvyazbank, Raiffeisenbank and Rosselkhozbank. Starting from Oct 1, 2015, all the ten banks should raise a liquidity coverage ratio (LCR) up to 60%. The minimum LCR would be raised to 70% by Jan 1, 2016 and further raised to 100% by Jan 1, 2019.¹⁶

Asset Quality

- As of the end of April, the banking industry's retail bad-debt ratio increased to 7.1%. Russia's central bank expected the non-performing loans are set to peak toward the end of the year of the start of 2016.¹⁷

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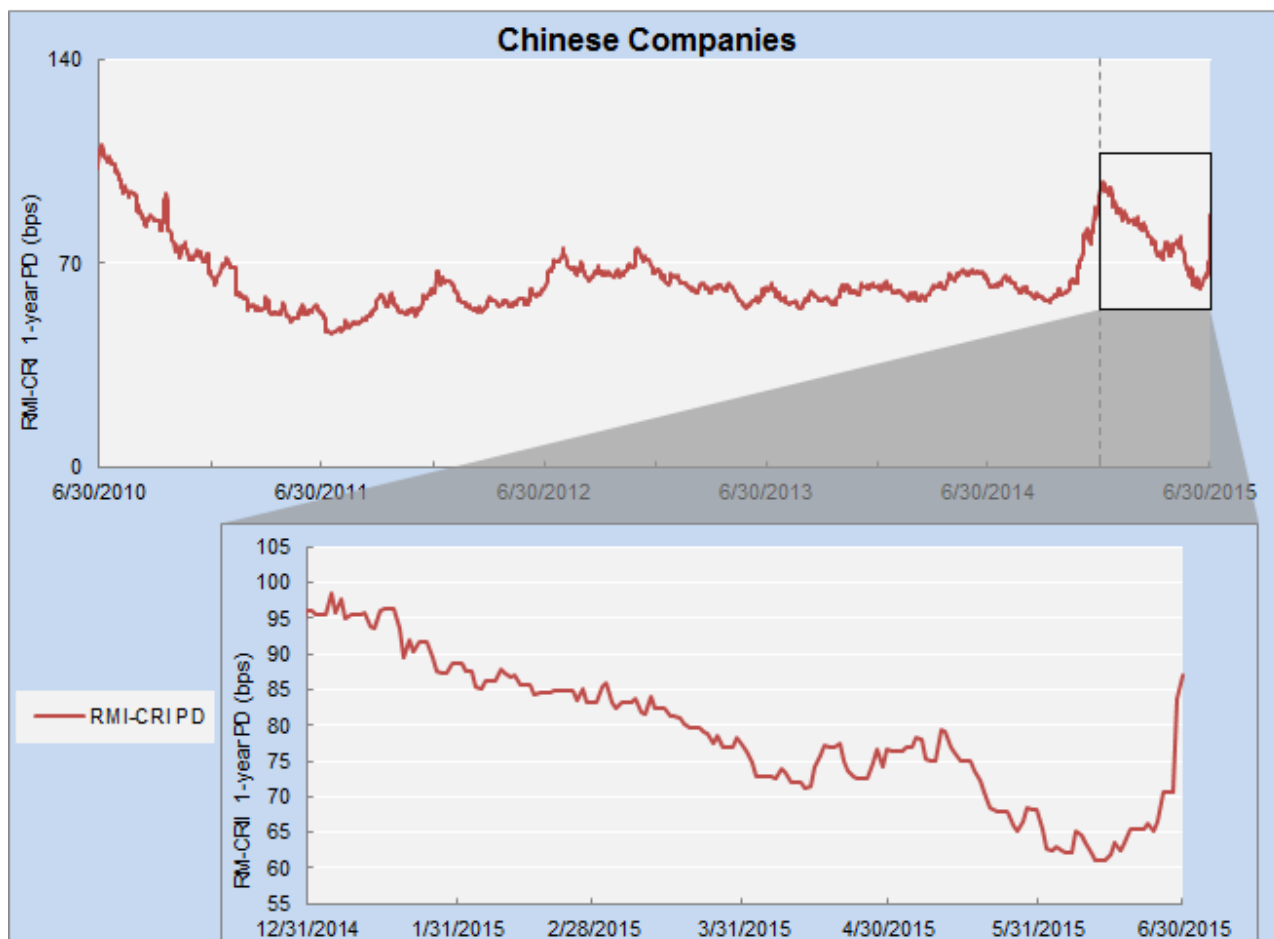
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¹⁶Jul 16, 2015, [Russian central bank announces new liquidity rules](http://commercialbanking.banking-business-review.com/), Banking Services Commercial Banking <http://commercialbanking.banking-business-review.com/>

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Chinese Companies

The RMI-CRI aggregate 1-year PD for Chinese companies fell in the first quarter of 2015. Economic growth slowed down to a six-year low during Q1, accompanied with the low consumer and product prices and the falling exports. China's central bank injected liquidity by cutting its reserve requirement ratio (RRR) to 18.5%. Government bond yield increased slightly and the credit structure improved. China adopted a "QE" like monetary policy, but the magnitude was not comparable to the US and the Europe.



Economy

- China's QoQ economic growth accelerated to 1.7% in Q2 2015 from an upwardly revised 1.4% in Q1 2015 while YoY GDP advanced by 7%, in line with the government's official target for GDP growth this year. China's statistics bureau gave credit for the steady growth to recent stimulus measures.¹⁸
- China's March consumer inflation edged up slightly in June to 1.4%, running below the government's 3% target of the year. For the PPI, it has dropped 4.8% YoY for the 39th straight month due to lower commodity prices and excess capacity at factories. With regard to the deflationary pressure, the central government is expected to ease the downward trend in the next few months.¹⁹

- China's urban registered unemployment rate fell to 4.04% at the end of June from 4.10% in the first quarter of 2015 while the survey-based unemployment rate fluctuated around 5.1% based on the statistics bureau. 7.18 million new jobs are created in cities in the first half of the year, down 190,000 from a year ago as Chinese government aims to create no less than 10 million new job opportunities during 2015 and keep the urban jobless rate below 4.5%. The statistics office attributed the stability of job market to the growing economy. The office also remarked that the country's promotion of mass entrepreneurship has helped stabilise employment as more people become self-employed. The number of newly registered enterprises leapt 19.4% YoY to 2.1mn in the first half. Despite so, the employment rate of fresh university graduates at 7.74%, which was higher than the overall unemployment rate by more than 2%, remained a concern. However, urban unemployment rate is widely known to underestimate the real nationwide unemployment conditions that the government is working to improve its survey-based system to measure employment more accurately.²⁰
- China's official manufacturing PMI remained lacklustre at 50.2 in June, unchanged from the previous month and posted just above the 50-mark that separates growth from contraction. While the official PMI was tilted towards large companies and state-owned enterprise, the HSBC China Manufacturing PMI, which concentrates more on SMEs, stood at 49.4 in June. The HSBC PMI indicated a further deterioration in the health of the manufacturing sector due to labour cut, slackened factory expansion and output decline across the sector, fuelling calls for further policy recalibration. Yet, the weaker PMI reading was indeed consistent with a gradual shift in China's growth model over the longer term, from manufacturing to services, from investment to consumption.²¹
- Besides manufacturing, domestic demand and real-estate investment also remained sluggish. While government's stimulus efforts in infrastructure were evident in driving the rebound in investment as fixed-asset investment growth stabilised at 11.4%, property developers pulled back on construction and manufacturers remained cautious on investing new capacity.²²
- China's exports were up 2.8% in June but remained weak as the country continued to wrestle with the weakening external demand from the US and Europe. Imports were down 6.1% YoY, well short of the expected decline of 16%. As a result, trade surplus was narrower than forecast.²³

Monetary

- China's central bank said that China would maintain prudent monetary policy in the second half of this year despite inflation concerns. Policy orientation and flexibility of multiple monetary tools would also be upheld to ensure that liquidity stays at an appropriate level. China's M2 money supply growth quickened to 11.8% due to the monetary easing policy, surpassing the expected 11% and reaching CNY 133.34tn. For the narrow money supply (M1), it stood at CNY 35.61tn, rose by 4.3% YoY and edged up by 1.1% from the end of last year. The amount of currency in circulation (M0) was CNY 5.86tn, increasing by 2.9% YoY.²⁴

- According to the data released by the central bank, outstanding RMB and foreign currency loans totalled CNY 94.43tn at the end of June, up 12.5% YoY. Outstanding RMB loans rose by 13.5% and outstanding foreign currency loans grew 0.7% YoY. China's banks made RMB 1.27tn RMB loans in June alone with a total of RMB 6.56tn in the first six months of 2015, exceeding the amount in H1 last year by CNY 537.1bn. By sector, household loans rose by CNY 1.95tn, overtaking the growth in the same period last year by CNY 75.1bn. Total social financing (TSF) which is a comprehensive measure of overall liquidity, was RMB 1.86tn in June, up from RMB 1.22tn in May. New CNY loans accounted for 74% of the TSF in the first half of 2015, corporate bonds 11%, entrusted loans 6%, and stock issuance around 5%.
- The central bank lowered the rate on one-year loans by commercial banks by 25bps to 4.85%. The interest rate paid on one-year deposits would be lowered by 0.25% to 2%. They would also cut its reserve requirement ratio (RRR) for commercial banks dedicated to rural areas, small business and agriculture by 50 basis points. The new measure is expected to inject more credit into rural and small business, improving key areas and weak links in the national economy.²⁵
- China foreign exchange reserves, which are more than triple the size of any other country's, declined for 4 consecutive quarters by USD 40bn to USD 3.69tn in Q2 2015, following a record USD 113bn drop in the Q1 2015. The reduced capital outflows indicated the central bank's effort to hold more yuan so as to stabilize the exchange rate.²⁶

Funding & Liquidity

- 10-year government bond yield dropped slightly from 3.63% in March to 3.62%, a decrease of 10bps throughout Q2 in 2015. 5-year company bonds yield increased slightly from 5.25% in Q4 2014 to 5.54% in Q1 2015.
- The 3-month 5-day average SHIBOR rose slightly from 4.8975% on 31 March 2015 to 3.2438% on 30 June 2015, while 3-month CHIBOR remained at 5.05% throughout Q2 2015, a slip from 5.35% in March 2015.
- According to the PBoC, Chinese financial institutions extended CNY 6.56tn worth of new yuan loans in the first half of this year. Total social financing, a broader measurement of credit in the economy, came to CNY 1.86tn last month, up from CNY 1.22tn in May. Q2 data showed an improvement in both new RMB loans and credit structure.²⁷

Policy

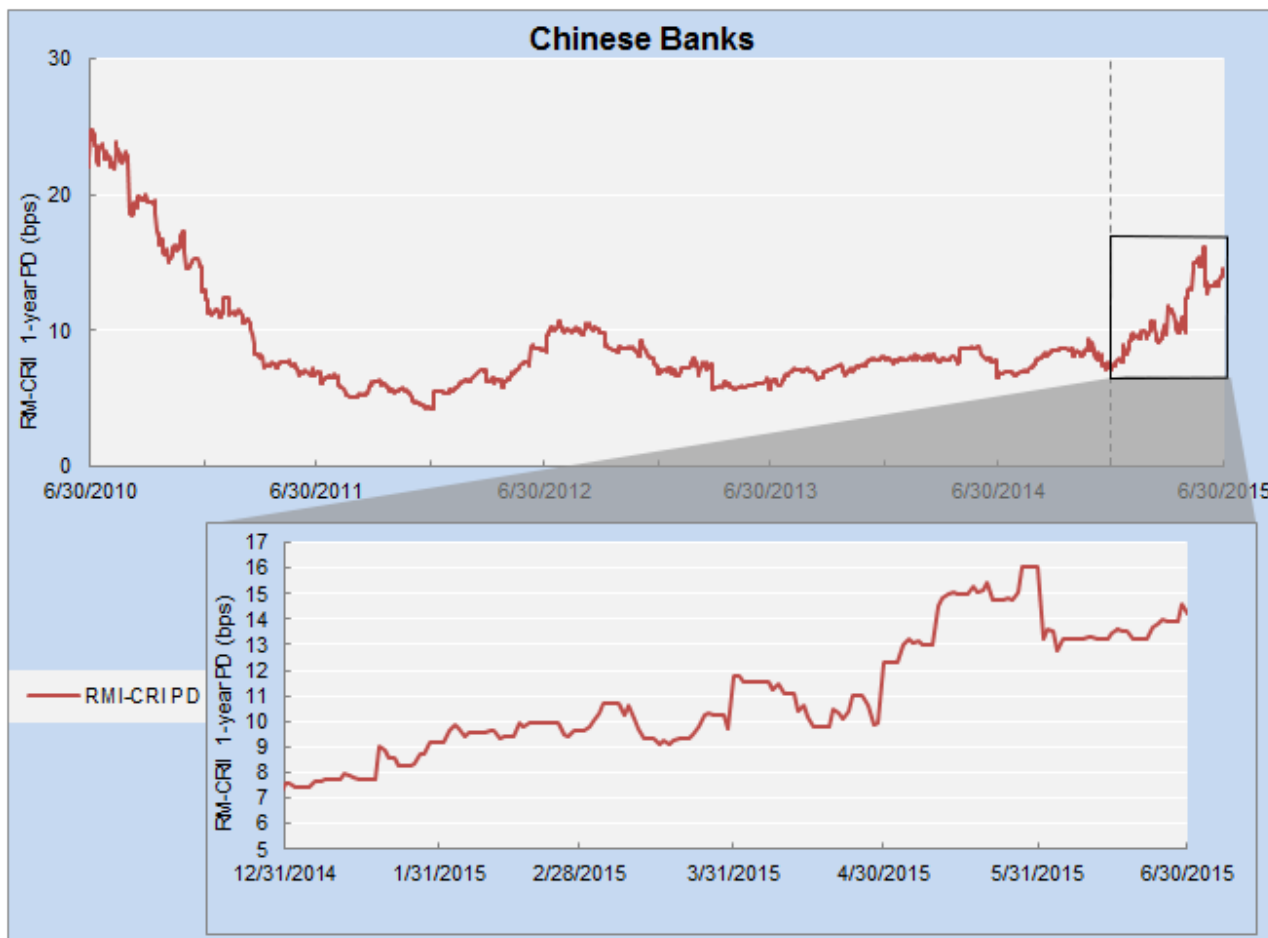
- China's cabinet, the State Council, decided to discard the country's longstanding loan-to-deposit ratio requirement in late June. It is their latest attempt to reform the country's commercial banking sector and inject more liquidity into a decelerating economy. China's stock market rout in July indicated a rapid deterioration from their once booming market. Yet, it provided a good reason for the central bank to lower RRR to stabilise the market and spur banks to lend to the real economy at the same time.

Sovereign Credit Ratings

- Despite the restructuring challenges, Moody's and S&P maintained a stable outlook with respective ratings of Aa3 and AA- on the Chinese government during Q2 2015 underpinned by its macroeconomic strengths and fiscal cushions.
- Fitch, however, downgraded China from AA- to A+. The credit rating agency mentioned a number of underlying structural weaknesses, including lagging standards of governance, low average incomes and rising debt problems.

Chinese Banks

The RMI-CRI aggregate 1-year PD for Chinese banks worsened in the second quarter of 2015. Between April and June this year, liquidity conditions in the Chinese banking system have deteriorated. The central bank provided support by easing the reserve requirement ratio and interest rates. With the introduction of new rules on online payment processors and the deposit insurance program, lots of third-party payment platforms and small banks' transactions would shift to major banks. In addition, the amount of China's domestic banks' non-performing loans rose which might jeopardize Chinese banks' profitability and credit quality.



Profitability

- Aggregate earnings at 17 China domiciled banks' earnings increased 35.15% QoQ but dropped 5.72% YoY in Q1 2015.
- The average NIM for the same banks decreased from 3.46% in Q4 2014 to 3.30% in Q1 2015.

Funding & Liquidity

- Overall liquidity in Chinese banking system slightly deteriorated with the aggregate LATDB ratio for listed banks falling to 26.68% from 28.48% during Q1 2015.
- RMB deposits in China's banks recorded an outstanding amount of CNY 131.83tn as it grew by 10.7% YoY. In H1, RMB deposits rose by CNY 11.09tn, CNY 375.6bn less than the growth in the same period last year. For the outstanding foreign currency deposits, the amount reached USD 681.5bn, up 8.8% year-on-year. In H1, foreign currency deposits increased by USD 71bn, USD 55.2bn less than the growth in the same period last year.²⁸
- The central bank stepped up measures to inject liquidity to the banking system as it cut its benchmark lending rate to a record low after reducing interest rates four times since the start of November 2014. In June, the seven-day repurchase rate which is the benchmark rate of interbank funds has dropped to less than 2.5% from 3.5% while the monthly weighted average interbank lending rate stood at 1.44%, down 1.41% from the same period last year. The average daily turnover of interbank lending, spot bond and bond repo transaction in H1 posted YoY growth of 37.7%, 88% and 83.5% respectively. Despite a series of cuts, the RRR remains at 18.5% for major banks, among the world's highest. Indeed, lowering the ratio by 10% would free up CNY 13tn of additional capacity for banks to lend, according to Bloomberg estimates.²⁹
- The PBoC tried to inject capital to major banks or so-called policy banks with direct lending efforts. One of the biggest move was when the central bank extended CNY 1tn in lending support to China Development Bank Corp (CDB) to fund the clearing of shanty towns.³⁰

Regulations

- The deposit insurance program introduced in Q1 of 2015 took effect in Q2 starting from 1 May 2015. Under the plan released by the State Council, China's cabinet, up to CNY 500,000 in deposits made by individuals and businesses per bank will be insured. More than 99% of depositors would be covered. However, this would exacerbate liquidity shortage at smaller banks and increase their chance of failure as savings shift to the biggest state-controlled lenders. While the move could limit systemic risks, it may fuel competition for deposits and drive up lenders' borrowing costs as savers divert money to the stronger banks or those that offer the higher interest rates.³¹
- China's central bank released draft rules to impose more comprehensive and stringent regulations on online payment processors, including Alipay and Caifutong, payment platforms of ecommerce giants Alibaba and Tencent respectively. The new rules propose to limit the size of payments made through these third-party payment processors significantly. Payments exceeding RMB 5,000 per day or RMB 200,000 per year must be routed through the payer's account at commercial banks. The new rules also forbid these payment service providers from opening accounts for financial institutions involved in peer-to-peer lending, crowdfunding, wealth management, or foreign exchange. The PBoC said that the proposal comes with a holistic consideration of payment efficiency, anti-money laundering and client fund security, ensuring that these internet finance agencies complement traditional banks while protecting consumers' interest.³²

Asset Quality

- The qualities of loans for Chinese banks were deteriorating as bad loans rose by 31.42% YoY. According to the statistics from the China Banking Regulatory Commission, the non-performing loans (NPLs) of China's domestic commercial banks for Q1 2015 totalled CNY 982.5bn, a rise of CNY 336.4bn YoY. The NPL ratio also leapt 35% YoY, reaching 1.30% by the end of Q1. It is attributed to the accelerated industrial restructuring, weakening domestic and overseas demand, together with overcapacity and economic slowdown in China. These Chinese enterprises' operational difficulties, increasing losses and cash flow problems eventually led to surging financial risks of many banks as the quality of credit assets dropped drastically. Alongside additional capital requirements introduced by regulators, the slowing net profit growth thus took a toll on profitability at China's banks as a whole.³³

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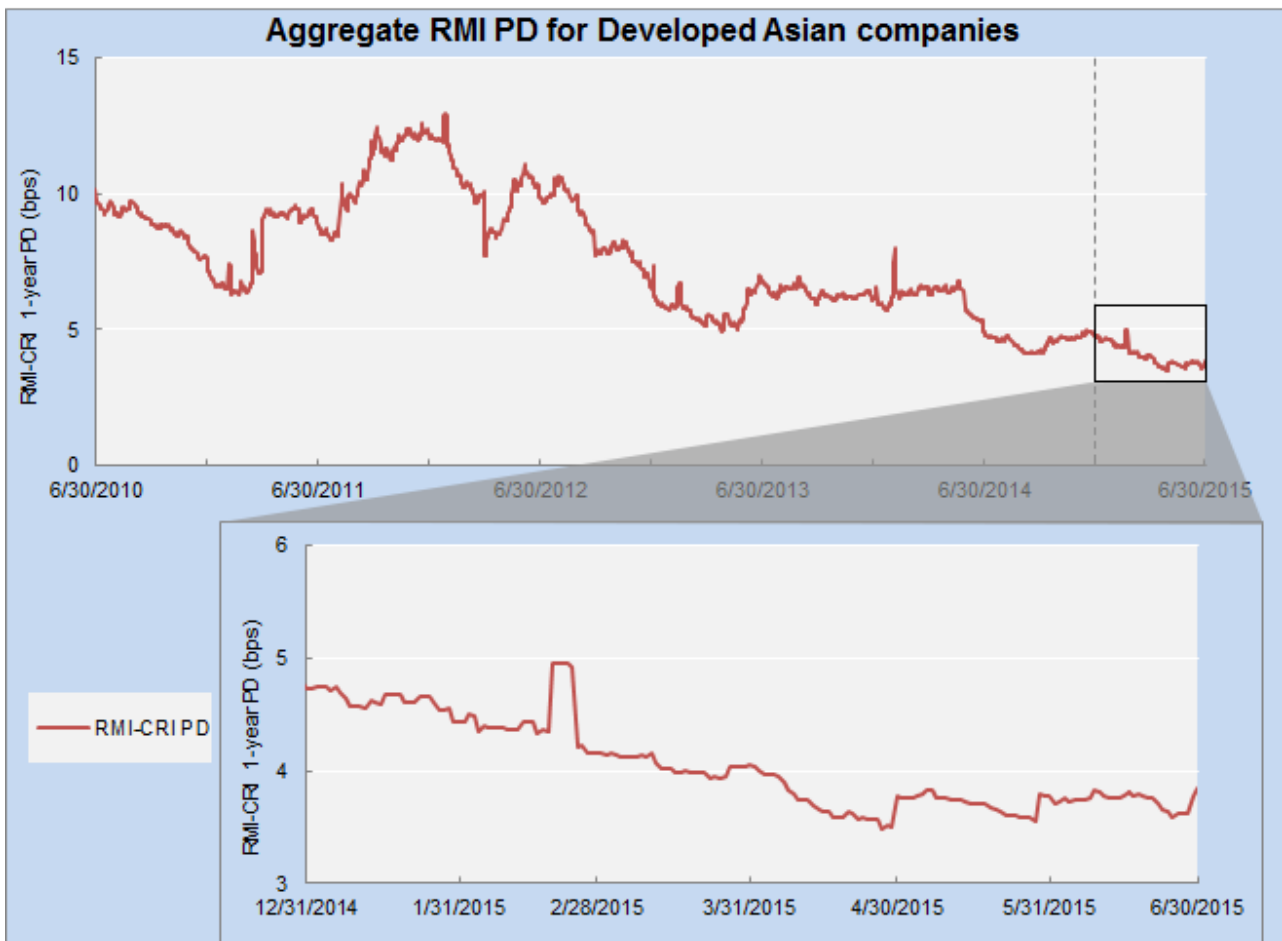
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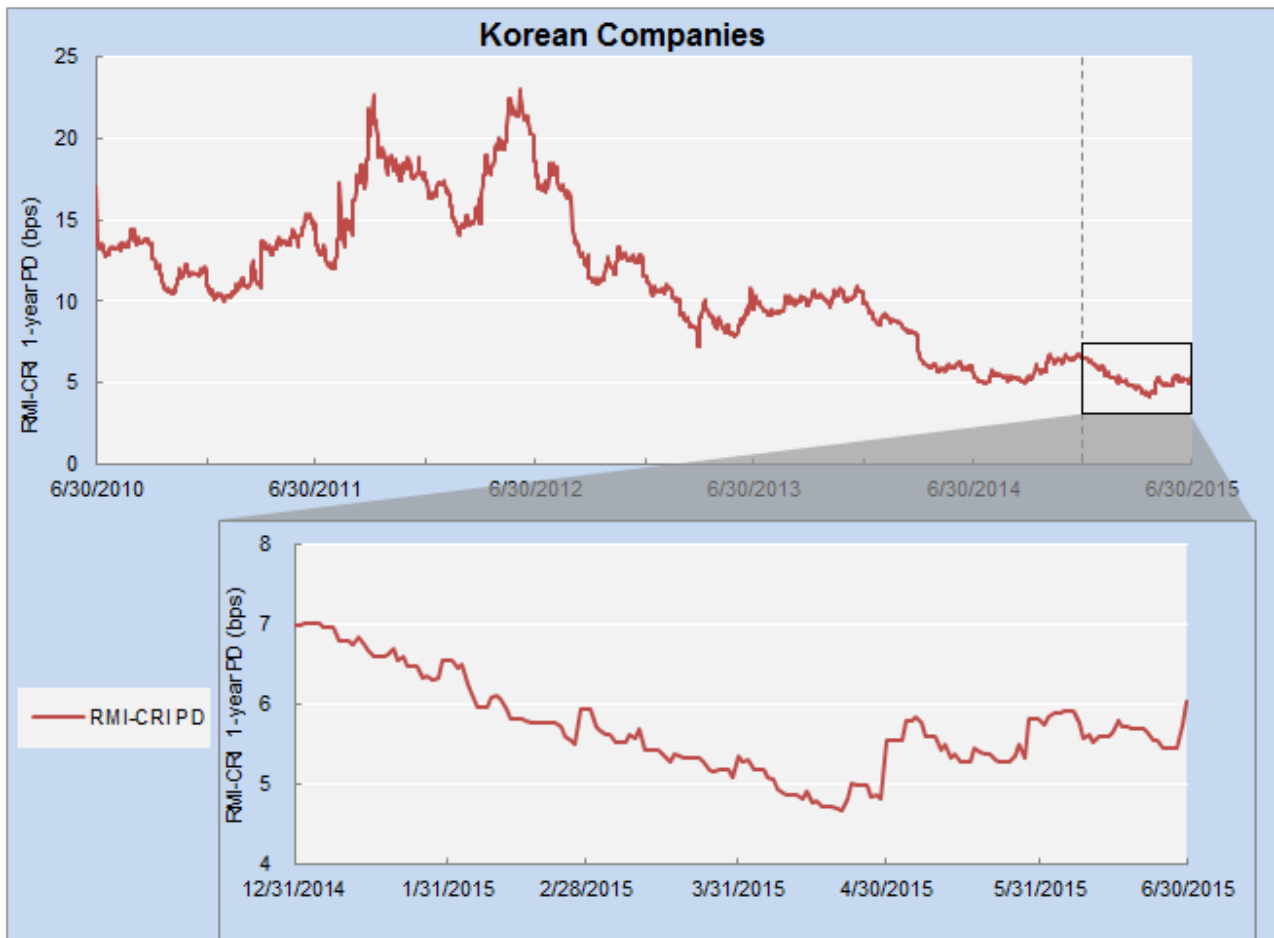
Asia-Pacific - Developed economies

The RMI-CRI aggregate 1-year PD for Developed Asia Pacific firms remained nearly at the same level in Q2, after falling to the lowest level in at least 5 years during the quarter. Japanese companies witnessed an improvement in credit quality on the back of higher market cap and increased earnings. The weaker JPY lifted the bottom lines of Japanese firms, many of which have major operations overseas. For example, the RMI-CRI 1-year PD for Mizuho Financial continued to fall as the firm’s market value increased over Q2. The credit profiles of firms operating in South Korea however, deteriorated during Q2, as a MERS outbreak and a slowdown in China spread panic amongst investors. To arrest the slowdown in the Korean economy and combat possible deflationary pressures, Korean regulators took accommodative measures to stimulate the economy. Interest rates were cut by the central bank dropped and the Ministry of Finance drew up a supplementary budget. Singapore firms registered a lower likelihood of default during Q2, but the overall direction in credit quality signals a weakening trend since June 2014. Singapore companies have been affected by the drop in external and domestic demand as non-oil domestic exports slowed in April and May. The recent commodity rout has damaged the credit standing of resource firms listed in Singapore.



South Korean Companies

The RMI-CRI aggregate 1-year PD for South Korean companies decreased during Q2, reaching the lowest level in more than 5 years. This improvement came despite significant declines in manufacturing activity and exports, suggesting that market related factors continue to support the credit profiles of Korean firms. A weak domestic demand was largely attributed to a drop in consumer spending sentiment and high unemployment measures that reached the real economy during the quarter. Moreover, funding and liquidity profiles remained favorable in a low interest rate environment. Going forward, the credit outlook for Korean companies remains uncertain as lawmakers consider cutting corporate tax exemptions to improve social welfare. Aggregate earnings in the export-orientated economy could also continue to be subjected to global macroeconomic headwinds.



Economy

- The South Korean economy expanded 0.3% QoQ during Q2 compared to 0.8% in the year’s first three months, marking a six-year record low. This also reflected weak private consumption in the context of high household debt and stagnant wages. Although private consumption rose only 0.6% QoQ in Q1 compared to 0.5% growth in last quarter, Korean is still in the process of recovering with relatively low growth figure. Meanwhile, government consumption grew by 0.5% QoQ in Q1, the same pace as in the Q4 of 2014. In contrast, BOK data showed that investment in the construction sector increased by 7.5%.³⁴

- After lowering the yearly benchmark interest rate to 1.75% in March to boost the economy, the government had a second interest rate cut in June which hit a record low at 1.5%. Most analysts believed the second quarter, ending in June, would be the key for gauging GDP growth this year. However, due to an outbreak of Middle East Respiratory Syndrome (MERS) which badly hurt private consumption and tourism while exports failed to pick up, the sluggish growth data of Q2 were anticipated.³⁵
- Korea's unemployment rate remained above 3.5% during Q2, rising from 3.67% in March to 3.83% in June. Although this figure remained quite low compared to other OECD nations, a new labor underutilization indicator could come in more than three times higher than the incumbent one if you included people who have given up looking for jobs or are stuck in part-time positions. A lack of full-time jobs also made household debt rise to a record high of KWR 1,089tn (USD 965bn) in 2014 and dented optimism, curbing consumer spending and in turn undermining domestic demand, and potentially slowing inflation at about 2.1% YoY in June.³⁶
- Exports declined for a sixth straight month in June at -2.4% YoY, although the figures are still better than -8% in April and -11% in May, which is the lowest in almost six years. A slowdown in global trade, fewer working days due to public holidays in Korea and lower prices for petrochemical products contributed to the weaker data in May. The data improved in June are due to the improvement of overseas shipments on the car exports and the higher prices for petrochemical. The strengthened won which reached a seven-year high against the yen in May also have a negative effect on the exports, as Japanese companies started lowering prices. Chinese demand could be another reason as South Korean exporters are more dependent on China than are the Japanese.³⁷
- The weakness in the exports also follows the decline in manufacturing activity as the Markit purchasing managers' index (PMI) on South Korea's manufacturing sector slid to a seasonally adjusted 46.1 in June - the lowest compared to previous low of 45.7 in September 2012 - from 48.8 in April. It was the fourth consecutive month in which the index was below the 50 mark, indicating a manufacturing contraction and underlining the impact of a weak global demand as growth slows in Korea's main trade partner China. This slowdown also showed in a sub-index which gauges the new orders received both from the local and overseas clients fell to 43.7 in June from 47.2 in May, marking the lowest since September 2012 as domestic demand decreased.³⁸

Monetary

- The Bank of Korea lowered its key interest rate to an unprecedented low as it warned that the spread of Middle East respiratory syndrome poses an imminent threat to consumption. The official benchmark interest rate was cut to 1.5% in June, the fourth reduction since August 2014. This decision was forecasted by most of economists.³⁹

Funding & Liquidity

- Yields on 10-year South Korean government bonds remained stable during Q2, staying from 2.42% in April to 2.45% at the end of June.
- South Korea's M2 money supply expanded at the fastest clip in almost five years in May, driven mainly by increased liquidity of households. The M2 surged 9.3% year-on-year to KRW 2,170.5 tn (USD 1.9tn) in May, quickening from a 9% increase in the previous month, according to the Bank of Korea (BOK). This YoY growth marked the fastest increase since July 2010 when the M2 expanded 9.3%. By sector, households posted one of the biggest expansions, growing KWR 9tn from the previous month.⁴⁰

- Interest rates on new loans to large Korean corporates fell to 3.42% per annum in May, down from 3.47% in March. Likewise, interest rates on new loans to small companies declined to 3.86% from 4.02% in the same period.⁴¹

Politics

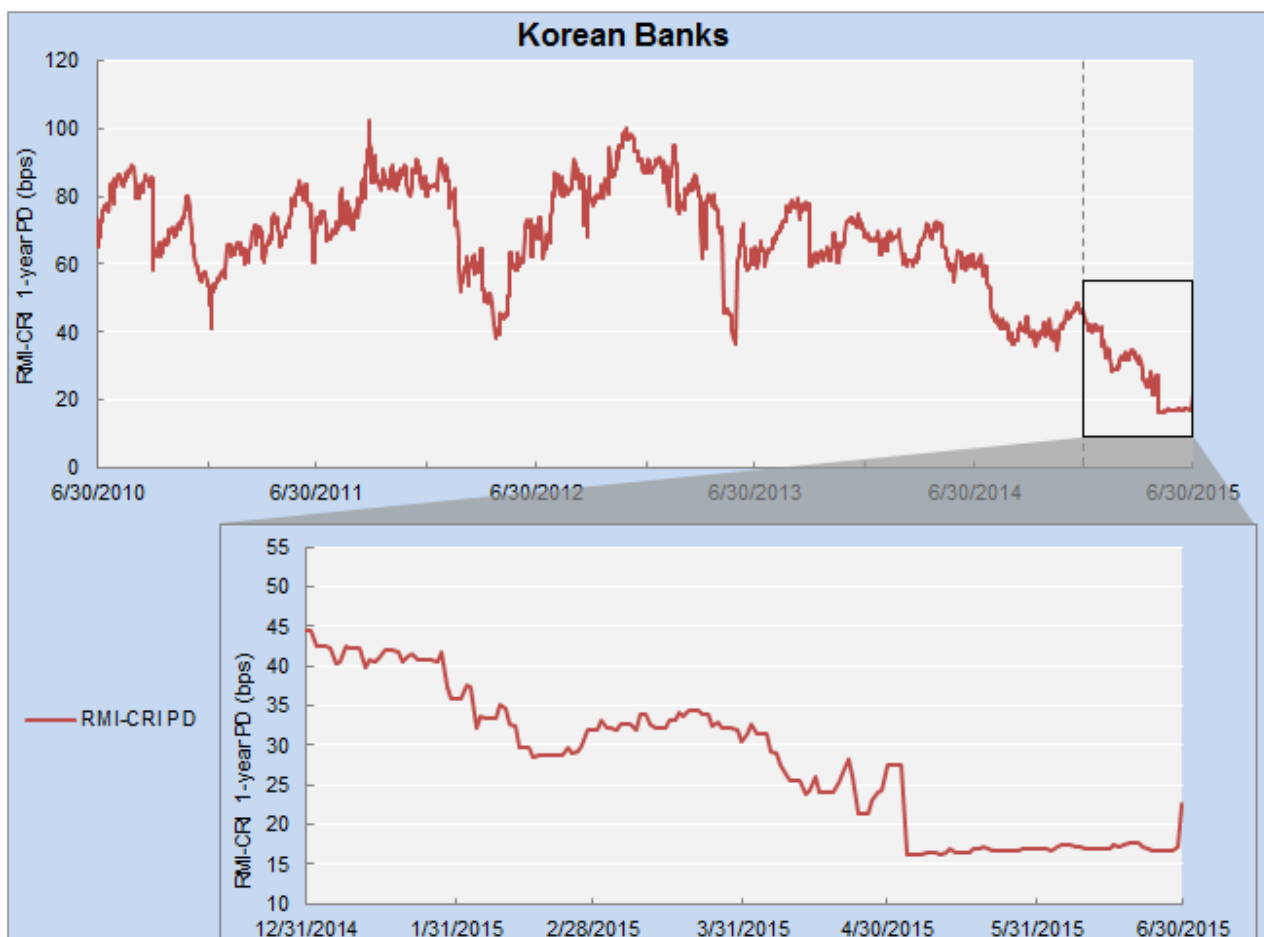
- Although the finance ministry just announced in May that a supplementary budget will only be considered if the economy makes a sharp downturn, in June a KWR 10tn (USD 9bn) supplementary budget came up to help its already struggling economy to cope with the effects of the outbreak of Middle East Respiratory Syndrome. The government had been under growing pressure to come up with fiscal measures as the country scrambled to contain the largest outbreak of MERS outside Saudi Arabia, which had dealt a blow to consumer sentiment. The virus had infected 179 in the country so far, 27 of whom have died.
- At the same time, South Korea will still stick to expansionary policy this year and 2016 as it tries to recovery up economic activities.⁴²

Sovereign Credit Ratings

- The three major agencies maintained their ratings on the country's sovereign debt during Q2, 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-CRI aggregate 1-year PD for South Korean banks fell during Q2, together with the aggregate PD for non-financial firms. Bank's profitability deteriorated slightly due to compression in net interest margins, accompanied with increasing funding cost, improved liquidity conditions and strengthened capital regulation. Korea also faced the challenge of asset quality due to the high level of household debt compared to disposable income, which was at 156% in 2014. Although this will not directly pose a large risk to banks' asset quality, it could affect banks through the persistent negative effect on domestic demand.



Profitability

- South Korean banks' aggregate net income decreased 12% QoQ during Q2, after 91.7% increase in Q4. The Financial Supervisory Service said banks continued to face interest margin pressures as interest rates remained low globally while loan reserves increased.

Funding & Liquidity

- Average coupon rates on new issuances of 5-year KRW-denominated bank bonds increase to 2.11% in Q2, from 1.83% in Q1.
- Data published by the Korea Federation of Banks showed that the short term Cost of Funds Index rate declined during Q2, from 1.78% at the start of April to 1.66% on June 30. COFIX is determined by the average interest rate paid on capital funding by nine major Korean lenders.
- Overall liquidity in the South Korean banking system increased during Q1, with the aggregate LATDB ratio for listed banks grow to 7.20% from 6.16% in Q4.

Capital Levels & Regulations

- The financial regulator will tighten regulations on so-called systemically important banks by increasing their capital requirements to comply with international rules. A bank or a bank holding company, once having been considered as a domestic systemically important bank (D-SIB), will be subject to the higher loss absorbency (HLA) requirement of 1%, which should be met fully by common equity Tier 1. The list of 34 D-SIB candidates includes the nation's eight bank holding companies, such as Hana, Shinhan, BNK, JB, KB, NH, DGB and SC. Five lenders - Woori, Citibank Korea, the Korea Development Bank, the Industrial Bank of Korea and Suhyup Bank - are also on the list.⁴³
- The announcement comes after the Basel Committee on Banking Supervision published a regulatory framework for dealing with domestic systemically important banks in October 2012 to minimize the impact of a D-SIB's failure on the domestic economy. This framework required national authorities to identify D-SIBs and to follow regulatory principles, including the imposition of the HLA requirement for D-SIBs.

Asset Quality

- By now the average household have already spent more than one-third of disposable income on repayments and the sector's debts reaching USD 1tn, so the government will risk a bigger drag on economic growth once interest rates rise again. As the Bank of Korea lowered its key interest rate to an unprecedented low in June, South Korea's government had effectively abandoned its goal to cut one of the world's highest levels of household debt, and it would instead try to curb riskier types of loans as a weak economy forced it to focus on growth.⁴⁴

³⁴ Apr 23, 2015, [Bank of Korea official says private consumption recovering](http://www.reuters.com), Reuters News, <http://www.reuters.com>

³⁵ Jul 23, 2015, [Mers outbreak cuts sharply into S Korea growth](http://www.bbc.com/), BBC News, <http://www.bbc.com/>

³⁶ Mar 18, 2015, [There Are a Lot More Jobless South Koreans Than You Think](http://www.bloomberg.com/), Bloomberg, <http://www.bloomberg.com/>

³⁷ June 1, 2015, [South Korea's Exports Slump by the Most in Almost Six Years](http://www.bloomberg.com/), Bloomberg, <http://www.bloomberg.com/>

³⁸ June 30, 2015, [South Korea's June PMI new export orders falls](http://www.cnbc.com/), CNBC News, <http://www.cnbc.com/>

³⁹ June 11, 2015, [South Korea Cuts KeyRate to Record Low While MERS Spreads](http://www.bloomberg.com/), Bloomberg, <http://www.bloomberg.com/>

⁴⁰ May 13, 2015, [S. Korea's M2 money supply grows most in nearly 5 years](http://english.yonhapnews.co.kr/), Yonhapnews, <http://english.yonhapnews.co.kr/>

⁴¹ July 20, 2015, [Interest rates on newly extended time deposits](http://ecos.bok.or.kr), Bank of Korea, <http://ecos.bok.or.kr>

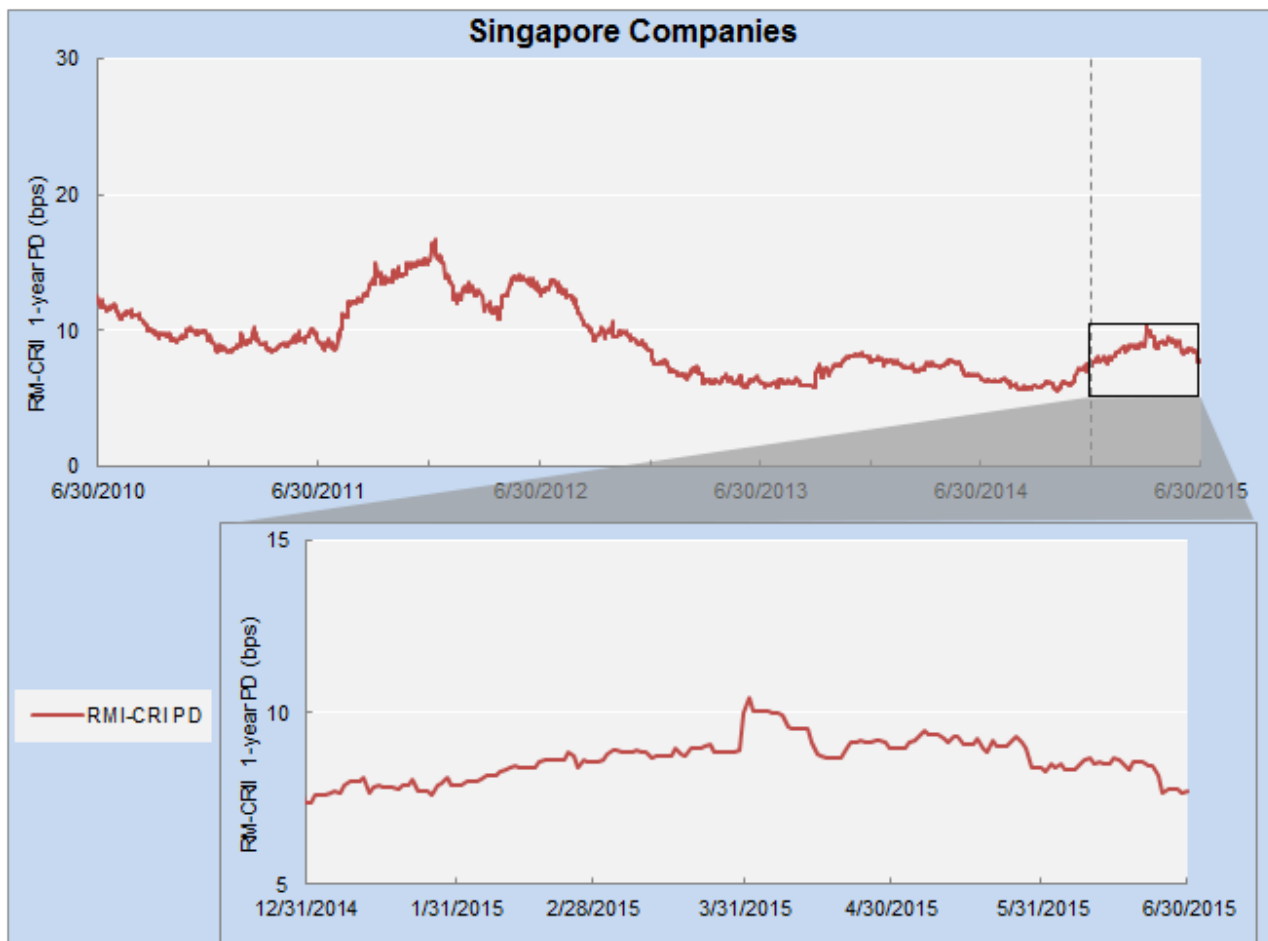
⁴² July 24, 2015, [South Korea to spend USD 9bn to counter Mers impact](http://www.ft.com), FT, <http://www.ft.com>

⁴³ Jun 4, 2015, [Regulator to tighten regulations on banks](http://www.koreatimes.co.kr/www/index.asp), The Korea Times, <http://www.koreatimes.co.kr/www/index.asp>

⁴⁴ Jun 4, 2015, [Unable to curb household debt, S.Korea puts focus on loan quality](http://www.reuters.com/), Reuters News, <http://www.reuters.com/>

Singapore Companies

The RMI-CRI 1-year aggregate PD for Singapore firms improved marginally during Q2, after climbing to the highest level in more than two years in Q1. Companies benefitted from the lower costs with falling commodity prices but the credit outlook for 2H 2015 is weak. Economic growth dropped in Q2, while deflationary pressures continue to weigh on market prices, particularly in real estate and oil related assets. Unemployment has risen, and manufacturers are pessimistic about the sector’s future output. The central bank maintains a view that deflationary forces will persist within the economy and is possibly revising its forecast for economic growth this year.



Economy

- Singapore’s GDP declined 4.0% QoQ during Q2 as the manufacturing sector experienced its steepest fall since 2012. The manufacturing sector contracted 14% YoY due to a drop in biomedical manufacturing output. Looking at the past 5 years, annualized economic growth rates remain weak within a 0-5% band. The Monetary Authority of Singapore (MAS) expects the economy to expand at a moderate pace of 2-4% in 2015 backed by continued export growth to advanced economies and China.^{45,46}

- Consumer prices continued to fall during Q2 due to a drop in transport, fuel and utilities costs. During 1H 2015, the consumer price index dropped 0.4% from a year ago, driven by lower accommodation costs and electricity tariffs. Accommodation costs likely decreased due to weakness in the local rental market. Core inflation may continue to fall in Q3 as commodities remain under selling pressure. Energy prices have started to decline after Iran announced new production outputs.⁴⁷
- Singapore's unemployment rate increased slightly from 1.8% in Q1 to 2% in Q2. The employment prospect for Singaporeans remains strong as the unemployment rate has remained below 2.5% since Q4 2009. Overall employment grew by 15,700 in Q2 supported by gains in the construction and service sectors. The work force grew at a slower pace in Q2, falling from 2.7% YoY in Q1 to 2.4% YoY in June.⁴⁸
- Survey results released by the Singapore Institute of Purchasing and Materials Management suggest that the manufacturing sector is shrinking. The Purchasing Managers' Index (PMI) improved from 49.6 in Q1 to 50.4 in Q2, but dropped to 49.7 in July according to an August flash. Respondents said that new orders for manufactured products and export orders have declined. Inventory and imports have increased, while employment within the manufacturing sector has contracted. Overall, the latest results appear to project weaknesses in the domestic and overseas markets.⁴⁹
- Retailers likely reported higher sales in Q2 as sales increased from 2.1% YoY to 6.1% YoY in May. Sub-sector sales of food and beverage services decreased 3% YoY in May, from SGD 650mn in May 2014 to SGD 650mn in May 2015. Lower Certificate of Entitlement (COE) prices led to higher sales of motor vehicles as volumes increased 46.6% YoY. However, shops selling recreational equipment and restaurants reported annual sales of -11.9% and -5.9% respectively.⁵⁰
- Singapore's non-oil domestic exports (NODX) expanded at a slower pace during Q2, falling from 18.5% YoY in Q1 to 4.7% YoY in Q2. Oil based domestic exports, however dropped 25.3% YoY in June and 33.3% YoY in May. Oil exports to Malaysia dropped 38.5% YoY while exports to Australia plunged 64.4% YoY. NODX orders to the US improved by 32.2% YoY in June as sales of printed matter, non-electric engines and motors all registered substantial gains. NODX shipments to emerging markets such as Latin America and the Middle East contracted by 6.6% in contrast.⁵¹

Monetary

- After keeping the Singapore dollar nominal effective exchange rate policy band unchanged in April, most analysts expect the central bank to hold off from further monetary easing at its next policy review in October. However, in the event of a further drop in oil prices and China slowdown, there will be a greater inclination to reduce the policy band as deflationary headwinds surface. The central bank surprised market observers by easing monetary policy in January as oil prices dropped significantly. The market is likely to monitor the SGD's depreciation against the USD as it appears that sellers are responding to broad USD strength following a weaker than expected Q2 GDP result.⁵²

Funding & Liquidity

- Yields on 10-year Singapore government bonds increased to 2.7% on June 30 2015 from 2.27% on March 31 2015. Yields at the shorter end of the curve is expected to fall as the Singapore Savings Bonds is launched to retail investors. Demand is expected to be high after the first bond is issued on October 1.

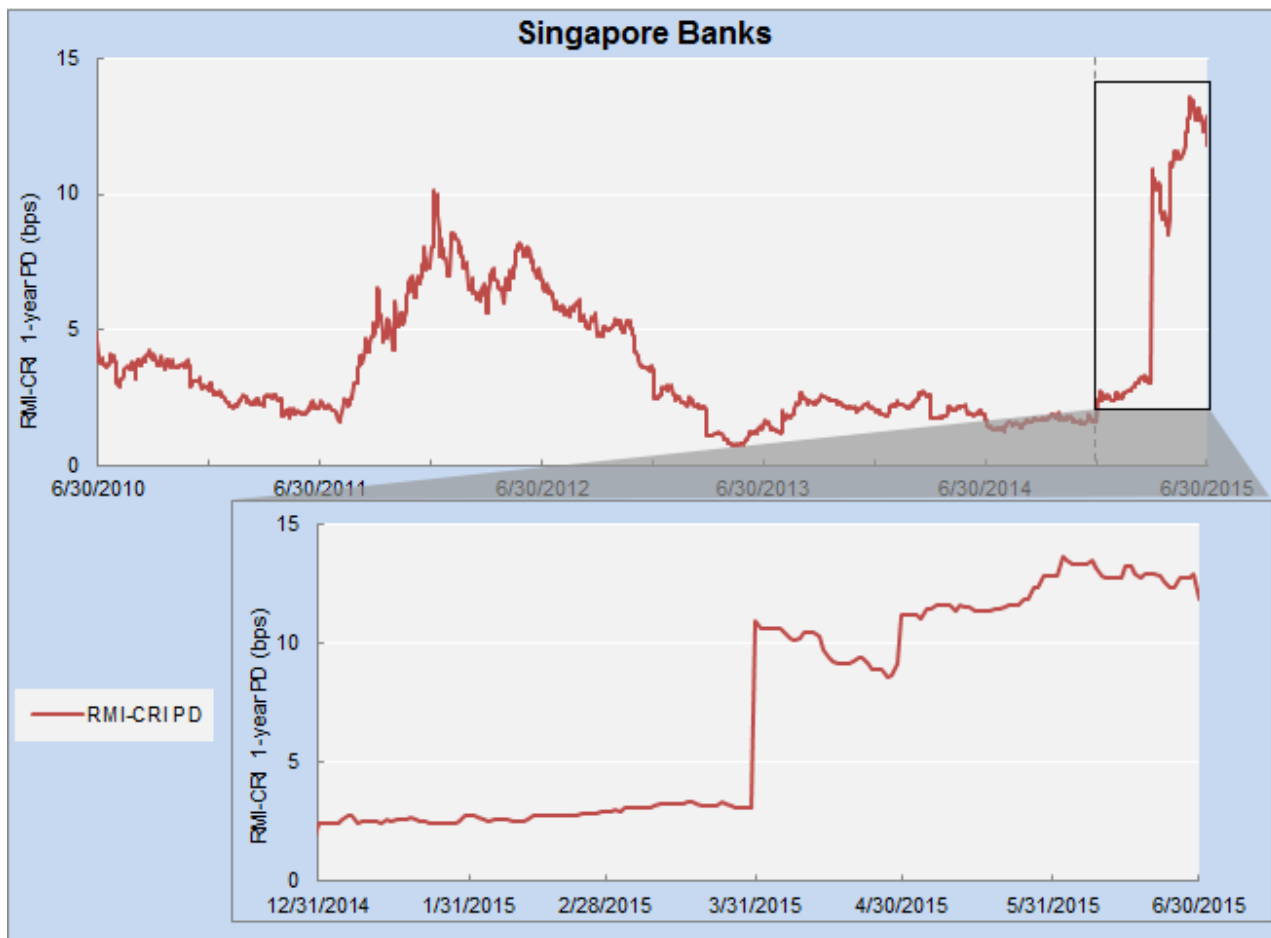
- Lending to non-financial companies increased from SGD 287bn in Q1 to SGD 297bn in Q2. Loans extended to most sectors recorded gains with credit extended to building and construction companies increasing from SGD 104bn in Q1 to SGD 116bn in Q2. Loans to transport and agriculture firms however declined in Q2 as bankers remain cautious about the sectors' outlooks. Looking at the first 6 months of 2015, lending to building companies remain robust while loan amounts to manufacturing, agriculture, general commerce and services firms have declined. Outstanding consumer loans remain at SGD 180bn during Q2, while car loans and credit card loans have dropped 2.4% and 2.1% QoQ respectively.⁵³
- The amount of outstanding sovereign bonds increased by SGD 5.1bn in Q2. SGD 4.2bn of T-Bills were issued during Q2, which was by far the highest amount of T-Bill issuance in 2015. Corporate issuances tracked by Bloomberg showed that SGD 6.53bn of bonds were sold during Q2, up from SGD 2.97bn in Q1. Including data till August 3 this year, the amount of SGD denominated corporate issuances reached SGD 10.79bn. Last year, SGD 15.44bn of corporate bonds were issued worldwide, the highest annual record since 2003.⁵⁴
- The prime lending rate stayed unchanged at 5.35% since January 2014.⁵⁵

Sovereign Credit Ratings

- All three major rating agencies kept their highest investment grade ratings for Singapore sovereign bonds over Q2 2015.

Singapore Banks

The credit quality of Singapore banks declined sharply during Q2, as the RMI-CRI 1-year PD climbed to the highest level since 2009. Lenders reported lower earnings as the proportion of bad loans from overseas increased. Banks lifted their provisions for the quarter but their base capital ratios continue to remain strong, thanks to accumulated funds over the years. Tier 1 ratios for example, remain above Basel III recommendations. However, other financial indicators such as the ratio of liquid assets over total assets has dropped. Bank reserves have dropped and it appears that the regulatory environment is getting more onerous, creating a credit negative outlook for banks.



Profitability

- Aggregate earnings at the three major Singapore banks dropped in Q2, falling by 4.44% QoQ to SGD 2.93bn, down from SGD 3.06bn at the end of Q1. DBS, Singapore's largest bank by assets, gave a cautious outlook for 2H 2015 as regional loan growth declined. OCBC expected renewed future volatility in global financial markets as the bank announced a higher non-performing loan ratio in Q2. UOB meanwhile reported lower earnings due to lower treasury and investment incomes.
- Data from the Monetary Authority of Singapore showed that the amount of corporate loans issued to non-financial companies increased from SGD 287bn in Q1 to SGD 297bn in Q2. ⁵⁶

Funding & Liquidity

- Overall deposits at Singapore banks decreased during Q2 from SGD 558bn to SGD 548bn, as local currency deposits decreased from SGD 551bn to SGD 541bn. Deposits of non-banking financial institutions also declined from SGD 55bn to SGD 49bn, the lowest level in more than a year.⁵⁷
- The fixed deposit rates remained unchanged during Q2 2015, with rates on 3-month deposits and 12-month deposits keeping at 0.16% and 0.33% respectively. The prime lending rate stayed at 5.35%, although there is a possibility that interest rates may increase towards the end of the year as the Federal Reserve is expected to raise the key target rate.⁵⁸
- The statutory liquidity ratio of banks declined to 23.8% in June, down from 21.2% in March.⁵⁹

Capital Levels & Regulations

- Bank reserves and capital levels decreased to SGD 75.53bn in June from SGD 76.53bn at the end of Q1, by far the lowest level in 2015.⁶⁰
- On Apr 30, 2015, the MAS published a framework for identifying and supervising domestic systemically important banks in Singapore (D-SIBs). Banks that have a significant retail presence in Singapore will be required to locally incorporate their retail operations. Locally-incorporated D-SIBs will need to meet higher capital requirements - a minimum Common Equity Tier 1 capital adequacy ratio (CAR) of 6.5%, Tier 1 CAR of 8% and Total CAR of 10%. The central bank also disclosed new requirements including recovery and resolution planning measures, liquidity coverage ratio requirements and enhanced disclosures.⁶¹
- On Jun 23, 2015, MAS proposed enhancing the present resolution regime for financial institutions, to keep in line with the recommendations set out by the Financial Stability Board. Financial institutions will be required to put together recovery and resolution plans, to ensure minimal distress to the financial system in the event of a failed institution. MAS proposes introducing temporary stays on termination rights on financial contracts, which could derail any resolution, as well as, giving MAS the power to write down unsecured or uninsured creditor claims, or convert them into equity or other ownership instruments.⁶²

Asset Quality

- Lenders have placed 2.3% of their loan books in a "special mention" category, the highest level since 2009 and a signal that asset quality may deteriorate further. Weakness in the property and oil sectors have taken a toll on the banks' loan quality while credit conditions are expected to tighten further with higher interest rates later in the year.⁶³

⁴⁵ Jul 14, 2015, [Singapore GDP slumps 4.6%](http://www.ft.com/), Financial Times, <http://www.ft.com/>

⁴⁶ Jul 21, 2015, [Singapore's growth forecast for 2015 under review but economy unlikely to weaken further in second half-year](http://www.straitstimes.com/), Straits Times, <http://www.straitstimes.com/>

⁴⁷ Jun 2015, [Singapore Consumer Price Index](http://www.sipmm.edu.sg/), Statistics Singapore, <http://www.sipmm.edu.sg/>

⁴⁸ Jul 30, 2015, [Unemployment edges up in Q2 amid softer economy](http://www.channelnewsasia.com/), Channel News Asia, <http://www.channelnewsasia.com/>

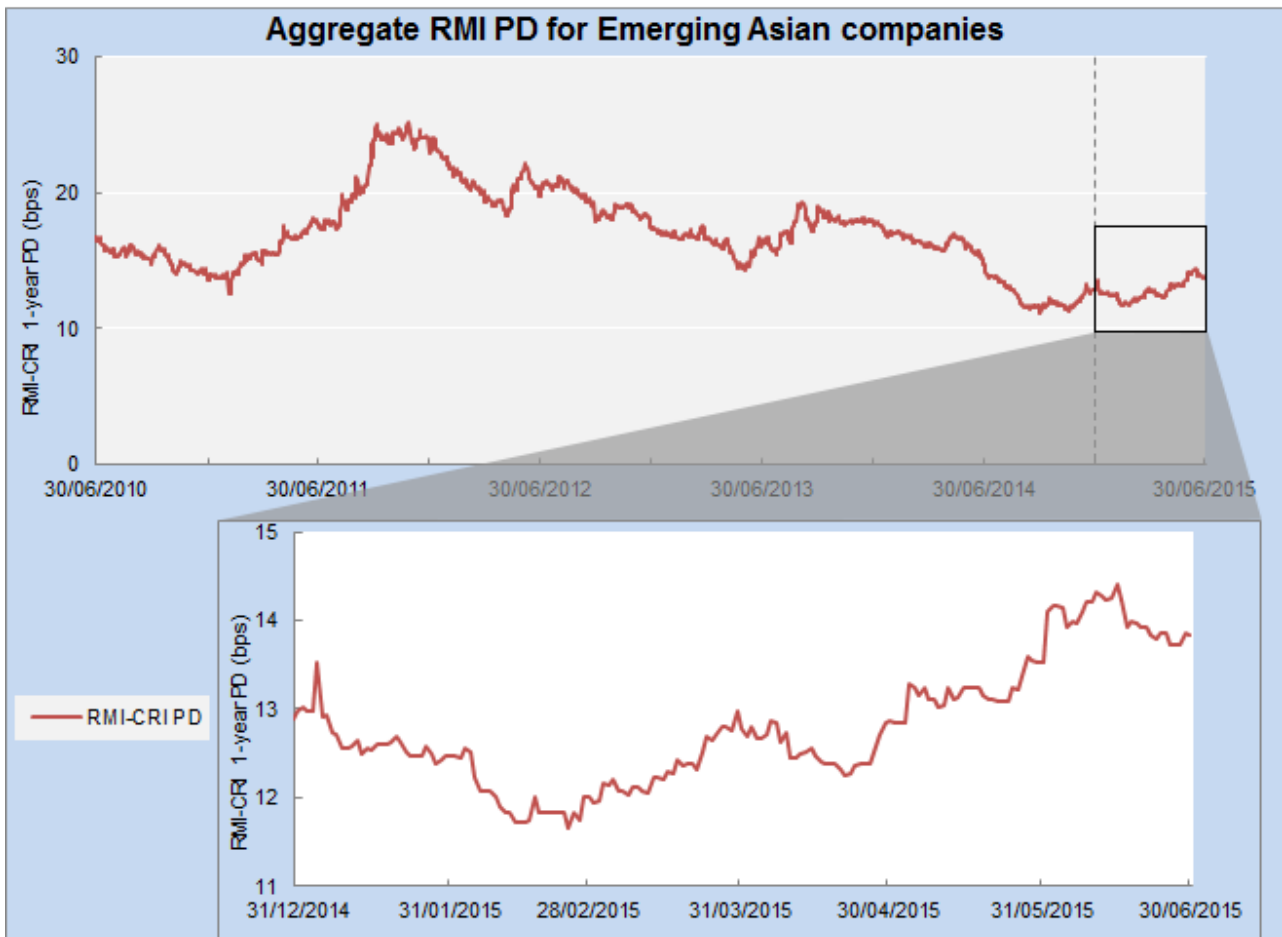
⁴⁹ Aug 3, 2015, [Singapore's PMI falls to 49.7 in July](http://www.businesstimes.com.sg/), Business Times, <http://www.businesstimes.com.sg/>

⁵⁰ May 2015, [Retail Sales Index, Food & Beverage Services Index, February 2015](http://www.singstat.gov.sg/), Statistics Singapore, <http://www.singstat.gov.sg/>

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- ⁵⁷ Jun 2015, [Deposits \(excluding SGD NCDs\) of DBUs by types of non-bank customers](https://secure.mas.gov.sg/), MAS, <https://secure.mas.gov.sg/>
- ⁵⁸ Jun 2015, [Interest rates of banks and finance companies](https://secure.mas.gov.sg/), MAS, <https://secure.mas.gov.sg/>
- ⁵⁹ Jun 2015, [Statutory liquidity position of DBUs](https://secure.mas.gov.sg/), MAS, https://secure.mas.gov.sg
- ⁶⁰ Jun 2015, [Banks: Liabilities of DBUs](https://secure.mas.gov.sg/), MAS, https://secure.mas.gov.sg
- ⁶¹ Apr 30, 2015, [MAS Publishes Framework for Domestic Systemically Important Banks in Singapore](http://www.mas.gov.sg/), MAS, <http://www.mas.gov.sg/>
- ⁶² Jun 23, 2015, [Consultation Paper on Proposed Enhancements to Resolution Regime for Financial Institutions in Singapore](http://www.mas.gov.sg/), MAS, <http://www.mas.gov.sg/>
- ⁶³ Aug 11, 2015, [Singapore's slowing economy adds to bank risk as loans slump](http://www.straitstimes.com/), Straits Times, <http://www.straitstimes.com/>

Asia-Pacific - Emerging economies

The RMI-CRI aggregate 1-year PD for listed corporations domiciled in emerging Asia, excluding India and China, was stable during the second quarter of 2015. At the country level however, the divergence of trends in the RMI-CRI aggregate 1-year PD could be seen as credit strength weakened across listed companies in countries such as Indonesia, the Philippines and Thailand. Countries from the South East Asia region continued to endure difficult market situations as a result of unfavorable macroeconomic factors. Commodity producers like Indonesia was particularly hard-hit by the crash in the price of crude oil at the end of 2014. Furthermore, the constant capital outflow - spurred by improving economic indicators and the anticipation of rate hikes in the developed markets, the US in particular, heaped further pressure on the performance of these emerging economies. Already, emerging market currencies were trading at multiple-year lows against the USD in the first half of 2015. While domestic demand had provided some form of cushion to these economies during the onset of these headwinds, the slowdown were beginning to hit home as inflation ate into the purchasing power of the people.



Indonesian Companies

The RMI-CRI aggregate 1 year PD for Indonesian companies increased slightly from Q1 to Q2. GDP annual growth slowed down in the Q2 compared to Q1. Inflation increased gradually from Q1 to Q2 and nominal wages of farmers has increased during Q2. The trade surplus has reduced, due to increase in oil and gas trade deficit and contraction of non-oil and gas surplus. Indonesia manufacturing conditions continued to worsen, as PMI remains below 50. This is due to reduction in production levels, declining employment level, as well as rising input costs. Bank Indonesia maintains the BI rate at 7.50%, while holding the deposit facility and lending facility rates at 5.50% and 8.00% respectively. This policy aims to control inflation within the target corridor, as well as maintain current account deficit at a healthier level. With increase in foreign exchange demand for government foreign debt payment, as well as usage of foreign exchange to stabilize rupiah exchange rate, Indonesia's official reserve asset position was reduced from in Q2 and compared to Q1. The credit outlook of Indonesia's firms remains stable.



Economy

- Economic growth during the second quarter of 2015 declined from 4.72% YoY in Q1 to 4.67% YoY in Q2. The economy slowed down due to weak investment, government expenditure and household consumption as the implementation of government-led infrastructure stalled and investors were inclined to be reactive towards government policies, rather than proactive. Bank Indonesia expects the economy to improve in the Q3, which will continue into Q4 as government expenditure increases to fund various infrastructure projects.⁶⁴

- Inflation increased gradually from Q1 to Q2, rising from a rate of 6.38% YoY in Q1 to 7.26% YoY in June. The increase in CPI inflation was generally expected due to higher food prices as Ramadan commenced. Bank Indonesia remains confident that the inflation target of 4% will be attained in 2015 through close policy coordination to control inflation at the central and local levels.⁶⁵
- Wages of Indonesian workers likely increased in Q2. Nominal wage of farmers per day increased by 0.16% during Q2 from IDR 46,458 in June to IDR 46,386 in May.⁶⁶
- Indonesia trade surplus reduced to a total of USD 0.47bn in June 2015 from USD 1.13bn in March 2015. This is due to the increasing oil and gas trade deficit, as well as the contraction of non-oil and gas surplus. Oil and gas trade deficit swelled to USD 1.12bn in June as import growth exceeded exports, while non-oil and gas surplus contracted due to import growth exceeding exports, amounting to USD 1.59 bn in June. Bank Indonesia expects the June trade surplus to support further reductions in the current account deficit during the second quarter of 2015.⁶⁷
- According to Nikkei Indonesia Manufacturing Purchasing Managers' Index (PMI), Indonesia's manufacturing economy continues to worsen, as PMI remains below 50, despite its rise from 46.4 in March to 47.8 in June. This is due to sustained reductions in new orders from domestic and export clients, poor weather conditions, as well as difficult economic condition that leads to lower production levels.⁶⁸

Monetary

- On Jun 18, the BI Board of Governors decided to maintain the BI rate at 7.50%, while holding the deposit facility and lending facility rates at 5.50% and 8.00% respectively. Such policy measures were implemented to control inflation within the target corridor of 4% in 2015 and 2016, as well as manage the current account deficit at a healthier level in the range of 2.5-3.0% of GDP in the medium term.⁶⁹
- Bank Indonesia loosened macroprudential policy by raising the loan-to-value (LTV), or financing-to-value (FTV) ratio, for property loans and reduced the downpayment on automotive loans. This policy was implemented to maintain the momentum for economic growth.⁷⁰
- The policy mix of Bank Indonesia is consistently directed towards maintaining macroeconomic stability, despite widespread global uncertainty, as well as preserving growth through accommodative macroprudential policy. Furthermore, Bank Indonesia constantly strengthens policy coordination with the government in terms of inflation control and expedites fiscal stimuli in order to catalyse economic growth. In addition, Bank Indonesia supports central and local government efforts to accelerate budget realisation, including infrastructure projects, while persevering with a variety of structural reforms as the key to a sounder domestic economic outlook.⁷¹

Funding & Liquidity

- Yield on Indonesia's five year bonds rise to 8.37% in July, while the yield on Indonesia's 10-year bonds increased from 7.43% in Q1 to 8.56% in July. Indonesian bonds dropped in July, driving up the 10-year yield up the most since May. The rise in bond yields is due to rising inflation in Asia, as well as falling currency that deterred investments in Indonesia bonds.⁷²
- Indonesia's official reserve asset position was reduced from USD 111.6bn in Q1 to USD 108.0bn in end June. This development was attributed to the increase in foreign exchange demand for Government foreign debt payments and the use of foreign exchange to stabilize rupiah exchange rate in accordance with the fundamental to support macroeconomic and financial system stability.⁷³

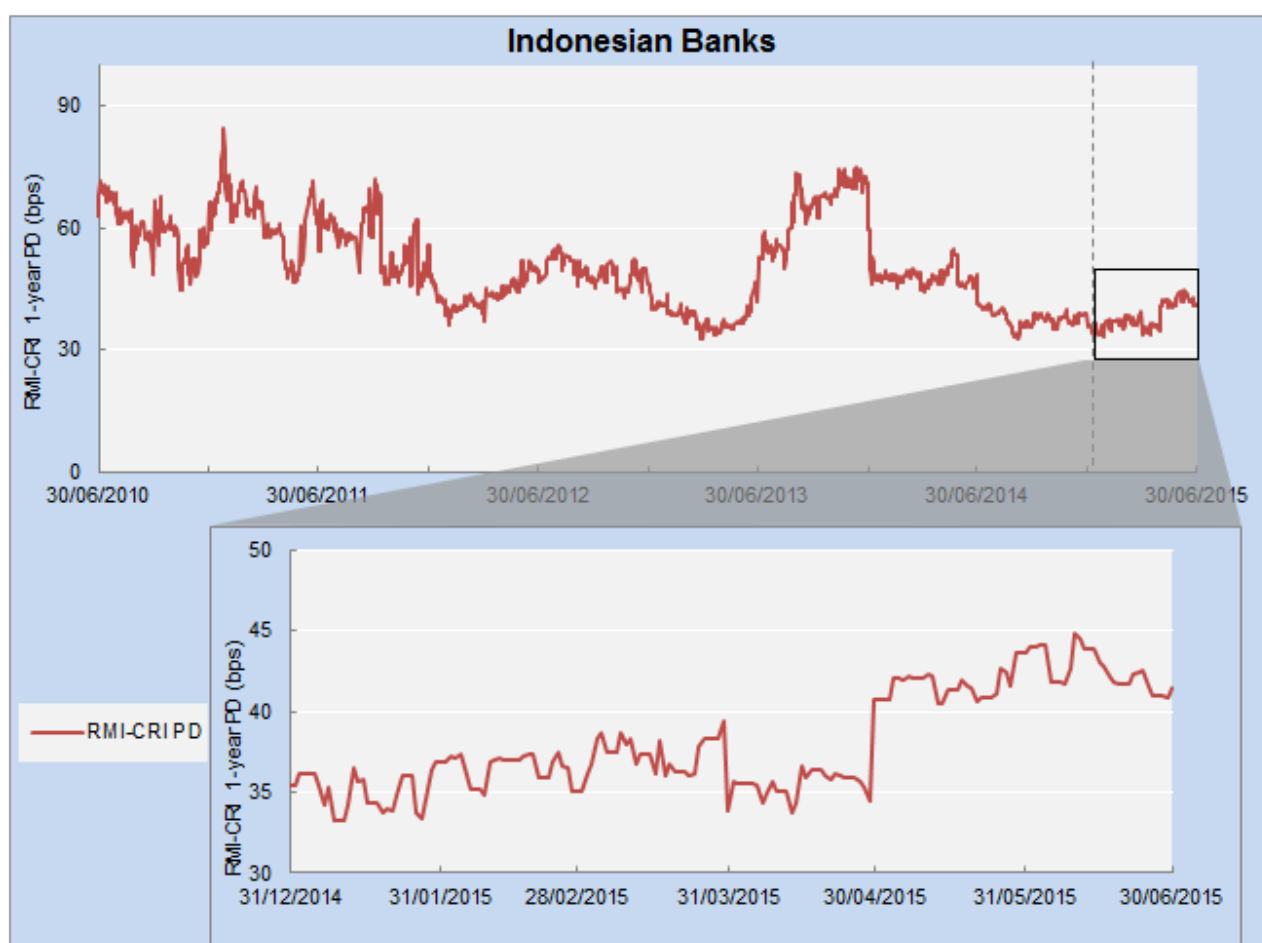
- Indonesia's external debt in April 2015 was relatively stable at 7.8% (YoY) compared to 7.6% (YoY) growth in March 2015. Indonesia external debt position as of end April 2015 totalled USD299.8 billion, consisting of public sector external debt amounted to USD 132.9bn (44.3% of total external debt) and private sector external debt amounted to USD 167.0bn ⁷⁴

Sovereign Credit Ratings

- S&P, Moody's and Fitch kept their ratings on the local currency long term bonds of Indonesia at BB+, Baa3 and BBB- ratings respectively in Q2. Standard & Poor's Ratings Services raised its rating outlook on Indonesia to positive citing improved policy credibility on monetary and financial sector management. Moody's and Fitch has maintained its stable outlook on Indonesia's sovereign debt. All 3 CRAs maintained their stable outlook on Indonesia's sovereign debt.

Indonesian Banks

The RMI-CRI aggregate 1-year PD for Indonesian banks increased slightly during Mar-Jun 2015 quarter from a level of 33.85bps as on Mar 31, 2015 to 39.23bps on Jun 30, 2015. Growth in credit offtake in Indonesia has moderated slightly but still remains amongst the highest in the region with the Net Interest Income (NII) expanding by 3.23% YoY in September 2014. The Net Interest Margins (NIMs) on an aggregate basis were 5.32% in September 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 experienced a slight increase of net interest margins (NIMs) which stood at 6.25% in June from 5.36% in March. This indicated an improvement on quarterly basis as the growth was 22.62% QoQ, and an improvement on yearly basis as the growth was 10.26% YoY.
- Listed Indonesian banks did not perform well in Q2, as aggregate net incomes declined by 19.1% QoQ. Profits decreased by 16.09% YoY in Q2 after increasing 1.12% in Q1.

Funding & Liquidity

- The aggregate LATDB ratio for Indonesian banks was affected during Q1, declining from 553.31% in December to 357.58% in March.

- State lenders Bank Rakyat Indonesia (BRI) and Bank Negara Indonesia (BNI) are looking to generate trillions of rupiah each from outside their customer funding pools in the second half of the year as they aim to explore funding opportunities and match lending maturity periods. BRI is aiming to issue negotiable certificates of deposits (NCD) worth at least RP 2 tn before year-end. Similarly BNI is also aiming to raise funds through NCD or other similar securities.⁷⁵
- Interbank liabilities at commercial banks increased from IDR 138.06tn in February to IDR 167.90tn in April.⁷⁶ However, the Jakarta 3-month interbank rate increased from 6.88% at the beginning of Q2 to 6.98% by the end of Q1. 1-month interbank rate meanwhile increased from 6.51% at the beginning of Q1 to 6.68% by the end of Q1.⁷⁷

Regulation

- Bank Indonesia has introduced a new regulation on the loan-to-funding ratio (LFR) to reduce liquidity pressures in the banking system by expanding banks' choices of funding sources. This regulation enables banks to push their lending disbursement higher to reach 94% of their total funding, which is an increase from the present benchmark of 92% under the loan-to-deposit ratio formula.⁷⁸
- Indonesia's central bank plans to prohibit foreign currencies, including US dollars, from being used in domestic transactions, as it attempts to control the depreciating Rupiah. Bank Indonesia says the prohibition against foreign currency in domestic transactions is intended to reduce reliance on the dollar and other foreign currencies, as well as mitigate against capital outflows.⁷⁹
- Indonesia's financial regulator permits banks to take higher risks when disbursing loans, as it seeks to stimulate growth in Southeast Asia's largest economy from a more-than five-year low. The Financial Services Authority will relax risk-weighted asset rules for bank lending to consumers and loosens non-performing-loans rule for financing companies.⁸⁰

Asset Quality

- Indonesian banks' are well positioned to withstand any worsening in asset quality and will maintain strong capital levels, as Indonesia banks have strong buffers in terms of high profitability and capital. Their profitability means they can absorb a much higher level of credit costs.⁸¹
- Several Indonesian big banks have sharply increased bad loan provisions, pushing their combined first-half profits to their first decline in almost a decade, as these banks worry about the impact of troubled mining sector and weaker commodity prices on the economy. Analysts at Bahana Securities expect banking sector's non-performing loan ratio to increase from current 2.4% to between 2.7% to 2.8% this year.⁸²

⁶⁴ Aug 5, 2015, [Economy Moderates, Set to Rebound in Second Semester](http://www.bi.go.id), Bank Indonesia, <http://www.bi.go.id>

⁶⁵ Jul 1, 2015, [Inflation Controlled in June](http://www.bi.go.id), Bank Indonesia, <http://www.bi.go.id>

⁶⁶ Jul 15, 2015, [June 2015, Nominal Daily Wage of Farmer Labour Increased 0.16 Percent](http://www.bps.go.id/index.php), STATISTICS INDONESIA, <http://www.bps.go.id/index.php>

⁶⁷ Jul 15, 2015, [Indonesia Posts Trade Surplus in June](http://www.bi.go.id), Bank Indonesia, <http://www.bi.go.id>

⁶⁸ Jul 1, 2015, [Nikkei Indonesia Manufacturing PMI](http://markiteconomics.com), Markit Economics, markiteconomics.com

⁶⁹ Jun 18, 2015, [BI Rate Held at 7.50%](http://www.bi.go.id), Bank Indonesia, <http://www.bi.go.id>

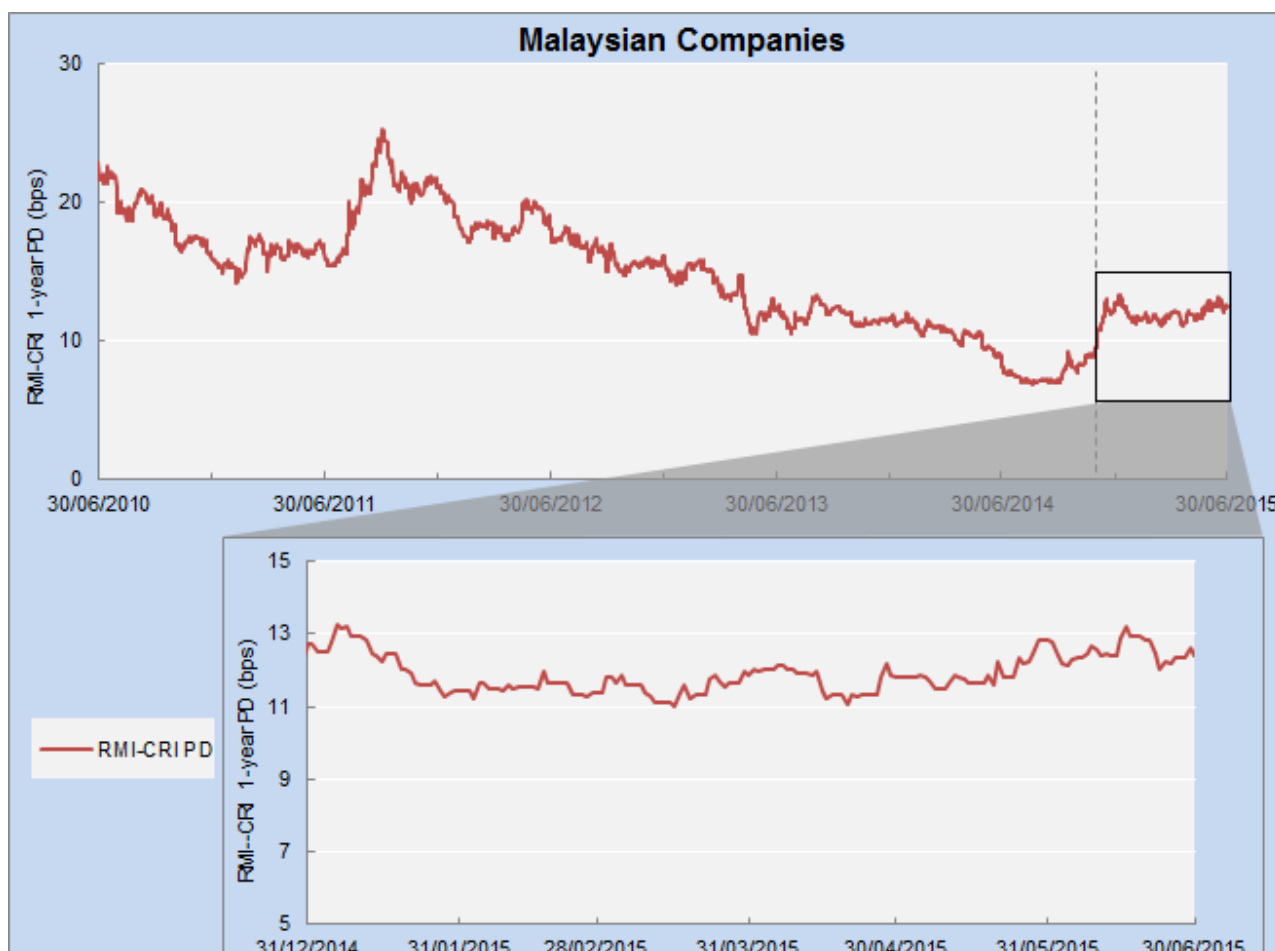
⁷⁰ Jun 24, 2015, [Bank Indonesia Loosens Macprudential Policy](http://www.bi.go.id), Bank Indonesia, <http://www.bi.go.id>

⁷¹ Jul 8, 2015, [BI Rate Held at 7.50%](http://www.bi.go.id), Bank Indonesia, <http://www.bi.go.id>

- ⁷² Jul 31, 2015, [Indonesian Bonds Have Biggest Monthly Drop Since May on Rupiah](#), Bloomberg Business, www.bloomberg.com
- ⁷³ Jul 7, 2015, [Official Reserve Assets Amounted to USD 108bn as of End June 2015](#), Bank Indonesia, <http://www.bi.go.id>
- ⁷⁴ Jun 17, 2015, [The Growth of Indonesias External Debt was Relatively Stable in April 2015](#), Bank Indonesia, <http://www.bi.go.id>
- ⁷⁵ Jul 28, 2015, [BRI, BNI eye money from outside customer funds](#), The Jakarta Post, <http://www.thejakartapost.com>
- ⁷⁶ Apr 2015, [INDONESIAN BANKING STATISTICS](#), BANK INDONESIA, <http://www.bi.go.id>
- ⁷⁷ Jun 31, 2015, [Jakarta Interbank Offered Rate \(JIBOR\)](#), BANK INDONESIA, <http://www.bi.go.id/en/Default.aspx>
- ⁷⁸ Jul 6, 2015, [BI relaxes funding rules as banks wait and see](#), The Jakarta Post, <http://www.thejakartapost.com>
- ⁷⁹ Jun 30, 2015, [Indonesia Bans Foreign Currencies in Domestic Transactions](#), The Wall Street Journal, www.wsj.com
- ⁸⁰ Jul 24, 2015, [Indonesian regulator allows more risk for banks to boost economy](#), Bloomberg, <http://www.bloomberg.com/>
- ⁸¹ Jun 23, 2015, [Moody's: Outlook for Indonesia's banking system remains stable](#), Moody's, <https://www.moody.com/>
- ⁸² Aug 5, 2015, [Indonesian banks boost bad loan provisions, fret about mining sector impact](#), Reuters, <http://www.reuters.com/>

Malaysian Companies

The RMI-CRI aggregate 1-year PD for Malaysian companies held steady through the second quarter of 2015, maintaining its stable course from Q1 2015. The country concluded the first half of the year with a higher Consumer Price Index while its unemployment rate remained stable. Despite negative contributions from net exports, the economy grew moderately, supported by solid domestic demand. During the period, profitability measures in the banking sector declined as rates continued to stagnate. While profitability was reported to be lower, the Malaysian banks were adequately capitalized and the level of net impaired loans continued to be low. Moody's, S&P and Fitch maintained the existing credit rating of A3, A- and A- respectively for the country going into the second half of 2015.



Economy

- On the back of record growth pace in 2014, Malaysia's GDP growth moderated during the first half of 2015. The economy grew by 4.9% in Q2 2015 YoY, slowing down from 5.6% the previous quarter. The expansion was driven by private sector expenditure, which contributed to growth in domestic demand despite negative contributions from net exports during the quarter.⁸³

- The Consumer Price Index continued its upward trajectory, reaching 113.0 (2010=100) in June 2015. As of the reporting date, the index had gained 1.1% since the beginning of the year. On a year-on-year basis, the price of the basket of goods had increased by 2.5%. The YoY increase was mostly driven by key items in the basket, namely - utilities, non-durable goods and services⁸⁴
- In April 2015, Malaysia's unemployment rate stood at 3.0% (3.1% after seasonal adjustment), unchanged from the previous month (increment of 0.1% on a seasonally adjusted basis). Labor force participation decreased marginally MoM, to 67.6% from 67.7% in March 2015.⁸⁵
- In May 2015, Malaysia's export value declined by 6.7% from MYR 64.8bn while the export volume index decreased by 5.3% to 105.9 points on a YoY basis. This was led by mineral fuels (-15.7%), chemicals (-6.0%) and miscellaneous manufactured articles (-4.3%). Similarly, import value was down by 7.2% from MYR 59.2bn YoY, in tandem with a 6.3% drop in the volume index from 127.0 points. The decrease was primarily due to mineral fuels (-20.1%), manufactured goods (-7.4%) and chemicals (-4.1%).⁸⁶
- The World Bank expects the Malaysian economy to slow to 4.7% in 2015 before returning to 5.0% in 2016. As a commodity exporter, Malaysia faces pressure from lower global prices of mineral fuels and agriculture products.⁸⁷

Monetary

- Bank Negara Malaysia announced that it would continue to maintain the Overnight Policy Rate (OPR) at 3.25%.^{88,89}, since the hike in policy interest rate in July 2014.
- In May 2015, average trailing 12-month broad money, or M3, which measures the money supply, increased marginally by 0.5%, compared to April 2015.⁹⁰
- Malaysia's central bank affirmed that its monetary policy remained accommodative and supportive of economic activity, which was expected to grow at a more moderate pace.⁹¹

Funding & Liquidity

- The market indicative yield on the 10-year Malaysia government securities climbed to 4.01% at the end of Q2 2015 from 3.87% the previous quarter. On the contrary, the same yield measure on the Malaysian Treasury Bills with maturities up to three months declined from 3.19% at the end of Q1 2015 to 3.06% as of 30 June 2015.⁹²
- Bank lending to non-financial Malaysian firms increased YoY to MYR 77.4bn in May 2015 from MYR 75.8bn a year ago. Despite the increase in lending, loans disbursed to both the manufacturing and the wholesale, retail trade, restaurants and hotels segments fell by 4.2% and 18.1% respectively.⁹³

Politics

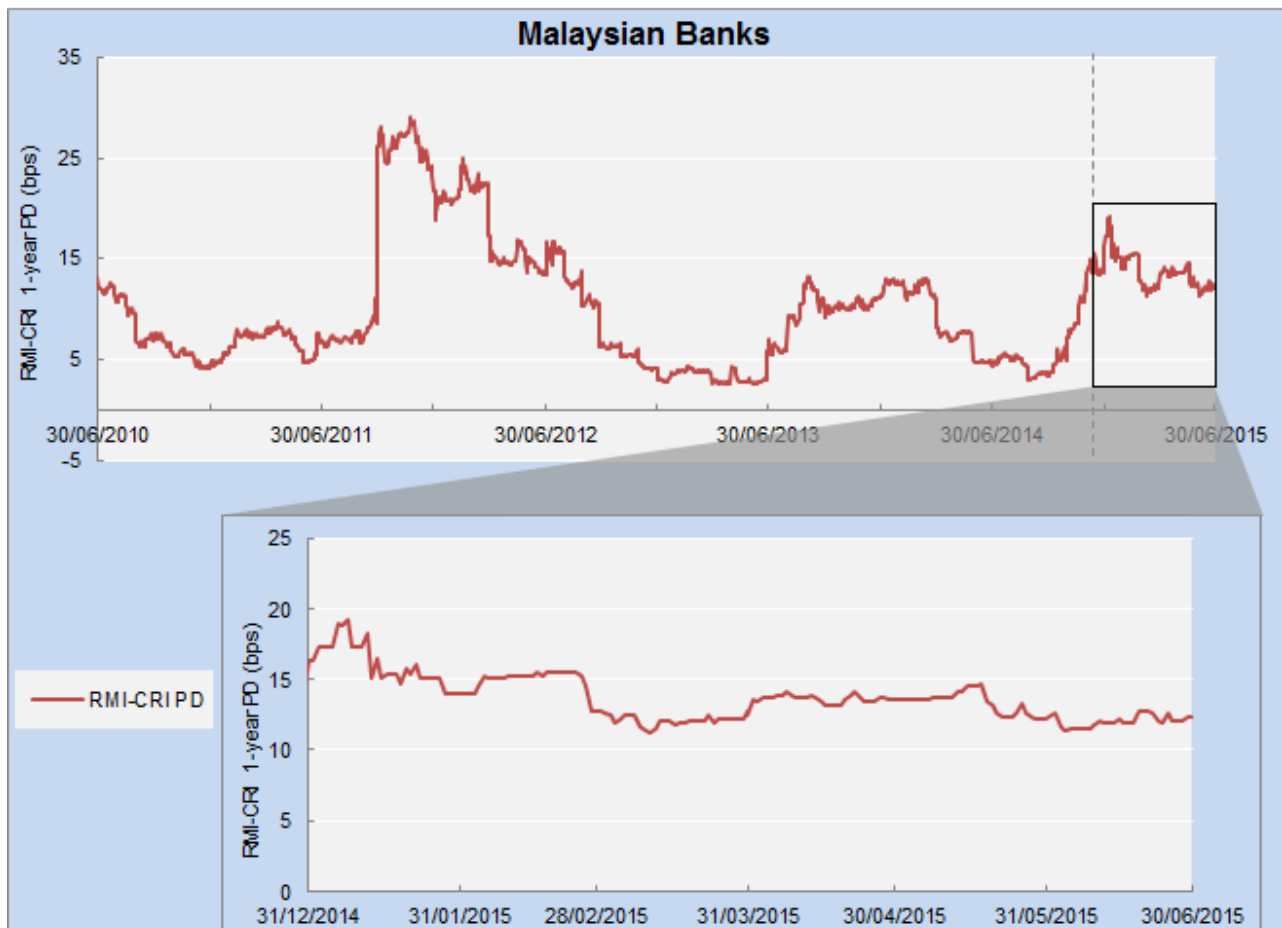
- Prime Minister Najib Razak found himself embroiled in the controversy surrounding 1MDB, the state investment firm, to which he serves as the chairman of the advisory board. Following allegations of mis-management in 1MDB, the prime minister had called for a special task force to be set up to handle the investigation. In early July 2015, The Wall Street Journal reported that nearly USD 700mn was deposited in Mr. Najib's personal bank accounts, based on documents that were believed to have been leaked from the investigation. In the weeks that followed, cracks began to appear within the ranks of Mr. Najib's party, fueled by his lack of purpose in disproving the allegations. The rift escalated into the dismissal of Deputy Prime Minister Muhyiddin Yassin, after he publicly urged the prime minister for further transparency on the topic to address public concerns. Along with the deputy prime minister, four other cabinet ministers were also removed in the reshuffling.
- Amidst the altercations stemming from the corruption allegations against the prime minister, Malaysia also had to deal with soaring racial tensions. A brawl over a petty crime in July 2015 threatened to boil into a racial conflict after social media helped to propagate videos of the incident, with each side blaming the other as the perpetrator. As a result of the incident, several people have been investigated for sedition, leading to one being charged for allegedly inciting racial tensions.
- With the ringgit already trading at levels last seen in 1998, on the back of slumping oil prices, the political uncertainty resulted in further resistance to the pick-up of Malaysia's economy. In July 2015, the Malaysian authorities allowed the ringgit to dip below the 3.80 per dollar peg, which was imposed as a consequence of the 1997 Asian financial crisis, as the country's reserves had already dropped almost to a five-year low.

Sovereign Credit Ratings

- Despite earlier talks of downgrades, the Malaysian government maintained its sovereign credit ratings at all three rating agencies. The country was rated at A3, A- and A- respectively by Moody's, S&P and Fitch. Moody's affirmed the rating with a positive outlook while both S&P and Fitch assigned a stable outlook to their ratings.

Malaysian Banks

The RMI-CRI aggregate 1-year PD for Malaysian banks remained unchanged during the second quarter of 2015, as liquidity remained ample. Regulatory capital stayed comfortably above the required levels, boosted by expanding deposits even as rates remained stationary during the quarter. Net impaired loans was low, further supported by a high loss coverage ratio of 97.5%. While capital adequacy was strong during the period, the profitability of Malaysian banks continued to weaken going into 2015, as aggregate net income continued its declining trend since the second half of 2014.



Profitability

- The aggregate net income of listed Malaysian banks declined by 1.6% QoQ in Q1 2015. Similarly, aggregate net income declined by 5.7% in Q1 2015 compared to the same quarter a year ago.
- Compare to year ago levels, the amount of bank loan applications contracted by 2.9% to MYR 66.4bn in May 2015 from MYR 68.4bn in May 2014. In contrast to the decline in the broader segment, loan application for working capital expanded 24.3% YoY in May 2015 to hit MYR 17.5bn during the month. Residential mortgage applications, on the other hand, shrunk by 15.8%.⁹⁴
- In line with the unchanged OPR, the Base Rate of Malaysian commercial banks remained within a tight band of 3.88% to 3.90%, resulting in the average lending rate of between 4.61% to 4.70% by the commercial banks during the first, five months of 2015.⁹⁵

Funding & Liquidity

- Bank deposits, including repurchase agreements, continued to expand in 2015. YoY, total deposits and repurchase agreements increased by 8.0% in May 2015.⁹⁶
- As of May 2015, savings deposit rates at commercial banks held steady at 1.07%. Similarly, the 12-year fixed deposit rate was stable at 3.31% since the beginning of 2015.⁹⁷

Capital Levels & Regulations

- The Malaysian banking system continued to be well capitalized. Both the Common Equity Tier 1 Capital and the Tier 1 Capital ratios declined marginally by 0.4% since the beginning of the year but remained comfortably above regulatory requirements at 12.3% and 13.1% respectively as of 31 May 2015.⁹⁸

Asset Quality

- The value of impaired loans at Malaysian banks decreased to MYR 21.9bn in May 2015 from MYR 22.2bn at the end of the first quarter of 2015, while its ratio to total loans stayed healthy at 1.2%.⁹⁹

⁸³Aug 15, 2015, [Quarterly Bulletin, Second Quarter 2015](http://www.bnm.gov.my), BANK NEGARA MALAYSIA, <http://www.bnm.gov.my>

⁸⁴Jul 15, 2015, [Consumer Price Index Malaysia June 2015](http://www.statistics.gov.my), Department of Statistics Malaysia, [statistics.gov.my](http://www.statistics.gov.my)

⁸⁵Jul 24, 2015, [Labour Market in Malaysia, May 2015](http://www.statistics.gov.my), Department of Statistics Malaysia, [statistics.gov.my](http://www.statistics.gov.my)

⁸⁶Jul 3, 2015, [Malaysia External Trade Indices May 2015](http://www.statistics.gov.my), Department of Statistics Malaysia, [statistics.gov.my](http://www.statistics.gov.my)

⁸⁷May 20, 2015, [Global Economic Prospects: East Asia and Pacific](http://www.worldbank.org), The World Bank, <http://www.worldbank.org>

⁸⁸Jul 9, 2015, [Monetary Policy Statement](http://www.bnm.gov.my), BANK NEGARA MALAYSIA, <http://www.bnm.gov.my>

⁸⁹Jul 9, 2015, [OPR Decision and Statement](http://www.bnm.gov.my), BANK NEGARA MALAYSIA, <http://www.bnm.gov.my>

⁹⁰Jul 24, 2015, [Economic and Financial Data for Malaysia](http://www.bnm.gov.my), BANK NEGARA MALAYSIA, <http://www.bnm.gov.my>

⁹¹Jul 9, 2015, [Monetary Policy Statement](http://www.bnm.gov.my), BANK NEGARA MALAYSIA, <http://www.bnm.gov.my>

⁹²Jun 30, 2015, [Yields on Malaysian Government Securities](http://www.bnm.gov.my), BANK NEGARA MALAYSIA, <http://www.bnm.gov.my>

⁹³Mar 5, 2015, [Monthly Statistical Bulletin May 2015](http://www.bnm.gov.my), BANK NEGARA MALAYSIA, <http://www.bnm.gov.my>

⁹⁴Mar 5, 2015, [Monthly Statistical Bulletin May 2015](http://www.bnm.gov.my), BANK NEGARA MALAYSIA, <http://www.bnm.gov.my>

⁹⁵Mar 5, 2015, [Monthly Statistical Bulletin May 2015](http://www.bnm.gov.my), BANK NEGARA MALAYSIA, <http://www.bnm.gov.my>

⁹⁶Mar 5, 2015, [Monthly Statistical Bulletin May 2015](http://www.bnm.gov.my), BANK NEGARA MALAYSIA, <http://www.bnm.gov.my>

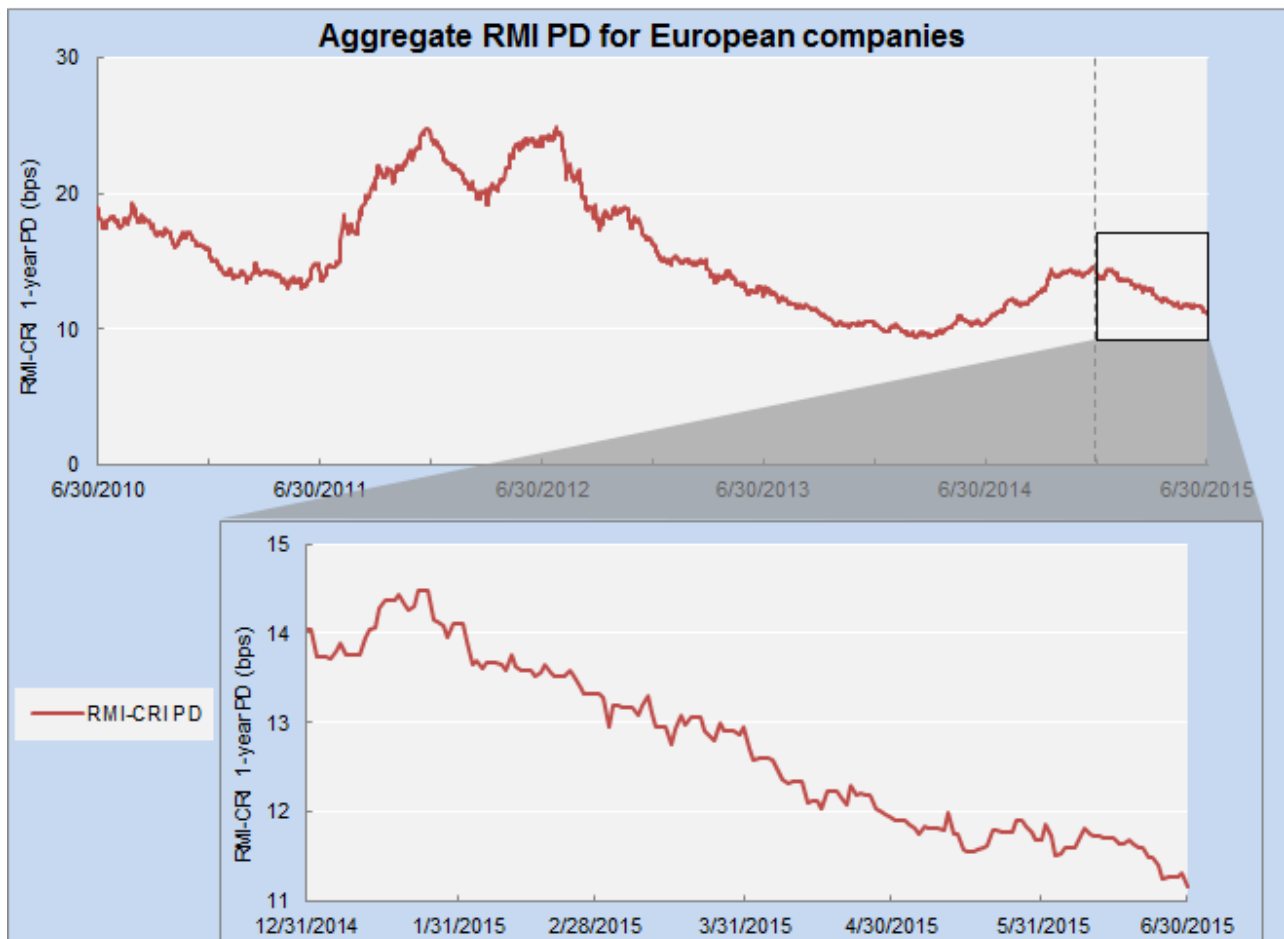
⁹⁷Mar 5, 2015, [Monthly Statistical Bulletin May 2015](http://www.bnm.gov.my), BANK NEGARA MALAYSIA, <http://www.bnm.gov.my>

⁹⁸Mar 5, 2015, [Monthly Statistical Bulletin May 2015](http://www.bnm.gov.my), BANK NEGARA MALAYSIA, <http://www.bnm.gov.my>

⁹⁹Mar 5, 2015, [Monthly Statistical Bulletin May 2015](http://www.bnm.gov.my), BANK NEGARA MALAYSIA, <http://www.bnm.gov.my>

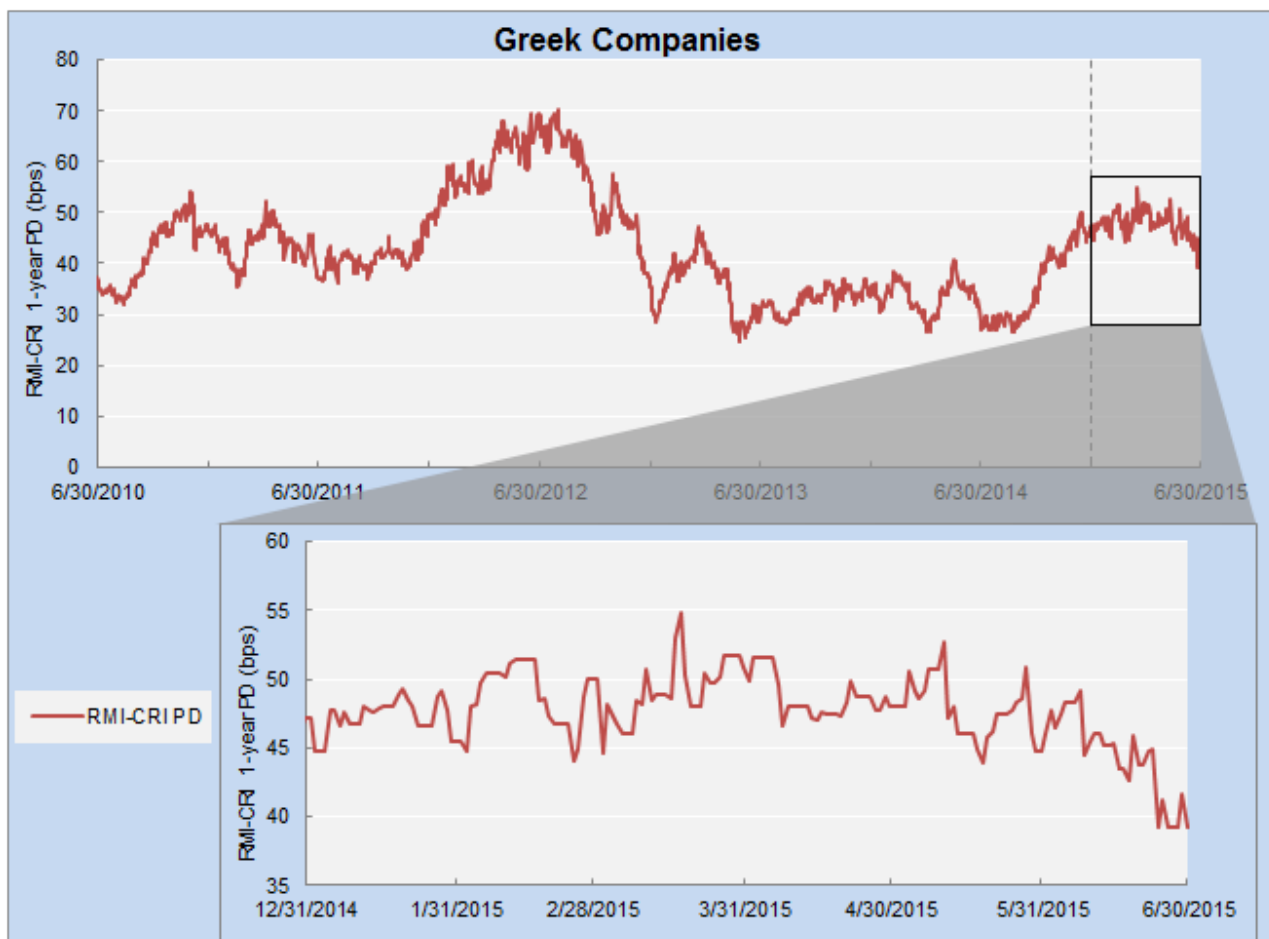
Europe

The RMI-CRI aggregate 1-year PD for European firms declined during Q2 2015. The Eurozone’s economy was in the progress of recovery. Real GDP YoY growth rates of 19 Eurozone countries and 28 Eurozone countries were 1.0% and 1.5% respectively. United Kingdom had the fast growing pace in the largest three economies in Europe; the country delivered an annual GDP growth rate of 2.4% in Q1. The RMI-CRI aggregate 1-year PD for all the listed firms in United Kingdom decreased in the second quarter, from 11.33bps in May to 10.72bps in June. On the other hand, the numbers for Germany and France were 1.0% and 0.7% respectively. Besides, the unemployment rate with seasonal adjustments for the region was 11.1%. Having an unemployment rate of 25.4%, Greece was the country had the highest unemployment. The RMI-CRI aggregate 1-year PD for Greek firms continued its upward climb. The CPI YoY growth rate in May 2015 was 0.3%, compared to zero growth in April, showing a relief in doubt in deflation and meaning that the quantitative easing policy adopted by ECB was taking effects.



Greek Companies

After the short-lived annual growth in 2014, the Greek economy contracted in the first quarter of 2015. Some economic indicators, including the unemployment rate and total retail trade volume showed some improvement in Q1 2015. However, the overall indicators remained in a bad condition. Country's PMI and consumer confidence both declined. Yields on ten-year Greek government bond increased significantly. As the RMI-CRI aggregate 1-year PD for all the listed Greek companies increased from 43.97bps on May 31, 2015 to 50.23bps on June 30, 2015; the credit profile of Greek companies deteriorated.



Economy

- The Greek economy contracted in the first quarter of 2015. The real GDP QoQ was -0.2% in Q1 2015, after a short-lived annual GDP growth in 2014. Gross fixed capital formation decreased 3.3% QoQ, and the final consumption expenditure also went down 0.6% compared to the previous quarter.
- Greece's labor market condition is slightly improving amid a weakening economy. The unemployment rate fell from 25.6% in April from 25.8% in March.

- The Greek manufacturing sector in Q2 was in a bad shape. Markit Greece Manufacturing PMI decreased from 48.9 in Q1 2015 to 46.9 in Q2 2015.
- The Greek consumer confidence indicator kept dropping in the second quarter, from -31.0 in Q1 2015 to -46.0 in Q2 2015.
- The OECD Greece total retail trade volume YoY increased 0.29% in Q1 2015. The annual figure for total retail trade volume YoY was -0.41% in 2014.

Funding & Liquidity

- Yields on ten-year Greek government bond had increased from 9.7% from Q4 2014 to 11.6% in Q1 2015. In Q2 2015, the yield climbed to 15.42%.
- Total outstanding loans decreased to EUR 93.22bn in June 2015 from EUR 97.26bn in March 2015, down by 4.15% QoQ.¹⁰⁰

Policy

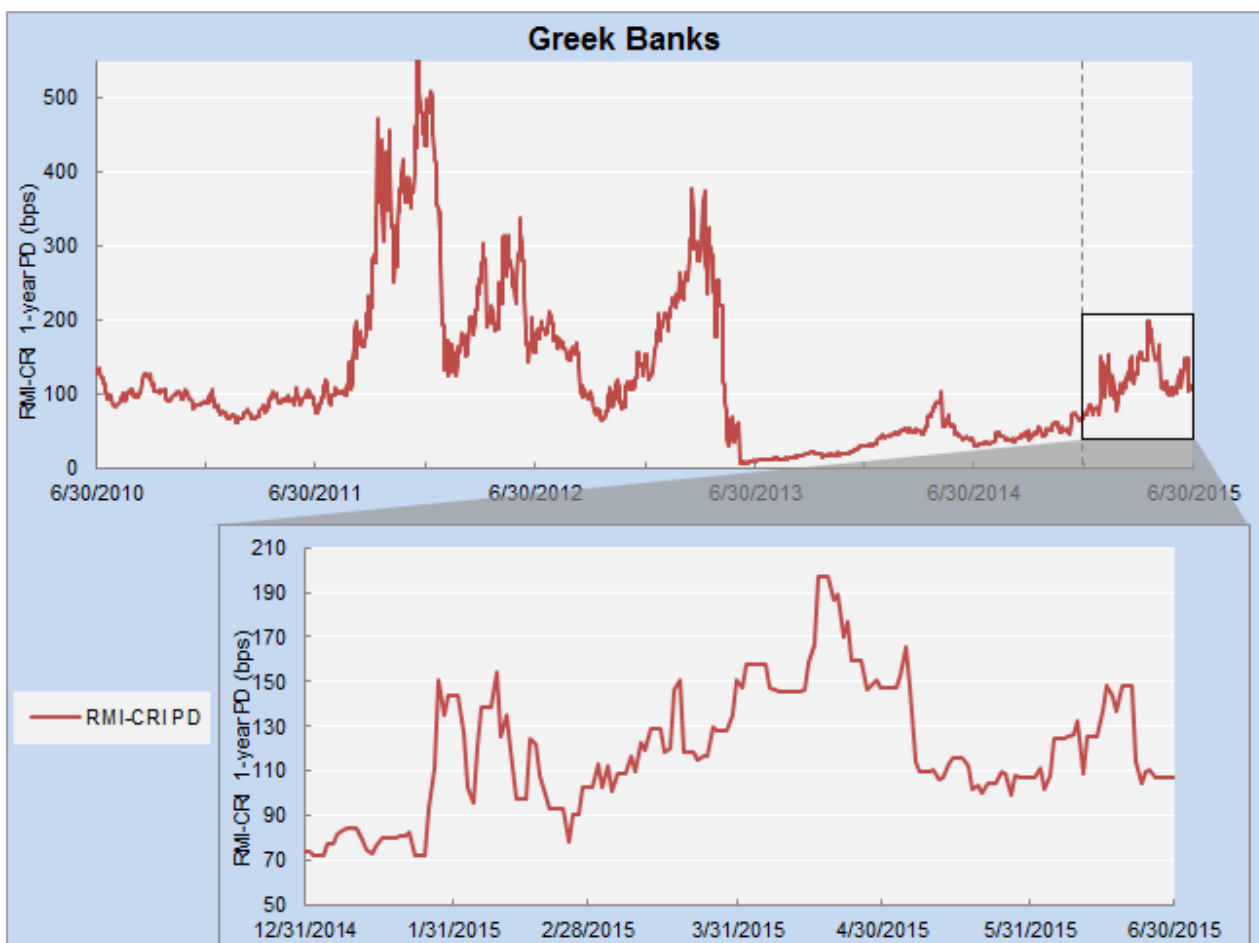
- Greece defaulted on a USD 1.7bn payment to the IMF on June 30 and became the first country to default to the IMF. After the default, the Greek government asked Eurozone to extend its bailout, but the Eurozone finance minister rejected the extension. Greek banks remained closed after the talk between Greek government and its creditors broke down.¹⁰¹

Sovereign Credit Ratings

- Greece's sovereign credit ratings got downgraded by three credit rating agencies. Moody's downgraded the country from Caa2 to Caa3 on July 01, 2015. Fitch also downgraded Greece from CCC to CC on June 30, 2015. S&P downgraded Greece from CCC to CCC- on June 29, 2015.

Greek Banks

The RMI-CRI aggregate 1-year PD for Greek banks increased from 106.88bps on May 31, 2015 to 119.87bps on June 30, 2015, translating into a deteriorating credit profile within this sector. As the negotiation with its creditors remained unfruitful, the Greek government shut down the banks in June to prevent the financial system from collapsing in panic. Aggregate profits at Greek banks stayed at negative territory in Q1 2015, with net income of EUR -0.45bn. In terms of funding and liquidity, the total deposits at Greek banks kept declining; however, the liquidity in banking industry had a slight improvement. The overall credit outlook for Greek banks remained negative.



Profitability

- Aggregate net income at listed banks in Greece was EUR -0.45bn in Q1 2015, compared to EUR -2.4bn in Q4 2014.
- A proxy for the NIM of Greek banks, based on the interest rate spread between new euro-denominated loans and deposits, decreased to 2.51% in Q1 2015, down from 2.52% in Q4 2014.

Funding & Liquidity

- Total deposits at listed Greek banks kept declining from EUR 206.59bn in Q4 2014 to EUR 180.65bn in Q1 2015. The total deposit at Greek banks fell 0.12% QoQ and 11.73% YoY.

- Overnight deposit rate by households dropped to 0.17% in May 2015, from 0.18% in April 2015.¹⁰²
- Overall liquidity in the Greek banking sector had slightly improved during Q4 2014, with the aggregated LATDB ratio for listed banks improving to 8.09% in Q1 2015 from 7.94% in Q4 2014.

Asset Quality

- Greece shut down its banking system to prevent money from flooding out of the country. Domestic deposits fell from EUR 179bn in Sep 2014 to EUR 139bn at the end of May. The banks' reliance on central-bank funding rose from EUR 42.6bn to EUR 116bn over the same period.¹⁰³
- Non-performing loans for the main banks in Greece were declining. From Q4 2014 to Q1 2015, Alpha Bank's non-performing loans decreased from EUR 21.4bn to EUR 21.3bn; National Bank of Greece from EUR 20.8bn to EUR 18.0bn; Eurobank Ergasias from EUR 20.0bn to EUR 18.0bn; and Piraeus Bank from EUR 29.56bn to EUR 27.8bn.

Bank Credit Ratings

- S&P cut its long- and short- term counterparty credit ratings on Alpha Bank, Eurobank Ergasias, National Bank of Greece and Piraeus Bank to selective default. Besides, S&P also lowered its ratings on the banks' senior unsecured debt to triple-C-minus from triple-C. The downgrades followed by the moves from Greek government ranging from limits to deposit withdrawals, the closure of bank branches for full working week, and the prohibition of money transfer out of Greece unless authorized by the government.¹⁰⁴
- Fitch downgrades Greece-based National Bank of Greece, Piraeus Bank, Eurobank Ergasias and Alpha Bank long- and short- term issuer default ratings to "RD" from "CCC" and "C" on capital control adopted by the government.¹⁰⁵

¹⁰⁰ Jun 30, 2015, [Loans Total maturity All currencies combined](#), ECB, [sdw.ecb.europa.eu](#)

¹⁰¹ Jun 30, 2015, [Greece debt crisis: Eurozone rejects bailout appeal](#), BBC, [bbc.com](#)

¹⁰² May 5, 2015, [Bank interest rates on new euro-denominated deposits and loans vis--vis euro area residents \(Table 1 and 1a\)](#), Bank of Greece, [bankofgreece.gr](#)

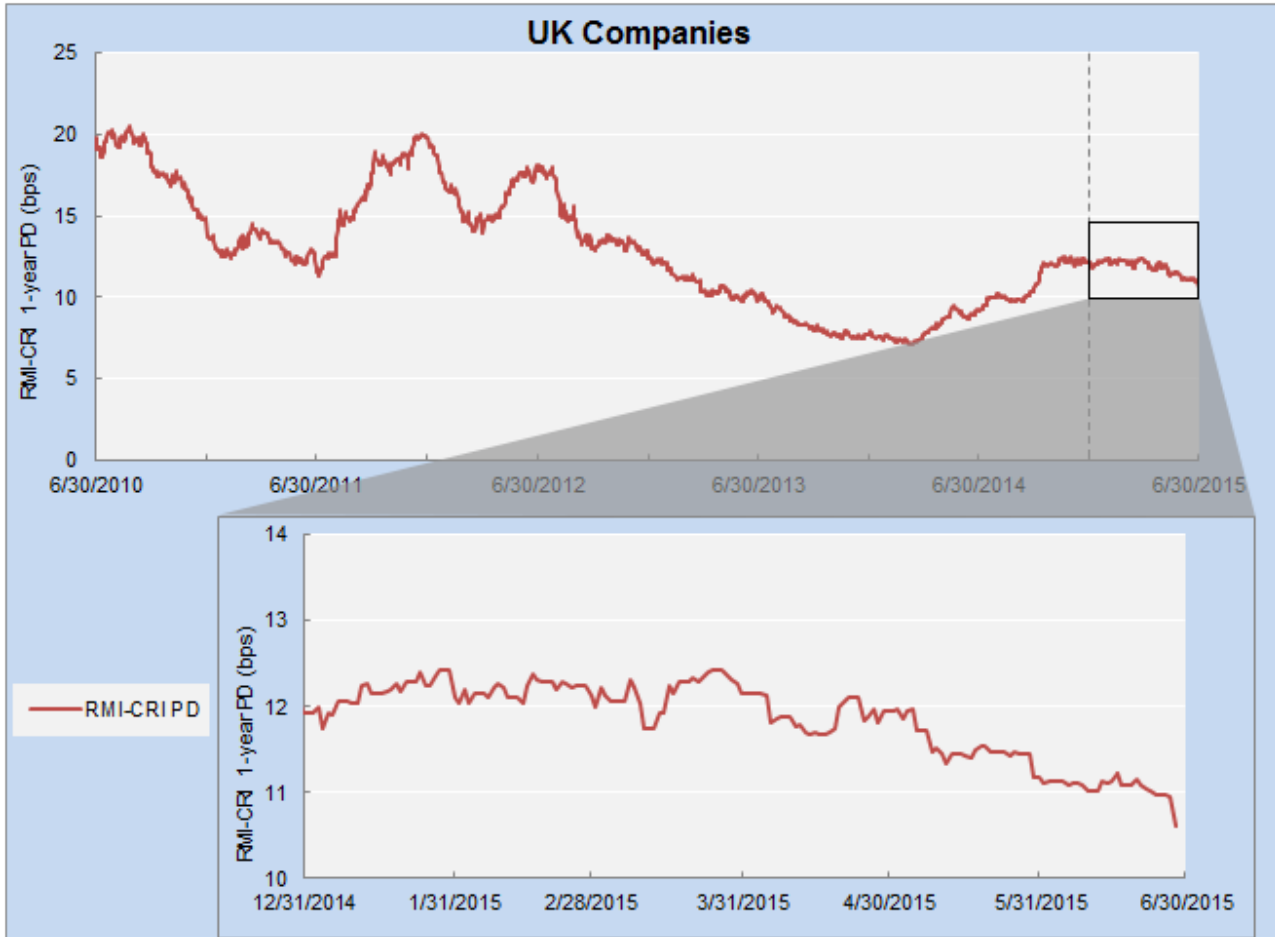
¹⁰³ Jun 28, 2015, [Greece Orders Banks Closed, Imposes Capital Controls to Stem Deposit Flight](#), WSJ, [wsj.com](#)

¹⁰⁴ Jun 30, 2015, [S&P Cuts Greek Bank Ratings to Selective Default](#), WSJ, [wsj.com](#)

¹⁰⁵ Jun 29, 2015, [Fitch Downgrades Greek Banks to 'RD' on Capital Controls](#), FitchRatings, [fitchratings.com](#)

UK Companies

The aggregate RMI-CRI 1-year PD for UK companies decreased in Q2. The downtrend is a continuation of the improvement in credit quality from Q1. Despite disappointing GDP growth in Q1, UK saw improvements in unemployment rate, consumer confidence, and manufacturing PMI. Financing conditions remain favorable for the companies, which can access to government treasuries, with yields on government bonds at a relatively low level. United Kingdom sovereign credit ratings remained unchanged.



Economy

- The UK economic growth fell to the lowest in the latest 3 years, with merely 0.3% in Q1 this year. Market consensus had forecast a fall but the actual number was even worse than expected. The economy has been held back by weak output in the construction, industrial and services sectors.¹⁰⁶

- According to a leading think-tank, the National Institute of Economic and Social Research (NIESR), Britain was overtaking France as Europe's second largest economy. The institute believes that Britain will expand by 2.5%, while France will grow by simply 1.3% in 2015.¹⁰⁷
- The UK's unemployment rate rose to 5.6% from 5.5% between March to May, which was slightly higher than for the 3 months to February 2015. The number of unemployed people was 15,000 more than February 2015, and reached 1.85mn in May. Comparing March to May 2015 with a year earlier, there were 273,000 fewer unemployed people.¹⁰⁸
- The British consumer confidence continued its upward trend and surged to its 15-year highest level in June. The GfK Consumer Confidence Index jumped to +7 in June from +1 in May. It became the biggest rise in a year.¹⁰⁹
- The seasonally adjusted Market/CIPS UK manufacturing PMI increased to 54.4 in March from 54.0 in February due to growth in production and increasing new orders. This is the highest level in the past eight months. The PMI has now remained above the neutral 50 marks for a consecutive 24 months. Despite limited growth in UK's main export market, the Eurozone, the domestic market remained the main driver of growth for the UK economy. Thanks to zero inflation and the impact of the slump in the oil price, the UK consumers should continue to provide a steady platform where UK manufacturers can perform.¹¹⁰

Monetary

- The Bank of England's Monetary Policy Committee (MPC) maintained 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 is aimed at increasing liquidity in the UK economy and boosting demand. The previous change in Bank Rate was a reduction of 0.5 percentage points to 0.5% on March 2009.¹¹¹

Funding & Liquidity

- Long-term government bond yields in the UK and US fell sharply in late 2014 and early 2015, but have risen a bit in May 2015. Overall, UK and US 10-year spot rates remain exceptionally low, at around 1.75% and 2% in May 2015 respectively. The fall in UK and US long-term government bond yields over the past six months is likely to reflect, in part, the effects of ECB asset purchases instead of lower expectations of long-term growth and policy rates in those countries.¹¹²

Politics

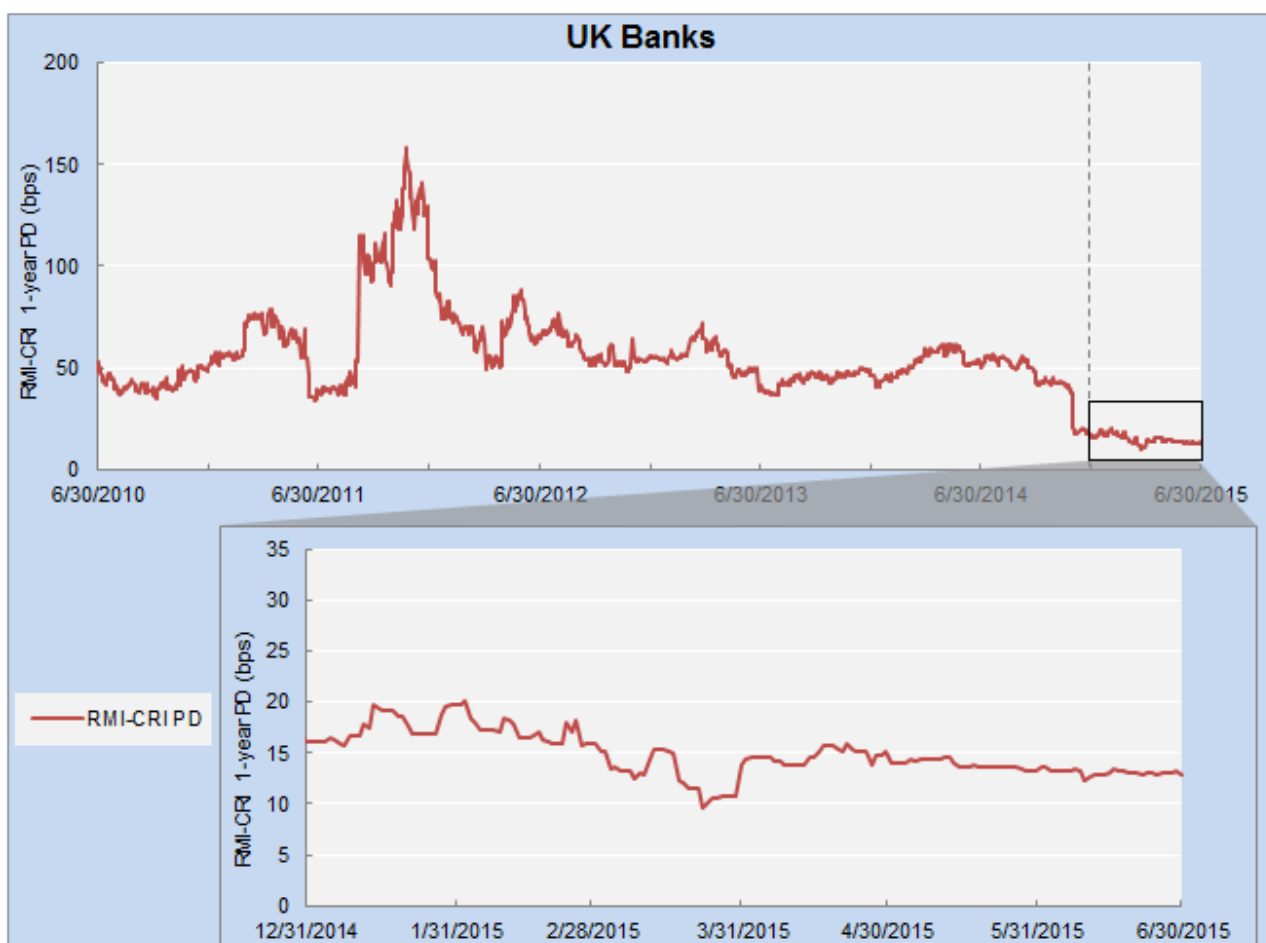
- On May 8, UK's Prime Minister David Cameron and his Conservatives won an overwhelming victory in the British general election, showing that the party had secured an overall majority in Parliament. The vote was a stunning disappointment for the opposition Labour Party.¹¹³

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.¹¹⁴

UK Banks

In general, there was a slight improvement in credit standing for UK banks. The RMI-CRI aggregate 1-year PD for the lenders declined marginally, remaining at the lowest level since 1997. Although economic growth was not strong as the market consensus, UK banks delivered stable performance in terms of underlying profits. Nevertheless, banks still saw a big drag on the bottom lines, due to provision expenses from foreign exchange market rigging and PPI mis-selling. The bonds' nominal yields and deposits level remained unchanged, representing healthy funding and liquidity condition during Q2. Despite a stable profitability and liquidity environment, UK banks wrote off a large amount of bad debt in Q4 2014, a signal that investors should pay more attention to the banks' asset quality in 2015. From a regulatory viewpoint, UK authorities have been strengthening supervision over the banks to prevent any possible misconduct.



Profitability

- The aggregate earnings for seven listed UK banks, including HSBC and Barclays, dropped 6.6% QoQ during Q2.
- Lloyds, the state-backed lender, Britain's biggest retail bank, reported an underlying pretax profit of GBP 2.2bn for the three months to the end of March, up by 21% YoY. However, the group also said that it had recorded a loss of GBP 660mn on the sale of TSB to Spain's Banco Sabadell. As a result, Lloyds saw its statutory profit before tax drop by 11% in the first quarter of 2015. Management also mentioned that the firm did not make provisions to cover mis-selling of PPI products during the quarter.¹¹⁵
- In general, British banks have set aside more than GBP 1.8bn in Q1 to cover the cost of settling FX rigging probes. For example, Royal Bank of Scotland took a GBP 334mn

charge for FX rigging fines, while Barclays made a GBP 800mn provision for the same matter.¹¹⁶

Funding & Liquidity

- The average 5-year British government securities zero coupon nominal yields reached 1.19% at the end of the first quarter of 2015, which was lower than 1.30% at the end of last year.
- The total amount of monetary financial institutions' deposits from residents in UK reached GBP 2.01tn in March, which was lower than GBP 2.02tn at the end of last year.¹¹⁷

Asset Quality

- BoE data shows that bad debt write-offs totaled GBP 3.64bn in Q4 2014, higher than GBP 1.88bn in Q3 2014 and GBP 2.54bn in Q4 2013. As for the breakdown, most write-offs came from the loan to private non-financial corporations, followed by the loan to individuals and non-residents.¹¹⁸
- Loans to financial and non-financial businesses increased by GBP 8.9bn in March and reached GBP 1.12tn at the end of 1Q 2015. It, however, decreased by 3.4% compared to last year.¹¹⁹

Regulation

- The Prudential Regulation Authority (PRA) published its third consultation paper (CP) on April 30, 2015, asking the public about its opinion relating to a set of draft rules. The issues being considered include the exercising of passport rights by UK firms, reverse stress-testing and integrated regulatory reporting. New guidelines for completing regulatory reports, internal governance of third country branches and internal capital adequacy assessment processes were also mentioned.¹²⁰

¹⁰⁶ Jul 28, 2015, [Gross Domestic Product Preliminary Estimate, Quarter 2 \(Apr to June\) 2015](#), ONS, <http://ons.gov.uk>

¹⁰⁷ May 6, 2015, [Britain's bulging economy surges past France](#), The Telegraph, <http://www.telegraph.co.uk/>

¹⁰⁸ Aug 12, 2015, [UK Labour Market, Aug 2015](#), ONS, <http://www.ons.gov.uk/>

¹⁰⁹ Jun 30, 2015, [UK consumer confidence surges to 15-year high in June - GfK](#), Reuters, <http://www.gfk.com/pages/default.aspx>

¹¹⁰ Aug 3, 2015, [Manufacturing PMI ticks higher in July](#), Markit Economics, <http://www.themanufacturer.com/>

¹¹¹ Aug 6, 2015, [Bank of England maintains Bank Rate at 0.5% and the size of the Asset Purchase Programme at 375 billion](#), BoE, <http://www.bankofengland.co.uk/>

¹¹² May 2015, [Inflation report](#), BoE, <http://www.bankofengland.co.uk/>

¹¹³ May 2015, [David Cameron and Conservatives get majority in British election](#), New York Times, <http://www.nytimes.com/>

¹¹⁴ May 2015, [List of countries by credit rating](#), Wikipedia, <http://en.wikipedia.org/>

¹¹⁵ Jun 2015, [Monetary financial institutions' quarterly income and expenditure](#), BoE, <http://www.bankofengland.co.uk/>

¹¹⁶ Apr 2015, [UK banks need to work harder on profitability, study finds](#), FT, <http://www.ft.com/>

¹¹⁷ Jun 2015, [Bankstats \(monetary & financial statistics\) - June 2015](#), BoE, <http://www.bankofengland.co.uk/>

¹¹⁸ Jun 2015, [Write-offs of loans by banks and building societies](#), BoE, <http://www.bankofengland.co.uk/>

¹¹⁹ Jun 2015, [Money and credit - June 2015](#), BoE, <http://www.bankofengland.co.uk/>

¹²⁰ Jun 2015, [EBA Guidelines on materiality, propriety and confidentiality and on disclosure frequency](#), BoE, <http://www.bankofengland.co.uk/>

Appendices

The appendices provide readers with a comprehensive overview of various outputs that are produced by RMI-CRI'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-CRI 1-year PDs are reported. In addition to the PD produced by the RMI-CRI 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-CRI 1-year aggregate PD where the aggregations are by region, economy and sector. In these sections, the RMI-CRI 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 July 11, 2015, using data up to June 30, 2015. For a detailed description of RMI-CRI'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 Q1 2015 and Q2 2015. 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-CRI 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.

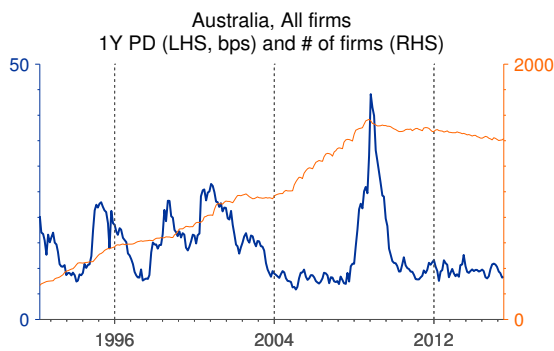
Appendix [C](#) provides common macroeconomic, corporate credit and sovereign risk indicators for each economy along with the RMI-CRI 1-year aggregate PD for financial and non-financial firms. The graphs on the left give historical context to the values, and the table on the right give the data from 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.

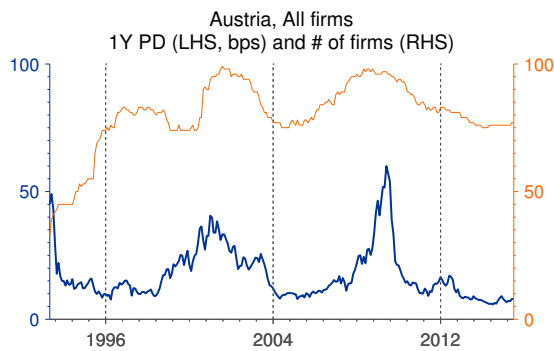
A PD by economies



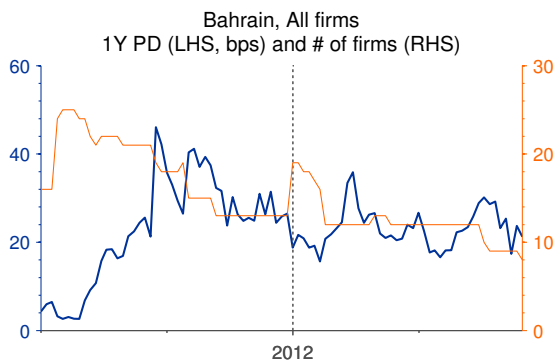
Argentina	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	11	6.5	14.0	9.1	15.6	4.1	2.3
Basic Materials	7	26.6	19.2	25.8	25.2	2.4	7.1
Communications	4	2.7	7.6	3.8	6.2	0.1	1.7
Consumer Cyclical	6	14.9	94.0	15.6	91.7	-2.4	6.1
Consumer Non-cyclical	13	7.5	16.9	11.1	37.3	2.1	20.5
Diversified	1	13.3	-	11.0	-	-2.3	-
Energy	4	7.6	9.6	6.3	7.7	-1.3	2.4
Industrial	6	7.9	15.7	19.8	16.4	4.2	9.2
Technology	1	3.5	-	0.8	-	-2.7	-
Utilities	8	14.6	7.5	16.8	7.8	2.7	3.4



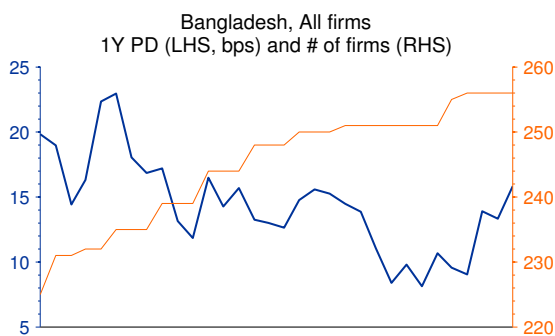
Australia	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	139	1.6	45.8	2.3	32.2	0.0	37.1
Basic Materials	569	15.5	83.3	14.3	70.7	-0.2	54.5
Communications	71	4.6	93.2	3.7	59.5	-0.1	68.7
Consumer Cyclical	68	2.5	26.0	2.6	20.9	0.0	7.7
Consumer Non-cyclical	177	3.4	60.4	4.3	55.8	0.0	11.4
Diversified	8	2.3	16.1	3.1	10.2	-0.0	6.0
Energy	179	23.6	83.8	20.2	91.6	0.0	63.2
Industrial	110	8.8	62.9	8.3	56.7	0.2	36.5
Technology	43	7.8	53.0	6.2	51.2	-0.1	37.9
Utilities	12	2.5	26.4	2.3	53.1	0.1	29.4



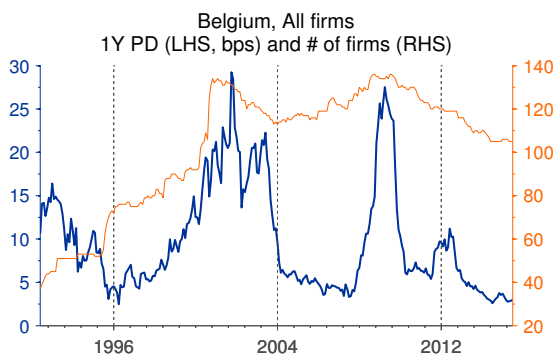
Austria	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	21	10.7	50.2	12.8	290.9	1.1	245.1
Basic Materials	5	4.3	140.1	3.9	195.4	0.7	55.3
Communications	2	14.4	10.0	13.8	2.4	-0.6	7.6
Consumer Cyclical	14	6.3	56.3	7.7	102.8	2.3	81.6
Consumer Non-cyclical	6	12.5	12.4	10.0	7.4	-2.7	7.5
Energy	4	12.2	7.3	12.2	6.0	0.7	1.8
Industrial	18	4.7	39.2	7.6	31.7	0.1	10.1
Technology	4	7.1	2.7	6.0	2.1	0.9	2.4
Utilities	2	8.6	7.0	11.7	8.3	3.0	1.3



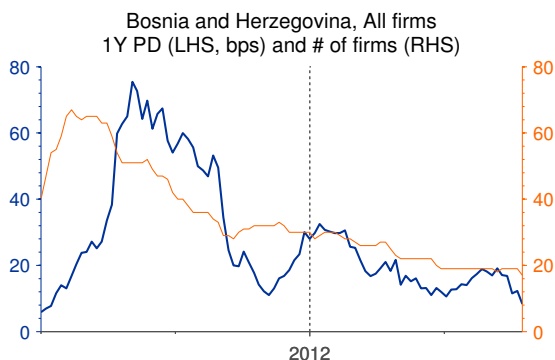
Bahrain	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	8	25.5	55.8	21.2	53.9	-0.3	16.2



Bangladesh	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	98	23.6	36.2	31.5	43.9	4.2	20.8
Basic Materials	15	4.0	25.8	5.3	28.8	0.9	11.6
Communications	6	2.5	7.7	6.9	18.1	4.4	10.5
Consumer Cyclical	53	14.5	26.7	19.9	40.8	3.1	19.2
Consumer Non-cyclical	39	5.9	140.3	13.4	150.0	1.6	19.9
Diversified	1	10.4	-	16.8	-	6.4	-
Energy	5	5.9	4.6	7.6	7.2	3.1	2.7
Industrial	28	6.2	16.3	7.5	18.2	2.1	5.4
Technology	1	1.5	-	2.6	-	1.1	-
Utilities	8	1.9	15.0	4.2	19.0	1.7	4.9



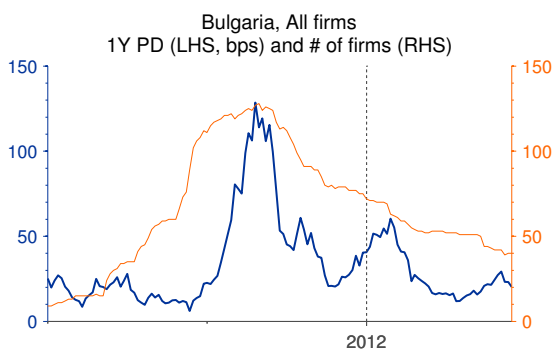
Belgium	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	28	0.9	22.2	1.6	37.2	0.6	16.2
Basic Materials	8	3.1	6.8	3.9	8.8	0.5	3.2
Communications	6	12.5	32.9	18.0	23.6	0.2	10.6
Consumer Cyclical	7	2.6	8.3	2.6	7.2	-0.1	1.4
Consumer Non-cyclical	23	2.9	13.4	3.0	11.9	-0.0	2.7
Diversified	5	0.1	1.1	0.1	0.8	0.0	0.3
Energy	2	36.0	21.0	75.1	29.8	39.1	8.8
Industrial	19	8.9	20.8	8.8	20.8	0.0	7.3
Technology	5	4.2	11.2	3.1	7.8	-0.3	3.7
Utilities	2	0.9	0.5	1.3	0.1	0.3	0.4



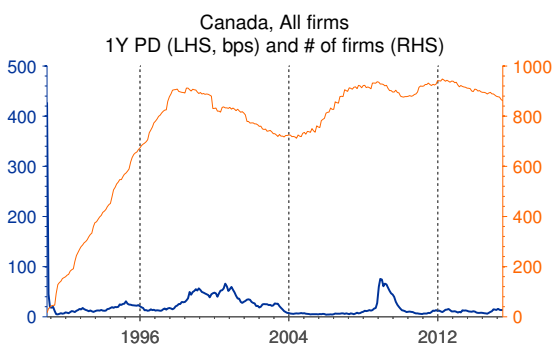
Bosnia and Herzegovina	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Basic Materials	2	23.2	32.8	20.2	28.3	-3.0	4.4
Communications	2	0.4	0.1	0.3	0.0	-0.1	0.1
Consumer Non-cyclical	3	5.1	3.5	5.6	3.3	-1.5	1.2
Energy	3	30.7	242.6	23.1	171.0	-7.7	71.6
Industrial	1	62.9	-	81.5	-	18.6	-
Utilities	6	17.1	49.5	10.7	46.9	-3.3	12.0



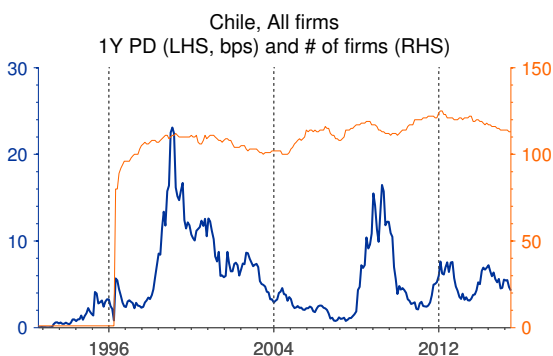
Brazil	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	60	58.4	162.5	64.7	194.3	1.0	63.0
Basic Materials	19	67.2	377.5	85.7	382.0	-0.3	201.8
Communications	8	32.6	334.1	27.6	214.0	-5.0	122.7
Consumer Cyclical	45	28.6	167.4	26.8	260.5	0.7	144.9
Consumer Non-cyclical	45	17.2	233.4	20.7	157.8	0.0	94.3
Diversified	6	100.4	140.1	90.6	94.2	-18.3	47.6
Energy	6	105.6	196.2	72.6	118.7	-37.4	92.0
Industrial	29	55.0	271.4	64.1	287.4	3.5	79.3
Technology	6	1.7	49.5	3.3	77.3	0.1	42.0
Utilities	27	27.0	57.4	27.5	53.7	0.3	22.1



Bulgaria	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	8	31.5	18.3	21.6	15.2	-2.1	5.5
Basic Materials	3	35.0	4.2	25.6	6.5	-9.4	2.3
Communications	1	61.5	-	55.0	-	-6.5	-
Consumer Cyclical	1	16.7	-	15.8	-	-0.8	-
Consumer Non-cyclical	9	29.3	206.9	20.6	58.3	-2.5	207.5
Diversified	6	21.3	36.7	21.4	24.7	0.8	29.3
Energy	2	172.1	223.6	208.1	281.1	36.0	57.5
Industrial	8	9.6	37.9	7.7	23.9	-2.3	21.7
Utilities	1	19.0	-	6.9	-	-12.1	-



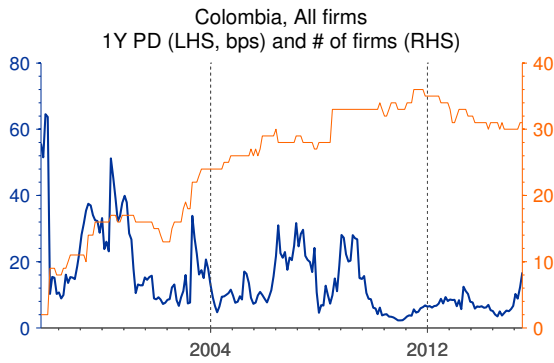
Canada	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	123	2.4	298.9	3.1	106.6	0.0	265.8
Basic Materials	270	27.2	640.4	26.7	393.7	-0.0	588.9
Communications	42	4.6	165.6	5.0	168.4	-0.0	133.7
Consumer Cyclical	60	2.6	137.0	2.0	102.6	0.0	47.1
Consumer Non-cyclical	98	13.2	405.1	15.4	466.7	0.2	371.1
Diversified	5	100.3	381.2	112.9	416.7	2.3	41.4
Energy	144	34.1	635.9	29.7	478.3	-0.1	603.2
Industrial	69	4.8	396.4	6.6	322.2	0.0	336.9
Technology	29	15.4	273.1	7.3	178.2	-0.3	140.2
Utilities	12	2.1	20.6	3.5	15.5	0.5	6.1



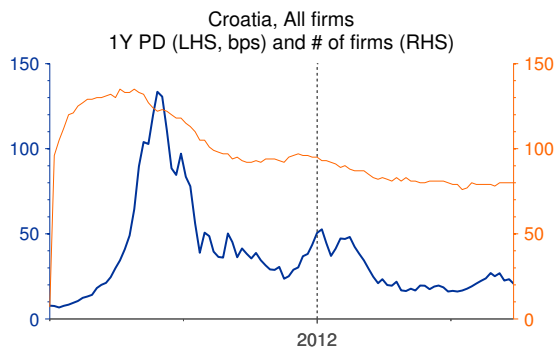
Chile	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	22	12.9	29.4	11.7	21.5	-0.3	15.0
Basic Materials	14	5.8	49.3	4.3	43.9	-0.1	12.6
Communications	3	11.7	12.8	10.2	9.4	-3.7	3.9
Consumer Cyclical	13	5.7	180.3	4.5	114.8	0.4	66.1
Consumer Non-cyclical	22	2.8	49.8	4.1	37.4	-0.0	20.5
Diversified	6	2.2	99.1	1.7	8.1	-0.7	91.1
Industrial	19	7.7	52.9	11.3	32.7	0.0	48.3
Technology	1	0.7	-	0.9	-	0.2	-
Utilities	12	0.6	6.9	0.9	18.5	-0.0	11.9



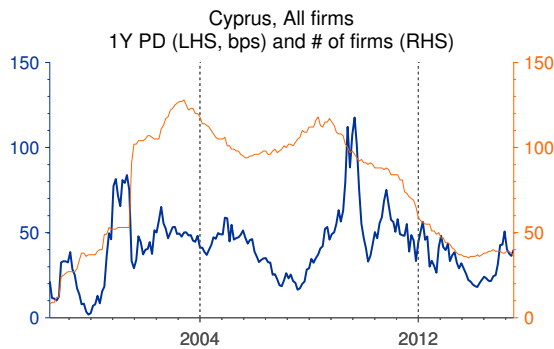
China	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	217	52.2	107.7	48.5	101.3	2.0	56.2
Basic Materials	307	121.3	326.4	147.0	143.9	11.9	261.1
Communications	153	35.8	106.4	34.6	86.6	0.9	73.7
Consumer Cyclical	485	74.3	135.5	80.7	127.9	4.6	86.6
Consumer Non-cyclical	434	62.9	141.2	80.9	159.5	4.8	96.6
Diversified	25	137.6	77.0	162.6	99.0	24.4	68.6
Energy	86	76.4	83.5	76.2	76.3	1.1	50.9
Industrial	724	93.5	103.9	104.2	117.8	10.1	58.6
Technology	161	39.2	73.3	47.8	78.4	9.6	45.4
Utilities	74	109.0	83.1	112.2	93.9	8.0	46.2



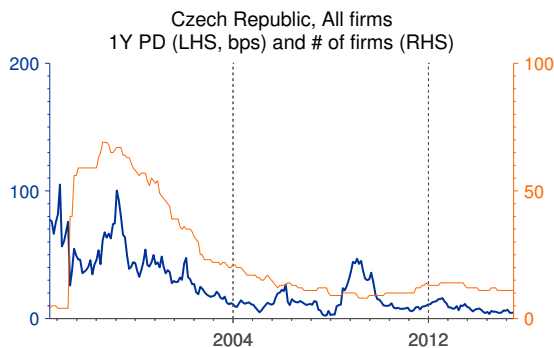
Colombia	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	10	13.6	17.9	25.2	53.9	3.6	43.1
Basic Materials	2	15.8	18.8	21.3	10.3	5.5	8.6
Communications	1	5.8	-	6.8	-	1.0	-
Consumer Cyclical	2	62.5	85.9	65.4	88.8	2.9	2.9
Consumer Non-cyclical	1	0.3	-	0.8	-	0.5	-
Diversified	1	0.6	-	0.5	-	-0.1	-
Energy	3	18.8	735.6	40.3	202.6	4.4	533.6
Industrial	6	6.3	3.4	15.4	153.8	6.8	153.8
Utilities	4	7.8	7.2	16.3	12.7	7.6	5.7



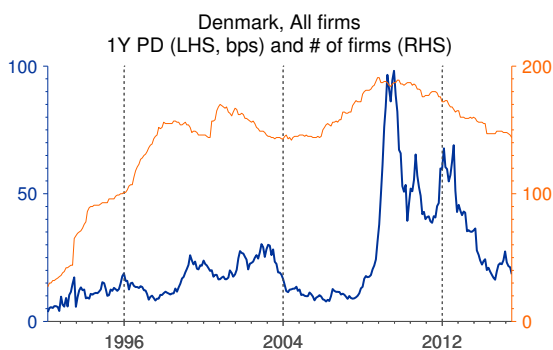
Croatia	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	8	24.5	97.1	22.8	81.6	-1.8	33.5
Basic Materials	3	46.8	21.8	58.3	12.6	-5.9	23.1
Communications	3	13.1	281.7	11.2	7.1	-0.2	279.1
Consumer Cyclical	23	14.9	42.0	9.8	47.9	-0.1	25.1
Consumer Non-cyclical	25	25.1	114.1	22.4	203.2	-2.0	97.0
Diversified	1	18.9	-	12.9	-	-6.0	-
Energy	2	2.9	3.1	3.0	2.3	0.1	0.8
Industrial	13	47.7	53.1	55.4	64.1	8.8	20.6



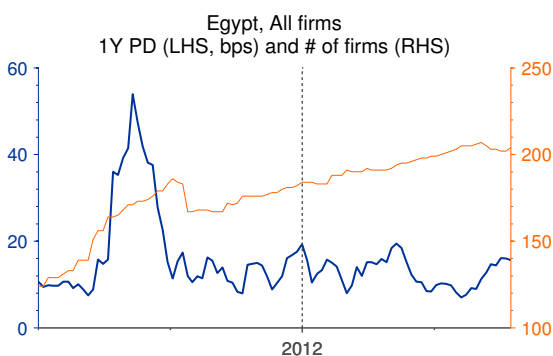
Cyprus	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	12	40.3	195.9	35.5	1005.3	-0.2	828.9
Basic Materials	2	274.1	297.0	131.4	164.0	-142.8	133.0
Consumer Cyclical	5	30.0	63.3	53.9	69.4	20.8	10.9
Consumer Non-cyclical	7	67.9	24.5	39.4	21.4	-4.2	15.4
Energy	4	30.6	91.9	34.1	52.9	-4.1	42.5
Industrial	5	49.5	37.7	42.9	45.9	-4.6	15.6
Technology	1	25.5	-	21.6	-	-4.0	-



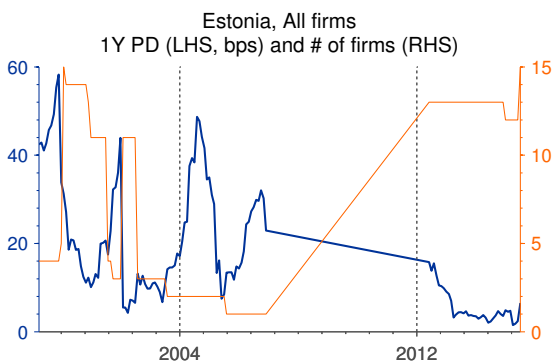
Czech Republic	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	2	8.2	1.9	8.6	2.2	0.4	0.3
Communications	1	7.9	-	64.7	-	56.8	-
Consumer Cyclical	2	1.9	0.4	2.8	2.0	0.9	1.6
Consumer Non-cyclical	1	7.1	-	6.5	-	-0.7	-
Diversified	1	5.5	-	0.8	-	-4.7	-
Energy	2	6.9	3.5	3.6	0.7	-3.3	2.8
Industrial	1	33.3	-	24.8	-	-8.5	-
Utilities	1	5.8	-	4.8	-	-1.0	-



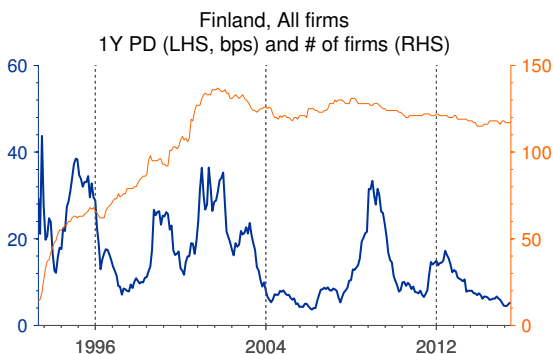
Denmark	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	43	32.1	159.0	26.8	81.7	-2.9	135.2
Basic Materials	2	9.5	13.0	1092.4	1544.3	1082.9	1531.3
Communications	10	18.9	46.4	24.0	67.1	2.0	21.5
Consumer Cyclical	18	35.1	132.8	31.0	72.4	-1.7	96.8
Consumer Non-cyclical	26	6.7	57.0	7.0	40.7	0.2	27.6
Diversified	2	2.6	3.5	2.4	3.2	-0.2	0.3
Energy	1	16.3	-	12.5	-	-3.8	-
Industrial	32	23.2	85.1	18.5	85.1	-0.1	46.3
Technology	8	31.9	93.0	23.0	62.5	-0.6	34.7
Utilities	1	62.1	-	41.3	-	-20.7	-



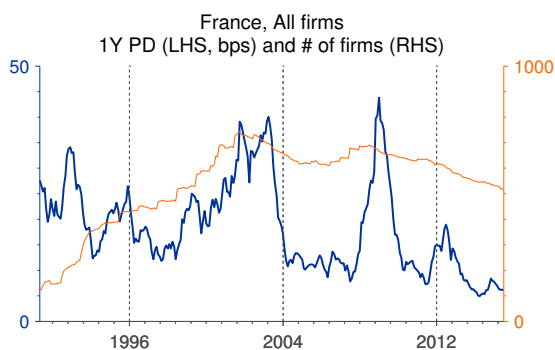
Egypt	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	66	21.2	33.4	23.3	36.9	-0.1	14.1
Basic Materials	22	16.5	33.2	16.8	31.4	0.0	8.3
Communications	5	9.9	34.5	12.5	26.4	-0.0	8.8
Consumer Cyclical	22	25.7	20.1	27.6	20.4	0.2	8.9
Consumer Non-cyclical	47	10.8	22.2	10.3	22.2	-0.0	8.3
Diversified	1	11.9	-	7.5	-	-4.4	-
Energy	1	49.1	-	53.8	-	4.7	-
Industrial	36	5.6	30.6	5.3	30.4	-0.0	9.3
Technology	1	13.3	-	11.8	-	-1.4	-
Utilities	1	21.6	-	50.5	-	28.9	-



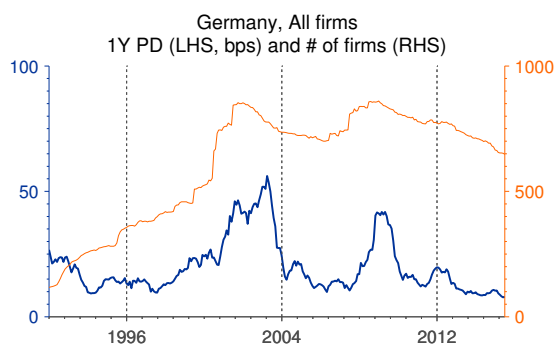
Estonia	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Communications	1	7.2	-	6.5	-	-0.7	-
Consumer Cyclical	5	8.9	18.7	8.8	18.7	0.0	1.7
Consumer Non-cyclical	1	0.6	-	0.7	-	0.2	-
Industrial	4	1.5	3.9	2.8	3.4	0.6	1.0
Utilities	1	0.1	-	0.5	-	0.4	-



Finland	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	13	4.8	8.2	7.2	11.6	1.4	4.7
Basic Materials	8	2.4	9.0	3.8	12.5	1.5	7.1
Communications	15	4.0	32.6	4.4	16.9	-0.3	16.9
Consumer Cyclical	9	14.5	8.9	11.7	10.2	0.2	6.5
Consumer Non-cyclical	18	5.2	7.9	5.3	26.1	0.1	23.4
Diversified	1	0.5	-	0.6	-	0.2	-
Energy	1	2.1	-	3.3	-	1.2	-
Industrial	36	4.5	60.6	5.2	19.2	0.7	50.1
Technology	14	3.7	15.7	3.6	13.3	-0.0	7.3
Utilities	1	1.2	-	2.4	-	1.2	-



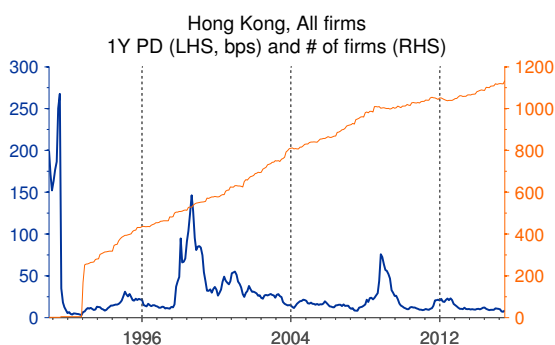
France	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	82	5.9	31.8	6.4	44.5	0.3	28.6
Basic Materials	15	9.0	39.2	12.0	73.3	0.1	35.3
Communications	51	8.6	23.3	8.7	20.9	-0.0	15.9
Consumer Cyclical	77	7.2	16.2	7.3	18.1	0.1	6.1
Consumer Non-cyclical	103	4.8	19.5	4.7	21.1	-0.1	6.9
Diversified	8	5.4	71.9	5.7	120.7	0.3	53.5
Energy	12	16.9	24.6	15.4	21.4	-0.7	8.3
Industrial	92	7.8	22.7	7.0	19.3	-0.4	7.9
Technology	64	6.2	24.2	6.1	24.6	-0.2	9.4
Utilities	10	4.2	24.7	4.4	25.3	0.3	1.9



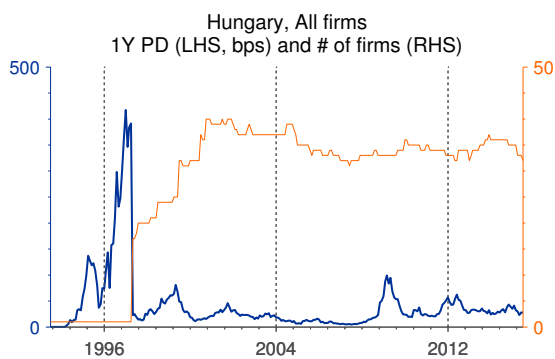
Germany	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	156	9.2	37.2	9.3	40.6	-0.0	27.2
Basic Materials	25	3.6	94.1	4.6	36.6	0.0	58.4
Communications	61	9.0	27.8	8.7	35.4	0.1	17.2
Consumer Cyclical	78	6.2	70.7	7.8	362.4	0.2	345.8
Consumer Non-cyclical	96	9.3	237.9	7.9	191.4	0.1	200.8
Diversified	4	22.4	15.9	22.5	14.9	-4.2	13.5
Energy	16	14.2	41.8	10.4	54.8	-2.4	14.2
Industrial	128	7.7	68.9	7.2	88.6	0.1	53.7
Technology	70	6.1	58.6	7.1	72.2	0.4	17.9
Utilities	9	6.0	6.5	5.4	8.0	-0.2	2.7



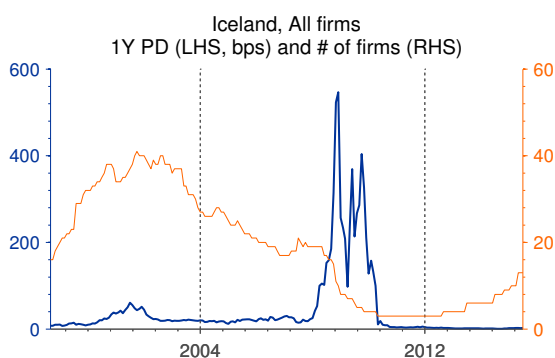
Greece	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	17	45.2	104.1	58.4	63.1	-4.6	47.5
Basic Materials	13	29.2	62.2	29.5	156.5	2.5	108.2
Communications	10	71.7	588.8	85.3	102.3	-3.5	561.4
Consumer Cyclical	32	38.7	105.7	28.2	63.1	-1.4	85.1
Consumer Non-cyclical	31	48.6	163.0	41.9	75.3	1.4	151.2
Diversified	1	34.5	-	48.9	-	14.4	-
Energy	6	65.1	191.8	51.1	241.8	-10.8	54.3
Industrial	51	69.0	303.9	58.0	269.4	-5.9	78.8
Technology	8	25.3	45.0	26.4	52.9	0.2	22.4
Utilities	3	20.2	26.7	18.5	39.7	0.4	13.4



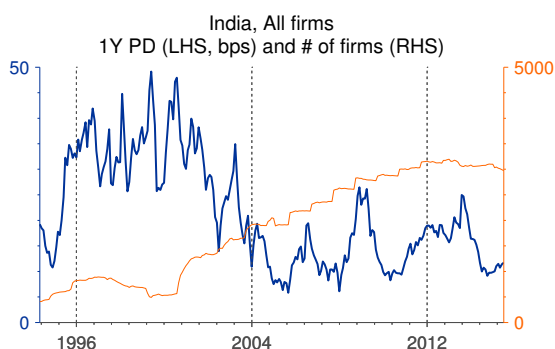
Hong Kong	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	239	7.2	42.8	7.2	25.2	-0.1	25.5
Basic Materials	55	15.8	55.5	13.3	56.3	-0.8	32.1
Communications	76	12.4	26.9	10.7	18.8	-0.1	16.2
Consumer Cyclical	255	6.8	29.7	5.8	18.4	-0.5	16.0
Consumer Non-cyclical	136	8.6	48.0	8.0	40.4	-0.4	24.2
Diversified	43	9.2	18.7	6.8	18.4	-2.0	14.1
Energy	37	30.4	46.1	24.0	39.6	-1.5	29.0
Industrial	199	13.2	37.3	11.4	26.6	-1.7	20.2
Technology	49	10.7	19.1	9.1	14.9	-1.3	8.1
Utilities	20	4.0	8.4	4.0	6.0	-0.0	6.7



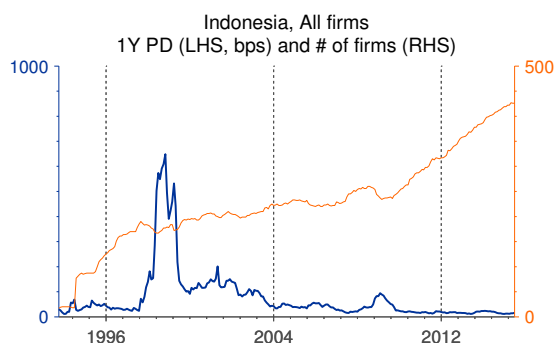
Hungary	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	8	22.1	18.6	18.3	12.9	-0.7	6.6
Communications	3	66.3	198.9	63.1	35.7	-3.2	173.4
Consumer Cyclical	3	19.5	49.7	12.1	46.3	-7.3	5.2
Consumer Non-cyclical	8	100.3	96.0	38.5	95.2	-12.9	92.2
Diversified	2	160.4	157.5	166.9	180.5	6.4	23.0
Energy	2	64.1	73.8	91.9	119.5	27.9	45.8
Industrial	1	42.1	-	28.1	-	-14.0	-
Technology	3	42.0	33.8	32.0	56.4	-1.7	23.5
Utilities	2	15.1	1.8	11.4	3.5	-3.7	1.7



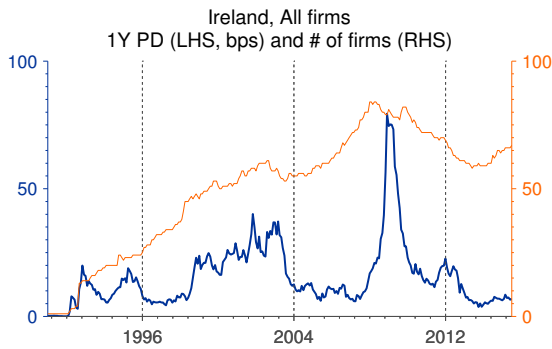
Iceland	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Communications	1	1.2	-	1.0	-	-0.3	-
Consumer Cyclical	2	1.9	2.0	1.7	1.2	-0.2	0.8
Consumer Non-cyclical	2	0.7	1.0	0.7	0.9	-0.0	0.1
Energy	1	0.0	-	0.0	-	0.0	-
Industrial	3	3.8	3.0	4.3	2.8	-1.3	1.4
Technology	1	10.6	-	8.0	-	-2.6	-



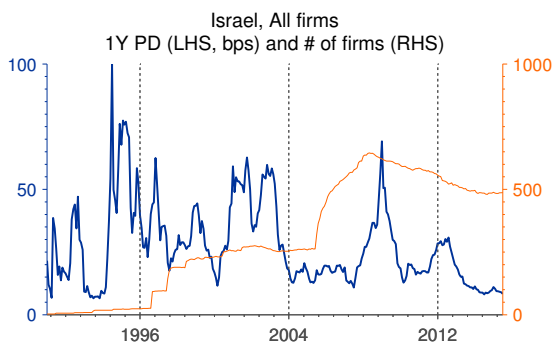
India	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	426	8.1	164.4	8.2	126.4	0.0	75.1
Basic Materials	408	15.8	75.7	14.3	93.4	-0.0	44.5
Communications	116	10.5	157.3	10.9	105.9	-0.3	61.0
Consumer Cyclical	599	13.1	117.8	13.0	146.8	-0.1	109.3
Consumer Non-cyclical	477	8.3	116.7	8.3	107.4	0.0	39.5
Diversified	28	28.2	31.1	25.1	32.2	-1.8	14.6
Energy	53	24.6	54.3	23.0	62.1	-0.7	41.8
Industrial	636	11.5	64.8	12.4	77.9	0.2	52.8
Technology	178	9.2	166.3	10.8	130.9	0.2	77.8
Utilities	35	33.9	99.1	36.2	129.1	4.0	42.3



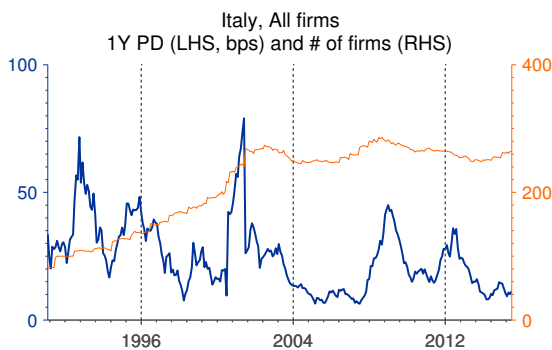
Indonesia	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	115	13.2	32.3	18.4	36.9	2.3	15.0
Basic Materials	40	26.2	63.2	36.6	96.8	2.6	41.5
Communications	25	10.8	38.5	10.7	43.1	0.3	11.5
Consumer Cyclical	64	10.6	34.8	12.1	37.5	0.4	14.9
Consumer Non-cyclical	71	9.3	41.6	13.3	49.6	1.2	25.3
Diversified	2	41.0	52.6	51.1	54.3	10.1	1.7
Energy	28	14.1	42.3	14.2	80.3	0.7	53.7
Industrial	59	6.7	19.7	12.1	28.2	1.6	12.7
Technology	7	1.1	13.3	2.9	27.7	1.8	16.6
Utilities	3	29.3	27.5	40.0	19.8	2.1	12.6



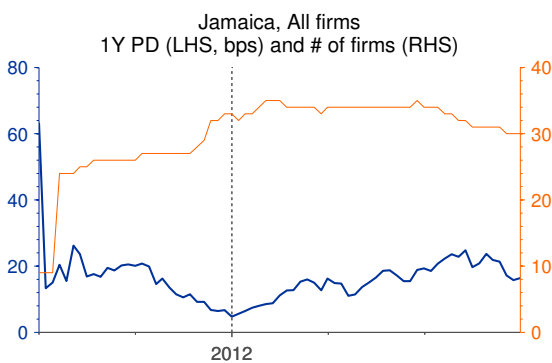
Ireland	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	13	5.9	63.4	6.5	18.7	-0.3	49.1
Basic Materials	9	48.5	47.8	42.7	25.7	-0.8	30.7
Communications	3	8.2	28.2	7.5	12.9	-0.7	15.5
Consumer Cyclical	4	1.4	3.2	1.2	2.7	-0.2	0.6
Consumer Non-cyclical	19	3.1	13.2	2.9	13.3	-0.2	4.7
Diversified	1	29.7	-	16.7	-	-13.0	-
Energy	8	65.9	30.8	49.7	51.8	-2.4	30.2
Industrial	6	1.8	10.9	1.6	3.7	-0.3	8.2
Technology	3	0.1	1.5	0.1	1.7	-0.0	0.2



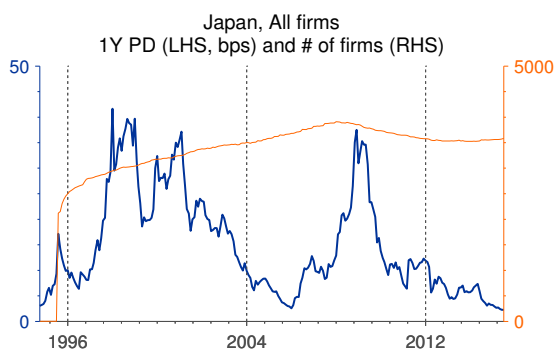
Israel	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	134	13.0	45.0	11.4	40.6	-0.2	24.8
Basic Materials	13	5.2	111.9	6.4	1491.2	-0.1	1379.8
Communications	35	11.5	165.5	9.0	184.8	-0.0	61.9
Consumer Cyclical	45	9.7	23.9	8.9	30.0	-0.1	7.9
Consumer Non-cyclical	100	7.3	36.4	6.6	23.6	-0.2	27.6
Diversified	10	11.8	18.5	10.3	20.3	-1.3	9.6
Energy	26	5.3	77.4	6.2	24.7	-0.5	57.1
Industrial	88	8.8	40.1	8.2	36.2	-0.2	29.1
Technology	31	7.1	86.3	7.0	29.2	-0.1	72.3



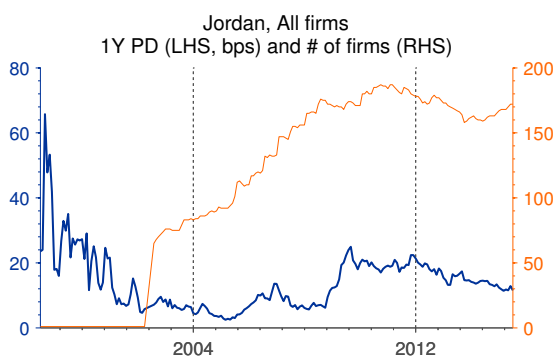
Italy	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	56	22.3	37.0	22.9	26.0	0.1	25.2
Basic Materials	4	29.5	13.9	34.7	21.1	6.0	9.2
Communications	31	12.1	27.2	14.9	27.8	1.9	12.5
Consumer Cyclical	44	5.7	39.7	8.4	31.2	0.5	17.3
Consumer Non-cyclical	31	5.3	21.3	8.3	19.9	1.9	11.9
Diversified	3	21.5	17.6	20.9	18.1	0.0	1.0
Energy	16	14.0	15.8	14.2	23.7	-0.2	11.6
Industrial	47	7.0	20.8	7.6	18.5	0.7	7.2
Technology	15	9.9	45.2	13.5	48.2	1.7	18.7
Utilities	12	6.5	2.9	6.7	4.7	0.7	3.7



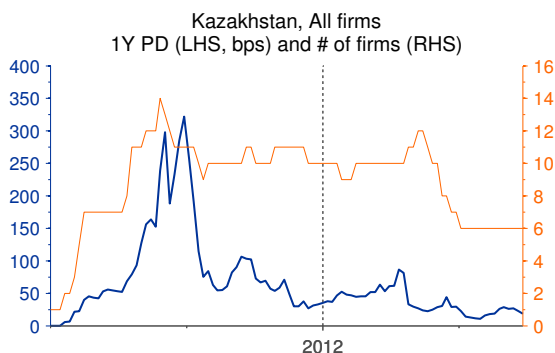
Jamaica	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	7	8.6	40.0	11.2	45.0	-0.9	13.0
Basic Materials	1	30.7	-	43.1	-	12.4	-
Communications	3	52.9	80.3	31.8	95.1	-16.7	15.3
Consumer Cyclical	4	11.9	10.1	11.1	9.5	-0.3	1.7
Consumer Non-cyclical	9	30.0	23.6	21.7	14.9	-9.4	11.2
Diversified	2	9.6	8.1	8.6	5.8	-1.0	2.2
Industrial	4	11.2	63.5	7.5	19.7	-3.7	44.3



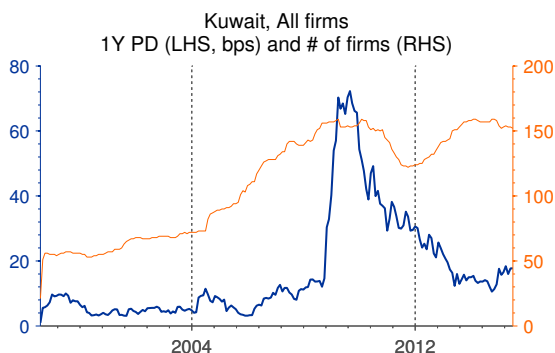
Japan	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	325	7.8	26.5	6.6	23.6	-0.3	11.1
Basic Materials	243	3.0	10.0	2.3	9.8	-0.2	3.8
Communications	244	2.8	8.6	2.4	8.1	-0.1	4.3
Consumer Cyclical	857	2.3	12.1	2.0	12.0	-0.1	6.3
Consumer Non-cyclical	594	1.0	15.4	0.8	14.1	-0.0	5.2
Diversified	2	9.0	0.3	10.2	3.0	1.2	2.7
Energy	16	6.5	38.5	4.5	87.5	-1.2	51.1
Industrial	969	3.6	12.7	3.2	15.7	-0.1	8.6
Technology	275	2.1	14.4	1.6	15.1	-0.1	6.6
Utilities	22	3.2	9.2	2.3	4.3	-0.7	5.5



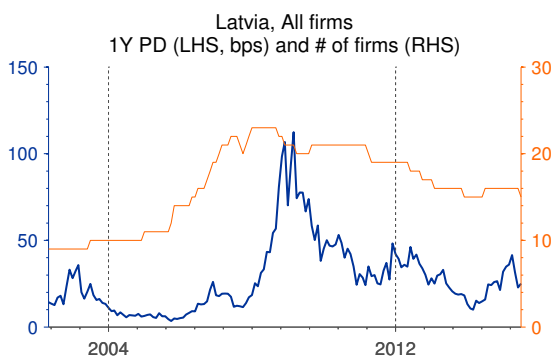
Jordan	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	85	9.5	21.6	9.8	27.9	0.2	13.4
Basic Materials	15	18.9	24.9	16.6	33.2	2.0	16.6
Communications	3	60.4	82.1	49.4	68.2	-11.0	13.9
Consumer Cyclical	16	12.8	75.3	14.4	83.6	1.1	10.3
Consumer Non-cyclical	21	11.0	22.1	8.4	22.3	-0.1	4.8
Diversified	2	35.3	44.6	45.5	45.7	10.3	1.1
Energy	2	10.3	14.2	8.0	11.0	-2.3	3.2
Industrial	22	20.1	29.5	24.1	38.7	2.3	17.0
Utilities	2	28.7	6.9	34.5	7.2	5.8	0.3



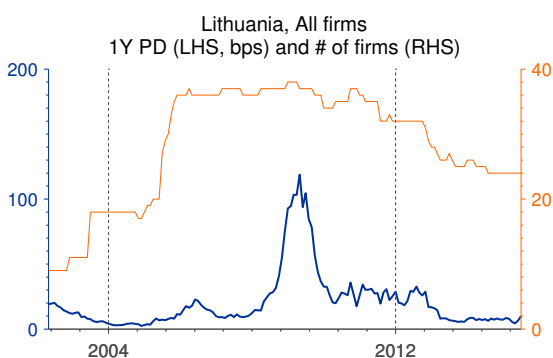
Kazakhstan	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	3	142.8	96.6	148.7	90.9	-7.0	14.4
Communications	1	22.6	-	14.8	-	-7.7	-
Energy	2	6.9	0.4	5.7	1.2	-1.2	0.8



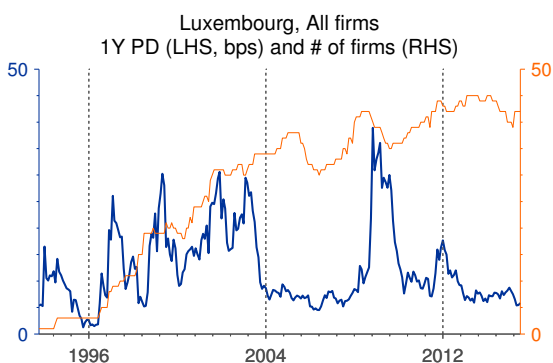
Kuwait	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	78	21.6	43.0	20.5	33.4	0.6	20.1
Basic Materials	4	4.9	23.5	8.9	21.7	-0.5	5.3
Communications	6	16.0	66.8	23.0	21.9	-2.3	46.9
Consumer Cyclical	15	14.1	88.4	13.0	76.9	1.1	18.4
Consumer Non-cyclical	11	3.6	25.3	3.3	28.9	-0.6	7.5
Diversified	5	18.6	54.2	20.9	31.8	-0.6	50.1
Energy	6	24.0	73.2	43.7	70.4	4.9	11.8
Industrial	23	15.7	31.6	13.4	31.9	0.5	6.6
Technology	1	0.3	-	0.2	-	-0.1	-



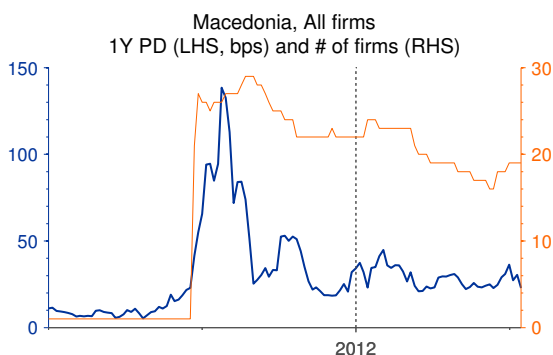
Latvia	#	2015Q1		2015Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Communications	1	10.8	-	3.4	-	-7.3	-
Consumer Cyclical	2	150.8	139.5	147.4	145.7	-3.4	6.2
Consumer Non-cyclical	6	41.5	107.8	23.1	43.5	-14.6	65.6
Energy	1	23.5	-	26.5	-	3.0	-
Industrial	4	57.7	62.2	63.4	149.5	-3.8	130.0
Utilities	1	1.1	-	1.8	-	0.7	-



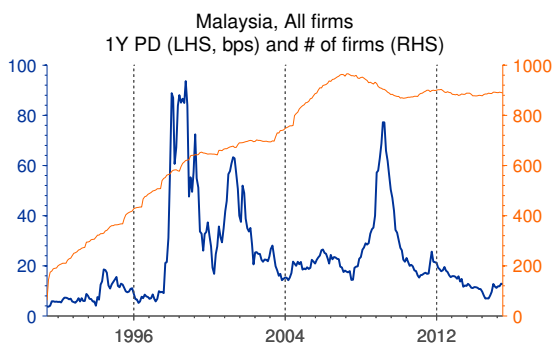
Lithuania	#	2015Q1		2015Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	3	8.5	3.7	27.0	11.2	14.3	11.1
Basic Materials	1	1.4	-	13.0	-	11.7	-
Communications	1	0.5	-	0.2	-	-0.3	-
Consumer Cyclical	4	15.0	15.1	21.9	17.6	8.0	6.0
Consumer Non-cyclical	7	4.0	20.4	3.4	13.7	-0.6	6.8
Energy	1	0.8	-	1.1	-	0.3	-
Industrial	3	43.3	124.3	78.5	89.0	-3.4	45.1
Utilities	4	6.7	5.3	7.9	7.6	1.2	2.4



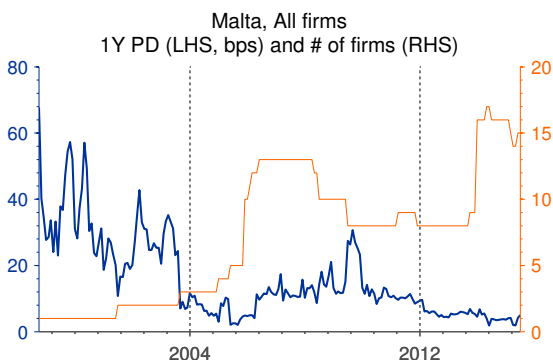
Luxembourg	#	2015Q1		2015Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	13	6.0	261.6	5.5	54.8	-1.2	230.3
Basic Materials	6	11.2	12.5	12.2	14.4	0.5	2.0
Communications	5	2.0	30.6	1.9	45.3	0.1	15.0
Consumer Cyclical	2	16.9	23.2	9.4	12.7	-7.5	10.5
Consumer Non-cyclical	8	4.4	21.2	3.7	43.0	-0.3	22.1
Industrial	5	7.1	4.5	7.3	4.4	0.2	0.9
Technology	3	1.5	10.6	2.1	10.1	-0.2	0.7



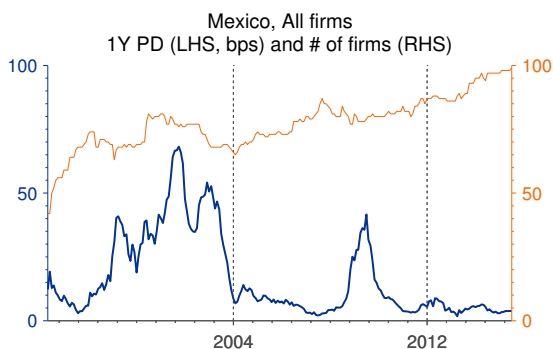
Macedonia	#	2015Q1		2015Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	5	39.8	11.0	31.2	12.3	-13.9	7.5
Basic Materials	3	44.5	43.5	28.6	21.7	-15.9	22.1
Communications	1	3.9	-	3.3	-	-0.5	-
Consumer Cyclical	2	16.7	23.7	11.4	16.1	-5.3	7.5
Consumer Non-cyclical	5	3.6	20.4	1.7	4.6	-1.9	15.9
Industrial	2	101.0	103.0	73.5	58.6	-27.5	44.5
Utilities	1	58.7	-	53.4	-	-5.4	-



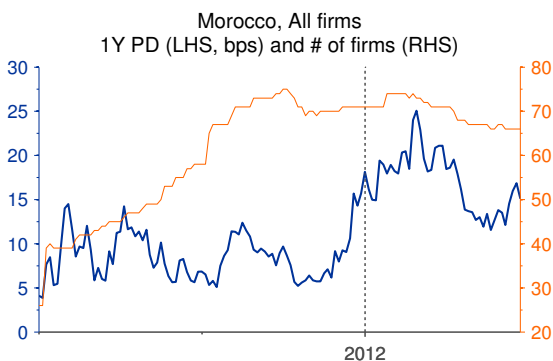
Malaysia	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	132	10.8	39.6	12.5	41.4	0.2	8.4
Basic Materials	62	24.1	261.7	29.6	96.8	0.8	181.9
Communications	38	12.4	66.3	12.1	87.9	0.5	38.5
Consumer Cyclical	116	11.4	41.5	15.1	67.2	0.4	37.2
Consumer Non-cyclical	149	3.7	67.4	3.4	179.1	0.1	123.1
Diversified	25	7.2	96.7	8.9	115.7	2.0	33.3
Energy	29	30.8	46.3	30.7	57.2	0.3	23.0
Industrial	271	13.8	67.4	14.7	81.6	0.1	60.8
Technology	58	16.1	44.1	14.9	71.0	0.2	43.7
Utilities	5	6.4	19.1	4.1	17.7	-2.3	2.4



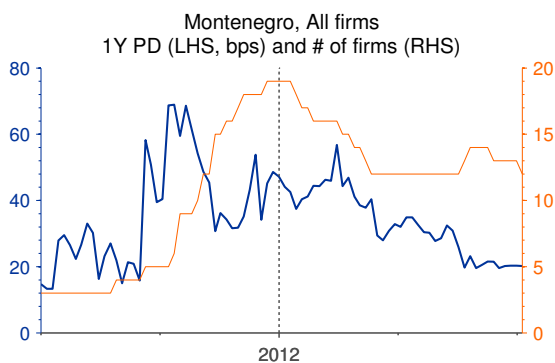
Malta	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	6	4.5	8.7	7.0	9.6	1.0	2.5
Communications	1	0.2	-	0.1	-	-0.1	-
Consumer Cyclical	4	4.7	21.0	3.0	4.3	-1.7	17.1
Consumer Non-cyclical	2	0.1	0.0	2.5	3.5	2.4	3.5
Industrial	1	0.1	-	0.1	-	-0.0	-



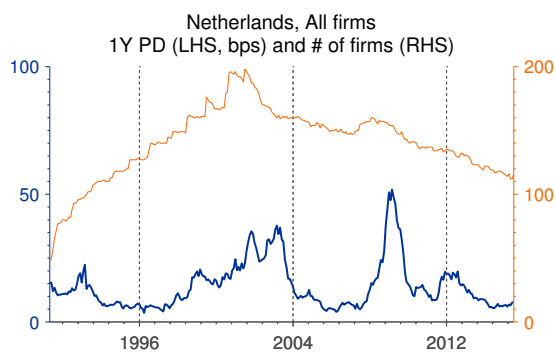
Mexico	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	22	9.8	16.2	12.3	22.6	1.4	9.1
Basic Materials	12	7.6	7.3	5.1	11.6	-0.1	6.5
Communications	7	8.4	11.9	4.8	11.7	-0.3	8.9
Consumer Cyclical	21	5.0	29.8	5.6	47.6	0.3	22.0
Consumer Non-cyclical	17	0.7	16.2	0.8	17.6	0.0	7.8
Diversified	5	6.8	8.9	8.9	9.8	2.0	2.8
Industrial	13	1.7	82.4	1.7	83.6	0.0	9.5
Utilities	1	0.6	-	0.7	-	0.1	-



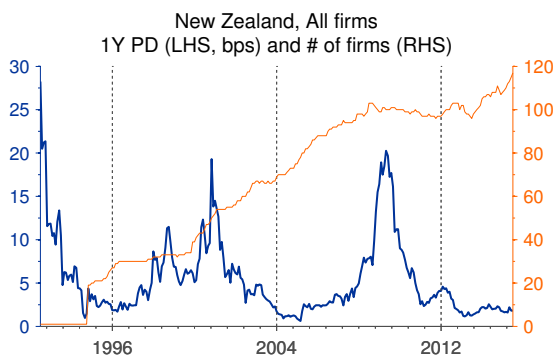
Morocco	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	16	21.7	27.7	27.7	24.7	1.3	9.0
Basic Materials	10	11.4	50.7	13.9	44.9	0.7	15.5
Communications	1	0.0	-	0.1	-	0.0	-
Consumer Cyclical	7	23.1	17.5	24.9	21.8	1.8	9.8
Consumer Non-cyclical	10	3.9	7.8	3.0	6.5	-0.2	4.1
Energy	1	243.4	-	244.7	-	1.3	-
Industrial	12	14.6	68.6	14.7	128.0	0.4	85.8
Technology	5	16.5	26.5	25.6	30.6	8.1	5.5
Utilities	3	6.4	9.3	7.1	11.2	0.7	2.0



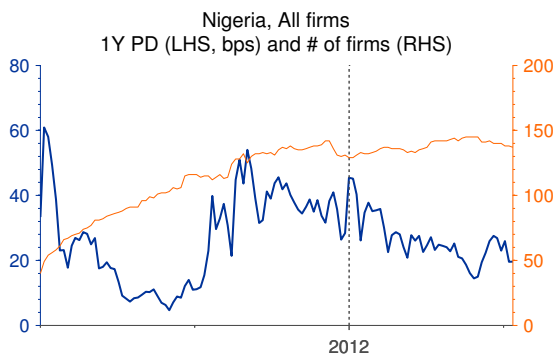
Montenegro	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Communications	1	0.5	—	0.6	—	0.1	—
Consumer Cyclical	4	7.0	14.5	11.3	18.6	4.2	4.5
Consumer Non-cyclical	4	26.5	9.0	25.1	3.0	0.1	8.7
Energy	1	14.3	—	20.6	—	6.2	—
Utilities	2	15.6	15.9	11.6	11.6	-4.0	4.3



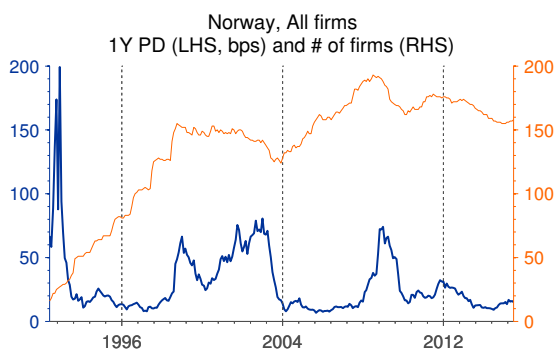
Netherlands	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	19	13.1	85.1	18.5	98.8	0.8	18.5
Basic Materials	7	9.0	42.8	12.3	100.4	0.6	70.2
Communications	9	12.9	22.8	13.1	92.7	0.2	72.9
Consumer Cyclical	11	6.3	44.5	5.8	28.9	-0.6	29.0
Consumer Non-cyclical	22	2.6	61.4	2.6	62.6	0.0	8.7
Energy	7	2.5	41.9	4.3	157.6	1.9	116.4
Industrial	24	8.9	25.4	11.0	40.7	0.8	20.1
Technology	13	4.0	39.8	2.6	25.5	-1.0	15.7



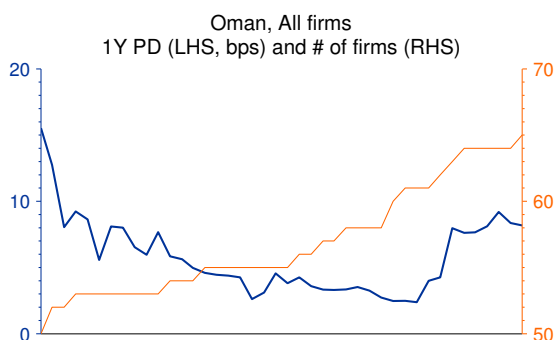
New Zealand	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	16	0.1	23.5	0.1	24.0	0.0	7.2
Basic Materials	3	34.2	433.4	46.5	558.5	12.4	125.1
Communications	7	4.9	74.8	5.2	65.9	0.0	10.9
Consumer Cyclical	19	3.2	40.7	3.2	40.6	0.1	23.0
Consumer Non-cyclical	31	2.4	20.4	3.4	16.8	-0.1	6.8
Diversified	2	21.1	28.0	16.6	20.6	-4.6	7.4
Energy	4	2.2	21.8	1.9	11.1	-0.3	10.8
Industrial	14	1.3	66.8	1.3	30.4	-0.2	36.6
Technology	7	3.1	23.1	3.3	26.6	0.6	3.9
Utilities	8	0.4	1.0	1.4	5.5	0.6	5.3



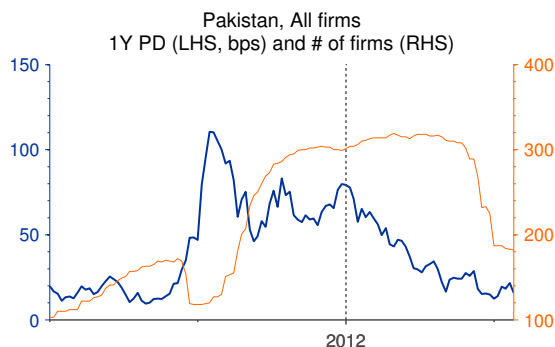
Nigeria	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	47	24.9	47.7	23.5	46.4	0.0	23.7
Basic Materials	11	9.6	29.0	8.6	26.4	-0.4	4.2
Communications	5	21.2	47.7	14.7	58.7	0.0	11.8
Consumer Cyclical	14	47.1	89.3	33.8	89.0	-1.6	21.0
Consumer Non-cyclical	31	15.7	61.1	15.2	69.6	0.1	28.2
Energy	10	45.7	74.2	49.5	54.5	-3.8	45.9
Industrial	17	26.2	64.8	19.6	80.4	-0.5	22.4
Technology	2	32.0	42.4	33.6	44.2	1.6	1.8



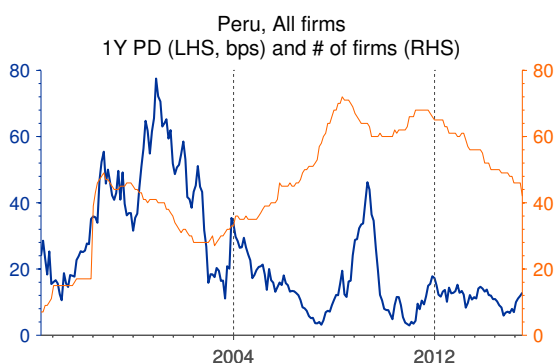
Norway	#	2015Q1		2015Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	36	21.8	30.6	19.3	23.5	0.7	13.8
Basic Materials	6	2.9	25.9	3.9	36.8	1.6	11.0
Communications	8	6.9	38.3	6.7	16.7	-2.7	25.3
Consumer Cyclical	3	12.6	9.1	13.9	7.3	2.3	4.5
Consumer Non-cyclical	22	5.8	14.2	4.7	17.9	0.1	14.9
Diversified	1	11.7	-	6.3	-	-5.4	-
Energy	20	37.1	60.5	30.2	47.7	-2.0	42.2
Industrial	45	21.7	39.5	18.8	58.9	0.5	28.7
Technology	8	13.3	12.7	13.5	14.0	0.7	5.9
Utilities	2	4.4	4.8	5.1	5.7	0.6	0.9



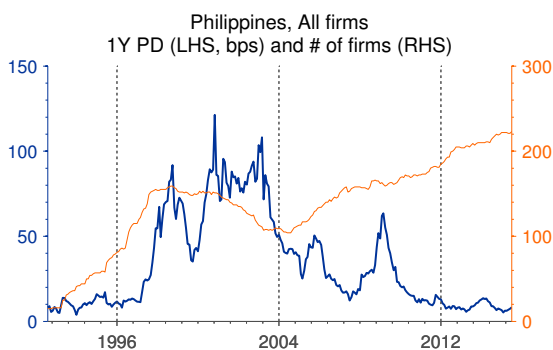
Oman	#	2015Q1		2015Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	25	19.6	34.5	17.8	34.4	0.6	29.2
Basic Materials	4	7.9	7.5	10.5	14.2	2.7	6.7
Communications	2	1.1	1.4	1.0	1.3	-0.1	0.1
Consumer Cyclical	1	11.1	-	11.4	-	0.3	-
Consumer Non-cyclical	8	3.3	18.6	6.6	19.2	-0.0	5.7
Diversified	1	11.9	-	17.5	-	5.6	-
Energy	5	1.0	35.9	2.5	41.6	0.0	13.3
Industrial	11	3.5	20.2	3.5	24.4	0.6	10.6
Utilities	7	2.4	2.2	2.4	2.3	0.0	1.2



Pakistan	#	2015Q1		2015Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	39	68.2	67.8	71.2	66.6	-0.7	20.8
Basic Materials	21	9.4	97.5	7.4	80.3	-0.9	18.0
Communications	5	28.4	119.4	13.4	94.3	-7.3	27.5
Consumer Cyclical	36	22.1	80.7	16.8	53.9	-2.1	29.7
Consumer Non-cyclical	32	4.9	82.8	5.4	72.6	-0.5	17.2
Energy	10	38.9	132.2	24.1	21.2	-9.4	118.5
Industrial	29	6.0	35.2	5.6	25.5	-0.7	19.2
Technology	1	27.2	-	11.7	-	-15.5	-
Utilities	9	12.1	57.2	16.4	57.1	-1.0	7.8



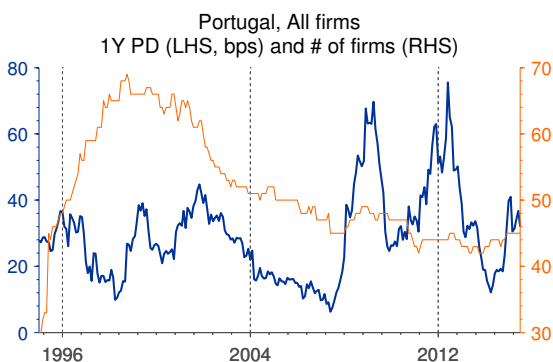
Peru	#	2015Q1		2015Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	8	10.5	14.0	15.9	19.0	3.7	7.9
Basic Materials	13	7.2	84.5	8.3	50.7	-0.0	39.2
Communications	1	14.3	-	17.6	-	3.2	-
Consumer Cyclical	1	1.0	-	1.0	-	0.0	-
Consumer Non-cyclical	9	23.3	29.0	25.5	24.4	2.1	7.9
Diversified	2	9.9	3.0	17.2	6.0	7.3	3.0
Energy	1	317.7	-	212.4	-	-105.3	-
Industrial	2	8.9	3.6	8.7	2.2	-0.3	1.3
Utilities	5	0.6	5.4	0.5	10.8	0.1	5.4



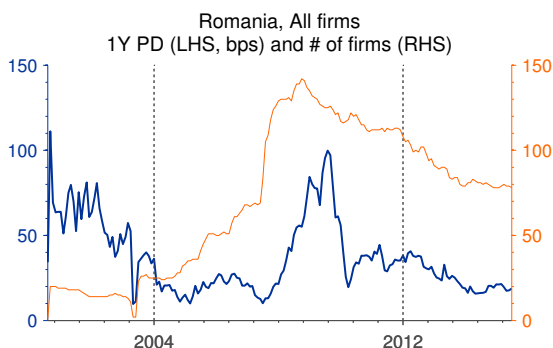
Philippines	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	73	7.7	37.7	9.1	26.0	0.1	24.5
Basic Materials	24	5.1	45.8	6.9	52.6	0.4	17.0
Communications	14	1.3	50.4	1.8	34.5	0.0	28.1
Consumer Cyclical	27	8.2	21.7	8.6	25.1	0.2	9.4
Consumer Non-cyclical	32	7.1	77.0	6.4	89.1	0.1	20.1
Diversified	14	3.0	67.6	5.5	55.5	0.9	47.7
Energy	12	7.3	22.4	12.0	28.5	2.2	9.8
Industrial	11	13.9	40.3	24.0	41.4	-0.0	17.9
Technology	2	1.5	1.5	2.1	2.7	0.6	1.2
Utilities	12	4.9	8.6	6.5	12.6	0.8	5.4



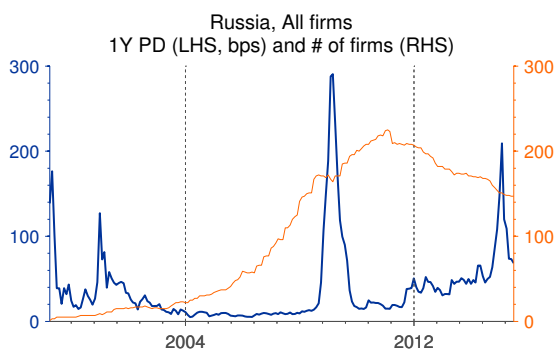
Poland	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	76	27.8	230.1	21.5	268.5	-3.4	206.0
Basic Materials	26	10.5	27.2	8.7	19.6	-1.0	9.5
Communications	37	23.3	85.6	17.8	84.0	-2.8	48.5
Consumer Cyclical	56	17.1	93.1	15.8	65.4	-1.9	48.9
Consumer Non-cyclical	57	15.9	44.6	13.4	26.8	-2.2	29.6
Energy	12	20.5	344.2	18.0	224.5	-1.9	122.8
Industrial	116	21.8	50.6	19.1	37.0	-1.2	22.3
Technology	40	16.1	188.9	14.1	220.3	-0.7	135.5
Utilities	11	18.5	187.8	12.0	321.6	-3.4	162.8



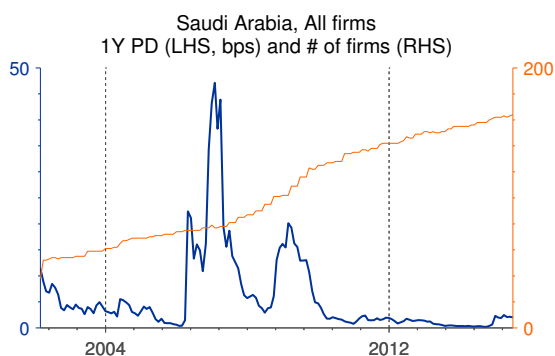
Portugal	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	4	35.5	12.8	46.1	10.8	2.2	11.7
Basic Materials	6	4.2	20.3	10.5	22.0	4.9	2.9
Communications	7	22.4	36.7	31.8	34.1	0.4	11.7
Consumer Cyclical	6	101.4	59.5	111.7	66.6	14.7	37.4
Consumer Non-cyclical	6	7.0	99.8	13.9	87.4	-0.1	16.1
Diversified	2	53.5	47.1	79.7	71.3	26.2	24.3
Energy	1	6.5	-	6.9	-	0.4	-
Industrial	8	39.8	40.6	67.3	40.3	17.7	19.2
Technology	3	43.1	74.9	55.9	82.0	11.1	11.3
Utilities	2	4.5	0.9	6.0	1.0	1.5	0.1



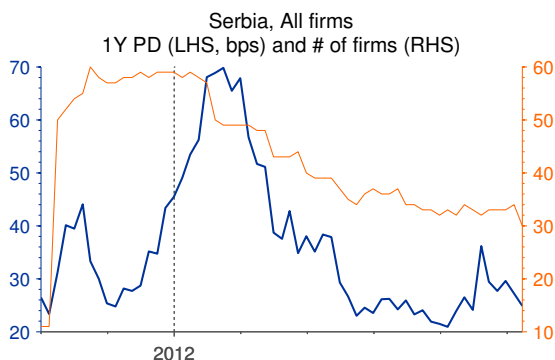
Romania	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	8	14.7	30.4	15.1	34.8	0.0	5.7
Basic Materials	8	29.3	111.9	29.4	72.0	-3.0	60.2
Communications	1	12.8	-	18.6	-	5.7	-
Consumer Cyclical	10	8.3	13.5	8.6	18.8	-2.1	7.6
Consumer Non-cyclical	12	19.1	33.2	13.8	39.9	-0.1	8.6
Energy	10	16.6	73.4	14.9	146.2	-1.2	99.1
Industrial	24	21.7	12.8	21.7	33.7	-0.0	33.1
Utilities	4	2.1	5.1	2.9	4.0	0.1	1.6



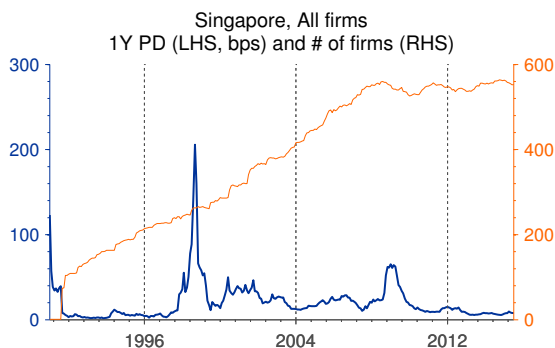
Russia	#	2015Q1		2015Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	17	135.1	123.0	119.3	154.9	-21.1	127.5
Basic Materials	19	26.2	49.0	26.9	40.0	-3.1	28.6
Communications	10	76.3	67.1	62.5	64.1	-11.8	48.2
Consumer Cyclical	12	137.0	124.5	65.6	71.2	-54.0	74.7
Consumer Non-cyclical	19	94.2	144.2	55.2	189.1	-14.3	106.0
Diversified	1	110.3	-	226.4	-	116.1	-
Energy	18	45.0	71.4	37.7	55.0	-1.8	34.9
Industrial	10	148.6	135.7	67.3	58.6	-34.8	97.5
Technology	1	304.8	-	147.3	-	-157.5	-
Utilities	39	184.6	83.5	117.5	71.9	-47.8	43.4



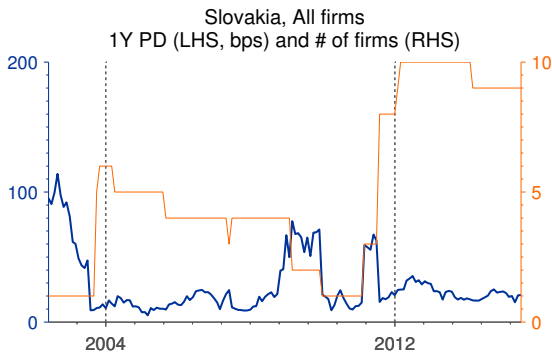
Saudi Arabia	#	2015Q1		2015Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	59	1.1	8.4	1.3	7.1	0.0	3.8
Basic Materials	18	6.8	10.4	9.7	13.5	0.3	8.3
Communications	7	20.5	21.2	15.3	22.7	-2.5	13.0
Consumer Cyclical	16	1.9	4.8	1.8	4.0	-0.0	1.4
Consumer Non-cyclical	25	2.4	4.7	1.5	4.4	-0.0	0.9
Diversified	3	16.5	6.7	13.4	13.4	-0.7	11.4
Energy	2	5.3	3.9	4.5	3.4	-0.7	0.5
Industrial	30	0.8	10.8	1.0	11.8	-0.0	2.5
Utilities	2	41.6	58.7	24.1	33.6	-17.5	25.1



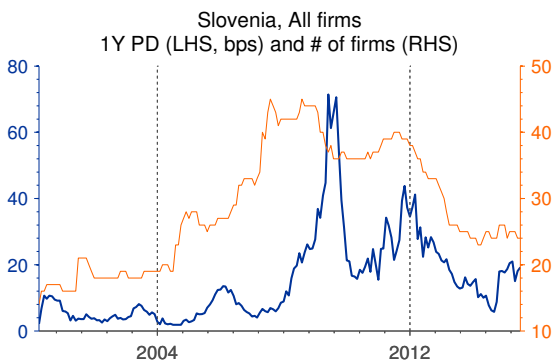
Serbia	#	2015Q1		2015Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	5	27.7	34.5	26.4	21.9	-0.9	13.8
Basic Materials	3	18.2	43.9	28.4	44.5	7.9	16.2
Consumer Cyclical	2	19.7	20.2	14.8	15.3	-5.0	4.9
Consumer Non-cyclical	10	26.8	24.4	23.6	28.7	-0.0	10.2
Diversified	2	42.1	50.1	157.6	215.8	115.5	165.7
Energy	1	27.5	-	10.9	-	-16.6	-
Industrial	6	28.9	64.5	24.6	69.2	-2.8	8.6



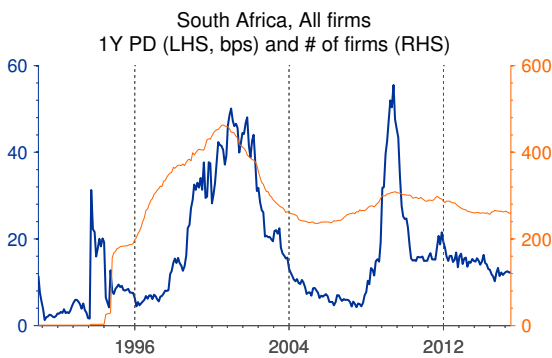
Singapore	#	2015Q1		2015Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	95	0.8	82.8	0.8	108.8	0.0	47.3
Basic Materials	30	24.9	99.3	17.7	58.6	-0.1	51.5
Communications	24	12.9	111.2	11.5	111.0	-0.3	17.9
Consumer Cyclical	74	4.5	41.1	4.8	24.7	-0.0	33.6
Consumer Non-cyclical	77	6.1	82.3	5.1	94.6	-0.0	61.4
Diversified	13	4.5	46.9	4.6	46.5	0.0	6.0
Energy	30	25.7	66.0	28.5	75.9	-0.8	41.1
Industrial	180	15.3	91.0	15.1	77.2	-0.1	54.0
Technology	25	8.2	81.7	9.7	51.9	0.0	54.0
Utilities	2	22.5	30.8	21.6	29.7	-0.9	1.1



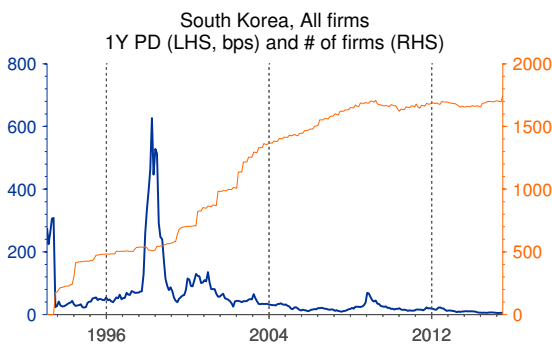
Slovakia	#	2015Q1		2015Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	1	23.0	-	20.8	-	-2.2	-
Basic Materials	1	25.4	-	24.7	-	-0.7	-
Consumer Cyclical	2	5.5	7.7	5.3	7.3	-0.2	0.4
Consumer Non-cyclical	2	17.2	17.0	25.6	26.3	8.4	9.3
Energy	1	20.0	-	22.4	-	2.4	-
Industrial	1	305.6	-	126.4	-	-179.2	-
Technology	1	3.3	-	8.2	-	4.9	-



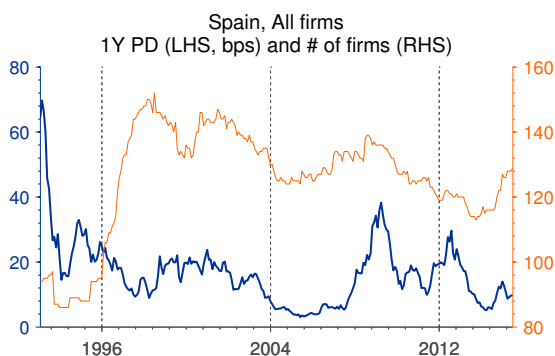
Slovenia	#	2015Q1		2015Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	3	9.0	25.9	18.8	48.5	9.8	22.6
Basic Materials	2	13.0	16.9	11.8	10.7	-1.3	6.2
Communications	1	6.6	-	17.1	-	10.5	-
Consumer Cyclical	5	23.4	191.2	25.8	587.8	-1.7	398.3
Consumer Non-cyclical	7	14.9	25.0	15.2	34.1	0.0	9.6
Diversified	1	416.9	-	3494.7	-	3077.8	-
Energy	1	3.2	-	4.8	-	1.6	-
Industrial	3	27.4	24.6	23.8	39.8	0.4	17.3
Technology	1	33.1	-	50.6	-	17.4	-



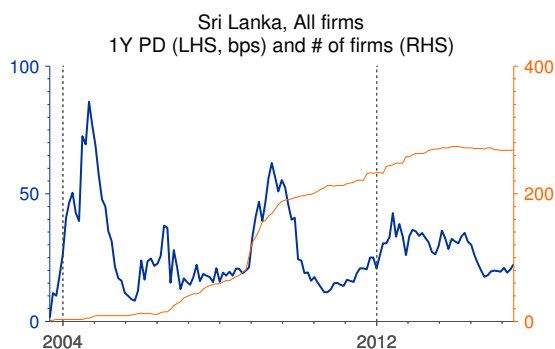
South Africa	#	2015Q1		2015Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	69	12.6	51.8	15.9	75.3	0.6	33.7
Basic Materials	37	26.6	122.3	38.3	197.8	1.9	147.0
Communications	12	3.9	73.5	3.8	80.2	-0.2	23.4
Consumer Cyclical	31	3.9	23.7	5.6	19.5	0.0	9.0
Consumer Non-cyclical	32	4.6	173.2	3.9	120.0	0.1	57.8
Diversified	9	16.9	103.4	15.6	35.2	-0.0	74.1
Energy	7	33.0	28.4	32.4	40.5	3.2	14.6
Industrial	50	25.6	181.0	27.7	128.4	-0.7	106.1
Technology	11	3.9	14.3	3.8	11.4	-0.9	6.0



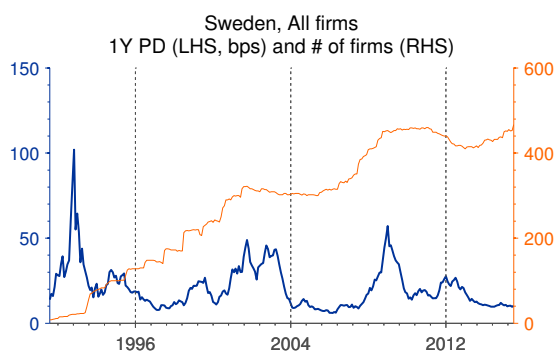
South Korea	#	2015Q1		2015Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	89	13.2	29.1	16.9	33.2	0.0	20.7
Basic Materials	185	4.6	29.9	6.2	37.2	0.4	16.7
Communications	181	4.6	18.4	5.1	16.3	0.0	10.6
Consumer Cyclical	275	7.3	19.9	8.0	35.8	0.5	29.1
Consumer Non-cyclical	245	2.4	9.0	2.7	12.2	0.1	8.7
Diversified	20	3.0	43.4	7.3	31.4	1.6	15.3
Energy	11	8.0	20.0	6.9	42.2	-0.1	31.0
Industrial	468	5.9	22.2	7.3	26.8	0.5	13.4
Technology	199	4.0	36.2	4.3	21.2	0.2	27.0
Utilities	17	11.9	20.3	12.8	17.9	-0.6	5.4



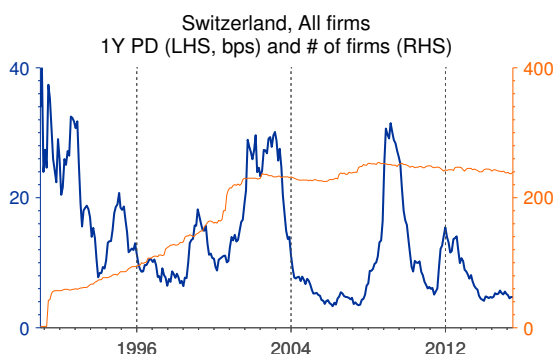
Spain	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	29	23.7	20.7	26.1	23.3	1.9	9.0
Basic Materials	7	3.1	5.6	4.9	7.2	1.7	2.1
Communications	13	13.5	37.7	10.8	23.8	0.6	30.2
Consumer Cyclical	10	10.3	18.1	9.2	29.7	0.2	16.9
Consumer Non-cyclical	27	4.1	22.6	6.9	44.6	0.4	24.6
Energy	3	3.6	9.0	5.9	22.4	2.3	13.3
Industrial	28	9.4	38.9	12.5	34.1	1.2	13.8
Technology	3	6.1	5.8	5.1	8.6	0.2	3.3
Utilities	8	3.3	15.0	4.1	12.8	0.5	4.1



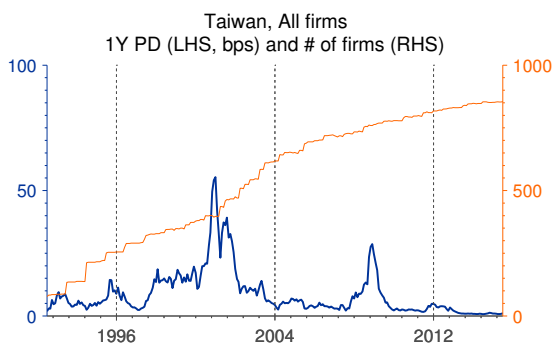
Sri Lanka	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	84	43.6	77.7	36.0	83.5	-0.7	45.0
Basic Materials	14	15.3	31.8	17.3	35.5	-0.8	16.9
Communications	4	9.2	5.1	9.2	6.7	0.2	2.3
Consumer Cyclical	62	16.9	109.6	15.9	90.6	0.3	27.1
Consumer Non-cyclical	53	21.0	42.4	23.7	55.1	0.3	20.9
Diversified	16	25.4	38.4	21.5	37.5	-1.7	10.5
Energy	3	4.3	9.1	6.6	5.9	0.0	4.2
Industrial	24	17.5	55.7	17.6	134.2	-0.5	93.4
Technology	3	12.5	604.5	20.8	730.0	8.3	125.5
Utilities	5	5.1	6.2	4.0	6.6	-0.0	1.8



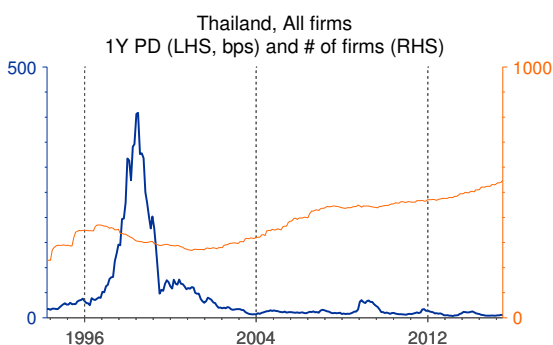
Sweden	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	59	4.4	28.4	5.8	19.6	0.7	19.2
Basic Materials	27	37.0	79.8	33.0	73.3	0.7	26.6
Communications	44	18.9	80.7	22.6	127.5	0.5	69.5
Consumer Cyclical	52	6.5	44.1	7.3	36.0	0.2	18.2
Consumer Non-cyclical	115	9.1	59.6	10.6	41.0	0.0	36.6
Diversified	7	3.4	71.8	3.0	81.6	-0.2	15.7
Energy	16	23.9	195.0	22.4	86.1	-1.9	125.6
Industrial	90	11.1	93.6	8.6	77.5	-0.3	38.5
Technology	36	8.7	30.2	7.3	26.2	0.1	15.5
Utilities	2	10.1	4.6	8.2	4.7	-1.8	0.1



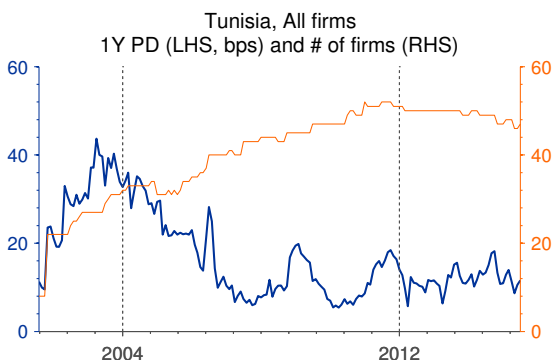
Switzerland	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	64	6.5	384.6	6.5	132.2	-0.0	322.6
Basic Materials	15	3.7	16.6	4.2	15.1	0.1	5.4
Communications	10	2.4	16.7	2.5	17.2	0.0	3.8
Consumer Cyclical	19	5.9	18.1	6.2	18.0	-0.2	2.4
Consumer Non-cyclical	37	3.0	10.8	3.1	18.1	0.2	8.3
Diversified	4	17.9	24.8	26.7	38.6	9.4	13.8
Energy	5	77.2	142.1	52.5	65.6	1.1	97.8
Industrial	64	3.2	236.2	3.5	39.4	0.1	206.0
Technology	11	6.5	41.0	7.8	43.1	-0.1	10.8
Utilities	6	10.4	21.9	9.0	18.4	-1.7	3.5



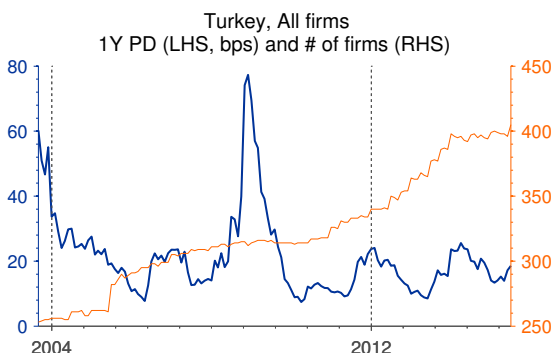
Taiwan	#	2015Q1		2015Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	81	1.6	25.1	2.0	27.7	0.3	3.6
Basic Materials	75	0.6	6.2	0.8	11.7	0.1	7.8
Communications	39	1.3	7.1	2.0	6.4	0.2	4.0
Consumer Cyclical	141	0.5	9.2	0.7	7.6	0.0	5.5
Consumer Non-cyclical	56	0.3	2.2	0.4	3.6	0.0	1.6
Diversified	1	0.0	-	0.0	-	0.0	-
Energy	5	4.7	2.2	5.5	2.7	1.1	0.6
Industrial	302	0.9	5.9	1.2	7.6	0.2	2.9
Technology	148	1.0	6.5	1.2	9.3	0.1	4.6
Utilities	5	0.0	0.1	0.1	0.2	0.0	0.1



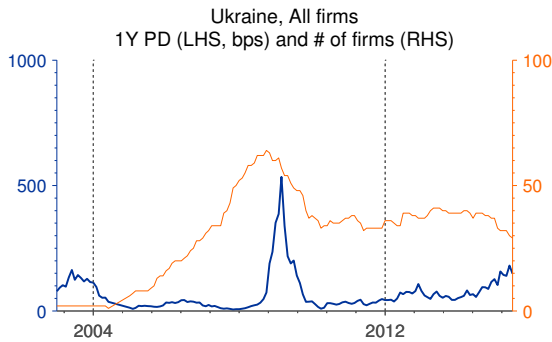
Thailand	#	2015Q1		2015Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	94	10.2	17.3	10.1	19.3	0.0	9.2
Basic Materials	54	3.8	42.1	5.5	52.3	0.0	13.2
Communications	39	5.8	11.0	7.8	11.3	0.4	4.4
Consumer Cyclical	121	4.1	16.5	5.5	20.5	0.1	9.7
Consumer Non-cyclical	81	1.2	11.4	1.5	11.5	-0.0	3.4
Diversified	3	0.4	0.9	0.4	0.6	0.0	0.3
Energy	16	5.7	17.9	5.7	22.5	0.1	8.2
Industrial	104	5.1	12.2	5.4	14.4	0.0	7.0
Technology	12	4.6	28.7	8.0	49.6	2.7	21.0
Utilities	9	2.7	5.0	1.6	4.9	0.1	1.2



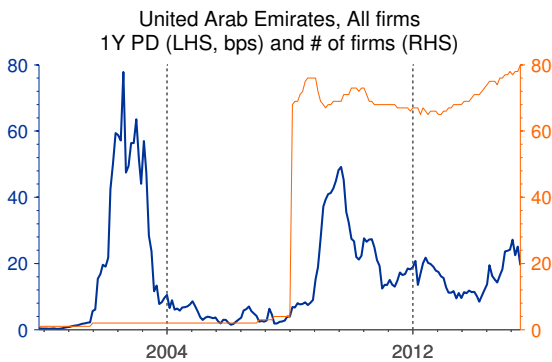
Tunisia	#	2015Q1		2015Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	18	29.3	625.9	30.4	84.9	-0.4	546.6
Basic Materials	3	5.3	32.6	8.7	6.7	0.0	27.4
Communications	2	25.3	14.0	17.8	3.2	-7.5	10.8
Consumer Cyclical	9	1.6	43.2	1.4	58.2	-0.0	18.2
Consumer Non-cyclical	3	7.7	19.6	6.9	14.8	-0.8	4.9
Diversified	1	2.7	-	3.2	-	0.5	-
Energy	1	0.2	-	0.2	-	-0.0	-
Industrial	9	3.4	14.1	4.3	15.1	0.0	2.2



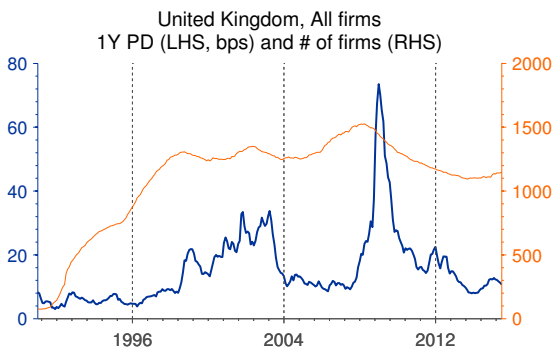
Turkey	#	2015Q1		2015Q2		Q2-Q1	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	99	17.6	38.1	19.3	37.8	0.7	19.1
Basic Materials	35	9.0	24.0	13.7	23.4	1.6	8.9
Communications	14	17.5	24.3	21.7	41.1	3.5	18.1
Consumer Cyclical	94	19.6	32.4	22.5	38.3	3.0	12.5
Consumer Non-cyclical	57	16.4	400.2	20.9	325.7	1.1	78.5
Diversified	12	24.3	57.2	38.2	73.6	3.4	19.2
Energy	5	10.4	5.7	9.7	10.1	0.8	5.5
Industrial	66	8.3	21.4	9.4	26.0	1.9	12.1
Technology	4	18.0	7.0	33.7	16.9	15.7	11.4
Utilities	7	14.2	21.0	27.4	31.1	8.6	11.0



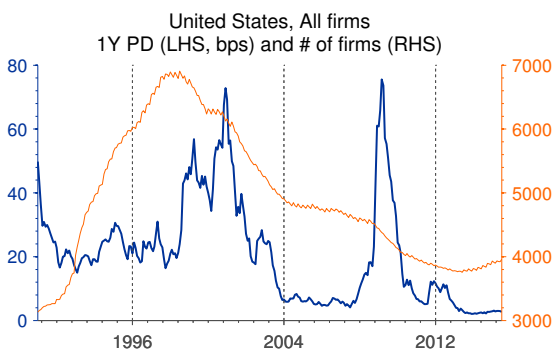
Ukraine	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	2	399.9	13.3	384.9	186.7	-15.0	200.1
Basic Materials	5	807.9	592.2	576.0	297.8	-231.9	306.3
Communications	1	146.9	-	99.3	-	-47.6	-
Consumer Cyclical	1	216.8	-	163.4	-	-53.4	-
Consumer Non-cyclical	8	127.8	89.0	123.0	214.1	-5.2	184.4
Diversified	1	90.6	-	34.2	-	-56.4	-
Energy	3	243.3	247.9	148.3	198.2	-95.0	54.7
Industrial	4	91.2	95.4	82.0	62.9	-21.5	46.5
Utilities	4	140.0	150.3	156.0	79.9	-18.7	91.7



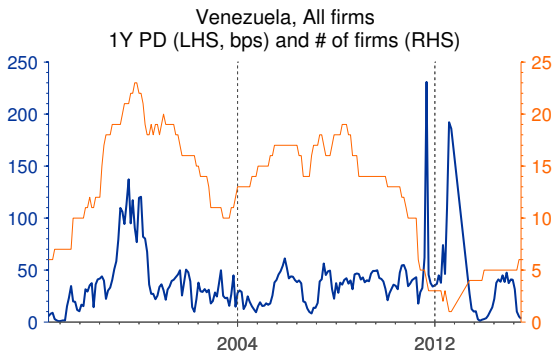
United Arab Emirates	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	38	28.2	23.8	25.4	22.2	-2.9	12.7
Communications	2	1.3	0.8	1.5	0.4	0.2	1.2
Consumer Cyclical	4	10.5	18.3	10.1	15.3	-2.2	3.6
Consumer Non-cyclical	12	20.1	33.2	16.3	23.7	-3.7	19.5
Energy	4	34.4	155.1	23.2	126.2	-11.2	29.0
Industrial	16	29.2	82.8	26.3	31.3	-4.1	59.0
Utilities	1	128.0	-	146.3	-	18.3	-



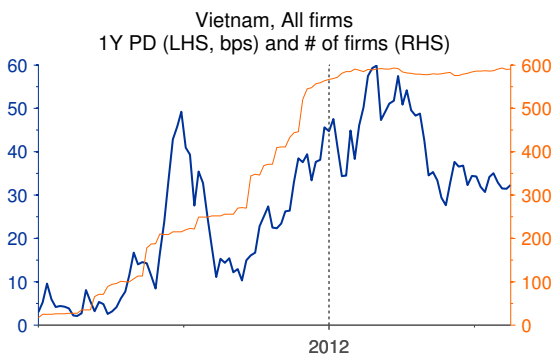
United Kingdom	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	185	9.5	32.5	7.6	25.7	-0.1	18.3
Basic Materials	95	31.9	110.3	30.4	61.9	-1.1	79.8
Communications	104	13.9	158.7	14.4	86.9	-0.3	105.7
Consumer Cyclical	139	6.5	35.9	6.5	80.0	-0.9	62.2
Consumer Non-cyclical	223	9.2	34.3	8.1	22.6	-0.5	20.8
Diversified	6	23.8	36.0	21.3	22.4	-1.3	22.7
Energy	93	34.9	208.0	29.4	219.7	-3.6	163.9
Industrial	173	9.9	59.6	11.4	34.0	-0.9	38.6
Technology	89	11.0	223.6	8.9	66.6	-1.6	199.4
Utilities	13	7.5	41.9	7.1	35.1	0.6	21.9



United States	2015Q1			2015Q2		Q2-Q1	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	915	4.2	111.4	3.2	141.7	-0.1	74.0
Basic Materials	138	2.7	135.7	3.4	355.5	0.0	300.4
Communications	300	3.7	131.6	3.4	558.7	-0.1	462.5
Consumer Cyclical	454	1.5	125.7	1.6	145.6	0.0	76.2
Consumer Non-cyclical	843	2.8	133.2	2.6	146.1	-0.0	127.0
Diversified	9	3.3	231.7	3.5	250.0	0.2	71.1
Energy	309	19.2	460.4	17.2	504.5	-0.0	380.9
Industrial	489	1.5	125.6	1.7	55.0	0.0	110.3
Technology	340	1.4	49.5	1.1	56.6	-0.0	36.8
Utilities	91	0.3	14.2	0.5	42.5	0.1	35.0



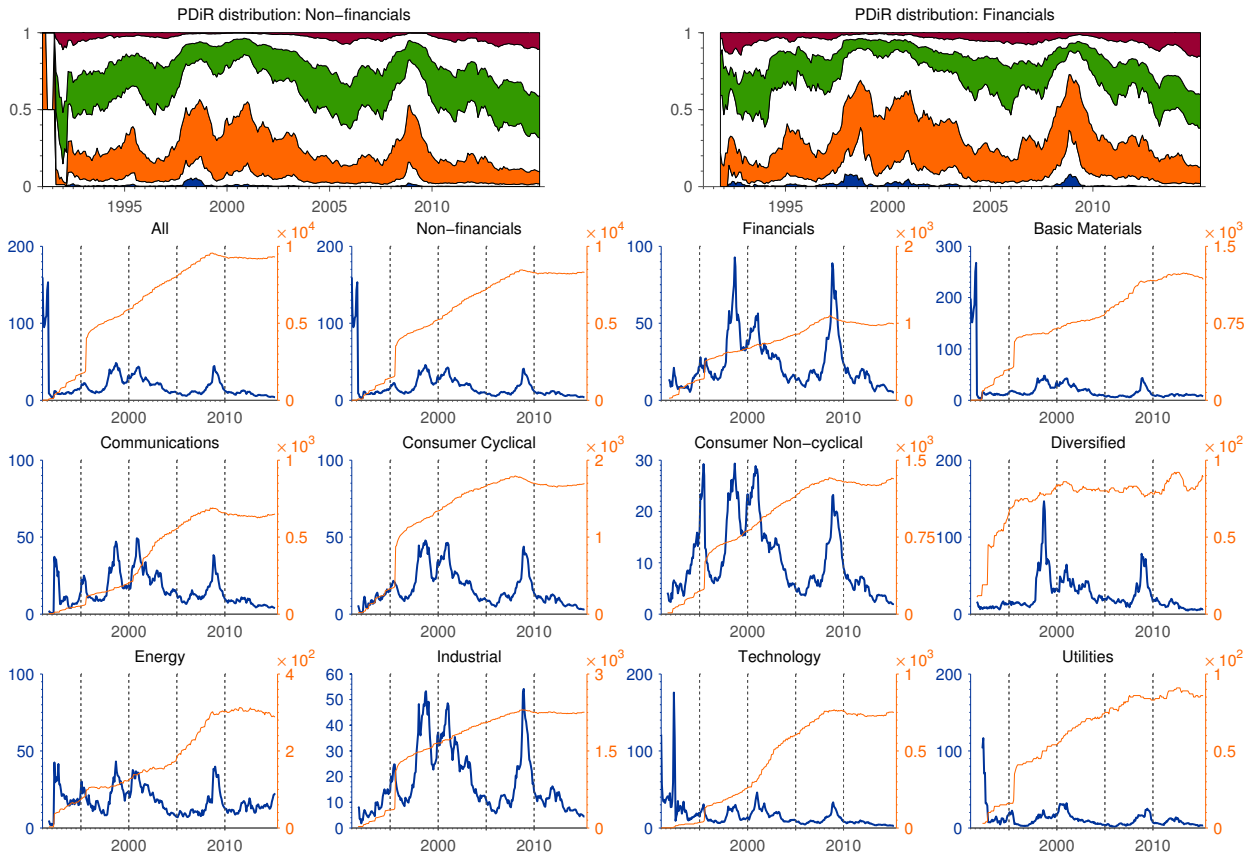
Venezuela	2015Q1		2015Q2		Q2-Q1		
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	5	31.5	16.2	3.4	2.5	-27.4	13.9



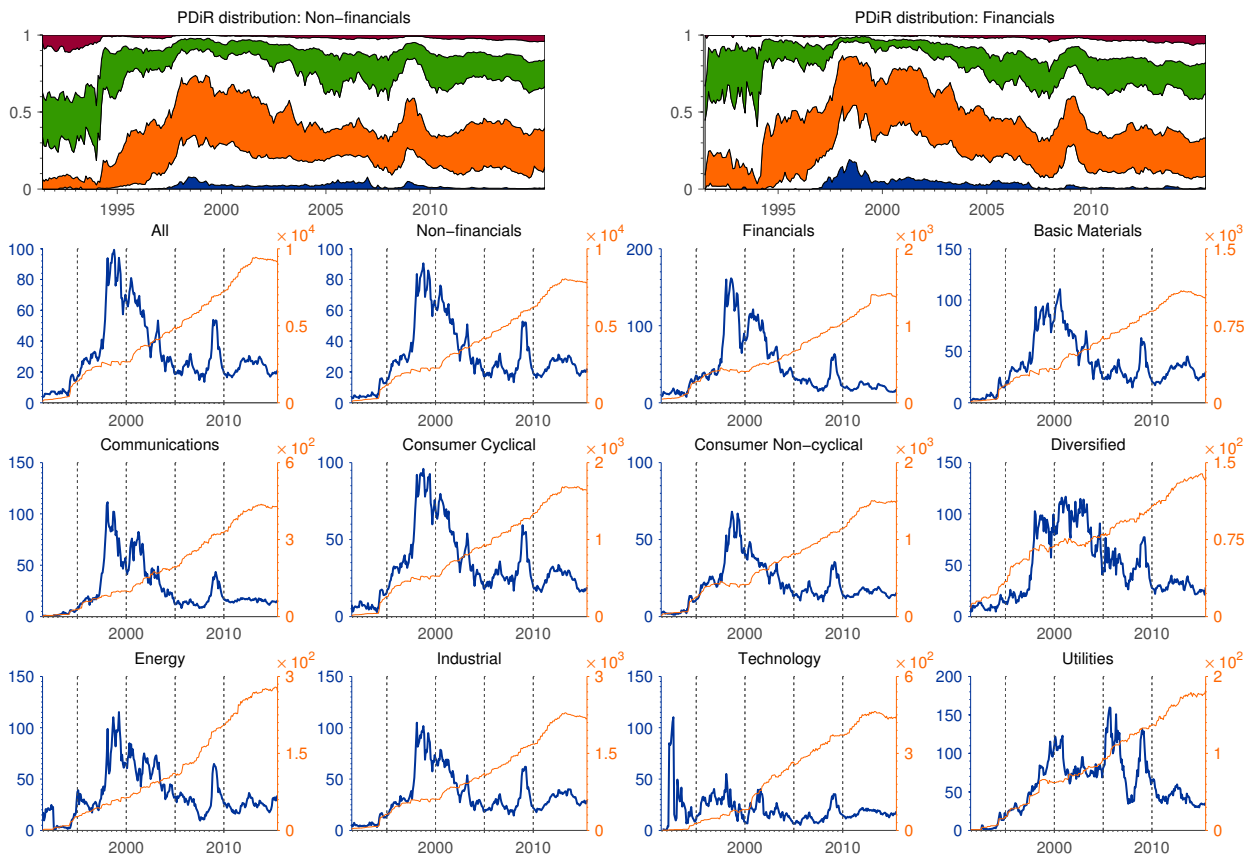
Vietnam	2015Q1		2015Q2		Q2-Q1		
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	75	18.9	48.9	24.9	43.1	-0.9	33.6
Basic Materials	50	33.2	52.3	34.2	88.5	0.1	63.1
Communications	19	21.4	32.7	22.4	35.9	1.0	12.0
Consumer Cyclical	49	27.3	33.8	23.7	35.2	0.1	16.1
Consumer Non-cyclical	92	15.7	91.2	18.2	85.8	0.1	26.4
Diversified	17	19.3	50.6	17.1	71.3	3.1	27.0
Energy	22	35.8	63.1	45.4	94.2	3.7	37.3
Industrial	232	49.1	67.8	47.9	82.5	0.2	47.5
Technology	7	19.6	59.1	14.0	67.0	0.2	28.0
Utilities	17	8.5	17.8	9.2	18.8	-0.1	4.2

B PD by regions

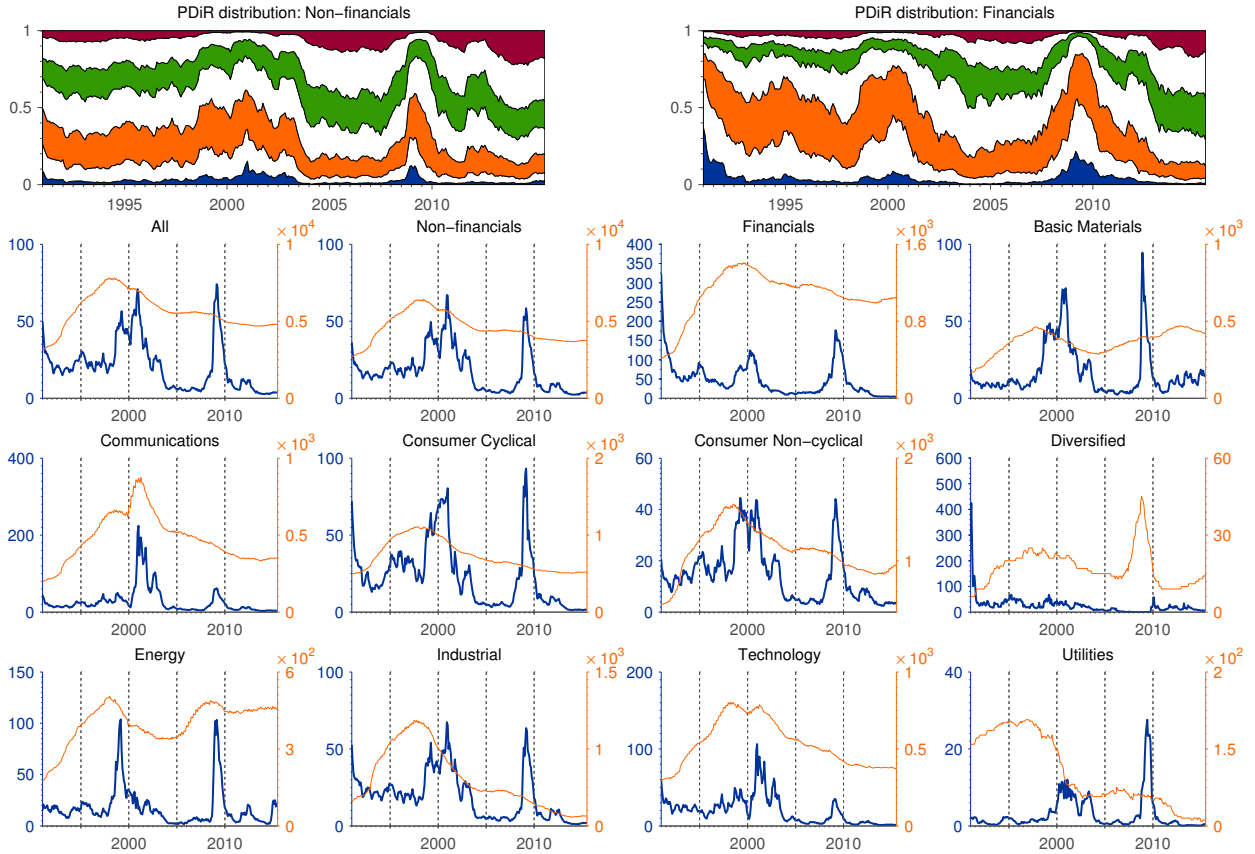
Asia Pacific - developed economies



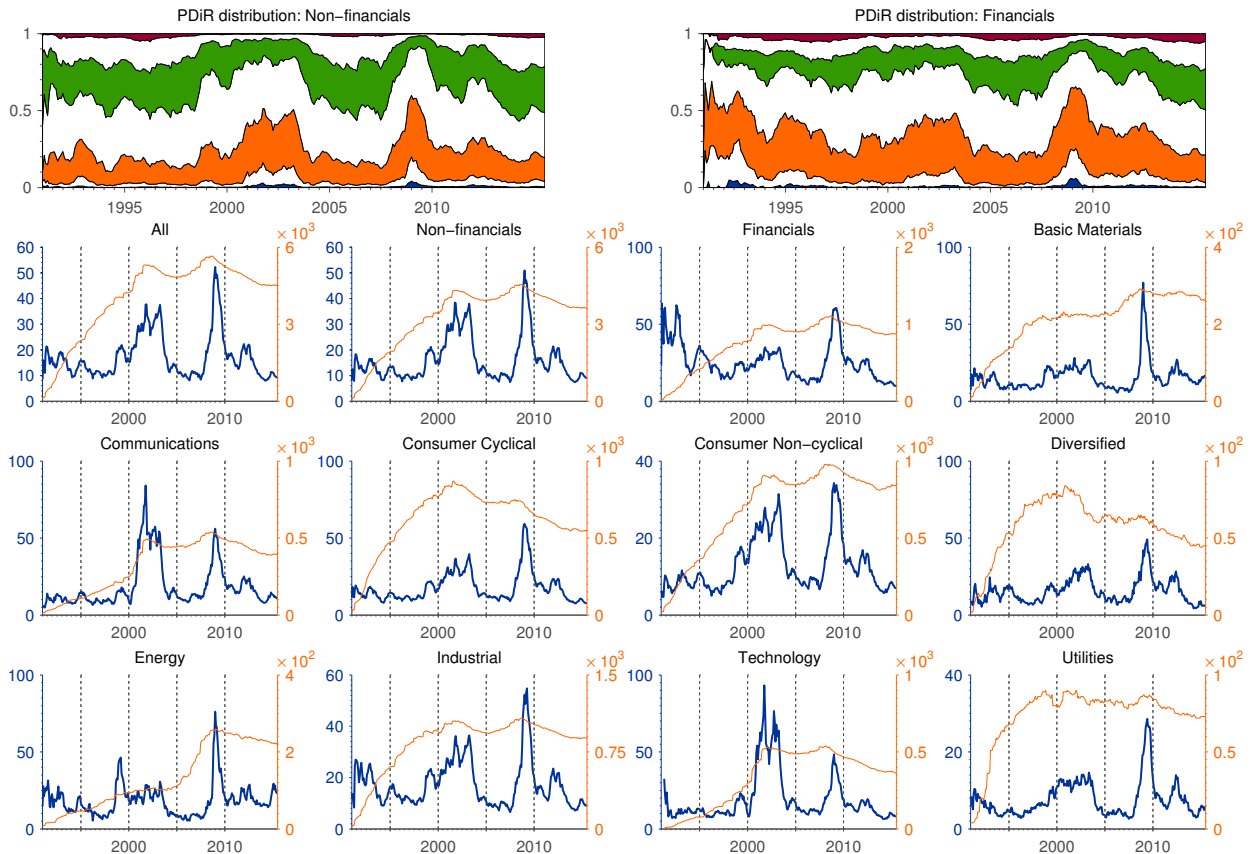
Asia Pacific - emerging economies



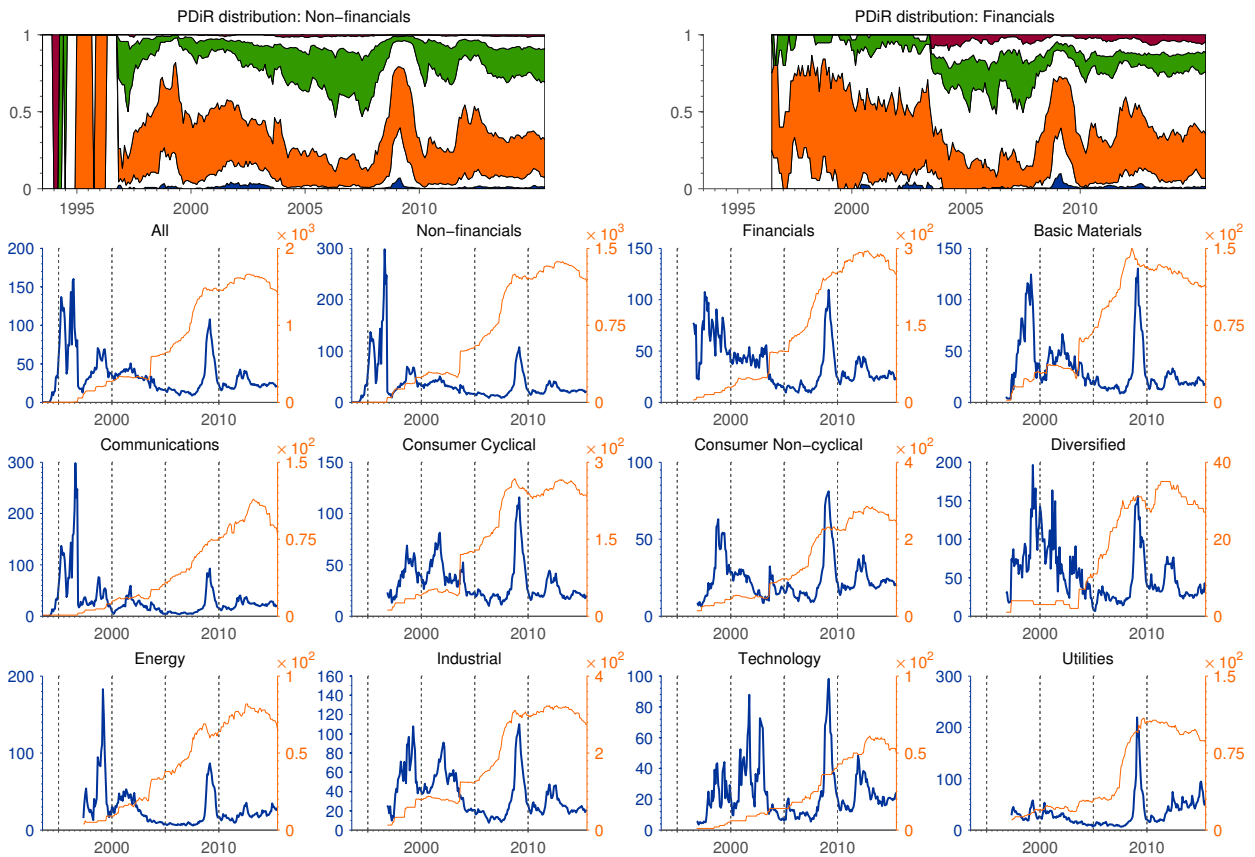
North America



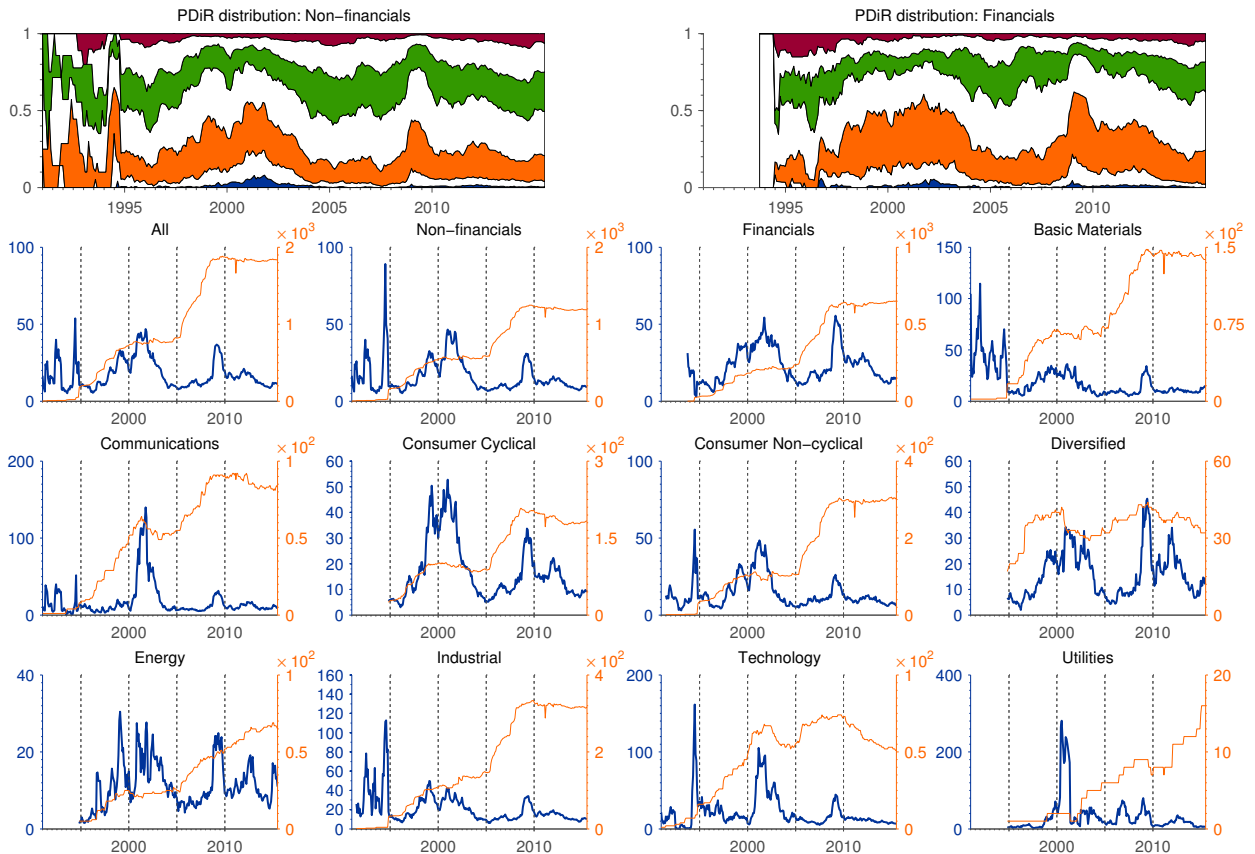
Western Europe



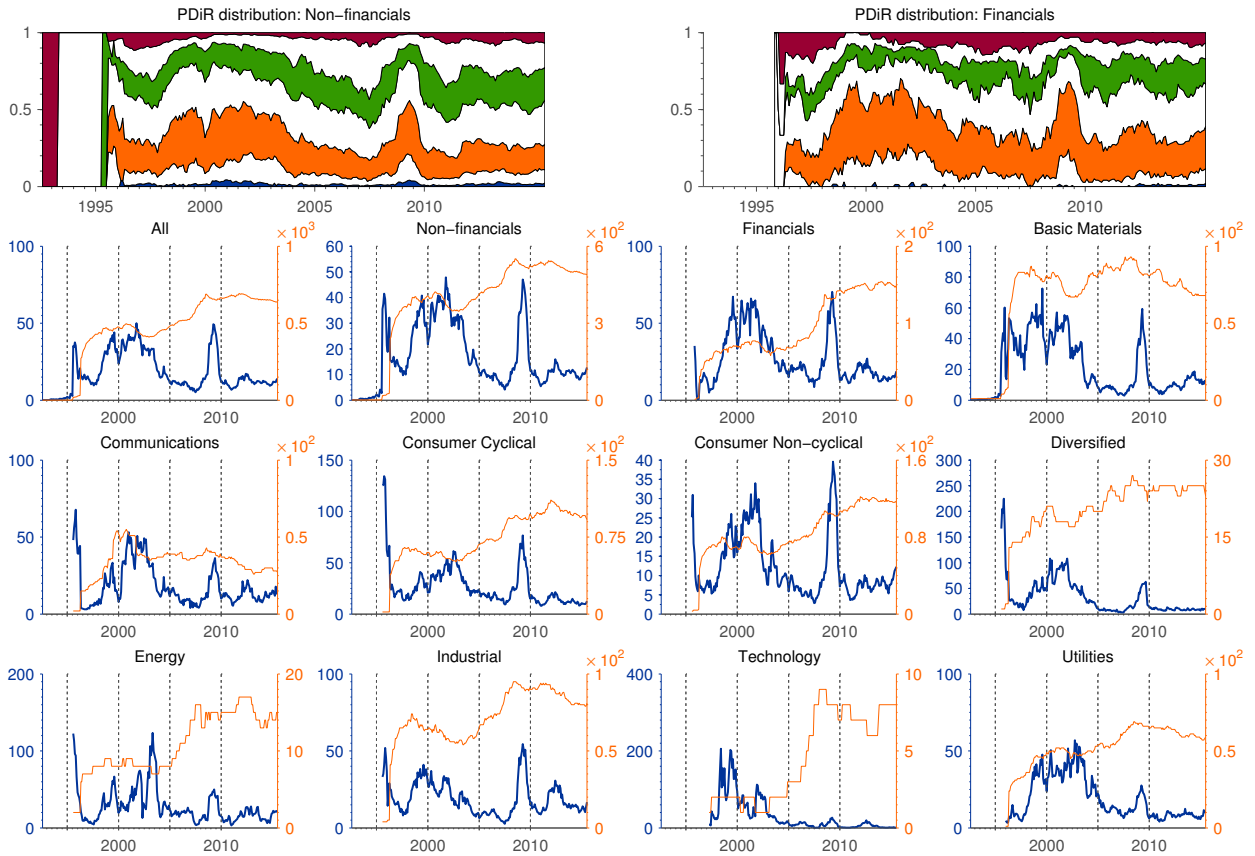
Eastern Europe



Africa ME

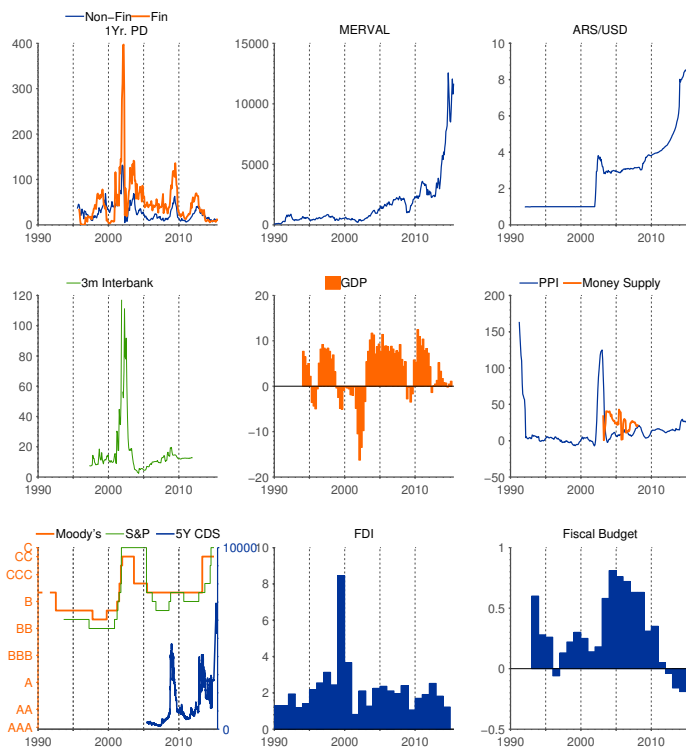


Latin America

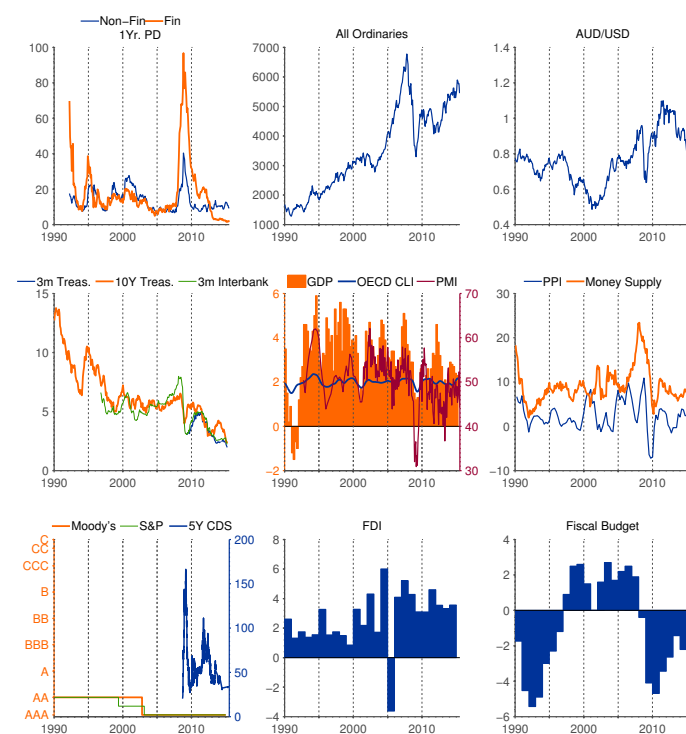


C Macroeconomic Indicators

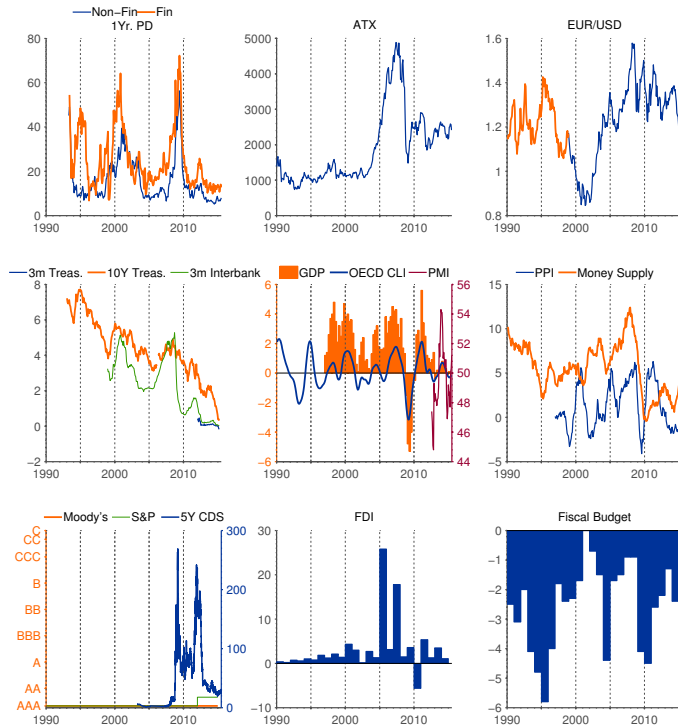
Descriptions of the data contained in this section are provided in Appendix D.



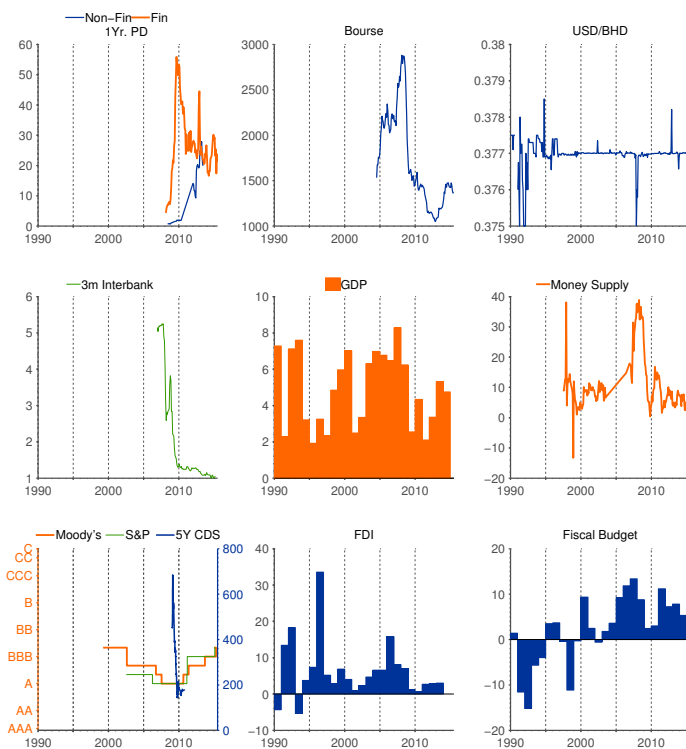
Argentina	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	10.23	6.39	11.82	9.27	11.12
1Yr. PD, Fin.	7.07	8.21	8.89	6.45	9.09
MERVAL	7887	12549	8579	10837	11657
ARS/USD	8.13	8.43	8.46	8.82	9.09
GDP (YoY%)	0.7	-0.2	0.5	1.1	-
PPI (YoY%)	26.3	26.3	25.9	10.9	9.6*
Sov. Rating, Moody's	Ca	Ca	Ca	Ca	Ca
Sov. Rating, S&P	CCC-	CSD	CSD	CSD	CSD
5Y CDS (bps)	1761.26	2666.13	2987.13	-	5392.86*
FDI (%GDP)	-	-	1.22	-	-
Fiscal Budget (%GDP)	-	-	-0.19	-	-



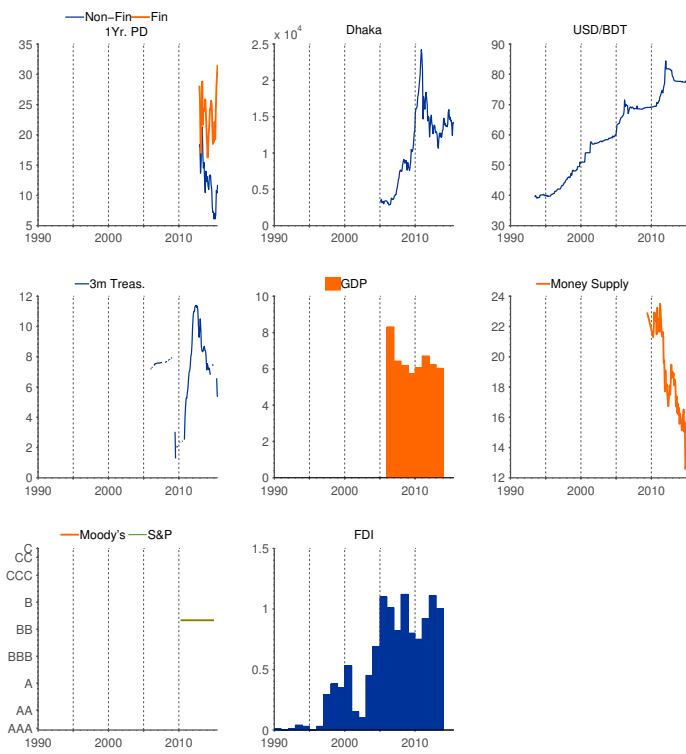
Australia	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	10.48	9.31	12.73	10.92	9.54
1Yr. PD, Fin.	3.17	2.31	1.92	1.55	2.33
All Ordinaries	5382	5297	5389	5862	5451
AUD/USD	0.94	0.87	0.82	0.76	0.77
3m Treas. Yield (%)	2.48	2.47	2.48	1.96	-
10Y Treas. Yield (%)	3.54	3.48	2.74	2.32	-
3m Interbank (%)	2.68	2.69	2.77	2.23	-
GDP (YoY%)	2.8	2.7	2.4	2.3	-
OECD CLI	99.32	99.77	100.54	100.81	100.50*
PMI	48.9	46.5	46.9	46.3	44.2
PPI (YoY%)	3.7	2.4	2.5	-0.2	-
Money Supply (YoY%)	7.1	8.4	7.5	7.8	7.0*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
5Y CDS (bps)	32.16	-	-	-	32.64*
FDI (%GDP)	-	-	3.56	-	-
Fiscal Budget (%GDP)	-	-	-2.21	-	-



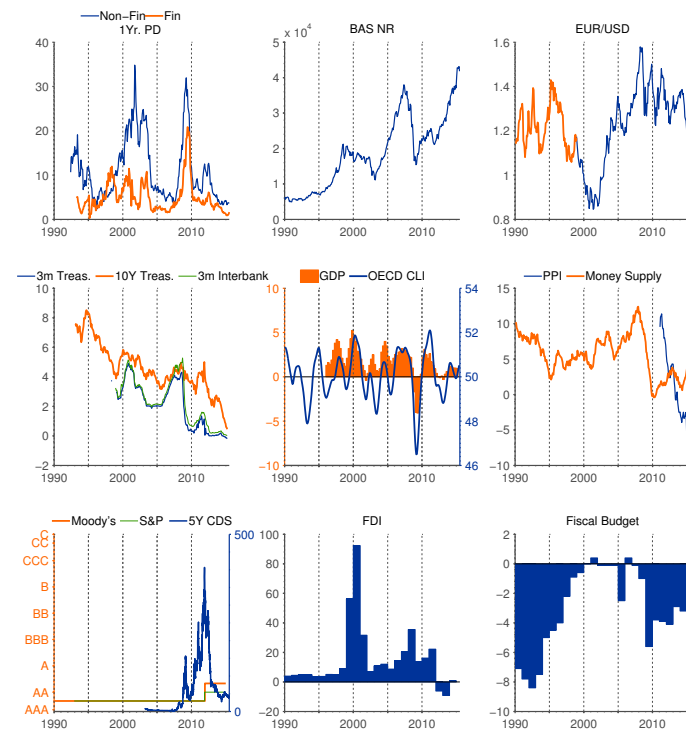
Austria	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	5.19	6.79	7.59	6.99	7.98
1Yr. PD, Fin.	12.20	12.00	13.97	10.70	12.75
ATX	2501	2204	2160	2510	2412
EUR/USD	1.37	1.26	1.21	1.07	1.11
3m Treas. Yield (%)	0.06	0.02	0.01	-0.17	-
10Y Treas. Yield (%)	1.55	1.15	0.64	0.32	-
3m Interbank (%)	0.21	0.08	0.08	0.02	-
GDP (YoY%)	0.5	0.3	-0.1	0.1	-
OECD CLI	100.40	100.01	99.75	99.72	99.85*
PMI	50.4	47.9	49.2	47.7	51.2
PPI (YoY%)	-0.8	-1.6	-2.0	-1.5	-1.6*
Money Supply (YoY%)	1.5	2.4	3.6	4.5	5.0*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AA+	AA+	AA+	AA+	AA+
5Y CDS (bps)	29.3	24.3	22.5	26.5	29.9
FDI (%GDP)	-	-	1.09	-	-
Fiscal Budget (%GDP)	-	-	-2.40	-	-



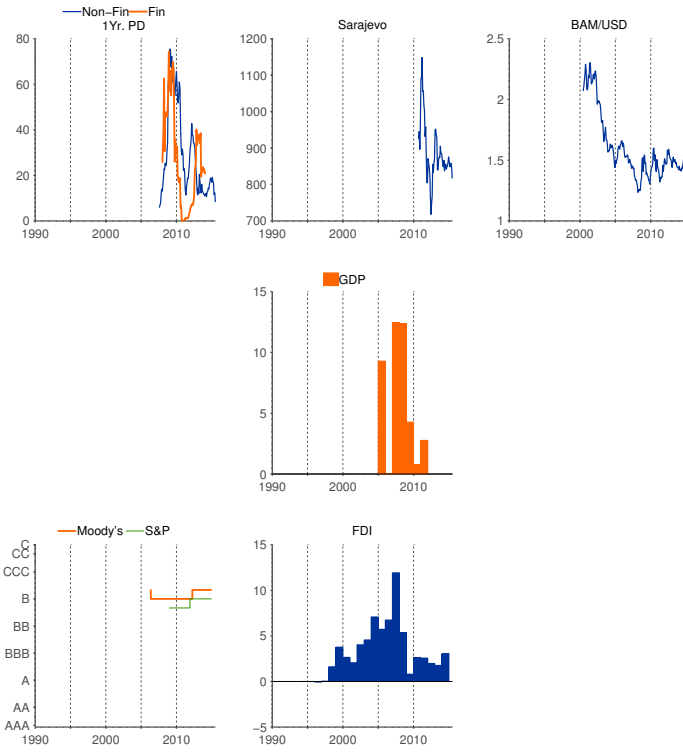
Bahrain	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Fin.	22.25	25.82	28.62	25.34	21.24
Bourse	1428	1476	1427	1450	1368
USD/BHD	0.38	0.38	0.38	0.38	0.38
3m Interbank (%)	1.08	1.07	1.00	1.05	-
GDP (YoY%)	-	-	4.75	-	-
Money Supply (YoY%)	6.66	2.50	3.70	6.02	4.88*
Sov. Rating, Moody's	Baa2	Baa2	Baa3	Baa3	Baa3
Sov. Rating, S&P	BBB	BBB	BBB-	BBB-	BBB-
Fiscal Budget (%GDP)	-	-	5.32	-	-



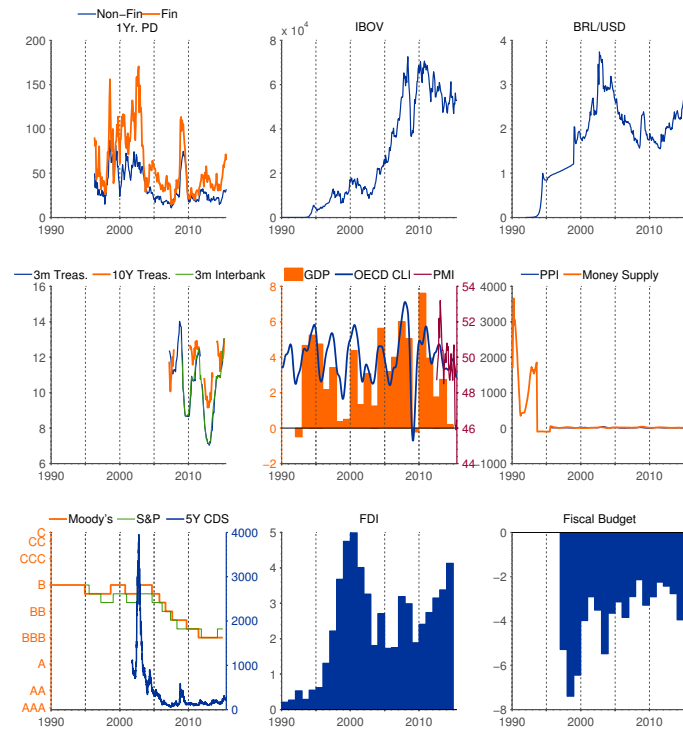
Bangladesh	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	13.35	8.20	6.09	6.84	11.75
1Yr. PD, Fin.	24.19	21.84	18.83	23.63	31.54
Dhaka	13766	15623	14939	13864	14097
USD/BDT	77.60	77.38	77.92	77.81	77.78
3m Treas. Yield (%)	6.85	6.84*	7.40*	-	5.40
Money Supply (YoY%)	16.1	15.7	13.4	26.3	12.1*
Sov. Rating, Moody's	Ba3	Ba3	Ba3	Ba3	Ba3
Sov. Rating, S&P	BB-	BB-	BB-	BB-	BB-



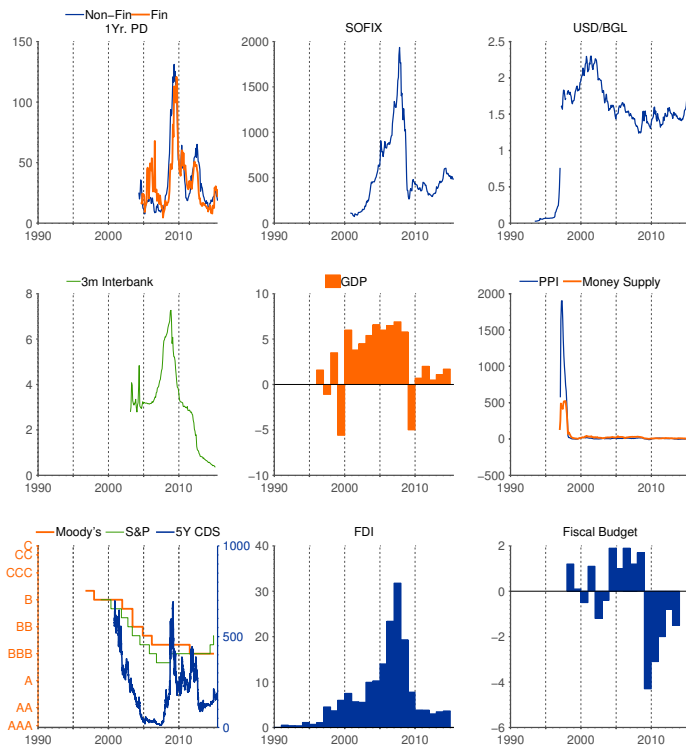
Belgium	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	3.72	3.82	4.27	3.58	3.78
1Yr. PD, Fin.	1.78	1.41	1.18	0.89	1.63
BAS NR	37056.9	37555.3	37112.9	42611.9	41807.3
EUR/USD	1.37	1.26	1.21	1.07	1.11
3m Treas. Yield (%)	0.00	-0.04	-0.07	-0.19	-
10Y Treas. Yield (%)	1.70	1.22	0.83	0.45	-
3m Interbank (%)	0.21	0.08	0.08	0.02	-
GDP (YoY%)	1.1	1.0	1.0	0.9	-
OECD CLI	100.33	100.04	99.95	100.28	100.52*
PPI (YoY%)	-2.5	-3.0	-6.8	-4.8	-2.9*
Money Supply (YoY%)	1.50	2.40	3.60	4.50	5.00*
Sov. Rating, Moody's	Aa3	Aa3	Aa3	Aa3	Aa3
Sov. Rating, S&P	AA	AA	AA	AA	AA
5Y CDS (bps)	40.81	44.98	47.68	42.86	43.18
FDI (%GDP)	-	-	0.81	-	-
Fiscal Budget (%GDP)	-	-	-3.20	-	-



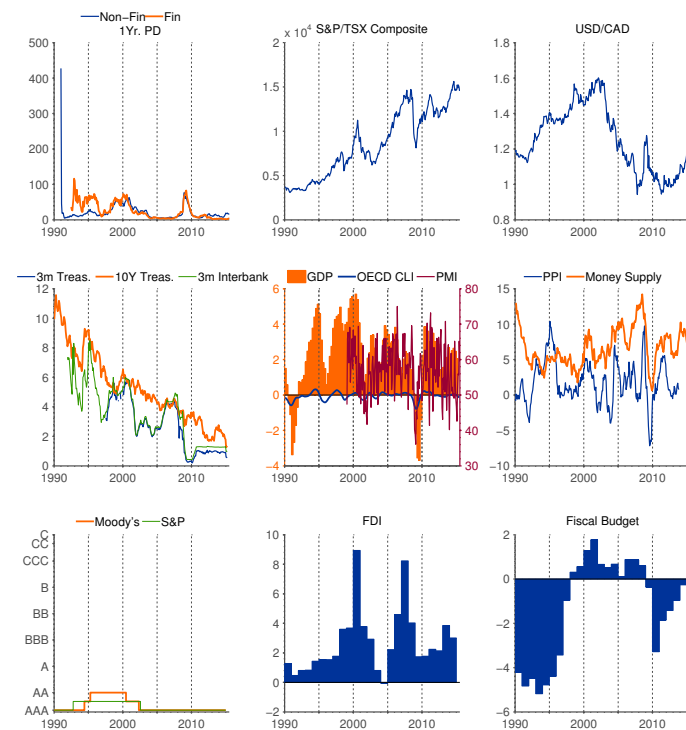
Bosnia and Herzegovina	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	14.31	17.37	16.94	16.82	8.30
Sarajevo	850	848	876	850	817
BAM/USD	1.43	1.55	1.62	1.82	1.75
Sov. Rating, Moody's	B3	B3	B3	B3	B3
Sov. Rating, S&P	B	B	B	B	B
FDI (%GDP)	-	-	3.06	-	-



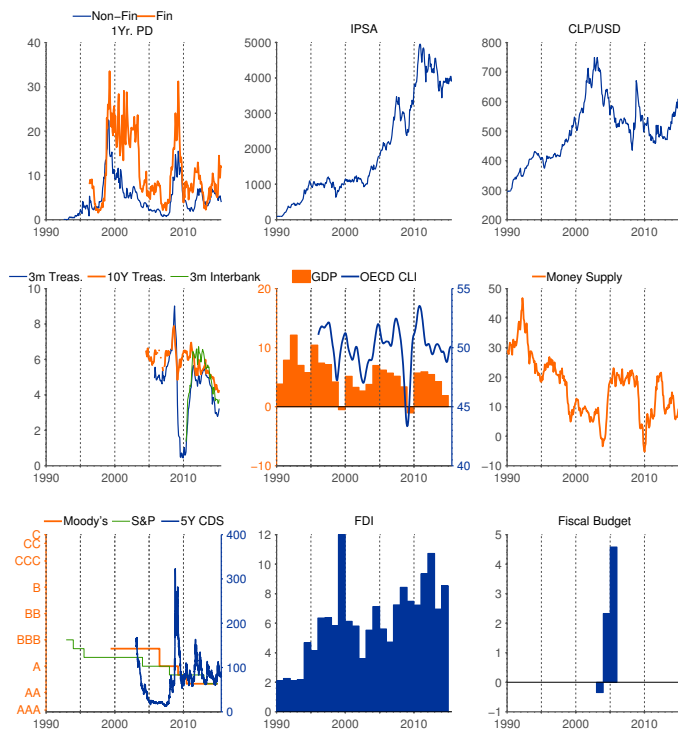
Brazil	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	14.67	18.20	26.08	30.55	31.93
1Yr. PD, Fin.	31.30	36.90	52.06	63.06	64.69
IBOV	53168	54116	50007	51150	53081
BRL/USD	2.21	2.45	2.66	3.20	3.10
3m Treas. Yield (%)	10.90	11.00*	11.73	13.07	-
10Y Treas. Yield (%)	12.18	12.31	12.36	13.04	-
3m Interbank (%)	10.89	11.02	12.32	13.06	-
GDP (YoY%)	-	-	0.2	-	-
OECD CLI	99.44	99.84	99.83	99.32	98.85*
PMI	48.7	49.3	50.2	46.2	46.5
PPI (YoY%)	6.0	1.9	2.1	0.8	4.3
Money Supply (YoY%)	11.3	11.4	9.9	7.8	6.5*
Sov. Rating, Moody's	Baa2	Baa2	Baa2	Baa2	Baa2
Sov. Rating, S&P	BBB-	BBB-	BBB-	BBB-	BBB-
5Y CDS (bps)	144.50	174.12	200.76	282.82	259.90
FDI (%GDP)	-	-	4.13	-	-
Fiscal Budget (%GDP)	-	-	-3.95	-	-



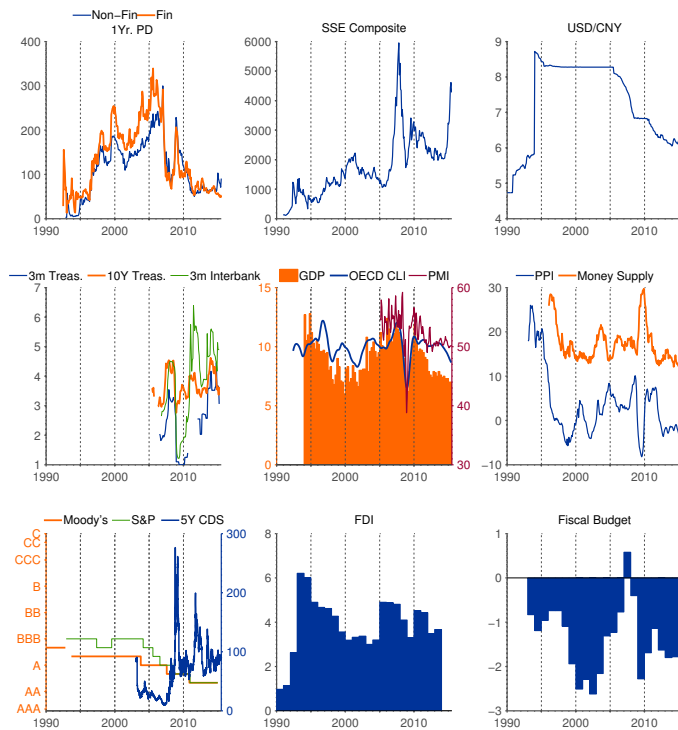
Bulgaria	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	16.52	17.84	22.01	29.18	18.59
1Yr. PD, Fin.	13.48	7.85	12.55	30.40	21.62
SOFIX	551.4	540.0	522.1	514.1	485.3
USD/BGL	1.43	1.55	1.62	1.82	1.76
3m Interbank (%)	0.53	0.47	0.43	0.36	-
GDP (YoY%)	-	-	1.7	-	-
PPI (YoY%)	-0.5	-0.6	-0.9	-0.4	-0.4*
Money Supply (YoY%)	7.4	7.2	1.1	1.9	0.9*
Sov. Rating, Moody's	Baa2	Baa2	Baa2	Baa2	Baa2
Sov. Rating, S&P	BBB-	BBB-	BB+	BB+	BB+
5Y CDS (bps)	118.66	140.29	189.44	161.79	182.30
FDI (%GDP)	-	-	3.64	-	-



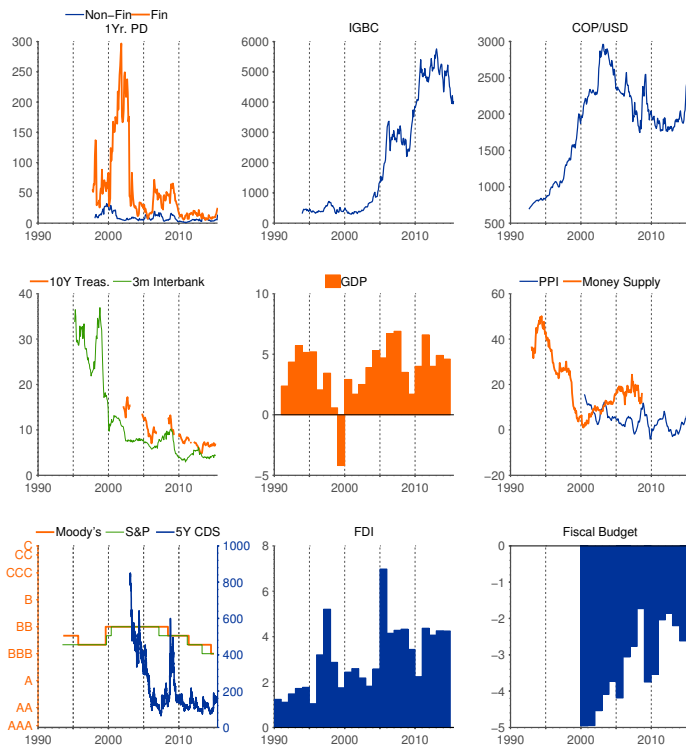
Canada	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	7.45	9.17	19.22	19.23	17.04
1Yr. PD, Fin.	3.01	1.94	2.38	2.35	3.09
S&P/TSX Composite	15146	14961	14632	14902	14553
USD/CAD	1.07	1.12	1.16	1.27	1.25
3m Treas. Yield (%)	0.95	0.92	0.92	0.55	-
10Y Treas. Yield (%)	2.24	2.15	1.79	1.36	-
3m Interbank (%)	1.27	1.27	1.30	1.00	-
GDP (YoY%)	2.5	2.6	2.5	2.1	-
OECD CLI	100.21	100.22	99.94	99.53	99.30*
PMI	49.7	65.2	46.7	56.0	59.5
Money Supply (YoY%)	8.3	9.0	7.3	8.4	7.7*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
FDI (%GDP)	-	-	3.01	-	-
Fiscal Budget (%GDP)	-	-	-0.26	-	-



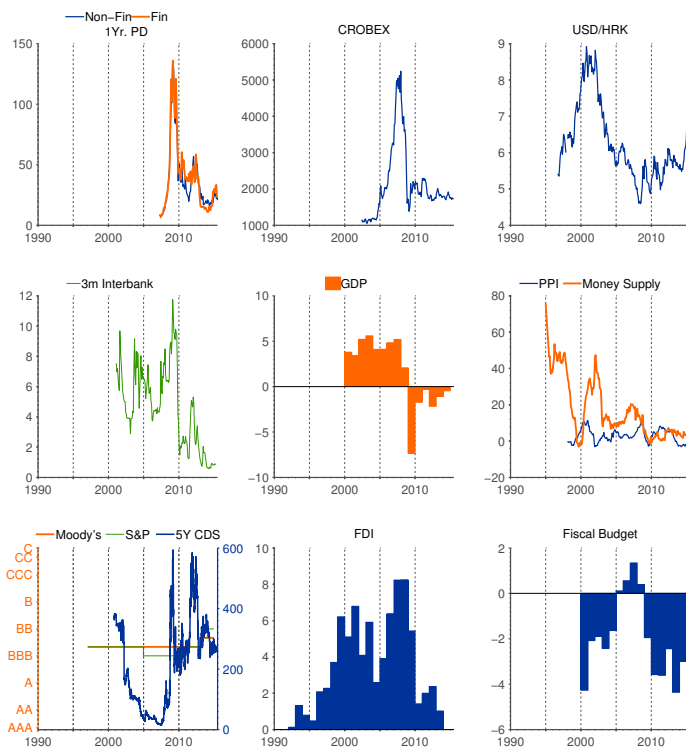
Chile	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	6.52	5.60	4.40	5.07	3.97
1Yr. PD, Fin.	8.44	6.72	5.56	11.95	11.74
IPSA	3876	3944	3851	3917	3897
CLP/USD	552.95	598.31	606.45	625.29	639.12
3m Treas. Yield (%)	3.68	2.94	2.78	3.24	-
10Y Treas. Yield (%)	4.79	4.31	4.30	4.27	-
3m Interbank (%)	4.42	3.77	3.71	3.75	-
GDP (YoY%)	-	-	1.9	-	-
OECD CLI	99.22	98.78	99.31	100.02	100.09*
Money Supply (YoY%)	5.7	6.4	9.3	7.0	10.0*
Sov. Rating, Moody's	Aa3	Aa3	Aa3	Aa3	Aa3
Sov. Rating, S&P	AA-	AA-	AA-	AA-	AA-
5Y CDS (bps)	63.63	77.66	94.01	83.46	86.89
FDI (%GDP)	-	-	8.53	-	-



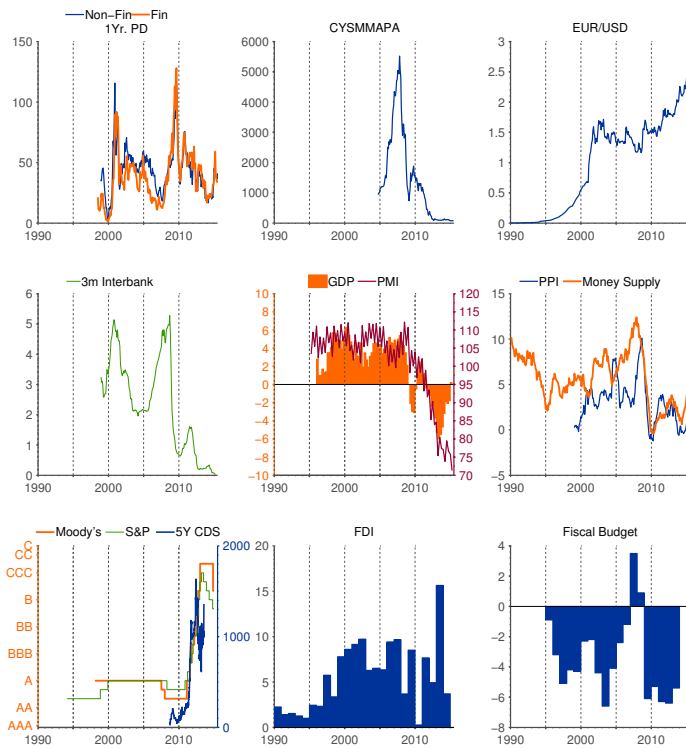
China	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	67.88	61.41	103.15	80.47	90.65
1Yr. PD, Fin.	71.89	56.63	57.88	52.81	47.58
SSE Composite	2048.3	2363.9	3234.7	3747.9	4277.2
USD/CNY	6.2	6.1	6.2	6.2	6.2
3m Treas. Yield (%)	3.52	3.63	3.68	3.06	-
10Y Treas. Yield (%)	4.09	4.07	3.65	3.63	-
3m Interbank (%)	4.75	4.54	5.14	4.90	-
GDP (YoY%)	7.5	7.3	7.3	7.0	7.0
OECD CLI	99.49	99.01	98.39	97.71	97.31*
PMI	51.0	51.1	50.1	50.1	50.2
PPI (YoY%)	-1.10	-1.80	-3.30	-4.60	-4.80
Money Supply (YoY%)	14.72	12.90	12.20	11.60	11.80
Sov. Rating, Moody's	Aa3	Aa3	Aa3	Aa3	Aa3
Sov. Rating, S&P	AA-	AA-	AA-	AA-	AA-
5Y CDS (bps)	77.00	88.82	94.83	90.72	94.33
Fiscal Budget (%GDP)	-	-	-1.78	-	-



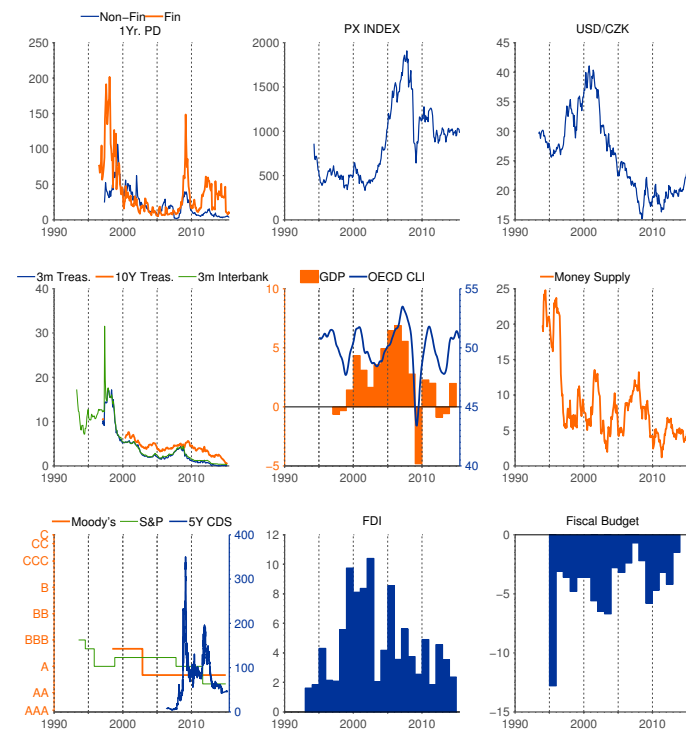
Colombia	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	3.04	3.33	3.58	5.66	14.01
1Yr. PD, Fin.	8.74	10.10	9.29	13.65	25.20
IGBC	5022	4923	4460	3955	4025
COP/USD	1877.44	2024.85	2376.51	2599.62	2606.00
10Y Treas. Yield (%)	6.56	6.85	7.10	6.99	-
3m Interbank (%)	4.12	4.20	3.91	4.24	-
GDP (YoY%)	-	-	4.6	-	-
PPI (YoY%)	2.48	3.65	6.33	5.11	5.01
Sov. Rating, Moody's	Baa3	Baa2	Baa2	Baa2	Baa2
Sov. Rating, S&P	BBB	BBB	BBB	BBB	BBB
5Y CDS (bps)	80.88	99.58	140.97	159.46	169.27
FDI (%GDP)	-	-	4.25	-	-
Fiscal Budget (%GDP)	-	-	-2.62	-	-



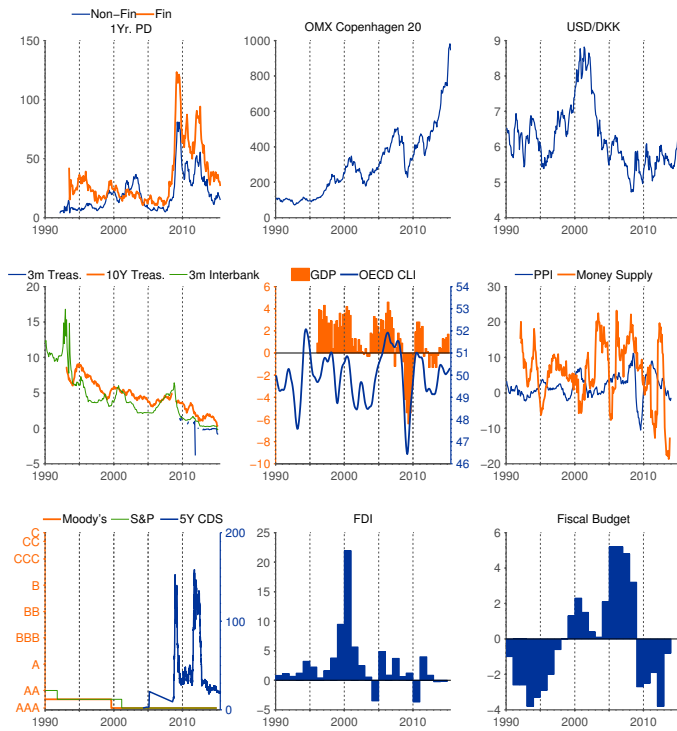
Croatia	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	18.91	21.07	23.81	25.15	20.66
1Yr. PD, Fin.	12.40	16.32	30.00	32.81	22.78
CROBEX	1791	1918	1745	1713	1738
USD/HRK	6	6	6	7	7
3m Interbank (%)	0.62	0.93	0.83	0.84	-
GDP (YoY%)	-	-	-0.5	-	-
PPI (YoY%)	-2.10	-2.70	-3.40	-2.60	-2.10
Money Supply (YoY%)	1.68	3.20	3.16	2.80	3.17*
Sov. Rating, Moody's	Ba1	Ba1	Ba1	Ba1	Ba1
Sov. Rating, S&P	BB	BB	BB	BB	BB
5Y CDS (bps)	240.5	262.1	264.4	265.3	273.6
Fiscal Budget (%GDP)	-	-	-3.00	-	-



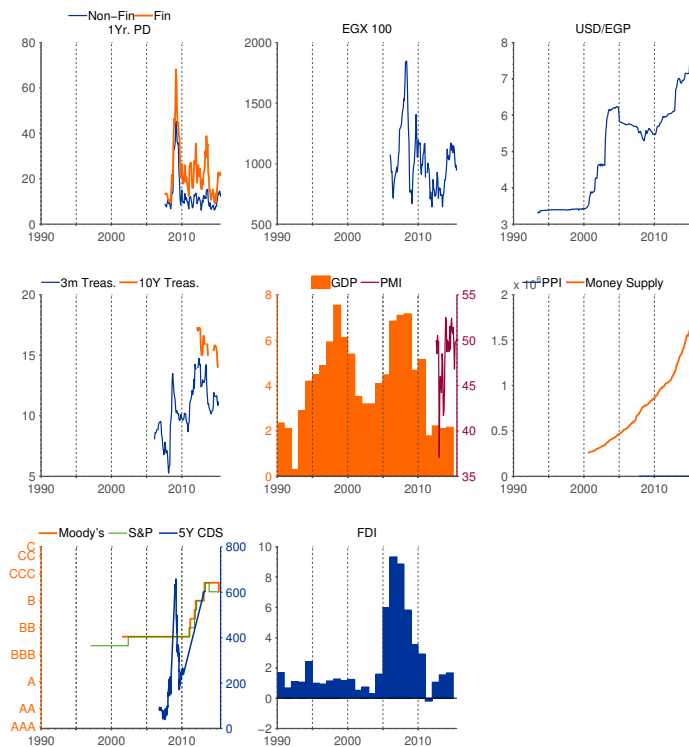
Cyprus	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	24.25	23.42	45.15	38.29	41.16
1Yr. PD, Fin.	22.61	25.29	35.48	40.26	35.53
CYSMMAPA	115	111	86	80	78
EUR/USD	1.37	1.26	1.21	1.07	1.11
3m Interbank (%)	0.21	0.08	0.08	0.02	-
GDP (YoY%)	-1.9	-2.1	-1.8	0.2	-
PMI	79.5	76.6	75.8	71.3	-
PPI (YoY%)	-0.3	-0.1	0.7	-0.7	-1.3*
Money Supply (YoY%)	1.5	2.4	3.6	4.5	5.0*
Sov. Rating, Moody's	Caa3	Caa3	B3	B3	B3
Sov. Rating, S&P	B	B	B+	B+	B+
FDI (%GDP)	-	-	3.71	-	-



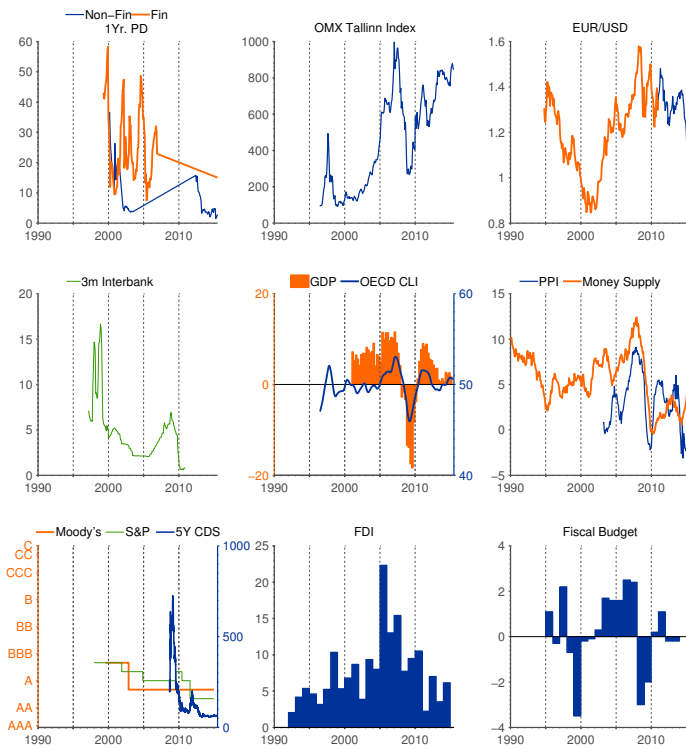
Czech Republic	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	2.93	3.96	4.53	5.78	4.22
1Yr. PD, Fin.	32.03	31.47	11.02	8.21	8.61
PX INDEX	1009.2	991.4	946.7	1033.7	981.5
USD/CZK	20.05	21.77	22.86	25.68	24.47
3m Treas. Yield (%)	0.10	0.05	0.08	0.06	-
10Y Treas. Yield (%)	1.60	1.34	0.67	0.45	-
3m Interbank (%)	0.35	0.35	0.34	0.31	-
GDP (YoY%)	-	-	1.98	-	-
OECD CLI	100.74	100.98	101.41	101.18	100.79*
Money Supply (YoY%)	3.9	3.6	4.6	4.6	5.3*
Sov. Rating, Moody's	A1	A1	A1	A1	A1
Sov. Rating, S&P	AA-	AA-	AA-	AA-	AA-
5Y CDS (bps)	43.17	-	-	47.37	-
FDI (%GDP)	-	-	2.37	-	-



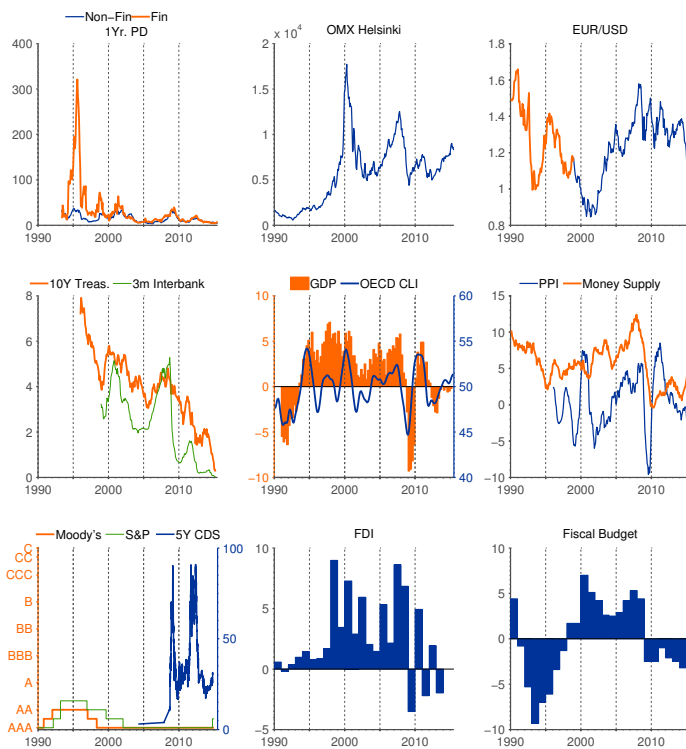
Denmark	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	11.93	16.50	16.47	19.25	15.02
1Yr. PD, Fin.	39.05	34.92	33.30	31.70	26.76
OMX Copenhagen 20	741	763	744	954	945
USD/DKK	5.45	5.89	6.16	6.96	6.69
3m Treas. Yield (%)	-0.07	-0.05	-0.04	-0.87	-
10Y Treas. Yield (%)	1.63	1.21	0.85	0.28	-
3m Interbank (%)	0.38	0.29	0.28	-0.16	-
GDP (YoY%)	1.3	1.2	1.4	1.7	-
OECD CLI	100.18	100.04	100.12	100.24	100.31*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
5Y CDS (bps)	24.04	24.82	21.84	20.09	21.25
FDI (%GDP)	-	-	-0.20	-	-



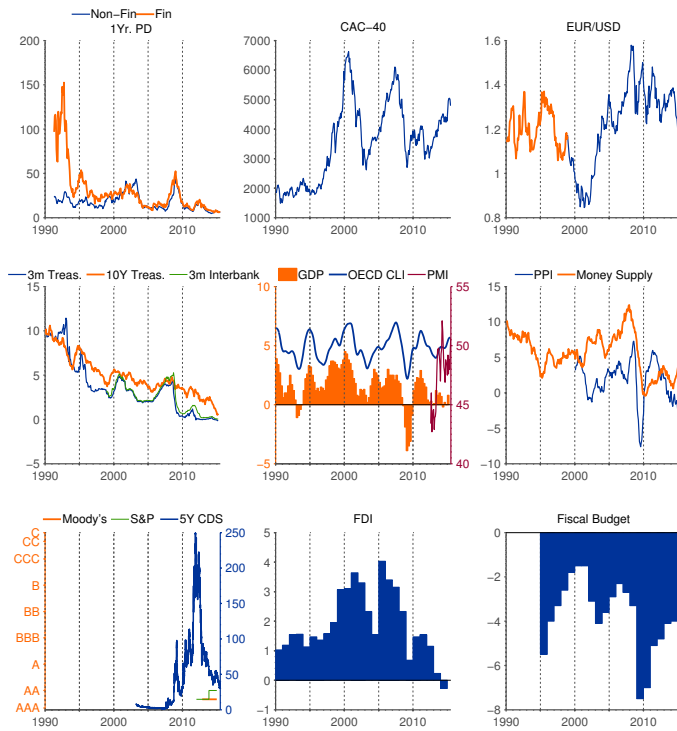
Egypt	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	8.25	6.88	10.15	13.08	12.06
1Yr. PD, Fin.	13.65	9.12	15.79	21.19	23.08
EGX 100	1034.3	1167.9	1090.5	1045.6	941.8
USD/EGP	7.15	7.14	7.15	7.58	7.63
3m Treas. Yield (%)	10.64	11.61	11.65	11.18	-
10Y Treas. Yield (%)	15.40	15.80	15.35	14.00	-
GDP (YoY%)	-	-	2.2	-	-
PMI	51.5	52.4	51.4	49.6	50.2
PPI (YoY%)	209.1	214.9	201.0	201.8	-
Money Supply (YoY%)	1516601.0	1543756.0	1606505.0	1682225.0	1720050.0*
Sov. Rating, Moody's	Caa1	Caa1	B3	B3	B3
Sov. Rating, S&P	B-	B-	B-	B-	B-
FDI (%GDP)	-	-	1.67	-	-



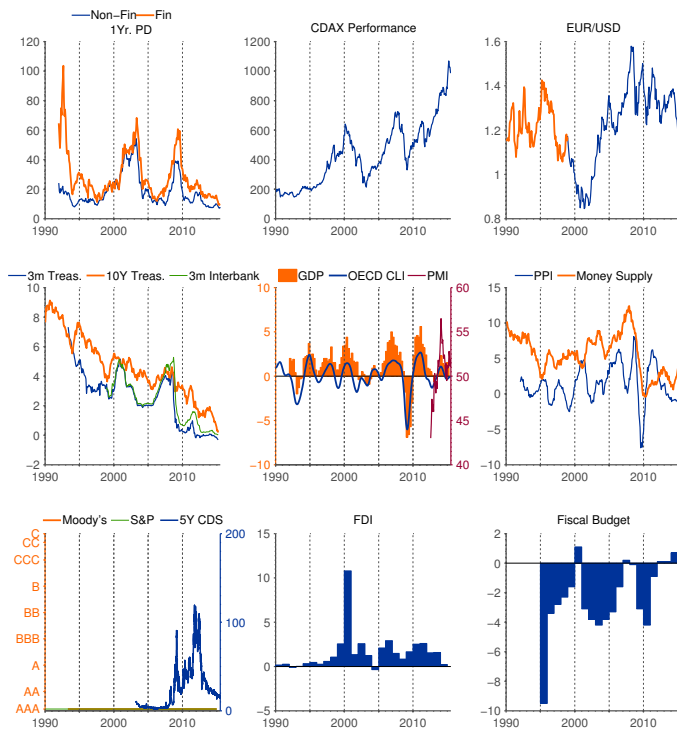
Estonia	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	2.34	4.68	4.87	1.50	2.82
1Yr. PD, Fin.	-	-	-	-	15.01
OMX Tallinn Index	802.3	765.2	755.0	862.9	844.7
EUR/USD	1.37	1.26	1.21	1.07	1.11
GDP (YoY%)	2.7	2.3	2.6	1.7	-
OECD CLI	100.11	100.58	100.75	100.66	100.58*
PPI (YoY%)	-3.1	-2.0	-1.6	-0.6	-2.1*
Money Supply (YoY%)	1.5	2.4	3.6	4.5	5.0*
Sov. Rating, Moody's	A1	A1	A1	A1	A1
Sov. Rating, S&P	AA-	AA-	AA-	AA-	AA-
5Y CDS (bps)	57.77	63.15	69.15	62.63	67.66
FDI (%GDP)	-	-	6.16	-	-



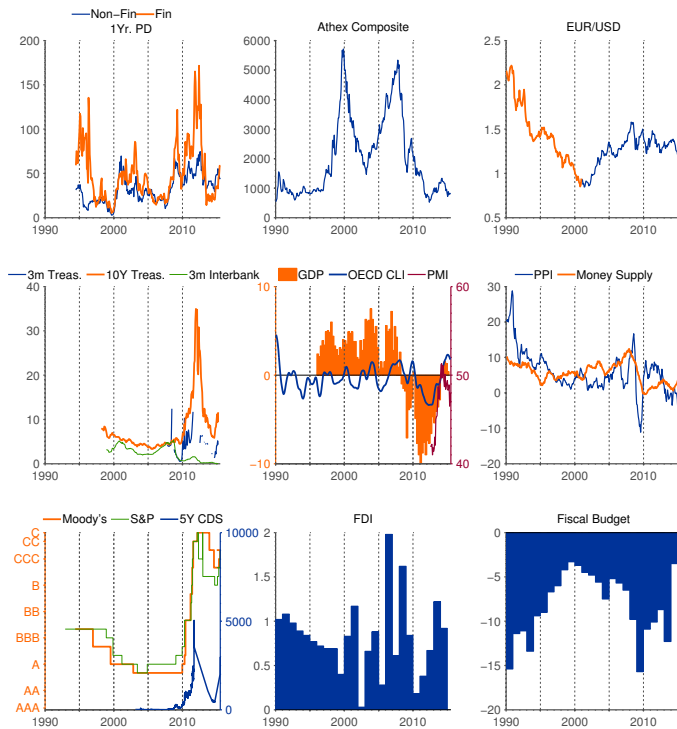
Finland	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	6.13	6.69	5.96	4.31	4.64
1Yr. PD, Fin.	4.51	4.56	5.74	4.80	7.24
OMX Helsinki	7578	7668	7759	9015	8284
EUR/USD	1.37	1.26	1.21	1.07	1.11
10Y Treas. Yield (%)	1.44	1.05	0.66	0.25	-
3m Interbank (%)	0.21	0.08	0.08	0.02	-
GDP (YoY%)	-0.1	-0.6	-0.5	-0.2	-
OECD CLI	100.63	100.35	100.62	101.19	101.38*
PPI (YoY%)	-0.6	-0.3	-1.8	-0.8	-0.6*
Money Supply (YoY%)	1.50	2.40	3.60	4.50	5.00*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AA+	AA+	AA+
5Y CDS (bps)	23.7	27.5	30.7*	-	-
Fiscal Budget (%GDP)	-	-	-3.20	-	-



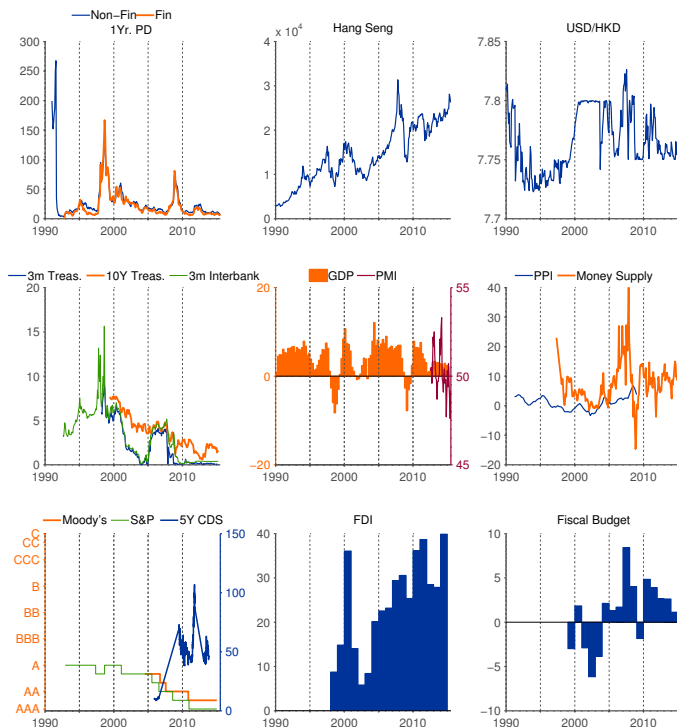
France	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	5.32	7.16	7.73	6.38	6.11
1Yr. PD, Fin.	7.48	6.97	7.71	6.07	6.44
CAC-40	4423	4416	4273	5034	4790
EUR/USD	1.37	1.26	1.21	1.07	1.11
3m Treas. Yield (%)	0.02	-0.03	-0.05	-0.16	-
10Y Treas. Yield (%)	1.70	1.28	0.83	0.48	-
3m Interbank (%)	0.21	0.08	0.08	0.02	-
GDP (YoY%)	-0.2	0.2	0.0	0.8	-
OECD CLI	99.79	99.87	100.28	100.64	100.68*
PMI	48.2	48.8	47.5	48.8	50.7
PPI (YoY%)	-0.2	-1.4	-2.8	-1.9	-1.7*
Money Supply (YoY%)	1.5	2.4	3.6	4.5	5.0*
Sov. Rating, Moody's	Aa1	Aa1	Aa1	Aa1	Aa1
Sov. Rating, S&P	AA	AA	AA	AA	AA
5Y CDS (bps)	39.7	42.8	47.7	40.6	36.2
FDI (%GDP)	-	-	-0.28	-	-
Fiscal Budget (%GDP)	-	-	-4.00	-	-



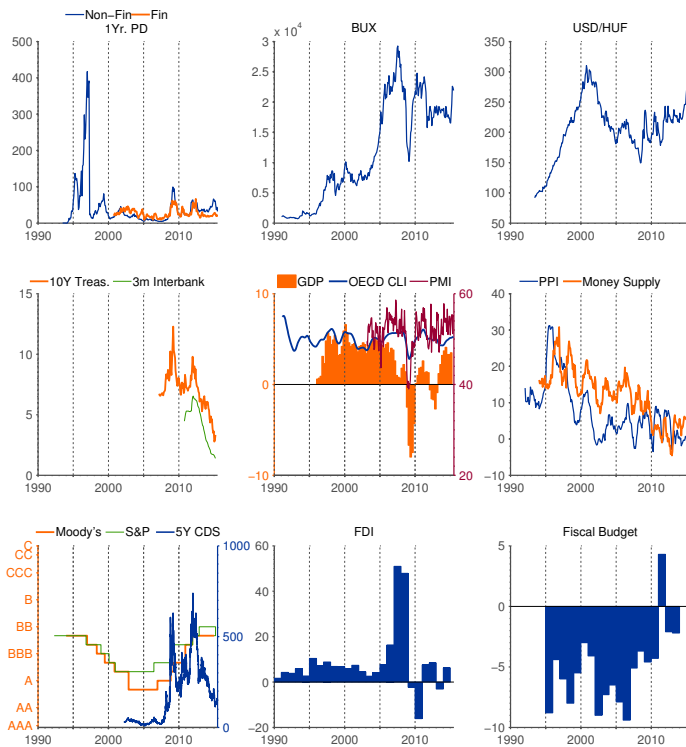
Germany	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	7.69	8.93	9.74	7.88	7.81
1Yr. PD, Fin.	14.29	13.78	13.66	9.38	9.32
CDAX Performance	881	845	880	1069	986
EUR/USD	1.37	1.26	1.21	1.07	1.11
3m Treas. Yield (%)	-0.03	-0.09	-0.16	-0.31	-
10Y Treas. Yield (%)	1.25	0.95	0.54	0.18	-
3m Interbank (%)	0.21	0.08	0.08	0.02	-
GDP (YoY%)	1.4	1.2	1.5	1.0	-
OECD CLI	100.32	99.78	99.69	99.85	99.96*
PMI	52.0	49.9	51.2	52.8	51.9
PPI (YoY%)	-0.8	-1.0	-1.6	-1.7	-1.3*
Money Supply (YoY%)	1.5	2.4	3.6	4.5	5.0*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
5Y CDS (bps)	20.03	18.00	13.51	17.12	15.99
FDI (%GDP)	-	-	0.22	-	-
Fiscal Budget (%GDP)	-	-	0.70	-	-



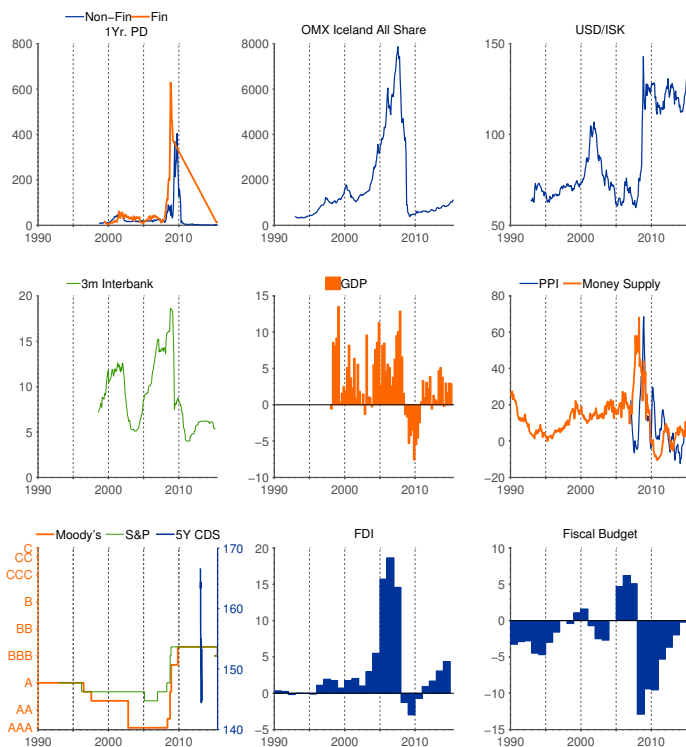
Greece	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	33.10	37.59	48.54	52.45	44.53
1Yr. PD, Fin.	21.48	22.62	33.21	45.19	58.42
Athex Composite	1214	1062	826	775	798
EUR/USD	1	1	1	1	1
3m Treas. Yield (%)	2.27*	1.52	4.07	4.31	-
10Y Treas. Yield (%)	5.96	6.63	9.74	11.63	-
3m Interbank (%)	0.21	0.08	0.08	0.02	-
GDP (YoY%)	0.3	1.5	1.3	0.4	-
OECD CLI	101.34	101.85	102.30	102.14	101.77*
PMI	49.4	48.4	49.4	48.9	46.9
PPI (YoY%)	1.6	0.0	-5.3	-3.0	-4.1*
Money Supply (YoY%)	1.5	2.4	3.6	4.5	5.0*
Sov. Rating, Moody's	Caa3	Caa1	Caa3	Caa3	Caa3
Sov. Rating, S&P	B-	B	CCC+	CCC+	CCC+
5Y CDS (bps)	441.0	451.6	-	-	2984.4
FDI (%GDP)	-	-	0.92	-	-
Fiscal Budget (%GDP)	-	-	-3.50	-	-



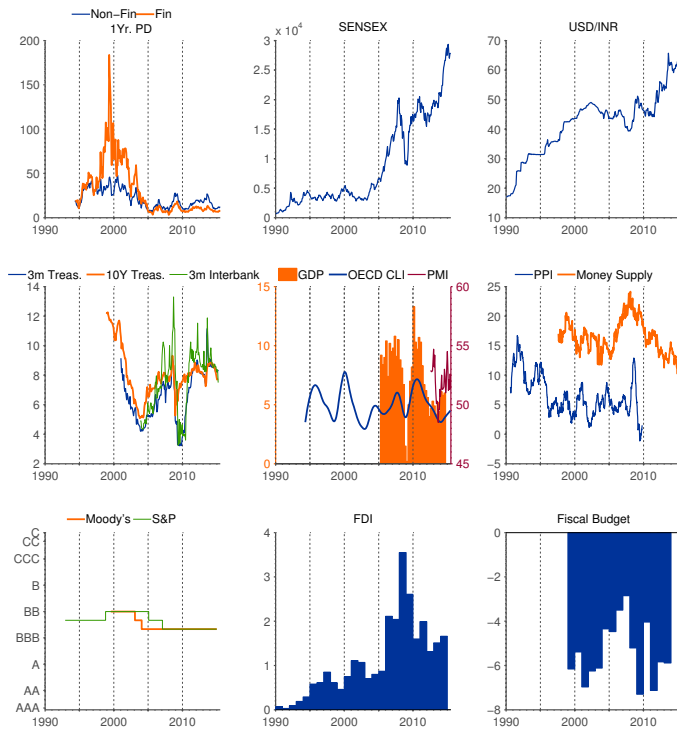
Hong Kong	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	11.43	9.58	11.43	10.65	8.60
1Yr. PD, Fin.	7.97	7.54	9.35	7.24	7.53
Hang Seng	23191	22933	23605	24901	26250
USD/HKD	7.75	7.77	7.76	7.75	7.75
3m Treas. Yield (%)	0.09	0.09	0.08	0.07	-
10Y Treas. Yield (%)	2.04	2.02	1.90	1.48	-
3m Interbank (%)	0.38	0.38	0.38	0.39	-
GDP (YoY%)	2.0	2.9	2.4	2.1	-
PMI	50.1	49.8	50.3	49.6	49.2
Money Supply (YoY%)	13.1	9.7	9.0	15.2	14.3*
Sov. Rating, Moody's	Aa1	Aa1	Aa1	Aa1	Aa1
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
FDI (%GDP)	-	-	39.87	-	-
Fiscal Budget (%GDP)	-	-	1.13	-	-



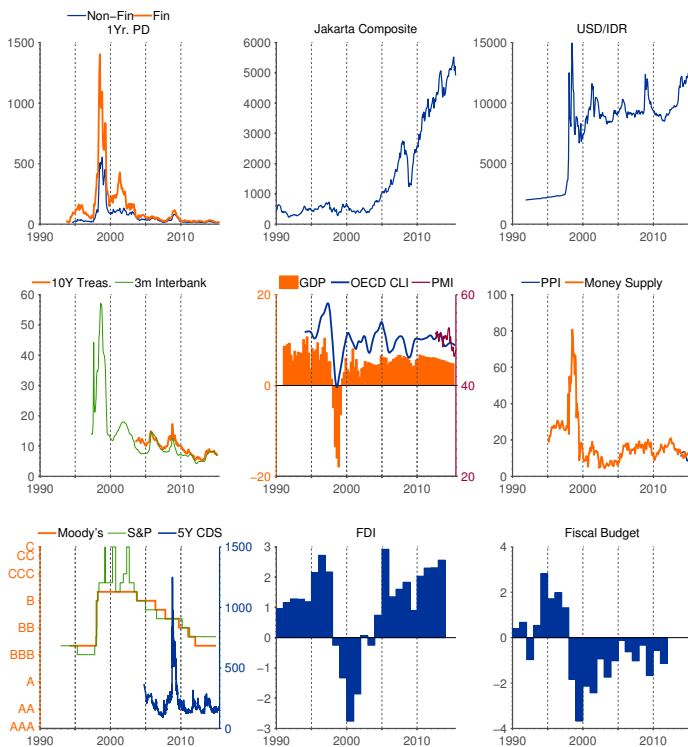
Hungary	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	46.36	46.46	64.11	49.09	32.16
1Yr. PD, Fin.	19.62	18.80	26.70	22.15	18.29
BUX	18605.8	17884.7	16634.0	19689.2	21903.1
USD/HUF	226.21	246.07	261.64	279.98	282.62
10Y Treas. Yield (%)	4.35	4.63	3.63	3.33	-
3m Interbank (%)	2.08	1.74	1.67	1.40	-
GDP (YoY%)	4.1	3.3	3.3	3.5	-
OECD CLI	99.68	99.98	100.26	100.36	100.57*
PMI	51.7	52.7	50.9	55.4	55.1
PPI (YoY%)	-0.6	-0.3	0.1	-2.4	1.0*
Money Supply (YoY%)	3.58	6.01	5.56	4.83	5.06*
Sov. Rating, Moody's	Ba1	Ba1	Ba1	Ba1	Ba1
Sov. Rating, S&P	BB	BB	BB+	BB+	BB+
5Y CDS (bps)	167.07	170.66	179.78	136.65	159.23
FDI (%GDP)	-	-	6.22	-	-



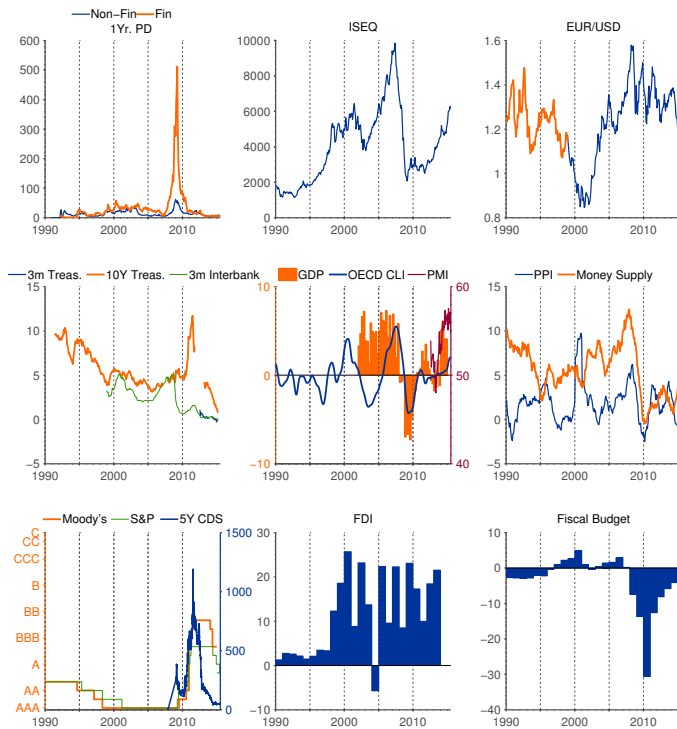
Iceland	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	0.80	0.76	2.17	2.39	1.63
1Yr. PD, Fin.	-	-	-	-	9.80
OMX Iceland All Share	831	866	956	1019	1121
USD/ISK	112.86	120.89	127.55	137.31	132.17
3m Interbank (%)	6.10	6.10	5.40	5.35	-
GDP (YoY%)	3.0	1.7	3.0	2.9	-
PPI (YoY%)	-1.8	4.4	12.2	15.9	12.5*
Money Supply (YoY%)	2.99	2.62	2.27	6.59	6.83*
Sov. Rating, Moody's	Baa3	Baa3	Baa2	Baa2	Baa2
Sov. Rating, S&P	BBB-	BBB-	BBB	BBB	BBB
FDI (%GDP)	-	-	4.38	-	-
Fiscal Budget (%GDP)	-	-	-0.22	-	-



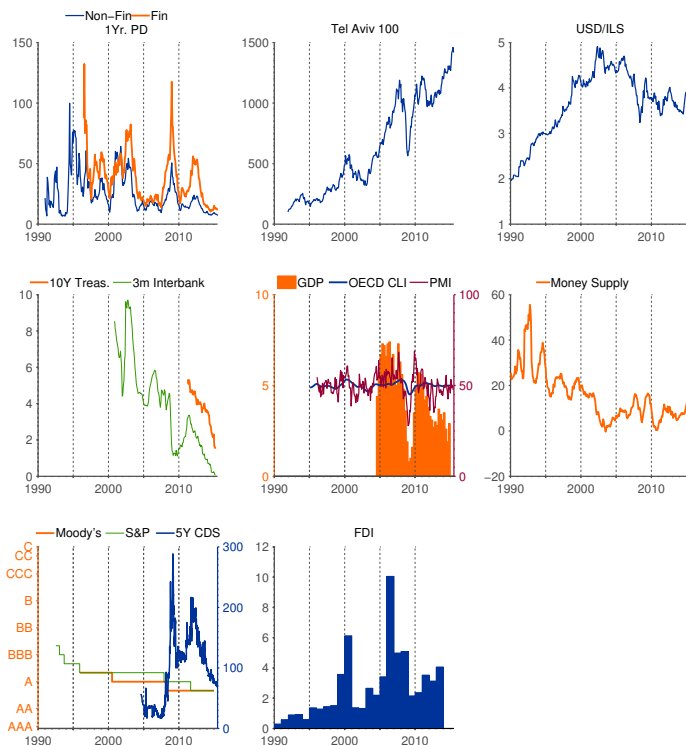
India	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	10.38	9.40	10.34	12.14	12.18
1Yr. PD, Fin.	6.65	6.95	6.82	7.31	8.17
SENSEX	25414	26631	27499	27957	27781
USD/INR	60.19	61.76	63.04	62.50	63.65
3m Treas. Yield (%)	8.55	8.61	8.31	8.27	-
10Y Treas. Yield (%)	8.75	8.51	7.86	7.74	-
3m Interbank (%)	8.50	8.75	8.25	7.50	-
GDP (YoY%)	5.80	6.00	-	-	-
OECD CLI	98.80	99.01	99.19	99.36	99.51*
PMI	51.5	51.0	54.5	52.1	51.3
Money Supply (YoY%)	11.80	12.70	11.10	11.10	11.00
Sov. Rating, Moody's	Baa3	Baa3	Baa3	Baa3	Baa3
Sov. Rating, S&P	BBB-	BBB-	BBB-	BBB-	BBB-
FDI (%GDP)	-	-	1.66	-	-



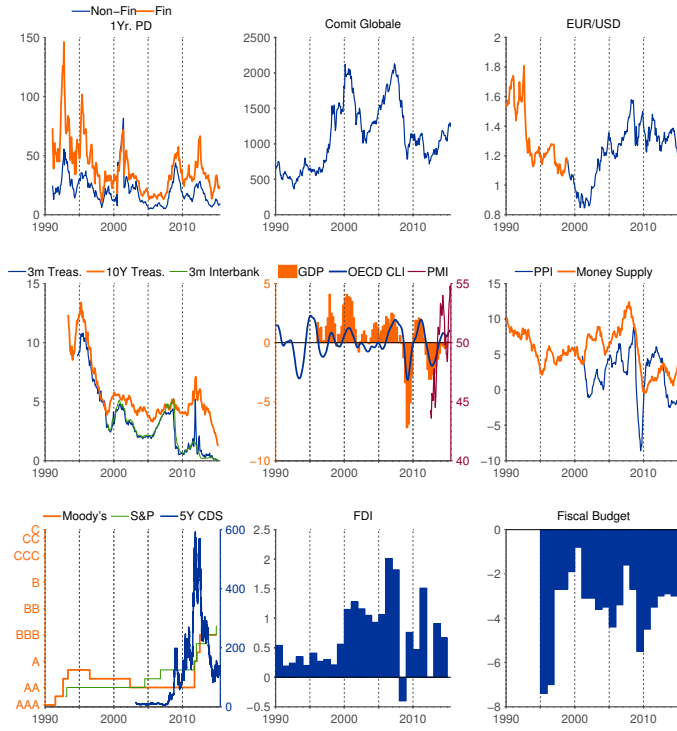
Indonesia	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	16.49	12.39	9.94	11.99	13.55
1Yr. PD, Fin.	28.12	18.85	15.87	13.19	18.39
Jakarta Composite	4879	5138	5227	5519	4911
USD/IDR	11875.00	12188.00	12388.00	13074.00	13339.00
10Y Treas. Yield (%)	8.21	8.52	7.80	7.44	-
3m Interbank (%)	8.15	8.07	7.17	6.88	-
GDP (YoY%)	5.1	4.9	4.9	4.8	-
OECD CLI	99.25	99.38	99.23	99.00	98.81*
PMI	52.7	50.7	47.6	46.4	47.8
PPI (YoY%)	12.22	8.66	10.39	8.33	9.65
Money Supply (YoY%)	13.26	11.89	11.87	16.26	-
Sov. Rating, Moody's	Baa3	Baa3	Baa3	Baa3	Baa3
Sov. Rating, S&P	BB+	BB+	BB+	BB+	BB+
5Y CDS (bps)	161.5	167.0	178.0	154.8	174.8



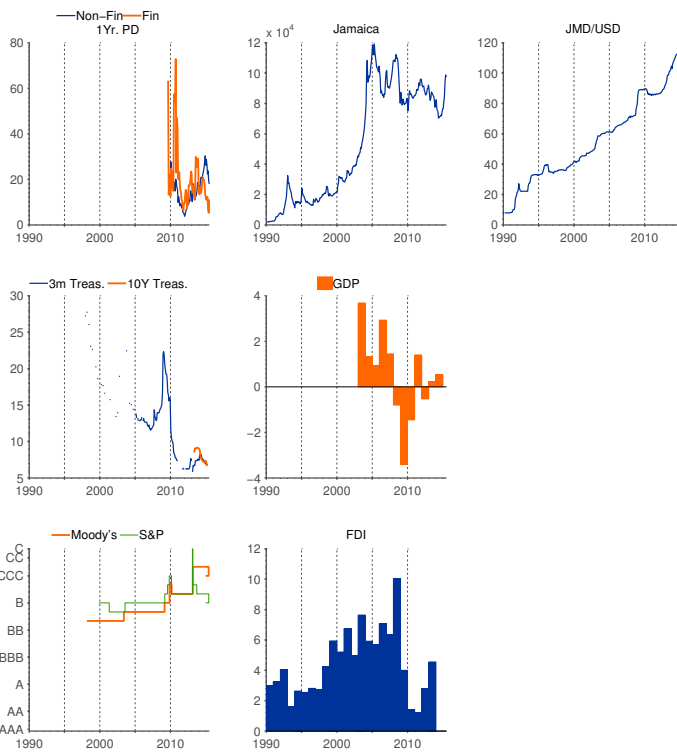
Ireland	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	6.21	7.68	7.25	7.40	6.76
1Yr. PD, Fin.	4.80	4.78	5.49	5.93	6.09
ISEQ	4700	4875	5225	6019	6165
EUR/USD	1.37	1.26	1.21	1.07	1.11
3m Treas. Yield (%)	0.12	-0.01	-0.30	-0.03	-
10Y Treas. Yield (%)	2.36	1.65	1.25	0.75	-
3m Interbank (%)	0.21	0.08	0.08	0.02	-
GDP (YoY%)	6.1	4.1	4.1	-	-
OECD CLI	100.38	100.49	100.84	101.75	102.04*
PMI	55.3	55.7	56.9	56.8	54.6
PPI (YoY%)	0.4	-0.5	-1.5	-1.7	-1.0*
Money Supply (YoY%)	1.5	2.4	3.6	4.5	5.0*
Sov. Rating, Moody's	Baa1	Baa1	Baa1	Baa1	Baa1
Sov. Rating, S&P	A-	A-	A+	A+	A+
5Y CDS (bps)	45.78	54.33	50.17	48.27	58.99
Fiscal Budget (%GDP)	-	-	-4.10	-	-



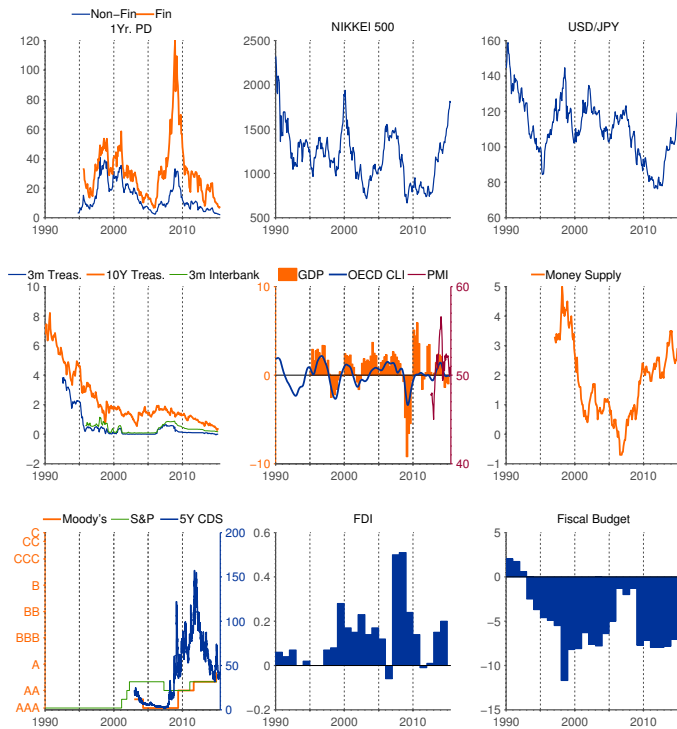
Israel	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	7.51	8.33	9.55	8.22	6.99
1Yr. PD, Fin.	10.29	11.49	15.24	13.33	11.40
Tel Aviv 100	1253	1306	1289	1417	1418
USD/ILS	3.43	3.68	3.90	3.98	3.77
10Y Treas. Yield (%)	2.81	2.37	2.31	1.52	-
3m Interbank (%)	0.65	0.21	0.25	0.08	-
GDP (YoY%)	2.6	1.9	2.9	-	-
OECD CLI	99.93	99.94	99.89	99.70	99.67*
PMI	48.9	49.9	45.8	50.2	47.6*
Money Supply (YoY%)	7.7	8.0	11.7	14.3	-
Sov. Rating, Moody's	A1	A1	A1	A1	A1
Sov. Rating, S&P	A+	A+	A+	A+	A+
5Y CDS (bps)	81.59	87.17	77.79	76.39	70.14



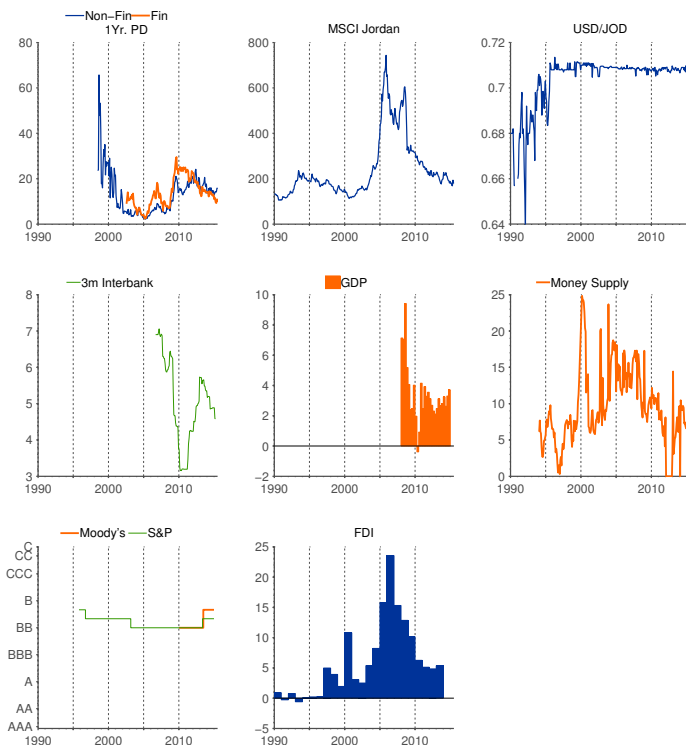
Italy	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	7.90	10.86	12.43	8.01	9.54
1Yr. PD, Fin.	19.43	23.96	33.17	22.27	22.75
Comit Globale	1155	1119	1038	1273	1238
EUR/USD	1.37	1.26	1.21	1.07	1.11
3m Treas. Yield (%)	0.18	0.11	0.11	0.04	-
10Y Treas. Yield (%)	2.85	2.33	1.89	1.24	-
3m Interbank (%)	0.21	0.08	0.08	0.02	-
GDP (YoY%)	-0.3	-0.5	-0.4	0.1	-
OECD CLI	100.80	100.55	100.60	100.95	101.04*
PMI	52.6	50.7	48.4	53.3	54.1
PPI (YoY%)	-1.8	-2.0	-2.1	-3.0	-2.7*
Money Supply (YoY%)	1.50	2.40	3.60	4.50	5.00*
Sov. Rating, Moody's	Baa2	Baa2	Baa2	Baa2	Baa2
Sov. Rating, S&P	BBB	BBB	BBB-	BBB-	BBB-
5Y CDS (bps)	94.51	105.96	136.93	108.21	136.31
FDI (%GDP)	-	-	0.67	-	-
Fiscal Budget (%GDP)	-	-	-3.00	-	-



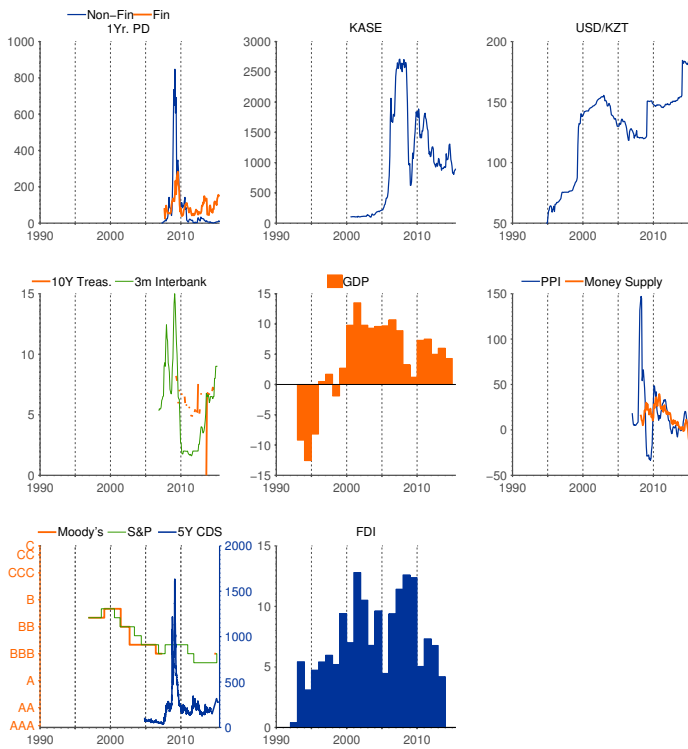
Jamaica	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	20.70	24.92	26.18	22.36	18.01
1Yr. PD, Fin.	19.76	19.82	12.15	12.31	11.17
Jamaica	70750	72238	76353	83805	97271
JMD/USD	111.85	112.47	114.33	114.80	116.65
3m Treas. Yield (%)	7.66	7.47	6.96	6.73	-
10Y Treas. Yield (%)	7.50	7.20	7.32	6.63	-
GDP (YoY%)	-	-	0.5	-	-
Sov. Rating, Moody's	Caa3	Caa3	Caa2	Caa2	Caa2
Sov. Rating, S&P	B-	B-	B	B	B



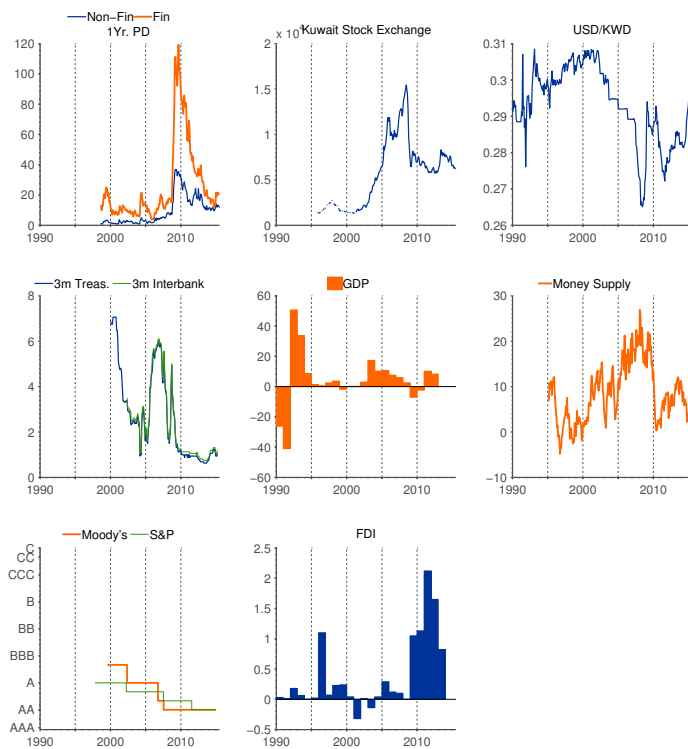
Japan	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	4.07	2.80	2.91	2.48	2.05
1Yr. PD, Fin.	13.68	10.60	9.45	7.49	6.76
NIKKEI 500	1327	1406	1514	1716	1800
USD/JPY	101.33	109.65	119.78	120.13	122.50
3m Treas. Yield (%)	0.03	0.00	0.00	0.01	-
10Y Treas. Yield (%)	0.57	0.53	0.33	0.41	-
3m Interbank (%)	0.21	0.21	0.18	0.17	-
GDP (YoY%)	-0.4	-1.4	-0.9	-1.0	-
OECD CLI	100.20	99.88	99.91	99.93	99.86*
PMI	51.5	51.7	52.0	50.3	50.1
Money Supply (YoY%)	2.50	2.50	2.90	3.00	3.10
Sov. Rating, Moody's	Aa3	Aa3	A1	A1	A1
Sov. Rating, S&P	AA-	AA-	AA-	AA-	AA-
5Y CDS (bps)	36.50	44.24	66.33	34.83	43.24
FDI (%GDP)	-	-	0.20	-	-
Fiscal Budget (%GDP)	-	-	-7.04	-	-



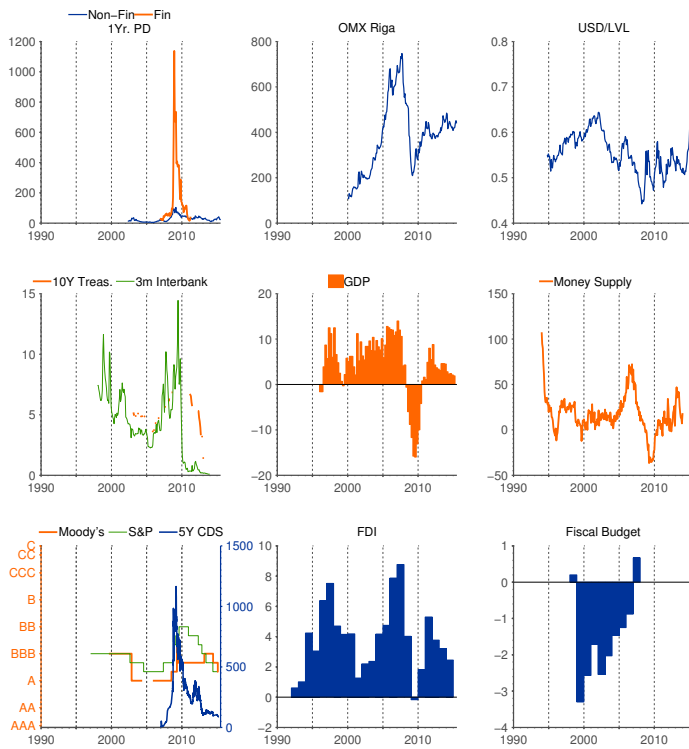
Jordan	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	14.73	13.66	12.75	14.27	15.74
1Yr. PD, Fin.	13.75	12.62	11.02	9.52	9.86
MSCI Jordan	213	193	188	171	179
USD/JOD	0.71	0.71	0.71	0.71	0.71
3m Interbank (%)	4.85	4.87	4.88	4.59	-
GDP (YoY%)	2.6	3.3	3.7	-	-
Money Supply (YoY%)	9.68	7.44	6.86	7.22	7.98*
Sov. Rating, Moody's	B1	B1	B1	B1	B1
Sov. Rating, S&P	BB-	BB-	BB-	BB-	BB-



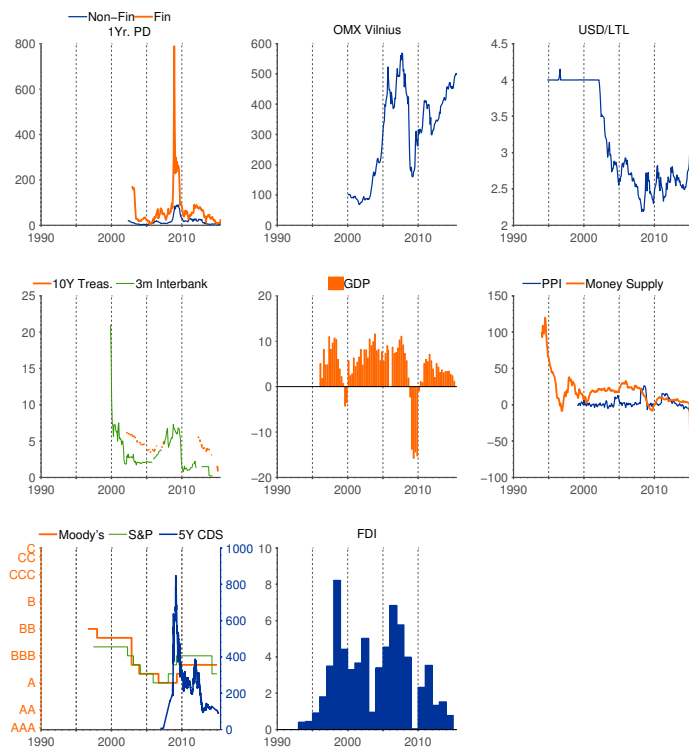
Kazakhstan	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	1.23	2.61	6.53	7.21	6.55
1Yr. PD, Fin.	56.79	114.40	110.18	142.78	148.68
KASE	1121	1204	942	804	900
USD/KZT	183.51	181.93	182.35	185.81	186.21
10Y Treas. Yield (%)	6.95	7.12	-	-	-
3m Interbank (%)	6.50	6.50	9.00	9.00	-
GDP (YoY%)	-	-	4.3	-	-
PPI (YoY%)	20.3	9.7	-1.6	-24.7	-24.1
Money Supply (YoY%)	6.48	8.93	-8.20	-12.73	-14.97*
Sov. Rating, Moody's	-	-	Baa2	Baa2	Baa2
Sov. Rating, S&P	BBB+	BBB+	BBB	BBB	BBB
5Y CDS (bps)	150.37	-	-	302.99*	271.13*



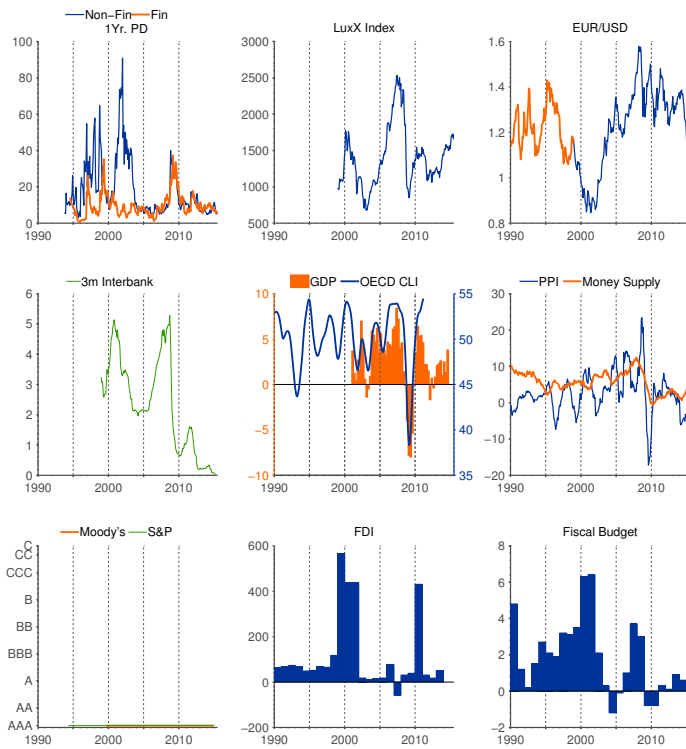
Kuwait	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	11.35	9.47	14.08	13.32	11.74
1Yr. PD, Fin.	16.92	11.29	21.58	21.64	20.52
Kuwait Stock Exchange	6971	7622	6536	6282	6203
USD/KWD	0.28	0.29	0.29	0.30	0.30
3m Treas. Yield (%)	1.06	1.25	0.94	1.06	-
3m Interbank (%)	1.19	1.31	1.06	1.19	-
Money Supply (YoY%)	7.15	4.15	2.82	3.55	5.14*
Sov. Rating, Moody's	Aa2	Aa2	Aa2	Aa2	Aa2
Sov. Rating, S&P	AA	AA	AA	AA	AA



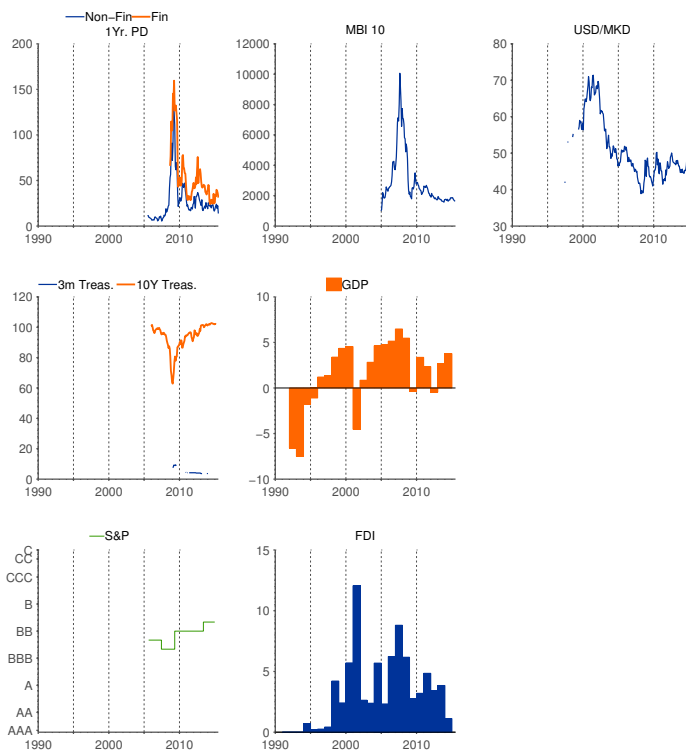
Latvia	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	15.90	25.96	31.91	41.51	25.09
OMX Riga	448	425	408	421	439
USD/LVL	0.51	0.56	0.58	0.65	0.63
GDP (YoY%)	2.3	2.4	2.1	1.9	-
Sov. Rating, Moody's	Baa1	Baa1	A3	A3	A3
Sov. Rating, S&P	A-	A-	A-	A-	A-
5Y CDS (bps)	97.45	-	105.60	87.62	-
FDI (%GDP)	-	-	2.45	-	-



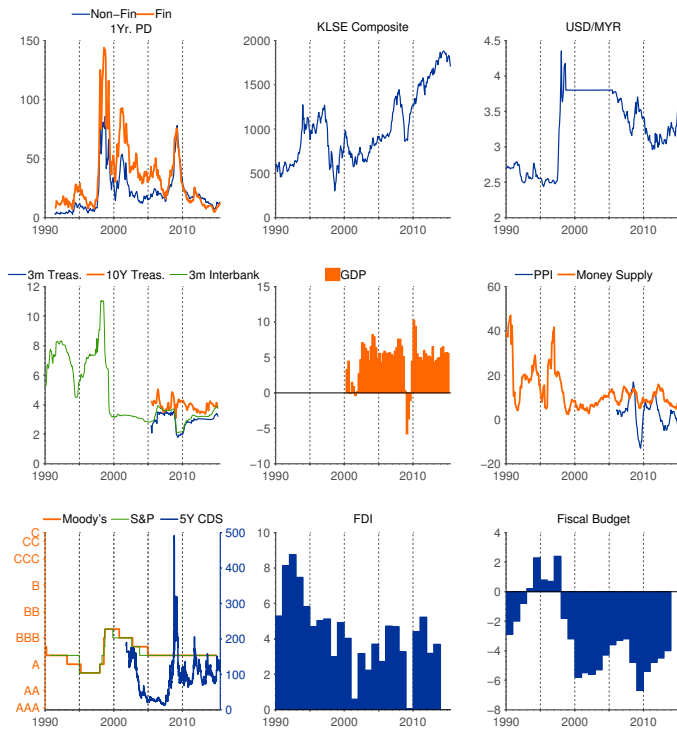
Lithuania	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	4.71	6.83	6.54	4.04	8.16
1Yr. PD, Fin.	25.15	16.41	8.05	8.51	26.96
OMX Vilnius	472	458	452	493	497
USD/LTL	2.52	2.73	2.84	3.22	3.10
10Y Treas. Yield (%)	3.09*	-	-	0.83*	-
3m Interbank (%)	0.20*	-	-	-	-
GDP (YoY%)	3.4	2.7	2.4	1.2	-
PPI (YoY%)	-2.6	-4.7	-10.4	-8.9	-7.0
Money Supply (YoY%)	3.70	3.00	1.50	-63.10	-62.60*
Sov. Rating, Moody's	Baa1	Baa1	Baa1	Baa1	Baa1
Sov. Rating, S&P	A-	A-	A-	A-	A-
5Y CDS (bps)	-	-	106.67	89.32	-
FDI (%GDP)	-	-	0.78	-	-



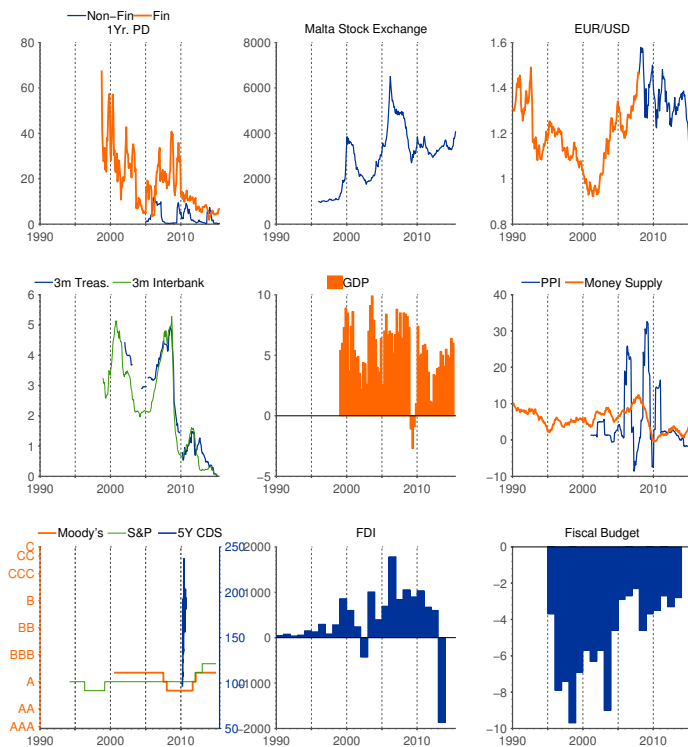
Luxembourg	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	5.68	9.29	11.41	7.13	6.15
1Yr. PD, Fin.	10.34	7.36	6.35	6.00	5.55
LuxX Index	1546	1507	1520	1715	1654
EUR/USD	1.37	1.26	1.21	1.07	1.11
3m Interbank (%)	0.21	0.08	0.08	0.02	-
GDP (YoY%)	1.3	3.8	-	-	-
PPI (YoY%)	-4.6	-5.1	-3.4	1.1	0.6*
Money Supply (YoY%)	1.50	2.40	3.60	4.50	5.00*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
Fiscal Budget (%GDP)	-	-	0.60	-	-



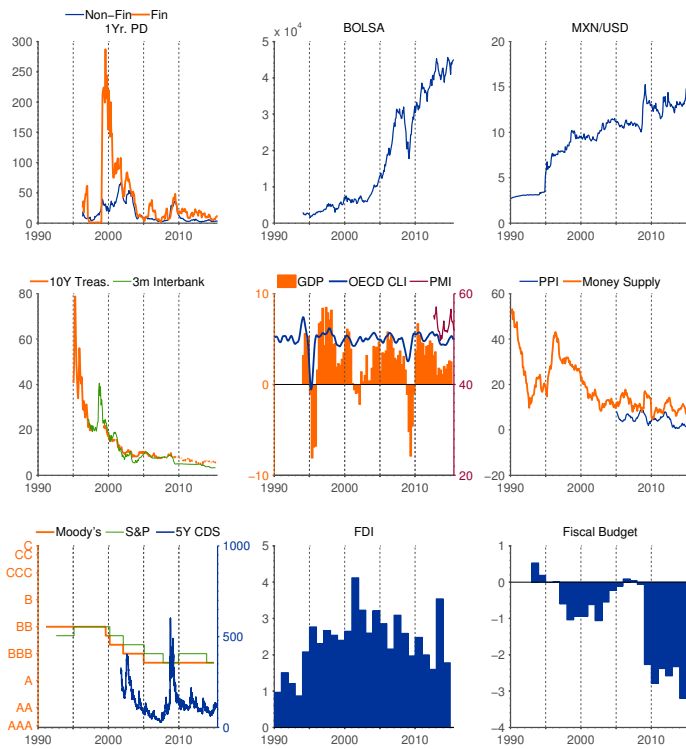
Macedonia	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	19.85	23.53	17.67	23.94	13.74
1Yr. PD, Fin.	28.95	25.65	26.19	39.82	31.19
MBI 10	1633	1713	1844	1755	1641
USD/MKD	45.16	49.02	50.60	57.35	55.31
10Y Treas. Yield (%)	102.49	102.38	101.91	102.11	-
GDP (YoY%)	-	-	3.8	-	-
Sov. Rating, S&P	BB-	BB-	BB-	BB-	BB-
FDI (%GDP)	-	-	1.12	-	-



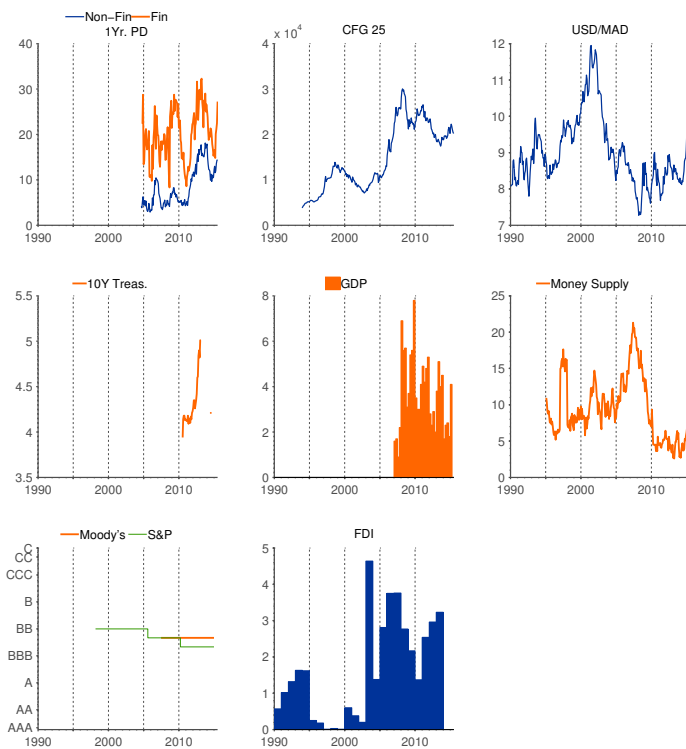
Malaysia	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	8.62	7.39	13.16	12.01	13.01
1Yr. PD, Fin.	6.02	4.94	9.38	10.78	12.47
KLSE Composite	1883	1846	1761	1831	1707
USD/MYR	3.21	3.28	3.50	3.70	3.77
3m Treas. Yield (%)	3.04	3.27	3.42	3.19	-
10Y Treas. Yield (%)	4.04	3.92	4.15	3.89	-
3m Interbank (%)	3.55	3.74	3.86	3.73	-
GDP (YoY%)	6.5	5.6	5.7	5.6	-
PPI (YoY%)	2.4	0.6	-4.4	-	-
Money Supply (YoY%)	5.60	5.20	7.00	7.90	5.70*
Sov. Rating, Moody's	A3	A3	A3	A3	A3
Sov. Rating, S&P	A-	A-	A-	A-	A-
5Y CDS (bps)	84.84	90.00	113.00	132.49	137.84



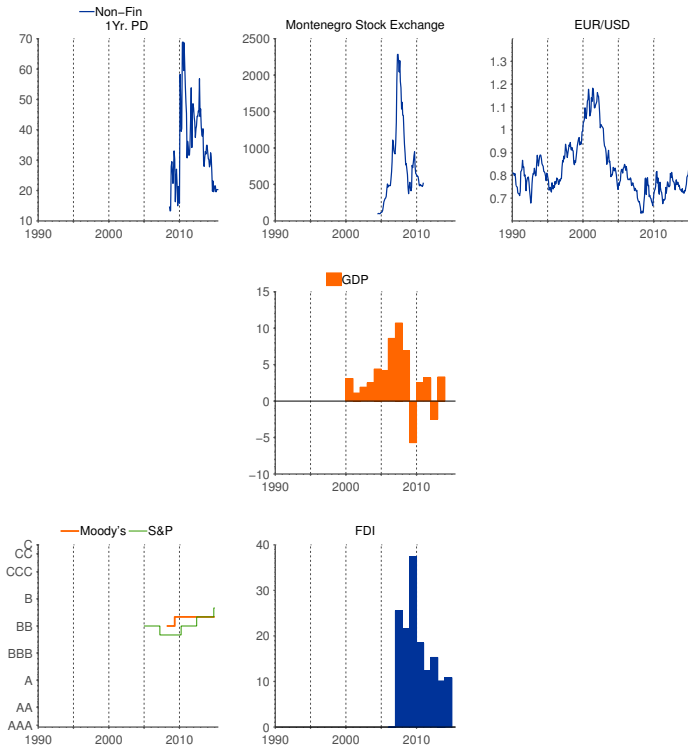
Malta	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	1.47	0.37	0.46	0.20	0.56
1Yr. PD, Fin.	6.04	4.14	4.70	4.51	7.00
Malta Stock Exchange	3298	3333	3331	3776	4091
EUR/USD	1.37	1.26	1.21	1.07	1.11
3m Treas. Yield (%)	0.21	0.07	0.08	0.00	-
3m Interbank (%)	0.21	0.08	0.08	0.02	-
GDP (YoY%)	5.0	4.8	6.4	6.0	-
PPI (YoY%)	-1.8	-1.6	-1.8	-2.0	-4.2*
Money Supply (YoY%)	1.50	2.40	3.60	4.50	5.00*
Sov. Rating, Moody's	A3	A3	A3	A3	A3
Sov. Rating, S&P	BBB+	BBB+	BBB+	BBB+	BBB+



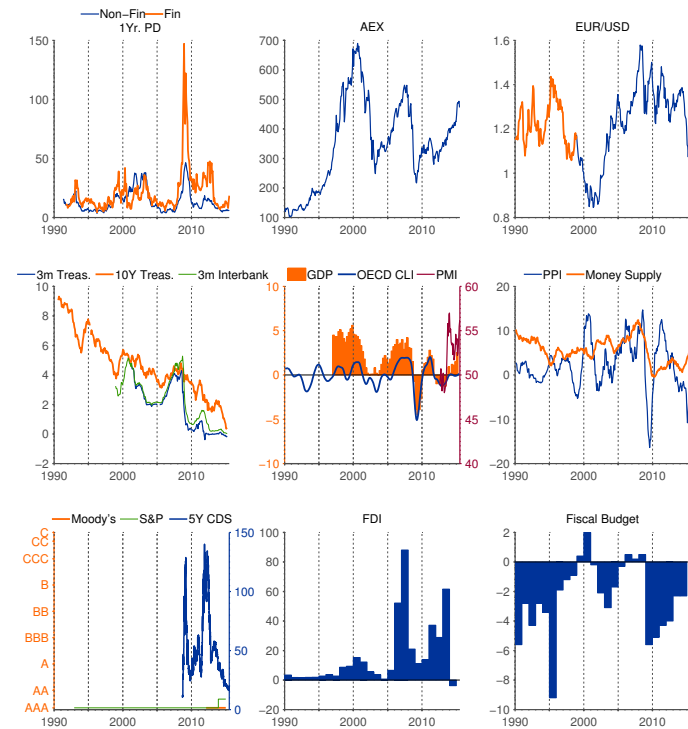
Mexico	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	3.79	2.62	2.90	3.52	3.25
1Yr. PD, Fin.	7.78	5.98	6.92	9.81	12.25
BOLSA	42737	44986	43146	43725	45054
MXN/USD	12.97	13.43	14.75	15.26	15.74
10Y Treas. Yield (%)	5.87*	5.65*	5.90	6.04	-
3m Interbank (%)	3.32	3.29	3.32	3.33	-
GDP (YoY%)	1.7	2.2	2.6	2.5	-
OECD CLI	98.92	99.74	100.37	100.59	99.89*
PMI	51.8	52.6	55.3	53.8	52.0
PPI (YoY%)	2.0	1.9	0.9	-0.1	0.9
Money Supply (YoY%)	11.50	9.90	7.10	4.40	10.70*
Sov. Rating, Moody's	Baa1	Baa1	Baa1	Baa1	Baa1
Sov. Rating, S&P	BBB+	BBB+	BBB+	BBB+	BBB+
5Y CDS (bps)	67.06	87.13	103.49	125.61	131.15
FDI (%GDP)	-	-	1.78	-	-
Fiscal Budget (%GDP)	-	-	-3.20	-	-



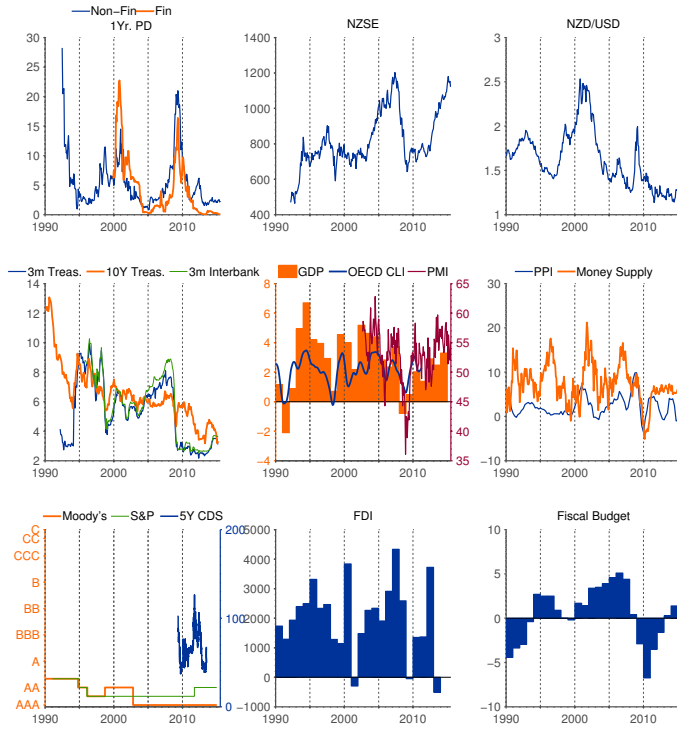
Morocco	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	9.93	11.06	12.24	11.97	14.40
1Yr. PD, Fin.	21.32	17.87	16.07	20.10	27.24
CFG 25	19140	21011	20236	21833	20205
USD/MAD	8.19	8.76	9.08	9.98	9.74
10Y Treas. Yield (%)	-	4.21*	-	-	-
Money Supply (YoY%)	3.70	5.30	6.20	7.20	5.50*
Sov. Rating, Moody's	Ba1	Ba1	Ba1	Ba1	Ba1
Sov. Rating, S&P	BBB-	BBB-	BBB-	BBB-	BBB-



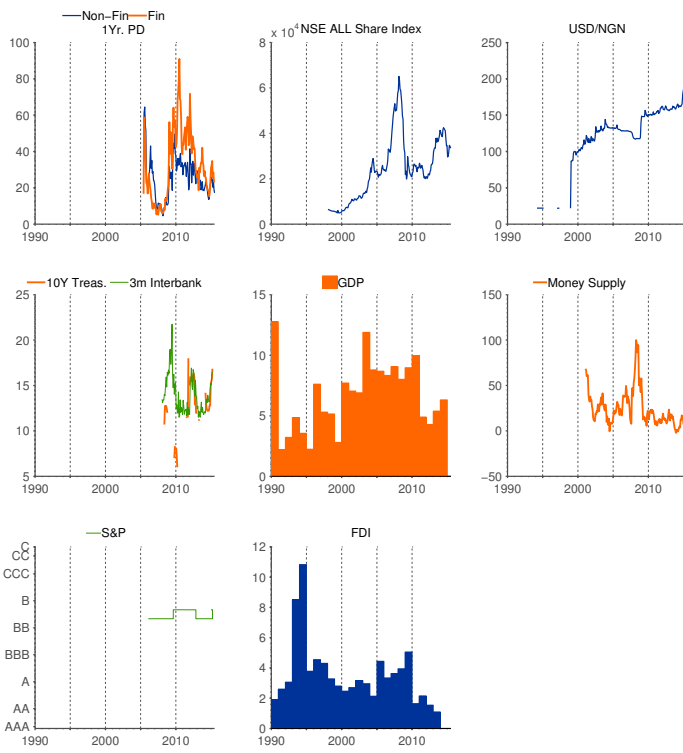
Montenegro	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	30.90	23.15	21.55	20.22	20.22
EUR/USD	0.73	0.79	0.83	0.93	0.90
Sov. Rating, Moody's	Ba3	Ba3	Ba3	Ba3	Ba3
Sov. Rating, S&P	BB-	BB-	B+	B+	B+
FDI (%GDP)	-	-	10.84	-	-



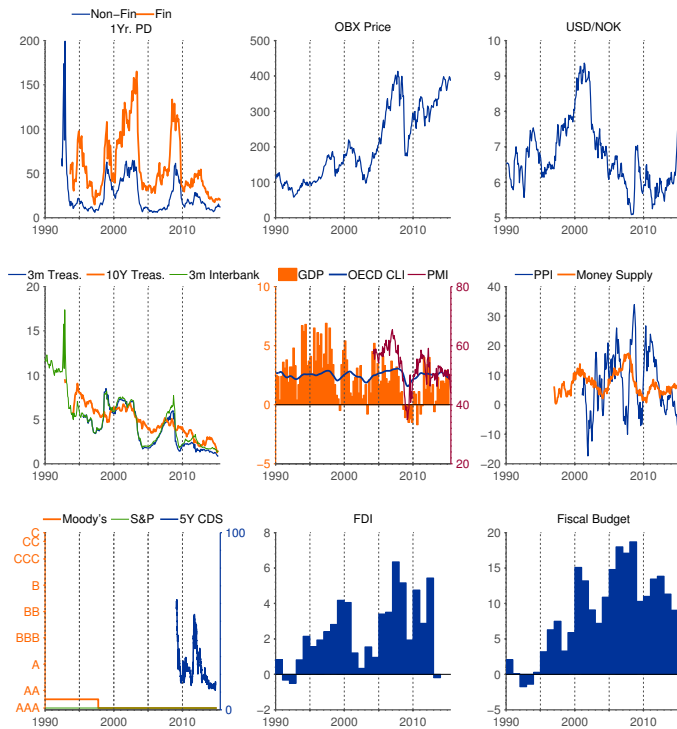
Netherlands	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	4.67	5.75	6.22	6.47	5.65
1Yr. PD, Fin.	8.54	8.70	13.70	10.41	18.47
AEX	413	421	424	489	473
EUR/USD	1.37	1.26	1.21	1.07	1.11
3m Treas. Yield (%)	-0.05	-0.08	-0.09	-0.21	-
10Y Treas. Yield (%)	1.48	1.09	0.69	0.34	-
3m Interbank (%)	0.21	0.08	0.08	0.02	-
GDP (YoY%)	1.2	1.1	1.5	2.5	-
OECD CLI	100.00	99.90	99.92	100.03	100.13*
PMI	52.3	52.2	53.5	52.5	56.2
PPI (YoY%)	-1.5	-2.9	-7.8	-6.4	-6.1*
Money Supply (YoY%)	1.50	2.40	3.60	4.50	5.00*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AA+	AA+	AA+	AA+	AA+
5Y CDS (bps)	28.96	23.83	21.02	19.34	20.55
FDI (%GDP)	-	-	-3.77	-	-
Fiscal Budget (%GDP)	-	-	-2.30	-	-



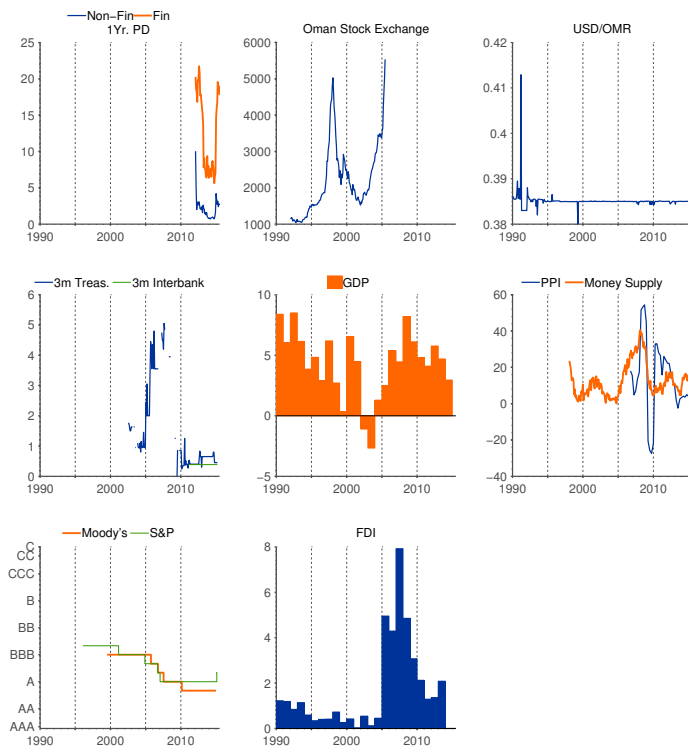
New Zealand	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	2.18	2.51	2.25	2.41	2.31
1Yr. PD, Fin.	0.23	0.27	0.28	0.10	0.06
NZSE	1050	1065	1122	1152	1121
NZD/USD	1.14	1.28	1.28	1.34	1.48
3m Treas. Yield (%)	3.48	3.50	3.53	3.11	-
10Y Treas. Yield (%)	4.41	4.14	3.67	3.23	-
3m Interbank (%)	3.65	3.71	3.67	3.63	-
GDP (YoY%)	-	-	3.3	-	-
PMI	53.3	58.3	56.9	54.6	55.2
PPI (YoY%)	2.5	-1.0	-0.8	-2.5	-
Money Supply (YoY%)	5.40	5.30	6.30	8.30	8.10*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AA	AA	AA	AA	AA
Fiscal Budget (%GDP)	-	-	1.39	-	-



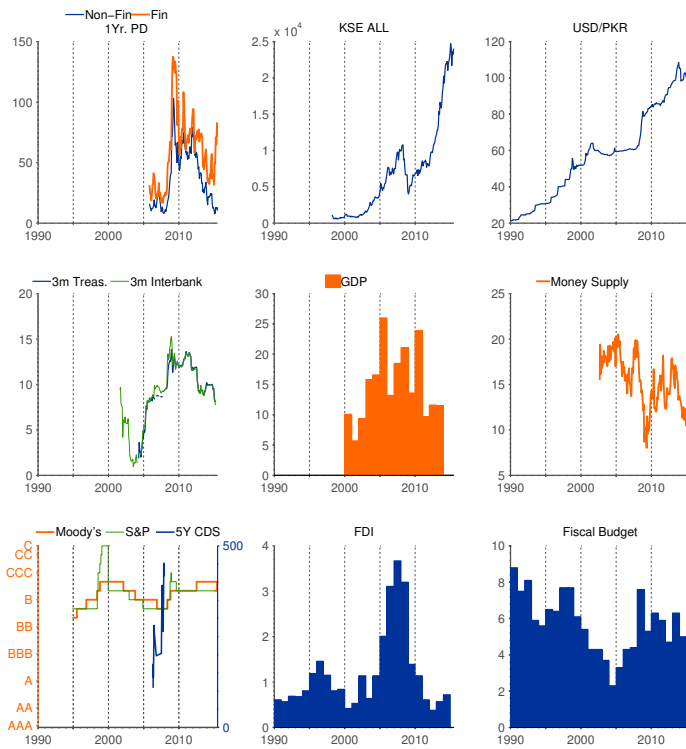
Nigeria	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	17.57	14.08	25.67	20.33	17.19
1Yr. PD, Fin.	19.50	15.35	31.20	25.76	23.54
NSE ALL Share Index	42482	41210	34657	31753	33457
USD/NGN	162.89	163.82	183.45	199.28	199.15
10Y Treas. Yield (%)	12.24	12.23	15.20	16.85	-
3m Interbank (%)	13.13	13.19	15.24	16.50	-
GDP (YoY%)	-	-	6.3	-	-
Money Supply (YoY%)	3.71	17.07	7.29	21.63	18.80*
Sov. Rating, S&P	BB-	BB-	B+	B+	B+



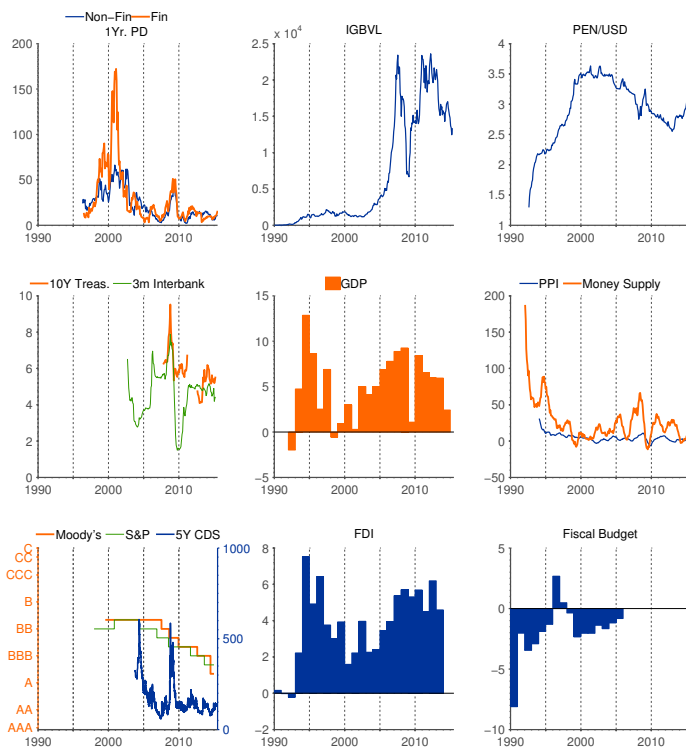
Norway	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	6.72	9.49	12.25	15.42	11.48
1Yr. PD, Fin.	18.33	19.82	20.07	21.76	19.30
OBX Price	398	390	364	389	386
USD/NOK	6.13	6.43	7.45	8.06	7.85
3m Treas. Yield (%)	1.18	1.28	1.03	0.92	-
10Y Treas. Yield (%)	2.48	2.27	1.54	1.49	-
3m Interbank (%)	1.75	1.65	1.48	1.47	-
GDP (YoY%)	2.0	1.8	2.9	2.6	-
OECD CLI	100.32	99.83	99.37	99.00	98.92*
PMI	49.6	49.5	49.8	48.6	44.0
PPI (YoY%)	1.2	-3.8	-7.9	-6.1	-4.9
Money Supply (YoY%)	7.10	6.50	5.20	6.50	-2.70*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
5Y CDS (bps)	13.12	12.33	13.84*	-	-
Fiscal Budget (%GDP)	-	-	9.06	-	-



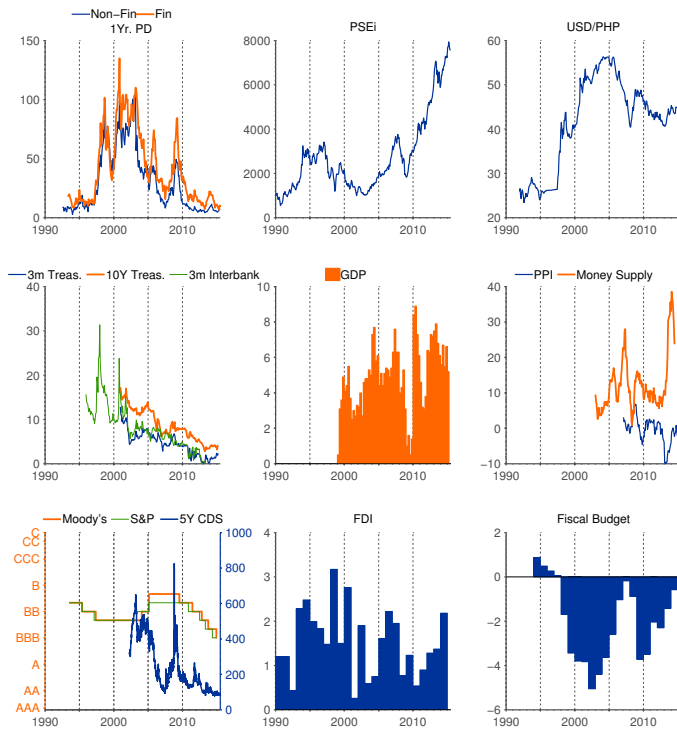
Oman	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	0.98	0.73	4.20	3.16	2.68
1Yr. PD, Fin.	8.69	5.62	14.60	19.57	17.78
USD/OMR	0.39	0.38	0.39	0.39	0.39
3m Treas. Yield (%)	0.65	0.80	0.45	0.45	-
3m Interbank (%)	0.38	0.38	0.39	0.39	-
GDP (YoY%)	-	-	3.0	-	-
PPI (YoY%)	3.6	5.0	4.0	-	-
Money Supply (YoY%)	15.65	15.05	15.32	11.87	11.79*
Sov. Rating, Moody's	A1	A1	A1	A1	A1
Sov. Rating, S&P	A	A	A-	A-	A-



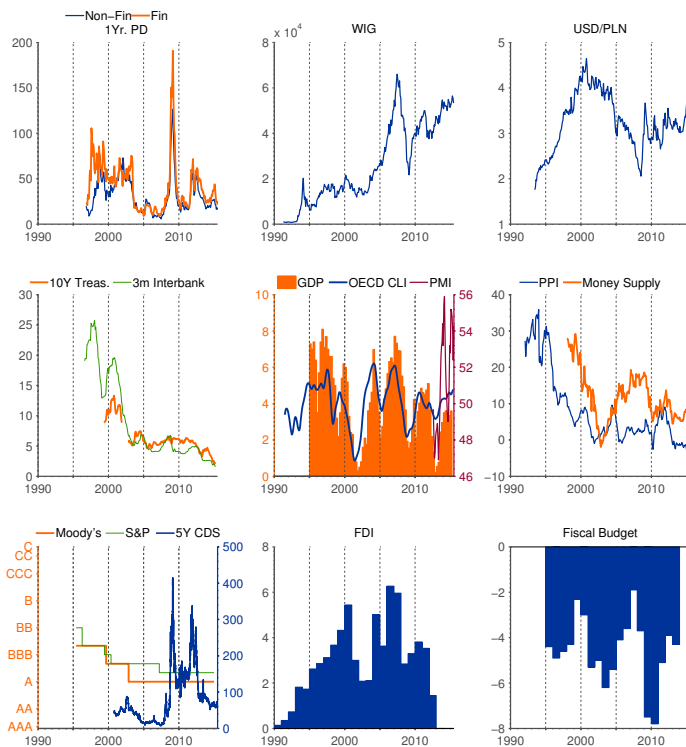
Pakistan	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	24.40	16.38	10.91	12.93	10.22
1Yr. PD, Fin.	37.52	36.74	31.51	70.78	71.15
KSE ALL	21973	21778	23398	21703	24037
USD/PKR	98.72	102.65	100.52	101.93	101.78
3m Treas. Yield (%)	9.93	10.02	9.57	8.07	-
3m Interbank (%)	9.92	9.93	9.38	7.74	-
Money Supply (YoY%)	12.50	12.20	10.90	12.30	13.60*
Sov. Rating, Moody's	Caa1	Caa1	B3	B3	B3
Sov. Rating, S&P	B-	B-	B-	B-	B-
FDI (%GDP)	-	-	0.72	-	-
Fiscal Budget (%GDP)	-	-	5.00	-	-



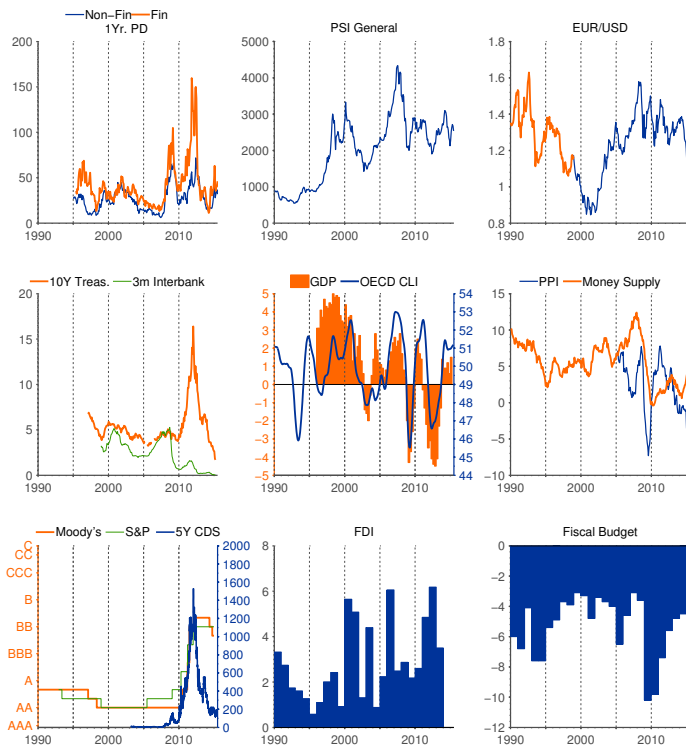
Peru	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	10.39	5.76	5.48	9.18	10.63
1Yr. PD, Fin.	10.19	6.41	7.91	10.50	15.94
IGBVL	16662	16227	14794	12462	13367*
PEN/USD	2.80	2.89	2.98	3.10	3.18
10Y Treas. Yield (%)	5.30	5.63	5.41	5.55	-
3m Interbank (%)	5.01	4.47	4.90	4.43	-
GDP (YoY%)	-	-	2.4	-	-
PPI (YoY%)	2.1	0.4	1.5	1.6	1.7*
Money Supply (YoY%)	0.90	2.20	6.70	5.70	4.30*
Sov. Rating, Moody's	Baa2	A3	A3	A3	A3
Sov. Rating, S&P	BBB+	BBB+	BBB+	BBB+	BBB+
5Y CDS (bps)	82.88	104.50	114.92	134.32	140.12



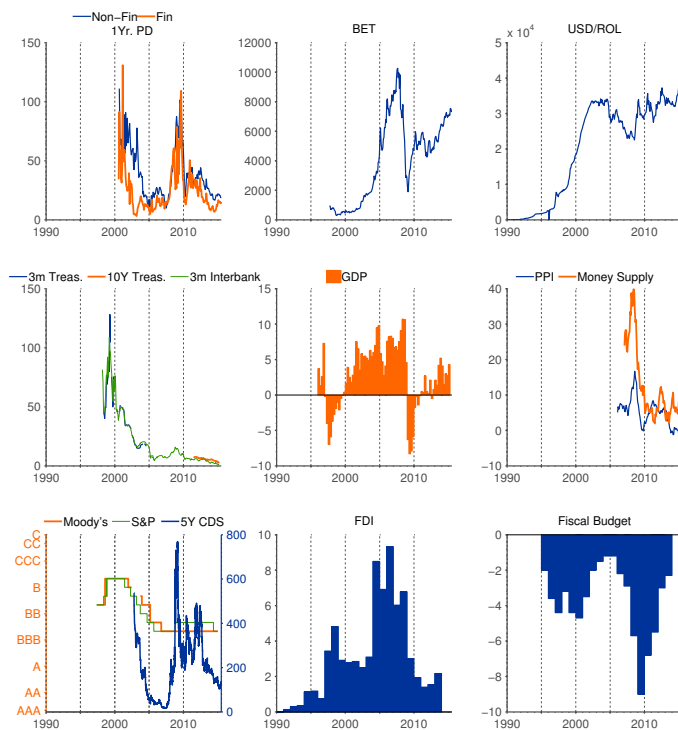
Philippines	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	6.28	5.71	4.95	5.75	6.93
1Yr. PD, Fin.	14.98	8.47	11.19	7.71	9.10
PSEi	6844	7283	7231	7940	7565
USD/PHP	43.66	44.97	44.72	44.70	45.11
3m Treas. Yield (%)	1.15	1.52	2.38	2.31	-
10Y Treas. Yield (%)	3.90	4.20	3.87	4.20	-
GDP (YoY%)	6.7	5.5	6.6	5.2	-
PPI (YoY%)	-2.3	0.8	-1.3	-5.2	-4.4*
Money Supply (YoY%)	23.72	-	-	-	-
Sov. Rating, Moody's	Baa3	Baa3	Baa2	Baa2	Baa2
Sov. Rating, S&P	BBB	BBB	BBB	BBB	BBB
5Y CDS (bps)	87.18	99.48	101.50	92.59	93.17
FDI (%GDP)	-	-	2.18	-	-
Fiscal Budget (%GDP)	-	-	-0.58	-	-



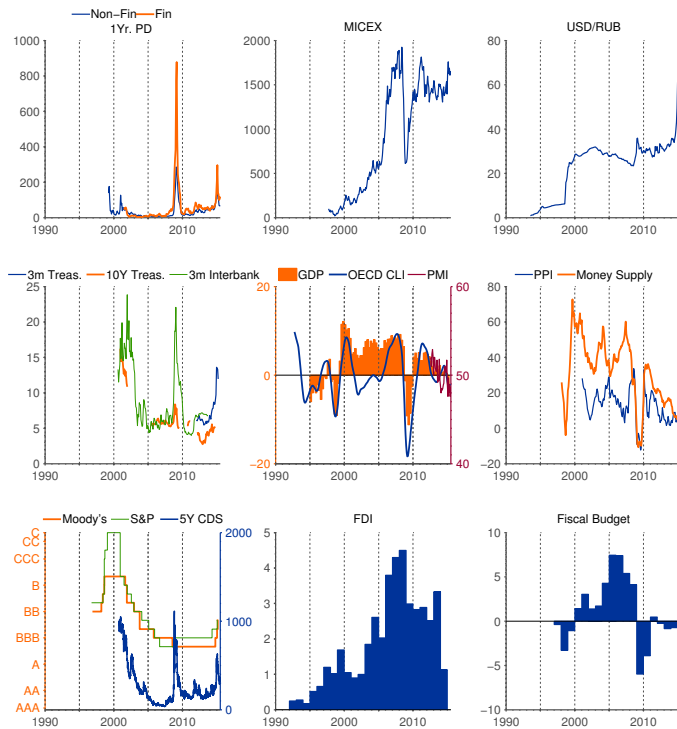
Poland	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	18.13	26.31	27.16	20.93	15.98
1Yr. PD, Fin.	24.20	31.18	38.50	29.54	21.30
WIG	51935	54879	51416	54091	53329
USD/PLN	3.04	3.31	3.54	3.80	3.76
10Y Treas. Yield (%)	3.45	3.05	2.52	2.31	-
3m Interbank (%)	2.58	2.18	1.96	1.55	-
GDP (YoY%)	3.6	3.4	3.3	3.6	-
OECD CLI	100.32	100.58	100.54	100.62	100.78*
PMI	50.3	49.5	52.8	54.8	54.3
PPI (YoY%)	-1.8	-1.6	-2.7	-2.5	-2.2*
Money Supply (YoY%)	5.24	7.88	8.20	8.89	8.30
Sov. Rating, Moody's	A2	A2	A2	A2	A2
Sov. Rating, S&P	A-	A-	A-	A-	A-
5Y CDS (bps)	59.86	70.32	66.86	59.12	74.99



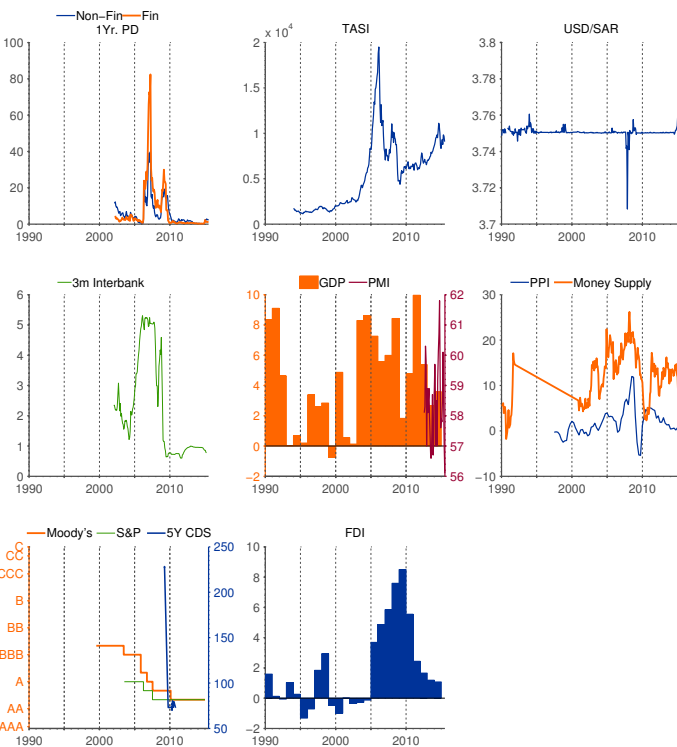
Portugal	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	16.74	17.68	39.80	31.41	31.84
1Yr. PD, Fin.	37.55	30.86	48.83	35.48	46.12
PSI General	2940	2561	2128	2630	2537
EUR/USD	1.37	1.26	1.21	1.07	1.11
10Y Treas. Yield (%)	3.65	3.16	2.69	1.69	-
3m Interbank (%)	0.21	0.08	0.08	0.02	-
GDP (YoY%)	0.9	1.2	0.6	1.5	-
OECD CLI	101.09	100.92	100.96	101.08	101.19*
PPI (YoY%)	-0.4	-0.9	-3.5	-2.4	-1.7*
Money Supply (YoY%)	1.50	2.40	3.60	4.50	5.00*
Sov. Rating, Moody's	Ba2	Ba1	Ba1	Ba1	Ba1
Sov. Rating, S&P	BB	BB	BB	BB	BB
5Y CDS (bps)	163.67	165.32	202.46	126.92	195.05
Fiscal Budget (%GDP)	-	-	-4.50	-	-



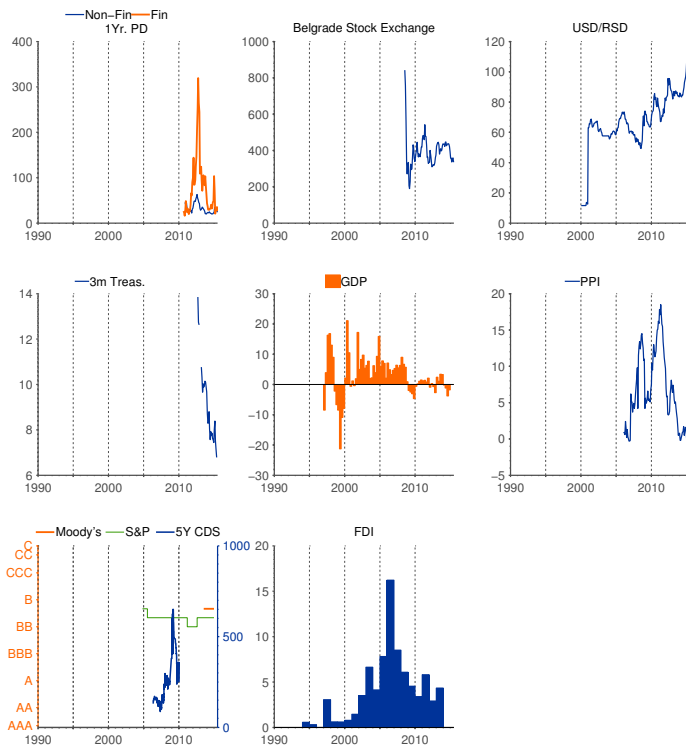
Romania	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	16.83	20.80	22.02	20.70	18.93
1Yr. PD, Fin.	6.74	9.02	14.37	14.74	15.07
BET	7014	7263	7083	7076	7298
USD/ROL	32030.46	34932.00	37073.00	41105.00	40176.31
10Y Treas. Yield (%)	4.38	4.28	3.57	3.24	-
3m Interbank (%)	2.17	2.85	1.46	1.25	-
GDP (YoY%)	1.5	3.0	2.7	4.3	-
PPI (YoY%)	0.3	0.1	-1.4	-1.1	-2.4*
Money Supply (YoY%)	5.25	5.17	8.42	6.66	7.12*
Sov. Rating, Moody's	Baa3	Baa3	Baa3	Baa3	Baa3
Sov. Rating, S&P	BBB-	BBB-	BBB-	BBB-	BBB-
5Y CDS (bps)	135.00	144.33	134.51	107.35	132.38



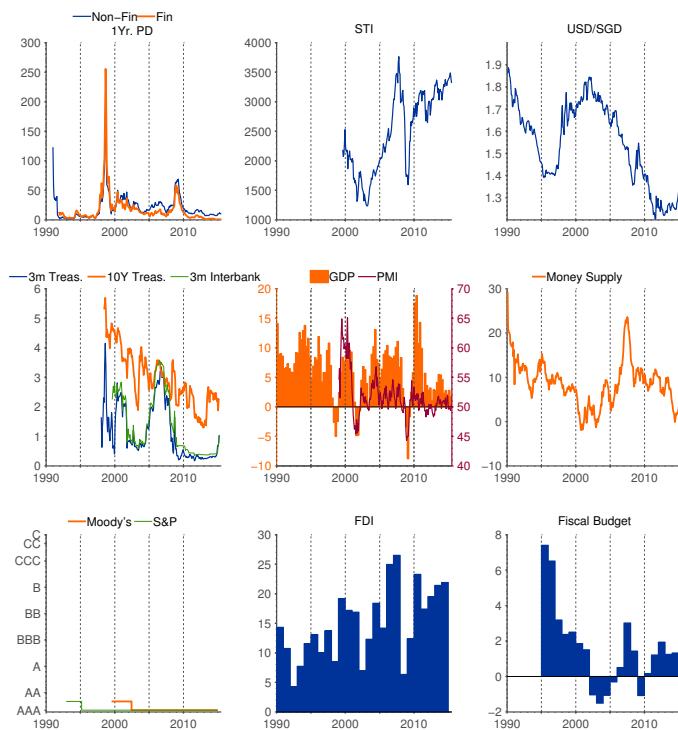
Russia	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	44.53	63.02	141.51	105.03	66.11
1Yr. PD, Fin.	53.08	77.33	208.64	135.08	119.31
MICEX	1476	1411	1397	1626	1655
USD/RUB	33.98	39.60	60.74	58.19	55.34
3m Treas. Yield (%)	7.82	8.38	13.62	11.97	-
10Y Treas. Yield (%)	4.44	5.13	5.08*	-	-
GDP (YoY%)	0.7	0.9	0.4	-2.2	-
OECD CLI	101.08	100.62	99.29	98.79	98.99*
PMI	49.1	50.4	48.9	48.1	48.7
PPI (YoY%)	8.9	3.5	5.9	13.0	13.4*
Money Supply (YoY%)	6.70	7.00	6.80	6.20	6.80*
Sov. Rating, Moody's	Baa1	Baa1	Ba1	Ba1	Ba1
Sov. Rating, S&P	BBB-	BBB-	BB+	BB+	BB+
5Y CDS (bps)	183.69	248.51	476.09	407.86	341.87
FDI (%GDP)	-	-	1.13	-	-
Fiscal Budget (%GDP)	-	-	-0.74	-	-



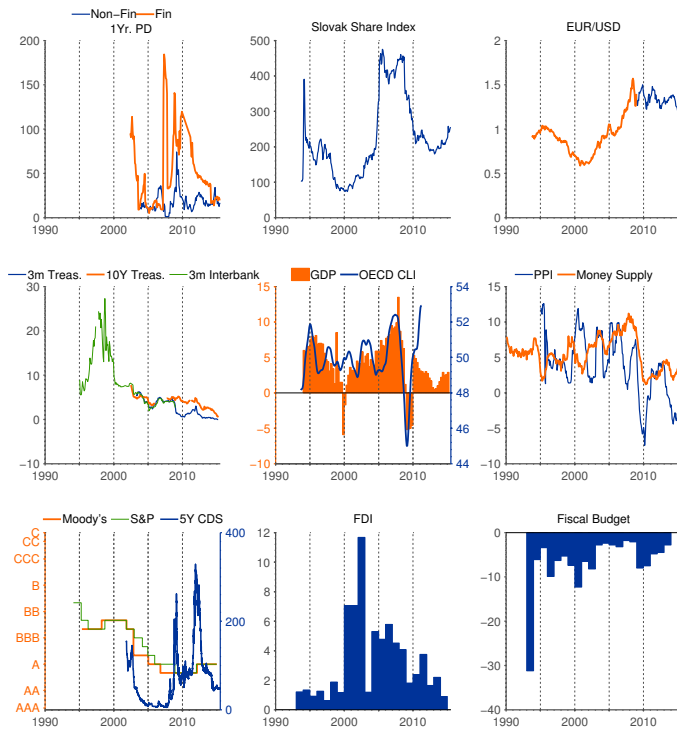
Saudi Arabia	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	0.29	0.19	2.29	2.85	2.25
1Yr. PD, Fin.	0.30	0.20	2.25	1.14	1.36
TASI	9513	10855	8333	8779	9087
USD/SAR	3.75	3.75	3.75	3.75	3.75
3m Interbank (%)	0.95	0.94	0.86	0.77	-
GDP (YoY%)	-	-	3.6	-	-
PMI	59.2	61.8	57.9	60.1	56.1
PPI (YoY%)	0.6	0.2	0.7	-0.3	-
Money Supply (YoY%)	12.30	13.40	11.90	10.20	10.40*
Sov. Rating, Moody's	Aa3	Aa3	Aa3	Aa3	Aa3
Sov. Rating, S&P	AA-	AA-	AA-	AA-	AA-
FDI (%GDP)	-	-	1.07	-	-



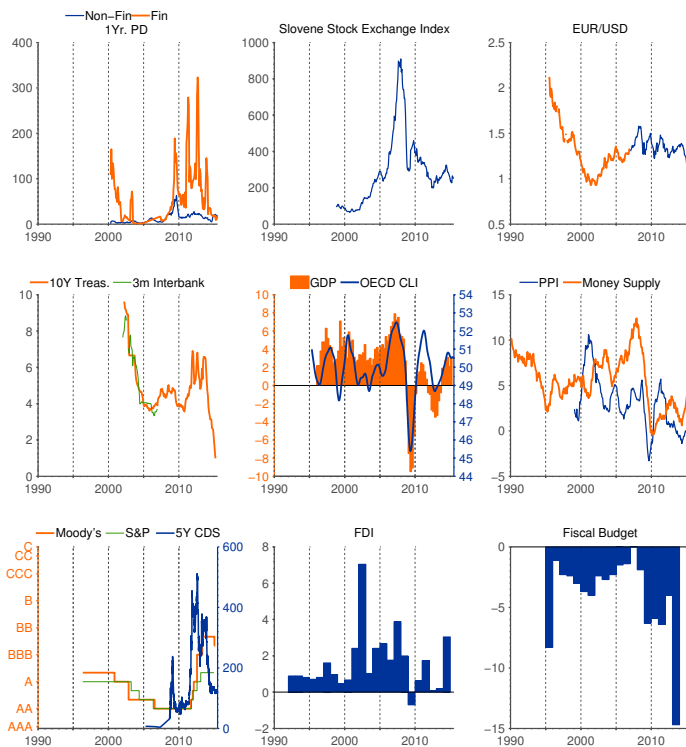
Serbia	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	21.59	20.19	23.01	28.00	24.18
1Yr. PD, Fin.	33.27	33.62	103.57	27.71	26.39
Belgrade Stock Exchange	426	438	396	337	336
USD/RSD	84.58	93.07	100.33	111.98	108.01
3m Treas. Yield (%)	7.57	7.86	7.44	7.51	6.79*
GDP (YoY%)	-1.2	-3.8	-1.8	-	-
PPI (YoY%)	1.0	1.0	0.2	0.7	1.2
Sov. Rating, Moody's	B1	B1	B1	B1	B1
Sov. Rating, S&P	BB-	BB-	BB-	BB-	BB-



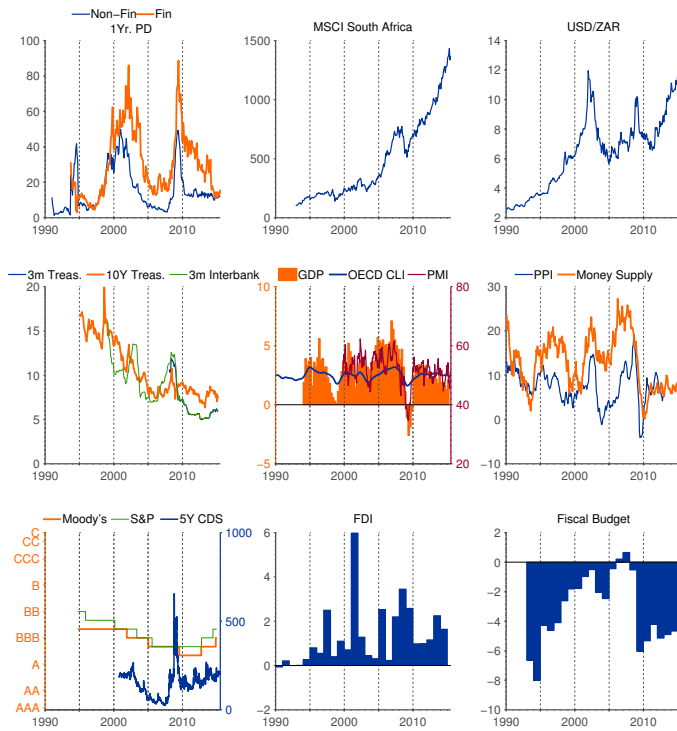
Singapore	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	7.71	7.26	10.10	12.11	9.78
1Yr. PD, Fin.	1.57	0.61	0.87	0.82	0.82
STI	3256	3277	3365	3447	3317
USD/SGD	1.25	1.28	1.33	1.37	1.35
3m Treas. Yield (%)	0.32	0.33	0.68	1.04	-
10Y Treas. Yield (%)	2.32	2.47	2.28	2.27	-
3m Interbank (%)	0.40	0.41	0.46	1.01	-
GDP (YoY%)	2.3	2.8	2.1	2.8	1.7
PMI	50.5	50.5	49.6	49.6	50.4
Money Supply (YoY%)	0.70	2.00	3.40	4.00	5.00*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
FDI (%GDP)	-	-	21.93	-	-
Fiscal Budget (%GDP)	-	-	1.33	-	-



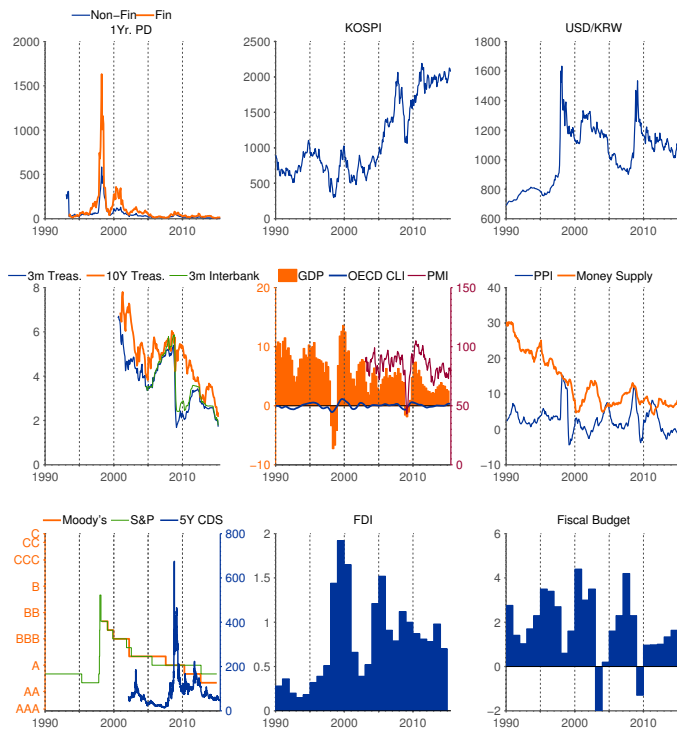
Slovakia	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	18.47	34.10	22.17	15.44	16.43
1Yr. PD, Fin.	19.07	20.33	23.89	22.98	20.77
Slovak Share Index	207	210	222	241	256
EUR/USD	1.37	1.26	1.21	1.07	1.11
3m Treas. Yield (%)	0.23	0.06	0.13	0.00	-
10Y Treas. Yield (%)	2.02	1.47	1.09	0.48	-
GDP (YoY%)	2.9	2.5	2.6	2.9	-
PPI (YoY%)	-3.3	-3.9	-3.7	-3.3	-3.5*
Money Supply (YoY%)	2.30	2.90	3.50	4.50	5.00*
Sov. Rating, Moody's	A2	A2	A2	A2	A2
Sov. Rating, S&P	A	A	A	A	A
5Y CDS (bps)	50.00	49.31	54.64	47.18	49.01
FDI (%GDP)	-	-	0.90	-	-



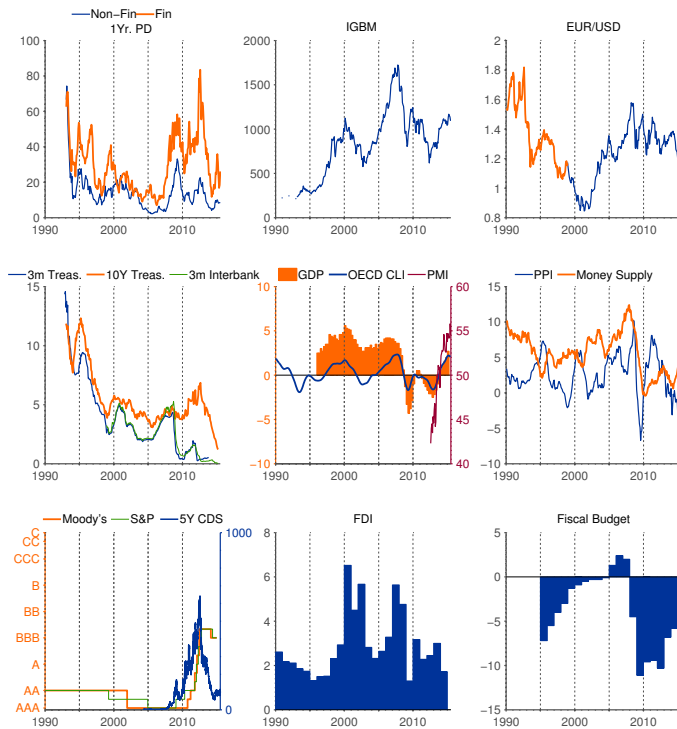
Slovenia	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	7.03	8.06	16.79	21.18	19.32
1Yr. PD, Fin.	34.35	19.25	18.51	8.99	18.82
Slovene Stock Exchange Index	324	284	252	227	250
EUR/USD	1.37	1.26	1.21	1.07	1.11
10Y Treas. Yield (%)	3.13	2.66	2.11	0.99	-
GDP (YoY%)	2.8	3.1	2.1	3.0	-
OECD CLI	100.68	100.79	100.57	100.55	100.49
PPI (YoY%)	-0.9	-0.3	-0.2	0.4	0.6*
Money Supply (YoY%)	1.50	2.40	3.60	4.50	5.00*
Sov. Rating, Moody's	Ba1	Ba1	Baa3	Baa3	Baa3
Sov. Rating, S&P	A-	A-	A-	A-	A-
5Y CDS (bps)	119.98	127.64	134.12	117.86	129.21
FDI (%GDP)	-	-	3.04	-	-



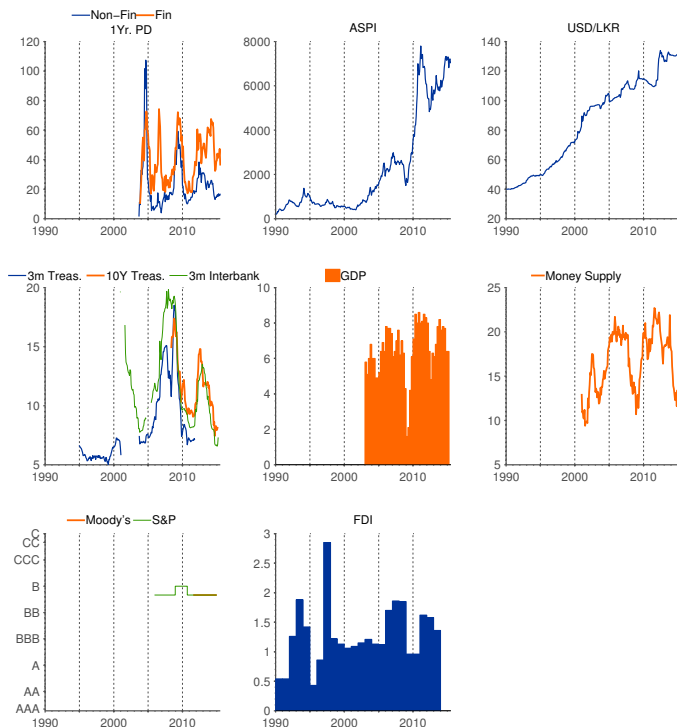
South Africa	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	10.81	11.87	11.49	11.94	12.18
1Yr. PD, Fin.	15.71	13.15	13.35	12.99	15.74
MSCI South Africa	1248	1230	1289	1383	1368
USD/ZAR	10.64	11.29	11.57	12.13	12.17
3m Treas. Yield (%)	6.06	6.06	6.21	5.86	-
10Y Treas. Yield (%)	8.26	8.22	7.89	7.70	-
3m Interbank (%)	5.83	6.13	6.13	6.11	-
GDP (YoY%)	1.3	1.6	1.3	2.1	-
OECD CLI	99.89	100.15	100.03	99.65	99.55*
PMI	47.4	49.5	50.2	47.9	51.4
Money Supply (YoY%)	7.16	7.78	7.32	7.42	8.37*
Sov. Rating, Moody's	Baa1	Baa1	Baa2	Baa2	Baa2
Sov. Rating, S&P	BBB-	BBB-	BBB-	BBB-	BBB-
5Y CDS (bps)	176.63	195.32	191.79	208.74	209.39
FDI (%GDP)	-	-	1.64	-	-
Fiscal Budget (%GDP)	-	-	-4.67	-	-



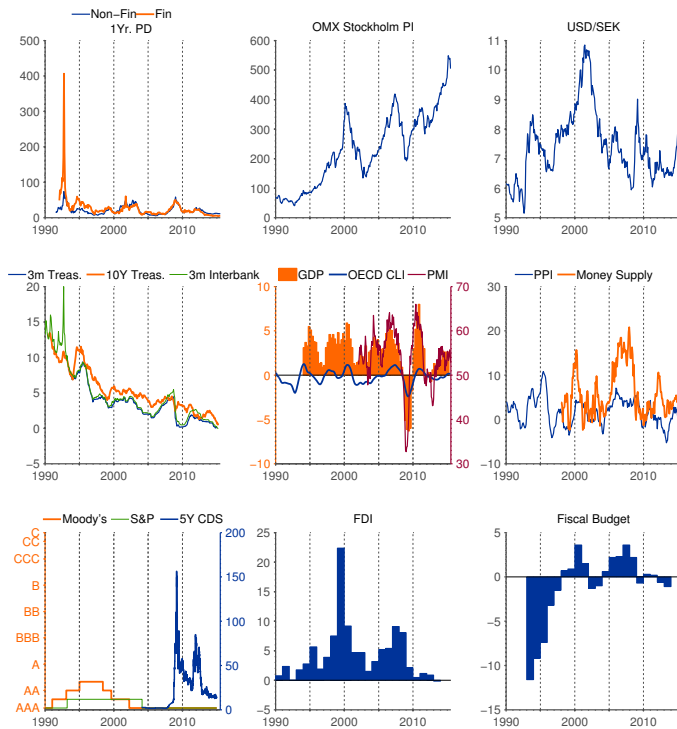
South Korea	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	5.57	5.17	6.40	4.74	5.50
1Yr. PD, Fin.	15.11	9.93	10.85	13.32	16.90
KOSPI	2002	2020	1916	2041	2074
USD/KRW	1011.84	1055.21	1090.98	1109.69	1115.49
3m Treas. Yield (%)	2.56	2.18	2.07	1.72	-
10Y Treas. Yield (%)	3.17	2.85	2.61	2.16	-
3m Interbank (%)	2.64	2.28	2.14	1.78	-
GDP (YoY%)	3.4	3.3	2.7	2.5	-
OECD CLI	99.92	100.41	101.33	101.72	101.56*
PMI	81.0	74.0	75.0	82.0	76.0
PPI (YoY%)	0.1	-0.5	-2.1	-3.7	-3.5*
Money Supply (YoY%)	6.70	7.10	8.20	9.30	10.30*
Sov. Rating, Moody's	Aa3	Aa3	Aa3	Aa3	Aa3
Sov. Rating, S&P	A+	A+	A+	A+	A+
5Y CDS (bps)	53.17	59.48	54.17	51.85	51.40
FDI (%GDP)	-	-	0.70	-	-
Fiscal Budget (%GDP)	-	-	1.64	-	-



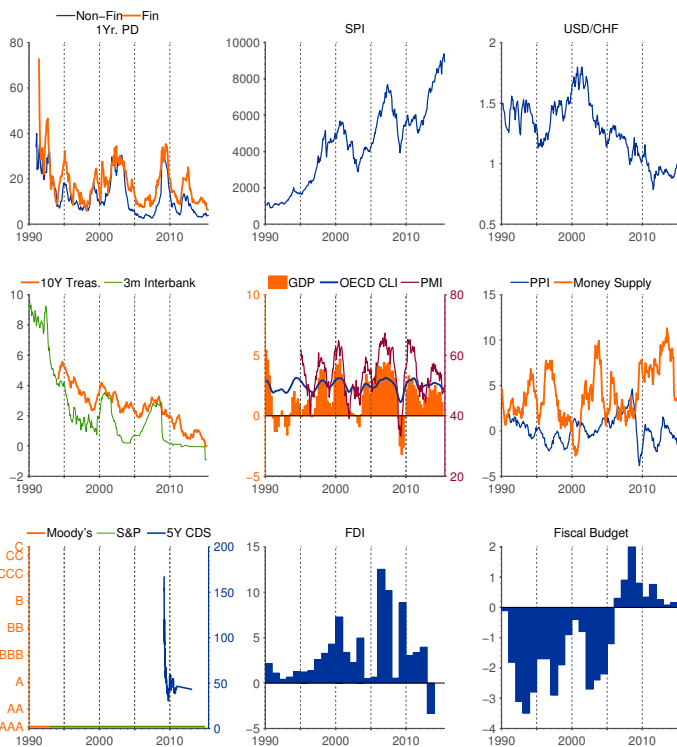
Spain	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	4.75	8.52	9.90	8.18	8.53
1Yr. PD, Fin.	16.27	17.75	32.63	23.73	26.14
IGBM	1116	1105	1042	1169	1093
EUR/USD	1.37	1.26	1.21	1.07	1.11
10Y Treas. Yield (%)	2.66	2.14	1.61	1.21	-
3m Interbank (%)	0.21	0.08	0.08	0.02	-
GDP (YoY%)	1.2	1.6	2.0	2.7	-
OECD CLI	101.39	101.74	102.13	102.21	102.04*
PMI	54.6	52.6	53.8	54.3	54.5
PPI (YoY%)	0.3	-0.9	-3.6	-1.3	-1.4*
Money Supply (YoY%)	1.50	2.40	3.60	4.50	5.00*
Sov. Rating, Moody's	Baa2	Baa2	Baa2	Baa2	Baa2
Sov. Rating, S&P	BBB	BBB	BBB	BBB	BBB
5Y CDS (bps)	66.33	74.00	96.93	85.45	109.98
FDI (%GDP)	-	-	1.72	-	-
Fiscal Budget (%GDP)	-	-	-5.80	-	-



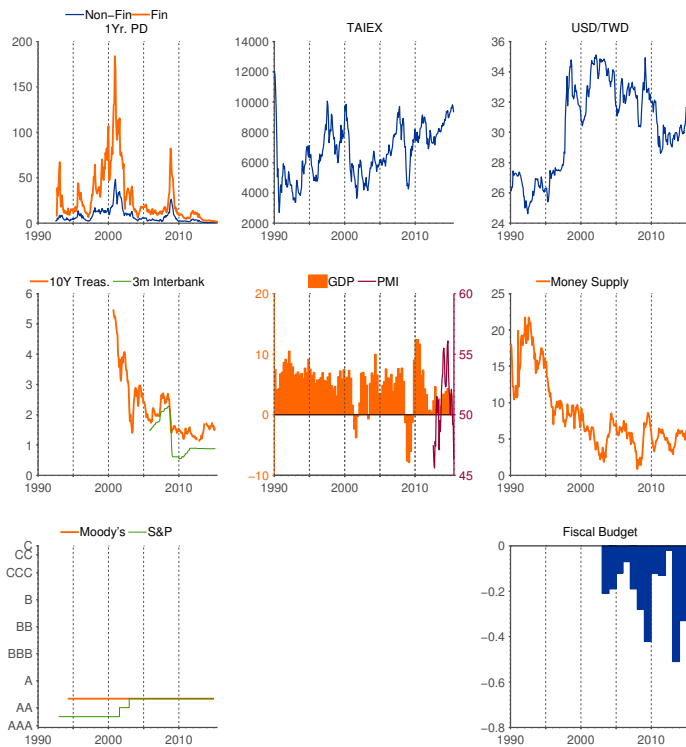
Sri Lanka	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	19.92	13.03	15.49	16.88	16.94
1Yr. PD, Fin.	61.52	32.38	39.39	43.60	36.02
ASPI	6379	7252	7299	6820	7021
USD/LKR	130.32	130.35	131.20	133.17	133.92
10Y Treas. Yield (%)	9.88	7.43	7.94	8.20*	-
3m Interbank (%)	8.00	6.77	6.68	7.31	-
GDP (YoY%)	7.8	7.7	6.4	6.4	-
Money Supply (YoY%)	13.00	12.90	13.10	-	-
Sov. Rating, Moody's	B1	B1	B1	B1	B1
Sov. Rating, S&P	B+	B+	B+	B+	B+



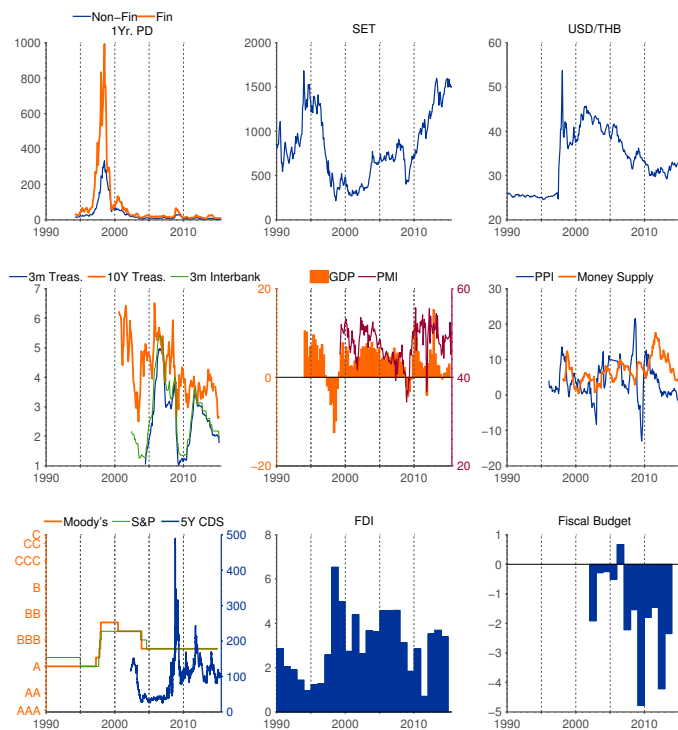
Sweden	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	10.53	11.65	12.32	11.66	11.02
1Yr. PD, Fin.	5.12	5.35	5.52	4.63	5.80
OMX Stockholm PI	449	448	474	543	505
USD/SEK	6.68	7.21	7.81	8.63	8.29
3m Treas. Yield (%)	0.56	0.19	0.12	0.09*	-
10Y Treas. Yield (%)	1.85	1.49	0.93	0.42	-
3m Interbank (%)	0.75	0.47	0.26	-0.07	-
GDP (YoY%)	2.7	2.6	2.6	2.6	-
OECD CLI	99.50	99.82	100.22	100.34	100.27*
PMI	54.8	53.4	55.4	54.1	52.8
PPI (YoY%)	2.3	1.7	-0.1	2.3	1.6*
Money Supply (YoY%)	4.40	5.45	4.22	6.02	7.07*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
5Y CDS (bps)	14.50	14.63	13.52	-	-



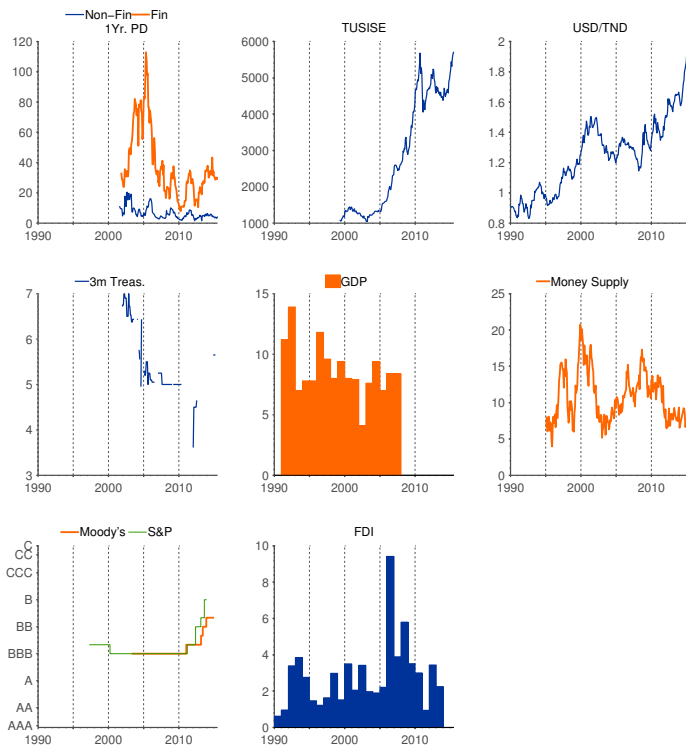
Switzerland	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	2.97	3.79	4.00	3.63	4.04
1Yr. PD, Fin.	11.67	9.52	8.62	6.66	6.13
SPI	8456	8696	8857	9137	8919
USD/CHF	0.89	0.96	0.99	0.97	0.94
10Y Treas. Yield (%)	0.66	0.49	0.32	-0.05	-
3m Interbank (%)	-0.05	-0.06	-0.13	-0.88	-
GDP (YoY%)	1.7	1.9	1.9	1.1	-
OECD CLI	100.48	100.20	99.52	98.82	98.73*
PMI	54.5	51.5	53.6	47.9	50.0
PPI (YoY%)	-0.5	-1.0	-1.6	-2.1	-4.4
Money Supply (YoY%)	4.11	3.39	3.29	2.26	1.51*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
Fiscal Budget (%GDP)	-	-	0.16	-	-



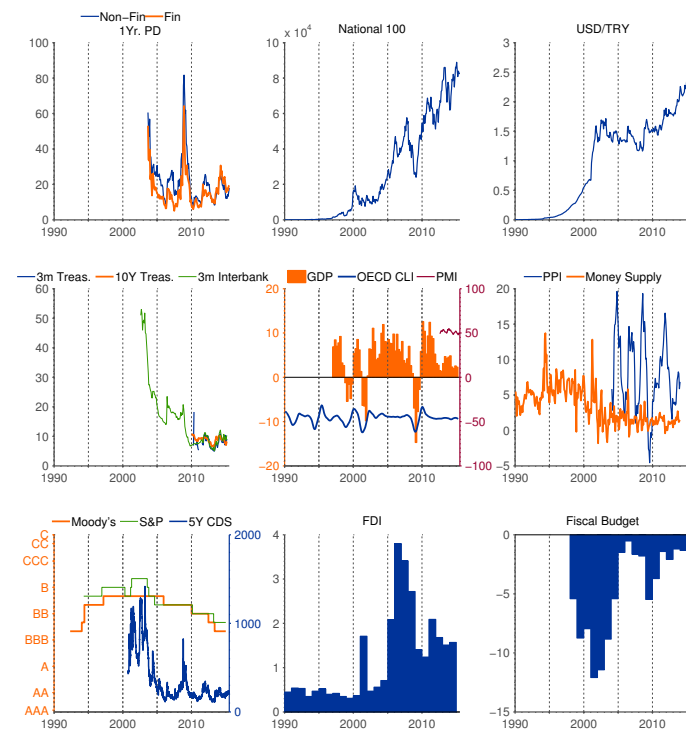
Taiwan	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	0.63	0.95	0.93	0.74	1.04
1Yr. PD, Fin.	2.62	2.23	1.96	1.59	1.97
TAIEX	9393	8967	9307	9586	9323
USD/TWD	29.89	30.43	31.66	31.31	30.87
10Y Treas. Yield (%)	1.63	1.73	1.62	1.56*	-
3m Interbank (%)	0.88	0.88	0.88	0.88	-
GDP (YoY%)	3.9	4.3	3.5	3.4	-
PMI	54.0	53.3	50.0	51.0	46.3
Money Supply (YoY%)	5.38	5.03	6.13	6.45	6.94*
Sov. Rating, Moody's	Aa3	Aa3	Aa3	Aa3	Aa3
Sov. Rating, S&P	AA-	AA-	AA-	AA-	AA-
Fiscal Budget (%GDP)	-	-	-0.33	-	-



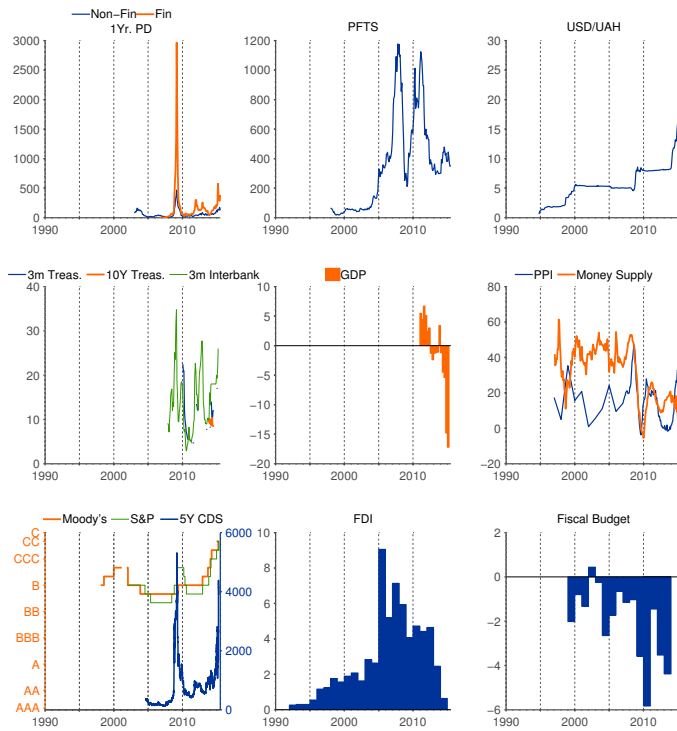
Thailand	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	4.38	3.00	3.28	3.69	4.09
1Yr. PD, Fin.	12.88	9.07	10.91	10.15	9.49
SET	1486	1586	1498	1506	1505
USD/THB	32.44	32.43	32.91	32.55	33.80
3m Treas. Yield (%)	2.06	2.03	2.05	1.77	-
10Y Treas. Yield (%)	3.81*	3.55	2.73	2.68	-
3m Interbank (%)	2.18	2.18	2.18	1.94	-
GDP (YoY%)	0.9	1.0	2.1	3.0	-
PMI	48.0	48.9	49.0	52.4	50.3*
PPI (YoY%)	1.2	-1.1	-3.6	-5.0	-3.7
Money Supply (YoY%)	4.36	4.00	4.65	6.10	6.29*
Sov. Rating, Moody's	Baa1	Baa1	Baa1	Baa1	Baa1
Sov. Rating, S&P	BBB+	BBB+	BBB+	BBB+	BBB+
5Y CDS (bps)	111.91	93.00	107.00	104.15	105.48
FDI (%GDP)	-	-	3.40	-	-



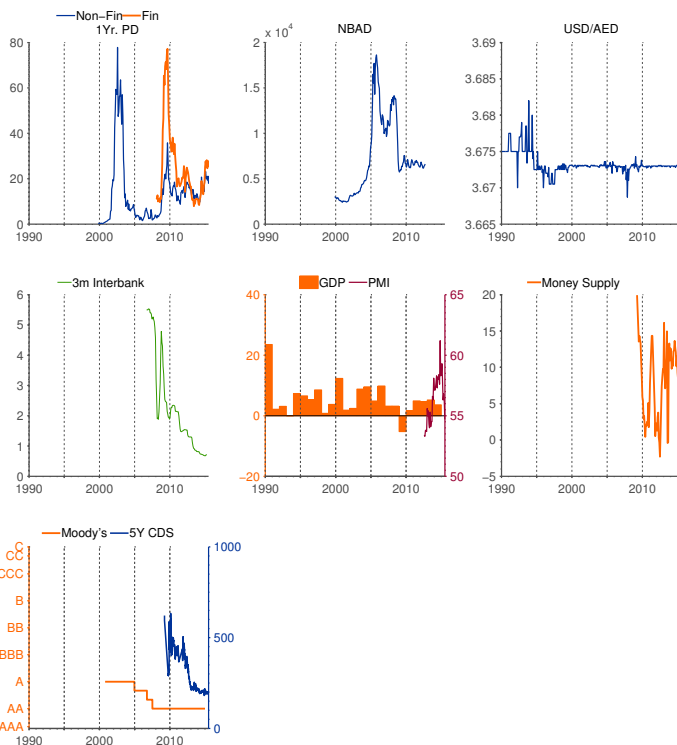
Tunisia	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	5.96	4.19	4.07	3.99	4.31
1Yr. PD, Fin.	34.59	43.38	30.80	28.90	30.41
TUSISE	4596	4580	5090	5313	5719
USD/TND	1.68	1.80	1.86	1.96	1.95
3m Treas. Yield (%)	-	-	5.65	5.65	-
Money Supply (YoY%)	-	8.37	7.85	-	-
Sov. Rating, Moody's	Ba3	Ba3	Ba3	Ba3	Ba3



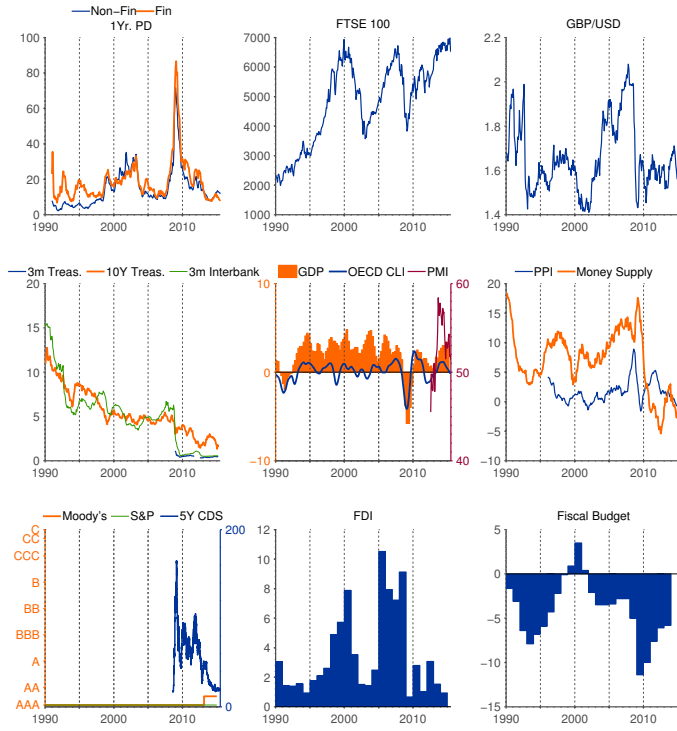
Turkey	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	19.49	19.77	12.16	14.19	17.96
1Yr. PD, Fin.	23.31	23.58	18.11	17.75	19.44
National 100	78489	74938	85721	80846	82250
USD/TRY	2.12	2.28	2.34	2.60	2.68
3m Treas. Yield (%)	7.95	8.99	10.32	9.11	-
10Y Treas. Yield (%)	8.71	9.72	7.86	8.27	-
3m Interbank (%)	9.03	10.69	9.79	10.25	-
GDP (YoY%)	2.3	1.9	2.6	2.3	-
OECD CLI	3.33	4.13	4.10	2.90	-
PMI	48.8	50.4	51.4	48.0	49.0
Sov. Rating, Moody's	Baa3	Baa3	Baa3	Baa3	Baa3
Sov. Rating, S&P	BB+	BB+	BB+	BB+	BB+
5Y CDS (bps)	176.81	207.66	184.39	217.20	225.12
FDI (%GDP)	-	-	1.57	-	-
Fiscal Budget (%GDP)	-	-	-1.33	-	-



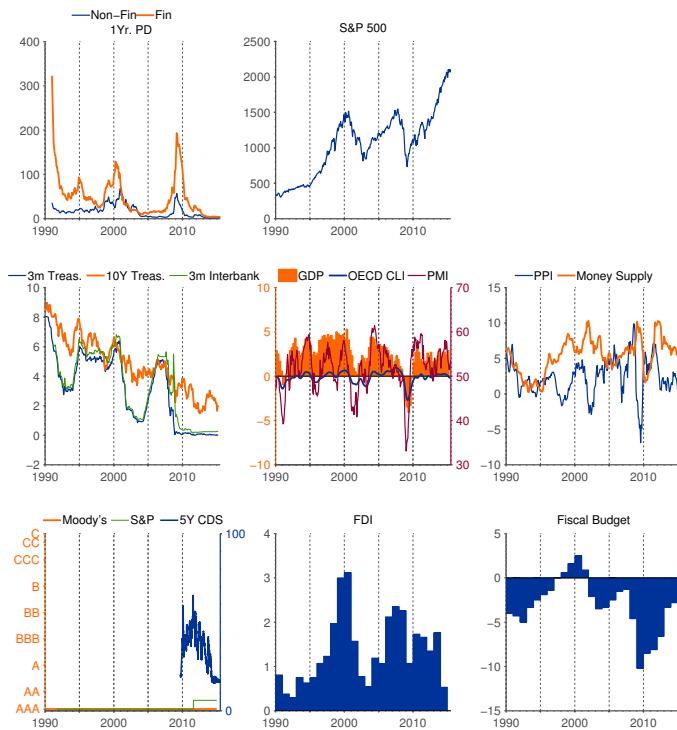
Ukraine	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	53.13	80.00	126.71	140.00	124.95
1Yr. PD, Fin.	130.16	169.23	198.22	399.88	384.88
PFTS	444	424	387	414	351
USD/UAH	11.75	12.95	15.82	23.44	21.01
3m Treas. Yield (%)	12.00	12.00*	-	17.00*	-
10Y Treas. Yield (%)	8.49	8.35*	-	-	-
3m Interbank (%)	18.00	18.00	20.00	26.00	-
GDP (YoY%)	-4.5	-5.4	-14.8	-17.2	-
PPI (YoY%)	15.9	26.9	31.8	51.7	37.9
Money Supply (YoY%)	13.40	14.10	5.30	8.50	1.10*
Sov. Rating, Moody's	Caa3	Caa3	Ca	Ca	Ca
Sov. Rating, S&P	CCC	CCC	CC	CC	CC
5Y CDS (bps)	840.10	1303.98	2233.33	2675.99	3884.57*
FDI (%GDP)	-	-	0.64	-	-



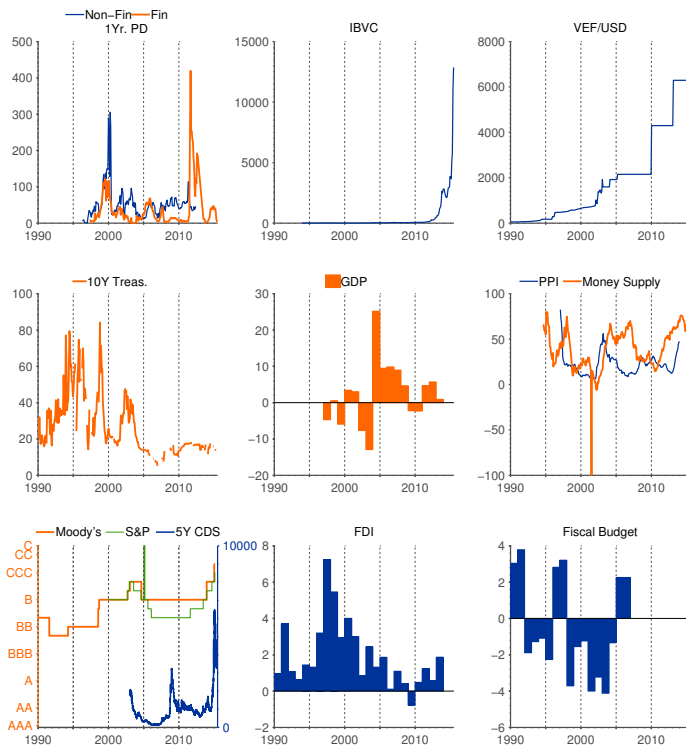
United Arab Emirates	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	20.73	17.02	21.38	20.77	17.78
1Yr. PD, Fin.	18.98	13.17	25.30	28.19	25.28
USD/AED	3.67	3.67	3.67	3.67	3.67
3m Interbank (%)	0.73	0.71	0.68	0.73	-
GDP (YoY%)	-	-	3.6	-	-
PMI	58.2	57.6	58.4	56.3	54.7
Money Supply (YoY%)	12.37	12.10	9.25	6.59	3.80*
Sov. Rating, Moody's	Aa2	Aa2	Aa2	Aa2	Aa2
5Y CDS (bps)	193.46	198.08	201.62	197.42	191.43



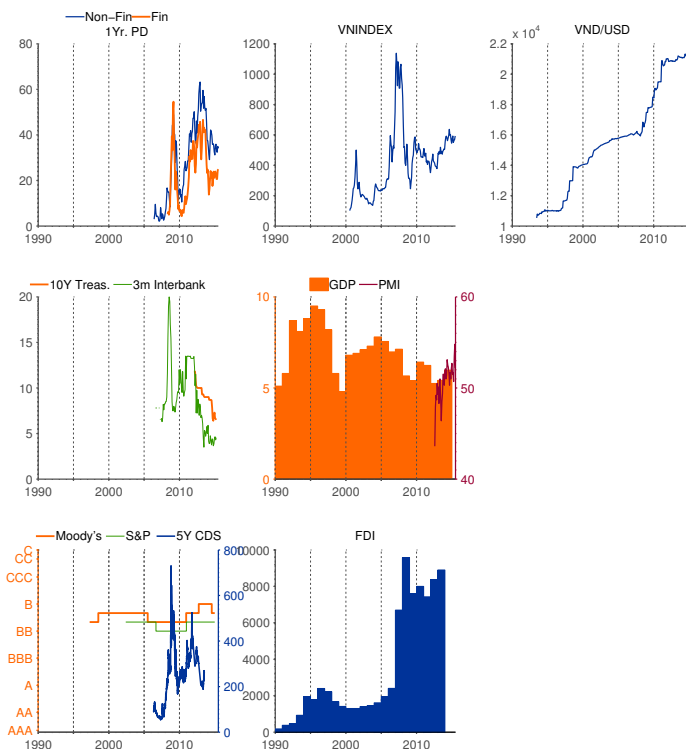
United Kingdom	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	9.56	10.71	12.53	12.91	11.77
1Yr. PD, Fin.	9.11	11.22	9.88	9.55	7.74
FTSE 100	6744	6623	6566	6773	6521
GBP/USD	1.71	1.62	1.56	1.48	1.57
3m Treas. Yield (%)	0.44	0.47	0.46	0.50	-
10Y Treas. Yield (%)	2.67	2.42	1.76	1.58	-
3m Interbank (%)	0.55	0.57	0.56	0.57	-
GDP (YoY%)	3.0	3.0	3.4	2.9	-
OECD CLI	101.10	100.72	100.41	100.10	99.83*
PMI	56.8	51.5	52.7	54.3	51.4
PPI (YoY%)	0.3	-0.5	-1.1	-1.7	-1.5
Money Supply (YoY%)	-0.50	-2.60	-1.20	-0.50	0.70*
Sov. Rating, Moody's	Aa1	Aa1	Aa1	Aa1	Aa1
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
5Y CDS (bps)	19.08	20.58	20.48	20.21	19.17
FDI (%GDP)	-	-	0.94	-	-



United States	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	1.71	2.23	2.50	2.51	2.36
1Yr. PD, Fin.	4.54	4.99	3.85	4.26	3.27
S&P 500	1960	1972	2059	2068	2063
3m Treas. Yield (%)	0.02	0.02	0.04	0.02	-
10Y Treas. Yield (%)	2.53	2.49	2.17	1.92	-
3m Interbank (%)	0.24	0.24	0.26	0.26	-
GDP (YoY%)	2.6	2.7	2.4	2.9	-
OECD CLI	100.53	100.45	100.18	99.74	99.51*
PMI	55.7	56.1	55.1	51.5	53.5
PPI (YoY%)	2.8	2.2	-0.6	-3.2	-2.6
Money Supply (YoY%)	6.50	6.20	5.90	6.10	5.80*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AA+	AA+	AA+	AA+	AA+
5Y CDS (bps)	16.34	16.18	17.18	16.52	16.16
FDI (%GDP)	-	-	0.53	-	-
Fiscal Budget (%GDP)	-	-	-2.80	-	-



Venezuela	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Fin.	37.66	44.92	37.39	31.48	3.11
IBVC	2113	2909	3859	5093	12857
VEF/USD	6292.10	6292.10	6292.10	6292.10	6292.10
10Y Treas. Yield (%)	17.54	-	16.01	13.95	-
Money Supply (YoY%)	71.70	64.10	65.40	64.90	81.10
Sov. Rating, Moody's	Caa1	Caa1	Caa3	Caa3	Caa3
Sov. Rating, S&P	B-	CCC+	CCC	CCC	CCC
5Y CDS (bps)	920.97	1588.43	3155.05	4751.61	4443.90



Vietnam	2014			2015	
	Q2	Q3	Q4	Q1	Q2
1Yr. PD, Non-Fin. (bps)	41.46	36.20	31.22	33.77	34.10
1Yr. PD, Fin.	21.32	19.53	23.80	20.67	24.93
VNINDEX	578	599	546	551	593
VND/USD	21330.00	21228.00	21388.00	21555.00	21839.00
10Y Treas. Yield (%)	8.70	6.65	7.30	6.50	-
3m Interbank (%)	4.30	4.40	4.50	4.55	-
GDP (YoY%)	-	-	6.0	-	-
PMI	52.3	51.7	52.7	50.7	52.2
Sov. Rating, Moody's	B2	B1	B1	B1	B1
Sov. Rating, S&P	BB-	BB-	BB-	BB-	BB-

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 during July 2015 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-CRI'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-CRI uses this data to compute issuer-weighted 1-year average default rates (ADR) for each ratings cohort, using ratings data from 2005-2014.

PDiR	Upper bound (bps)
AAA	0.17
AA	2.42
A	9.28
BBB	35.52
BB	136
B	521
CCC/C	–

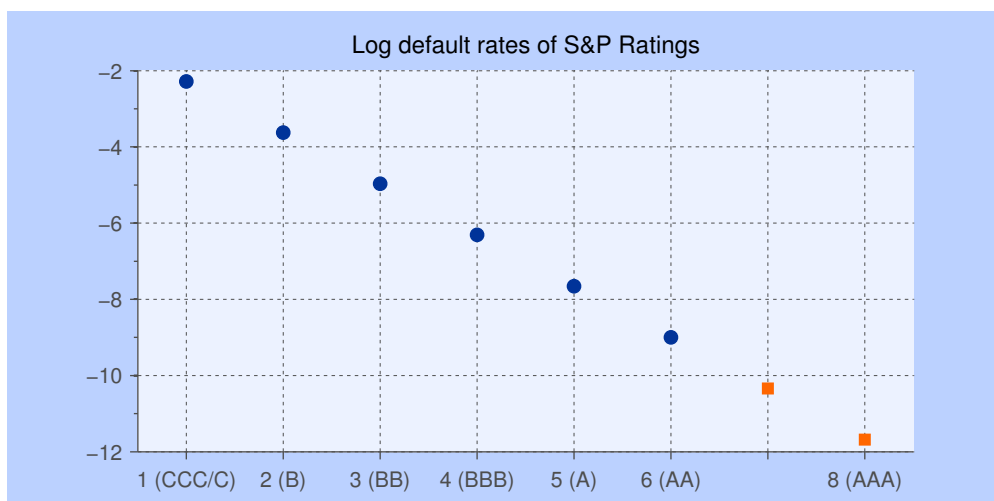
Computing the boundaries between different PDiR classes: The blue circles in the graph below indicate the logarithm of the observed ADR for firms rated by S&P with ratings from AA down to CCC/C.

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 118 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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