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# Quarterly Credit Report

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Q1/2016

*Volume 5, No 4*



# 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 4 covers the first quarter of 2016. 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.

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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](http://www.rmicri.org)

As of March 2016, the PD system covers 119 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 misuse 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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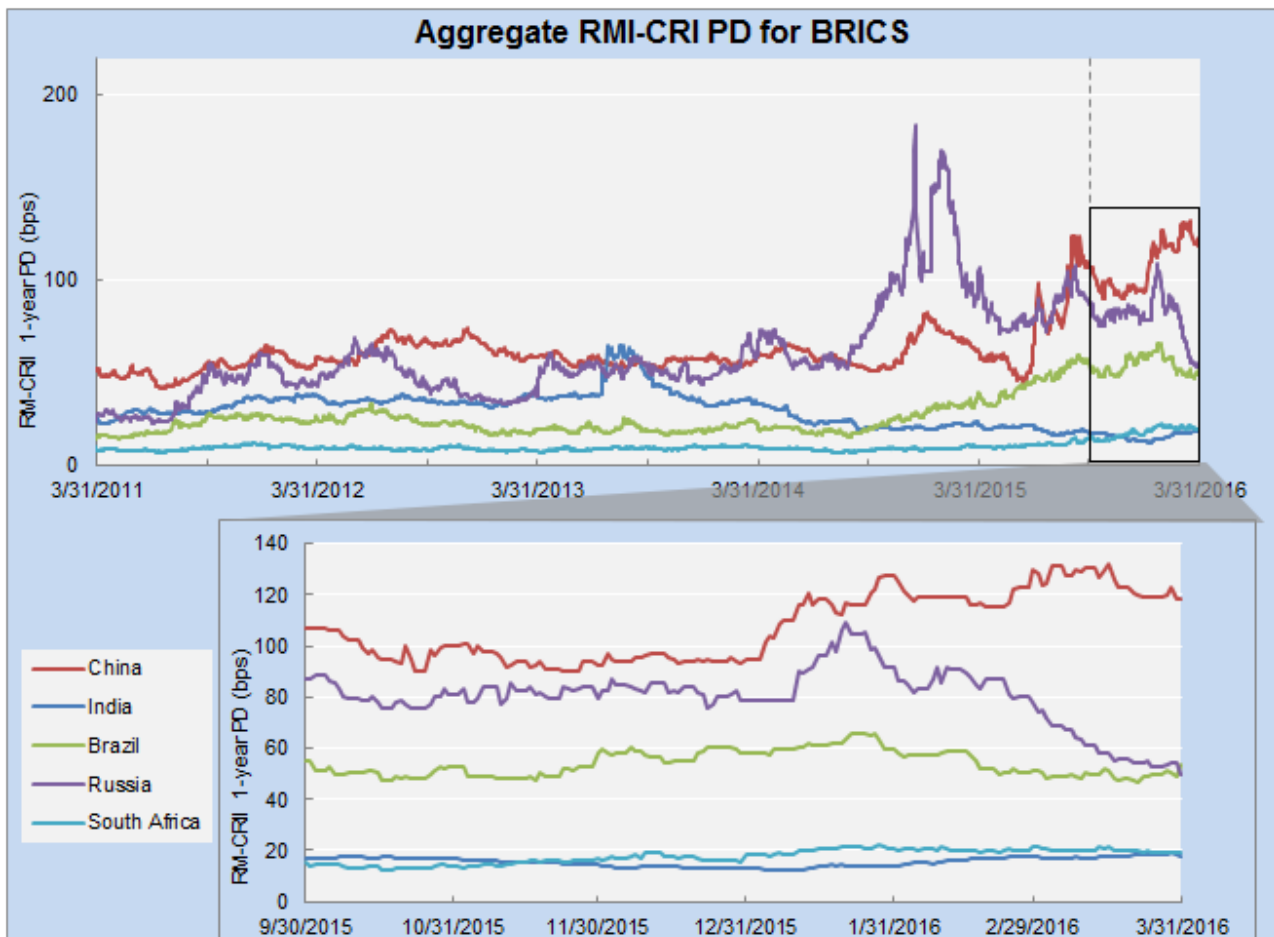
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# Acronyms

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

Many companies within the BRICS sector witnessed a marginal decline in credit profiles. The aggregate RMI-CRI 1-year PD for China-domiciled firms increased during the quarter on the back of a slowdown in economic growth and rising corporate defaults. The strengthening of the Ruble and a reduced rate of capital outflows coincided with the increase in market caps and decline in credit quality of Russian firms. The rebound in commodities and increase in market caps lifted the credit outlook for Brazilian firms. The RMI-CRI aggregate 1-year PD for Brazil-domiciled companies declined to the lowest level in 10 months, fuelled by the political development that Congress would back the impeachment of the President. India's overall market cap dropped in Q1, underperforming the broader Asian equity market. Corporate results during the quarter were broadly underwhelming, which added to upward pressure on the firms' credit risk. The credit profiles of South African firms remained at an elevated level in Q1, despite the sharp increase in market value of mining companies. Rising metal and gold prices and cost cutting efforts lifted the credit outlooks of the South African mining sector.



## Russian Companies

The RMI aggregate 1-year PD for Russian companies improved significantly during Q1, although several macro indicators showed that the economy remained in recession. During Q1, service sector firms recorded a larger improvement in credit profiles than firms in the manufacturing sectors. The market caps of oil companies increased during the three months, the market rally was led by the large state owned enterprises which increased oil production during the quarter. Inflation and unemployment remained high, and consumer spending and consumer confidence stayed at depressed levels. The improvement in default risk is largely driven by a sharp turnaround in market values, but the credit outlook for Russian companies is negative due a low oil price forecast for the rest of the year and international sanctions on Russia.



## Economy

- Russia's Q1 GDP declined nearly 2% YoY and is expected to fall by another 1.5% in Q2. The European Commission expects economic growth to fall 1.9% this year due to weak demand from Russia's trading partners.<sup>1</sup>
- According to estimates from the Finance minister, an increase of USD 10 per barrel would add as much as 0.9 percentage points to GDP growth. Speaking at a conference in April, the minister also acknowledged that the country needs to be less dependent on oil for economic growth.<sup>2</sup>

- Russia's consumer price index climbed at a slower pace after reaching an annual rate of 12.9% in December. The index, which is a broad based measure of consumer good prices, increased at 8.1% and 7.3% in February and March respectively. In March last year, prices grew at 16.9% YoY. The Bank of Russia expects inflation to ease to 4% next year and pledges to keep interest rates at current levels until inflationary expectations and risks have diminished.<sup>3</sup>
- During Q1, Russia's unemployment rate rose to the highest level since January 2013. The proportion of unemployed workers as a percentage of the labor force increased to 6% in March from 5.8% in December.<sup>4</sup>
- The high unemployment rate has affected retail spending to a certain degree. Russia's retail sales continued to fall, decreasing at an annual rate of 5.8% YoY in March and 6.0% YoY in January. Analysts say that retail activity is likely to remain depressed due to inflation, rising unemployment and low income. Many households are enduring the country's longest recession in twenty years as the government cuts back on public spending.<sup>5</sup>
- The Markit's Manufacturing Purchasing Managers' Index (PMI) remained below the 50 point mark, indicating persistent weakness in the manufacturing sector. The PMI index dropped from 48.7 in Q4 to 48.3 in Q1, with lower new orders and fresh indications of layoffs in the sector. Respondents to the Markit survey also indicated that most manufacturers were struggling to cope with higher input costs.<sup>6</sup>
- The service sector however, recorded a marginal improvement in Q1 as the Markit Service Sector PMI increased from 47.8 in Q4 to 52 in March. The improvement in the index level was driven by the growth in business intakes and higher activity among service providers. Despite the growth in new service projects, employers are still cutting jobs as cost pressures remain elevated.<sup>7</sup>

### Monetary

- The Bank of Russia kept the key base rate at 11% during Q1 on the back of lower inflation expectations. The central bank expects consumer prices to fall from its current level of 7.3% to 5% in the second half of the year. Moving forward, the Bank of Russia might lower interest rates after the inflation rate falls to its target of 5%.<sup>8</sup>

### Funding & Liquidity

- 10 year yields on Russian sovereign notes decreased from 9.64% in Q4 to 9.11% in Q1. Russia is expected to return to the bond market since 2013 with the largest CNY sovereign issuance. The Industrial and Commercial Bank of China, Bank of China and Gazprombank will help to underwrite the HKD 7.1bn bond issue.<sup>9</sup>
- The weighted average interest rates of 1-year RUB-denominated loans to small-and-medium sized businesses increased from 13.15% in December to 14.16% in March. The rate of loans to non-financial organizations maturing in less than 1 year decreased from 13.89% to 13.33% during the same period.<sup>10</sup>

### Sovereign Credit Ratings

- S&P downgraded Russia's sovereign bonds from BBB to BBB- in Q1, citing heightened risk from the deterioration of external and fiscal buffers due to rising external pressures and increased government support to the economy. The rating agency said that Russia's financial system was weakening and therefore limiting the central bank's ability to transmit monetary policy. The other rating agencies Moody's and Fitch kept their ratings in junk territory at Ba1 and BBB- respectively.<sup>11</sup>



## Russian Banks

The credit profiles of Russian banks improved in Q1 as earnings and credit lending increased during the quarter. Short term funding costs remained high and regulators mulled the idea of making significant changes to the market structure of capital markets. This could affect the asset quality of Russian banks in the long term, but banks appear to be quite optimistic about the loan qualities of their balance sheets for the moment. Sanctions on the country have weighed down on bank revenues but lenders are looking to widen their banking networks by expanding into areas such as Islamic finance. A survey of the larger banks showed that net interest margins have improved during Q1 and earnings could extend its upward momentum in the second half of the year. Looking forward, the creditworthiness of Russian banks are likely to improve as lenders record fewer write-downs from bad loans.



### Profitability

- Early estimates of profitability for Russian banks showed an improvement in Q1. Total profit increased to RUB 109bn in March from RUB 6bn a year ago. Provisions for possible losses increased in Q1 2016 by RUB 147bn. Overall, 467 of 707 reporting banks registered higher profit growth for the quarter.<sup>12</sup>

### Funding & Liquidity

- Loans extended to non-financial institutions are thought to have increased in Q1. The amount of funds rose from RUB 21.32bn in October to RUB 21.43bn in January. The amount of short term issuances maturing between 91 and 180 days dropped from RUB 1.06bn to RUB 942mn, while longer term loan issues increased from RUB 9.53bn to RUB 9.99bn.<sup>13</sup>

- Funding costs may have increased given that the weighted average interest rates (WAIR) on individual deposits (including demand deposits) of up to 1 year grew from 6.92% in October to 8.21% in January. The WAIR on 1-year deposits of nonfinancial organizations dropped slightly from 9.93% to 9.79% within the same period.<sup>14</sup>

### Capital Levels & Regulations

- Russia considered pricing its own blend of crude oil as it sought to increase revenue from Urals crude by disconnecting the price setting mechanism from the Brent oil benchmark. To attract traders to its new market, the country is preparing a set of rules that grant non-Russian firms access to exchange traded commodities and their derivatives. According to Bloomberg, the initial futures contract will be worth 1000 barrels with a minimum delivery of 720,000 barrels to the Russian ports on the Baltic Seas.<sup>15</sup>
- The Bank of Russia considered the possibility of conducting proportional control in the securities market, which means dividing the market into various groups. Each group will have a different regulatory requirement such as equity conditions, financial statements and employees. According to the central bank, this approach of proportional control will help optimize the industries' costs, maintain stability in regulatory and operating risks in the long term.

### Asset Quality

- According to Moody's, Russian lenders have stronger credit profiles than most of the other emerging market banks. The banks have become more resilient to refinancing risk, with enough liquid assets to potentially repay all of their market funding. Moody's expects public spending to increase money supply and stimulate deposit inflows. Deposit growth rates are expected to outpace loan growth rates.<sup>16</sup>

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<sup>1</sup> May 5, 2016, [Russia's cenbank says GDP fell 2 pct y/y in Q1](http://www.reuters.com/), Reuters, <http://www.reuters.com/>

<sup>2</sup> April 12, 2016, [Bank of Russia Puts GDP Cost on Muddling Through Without Reforms](http://www.bloomberg.com), Bloomberg, <http://www.bloomberg.com>

<sup>3</sup> April 19, 2016, [Bank of Russia Expects Inflation to Ease to 4% Target Next Year](http://www.wsj.com/), WSJ, <http://www.wsj.com/>

<sup>4</sup> April 19, 2016, [Russia's Unemployment Rate to Hit 6% in 2016](http://www.themoscowtimes.com), Moscow Times, <http://www.themoscowtimes.com>

<sup>5</sup> April 19, 2016, [Russian Consumer Demand Stagnates as Unemployment Tops Forecasts](http://www.bloomberg.com/), Bloomberg, <http://www.bloomberg.com/>

<sup>6</sup> April 29, 2016, [Markit Russia Manufacturing PMI](https://www.markiteconomics.com/), Markit, <https://www.markiteconomics.com/>

<sup>7</sup> May 6, 2016, [Markit Russia Service PMI](https://www.markiteconomics.com/), Markit, <https://www.markiteconomics.com/>

<sup>8</sup> April, 29, 2016, [The Banks of Russia has retained its key rate at 11.00% p.a.](http://www.cbr.ru/), Central Bank of Russia, <http://www.cbr.ru/>

<sup>9</sup> April, 27, 2016, [ICBC and Bank of China to help underwrite Russias issuance of largest yuan-denominated foreign sovereign bond](http://www.scmp.com), SCMP, <http://www.scmp.com>

<sup>10</sup> March 2016, [Interest rates and structure of loans and deposits by maturity](http://www.cbr.ru), The Central Bank of the Russian Federation <http://www.cbr.ru>

<sup>11</sup> Jan 27, 2016, [Russia Credit Rating is cut to junk by S&P fore the first time in a decade](http://www.bloomberg.com), Bloomberg, <http://www.bloomberg.com>

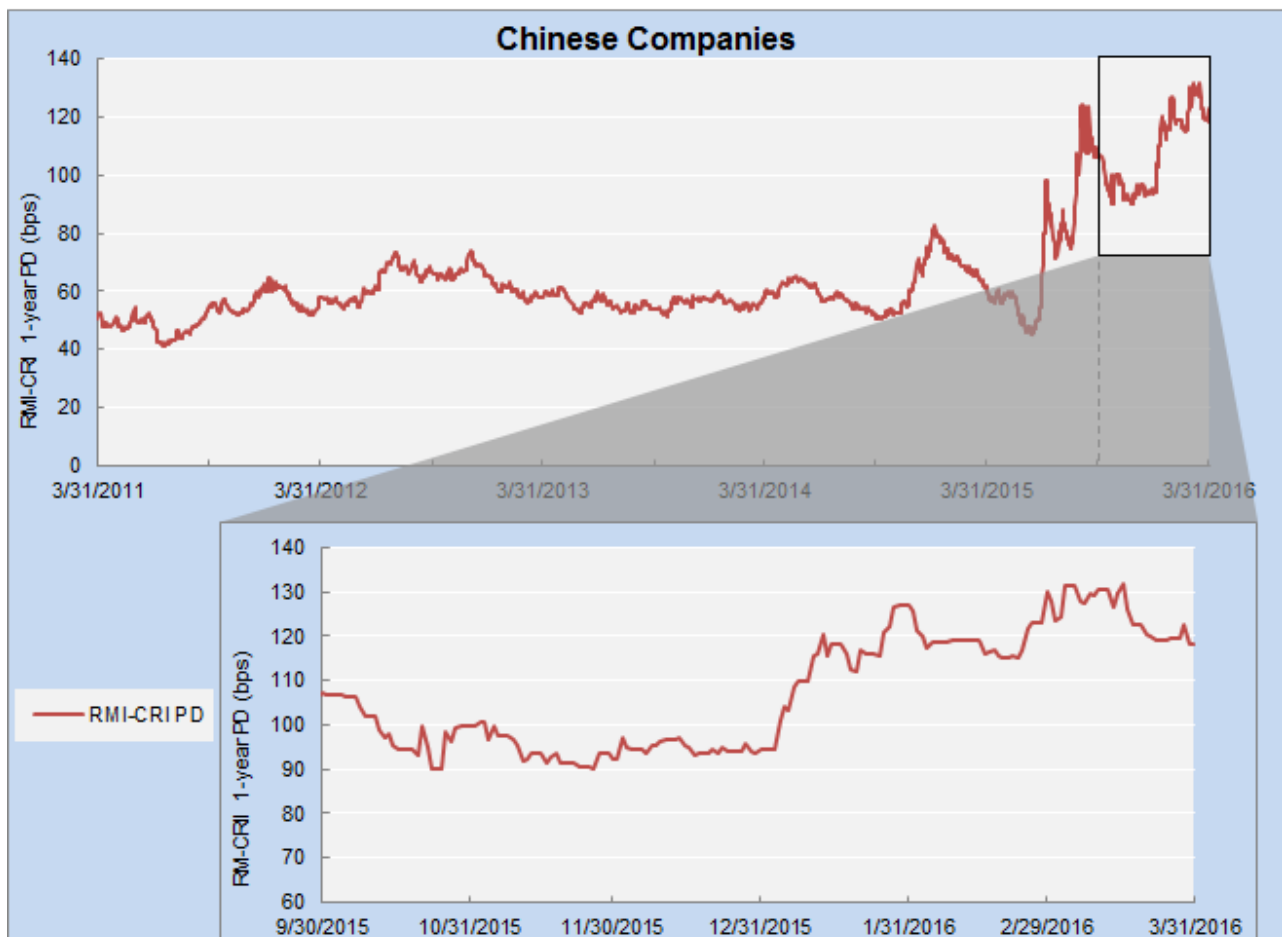
<sup>12</sup> April, 19, 2016, [Russian banks post profit of RUB 109.3bn in Q1](http://www.interfax.com/), Interfax, <http://www.interfax.com/>

<sup>13</sup> March 2016, [Loans, Deposits and other funds extended to organizations](http://www.cbr.ru), The Central Bank of the Russian Federation <http://www.cbr.ru>

- <sup>14</sup>March 2016, [Weighted Average Interest Rates on Deposits of Individuals and Non-financial Organizations in Rubles](http://www.cbr.ru), The Central Bank of the Russian Federation <http://www.cbr.ru>
- <sup>15</sup>April 28, 2016, [Putin's decade-old dream realized as Russia to price its own oil](http://www.bloomberg.com/), Bloomberg, <http://www.bloomberg.com/>
- <sup>16</sup>May 16, 2016, [Improving funding profiles for Russian banks set to continue in 2016](https://www.moodys.com/), Moody's, <https://www.moodys.com/>

## Chinese Companies

China's GDP growth had dived into its slowest pace of 6.7% YoY in the first quarter of 2016 since global financial crisis. The RMI-CRI aggregated 1-year PD for Chinese firms increased from 102.73bps on December 30, 2015 to 120.48bps on March, 2016. The Chinese central bank had tried to boost the economy and supported the economic restructuring by cutting the benchmark interest rates and the reserve requirement rate (RRR). China continued its monetary easing policy to counter the slowing in investment and promote steady economic growth.



## Economy

- The Chinese economy advanced an annual 6.7% in the first quarter of 2016, compared to a 6.8% expansion in the previous period and in line with market expectations, as the world's second-largest economy continues to develop its high end manufacturing sector. <sup>17</sup>
- Consumer prices in China rose 2.3% YoY in March of 2016. But it remained well below Beijing's inflation target of about 3% in 2015. Policymakers in China have been trying hard to avoid extended cycles of low prices as deflationary cycles encourage consumers to hold off on buying while businesses put off new investments anticipating further drops in prices. <sup>18</sup>

- China added 3.18mn new urban jobs in the first quarter and kept unemployment levels broadly stable. The country created over 13 million new jobs for urban residents last year, exceeding the official target of 10mn.<sup>19</sup>
- The China's Caixin manufacturing purchasing managers index (PMI) came in at 49.7 in March of 2016 from 48.0 in February. Manufacturing PMI in China averaged 49.36 from 2011 until 2016, reaching an all time high of 52.30 in January of 2013 and a record low of 47.20 in September of 2015.<sup>20</sup>
- Besides manufacturing, domestic demand and real-estate investment are dwindling. China's fixed-asset investment growth, a crucial driver of the economy, rose 10.7 percent in January to March 2016, above market expectations. Property investment increased by 6.2 percent in the first quarter of 2016, accelerating from 3.0 percent in the first two months of the year.<sup>21</sup>
- Exports increased by 11.5% YoY to USD 160.86bn in March 2016, reversing from a 25.4% decline in the preceding month. It is the first gain since June 2015, partly reflecting a seasonal upturn after the Lunar New Year holiday in February. Imports dropped by a lower-than-expected 7.6% to USD 130.9bn.<sup>22</sup>

## Monetary

- China's central bank cut interest rates on October 23 for the sixth time in less than a year, and it again lowered the amount of cash that banks must hold as reserves in a bid to jump start growth in its slowing economy. The easing monetary policy is at its most aggressive since 2008 finance crisis, as growth looks set to diving to a 25-year low this year of under 7%.<sup>23</sup>
- China's central bank injected CNY 100bn (USD 15.2bn) into the financial system via reverse repos on February 2, 2016. The central bank increased the frequency of open market operations between January 29 and February 19 to maintain liquidity before and during the Lunar New Year holidays. The cash infusion comes through CNY 50bn of 14-day reverse repos at an interest rate of 2.4 percent and an additional CNY 50bn through 28-day reverse repos at an interest rate of 2.6 percent. Since January, the central bank has injected CNY 700mn.<sup>24</sup>
- The required reserve ratio dropped by 0.5% points in March. In a series of reductions, the central bank has brought the reserve ratio down from its 2011 peak of 21.5%. China's central bank stepped up efforts to cushion its economic slowdown amid plunging stock prices and a weakening currency, cutting the amount of cash the nation's lenders must lock away. The central bank will inject about RMB 685bn (USD 105bn) into the financial system. The PBOC has been trying to restore stability to the nation's currency after outflows hit a record pace in recent months. Reductions to the required reserve ratio help compensate for the departure of money.<sup>25</sup>
- China's foreign exchange reserves increased by a higher-than-expected USD10.2bn to USD 3.21tn in March of 2016, compared to a USD 28.6bn fall in February and a USD 99.5bn decline in January. It is the first increase since October last year. Gold reserves went up to USD 71.5bn from USD 71.01bn in the previous month. Foreign Exchange Reserves in China averaged USD 843345.69mn from 1980 until 2016, reaching an all time high of USD 3993212.72mn in June of 2014 and a record low of USD 2262mn in December of 1980.<sup>26</sup>

## Funding & Liquidity

- 10-year government bond yield increased slightly from 2.84% in December 2015 to 2.86% in the end of March 2016. 1-year government bill yield decreased from 2.36% to 2.0615% in the same period.<sup>27</sup>
- The 3-month 5-day average SHIBOR continuously decreased to 3.00% on 30 December 2015 to 2.89% on 28 April 2016.<sup>28</sup>
- The value of new yuan loans provided by the Chinese banks rose to RMB 1,370.6bn in March of 2016, beating market expectations of RMB 1,046bn. In March 2015, new loans stood at RMB 1,180bn. Banks Balance Sheet in China averaged RMB 574.86bn from 2004 until 2016, reaching an all time high of RMB 2510bn in January of 2016 and a record low of RMB -32.10bn in July of 2005.<sup>29</sup>

## Policy

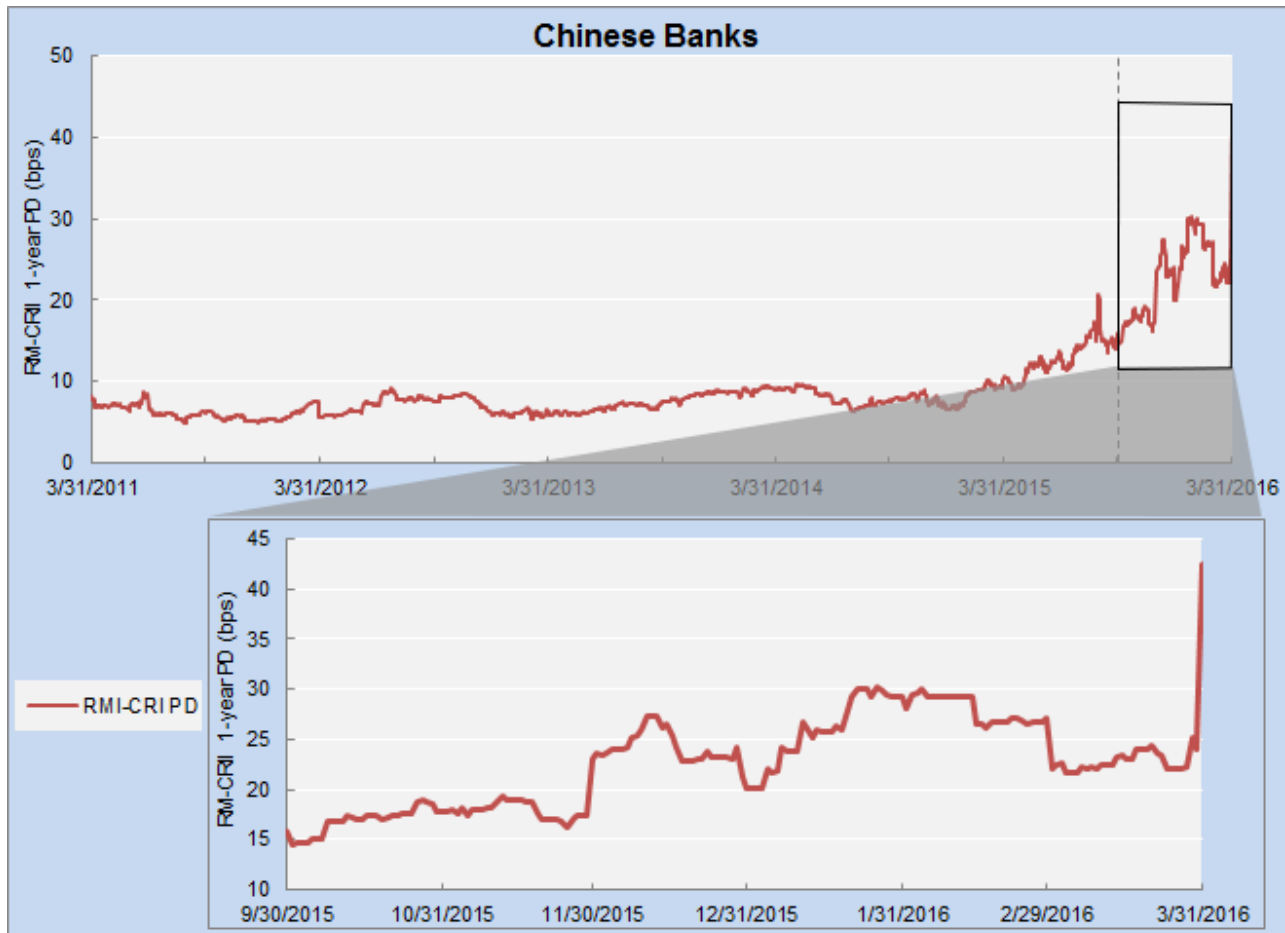
- On February 1, China's official factory gauge signalled a record sixth straight month of deterioration, raising the stakes for policy makers struggling to prop up the economy amid a bear market in stocks since June and a currency at a five-year low. The purchasing manager index dropped to a three-year low of 49.4 in January. The report could complicate the dilemma for policy makers: add monetary stimulus to stem the slowdown in growth, or avoid more easing that could exacerbate record capital outflows and put more pressure on the yuan. The PBoC cut the main interest rate six times from late 2014 to late 2015 to a record-low of 4.35%. It also has made a series of reductions to the reserve-requirement ratio for certain banks, allowing them to keep less cash locked up at the PBoC.<sup>30</sup>

## Sovereign Credit Ratings

- Fitch maintained a rating of A+ on the Chinese government during Q1 2016. However, Moody's and S&P credit rating for China stood separately at Aa3 and AA- with negative outlook.

## Chinese Banks

The RMI aggregate 1-year PD for Chinese listed banks continuously worsened in the first quarter of 2016, from 20.07bps in Q4 2015 to 42.42bps in Q1 2016. In Q4 2016, the overall liquidity in the Chinese banking system deteriorated. Although the central bank provided support by easing the reserve requirement ratio and interest rates, the slowdown in Chinese economy added pressure to the banking system's profitability and liquidity.



### Profitability

- China's biggest banks stand exposed to their first annual profit declines in more than a decade. That's because lenders such as Industrial & Commercial Bank of China Ltd. and Bank of China Ltd. have less room to smooth out their earnings after letting provision coverage for bad loans fall close to the regulatory minimum.

### Funding & Liquidity

- China's central bank has pumped 870bn yuan (USD 133.8bn) into the market in April to ease a cash strain as previous liquidity tools are maturing and companies are facing peak tax payments. China's central bank lent RMB 862.5bn to financial institutions in January via its medium-term lending facility (MLF). MLF is a tool introduced in 2014 to help commercial and policy banks maintain liquidity by allowing them to borrow from the central bank by using securities as collateral.

## Regulations

- During the past three years, banks in China have used complex accounting techniques to move loans off the balance sheets into a category of investments that requires less provisions than loans. These so-called debt receivables have become one of the fastest growing areas of Chinese banks. According to an analyst at Wigram Capital Advisor, debt receivables increased 63% to RMB14tn (USD2.2tn) last year, equivalent to 16.5% of the formal loan book. Under the new rules, banks can no longer use wealth management funds to invest directly or indirectly in their own investment products. The lenders will provide full provisions of the investment products that are based on bank loans.

## Asset Quality

- China's largest banks reported another quarter of flat profit growth, higher non-performing loans, and a rapidly diminishing ratio of provisions. Chinese banks experienced difficulties in maintaining adequate provision while ensuring profitability. The amount of provisions is not sufficient to protect the banks against the fast-rising souring loans. Cost of provisions aside, profit growth of Chinese banks is also deteriorating rapidly as Bank of China's pre-provision operating profit in the first quarter was 4%, down from 8% in the last quarter of 2015. China's banking regulators recently gave banks more room to manage NPLs, lowering provision coverage requirements from 200% of bad loans to 150%. Yet, Bank of China and Industrial and Commercial Bank of China Ltd. have already breached this limit, falling to 149% and 141% respectively, while Bank of Communications hovered just above the threshold at 151%.

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<sup>17</sup>April 15, 2016, [China GDP Annual Growth Rate](http://www.tradingeconomics.com), Trading Economics, <http://www.tradingeconomics.com>

<sup>18</sup>April 11, 2016, [China Inflation Rate](http://www.tradingeconomics.com), Trading Economics, <http://www.tradingeconomics.com>

<sup>19</sup>April 22, 2016, [China Adds Over 3 Million Urban Jobs in Q1, Unemployment Rate Flat](http://profit.ndtv.com), Profit TV, <http://profit.ndtv.com>

<sup>20</sup>April 23, 2016, [China Caixin Manufacturing PMI](http://www.tradingeconomics.com), Trading Economics, <http://www.tradingeconomics.com>

<sup>21</sup>March 8, 2016, [China's Export Slump Shows Growth Push Hinges on Local Demand](http://www.bloomberg.com), Bloomberg, <http://www.bloomberg.com>

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<sup>27</sup>April 28, 2016, [Benchmarks](http://www.chinamoney.com.cn), China Money, <http://www.chinamoney.com.cn>

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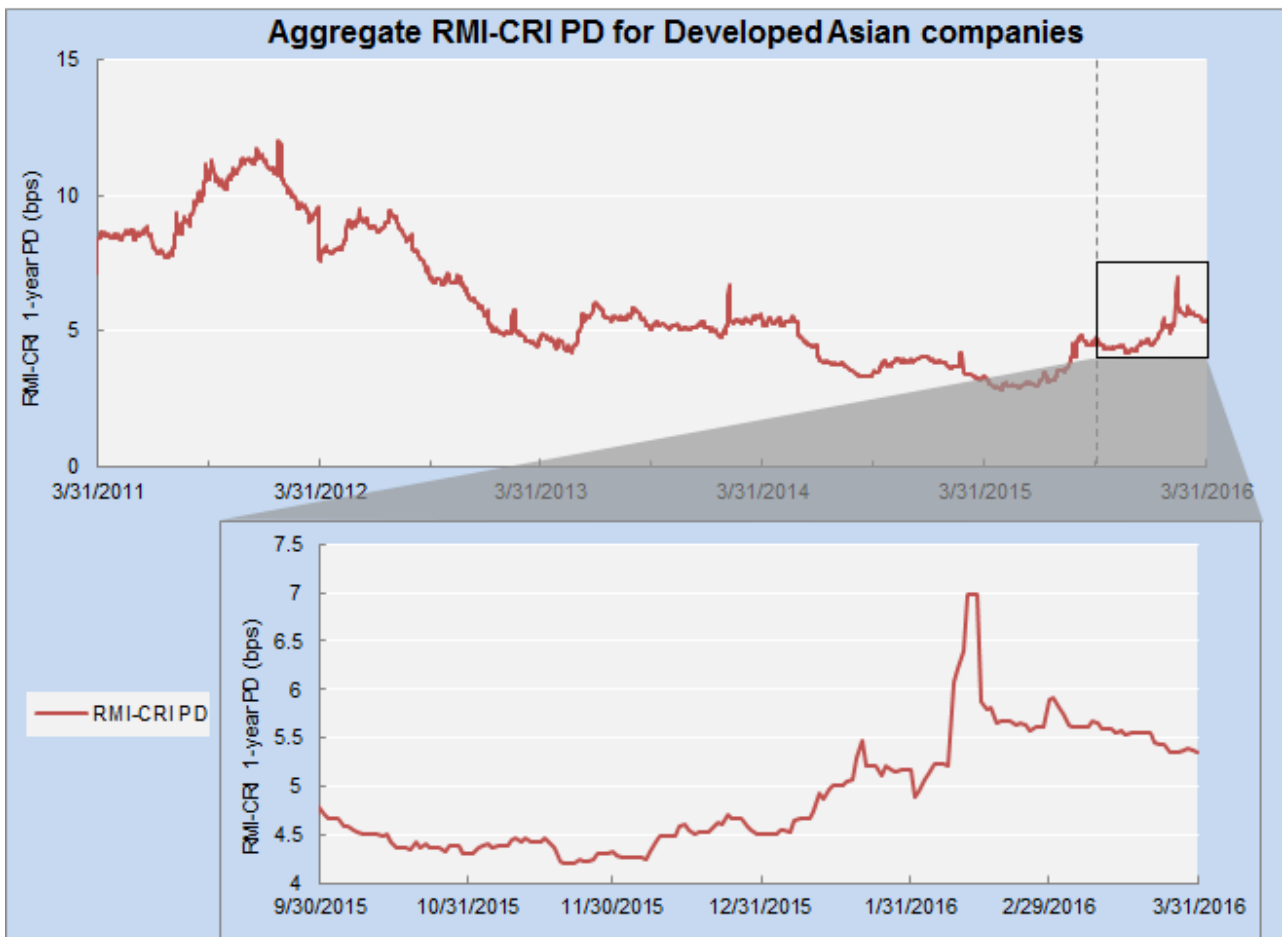
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<sup>30</sup>February 1, 2016, [China's Record Factory Gauge Slump Adds to a Policy Dilemma](http://www.bloomberg.com), Bloomberg, <http://www.bloomberg.com>



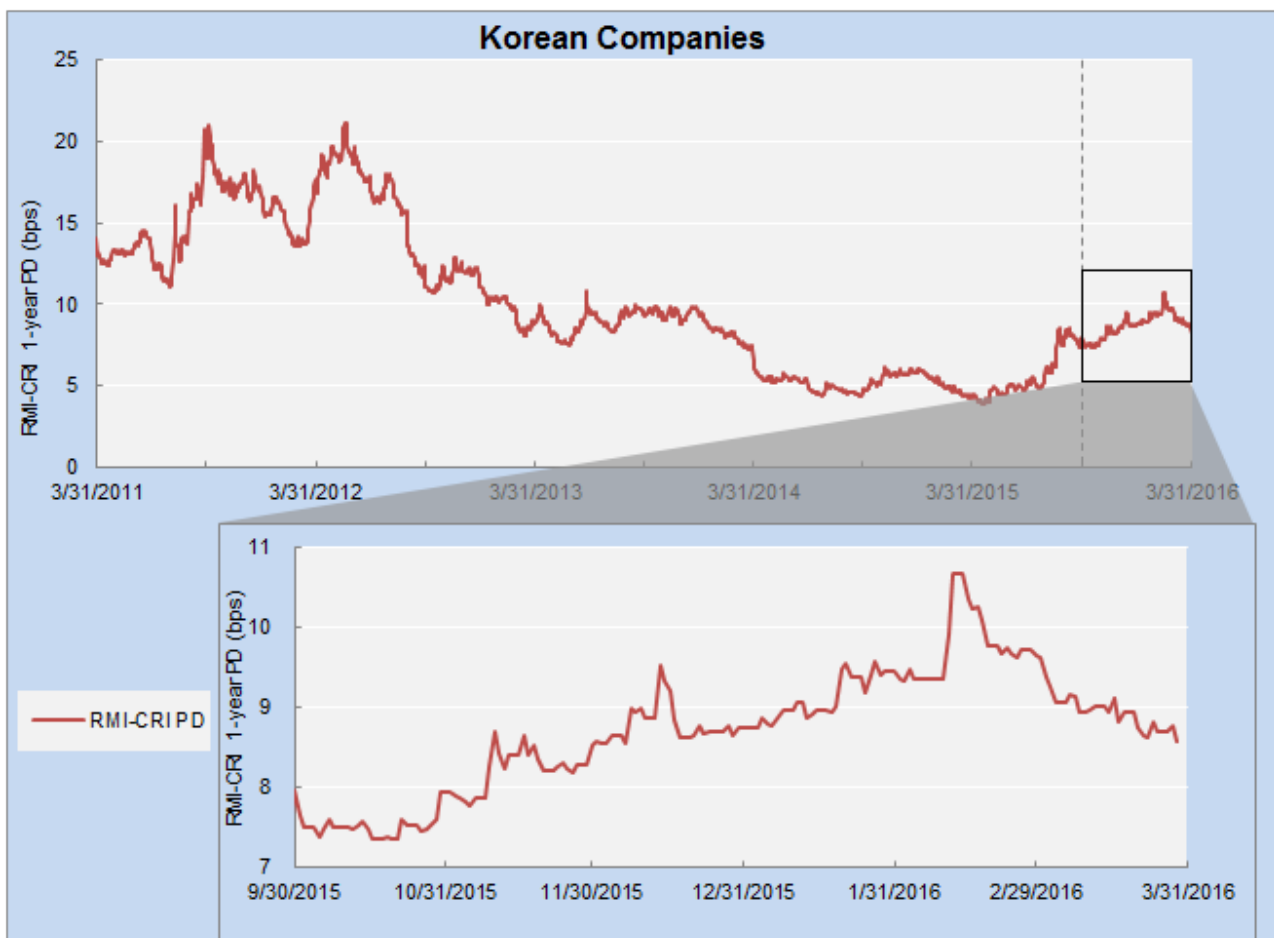
# Asia-Pacific - Developed economies

The RMI 1-year PD for listed companies in the developed Asia Pacific slightly increased during the first quarter of 2016. The FTSE Developed Asia Pacific All Cap Index, which captures the performance of the large, mid and small capitalization universe for the developed market in Asia, decreased from 410.67 in Q4 2015 to 396.35 in Q1 2016, reflecting a worsening trend. Although Japan posted GDP 1.7% YoY growth in Q1. However, Japan’s economic gloom is far from over, given that corporate investment remains sluggish. Additionally, the source of growth could be attributed to the lunar year. In such a case, growth could be an inaccurate reflection of economic improvement stemming from market fundamentals. South Korea, another prominent country within the Asia-pacific region, had also delivered mediocre performance in Q1. Its Q1 GDP grew only by 0.4% QoQ and 2.7% YoY, both slower than the end of 2015. In line with the dismal performance, the Bank of Korea kept interest rates on hold at 1.5%, cutting its growth and inflation forecast for the second time in 2016. Asian financial centers Singapore and Hong Kong experienced differing GDP growth rates in Q1 - Hong Kong was influenced by the deteriorating external environment, resulting in a slow down of GDP growth, while Singapore’s GDP remained stable throughout the quarter.



## South Korean Companies

The RMI-CRI aggregate 1-year PD for South Korean companies rose to a high before falling back to nearly the same level at the start of Q1. There was hardly any change in the RMI-CRI aggregate 1-year PD even though the value of shares in the broader market did improve during the quarter. The South Korean Won strengthened against major currencies, and the market caps of IT firms have increased. Sectors that recorded an improvement to their aggregate default probabilities include energy and utilities. Amore Pacific and the Lotte Group, two of Korea's largest companies said earnings have improved but Samsung and the Hyundai Motor Group reported lower bottom lines. The default risk of Korean companies remains high and appears to be on an upward trend since Q3 2015.



## Economy

- South Korea's GDP increased by 0.4% QoQ during Q1, as compared to 0.7% QoQ during Q4. On a YoY basis, the economy grew by 2.7%. Construction and government spending helped to maintain growth as construction investment and government spending increased by 5.9% and 1.3% respectively in Q1. On the other hand, capital investment fell by 5.9% in Q1, the worst decline since Q2 2012 while export declined by 1.7%. Despite a slowdown in economic activity, Bank of Korea expects the economy to pick up in the following quarters as demand improves.<sup>31</sup>

- The consumer confidence index in South Korea has fallen for the fourth consecutive quarter to 44 in Q1 from 46 in the previous quarter. The index score has a new record low, way below the global average score of 98 as the lacklustre economic performance and poor job prospect continue to haunt the Korean economy. 92% South Koreans also felt that the country is in recession, an increase of 1 percentage point from the previous quarter. With recessionary sentiment on the rise, South Koreans were starting to reduce their household expenses.<sup>32</sup>
- South Korean exports declined for sixteenth month straight, falling by 11.2% YoY to USD41.1 bn in April. Trade surplus in April is USD 9.86bn, up from 8.49bn last year, as imports dropped 14.9% YoY to USD 32.2 bn. Average export value per working day increased slightly to USD 1.82bn in April compared to USD 1.79bn in March. Shipment to South Korea's main markets and key product exports also fell, despite an improvement in the exports of ships and smartphones. The slump in exports is attributed to a sluggish global economy.<sup>33</sup>
- Korea's unemployment rate in Q3 increased from 3.5% in December 2015 to 3.7% in April 2016. The unemployment rate in April is the lowest level in the three months as the number of unemployed persons decreased to 1.08 million in April from 1.16 million in March.<sup>34</sup>
- South Korea's manufacturing purchasing managers' index (PMI) was 50 in April 2016, a marginal increase from 49.5 in March. This indicates a stable operating condition in the South Korea's manufacturing sector after having contracted in the previous three months. Production experienced weaker contraction while new orders remained stable in April. The weakening global economic conditions contributed to the fall in the international demand and new export orders. Employment statistics improved in April, but the inflation rate was the sharpest since March 2013 due to rising input prices. Nevertheless, pressure from clients and stronger competition encourage sellers to decrease their selling prices.<sup>35</sup>

### Monetary

- South Korea's central bank maintained the benchmark interest rate stable at 1.5% for 11 consecutive months. The governor Lee Ju Yeol said that the central bank will take into consideration of the progress of restructuring highly indebted companies when it conducts its interest rate policy, commenting that the key rate is "not sufficient to support the economy". Recent data showed that exports fell by 11% YoY making the 16th consecutive drops in export and factory output unexpectedly dropped in March 2016.
- Consumer prices had only increased by 1% YoY which is less than the central bank's 2% target. Out of the 23 analysts surveyed by Bloomberg on April, 12 forecasted at least one rate cut in 2016, 10 forecasted no change and one estimated a 25bps increase in benchmark interest rate. A fixed income analyst from Mirae Asset Daewoo Securities predicted a rate cut in June or July. Citigroup also estimated a rate cut in the next few months to cope with the rising unemployment during corporate restructuring of financially troubled firms.<sup>36</sup>

### Funding & Liquidity

- Yields on 10-year South Korean government bonds declined from 2.08% in Q4 to 1.817% in Q1.
- According to Bank of Korea (BOK), South Korea' M2 money supply increased to KRW 2,296.8tn at the end of March 2016 from KRW 2,279.1tn in February 2016, a 0.8% increase which is higher than the 0.5% on-month basis increase in February 2016. M2 has also grown by 7.8% YoY in March 2016. BOK said that the rise in deposits

and securities investment contributed to the growth of M2. The central bank data also showed a KRW 6.9tn gain in saving deposits, a KRW 3.8tn increase in demand deposit accounts as well as a 4.4% increase in the amount of cash circulation in South Korea from February to March 2016. The money supply of South Korea had been experiencing a steady rise since the start of 2015 or when BOK began slashing its policy rate in August 2014 to help bolster South Korea's growth.<sup>37</sup>

- Interest rates on new loans to large Korean corporations increased to 3.28% per annum in March 2016 from 3.22% in January. On the contrary, interest rates on new loans to small companies declined to 3.79% from 3.84% in the same period.<sup>38</sup>

## Politics

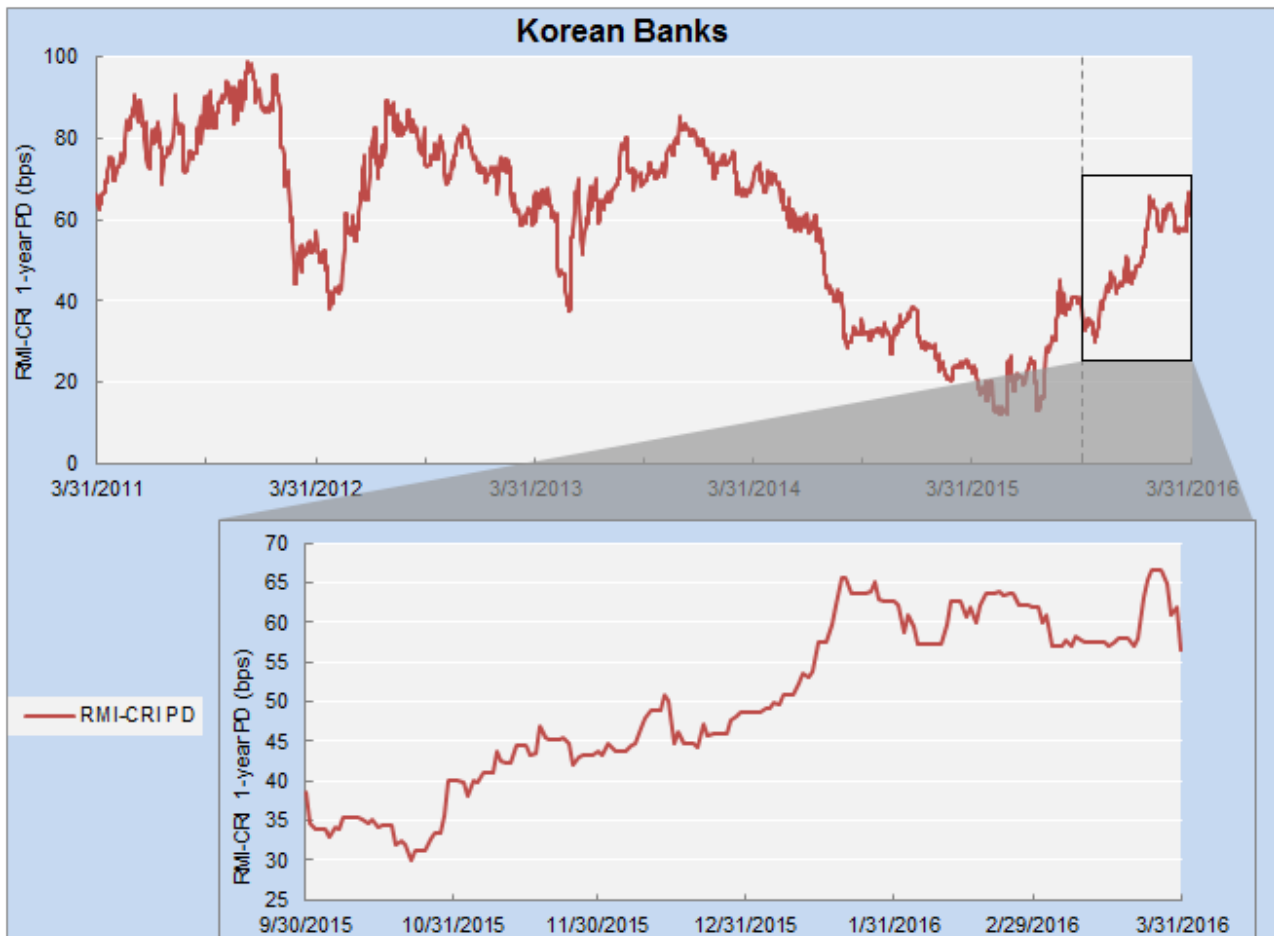
- The Saenuri Party, ruling party of South Korean's President Park Geun-hye, was demoted to second placing in parliament by South Korean voters following heightened dissatisfaction of South Koreans at the softened economic growth. Expert says that the source of the growing dissatisfaction is due to the perceived failures of policies from the administration of Park Geun-hye to revitalize the economy. President Park Geun-hye was elected on a mandate of economic revival and the levelling of playing field of the chaebol, big family-run conglomerates, with other smaller enterprises. However, progress has been dismal in both areas.
- Besides scrutiny of economic policies under President Park's administration, President Park Geun-hye's leadership style has also come under focus; political analysts expect President Park to switch from a heavy handed leadership to a more consensual approach. Furthermore, amid the ruling party's loss at the election, Saenuri Party Chairperson Kim Moo Sung resigns, foreshadowing a probable internal power struggle ahead of next year's presidential campaign.<sup>39</sup>

## Sovereign Credit Ratings

- The three major agencies maintained their ratings on the country's sovereign debt during Q1, 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 Korea banks continued its upward trend during Q1, although bank statistics show that profits and liquidity profiles have improved. Delinquency rates of loans have dropped, together with the cost of short term funding. Lenders have set aside loan provisions in Q1 against the potential losses stemming from the shipping sector. The increased number of bankruptcies in the shipping sector could offset future potential earnings of banks. Net interest margins have fallen to a record low due to lower interest rates introduced by the Bank of Korea. Overall, the credit outlook for Korean lenders is negative.



### Profitability

- Nine listed Korean banks reported improvements in profits during Q1. The aggregate earnings of these banks increased by more than USD 1bn over the quarter. Total net incomes were USD 2.29bn at the end of March, 7% higher than USD 2.14bn a year ago.

### Funding & Liquidity

- Average coupon rates on new issuances of 5-year KRW-denominated bank bonds remains unchanged at 2.11% from Q2 to Q3.
- Data published by the Korea Federation of Banks showed that the short term Cost of Funds Index rate declined during Q1, from 1.54% at the start of January to 1.47% on March 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 improved during Q1 as the aggregate LATDB ratio for listed banks increased from 8.47% to 11.11% in three months.

## Regulations

- The FSS has pledged to give foreign financial firms greater autonomy in a bid to make the business environment more conducive and help boost creativity. At an event hosted by the FSS, the FSS Deputy Governor Kim Young-ki states that the FSS will not interfere with sales practice of financial institutions. These gestures were welcomed by executive at foreign financial institutions.<sup>40</sup>

## Asset Quality

- The delinquency rate for loans extended by South Korean banks fell in March MoM. This decrease is attributed to the resolved loans exceeding newly delinquent loans. The average delinquency rate of bank loan was 0.63% at the end of August, which is a decrease of 0.07% from the previous month. It has also dropped YoY by 0.06% from 0.69%. In March, KRW 2.3tn worth of debts have been written off and KRW 1.3tn worth of loans have turned bad. Outstanding amount of won-denominated loans has increased to KRW 1,369.4tn at the end of Mar, an increase of KRW 5.5tn from the month before.

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<sup>31</sup> Apr 26, 2016, [South Korea Q1 GDP growth slows on weak capex, exports](http://www.businesstimes.com.sg/), The Business Times, <http://www.businesstimes.com.sg/>

<sup>32</sup> May 18, 2016, [South Koreans are the worlds most downbeat consumers: Survey](http://www.channelnewsasia.com/), Channel NewsAsia, <http://www.channelnewsasia.com/>

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<sup>34</sup> May 10, 2016, [South Korea Unemployment Rate](http://www.tradingeconomics.com/), Trading Economics, <http://www.tradingeconomics.com/>

<sup>35</sup> March 31, 2016, [Markit South Korea Manufacturing PMI](http://www.markit.com/), Markit Economics, <http://www.markit.com/>

<sup>36</sup> May 13, 2016, [Bank of Korea Holds Rate, Flags Risk From Corporate Overhaul](http://www.bloomberg.com/), Bloomberg, <http://www.bloomberg.com/>

<sup>37</sup> May 12, 2016, [S. Korea's M2 money supply continues to grow in March](http://english.yonhapnews.co.kr/), Yonhapnews, <http://english.yonhapnews.co.kr/>

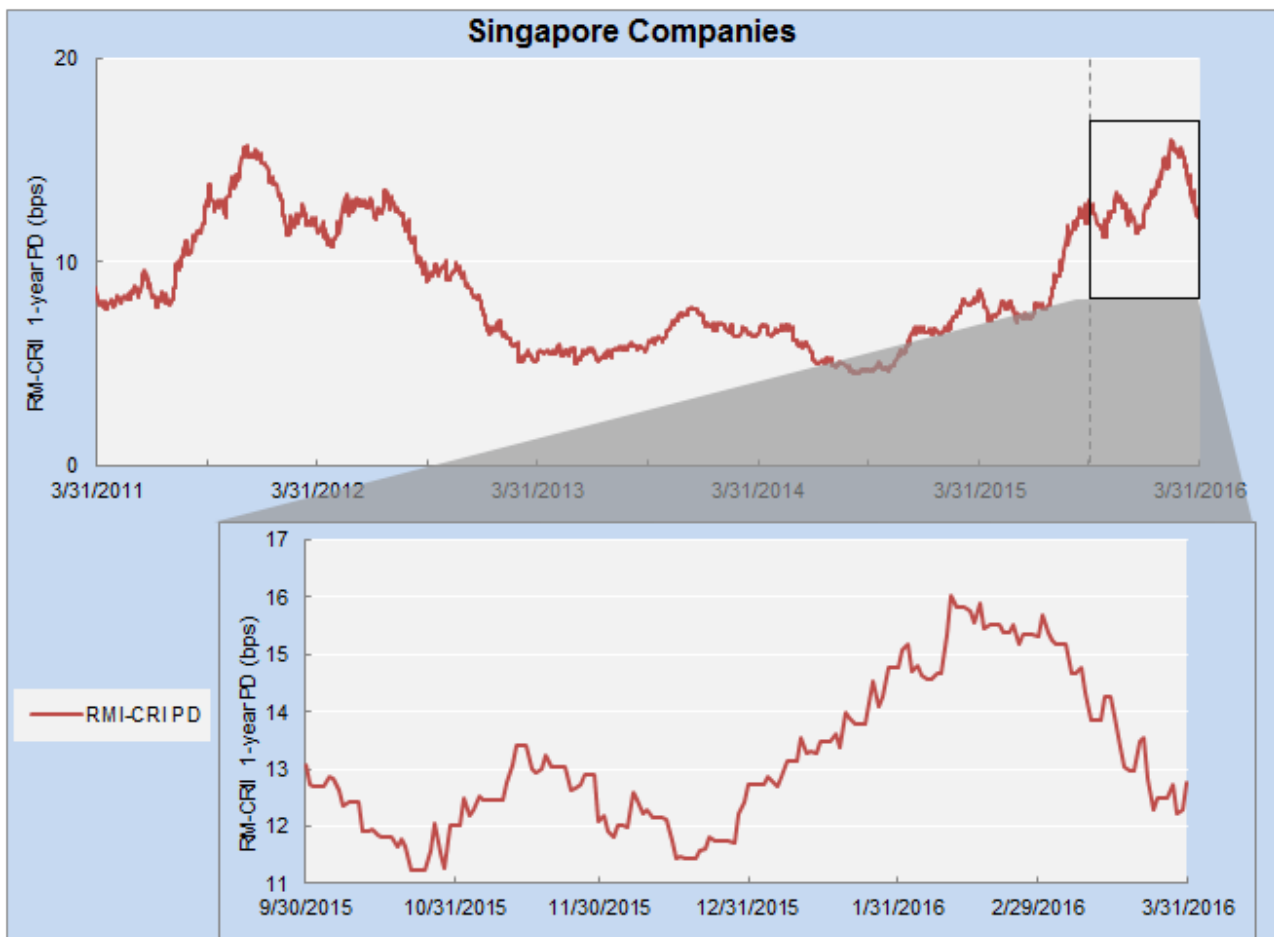
<sup>38</sup> March 31, 2016, [Interest rates on newly extended time deposits](http://ecos.bok.or.kr), Bank of Korea, <http://ecos.bok.or.kr>

<sup>39</sup> April 14, 2016, [South Korean voters demote Park Geun-hyes party](http://www.ft.com/), Financial Times, <http://www.ft.com/>

<sup>40</sup> RefKoreaten

## Singapore Companies

The RMI-CRI aggregate PD for Singapore firms continued to climb higher during the first quarter of 2016, tracking the soft economy and the growing political uncertainties at the global level. The PD climbed from 13.02bps at the end of 2015 to 15.48bps, as of the end of Q1 2016. Singapore's economy appeared to be resilient, growing 1.8% YoY during the period. The manufacturing sector continued to be weak but the local economy received support from the construction sector. Despite the weak growth, core inflation grew during the quarter while the unemployment rate remained flat at 1.9%.



## Economy

- According to advance estimates, the Singapore economy grew by 1.8% YoY in the first quarter of 2016, the same pace of growth as the previous quarter. The construction industry continued to be the main contributor to the YoY GDP growth while the contraction in the manufacturing sector showed signs of waning. Growth was flat on a QoQ seasonally-adjusted annualized basis, in contrast to the 6.2% growth in the preceding quarter.<sup>41</sup>

- Inflation rate dropped by 1.0% YoY in March 2016, led by lower prices in transport and the housing and utilities segment, compared to the year before. Transport costs fell by 4.3% YoY, though it expanded marginally by 0.2% on a MoM basis. Similarly, the price level in the housing and utilities segment were lower by 4.2% in March 2016, in contrast to the same period last year. A soft real estate market, on the back of the cooling measures imposed by the government, continued to moderate the prices in this segment. On a MoM basis, prices were lower by 0.3%. Excluding the accommodation and private road transport components, the core inflation index was up by 0.6% on a YoY basis, as prices were higher in the food and education segments.<sup>42</sup>
- Singapore's seasonally adjusted unemployment rate was unchanged at 1.9% from December 2015 to March 2016. During the period, unemployment rate declined among residents and citizens as a result of lower labor force participation rate among youths aged 15 to 24. Total employment was 1.4% higher than a year ago in March 2016, beating the 0.9% growth in December 2015. The expansion in the first quarter of 2016 was mainly driven by services, despite the slowdown from the previous quarter following the end of festivities. In contrast, employment in manufacturing shrank for the sixth consecutive quarter. 4,600 workers were made redundant in the first quarter of 2016, less than the number in Q4 2015 but higher on a YoY basis. The number of layoffs fell during the quarter in manufacturing and construction, and rose in services.<sup>43</sup>
- Survey results released by the Singapore Institute of Purchasing and Materials Management showed that the manufacturing sector shrank for the ninth consecutive month in March. However, the pace of contraction had slowed, as the index value gained 0.9 points from 48.5 a month ago.<sup>44</sup>
- The seasonally adjusted retail sales decreased 1.4% MoM but increased 5.1% YoY in March 2016. Excluding motor vehicles, retail sales went down 0.6% MoM and 2.2% YoY respectively. The total retail sales value in March 2016 was estimated at SGD 3.7bn, higher than the SGD 3.5bn of last year. The seasonally adjusted sales of food&beverage services in March 2016 decreased 1.2% MoM and 0.7% YoY. The total sales value of food&beverage services in November was estimated at SGD 676mn, lower than the SGD 681mn of last year.<sup>45</sup>
- Singapore's NODX decreased by 15.6% YoY in March 2016, in contrast to the 2.0% expansion YoY in the previous month, due to a contraction in both electronic and non-electronic NODX. The top contributors to the NODX decline were the EU 28, China and Indonesia.<sup>46</sup>

## Monetary

- MAS announced in April 2016 that it would ease its monetary policy by halting the appreciation of the Singapore dollar. The move will remove the modest and gradual appreciation path of the currency's existing nominal effective exchange rate policy band. The policy shift came on the back of a modest growth in the first quarter of 2016, weaker than projected during the policy review in October 2015. Additionally, a slower growth in the rate of core inflation also contributed to the shift in currency policy.<sup>47</sup>

## Funding & Liquidity

- Yields of 10-year Singapore government bonds dropped to 1.80% on Mar 31 2016 from 2.60% on Dec 31 2016.



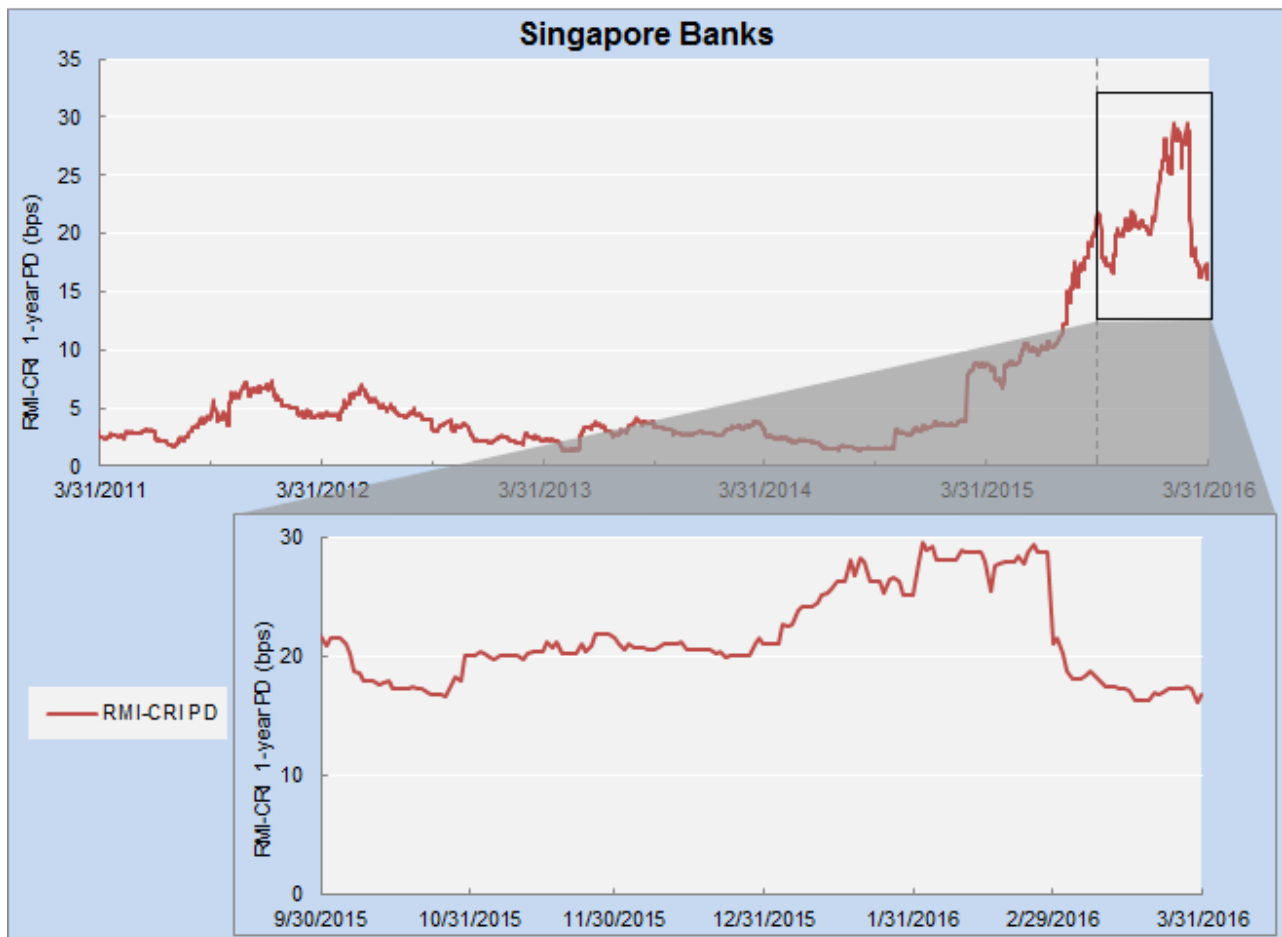
- Lending to non-bank customers decreased to SGD 591bn in Q1 2016 from SGD 600bn in Q4 2015. Total loans to businesses shrank by almost SGD 9bn from a quarter ago, in particular the general commerce sector. Loans to consumers, on the other hand, remained broadly flat during the quarter.<sup>48</sup>
- The amount of outstanding sovereign bonds increased by SGD 4.1bn in Q1 2016.<sup>49</sup>
- The prime lending rate stayed unchanged at 5.35% since January 2014.<sup>50</sup>

### **Sovereign Credit Ratings**

- All three major rating agencies kept their highest investment grade ratings for Singapore sovereign bonds over Q1 2016.

## Singapore Banks

The performance of the three local banks remained positive during the first quarter of 2016, albeit a lower profit for OCBC due to mark-to-market losses at an insurance subsidiary. While bank deposit rates stayed flat during the period, the level of savings surged across the economy as lending to non-bank customers shrank. Overall, the banks' asset quality remained intact despite higher loss of exposure.



### Profitability

- On a YoY basis, the profitability of the three banks in Singapore experienced a significant decline in Q1 2016. The net income was about 5% lower for UOB and DBS compared to the year before. OCBC's net income declined by a wider margin, from SGD 993mn during the same quarter last year to SGD 856mn this year. The decline in profitability is largely attributed to mark-to-market losses on its insurance subsidiary's bond and equity investment portfolio.<sup>51</sup>
- Data from the Monetary Authority of Singapore showed that the amount of corporate loans issued to non-bank customers decreased to SGD 591bn during the first quarter of 2016.<sup>52</sup>

## Funding & Liquidity

- Total deposits in Singapore banks expanded during Q1 2016 to SGD 573bn from SGD 560bn a quarter ago. Local currency deposits expanded by SGD 15.5bn, its fastest pace in over a year as foreign currency deposits were reduced by about SGD 2.1bn. All segments, from government bodies to residents, chalked up net savings during this period.<sup>53</sup>
- The fixed deposit rates remained unchanged during Q1 2016, with rates on 3-month deposits and 12-month deposits keeping at 0.18% and 0.34% respectively. The prime lending rate stayed at 5.35%.<sup>54</sup>
- The statutory liquidity ratio of banks increased to 25.8% in December 2015, up from 20.6% in September 2015.<sup>55</sup>

## Capital Levels & Regulations

- Banks' capital and reserves level surged to SGD 84.6bn at the end of Q1 2016 from SGD 76bn at the end of previous quarter. On a YoY basis, the capital and reserves level was higher by 10.6%.<sup>56</sup>

## Asset Quality

- Loans placed under the "special mention" category increased slightly to 2.33% of total exposure as of the end of Q1 2016, from 2.25% the quarter before. Overall, asset quality in banks was lower during the first quarter of 2016, as the composition of good-quality assets continued to decline. The percentage of loss exposure at local banks has also increased markedly since last year. Total loss was 0.13% in Q1 2016 compared to 0.05% in Q1 2015.<sup>57</sup>

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<sup>41</sup> Apr 14, 2016, [Singapore's GDP Grew by 1.8 Per Cent in the First Quarter of 2016](https://www.singstat.gov.sg/), Statistics Singapore, <https://www.singstat.gov.sg/>

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<sup>43</sup> Apr 28, 2016, [Labour Market Advance Release 1Q 2016](https://www.singstat.gov.sg/), Ministry of Manpower, <https://www.singstat.gov.sg/>

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<sup>45</sup> May 13, 2016, [Retail Sales and Food & Beverage Services Indices, Mar 2016](https://www.singstat.gov.sg/), Statistics Singapore, <https://www.singstat.gov.sg/>

<sup>46</sup> Apr 18, 2016, [Singapore's External Trade March 2016](http://www.iesingapore.gov.sg/), IE Singapore, <http://www.iesingapore.gov.sg/>

<sup>47</sup> Apr 14, 2016, [Monetary Policy Statement](https://secure.mas.gov.sg/), MAS, <https://secure.mas.gov.sg/>

<sup>48</sup> Mar 2016, [Banks: Loans and Advances of DBUs to Non-Bank Customers by Industry](https://secure.mas.gov.sg/), MAS, <https://secure.mas.gov.sg/>

<sup>49</sup> Mar 2016, [Issuance data](https://secure.sgs.gov.sg/), MAS, <https://secure.sgs.gov.sg/>

<sup>50</sup> Mar 2016, [Interest Rates of Banks and Finance Companies](https://secure.mas.gov.sg/msb/), MAS, <https://secure.mas.gov.sg/msb/>

<sup>51</sup> Mar, 2016, [First Quarter 2016 Results Presentation](http://www.ocbc.com), OCBC Group, <http://www.ocbc.com>

<sup>52</sup> Mar 2016, [Banks: Loans and Advances of DBUs to Non-Bank Customers by Industry](https://secure.mas.gov.sg/), MAS, <https://secure.mas.gov.sg/>

<sup>53</sup> Mar 2016, [Deposits \(excluding SGD NCDs\) of DBUs by types of non-bank customers](https://secure.mas.gov.sg/), MAS, <https://secure.mas.gov.sg/>

<sup>54</sup> Mar 2016, [Interest rates of banks and finance companies](https://secure.mas.gov.sg/), MAS, <https://secure.mas.gov.sg/>

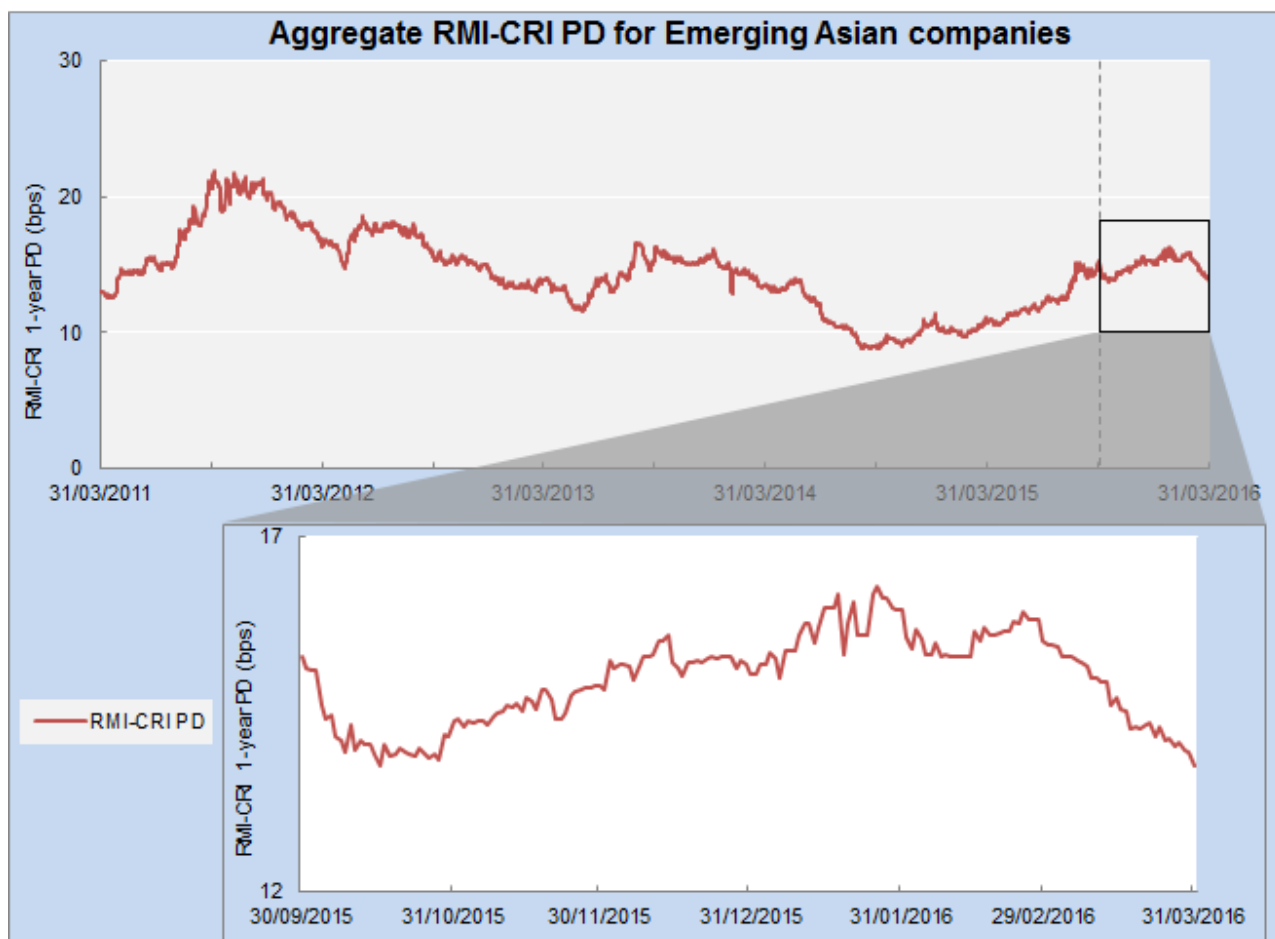
<sup>55</sup> Dec 2015, [Statutory liquidity position of DBUs](https://secure.mas.gov.sg/), MAS, [https://secure.mas.gov.sg](https://secure.mas.gov.sg/)

<sup>56</sup>Mar 2016, Banks: Liabilities of DBUs, MAS, <https://secure.mas.gov.sg>

<sup>57</sup>Mar 2016, Banks: Classified Exposures, MAS, <https://secure.mas.gov.sg>

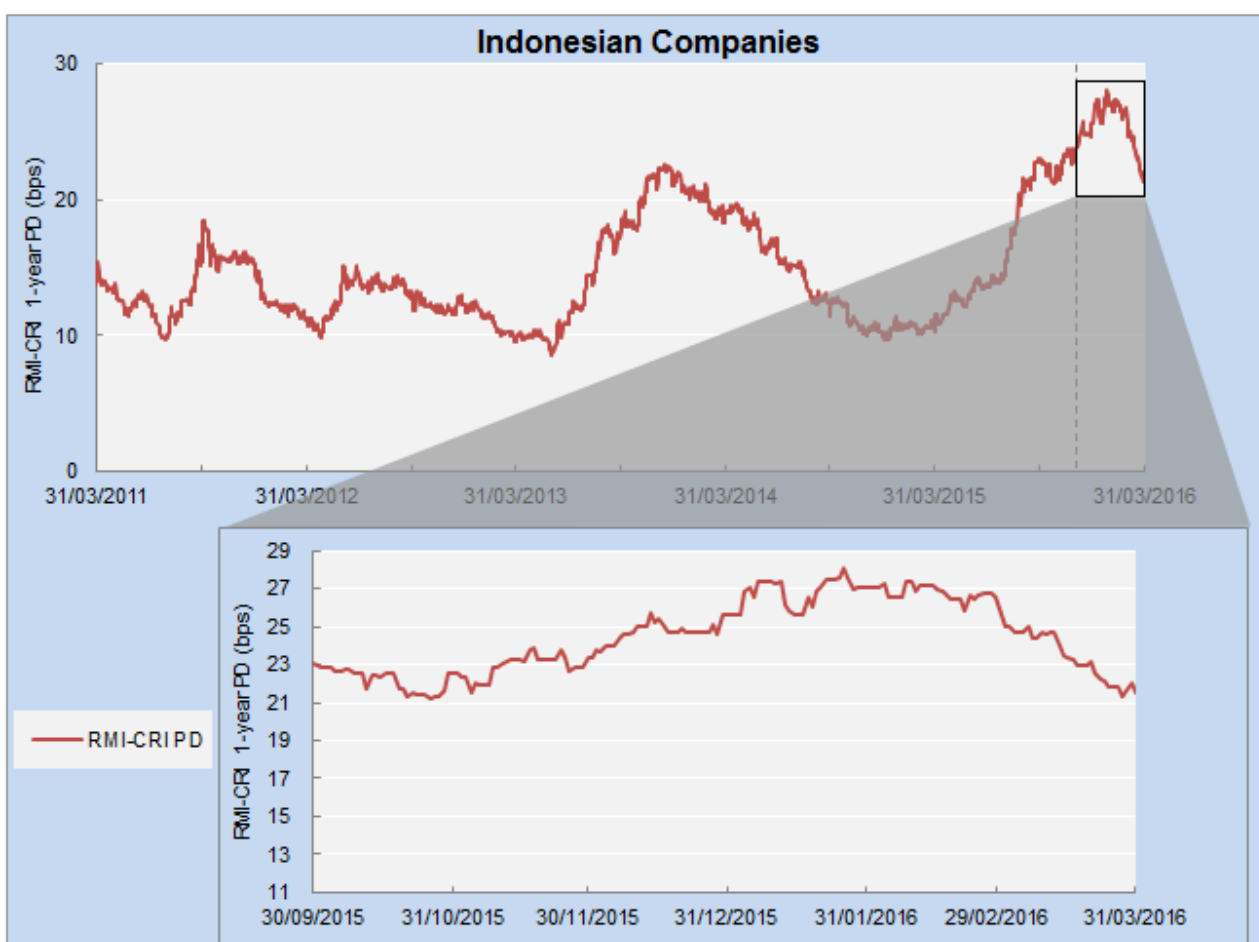
# Asia-Pacific - Emerging economies

The RMI-CRI aggregate 1-year PD for listed corporations domiciled in emerging Asia, excluding India and China, inched down slightly to 14bps during the first quarter of 2016, tracking the trend in the wider global economy. Following a weak start into the year, the global equity markets rebounded by the end of March 2016 to pare back the losses chalked up at the beginning of the quarter. Credit risk was seen moderating in most countries during the period. For instance, the PD for Thailand’s corporate sector declined from 5.1bps to 4.1bps, while the same measure for Indonesia ended 3.6bps lower, from 27.1bps during Q4 2015. Despite the easing of credit risks, emerging economies in Asia continued to face pressure from greater geopolitical risks and diminishing business confidence. Furthermore, some countries continued to be haunted by domestic political risks. The PD for Malaysia reversed its decline in Q4 2015, continuing its uptrend in the first quarter of 2016. Low crude oil prices, remained a major concern for the oil-producing country as the top leadership in the country struggled to balance its budget amidst on-going controversies surrounding its sovereign wealth fund.



## Indonesian Companies

RMI-CRI aggregate 1-year PD for Indonesian companies deteriorated in Q1. Annual GDP growth decline in the Q1 compared to Q4. Inflation slid from Q4 to Q1 while nominal wages increased for farmers in Q1. Indonesia faces trade surplus, due to strong non-oil and gas exports. Indonesia manufacturing conditions show signs of improvement, as PMI hits above 50. This is due to an improvement in production levels, increasing employment level, as well as rising input costs. Bank Indonesia reduces the BI rate to 6.75%, while adjusting the deposit facility and lending facility rates to 4.75% and 7.25% respectively. This policy aims to control inflation within the target corridor, as well as to lower the current account deficit to a healthier level. With an increase in demand for foreign currencies for government foreign debt payments, as well as intervention in foreign exchange markets to stabilize the Rupiah exchange rate, Indonesia’s official reserve asset position increased in Q1 as compared to Q4. The credit outlook of Indonesia’s firm remains stable.



## Economy

- Economic growth during the first quarter of 2016 declined from 5.04% YoY in Q4 to 4.92% YoY in Q1. The first quarter figure is well below analysts and the Indonesian government’s projection. Bank Indonesia expects to see the economy expand 5.1% this quarter, while analysts and the market project growth of between 5.01% and 5.2%.<sup>58</sup>

- Inflation declined from Q4 to Q1, easing from a rate of 0.86% MoM in Q4 to 0.19% MoM in March. Food prices escalated due to volatile food and administered prices, stemming mainly from soaring shallot, red chilli and bird's eye chilli prices, far exceeding the drop in rice prices at the start of the harvesting season. On the other hand, deflation of administered prices was recorded at 0.35% MoM in March 2015 as a result of lower electricity rates, airfares and non-subsidised fuel prices. Bank Indonesia remains confident that the inflation target will remain around 4% in 2016 through close policy coordination to control inflation between Bank Indonesia and the government, especially in relation to administered prices and volatile foods.<sup>59</sup>
- Wages of Indonesian workers are thought to have risen in Q1. Nominal wage of farmers per day increased by 0.26% during Q1 from IDR 47,437 in February to IDR 47,559 in March.<sup>60</sup>
- Indonesia reported a trade surplus of USD 0.49bn in March 2016 as compared to USD 0.16bn trade deficit in December 2015. Overall, there is increase in non-oil and gas trade imports, being boosted by increasing imports of oily grains, machinery and mechanical devices, plastic and organic chemicals. Furthermore, the increase in non-oil and gas exports was supported by the increase in exports of iron and steel, mineral fuel, and manufactured products also contributed to the overall increase in trade surplus.<sup>61</sup>
- According to Nikkei Indonesia Manufacturing Purchasing Managers' Index (PMI), Indonesia's PMI rises from 48.7 in February to 50.6 in March. This marks a record high for the PMI, above the benchmark of 50, since September 2014. Improvement of business conditions in the manufacturing sector is mainly driven by domestic markets. Additionally, a lower level of new business from abroad has been reported in every month since October 2014, with anecdotal evidence linking the latest decline to increased international competition.<sup>62</sup>

## Monetary

- On March 16-17th, the BI Board of Governors agreed to lower the BI rate to 6.75%, while adjusting the deposit facility and lending facility rates to 4.75% and 7.25% respectively. The move is consistent with greater room to ease monetary policy along with a solid macroeconomic stability, specifically granted by an indication of softening inflationary pressures expected to persist through the rest of the year and next, accompanied by easing of uncertainties in global financial markets. Amid a sluggish global economic growth, the lower BI Rate is expected to enhance domestic demand to bolster economic growth momentum, while maintaining macroeconomic stability.<sup>63</sup>
- 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.<sup>64</sup>
- BI Board of Governors will be cautious in determining future monetary easing, taking into account overall assessments and forecast of domestic macroeconomy and financial systems stability, as well as global economic developments. To enhance the effects of policy transmission, future focus on the short term are on strengthening operational framework through a consistent term structure of monetary operations. Furthermore, Bank Indonesia will also continue to strengthen coordination with the Government to control inflation, support growth stimuli and ensure structural reforms remain on track, thereby underpinning sustainable economic growth moving forward. BI projects inflation to stay within the target corridor in 2016, around 4%. Furthermore, policy coordination between Bank Indonesia and the Government will be enhanced to control inflation in

anticipation of possible inflationary pressures on volatile foods.<sup>65</sup>

### **Funding & Liquidity**

- Yield on Indonesia's 10-year bonds hit 7.70% in May, facing the largest decline compared to other Asian nations' 10-year state bonds' yields. Despite the sharp fall, Indonesia's government bond yield is still the highest in the region.<sup>66</sup>
- Indonesia's official reserve asset position increased from USD 105.9bn in Q4 to USD 107.5bn in March. This development was attributed to foreign exchange receipts, primarily from the issuance of government global sukuk and the auction of Bank Indonesia foreign exchange bills, which more than outweighed the use of foreign exchange for government foreign debt payments. The reserve asset position at the end-March 2016 can adequately cover 8 months of imports or over 7 months of imports and servicing of government external debt repayment, substantially above the international standards of reserves adequacy at 3 months of imports. Bank Indonesia considers the position of official reserve assets is able to strengthen the resilience of the external sector and maintain the sustainability of Indonesian economic growth.<sup>67</sup>
- Indonesia's long-term external debt growth in February 2016 grew by 3.7% (YoY) compared to 2.2% (YoY) growth in January 2016. Indonesia external debt position as of February 2016 totalled USD311.5 billion, consisting of public sector external debt amounted to USD164.6 billion (52.8% of total external debt) and private sector external debt amounted to USD146.9 billion (47.2% of total external debt)<sup>68</sup>

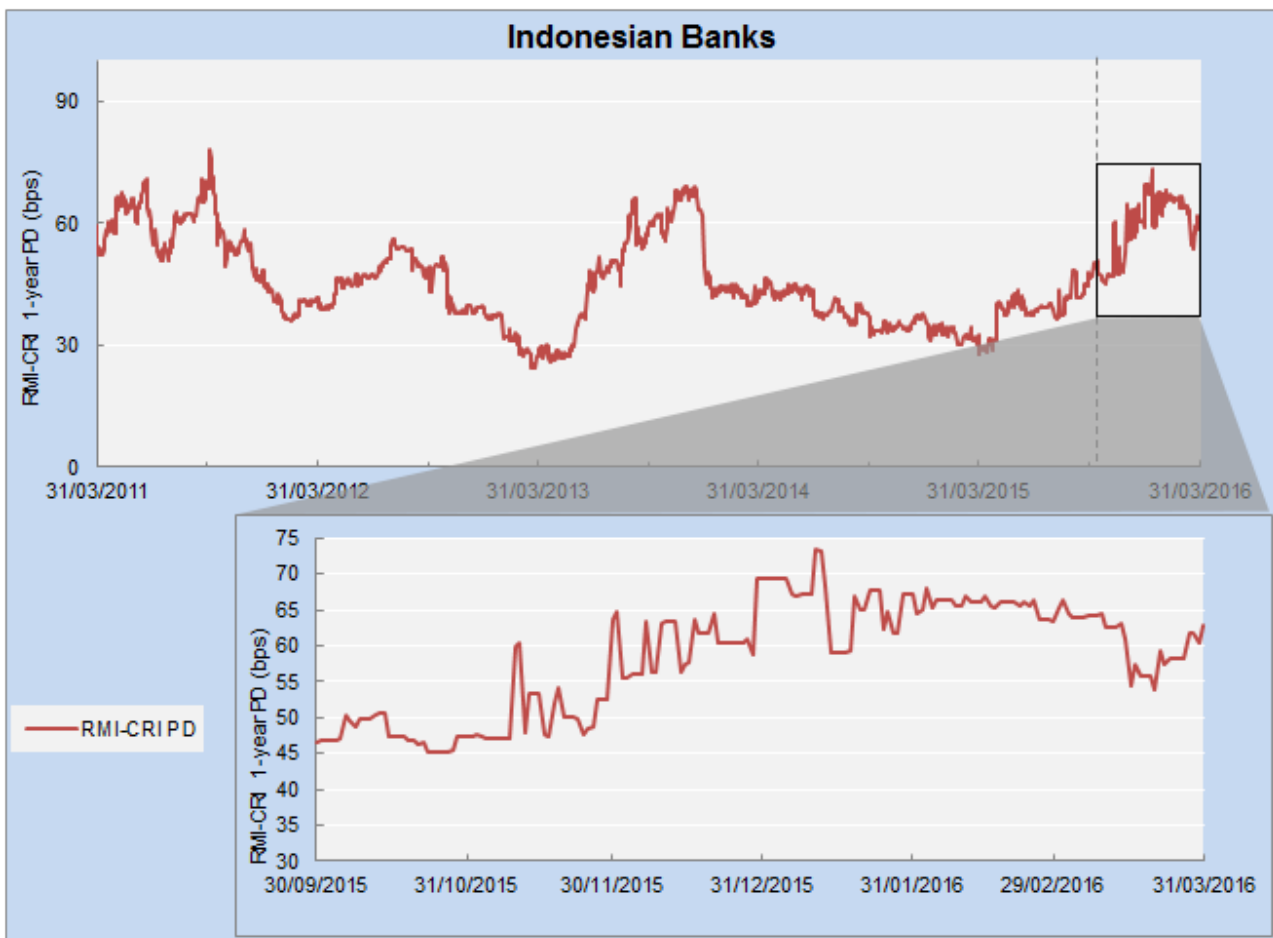
### **Sovereign Credit Ratings**

- 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 Q1. 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 declined slightly during the Dec-Mar 2016 quarter. Growth in credit offtake in Indonesia has moderated with the Net Interest Income (NII) expanding by 3.23% YoY in September 2015. The Net Interest Margins (NIMs) on an aggregate basis were 5.04% in September 2015 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 increase 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 decline of net interest margins (NIMs) which stood at 5.03% in March from 5.37% in December. Profits, however decreased 6.30% YoY and remained unchanged QoQ.
- Listed Indonesian banks performed well in Q4, as aggregate net incomes increased by 5.19% QoQ.

### Funding & Liquidity

- The aggregate LATDB ratio for Indonesian banks was affected during Q2, declining from 509.57% in March to 492.58% in June.
- Shares in Indonesian state-owned banks have been hit by concerns that Bank Indonesia's (BI) decision to bring down interest rates will lead to a decline in profitability.

Bank Indonesia said it will start using its seven-day reverse repurchase rate as the new benchmark for its policy rate from Aug 19. Analysts believe the aim is to bring commercial banks' lending rate down. The government has been calling for commercial banks to lower interest rates so as to encourage economic activity and reverse the current slowdown. State-owned lenders in particular are seen to be the first to bow to government pressure, sparking fears of a squeeze on their profit margins. Mandiri, the country's largest bank by assets, recently lowered rates on corporate loans and mortgages.<sup>69</sup>

- The Jakarta 3-month interbank rate decreased from 8.69% at the beginning of Q1 to 6.73% by the end of Q1. 1-month interbank rate also decreased from 8.29% at the beginning of Q1 to 6.06% by the end of Q1.<sup>70</sup>

## Regulation

- Indonesia's banking regulatory body has instructed the biggest banks to set aside more capital this year in an effort to reduce risks to the financial sector. The banks will be ranked for their systematic importance based on size interconnectedness with the financial system, and the complexity of their business. Under new regulations Systematic Important Banks (SIBs) are required from January 1 to set aside "capital surcharges" of between 0.25 percent and 0.625 percent of risk-weighted assets, depending on how systemically important the institutions are. The "capital surcharges" are in addition to capital adequacy regulations on the banks, which start at a minimum of 8 percent of risk-weighted assets. The banking regulatory body may impose an additional 1 percent surcharge if a bank is found to be even more systemically important than current classification. This regulation is part of Indonesia's move to fully adopt Basel III.<sup>71</sup>
- The central bank's new regulation that requires banks to set aside an additional capital buffer on top of existing capital requirements is regarded as positive for the local banking sector, considering that it could mitigate losses from rapid loan growth. This regulation was introduced in late December, requiring banks to prepare between zero to 2.5 percent of their risk-weighted assets. The exact rate will be determined at least once every six months.<sup>72</sup>
- After the implementation of the ASEAN Economy Community (AEC) at the end of last year, the State-Owned Enterprises Ministry is considering the merger of Indonesia's state-owned banks. If the government agrees to the plan, four banks - Bank Mandiri, Bank Negara Indonesia (BNI), Bank Rakyat Indonesia (BRI) and Bank Tabungan Negara (BTN) will merge at the end of 2018. But the debate would continue, as a new holding bank could bring both greater benefits but also trigger systematic risk that might harm the Indonesian banking system. Consolidating the four banks under a single holding company is seen as one way to improve Indonesia's position in the AEC. This is because the four banks individually still control few assets compared to other banks in the region. This put Indonesian bank in a more competitive position with other banks from Asean countries. Indonesian banks will be able to expand their business without special permission from the host countries.<sup>73</sup>

## Asset Quality

- In view of potential contagion risk to the banking system, Indonesian banks exhibit strong buffers in the form of high capital and profitability metrics to withstand asset-quality stress. Their profitability means they can absorb a much higher level of credit costs.<sup>74</sup>
- Indonesia's credit grew about 10 percent in the January to March period this year. The fall in commodity prices is attributed to the poor business growth and loan growth. Bank Indonesia now estimates loans to grow between 11 percent and 14 percent this year,

lower than the previous 12 percent to 14 percent target.<sup>75</sup>

- Amid sluggish economic growth and a tougher operating environment, depreciating currencies and softer commodity prices have imposed significant challenges to Indonesian banks. Increasing risk exposure to Indonesia includes currency, credit and liquidity risk, as well as deterioration of Indonesian banks asset quality. Fortunately, most Indonesia banks are in a resilient position and possess the strength to handle the increasing risk exposure.<sup>76</sup>

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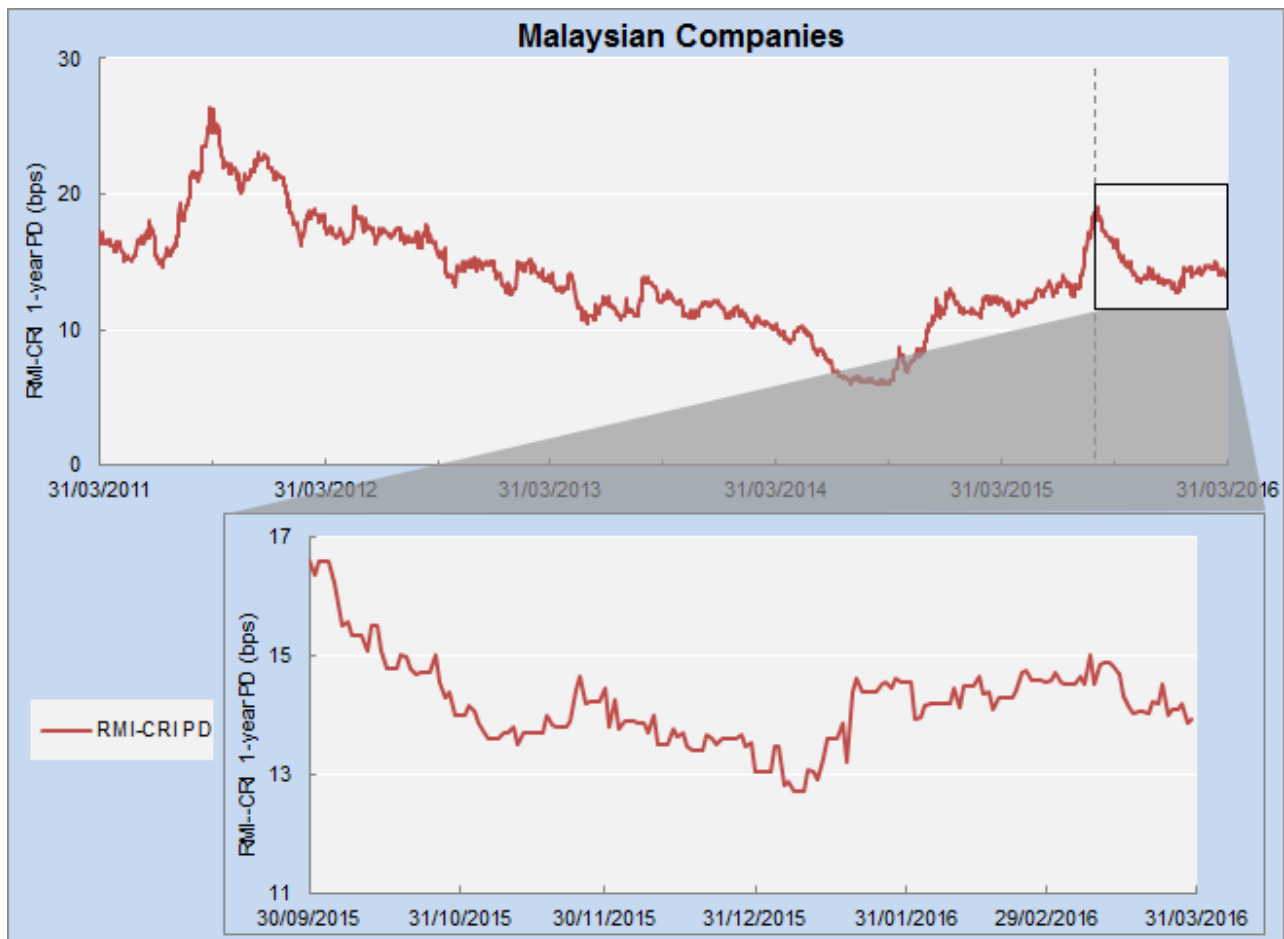
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### Malaysian Companies

The RMI-CRI aggregate 1-year PD for Malaysian companies decreased during the fourth quarter of 2015. The country concluded the fourth quarter with a higher Consumer Price Index and a higher unemployment atmosphere. Combined with decreased net exports and weak domestic demand, the economy grew moderately. The amount of impaired loans rose slightly during the quarter but the Malaysian banks remained adequately capitalized and the ratio of impaired to total 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 as of the fourth quarter of 2015.



### Economy

- Malaysia’s GDP expanded by 4.2% in Q1 2016 YoY, slowing down from 4.5% in the previous quarters as a result of external shocks to the economy and cautious spending by the private sector. Nevertheless, private consumption (5.3%; 4Q 2015: 4.9%) continued to be the key driver of growth, supported by continued wage and employment growth.<sup>77</sup>

- The Consumer Price Index continued its upward trajectory, albeit at a slower pace, reaching 113.8 (2010=100) in the first quarter of 2016. On a YoY basis, the price of the basket of goods had increased by 3.4%. The YoY increase was mostly driven by key items in the basket - namely, alcoholic beverage and tobacco.<sup>78</sup>
- Malaysia's unemployment rate stood at 3.4% in the first quarter of 2016, increased slightly from 3.2% in the last quarter. Total employment growth in February increased slightly by 0.7% YoY to 14.2mn. On a MoM basis, labour force, employment and unemployment increased by 0.4%, 0.3% and 1.0% respectively.<sup>79</sup>
- In March 2016, Malaysia's export value rose by 0.2% YoY to MYR 66.6bn. This was mainly attributed to electrical & electronic products (+0.4%), palm oil and palm-based products (+6.7%) and timber & timber-based products (+5.5%). Meanwhile, Malaysia's total import value fell by 5.5% YoY to MYR 55.4bn. This was mainly attributed to decrease in consumption goods (-8.3%) and capital goods (-22.2%). Total trade value in March 2016 has decreased by 2.5% YoY to MYR 122bn. Total trade surplus is currently standing at MYR 11.2bn, an increase of 43.1% from a year ago.<sup>80</sup>

### Monetary

- Bank Negara Malaysia announced that it would continue to maintain the Overnight Policy Rate (OPR) at 3.25%, since the hike in policy interest rate in July 2014.<sup>81</sup>
- In March 2016, average trailing 12-month broad money, or M3, which measures the money supply, increased marginally by 0.07%, compared to February 2016.<sup>82</sup>
- Malaysia's central bank said that it continues to ensure that there is enough liquidity for the money and foreign exchange market to function soundly. It expects the Malaysian economy to expand at a moderate pace, with domestic demand being the main driver of the economy.<sup>83</sup>

### Funding & Liquidity

- The market indicative yield on the 10-year Malaysia government securities dropped to 3.80% at the end of March 2016 from 3.93% in the previous month. The same yield measure on 5-year Malaysia government securities also dropped to 3.43% from 3.54% in the same time horizon.<sup>84</sup>
- Bank lending to finance, insurance and business activities increased to MYR 11bn in March 2016 from MYR 7.07bn one year ago. Meanwhile, loans disbursed to both the construction and the wholesale, retail trade, restaurants and hotels segments fell to MYR 6.52bn and MYR 16.75bn respectively.<sup>85</sup>

### Politics

- On Mar 4, the 'Save Malaysia' movement was launched. The objective of the movement is to oust the current Malaysian Prime Minister Najib Razak. Mahathir and Muhyiddin are spearheading the 'Save Malaysia' effort to collect signatures from ordinary voters calling for Najib to step down. Dr Mahathir quitted the UMNO, the ruling party, in March this year as he failed to garner enough support from within the party to kick out the party president Najib.<sup>86</sup>

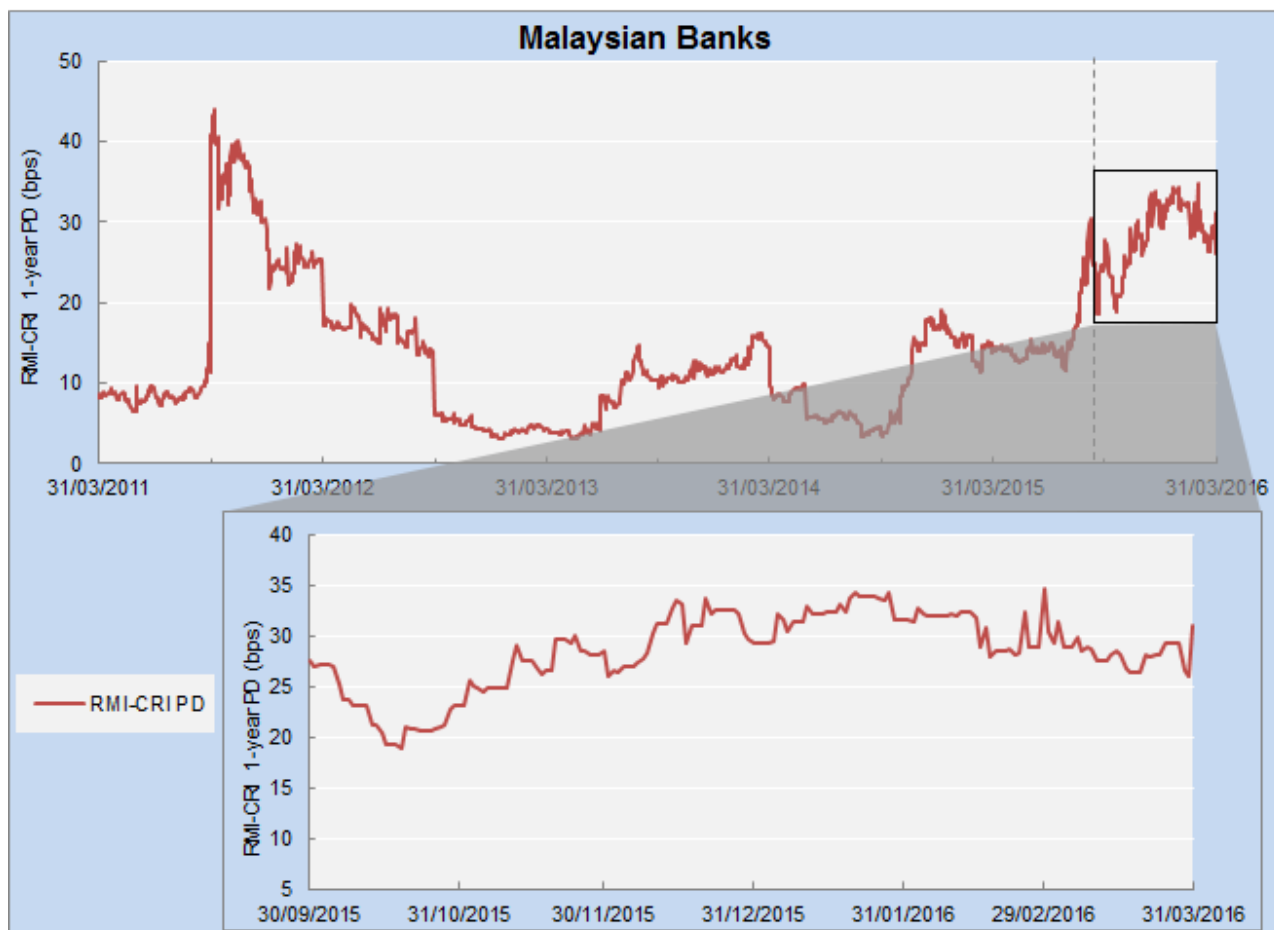
- State owned investment fund 1MDB defaulted on a USD 1.7bn bond on Apr 26. Subsequently, the ringgit fell and its dollar denominated debt plunged. Due to a dispute with Abu Dhabi's International Petroleum Investment Co., 1MDB did not make USD 50mn coupon payment. This further led to cross defaults on USD 1.9bn of 1MDB debt. Authorities are also investigating the allegation that the fund has been misappropriated by Najib's administration.<sup>87</sup>

### **Sovereign Credit Ratings**

- 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 nearly at the same level during the first quarter of 2016, even as liquidity remained ample. Regulatory capital stayed comfortably above the required levels, boosted by relatively stable deposits. Despite the slight increase of impaired loans, the ratio of net impaired loans to net total loans remained healthy. Meanwhile, the repurchase agreements shrunk from December to March 2016.



### Lending

- The amount of bank loan applications has increased to MYR 72bn in March 2016 from MYR 63bn in December 2015. Loan application for working capital has raised to MYR 19bn in February 2016 from MYR 17bn in December 2015.
- In line with the unchanged OPR, the base lending rate of Malaysian commercial banks remained static at around 6.80% from December 2015 to March 2016. The base rate also remained stable at 3.89% from December 2015 to March 2016.

## Funding & Liquidity

- Bank deposits, including repurchase agreements, remained relatively stable from December 2015 to March 2016. The repurchase agreement declined to MYR 15.8bn in March 2016 from MYR 23.4bn in December 2015. On a YoY basis, repurchase agreements by financial institution increased by 12% in March 2016.
- Savings deposit rates at commercial banks increased slightly from MYR 135.6bn in December 2015 to MYR 138.9bn in March 2016. Similarly, the 12-month fixed deposit rate was stable at 3.31% since the beginning of 2015.

## Capital Levels & Regulations

- The Malaysian banking system continued to be well capitalized. Common Equity Tier 1 Capital remained relatively unchanged YoY at 13% while the Tier 1 Capital Ratio increased slightly to 13.9% in March 2016.

## Asset Quality

- The value of impaired loans at Malaysian banks increased slightly to MYR 23.2bn in March 2016 from MYR 23.1bn in December 2015. The ratio to total loans remained constant at 1.2%.

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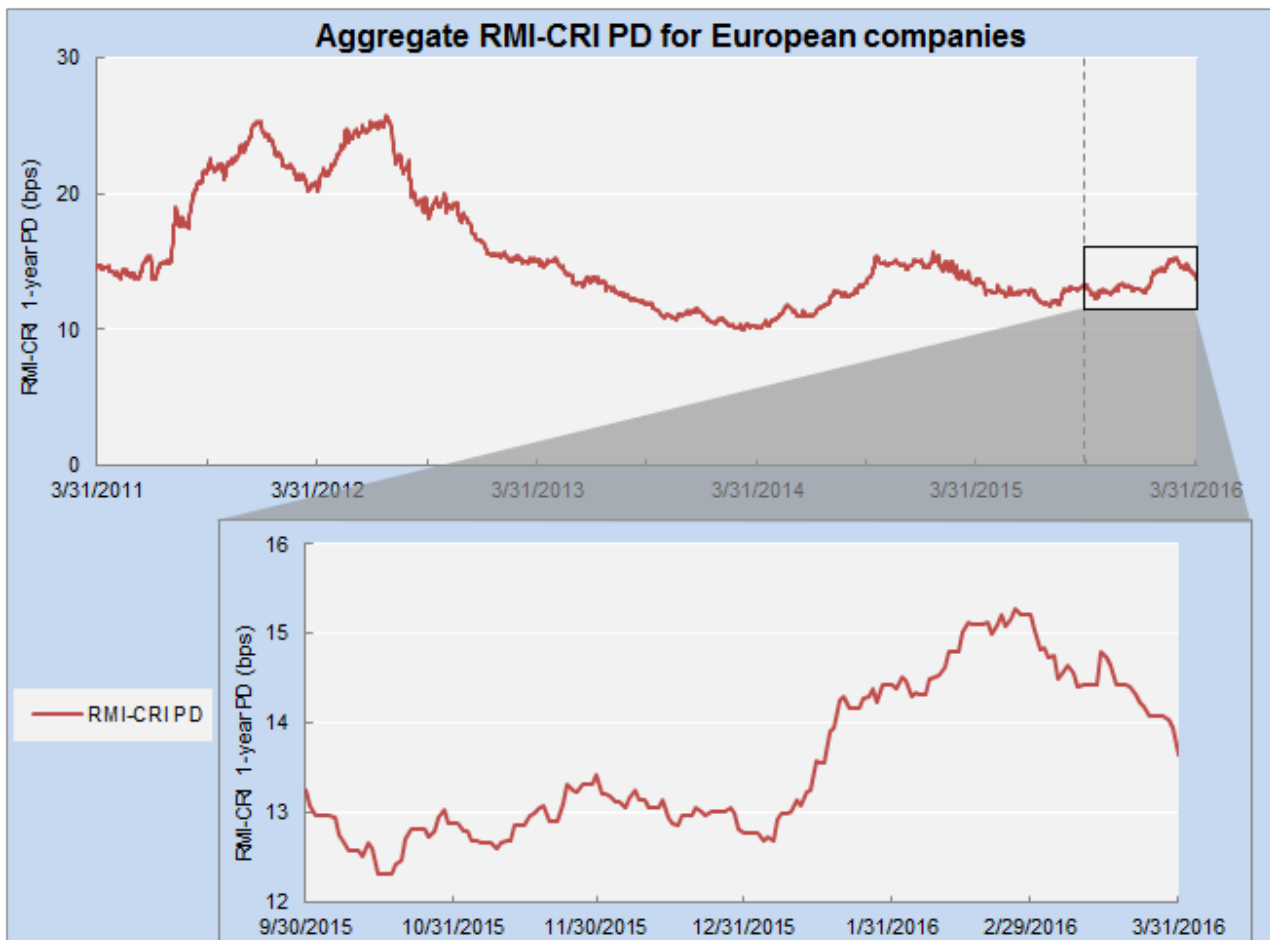
<sup>86</sup> March 27, 2016, [Najib Critics Roll Out Save Malaysia Campaign Against Premier](http://www.bloomberg.com/), Bloomberg, <http://www.bloomberg.com/>

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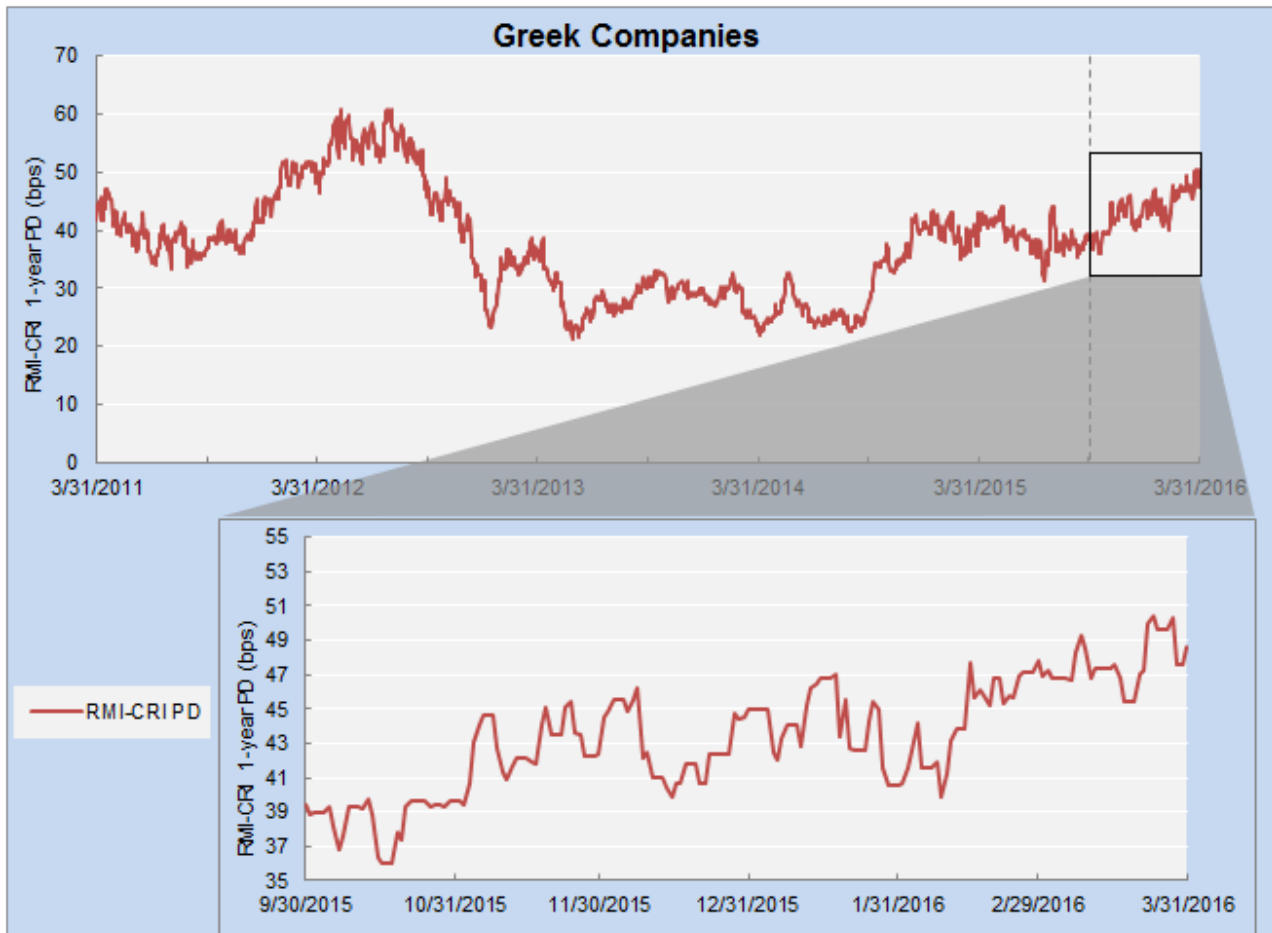
# Europe

The RMI-CRI aggregate 1-year PD for European firms increased slightly in Q1 after staying unchanged in Q4. The seasonal adjusted unemployment rate was 10.2% in Q1 2016, which was 0.2% lower than the rate in Q4 last year and the lowest level since Oct 2011. The growth of Consumer Price Index in EU was 0.03% YoY in Q1 2016. The Economic Sentiment Indicator (ESI) for EU decreased from 106.6 in Q4 2015 to 103.9bps in Q1 2016. Except the growth in confidence index in retail, the confidence indices in consumer, service construction and manufacture all went down. In March 2016, European Central Bank cut its deposit rate to a new low of -0.4% and raised the amount of bonds the eurozone’s central bankers buy each month under QE from EUR 60bn to EUR 80bn.



## Greek Companies

The RMI-CRI 1-year aggregate PD for Greek firms climbed to the highest level in three years during Q1. The Greek economy remained in recession in Q1 as net exports' contribution to GDP declined. Consumer spending remained weak as disposable income is likely to decline due to the planned revamp of the social security pension reform and income tax code, combined with the expected rise of indirect taxes. The credit outlook for Greek companies stays negative.



## Economy

- Greece's nominal GDP shrunk by 0.7% QoQ in the fourth quarter of 2015. On an annual basis, GDP shrunk by 0.9%.
- Greece unemployment rate was in a declining trend. In January 2016, the unemployment rate was 24.4%. The ratio was 24.3% at the end of 2015 and 25.7% at the beginning of 2015.
- The Markit Manufacturing PMI for Greece decreased from 50.2 in December 2015 to 49.0 in March 2016. Yet, the PMI went up to 49.7 in April 2016.
- Greece's consumer confidence indicator dropped further to -71.9 in Q1 2016 from -61.1 in Q4 2015.
- The OECD Greece total retail trade volume decreased by 2.17% YoY in Q4 2015.

## Funding & Liquidity

- Yields on 10-year Greek government bond had increased from 8.07% in Q4 2015 to 8.48% in Q1 2016.
- Total outstanding loans decreased slightly to EUR 90.142bn in March 2016 from EUR 90.472bn in December 2015.<sup>88</sup>

**Policy**

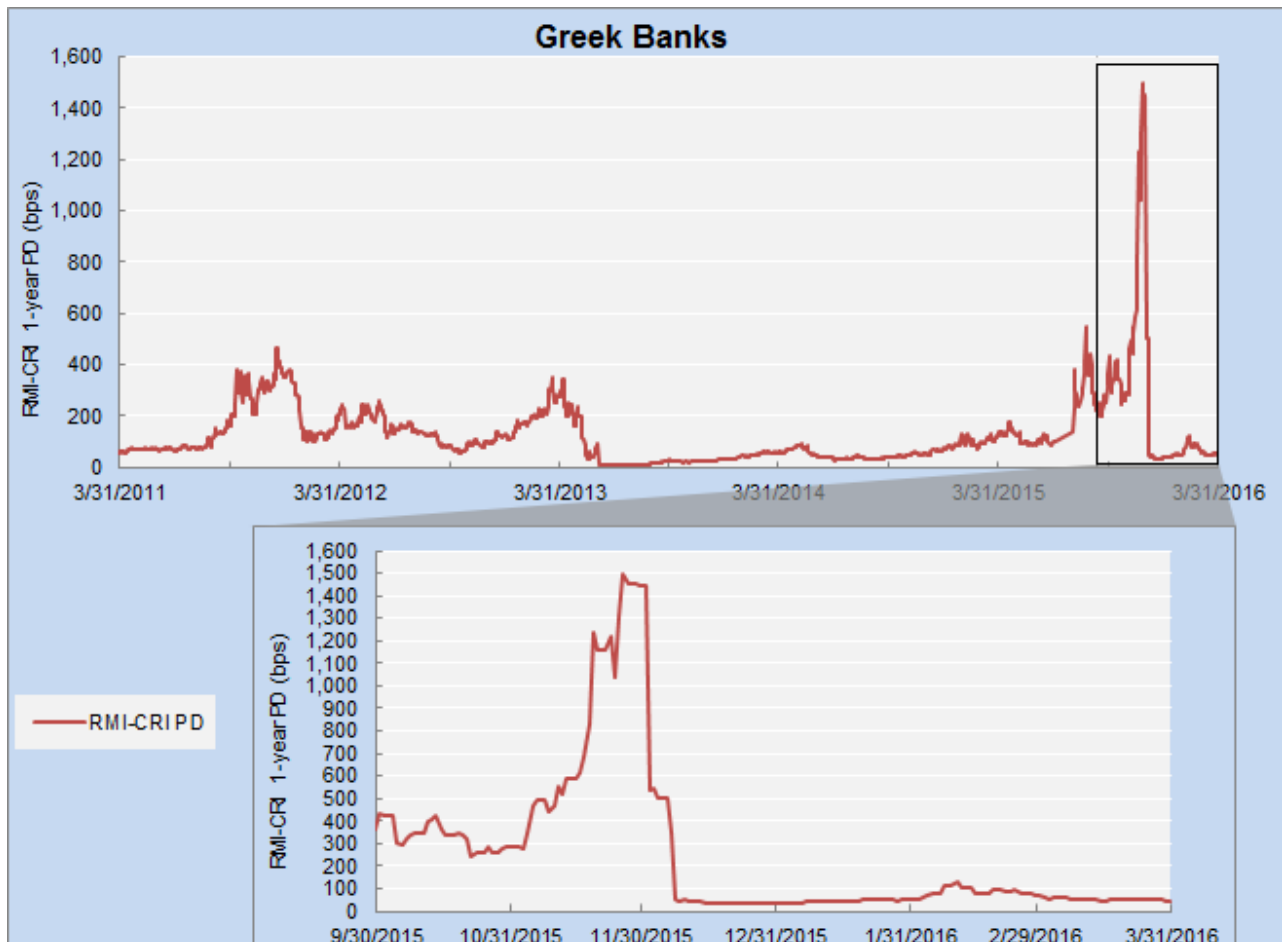
- On February 4, the ECB has lowered the cap on emergency liquidity assistance, in which Greek banks can draw up to EUR 71.5bn from the central bank. Improvements in liquidity and stabilization of private sector deposit flows were some of the reasons for this move.<sup>89</sup>

**Sovereign Credit Ratings**

- On March 11, Fitch affirmed Greece's sovereign rating at CCC. As substantial progress has been made towards agreeing the first review of the financial assistance program with the European Stability Mechanism (ESM) but implementation risks remain. S&P's sovereign rating for Greece was B-, and Moody's rating was Caa3.<sup>90</sup>

## Greek Banks

The RMI-CRI aggregate 1-year PD for Greek banks remained unchanged in Q1, staying at a low level. The banks' losses have dropped as a result of lower provisions during the Q1. Non-performing loans have declined marginally, although they remain at a heightened level. The stabilization of bank deposits has strengthened their credit metrics. The gradual improvement in funding and recapitalization of Greek banks suggests a positive credit outlook for Greek banks.



### Profitability

- Aggregate net income at listed banks in Greece dropped to -EUR 4.1bn in Q4 2015 from EUR 0.94bn in Q3 2015.
- The average of NIM of Greek banks decreased from 2.57% in Q3 to 2.25% in Q4.

### Funding & Liquidity

- Total deposits in Greek banking sector kept fell from EUR 119.04bn in Q4 2015 to EUR 117.12bn in Q1 2016.

- Overall liquidity in the Greek banking sector slightly deteriorated during Q4 2015, with the aggregated LATDB ratio for listed banks declined from 7.3% in Q3 to 6.6% in Q4.

### Asset Quality

- The ECB are recommending changes in Greek banking policy to reduce the impact on the imposition of capital controls. This adoption of a different treatment on existing and new money pumped into the system would be based on the same model adopted in Cyprus. Existing measures require new money entering the domestic banking system from overseas to be either exported or allowed for cash, drawing up to 10% of the total sum.<sup>91</sup>
- Greece's main four banks were adequately recapitalized on Nov 26, as Greece banks secured a bailout fund of EUR 12bn with their creditors.<sup>92</sup>

### Bank Credit Ratings

- On Sep 4, Moody downgraded long term senior and subordinated debt ratings of Alpha Bank AE, Eurobank Ergasias SA, National Bank of Greece SA and Piraeus Bank SA, from Caa3 and Ca. Moody also confirmed the Caa3 long term deposit ratings of these banks, with negative outlook.<sup>93</sup>
- However, on Feb 19, Moody has upgraded the long term senior debt ratings of Alpha Bank AE, Eurobank Ergasias SA, National Bank of Greece SA and Piraeus Bank SA, from C to Ca. Moody also gave long term debt and deposit ratings stable outlooks.<sup>94</sup>

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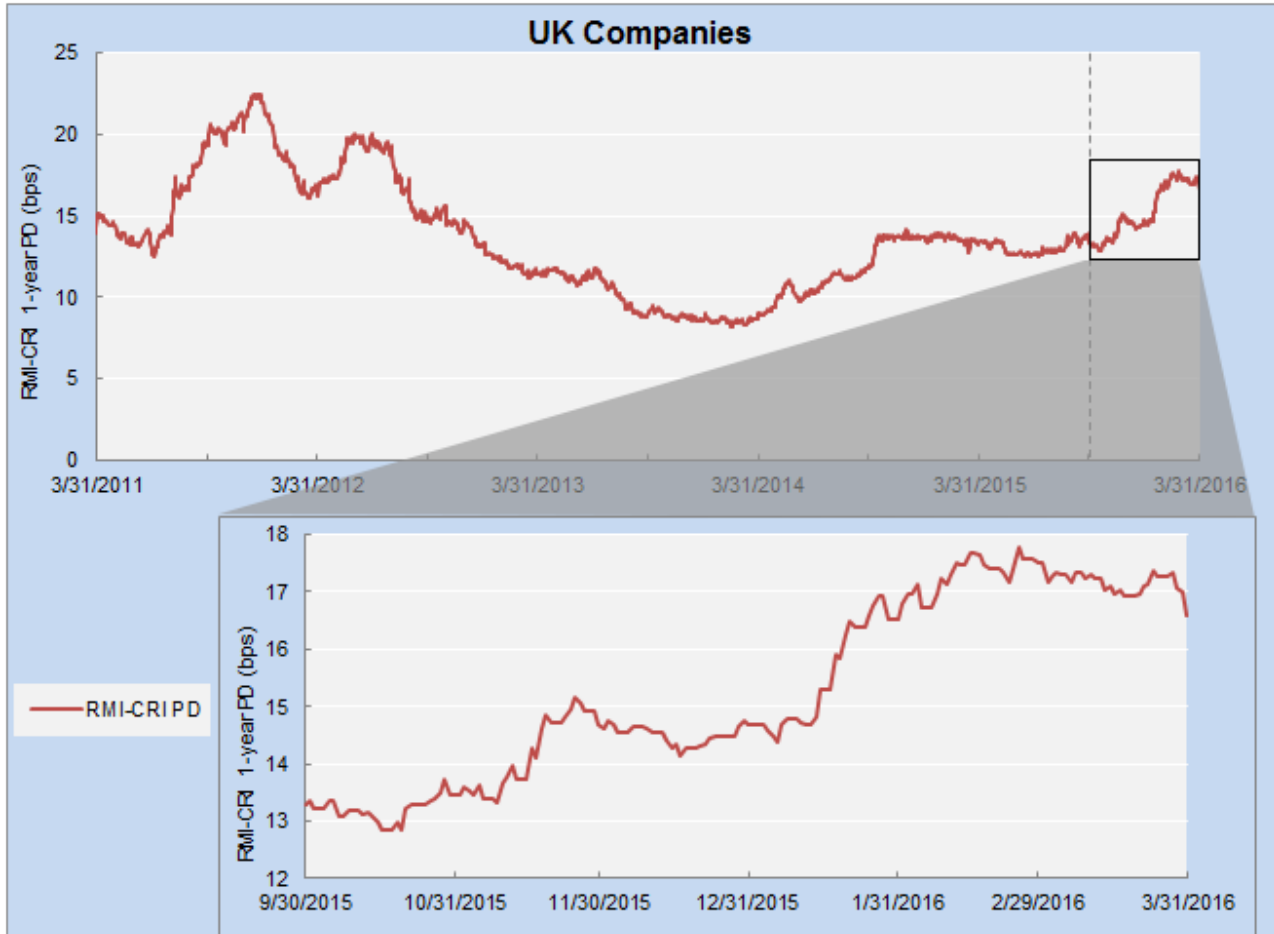
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## UK Companies

The aggregate RMI-CRI 1-year PD for companies in the UK slightly increased to 17.42 bps in Q1 2016. Similar to the previous quarter, the UK's economy barely grew in the first quarter of 2016 due to uncertainties surrounding Brexit and the Eurozone crisis. Consumer confidence in the UK also slumped in light of the uncertain outlook of the economy. Despite a slight increase in inflation rate, the inflation rate in Q1 2016 still remained low below the inflation target while unemployment rate remained unchanged from the previous quarter.



## Economy

- The UK's GDP grew by 0.4% QoQ in Q1, compared to 0.6% QoQ in Q4. On a YoY basis, the economy grew by 2.1%. Growth was only driven by services, which increased by 0.6% from the previous quarter. In contrast, construction, agriculture, and production decreased by 0.9%, 0.1%, and 0.4% respectively. The services industries remained the largest contributor to economic growth and the major component of GDP.<sup>95</sup>

- The unemployment rate in the UK remained stable at 5.1% in Q1 2016. The number of jobless people stood at 1.69mn between January and March, little changed compared to previous quarter with a slight decrease of 139,000 people. The number of people working increased by 44,000 compared to the previous quarter, bringing the employment rate to 74.2% - the highest level since 1971. The total number of people working full-time amounted to 23.12mn during the quarter, an increase by 328,000 YoY.<sup>96</sup>
- Consumer confidence in the UK declined by three points to -3 in April after a continuous 15-months of positive consumer sentiment. The uncertainty around Brexit and the Eurozone crisis casted a gloomy outlook of British economy. More importantly, consumers' dissatisfaction with the general economic situation for the next year accounted for the biggest slump in consumer confidence in April.<sup>97</sup>
- The Markit/CIPS purchasing managers' index (PMI) for the manufacturing sector fell to the lowest level since February 2013. The UK's manufacturing PMI fell to a reading of 49.2 in April 2016. Similarly, the Markit/CIPS PMI reading for the construction sector also fell to 52 in April, the lowest since June 2013.<sup>98,99</sup>

### Monetary

- The Bank of England's Monetary Policy Committee (MPC) kept the interest rate low at 0.5%. Policy makers decided to maintain the low-rate environment, given that core inflation remained subdued. Activity growth is slowed in Q1 and is projected to decelerate in Q2 given the uncertainty associated with the EU referendum. Nevertheless, activity growth is expected to recover later in the year, albeit at rates marginally below historical averages, conditioned on UK's continued membership within EU.<sup>100</sup>
- Twelve-month CPI grew to 0.2% in March 2016, but remained well below the inflation target of 2%. This shortfall is mainly attributed to the large drags from energy and food prices which are expected to fade over next year.<sup>101</sup>

### Politics

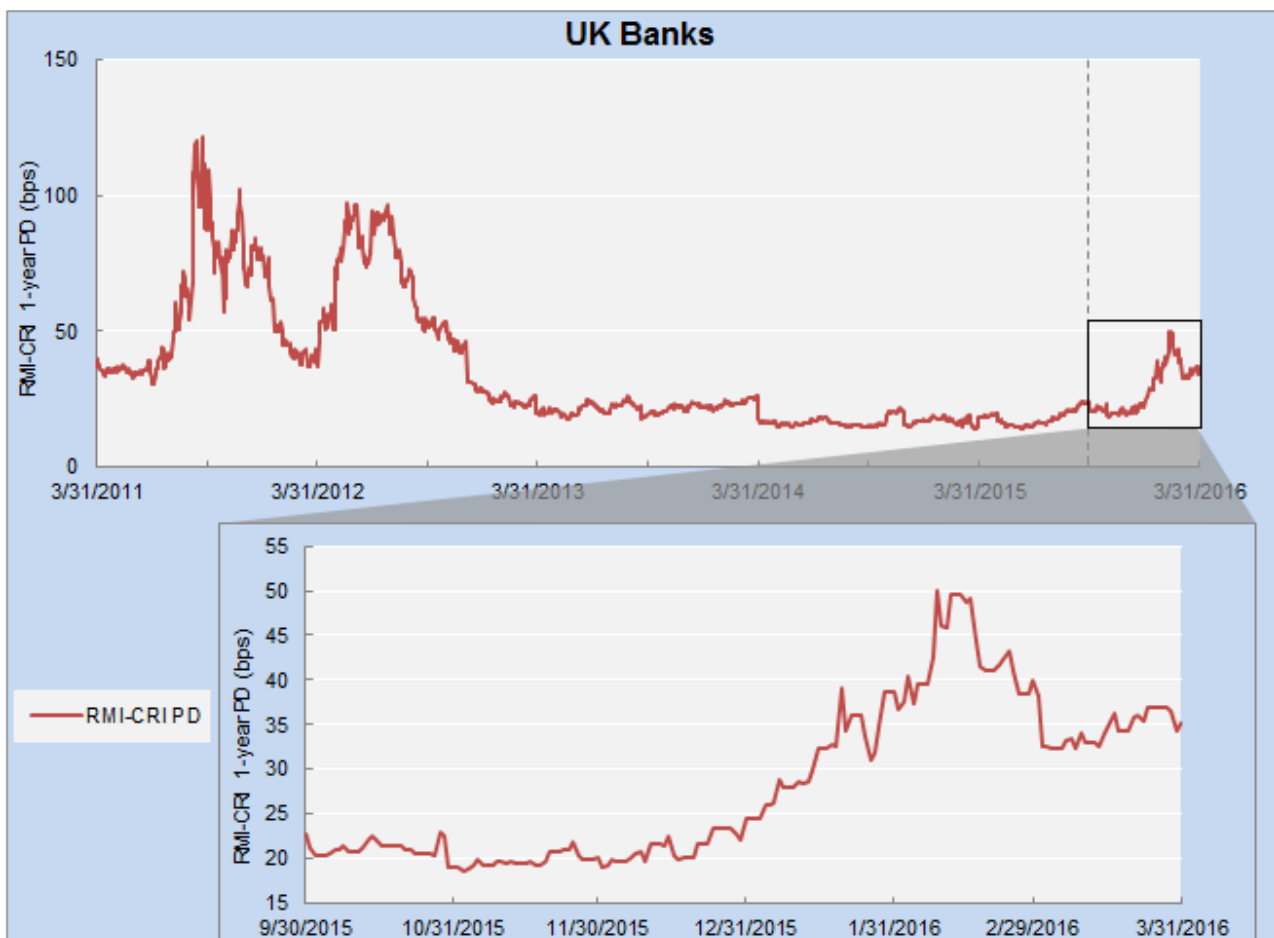
- Prime Minister David Cameron reiterated the importance of remaining in the EU following the signing of a letter in support of the UK's exit of the EU by 306 business figures. The Prime minister warns of the poor being hit the hardest by the UK's exit of the EU.
- Previously, amid concerns raised from the Bank of England Governor Mark Carney, IMF and OECD over the economic consequences of the UK's exit from EU, Normant Lamont, veteran of the UK's ruling center-right Conservative Party, dismissed such fears, labelling it as 'rotten propaganda'.
- A report by Fitch examined the hypothetical scenarios upon the outcomes of the referendum. While the UK remaining in EU is expected to end uncertainty revolving Brexit, prompting a slightly positive credit outlook in the medium term, the economic impact of UK's exit from EU remains highly uncertain. Hypothetical scenarios of UK's exit ranges from UK leaving with favorable terms, unfavorable terms with tight labor market crunch and an exit scenario that leads to subsequent votes for Scottish independence.<sup>102,103</sup>

### Sovereign Credit Ratings

- The UK's sovereign credit rating did not change throughout the quarter. Fitch, Moody's and S&P maintained the credit ratings of AA+, Aa1 and AAA respectively.

## UK Banks

The RMI-CRI aggregate 1-year PD for banks in the United Kingdom remained steady at 40bps at the end of first quarter of 2016. In terms of profitability, net interest receivable as well as net fees and commissions experienced positive growth. Most of the big banks in the United Kingdom enjoyed a positive net income. Total funding to the wholesale increased, whereas capital shrunk in Q1 2016. Despite the deterioration in the asset quality, write-offs to foreign-currency denominated loans decreased in this quarter. Bank of England governor Mark Carney warned that United Kingdom's departure from the European Union could result in a recession, while a vote to stay would not necessarily bring economic recovery. According to the analysts at Bank of America Merrill Lynch, some of the BoE's Monetary Policy Committee see cutting rates as sensible.



### Profitability

- According to the Monetary financial institutions' quarterly income and expenditure tables released by the Bank of England, the net interest receivable had increased from GBP 15.2bn in Q3 2015 to GBP 15.5bn in Q4 2015.
- The banks' net fees and commissions had increased from GBP 4.6bn in Q3 2015 to GBP 4.9bn in Q4 2015.<sup>104</sup>
- According to Bloomberg, big banks in the United Kingdom such as HSBC, Lloyd and Barclay registered a positive and an increased adjusted net income in Q1 2016. Whereas, Royal Bank of Scotland registered a negative and a decreasing adjusted net income in Q1 2016.

### Funding & Liquidity

- According to the Bank Liabilities Survey produced by the Bank of England, UK banks and building societies asserted that their funding volumes had increased significantly



in Q1 2016. Particularly, the retail deposit funding stayed unchanged while 'other' funding, which includes the wholesale deposits and wholesale debt funding had increased significantly. Lenders said that their total capital levels have decreased in Q1 2016 for the first time since Q2 2014. In addition, the average cost of capital had also increased significantly as reported by the lenders.

- The supply of deposits from households increased slightly, whereas the deposits from private non-financial corporations remained unchanged in Q1 2016.
- Investor demand for the wholesale debt fell significantly for the first time since Q4 2012.<sup>105</sup>

### Asset Quality

- The total write-offs of sterling-denominated loans increased from GBP 1.5bn in Q3 2015 to GBP 1.7bn in Q4 2015. For the same period, loan write-offs at private non-financial corporations decreased from GBP 632mn to GBP 507mn.
- Similarly, the write-offs on loans denominated in foreign currency went up in Q4 2015 despite a 5% decrease in the write-offs on loans to non-residents, which constitute the largest share of the total write-offs.<sup>106</sup>

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<sup>95</sup>March 31, 2016, [Gross Domestic Product Preliminary Estimate, Quarter 4 \(Oct to Dec\) 2015](http://www.ons.gov.uk), ONS, <http://www.ons.gov.uk>

<sup>96</sup>March 31, 2016, [UK Labour Market, March 2016](http://www.ons.gov.uk), ONS, <http://www.ons.gov.uk>

<sup>97</sup>April 29, 2016, [Economic uncertainty clouds consumer confidence](http://www.gfk.com), GfK, <http://www.gfk.com>

<sup>98</sup>May 3, 2016, [UK PMI falls to lowest level since February 2013](https://www.markiteconomics.com/), Markit, <https://www.markiteconomics.com/>

<sup>99</sup>May 4, 2016, [Construction output growth eases to weakest for almost three years amid stalling new business volumes in April](https://www.markiteconomics.com/), Markit, <https://www.markiteconomics.com/>

<sup>100</sup>May 12, 2016, [Bank of England maintains Bank Rate at 0.5%](http://www.bankofengland.co.uk/), BoE, <http://www.bankofengland.co.uk/>

<sup>101</sup>February 2016, [Inflation report by the Bank of England](http://www.bankofengland.co.uk/), BoE, <http://www.bankofengland.co.uk/>

<sup>102</sup>May 17, 2016, [David Cameron rejects idea of Brexit 'neverendum'](http://www.ft.com/), Financial Times, <http://www.ft.com/>

<sup>103</sup>May 16, 2016, [Hypothetical "Brexit" Scenario Impact Uncertain](http://www.reuters.com/), Reuters, <http://www.reuters.com/>

<sup>104</sup>April 29, 2016, [Bank stats \(March 2016\)](http://www.bankofengland.co.uk/), BoE, <http://www.bankofengland.co.uk/>

<sup>105</sup>April 13, 2016, [Bank Liabilities survey 2016 Q1](http://www.bankofengland.co.uk/), BoE, <http://www.bankofengland.co.uk/>

<sup>106</sup>April 29, 2016, [Bank stats \(March 2016\)](http://www.bankofengland.co.uk/), BoE, <http://www.bankofengland.co.uk/>

# Appendices

The appendices provide readers with a comprehensive overview of various outputs that are produced by RMI-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 April 15, 2016, using data up to March 31, 2016. 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 Q4 2015 and Q1 2016. 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.

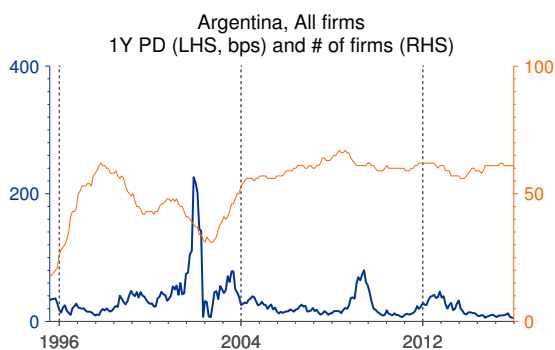
Appendix [B](#) gives 1-year aggregate PD by the seven regions of Asia-Pacific developed, Asia-Pacific emerging, North America, Latin America, Eastern Europe, Western Europe and Africa & the Middle East. The top two graphs of each region show the time series of the distribution of Probability of Default 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.

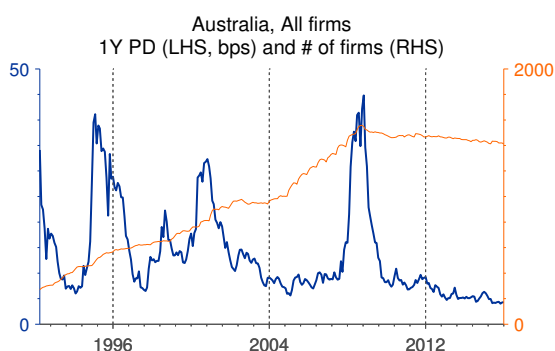
Appendix [C](#) provides common macroeconomic, corporate credit and sovereign risk indicators for each economy along with the RMI-CRI 1-year aggregate PD for financial and non-financial firms. The graphs on the left give historical context to the values, and the table on the right give the data from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

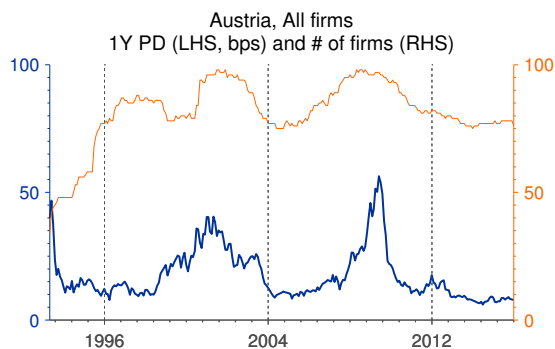
# A PD by economies



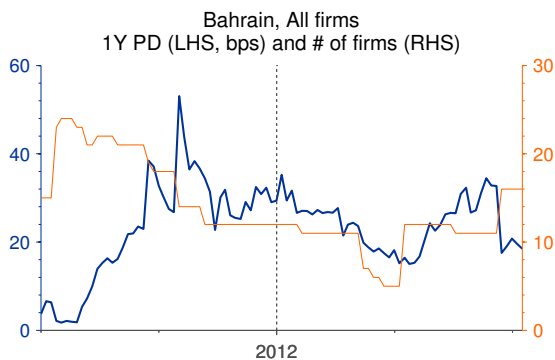
Argentina	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	11	12.4	8.4	15.1	39.3	0.6	38.9
Basic Materials	7	20.3	18.0	24.3	22.2	1.9	6.8
Communications	3	1.2	2.1	0.9	2.4	0.1	0.4
Consumer Cyclical	6	6.2	57.4	4.1	107.9	-0.5	68.3
Consumer Non-cyclical	14	2.7	19.6	3.9	27.8	0.8	8.5
Diversified	1	4.2	-	8.9	-	4.7	-
Energy	4	6.5	15.6	6.9	22.8	1.3	7.4
Industrial	6	7.1	2.1	6.8	4.8	0.1	3.4
Technology	1	0.2	-	0.3	-	0.0	-
Utilities	8	7.1	3.0	6.7	3.2	0.4	4.4



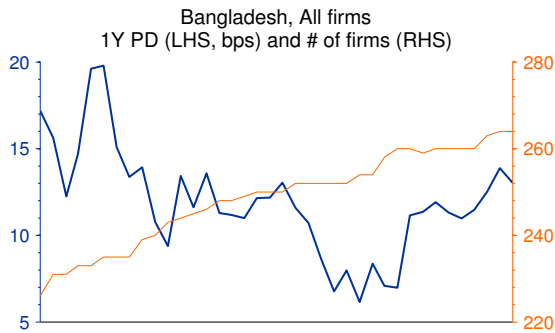
Australia	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	141	0.8	22.8	1.2	34.6	0.1	17.0
Basic Materials	532	8.5	40.1	6.8	44.3	-0.4	30.8
Communications	75	2.4	9.2	2.9	10.1	0.1	5.7
Consumer Cyclical	74	1.4	5.8	2.0	11.4	0.1	7.6
Consumer Non-cyclical	197	2.1	27.3	2.4	74.3	0.1	51.7
Diversified	9	1.8	2.4	3.5	4.0	0.7	3.5
Energy	165	11.6	54.7	12.3	70.6	-0.1	58.1
Industrial	109	4.4	32.4	4.6	27.8	0.0	21.4
Technology	67	2.2	18.0	2.9	19.4	0.3	12.6
Utilities	14	2.5	11.7	3.2	9.0	-0.0	3.7



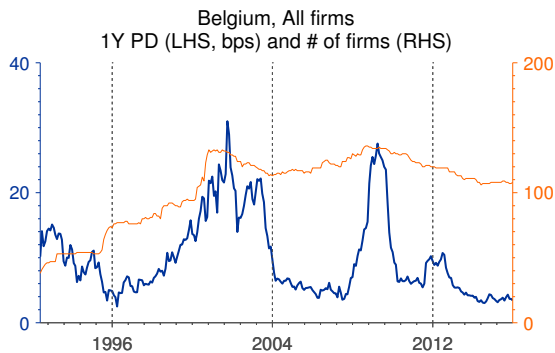
Austria	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	20	7.9	12.8	9.4	14.6	0.3	8.0
Basic Materials	3	3.2	5.4	3.5	5.6	0.4	0.3
Communications	1	10.8	-	6.5	-	-4.3	-
Consumer Cyclical	12	9.1	56.1	19.8	553.1	3.8	549.5
Consumer Non-cyclical	7	11.5	8.8	12.3	9.3	1.8	4.8
Energy	4	7.9	8.0	9.5	3.6	0.6	4.7
Industrial	19	6.9	29.0	13.3	32.3	1.0	13.5
Technology	3	3.5	6.1	5.5	8.5	2.7	2.5
Utilities	2	3.3	3.6	3.8	4.1	0.5	0.5



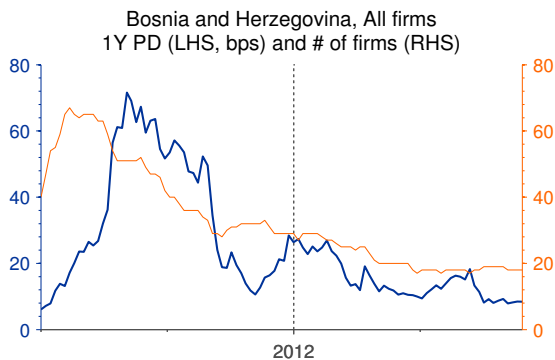
Bahrain	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	11	32.6	42.5	38.4	75.4	6.0	40.2
Basic Materials	1	0.6	-	5.6	-	5.0	-
Communications	1	0.4	-	0.2	-	-0.2	-
Consumer Cyclical	2	0.4	0.3	0.5	0.4	0.1	0.1
Industrial	1	18.6	-	25.3	-	6.8	-



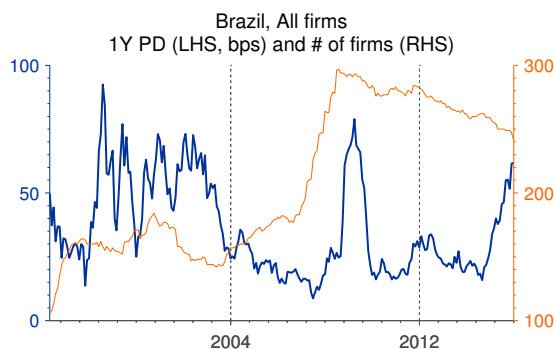
Bangladesh	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	98	27.8	55.0	30.2	53.0	-0.1	16.6
Basic Materials	15	9.2	26.6	8.6	21.5	-0.0	9.6
Communications	6	5.6	11.1	5.8	13.5	0.3	3.2
Consumer Cyclical	57	17.3	45.4	20.7	36.8	0.4	17.2
Consumer Non-cyclical	43	11.9	140.5	8.8	122.2	-0.1	31.1
Diversified	1	15.4	-	15.1	-	-0.3	-
Energy	5	16.1	13.3	19.2	14.1	-0.0	5.6
Industrial	29	7.1	23.2	9.1	29.3	1.2	13.2
Technology	1	1.0	-	1.8	-	0.8	-
Utilities	8	3.0	15.5	1.9	11.9	-1.0	3.6



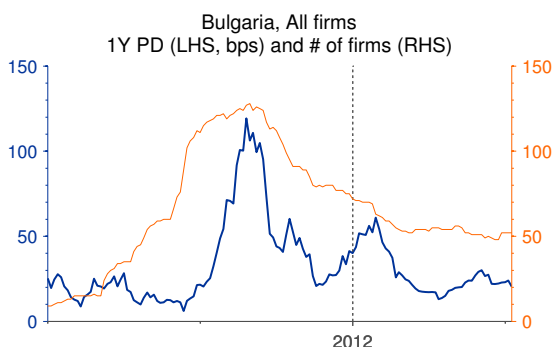
Belgium	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	29	2.4	48.8	2.8	157.7	0.0	109.7
Basic Materials	8	6.1	25.8	10.2	17.5	-0.5	9.8
Communications	6	8.1	24.3	6.6	20.0	-1.2	4.9
Consumer Cyclical	7	3.8	2.6	4.4	3.3	0.5	2.5
Consumer Non-cyclical	25	3.1	47.8	4.9	55.4	0.8	9.0
Diversified	5	0.2	1.2	0.7	1.9	0.5	0.8
Energy	2	43.7	9.1	1375.7	1850.3	1332.0	1841.2
Industrial	19	5.9	39.1	10.3	48.1	0.1	30.7
Technology	4	4.0	3.8	4.2	3.3	0.0	0.6
Utilities	2	1.9	1.6	2.2	2.3	0.3	0.7



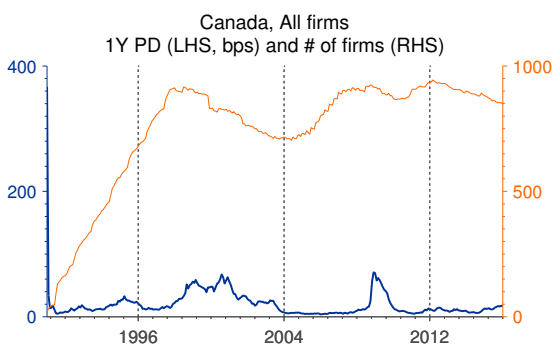
Bosnia and Herzegovina	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	3	55.3	9.3	17.7	4.9	-37.5	5.0
Communications	2	0.5	0.3	0.7	0.0	0.2	0.3
Consumer Cyclical	1	12.2	-	29.4	-	17.2	-
Consumer Non-cyclical	3	8.4	3.3	6.5	4.1	-0.9	2.7
Energy	3	18.8	142.0	20.9	64.4	2.1	77.8
Industrial	1	94.9	-	74.5	-	-20.4	-
Utilities	6	15.5	68.8	26.7	55.7	10.3	16.8



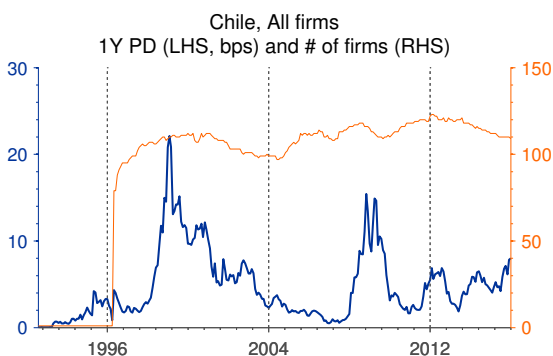
Brazil	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	57	76.8	418.6	68.9	215.2	-4.9	282.8
Basic Materials	16	64.8	501.6	53.8	344.0	3.8	199.3
Communications	6	53.2	267.0	53.7	514.7	1.6	253.3
Consumer Cyclical	44	45.3	485.8	36.1	446.6	-2.0	216.5
Consumer Non-cyclical	46	33.4	509.4	31.5	208.9	-0.8	470.3
Diversified	4	224.4	167.3	140.2	85.0	-84.2	91.3
Energy	7	187.5	286.6	87.1	830.6	-20.9	562.9
Industrial	28	92.3	434.9	140.4	437.6	-3.6	240.8
Technology	5	2.7	575.8	6.1	405.7	0.1	171.6
Utilities	25	43.8	76.7	35.0	91.1	-3.7	28.1



Bulgaria	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	15	27.1	23.4	24.2	18.4	-7.2	15.8
Basic Materials	3	19.4	3.6	18.1	7.7	-2.8	4.5
Communications	2	44.3	37.2	48.6	38.7	4.2	1.6
Consumer Cyclical	2	15.8	4.5	17.0	2.8	1.2	1.7
Consumer Non-cyclical	12	20.8	35.0	32.3	52.8	0.8	29.2
Diversified	10	41.6	35.0	54.9	39.6	0.6	11.8
Energy	2	109.1	134.0	178.2	224.7	69.1	90.8
Industrial	14	7.0	17.3	6.8	16.1	-1.3	8.4
Utilities	1	5.6	-	6.3	-	0.7	-



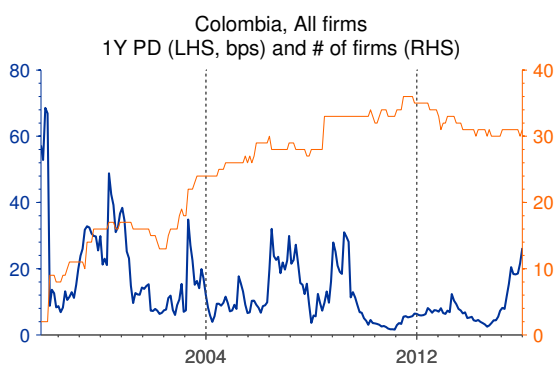
Canada	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	130	4.8	257.5	4.4	343.6	0.0	125.1
Basic Materials	236	36.1	287.9	18.8	280.7	-3.4	197.3
Communications	40	7.9	290.0	9.4	251.5	0.3	233.0
Consumer Cyclical	56	4.6	217.2	5.9	167.0	0.2	131.2
Consumer Non-cyclical	99	14.6	467.8	19.1	274.3	0.3	437.9
Diversified	5	147.2	396.0	233.2	288.7	8.9	225.1
Energy	140	48.7	753.5	44.8	702.0	-1.5	900.2
Industrial	68	7.1	155.9	9.4	113.6	0.1	131.8
Technology	29	16.2	1577.0	20.5	94.6	0.0	1567.7
Utilities	13	5.3	14.7	3.8	10.3	-0.1	4.7



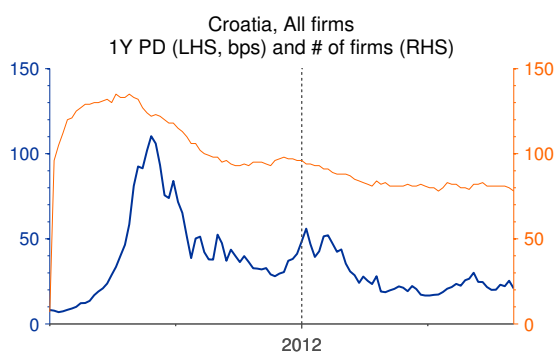
Chile	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	23	12.3	22.3	15.1	23.4	0.0	18.0
Basic Materials	13	8.3	84.6	7.9	43.4	-0.6	42.4
Communications	3	21.0	10.5	19.5	22.6	4.4	16.3
Consumer Cyclical	12	10.0	44.2	9.5	46.7	-0.1	30.0
Consumer Non-cyclical	20	6.9	51.4	5.7	52.3	-0.0	21.6
Diversified	6	2.6	29.8	4.2	28.4	0.1	2.9
Industrial	18	10.0	29.9	7.2	9.5	-0.3	29.2
Technology	1	0.8	-	1.5	-	0.8	-
Utilities	10	0.8	11.1	1.8	13.1	0.4	4.6



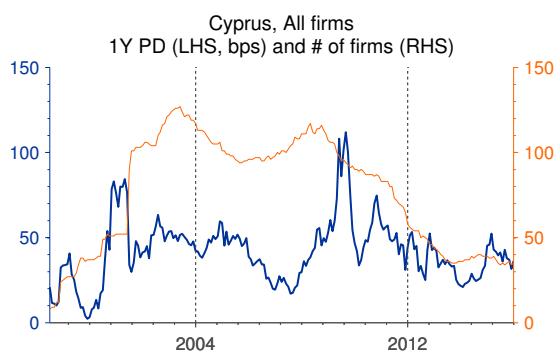
China	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	216	58.4	173.1	68.0	158.6	6.8	62.5
Basic Materials	315	165.3	234.5	178.5	169.9	17.5	114.8
Communications	158	34.4	81.5	52.2	137.8	9.3	107.0
Consumer Cyclical	499	84.6	112.1	105.0	148.7	15.7	71.4
Consumer Non-cyclical	458	83.1	180.5	96.1	163.2	11.6	73.8
Diversified	27	176.2	111.0	238.8	118.0	28.1	43.2
Energy	89	116.8	133.0	132.9	155.9	6.2	64.3
Industrial	775	111.0	141.1	148.6	178.1	25.6	103.5
Technology	162	62.2	75.1	86.3	89.6	17.2	31.1
Utilities	71	146.1	112.9	165.9	143.0	28.9	50.5



Colombia	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	10	33.3	73.8	27.3	30.9	-6.0	63.3
Basic Materials	2	17.8	14.8	12.3	11.0	-5.5	3.8
Communications	1	12.6	-	10.9	-	-1.7	-
Consumer Cyclical	2	130.1	28.1	85.8	29.8	-44.3	1.7
Consumer Non-cyclical	1	1.6	-	0.7	-	-0.8	-
Diversified	1	14.1	-	15.2	-	1.2	-
Energy	3	23.6	48.4	21.1	33.1	-2.6	15.4
Industrial	6	20.5	15.7	12.6	7.4	-7.4	9.4
Utilities	4	17.8	40.4	8.8	14.3	-9.0	26.1



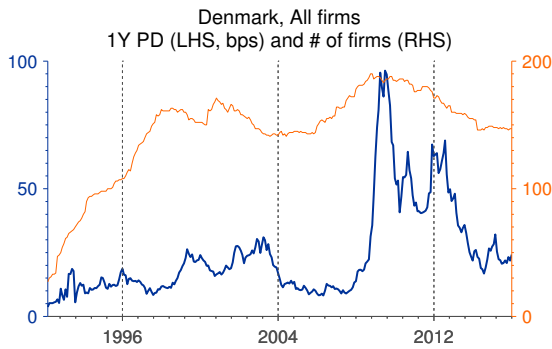
Croatia	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	8	25.4	59.2	12.7	60.4	-0.7	8.9
Basic Materials	3	64.2	42.4	42.0	57.4	-3.2	24.4
Communications	3	0.8	15.9	0.5	39.6	-0.1	23.7
Consumer Cyclical	24	10.6	84.7	8.2	104.1	-1.1	20.3
Consumer Non-cyclical	20	19.3	60.9	20.2	63.7	2.0	11.3
Diversified	1	18.0	-	13.8	-	-4.1	-
Energy	2	4.0	1.7	2.9	0.7	-1.1	1.0
Industrial	14	64.8	71.7	61.1	84.8	3.5	31.9



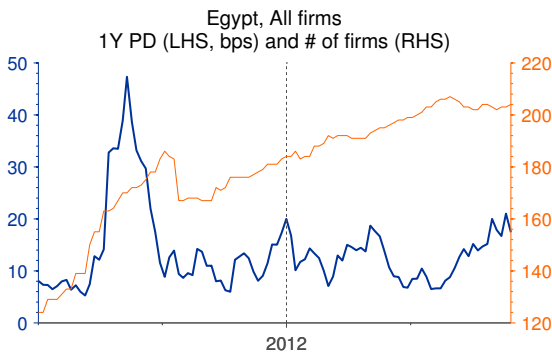
Cyprus	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	13	33.6	30.3	27.9	260.2	-0.1	250.2
Basic Materials	3	78.1	49.4	53.8	17.5	-40.5	40.4
Consumer Cyclical	6	48.9	43.8	34.6	31.6	-4.3	23.2
Consumer Non-cyclical	6	43.8	38.2	27.2	40.0	-8.9	18.5
Energy	3	184.6	144.5	171.8	333.2	3.4	206.0
Industrial	5	23.9	65.8	17.5	385.6	-3.2	330.1
Technology	1	20.2	-	11.4	-	-8.9	-



Czech Republic	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	1	13.5	-	11.8	-	-1.7	-
Communications	1	21.9	-	28.3	-	6.4	-
Consumer Cyclical	2	6.0	2.6	5.8	2.0	-0.2	0.6
Consumer Non-cyclical	2	3.7	2.6	2.8	3.2	-0.8	0.6
Diversified	1	1.5	-	0.6	-	-1.0	-
Energy	2	7.5	1.4	6.9	2.9	-0.6	1.5
Industrial	1	18.9	-	26.8	-	7.9	-
Utilities	1	9.3	-	10.3	-	1.0	-



Denmark	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	41	35.2	147.9	43.9	102.8	5.7	112.3
Basic Materials	1	0.8	-	1.3	-	0.5	-
Communications	9	23.4	36.8	21.0	42.2	3.2	8.4
Consumer Cyclical	18	30.6	71.5	32.1	127.9	2.1	74.0
Consumer Non-cyclical	28	6.4	312.5	7.1	48.6	0.8	302.1
Diversified	2	2.4	3.3	3.3	4.3	0.9	1.0
Energy	1	6.1	-	9.2	-	3.1	-
Industrial	34	20.4	62.6	25.3	255.5	5.1	206.4
Technology	9	28.9	52.2	38.7	67.1	4.2	34.2
Utilities	1	51.6	-	54.6	-	2.9	-



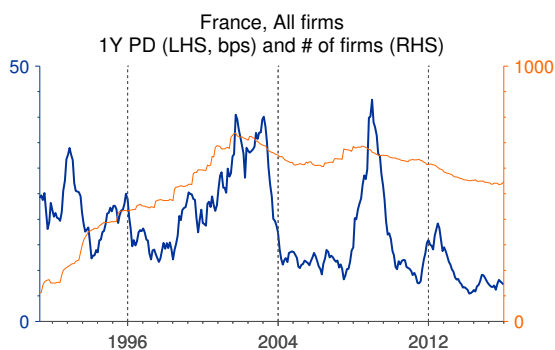
Egypt	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	66	25.4	60.1	28.3	88.5	1.5	35.4
Basic Materials	22	13.9	36.5	17.2	35.8	0.2	13.6
Communications	6	38.9	45.8	22.3	38.2	-5.2	16.7
Consumer Cyclical	23	22.5	23.6	25.4	28.3	0.4	13.3
Consumer Non-cyclical	47	9.1	23.3	9.9	31.0	1.4	15.3
Diversified	1	17.7	-	19.2	-	1.5	-
Energy	1	106.7	-	107.0	-	0.3	-
Industrial	35	10.7	48.2	13.9	50.4	0.5	16.5
Technology	1	15.1	-	14.2	-	-0.8	-
Utilities	1	71.8	-	79.7	-	7.8	-



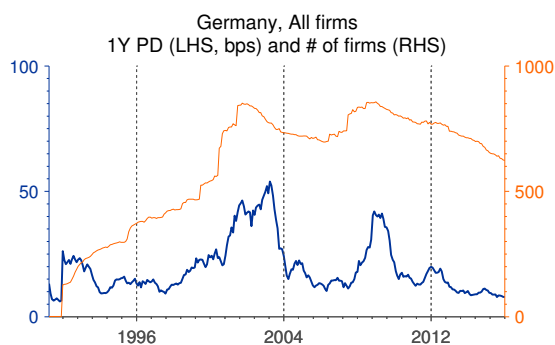
Estonia	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	3	8.6	13.7	9.8	11.7	1.2	2.1
Communications	1	5.4	-	5.8	-	0.4	-
Consumer Cyclical	5	3.1	17.4	1.4	16.3	0.1	4.3
Consumer Non-cyclical	1	16.7	-	19.2	-	2.5	-
Industrial	4	2.3	3.2	1.8	2.3	-0.6	1.1
Utilities	1	0.7	-	0.6	-	-0.1	-



Finland	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	17	7.3	24.4	9.3	16.9	1.2	9.3
Basic Materials	8	5.6	25.6	8.2	8.8	0.2	19.0
Communications	15	4.7	16.9	7.3	13.5	0.2	7.5
Consumer Cyclical	11	5.2	9.9	5.1	8.9	0.1	2.1
Consumer Non-cyclical	22	6.5	67.8	8.8	50.8	0.4	28.8
Energy	2	27.8	34.3	24.3	29.3	-3.6	5.0
Industrial	35	5.6	17.7	5.1	25.9	0.1	15.9
Technology	15	8.8	13.0	7.8	11.6	0.9	12.3
Utilities	1	4.8	-	7.0	-	2.2	-



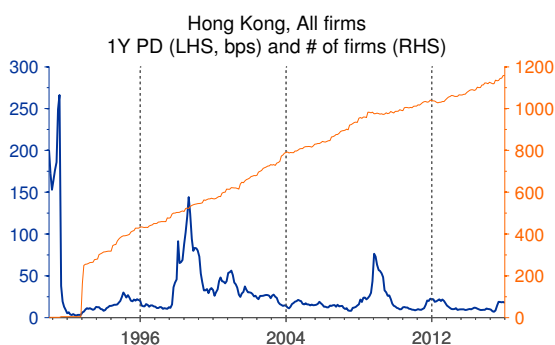
France	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	86	6.2	34.1	7.6	34.4	0.0	11.0
Basic Materials	20	9.5	58.8	10.5	32.2	0.4	30.0
Communications	63	12.2	53.9	11.3	48.9	1.1	35.7
Consumer Cyclical	78	7.1	32.5	8.3	60.7	0.8	40.8
Consumer Non-cyclical	121	5.3	17.3	6.2	20.5	0.7	12.1
Diversified	7	9.4	61.5	14.5	41.5	-0.6	20.8
Energy	12	14.7	25.4	25.1	27.0	5.9	8.2
Industrial	107	7.2	32.5	8.8	37.1	1.0	12.6
Technology	68	6.3	17.7	6.3	25.8	0.6	10.1
Utilities	10	5.1	13.3	6.5	10.5	1.2	8.2



Germany	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	145	7.1	62.4	9.7	84.9	0.9	54.6
Basic Materials	21	6.5	46.4	9.0	51.3	1.5	5.6
Communications	59	9.2	106.0	9.7	102.9	1.1	68.0
Consumer Cyclical	78	7.1	250.0	8.0	480.8	0.8	233.7
Consumer Non-cyclical	92	7.2	314.9	10.2	455.7	1.0	148.4
Diversified	3	20.9	45.7	26.0	113.2	5.1	67.5
Energy	14	8.2	68.1	12.1	63.6	4.0	10.0
Industrial	122	7.6	86.5	8.9	93.8	0.9	59.2
Technology	69	5.4	276.8	7.5	123.4	0.8	156.0
Utilities	8	6.2	12.6	5.6	14.5	0.5	3.0

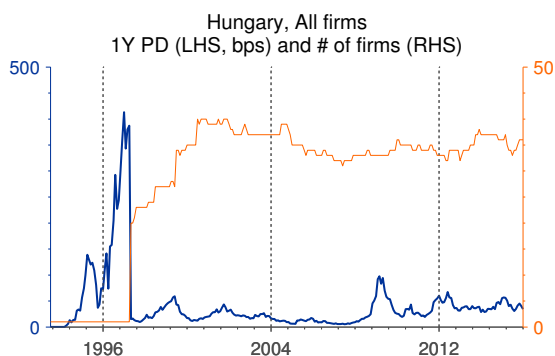


Greece	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	17	28.8	152.1	37.1	73.8	0.3	121.2
Basic Materials	10	23.7	50.7	24.8	50.6	1.1	8.9
Communications	9	99.4	192.4	126.9	147.1	1.5	161.9
Consumer Cyclical	27	30.1	94.5	27.5	63.8	-0.1	56.8
Consumer Non-cyclical	29	51.7	85.0	49.0	442.9	0.2	426.6
Diversified	1	52.9	-	49.3	-	-3.6	-
Energy	6	40.4	647.4	43.6	1391.4	-0.8	744.7
Industrial	43	79.7	700.3	87.7	1585.7	3.8	1012.5
Technology	6	19.1	17.5	22.0	11.9	-2.7	9.4
Utilities	4	24.7	24.3	23.0	27.5	1.6	5.7

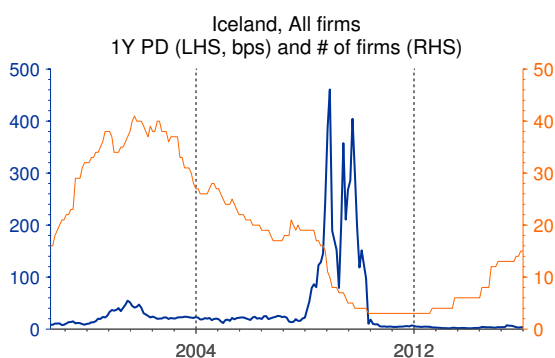


Hong Kong	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	259	17.6	59.0	20.0	64.9	2.1	48.0
Basic Materials	62	31.3	133.7	45.8	99.8	3.2	66.8
Communications	77	16.4	52.2	20.7	96.7	1.9	63.7
Consumer Cyclical	258	12.6	30.6	14.8	43.9	1.5	24.8
Consumer Non-cyclical	145	14.7	78.5	17.0	138.6	2.7	112.8
Diversified	39	13.9	51.1	19.8	73.4	1.8	46.6
Energy	41	46.2	52.4	46.7	139.1	3.0	115.7
Industrial	203	22.9	74.6	27.0	97.2	2.7	51.0
Technology	48	20.8	114.8	19.2	73.0	2.4	91.2
Utilities	21	12.7	15.2	18.6	22.4	5.4	9.7

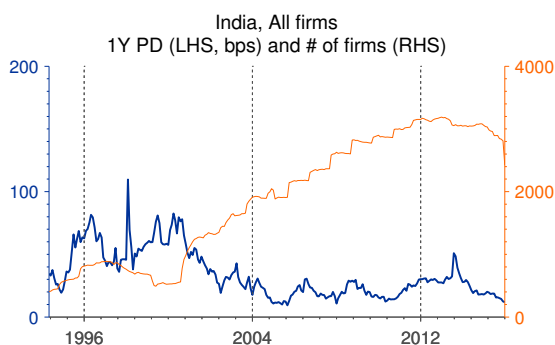




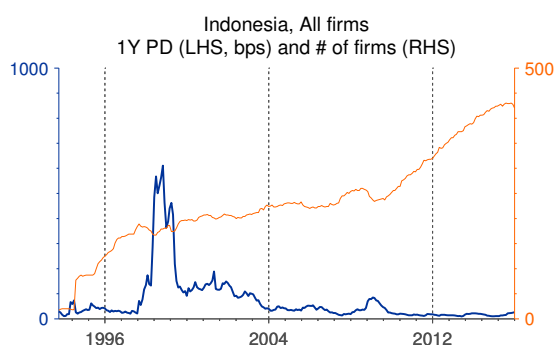
Hungary	#	2015Q4		2016Q1		Q1-Q4	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	10	20.0	22.3	14.4	21.3	-4.0	10.2
Communications	5	58.1	74.0	47.7	50.2	-10.4	24.2
Consumer Cyclical	3	58.6	37.7	46.3	25.8	-8.9	15.9
Consumer Non-cyclical	7	119.9	272.6	64.8	66.9	-13.6	226.0
Diversified	2	134.2	5.5	104.7	17.2	-29.5	22.7
Energy	3	280.4	205.9	69.1	109.2	-195.2	115.8
Industrial	1	37.9	-	32.8	-	-5.1	-
Technology	2	34.7	7.6	30.6	7.0	-4.0	0.6
Utilities	2	6.4	1.2	3.3	1.4	-3.1	0.2



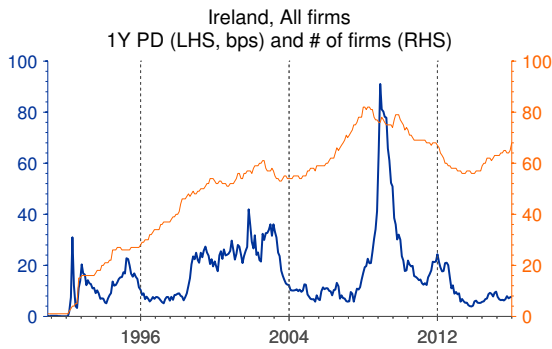
Iceland	#	2015Q4		2016Q1		Q1-Q4	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	5	4.7	2.7	3.0	3.0	-1.4	2.0
Communications	1	0.5	-	0.7	-	0.2	-
Consumer Cyclical	2	0.8	0.5	0.9	0.6	0.1	0.1
Consumer Non-cyclical	2	1.5	0.2	17.8	21.8	16.3	22.0
Energy	1	10.9	-	8.2	-	-2.7	-
Industrial	3	3.9	2.8	2.2	2.4	0.3	3.3
Technology	1	5.6	-	7.6	-	2.0	-



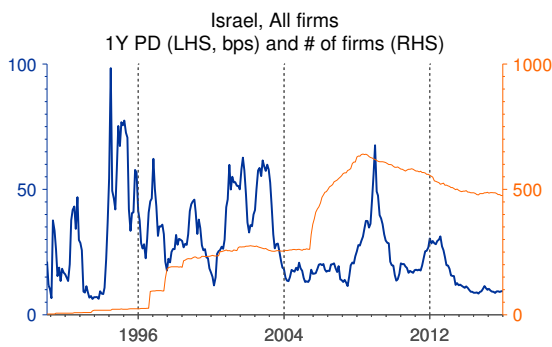
India	#	2015Q4		2016Q1		Q1-Q4	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	277	21.4	179.0	24.8	196.2	2.2	43.3
Basic Materials	321	18.1	71.6	25.1	70.4	3.1	30.3
Communications	87	12.3	51.3	16.1	68.6	1.4	27.6
Consumer Cyclical	456	14.6	77.5	19.4	114.1	4.1	54.7
Consumer Non-cyclical	362	8.3	80.8	12.2	95.9	1.8	32.9
Diversified	21	30.6	31.0	35.6	93.3	5.8	77.4
Energy	42	17.3	67.5	26.0	67.6	1.9	19.0
Industrial	511	14.7	76.3	20.3	87.2	3.6	34.4
Technology	129	6.8	154.2	9.3	164.1	1.4	36.2
Utilities	31	45.4	80.5	48.9	91.0	2.5	29.8



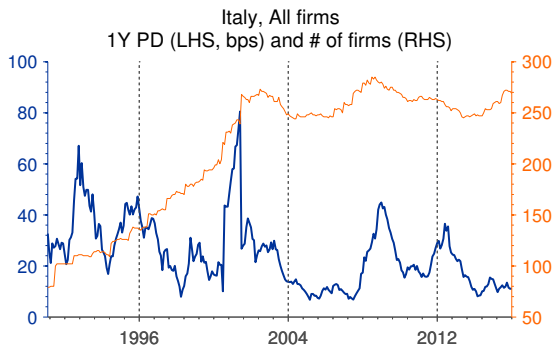
Indonesia	#	2015Q4		2016Q1		Q1-Q4	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	120	26.1	50.5	24.9	56.9	0.3	25.4
Basic Materials	40	51.0	111.5	44.2	76.0	-2.7	44.2
Communications	26	24.9	61.9	27.0	58.7	-0.4	27.8
Consumer Cyclical	65	27.1	52.6	16.9	54.1	-0.0	29.0
Consumer Non-cyclical	71	16.9	101.5	15.2	69.8	-0.1	63.9
Diversified	1	115.2	-	109.4	-	-5.8	-
Energy	29	29.7	194.6	31.1	128.8	-2.0	73.9
Industrial	64	27.2	81.1	24.3	32.8	-0.3	59.2
Technology	7	3.1	110.7	3.8	40.8	-0.0	70.8
Utilities	2	69.5	11.3	70.7	7.5	1.2	3.8



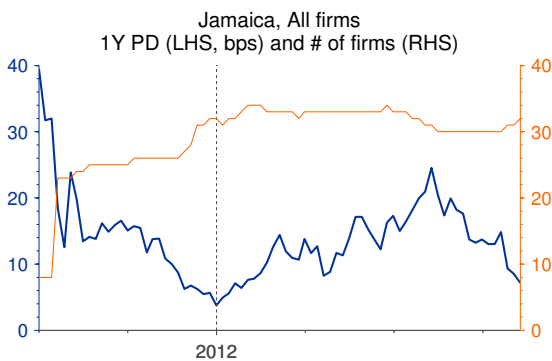
Ireland	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	12	9.1	44.6	22.7	22.0	4.1	39.9
Basic Materials	10	66.0	448.2	46.0	129.5	-1.6	390.6
Communications	4	19.0	48.2	16.4	71.8	-0.6	24.6
Consumer Cyclical	4	2.9	6.5	12.2	6.7	3.4	6.5
Consumer Non-cyclical	20	3.1	27.0	4.1	78.6	0.3	62.8
Energy	6	61.0	274.9	59.3	157.9	-0.6	149.4
Industrial	6	3.9	4.9	4.5	19.9	0.4	15.7
Technology	2	0.0	0.0	0.1	0.1	0.0	0.1



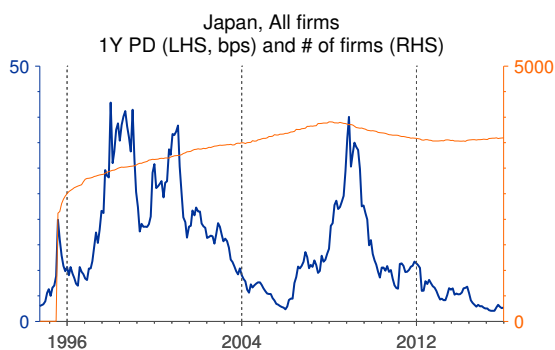
Israel	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	121	12.4	244.7	11.9	274.1	-0.3	39.2
Basic Materials	14	9.0	23.9	8.5	26.6	-0.6	11.0
Communications	36	11.0	94.0	12.8	79.2	0.6	43.2
Consumer Cyclical	46	9.5	23.4	9.0	41.0	0.4	35.8
Consumer Non-cyclical	105	8.7	65.7	10.9	91.2	0.4	65.1
Diversified	10	12.5	30.1	9.0	30.7	-0.6	9.9
Energy	28	6.9	84.4	8.4	37.2	0.6	67.3
Industrial	80	8.0	192.8	8.2	92.8	0.1	141.5
Technology	30	5.7	30.8	5.5	23.1	-0.0	21.9



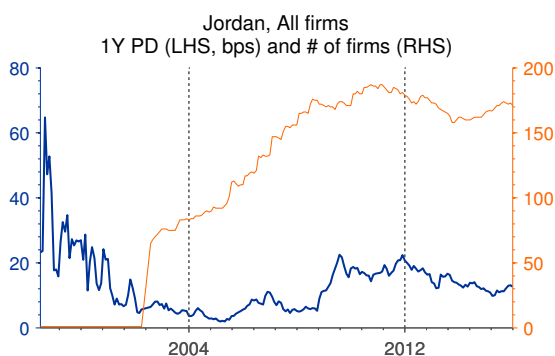
Italy	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	56	20.5	33.6	28.4	70.8	10.9	49.9
Basic Materials	4	22.3	14.5	10.8	7.4	-7.3	17.9
Communications	34	10.0	26.3	15.1	38.5	3.6	20.9
Consumer Cyclical	46	8.3	21.9	12.1	27.0	2.4	10.6
Consumer Non-cyclical	36	10.0	43.0	13.1	56.8	1.0	24.2
Diversified	2	42.4	22.9	38.7	22.5	-3.7	0.4
Energy	16	13.9	14.4	18.1	31.8	3.1	21.5
Industrial	46	8.4	29.9	10.9	93.4	2.5	75.6
Technology	16	11.5	28.7	16.4	51.2	3.7	28.9
Utilities	13	3.7	24.7	4.6	29.4	0.9	5.3



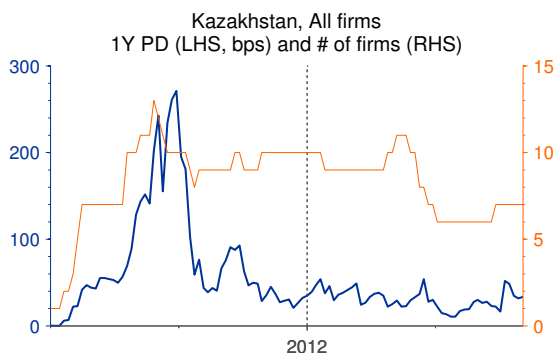
Jamaica	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	8	13.0	20.1	20.0	20.0	2.5	5.5
Basic Materials	2	21.0	27.9	18.6	25.0	-2.4	2.8
Communications	3	69.7	35.0	76.0	25.4	14.0	39.1
Consumer Cyclical	4	3.4	1.3	4.6	1.8	0.5	1.5
Consumer Non-cyclical	8	17.9	9.6	25.0	12.8	4.6	11.0
Diversified	2	3.5	1.1	4.1	0.3	0.6	1.4
Industrial	4	2.6	3.8	4.2	6.5	2.7	4.3



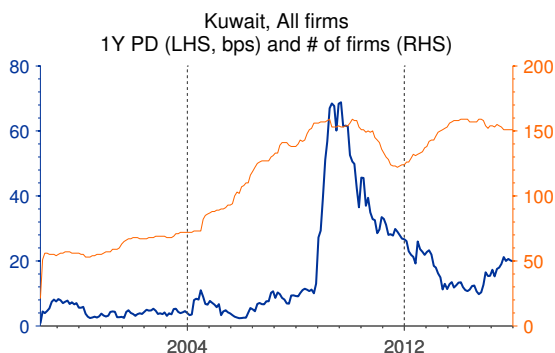
Japan	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	330	8.8	30.7	10.4	42.5	1.6	19.1
Basic Materials	239	3.2	8.3	6.2	10.8	2.0	6.6
Communications	260	2.2	11.7	2.7	12.9	0.3	4.7
Consumer Cyclical	854	2.9	13.4	4.6	15.9	0.9	7.1
Consumer Non-cyclical	605	1.1	7.6	1.8	10.1	0.3	5.1
Diversified	2	7.8	0.6	16.7	14.1	8.9	14.7
Energy	15	3.9	12.4	10.1	15.3	2.5	9.7
Industrial	966	3.2	10.0	5.2	11.9	1.3	6.0
Technology	289	1.9	11.3	2.5	10.6	0.2	8.0
Utilities	22	3.7	6.2	7.1	13.2	3.7	7.8



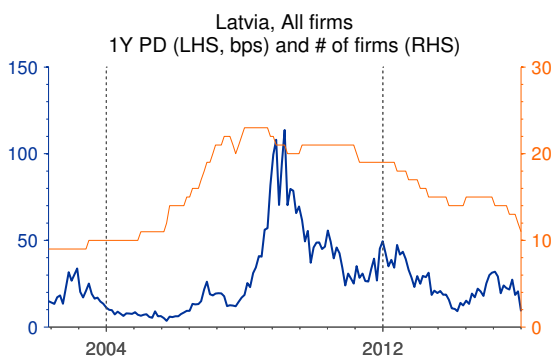
Jordan	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	86	8.7	47.1	8.1	50.9	-0.2	27.5
Basic Materials	15	17.6	37.0	16.3	37.6	-0.9	15.6
Communications	2	44.3	60.5	35.7	37.1	-8.6	23.3
Consumer Cyclical	15	9.4	46.5	12.7	40.7	-0.0	18.3
Consumer Non-cyclical	24	8.9	27.7	8.0	37.0	-0.3	15.4
Diversified	2	74.8	88.3	40.2	44.4	-34.6	44.0
Energy	2	11.9	16.7	7.4	10.3	-4.5	6.4
Industrial	22	20.2	56.9	17.3	44.0	0.3	26.9
Technology	1	187.4	-	101.3	-	-86.2	-
Utilities	2	35.9	0.0	32.6	4.0	-3.3	4.0



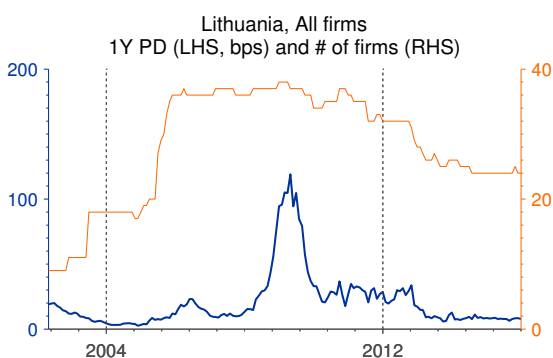
Kazakhstan	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	3	178.9	150.5	167.8	77.9	-11.2	92.2
Communications	1	35.5	-	28.3	-	-7.1	-
Energy	2	9.5	7.4	5.9	6.7	-3.7	0.7
Utilities	1	28.4	-	18.1	-	-10.3	-



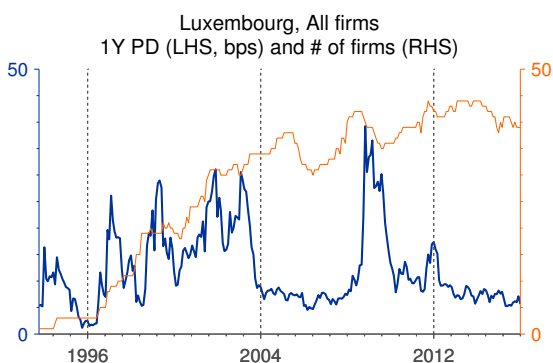
Kuwait	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	81	22.9	38.9	25.3	59.5	2.0	28.0
Basic Materials	4	1.5	21.1	2.3	12.8	0.5	8.3
Communications	6	14.2	13.9	7.2	18.0	-0.0	5.9
Consumer Cyclical	15	25.2	54.1	23.0	38.5	-0.5	35.6
Consumer Non-cyclical	13	2.8	24.1	8.1	49.9	0.2	28.7
Diversified	6	28.1	27.7	27.3	28.9	0.9	10.0
Energy	7	62.7	175.3	95.3	57.0	0.2	133.5
Industrial	21	18.5	27.1	13.3	22.2	-0.0	9.3
Technology	1	0.5	-	0.6	-	0.1	-



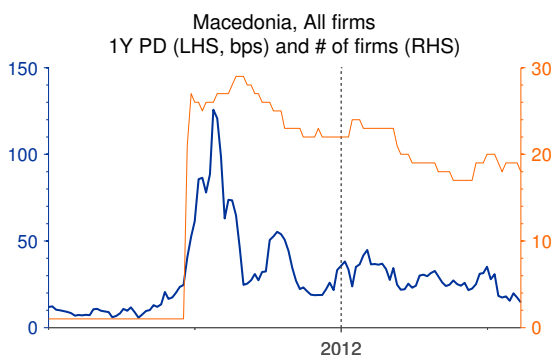
Latvia	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Communications	1	3.7	–	3.0	–	-0.6	–
Consumer Cyclical	2	124.9	98.1	123.9	116.3	-1.0	18.3
Consumer Non-cyclical	4	14.5	10.8	9.9	6.1	-4.0	7.7
Industrial	4	39.7	29.0	16.3	17.2	-11.8	21.0
Utilities	1	2.4	–	1.4	–	-1.0	–



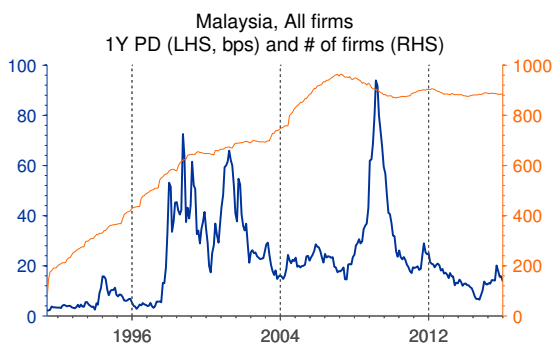
Lithuania	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	4	8.7	30.3	10.5	47.1	2.1	16.9
Basic Materials	1	29.3	–	39.3	–	10.0	–
Communications	1	0.1	–	0.0	–	-0.0	–
Consumer Cyclical	3	22.8	30.0	31.1	19.7	-0.3	15.9
Consumer Non-cyclical	7	4.7	5.5	5.1	5.6	0.4	1.8
Energy	1	1.1	–	0.5	–	-0.6	–
Industrial	2	45.6	25.2	44.7	20.5	-0.9	4.7
Utilities	2	10.7	4.9	7.3	0.6	-3.3	5.5



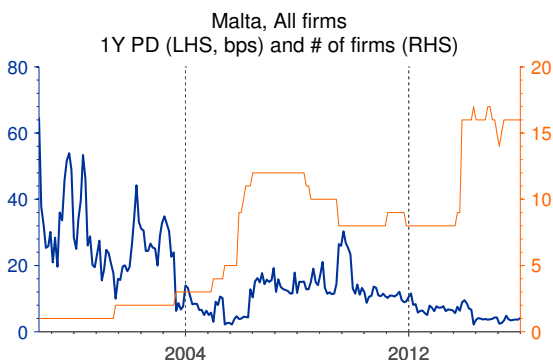
Luxembourg	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	13	5.0	512.3	5.3	717.8	0.9	205.5
Basic Materials	5	13.3	18.8	11.8	4.5	-4.5	16.3
Communications	4	14.4	339.3	17.4	479.6	3.1	140.3
Consumer Cyclical	2	105.3	147.0	131.6	182.6	26.3	35.6
Consumer Non-cyclical	6	3.5	6.8	2.7	8.3	0.4	2.8
Industrial	6	6.9	4.1	7.5	10.5	2.0	9.1
Technology	3	1.2	1.9	1.3	3.0	0.6	1.3



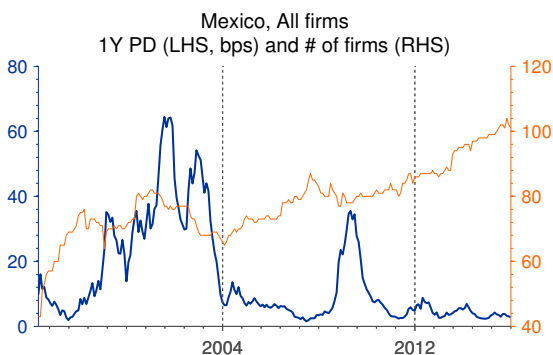
Macedonia	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	6	18.0	13.3	12.8	12.2	-3.3	2.7
Basic Materials	3	65.3	29.6	71.1	32.0	-1.2	9.2
Communications	1	3.6	–	3.1	–	-0.5	–
Consumer Cyclical	2	9.2	12.9	9.5	13.4	0.4	0.6
Consumer Non-cyclical	5	3.5	2.6	3.0	2.1	-0.6	1.0
Industrial	1	35.7	–	30.1	–	-5.6	–
Utilities	1	59.3	–	46.3	–	-13.0	–



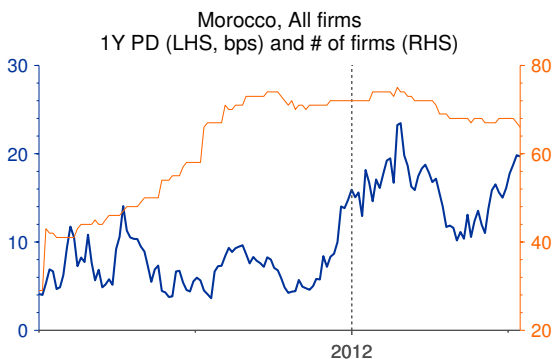
Malaysia	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	130	16.1	59.7	12.9	58.7	0.0	24.2
Basic Materials	66	27.3	281.6	24.5	288.0	0.1	34.3
Communications	34	11.9	85.2	10.1	138.4	-0.0	80.4
Consumer Cyclical	114	14.6	61.6	17.4	38.1	0.5	44.4
Consumer Non-cyclical	148	5.8	172.9	6.0	295.2	0.0	176.3
Diversified	26	9.0	80.5	12.5	78.6	-0.1	24.2
Energy	31	29.5	72.3	37.9	110.8	0.9	73.1
Industrial	269	15.6	256.7	18.5	221.7	0.5	177.5
Technology	58	17.2	83.6	20.6	81.5	0.4	16.4
Utilities	5	7.7	9.5	13.6	7.4	-1.0	4.5



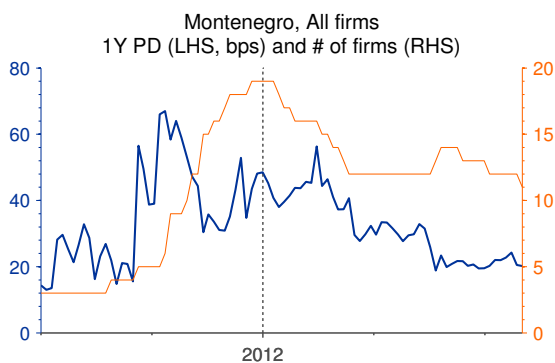
Malta	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	7	4.8	4.8	8.6	3.7	1.1	3.6
Communications	1	1.3	-	0.9	-	-0.4	-
Consumer Cyclical	4	3.1	4.9	6.7	11.7	3.6	6.8
Consumer Non-cyclical	2	4.3	4.2	4.9	6.4	0.6	2.2
Energy	1	33.0	-	29.1	-	-3.8	-
Industrial	1	0.1	-	0.0	-	-0.0	-



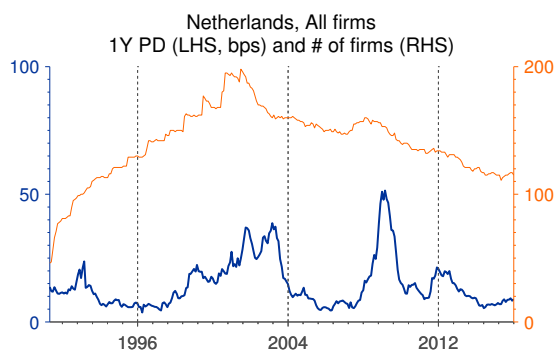
Mexico	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	27	4.0	35.5	5.1	28.0	-0.0	15.0
Basic Materials	11	6.8	27.8	4.6	15.3	-1.5	21.6
Communications	7	15.6	85.0	15.1	82.6	-0.6	24.4
Consumer Cyclical	20	2.0	47.2	1.8	37.7	-0.3	27.8
Consumer Non-cyclical	15	1.3	14.1	1.3	7.7	-0.1	7.6
Diversified	5	4.9	4.5	6.3	3.3	-0.3	4.3
Industrial	13	0.4	50.2	0.8	51.8	-0.0	18.6
Utilities	2	0.9	1.3	0.6	0.8	-0.3	0.4



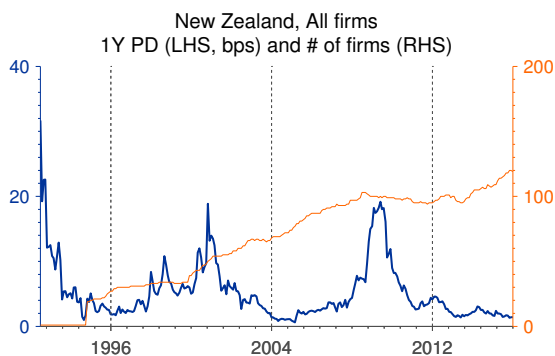
Morocco	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	18	32.5	23.9	22.4	26.3	-2.9	12.8
Basic Materials	10	48.4	85.3	47.0	83.9	-1.3	10.1
Communications	1	0.9	-	0.9	-	0.1	-
Consumer Cyclical	7	20.4	38.2	31.5	42.6	-1.4	33.4
Consumer Non-cyclical	8	2.5	5.2	2.1	5.5	0.2	1.3
Energy	1	7.3	-	7.0	-	-0.3	-
Industrial	12	23.8	164.7	22.4	99.9	-2.9	67.7
Technology	5	11.9	43.0	7.5	65.0	-2.8	22.2
Utilities	3	7.4	10.8	8.2	6.0	-0.7	5.8



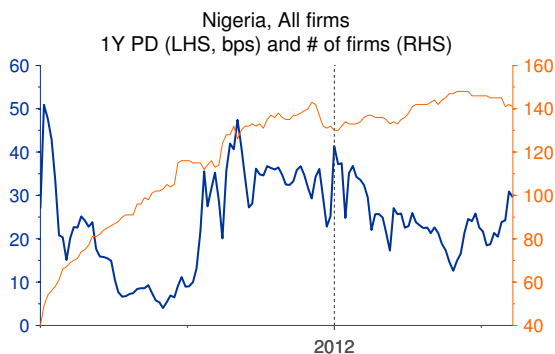
Montenegro	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Communications	1	1.1	—	0.6	—	-0.5	—
Consumer Cyclical	3	21.2	50.9	30.0	43.9	-5.5	11.2
Consumer Non-cyclical	4	25.0	11.4	20.1	4.0	-3.9	14.2
Energy	1	26.7	—	21.8	—	-4.9	—
Utilities	2	11.3	12.1	21.9	27.0	10.6	14.9



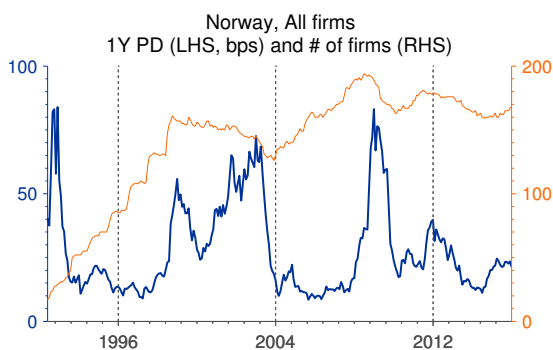
Netherlands	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	19	12.7	98.7	20.2	98.7	2.3	37.7
Basic Materials	7	5.9	332.6	5.5	218.4	0.3	178.8
Communications	11	16.2	120.0	10.1	112.0	-2.2	44.6
Consumer Cyclical	11	8.5	130.9	5.3	19.7	-0.5	112.7
Consumer Non-cyclical	26	2.3	67.2	3.9	55.1	0.2	23.9
Energy	6	7.1	11.3	5.7	11.6	-0.0	0.9
Industrial	19	14.7	80.0	15.2	184.9	0.6	106.0
Technology	12	5.9	57.1	8.2	38.1	-0.3	29.8



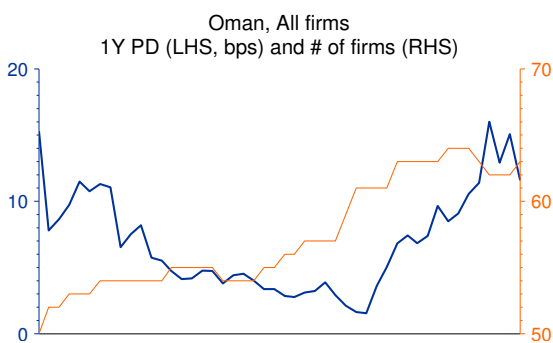
New Zealand	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	17	0.2	15.3	0.2	51.4	0.0	40.9
Basic Materials	3	38.8	126.3	93.7	60.1	1.5	90.2
Communications	8	3.8	36.8	8.1	29.5	0.3	10.4
Consumer Cyclical	19	1.9	43.3	1.8	59.4	0.1	16.9
Consumer Non-cyclical	33	1.9	32.9	1.6	58.5	0.1	28.3
Diversified	2	114.8	159.5	174.7	245.1	59.8	85.7
Energy	4	5.5	7.1	3.9	5.7	0.5	4.5
Industrial	16	1.5	31.2	1.2	38.2	0.0	7.6
Technology	11	0.9	13.8	1.0	8.8	0.1	6.1
Utilities	7	1.4	13.6	1.4	18.4	-0.0	4.9



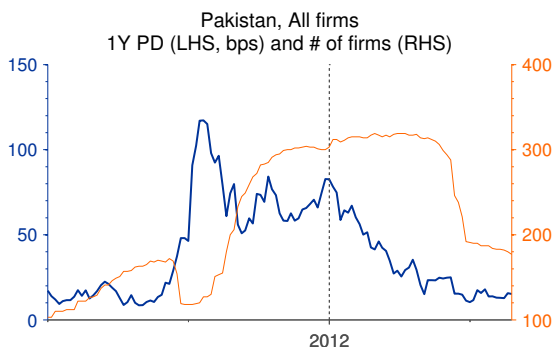
Nigeria	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	48	37.7	93.1	44.3	124.6	1.7	41.8
Basic Materials	10	14.9	50.4	6.7	64.6	0.1	27.3
Communications	5	6.6	64.3	6.3	45.4	-4.1	19.0
Consumer Cyclical	12	43.2	196.7	49.4	183.0	0.1	25.7
Consumer Non-cyclical	31	18.7	263.8	13.3	148.9	-0.3	155.0
Energy	11	37.4	522.9	29.2	427.8	-1.6	99.7
Industrial	16	19.3	107.7	19.0	119.9	-1.6	45.2
Technology	2	79.3	106.5	79.6	107.2	0.3	0.7



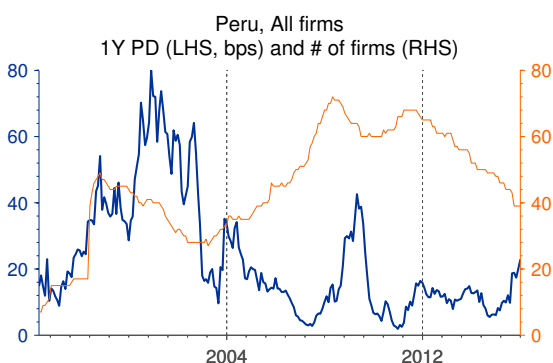
Norway	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	38	36.2	65.4	30.8	53.1	-0.7	66.3
Basic Materials	6	11.1	75.9	6.5	109.9	1.5	39.3
Communications	7	11.2	16.0	16.3	11.7	1.9	6.3
Consumer Cyclical	5	7.2	9.8	8.1	11.4	0.9	3.4
Consumer Non-cyclical	23	6.3	63.8	6.0	40.8	0.0	51.6
Diversified	1	11.2	-	25.3	-	14.1	-
Energy	28	55.4	172.1	61.8	214.0	-0.0	176.5
Industrial	49	28.7	162.5	37.0	99.5	1.7	125.0
Technology	8	17.4	46.8	16.5	41.7	-2.8	11.4
Utilities	2	9.6	11.0	6.1	6.6	-3.5	4.4



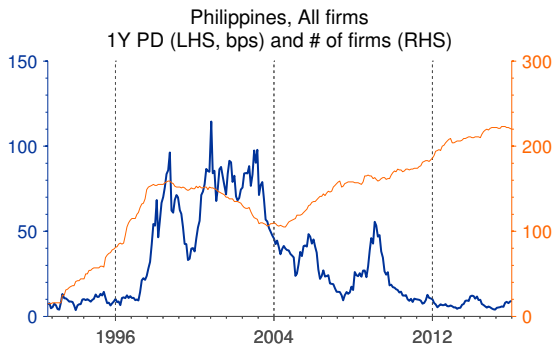
Oman	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	25	26.9	33.9	26.3	21.8	-0.5	18.7
Basic Materials	4	18.5	18.8	11.9	17.2	-0.7	6.2
Communications	2	0.5	0.7	0.3	0.4	-0.2	0.3
Consumer Cyclical	1	4.7	-	1.5	-	-3.2	-
Consumer Non-cyclical	8	9.3	11.5	6.3	10.7	-0.9	5.9
Diversified	1	0.0	-	0.0	-	-0.0	-
Energy	5	2.6	70.8	1.8	109.9	-0.5	39.4
Industrial	12	3.4	42.7	2.3	42.7	0.0	8.0
Utilities	8	2.4	2.2	1.9	1.3	-0.5	1.1



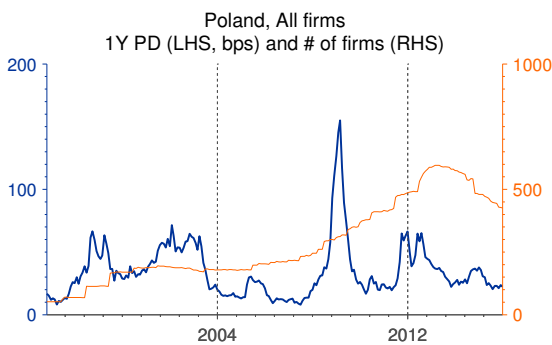
Pakistan	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	40	85.7	89.3	90.0	90.2	0.2	29.1
Basic Materials	21	9.4	86.5	12.7	79.3	-0.2	12.3
Communications	5	18.7	189.3	20.2	214.9	1.4	26.2
Consumer Cyclical	35	15.7	106.9	18.4	101.7	0.0	22.0
Consumer Non-cyclical	32	1.1	56.3	1.9	78.0	0.1	22.7
Energy	10	19.4	41.1	9.8	48.0	-0.6	18.1
Industrial	28	5.5	29.6	6.3	28.1	-0.1	8.3
Technology	1	6.0	-	5.5	-	-0.5	-
Utilities	7	22.8	106.2	30.0	91.8	-0.1	16.3



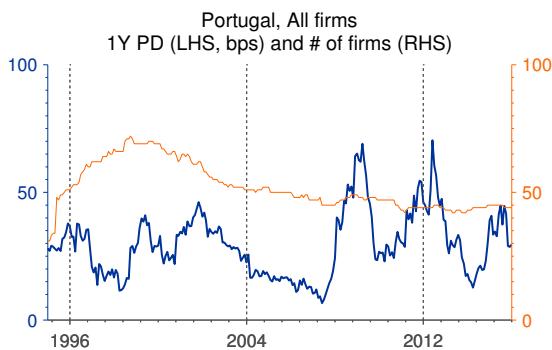
Peru	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	8	26.8	14.6	21.3	12.0	-5.7	9.2
Basic Materials	10	36.9	115.0	19.1	33.1	-4.4	101.7
Communications	1	76.5	-	38.2	-	-38.4	-
Consumer Cyclical	2	10.3	12.8	10.3	11.3	-0.0	1.5
Consumer Non-cyclical	7	17.5	30.6	17.0	28.2	-0.0	14.4
Diversified	2	70.5	70.6	50.3	32.8	-20.2	37.7
Energy	1	334.6	-	75.6	-	-259.0	-
Industrial	1	15.5	-	11.5	-	-4.0	-
Utilities	5	0.8	14.0	1.1	7.5	0.4	6.6



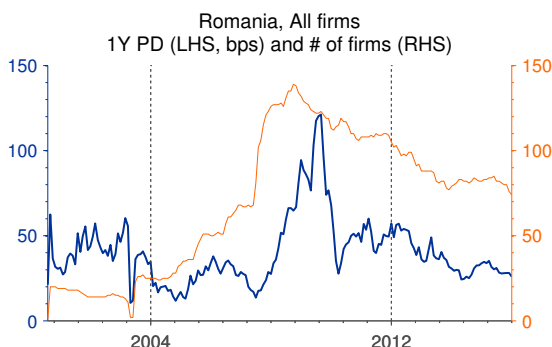
Philippines	#	2015Q4		2016Q1		Q1-Q4	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	71	13.1	32.6	13.9	34.6	0.1	15.9
Basic Materials	25	12.2	61.0	12.5	39.6	0.0	37.6
Communications	15	2.2	66.1	3.8	31.9	-0.0	37.5
Consumer Cyclical	28	6.4	47.1	5.4	37.2	-0.5	14.8
Consumer Non-cyclical	31	6.3	39.9	5.5	47.3	-0.2	14.7
Diversified	15	2.3	45.4	1.3	12.5	0.0	39.9
Energy	11	5.2	31.3	4.3	20.5	-0.1	16.6
Industrial	9	23.3	41.0	18.1	41.2	-0.1	11.3
Technology	3	0.2	2.3	0.1	2.3	-0.1	0.1
Utilities	13	5.8	7.9	4.8	11.1	-0.0	5.3



Poland	#	2015Q4		2016Q1		Q1-Q4	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	82	25.7	166.1	26.6	133.6	-4.0	149.1
Basic Materials	27	12.2	37.6	11.1	18.7	-1.5	24.1
Communications	32	27.6	522.2	18.9	125.0	-5.1	417.4
Consumer Cyclical	55	23.6	59.4	20.7	67.7	-1.3	37.5
Consumer Non-cyclical	52	14.9	133.4	20.3	56.0	0.2	98.5
Energy	13	36.0	42.8	35.2	40.4	-3.8	27.8
Industrial	112	25.6	98.5	20.7	153.2	-2.5	121.5
Technology	38	21.9	141.2	16.0	148.9	-0.7	60.7
Utilities	11	19.7	209.2	24.8	171.2	-2.8	42.4

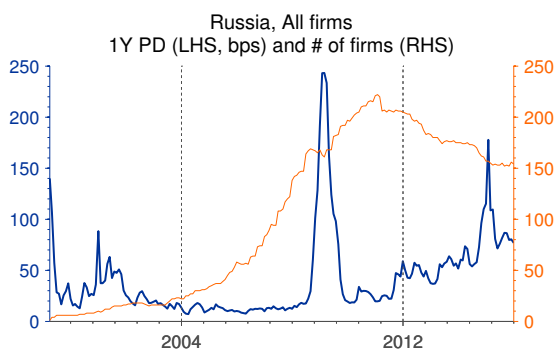


Portugal	#	2015Q4		2016Q1		Q1-Q4	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	3	55.1	18.5	82.3	36.2	27.3	17.6
Basic Materials	6	5.0	44.8	9.1	16.6	2.3	30.8
Communications	5	12.7	18.6	14.3	30.3	2.1	15.4
Consumer Cyclical	6	62.5	94.3	70.6	51.7	12.7	74.1
Consumer Non-cyclical	6	15.5	56.5	23.0	106.9	7.2	51.2
Diversified	2	73.0	88.3	63.9	80.4	-9.1	7.8
Energy	1	5.8	-	6.3	-	0.5	-
Industrial	7	67.5	143.8	79.8	211.0	15.0	86.1
Technology	2	14.4	7.4	14.7	7.7	0.3	0.4
Utilities	2	4.8	1.0	6.1	2.0	1.3	1.0

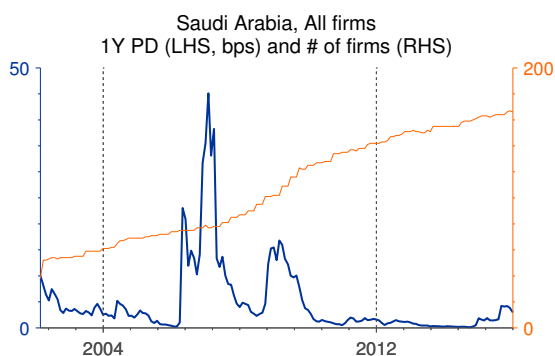


Romania	#	2015Q4		2016Q1		Q1-Q4	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	10	22.4	42.5	23.0	28.1	1.0	42.5
Basic Materials	7	35.1	46.5	43.9	27.4	-4.1	29.0
Communications	1	36.9	-	30.7	-	-6.1	-
Consumer Cyclical	10	15.4	31.8	18.6	17.3	1.6	16.4
Consumer Non-cyclical	13	22.0	143.2	19.8	119.2	-1.8	27.2
Energy	8	10.9	235.2	14.3	175.1	0.7	66.3
Industrial	22	41.3	43.1	45.3	32.9	9.7	34.4
Utilities	4	2.4	6.6	2.5	2.0	0.0	5.1

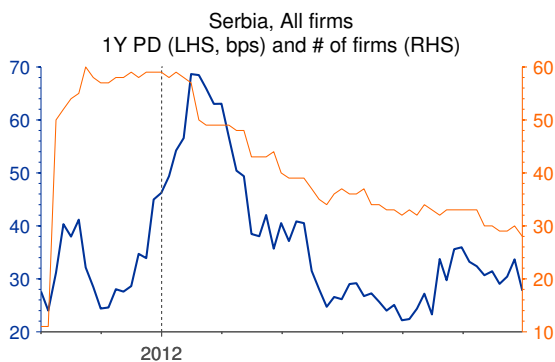




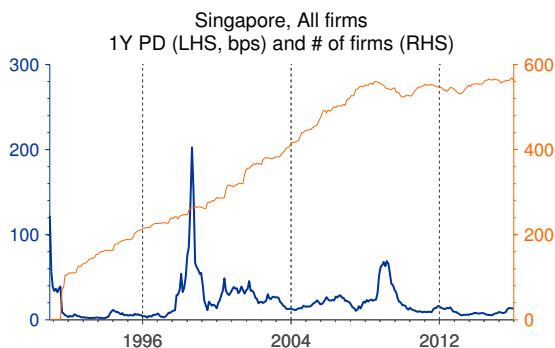
Russia	#	2015Q4		2016Q1		Q1-Q4	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	14	129.9	358.9	119.1	139.1	-13.9	226.5
Basic Materials	24	30.7	50.2	22.1	45.9	-9.9	35.0
Communications	8	65.3	52.5	39.9	42.3	-23.6	14.8
Consumer Cyclical	11	85.0	57.2	42.3	44.1	-16.2	56.2
Consumer Non-cyclical	24	46.5	50.7	25.4	35.9	-3.2	34.0
Diversified	1	195.8	-	130.4	-	-65.5	-
Energy	17	47.1	55.7	37.6	101.6	-7.4	55.0
Industrial	12	44.7	44.9	60.3	38.8	-6.1	16.2
Technology	1	81.2	-	67.6	-	-13.5	-
Utilities	40	105.8	64.9	71.2	49.3	-28.0	38.7



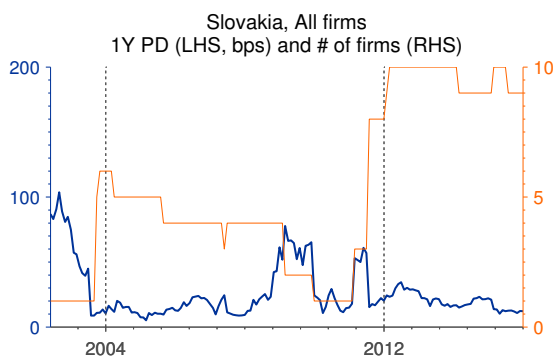
Saudi Arabia	#	2015Q4		2016Q1		Q1-Q4	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	59	1.4	9.4	2.3	11.3	0.3	4.1
Basic Materials	19	23.0	31.0	28.5	51.3	1.6	23.8
Communications	7	16.4	27.2	28.0	13.5	0.1	20.4
Consumer Cyclical	17	1.6	6.2	3.2	10.6	1.6	5.5
Consumer Non-cyclical	24	2.1	4.0	4.2	8.2	2.1	4.9
Diversified	3	21.4	33.9	29.9	38.9	8.5	5.5
Energy	2	7.1	3.2	9.6	4.8	2.5	1.6
Industrial	34	1.9	14.0	4.2	16.8	0.5	5.8
Utilities	2	21.5	29.9	20.3	28.0	-1.2	1.8



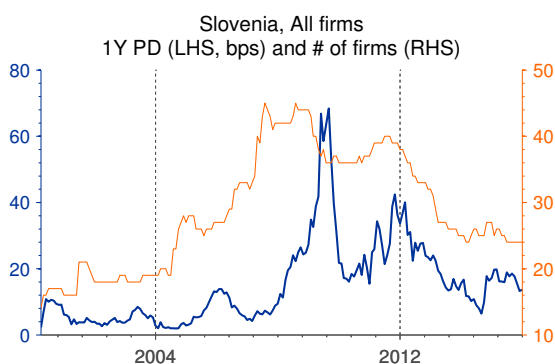
Serbia	#	2015Q4		2016Q1		Q1-Q4	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	5	55.9	14.1	51.5	16.6	-21.8	12.1
Basic Materials	3	15.6	19.3	16.0	11.2	-1.1	9.2
Consumer Cyclical	3	4.3	49.3	4.2	80.3	-0.0	30.9
Consumer Non-cyclical	9	18.7	67.3	24.5	12.7	-3.1	60.2
Diversified	1	21.7	-	20.7	-	-1.0	-
Energy	1	10.9	-	8.4	-	-2.5	-
Industrial	5	31.3	118.7	27.7	88.1	-5.2	33.6



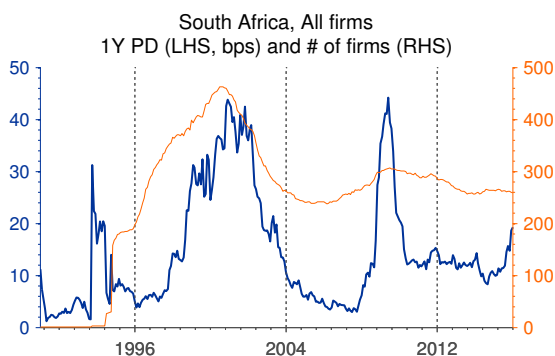
Singapore	#	2015Q4		2016Q1		Q1-Q4	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	105	2.2	135.8	2.8	123.2	0.1	59.0
Basic Materials	31	19.5	67.9	18.2	108.9	0.0	68.4
Communications	22	17.1	121.9	10.6	135.9	0.1	44.4
Consumer Cyclical	70	9.1	28.8	12.2	43.3	0.4	23.5
Consumer Non-cyclical	81	10.8	79.7	13.9	91.1	0.2	41.3
Diversified	13	15.2	33.9	13.2	39.9	0.5	30.6
Energy	29	42.0	135.4	64.6	231.8	1.3	142.4
Industrial	175	20.5	94.5	26.0	273.4	1.8	204.6
Technology	21	6.7	75.9	7.2	160.5	0.2	92.9
Utilities	2	45.0	61.8	34.1	46.5	-10.9	15.3



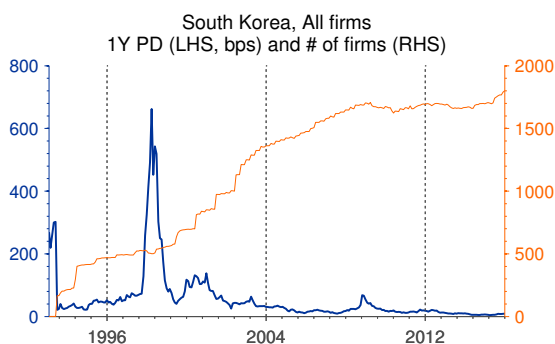
Slovakia	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	2	23.9	10.1	25.7	11.5	1.9	1.5
Basic Materials	1	11.9	-	15.4	-	3.6	-
Consumer Cyclical	2	0.1	0.1	1.7	2.2	1.6	2.3
Consumer Non-cyclical	2	8.0	9.9	4.2	4.6	-3.8	5.3
Energy	1	7.6	-	6.5	-	-1.1	-
Technology	1	12.9	-	9.2	-	-3.7	-



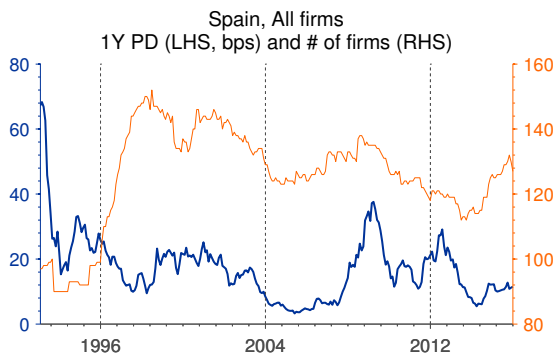
Slovenia	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	3	13.0	37.5	8.6	14.5	-4.4	23.0
Basic Materials	2	16.7	9.1	15.9	1.2	-0.7	7.9
Communications	1	13.1	-	17.4	-	4.3	-
Consumer Cyclical	3	26.6	8.4	17.9	5.6	-0.8	7.1
Consumer Non-cyclical	6	8.0	25.0	6.0	35.2	-0.1	10.5
Diversified	2	1215.5	1701.8	134.1	165.5	-1081.4	1536.3
Energy	1	2.4	-	1.5	-	-0.8	-
Industrial	2	65.0	55.5	61.8	45.3	-3.2	10.2
Technology	1	40.5	-	32.5	-	-8.0	-



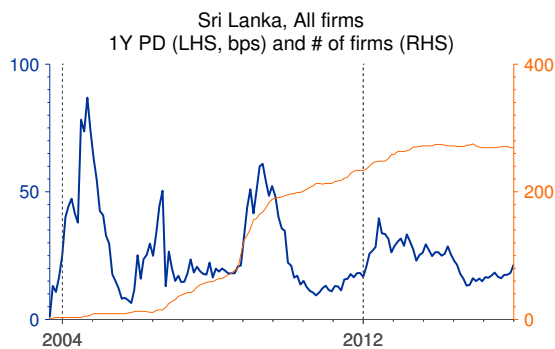
South Africa	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	73	27.3	120.4	33.7	102.5	2.3	29.7
Basic Materials	37	39.4	167.0	29.9	154.3	-5.0	41.5
Communications	13	4.2	72.2	6.3	53.5	0.3	23.2
Consumer Cyclical	32	4.3	14.1	5.7	16.2	0.4	9.3
Consumer Non-cyclical	36	4.0	92.8	5.9	74.9	1.1	34.6
Diversified	8	47.1	59.2	47.2	73.0	1.8	17.0
Energy	8	59.9	119.0	44.1	75.8	-11.9	53.5
Industrial	44	33.8	194.2	35.8	179.5	1.6	69.0
Technology	9	3.2	12.2	4.1	23.1	1.7	11.8



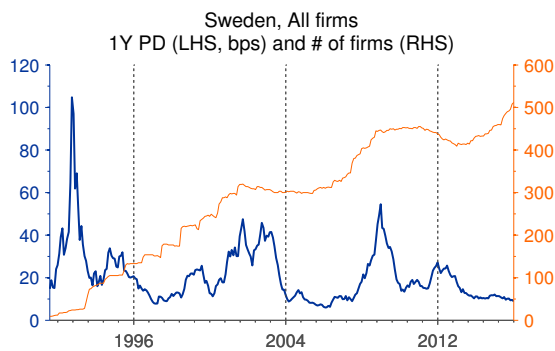
South Korea	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	90	21.2	46.6	21.5	40.2	0.1	20.1
Basic Materials	186	8.9	26.3	9.1	45.6	-0.1	33.8
Communications	182	6.2	19.5	5.4	16.0	0.1	15.2
Consumer Cyclical	277	11.4	36.4	12.4	27.6	-0.0	20.2
Consumer Non-cyclical	266	6.4	15.9	7.4	16.1	0.4	8.4
Diversified	59	0.1	21.4	0.1	20.6	0.0	10.3
Energy	11	7.4	23.2	6.8	12.9	-0.2	14.9
Industrial	491	10.3	45.4	9.0	34.2	-0.1	30.8
Technology	211	6.8	34.7	7.3	30.8	0.0	22.4
Utilities	18	16.0	20.6	16.4	19.9	0.6	6.3



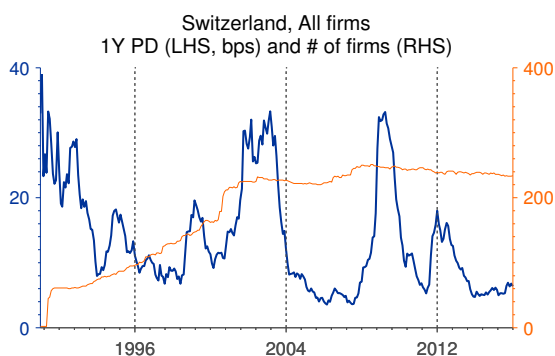
Spain	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	29	21.8	25.4	26.3	30.6	6.6	16.4
Basic Materials	7	6.0	24.6	5.8	16.1	-0.4	11.0
Communications	12	12.4	21.8	9.8	24.3	1.6	11.8
Consumer Cyclical	10	14.8	61.0	14.4	64.9	0.9	23.2
Consumer Non-cyclical	26	5.5	48.2	5.1	17.7	0.1	32.3
Energy	4	14.1	17.7	16.1	10.0	-0.6	9.1
Industrial	28	15.5	37.6	14.4	25.1	-1.0	18.3
Technology	3	2.4	11.4	1.1	7.5	-1.3	3.9
Utilities	8	4.1	56.4	4.5	71.1	0.6	16.0



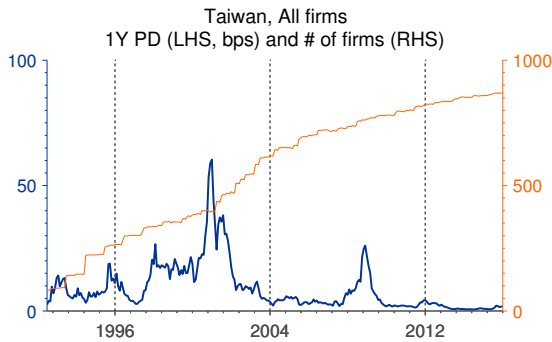
Sri Lanka	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	84	37.5	71.5	49.2	80.3	6.7	27.5
Basic Materials	14	13.4	41.0	19.4	43.2	2.3	10.3
Communications	4	7.2	4.8	6.1	5.0	-1.0	5.3
Consumer Cyclical	61	12.7	52.9	12.9	51.6	0.6	21.5
Consumer Non-cyclical	53	21.1	69.7	21.6	68.1	0.9	17.5
Diversified	14	22.7	58.4	23.8	117.9	4.8	68.7
Energy	3	5.6	3.5	3.5	3.3	0.0	2.1
Industrial	24	7.5	103.5	11.1	98.7	2.0	21.6
Technology	2	5.1	0.6	13.7	4.1	8.6	4.7
Utilities	5	7.9	42.6	14.4	27.3	-0.1	16.7



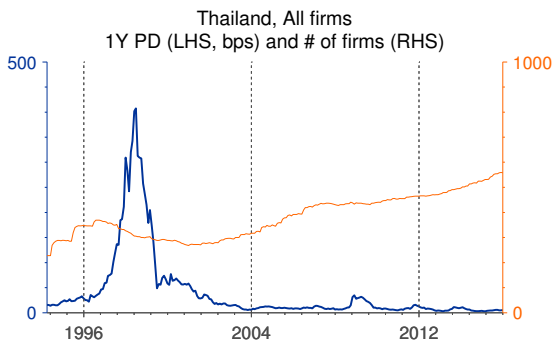
Sweden	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	70	6.0	32.9	7.3	47.6	0.6	18.1
Basic Materials	26	23.5	25.0	24.5	22.4	1.2	16.2
Communications	50	11.9	204.4	10.6	38.2	0.7	199.0
Consumer Cyclical	58	7.3	23.6	8.2	29.9	0.6	24.2
Consumer Non-cyclical	142	9.7	26.8	11.4	47.6	1.2	32.2
Diversified	7	4.8	35.6	5.9	62.1	1.1	28.3
Energy	14	21.7	54.2	14.8	39.9	2.8	35.6
Industrial	102	7.4	66.6	10.3	78.2	0.6	42.5
Technology	39	9.5	17.9	9.3	21.7	1.1	15.3
Utilities	2	7.9	3.7	6.7	3.8	-1.2	0.1



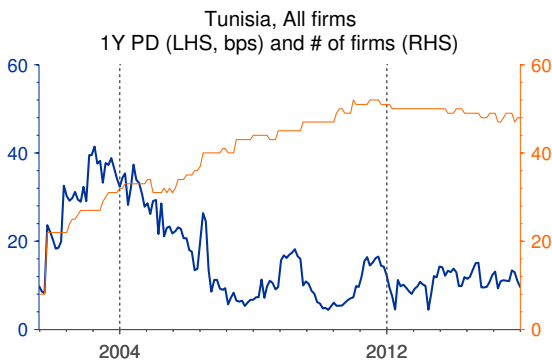
Switzerland	2015Q4			2016Q1		Q1-Q4	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	68	8.1	64.5	8.2	414.8	0.0	378.4
Basic Materials	14	5.1	176.6	6.0	148.6	-1.3	33.9
Communications	10	7.6	11.3	4.0	13.3	-0.3	5.3
Consumer Cyclical	19	7.2	25.6	6.8	49.0	-0.4	25.6
Consumer Non-cyclical	37	2.7	26.5	2.4	34.1	-0.2	12.4
Diversified	4	49.1	54.7	38.6	26.2	-10.6	29.5
Energy	5	76.7	66.2	94.4	77.4	1.8	38.2
Industrial	61	4.3	257.7	4.2	96.1	-0.6	163.4
Technology	11	9.8	40.8	11.1	184.4	0.2	146.0
Utilities	6	6.5	24.4	14.3	32.6	-0.5	11.8



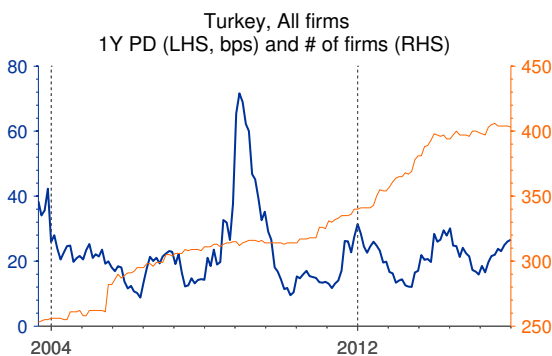
Taiwan	#	2015Q4		2016Q1		Q1-Q4	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	79	3.4	18.5	3.7	22.7	0.0	7.7
Basic Materials	75	1.1	6.8	0.8	5.8	-0.0	1.7
Communications	42	2.1	5.2	1.7	5.2	-0.0	2.9
Consumer Cyclical	143	1.3	8.7	1.4	11.7	0.0	4.7
Consumer Non-cyclical	59	0.6	3.9	0.6	4.7	0.0	1.8
Diversified	1	0.0	-	0.0	-	0.0	-
Energy	6	3.8	3.2	6.3	4.4	0.8	2.0
Industrial	309	2.2	14.9	2.1	16.2	-0.1	4.3
Technology	149	2.0	7.9	1.8	7.6	-0.0	2.9
Utilities	5	0.1	0.3	0.0	0.4	0.0	0.1



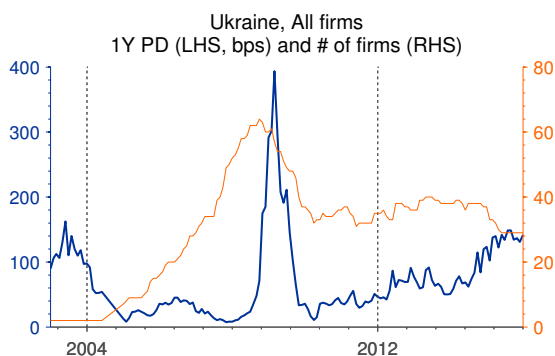
Thailand	#	2015Q4		2016Q1		Q1-Q4	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	100	7.8	34.1	6.9	21.7	-1.6	20.0
Basic Materials	55	8.7	89.6	8.0	50.7	-0.6	42.4
Communications	41	6.4	22.7	5.3	14.8	-0.3	13.6
Consumer Cyclical	125	4.4	24.3	3.8	19.1	-0.4	10.6
Consumer Non-cyclical	83	1.3	13.7	1.0	12.0	-0.0	8.3
Diversified	5	1.1	1.3	0.8	0.4	0.0	1.2
Energy	17	13.7	30.1	13.4	44.1	-0.1	30.0
Industrial	107	5.3	22.9	6.0	20.4	-0.4	11.5
Technology	11	14.1	42.6	12.3	30.8	-1.8	12.3
Utilities	12	2.1	8.9	2.1	6.1	-0.5	3.8



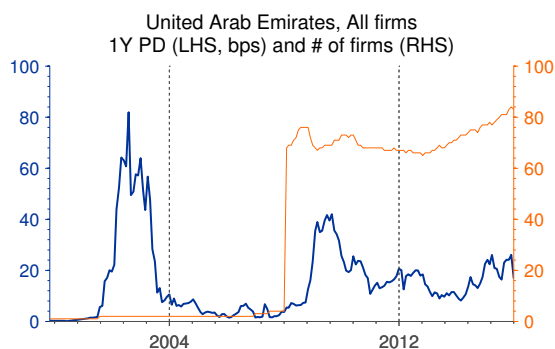
Tunisia	#	2015Q4		2016Q1		Q1-Q4	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	19	29.2	43.5	17.2	43.2	-3.3	26.1
Basic Materials	4	3.1	3.3	3.6	2.7	0.0	0.8
Communications	3	65.9	57.3	27.6	27.7	-38.3	29.9
Consumer Cyclical	8	2.7	66.8	1.1	50.5	-1.6	16.3
Consumer Non-cyclical	7	3.8	25.5	2.0	23.7	-0.4	7.2
Diversified	1	4.9	-	4.9	-	0.0	-
Energy	1	0.1	-	0.1	-	-0.0	-
Industrial	10	7.7	108.7	9.5	127.0	-0.3	19.2



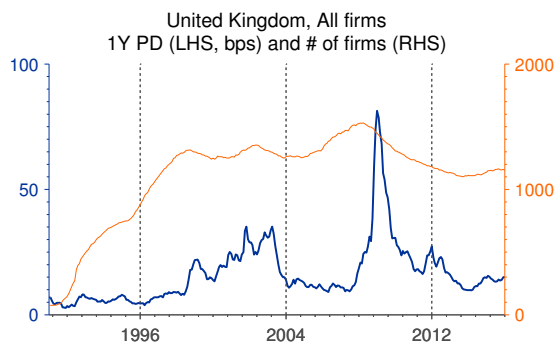
Turkey	#	2015Q4		2016Q1		Q1-Q4	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	99	32.9	54.9	33.0	57.1	0.1	25.5
Basic Materials	37	22.6	407.0	19.9	210.6	-3.7	201.4
Communications	14	34.4	53.8	23.3	50.2	1.1	11.0
Consumer Cyclical	92	31.9	76.3	30.5	80.3	0.3	31.8
Consumer Non-cyclical	59	24.9	79.4	27.1	81.8	1.0	25.6
Diversified	12	38.9	42.8	45.5	35.4	-3.1	22.9
Energy	5	71.1	62.8	69.9	79.0	-1.4	19.1
Industrial	70	14.7	54.7	18.3	50.4	0.1	24.1
Technology	4	21.5	23.1	11.1	11.0	-10.4	12.4
Utilities	8	22.3	31.0	25.2	32.3	3.3	8.0



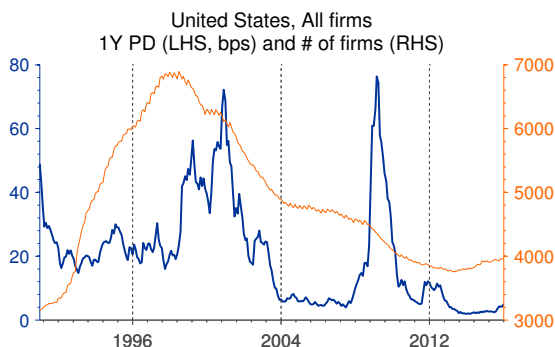
Ukraine	#	2015Q4		2016Q1		Q1-Q4	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Basic Materials	4	306.4	63.6	875.6	297.4	569.2	236.9
Consumer Cyclical	1	54.7	-	122.1	-	67.4	-
Consumer Non-cyclical	8	134.9	114.6	80.5	89.6	-9.5	43.6
Diversified	1	37.4	-	34.9	-	-2.5	-
Energy	3	186.9	75.2	269.7	32.5	82.8	105.6
Industrial	4	52.6	26.0	55.6	126.9	1.1	112.1
Utilities	1	102.3	-	79.8	-	-22.4	-



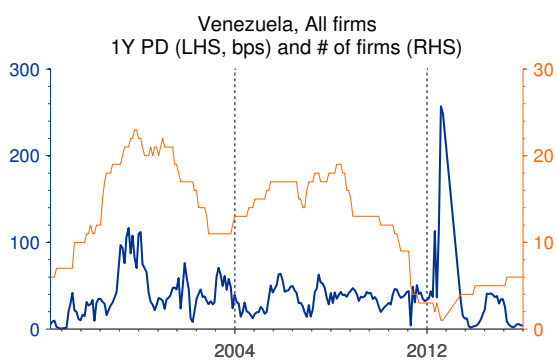
United Arab Emirates	#	2015Q4		2016Q1		Q1-Q4	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	40	27.1	32.4	26.3	23.5	-1.5	17.2
Communications	3	1.0	2.9	0.9	3.9	-0.1	1.0
Consumer Cyclical	5	9.5	6.7	5.7	5.4	-1.6	2.2
Consumer Non-cyclical	11	9.8	27.2	9.6	26.7	0.2	11.1
Energy	3	29.6	4.1	34.7	11.5	4.1	8.0
Industrial	18	15.7	108.7	13.6	92.8	-1.2	25.6
Utilities	1	171.7	-	126.1	-	-45.5	-



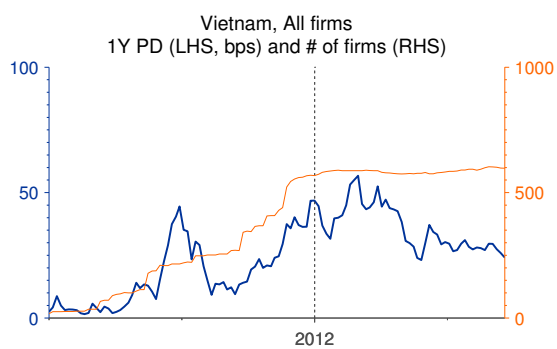
United Kingdom	#	2015Q4		2016Q1		Q1-Q4	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	192	10.6	59.4	13.1	103.7	1.3	87.8
Basic Materials	94	50.6	421.0	48.5	182.0	-3.8	345.4
Communications	103	15.3	72.3	22.4	290.7	0.8	286.2
Consumer Cyclical	142	8.5	114.7	9.2	126.7	1.0	37.8
Consumer Non-cyclical	228	10.5	74.1	12.7	64.7	1.1	55.6
Diversified	6	46.4	79.7	28.8	100.0	3.8	26.0
Energy	90	68.8	194.1	72.5	269.4	-3.3	260.3
Industrial	175	13.8	323.6	17.6	320.8	1.0	298.0
Technology	88	15.0	75.4	13.9	101.9	0.6	54.5
Utilities	13	7.0	101.4	6.9	63.0	-0.0	40.2



United States	#	2015Q4		2016Q1		Q1-Q4	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	912	5.1	138.3	7.1	156.6	0.7	68.4
Basic Materials	130	7.2	285.4	5.7	163.2	-0.0	256.3
Communications	294	7.1	277.9	9.6	377.1	0.4	318.3
Consumer Cyclical	458	4.7	255.3	4.4	251.4	0.0	138.8
Consumer Non-cyclical	882	7.2	202.0	10.5	292.5	1.0	242.7
Diversified	7	13.9	123.6	35.2	67.5	3.5	74.7
Energy	292	40.3	632.5	51.6	1143.2	1.1	865.2
Industrial	482	3.9	181.7	3.9	101.5	0.0	149.1
Technology	336	2.3	81.0	3.1	81.9	0.2	57.1
Utilities	90	0.9	72.2	0.5	49.4	-0.3	50.0



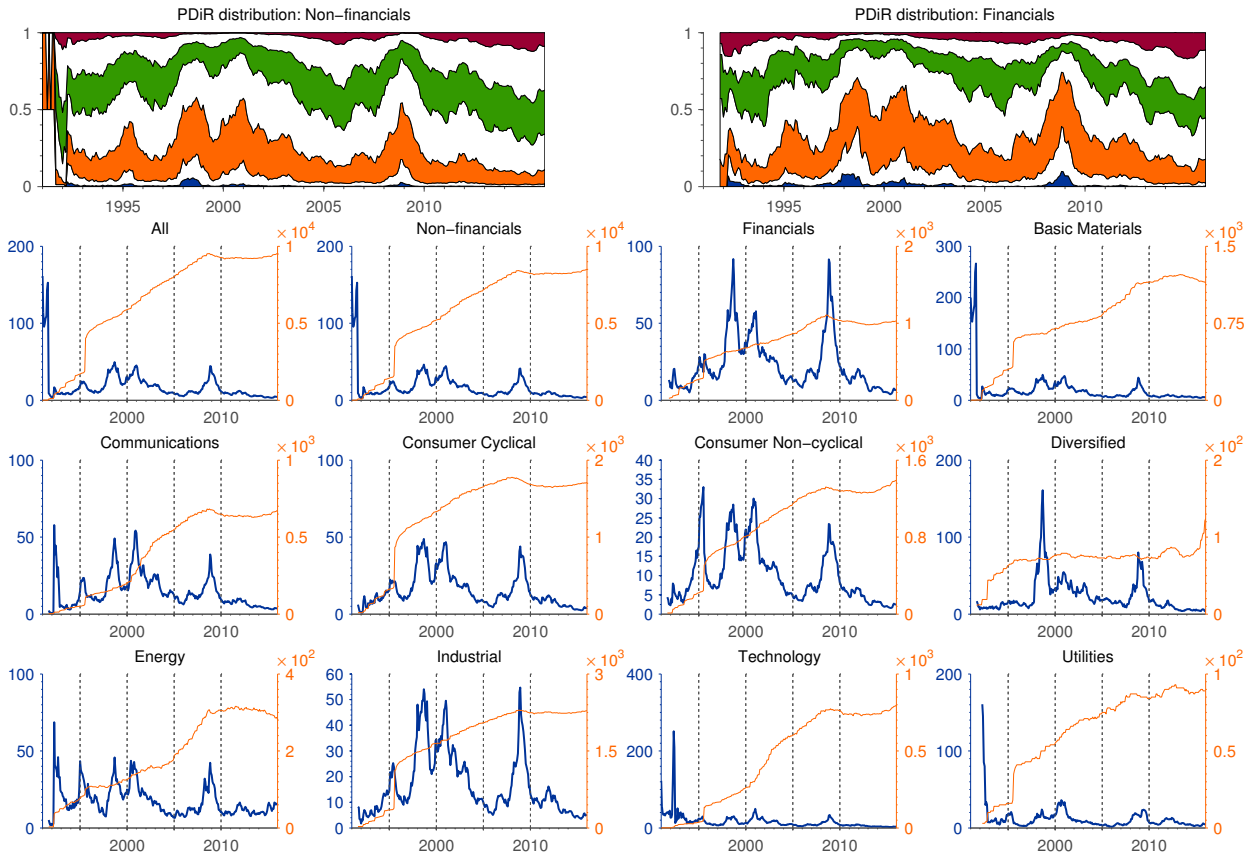
Venezuela	#	2015Q4		2016Q1		Q1-Q4	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	6	7.6	2.8	10.3	2.6	2.8	3.3
Industrial	2	10.7	8.4	13.2	12.4	2.5	4.0



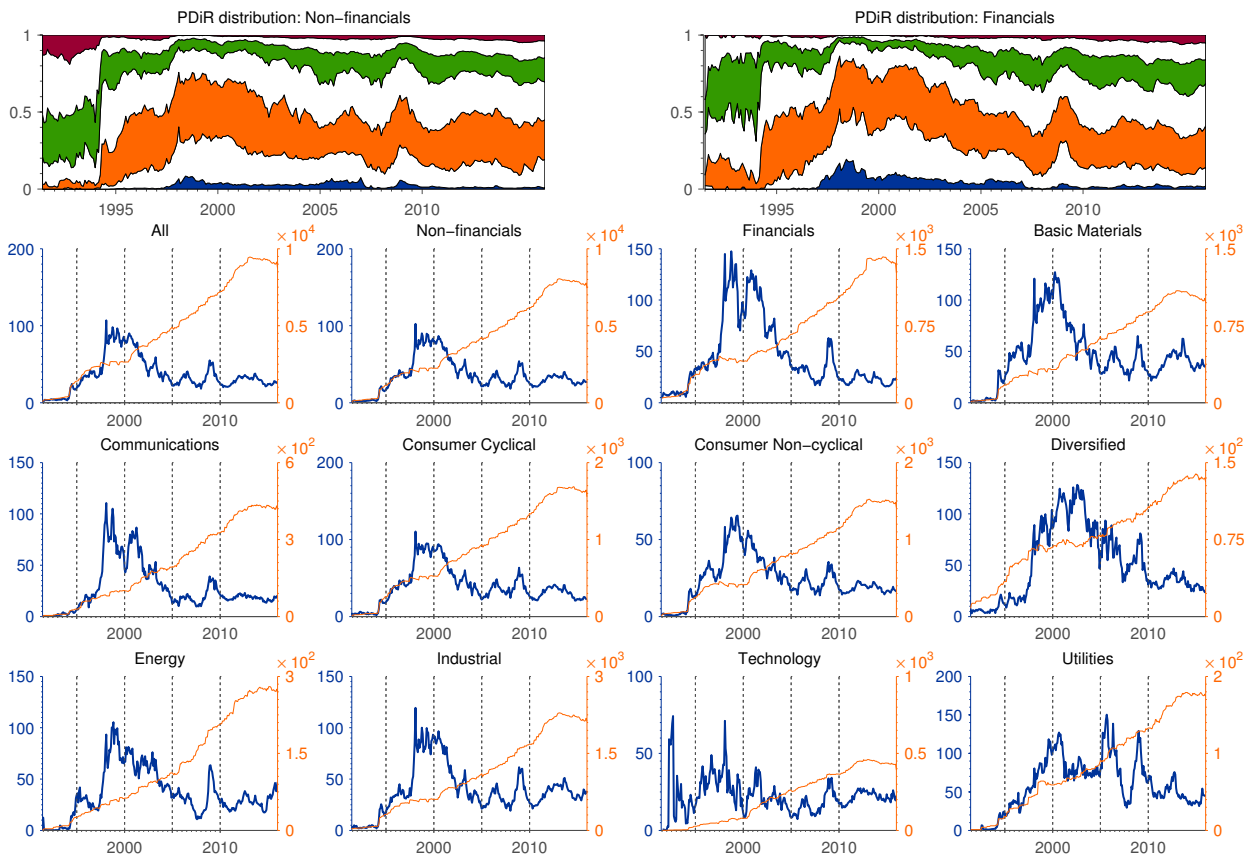
Vietnam	#	2015Q4		2016Q1		Q1-Q4	
		Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	77	16.7	54.7	16.8	59.3	1.2	30.3
Basic Materials	56	24.8	89.3	23.0	52.2	-1.9	52.1
Communications	18	21.3	44.3	14.2	54.0	-1.3	31.9
Consumer Cyclical	51	23.9	41.6	25.3	37.5	0.2	24.8
Consumer Non-cyclical	88	16.1	165.9	12.6	101.6	-0.0	75.3
Diversified	17	11.2	47.7	6.8	36.2	-3.5	18.7
Energy	22	41.9	94.3	45.6	96.2	-0.1	32.0
Industrial	239	39.1	87.1	38.9	69.6	-0.8	39.2
Technology	7	15.8	41.7	13.6	56.7	1.1	22.4
Utilities	17	5.0	15.1	3.9	19.8	-0.0	7.8

## B PD by regions

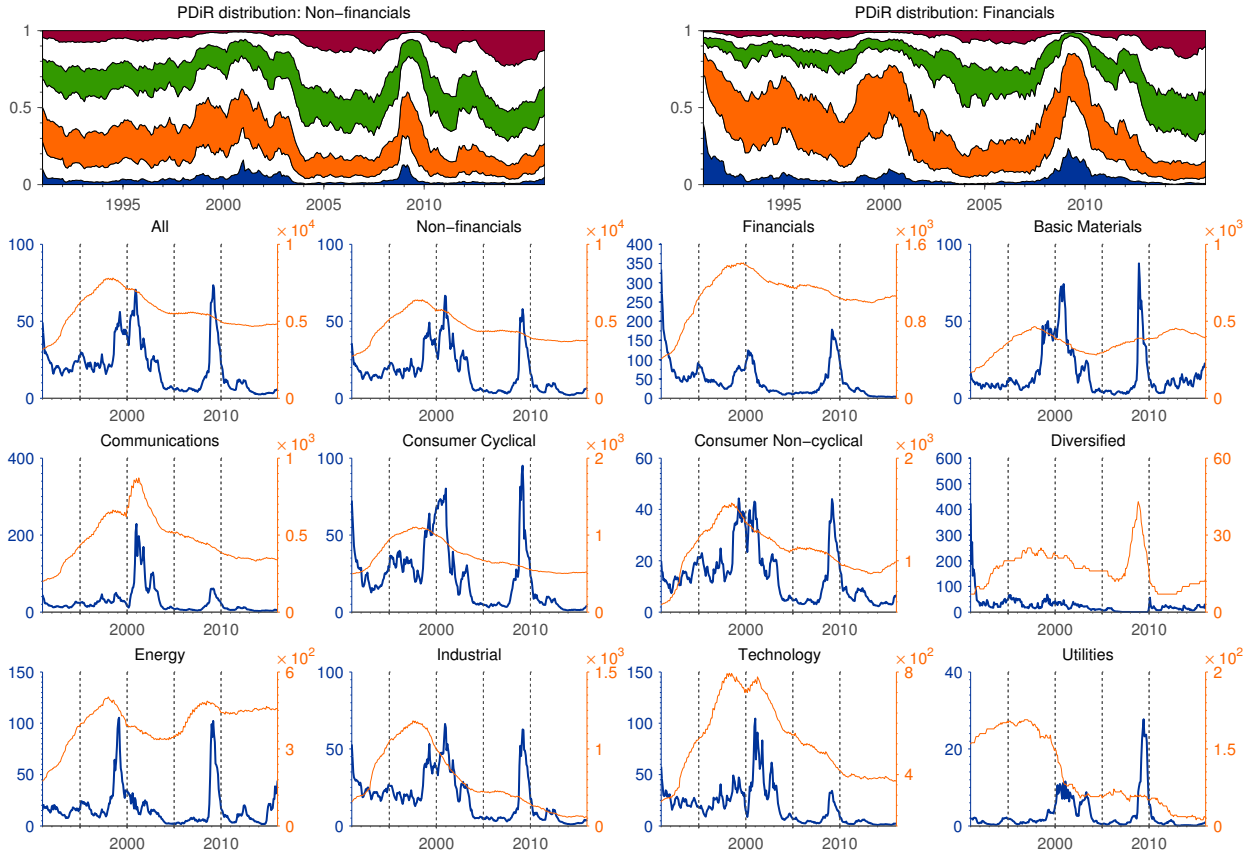
### Asia Pacific - developed economies



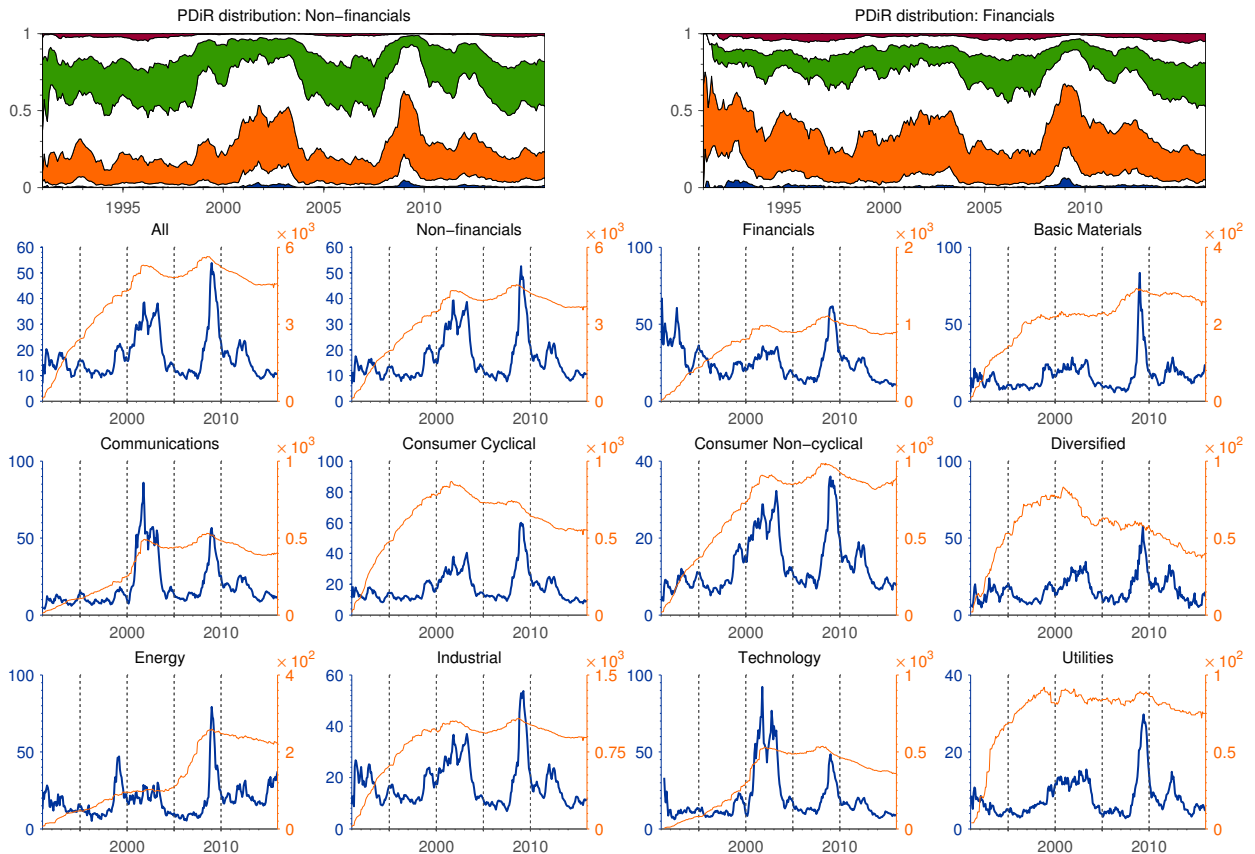
### Asia Pacific - emerging economies



North America

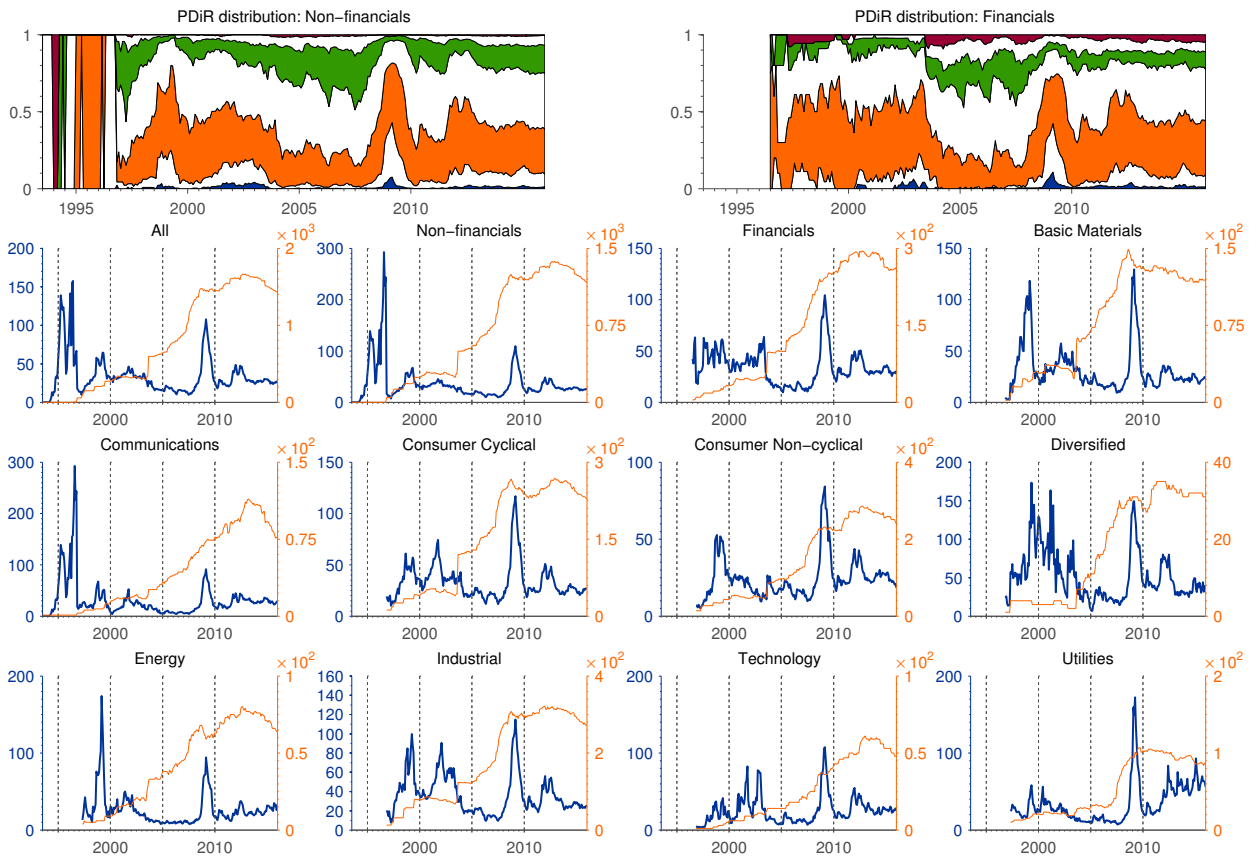


Western Europe

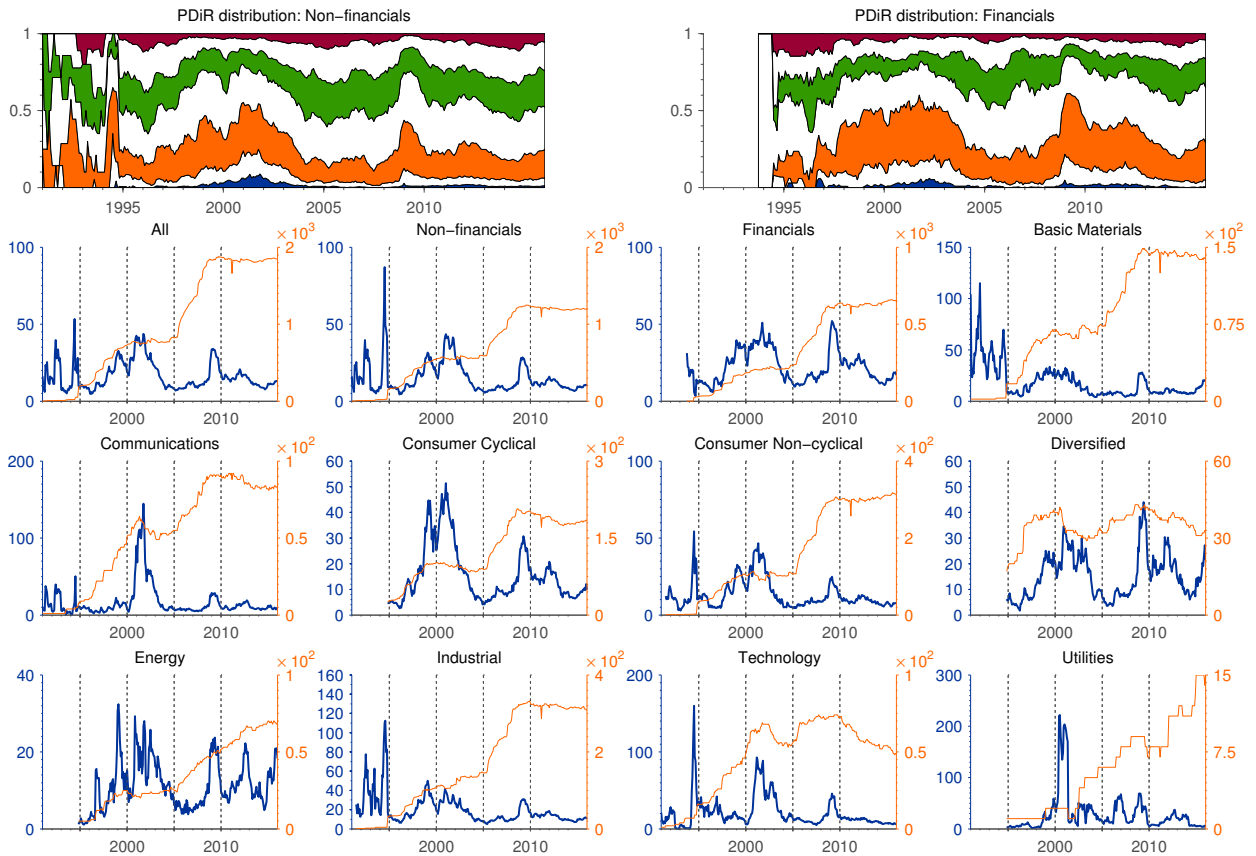




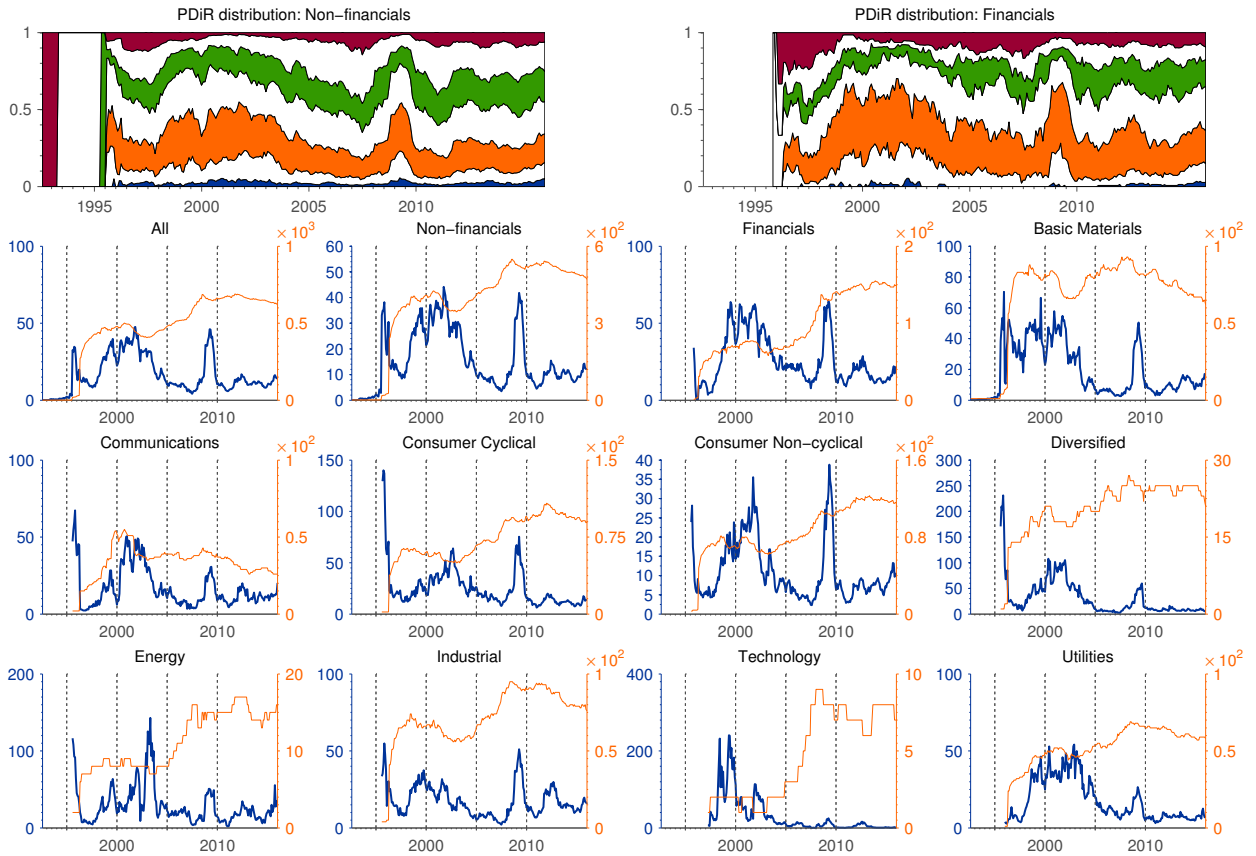
### Eastern Europe



### Africa ME

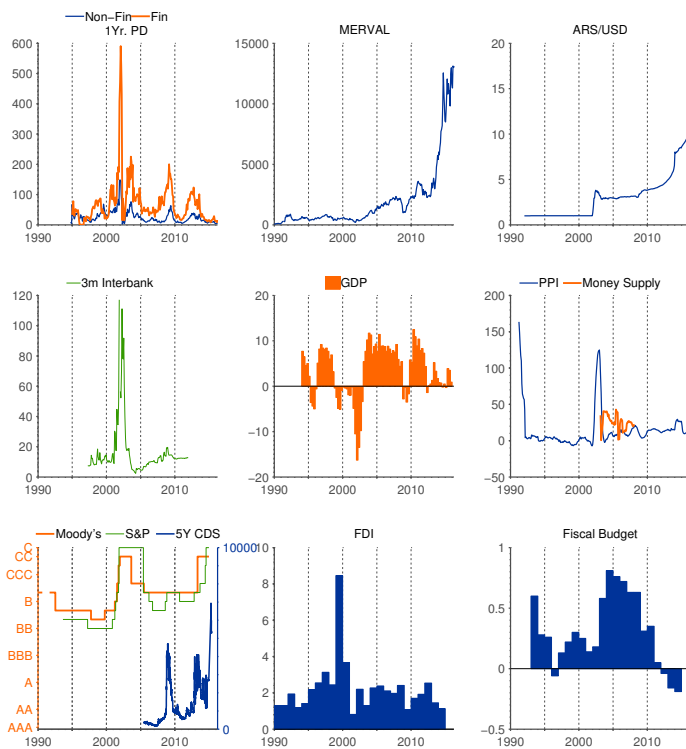


### Latin America

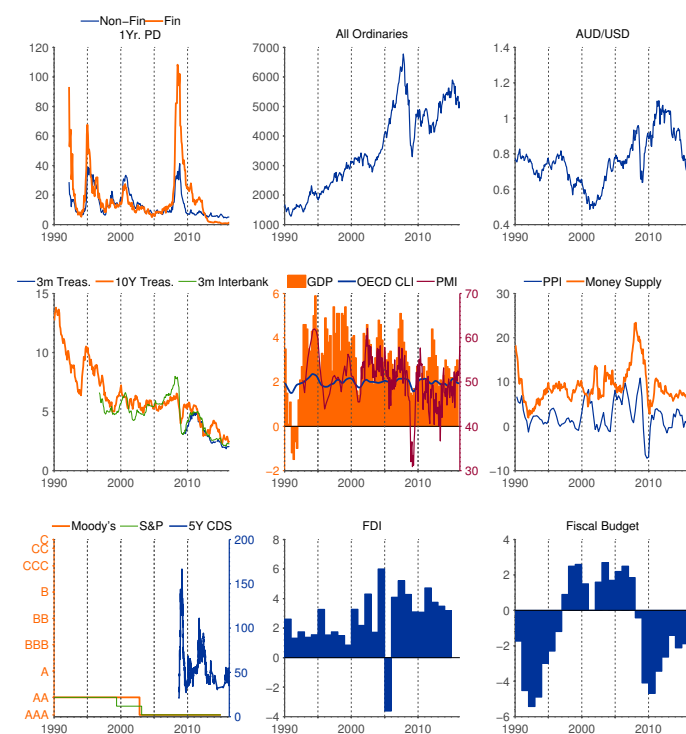


# C Macroeconomic Indicators

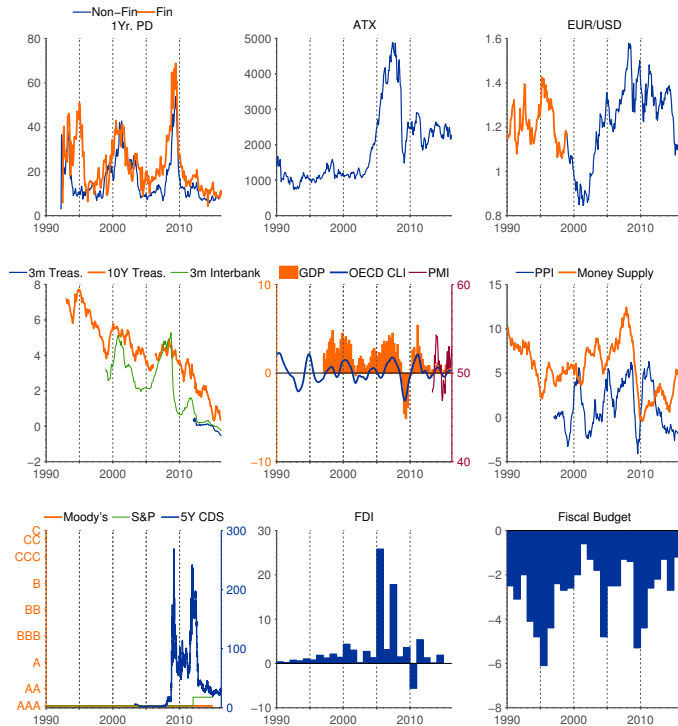
Descriptions of the data contained in this section are provided in Appendix D.



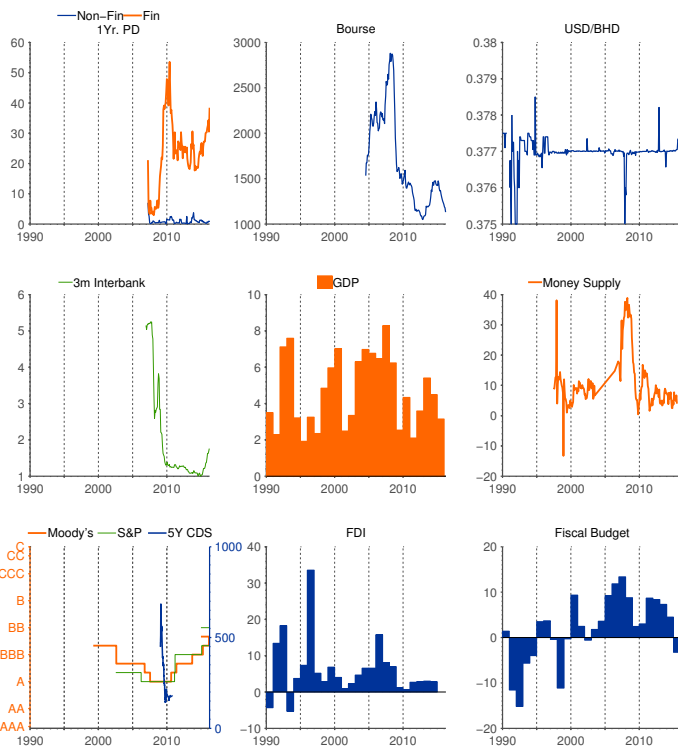
Argentina	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	7.43	9.17	11.90	4.29	5.05
1Yr. PD, Fin.	7.98	17.20	28.71	12.45	15.13
MERVAL	10837	11657	9815	11675	12992
ARS/USD	8.82	9.09	9.42	12.93	14.70
GDP (YoY%)	-0.3	3.9	3.5	0.9	-
PPI (YoY%)	10.9	9.6	11.1	11.5*	-
Sov. Rating, Moody's	Ca	Ca	Ca	Ca	Ca
Sov. Rating, S&P	CSD	CSD	CSD	CSD	CSD
5Y CDS (bps)	-	5392.86*	-	-	-



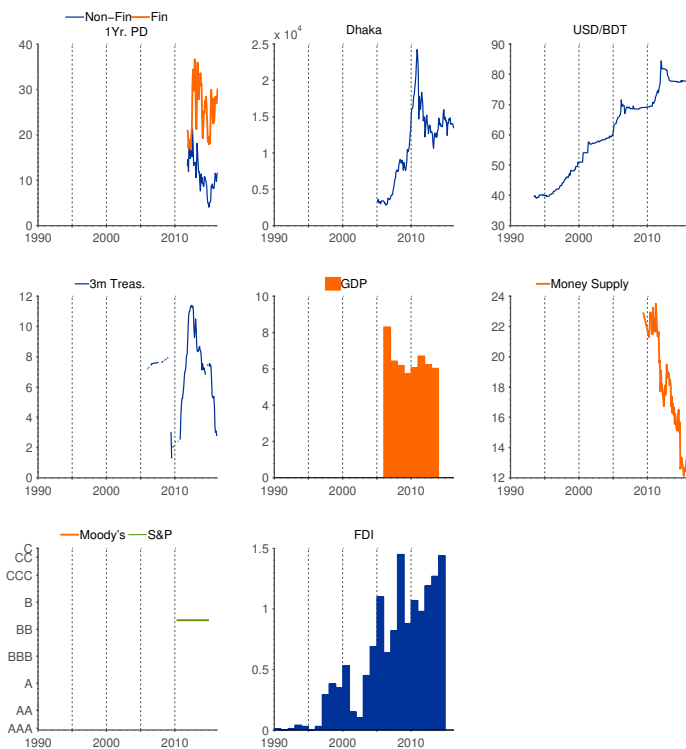
Australia	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	5.66	4.80	4.75	4.96	4.99
1Yr. PD, Fin.	0.69	0.92	0.94	0.83	1.30
All Ordinaries	5862	5451	5059	5345	5152
AUD/USD	0.76	0.77	0.70	0.73	0.77
3m Treas. Yield (%)	1.96	1.98	2.01	2.02	2.04
10Y Treas. Yield (%)	2.32	3.01	2.61	2.88	2.49
3m Interbank (%)	2.23	2.13	2.16	2.33	2.27
GDP (YoY%)	2.2	2.0	2.7	3.0	-
OECD CLI	100.74	100.32	99.93	99.74	99.73*
PMI	46.3	44.2	52.1	51.9	58.1
PPI (YoY%)	-0.2	1.1	0.7	-0.5	-
Money Supply (YoY%)	7.5	6.8	6.3	6.1	5.9*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
5Y CDS (bps)	-	32.64*	55.55	38.70	35.01
Fiscal Budget (%GDP)	-	-	-	-1.89	-



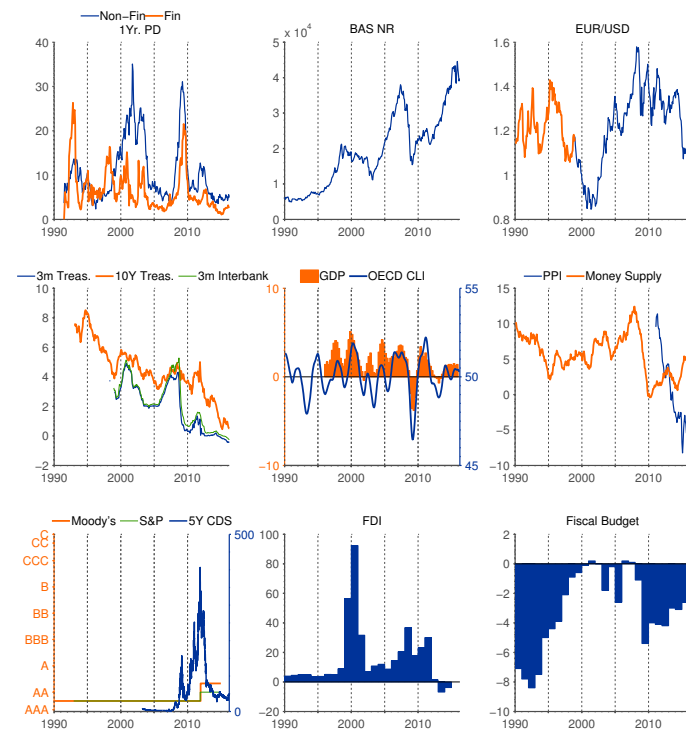
Austria	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	7.03	8.73	9.00	8.00	9.49
1Yr. PD, Fin.	9.78	9.96	8.79	7.89	9.33
ATX	2510	2412	2229	2397	2270
EUR/USD	1.07	1.11	1.12	1.09	1.14
3m Treas. Yield (%)	-0.17	-0.28	-0.27	-0.41	-0.53
10Y Treas. Yield (%)	0.32	1.14	0.89	0.90	0.35
3m Interbank (%)	0.02	-0.01	-0.04	-0.13	-0.24
GDP (YoY%)	0.3	0.9	0.9	1.2	-
OECD CLI	99.62	99.94	100.21	100.30	100.26*
PMI	47.7	51.2	52.5	50.6	52.8
PPI (YoY%)	-1.5	-1.7	-2.5	-2.6	-4.2*
Money Supply (YoY%)	4.6	4.9	4.7	4.8	4.9
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AA+	AA+	AA+	AA+	AA+
5Y CDS (bps)	26.5	29.9	26.5	22.2	29.4
Fiscal Budget (%GDP)	-	-	-	-1.20	-



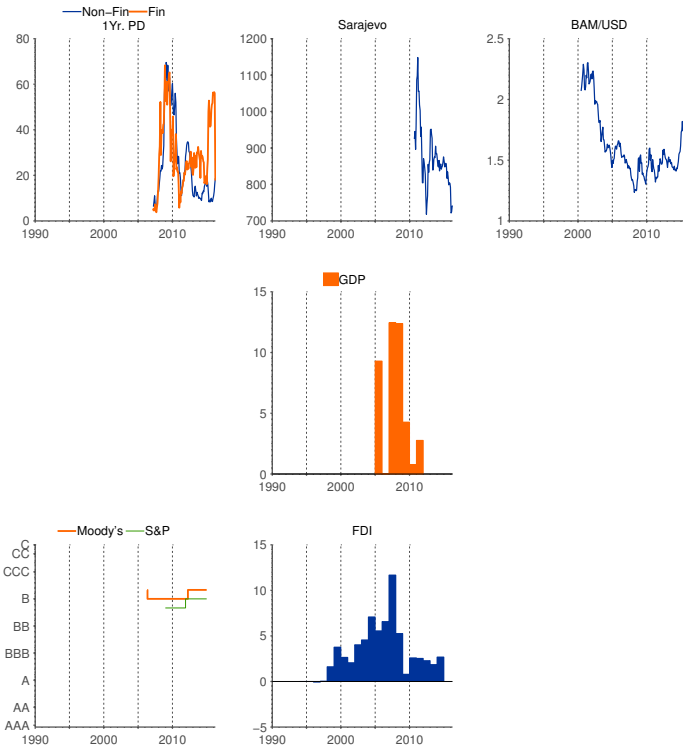
Bahrain	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	1.04	0.54	0.25	0.59	0.78
1Yr. PD, Fin.	22.50	27.25	30.19	32.59	38.41
Bourse	1450	1368	1276	1216	1131
USD/BHD	0.38	0.38	0.38	0.38	0.38
3m Interbank (%)	1.05	1.22	1.37	1.63	1.76
GDP (YoY%)	-	-	-	3.15	-
Money Supply (YoY%)	5.98	3.94	-	-	-
Sov. Rating, Moody's	Ba1	Ba1	Ba1	Ba1	Ba1
Sov. Rating, S&P	BB	BB	BB	BB	BB
Fiscal Budget (%GDP)	-	-	-	-3.25	-



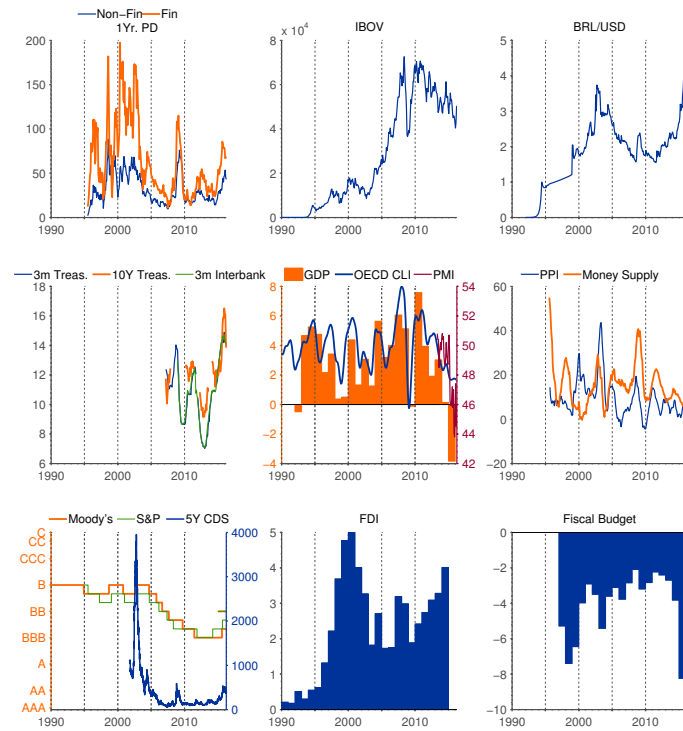
Bangladesh	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	5.55	9.19	8.24	10.96	11.66
1Yr. PD, Fin.	25.10	26.25	22.69	27.75	30.23
Dhaka	13864	14097	14845	14090	13407
USD/BDT	77.81	77.78	77.78	78.25	78.38
3m Treas. Yield (%)	7.49	5.40	5.39	3.00	2.83
Money Supply (YoY%)	12.5	12.4	13.3	13.1	13.1*
Sov. Rating, Moody's	Ba3	Ba3	Ba3	Ba3	Ba3
Sov. Rating, S&P	BB-	BB-	BB-	BB-	BB-



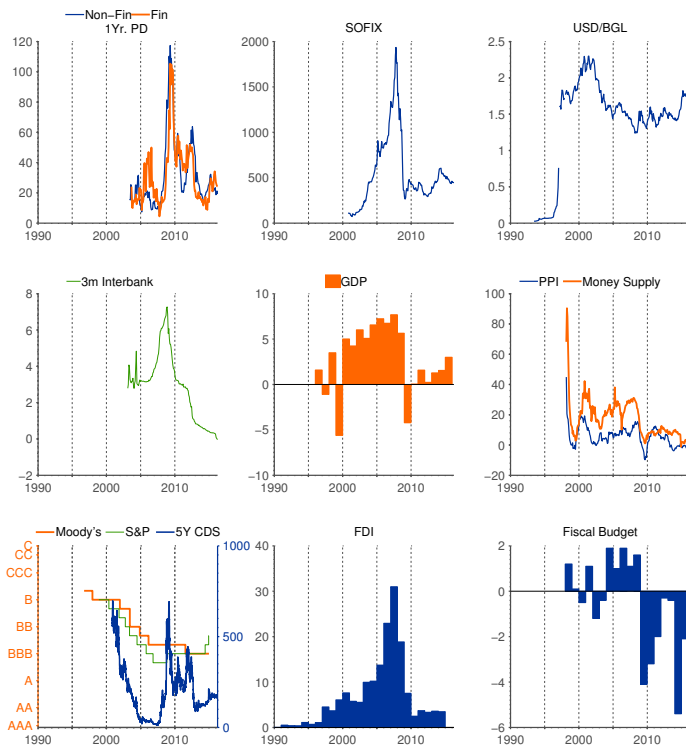
Belgium	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	4.76	4.46	5.55	4.29	4.93
1Yr. PD, Fin.	1.17	2.38	2.63	2.59	2.82
BAS NR	42611.9	41807.3	38414.7	42529.7	39614.7
EUR/USD	1.07	1.11	1.12	1.09	1.14
3m Treas. Yield (%)	-0.19	-0.20	-0.25	-0.43	-0.43
10Y Treas. Yield (%)	0.45	1.22	0.91	0.97	0.51
3m Interbank (%)	0.02	-0.01	-0.04	-0.13	-0.24
GDP (YoY%)	1.3	1.5	1.3	1.4	-
OECD CLI	100.19	100.43	100.40	100.40	100.28*
PPI (YoY%)	-4.8	-3.8	-5.3	-3.9	-6.2*
Money Supply (YoY%)	4.60	4.90	4.70	4.80	4.90
Sov. Rating, Moody's	Aa3	Aa3	Aa3	Aa3	Aa3
Sov. Rating, S&P	AA	AA	AA	AA	AA
5Y CDS (bps)	42.86	43.18	39.05	32.50	45.57
Fiscal Budget (%GDP)	-	-	-	-2.60	-



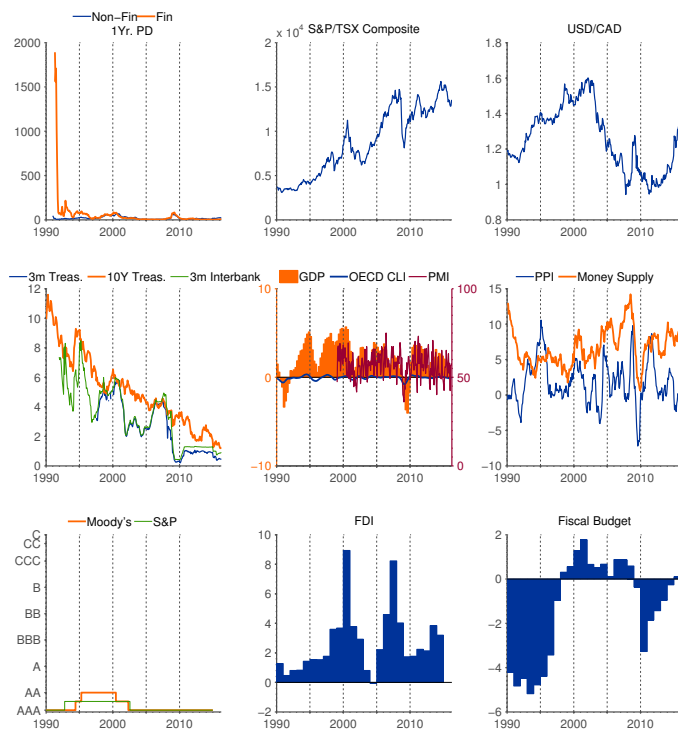
Bosnia and Herzegovina	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	12.03	8.27	8.56	10.91	18.79
1Yr. PD, Fin.	48.00	41.35	50.94	55.25	17.74
Sarajevo	850	817	799	792	741
BAM/USD	1.82	1.75	1.75	1.80	1.72
Sov. Rating, Moody's	B3	B3	B3	B3	B3
Sov. Rating, S&P	B	B	B	B	B



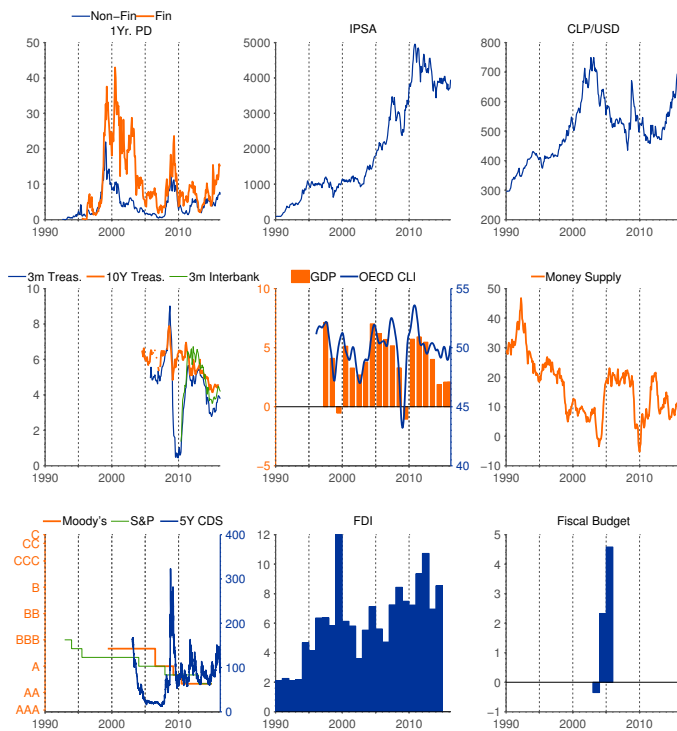
Brazil	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	30.41	32.00	44.23	47.02	43.09
1Yr. PD, Fin.	49.83	62.55	82.70	78.11	68.90
IBOV	51150	53081	45059	43350	50055
BRL/USD	3.20	3.10	3.95	3.96	3.59
3m Treas. Yield (%)	13.07	13.98	14.47	14.89	13.99
10Y Treas. Yield (%)	13.04	12.62	15.40	16.51	13.97
3m Interbank (%)	13.06	14.02	14.62	14.73	14.12
GDP (YoY%)	-	-	-	-3.8	-
OECD CLI	97.70	97.68	97.74	97.73	97.71*
PMI	46.2	46.5	47.0	45.6	46.0
PPI (YoY%)	0.8	4.3	8.1	11.2	13.0
Money Supply (YoY%)	7.8	6.5	4.6	6.2	5.4*
Sov. Rating, Moody's	Ba2	Ba2	Ba2	Ba2	Ba2
Sov. Rating, S&P	BB	BB	BB	BB	BB
5Y CDS (bps)	282.82	259.90	476.43	494.95	365.74
Fiscal Budget (%GDP)	-	-	-	-8.24	-



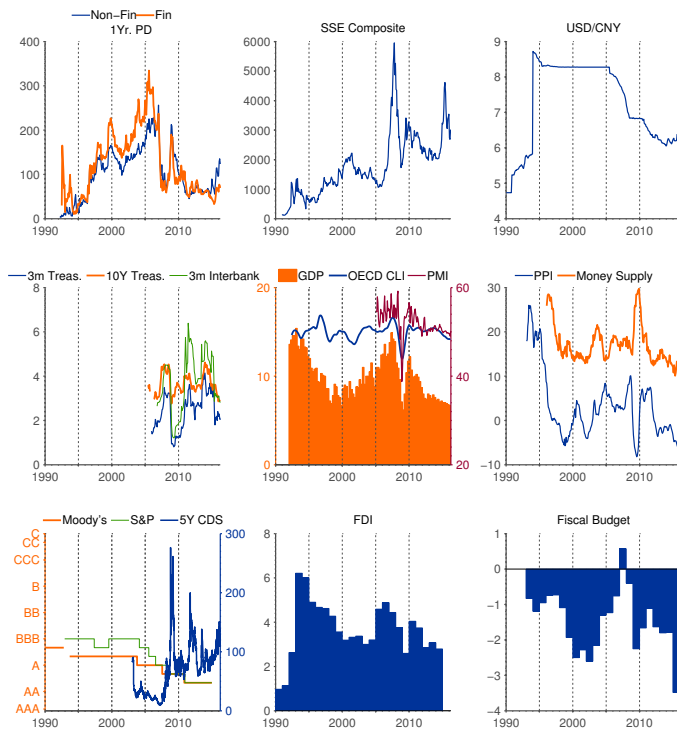
Bulgaria	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	32.30	22.89	22.62	18.79	19.28
1Yr. PD, Fin.	29.63	20.96	32.11	27.12	24.21
SOFIX	514.1	485.3	442.3	460.9	446.4
USD/BGL	1.82	1.76	1.75	1.80	1.72
3m Interbank (%)	0.36	0.34	0.33	0.26	-0.02
GDP (YoY%)	-	-	-	3.0	-
PPI (YoY%)	-0.4	-0.3	-2.1	-3.2	-4.0*
Money Supply (YoY%)	1.9	2.5	2.1	8.8	6.1
Sov. Rating, Moody's	Baa2	Baa2	Baa2	Baa2	Baa2
Sov. Rating, S&P	BB+	BB+	BB+	BB+	BB+
5Y CDS (bps)	161.79	182.30	179.52	171.99	161.42
Fiscal Budget (%GDP)	-	-	-	-2.10	-



Canada	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	18.66	16.17	22.45	22.27	18.00
1Yr. PD, Fin.	2.72	3.17	4.15	4.89	4.38
S&P/TSX Composite	14902	14553	13307	13010	13494
USD/CAD	1.27	1.25	1.33	1.38	1.30
3m Treas. Yield (%)	0.55	0.58	0.44	0.51	0.45
10Y Treas. Yield (%)	1.36	1.68	1.43	1.39	1.23
3m Interbank (%)	1.00	0.99	0.79	0.87	0.90
GDP (YoY%)	2.1	1.0	1.1	0.5	-
OECD CLI	99.89	99.73	99.50	99.38	99.44*
PMI	56.0	59.5	63.3	42.5	57.9
PPI (YoY%)	-1.8	-0.8	-0.5	0.9	-1.4*
Money Supply (YoY%)	8.4	7.6	9.0	-	-
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
Fiscal Budget (%GDP)	-	-	-	0.10	-

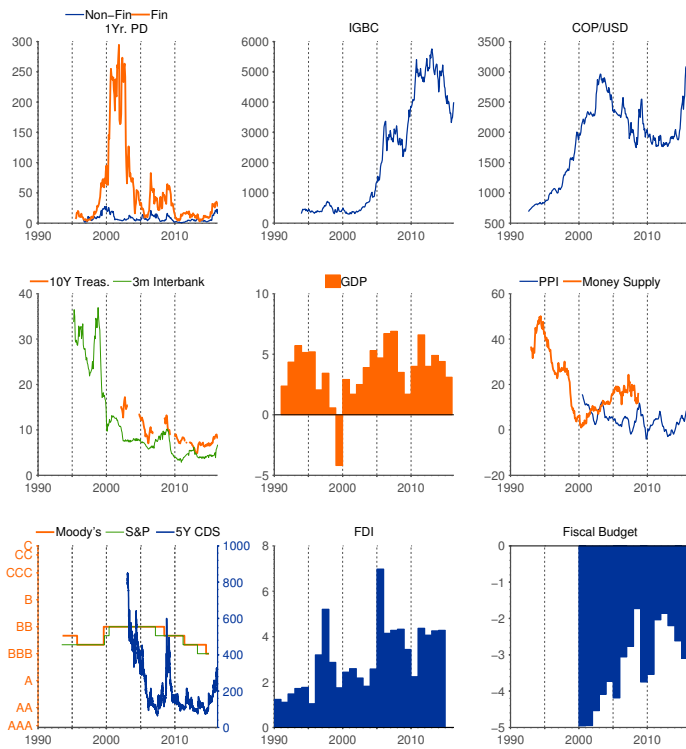


Chile	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	4.94	3.86	6.32	6.96	7.10
1Yr. PD, Fin.	12.91	11.11	12.55	12.31	15.05
IPSA	3917	3897	3685	3680	3937
CLP/USD	625.29	639.12	696.38	708.60	667.70
3m Treas. Yield (%)	3.24	3.02	3.56	3.95	3.81
10Y Treas. Yield (%)	4.27	4.59	4.54	4.60	-
3m Interbank (%)	3.75	3.75	3.98	4.49	4.23
GDP (YoY%)	-	-	-	2.1	2.1
OECD CLI	100.08	99.58	98.95	99.39	100.17*
Money Supply (YoY%)	7.0	10.9	11.4	9.8	13.2
Sov. Rating, Moody's	Aa3	Aa3	Aa3	Aa3	Aa3
Sov. Rating, S&P	AA-	AA-	AA-	AA-	AA-
5Y CDS (bps)	83.46	86.89	145.03	128.65	95.00

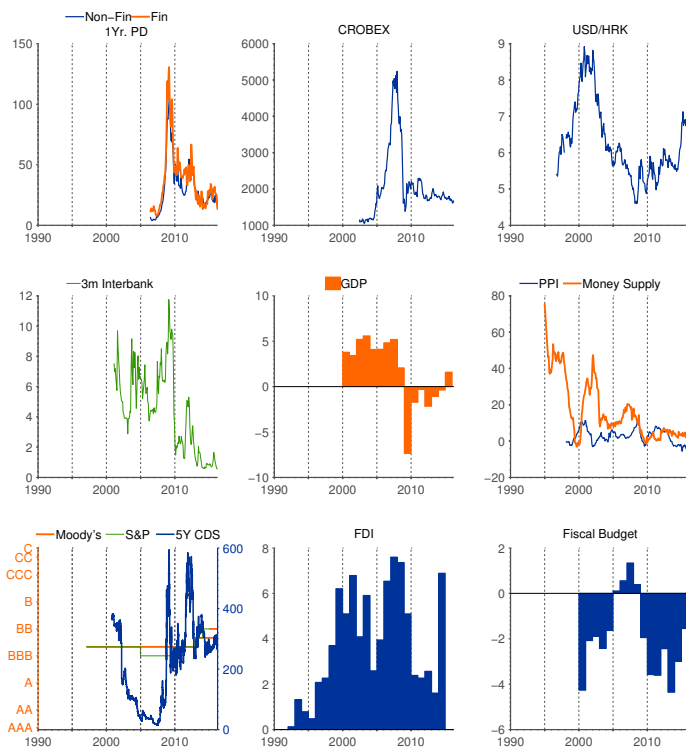


China	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	68.42	73.44	114.62	96.81	123.41
1Yr. PD, Fin.	38.62	39.70	70.49	60.84	69.44
SSE Composite	3747.9	4277.2	3052.8	3539.2	3003.9
USD/CNY	6.2	6.2	6.4	6.5	6.5
3m Treas. Yield (%)	3.22	1.80	2.19	2.18	2.05
10Y Treas. Yield (%)	3.63	3.62	3.27	2.86	2.89
3m Interbank (%)	4.90	3.23	3.15	3.09	2.82
GDP (YoY%)	7.0	7.0	6.9	6.8	6.7
OECD CLI	99.06	98.81	98.46	98.37	98.44*
PMI	50.1	50.2	49.8	49.7	50.2
PPI (YoY%)	-4.60	-4.80	-5.90	-5.90	-4.30
Money Supply (YoY%)	11.60	11.80	13.10	13.30	13.40
Sov. Rating, Moody's	Aa3	Aa3	Aa3	Aa3	Aa3
Sov. Rating, S&P	AA-	AA-	AA-	AA-	AA-
5Y CDS (bps)	90.72	94.33	128.17	109.28	120.83
Fiscal Budget (%GDP)	-	-	-	-3.48	-

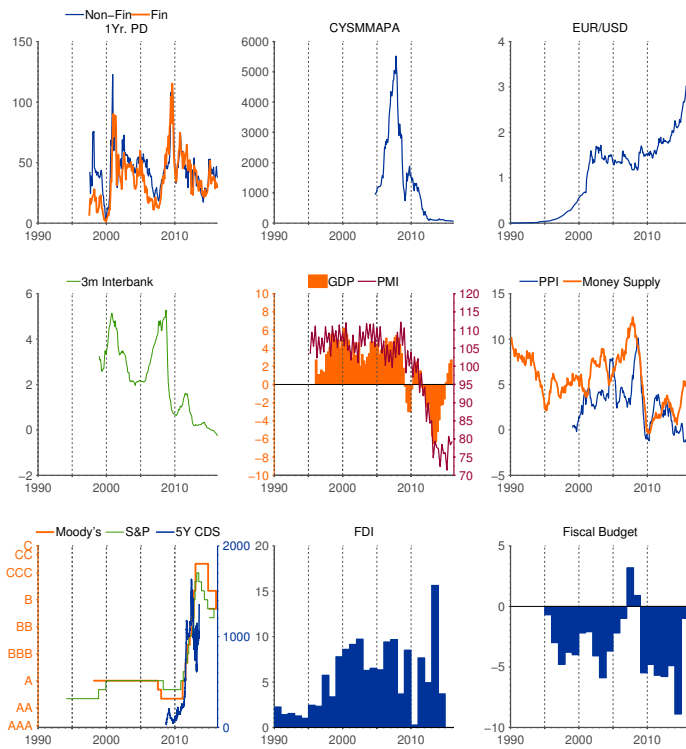




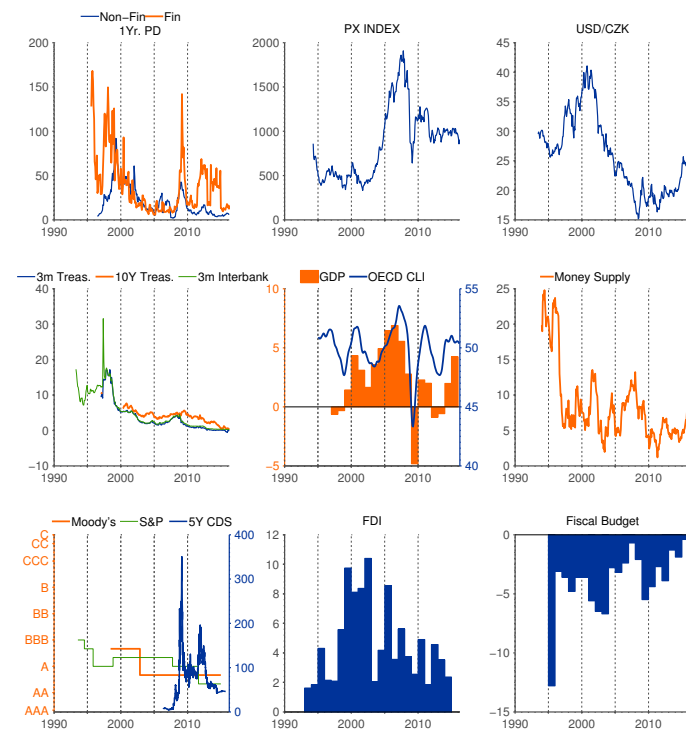
Colombia	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	5.47	13.22	16.45	21.22	15.21
1Yr. PD, Fin.	18.41	31.84	30.68	33.27	27.27
IGBC	3955	4025	3623	3440	3979
COP/USD	2599.62	2606.00	3087.44	3174.50	3002.20
10Y Treas. Yield (%)	6.99	7.22	8.47	8.66	8.20
3m Interbank (%)	4.27	4.38	4.40	3.86	6.39
GDP (YoY%)	-	-	-	3.1	-
PPI (YoY%)	5.11	5.01	8.70	9.57	8.56
Sov. Rating, Moody's	Baa2	Baa2	Baa2	Baa2	Baa2
Sov. Rating, S&P	BBB	BBB	BBB	BBB	BBB
5Y CDS (bps)	159.46	169.27	249.30	244.76	215.66
Fiscal Budget (%GDP)	-	-	-	-3.09	-



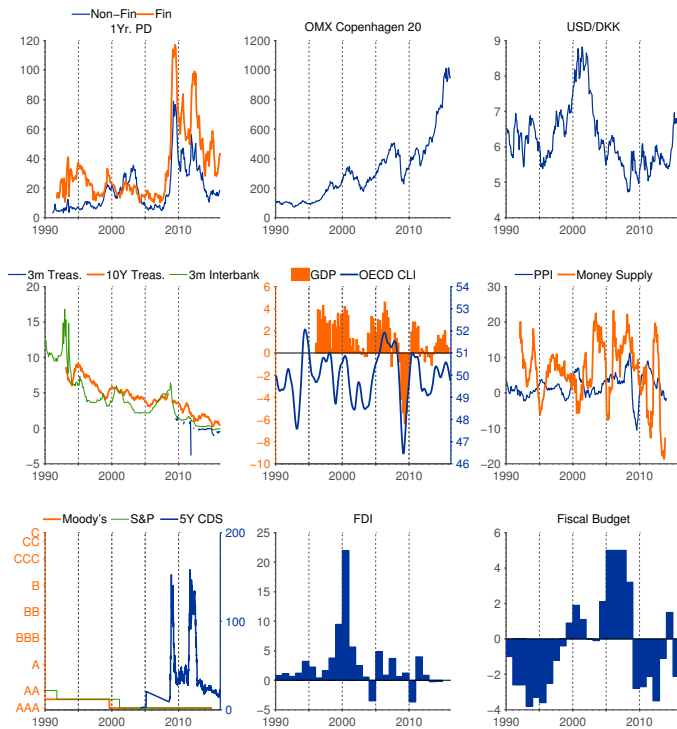
Croatia	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	28.68	21.52	22.54	20.25	15.59
1Yr. PD, Fin.	34.17	21.24	30.07	25.40	12.73
CROBEX	1713	1738	1686	1690	1670
USD/HRK	7	7	7	7	7
3m Interbank (%)	0.84	0.74	1.65	0.92	0.58
GDP (YoY%)	-	-	-	1.6	-
PPI (YoY%)	-2.60	-2.10	-4.80	-4.00	-5.50
Money Supply (YoY%)	2.80	4.77	4.64	5.15	3.56*
Sov. Rating, Moody's	Ba2	Ba2	Ba2	Ba2	Ba2
Sov. Rating, S&P	BB	BB	BB	BB	BB
5Y CDS (bps)	265.3	273.6	290.2	298.9	270.0
Fiscal Budget (%GDP)	-	-	-	-1.55	-



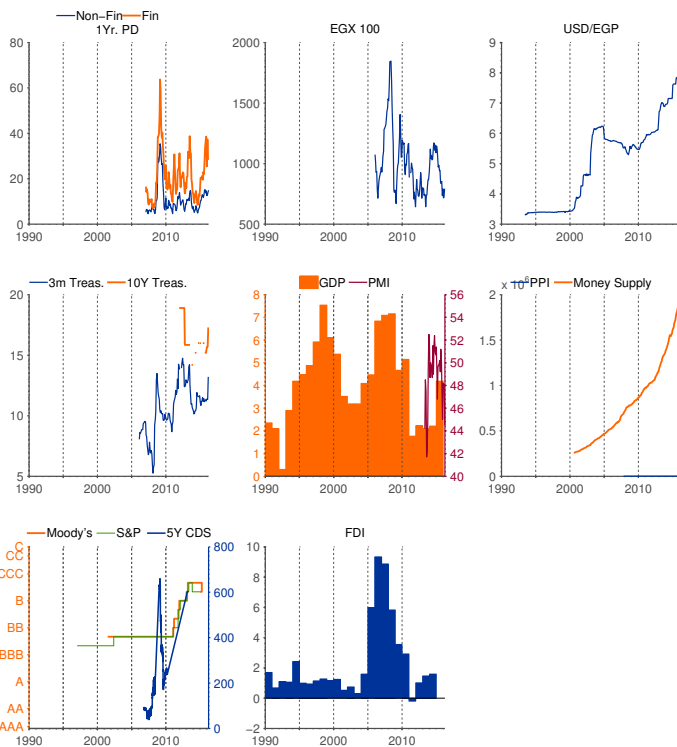
	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	45.83	44.20	38.65	40.50	37.58
1Yr. PD, Fin.	37.18	37.34	35.55	33.57	31.61
CYSMMAPA	80	78	75	68	68
EUR/USD	1.07	1.11	1.12	1.09	1.14
3m Interbank (%)	0.02	-0.01	-0.04	-0.13	-0.24
GDP (YoY%)	0.2	1.2	2.3	2.7	-
PMI	71.4	80.7	78.4	79.3	-
PPI (YoY%)	-0.7	-1.3	-1.5	-1.8	-1.9*
Money Supply (YoY%)	4.6	4.9	4.7	4.8	4.9
Sov. Rating, Moody's	B1	B1	B1	B1	B1
Sov. Rating, S&P	BB-	BB-	BB-	BB-	BB-
Fiscal Budget (%GDP)	-	-	-	-1.00	-



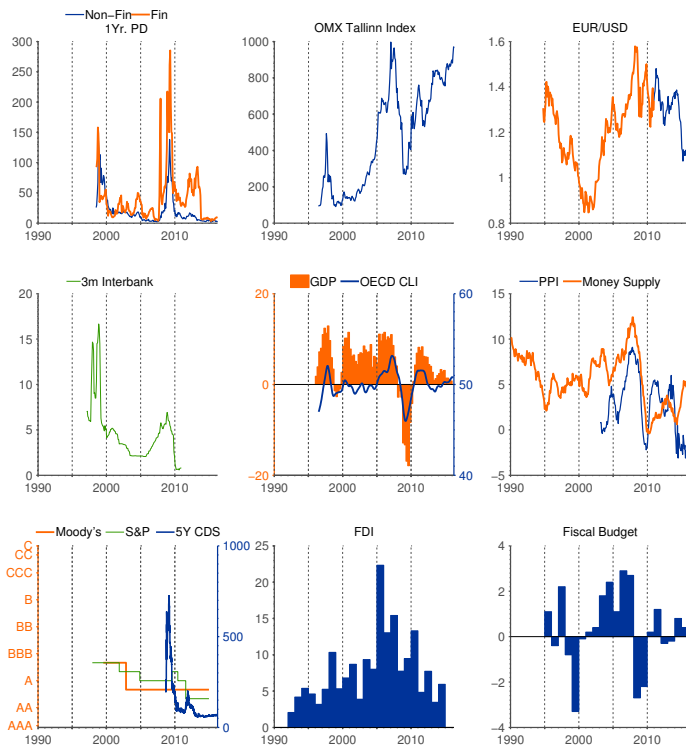
	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	5.78	5.14	6.32	7.15	6.12
1Yr. PD, Fin.	10.07	11.85	13.54	16.18	11.81
PX INDEX	1033.7	981.5	971.1	956.3	899.9
USD/CZK	25.68	24.47	24.33	24.87	23.76
3m Treas. Yield (%)	0.06	0.06	-0.31	-0.60	-0.00
10Y Treas. Yield (%)	0.45	1.26	0.68	0.54	0.44
3m Interbank (%)	0.31	0.31	0.29	0.29	0.29
GDP (YoY%)	-	-	-	4.23	-
OECD CLI	100.75	100.44	100.52	100.51	100.35*
Money Supply (YoY%)	4.6	5.8	7.7	6.9	9.4*
Sov. Rating, Moody's	A1	A1	A1	A1	A1
Sov. Rating, S&P	AA-	AA-	AA-	AA-	AA-
5Y CDS (bps)	47.37	-	45.99	-	-
Fiscal Budget (%GDP)	-	-	-	-0.40	-



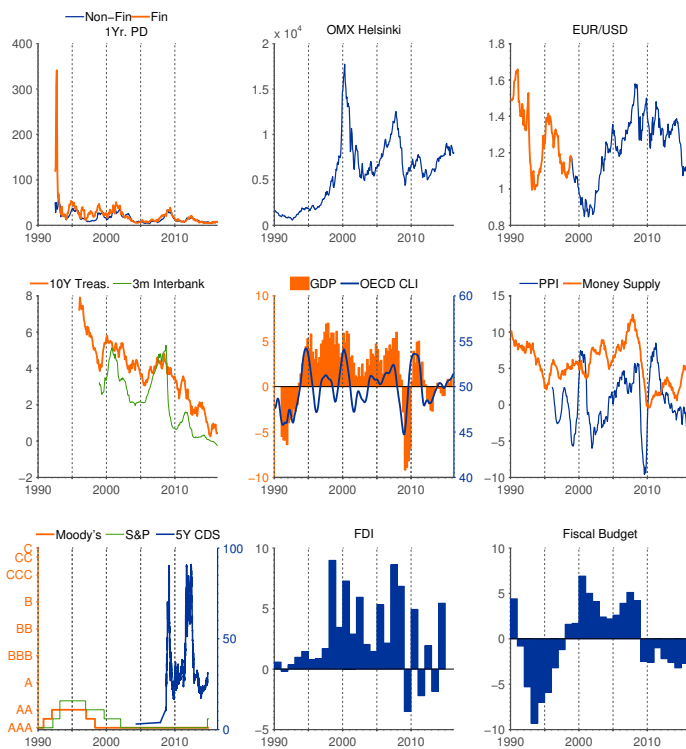
Denmark	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	16.74	16.17	17.22	15.43	18.61
1Yr. PD, Fin.	51.96	28.64	30.41	35.16	43.93
OMX Copenhagen 20	954	945	922	1014	948
USD/DKK	6.96	6.69	6.68	6.87	6.55
3m Treas. Yield (%)	-0.87	-0.99*	-0.43	-0.49	-0.48
10Y Treas. Yield (%)	0.28	1.00	0.86	0.97	0.44
3m Interbank (%)	-0.16	-0.21	-0.05	-0.09	-0.08
GDP (YoY%)	1.6	2.0	0.7	0.5	-
OECD CLI	100.39	100.58	100.42	100.05	99.75*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
5Y CDS (bps)	20.09	21.25	16.72	14.33	21.68
Fiscal Budget (%GDP)	-	-	-	-2.10	-



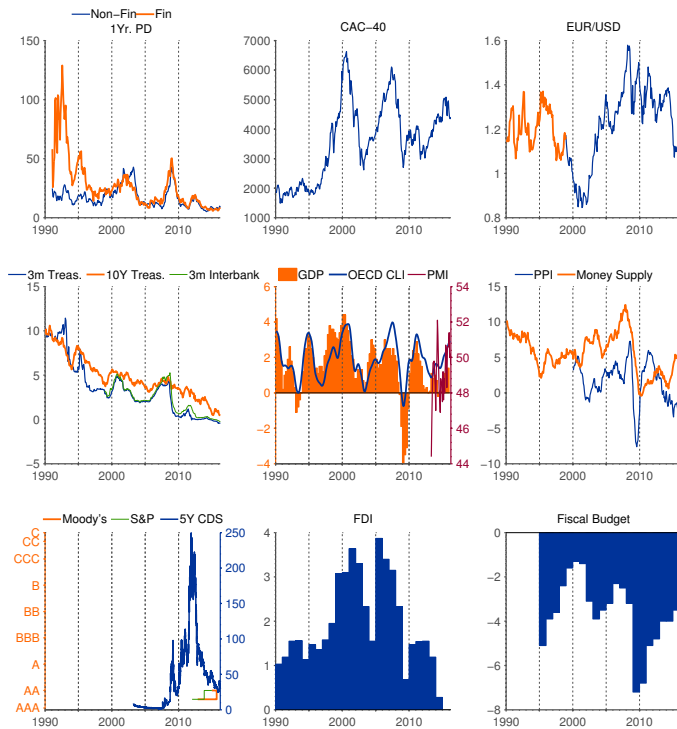
Egypt	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	11.94	11.77	15.18	12.52	14.93
1Yr. PD, Fin.	20.87	23.04	33.74	25.42	28.34
EGX 100	1045.6	941.8	844.6	790.6	792.2
USD/EGP	7.63	7.63	7.80	7.83	8.85
3m Treas. Yield (%)	11.18	11.20	11.24	11.34	13.22
10Y Treas. Yield (%)	16.00*	-	15.20	15.50	17.30
GDP (YoY%)	-	-	-	4.2	-
PMI	49.6	50.2	50.2	48.2	44.5
PPI (YoY%)	201.8	204.4	206.4	205.7*	-
Money Supply (YoY%)	1682225.0	1765492.0	1850305.0	1905464.0	1923578.0*
Sov. Rating, Moody's	B3	B3	B3	B3	B3
Sov. Rating, S&P	B-	B-	B-	B-	B-



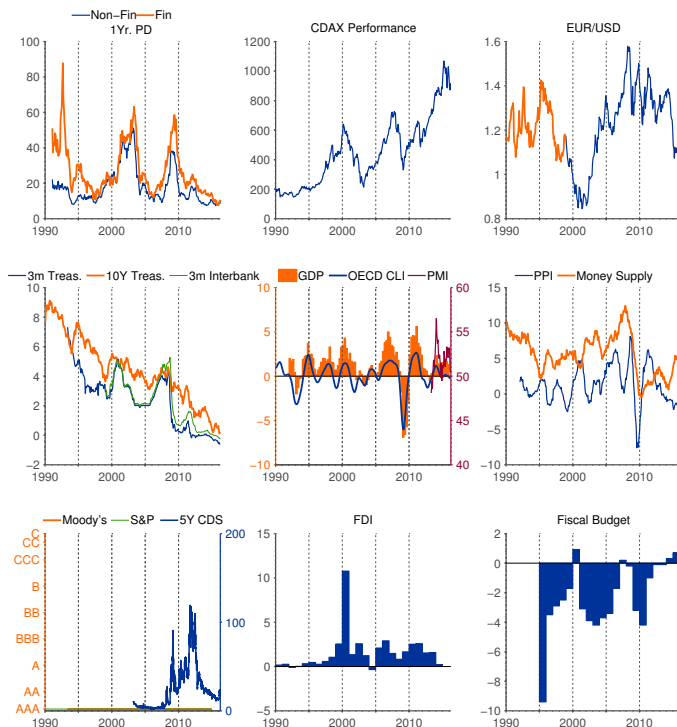
Estonia	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	1.57	3.00	5.07	2.71	1.89
1Yr. PD, Fin.	3.59	6.59	5.02	8.56	9.76
OMX Tallinn Index	862.9	844.7	863.2	899.0	970.6
EUR/USD	1.07	1.11	1.12	1.09	1.14
GDP (YoY%)	1.4	1.4	1.1	0.8	-
OECD CLI	100.22	100.27	100.54	100.81	100.74*
PPI (YoY%)	-0.6	-1.7	-2.8	-2.3	-2.0
Money Supply (YoY%)	4.6	4.9	4.7	4.8	4.9
Sov. Rating, Moody's	A1	A1	A1	A1	A1
Sov. Rating, S&P	AA-	AA-	AA-	AA-	AA-
5Y CDS (bps)	62.63	67.66	67.53	64.81	66.32
Fiscal Budget (%GDP)	-	-	-	0.40	-



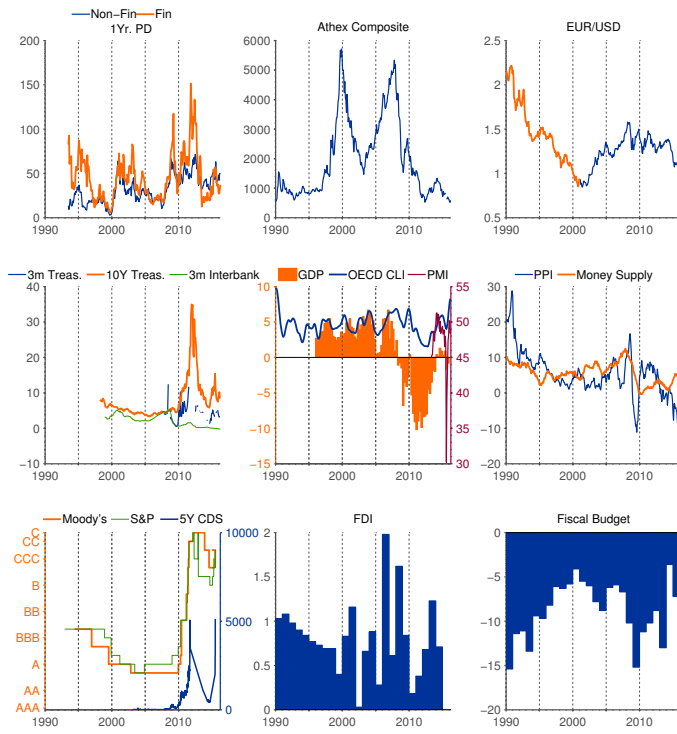
Finland	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	4.87	4.91	6.19	5.81	7.29
1Yr. PD, Fin.	4.84	7.34	7.96	7.27	9.27
OMX Helsinki	9015	8284	7682	8596	8000
EUR/USD	1.07	1.11	1.12	1.09	1.14
10Y Treas. Yield (%)	0.25	0.90	0.87	0.92	0.44
3m Interbank (%)	0.02	-0.01	-0.04	-0.13	-0.24
GDP (YoY%)	0.1	0.8	0.4	0.9	-
OECD CLI	100.49	100.68	100.80	101.11	101.41*
PPI (YoY%)	-0.8	-1.2	-3.2	-2.6	-4.2
Money Supply (YoY%)	4.60	4.90	4.70	4.80	4.90
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AA+	AA+	AA+	AA+	AA+
Fiscal Budget (%GDP)	-	-	-	-2.70	-



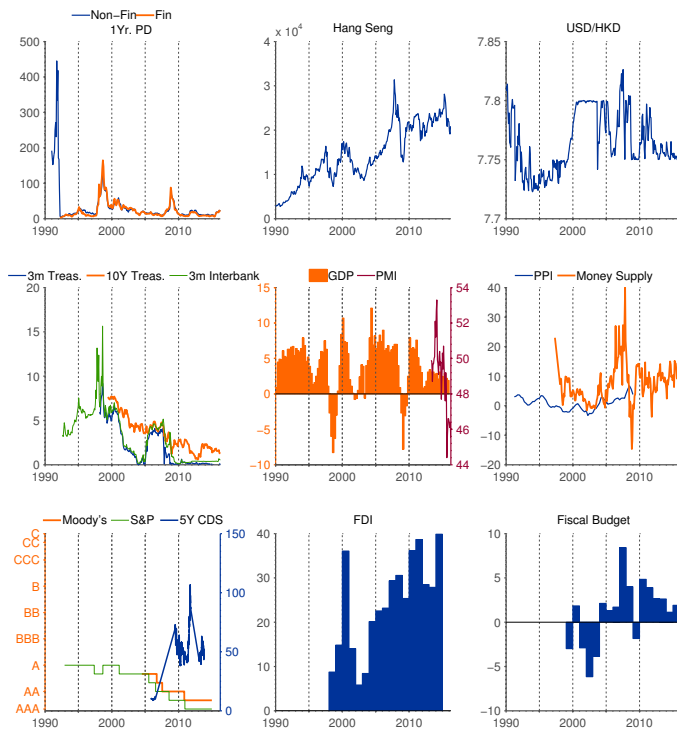
France	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	7.89	7.32	8.68	7.28	8.63
1Yr. PD, Fin.	6.22	7.32	7.22	6.24	7.55
CAC-40	5034	4790	4455	4637	4385
EUR/USD	1.07	1.11	1.12	1.09	1.14
3m Treas. Yield (%)	-0.16	-0.18	-0.20	-0.45	-0.42
10Y Treas. Yield (%)	0.48	1.20	0.98	0.99	0.49
3m Interbank (%)	0.02	-0.01	-0.04	-0.13	-0.24
GDP (YoY%)	1.0	1.1	1.2	1.4	-
OECD CLI	100.11	100.30	100.58	100.85	100.91*
PMI	48.8	50.7	50.6	51.4	49.6
PPI (YoY%)	-1.9	-1.5	-2.6	-2.7	-4.1*
Money Supply (YoY%)	4.6	4.9	4.7	4.8	4.9
Sov. Rating, Moody's	Aa2	Aa2	Aa2	Aa2	Aa2
Sov. Rating, S&P	AA	AA	AA	AA	AA
5Y CDS (bps)	40.6	36.2	32.2	26.4	33.3
Fiscal Budget (%GDP)	-	-	-	-3.50	-



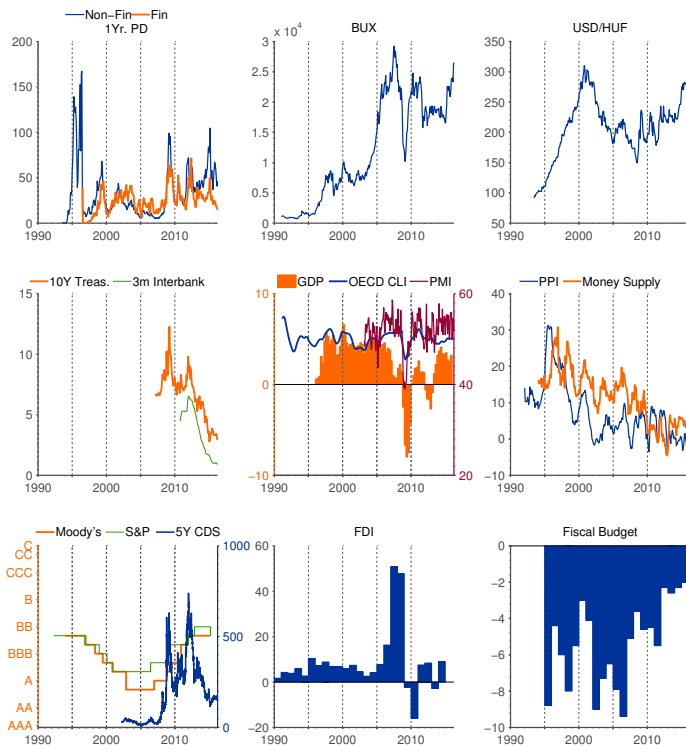
Germany	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	8.89	8.38	8.50	7.59	8.46
1Yr. PD, Fin.	9.88	10.75	7.89	7.71	9.81
CDAX Performance	1069	986	886	979	915
EUR/USD	1.07	1.11	1.12	1.09	1.14
3m Treas. Yield (%)	-0.31	-0.30	-0.38	-0.54	-0.59
10Y Treas. Yield (%)	0.18	0.76	0.59	0.63	0.15
3m Interbank (%)	0.02	-0.01	-0.04	-0.13	-0.24
GDP (YoY%)	1.1	1.6	1.7	1.3	-
OECD CLI	100.07	100.14	100.01	99.87	99.71*
PMI	52.8	51.9	52.3	53.2	50.7
PPI (YoY%)	-1.7	-1.4	-2.1	-2.3	-3.1
Money Supply (YoY%)	4.6	4.9	4.7	4.8	4.9
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
5Y CDS (bps)	17.12	15.99	14.44	12.87	18.69
Fiscal Budget (%GDP)	-	-	-	0.70	-



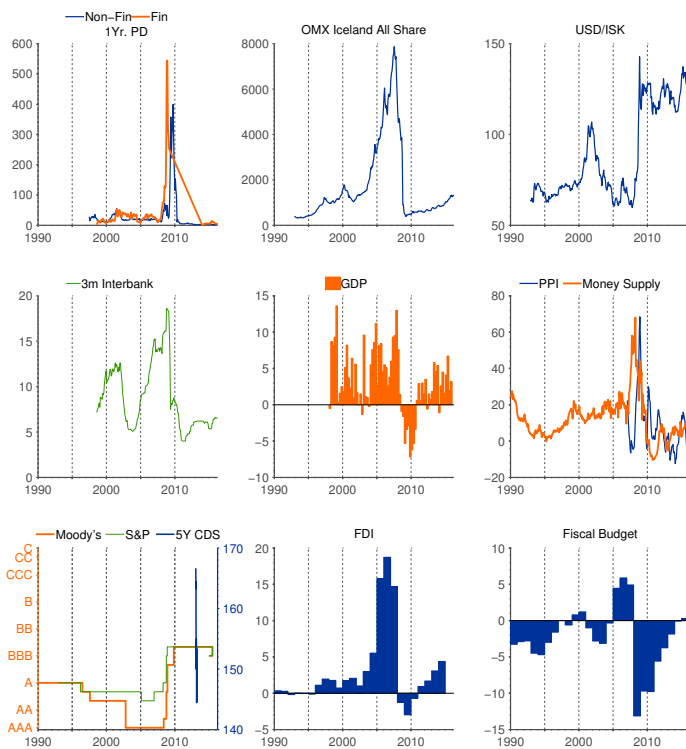
Greece	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	51.31	45.28	42.09	48.12	49.31
1Yr. PD, Fin.	54.52	56.73	36.46	27.43	37.13
Athex Composite	775	798	654	631	577
EUR/USD	1	1	1	1	1
3m Treas. Yield (%)	4.31	3.54	4.79	4.02	3.28
10Y Treas. Yield (%)	11.63	15.42	8.28	8.29	8.59
3m Interbank (%)	0.02	-0.01	-0.04	-0.13	-0.24
GDP (YoY%)	0.3	0.9	-1.7	-0.8	-
OECD CLI	100.27	99.16	99.78	102.20	103.28*
PMI	48.9	46.9	43.3	50.2	49.0
PPI (YoY%)	-3.0	-4.8	-8.8	-5.7	-9.9*
Money Supply (YoY%)	4.6	4.9	4.7	4.8	4.9
Sov. Rating, Moody's	Caa3	Caa3	Caa3	Caa3	Caa3
Sov. Rating, S&P	CCC+	CCC+	CCC+	CCC+	CCC+
5Y CDS (bps)	-	2984.4	5124.7*	-	-
Fiscal Budget (%GDP)	-	-	-	-7.20	-



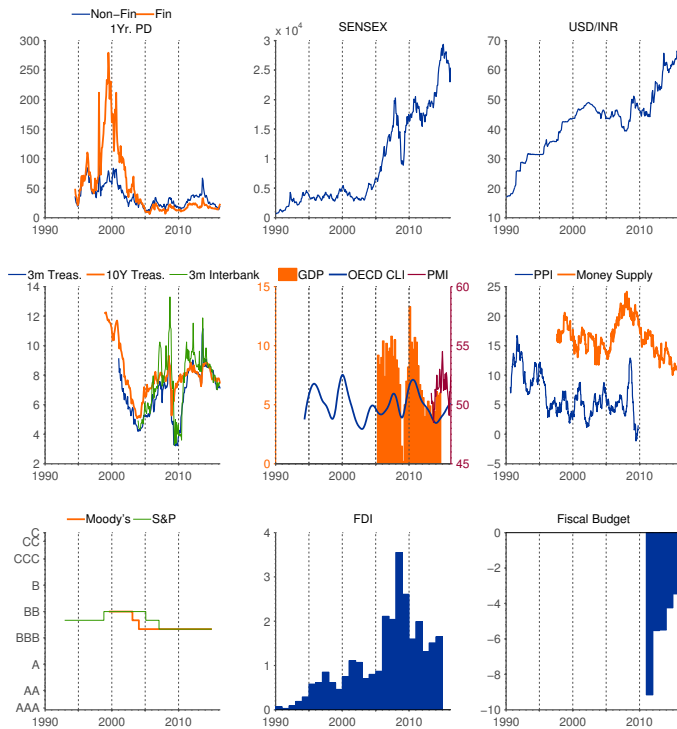
Hong Kong	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	9.96	8.56	18.89	18.06	21.85
1Yr. PD, Fin.	8.01	7.42	17.27	17.62	19.93
Hang Seng	24901	26250	20846	21914	20777
USD/HKD	7.75	7.75	7.75	7.75	7.76
3m Treas. Yield (%)	0.07	-	-	-	0.05
10Y Treas. Yield (%)	1.48	1.79	1.56	1.58	1.28
3m Interbank (%)	0.39	0.39	0.40	0.39	0.56
GDP (YoY%)	2.4	2.9	2.2	1.9	-
PMI	49.6	49.2	45.7	46.4	45.5
Money Supply (YoY%)	15.2	12.4	10.1	10.4	8.7*
Sov. Rating, Moody's	Aa1	Aa1	Aa1	Aa1	Aa1
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
Fiscal Budget (%GDP)	-	-	-	1.91	-



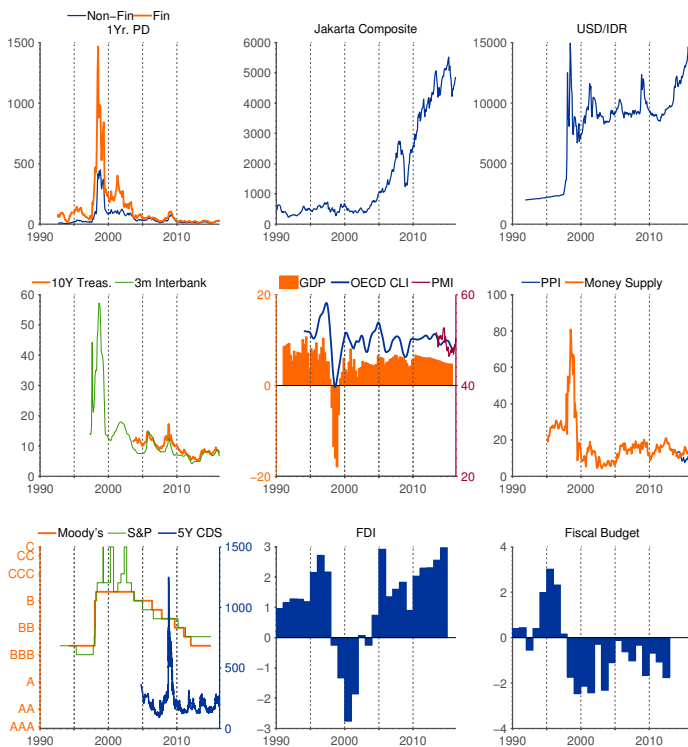
Hungary	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	60.33	47.20	58.47	58.34	46.34
1Yr. PD, Fin.	30.63	25.87	24.75	19.96	14.42
BUX	19689.2	21903.1	20894.0	23920.7	26451.0
USD/HUF	279.98	282.62	280.46	290.44	275.92
10Y Treas. Yield (%)	3.33	3.87	3.31	3.31	2.95
3m Interbank (%)	1.40	1.07	0.98	1.01	0.91
GDP (YoY%)	3.5	2.7	2.4	3.2	-
OECD CLI	100.04	100.14	100.08	100.15	100.25*
PMI	55.4	54.9	55.8	49.9	51.7
PPI (YoY%)	-2.4	1.5	-1.5	-1.3	-1.6*
Money Supply (YoY%)	4.83	3.93	4.10	6.23	3.97*
Sov. Rating, Moody's	Ba1	Ba1	Ba1	Ba1	Ba1
Sov. Rating, S&P	BB+	BB+	BB+	BB+	BB+
5Y CDS (bps)	136.65	159.23	169.51	164.52	151.84
Fiscal Budget (%GDP)	-	-	-	-2.00	-



Iceland	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	4.25	2.62	1.83	1.54	2.29
1Yr. PD, Fin.	9.56	11.00	8.31	4.66	3.05
OMX Iceland All Share	1019	1121	1215	1320	1321
USD/ISK	137.31	132.17	127.62	130.18	123.42
3m Interbank (%)	5.35	5.95	6.40	6.55	6.55
GDP (YoY%)	4.1	6.7	2.0	3.2	-
PPI (YoY%)	15.9	11.0	-2.9	-9.4	-8.9*
Money Supply (YoY%)	6.59	8.81	7.36	5.57	-5.52
Sov. Rating, Moody's	Baa2	Baa2	Baa2	Baa2	Baa2
Sov. Rating, S&P	BBB	BBB	BBB	BBB	BBB
Fiscal Budget (%GDP)	-	-	-	0.29	-

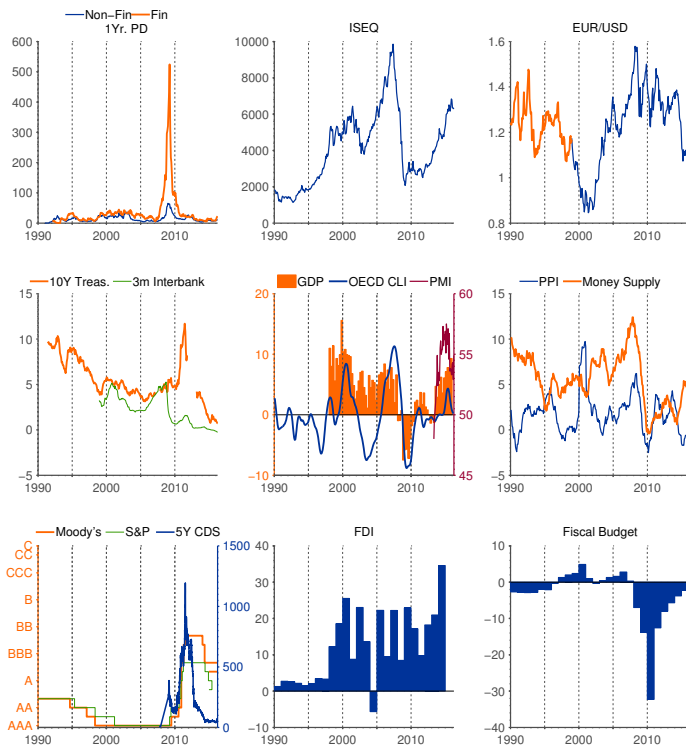


India	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	24.18	22.58	17.82	13.49	18.41
1Yr. PD, Fin.	15.53	16.20	13.94	16.07	23.53
SENSEX	27957	27781	26155	26118	25342
USD/INR	62.50	63.65	65.59	66.15	66.25
3m Treas. Yield (%)	8.27	7.64	7.04	7.15	7.13
10Y Treas. Yield (%)	7.74	7.86	7.54	7.76	7.46
3m Interbank (%)	7.50	8.00	7.38	7.25	7.50
OECD CLI	99.28	99.53	99.79	100.01	100.13*
PMI	52.1	51.3	51.2	49.1	52.4
Money Supply (YoY%)	10.80	11.00	11.00	11.00	10.30
Sov. Rating, Moody's	Baa3	Baa3	Baa3	Baa3	Baa3
Sov. Rating, S&P	BBB-	BBB-	BBB-	BBB-	BBB-
Fiscal Budget (%GDP)	-	-	-	-3.46	-

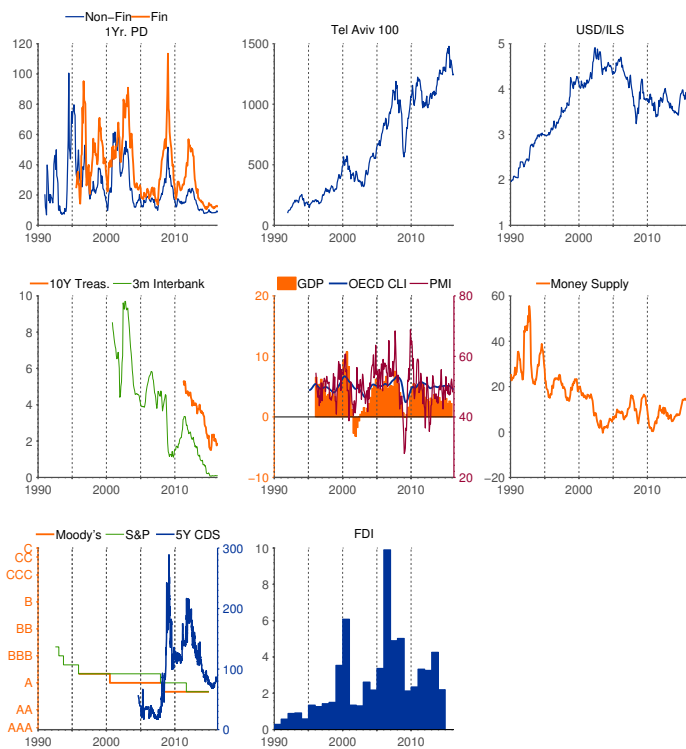


Indonesia	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	10.25	13.41	22.34	27.61	22.89
1Yr. PD, Fin.	11.42	18.09	26.97	26.09	23.79
Jakarta Composite	5519	4911	4224	4593	4845
USD/IDR	13074.00	13339.00	14653.00	13788.00	13239.00
10Y Treas. Yield (%)	7.44	8.33	9.60	8.74	7.67
3m Interbank (%)	6.88	6.98	8.21	8.86	6.73
GDP (YoY%)	4.8	4.7	4.7	-	-
OECD CLI	99.55	98.68	97.97	98.21	99.05*
PMI	46.4	47.8	47.4	47.8	50.6
PPI (YoY%)	8.33	9.65	10.38	8.44	11.10
Money Supply (YoY%)	16.26	12.98	12.43	9.00	7.20*
Sov. Rating, Moody's	Baa3	Baa3	Baa3	Baa3	Baa3
Sov. Rating, S&P	BB+	BB+	BB+	BB+	BB+
5Y CDS (bps)	154.8	174.8	276.3	229.9	198.3

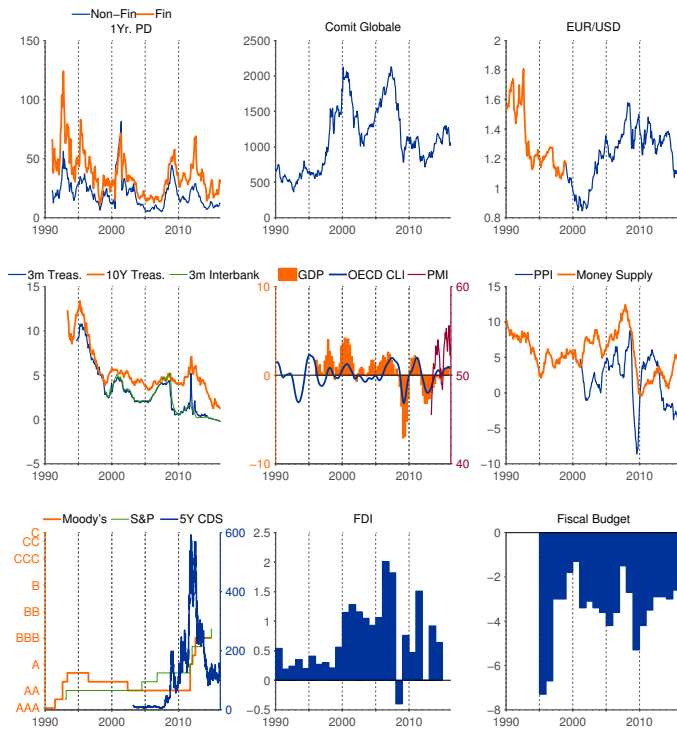




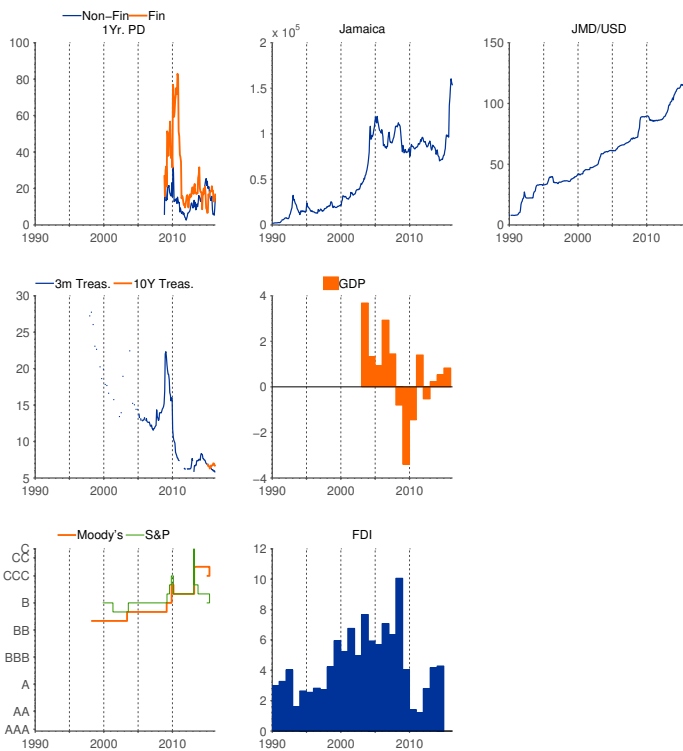
Ireland	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	7.51	7.19	7.75	7.88	10.15
1Yr. PD, Fin.	14.01	8.46	8.80	8.42	22.69
ISEQ	6019	6165	6167	6792	6309
EUR/USD	1.07	1.11	1.12	1.09	1.14
10Y Treas. Yield (%)	0.75	1.65	1.24	1.15	0.73
3m Interbank (%)	0.02	-0.01	-0.04	-0.13	-0.24
GDP (YoY%)	7.1	7.8	7.1	9.3	-
OECD CLI	101.99	102.05	101.06	100.31	100.09*
PMI	56.8	54.6	53.8	54.2	54.9
PPI (YoY%)	-1.7	-0.9	-0.6	0.0	-0.5
Money Supply (YoY%)	4.6	4.9	4.7	4.8	4.9
Sov. Rating, Moody's	A3	A3	A3	A3	A3
Sov. Rating, S&P	A+	A+	A+	A+	A+
5Y CDS (bps)	48.27	58.99	50.06	39.27	57.81
Fiscal Budget (%GDP)	-	-	-	-2.30	-



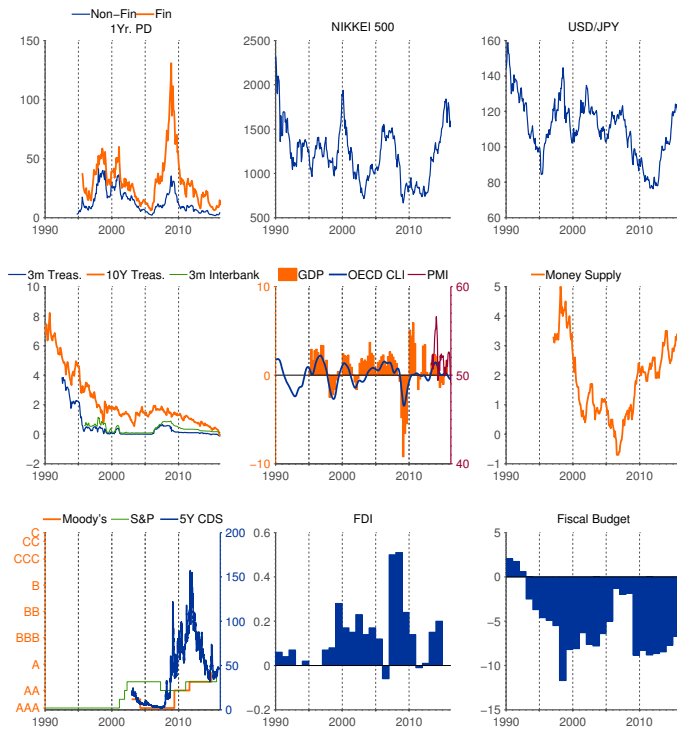
Israel	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	8.85	8.22	8.37	8.35	8.53
1Yr. PD, Fin.	13.61	12.01	12.07	12.58	11.93
Tel Aviv 100	1417	1418	1300	1315	1250
USD/ILS	3.98	3.77	3.92	3.89	3.76
10Y Treas. Yield (%)	1.52	2.36	2.36	2.10	1.85
3m Interbank (%)	0.08	0.10	0.08	0.10	0.10
GDP (YoY%)	3.1	2.2	2.6	2.2	-
OECD CLI	100.20	100.26	100.00	99.43	98.97*
PMI	50.2	51.0	47.5	50.7	48.1*
Money Supply (YoY%)	14.3	14.7	14.9	10.5	-
Sov. Rating, Moody's	A1	A1	A1	A1	A1
Sov. Rating, S&P	A+	A+	A+	A+	A+
5Y CDS (bps)	76.39	70.14	72.95	79.41	79.59



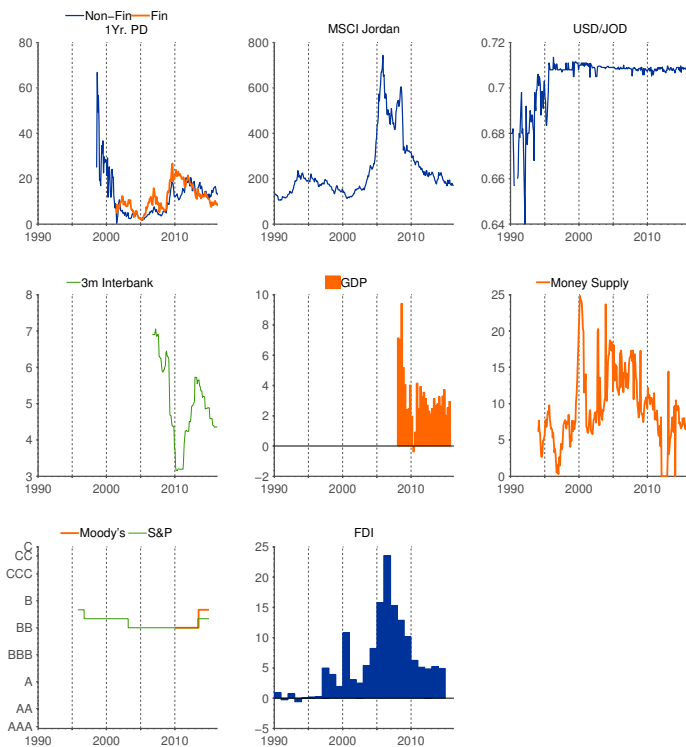
Italy	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	8.30	10.40	11.07	9.53	11.74
1Yr. PD, Fin.	16.86	19.80	23.69	20.46	29.11
Comit Globale	1273	1238	1179	1218	1056
EUR/USD	1.07	1.11	1.12	1.09	1.14
3m Treas. Yield (%)	0.04	-0.01	-0.03	-0.09	-0.21
10Y Treas. Yield (%)	1.24	2.33	1.73	1.60	1.22
3m Interbank (%)	0.02	-0.01	-0.04	-0.13	-0.24
GDP (YoY%)	0.2	0.6	0.8	1.0	-
OECD CLI	100.65	100.78	100.87	100.90	100.72*
PMI	53.3	54.1	52.7	55.6	53.5
PPI (YoY%)	-3.0	-3.0	-3.9	-3.9	-4.1*
Money Supply (YoY%)	4.60	4.90	4.70	4.80	4.90
Sov. Rating, Moody's	Baa2	Baa2	Baa2	Baa2	Baa2
Sov. Rating, S&P	BBB-	BBB-	BBB-	BBB-	BBB-
5Y CDS (bps)	108.21	136.31	121.62	97.23	126.70
Fiscal Budget (%GDP)	-	-	-	-2.60	-



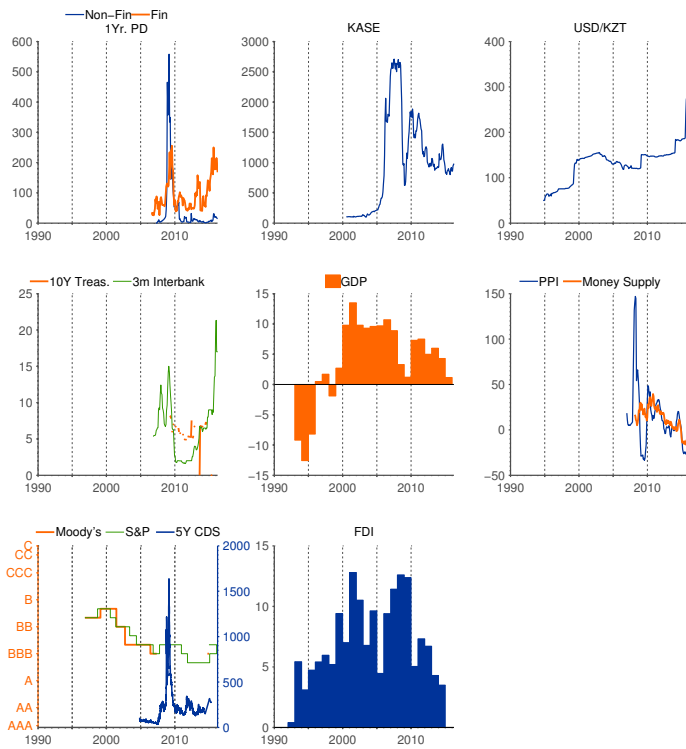
Jamaica	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	20.64	15.15	15.70	6.04	14.94
1Yr. PD, Fin.	16.76	18.42	21.23	13.02	17.19
Jamaica	83805	97271	96295	150692	153911
JMD/USD	114.80	116.65	118.12	119.97	121.56
3m Treas. Yield (%)	6.73	6.48	6.20	5.96	5.75
10Y Treas. Yield (%)	6.63	6.29	6.69	7.00	6.66
GDP (YoY%)	-	-	-	0.8	-
Sov. Rating, Moody's	Caa2	Caa2	Caa2	Caa2	Caa2
Sov. Rating, S&P	B	B	B	B	B



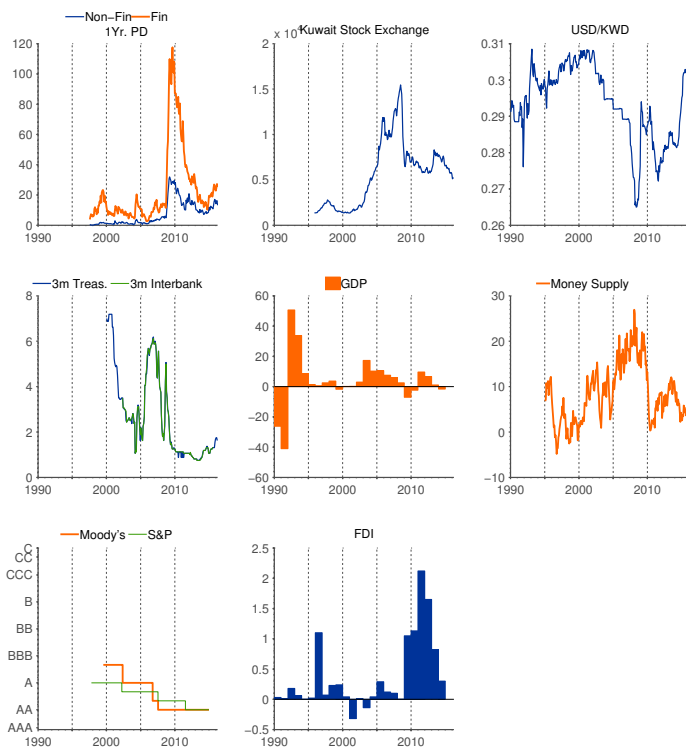
Japan	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	2.22	1.85	2.95	2.45	3.88
1Yr. PD, Fin.	6.88	6.66	10.12	8.89	10.42
NIKKEI 500	1716	1800	1574	1754	1590
USD/JPY	120.13	122.50	119.88	120.22	112.57
3m Treas. Yield (%)	0.01	0.00	-0.02	-0.04	-0.12
10Y Treas. Yield (%)	0.41	0.47	0.36	0.27	-0.03
3m Interbank (%)	0.17	0.17	0.17	0.17	0.10
GDP (YoY%)	-1.0	0.7	1.7	-	-
OECD CLI	100.16	100.22	99.99	99.66	99.53*
PMI	50.3	50.1	51.0	52.6	49.1
Money Supply (YoY%)	3.00	3.20	3.10	2.50	2.60
Sov. Rating, Moody's	A1	A1	A1	A1	A1
Sov. Rating, S&P	A+	A+	A+	A+	A+
5Y CDS (bps)	34.83	43.24	45.61	46.74	45.76
Fiscal Budget (%GDP)	-	-	-	-6.70	-



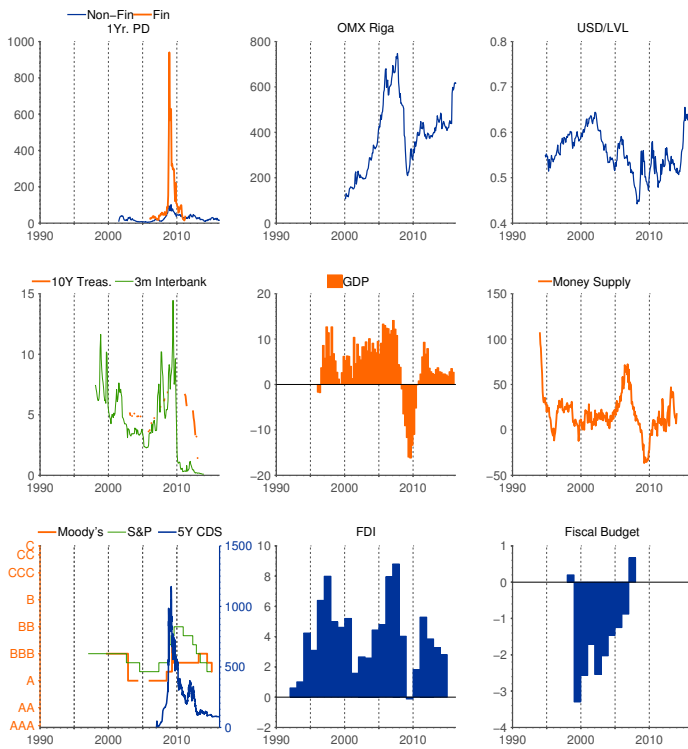
Jordan	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	12.24	14.03	15.95	15.64	12.94
1Yr. PD, Fin.	8.27	8.53	9.63	8.70	8.08
MSCI Jordan	171	179	178	180	170
USD/JOD	0.71	0.71	0.71	0.71	0.71
3m Interbank (%)	4.59	4.59	4.39	4.36	4.36
GDP (YoY%)	2.0	2.5	2.9	-	-
Money Supply (YoY%)	7.22	6.70	6.90	8.09	6.16*
Sov. Rating, Moody's	B1	B1	B1	B1	B1
Sov. Rating, S&P	BB-	BB-	BB-	BB-	BB-



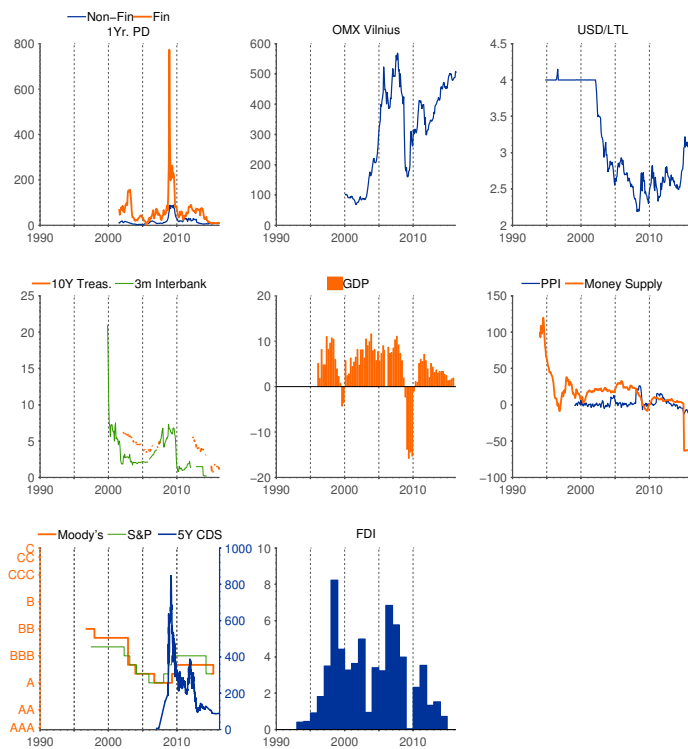
Kazakhstan	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	7.67	8.76	30.11	21.61	14.38
1Yr. PD, Fin.	155.80	178.71	199.54	178.93	167.76
KASE	804	900	800	859	971
USD/KZT	185.81	186.21	272.00	340.60	344.59
10Y Treas. Yield (%)	-	0.00*	-	-	-
3m Interbank (%)	9.00	8.35	11.00	18.67	17.00
GDP (YoY%)	-	-	-	1.2	-
PPI (YoY%)	-24.7	-24.1	-23.7	-4.8	8.2
Money Supply (YoY%)	-12.72	-12.44	-11.72	7.94	24.94
Sov. Rating, Moody's	Baa2	Baa2	Baa2	Baa2	Baa2
Sov. Rating, S&P	BBB-	BBB-	BBB-	BBB-	BBB-
5Y CDS (bps)	302.99*	271.13*	-	-	-



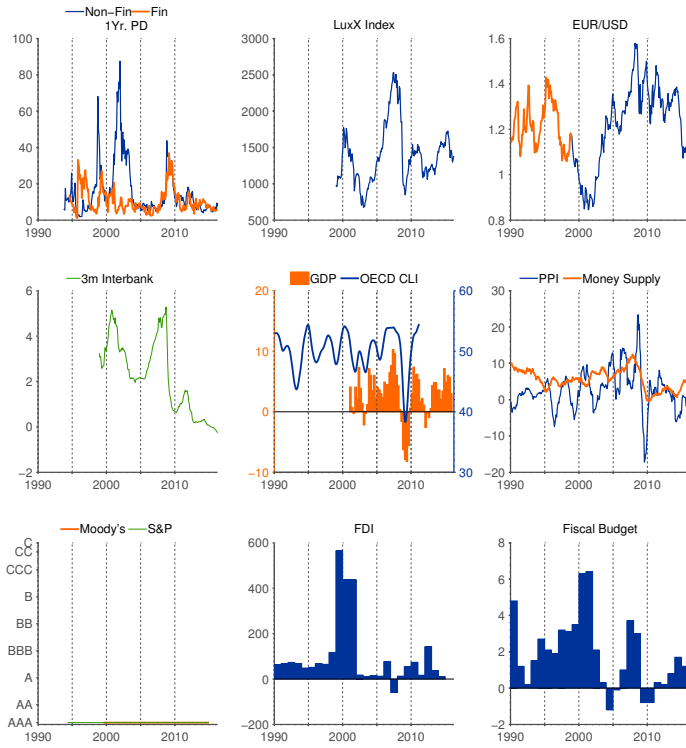
Kuwait	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	12.63	11.35	15.52	14.24	13.18
1Yr. PD, Fin.	20.37	18.90	26.91	22.85	25.34
Kuwait Stock Exchange	6282	6203	5726	5615	5229
USD/KWD	0.30	0.30	0.30	0.30	0.30
3m Treas. Yield (%)	1.19	1.25	1.31	1.69	1.63
3m Interbank (%)	1.19	1.25	1.31*	-	-
Money Supply (YoY%)	3.55	4.29	5.47	1.28	2.51*
Sov. Rating, Moody's	Aa2	Aa2	Aa2	Aa2	Aa2
Sov. Rating, S&P	AA	AA	AA	AA	AA



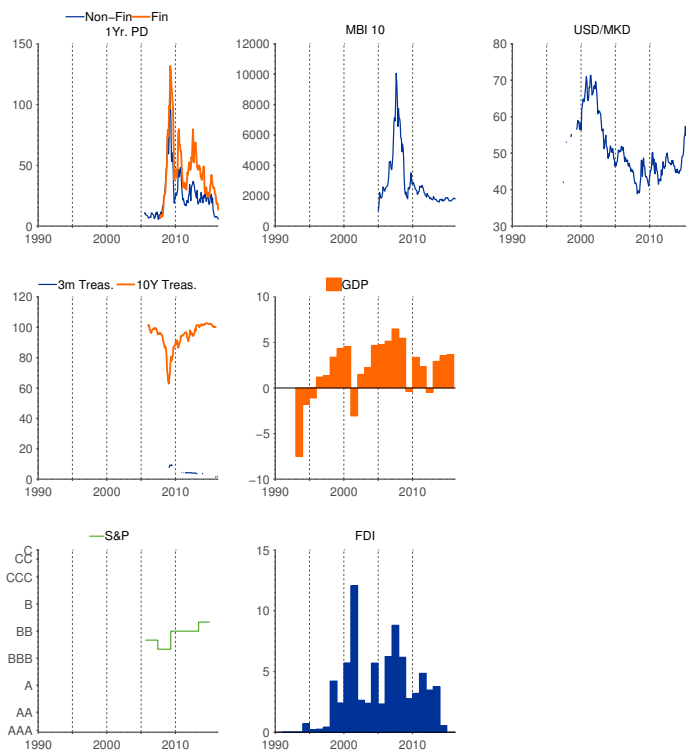
Latvia	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	30.80	23.83	26.70	17.56	13.04
OMX Riga	421	439	571	594	616
USD/LVL	0.65	0.63	0.63	0.65	0.62
GDP (YoY%)	1.8	2.8	3.5	2.7	-
Sov. Rating, Moody's	A3	A3	A3	A3	A3
Sov. Rating, S&P	A-	A-	A-	A-	A-
5Y CDS (bps)	87.62	-	90.30	90.26*	88.57



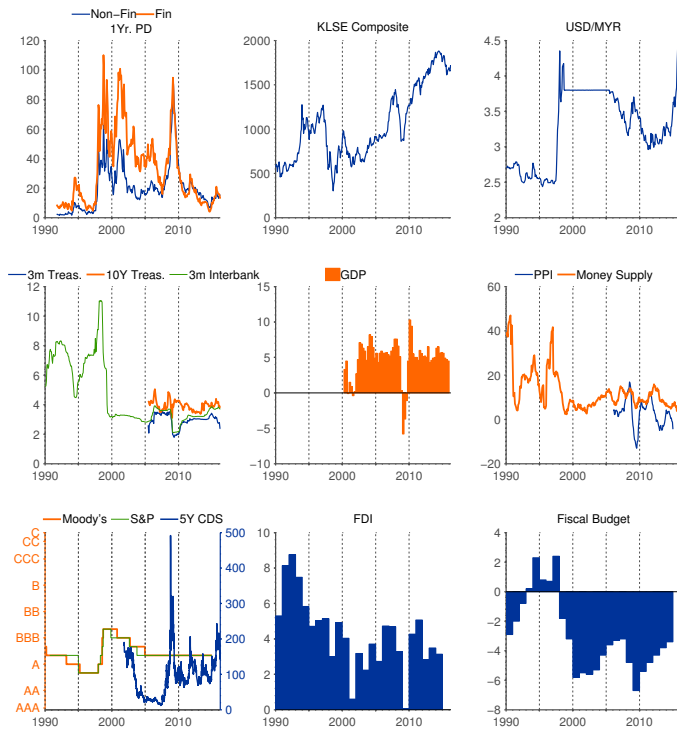
Lithuania	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	8.95	8.14	8.35	8.64	6.92
1Yr. PD, Fin.	11.74	9.86	8.69	8.65	13.05
OMX Vilnius	493	497	480	486	508
USD/LTL	3.22	3.10	3.09	3.18	3.03
10Y Treas. Yield (%)	0.83*	0.77*	1.74*	1.49*	1.06
GDP (YoY%)	1.3	1.4	1.7	1.9	-
PPI (YoY%)	-8.9	-7.0	-12.5	-7.9	-9.9
Money Supply (YoY%)	-63.10	-62.70	-62.40	-61.50	4.90*
Sov. Rating, Moody's	A3	A3	A3	A3	A3
Sov. Rating, S&P	A-	A-	A-	A-	A-
5Y CDS (bps)	89.32	-	86.74*	-	90.64



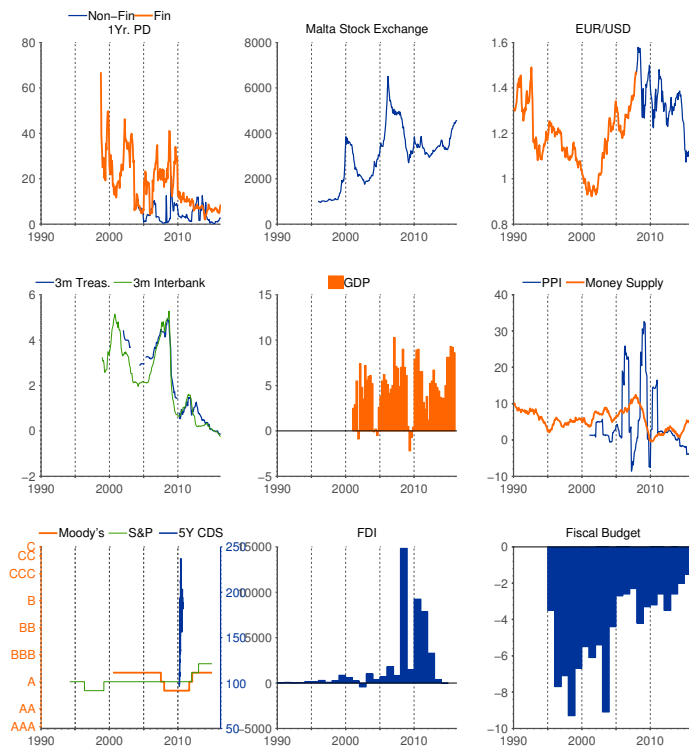
Luxembourg	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	5.61	4.51	6.72	5.45	7.60
1Yr. PD, Fin.	6.56	6.53	5.64	5.04	5.34
LuxX Index	1715	1654	1361	1391	1376
EUR/USD	1.07	1.11	1.12	1.09	1.14
3m Interbank (%)	0.02	-0.01	-0.04	-0.13	-0.24
GDP (YoY%)	4.9	6.0	5.7	3.0	-
PPI (YoY%)	1.1	0.6	-1.6	-3.0	-5.2*
Money Supply (YoY%)	4.60	4.90	4.70	4.80	4.90
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
Fiscal Budget (%GDP)	-	-	-	1.20	-



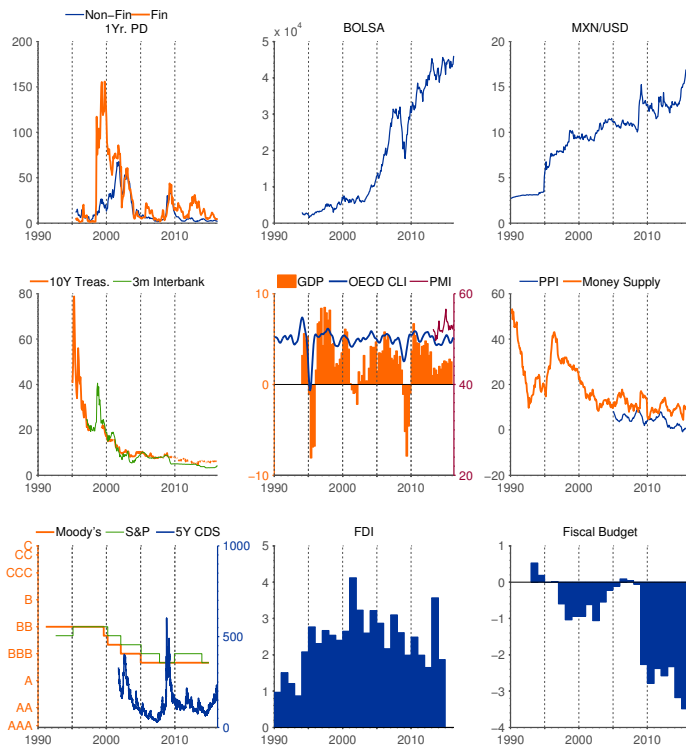
Macedonia	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	26.28	13.47	7.31	7.27	5.23
1Yr. PD, Fin.	42.19	31.33	26.90	17.97	12.84
MBI 10	1755	1641	1704	1833	1781
USD/MKD	57.35	55.31	52.77	56.65	54.15
3m Treas. Yield (%)	-	-	-	1.35	1.60*
10Y Treas. Yield (%)	102.11	100.56	100.10	100.05	-
GDP (YoY%)	-	-	-	3.7	-
Sov. Rating, S&P	BB-	BB-	BB-	BB-	BB-



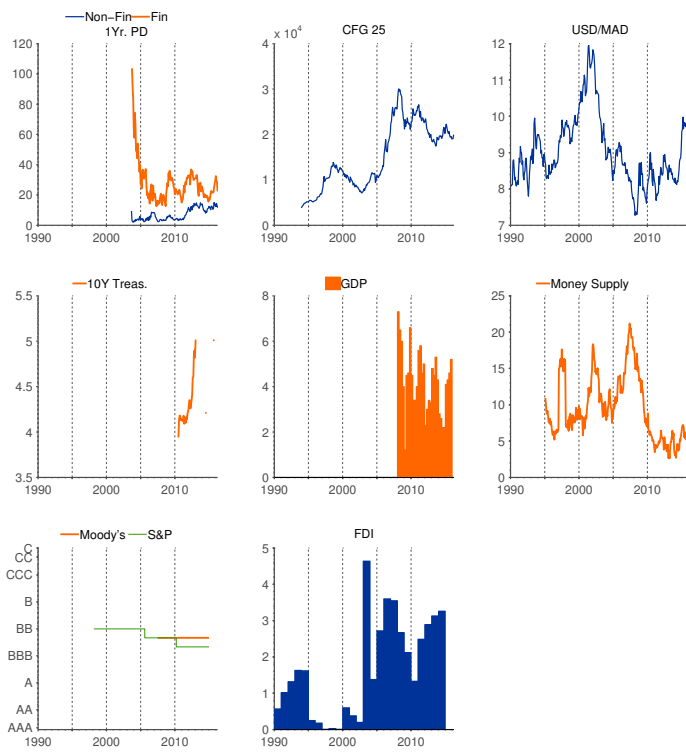
Malaysia	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	12.66	14.13	17.00	13.13	15.04
1Yr. PD, Fin.	11.78	14.44	18.32	16.09	12.84
KLSE Composite	1831	1707	1621	1693	1718
USD/MYR	3.70	3.77	4.39	4.29	3.90
3m Treas. Yield (%)	3.19	3.06	3.14	2.74	2.39
10Y Treas. Yield (%)	3.89	4.03	4.15	4.19	3.80
3m Interbank (%)	3.73	3.69	3.74	3.84	3.71
GDP (YoY%)	5.6	4.9	4.7	4.5	-
Money Supply (YoY%)	7.90	6.00	5.20	2.70	2.70*
Sov. Rating, Moody's	A3	A3	A3	A3	A3
Sov. Rating, S&P	A-	A-	A-	A-	A-
5Y CDS (bps)	132.49	137.84	238.82	180.22	153.00



Malta	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	0.22	1.11	1.17	1.49	2.53
1Yr. PD, Fin.	5.82	7.20	5.89	4.78	8.62
Malta Stock Exchange	3776	4091	4334	4431	4563
EUR/USD	1.07	1.11	1.12	1.09	1.14
3m Treas. Yield (%)	0.00	-0.00	-0.00	-0.10	-0.14
3m Interbank (%)	0.02	-0.01	-0.04	-0.13	-0.24
GDP (YoY%)	8.1	9.3	9.2	8.6	-
PPI (YoY%)	-1.8	-3.9	-3.4	-2.9	-3.3
Money Supply (YoY%)	4.60	4.90	4.70	4.80	4.90
Sov. Rating, Moody's	A3	A3	A3	A3	A3
Sov. Rating, S&P	BBB+	BBB+	BBB+	BBB+	BBB+
Fiscal Budget (%GDP)	-	-	-	-1.50	-

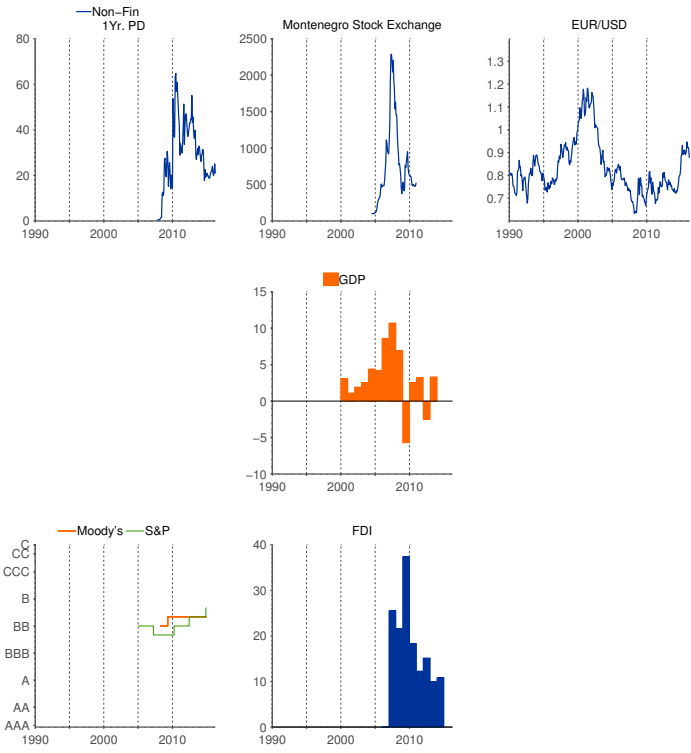


Mexico	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	2.93	2.33	3.02	2.48	2.01
1Yr. PD, Fin.	8.12	11.36	6.43	4.01	5.12
BOLSA	43725	45054	42633	42978	45881
MXN/USD	15.26	15.74	16.92	17.21	17.28
10Y Treas. Yield (%)	6.04	6.25	6.07	6.18*	6.07*
3m Interbank (%)	3.33	3.32	3.33	3.59	4.12
GDP (YoY%)	2.5	2.3	2.8	2.5	-
OECD CLI	100.85	99.94	99.12	99.72	100.36*
PMI	53.8	52.0	52.1	52.4	53.2
PPI (YoY%)	-0.1	0.7	0.8	1.3	3.0
Money Supply (YoY%)	4.40	9.40	8.80	7.20	6.90*
Sov. Rating, Moody's	Baa1	Baa1	Baa1	Baa1	Baa1
Sov. Rating, S&P	BBB+	BBB+	BBB+	BBB+	BBB+
5Y CDS (bps)	125.61	131.15	175.99	170.13	162.36
Fiscal Budget (%GDP)	-	-	-	-3.49	-

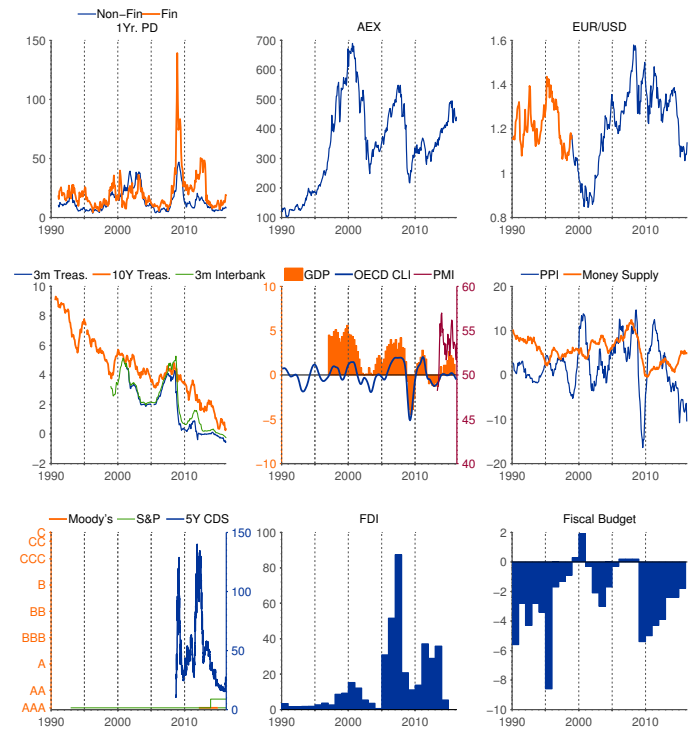


Morocco	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	10.21	11.88	14.95	12.33	11.59
1Yr. PD, Fin.	21.24	22.14	25.11	32.52	22.40
CFG 25	21833	20205	19457	19002	19872
USD/MAD	9.98	9.74	9.73	9.93	9.63
10Y Treas. Yield (%)	-	-	5.01	-	-
GDP (YoY%)	4.1	4.3	4.6	5.2	-
Money Supply (YoY%)	7.22	6.19	5.20	5.70	5.70*
Sov. Rating, Moody's	Ba1	Ba1	Ba1	Ba1	Ba1
Sov. Rating, S&P	BBB-	BBB-	BBB-	BBB-	BBB-

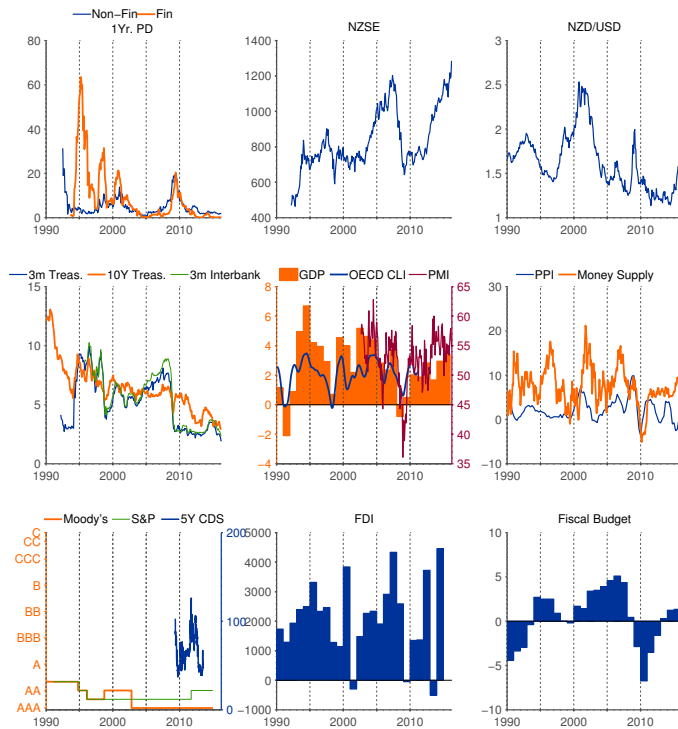




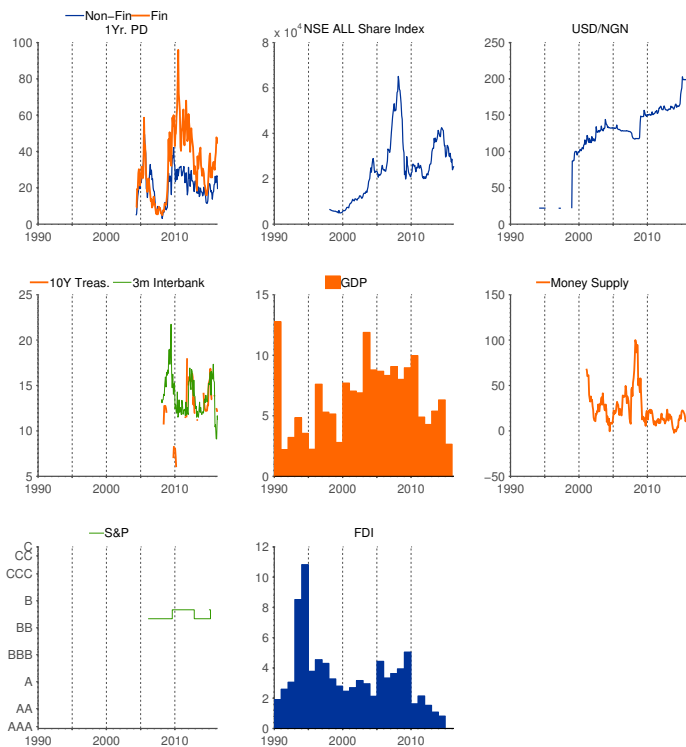
Montenegro	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	19.62	19.48	22.70	19.90	20.75
EUR/USD	0.93	0.90	0.89	0.92	0.88
Sov. Rating, Moody's	Ba3	Ba3	Ba3	Ba3	Ba3
Sov. Rating, S&P	B+	B+	B+	B+	B+



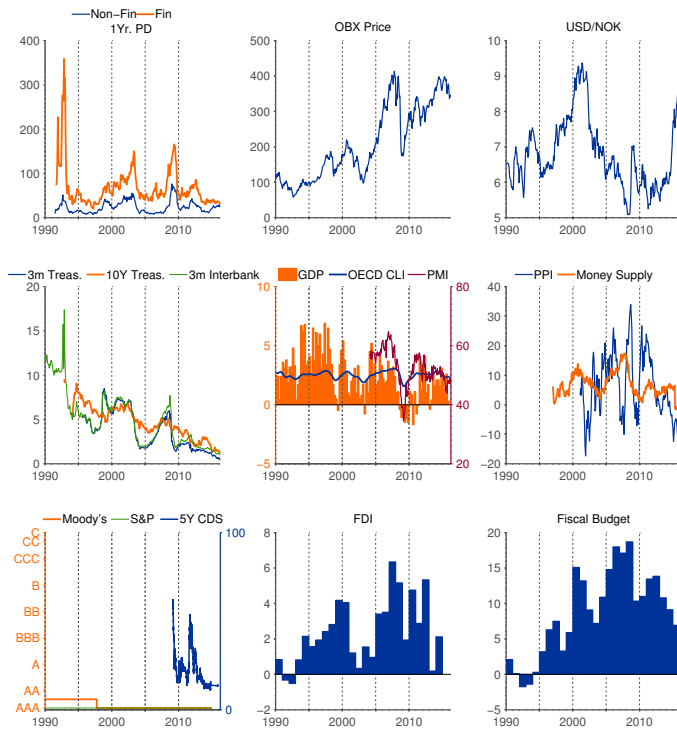
Netherlands	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	6.94	6.21	8.24	7.68	7.76
1Yr. PD, Fin.	7.00	14.60	11.05	12.73	18.53
AEX	489	473	421	442	440
EUR/USD	1.07	1.11	1.12	1.09	1.14
3m Treas. Yield (%)	-0.21	-0.27	-0.28	-0.50	-0.53
10Y Treas. Yield (%)	0.34	1.03	0.78	0.79	0.36
3m Interbank (%)	0.02	-0.01	-0.04	-0.13	-0.24
GDP (YoY%)	2.6	2.2	1.9	1.2	-
OECD CLI	100.12	100.22	100.04	99.73	99.49*
PMI	52.5	56.2	53.0	53.4	53.6
PPI (YoY%)	-6.4	-5.6	-8.2	-7.1	-10.5*
Money Supply (YoY%)	4.60	4.90	4.70	4.80	4.90
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
5Y CDS (bps)	19.34	20.55	17.16	15.88	25.60
Fiscal Budget (%GDP)	-	-	-	-1.80	-



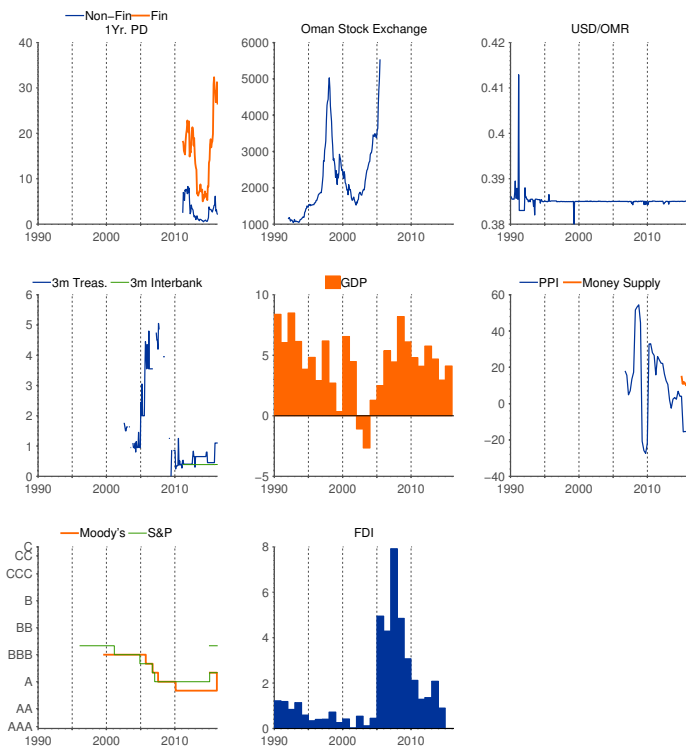
New Zealand	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	2.57	2.08	1.81	1.88	1.66
1Yr. PD, Fin.	0.19	0.11	0.21	0.20	0.20
NZSE	1152	1121	1081	1217	1283
NZD/USD	1.34	1.48	1.56	1.46	1.45
3m Treas. Yield (%)	3.11	2.77	2.50	2.50	1.94
10Y Treas. Yield (%)	3.23	3.63	3.28	3.57	2.93
3m Interbank (%)	3.63	3.27	2.86	2.75	2.35
GDP (YoY%)	-	-	-	3.4	-
PMI	55.2	55.3	55.0	57.0	54.7
PPI (YoY%)	-2.5	-2.2	0.2	-0.6	-
Money Supply (YoY%)	8.30	9.50	8.50	8.10	7.30*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AA	AA	AA	AA	AA
Fiscal Budget (%GDP)	-	-	-	1.35	-



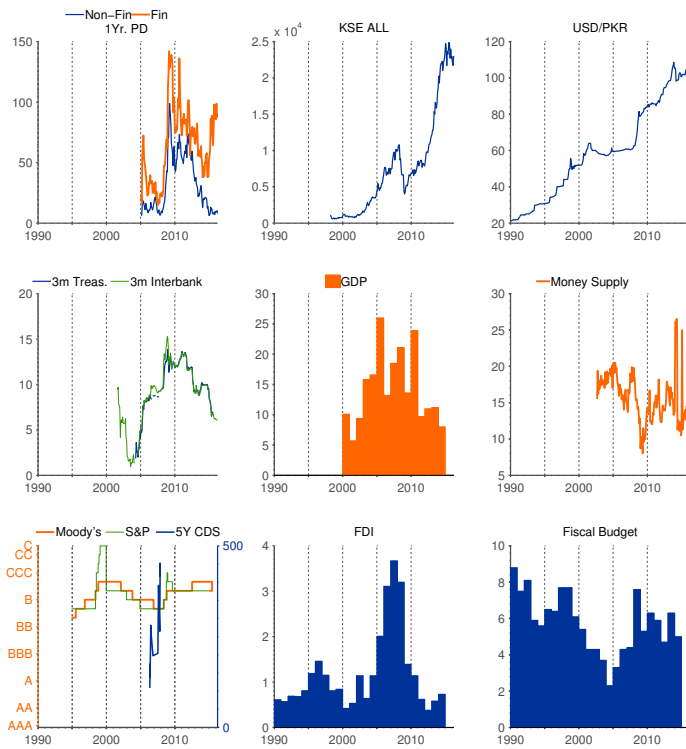
Nigeria	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	17.73	13.75	21.64	22.97	19.26
1Yr. PD, Fin.	25.75	29.43	31.74	39.35	44.33
NSE ALL Share Index	31753	33457	31218	28642	25306
USD/NGN	199.28	199.15	199.26	199.30	199.05
10Y Treas. Yield (%)	16.85	13.50	-	13.87*	12.09
3m Interbank (%)	16.50	15.98	15.55	10.68	11.66
GDP (YoY%)	-	-	-	2.6	-
Money Supply (YoY%)	21.63	16.32	11.32	5.82	6.94
Sov. Rating, S&P	B+	B+	B+	B+	B+



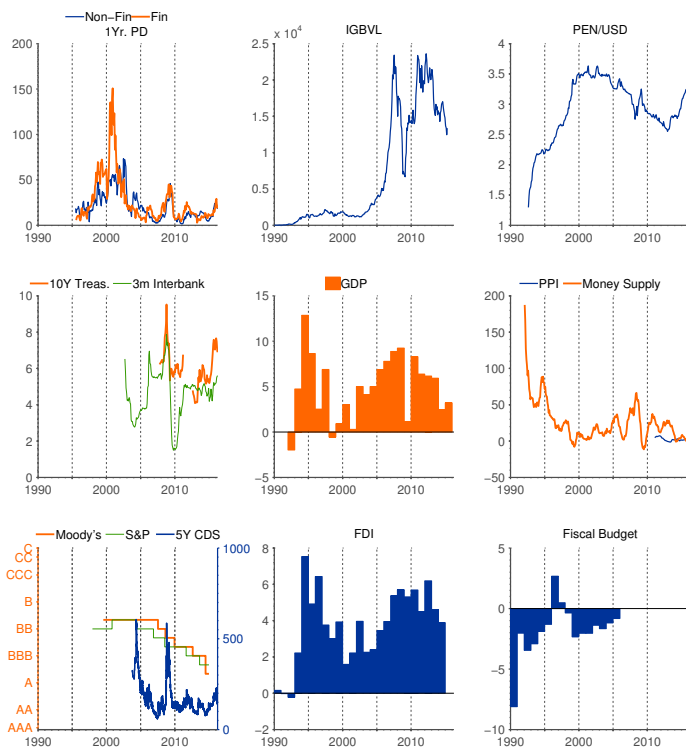
Norway	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	27.36	22.25	26.11	25.41	25.26
1Yr. PD, Fin.	40.59	32.28	34.10	36.24	30.17
OBX Price	389	386	350	362	346
USD/NOK	8.06	7.85	8.52	8.84	8.27
3m Treas. Yield (%)	0.92	0.89	0.62	0.57	0.44
10Y Treas. Yield (%)	1.49	1.85	1.47	1.48	1.21
3m Interbank (%)	1.47	1.33	1.12	1.13	1.00
GDP (YoY%)	2.4	1.3	2.6	0.3	-
OECD CLI	99.46	99.25	99.32	99.42	99.42*
PMI	48.3	44.6	47.7	47.1	46.8
PPI (YoY%)	-6.1	-4.9	-10.1	-10.8	-14.9
Money Supply (YoY%)	6.50	-1.70	-0.40*	-	-
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
5Y CDS (bps)	-	-	-	13.41*	-
Fiscal Budget (%GDP)	-	-	-	6.94	-



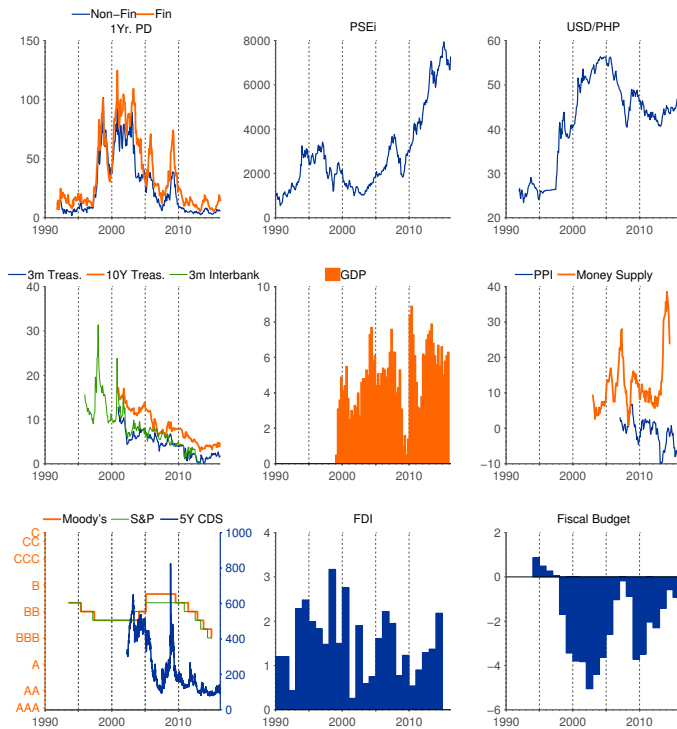
Oman	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	3.26	2.65	4.13	2.86	2.10
1Yr. PD, Fin.	18.70	18.23	32.37	26.86	26.34
USD/OMR	0.39	0.39	0.39	0.38	0.39
3m Treas. Yield (%)	0.45	0.45	0.45	1.10	1.10
3m Interbank (%)	0.39	0.39	0.39	0.39	0.39
GDP (YoY%)	-	-	-	4.1	-
PPI (YoY%)	-15.5	-15.3	-15.4	-15.9	-
Money Supply (YoY%)	11.87	11.04	11.09	10.02	7.92*
Sov. Rating, Moody's	A3	A3	A3	A3	A3
Sov. Rating, S&P	BBB-	BBB-	BBB-	BBB-	BBB-



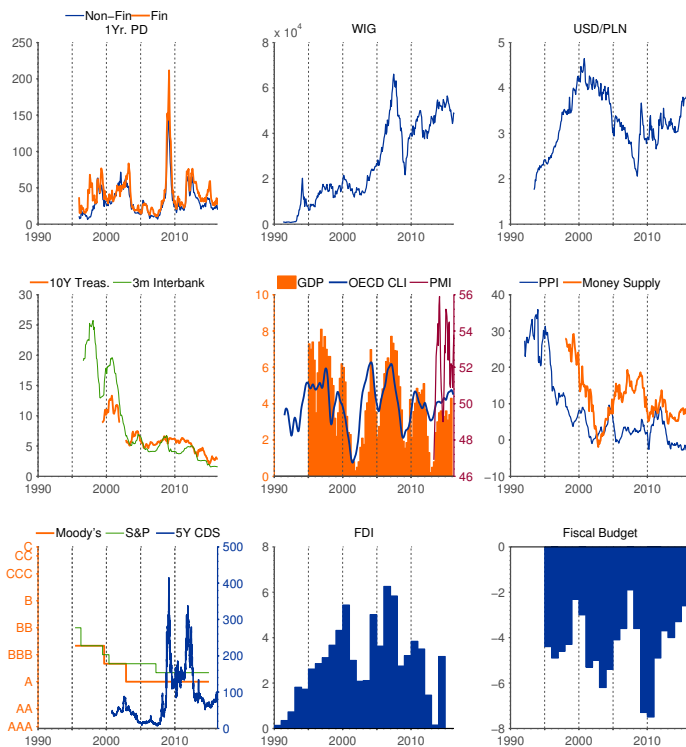
Pakistan	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	13.12	8.28	8.80	9.03	7.97
1Yr. PD, Fin.	85.98	76.48	97.87	85.67	90.02
KSE ALL	21703	24037	22709	22937	22897
USD/PKR	101.93	101.78	104.46	104.73	104.71
3m Treas. Yield (%)	8.07	6.94	6.95*	-	-
3m Interbank (%)	7.74	6.76	6.35	6.24	6.10
Money Supply (YoY%)	12.30	13.20	14.50	13.00	12.50*
Sov. Rating, Moody's	B3	B3	B3	B3	B3
Sov. Rating, S&P	B-	B-	B-	B-	B-



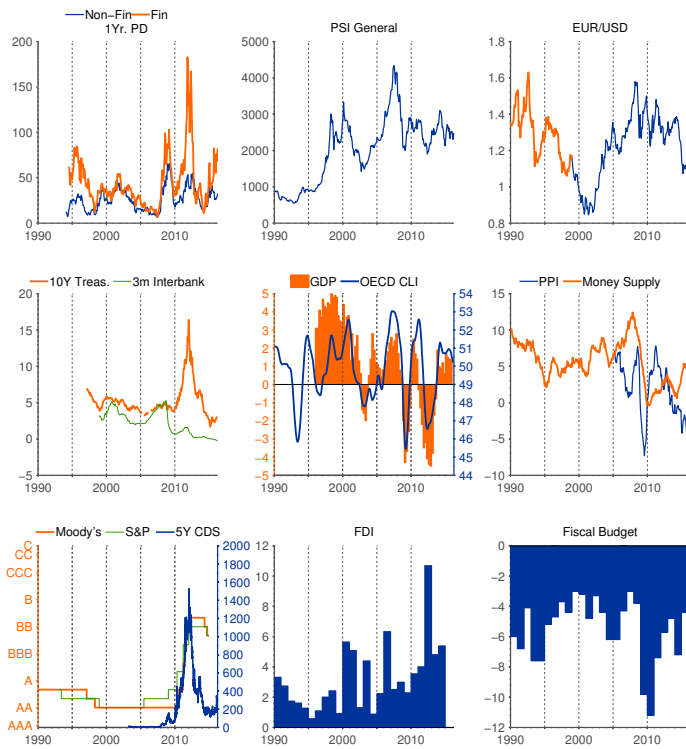
Peru	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	8.65	10.71	20.36	19.98	18.14
1Yr. PD, Fin.	10.69	12.43	14.56	26.78	21.32
IGBVL	12462	13367*	-	-	-
PEN/USD	3.10	3.18	3.23	3.41	3.31
10Y Treas. Yield (%)	5.55	6.37	7.58	7.31	6.95
3m Interbank (%)	4.43	4.21	5.22	5.16	5.59
GDP (YoY%)	-	-	-	3.2	-
PPI (YoY%)	1.6	2.1	1.9	2.6	1.8
Money Supply (YoY%)	6.10	2.70	1.40	3.40	3.80
Sov. Rating, Moody's	A3	A3	A3	A3	A3
Sov. Rating, S&P	BBB+	BBB+	BBB+	BBB+	BBB+
5Y CDS (bps)	134.32	140.12	195.73	187.66	162.62



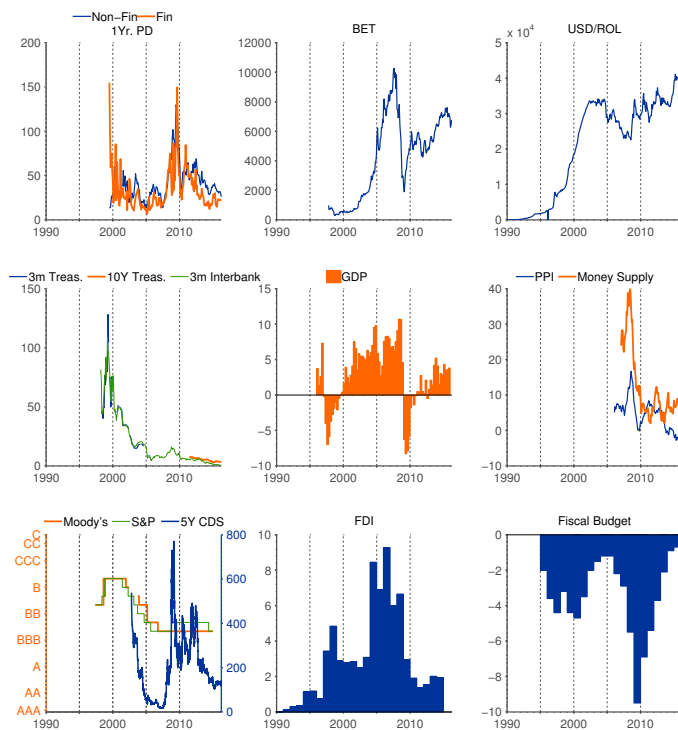
Philippines	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	3.56	4.50	7.00	5.70	5.37
1Yr. PD, Fin.	5.76	7.10	10.45	13.76	13.94
PSEI	7940	7565	6894	6952	7262
USD/PHP	44.70	45.11	46.73	46.91	45.97
3m Treas. Yield (%)	2.31	2.08	1.69	2.67	1.76
10Y Treas. Yield (%)	4.20	4.37	3.80	4.10	4.71
GDP (YoY%)	5.0	5.8	6.1	6.3	-
PPI (YoY%)	-5.5	-6.3	-8.2	-7.2	-5.2*
Sov. Rating, Moody's	Baa2	Baa2	Baa2	Baa2	Baa2
Sov. Rating, S&P	BBB	BBB	BBB	BBB	BBB
5Y CDS (bps)	92.59	93.17	134.65	107.67	105.32
Fiscal Budget (%GDP)	-	-	-	-0.92	-



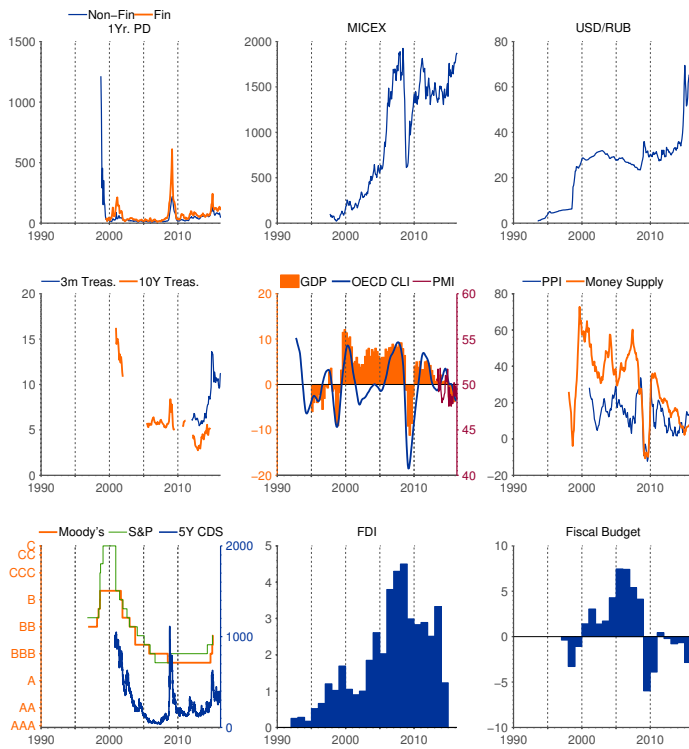
Poland	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	27.89	22.13	22.31	22.04	19.73
1Yr. PD, Fin.	43.33	29.57	27.65	27.62	26.56
WIG	54091	53329	49825	46467	49017
USD/PLN	3.80	3.76	3.80	3.92	3.73
10Y Treas. Yield (%)	2.31	3.31	2.84	2.94	2.84
3m Interbank (%)	1.55	1.62	1.63	1.62	1.57
GDP (YoY%)	3.6	3.1	3.4	4.3	-
OECD CLI	100.37	100.63	100.70	100.70	100.49*
PMI	54.8	54.3	50.9	52.1	53.8
PPI (YoY%)	-2.5	-1.4	-2.8	-0.8	-1.7
Money Supply (YoY%)	8.74	8.19	8.29	9.10	9.05
Sov. Rating, Moody's	A2	A2	A2	A2	A2
Sov. Rating, S&P	A-	A-	A-	A-	A-
5Y CDS (bps)	59.12	74.99	79.67	74.17	87.14
Fiscal Budget (%GDP)	-	-	-	-2.60	-



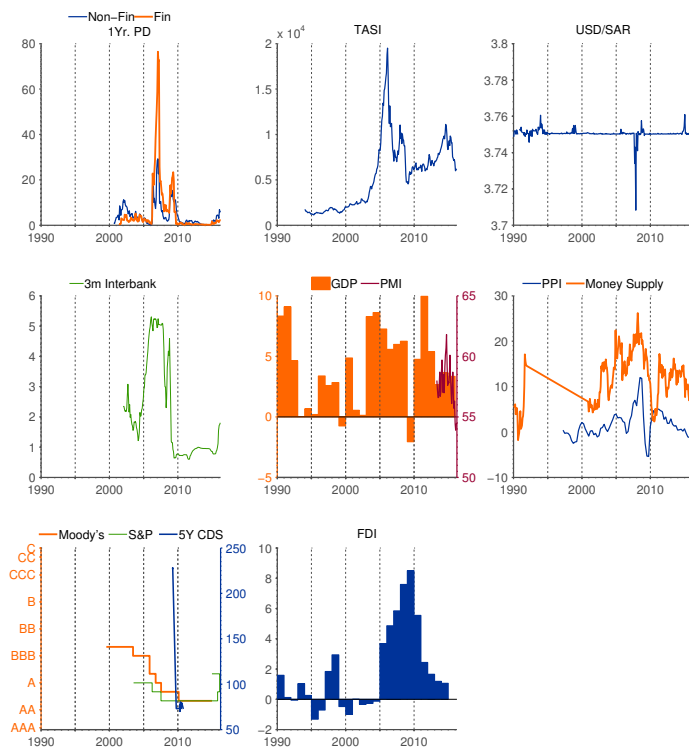
Portugal	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	34.47	36.53	34.40	25.91	32.43
1Yr. PD, Fin.	37.99	44.80	82.44	55.06	82.32
PSI General	2630	2537	2331	2524	2466
EUR/USD	1.07	1.11	1.12	1.09	1.14
10Y Treas. Yield (%)	1.69	3.00	2.39	2.52	2.94
3m Interbank (%)	0.02	-0.01	-0.04	-0.13	-0.24
GDP (YoY%)	1.7	1.5	1.4	1.3	-
OECD CLI	100.82	100.96	100.84	100.42	100.20*
PPI (YoY%)	-2.4	-1.9	-4.2	-2.7	-3.8
Money Supply (YoY%)	4.60	4.90	4.70	4.80	4.90
Sov. Rating, Moody's	Ba1	Ba1	Ba1	Ba1	Ba1
Sov. Rating, S&P	BB+	BB+	BB+	BB+	BB+
5Y CDS (bps)	126.92	195.05	173.17	170.51	264.40
Fiscal Budget (%GDP)	-	-	-	-4.40	-



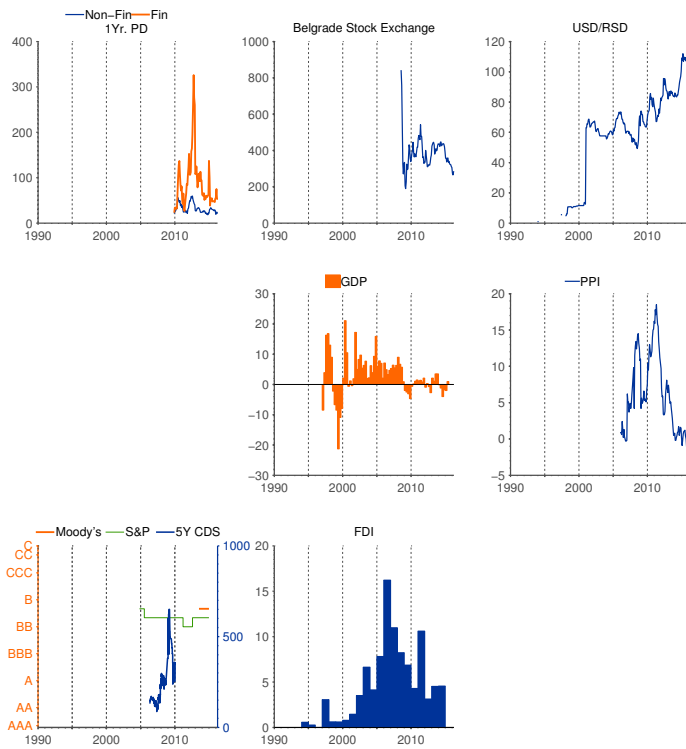
Romania	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	40.76	35.35	32.29	31.94	26.20
1Yr. PD, Fin.	24.87	17.51	23.11	22.35	22.97
BET	7076	7298	6982	7004	6738
USD/ROL	41105.00	40176.31	39542.00	41634.01	39272.91
10Y Treas. Yield (%)	3.24	4.18	3.62	3.71	3.32
3m Interbank (%)	1.25	1.12	1.27	0.81	0.57
GDP (YoY%)	4.3	3.4	3.6	3.8	-
PPI (YoY%)	-1.1	-1.9	-2.8	-1.7	-3.3*
Money Supply (YoY%)	6.66	8.91	8.40	9.40	9.94
Sov. Rating, Moody's	Baa3	Baa3	Baa3	Baa3	Baa3
Sov. Rating, S&P	BBB-	BBB-	BBB-	BBB-	BBB-
5Y CDS (bps)	107.35	132.38	135.11	131.19	117.02
Fiscal Budget (%GDP)	-	-	-	-0.70	-



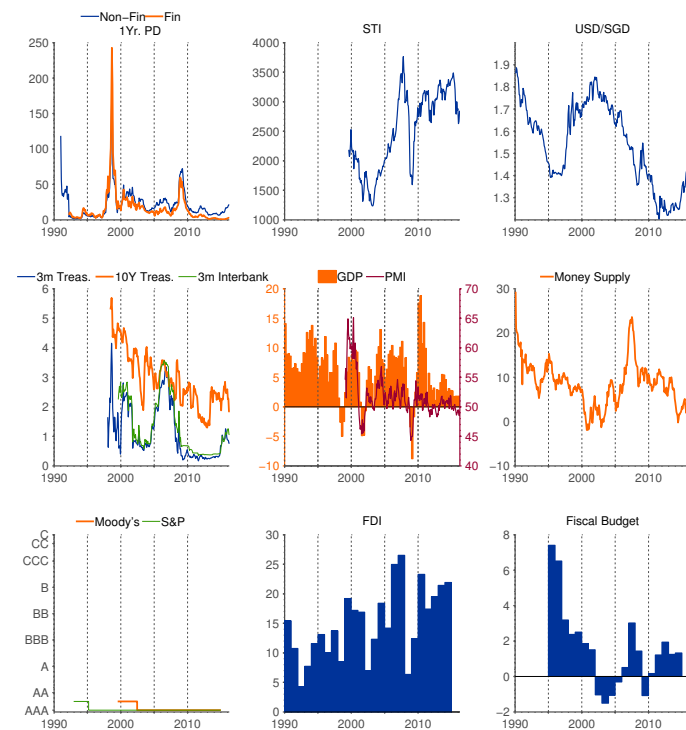
Russia	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	101.86	70.33	85.30	73.75	44.84
1Yr. PD, Fin.	122.97	126.28	104.64	122.66	106.68
MICEX	1626	1655	1643	1761	1871
USD/RUB	58.19	55.34	65.36	72.52	66.90
3m Treas. Yield (%)	11.97	10.93	10.53	9.88	11.17
GDP (YoY%)	-2.8	-4.5	-3.7	-3.8	-
OECD CLI	100.01	99.99	99.27	98.40	98.21*
PMI	48.1	48.7	49.1	48.7	48.3
PPI (YoY%)	13.0	13.1	12.7	10.7	0.8
Money Supply (YoY%)	6.20	6.80	7.50	11.50	10.70*
Sov. Rating, Moody's	Ba1	Ba1	Ba1	Ba1	Ba1
Sov. Rating, S&P	BB+	BB+	BB+	BB+	BB+
5Y CDS (bps)	407.86	341.87	361.13	308.97	283.19
Fiscal Budget (%GDP)	-	-	-	-2.85	-



Saudi Arabia	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	2.36	1.59	4.42	3.06	5.99
1Yr. PD, Fin.	0.91	1.02	1.95	1.35	2.28
TASI	8779	9087	7404	6912	6223
USD/SAR	3.75	3.75	3.75	3.76	3.75
3m Interbank (%)	0.77	0.78	0.90	1.55	1.80
GDP (YoY%)	-	-	-	3.4	-
PMI	60.1	56.1	56.5	54.4	54.5
PPI (YoY%)	-0.3	-1.1	-1.2	-1.4	-
Money Supply (YoY%)	10.20	10.50	8.50	2.60	-0.90*
Sov. Rating, Moody's	Aa3	Aa3	Aa3	Aa3	Aa3
Sov. Rating, S&P	A-	A-	A-	A-	A-

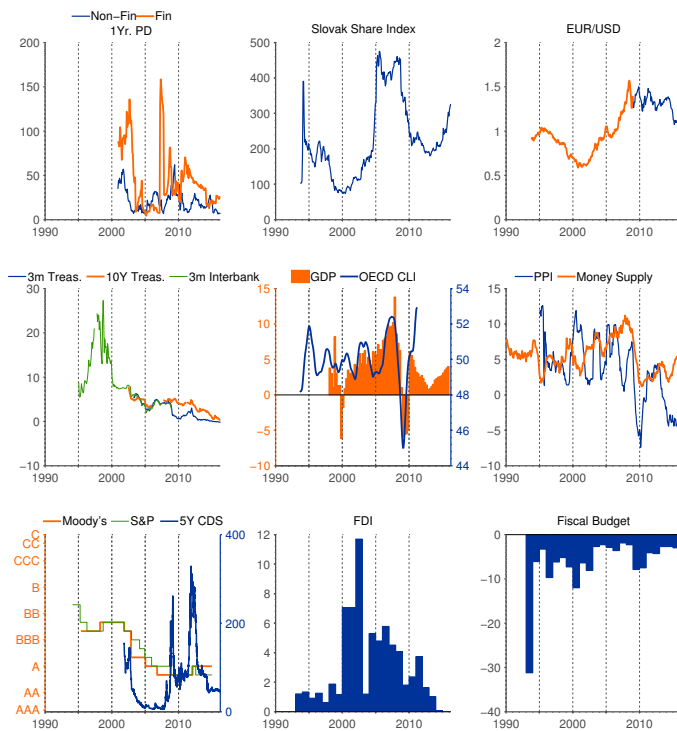


Serbia	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	33.78	29.82	26.98	19.26	20.88
1Yr. PD, Fin.	54.35	47.63	47.82	55.92	51.55
Belgrade Stock Exchange	337	336	323	306	283
USD/RSD	111.98	108.01	107.11	111.89	107.89
GDP (YoY%)	-2.0	1.0	-	-	-
PPI (YoY%)	0.7	1.2	-1.2	0.7	-1.5
Sov. Rating, Moody's	B1	B1	B1	B1	B1
Sov. Rating, S&P	BB-	BB-	BB-	BB-	BB-

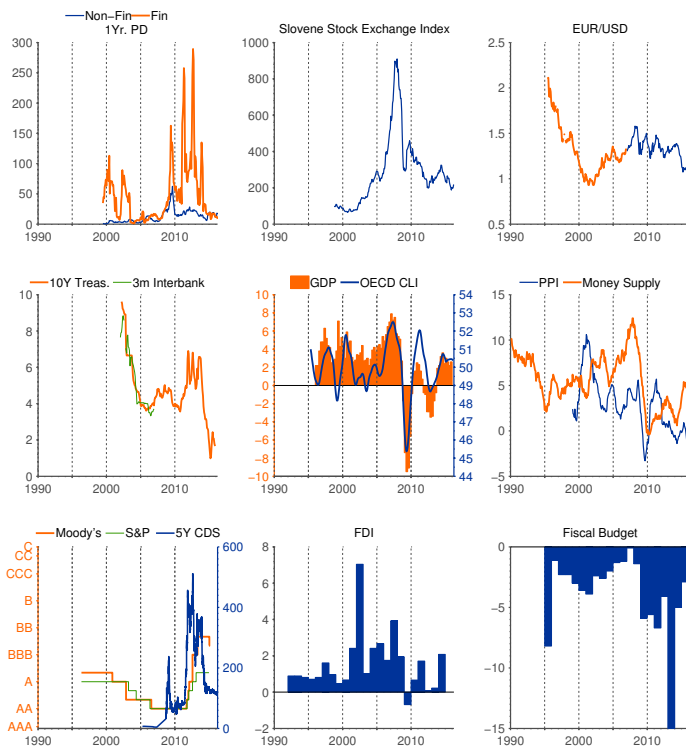


Singapore	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	11.65	10.45	17.13	17.47	21.18
1Yr. PD, Fin.	0.81	0.72	1.41	2.22	2.75
STI	3447	3317	2791	2883	2841
USD/SGD	1.37	1.35	1.42	1.42	1.35
3m Treas. Yield (%)	1.04	0.88	1.25	0.89	0.76
10Y Treas. Yield (%)	2.27	2.69	2.54	2.60	1.84
3m Interbank (%)	1.01	0.82	1.14	1.19	1.06
GDP (YoY%)	2.7	1.7	1.8	1.8	1.8
PMI	49.6	50.4	48.6	49.5	49.4
Money Supply (YoY%)	4.20	3.70	3.30	1.70	1.20*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA

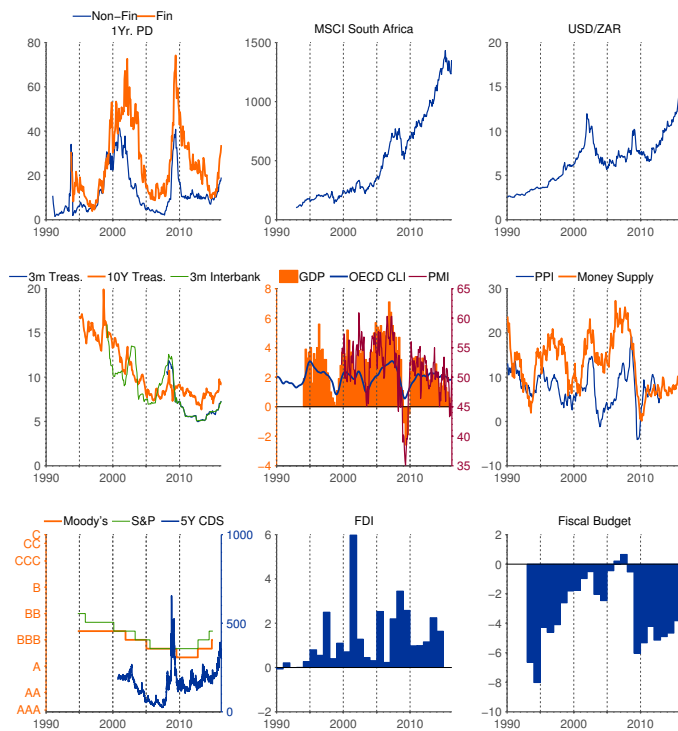




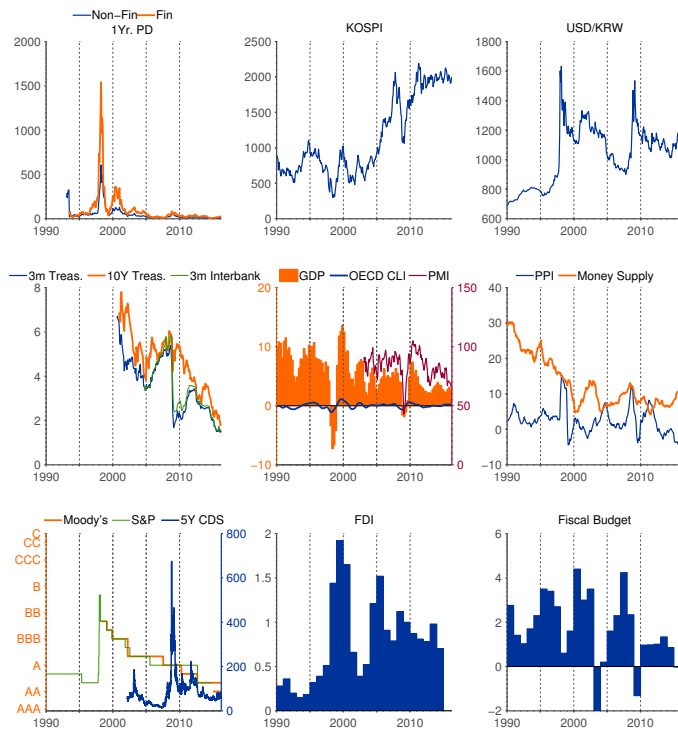
Slovakia	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	7.58	11.52	10.16	7.57	6.48
1Yr. PD, Fin.	20.78	18.87	26.44	23.86	25.73
Slovak Share Index	241	256	269	292	325
EUR/USD	1.07	1.11	1.12	1.09	1.14
3m Treas. Yield (%)	0.00	-0.03	-0.07	-0.13	-0.17
10Y Treas. Yield (%)	0.48	1.33	0.79	0.73	0.36
GDP (YoY%)	3.1	3.5	3.8	4.0	-
PPI (YoY%)	-3.3	-4.4	-5.2	-4.5	-4.7*
Money Supply (YoY%)	4.50	5.20	5.00	5.30	5.30
Sov. Rating, Moody's	A2	A2	A2	A2	A2
Sov. Rating, S&P	A+	A+	A+	A+	A+
5Y CDS (bps)	47.18	49.01	50.46	48.49	45.56
Fiscal Budget (%GDP)	-	-	-	-3.00	-



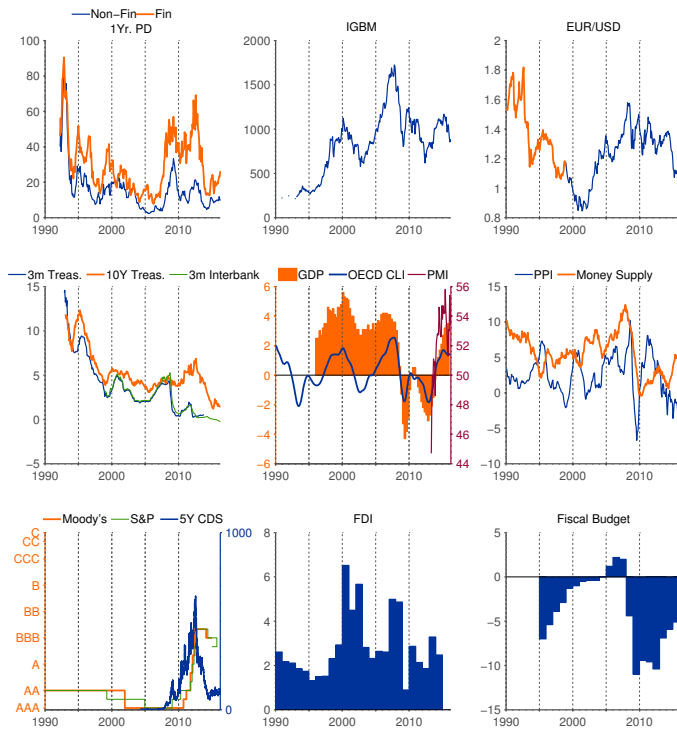
Slovenia	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	16.40	18.82	17.05	13.85	17.22
1Yr. PD, Fin.	8.07	17.95	17.77	12.97	8.55
Slovene Stock Exchange Index	227	250	214	201	216
EUR/USD	1.07	1.11	1.12	1.09	1.14
10Y Treas. Yield (%)	0.99	2.13	2.07	1.66*	-
GDP (YoY%)	3.0	2.6	2.2	2.6	-
OECD CLI	100.35	100.43	100.45	100.43	100.39*
PPI (YoY%)	0.4	0.4	-1.0	-1.4	-2.2
Money Supply (YoY%)	4.60	4.90	4.70	4.80	4.90
Sov. Rating, Moody's	Baa3	Baa3	Baa3	Baa3	Baa3
Sov. Rating, S&P	A-	A-	A-	A-	A-
5Y CDS (bps)	117.86	129.21	119.51	113.95	115.22
Fiscal Budget (%GDP)	-	-	-	-2.90	-



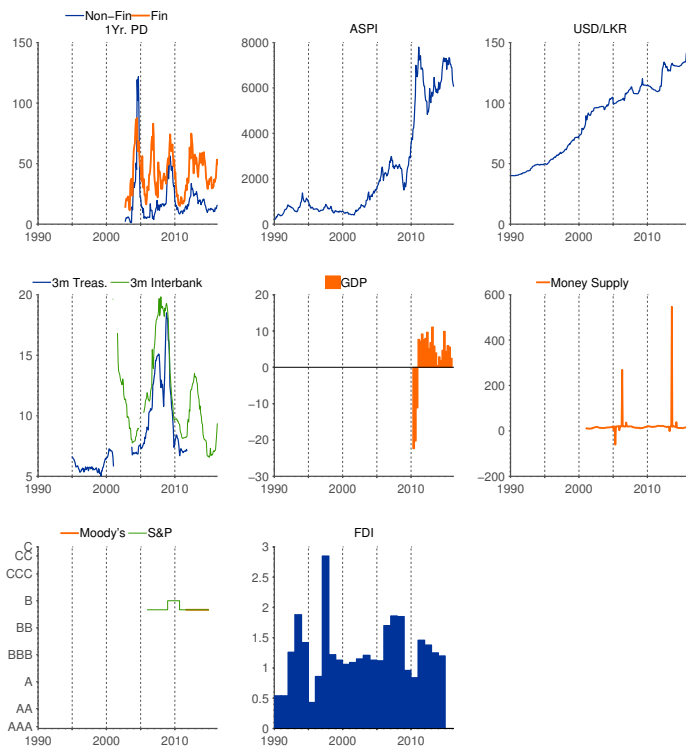
South Africa	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	9.95	10.19	14.61	16.18	19.04
1Yr. PD, Fin.	12.43	13.95	21.25	27.45	33.72
MSCI South Africa	1383	1368	1260	1256	1347
USD/ZAR	12.13	12.17	13.85	15.47	14.77
3m Treas. Yield (%)	5.86	6.15	6.29	7.01	7.24
10Y Treas. Yield (%)	7.70	8.23	8.45	9.78	9.18
3m Interbank (%)	6.11	6.14	6.31	6.63	7.23
GDP (YoY%)	2.2	1.3	1.0	0.6	-
OECD CLI	100.13	99.97	99.60	99.55	99.55*
PMI	48.6	51.5	49.9	45.5	50.5
Money Supply (YoY%)	7.29	8.69	8.47	10.47	10.25*
Sov. Rating, Moody's	Baa2	Baa2	Baa2	Baa2	Baa2
Sov. Rating, S&P	BBB-	BBB-	BBB-	BBB-	BBB-
5Y CDS (bps)	208.74	209.39	292.50	335.84	298.90
Fiscal Budget (%GDP)	-	-	-	-3.84	-



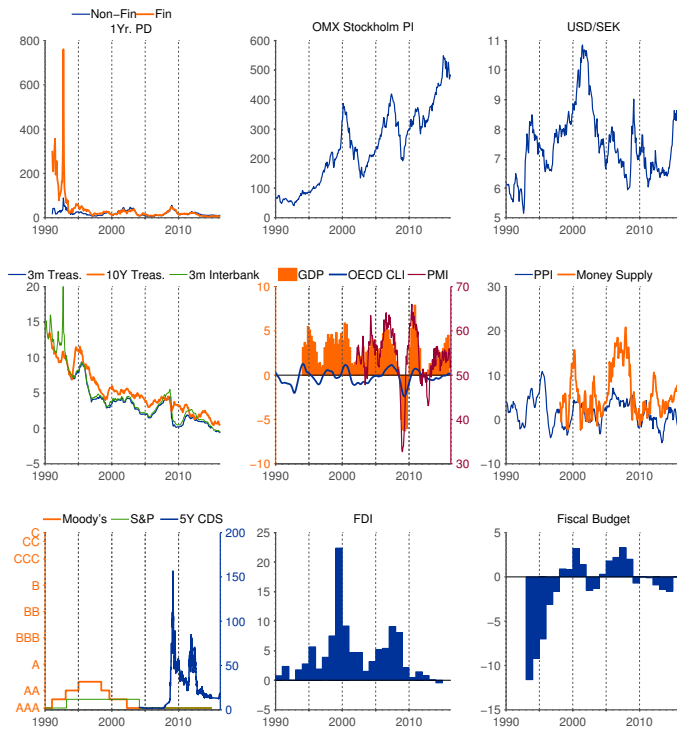
South Korea	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	4.55	5.33	8.02	8.77	8.21
1Yr. PD, Fin.	11.79	13.99	17.79	21.17	22.81
KOSPI	2041	2074	1963	1961	1996
USD/KRW	1109.69	1115.49	1185.39	1175.06	1143.42
3m Treas. Yield (%)	1.72	1.57	1.50	1.55	1.50
10Y Treas. Yield (%)	2.16	2.45	2.06	2.09	1.79
3m Interbank (%)	1.78	1.60	1.55	1.66	1.56
GDP (YoY%)	2.4	2.2	2.8	3.1	2.7
OECD CLI	101.04	101.00	101.02	101.08	101.11*
PMI	82.0	76.0	71.0	69.0	66.0
PPI (YoY%)	-3.7	-3.6	-4.6	-4.0	-3.3
Money Supply (YoY%)	8.60	10.50	10.50	8.90	8.90*
Sov. Rating, Moody's	Aa2	Aa2	Aa2	Aa2	Aa2
Sov. Rating, S&P	AA-	AA-	AA-	AA-	AA-
5Y CDS (bps)	51.85	51.40	78.50	56.56	64.00
Fiscal Budget (%GDP)	-	-	-	-0.03	-



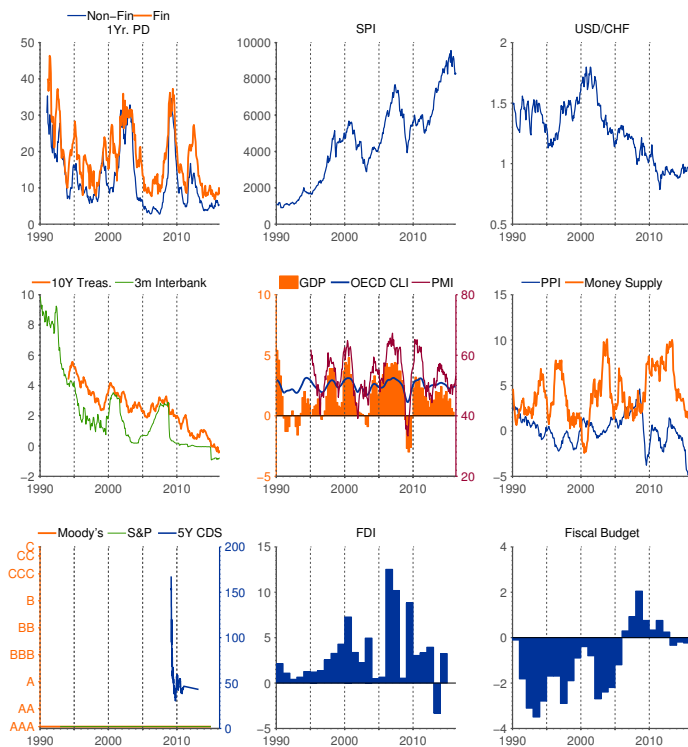
Spain	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	8.42	9.36	9.98	9.54	9.67
1Yr. PD, Fin.	16.08	20.49	18.84	21.82	26.27
IGBM	1169	1093	966	965	880
EUR/USD	1.07	1.11	1.12	1.09	1.14
10Y Treas. Yield (%)	1.21	2.30	1.89	1.77	1.44
3m Interbank (%)	0.02	-0.01	-0.04	-0.13	-0.24
GDP (YoY%)	2.7	3.2	3.4	3.5	-
OECD CLI	101.69	101.52	101.43	101.43	101.36*
PMI	54.3	54.5	51.7	53.0	53.4
PPI (YoY%)	-1.3	-1.4	-3.6	-2.2	-5.4
Money Supply (YoY%)	4.60	4.90	4.70	4.80	4.90
Sov. Rating, Moody's	Baa2	Baa2	Baa2	Baa2	Baa2
Sov. Rating, S&P	BBB+	BBB+	BBB+	BBB+	BBB+
5Y CDS (bps)	85.45	109.98	109.25	89.88	94.56
Fiscal Budget (%GDP)	-	-	-	-5.10	-



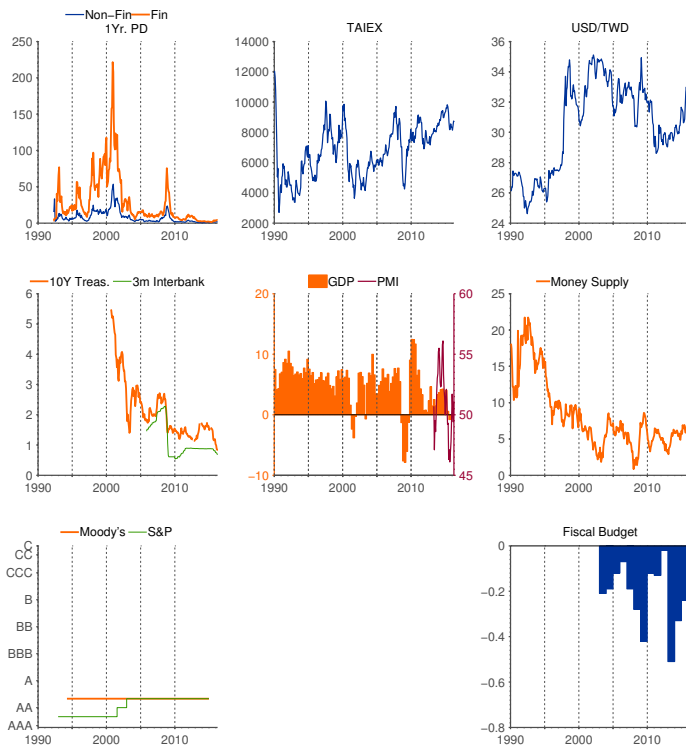
Sri Lanka	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	13.03	12.38	11.48	12.57	15.60
1Yr. PD, Fin.	36.85	32.16	36.81	37.76	49.22
ASPI	6820	7021	7051	6895	6072
USD/LKR	133.17	133.92	141.30	144.25	146.05
3m Interbank (%)	7.31	6.75	7.11	7.18	9.33
GDP (YoY%)	4.4	6.0	5.6	2.5	-
Money Supply (YoY%)	12.30	14.40	15.20	16.10*	-
Sov. Rating, Moody's	B1	B1	B1	B1	B1
Sov. Rating, S&P	B+	B+	B+	B+	B+



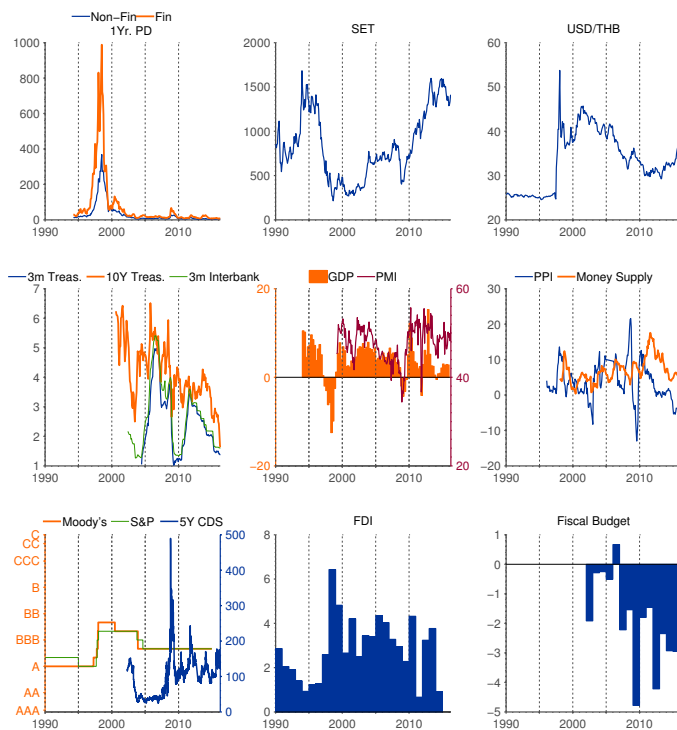
Sweden	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	11.48	11.06	10.19	9.41	10.90
1Yr. PD, Fin.	5.29	7.25	8.26	5.59	7.27
OMX Stockholm PI	543	505	476	505	483
USD/SEK	8.63	8.29	8.37	8.44	8.12
3m Treas. Yield (%)	0.09*	-0.36	-0.48	-0.45	-0.61
10Y Treas. Yield (%)	0.42	0.99	0.73	1.00	0.53
3m Interbank (%)	-0.07	-0.22	-0.29	-0.29	-0.45
GDP (YoY%)	3.0	3.6	4.2	4.5	-
OECD CLI	99.89	99.92	100.17	100.36	100.23*
PMI	54.1	52.8	53.3	56.0	53.3
PPI (YoY%)	2.3	0.5	-1.4	-1.9	-3.7
Money Supply (YoY%)	6.17	6.37	6.42	7.55	8.55
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
5Y CDS (bps)	-	-	-	13.31	17.57
Fiscal Budget (%GDP)	-	-	-	0.00	-



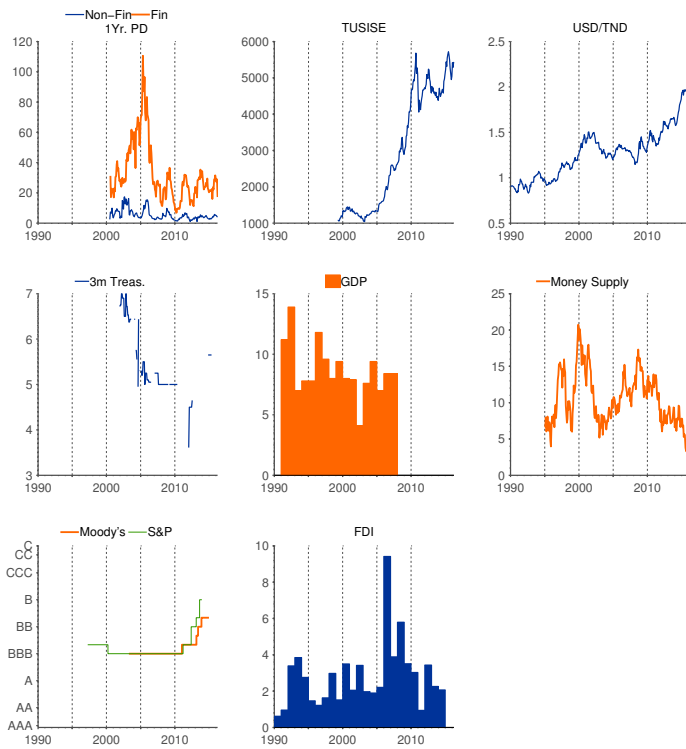
Switzerland	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	4.60	5.07	6.61	5.90	5.25
1Yr. PD, Fin.	7.72	6.92	8.75	8.08	8.24
SPI	9137	8919	8680	9094	8317
USD/CHF	0.97	0.94	0.97	1.00	0.96
10Y Treas. Yield (%)	-0.05	0.13	-0.12	-0.06	-0.34
3m Interbank (%)	-0.88	-0.85	-0.80	-0.82	-0.79
GDP (YoY%)	1.2	1.4	0.6	0.3	-
OECD CLI	99.00	99.18	99.44	99.61	99.70*
PMI	48.1	50.2	47.0	50.4	53.2
PPI (YoY%)	-2.1	-4.4	-4.8	-3.6	-3.5
Money Supply (YoY%)	2.24	2.14	1.32	1.67	1.76
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
Fiscal Budget (%GDP)	-	-	-	-0.24	-



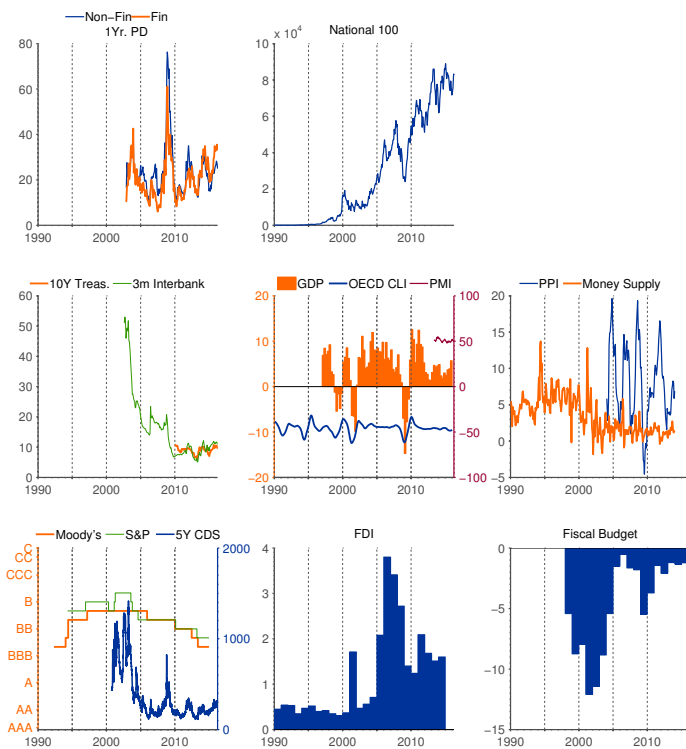
Taiwan	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	0.65	0.85	1.62	1.59	1.54
1Yr. PD, Fin.	1.41	1.93	3.82	3.46	3.71
TAIEX	9586	9323	8181	8338	8745
USD/TWD	31.31	30.87	32.99	32.86	32.21
10Y Treas. Yield (%)	1.56*	1.52	1.15	1.03	0.84
3m Interbank (%)	0.88	0.87	0.82	0.75	0.69
GDP (YoY%)	4.0	0.6	-0.8	-0.5	-
PMI	51.0	46.3	46.9	51.7	51.1
Money Supply (YoY%)	6.45	6.33	6.78	5.80	4.71
Sov. Rating, Moody's	Aa3	Aa3	Aa3	Aa3	Aa3
Sov. Rating, S&P	AA-	AA-	AA-	AA-	AA-
Fiscal Budget (%GDP)	-	-	-	-0.24	-



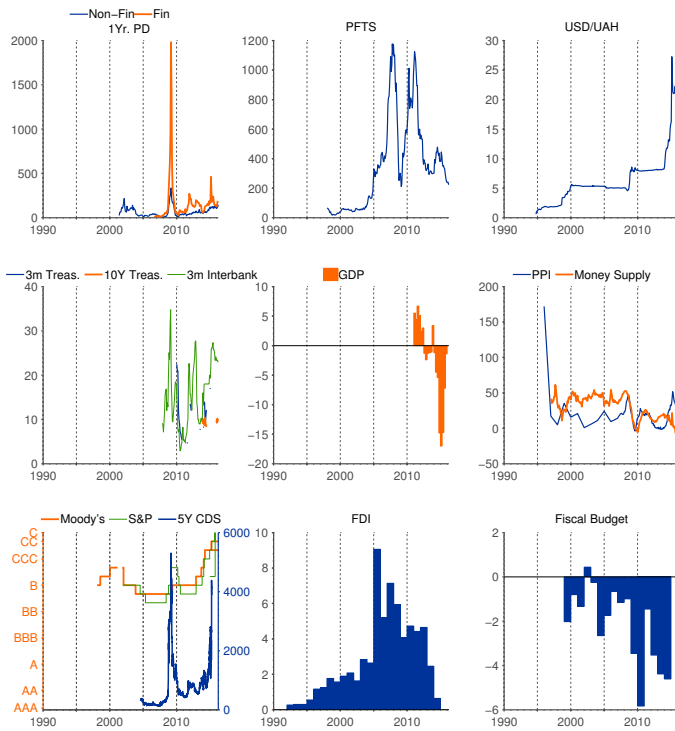
Thailand	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	3.09	3.60	4.62	4.36	3.85
1Yr. PD, Fin.	9.15	9.23	10.39	7.36	6.76
SET	1506	1505	1349	1288	1408
USD/THB	32.55	33.80	36.37	36.03	35.13
3m Treas. Yield (%)	1.77	1.48	1.50	1.50	1.38
10Y Treas. Yield (%)	2.68	2.94	2.77	2.50	1.69
3m Interbank (%)	1.94	1.66	1.64	1.63	1.60
GDP (YoY%)	3.0	2.7	2.9	2.8	-
PMI	52.4	49.1	47.3	49.9	51.5
PPI (YoY%)	-5.0	-3.7	-3.6	-2.7	-2.4
Money Supply (YoY%)	6.10	6.09	5.43	4.41	3.73*
Sov. Rating, Moody's	Baa1	Baa1	Baa1	Baa1	Baa1
Sov. Rating, S&P	BBB+	BBB+	BBB+	BBB+	BBB+
5Y CDS (bps)	104.15	105.48	168.00	136.84	131.34
Fiscal Budget (%GDP)	-	-	-	-2.95	-



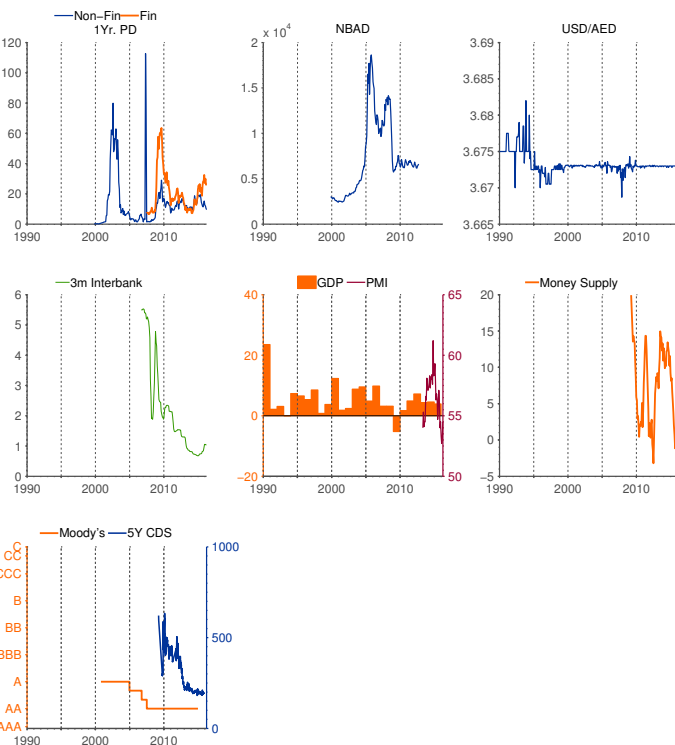
Tunisia	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	2.84	3.62	5.29	5.13	4.14
1Yr. PD, Fin.	21.47	15.93	28.81	29.22	17.20
TUSISE	5313	5719	5275	5042	5421
USD/TND	1.96	1.95	1.97	2.04	2.02
3m Treas. Yield (%)	5.65	5.65*	-	-	-
Money Supply (YoY%)	6.86	5.45	3.42	5.26	4.06*
Sov. Rating, Moody's	Ba3	Ba3	Ba3	Ba3	Ba3



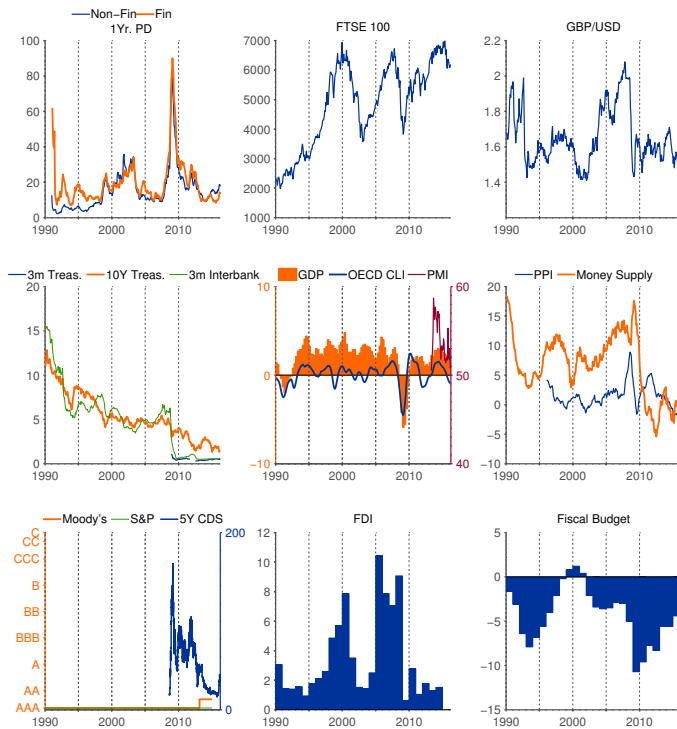
Turkey	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	17.70	22.06	22.89	26.61	24.94
1Yr. PD, Fin.	22.75	24.18	29.90	32.94	32.96
National 100	80846	82250	74205	71727	83268
10Y Treas. Yield (%)	8.27	9.18	10.74	10.46	9.71
3m Interbank (%)	10.25	11.08	11.89	11.47	11.07
GDP (YoY%)	2.5	3.7	3.9	5.7	-
OECD CLI	3.25	1.75	1.56	2.19	-
PMI	48.0	49.0	48.8	52.2	49.2
Sov. Rating, Moody's	Baa3	Baa3	Baa3	Baa3	Baa3
Sov. Rating, S&P	BB+	BB+	BB+	BB+	BB+
5Y CDS (bps)	217.20	225.12	312.40	273.56	254.58
Fiscal Budget (%GDP)	-	-	-	-1.23	-



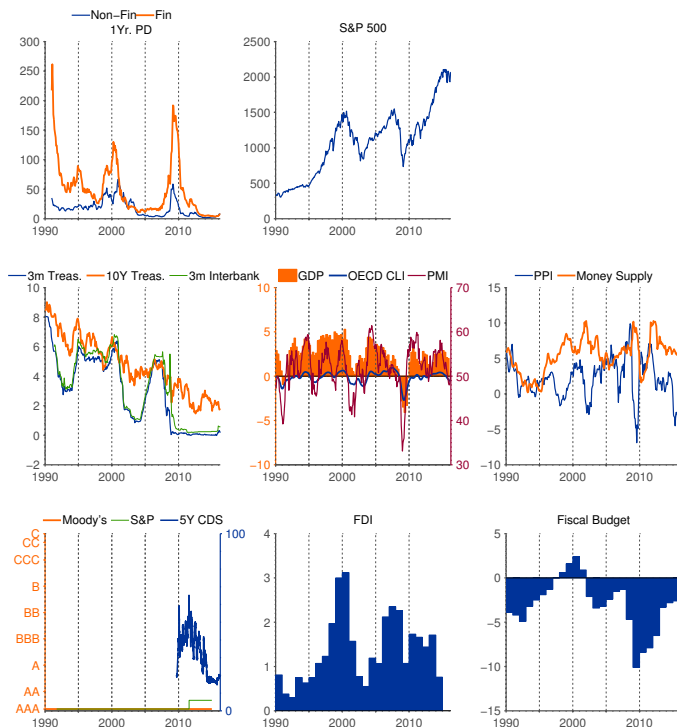
Ukraine	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	117.74	118.89	113.84	103.40	145.22
1Yr. PD, Fin.	260.61	239.61	142.16	125.26	188.78*
PFTS	414	351	301	241	226
USD/UAH	23.44	21.01	21.20	24.03	26.20
3m Treas. Yield (%)	17.00*	-	-	-	-
10Y Treas. Yield (%)	-	-	-	9.75	9.54
3m Interbank (%)	26.00	27.33	25.00	23.75	23.00
GDP (YoY%)	-17.0	-14.7	-7.2	-1.4	-
PPI (YoY%)	51.7	37.9	32.5	25.4	10.5
Money Supply (YoY%)	8.50	2.80	-5.80	3.90	-1.70
Sov. Rating, Moody's	Caa3	Caa3	Caa3	Caa3	Caa3
Sov. Rating, S&P	B-	B-	B-	B-	B-
5Y CDS (bps)	2675.99	3884.57*	-	-	-



United Arab Emirates	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	18.11	14.49	11.39	12.53	9.57
1Yr. PD, Fin.	26.45	21.22	28.08	27.11	26.25
USD/AED	3.67	3.67	3.67	3.67	3.67
3m Interbank (%)	0.73	0.75	0.82	1.05	1.03
GDP (YoY%)	-	-	-	3.9	-
PMI	56.3	54.7	56.0	53.3	54.5
Money Supply (YoY%)	6.55	2.01	-0.17	2.37	1.67*
Sov. Rating, Moody's	Aa2	Aa2	Aa2	Aa2	Aa2
5Y CDS (bps)	197.42	191.43	196.94	197.92*	-

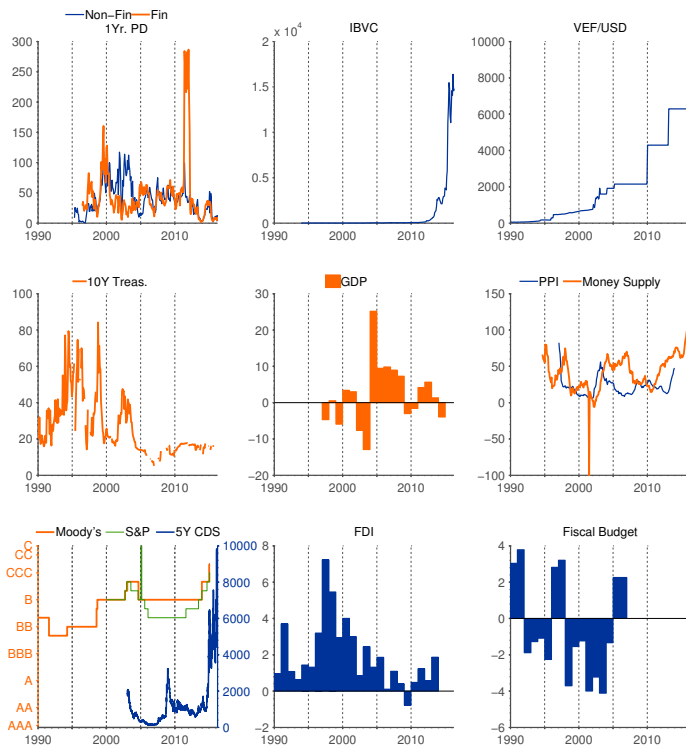


United Kingdom	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	15.63	13.52	13.76	15.28	17.68
1Yr. PD, Fin.	10.19	9.31	9.81	10.68	13.46
FTSE 100	6773	6521	6062	6242	6175
GBP/USD	1.48	1.57	1.51	1.47	1.44
3m Treas. Yield (%)	0.50	0.53	0.55	0.55	0.51
10Y Treas. Yield (%)	1.58	2.02	1.76	1.96	1.42
3m Interbank (%)	0.57	0.58	0.58	0.59	0.59
GDP (YoY%)	2.6	2.4	2.2	2.1	2.1
OECD CLI	100.71	100.32	99.72	99.25	99.09*
PMI	53.7	51.4	51.7	51.8	51.0
PPI (YoY%)	-1.7	-1.5	-1.8	-1.4	-0.9
Money Supply (YoY%)	-0.70	-0.20	-0.50	0.20	2.00*
Sov. Rating, Moody's	Aa1	Aa1	Aa1	Aa1	Aa1
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
5Y CDS (bps)	20.21	19.17	15.33	19.11	38.81
Fiscal Budget (%GDP)	-	-	-	-4.40	-

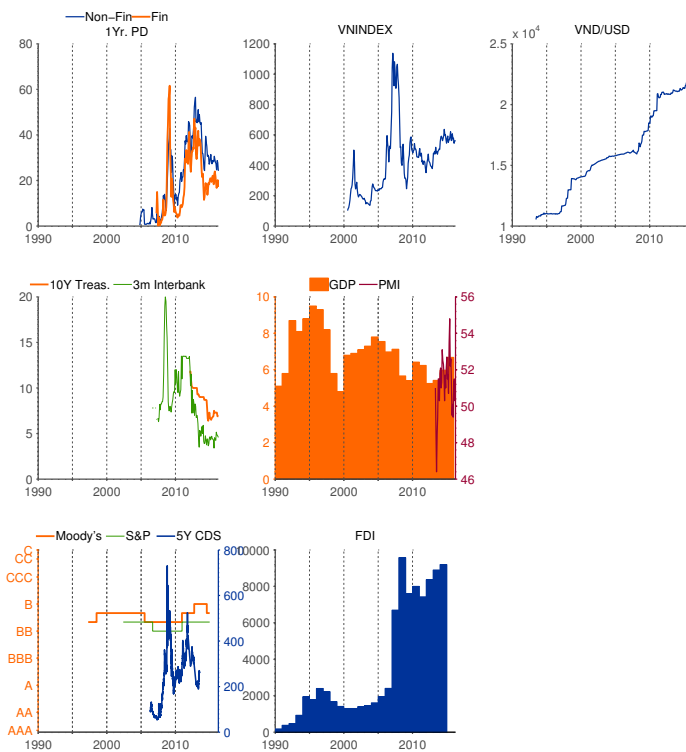


United States	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	2.84	2.66	5.09	6.06	7.44
1Yr. PD, Fin.	4.19	3.52	4.52	5.12	6.93
S&P 500	2068	2063	1920	2044	2060
3m Treas. Yield (%)	0.02	0.01	-0.02	0.16	0.20
10Y Treas. Yield (%)	1.92	2.35	2.04	2.27	1.77
3m Interbank (%)	0.26	0.26	0.26	0.63	0.57
GDP (YoY%)	2.9	2.7	2.1	2.0	-
OECD CLI	100.39	100.04	99.50	99.06	98.87*
PMI	52.3	53.1	50.0	48.0	51.8
PPI (YoY%)	-3.3	-2.6	-4.1	-2.7	-1.9
Money Supply (YoY%)	6.10	5.60	5.90	5.80	6.20
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AA+	AA+	AA+	AA+	AA+
5Y CDS (bps)	16.52	16.16	15.66	17.56	19.83
Fiscal Budget (%GDP)	-	-	-	-2.60	-





Venezuela	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	49.14	7.68	8.41	10.70	13.21
1Yr. PD, Fin.	28.28	4.12	7.37	7.59	10.28
IBVC	5093	12857	11873	14588	14575
VEF/USD	6292.10	6292.10	6292.10	6292.10	9987.50
10Y Treas. Yield (%)	13.95	15.91*	16.09*	-	-
Money Supply (YoY%)	64.90	81.10	97.40	97.70	103.40
Sov. Rating, Moody's	Caa3	Caa3	Caa3	Caa3	Caa3
Sov. Rating, S&P	CCC	CCC	CCC	CCC	CCC
5Y CDS (bps)	4751.61	4443.90	5715.58	4867.88	5180.28



Vietnam	2015				2016
	Q1	Q2	Q3	Q4	Q1
1Yr. PD, Non-Fin. (bps)	28.40	28.21	29.31	24.65	24.21
1Yr. PD, Fin.	19.34	22.09	23.96	16.71	17.12
VNINDEX	551	593	563	579	561
VND/USD	21555.00	21839.00	22478.00	22485.00	22293.00
10Y Treas. Yield (%)	6.50	6.85	7.30	7.30	6.90
3m Interbank (%)	4.55	4.40	4.55	5.15	4.65
GDP (YoY%)	-	-	-	6.7	-
PMI	50.7	52.2	49.5	51.3	50.7
Sov. Rating, Moody's	B1	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 April 2016 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](#).<sup>†</sup>

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

<sup>†</sup>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](http://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.<sup>†</sup> 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	–

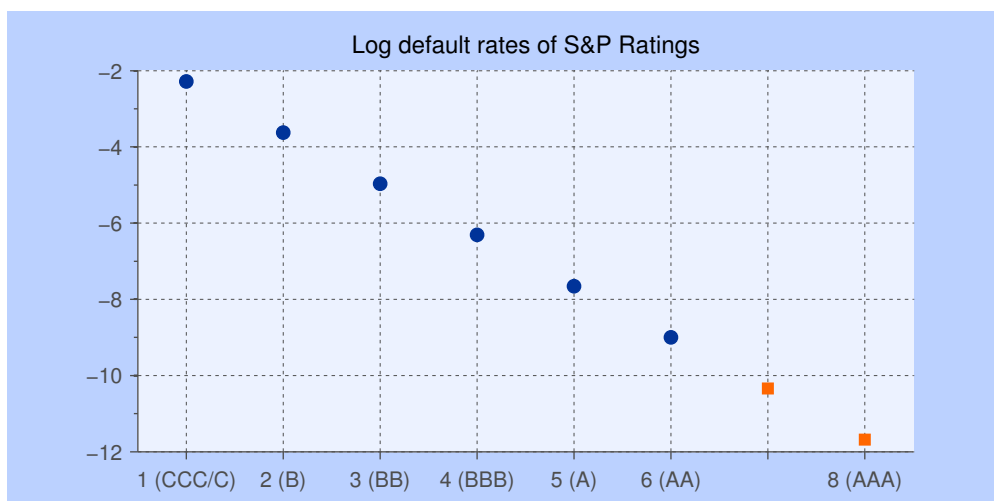
**Computing the boundaries between different PDiR classes:** The blue circles in the graph below indicate the logarithm of the observed ADR for firms rated by S&P with ratings from AA down to CCC/C.

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. 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 orange squares. However, taking the default rate based on the first extrapolated orange square 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 orange square.



<sup>†</sup>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 119 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>

## Usage, redistribution and publication of data

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