
Quarterly Credit Report

Q4/2015

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NUS
National University
of Singapore

RMI
Advancing Risk Management
for Singapore and Beyond

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 3 covers the fourth quarter of 2015. We discuss the general credit outlook for a selection of economies from around the world, based on relevant indicators, and relate this discussion to forecasts provided by RMI-CRI's probability of default (PD) model.

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

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

The economies that are considered in each region are based on a selection of 78 economies covered by RMI's default forecast model.

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

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

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

North America includes: Canada and the US.

Eastern Europe includes: Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, the former Yugoslav Republic of Macedonia, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Tunisia, Turkey and Ukraine.

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

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

Credit Research Initiative

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

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

www.rmicri.org

As of December 2015, 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 mis-use the data. General users who do not request global access are restricted to a list of 5,000 firms. The PD system operates in a transparent manner, and a detailed description of our model is provided in a [Technical Report](#) available on our website.

Table of Contents

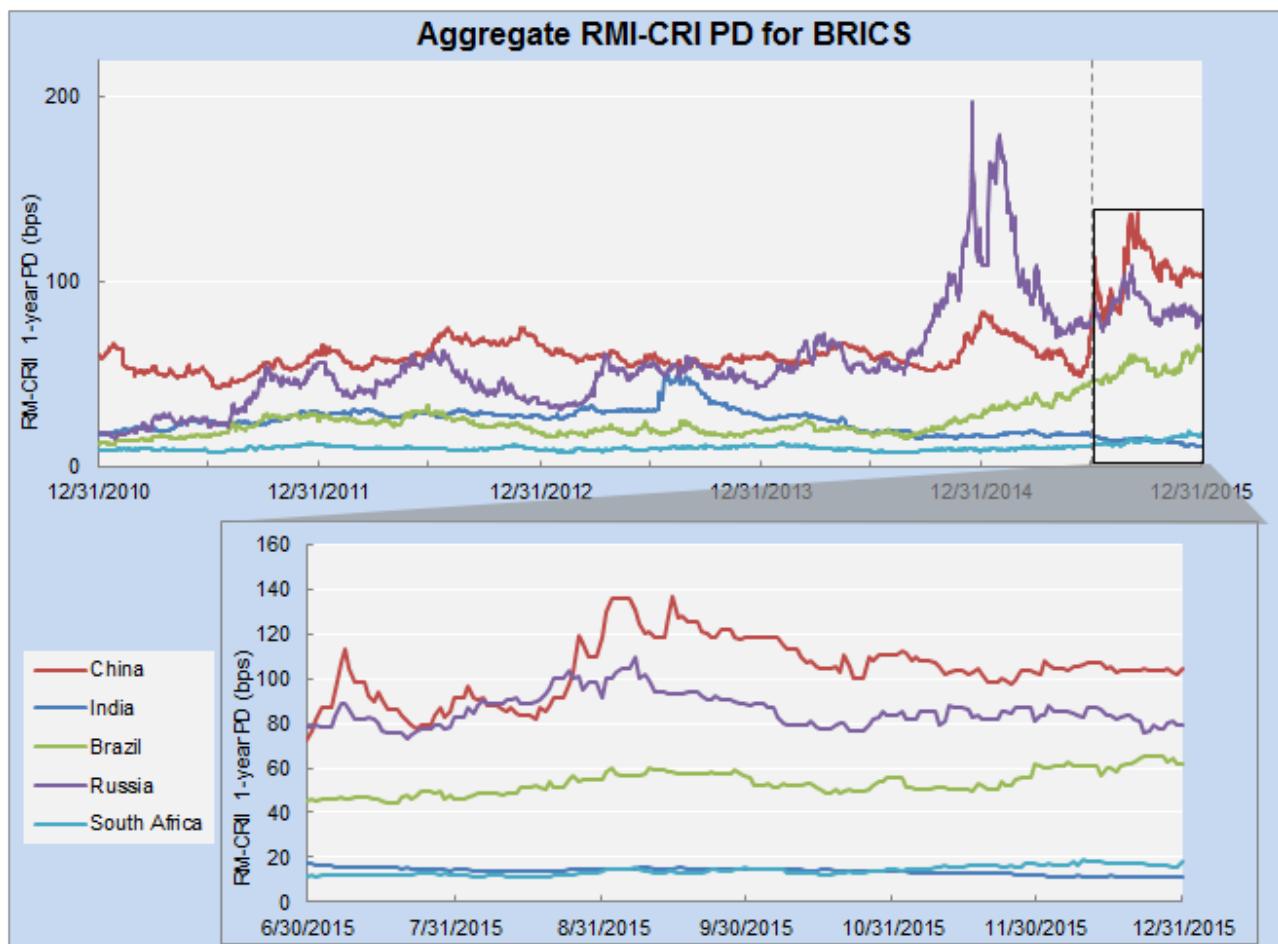
Introduction	1
Acronyms	4
BRICS	5
Russia	6
China	11
Asia-Pacific - Developed economies	17
South Korea	18
Singapore	23
Asia-Pacific - Emerging economies	28
Indonesia	29
Malaysia	35
Europe	40
Greece	41
United Kingdom	45
Appendices	49
A PD by economies	50
B PD by regions	70
C Macroeconomic Indicators	74
D Data notes	113
About RMI and the Credit Research Initiative	116

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 Estadi
LATDB	Liquid assets to deposits and short-term borrowings ratio
LHS	Left-hand side of graph
LTRO	Long term refinancing operation
MAS	Monetary Authority of Singapore
MoM	Month on Month
MRO	Main refinancing operation
NIM	Net Interest margin
NPL	Non-performing loan
OECD	Organisation for Economic Co-operation and Development
PBOC	The People's Bank of China
PMI	Purchasing Managers Index
QoQ	Quarter on Quarter
RBA	Reserve Bank of Australia
RBI	Reserve Bank of India
RHS	Right-hand side of graph
RRR	Reserve requirement ratio
YoY	Year On Year

BRICS

The aggregate RMI-CRI 1-year PDs for companies domiciled in Brazil, Russia, China and South Africa remained unchanged during Q4. Unlike the other economies, the RMI-CRI aggregate 1-year PD for Indian firms improved during the quarter, coinciding with an upbeat economic growth prospect for 2016 and favorable demographics. The country's GDP is expected to grow at a rate of 7.2% in FY 2016/2017, boosted by the manufacturing sector. India's falling interest rate environment is also credit positive for companies looking to tap into the debt market for funding. In contrast to falling default risk for Indian firms, other companies in the BRICS region have witnessed a worsening trend in credit profiles. Poor consumer spending, increasing defaults and weak earnings are pushing the credit risk of Russian and Brazilian companies. In Brazil, companies are facing headwinds such as an overleveraged consumer sector, significant infrastructure bottlenecks, and high costs of doing business. In Russia, companies in the banking and oil and gas sectors have been affected by Western sanctions.



Russian Companies

The RMI aggregate 1-year PD for Russian companies remained stable during Q4, despite the poor economic backdrop and low oil prices weighing on the credit profiles of energy companies. Surveys published by Markit showed that the service and manufacturing sectors contracted in Q4, as high inflation and weak employment affected consumer spending and optimism. The credit outlook for Russian companies is negative due a low oil price forecast for the rest of the year, international sanctions and poor hiring trends.



Economy

- Russia recorded its steepest GDP decline since 2009 as international sanctions and lower oil prices weighed on the country's economic output. Real GDP decreased 3.7% YoY in Q4 after growing 0.70% YoY in Q3. Oil and gas revenues, which account for nearly half of Russia's GDP, fell sharply as the price of Brent crude oil dropped by 23.5% during the quarter. Market watchers are pessimistic about the country's growth in 2016. The IMF expects Russia's economy to shrink by 1% this year before returning to an annual growth rate of 1% in 2017.¹
- With Brent crude oil prices remaining below USD 30 per barrel, more Russians are living below the poverty line. The number of Russians earning less than USD 140 a month increased to 20.3mn or, 14.1% of the population in September 2015. In September 2014, the poverty ratio was 12.6%.²

- The consumer price index expanded at a sharply lower rate in January after reaching an annual rate of 15.6% in Q4. The index grew at the slowest pace since 2014 at 9.8% YoY in January. Inflation forecasters expect prices to remain at elevated levels as the national currency might weaken further this year. The RUB lost 4.6% against the USD in January, which was the second worst performer in a Bloomberg survey of 24 emerging market currencies.³
- Russia's unemployment rose to 5.8% in Q4, after falling to 5.2% in Q3. The central bank forecasts that the number of people unemployed will rise above 4.3mn in 2016, and reach an unemployment rate of 6% this year. According to the Labor Ministry, public servants and employees of small and medium-sized businesses will be most affected by the economic downturn but oil and gas companies, industrial companies and banks did not plan any massive job cuts.⁴
- As a gauge of overall manufacturing activity, the Markit's Manufacturing Purchasing Managers' Index (PMI) continued to remain below the 50 point mark, which is a sign of ongoing contraction in the sector. The index decreased from 49.1 in Q3 to 48.7 in Q4, as the sector was weighed down by further deteriorations in outstanding business levels and job cuts. Companies surveyed by Markit said they made losses by weakening currency as the RUB fell to a record low against the USD in January. A similar poll conducted in January showed that the PMI index improved slightly to 49.1 due to a marginal growth in buying activity.⁵
- The service sector also contracted in Q4 as the Markit Service PMI dropped from 51.3 in September to 47.1 in January. The contraction was the worst pace in 10 months as new businesses indicated a more pessimistic outlook with falling revenues.⁶

Monetary

- The Bank of Russia kept the key base rate at 11% during Q4 on the backdrop of falling oil prices. In the monetary policy statement posted online, the central bank remained concerned about inflation and said there was increasing risks to price stability. The decision to keep rates unchanged was made in recognition of deteriorating economic conditions, the high debt load of Russian companies and interest rate risks for banks and borrowers.⁷

Funding & Liquidity

- 10 year yields on Russian sovereign notes decreased from 11.02% in Q3 to 9.64% in Q4. Russia's finance ministry invited 23 investment banks, including Bank of China, Goldman Sachs and Barclays to submit proposals to broker its return to foreign capital markets, its first mandate since issuing international bonds in September 2013.⁸
- The weighted average interest rates on RUB-denominated loans over 1 year to small and medium sized businesses decreased from 15.06% in September 2015 to 13.15% in December. The rate of loans to non-financial organizations maturing in less than 1 year also fell from 14.03% to 13.89% during the same period.⁹

Sovereign Credit Ratings

- Credit ratings of Russia's sovereign notes remained unchanged at all three major credit rating agencies. S&P and Fitch maintained a BB+ rating and a BBB- rating respectively while Moody's rating stayed at Ba1 in Q4. Moody's upgraded their outlook to stable on the issuer in December, citing a stabilization of Russia's external finances and a diminished likelihood of the Russian economy facing an intense shock in 2016. S&P and Fitch however kept their negative outlooks on the Russian government.¹⁰

Russian Banks

The credit profiles of Russian banks deteriorated in Q4 as poor earnings and bad loans marred the credit outlook for lenders. The sector's losses were exacerbated by the RUB 74bn loss of troubled Vneshprombank, whose license was revoked in January 2016. Considerable impairment driven losses were reported by a number of banks, including the Bank of Moscow and FC Otkritie. The bank's credit metrics would have been worse had it not been for the central bank, which allowed the banks to use favorable exchange rates to value their assets. Regulators are mulling bail-in measures for bank failures so that stakeholders will share the cost of rescuing lenders. Looking forward, the creditworthiness of Russian banks are not likely to improve soon as the losses from bad loan write-downs continue to climb upwards.



Profitability

- Profitability for Russian banks likely decreased in Q4 after the central bank announced banks made RUB 73bn of losses in December. From a yearly perspective, the net profit of Russian lenders dropped threefold from RUB 589bn in Dec 2014 to RUB 192bn in Dec 2015. The main reason for the decline in earnings was the increase in loan provisions which increased 33% YoY.¹¹

Funding & Liquidity

- Data released by the Bank of Russia showed that funding among non-financial institutions improved in October. The amount of funds raised increased 24% YoY to RUB 18.37bn in October after falling to RUB 15.40bn in April. October's funding level however remained below January 2015 as the issuance of longer term securities, i.e. those maturing beyond 180 days, have remained depressed.¹²

- Deposits increased 19.83% YoY to RUB 21.19bn in October, with foreign deposits increasing at a faster pace than local currency deposits. Foreign currency deposits grew 55.44% YoY during the month while deposits denominated in RUB increased 9.89% YoY. The weakening of the RUB against a number of currencies including the USD had led to a greater demand for foreign currency deposits among Russians.¹³
- Funding costs likely continued their downward trend in Q4 as benchmark yields on sovereign notes decreased. The weighted average interest rates (WAIR) on individual deposits (including demand deposits) of up to 1 year declined from 12.33% in January to 6.92% in October. The WAIR on deposits of nonfinancial organizations likewise dropped from 14.83% to 9.93% within the same period.¹⁴

Capital Levels & Regulations

- Russia's Finance Ministry has considered a bail-in for large depositors as one of the measures to protect lenders for bankruptcy. The new mechanism will allow depositors of large distressed banks to become shareholders if the bank successfully restructures and recovers in a couple of years. A bail in requires the creditors, depositors and bondholders to share the cost of rescuing a bank in trouble, with the State.¹⁵
- The Russian central bank has taken drastic measures to help banks manage their exposure to a weakening RUB. The monetary authority says that banking loans should be in RUB to minimize risk related to currency fluctuations and began tightening regulation to contain risks related to foreign currency exposure in the Russian banking system, by asking banks to set aside more capital against retail forex loans. The central bank already asked the banks to use favorable exchange rates to value their foreign currency assets so that lenders would not need to set aside too much capital against potential forex losses.¹⁶

Asset Quality

- According to Fitch Ratings, the core tier 1 ratio of Russian banks remained unchanged in December while total capital ratios improved. Lenders surveyed by the rating agency said that total capital ratios increased due to an increase of subordinated debt from the Deposit Insurance Agency (DIA). Capital ratios of other banks were higher by 60 to 80bps due to the use of favorable exchange rates. Fitch estimated that 52 banks within their sample would be able to absorb potential loan losses equivalent to less than 5% of total loans.¹⁷

¹ Jan 25, 2016, [Russia's GDP falls 3.7% as sanctions and low oil price take effect](#), The Guardian, <http://www.theguardian.com>

² Dec 10, 2015, [Over 2 Million More Russians Fall Below Poverty Line](#), Moscow Times, <http://www.themoscowtimes.com/>

³ Feb 05, 2016, [Russian Shoppers Get Inflation Respite as Ruble Effect Looms](#), Bloomberg, <http://www.bloomberg.com>

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⁵ Feb 01, 2016, [Russia's Manufacturing Sector Stabilizes, Unemployment Rises](#), Dow Jones Business News, <http://www.nasdaq.com>

⁶ Feb 03, 2016, [Russian services PMI falls most in 10 months](#), Marketwatch, <http://www.marketwatch.com>

⁷ Jan 29, 2016, [The Bank of Russia decided to keep its key rate at 11.00% p.a.](#), The Central Bank of the Russian Federation <http://www.cbr.ru>

⁸ Feb 08, 2016, [Russia Courts Foreign Banks as Funding Crunch Overtakes Politics](#), Bloomberg, <http://www.bloomberg.com>

⁹Dec 2015, [Interest rates and structure of loans and deposits by maturity](#), The Central Bank of the Russian Federation <http://www.cbr.ru>

¹⁰Dec 3, 2015, [Moody's changes outlook on Russia's Ba1 government bond rating to stable from negative](#), Moody's, <https://www.moodys.com/>

¹¹Jan 25, 2016, [Central Bank: the net profit of Russian banks in 2015 fell three times](#), News For You, <http://en.news-4-u.ru/>

¹²Dec 2015, [Funds of Organizations Accepted by Credit Institutions](#), The Central Bank of the Russian Federation <http://www.cbr.ru>

¹³Dec 2015, [Deposits of Individuals Accepted by Credit Institutions](#), The Central Bank of the Russian Federation <http://www.cbr.ru>

¹⁴Dec 2015, [Weighted Average Interest Rates on Deposits of Individuals and Non-financial Organizations in Rubles](#), The Central Bank of the Russian Federation <http://www.cbr.ru>

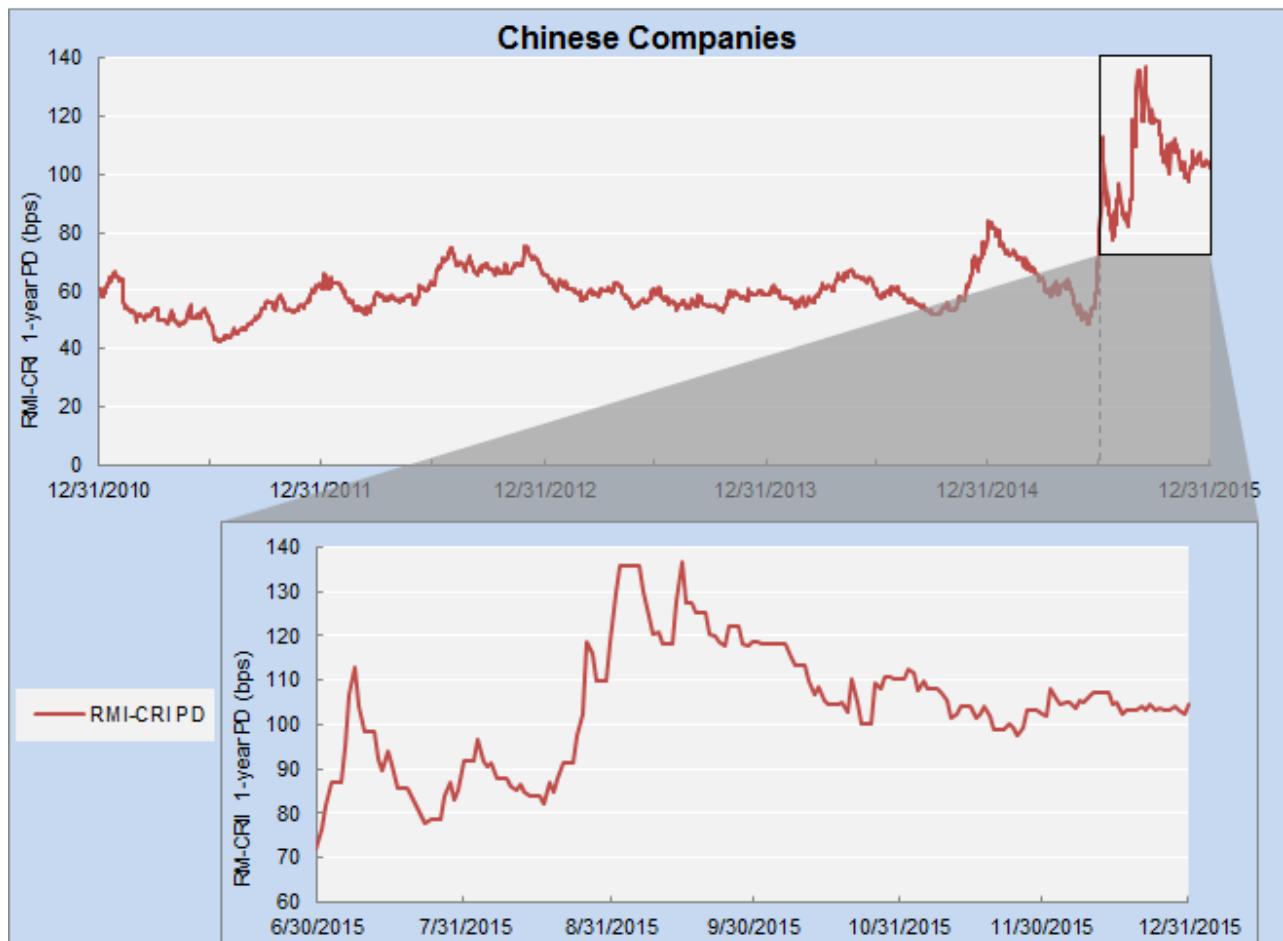
¹⁵Jan 29, 2016, [Russian Finance Ministry considers bail-in for big bank depositors](#), Reuters, <http://www.reuters.com/>

¹⁶Feb 22, 2016, [Russia's central bank chief says most banking loans should be in roubles](#), Reuters, <http://www.reuters.com/>

¹⁷Feb 04, 2016, [Fitch Publishes FY2015 Russian Banks Datawatch](#), Fitch Ratings, <https://www.fitchratings.com>

Chinese Companies

Chinese companies likely witnessed an improvement in credit quality during Q4, after reaching the highest level in 5 years in Q3. China's GDP growth dived to its slowest pace of 6.8% YoY in the fourth quarter of 2015 since global financial crisis. The Chinese central bank tried to boost economic growth and eased monetary conditions by cutting the benchmark interest rates and the reserve requirement rate (RRR). The measures were necessary, according to regulators, in order to curb dropping foreign investments and the withdrawal of capital from China. The injection of liquidity by the central bank is credit positive for Chinese firms but many firms reported falling cash to total asset ratios.



Economy

- China's domestic product expanded by 6.8% YoY in the fourth quarter of 2015. China's economic growth rate slowed to a 25-year low of 6.9% in 2015, as the world's second-largest economy continues to shift away from its manufacturing roots.¹⁸
- China's consumer inflation rose 1.6% YoY in December on rising food prices. 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.¹⁹

- The registered unemployment rate in China's cities was 4.05 percent in the last quarter of 2015, unchanged from three months earlier. The country created over 13 million new jobs for urban residents last year, exceeding the official target of 10 million.²⁰
- China's Caixin manufacturing purchasing managers index (PMI) fell to 48.2 in December, from 48.6 in November, contracting for a tenth month. The official non-manufacturing PMI, which tracks the services sector, rose to 54.4 in December from 53.6 in November.²¹
- Besides manufacturing, domestic demand and real-estate investment are slowing. China's fixed-asset investment growth, a crucial driver of the economy, grew 10% in 2015 YoY, missing market expectations. China's house sales and prices continued to rise in December, though a full-blown property recovery is not expected any time soon.²²
- China's total trade fell in December but far less than expected, with exports outperforming many of its regional peers after the country let its currency depreciate sharply, highlighting fears of a currency war among Asia's trade-reliant economies. The exports from the world's largest trading nation fell 1.4% from a year earlier, much less than a Reuters poll forecast for an 8% drop and moderating from November's 6.8% decline. The imports fell 7.6%, receding for the 14th straight month but not as sharply as feared, possibly due to factories stocking up on crude oil, iron ore and other materials as global resources and commodity prices continued to fall.²³

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%.²⁴
- Chinese policy makers announced a cut in the required-reserve ratio (RRR) for the biggest banks in October, reducing it to 17.5% from 18%, while also lowering the one-year lending rate, their main policy tool, to a record low of 4.35%. In a series of reductions, the central bank has brought the reserve ratio down from its 2011 peak of 21.5%. The easing underscored the determination of the country's leader to meet their 2015 growth goal of about 7%. The pace of expansion will slow to 6.5% in 2016 and 6.3% in 2017, according to the median estimates of economists surveyed by Bloomberg.^{25,26}
- China's foreign exchange reserves continued to shrink in December, recording the biggest monthly drop ever and falling overall to its lowest level in nearly three years as worries intensify over the country's economic slowdown. With the USD 107.9bn drop in December, Beijing's foreign-exchange reserves have fallen every month but one since May. The data suggested the central bank has to spend huge amounts of dollars to support an increasingly beleaguered yuan amid decelerating economic growth and the onset of higher US interest rates.²⁷

Funding & Liquidity

- 10-year government bond yield dropped from 3.25% in September to 2.84% in December 2015. 1-year government bond yield increased slightly from 2.34% to 2.36% in the same period.²⁸
- The 3-month 5-day average SHIBOR decreased slightly from 3.15% on 30 September 2015 to 3.00% on 30 December 2015.²⁹

- China's new bank loans came in lower than expected in December, as lenders sharply scaled back activity at the end of the year amid slowing economic growth and rising bad debt. Chinese banks issued RMB 597.8bn of new yuan loans in December, down from RMB 708.9bn in November and below RMB 700bn forecast made by economists polled by the Wall Street Journal. The slowdown may be linked to a build-up of bad debt on Chinese lenders books, which threaten their asset quality and eat into profitability.³⁰

Policy

- In 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 scone bear market in stock 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 help 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 big banks, allowing them to keep less cash locked up at the PBoC.³¹

Sovereign Credit Ratings

- Moody's, Fitch and S&P maintained a stable outlook with respective ratings of Aa3, A+ and AA- on the Chinese government during Q4 2015.

Chinese Banks

The default risks of Chinese banks have risen to its highest level in more than 5 years in Q4. The asset quality problem in the industry has worsened, as the ratio of non-performing loans had reached a 10-year high by the end of 2015. Although the regulator has injected a tremendous amount of liquidity to the banking system and implemented a series of overhaul of its financial laws and regulation to prevent any financial crisis from happening, the credit profiles of Chinese banks may continue to deteriorate in the face of rising defaults and tight credit conditions.



Profitability

- The net income at the five commercial banks was flat last year compared with growth of 6 percent for listed midsized banks and 17 percent for 10 city level banks. Profit margins however moving forward, however are likely to be dragged down by rising bad loan provisions. Analysts like Kyle Bass mentioned that, if the Chinese banking system lost 10% of its assets because of NPLs, the nation will suffer from USD 3.5tn in equity evaporation. China may then end up having to recapitalize banks by more than RMB 10tn, pressuring the currency to devalue by more than 30%.³²

Funding & Liquidity

- China's central bank injected RMB 1.53tn (USD 232.59bn) in liquidity ahead of the Lunar New Year vacation to avoid a cash crunch in the lead up to the holiday season. China's central bank lent RMB 862.5bn to financial institutions in January via its medium-term lending facility (MLF). The People's Bank of China (PBOC) has increased open market operations and repeatedly used short and medium term lending tools to avoid a cash crunch ahead of the Chinese New Year.³³

Regulations

- China's government is stepping up efforts to ward off a potential financial crisis, China Banking Regulatory Commission, told an internal meeting last month that banks would be forced to restructure, inject new capital or change their senior management if key risk indicators fall outside "reasonable ranges," Those indicators include bad-loan coverage and capital adequacy ratios. Bank of China told banks it will also impose more limits on the amount of proprietary funds managed by other institutions, and that it will tighten control of leverage taken on when buying bonds. The central bank said Tuesday it will allow banks to cut the minimum required mortgage down payment to 20 percent from 25 percent for first-home purchases to the lowest level ever as it steps up support for the property market. ³⁴
- China is planning a pilot program to allow selected commercial banks to set up equity investment arms to take direct stakes in technology firms, a move aimed at giving lenders a chance to buy into a high-growth industry while stoking competition with private equity players. Under China's commercial banking law, banks are forbidden from directly investing in equities of non-bank institutions, unless otherwise stated by the government. The pilot program, dubbed an "investment and loan linkage mechanism", is set to start sometime this year via special approval by the State Council.³⁵

Asset Quality

- "China's non-performing loans reached a 10-year high of 1.27 trillion at the end of 2015. The average commercial bank NPL ratio rose to 1.67% at the end of December from 1.59% three months earlier, NPLs increased by 88.1 billion yuan over the last three months of the year, to 1.27 trillion yuan, the highest since the second quarter of 2006. Special mention loans, referring to debts that could potentially turn sour, rose to 2.89 trillion yuan, an increase of 80 billion yuan from the end of September, underscoring how mounting debts have weighed on Chinese lenders in the face of slowing economic growth. Bank profits, which have been squeezed by consecutive interest rate cuts and the ongoing liberalization of rates, increased by 2.43% in 2015 to 1.59 trillion yuan.³⁶

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¹⁹ Jan 09, 2016, [China Economy: Consumer Inflation Edges up, Factory Prices Continue To Fall](http://www.ibtimes.com/), International Business Times, <http://www.ibtimes.com/>

²⁰ Dec 31, 2015, [National Summary Data Page](http://economictimes.indiatimes.com/), National Bureau of Statistics of China, <http://economictimes.indiatimes.com/>

²¹ Jan 03, 2016, [Weak Caixin PMI revives China slowdown fears](http://www.cnbc.com/), CNBC, <http://www.cnbc.com/>

²² Jan 19, 2016, [China fourth-quarter growth weakest since 2009 as policy misstep fears grow](http://www.reuters.com/), Reuters, <http://www.reuters.com/>

²³ Jan 13, 2016, [China Dec exports, imports fall much less than expected after yuan slides](http://www.reuters.com/), Reuters, <http://www.reuters.com/>

²⁴ Oct 23, 2015, [China cuts rates again as growth engine stalls](http://www.reuters.com/), Reuters, <http://www.reuters.com/>

²⁵ Jan 19, 2016, [China central bank to inject USD 91 billion to ease liquidity strains](http://www.reuters.com/), Reuters, <http://www.reuters.com/>

²⁶ Jan 05, 2016, [China Retools Bank Reserve Ratio, Casting Doubt on RRR Cuts](http://www.bloomberg.com/), Bloomberg, <http://www.bloomberg.com/>

²⁷ Jan 07, 2016, [Chinas Forex Reserves Fall by Record USD 107.9bn on Yuan Fears](http://www.wsj.com/), WSJ, <http://www.wsj.com/>

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³⁰Jan 15, 2016, [China's December new bank loans miss expectations](#), MarketWatch, <http://www.marketwatch.com/>

³¹Feb 01, 2016, [China's Record Factory Gauge Slump Adds to a Policy Dilemma](#), Bloomberg, <http://www.bloomberg.com/>

³²Feb 11, 2016, [Bass Says China Bank Losses May Top 400% of Subprime Crisis](#), Bloomberg, <http://www.bloomberg.com/>

³³Feb 01, 2016, [China central bank injects 1.53 trillion yuan liquidity before Lunar New Year](#), Reuters, <http://www.reuters.com/>

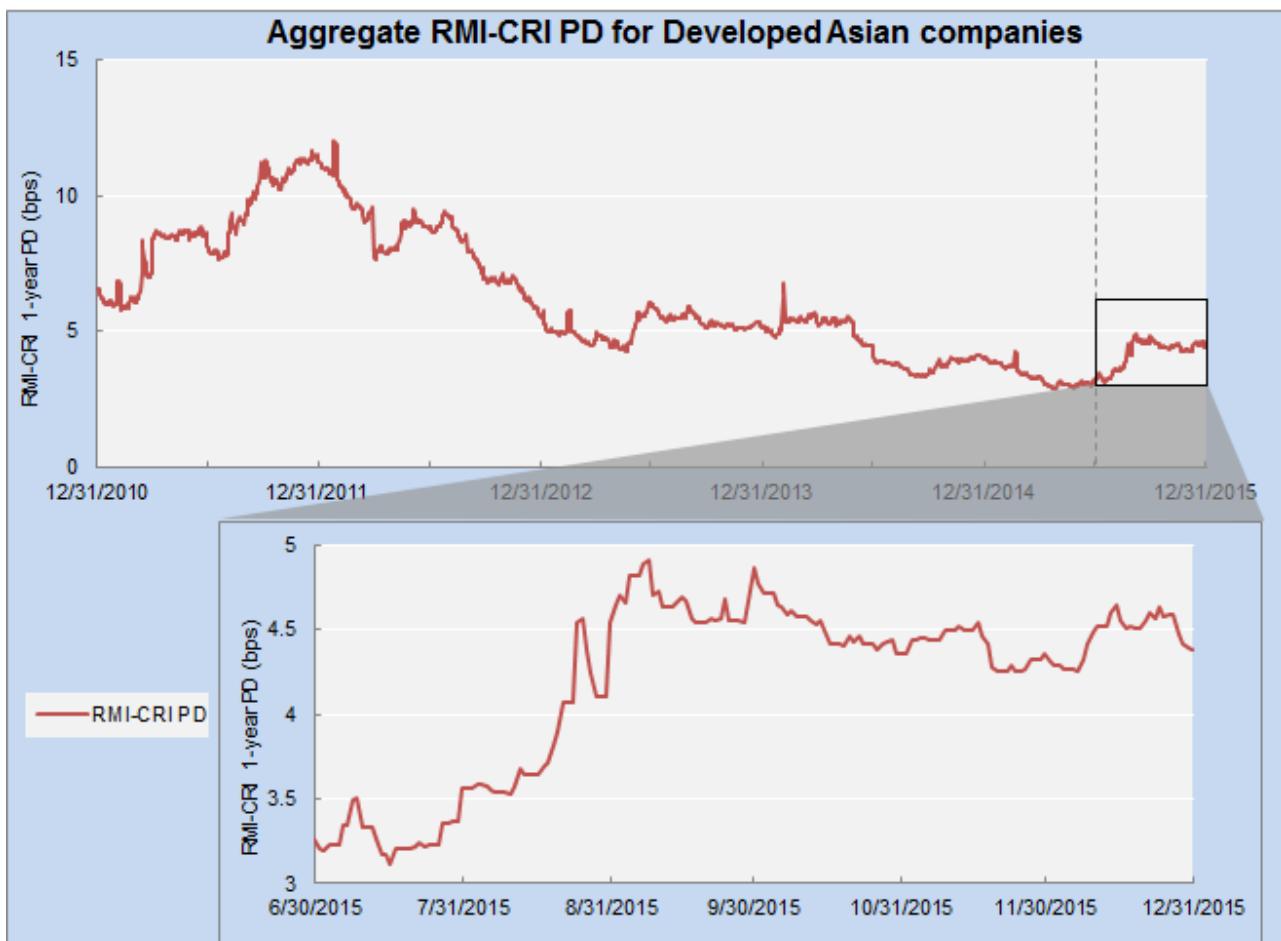
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³⁵Feb 01, 2016, [China to allow banks to directly invest in high-growth tech firms -sources](#), Reuters, <http://www.reuters.com/>

³⁶Feb 15, 2016, [China commercial bank bad loans reach 10-year high in December](#), Reuters, <http://www.reuters.com/>

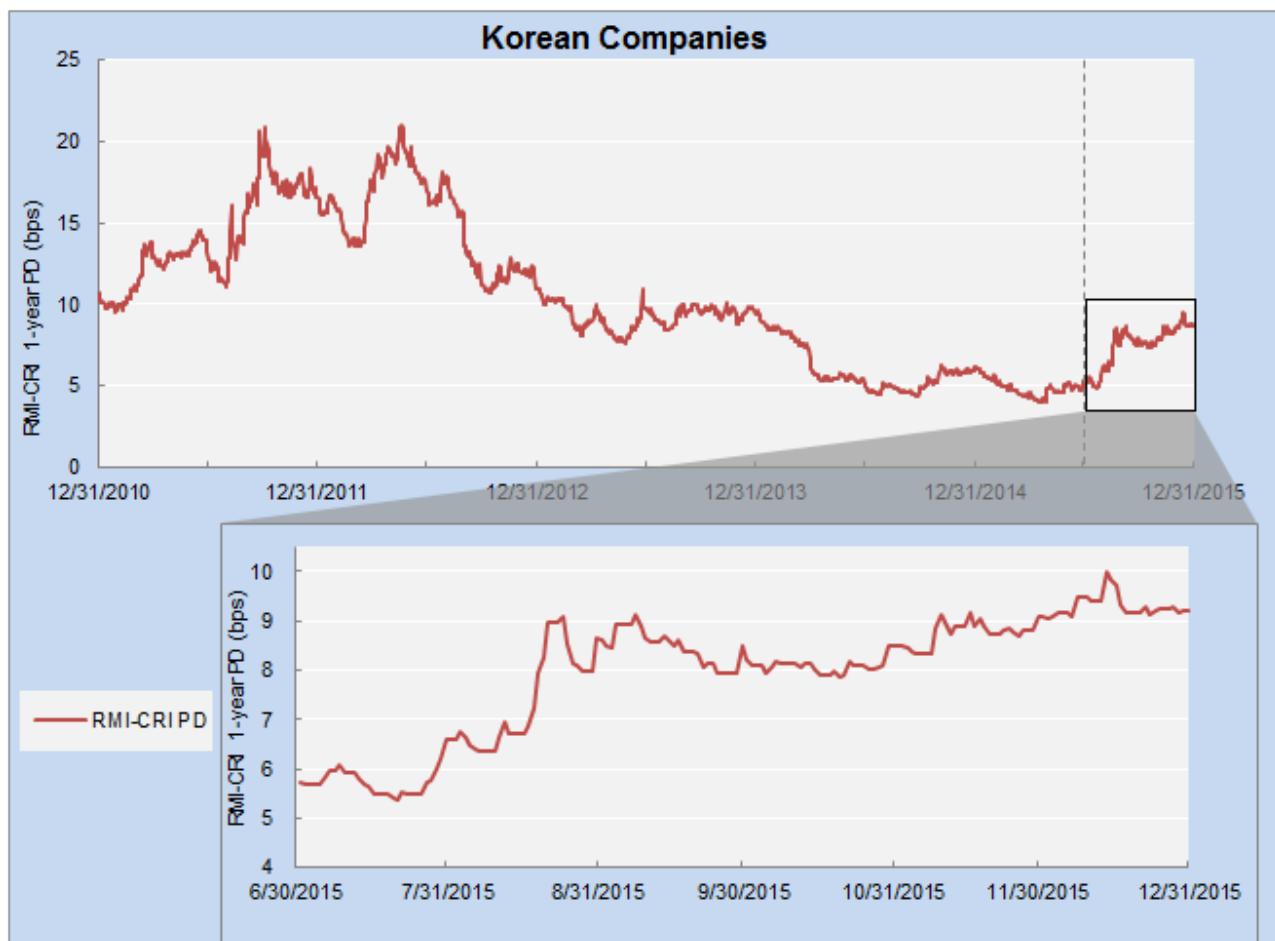
Asia-Pacific - Developed economies

The RMI 1-year PD for listed companies in the developed Asia Pacific region increased during Q4 2015. 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, increased from 380.33 in Q3 2015 to 410.67 in Q4 2015. In the quarter, Japan's retail sales dropped 1.1% YoY, the largest decrease since Q1 2014. And Japanese real household consumption in Nov contrasted 2.2% YoY. However, the consumer confidence index rose 0.1 point to 42.7, and the consumer price index for Japan was 103.5 in Dec 2015, down 0.1% from the previous month, and up 0.2% over the year. South Korea's export growth in Dec 2015 decreased 14.1% YoY, a 12-month consecutive negative growth, mainly caused by the contraction in export to China, EU and the US. Purchasing Managers Index of South Korea in Dec 2015 increased 1.6 points to 50.7. Singapore's economy growth decreased from 2.9% in 2014 to 2.1% in 2015 due to the drag of slowdown in Chinese economy.



South Korean Companies

The RMI-CRI aggregate 1-year PD for South Korean companies continued its upward climb during Q4. The increase in the PD occurred despite the improvement in South Korea's GDP in Q4. However, manufacturing activity and exports have fallen; these bearish market factors played a larger role thus the credit profile of Korean companies has dropped. Poor global outlook and the weakening won have compelled interest rates to stay at a low level of 1.5%.



Economy

- Data released from the Bank of Korea on Jan 26, 2016 showed that the South Korea's economy has risen by 0.6% QoQ during Q4, as compared to 1.3% QoQ during Q3. On a YoY basis, the economy has expanded by 3.0%, bringing a full-year GDP growth to 2.6%. Economists anticipate that robust private consumption and a recovery in exports would drive the economy in 2016.³⁷³⁸

- Consumer confidence index in Korea declined to 100 in January 2016 from 102 in December 2015. The index reached the lowest level in six months as it fell in January for a second straight month. According to a central bank survey, households felt downbeat about the current and future living conditions. ³⁹
- Korea exports in January suffered the biggest drop since the financial crisis in 2009; exports fell by 18.5% YoY, marking a continuous decline for 13 months. Imports have also fallen by 20.1% YoY in January, as compared to 19.2% YoY in December. Trade surplus in January is USD 5.3bn, which is the smallest surplus since Nov 2014. Trade minister of Korea commented that the export decline in January was due to three factors: fewer working days, slowdown in the global economy and the falling prices for key export goods. The average export value per working day is USD 1.63bn in January, compared with USD 1.77bn in December. ⁴⁰
- Korea's unemployment rate in Q4 remained the same throughout the quarter at 3.4%, meeting market expectations. The number of employed people decline to 25,879 in December 2015 from 26,253 a month earlier. On a YoY basis, unemployment dropped by 2.1%. ⁴¹
- Korea's PMI was 49.5 in January, a decline from 50.7 in December 2015; indicating a decline in operating conditions at the peninsula's manufacturers. This was evident in contracting production, new orders, employment and stocks of purchases in January. Manufacturers cut back sharply on staffing numbers as a result of the falling output and new orders. Input prices fell at a marked rate, concurrent with the fall in prices of raw materials. In addition, price charged by firms had decline as their cost burden have been reduced. Pressures from clients and the increased competition have been cited as some of the factors in pressing down selling prices. ⁴²

Monetary

- Interest rate in Korea was kept unchanged for a seventh straight month, which was in line with market expectations. Bank of Korea's monetary policy committee held the rate at 1.50% as it took into account the recent market troubles. Analysts predict that the central bank will continue to hold interest rate constant amid the benign inflationary pressures, poor economy and the weakening won. ⁴³

Funding & Liquidity

- Yields on 10-year South Korean government bonds have dropped during Q4, from 2.10% at the start of October to 2.09% at the end of December.
- Korea's M2 supply grew at a rate of 0.4% in November from a month earlier, an increase of 0.1% on-month gain in October. On a YoY basis, M2 has surged by 7.7% in November, reaching KRW 2,244.3tn (USD 1.85tn). In November, bank deposits with a maturity with less than two years increased by KRW 4.1tn to KRW 884.6tn. ⁴⁴
- Interest rates on new loans to large Korean corporates fell to 3.29% per annum in December, down from 3.35% in October. However, interest rates on new loans to small companies increased to 3.83% from 3.72% in the same period. ⁴⁵

Politics

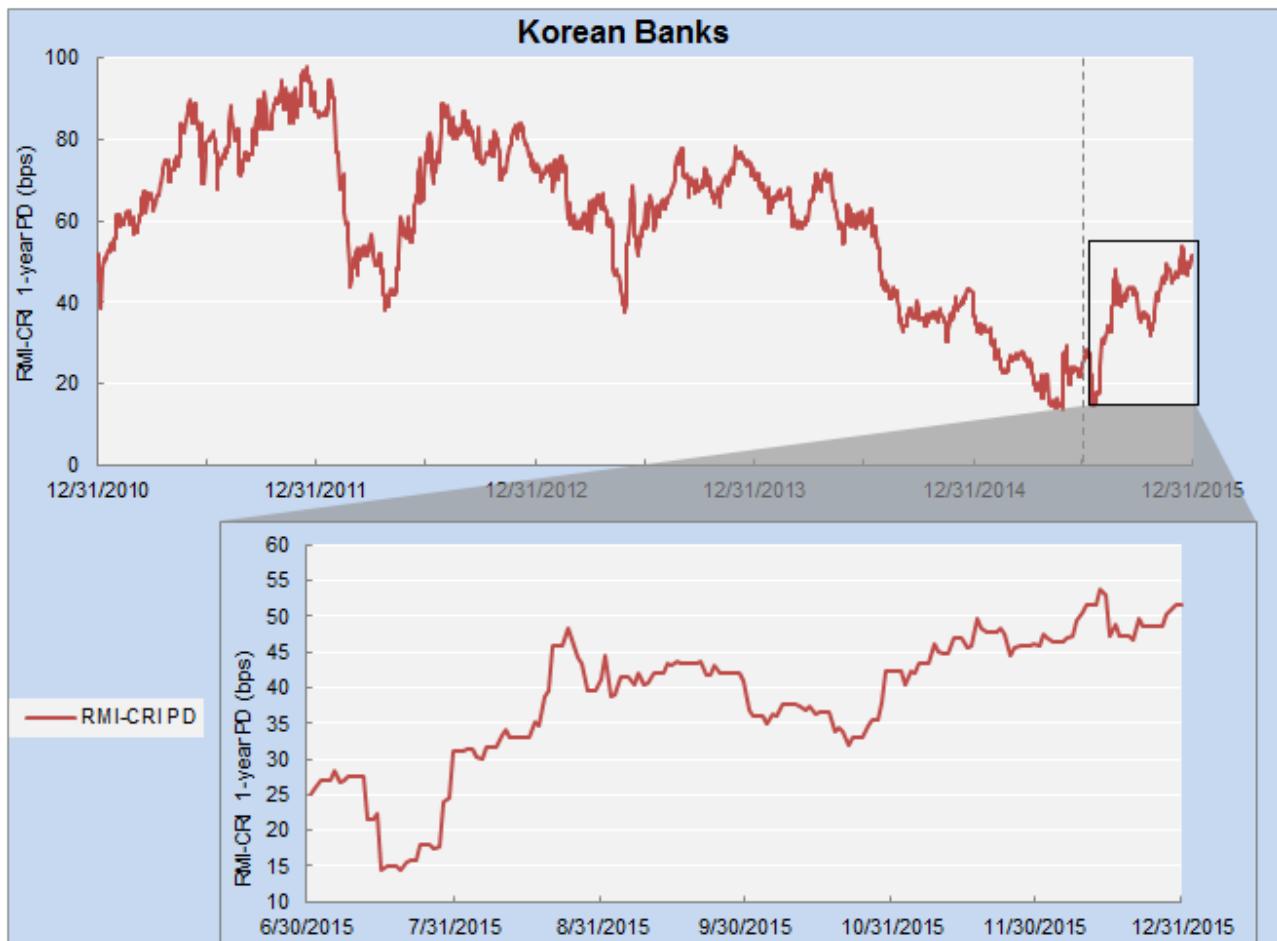
- South Korea's largest labour union grouping dealt a major blow to President Park when it withdrew from a labour reform agreement. The proposed reforms aim to make hiring and firing easier as well as allowing individual negotiations between employer and employee on the current working conditions. However, these reforms would only be implemented upon the consent from the labour union. South Korea has been criticized for its rigidity in hiring, firing and in settling wages.⁴⁶

Sovereign Credit Ratings

- " The three major agencies maintained their ratings on the country's sovereign debt during Q4, with the country rated AA- by Fitch, Aa3 by Moody's and A+ by S&P. All three CRAs maintained stable outlooks on the sovereign issuer.

South Korean Banks

The RMI-CRI aggregate 1-year PD for South Korean banks increased during Q4. Bank profitability continues to deteriorate due to the small net interest margin, increased regulations of loans given out. The only improvement on the balance sheets of the banks is the decline in delinquency rates for loans. With a lower interest rate of 1.5% and the tighter regulations imposed on the South Korean banks to control the amount of bad debts, the future of these banks look bleak, at least in the short term.



Profitability

- Aggregate net income of four South Korean Banks (Shihan Financial Group, KB Financial Group, Hana Financial Group, Woori Bank) plunged by 55% QoQ during Q4. This is mainly due to the losses made by Hana Financial Group.

Funding & Liquidity

- Average coupon rates on new issuances of 5-year KRW-denominated bank bonds remains unchanged 2.11% in from Q3 to Q4.
- Data published by the Korea Federation of Banks showed that the short term Cost of Funds Index rate increased during Q3, from 1.40% at the start of October to 1.52% on December 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 decreased during Q3; with the aggregate LATDB ratio for listed banks declined to 110.9% from 111.16% in Q2.

Asset Quality

- According to Financial Supervisory Service, delinquency rates for loans fell to a record low in 2015 as banks wrote off bonds worth KRW 3.7tn. The average delinquency rate

for bank loans is at 0.58% as of the end of December, which is 0.16% lower than the previous month and 0.06% lower as compared to the previous year. Bad corporate loans fell by 0.21% on-month to 0.78% in December while delinquent household loans fell by 0.09% on-month to 0.33%. ⁴⁷

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⁴⁴ Jan 13, 2016, [S. Korea's M2 money supply grows at fast rate in Nov.](#), Yonhapnews, <http://english.yonhapnews.co.kr/>

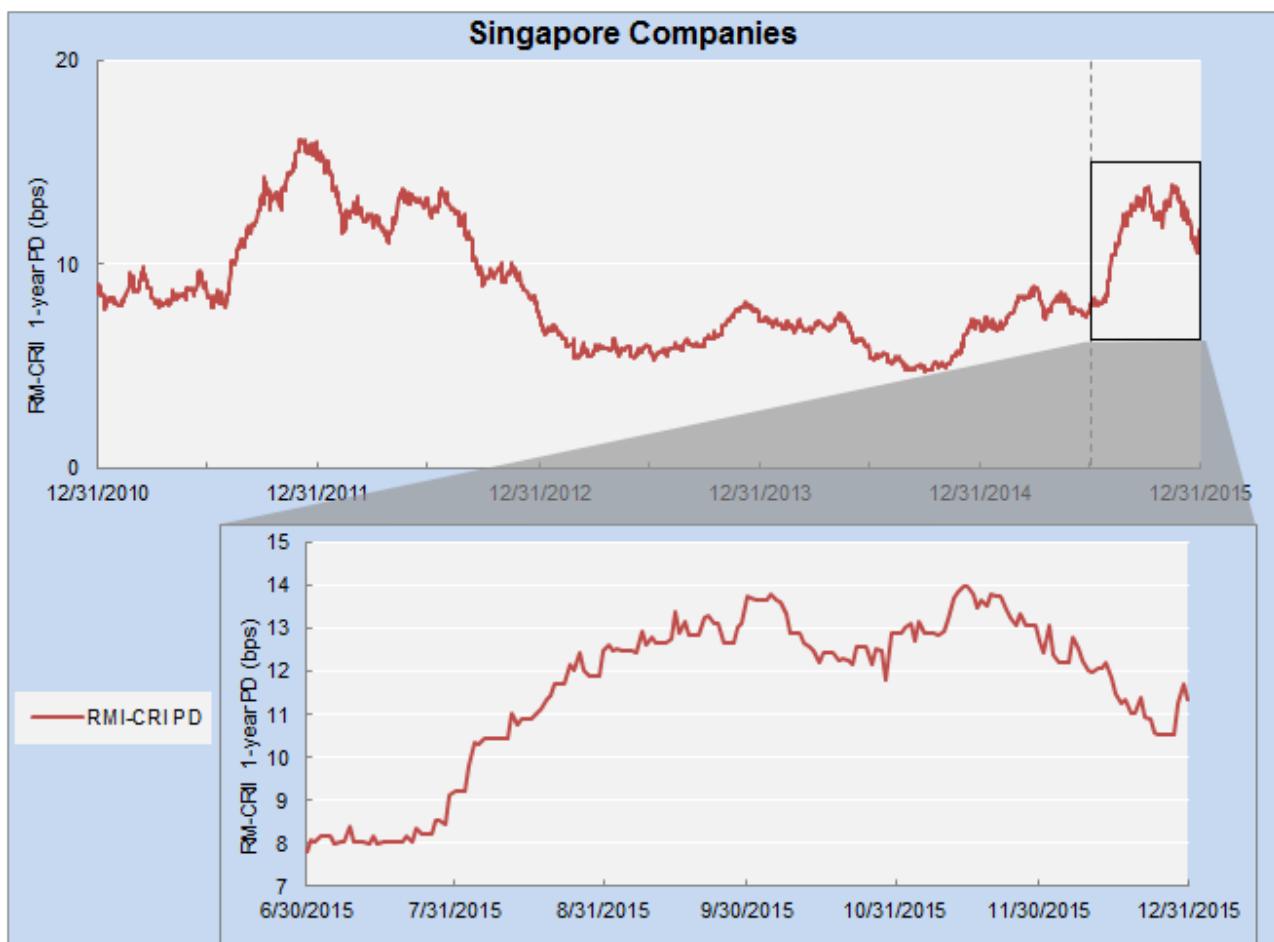
⁴⁵ Feb 3, 2016, [Interest rates on newly extended time deposits](#), Bank of Korea, <http://ecos.bok.or.kr>

⁴⁶ Jan 19, 2016, [South Korea union group pulls out from labour reform pact](#), Channel NewsAsia, <http://www.channelnewsasia.com/>

⁴⁷ Jan 28, 2016, [Home-backed bank loans grow at record pace in 2015](#), Yonhapnews, <http://english.yonhapnews.co.kr/>

Singapore Companies

The RMI-CRI aggregate PD for Singapore firms hit a 3-year high as of the end of the fourth quarter of 2015. Economic indicators remained soft across the board during the quarter - the consumer price index and the non-oil domestic exports (NODX) went down, while the GDP remained sluggish growth, with no indications of pick-up in the near future. The unemployment rate stayed steadily low at around 2.0% due to sluggish economic conditions and tightened supply of foreign manpower. In view of the weakness in the economy, some market analysts expected the MAS to ease its monetary policy in April by decreasing the Singapore dollar nominal effective exchange rate.



Economy

- According to the preliminary result, the Singapore economy grew by 2% YoY in the fourth quarter of 2015, slightly faster than the 1.8% in the previous quarter. Construction and services producing industries contributed most to the GDP growth, while manufacturing industry shrank. The economy expanded at 5.7% on a QoQ seasonally adjusted annualized basis, a speed faster than the 1.7% growth in the preceding quarter. As for the annual GDP growth in 2015, the economy grew by 2.1%, in line with MTI's forecast of "close to 2%".⁴⁸

- Inflation rate dropped by 0.6% YoY in December, the 14th straight month where it has fallen. Although overall services inflation slightly increased to 0.9% in December versus 0.7% in November, the costs of other activities went down. Private road transport cost fell by 1.1% in December versus 1.7% decline in November because the growth momentum of petrol pump prices more than offset the larger drop in car prices. Accommodation cost fell by 3% due to the soft housing rental market. Food inflation went down by 1.5% due to the moderation of increase in prices of prepared meals such as hawker food. For the full year of 2015, CPI-All Items inflation fell by 0.5%, down from 1% in 2014, the first decline since 2002. The MAS's core inflation measures, which strips out accommodation and private road-transport costs, rose 0.3% YoY in December versus a 0.2% YoY growth in the last month.⁴⁹
- Singapore's annual overall unemployment rate was low at 1.9% in 2015, down from 2% in 2014. The unemployment for citizens and permanent residents rose slightly to 2.8%, up from 2.7%. Although the unemployment remained at the low level, Singapore's job market saw the lowest annual growth in since 2003. By the end of 2015, there were only 31,800 more people were employed. According to the Manpower Ministry, the low unemployment rate shows that the constraint is not on jobs but on workforce. The slower job market growth could be attributed to sluggish economic conditions, slower growth of the Singapore economy, and tightened supply of foreign manpower.⁵⁰
- Survey results released by the Singapore Institute of Purchasing and Materials Management suggest that the manufacturing sector shrank for the sixth time. The Purchasing Managers' Index (PMI) posted a reading of 49.5, which slightly climbed by 0.3 point compared with the previous month. The main factors of the contraction included the further decline in new orders and export orders as well as production output.⁵¹
- The seasonally adjusted retail sales increased 1.4% MoM and 4.7% YoY in November, while the figures were 1.9% MoM and 2.0% YoY respectively if motor vehicles were excluded. The total retail sales value in November was estimated at SGD 3.5bn, higher than the SGD 3.3bn of last year. The seasonally adjusted sales of food&beverage services in November decreased 0.6% MoM and 4.0% YoY. The total sales value of food&beverage services in November was estimated at SGD 628mn, lower than the SGD 654mn of last year.⁵²
- Singapore's NODX increased by 7.2% YoY in December 2015, in contrast to the 3.4% YoY in the previous month, because of a contraction in both electronic and non-electronic NODX. The top contributors to the NODX decline were China, South Korea, and Taiwan.⁵³

Monetary

- According to BMI Research, MAS is expected to ease its monetary policy in April by decreasing the Singapore dollar nominal effective exchange rate (S\$NEER) band to reflect the macro backdrop of consistently negative CPI readings, poor export growth, falling industrial production, and middling economic growth. The institution also added that the lower oil prices should also factor in the MAS's decision making process, as the prices are highly likely to remain sub-zero for a second straight year.⁵⁴

Funding & Liquidity

- Yields of 10-year Singapore government bonds increased to 2.60% on Dec 31 2015 from 2.55% on Sep 30 2015.

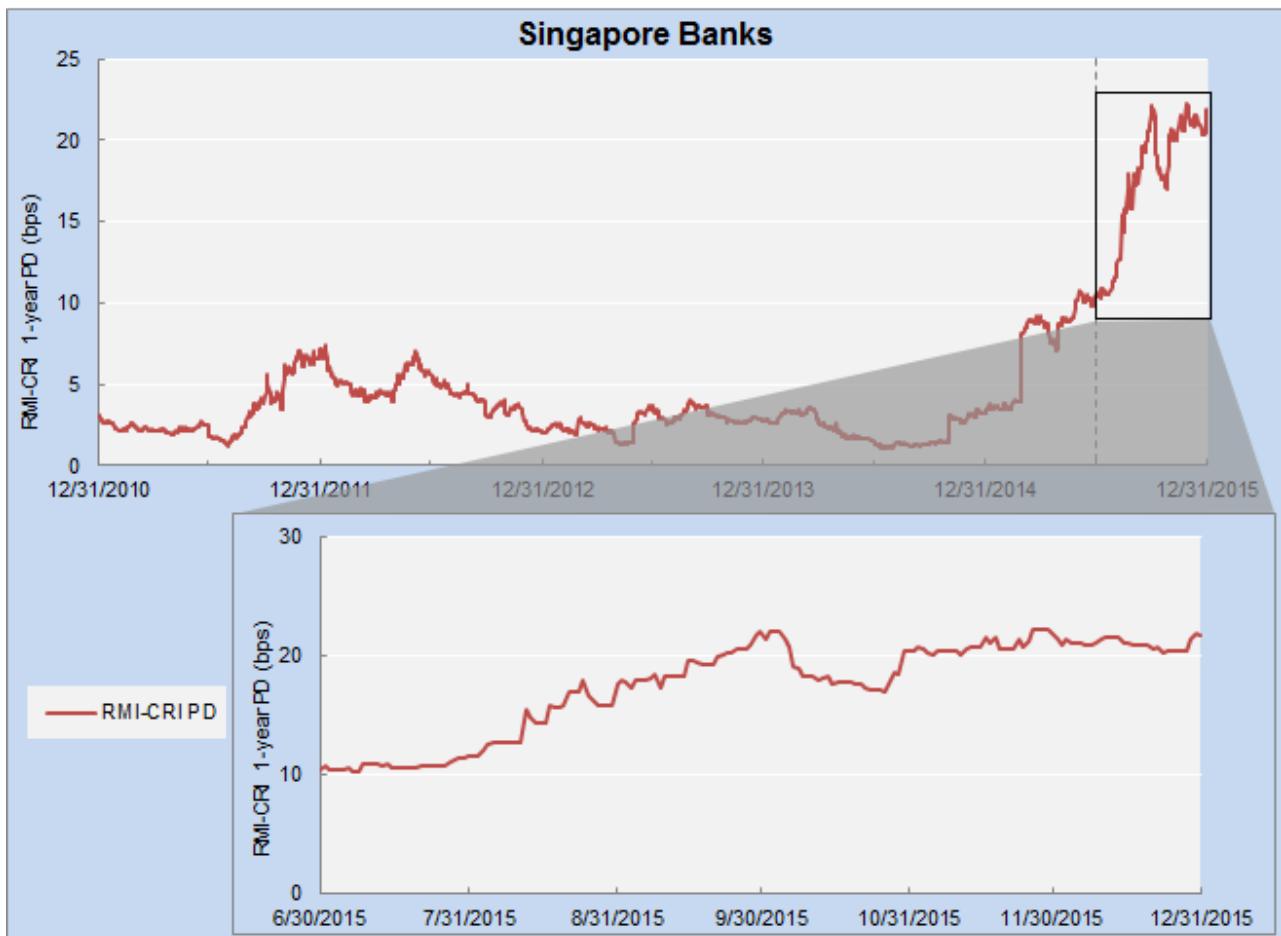
- Lending to non-financial companies decreased to SGD 288bn in Q4 from SGD 297bn in Q3. Loans extended to most sectors remained flat. Looking back at the year of 2015, lending to building companies saw robust growth, while loan amounts to manufacturing, agriculture, general commerce industry have declined. Outstanding consumer loans remain at about SGD 243bn during Q4, while car loans dropped by nearly 1% and share financing loans have significantly increased by 162% QoQ.⁵⁵
- The amount of outstanding sovereign bonds increased by SGD 2.5bn in Q4, while SGD 4.3bn T-Bill was issued during the same period.⁵⁶
- The prime lending rate stayed unchanged at 5.35% since January 2014.⁵⁷

Sovereign Credit Ratings

- All three major rating agencies kept their highest investment grade ratings for Singapore sovereign bonds over Q4 2015.

Singapore Banks

The three local banks reported positive earnings results during the fourth quarter of 2015 while overall deposits slightly shrank. Bank deposit rates stayed flat throughout the period even as interbank offered rates hit levels last seen during the global financial crisis. In addition, the banking system continued to be adequately capitalized, with a statutory liquidity ratio of 25.8% at the end of the quarter after a moderate rise from the previous quarter. Similarly, the banks' capital and reserves level was also higher in Q4 2015, up by 7% YoY.



Profitability

- Despite the China economic slowdown, market volatility and plunging energy prices, sluggish loan growth and deteriorating credit quality, the Big 3 Singaporean Banks reported good net profit in Q4 2015. DBS and OCBC both posted a 20% YoY growth of net profit in Q4 2015, while UOB saw only 0.3% YoY growth for the net profit, offset by increasing loan provisions.⁵⁸
- Data from the Monetary Authority of Singapore showed that the amount of corporate loans issued to non-financial companies decreased to SGD 288bn throughout the fourth quarter.⁵⁹

Funding & Liquidity

- Overall deposits at Singapore banks decreased during Q4 from SGD 562bn to SGD 560bn, as local currency deposits decreased from SGD 553bn to SGD 550bn. Deposits of non-banking financial institutions also increased from SGD 55bn to SGD 49bn.⁶⁰
- The fixed deposit rates remained unchanged during Q4 2015, 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%.⁶¹
- The statutory liquidity ratio of banks increased to 25.8% in December, up from 20.6% in September.⁶²

Capital Levels & Regulations

- Banks' capital and reserves level increased to SGD 76.0bn at the end of Q4 2015 from SGD 73.6bn at the end of previous quarter. On a YoY basis, the capital and reserves level was higher by 7.0%.⁶³

Asset Quality

- Loans placed under the "special mention" category remained stable at 2.3% of total exposure as of the end of Q4 2015. On an average trailing 4-quarter basis, total exposure under the "special mention" category was a bit higher compared to Q4 2014. During this period, the 1-year interbank offered rate slightly increased from 1.1% to 1.2%, reflecting consistent weak creditworthiness of borrowers.⁶⁴

⁴⁸RefSingaporeone

⁴⁹RefSingaporetwo

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⁵⁵Dec 2015, Banks: Loans and Advances of DBUs to Non-Bank Customers by Industry, MAS, <https://secure.mas.gov.sg/>

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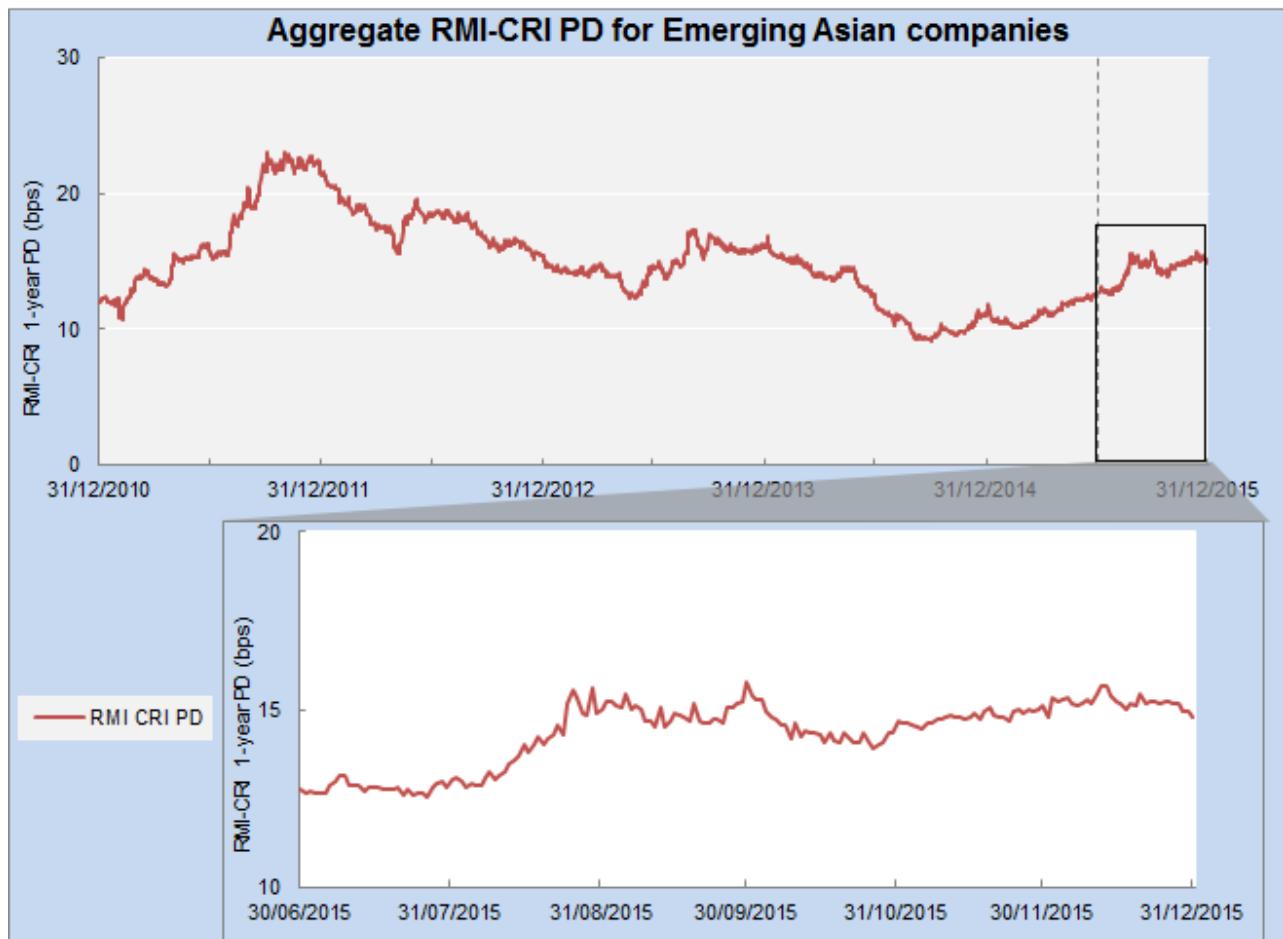
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Asia-Pacific - Emerging economies

The RMI-CRI aggregate 1-year PD for listed corporations domiciled in emerging Asia, excluding India and China, stayed level during the final quarter of 2015 despite heightened uncertainties in the global economy and politics. The further decline in the price of oil triggered a rout in the global equity markets. Broadly across the emerging economies, equity markets ended markedly lower as 2015 came to a close. Together with the persistent, weak global demand, credit risks were seen deepening in most Asian emerging markets. In particular, the credit health of Indonesian companies, which rely heavily on commodity exports, continued to deteriorate. On the other hand, the Malaysian corporate sector emerged from the fourth quarter of 2015 with a stronger credit health report card. On perceived over-selling during the previous quarter, foreign funds began to trickle back into Malaysia during the final quarter of the year, providing resilience for the equity markets and the much needed relief for its currency.



Indonesian Companies

The RMI-CRI aggregate 1-year PD for Indonesian companies climbed to the highest level in more than 5 years during Q4. GDP growth improved in Q4 compared to Q3, together with higher inflation and higher nominal wages. Indonesia faces a trade deficit, due to weak domestic and global demand, as well as falling commodity prices. The country's manufacturing conditions continued to worsen, as its PMI remaining below 50. This is due to reduction in production levels, declining employment level, as well as rising input costs. Bank Indonesia reduced the benchmark interest rate to 7.25%, while adjusting the deposit facility and lending facility rates to 5.25% and 7.75% respectively. This central bank's policy was to control inflation within the target corridor, as well as maintain current account deficit at a healthier level. Indonesia's official reserve asset position increased in Q4 as compared to Q3. With the abovementioned factors in mind, the credit outlook of Indonesia's firm remains stable.



Economy

- Economic growth during the third quarter of 2015 increased from 4.74% YoY in Q3 to 5.04% YoY in Q3. Government policies led to the commendable economic gains along with Bank Indonesia policy to maintain macroeconomic stability by easing monetary policy. Stronger domestic demand also contributed to the economic growth for Q4 2015. Bank Indonesia expects the economy to improve in the 2016, outperforming the result that was being achieved in 2015.⁶⁵

- Inflation declined from Q2 to Q3, easing from a rate of 0.05% MoM in Q3 to 0.96% MoM in December. CPI experienced inflation in December 2015 due to volatile food and administered prices, stemming mainly from red chilli shallots and chicken meat. Furthermore, inflation of administered prices was recorded at 0.86% MoM in December 2015 as a result of adjustments to electricity rates and higher airfares during the holiday season. Bank Indonesia remains confident that the inflation target of 4.1% will be attained in 2016 through close policy coordination to control inflation between Bank Indonesia and the government, especially in relation to administered prices and volatile foods.⁶⁶
- Wages of Indonesian workers likely increased in Q4. Nominal wage of farmers per day increased by 0.24% during Q4 from IDR 46,881 in November to IDR 46,995 in December.⁶⁷
- Indonesia reported a trade deficit of USD 0.23bn in December 2015 as compared to USD 1.02bn trade surplus in September 2015. This is mainly attributed due to sluggish global demand as well as weak domestic demand in Indonesia. Furthermore, persistent weak commodity prices also add severe pressure on Indonesia's export value.⁶⁸
- According to Nikkei Indonesia Manufacturing Purchasing Managers' Index (PMI), Indonesia's PMI rises from 46.9 in November to 47.8 in December. However PMI remains persistently below 50 for the fifteenth consecutive months, amid reports of falling levels of new work. This is mainly due to weak domestic demand. Lower global demand and increasingly challenging economic conditions were also blamed for the overall lower production level.⁶⁹

Monetary

- On January 13-14th, the BI Board of Governors decided to lower the BI rate at 7.25%, while adjusting the deposit facility and lending facility rates to 5.25% and 7.75% respectively. Such policy measures were implemented to ensure that room for monetary easing exists on the back of solid macroeconomic stability, taking into consideration the reduced global uncertainty post-FFR hike. The reduction of the BI Rate is expected to support previous macro prudential policy easing and the lowering of primary reserves in rupiah. Further easing will take place after rigorous assessments of the domestic and global economy, while maintaining macroeconomic and financial system stability.⁷⁰
- 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.⁷¹
- Bank Indonesia's policy mix will remain focused on maintaining macroeconomic and financial system stability in 2016, while stimulating economic momentum. In the monetary sector, gradual monetary easing will remain consistent with efforts to maintain macroeconomic and financial system stability. Such policy will be supported by measures to maintain exchange rates in line with the rupiah's fundamental value, while strengthening the position of reserve assets and manage flows of foreign capital. Furthermore, Bank Indonesia will maintain accommodative macroprudential policy, while continuing financial market deepening. Payment system policy will be directed towards developing a more efficient domestic payment system industry, while expanding payment system electronification. Bank Indonesia will bolster the various ongoing measures through closer coordination with the Government and relevant institutions in order to maintain macroeconomic stability, strengthen the economic structure and support sustainable economic growth.⁷²

Funding & Liquidity

- Yield on Indonesia's 10-year bonds hit 8.53% in January, raising the 10-year yield to its highest level since 2010. Indonesian government bonds had their best week in three months as the central bank cut its policy rate, while the rupiah shrugged off a terrorist attack in Jakarta, recording a small increase. Bank Indonesia lowered the reference rate 25 basis points to 7.25 percent on mid-January and pledged to maintain an accommodative policy as it seeks to spur an economy that's been hit by a plunge in commodity prices and China's slowdown. Bank Indonesia may potentially deliver at least one more interest-rate cut, which could come at the March review, as the authorities look to support growth, further boosting Indonesia's bond yield.⁷³
- Indonesia's official reserve asset position was increased from USD 101.7bn in Q3 to USD 105.9bn in end December. This development was attributed to the withdrawal of Government borrowing, oil and gas export proceeds, and receipts of the global bonds issued by Government. Those receipts exceed the needs of foreign exchange for Government foreign debt payments and stabilizing Rupiah exchange in accordance with its fundamentals.⁷⁴
- Indonesia's long-term external debt growth in November 2015 grew by 3.2% (yoY) compared to 2.5% (yoY) growth in October 2015. Indonesia external debt position as of November 2015 totalled USD263.9 billion, consisting of public sector external debt amounted to USD134.8 billion (51.1% of total external debt) and private sector external debt amounted to USD129.1 billion (48.9% of total external debt)⁷⁵

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 Q4. 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 rose to the highest level in 2015 in Q4 as weak earnings and falling liquidity pressured their credit profiles. The increase in credit offtake in Indonesia has moderated slightly 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 grow liabilities. Indonesian banks remain well capitalized with an aggregate Capital Adequacy of 19.7% and Core Tier I Capital of 18.1%.



Profitability

- Indonesian banks experienced a slight increase of net interest margins (NIMs) which stood at 5.04% in September from 5.03% in June. This indicated minimal improvement on quarterly basis as the growth was 0.008% QoQ, and the drop on yearly basis as the growth was -5.30% YoY.
- 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.

- Following Bank Indonesia's (BI) decision to cut its key rate by 25 basis points (bps) in January, major banks are reducing their time deposit rates and in turn trim their lending rates. State lenders Bank Rakyat Indonesia (BRI) and Bank Negara Indonesia (BNI) expressed similar views, noting that their respective banks had managed to cut their lending rates despite liquidity pressure. BRI said it would cut its lending rate by at least 25 bps for retail and corporate loans in F, in the wake of the government's decision to slash the lending rate for its micro credit loan (KUR) program from 12 percent to 9 percent this year. Meanwhile, BNI said it would cut its lending rate for retail loans by 25 bps this month as the first part of a strategy to boost the growth of low-cost funds.⁷⁶
- Interbank liabilities at commercial banks declined slightly from IDR 178.16tn in June to IDR 168.25tn in August.⁷⁷ Meanwhile, the Jakarta 3-month interbank rate increased from 8.23% at the beginning of Q3 to 8.86% by the end of Q4. 1-month interbank rate meanwhile increased from 8.13% at the beginning of Q4 to 8.55% by the end of Q4.⁷⁸

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 rank 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 with Basel III.⁷⁹
- 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.⁸⁰
- 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 our 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.⁸¹

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.⁸² The growth of outstanding loans in Indonesia slowed in 2015, due to weaker demand for property and working capital loans, reflecting the slowdown in country's

economic expansion. The total number of outstanding loans grew only by 10 percent to IDR 4,083tn in 2015, missing the previously set target of 11-13 percent growth for 2015 by the central bank.⁸³

- Amid sluggish economic growth and a tougher operating environment, such as depreciating currencies and softer commodity prices has 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.⁸⁴

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⁷¹ Jun 24, 2015, [Bank Indonesia Loosens Macroprudential Policy](http://www.bi.go.id), Bank Indonesia, <http://www.bi.go.id>

⁷² Jan 14, 2016, [BI Rate Lowered 25 bps to 7.25%](http://www.bi.go.id), Bank Indonesia, <http://www.bi.go.id>

⁷³ Jan 15, 2016, [Indonesian Rate Cut Supports Bonds as Rupiah Shrugs Off Attack](http://www.bloomberg.com), Bloomberg Business, www.bloomberg.com

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⁷⁶ Feb 3, 2016, [Major banks start cutting lending rates](http://www.thejakartapost.com), The Jakarta Post, <http://www.thejakartapost.com>

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⁷⁹ Jan 4, 2016, [Indonesia watchdog imposes extra capital surcharge on biggest banks](http://www.reuters.com), Reuters, <http://www.reuters.com/>

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⁸¹ Jan 13, 2016, [The risks of unifying state-owned banks](http://www.thejakartapost.com), The Jakarta Post, <http://www.thejakartapost.com>

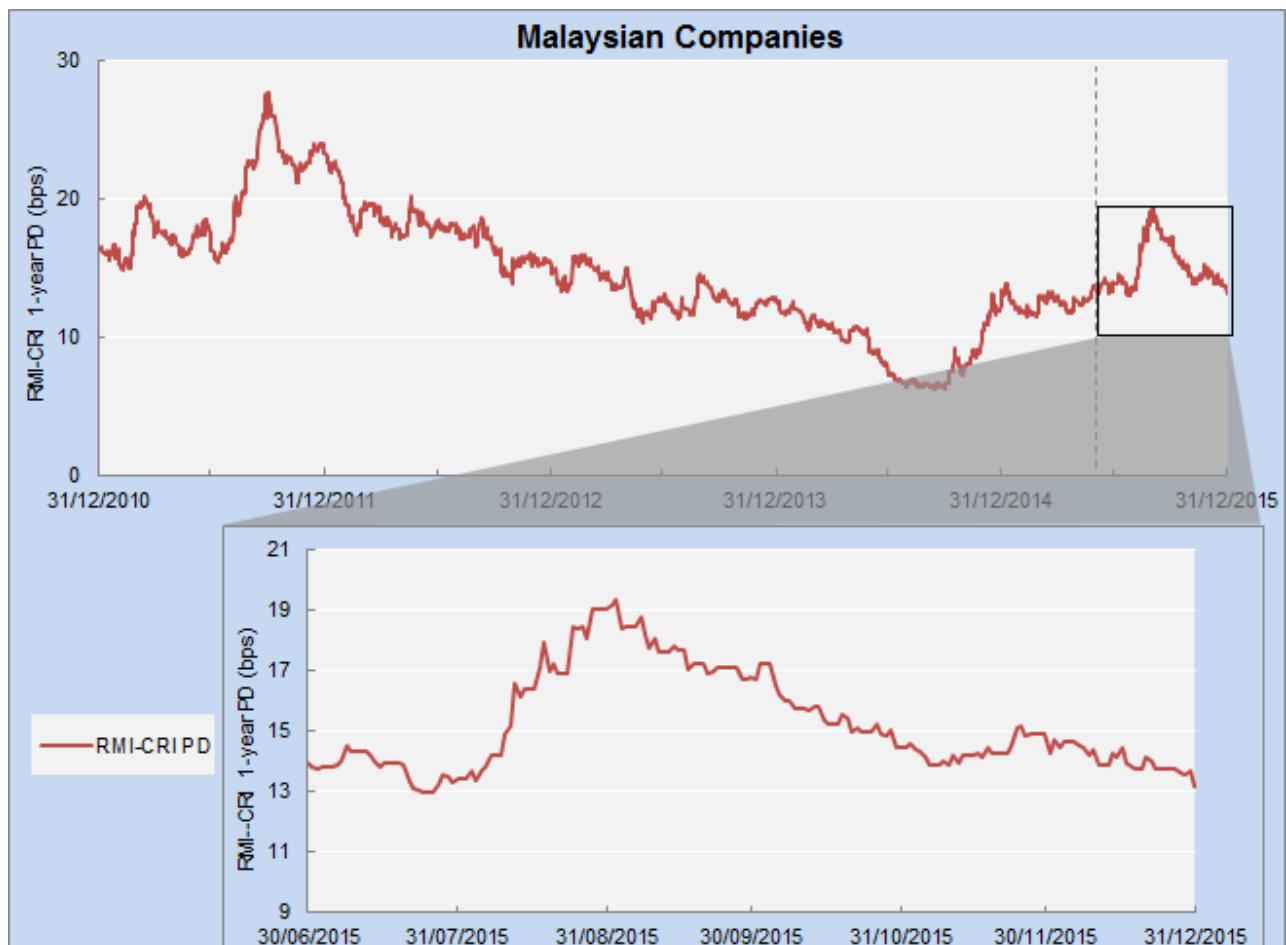
⁸² Oct 27, 2015, [Moody's: Indonesian banking system resilient to tail risks](https://www.moodys.com/), Moody's, <https://www.moodys.com/>

⁸³ Jan 30, 2016, [Indonesia Loan Growth Misses 2015 Target](http://jakartaglobe.beritasatu.com/), Jakartaglobe, <http://jakartaglobe.beritasatu.com/>

⁸⁴ Nov 10, 2015, [Asset quality in Indonesia and Malaysia most likely to deteriorate](http://asianbankingandfinance.net), Asian Banking & Finance, <http://asianbankingandfinance.net>

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

- On the back of record growth pace in 2014, Malaysia's GDP growth moderated during the first three quarters of 2015. The economy grew by 4.7% in Q3 2015 YoY, slowing down from 4.9% the previous quarter. . Private sector expenditure continued to be the key driver of growth (4.4%; 2Q 2015: 5.7%), and contributed towards the expansion in domestic demand.⁸⁵

- The Consumer Price Index continued its upward trajectory, reaching 113.0 (2010=100) in the third quarter of 2015. On a YoY basis, the price of the basket of goods had increased by 3.0%. The YoY increase was mostly driven by key items in the basket - namely, food and non-alcoholic beverages.⁸⁶
- In the 3Q 2015, Malaysia's unemployment rate stood at 3.2%, an increment of 0.1% from last quarter. Labor force participation was sustained MoM, at 67.6% (2Q 2015: 67.6%).⁸⁷
- In November 2015, Malaysia's export value recorded a decline of 10.8% to RM67.6 billion where the export volume index decreased 10.3% to 108.4. This was mainly attributed to manufactured good (-16.4%), chemicals (-14.6%) and machinery and transport equipment (-13.5%). Meanwhile, Malaysia's total import value registered a reduction of 9.8% to RM57.4bn where the import volume index dropped 9.4% to 121.4 points. This was mainly attributed to mineral fuels (-20.7%), food (-13.2%) and manufactured good (-12.0%).⁸⁸
- The World Bank expects the Malaysian economy to slow to 4.7% in 2015 before returning to a 5.0% growth in 2016. As a commodity exporter, Malaysia faces pressure from lower global prices of mineral fuels and agriculture products.⁸⁹

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%.^{90,91}
- In November 2015, average trailing 12-month broad money, or M3, which measures the money supply, increased marginally by 1.4%, compared to August 2015.⁹²
- Malaysia's central bank affirmed that its monetary policy remained accommodative and supportive of economic activity, which was expected to grow at a more moderate pace.⁹³

Funding & Liquidity

- The market indicative yield on the 10-year Malaysia government securities climbed to 4.19% at the end of Q4 2015 from 4.14% the previous quarter. Meanwhile, the same yield measure on the Malaysian Treasury Bills with maturities up to three months reduced to 2.74%.⁹⁴
- Despite an increase in lending to the real estate sector, bank lending to finance, insurance and business activities decreased YoY to MYR 7.4bn in August 2015 from MYR 9.2bn a year ago. Meanwhile, loans disbursed to both the construction and the wholesale, retail trade, restaurants and hotels segments fell by 22.1% and 14.5% respectively.⁹⁵

Politics

- The Malaysian Senate on Dec 22 passed a controversial security Bill that the government says will help tackle violent extremism, but critics fear gives authorities and the government too much power. The National Security Council (NSC) Bill 2015 will allow the National Security Council, chaired by the Prime Minister, to declare "security zones" while giving authorities the right to search or arrest without warrant any individual "found committing, alleged to have committed, or reasonably suspected of having committed any offence under written laws in the security area". The Bill passed through Malaysia's Lower House in early December before being passed through the Senate on Tuesday despite reported concerns from some Senators.

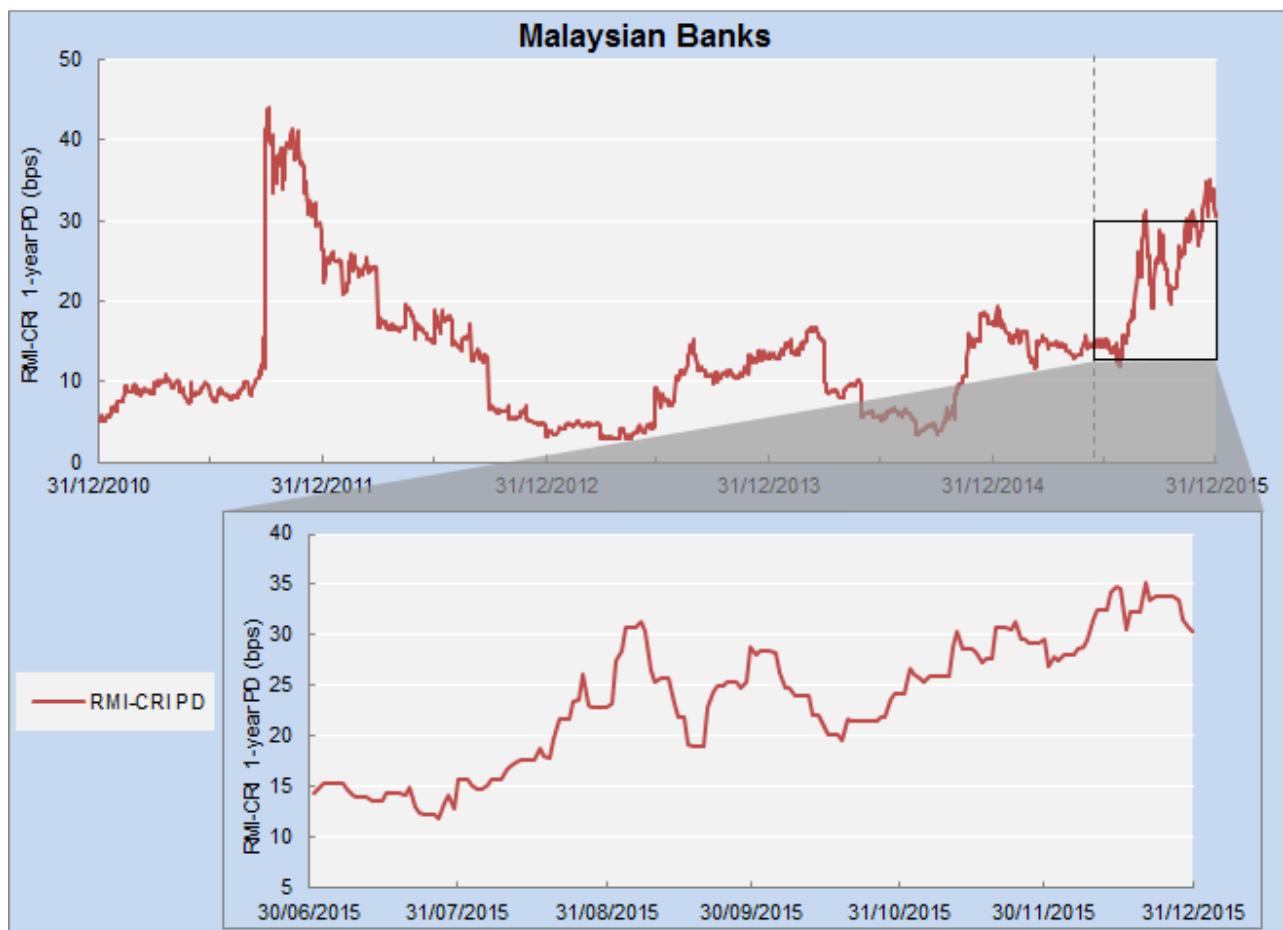
- On Dec 31, Malaysia's anti-graft agency said it had sent two reports to the attorney-general's office about its probes into the transfer of huge sums of money into Prime Minister Najib Razak's bank accounts and the affairs of state fund 1MDB.
- In August, the MYR fell 0.23% against the USD to 4.297, extending its December decline to 1%. The currency has shed 23% of its value in the current year, hurt by weaker oil prices, global growth concerns and local political turmoil.

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 increased during the fourth quarter of 2015, even as liquidity remained ample. Regulatory capital stayed comfortably above the required levels, boosted by increased deposits. Net impaired loans were low, further supported by a high liquidity coverage ratio of 124%. While capital adequacy was strong, the profitability of Malaysian banks remained weak going into the second half of 2015. The aggregate net income of Malaysian banks has been declining since the second half of 2014.



Lending

- On an annual basis, the amount of bank loan applications decreased to MYR 63bn in December 2015 from MYR 74.8bn in September 2015. Accompanied with the increase in the broader segment, loan application for working capital expanded 54.5% YoY in the fourth quarter 2015 to hit MYR 17bn in December.⁹⁶
- In line with the unchanged OPR, the base lending rate of Malaysian commercial banks remained static at 6.79%. The base rate, on the other hand, increased slightly from 3.85% to 3.86% during the quarter.⁹⁷

Funding & Liquidity

- Bank deposits, including repurchase agreements, continued to expand in 2015. From a year ago, repurchase agreements by financial institution increased by 352.5% in December 2015.⁹⁸
- As of December 2015, savings deposit rates at commercial banks decreased slightly to 1.04%. Similarly, the 12-month fixed deposit rate was stable at 3.31% since the beginning of 2015.⁹⁹

Capital Levels & Regulations

- The Malaysian banking system continued to be well capitalized. Both the Common Equity Tier 1 Capital and the Tier 1 Capital ratios were lower YoY at 12.1% and 12.8% respectively but remained comfortably above regulatory requirements as of 30 September 2015.¹⁰⁰

Asset Quality

- The value of impaired loans at Malaysian banks increased to MYR 23.1bn in December 2015 from MYR 23.0bn at the end of the third quarter of 2015. Despite the increase, its ratio to total loans stayed healthy at 1.2%.¹⁰¹

⁸⁵ Sep 30, 2015, [Quarterly Bulletin, Third Quarter 2015](#), BANK NEGARA MALAYSIA, <http://www.bnm.gov.my>

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⁸⁷ Sep 30, 2015, [Quarterly Bulletin, Third Quarter 2015](#), BANK NEGARA MALAYSIA, <http://www.bnm.gov.my>

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⁹¹ Jan 21, 2016 [OPR Decision and Statement](#), BANK NEGARA MALAYSIA, <http://www.bnm.gov.my>

⁹² Jan 11, 2016, [Economic and Financial Data for Malaysia](#), BANK NEGARA MALAYSIA, <http://www.bnm.gov.my>

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⁹⁴ Dec 31, 2015, [Yields on Malaysian Government Securities](#), BANK NEGARA MALAYSIA, <http://www.bnm.gov.my>

⁹⁵ Dec 31, 2015, [Monthly Statistical Bulletin Dec 2015](#), BANK NEGARA MALAYSIA, <http://www.bnm.gov.my>

⁹⁶ Dec 31, 2015, [Monthly Statistical Bulletin Dec 2015](#), BANK NEGARA MALAYSIA, <http://www.bnm.gov.my>

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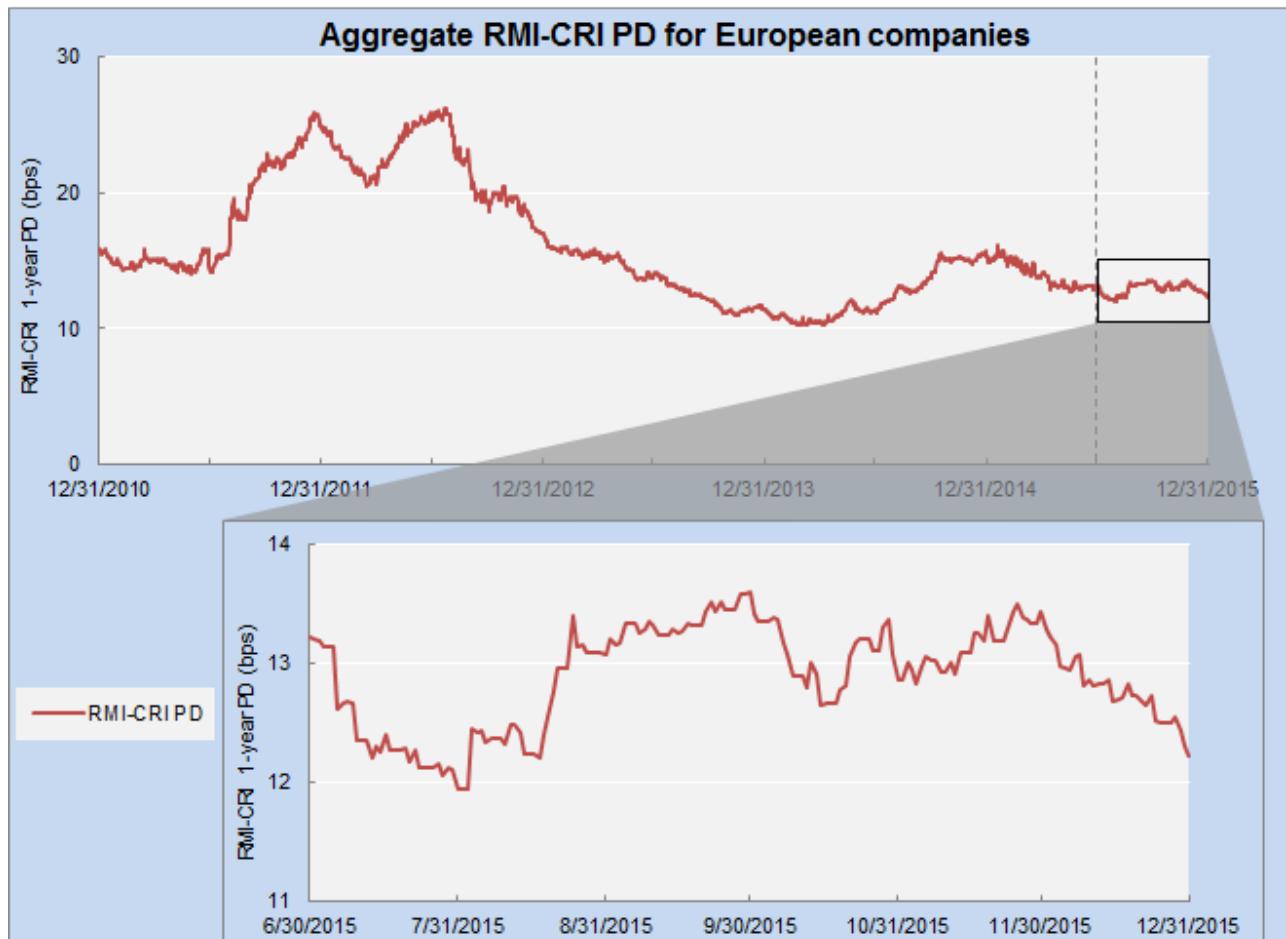
⁹⁹ Dec 31, 2015, [Monthly Statistical Bulletin Dec 2015](#), BANK NEGARA MALAYSIA, <http://www.bnm.gov.my>

¹⁰⁰ Dec 31, 2015, [Monthly Statistical Bulletin Dec 2015](#), BANK NEGARA MALAYSIA, <http://www.bnm.gov.my>

¹⁰¹ Dec 31, 2015, [Monthly Statistical Bulletin Dec 2015](#), BANK NEGARA MALAYSIA, <http://www.bnm.gov.my>

Europe

The RMI-CRI aggregate 1-year PD for European firms improved in Q4. The seasonal adjusted Eurozone unemployment rate was 10.5% in November, which was 0.1 percentage point lower than the rate in Oct and the lowest level since Oct 2011. The growth of Consumer Price Index in EU was 0.2% YoY in Dec. European Central Bank announced the new quantitative easing (QE) policy in Dec 2015, extending the QE window to the end of Mar in 2017 from Sep in 2016. The Economic Sentiment Indicator (ESI) was 106.8 in Dec 2015, increasing by 0.7 from one month earlier. Despite the slide in retail, the confidence index in consumer, service, construction and manufacture all improved.



Greek Companies

The RMI-CRI 1-year aggregate PD for Greek firms climbed to the highest level in three years during Q4, but eventually finished flat for the quarter. The Greece economy contracted by 0.6% in the fourth quarter, though it has exceeded market expectation of -0.9%. Capital controls introduced in July and austerity measures are taking a toll on the Greece economy. Total retail volume in Q4 and manufacturing output in January has contracted. Unemployment rate remained almost constant from October to November. Consumer confidence indicator improved in the fourth quarter although it remains at a negative value. The RMI-CRI aggregate 1-year PD for all the listed Greek firms increased mildly from 40.56bps on October 30, 2015 to 42.45bps on Dec 31, 2015.



Economy

- Greece's GDP shrunk by 0.6% QoQ in the fourth quarter, beating market expectation of -0.9% QoQ. On a yearly basis, GDP shrunk by 1.9%. Investments, exports and consumer spending in Greece were adversely affected by austerity measures and capital controls. ¹⁰²
- Greece unemployment rate has fallen to its lowest level since May 2012. The rate dipped from 24.7% in October 2015 to 24.6% in November 2015. ¹⁰³

- Markit Greece Manufacturing PMI decreased from 50.2 in December 2015 to 50.0 in January 2016. Output levels were lower in January, according goods producers in Greek. The main cause for the decline in production was a lack of liquidity in the market. ¹⁰⁴
- Greece's consumer confidence indicator improved in the fourth quarter, from -64.2 in Q3 2015 to -61.1 in Q4 2015.
- The OECD Greece total retail trade volume decreased by -4.23% YoY in Q3 2015.

Funding & Liquidity

- Yields on ten-year Greek government bond had decreased from 8.16% in Q3 2015 to 8.07% in Q4 2015.
- Total outstanding loans decreased slightly to EUR 90.47bn in December 2015 from EUR 90.54 in October 2015. ¹⁰⁵

Policy

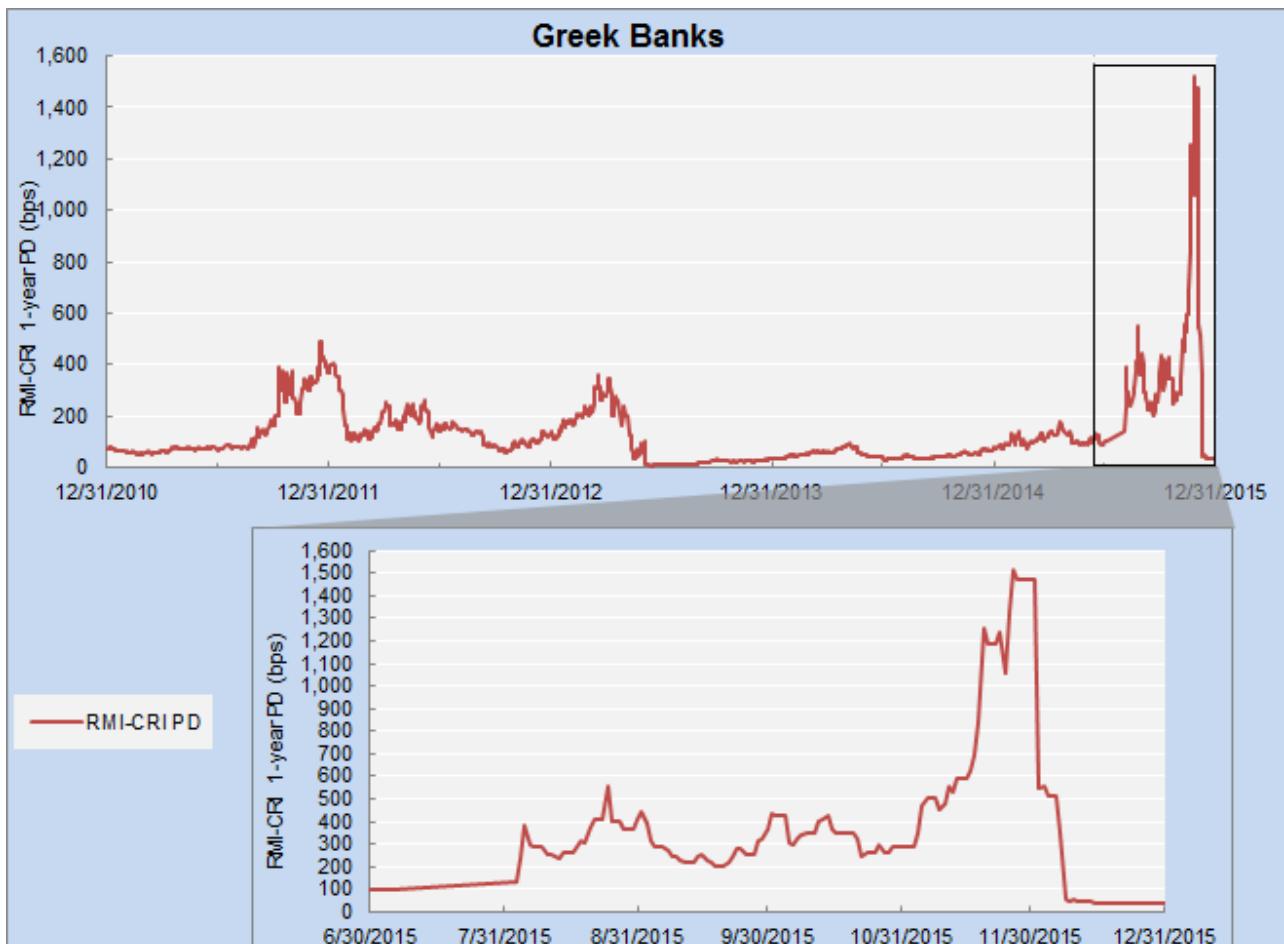
- On February 4, the ECB has lowered the cap on emergency liquidity assistance, which Greek banks can draw from the domestic central bank, to EUR 71.5bn. Improvements in liquidity and stabilization of private sector deposit flows were some of the reasons for this move. ¹⁰⁶

Sovereign Credit Ratings

- S&P's credit rating for Greece was upgraded to B- from CCC+ on Jan 22, with the main reasons being the cutting of cost and the recapitalization of banks. Moody's rating for Greece sovereign debt is Caa3. Fitch's credit rating for Greece is CCC. ¹⁰⁷

Greek Banks

The RMI-CRI aggregate 1-year PD for Greek banks improved significantly in Q4, indicating improving credit profiles within the sector. However, the aggregate 1-year PD surged to more than 1000bps in November before falling to less than 100bps in December. This surge in default risk coincided with an announcement by the ECB about the country's third bailout which led to a sharp drop in the market cap of banking stocks. The recapitalization of Greek banks has strengthened the bank's credit metrics while deposit controls appear to be credit positive for the lenders.



Profitability

- Aggregate net income at listed banks in Greece went back to positive territory of EUR 0.94bn in Q3 2015 from EUR -5.4bn in Q2 2015.
- The average of NIM of Greek banks increased from 2.52% in Q2 to 2.57% in Q3.

Funding & Liquidity

- Total deposits in Greek banking sector kept declining from EUR 117.45bn in Q2 2015 to EUR 116.69bn in Q3 2015.

- Overall liquidity in the Greek banking sector slightly deteriorated during Q3 2015, with the aggregated LATDB ratio for listed banks declined from 8.6% in Q2 to 7.3% in Q3.

Asset Quality

- The ECB said on Oct 31 that Greece's banks would require capital amounting to EUR 14bn to survive. Results from stress testing on the Greek banks indicate that they would need that substantial amount to tide over the worsening of economic and financial conditions. Piraeus Bank, National Bank of Greece, Alpha Bank and Eurobank would require EUR 4.6bn, 4.6bn, 2.7bn and 2.1bn respectively. ¹⁰⁸
- " Greece's main four banks were adequately recapitalized on Nov 26, as Greece banks secured a bailout fund of EUR 12bn with their creditors. ¹⁰⁹

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 Caas long term deposit ratings of these banks, with negative outlook. ¹¹⁰
- 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. ¹¹¹

¹⁰²Feb 12, 2016, [UPDATE 1-Greek economy shrinks 0.6 pct in fourth quarter, contraction pace slows](#), Reuters, <http://www.reuters.com/>

¹⁰³Feb 11, 2016, [Greek Jobless Rate at 24.6% in November](#), Trading Economics, <http://www.tradingeconomics.com/>

¹⁰⁴Feb 1, 2016, [Markit Greece Manufacturing PMI](#), Markit, <https://www.markiteconomics.com/public>

¹⁰⁵Jan 29, 2016, [Loans vis-a-vis euro area NFC reported by MFI excluding ESCB in Greece \(stock\)](#), Statistical Data Warehouse, <http://sdw.ecb.europa.eu/home>

¹⁰⁶Feb 4, 2016, [ECB lowers emergency funding cap for Greek banks as liquidity improves](#), Reuters, <http://www.reuters.com/>

¹⁰⁷Jan 22, 2015, [Greece credit rating upgraded by S&P amid reforms](#), CNBC, <http://www.cnbc.com/>

¹⁰⁸Oct 31, 2015, [ECB says Greece's banks need more than 14bn in fresh capital](#), FT, <http://www.ft.com/>

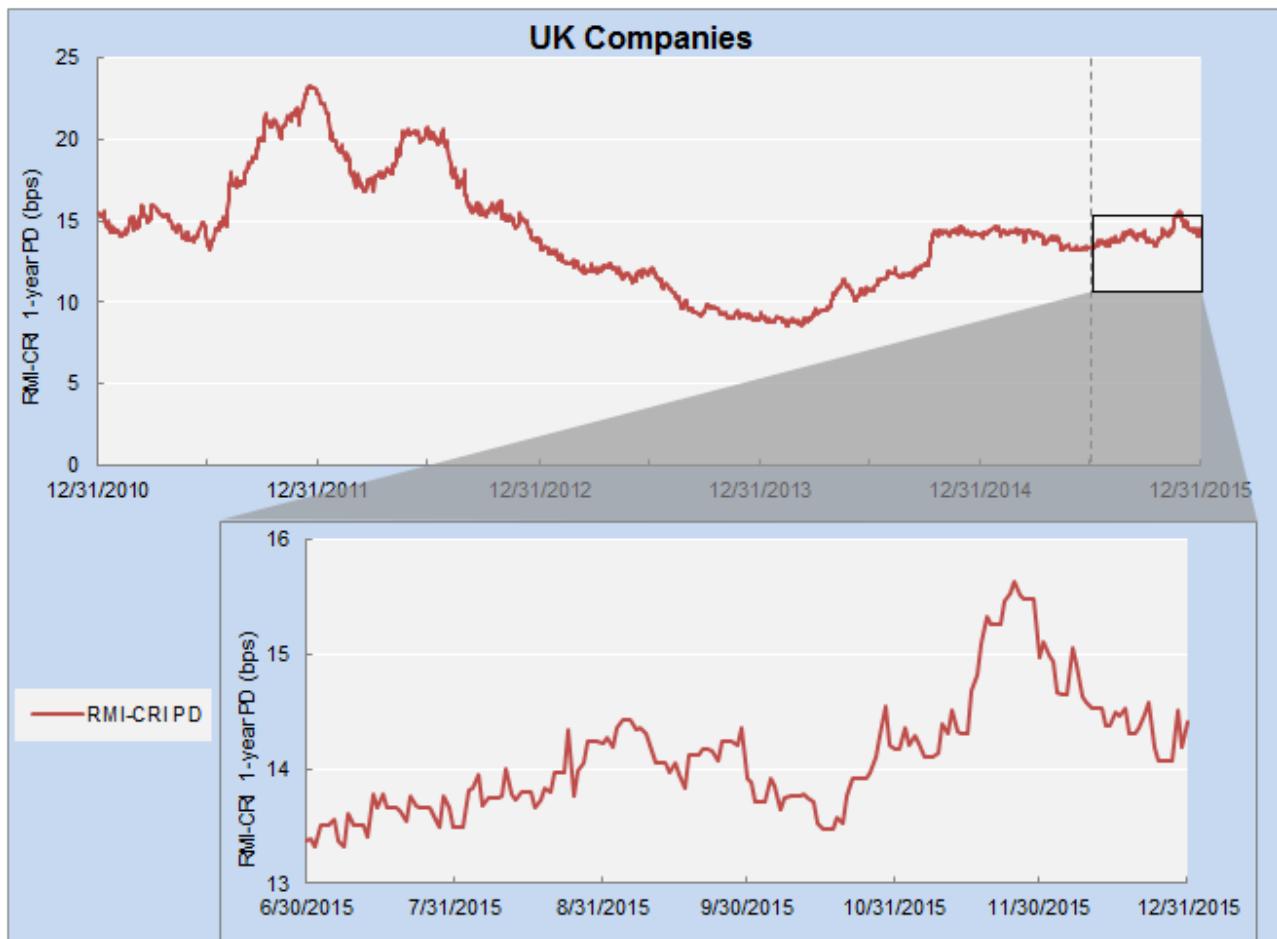
¹⁰⁹Nov 26, 2015, [ERBD to invest EUR 250m in Greek banks](#), Public Finance International, <http://www.publicfinanceinternational.org/>

¹¹⁰Sep 4, 2015, [Moody's downgrades Greek banks' senior unsecured debt ratings to C and confirms deposit ratings at Caa3](#), Moody's, <https://www.moodys.com/>

¹¹¹Feb 19, 2015, [Moody's upgrades Greek banks' senior unsecured debt ratings to Ca and affirms deposit ratings at Caa3; outlook stable](#), Moody's, <https://www.moodys.com/>

UK Companies

The aggregate RMI-CRI 1-year PD for companies in the UK increased marginally in Q4 2015. The UK's economy, which barely expanded in the fourth quarter of 2015, was weighed down by turmoil in global politics and economy. Amidst the high level of uncertainties, the Bank of England continued to keep interest rates close to zero. Even so, inflation remained persistently low - almost 2% off the target as of December 2015. Nevertheless, consumer sentiments remained positive, albeit subdued, as the UK's unemployment rate retreated further.



Economy

- The UK's GDP grew by 0.5% QoQ in Q4, compared to 0.4% QoQ in Q3. On a YoY basis, it grew by 1.9%. Growth was mainly driven by services and agriculture, which increased by 0.7% and 0.6% respectively. In contrast, production decreased by 0.2%, while construction declined by 0.1%.¹¹²

- The unemployment rate in the UK retreated further to 5.1% in Q4 2015. The number of jobless people stands at 1.69mn between October and December, a drop of 60,000 from the previous quarter. The number of people working increased by 205,000, bringing the employment rate to 74.1% - the highest level since 1971. The total number of people working full-time amounted to 22.98mn during the quarter, an increase by 387,000 YoY. ¹¹³
- Market researcher GfK revealed that the monthly consumer sentiment indicator remained positive for the full calendar year for first time since the index started in 1974. Despite weakening confidence in the final quarter of the year, the positive sentiments held up in November at a scale of +1 before recovering slightly to +2 in December 2015. ¹¹⁴
- The Markit/CIPS purchasing managers' index (PMI) for the manufacturing sector declined sharply during the final two months of 2015, after a surprising surge in October 2015. The UK's PMI fell to 52.1 in December 2015, from 55.5 at the beginning of the quarter. ¹¹⁵

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 and inflation was expected to stay weak at least for another half a year. ¹¹⁶

Funding & Liquidity

- Twelve-month CPI growth in December 2015 stood at 0.2%, almost 2% below the inflation target. Muted growth in global prices, as well as the appreciation of sterling pulled down import prices. Moreover, oil prices were more than a third lower in terms of sterling, compared to the previous year. ¹¹⁷

Politics

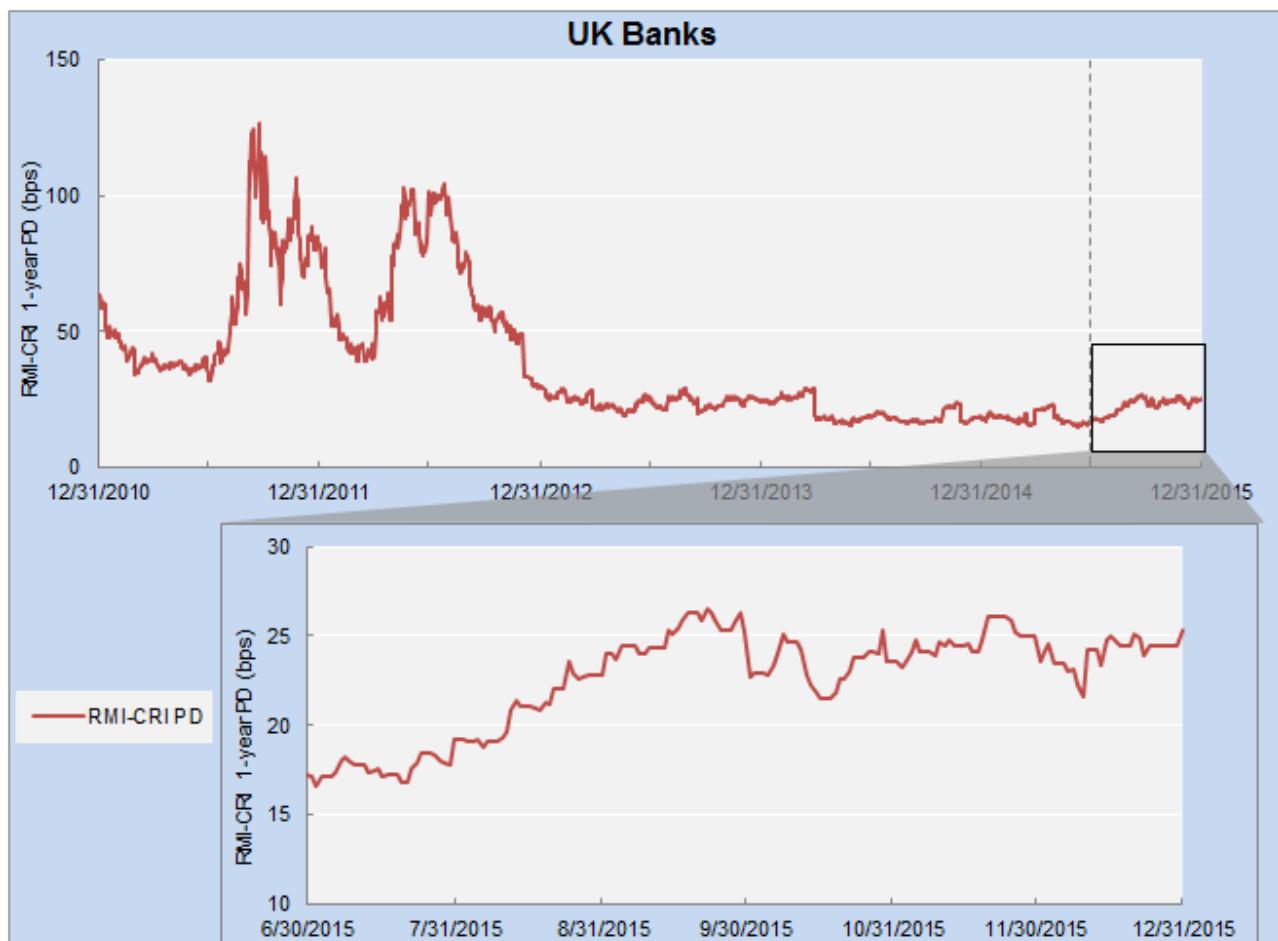
- Prime Minister David Cameron reiterated that a British exit from the European Union would not be the right solution to the existing grievances. The Prime Minister continued to work on renegotiating membership terms with the EU counterparts, which could be finalized as soon as February 2016 at the Brussels summit. The renegotiated package, if finalized, could be a decisive factor when the British holds their referendum in June 2016. ¹¹⁸

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 UK held steady despite the weaker economy. Interest rates remained subdued during the quarter but stronger than expected profits for the Q3 reporting season helped to keep the credit risk of the British banks in check. The low interest rate also provided cheap funding to the banking sector and boosted capital levels.



Profitability

- Despite the low-rate environment, the profitability of major banks in the UK continued to expand in the third quarter of 2015. For instance, the pre-tax profits for the Lloyds Banking Group rose to GBP 958mn from GBP 751mn a year earlier.

Funding & Liquidity

- According to the Bank Liabilities Survey carried out by the Bank of England, funding volume stayed broadly unchanged during the three months ending mid-December 2015. For the seventh consecutive quarter, respondents reported an increase to their total capital levels. ¹¹⁹
- The supply of deposits from households and private non-financial corporations was higher in Q4 2015, primarily driven by regulatory needs and lower cost of funding.

Asset Quality

- The total write-offs of sterling-denominated loans decreased from GBP 1.7bn in Q1 to GBP 1.4bn in Q2. For this segment, loan write offs at private non-financial corporations decreased from GBP 773mn to GBP 760mn.
- In contrast, the write-offs on loans denominated in foreign currency climbed in Q2 2015. The increase was primarily driven by write-offs on loans extended to non-residents, which surged by 40% during the period. ¹²⁰

¹¹²Jan 28, 2016, [Gross Domestic Product Preliminary Estimate, Quarter 4 \(Oct to Dec\) 2015](#), ONS, <http://www.ons.gov.uk>

¹¹³Feb 16, 2016, [UK Labour Market, February 2016](#), ONS, <http://www.ons.gov.uk>

¹¹⁴Dec 12, 2015, [UK Consumer Confidence remains positive as 2015 closes](#), GfK, <http://www.gfk.com>

¹¹⁵Jan 4, 2016, [UK manufacturing suffers disappointing December](#), Financial Times, <http://www.ft.com/>

¹¹⁶Dec 10, 2015, [Bank of England maintains Bank Rate at 0.5% and the size of the Asset Purchase Programme at 375 billion](#), BoE, [http://www.bankofengland.co.uk/](http://www.bankofengland.co.uk)

¹¹⁷Feb 4, 2016, [Inflation Report, February 2016](#), BoE, [http://www.bankofengland.co.uk/](http://www.bankofengland.co.uk)

¹¹⁸Jan 21, 2016, [Cameron Takes Brexit Referendum Push to Executives in Davos](#), SWI, <http://www.swissinfo.ch/>

¹¹⁹Jan 15, 2016, [Bank Liabilities Survey 2015 Q4](#), BoE, [http://www.bankofengland.co.uk/](http://www.bankofengland.co.uk)

¹²⁰Oct 29, 2015, [Write-offs of loans by banks and building societies](#), BoE, [http://www.bankofengland.co.uk/](http://www.bankofengland.co.uk)

Appendices

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

Appendix [A](#) and Appendix [B](#) give RMI-CRI 1-year aggregate PD where the aggregations are by region, economy and sector. In these sections, the RMI-CRI 1-year aggregate PD is based on the median PD of active listed firms. These are given as month-end data, and are based on RMI's default forecast model calibrated on July 11, 2015, using data up to June 30, 2015. For a detailed description of RMI-CRI's default forecast model, the [Technical Report](#) is available on our website.

Appendix [A](#) provides 1-year aggregate PD by economy and sector. For each economy, the graph on the left shows the time series of 1-year aggregate PD for all exchange listed firms within the economy (thick blue, left axis), and the time series of the number of firms with PD (thin orange, right axis). The table on the right provides the median and standard deviation of PDs for firms within ten industry sectors at the end of Q1 2015 and Q2 2015. Note that the statistics are for firms that have a PD at both dates so that consistent comparisons can be made. The median and standard deviation of the difference of individual PD is also given. The industry sectors are based on the Level I Bloomberg Industry Classification.

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

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

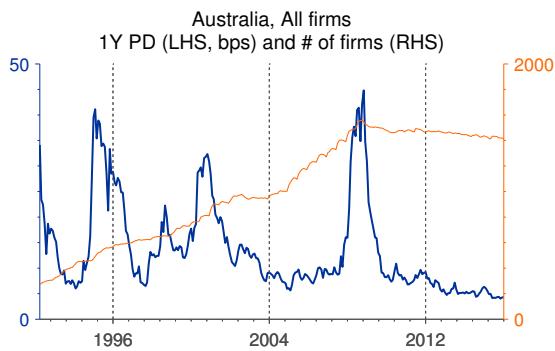
Appendix [C](#) provides common macroeconomic, corporate credit and sovereign risk indicators for each economy along with the RMI-CRI 1-year aggregate PD for financial and non-financial firms. The graphs on the left give historical context to the values, and the table on the right give the data from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

Appendix [D](#) gives a more detailed description of the data in Appendix [C](#), along with a description of the PDiR.

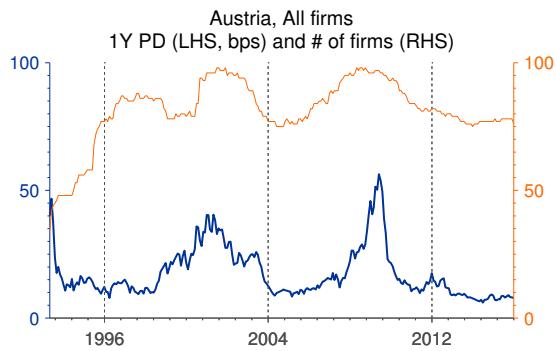
A PD by economies



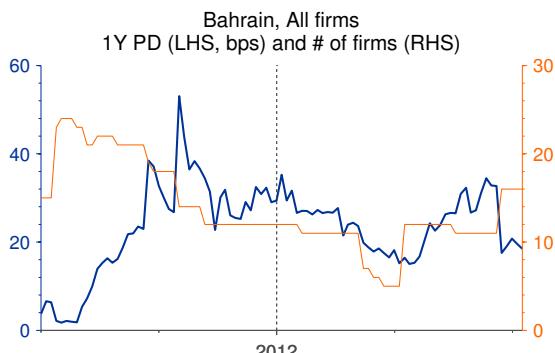
Argentina	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	11	14.6	18.8	8.7	8.0	-7.6	12.0	
Basic Materials	7	21.9	44.8	22.3	19.4	-4.5	30.6	
Communications	3	4.4	3.0	1.3	2.2	-2.2	1.4	
Consumer Cyclical	6	12.5	187.2	6.9	58.0	-5.6	137.2	
Consumer Non-cyclical	14	8.7	85.5	2.7	25.0	-4.5	60.7	
Diversified	1	9.1	—	4.4	—	-4.6	—	
Energy	4	8.6	24.5	6.7	14.1	-4.2	10.8	
Industrial	6	24.2	18.6	7.3	2.3	-18.2	17.4	
Technology	1	0.7	—	0.3	—	-0.4	—	
Utilities	8	19.0	13.2	7.4	3.4	-11.2	10.8	



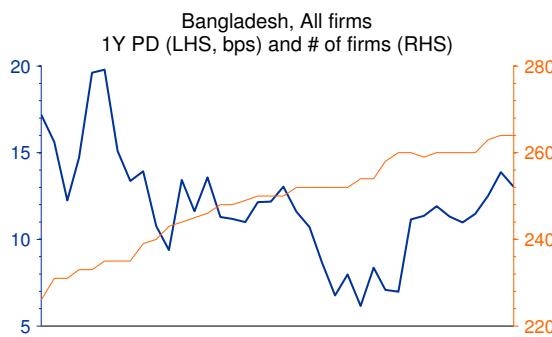
Australia	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	143	1.0	24.6	0.9	23.2	0.0	22.6	
Basic Materials	536	6.6	49.3	7.8	37.8	0.4	37.4	
Communications	75	2.1	13.4	2.5	14.2	0.0	11.1	
Consumer Cyclical	72	1.2	7.4	1.5	19.7	0.0	18.9	
Consumer Non-cyclical	191	2.4	12.6	2.1	28.7	0.0	23.2	
Diversified	8	0.6	5.7	1.1	2.3	0.0	3.6	
Energy	171	11.8	44.0	12.9	53.3	0.4	46.1	
Industrial	112	4.7	31.7	5.0	41.2	0.0	24.4	
Technology	62	2.6	17.1	2.9	18.4	0.1	19.7	
Utilities	14	1.8	16.8	2.5	11.4	-0.0	11.8	



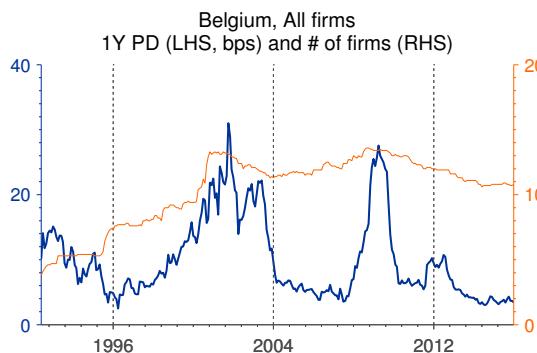
Austria	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	20	8.8	14.0	7.9	13.4	-0.2	3.8	
Basic Materials	5	8.3	1113.9	7.5	476.1	-0.3	637.8	
Communications	1	16.7	—	11.0	—	-5.7	—	
Consumer Cyclical	14	14.1	149.9	9.2	65.8	-0.9	107.9	
Consumer Non-cyclical	7	12.6	7.6	11.6	8.8	1.1	2.6	
Energy	4	12.0	6.3	7.8	7.7	-2.0	2.6	
Industrial	19	9.1	35.8	7.0	29.6	-0.8	8.2	
Technology	4	6.7	1.8	4.4	5.0	-1.6	3.5	
Utilities	2	4.0	2.5	3.3	3.6	-0.8	1.1	



Bahrain	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	11	27.7	32.4	34.3	38.1	0.9	8.5	
Basic Materials	1	0.1	—	0.6	—	0.5	—	
Communications	1	0.1	—	0.4	—	0.3	—	
Consumer Cyclical	2	0.1	0.0	0.2	0.1	0.2	0.1	
Industrial	1	0.1	—	0.4	—	0.3	—	



Bangladesh	2015Q3		2015Q4		Q4-Q3		
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	98	21.8	48.4	24.0	53.0	0.4	17.2
Basic Materials	15	4.0	27.3	9.5	27.1	0.5	4.6
Communications	6	6.0	15.4	5.6	11.6	-0.2	4.1
Consumer Cyclical	54	12.7	38.3	17.4	50.6	2.9	17.0
Consumer Non-cyclical	42	10.4	422.0	11.0	255.1	0.1	291.7
Diversified	1	10.3	—	15.7	—	5.5	—
Energy	5	5.7	6.5	15.4	13.3	14.1	9.4
Industrial	29	5.6	12.2	7.2	17.0	0.8	10.8
Technology	1	1.0	—	1.2	—	0.1	—
Utilities	8	4.6	13.2	2.7	15.8	0.3	3.8



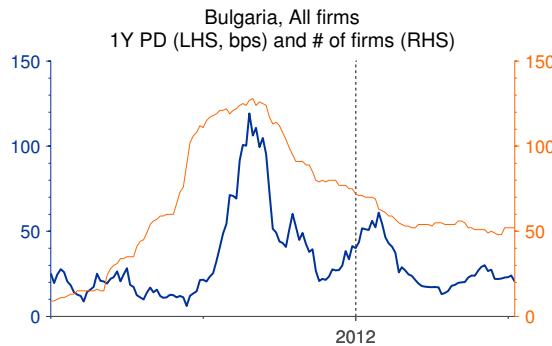
Belgium	2015Q3		2015Q4		Q4-Q3		
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	30	2.6	53.6	2.7	49.3	-0.3	4.8
Basic Materials	8	7.0	18.3	6.0	25.9	-0.4	7.9
Communications	6	12.0	30.2	8.5	24.8	-1.4	5.7
Consumer Cyclical	6	2.9	2.6	2.9	2.7	-0.1	0.6
Consumer Non-cyclical	24	5.5	15.6	3.8	49.0	-0.3	40.9
Diversified	5	0.2	1.0	0.1	1.1	0.0	0.1
Energy	2	90.2	52.7	45.4	10.1	-44.8	42.5
Industrial	19	7.9	31.0	6.0	38.3	-0.0	11.4
Technology	4	5.0	5.1	3.9	3.9	-1.4	1.5
Utilities	2	1.9	1.0	1.9	1.6	0.0	0.6



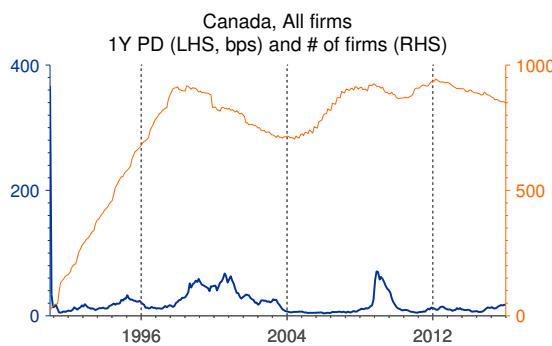
Bosnia and Herzegovina	2015Q3		2015Q4		Q4-Q3		
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Basic Materials	1	31.5	—	33.5	—	2.0	—
Communications	2	0.3	0.1	0.5	0.3	0.2	0.2
Consumer Cyclical	1	6.5	—	8.8	—	2.3	—
Consumer Non-cyclical	3	5.6	2.5	6.1	3.3	0.5	0.8
Energy	2	12.0	12.8	12.3	10.0	0.3	2.8
Industrial	2	42.8	54.7	51.0	66.7	8.2	12.0
Utilities	7	8.0	32.5	9.8	66.1	0.8	36.9



Brazil	2015Q3		2015Q4		Q4-Q3		
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	56	83.7	391.8	81.1	427.4	1.4	107.6
Basic Materials	15	130.6	436.1	100.6	515.7	-0.9	315.4
Communications	8	53.1	255.7	54.4	239.3	-0.2	90.5
Consumer Cyclical	44	45.6	351.0	45.6	492.1	0.4	236.2
Consumer Non-cyclical	46	32.0	157.8	34.4	511.1	-1.0	413.5
Diversified	4	284.0	155.2	229.5	166.3	-19.8	60.8
Energy	6	84.6	274.5	113.6	124.2	-2.6	240.2
Industrial	27	84.8	440.0	89.4	453.7	1.3	270.1
Technology	5	0.7	137.2	2.8	587.5	0.6	475.3
Utilities	28	36.9	68.2	41.4	78.1	0.2	36.6



Bulgaria	2015Q3		2015Q4		Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median



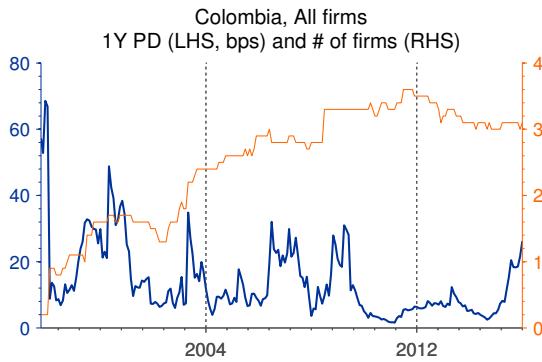
Canada	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	125	3.7	282.9	4.4	257.2	0.0	119.5	
Basic Materials	254	34.3	328.3	35.3	434.1	-0.3	372.2	
Communications	41	9.5	160.7	8.2	257.0	0.1	184.9	
Consumer Cyclical	57	3.1	96.3	4.5	212.6	0.0	150.2	
Consumer Non-cyclical	99	16.9	154.6	14.3	453.0	0.0	391.1	
Diversified	5	110.2	513.0	140.8	381.5	-2.4	137.1	
Energy	142	38.1	731.9	45.2	734.5	0.9	658.1	
Industrial	70	9.0	221.6	9.7	537.5	-0.1	344.0	
Technology	33	14.8	199.7	15.5	1509.5	0.2	1347.8	
Utilities	13	4.6	7.3	4.7	13.2	0.3	8.7	



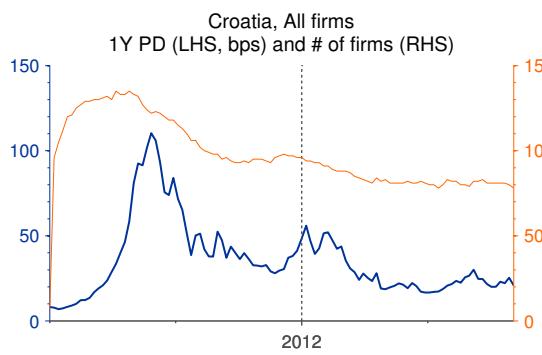
Chile	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	22	14.3	34.6	12.2	20.9	-0.0	18.7	
Basic Materials	13	9.3	127.4	8.6	80.7	2.0	49.0	
Communications	3	10.5	10.9	21.5	11.2	-5.6	11.5	
Consumer Cyclical	12	10.8	129.9	10.4	45.8	-1.1	85.7	
Consumer Non-cyclical	21	5.8	55.6	6.5	52.4	0.1	12.5	
Diversified	6	2.1	23.3	2.7	28.5	0.6	5.2	
Industrial	19	9.6	54.4	9.7	30.3	0.1	24.6	
Technology	1	2.4	—	0.8	—	-1.6	—	
Utilities	11	0.7	30.6	1.3	10.8	0.0	20.2	



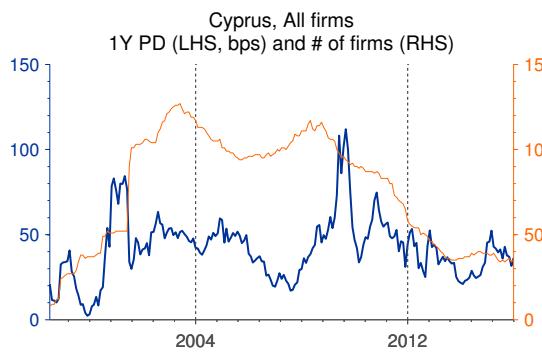
China	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	214	71.7	147.1	59.3	108.5	-6.5	65.0	
Basic Materials	306	211.4	193.5	182.4	291.5	-19.5	183.8	
Communications	154	47.7	107.4	40.1	94.3	-3.6	52.9	
Consumer Cyclical	474	109.7	152.2	94.0	117.1	-4.9	83.5	
Consumer Non-cyclical	433	104.8	166.9	100.0	187.5	-1.5	92.6	
Diversified	25	188.2	173.2	186.7	174.0	-9.9	55.7	
Energy	90	124.4	237.5	128.0	139.7	4.1	152.3	
Industrial	731	142.9	191.2	125.8	144.2	-9.8	89.0	
Technology	159	72.8	124.1	71.1	79.9	-4.6	73.5	
Utilities	66	170.1	138.6	167.3	110.8	5.8	81.7	



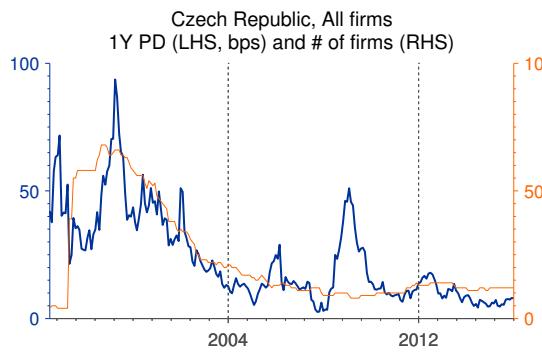
Colombia	2015Q3		2015Q4		Q4-Q3		
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	10	33.6	73.1	32.3	73.7	4.4	13.2
Basic Materials	2	12.4	8.3	14.5	12.9	2.1	4.6
Communications	1	6.7	—	10.7	—	4.0	—
Consumer Cyclical	2	69.8	74.0	130.5	31.8	60.7	105.8
Consumer Non-cyclical	1	1.9	—	1.5	—	-0.3	—
Diversified	1	15.8	—	13.8	—	-2.0	—
Energy	4	44.3	281.7	63.8	494.3	25.4	213.2
Industrial	6	16.7	14.6	20.5	20.1	2.8	7.7
Utilities	4	18.9	21.5	17.0	38.9	1.8	21.9



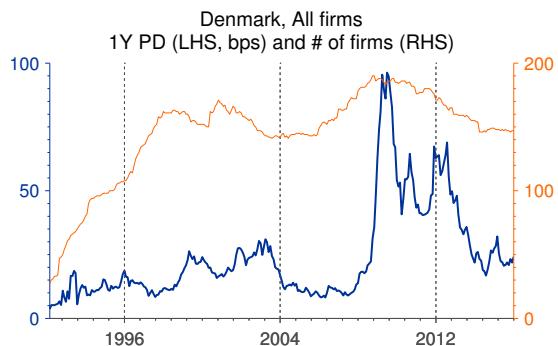
Croatia	2015Q3		2015Q4		Q4-Q3		
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	8	29.4	48.4	24.8	57.8	-0.3	15.4
Basic Materials	3	74.1	8.1	64.5	42.8	-9.6	37.3
Communications	3	1.3	11.2	0.9	16.1	-0.0	4.9
Consumer Cyclical	25	13.0	103.9	10.7	91.7	-1.3	37.3
Consumer Non-cyclical	21	31.0	53.4	20.1	60.3	-1.8	44.2
Diversified	1	15.6	—	17.5	—	2.0	—
Energy	2	3.8	1.7	3.8	1.7	0.0	0.0
Industrial	15	71.0	74.4	86.5	76.4	0.5	25.8



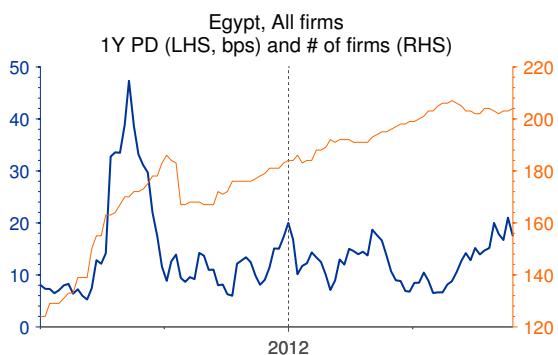
Cyprus	2015Q3		2015Q4		Q4-Q3		
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	11	34.9	489.1	36.3	33.9	-0.2	481.6
Basic Materials	2	107.6	128.1	91.5	70.0	-16.1	58.2
Consumer Cyclical	6	36.8	59.0	48.2	43.3	-1.5	24.2
Consumer Non-cyclical	6	34.6	30.9	34.9	42.2	-3.8	23.1
Energy	2	102.4	142.8	104.0	124.1	1.6	18.8
Industrial	5	40.4	52.1	25.1	50.7	-3.9	16.4
Technology	1	20.0	—	20.5	—	0.5	—



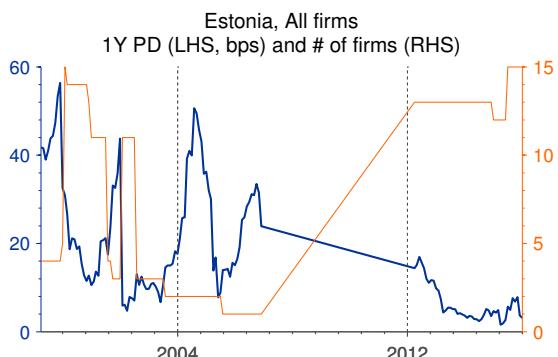
Czech Republic	2015Q3		2015Q4		Q4-Q3		
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	2	12.4	3.8	14.5	3.3	2.1	0.4
Communications	1	25.9	—	21.8	—	-4.1	—
Consumer Cyclical	2	5.9	6.1	5.8	2.5	-0.1	3.6
Consumer Non-cyclical	2	3.5	2.6	3.7	2.6	0.2	0.1
Diversified	1	1.5	—	1.4	—	-0.1	—
Energy	2	6.9	2.2	7.3	1.3	0.4	3.4
Industrial	1	18.3	—	19.1	—	0.8	—
Utilities	1	6.9	—	9.1	—	2.2	—



Denmark	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	43	36.7	191.0	39.3	155.1	-0.3	52.2	
Basic Materials	2	241.3	339.7	260.8	367.7	19.6	27.9	
Communications	9	30.7	35.4	24.4	33.4	-2.2	6.2	
Consumer Cyclical	17	31.8	60.0	30.9	73.9	-0.9	26.6	
Consumer Non-cyclical	28	9.8	35.6	6.9	248.9	-0.8	247.3	
Diversified	2	3.6	5.0	2.5	3.4	-1.1	1.6	
Energy	1	16.1	—	6.6	—	-9.5	—	
Industrial	34	19.1	57.4	21.8	64.5	-0.3	26.8	
Technology	9	27.4	80.1	30.3	60.1	-7.3	29.1	
Utilities	1	61.7	—	54.9	—	-6.8	—	



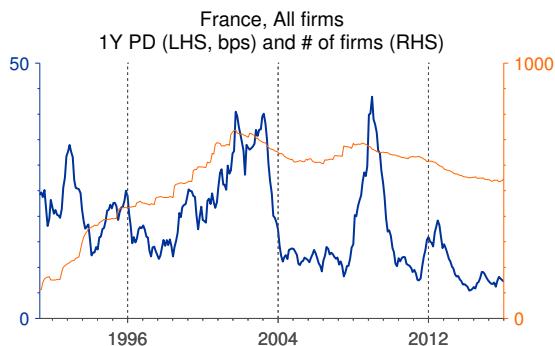
Egypt	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	66	34.8	56.0	26.6	65.5	-2.1	21.4	
Basic Materials	21	15.7	51.9	9.1	31.4	-0.1	34.6	
Communications	5	11.3	57.1	30.8	53.8	-1.9	75.6	
Consumer Cyclical	22	35.2	25.4	24.2	24.7	-2.7	10.1	
Consumer Non-cyclical	47	9.3	25.0	9.5	24.0	-0.1	16.7	
Diversified	1	8.2	—	7.0	—	-1.2	—	
Energy	1	134.8	—	99.0	—	-35.8	—	
Industrial	37	11.5	44.5	10.4	49.0	0.0	11.9	
Technology	1	15.6	—	14.6	—	-1.0	—	
Utilities	1	58.8	—	74.0	—	15.2	—	



Estonia	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	3	12.8	11.8	10.0	13.4	-2.5	8.0	
Communications	1	6.8	—	5.4	—	-1.4	—	
Consumer Cyclical	5	7.6	24.5	3.1	17.6	-4.4	7.0	
Consumer Non-cyclical	1	16.4	—	16.4	—	-0.1	—	
Industrial	4	3.2	3.9	2.4	3.2	-0.9	0.7	
Utilities	1	0.9	—	0.8	—	-0.1	—	



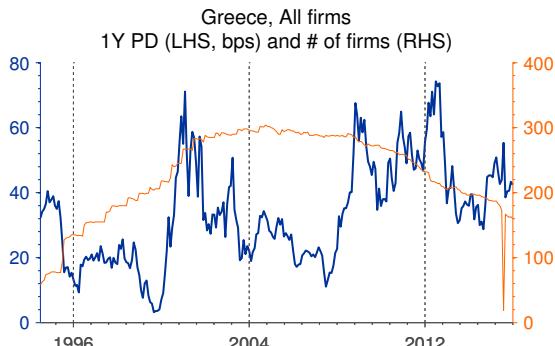
Finland	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	16	8.2	15.8	7.6	25.3	-0.4	12.0	
Basic Materials	8	7.9	40.1	5.6	26.5	-1.9	22.1	
Communications	14	5.4	15.6	4.6	15.2	-1.3	5.9	
Consumer Cyclical	10	10.9	10.2	5.4	10.4	-0.6	4.6	
Consumer Non-cyclical	21	5.9	64.6	6.5	68.5	0.2	4.4	
Energy	1	6.7	—	3.5	—	-3.2	—	
Industrial	34	7.7	23.7	5.7	19.4	-0.8	7.9	
Technology	14	6.8	11.9	9.2	13.3	0.5	6.4	
Utilities	1	4.8	—	4.7	—	-0.1	—	



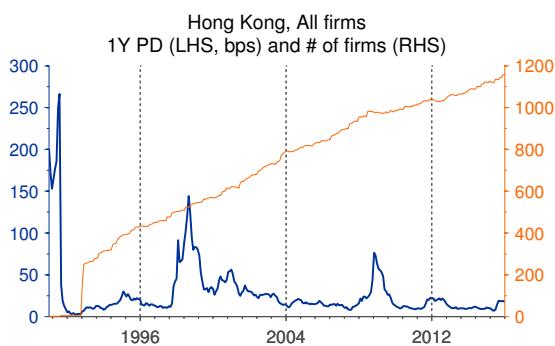
France	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	84	7.2	30.0	6.3	31.4	-0.2	9.3	
Basic Materials	16	13.9	114.7	9.5	62.9	-2.5	54.1	
Communications	53	10.9	106.4	9.5	56.0	-0.6	63.3	
Consumer Cyclical	77	9.0	26.2	7.0	33.4	-0.9	17.7	
Consumer Non-cyclical	108	5.2	15.6	5.7	16.2	-0.3	8.3	
Diversified	8	11.6	62.8	11.2	58.5	-0.4	17.8	
Energy	11	19.3	30.2	20.2	25.8	-1.9	10.7	
Industrial	98	8.7	30.8	7.5	32.5	-0.9	11.7	
Technology	66	8.1	21.2	6.4	18.4	-0.7	13.6	
Utilities	10	6.0	14.0	5.2	13.7	-0.3	1.5	



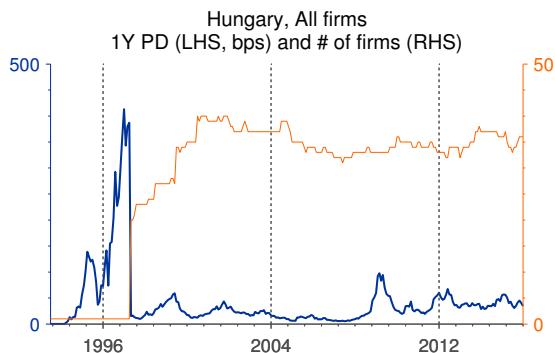
Germany	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	150	7.5	46.7	7.8	64.3	0.2	33.4	
Basic Materials	22	6.6	17.3	6.6	41.1	0.2	24.7	
Communications	58	10.1	36.3	9.4	116.1	0.5	88.5	
Consumer Cyclical	77	8.5	65.9	6.6	257.0	-0.2	214.5	
Consumer Non-cyclical	95	10.4	209.4	7.9	531.0	0.0	343.4	
Diversified	2	24.3	5.1	21.2	0.1	-3.1	5.1	
Energy	14	7.7	10.5	8.2	68.8	-0.4	58.8	
Industrial	121	7.8	54.6	7.4	89.6	-0.0	38.9	
Technology	68	7.5	29.0	5.3	294.9	-0.8	271.2	
Utilities	9	6.6	17.3	9.3	12.0	0.1	6.1	



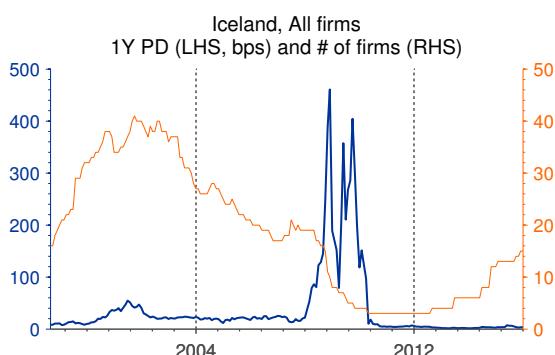
Greece	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	18	37.0	429.7	27.9	152.8	-1.9	449.3	
Basic Materials	12	20.7	137.2	28.5	819.2	1.7	687.0	
Communications	10	73.6	84.7	109.0	187.2	14.6	129.1	
Consumer Cyclical	28	26.1	104.7	33.6	95.6	-0.1	26.6	
Consumer Non-cyclical	30	41.6	79.2	52.0	88.0	-0.5	60.8	
Diversified	1	49.8	—	53.9	—	4.1	—	
Energy	6	32.0	1879.5	40.9	257.8	4.7	1623.4	
Industrial	44	65.8	534.8	70.9	791.9	2.6	322.9	
Technology	6	19.3	12.5	19.2	14.7	1.8	7.4	
Utilities	4	25.6	17.6	25.4	24.4	1.4	8.9	



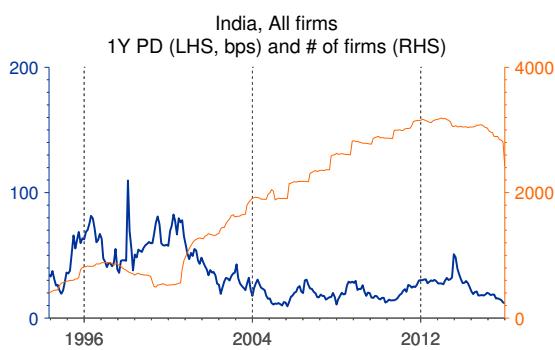
Hong Kong	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	255	17.5	49.5	17.5	58.9	0.0	27.8	
Basic Materials	61	28.5	96.5	32.5	132.9	-0.5	63.8	
Communications	75	20.0	37.4	16.6	53.5	0.1	32.7	
Consumer Cyclical	256	12.1	28.1	12.6	30.6	0.1	21.4	
Consumer Non-cyclical	140	15.5	48.3	14.7	80.3	0.4	50.9	
Diversified	38	15.7	109.5	16.0	51.3	-0.0	67.0	
Energy	41	41.6	49.3	46.3	52.7	-0.1	28.1	
Industrial	203	22.8	76.1	22.9	73.8	-0.0	27.4	
Technology	47	19.9	40.7	19.2	114.0	0.3	91.2	
Utilities	21	9.2	14.8	12.5	15.1	0.4	4.7	



Hungary	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	10	23.8	14.4	19.1	21.1	-2.3	16.1	
Communications	4	64.1	44.8	43.6	65.1	-1.4	32.1	
Consumer Cyclical	3	52.7	46.6	56.6	36.6	-3.7	15.5	
Consumer Non-cyclical	7	100.4	125.6	118.1	267.9	0.0	164.3	
Diversified	2	162.4	29.1	128.0	9.2	-34.4	19.9	
Energy	3	202.5	166.0	271.9	205.4	67.8	43.2	
Industrial	1	35.4	—	36.5	—	1.0	—	
Technology	3	51.0	117.6	39.2	1384.3	-11.8	1266.8	
Utilities	2	8.5	1.1	6.0	1.2	-2.5	0.0	



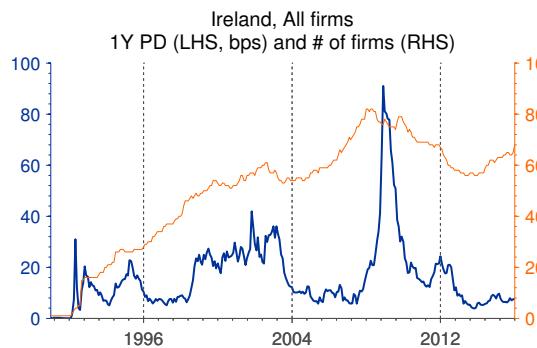
Iceland	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	4	5.3	2.2	6.4	2.9	0.1	1.2	
Communications	1	0.6	—	0.4	—	-0.1	—	
Consumer Cyclical	2	1.1	0.8	0.8	0.5	-0.3	0.4	
Consumer Non-cyclical	2	1.5	0.3	1.4	0.2	-0.1	0.1	
Energy	1	9.1	—	11.6	—	2.5	—	
Industrial	3	4.4	2.7	4.0	2.8	-0.7	0.3	
Technology	1	7.3	—	5.7	—	-1.6	—	



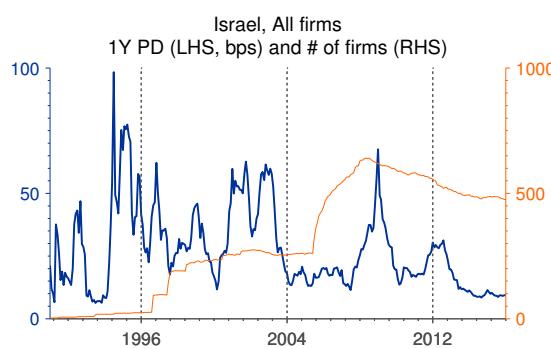
India	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	315	15.1	183.8	12.9	198.1	-0.1	65.5	
Basic Materials	344	19.9	101.4	16.2	72.4	-2.8	40.6	
Communications	92	15.0	64.1	10.9	50.5	-1.4	25.3	
Consumer Cyclical	503	17.4	110.0	12.7	78.9	-2.6	56.5	
Consumer Non-cyclical	393	9.7	79.7	7.4	76.6	-1.3	55.6	
Diversified	22	36.8	34.7	27.0	36.4	-3.1	38.2	
Energy	46	19.9	89.1	18.1	64.9	-5.6	37.8	
Industrial	534	16.9	80.5	12.7	74.6	-2.4	33.1	
Technology	135	10.7	158.6	6.8	143.1	-2.8	60.6	
Utilities	32	53.8	136.7	47.8	84.5	-13.7	68.7	



Indonesia	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	118	26.5	57.4	26.7	52.4	0.1	31.4	
Basic Materials	39	49.1	136.2	45.1	111.6	0.4	90.2	
Communications	26	18.7	66.0	24.0	63.5	1.1	34.1	
Consumer Cyclical	66	19.9	48.4	30.7	52.1	0.4	25.2	
Consumer Non-cyclical	70	22.2	85.3	16.5	101.4	0.5	41.3	
Diversified	1	101.1	—	115.1	—	14.0	—	
Energy	27	18.8	255.5	29.8	199.2	7.6	74.9	
Industrial	60	17.3	46.5	23.5	70.7	0.2	51.2	
Technology	7	2.2	100.7	3.1	109.9	1.0	11.0	
Utilities	2	51.0	7.4	68.6	14.2	17.6	21.6	



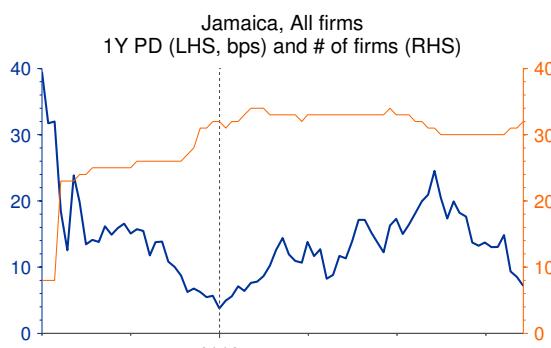
Ireland	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	13	8.1	13.8	7.5	43.4	-0.6	38.4	
Basic Materials	9	65.5	34.2	50.7	63.9	1.3	45.9	
Communications	3	6.4	11.4	6.5	17.0	0.1	5.7	
Consumer Cyclical	3	2.9	11.6	2.2	8.1	-0.7	3.5	
Consumer Non-cyclical	21	4.3	22.4	3.1	26.3	-0.0	10.6	
Energy	6	53.8	99.2	103.9	315.4	61.5	226.5	
Industrial	6	4.0	4.4	4.0	4.4	0.1	1.2	
Technology	3	0.0	0.3	0.1	0.1	0.0	0.2	



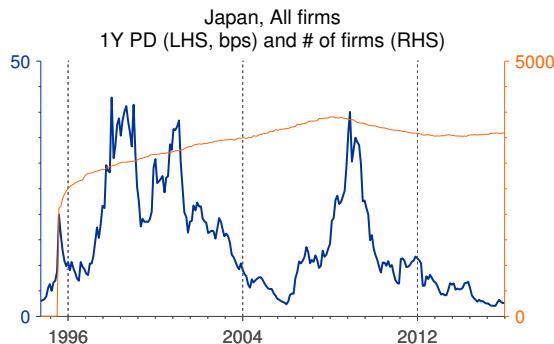
Israel	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	124	11.9	97.3	13.0	250.4	0.6	199.5	
Basic Materials	13	7.2	12.8	8.6	25.5	1.4	14.3	
Communications	36	9.8	387.2	10.2	278.8	-0.7	127.9	
Consumer Cyclical	46	10.6	20.5	9.4	23.2	-1.0	9.1	
Consumer Non-cyclical	106	8.6	38.8	8.3	60.2	0.0	50.4	
Diversified	10	12.3	34.1	13.9	35.7	-0.0	24.0	
Energy	28	7.6	59.0	6.9	87.6	-0.1	54.6	
Industrial	81	8.0	45.5	8.0	189.2	-0.0	156.8	
Technology	30	7.4	38.9	5.7	31.0	-0.4	17.5	



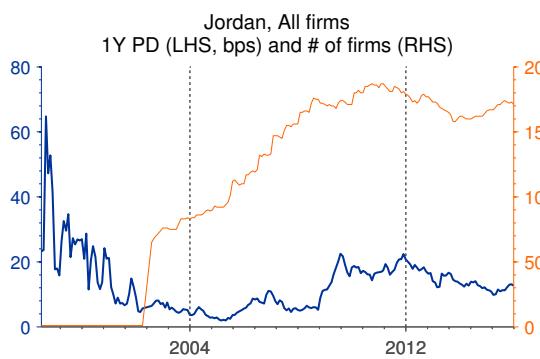
Italy	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	54	23.7	23.8	20.0	33.7	-0.5	15.2	
Basic Materials	4	27.6	19.7	22.3	14.5	-6.5	6.9	
Communications	33	12.6	25.1	10.2	20.5	-1.6	13.7	
Consumer Cyclical	46	11.3	22.8	8.4	20.7	-0.9	17.1	
Consumer Non-cyclical	33	13.8	26.8	10.4	43.5	-0.2	23.0	
Diversified	2	50.0	20.3	43.1	22.8	-6.9	2.5	
Energy	17	14.8	18.9	13.4	14.3	-1.5	7.3	
Industrial	47	10.7	26.9	8.2	29.9	-1.1	20.3	
Technology	16	10.3	25.1	11.6	29.1	-0.8	6.8	
Utilities	13	5.5	18.6	4.0	24.7	-1.5	6.3	



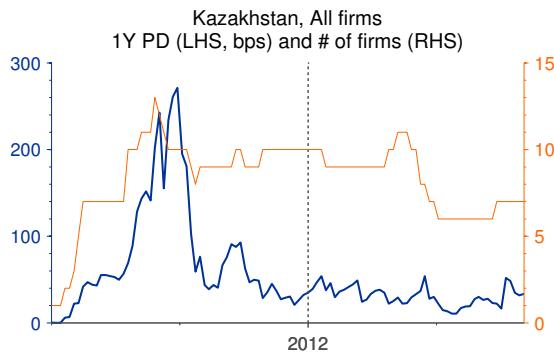
Jamaica	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	7	11.5	53.3	10.4	32.7	-2.0	22.7	
Basic Materials	1	49.8	—	39.7	—	-10.1	—	
Communications	3	33.1	95.2	68.1	33.4	4.9	73.8	
Consumer Cyclical	4	12.1	6.5	3.5	1.3	-7.3	7.0	
Consumer Non-cyclical	9	23.6	20.2	17.4	10.3	-4.2	12.8	
Diversified	2	5.3	3.0	3.5	1.1	-1.8	4.1	
Industrial	4	4.4	15.4	2.5	7.2	-1.9	8.3	



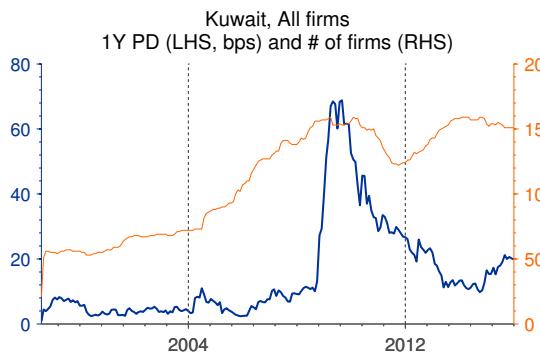
	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	328	10.1	27.8	8.9	31.0	-0.1	8.1	
Basic Materials	242	4.3	12.9	3.2	8.2	-0.6	7.5	
Communications	254	2.8	8.8	2.2	11.5	-0.1	6.6	
Consumer Cyclical	858	3.2	13.5	3.0	15.3	-0.1	8.0	
Consumer Non-cyclical	604	1.4	9.7	1.2	7.8	-0.1	6.7	
Diversified	2	11.7	5.8	7.7	0.5	-4.1	5.3	
Energy	15	7.2	10.2	3.7	12.5	-1.3	4.9	
Industrial	962	4.0	12.9	3.2	9.9	-0.4	6.7	
Technology	285	2.2	11.3	1.9	10.4	-0.1	5.0	
Utilities	22	4.6	5.9	3.6	6.4	-0.0	2.7	



	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	86	9.8	38.3	9.0	44.2	-0.2	18.9	
Basic Materials	15	17.4	29.0	17.9	37.9	0.0	23.4	
Communications	2	42.5	52.9	45.2	61.7	2.8	8.8	
Consumer Cyclical	15	10.1	75.2	9.6	45.9	0.0	43.1	
Consumer Non-cyclical	23	10.7	27.0	7.3	29.0	-0.2	17.6	
Diversified	2	75.9	83.7	76.2	89.8	0.3	6.2	
Energy	2	12.4	17.4	12.1	17.1	-0.2	0.3	
Industrial	23	19.2	56.8	20.6	57.3	-0.6	13.0	
Utilities	2	48.4	13.2	39.3	1.1	-9.1	14.3	



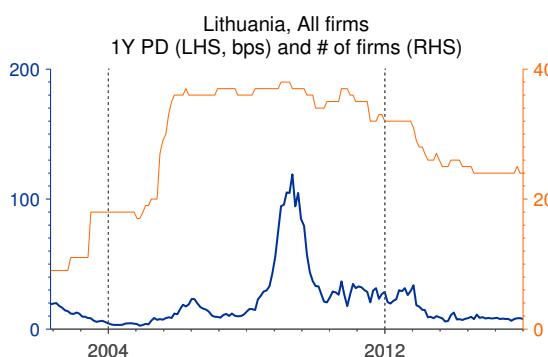
	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	3	202.3	144.8	170.2	128.9	-32.1	16.0	
Communications	1	48.4	—	39.2	—	-9.2	—	
Energy	2	17.6	3.2	11.6	9.6	-5.9	6.4	
Utilities	1	53.5	—	33.5	—	-20.1	—	



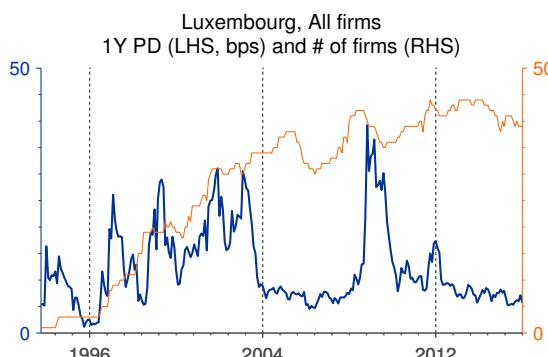
	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	79	25.5	35.0	21.1	37.9	-2.9	19.3	
Basic Materials	4	6.4	15.9	1.6	21.6	1.0	8.7	
Communications	7	15.9	17.8	14.4	13.7	-0.6	8.6	
Consumer Cyclical	13	16.3	76.6	44.0	59.4	-3.3	34.8	
Consumer Non-cyclical	10	5.4	30.7	5.2	27.1	-0.8	9.6	
Diversified	6	28.4	41.9	31.5	28.3	0.1	25.3	
Energy	6	69.2	156.8	44.1	195.9	-2.2	50.0	
Industrial	21	19.2	33.4	19.0	28.0	-0.9	9.5	
Technology	1	0.1	—	0.6	—	0.4	—	



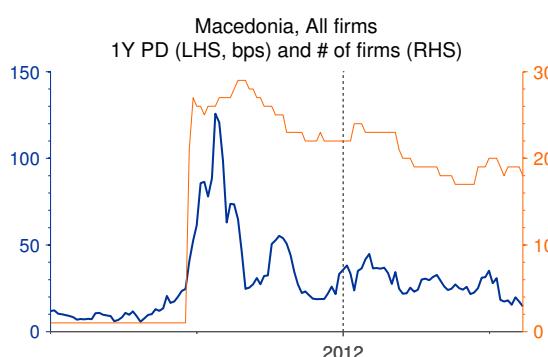
Latvia	2015Q3		2015Q4		Q4-Q3		
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Communications	1	5.9	—	3.7	—	-2.2	—
Consumer Cyclical	2	112.8	87.4	127.3	101.1	14.5	13.7
Consumer Non-cyclical	3	27.3	18.9	8.1	11.1	-4.0	16.9
Energy	1	6.2	—	4.0	—	-2.2	—
Industrial	3	11.4	38.2	19.1	29.9	-2.0	10.0
Utilities	1	4.3	—	2.8	—	-1.5	—



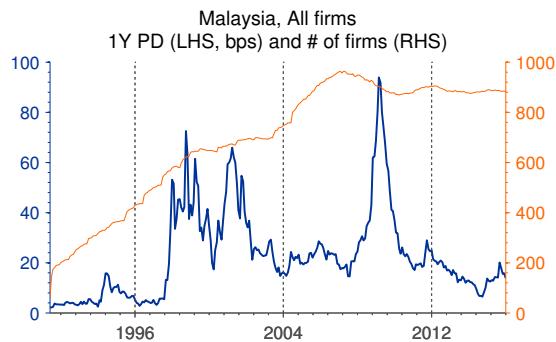
Lithuania	2015Q3		2015Q4		Q4-Q3		
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	3	3.7	14.5	3.0	34.6	-0.4	20.1
Basic Materials	1	23.3	—	28.8	—	5.6	—
Communications	1	0.1	—	0.1	—	-0.0	—
Consumer Cyclical	3	1.4	25.1	1.9	34.1	0.5	9.0
Consumer Non-cyclical	7	3.9	6.1	4.7	5.3	-0.2	6.8
Energy	1	1.4	—	1.1	—	-0.3	—
Industrial	3	54.0	120.6	61.0	2397.2	11.9	2278.1
Utilities	4	11.9	5.9	10.5	9.4	-1.4	4.1



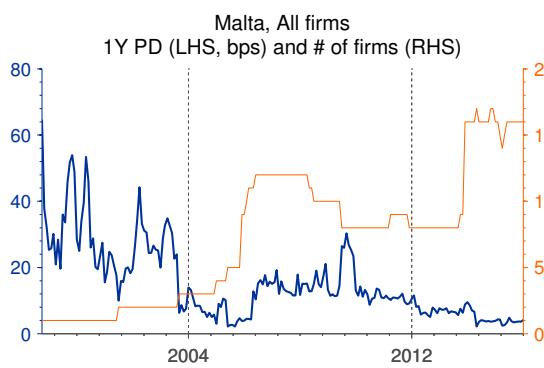
Luxembourg	2015Q3		2015Q4		Q4-Q3		
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	13	4.2	258.4	3.7	577.2	0.0	322.0
Basic Materials	5	25.4	15.0	12.3	18.7	-0.7	10.1
Communications	4	12.6	157.7	13.9	310.6	1.5	153.0
Consumer Cyclical	3	16.2	48.7	8.6	126.5	0.8	78.6
Consumer Non-cyclical	6	5.1	4.8	3.3	7.2	-0.5	3.0
Industrial	6	8.0	3.6	6.9	4.1	-1.0	1.0
Technology	2	1.0	1.0	0.7	0.7	-0.3	0.3



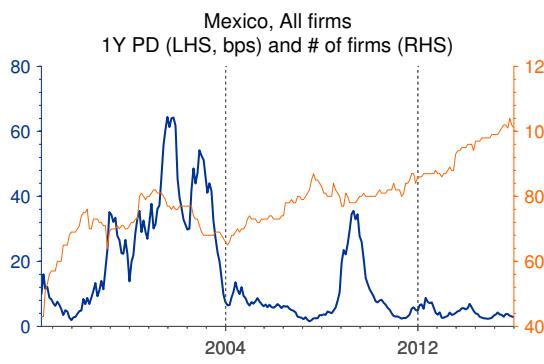
Macedonia	2015Q3		2015Q4		Q4-Q3		
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	6	25.1	10.1	14.5	11.1	-4.5	6.7
Basic Materials	3	50.3	27.6	67.7	29.8	-4.1	12.4
Communications	1	3.6	—	3.7	—	0.1	—
Consumer Cyclical	2	7.8	10.9	9.1	12.8	1.3	1.9
Consumer Non-cyclical	4	2.1	2.0	2.3	1.6	-0.0	0.6
Industrial	1	34.7	—	35.4	—	0.7	—
Utilities	1	71.8	—	59.1	—	-12.7	—



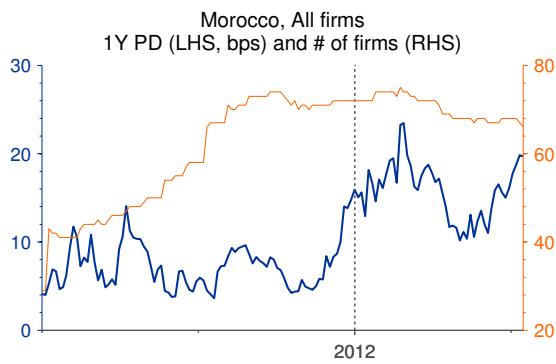
	Malaysia	2015Q3			2015Q4			Q4-Q3	
		#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	130	20.6	67.1	16.5	60.9	-0.5	21.7		
Basic Materials	65	35.8	348.6	27.5	290.8	-2.7	61.0		
Communications	35	16.4	91.1	11.8	86.1	-0.3	27.2		
Consumer Cyclical	114	19.8	82.5	15.1	63.8	-1.6	40.3		
Consumer Non-cyclical	149	6.5	218.3	5.8	214.4	-0.2	159.8		
Diversified	26	12.2	87.9	9.1	83.0	-2.0	33.0		
Energy	31	36.3	79.2	30.2	74.7	-4.2	33.5		
Industrial	268	23.6	143.0	16.4	256.8	-1.4	167.8		
Technology	57	21.9	200.0	15.8	96.8	-2.6	116.0		
Utilities	4	11.0	7.3	7.4	6.1	-3.6	8.3		



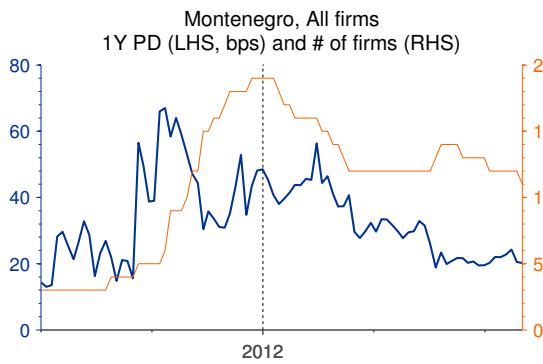
	Malta	2015Q3			2015Q4			Q4-Q3	
		#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	7	3.7	6.8	4.6	4.1	0.2	3.4		
Communications	1	0.6	—	1.4	—	0.8	—		
Consumer Cyclical	4	3.0	2.6	3.2	5.3	0.7	3.2		
Consumer Non-cyclical	2	3.6	5.0	4.5	4.3	0.9	0.7		
Energy	1	15.0	—	34.2	—	19.2	—		
Industrial	1	0.1	—	0.1	—	-0.0	—		



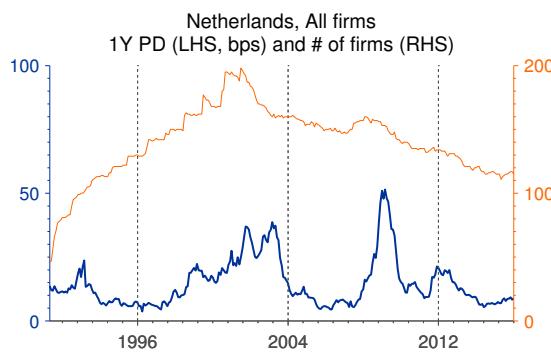
	Mexico	2015Q3			2015Q4			Q4-Q3	
		#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	24	6.5	29.1	4.4	36.6	0.0	14.0		
Basic Materials	12	6.4	29.3	9.1	29.4	0.5	7.3		
Communications	7	7.6	21.8	15.6	85.7	2.3	77.7		
Consumer Cyclical	20	3.7	48.1	1.9	47.0	-0.8	12.0		
Consumer Non-cyclical	16	0.9	17.7	1.3	14.0	0.1	8.9		
Diversified	5	7.4	5.4	4.9	4.5	-1.7	1.1		
Industrial	12	0.6	36.6	0.4	51.4	0.0	16.1		
Utilities	2	0.4	0.6	0.9	1.3	0.5	0.7		



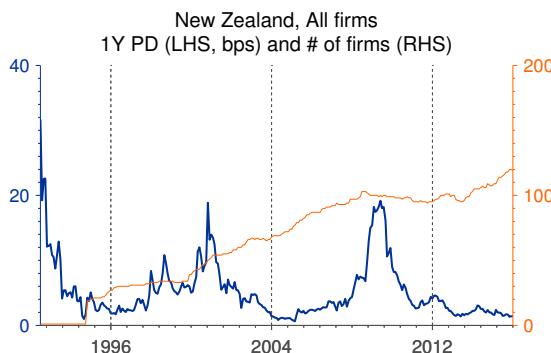
	Morocco	2015Q3			2015Q4			Q4-Q3	
		#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	19	31.0	36.0	33.4	39.9	0.4	11.8		
Basic Materials	10	29.1	39.6	40.3	45.8	0.5	13.6		
Communications	1	0.8	—	0.9	—	0.1	—		
Consumer Cyclical	7	25.2	31.9	23.2	39.2	0.7	14.7		
Consumer Non-cyclical	9	4.2	7.5	2.3	6.8	-0.4	2.7		
Industrial	12	17.9	212.2	25.0	190.6	0.3	68.6		
Technology	5	14.8	25.0	15.0	43.5	2.9	20.7		
Utilities	3	6.9	13.0	7.4	11.2	0.2	1.9		



Montenegro	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Communications	1	0.8	—	1.1	—	0.2	—	24.4
Consumer Cyclical	3	36.8	75.5	21.6	51.4	-15.2	5.7	
Consumer Non-cyclical	4	27.9	4.0	24.1	9.1	-3.8	5.7	
Energy	1	24.8	—	25.0	—	0.2	—	
Utilities	2	10.6	7.8	11.5	12.3	0.9	4.5	



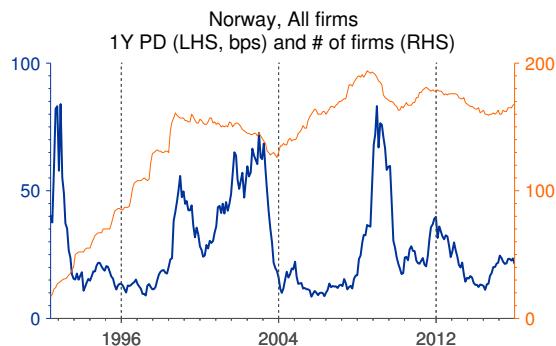
Netherlands	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	20	18.3	81.7	14.2	98.4	-0.7	67.4	
Basic Materials	7	6.2	233.4	5.8	348.1	-0.5	286.2	
Communications	10	11.7	34.7	13.6	120.6	0.4	115.0	
Consumer Cyclical	11	15.1	192.4	11.2	996.3	-0.2	989.9	
Consumer Non-cyclical	26	2.6	89.1	2.2	66.4	-0.1	61.0	
Energy	6	7.2	14.8	7.2	11.5	-0.5	4.1	
Industrial	21	14.7	450.1	14.6	77.1	0.1	447.1	
Technology	13	8.8	56.8	7.1	54.9	-0.2	40.2	



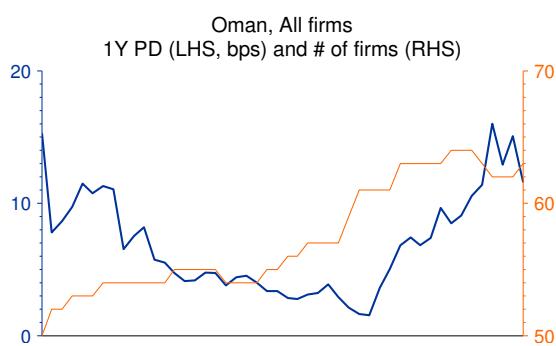
New Zealand	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	17	0.2	17.6	0.2	14.4	-0.0	5.7	
Basic Materials	3	35.4	310.9	35.7	127.1	-0.4	184.6	
Communications	8	5.5	39.2	3.8	36.9	-1.8	3.5	
Consumer Cyclical	19	2.3	49.3	2.3	43.3	-0.7	10.1	
Consumer Non-cyclical	30	2.0	14.9	1.7	33.4	-0.3	26.6	
Diversified	2	29.0	38.7	114.7	159.4	85.7	120.7	
Energy	4	6.7	9.1	5.5	6.1	-0.7	3.8	
Industrial	16	1.0	28.6	1.5	31.8	-0.1	5.2	
Technology	11	1.0	29.7	0.9	13.9	-0.0	27.9	
Utilities	7	1.7	9.5	1.1	12.2	-0.1	3.0	



Nigeria	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	49	38.1	79.9	43.7	92.1	1.5	32.7	
Basic Materials	10	12.4	27.1	15.3	25.3	0.3	9.4	
Communications	5	37.8	71.7	30.7	65.1	3.7	86.8	
Consumer Cyclical	14	32.7	171.3	44.5	189.2	2.3	33.5	
Consumer Non-cyclical	32	17.3	111.4	21.1	222.8	2.3	136.3	
Energy	11	29.7	240.1	40.0	525.8	1.0	289.7	
Industrial	17	22.8	95.2	29.1	108.0	0.0	18.4	
Technology	2	35.7	20.2	89.2	100.0	53.4	79.8	



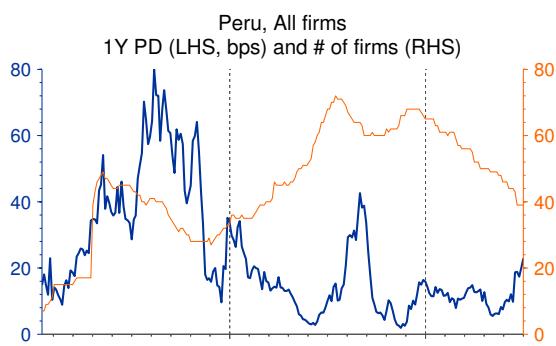
Norway	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	37	27.1	35.1	30.3	52.9	0.5	33.0	
Basic Materials	6	11.0	206.5	9.3	60.9	-2.2	165.8	
Communications	7	9.0	16.5	8.9	13.1	-1.0	4.0	
Consumer Cyclical	4	10.7	13.7	8.8	8.4	-0.3	11.2	
Consumer Non-cyclical	23	5.6	27.0	5.1	51.0	-0.1	28.5	
Diversified	1	14.3	—	9.0	—	-5.4	—	
Energy	25	46.5	112.9	44.1	137.9	0.4	118.7	
Industrial	50	27.7	94.1	25.4	159.9	1.3	118.6	
Technology	8	15.6	21.7	14.0	37.1	0.1	20.8	
Utilities	2	9.0	10.8	7.7	8.8	-1.3	2.0	



Oman	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	24	34.4	49.2	32.9	48.8	-3.0	12.7	
Basic Materials	4	20.7	24.1	19.1	19.4	-2.6	8.3	
Communications	2	1.2	1.6	0.5	0.7	-0.7	0.9	
Consumer Cyclical	1	8.7	—	4.8	—	-3.8	—	
Consumer Non-cyclical	7	29.5	19.1	14.2	12.3	-8.2	9.4	
Diversified	1	15.9	—	0.0	—	-15.8	—	
Energy	5	4.4	65.2	2.7	73.6	0.0	12.8	
Industrial	12	6.6	55.9	3.5	44.1	-2.4	12.7	
Utilities	5	2.8	1.5	2.5	1.8	-0.0	0.4	



Pakistan	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	40	89.3	91.3	85.2	83.0	-0.9	35.0	
Basic Materials	21	8.2	93.7	9.2	87.8	-0.5	13.1	
Communications	5	16.7	146.1	18.8	192.4	1.2	46.5	
Consumer Cyclical	34	11.8	98.1	14.6	92.4	-0.6	21.1	
Consumer Non-cyclical	31	1.3	64.6	1.2	59.6	-0.1	8.1	
Energy	10	49.9	34.5	19.6	41.1	0.1	22.5	
Industrial	28	4.0	33.4	5.4	29.9	0.1	10.7	
Technology	1	9.3	—	6.0	—	-3.4	—	
Utilities	7	15.2	67.6	22.9	85.1	-1.5	22.8	



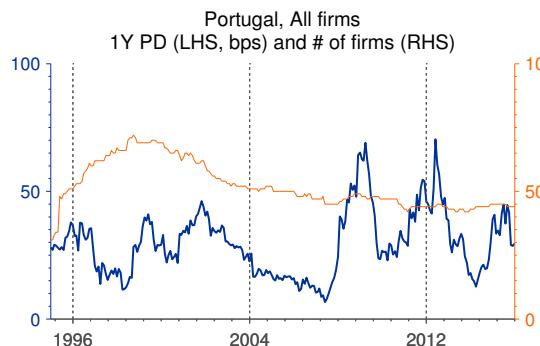
Peru	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	8	16.9	19.2	26.8	15.2	4.9	9.2	
Basic Materials	11	30.6	117.8	35.0	112.0	4.8	18.0	
Communications	1	94.5	—	77.1	—	-17.4	—	
Consumer Cyclical	2	6.3	4.6	7.4	8.7	1.1	4.1	
Consumer Non-cyclical	7	20.5	42.2	27.7	28.3	-2.7	16.1	
Diversified	2	52.2	40.0	70.6	72.2	18.4	32.1	
Energy	1	322.7	—	345.6	—	22.9	—	
Industrial	1	20.6	—	15.7	—	-4.9	—	
Utilities	5	1.3	15.1	0.8	14.4	-0.5	0.7	



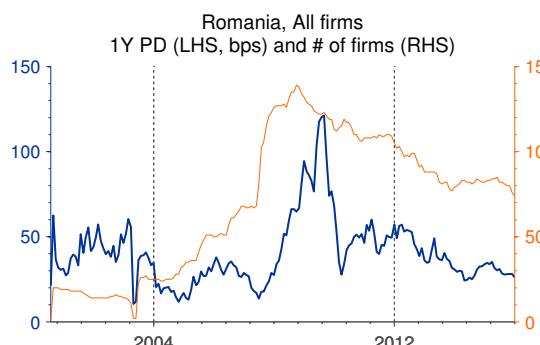
Philippines	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	71	12.1	35.1	14.3	35.6	0.3	13.7	
Basic Materials	24	10.4	62.1	13.8	65.6	0.4	12.3	
Communications	15	2.6	32.2	2.5	72.7	0.0	46.5	
Consumer Cyclical	28	7.8	39.8	7.0	52.2	0.0	18.2	
Consumer Non-cyclical	30	8.3	75.2	6.6	43.7	-0.3	55.5	
Diversified	15	2.3	55.5	2.5	50.4	-0.1	8.5	
Energy	11	10.5	41.9	5.6	34.2	-0.0	12.9	
Industrial	10	26.8	53.2	27.0	50.2	-0.3	19.6	
Technology	3	0.1	1.8	0.1	2.6	0.0	0.8	
Utilities	13	5.5	12.2	6.3	8.7	-0.0	5.9	



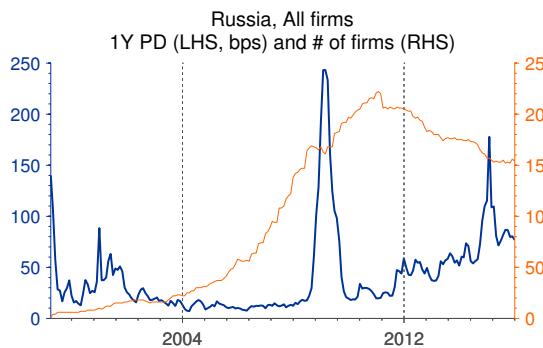
Poland	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	78	25.9	120.2	28.1	169.3	0.1	103.0	
Basic Materials	27	9.8	26.4	7.7	36.2	-1.8	16.8	
Communications	32	27.5	364.1	29.1	523.5	0.7	167.9	
Consumer Cyclical	56	22.3	86.7	23.1	68.8	-0.4	27.9	
Consumer Non-cyclical	53	14.3	159.3	14.0	113.0	-0.2	48.0	
Energy	14	67.7	110.0	55.7	58.7	-6.1	64.7	
Industrial	111	24.1	86.4	24.3	95.9	-0.3	42.4	
Technology	38	23.0	249.6	20.9	110.0	-0.0	152.2	
Utilities	11	15.9	96.7	18.9	226.3	2.4	130.9	



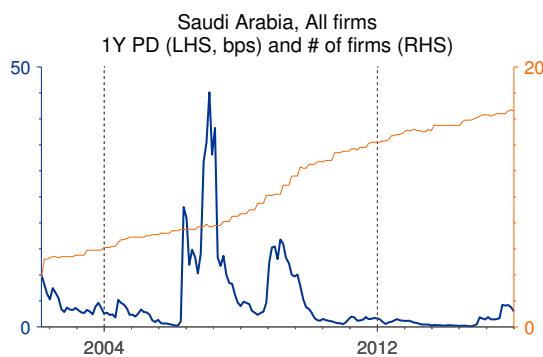
Portugal	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	4	86.0	24.3	53.3	91.4	-22.6	78.5	
Basic Materials	6	8.3	37.5	5.0	44.9	-2.5	9.1	
Communications	6	28.8	29.8	19.9	28.5	-3.2	7.8	
Consumer Cyclical	6	75.9	57.2	51.6	95.9	-16.8	52.7	
Consumer Non-cyclical	6	17.0	63.6	15.5	61.2	-1.5	5.1	
Diversified	2	71.9	73.1	72.3	87.2	0.4	14.1	
Energy	1	9.3	—	5.8	—	-3.5	—	
Industrial	8	77.3	98.8	64.8	140.3	-2.0	51.4	
Technology	3	27.8	109.2	19.9	65.5	-7.9	43.7	
Utilities	2	5.3	1.3	4.9	1.0	-0.4	0.2	



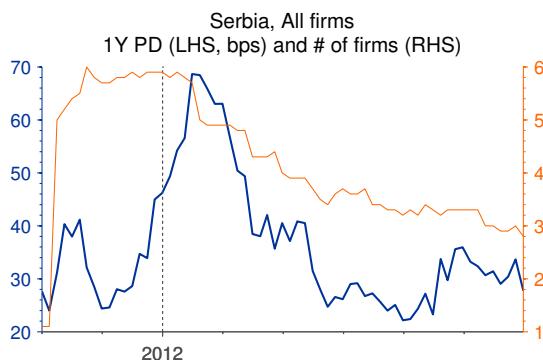
Romania	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	8	16.7	34.8	14.1	46.6	1.4	15.2	
Basic Materials	8	40.4	38.8	31.3	41.0	-1.1	10.0	
Communications	1	39.8	—	33.2	—	-6.6	—	
Consumer Cyclical	10	12.6	25.8	13.5	29.6	-0.5	10.1	
Consumer Non-cyclical	13	21.2	176.6	19.9	132.3	-0.4	45.0	
Energy	8	12.5	102.6	12.5	210.3	0.4	108.8	
Industrial	22	35.0	26.6	36.6	38.6	2.1	18.5	
Utilities	4	3.5	5.1	2.2	6.0	-0.8	1.2	



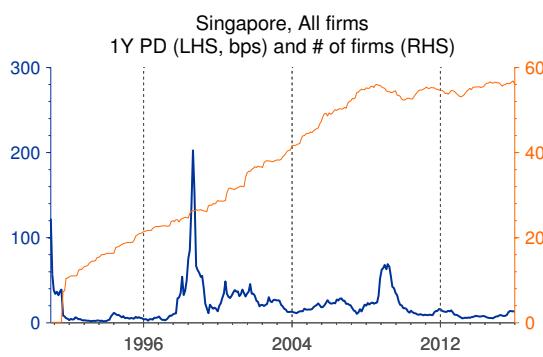
Russia	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	16	101.5	678.8	119.3	332.2	10.1	354.1	
Basic Materials	24	33.4	50.8	32.1	50.6	-0.4	26.9	
Communications	8	92.1	82.9	65.4	53.0	-25.6	40.5	
Consumer Cyclical	11	119.1	65.1	86.1	57.5	-19.8	42.0	
Consumer Non-cyclical	23	61.8	155.9	53.5	52.2	-6.8	125.6	
Diversified	1	225.1	—	194.9	—	-30.2	—	
Energy	17	63.4	64.0	41.1	58.7	-5.1	27.1	
Industrial	11	88.3	94.2	76.8	47.1	-31.3	72.4	
Technology	1	107.3	—	81.4	—	-25.9	—	
Utilities	36	122.7	63.4	119.8	63.3	-10.0	34.8	



Saudi Arabia	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	59	1.9	12.3	1.5	10.2	-0.3	4.5	
Basic Materials	18	26.8	27.5	24.5	32.8	-0.6	8.7	
Communications	7	34.3	38.6	16.3	27.8	-18.1	25.1	
Consumer Cyclical	16	3.0	8.3	1.9	6.5	-0.5	3.2	
Consumer Non-cyclical	25	3.5	7.0	2.3	4.4	-1.1	3.8	
Diversified	3	26.0	35.7	21.4	34.4	-9.7	3.1	
Energy	2	8.3	6.2	7.2	3.3	-1.1	2.9	
Industrial	31	2.0	21.1	1.7	13.8	-0.4	8.2	
Utilities	2	43.9	61.1	36.5	51.1	-7.4	10.1	



Serbia	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	5	40.1	16.7	51.1	12.6	22.7	10.3	
Basic Materials	3	13.1	36.5	14.9	18.7	-2.6	18.5	
Consumer Cyclical	3	30.1	33.9	5.7	47.0	2.0	22.2	
Consumer Non-cyclical	9	29.0	46.7	18.3	65.1	-0.3	22.8	
Diversified	1	19.4	—	20.8	—	1.4	—	
Energy	1	10.6	—	11.3	—	0.7	—	
Industrial	5	30.6	74.5	30.4	117.1	-0.0	43.2	



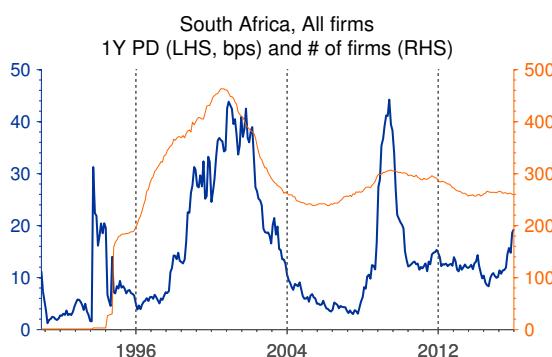
Singapore	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	103	1.4	126.1	2.0	143.2	0.0	66.6	
Basic Materials	31	14.9	88.1	18.9	68.8	-0.3	43.8	
Communications	24	18.2	141.1	19.1	155.7	0.1	79.9	
Consumer Cyclical	72	10.9	59.7	9.3	60.5	0.1	13.1	
Consumer Non-cyclical	79	10.0	64.8	10.9	73.0	0.0	37.4	
Diversified	13	13.9	48.3	15.2	33.9	0.0	17.8	
Energy	30	44.6	188.3	38.9	141.2	-2.0	64.3	
Industrial	176	21.6	119.5	21.1	94.5	-0.6	64.9	
Technology	21	5.2	74.0	6.9	76.9	-0.0	47.6	
Utilities	2	61.3	85.3	44.4	60.9	-16.9	24.4	



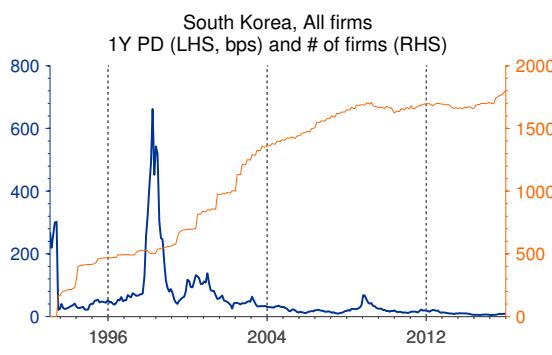
Slovakia	2015Q3		2015Q4		Q4-Q3		
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	2	28.2	11.8	25.5	11.2	-2.7	0.6
Basic Materials	1	12.4	—	12.2	—	-0.2	—
Consumer Cyclical	2	0.3	0.3	0.2	0.3	-0.1	0.1
Consumer Non-cyclical	2	8.1	10.1	7.9	9.8	-0.2	0.4
Energy	1	12.0	—	11.7	—	-0.3	—
Technology	1	9.7	—	12.3	—	2.6	—



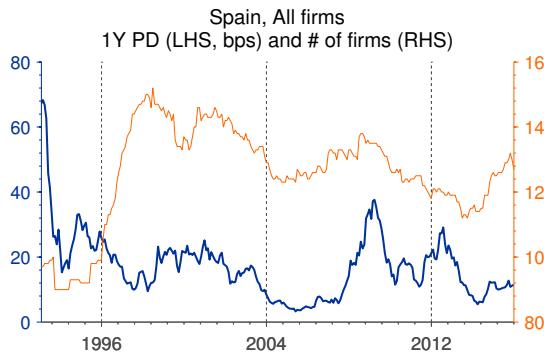
Slovenia	2015Q3		2015Q4		Q4-Q3		
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	3	18.4	53.1	13.1	37.1	-5.2	16.0
Basic Materials	2	17.0	3.3	15.8	8.0	-1.2	4.7
Communications	1	16.9	—	13.5	—	-3.5	—
Consumer Cyclical	4	29.4	3641.0	28.1	22.9	-3.0	3619.1
Consumer Non-cyclical	7	7.7	28.3	4.5	22.7	-0.1	6.8
Diversified	2	707.8	983.6	1300.7	1822.3	592.9	838.7
Energy	1	3.9	—	2.4	—	-1.5	—
Industrial	3	38.8	61.6	25.9	54.1	-12.9	8.7
Technology	1	53.8	—	40.7	—	-13.1	—



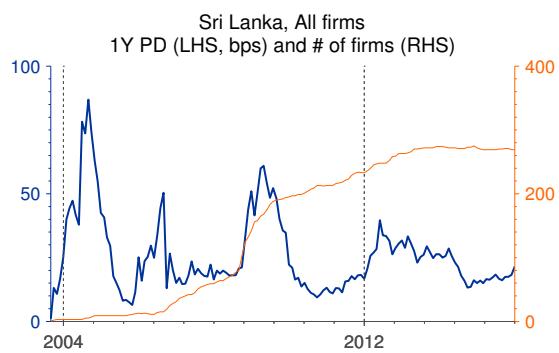
South Africa	2015Q3		2015Q4		Q4-Q3		
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	72	20.6	98.2	26.5	152.3	2.7	76.7
Basic Materials	36	41.6	126.4	40.8	171.7	0.3	100.5
Communications	12	2.2	90.6	3.8	76.2	-0.0	18.6
Consumer Cyclical	32	4.7	10.6	4.6	14.5	0.6	6.3
Consumer Non-cyclical	34	2.8	231.8	4.6	93.7	0.2	140.8
Diversified	8	26.1	48.9	48.0	60.9	15.6	26.7
Energy	8	38.9	62.3	60.7	120.7	7.2	61.4
Industrial	46	23.6	212.3	34.5	189.5	1.8	59.8
Technology	9	2.6	7.0	3.3	10.1	0.7	4.6



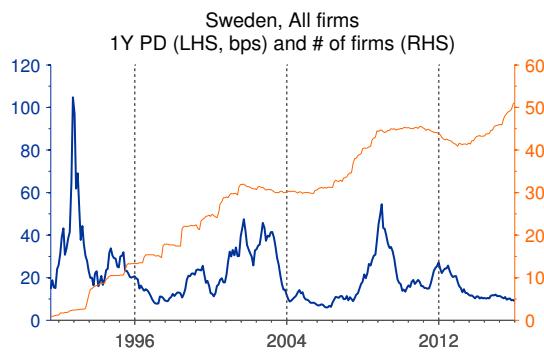
South Korea	2015Q3		2015Q4		Q4-Q3		
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	89	20.1	35.3	20.9	41.8	0.6	18.8
Basic Materials	188	8.9	29.4	8.9	28.9	0.2	18.4
Communications	183	5.9	13.7	6.4	19.5	0.2	9.9
Consumer Cyclical	276	10.4	27.3	11.3	31.5	0.6	16.8
Consumer Non-cyclical	261	5.3	12.2	6.6	15.8	0.4	8.3
Diversified	41	0.4	21.8	2.6	24.6	0.0	9.1
Energy	11	12.5	32.0	7.3	22.9	-0.0	14.5
Industrial	485	9.6	49.6	10.4	46.8	0.2	35.6
Technology	209	7.0	28.4	6.9	33.9	0.1	24.1
Utilities	18	10.0	19.4	15.7	21.2	0.6	6.5



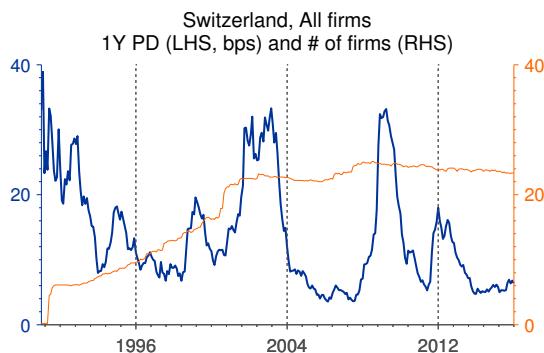
Spain	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	30	16.8	22.0	16.2	21.0	-0.4	17.6	
Basic Materials	7	9.9	16.1	6.0	24.5	-0.4	9.8	
Communications	11	13.4	34.0	16.8	22.3	-0.9	20.9	
Consumer Cyclical	10	12.8	29.9	9.1	63.2	-0.7	39.4	
Consumer Non-cyclical	25	8.5	54.5	6.3	49.2	-0.3	16.7	
Energy	3	23.3	15.0	19.7	18.6	-1.7	4.4	
Industrial	27	12.7	35.0	18.9	31.4	-1.7	12.8	
Technology	3	4.3	8.6	2.4	11.4	0.0	3.1	
Utilities	8	6.0	59.1	4.1	48.0	-1.2	11.1	



Sri Lanka	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	84	36.2	71.5	40.7	74.3	1.9	19.4	
Basic Materials	14	10.7	29.0	13.6	36.4	2.0	15.6	
Communications	4	6.5	5.1	7.2	4.9	0.5	1.1	
Consumer Cyclical	63	12.5	67.5	13.3	83.3	0.1	39.7	
Consumer Non-cyclical	54	16.6	62.3	23.1	71.1	1.1	14.8	
Diversified	15	21.7	46.2	20.4	38.7	0.1	18.7	
Energy	3	3.4	2.5	5.6	3.6	0.6	1.8	
Industrial	24	7.7	99.7	7.6	104.7	-0.7	15.8	
Technology	3	4.3	677.3	5.3	276.3	1.0	401.0	
Utilities	5	1.3	6.7	8.2	44.5	0.1	46.1	



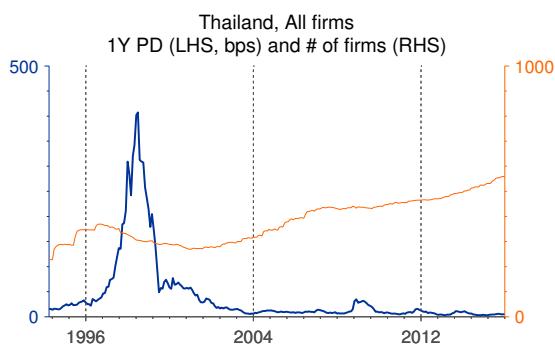
Sweden	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	69	8.4	25.0	5.9	33.3	-0.2	17.4	
Basic Materials	26	31.5	63.8	25.6	25.6	-0.7	64.9	
Communications	48	16.5	168.7	10.5	223.7	-0.7	102.7	
Consumer Cyclical	56	6.7	25.8	6.9	24.3	-0.1	13.5	
Consumer Non-cyclical	129	10.3	25.1	12.0	28.1	-0.4	20.0	
Diversified	7	3.0	58.1	4.7	37.2	0.0	24.2	
Energy	17	18.7	299.6	31.7	648.9	2.6	351.4	
Industrial	96	9.6	108.7	7.7	69.3	-0.7	69.4	
Technology	37	9.5	35.7	9.1	18.8	-1.7	30.6	
Utilities	2	8.5	3.4	8.0	3.9	-0.5	0.5	



Switzerland	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	66	8.3	68.4	7.9	66.8	0.0	52.0	
Basic Materials	14	6.7	124.6	5.0	172.1	-0.4	55.9	
Communications	10	4.9	10.0	6.5	10.0	0.4	1.6	
Consumer Cyclical	20	9.3	51.2	8.5	25.0	0.0	36.1	
Consumer Non-cyclical	36	2.6	30.0	2.6	27.5	-0.1	9.4	
Diversified	3	42.7	65.1	27.8	65.1	-4.7	7.3	
Energy	4	69.7	54.4	71.2	60.6	1.5	6.6	
Industrial	62	5.7	57.8	4.5	241.4	-0.3	189.7	
Technology	11	10.7	44.9	9.5	41.6	-1.9	8.2	
Utilities	6	6.1	19.2	6.3	24.3	0.2	16.5	



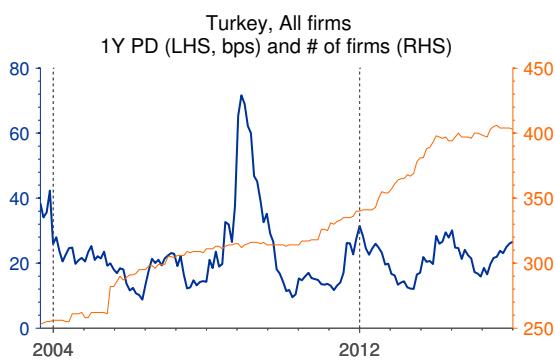
Taiwan	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	80	3.3	17.9	3.4	18.3	0.0	3.5	
Basic Materials	75	0.7	7.2	1.1	6.8	-0.0	1.6	
Communications	42	2.2	5.8	2.1	5.3	-0.2	2.9	
Consumer Cyclical	143	1.2	7.4	1.3	8.7	0.0	3.0	
Consumer Non-cyclical	59	0.9	3.1	0.6	3.9	-0.0	1.9	
Diversified	1	0.0	—	0.0	—	0.0	—	
Energy	6	7.4	5.0	3.8	3.2	-2.6	2.4	
Industrial	307	2.2	13.3	2.2	14.2	-0.1	5.2	
Technology	148	2.1	11.7	2.0	7.7	-0.2	6.7	
Utilities	5	0.1	0.3	0.1	0.3	-0.0	0.1	



Thailand	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	100	10.8	30.3	8.3	33.8	-0.1	15.9	
Basic Materials	54	7.9	69.2	9.7	91.0	1.1	24.9	
Communications	40	5.9	13.4	6.6	23.7	0.4	13.4	
Consumer Cyclical	124	5.2	22.9	4.6	25.0	0.0	8.2	
Consumer Non-cyclical	83	1.3	10.2	1.4	14.4	0.0	7.4	
Diversified	5	1.0	1.4	1.1	1.3	-0.3	0.8	
Energy	17	8.4	26.5	14.3	30.0	-0.3	8.9	
Industrial	107	4.7	21.4	5.4	24.0	0.1	14.9	
Technology	11	9.3	64.7	14.4	40.9	3.8	24.5	
Utilities	11	2.3	6.4	2.2	9.4	1.0	5.4	



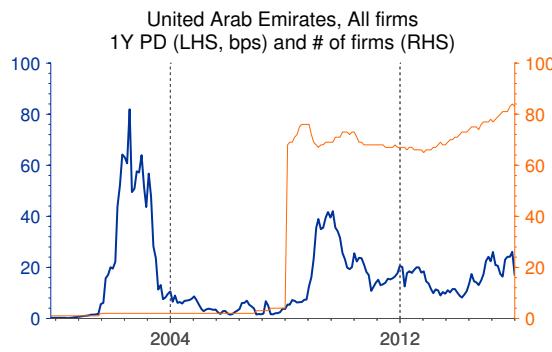
Tunisia	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	18	32.6	27.2	31.4	33.1	1.6	15.2	
Basic Materials	3	5.9	4.3	5.6	3.4	0.5	2.2	
Communications	1	32.6	—	44.7	—	12.2	—	
Consumer Cyclical	8	4.3	78.6	4.5	77.2	-0.0	8.7	
Consumer Non-cyclical	5	0.7	22.1	0.9	20.4	0.1	1.6	
Diversified	1	3.8	—	5.0	—	1.2	—	
Energy	1	0.1	—	0.1	—	-0.0	—	
Industrial	9	9.8	14.4	7.3	18.6	0.9	7.3	



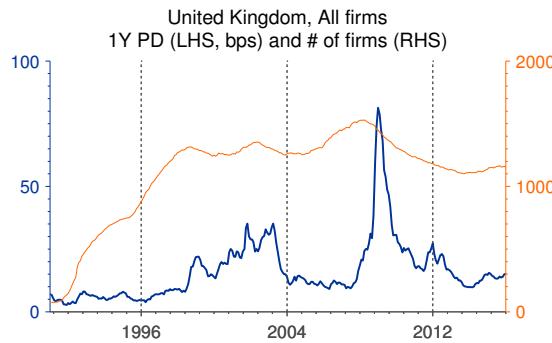
Turkey	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	99	24.4	51.7	31.3	52.3	0.4	35.0	
Basic Materials	38	19.1	27.1	22.5	395.8	2.0	396.3	
Communications	14	21.1	30.1	33.4	53.1	3.0	29.1	
Consumer Cyclical	94	30.9	34.0	31.3	73.7	0.1	63.7	
Consumer Non-cyclical	60	24.1	137.2	26.3	76.9	0.9	96.8	
Diversified	12	44.5	37.9	35.6	40.7	2.4	24.5	
Energy	5	11.1	14.6	67.5	60.9	41.3	57.1	
Industrial	70	14.1	32.5	14.2	54.2	0.4	32.5	
Technology	4	28.2	20.9	21.2	22.8	-6.9	2.1	
Utilities	7	32.5	37.2	28.8	31.5	2.3	35.6	



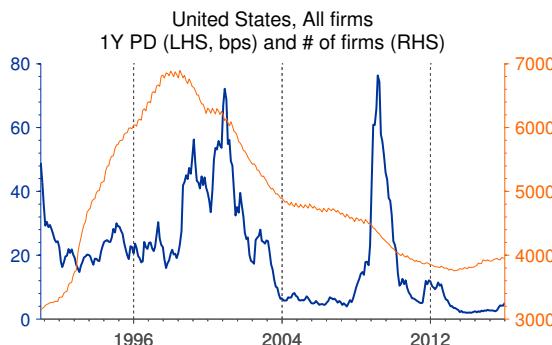
Ukraine	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	2	169.0	8.0	149.1	10.1	-19.9	18.0	
Basic Materials	5	292.4	125.8	328.9	112.8	34.3	106.1	
Communications	1	71.0	—	82.5	—	11.5	—	
Consumer Cyclical	1	44.6	—	59.4	—	14.7	—	
Consumer Non-cyclical	8	144.7	208.8	128.4	118.9	-10.0	149.2	
Diversified	1	55.1	—	35.9	—	-19.2	—	
Energy	3	163.1	91.7	203.4	66.3	46.2	64.7	
Industrial	4	75.0	51.0	56.9	30.0	-12.0	54.1	
Utilities	4	137.3	44.0	181.7	51.1	22.5	23.3	



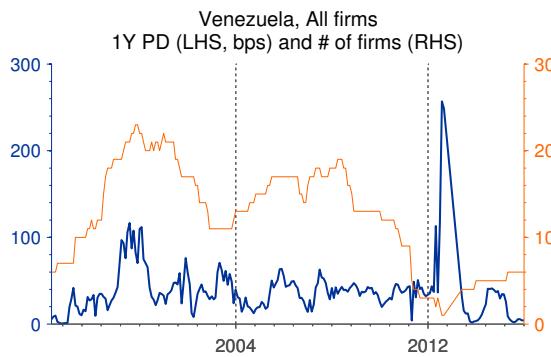
United Arab Emirates	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	40	27.4	29.8	26.4	26.1	-2.7	25.5	
Communications	3	1.4	1.0	1.1	3.1	-0.3	2.2	
Consumer Cyclical	5	9.7	13.1	9.5	6.7	-1.3	8.1	
Consumer Non-cyclical	12	9.4	72.9	9.4	24.9	-0.7	50.1	
Energy	3	24.2	9.8	23.8	4.6	7.5	8.9	
Industrial	16	20.9	35.8	16.2	65.8	-1.5	45.2	
Utilities	1	234.2	—	175.6	—	-58.7	—	



United Kingdom	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	190	9.6	51.5	10.9	59.5	0.1	38.7	
Basic Materials	95	47.9	142.9	51.6	434.0	3.9	349.6	
Communications	104	14.1	316.2	17.6	290.0	-0.0	73.4	
Consumer Cyclical	144	8.1	88.7	9.0	118.9	0.1	60.3	
Consumer Non-cyclical	228	9.0	32.3	11.0	75.6	0.3	67.8	
Diversified	6	49.1	113.6	48.2	83.0	-4.2	31.4	
Energy	96	56.2	158.1	66.6	190.3	0.9	146.3	
Industrial	175	15.5	38.9	14.5	337.0	0.4	328.0	
Technology	85	14.1	67.0	15.7	96.7	-0.0	53.5	
Utilities	13	9.8	87.6	7.3	104.9	0.1	21.9	



United States	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	920	4.1	215.2	4.6	262.5	0.1	135.4	
Basic Materials	131	6.6	168.3	6.1	268.6	0.0	144.5	
Communications	290	6.0	174.7	6.1	280.2	0.0	194.2	
Consumer Cyclical	451	2.5	146.7	4.1	316.0	0.3	206.5	
Consumer Non-cyclical	857	5.0	170.7	6.0	270.4	0.1	184.5	
Diversified	7	15.4	202.6	11.2	135.2	3.8	75.5	
Energy	303	36.0	635.3	45.1	941.9	2.2	578.8	
Industrial	480	3.3	181.3	3.2	176.7	0.0	156.8	
Technology	332	1.9	60.8	1.9	104.6	-0.0	67.4	
Utilities	90	0.5	60.2	0.6	62.8	0.0	62.2	



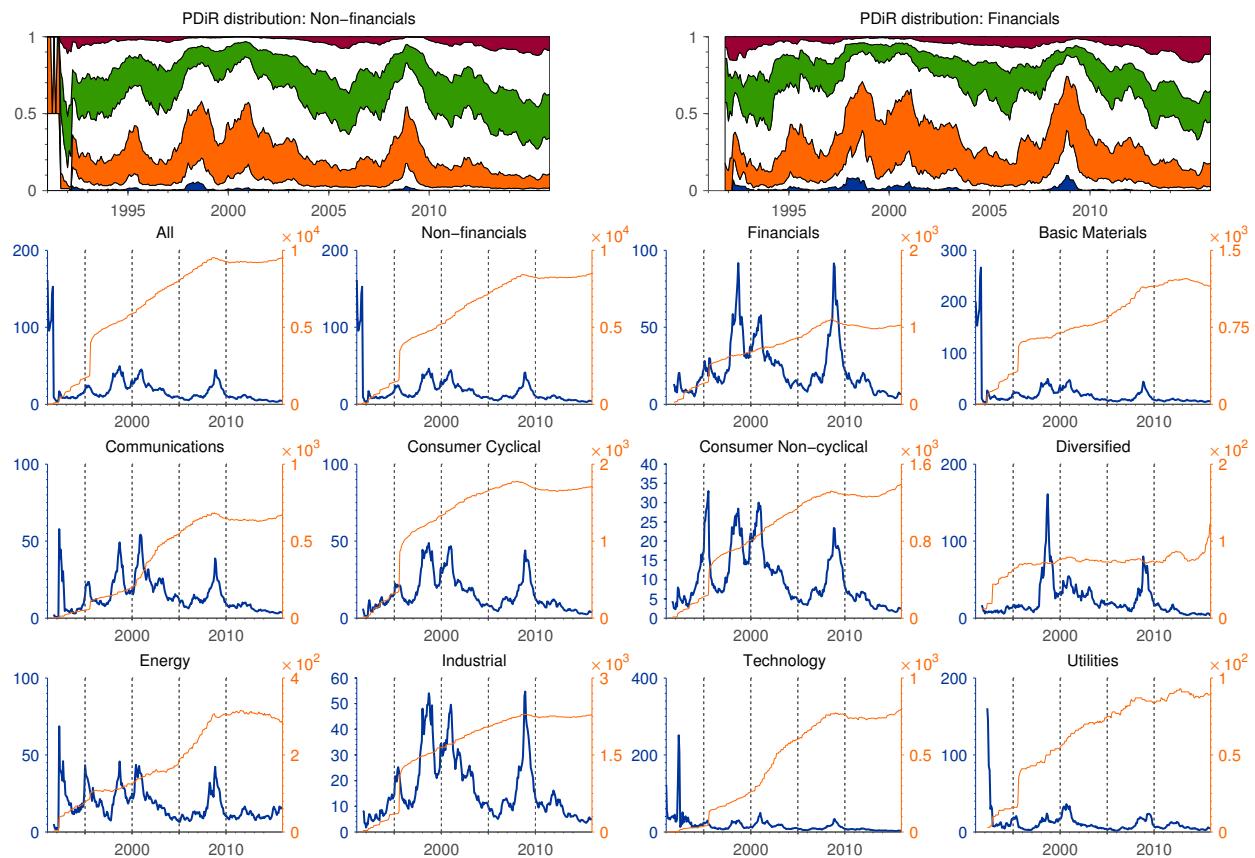
Venezuela	2015Q3		2015Q4		Q4-Q3		
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.
Financials	6	5.6	3.2	4.2	3.5	-0.5	2.1



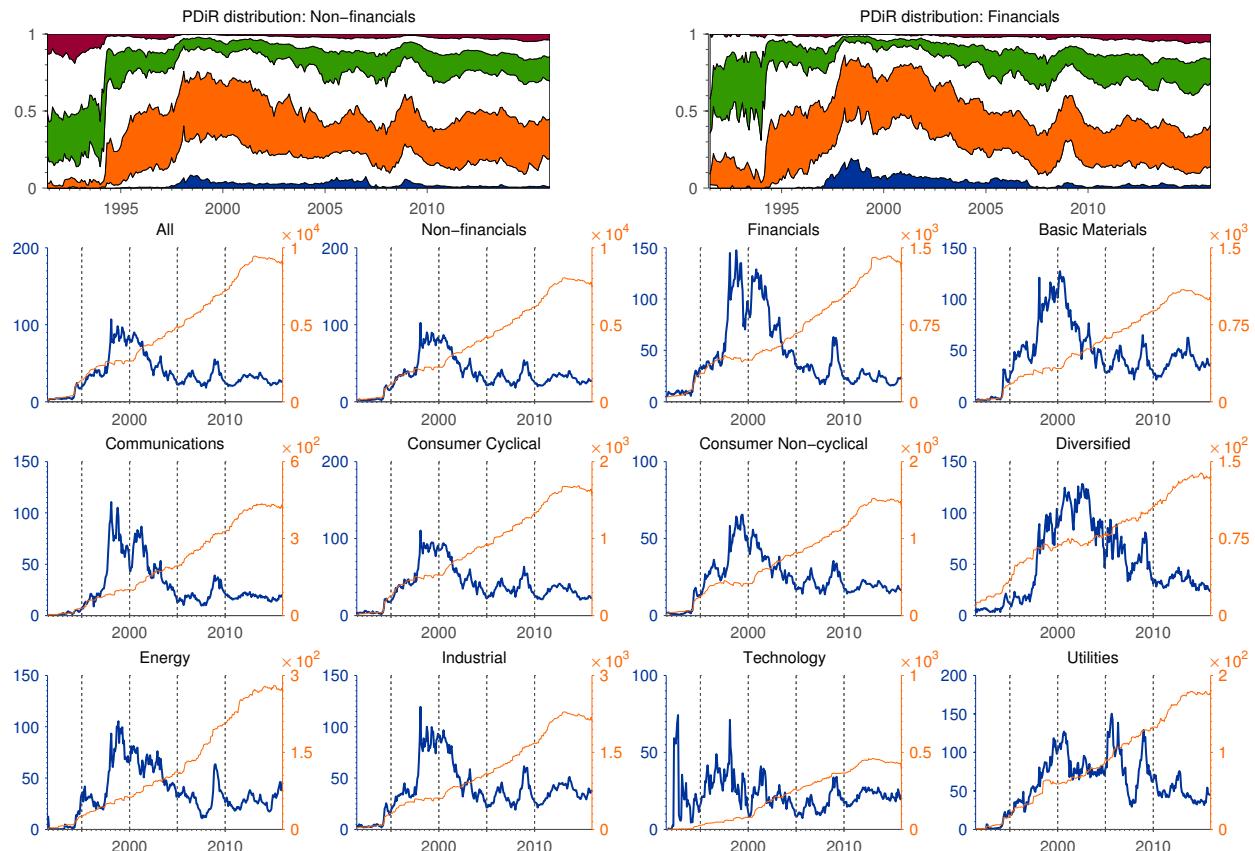
Vietnam	2015Q3			2015Q4			Q4-Q3	
	#	Median	St.Dev.	Median	St.Dev.	Median	St.Dev.	
Financials	78	26.5	58.6	17.9	59.4	-1.3	22.9	
Basic Materials	55	26.1	123.0	28.2	110.9	-1.2	37.4	
Communications	18	19.2	40.2	22.3	44.0	0.8	11.8	
Consumer Cyclical	51	21.6	58.6	22.9	39.9	-0.6	39.8	
Consumer Non-cyclical	87	14.8	268.5	14.9	268.4	-0.8	114.8	
Diversified	17	12.5	47.0	11.3	48.3	-1.4	19.9	
Energy	22	39.8	121.5	39.4	95.7	-2.8	53.1	
Industrial	239	40.3	89.8	40.7	87.0	-2.1	37.9	
Technology	7	17.8	72.5	15.4	42.7	-2.4	38.8	
Utilities	16	8.1	22.4	4.8	15.0	-0.8	7.9	

B PD by regions

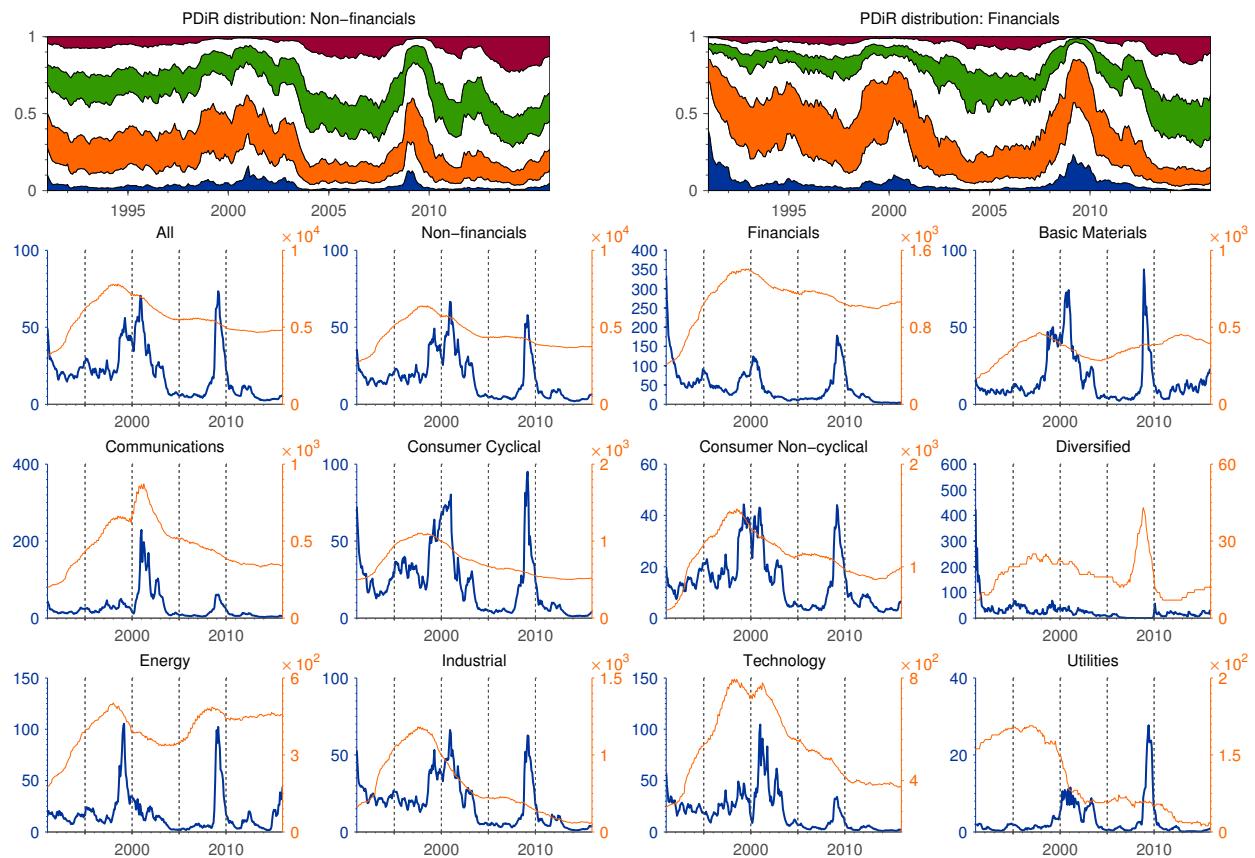
Asia Pacific - developed economies



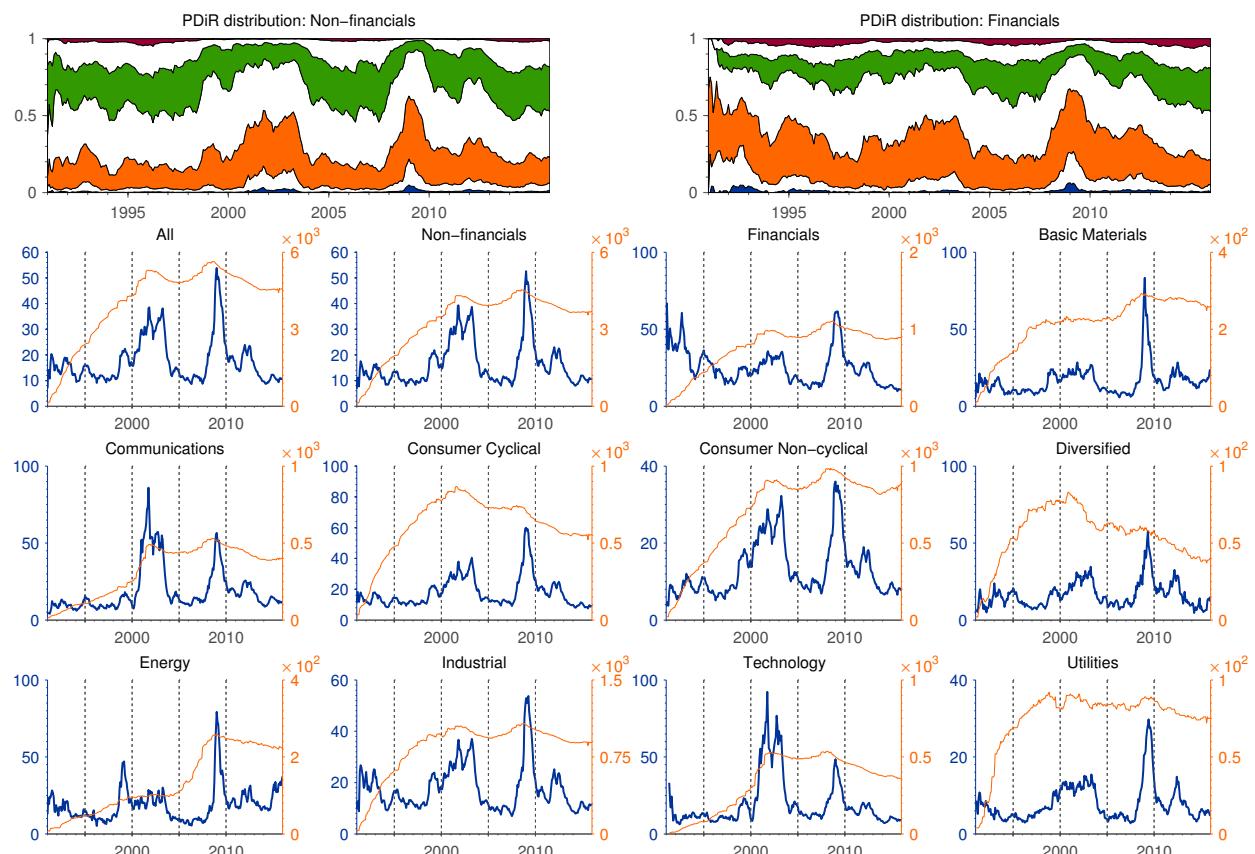
Asia Pacific - emerging economies



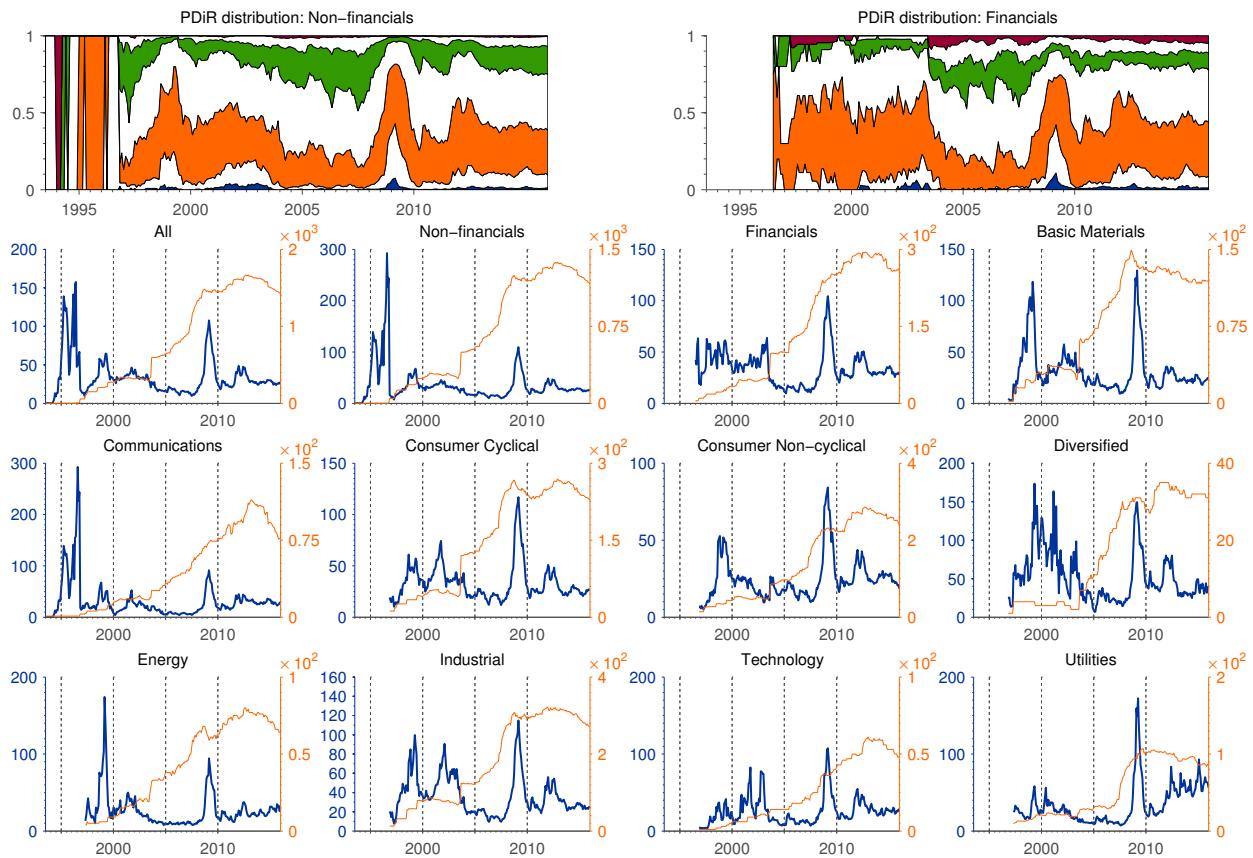
North America



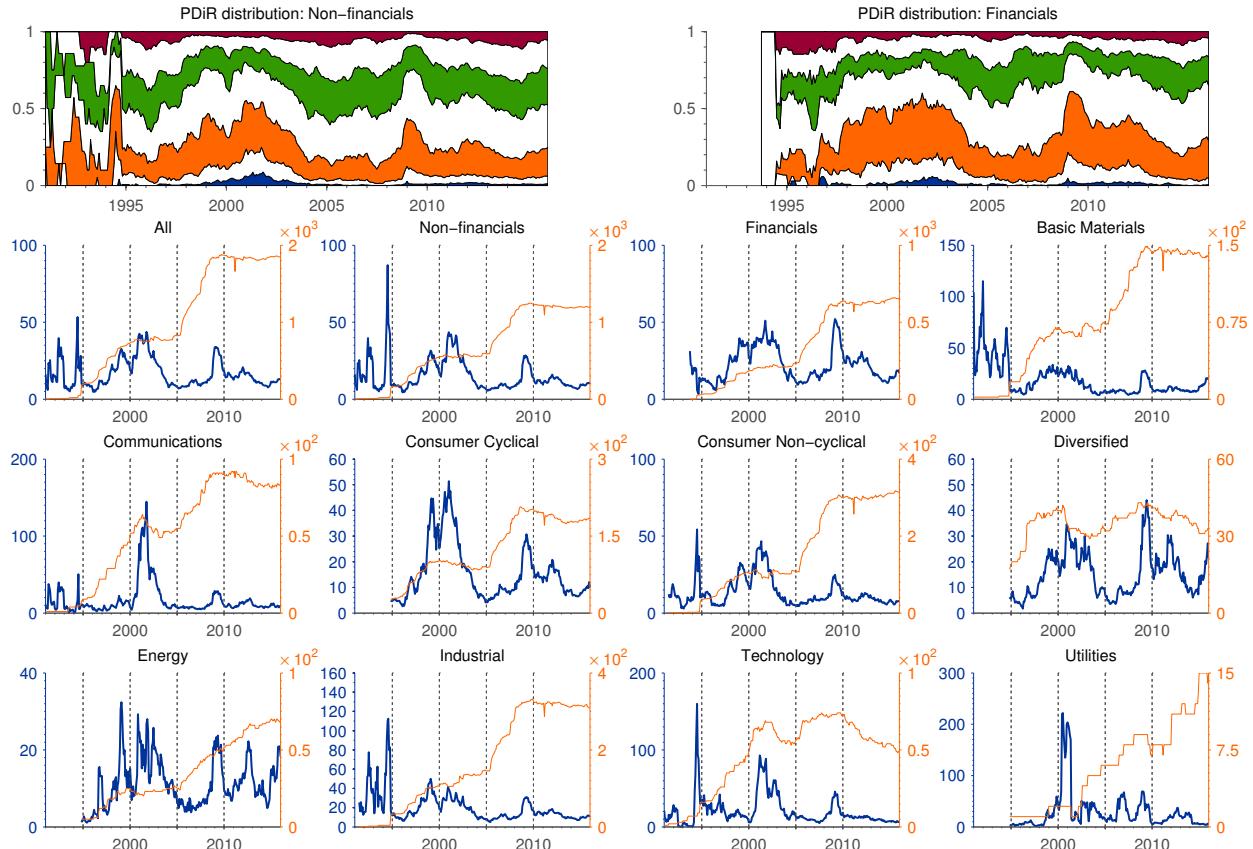
Western Europe



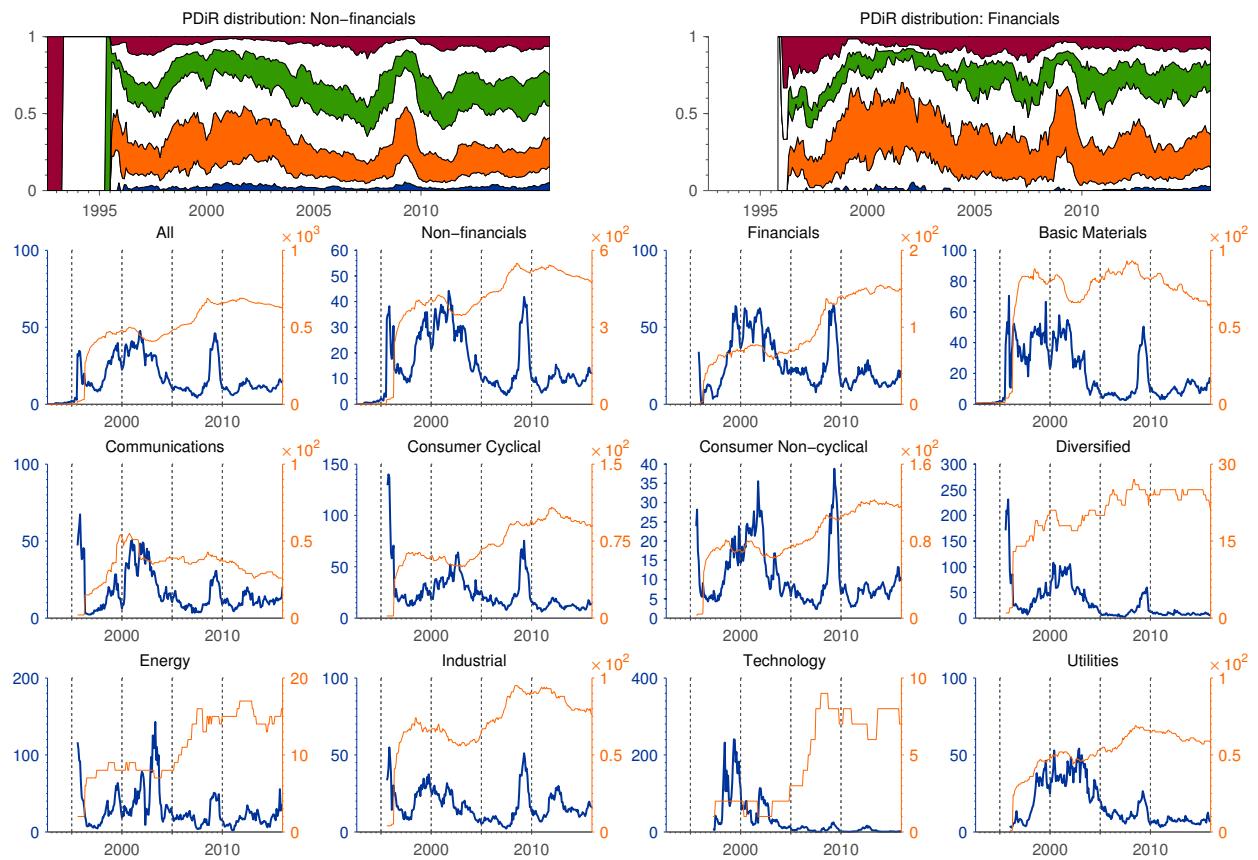
Eastern Europe



Africa ME

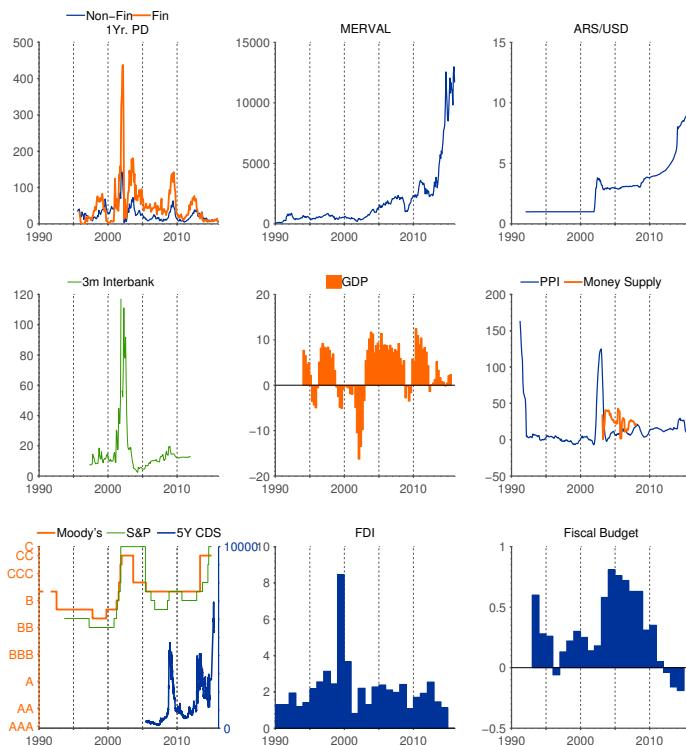
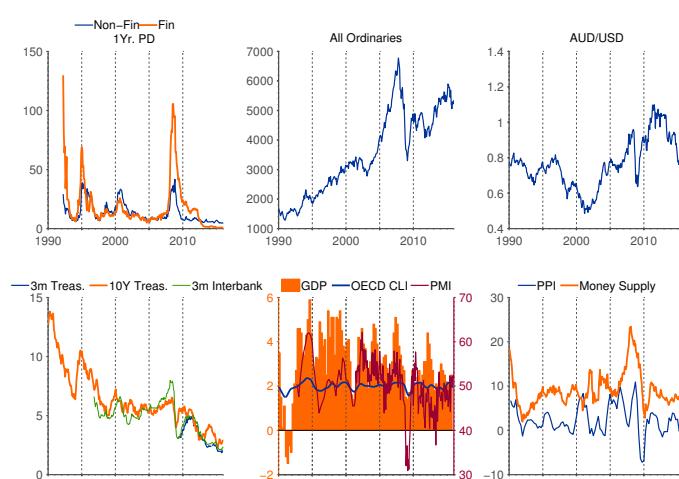
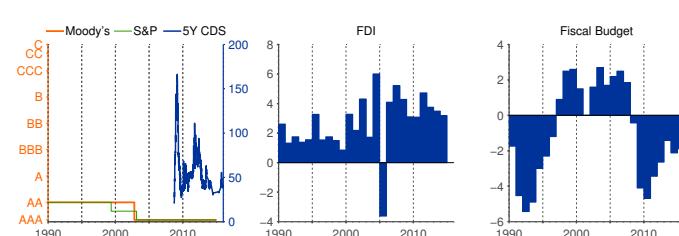


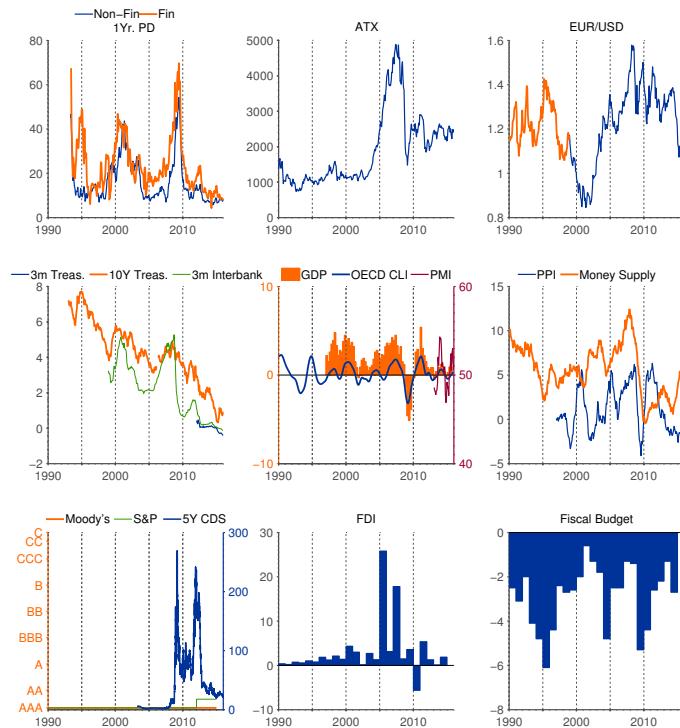
Latin America



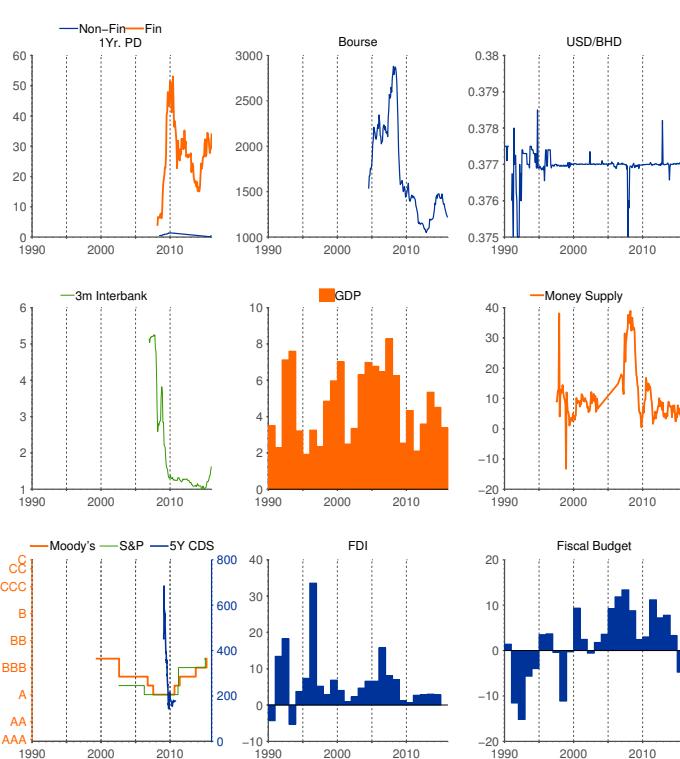
C Macroeconomic Indicators

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

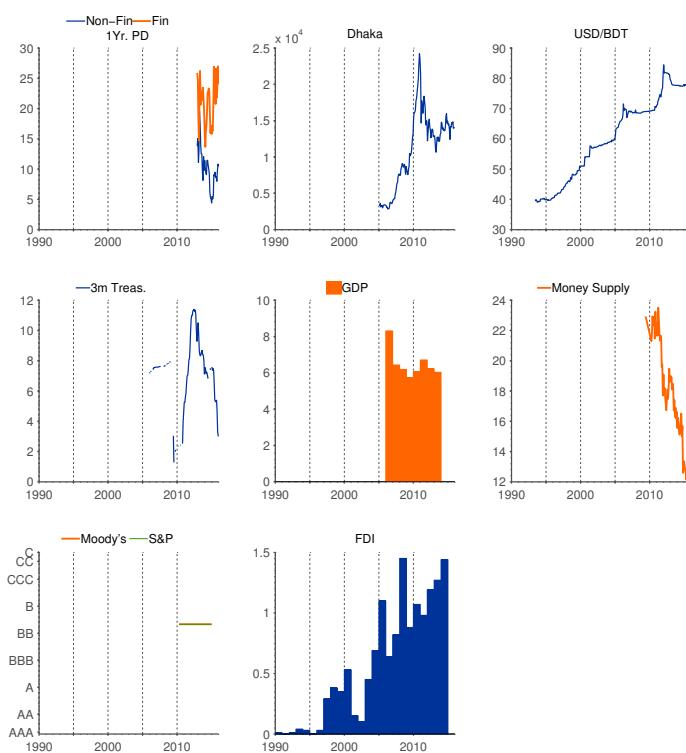






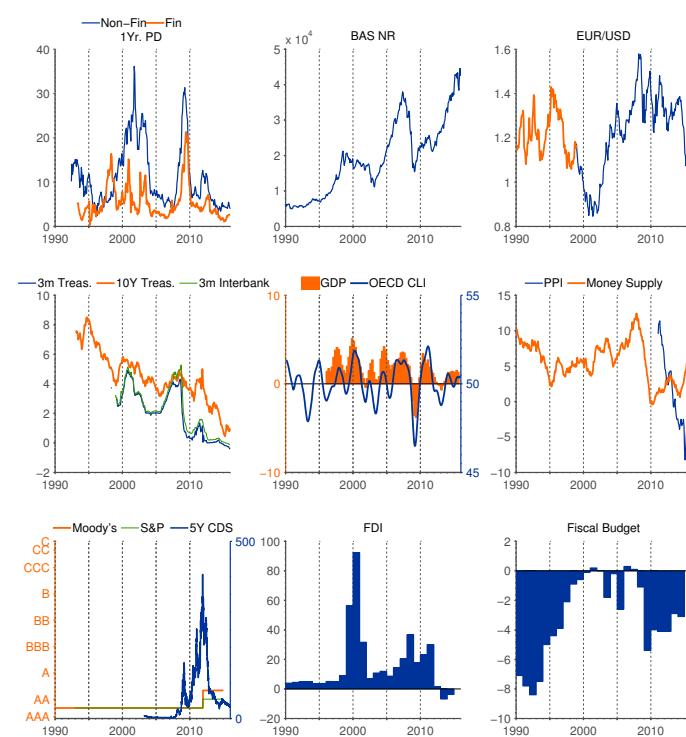
	Austria				
	2014	2015			
	Q4	Q1	Q2	Q3	Q4
1Yr. PD, Non-Fin. (bps)	8.48	6.96	8.55	8.90	7.79
1Yr. PD, Fin.	14.40	9.88	9.95	8.78	7.86
ATX	2160	2510	2412	2229	2397
EUR/USD	1.21	1.07	1.11	1.12	1.09
3m Treas. Yield (%)	0.01	-0.17	-0.28	-0.27	-0.41
10Y Treas. Yield (%)	0.64	0.32	1.14	0.89	0.90
3m Interbank (%)	0.08	0.02	-0.01	-0.04	-0.13
GDP (YoY%)	-0.2	0.3	0.9	0.9	—
OECD CLI	99.62	99.60	99.90	100.17	100.34*
PMI	49.2	47.7	51.2	52.5	50.6
PPI (YoY%)	-2.0	-1.5	-1.7	-2.5	-2.8*
Money Supply (YoY%)	3.6	4.6	4.9	4.7	5.1*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AA+	AA+	AA+	AA+	AA+
5Y CDS (bps)	22.5	26.5	29.9	26.5	22.2
FDI (%GDP)	1.88	—	—	—	—
Fiscal Budget (%GDP)	-2.70	—	—	—	—



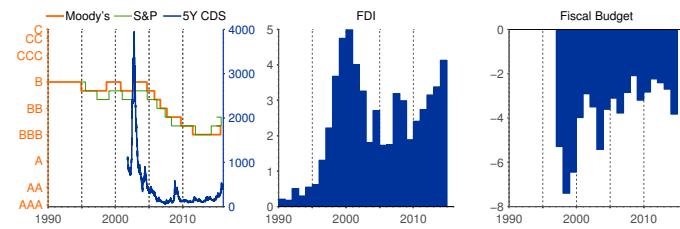
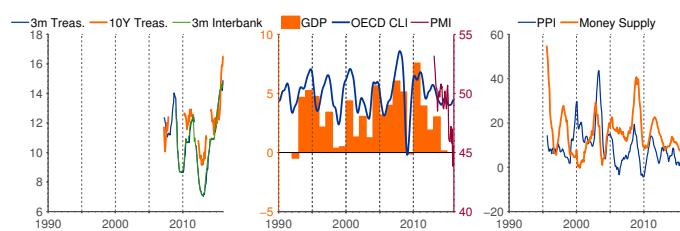
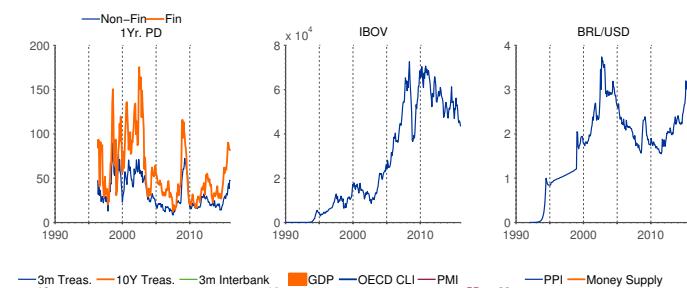
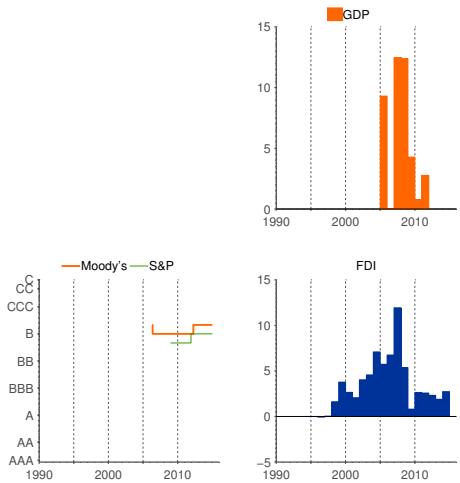
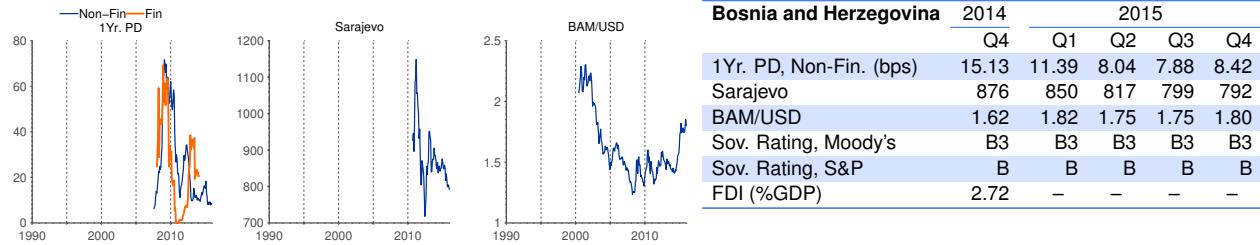
	Bahrain				
	2014	2015			
	Q4	Q1	Q2	Q3	Q4
1Yr. PD, Non-Fin. (bps)	—	—	—	0.10	0.39
1Yr. PD, Fin.	30.90	27.18	32.81	27.73	34.26
Bourse	1427	1450	1368	1276	1216
USD/BHD	0.38	0.38	0.38	0.38	0.38
3m Interbank (%)	1.00	1.05	1.22	1.37	1.63
GDP (YoY%)	4.51	—	—	—	3.38
Money Supply (YoY%)	3.70	5.98	3.94	—	—
Sov. Rating, Moody's	Baa3	Baa3	Baa3	Baa3	Baa3
Sov. Rating, S&P	BBB-	BBB-	BBB-	BBB-	BBB-
FDI (%GDP)	2.83	—	—	—	—
Fiscal Budget (%GDP)	3.32	—	—	—	-4.77

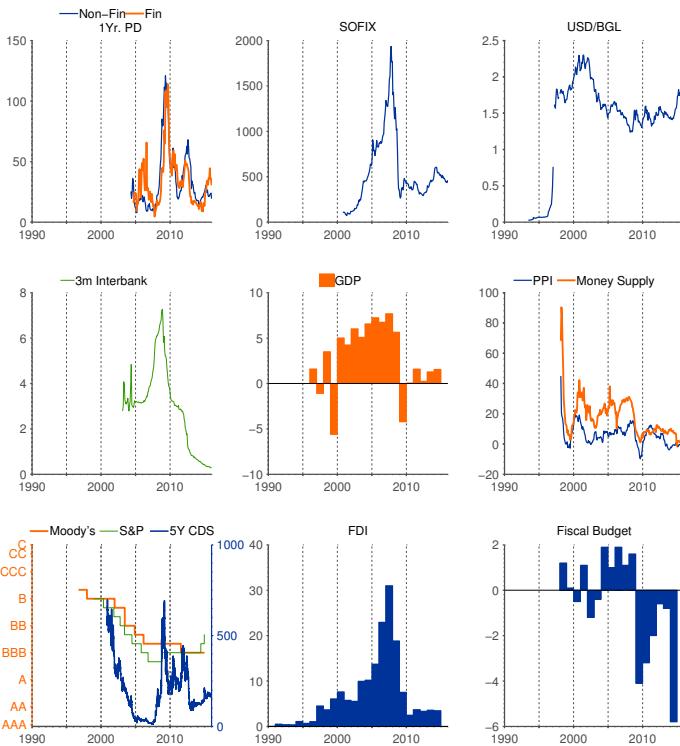


	Bangladesh				
	2014	2015			
	Q4	Q1	Q2	Q3	Q4
1Yr. PD, Non-Fin. (bps)	4.41	5.63	9.48	7.98	10.47
1Yr. PD, Fin.	15.80	20.51	23.63	21.81	24.02
Dhaka	14939	13864	14097	14845	14090
USD/BDT	77.92	77.81	77.78	77.78	78.25
3m Treas. Yield (%)	7.40*	7.49	5.40	5.39	3.00
Money Supply (YoY%)	13.4	12.5	12.4	13.3	13.8*
Sov. Rating, Moody's	Ba3	Ba3	Ba3	Ba3	Ba3
Sov. Rating, S&P	BB-	BB-	BB-	BB-	BB-
FDI (%GDP)	1.44	—	—	—	—

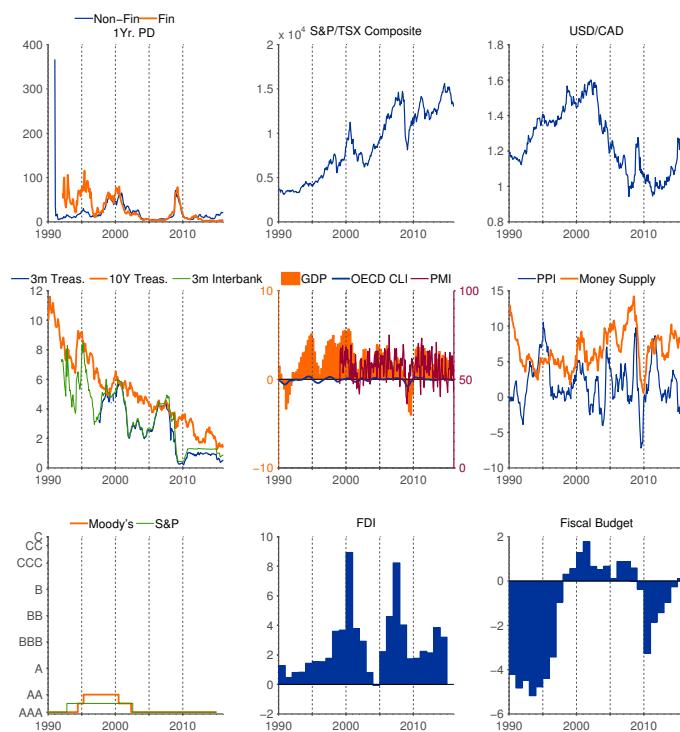


	Belgium				
	2014	2015			
	Q4	Q1	Q2	Q3	Q4
1Yr. PD, Non-Fin. (bps)	4.68	4.36	4.21	5.50	3.97
1Yr. PD, Fin.	1.42	1.17	2.35	2.61	2.69
BAS NR	37112.9	42611.9	41807.3	38414.7	42529.7
EUR/USD	1.21	1.07	1.11	1.12	1.09
3m Treas. Yield (%)	-0.07	-0.19	-0.20	-0.25	-0.43
10Y Treas. Yield (%)	0.83	0.45	1.22	0.91	0.97
3m Interbank (%)	0.08	0.02	-0.01	-0.04	-0.13
GDP (YoY%)	1.4	1.3	1.5	1.3	—
OECD CLI	99.84	100.16	100.39	100.35	100.46*
PPI (YoY%)	-6.8	-4.8	-3.8	-5.3	-4.7*
Money Supply (YoY%)	3.60	4.60	4.90	4.70	5.10*
Sov. Rating, Moody's	Aa3	Aa3	Aa3	Aa3	Aa3
Sov. Rating, S&P	AA	AA	AA	AA	AA
5Y CDS (bps)	47.68	42.86	43.18	39.05	32.50
FDI (%GDP)	-3.78	—	—	—	—
Fiscal Budget (%GDP)	-3.10	—	—	—	—

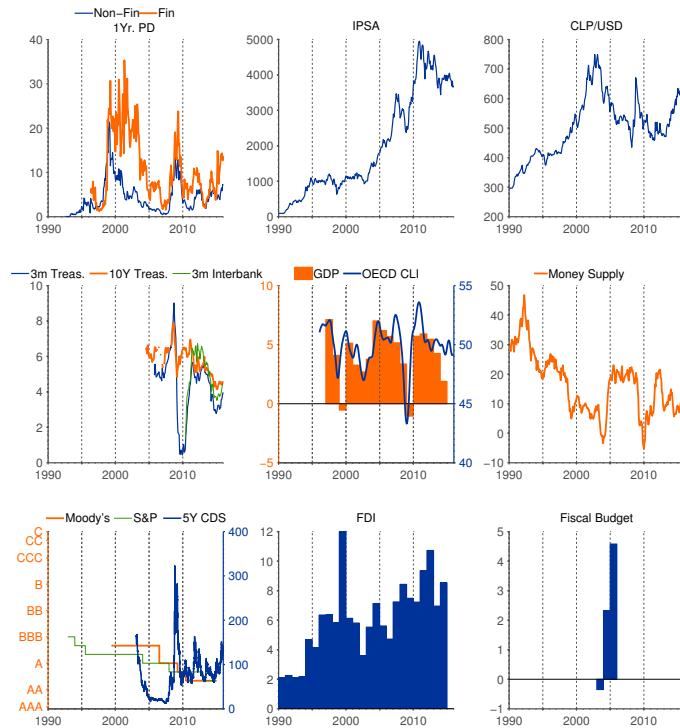




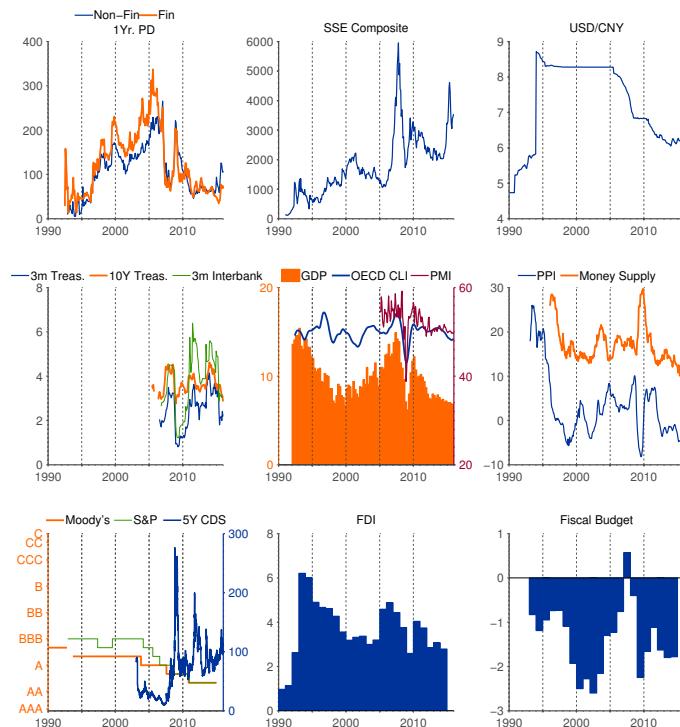
	2014		2015		
	Q4	Q1	Q2	Q3	Q4
1Yr. PD, Non-Fin. (bps)	25.06	30.46	21.99	22.60	19.33
1Yr. PD, Fin.	13.48	29.42	30.73	44.52	30.44
SOFIX	522.1	514.1	485.3	442.3	460.9
USD/BGL	1.62	1.82	1.76	1.75	1.80
3m Interbank (%)	0.43	0.36	0.34	0.33	0.26
GDP (YoY%)	1.6	—	—	—	—
PPI (YoY%)	-0.9	-0.4	-0.3	-2.1	-3.8*
Money Supply (YoY%)	1.1	1.9	2.5	2.1	11.2*
Sov. Rating, Moody's	Baa2	Baa2	Baa2	Baa2	Baa2
Sov. Rating, S&P	BB+	BB+	BB+	BB+	BB+
5Y CDS (bps)	189.44	161.79	182.30	179.52	171.99
FDI (%GDP)	3.48	—	—	—	—
Fiscal Budget (%GDP)	-5.80	—	—	—	—

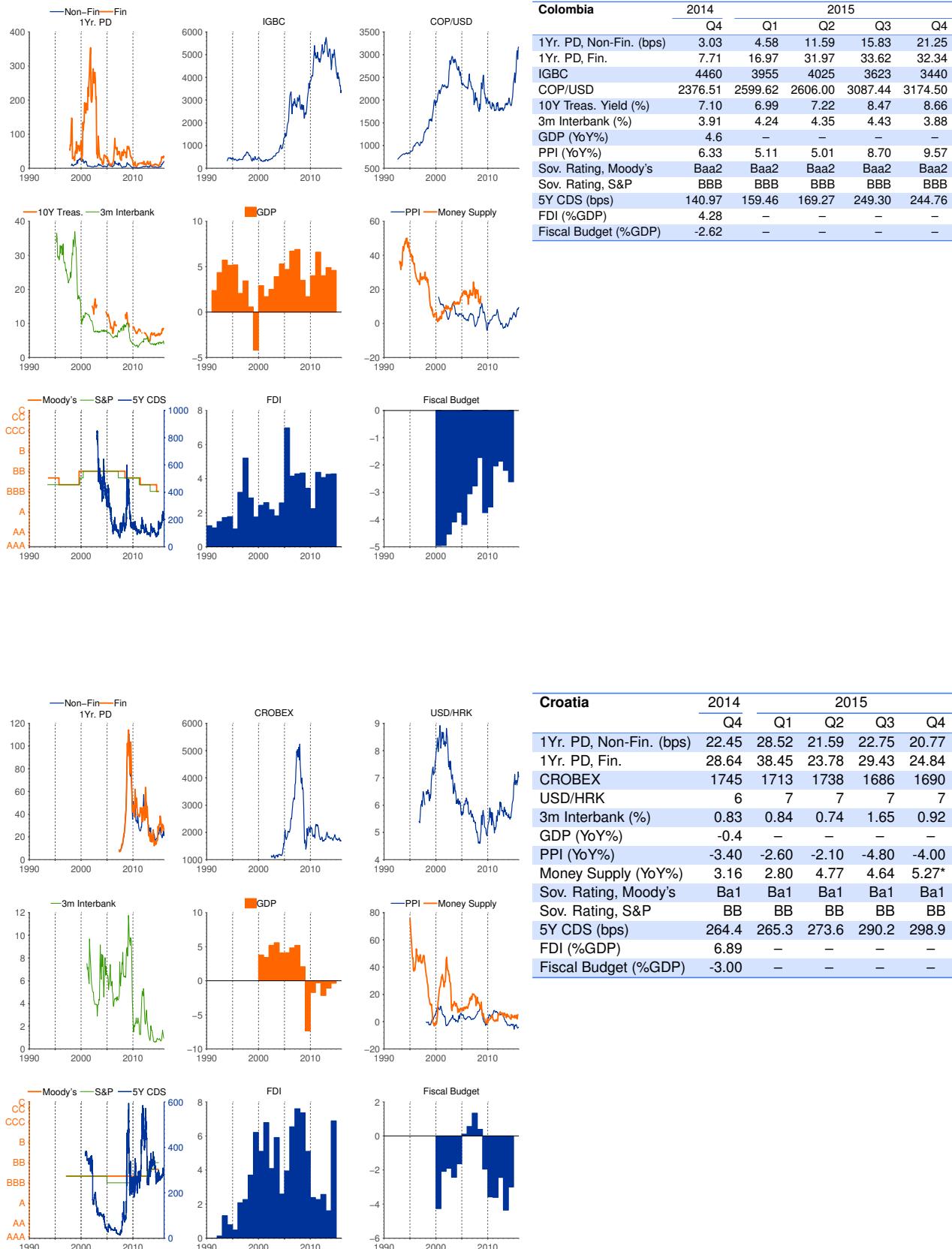


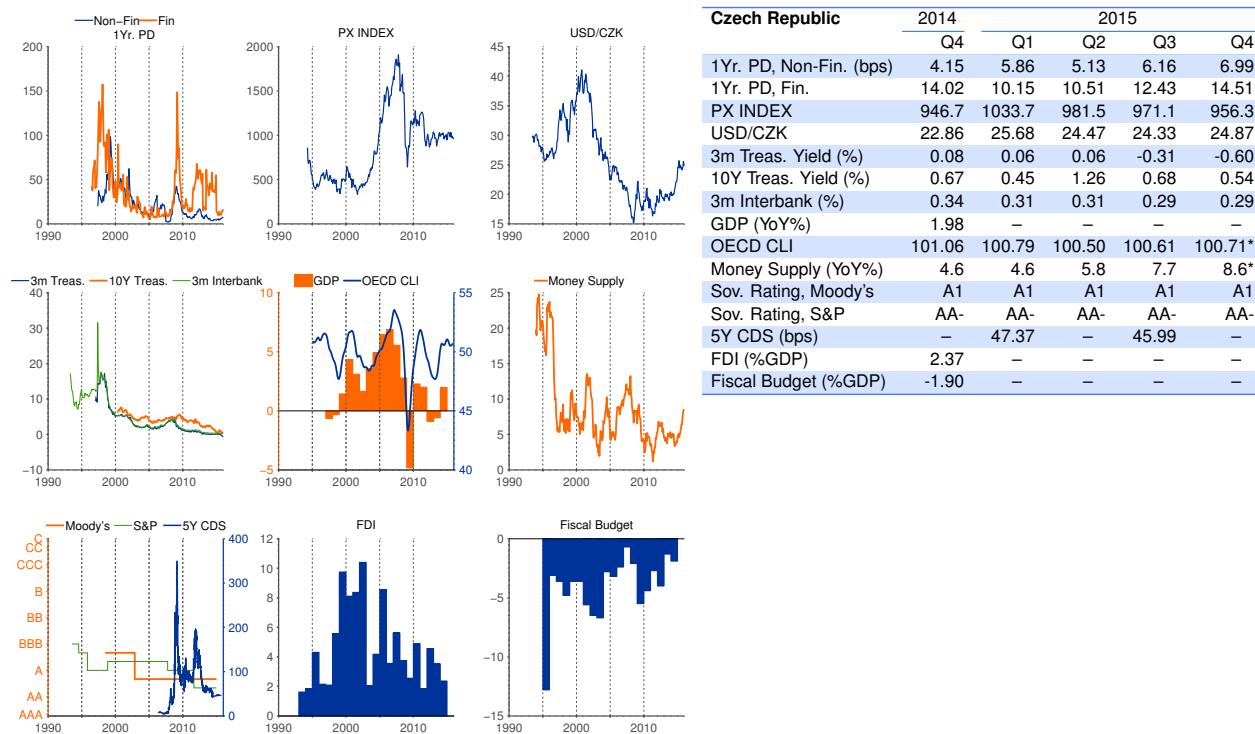
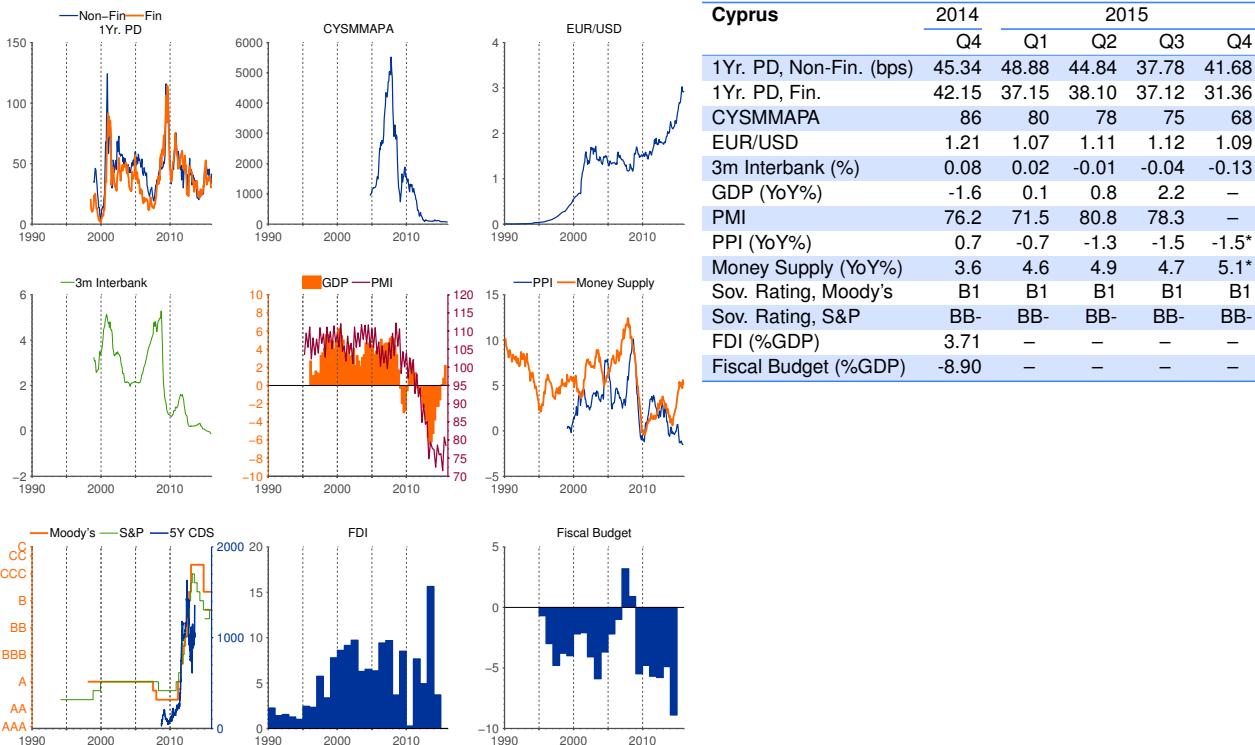
	2014		2015		
	Q4	Q1	Q2	Q3	Q4
1Yr. PD, Non-Fin. (bps)	17.18	17.26	15.07	21.73	21.07
1Yr. PD, Fin.	1.86	2.24	2.87	3.82	4.33
S&P/TSX Composite	14632	14902	14553	13307	13010
USD/CAD	1.16	1.27	1.25	1.33	1.38
3m Treas. Yield (%)	0.92	0.55	0.58	0.44	0.51
10Y Treas. Yield (%)	1.79	1.36	1.68	1.43	1.39
3m Interbank (%)	1.30	1.00	0.99	0.79	0.87
GDP (YoY%)	2.4	2.1	1.1	1.2	—
OECD CLI	100.05	99.77	99.63	99.48	99.47*
PMI	46.7	56.0	59.5	63.3	42.5
PPI (YoY%)	-0.4	-1.8	-0.8	-0.5	-0.2*
Money Supply (YoY%)	7.3	8.4	7.6	9.0	—
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
FDI (%GDP)	3.20	—	—	—	—
Fiscal Budget (%GDP)	-0.26	—	—	—	0.10

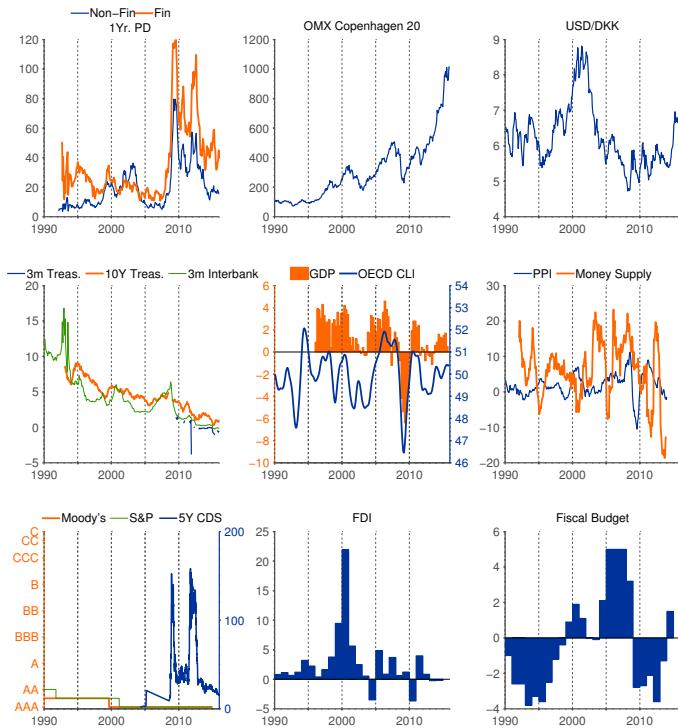


	2014				2015			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
1Yr. PD, Non-Fin. (bps)	4.01	4.95	3.84	6.49	7.23			
1Yr. PD, Fin.	4.49	11.64	10.87	14.28	13.74			
IPSA	3851	3917	3897	3685	3680			
CLP/USD	606.45	625.29	639.12	696.38	708.60			
3m Treas. Yield (%)	2.78	3.24	3.02	3.56	3.95			
10Y Treas. Yield (%)	4.30	4.27	4.59	4.54	4.60			
3m Interbank (%)	3.71	3.75	3.75	3.98	4.49			
GDP (YoY%)	1.9	—	—	—	—			
OECD CLI	99.75	100.36	99.84	99.11	99.20*			
Money Supply (YoY%)	9.3	7.0	10.9	11.4	11.5*			
Sov. Rating, Moody's	Aa3	Aa3	Aa3	Aa3	Aa3			
Sov. Rating, S&P	AA-	AA-	AA-	AA-	AA-			
5Y CDS (bps)	94.01	83.46	86.89	145.03	128.65			
FDI (%GDP)	8.53	—	—	—	—			

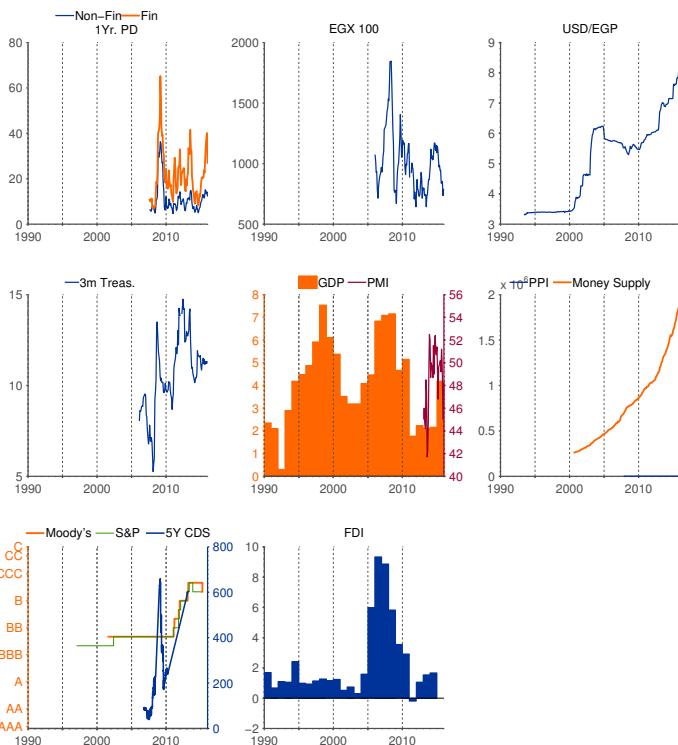


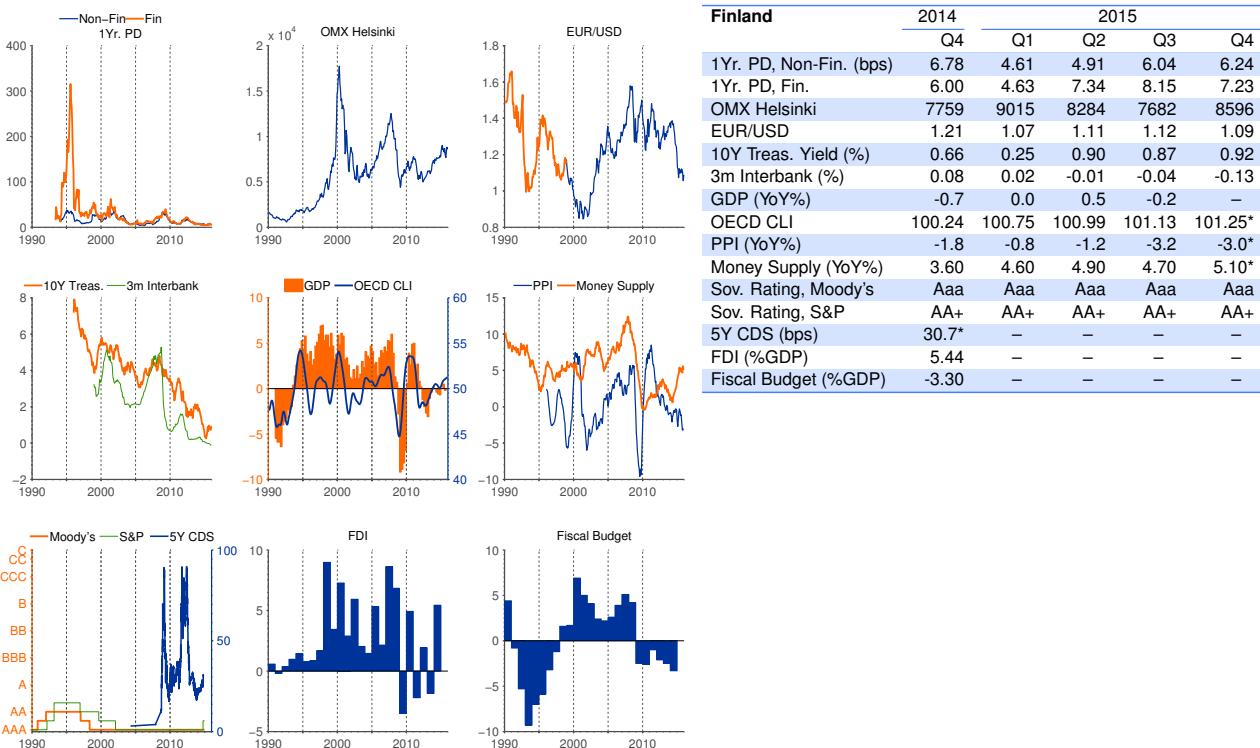
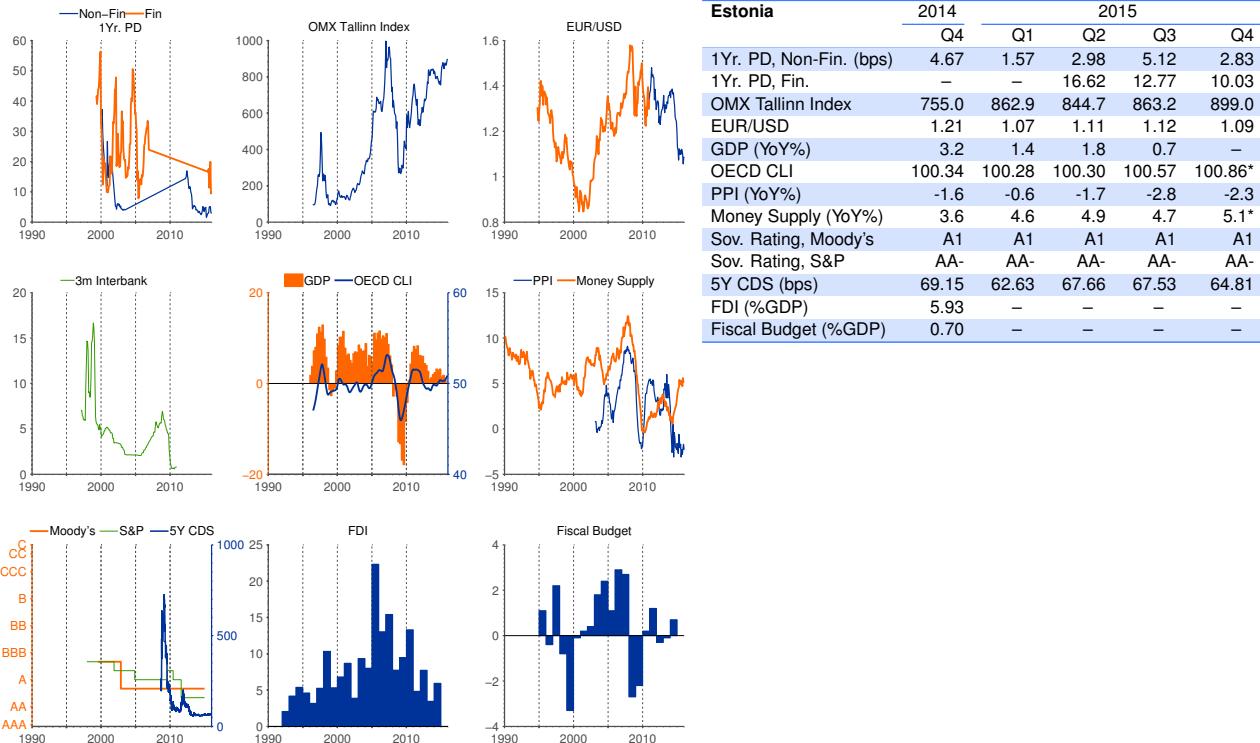


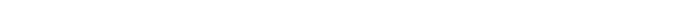
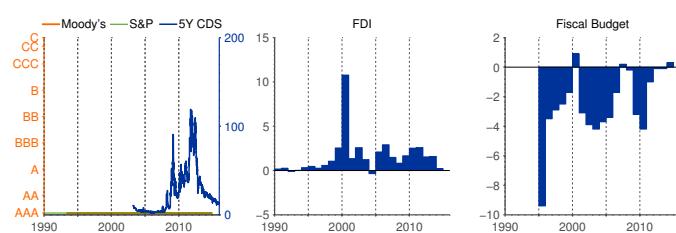
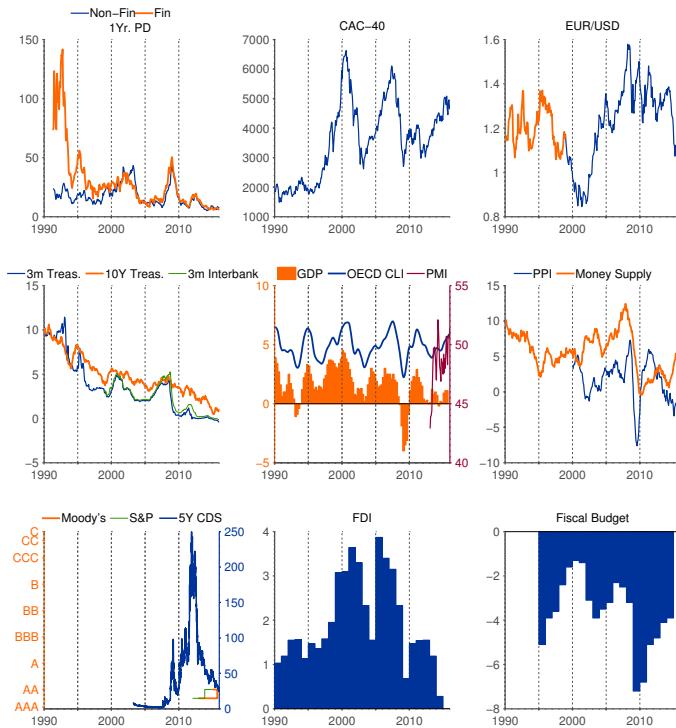


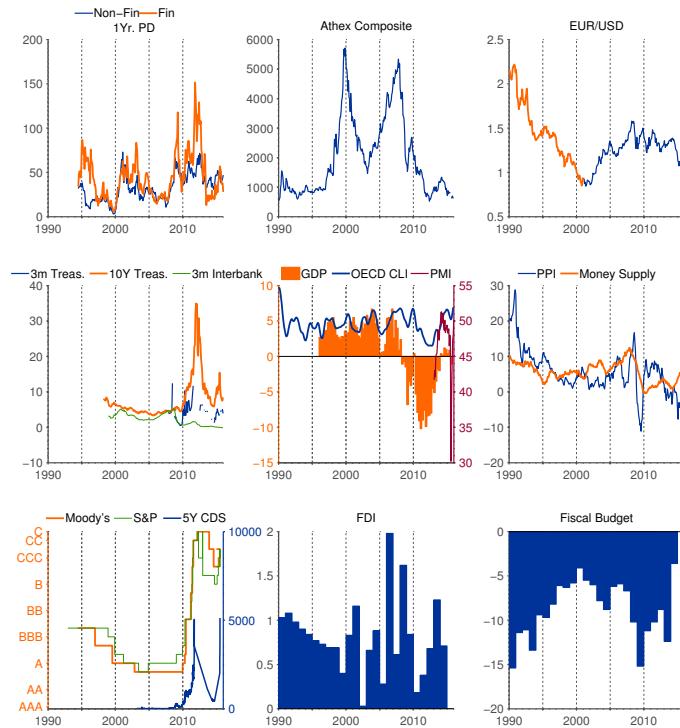


	2014	2015			
	Q4	Q1	Q2	Q3	Q4
1Yr. PD, Non-Fin. (bps)	16.81	17.75	17.06	18.15	15.45
1Yr. PD, Fin.	48.96	58.95	34.76	36.66	39.26
OMX Copenhagen 20	744	954	945	922	1014
USD/DKK	6.16	6.96	6.69	6.68	6.87
3m Treas. Yield (%)	-0.04	-0.87	-0.99*	-0.43	-0.49
10Y Treas. Yield (%)	0.85	0.28	1.00	0.86	0.97
3m Interbank (%)	0.28	-0.16	-0.21	-0.05	-0.09
GDP (YoY%)	1.2	1.5	1.7	0.5	—
OECD CLI	100.00	100.25	100.42	100.38	100.42*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
5Y CDS (bps)	21.84	20.09	21.25	16.72	14.33
FDI (%GDP)	-0.20	—	—	—	—
Fiscal Budget (%GDP)	1.50	—	—	—	—

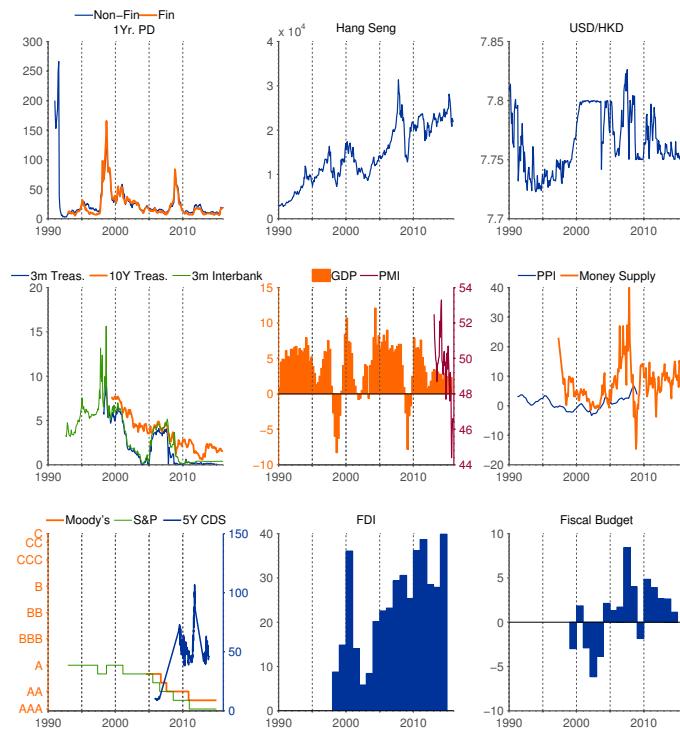




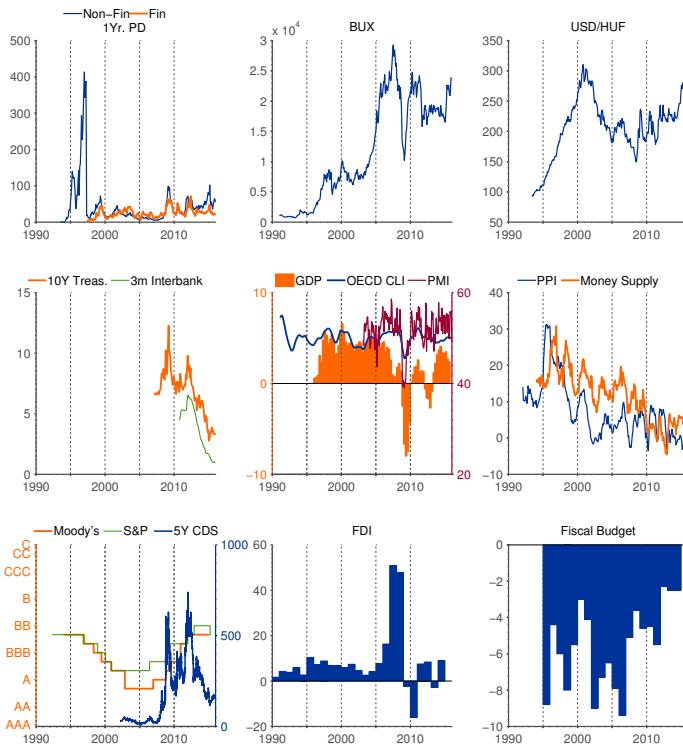




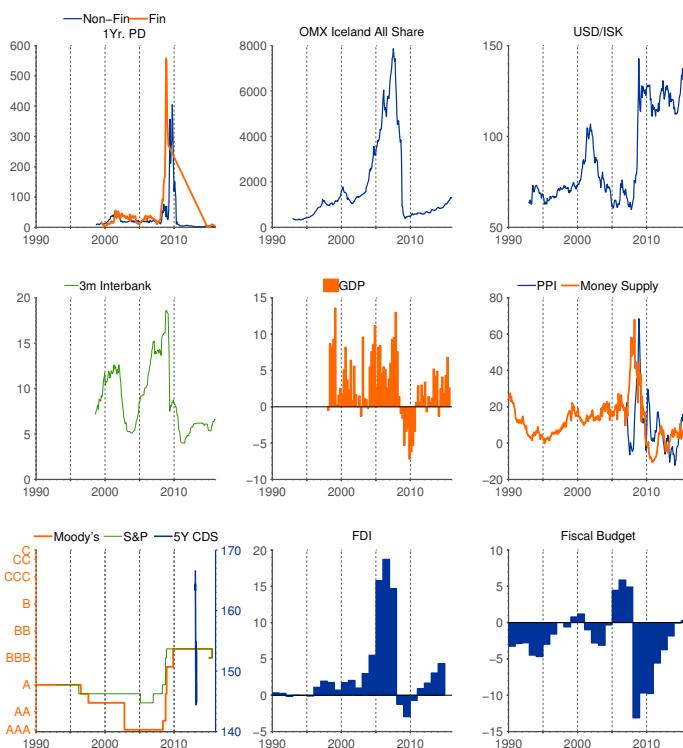
	Greece				
	2014 Q4	2015 Q1	Q2	Q3	Q4
1Yr. PD, Non-Fin. (bps)	46.20	51.06	42.90	40.43	46.94
1Yr. PD, Fin.	28.45	38.67	56.89	37.02	27.86
Athex Composite	826	775	798	654	631
EUR/USD	1	1	1	1	1
3m Treas. Yield (%)	4.07	4.31	3.54	4.79	4.02
10Y Treas. Yield (%)	9.74	11.63	15.42	8.28	8.29
3m Interbank (%)	0.08	0.02	-0.01	-0.04	-0.13
GDP (YoY%)	1.0	0.4	0.9	-1.1	-
OECD CLI	101.63	101.20	100.33	100.81	101.93*
PMI	49.4	48.9	46.9	43.3	50.2
PPI (YoY%)	-5.3	-3.0	-4.8	-8.8	-6.6*
Money Supply (YoY%)	3.6	4.6	4.9	4.7	5.1*
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*	—
FDI (%GDP)	0.71	—	—	—	—
Fiscal Budget (%GDP)	-3.60	—	—	—	—



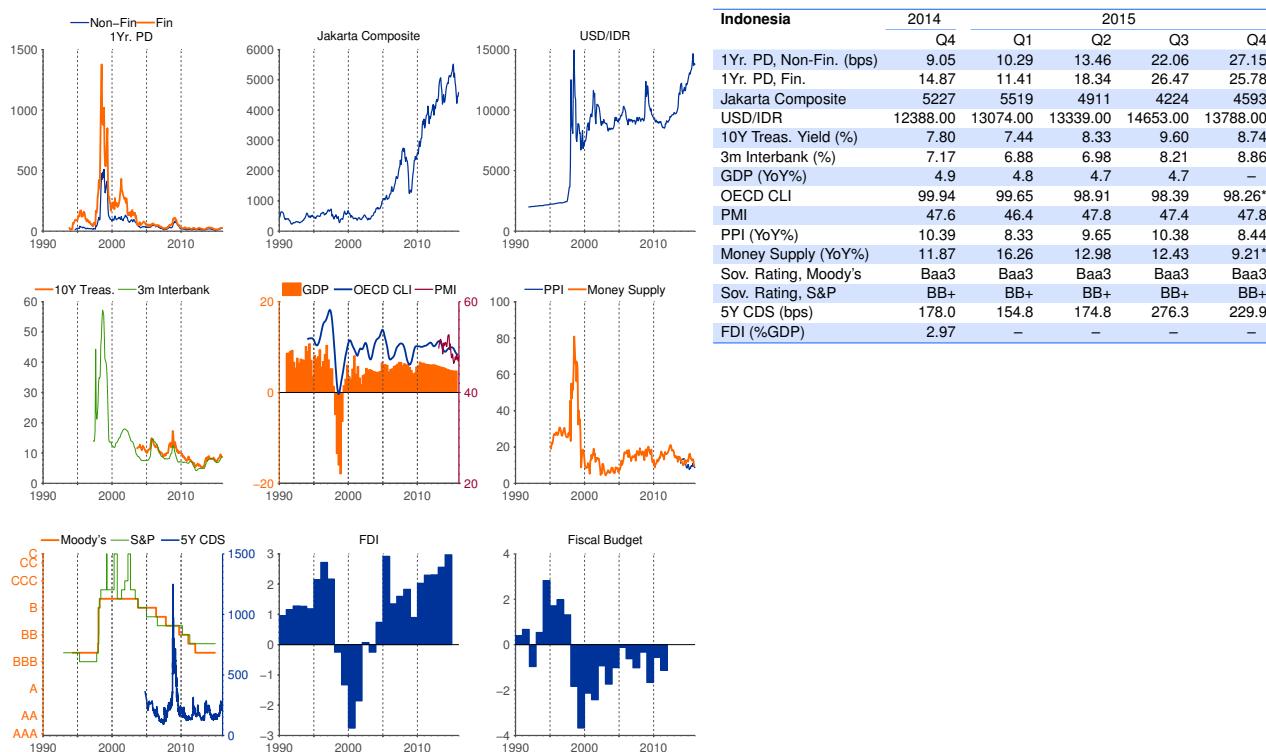
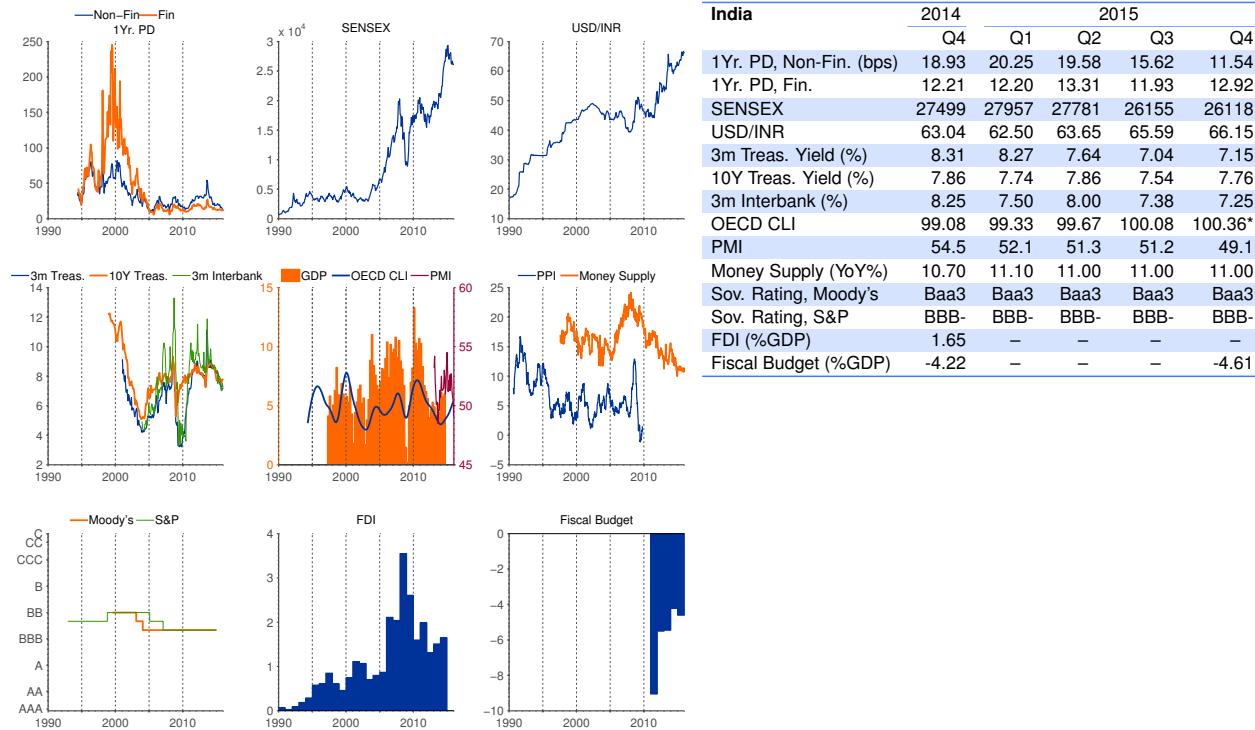
	Hong Kong				
	2014 Q4	2015 Q1	Q2	Q3	Q4
1Yr. PD, Non-Fin. (bps)	11.50	10.01	8.61	18.94	17.93
1Yr. PD, Fin.	9.32	7.55	7.36	17.02	17.50
Hang Seng	23605	24901	26250	20846	21914
USD/HKD	7.76	7.75	7.75	7.75	7.75
3m Treas. Yield (%)	0.08	0.07	—	—	—
10Y Treas. Yield (%)	1.90	1.48	1.79	1.56	1.58
3m Interbank (%)	0.38	0.39	0.39	0.40	0.39
GDP (YoY%)	2.4	2.4	2.8	2.3	—
PMI	50.3	49.6	49.2	45.7	46.4
Money Supply (YoY%)	9.0	15.2	12.4	10.1	10.9*
Sov. Rating, Moody's	Aa1	Aa1	Aa1	Aa1	Aa1
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
FDI (%GDP)	39.87	—	—	—	—
Fiscal Budget (%GDP)	1.13	—	—	—	—

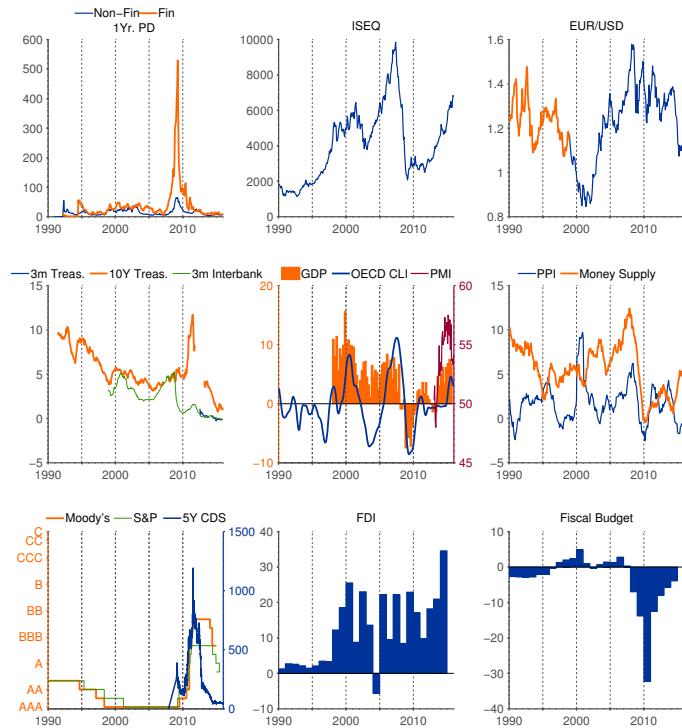


	Hungary			
	2014	2015	Q1	Q2
1Yr. PD, Non-Fin. (bps)	78.87	57.31	44.54	55.00
1Yr. PD, Fin.	31.87	29.45	24.65	23.75
BUX	16634.0	19689.2	21903.1	20894.0
USD/HUF	261.64	279.98	282.62	280.46
10Y Treas. Yield (%)	3.63	3.33	3.87	3.31
3m Interbank (%)	1.67	1.40	1.07	0.98
GDP (YoY%)	3.3	3.5	2.7	2.4
OECD CLI	99.68	100.09	100.11	100.05
PMI	50.9	55.4	54.9	55.8
PPI (YoY%)	0.1	-2.4	1.5	-1.5
Money Supply (YoY%)	5.56	4.83	3.93	4.10
Sov. Rating, Moody's	Ba1	Ba1	Ba1	Ba1
Sov. Rating, S&P	BB+	BB+	BB+	BB+
5Y CDS (bps)	179.78	136.65	159.23	169.51
FDI (%GDP)	8.96	—	—	—
Fiscal Budget (%GDP)	-2.50	—	—	—

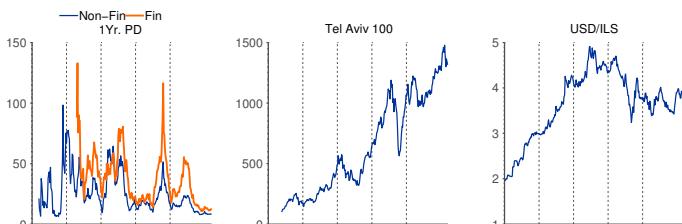


	Iceland			
	2014	2015	Q1	Q2
1Yr. PD, Non-Fin. (bps)	2.90	4.20	2.58	1.80
1Yr. PD, Fin.	0.09	2.80	7.98	5.31
OMX Iceland All Share	956	1019	1121	1215
USD/ISK	127.55	137.31	132.17	127.62
3m Interbank (%)	5.40	5.35	5.95	6.40
GDP (YoY%)	1.9	4.3	6.8	2.6
PPI (YoY%)	12.2	15.9	11.0	-2.9
Money Supply (YoY%)	2.26	6.59	8.81	7.36
Sov. Rating, Moody's	Baa2	Baa2	Baa2	Baa2
Sov. Rating, S&P	BBB	BBB	BBB	BBB
5Y CDS (%GDP)	4.38	—	—	—
FDI (%GDP)	-0.06	—	—	0.29

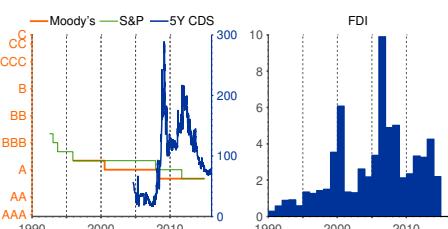
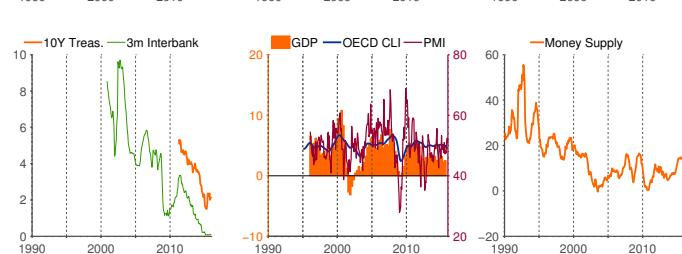


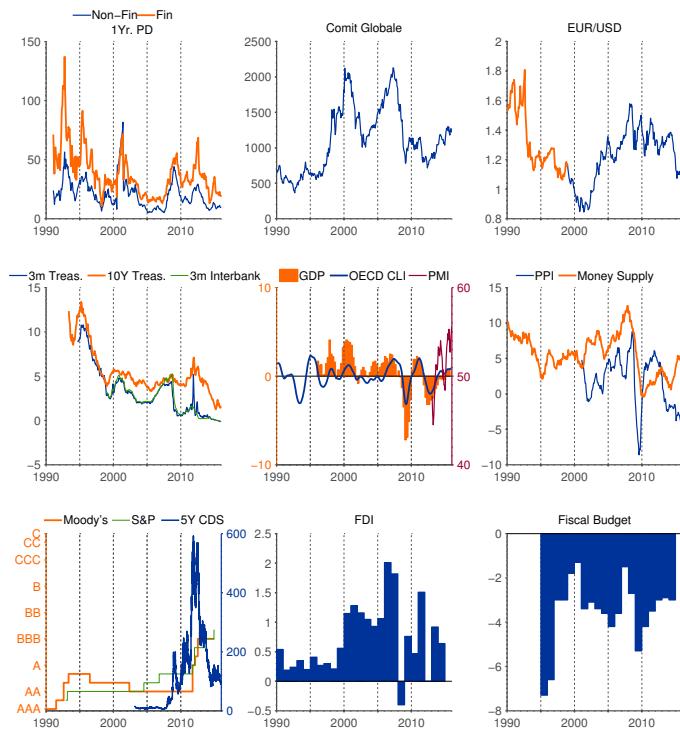


Ireland	2014		2015		
	Q4	Q1	Q2	Q3	Q4
1Yr. PD, Non-Fin. (bps)	7.80	7.39	6.50	6.95	8.00
1Yr. PD, Fin.	10.03	14.11	8.17	8.07	7.50
ISEQ	5225	6019	6165	6167	6792
EUR/USD	1.21	1.07	1.11	1.12	1.09
3m Treas. Yield (%)	-0.30	-0.03	-0.08	-0.17	-0.11*
10Y Treas. Yield (%)	1.25	0.75	1.65	1.24	1.15
3m Interbank (%)	0.08	0.02	-0.01	-0.04	-0.13
GDP (YoY%)	6.1	6.8	7.5	6.8	-
OECD CLI	100.27	101.51	102.24	101.97	101.49*
PMI	56.9	56.8	54.6	53.8	54.2
PPI (YoY%)	-1.5	-1.7	-0.9	-0.6	-0.6*
Money Supply (YoY%)	3.6	4.6	4.9	4.7	5.1*
Sov. Rating, Moody's	Baa1	Baa1	Baa1	Baa1	Baa1
Sov. Rating, S&P	A+	A+	A+	A+	A+
5Y CDS (bps)	50.17	48.27	58.99	50.06	39.27
FDI (%GDP)	34.59	-	-	-	-
Fiscal Budget (%GDP)	-3.90	-	-	-	-

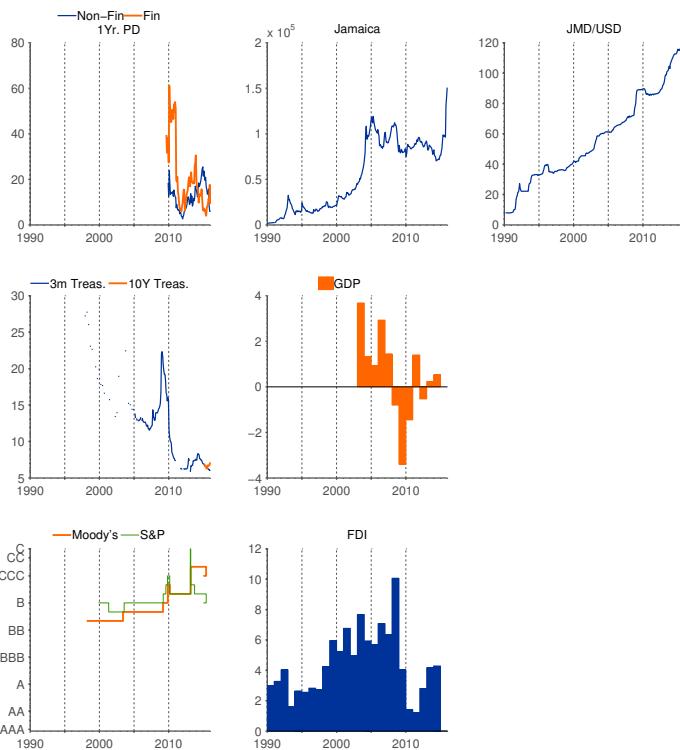


Israel	2014		2015		
	Q4	Q1	Q2	Q3	Q4
1Yr. PD, Non-Fin. (bps)	10.28	8.94	8.23	8.36	8.20
1Yr. PD, Fin.	14.42	13.18	11.95	11.95	12.98
Tel Aviv 100	1289	1417	1418	1300	1315
USD/ILS	3.90	3.98	3.77	3.92	3.89
10Y Treas. Yield (%)	2.31	1.52	2.36	2.36	2.10
3m Interbank (%)	0.25	0.08	0.10	0.08	0.10
GDP (YoY%)	2.9	3.2	2.3	2.5	-
OECD CLI	100.25	100.17	100.08	99.51	98.90*
PMI	45.8	50.2	51.0	47.5	50.7
Money Supply (YoY%)	11.7	14.3	14.7	14.9	11.8*
Sov. Rating, Moody's	A1	A1	A1	A1	A1
Sov. Rating, S&P	A+	A+	A+	A+	A+
5Y CDS (bps)	77.79	76.39	70.14	72.95	79.41
FDI (%GDP)	2.20	-	-	-	-

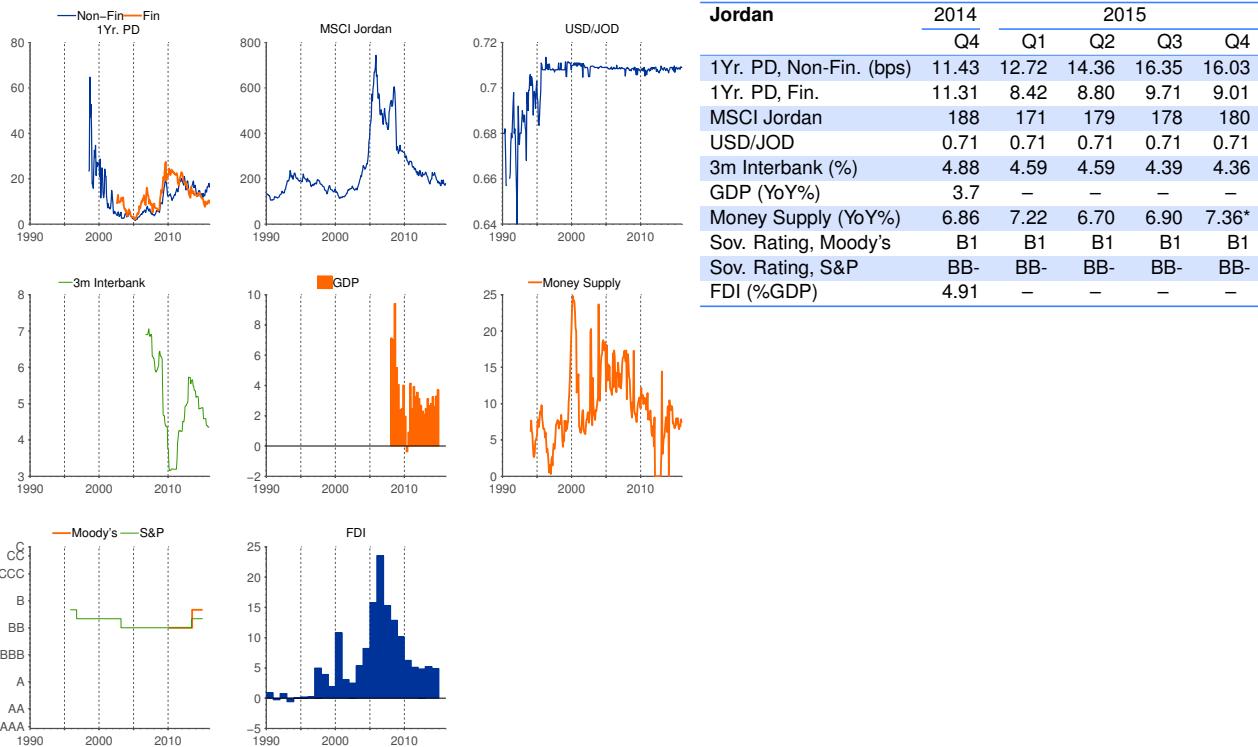
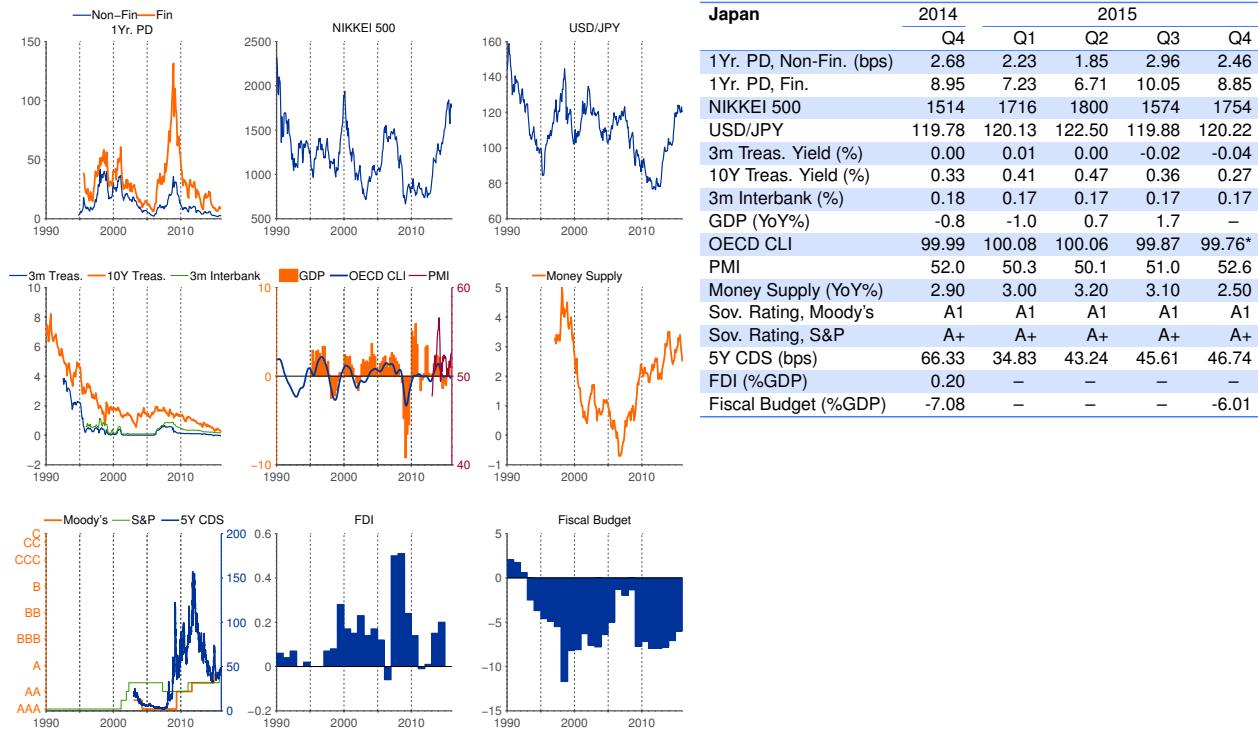




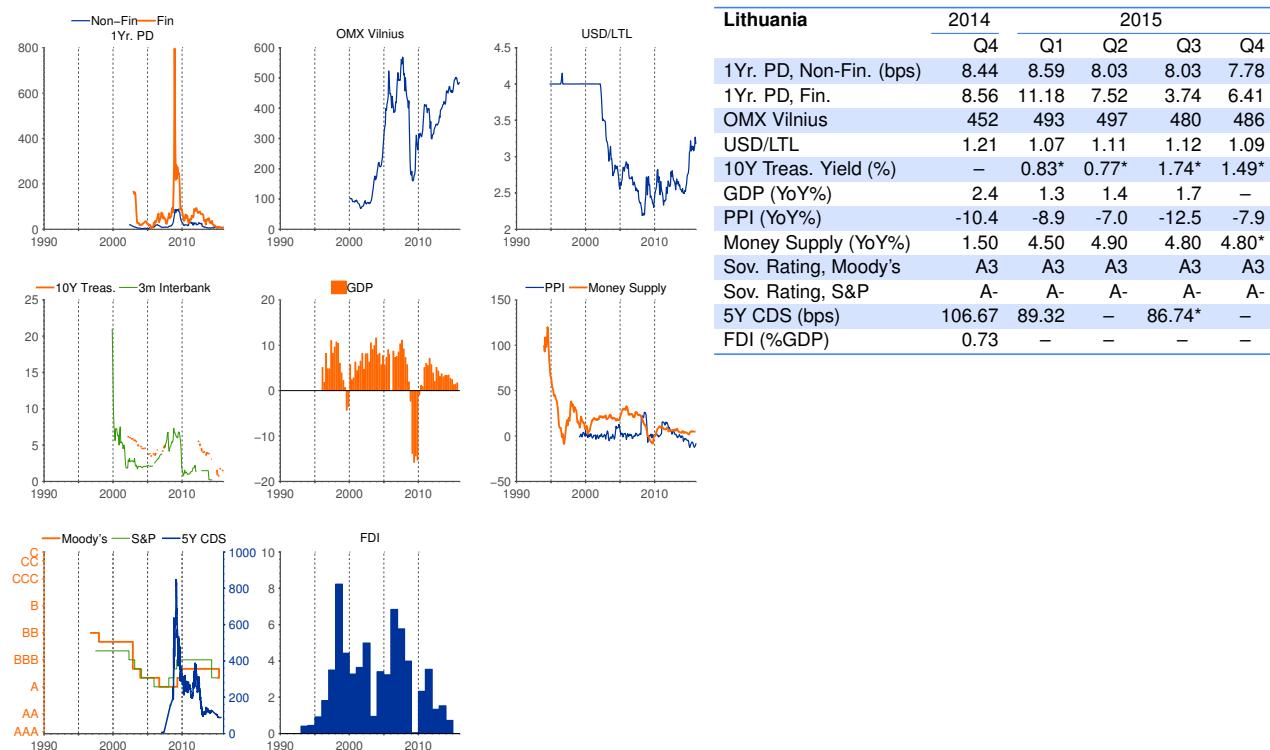
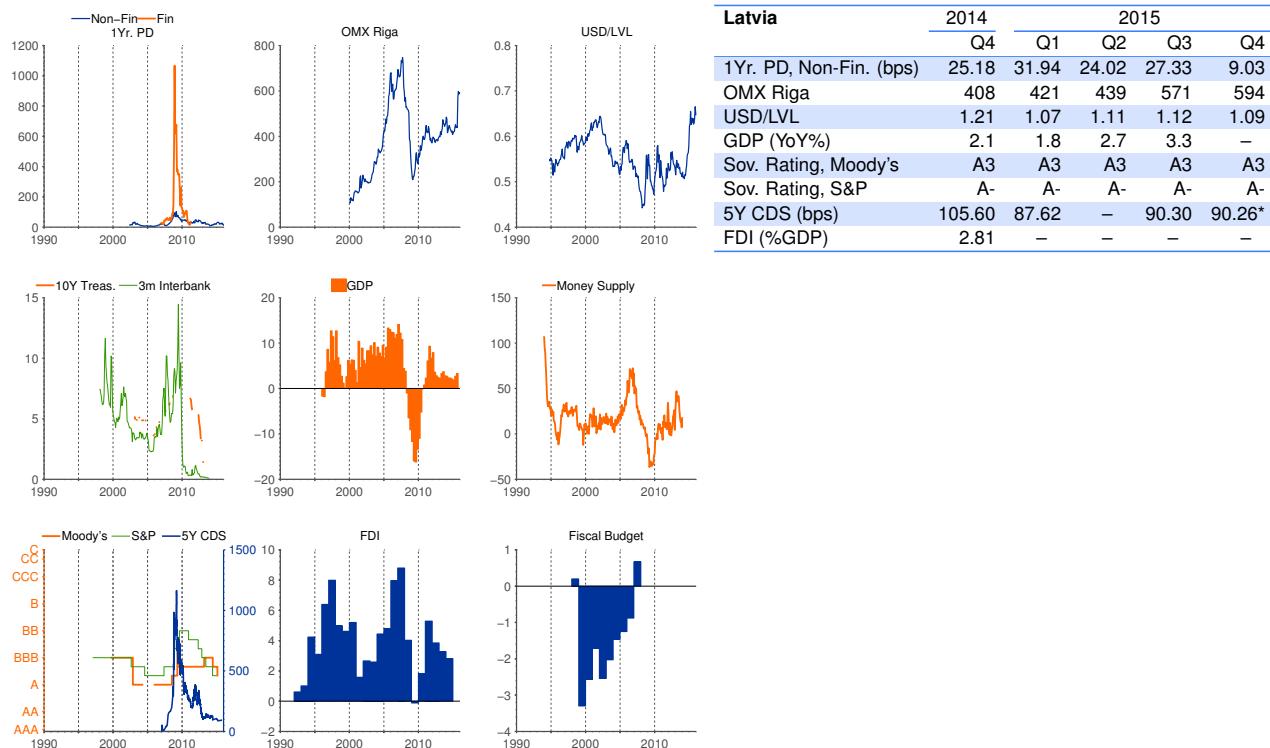
	2014		2015		
	Q4	Q1	Q2	Q3	Q4
1Yr. PD, Non-Fin. (bps)	12.72	8.39	10.47	11.33	9.57
1Yr. PD, Fin.	35.45	21.80	22.10	22.81	19.95
Comit Globale	1038	1273	1238	1179	1218
EUR/USD	1.21	1.07	1.11	1.12	1.09
3m Treas. Yield (%)	0.11	0.04	-0.01	-0.03	-0.09
10Y Treas. Yield (%)	1.89	1.24	2.33	1.73	1.60
3m Interbank (%)	0.08	0.02	-0.01	-0.04	-0.13
GDP (YoY%)	-0.4	0.1	0.6	0.8	-
OECD CLI	100.33	100.69	100.79	100.81	100.87*
PMI	48.4	53.3	54.1	52.7	55.6
PPI (YoY%)	-2.1	-3.0	-3.0	-3.9	-4.2*
Money Supply (YoY%)	3.60	4.60	4.90	4.70	5.10*
Sov. Rating, Moody's	Baa2	Baa2	Baa2	Baa2	Baa2
Sov. Rating, S&P	BBB-	BBB-	BBB-	BBB-	BBB-
5Y CDS (bps)	136.93	108.21	136.31	121.62	97.23
FDI (%GDP)	0.64	-	-	-	-
Fiscal Budget (%GDP)	-3.00	-	-	-	-

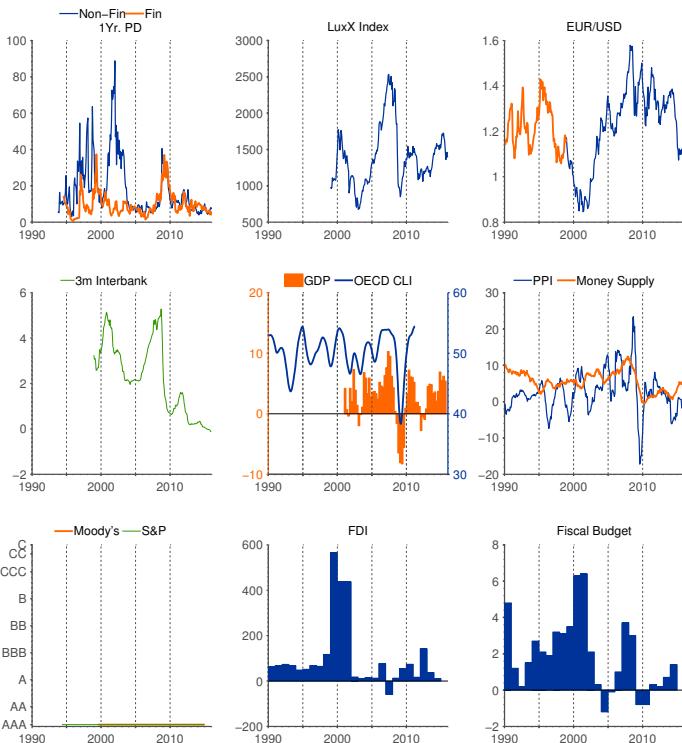


	2014		2015		
	Q4	Q1	Q2	Q3	Q4
1Yr. PD, Non-Fin. (bps)	21.38	19.54	15.51	15.80	6.13
1Yr. PD, Fin.	6.21	6.59	7.87	11.51	9.19
Jamaica	76353	83805	97271	96295	150692
JMD/USD	114.33	114.80	116.65	118.12	119.97
3m Treas. Yield (%)	6.96	6.73	6.48	6.20	5.96
10Y Treas. Yield (%)	-	6.63	6.29	6.69	7.07
GDP (YoY%)	0.5	-	-	-	-
Sov. Rating, Moody's	Caa2	Caa2	Caa2	Caa2	Caa2
Sov. Rating, S&P	B	B	B	B	B
FDI (%GDP)	4.28	-	-	-	-

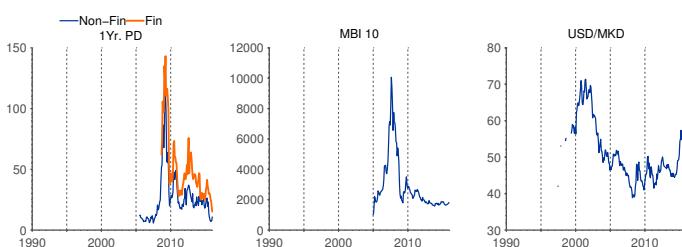




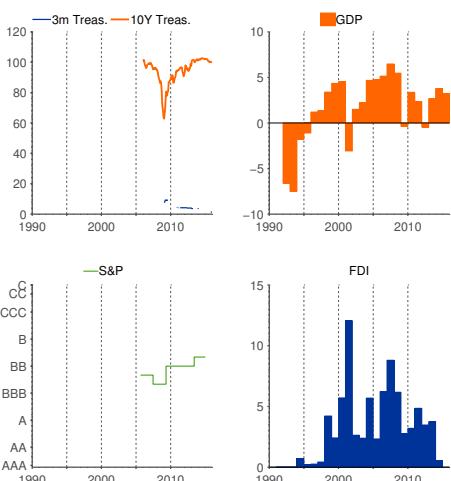


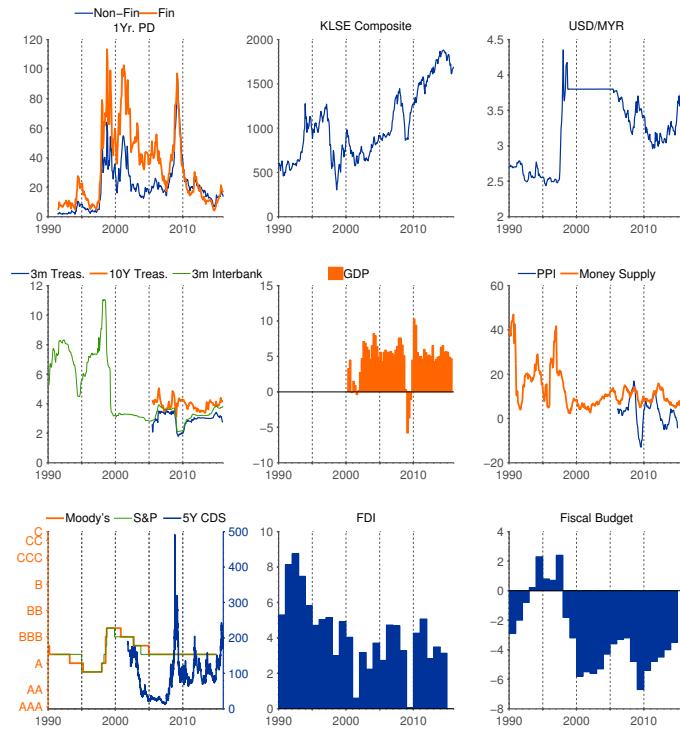


	Luxembourg				
	2014	2015			
Q4	Q1	Q2	Q3	Q4	
1Yr. PD, Non-Fin. (bps)	10.06	5.64	4.64	6.26	7.10
1Yr. PD, Fin.	6.75	6.59	5.89	4.18	3.72
LuxX Index	1520	1715	1654	1361	1391
EUR/USD	1.21	1.07	1.11	1.12	1.09
3m Interbank (%)	0.08	0.02	-0.01	-0.04	-0.13
GDP (YoY%)	6.9	5.5	6.2	5.4	—
PPI (YoY%)	-3.4	1.1	0.6	-1.6	-2.0*
Money Supply (YoY%)	3.60	4.60	4.90	4.70	5.10*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
FDI (%GDP)	10.92	—	—	—	—
Fiscal Budget (%GDP)	1.40	—	—	—	—

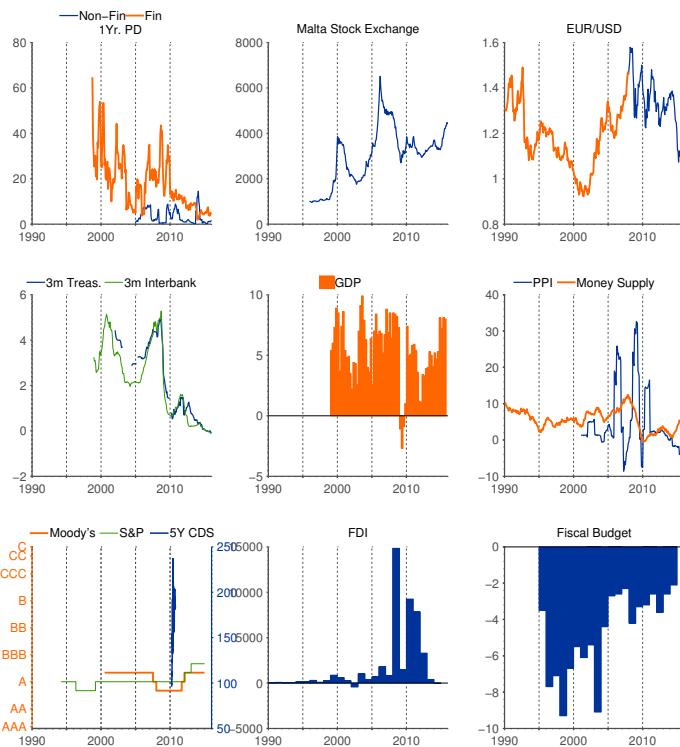


	Macedonia				
	2014	2015			
Q4	Q1	Q2	Q3	Q4	
1Yr. PD, Non-Fin. (bps)	19.36	26.30	13.79	7.11	11.07
1Yr. PD, Fin.	26.51	41.31	29.82	25.07	14.53
MBI 10	1844	1755	1641	1704	1833
USD/MKD	50.60	57.35	55.31	52.77	56.65
3m Treas. Yield (%)	—	—	—	—	1.35
10Y Treas. Yield (%)	101.91	102.11	100.56	100.10	100.05
GDP (YoY%)	3.8	—	—	—	3.2
Sov. Rating, S&P	BB-	BB-	BB-	BB-	BB-
FDI (%GDP)	0.54	—	—	—	—

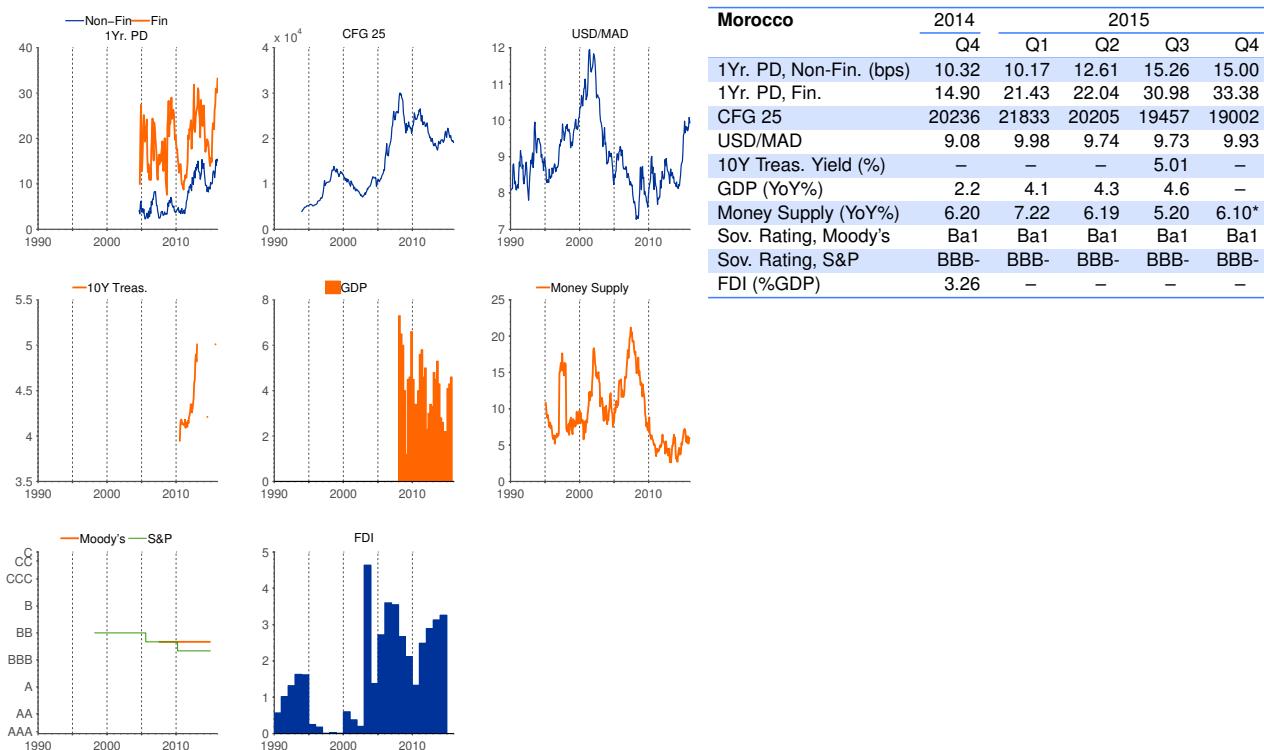
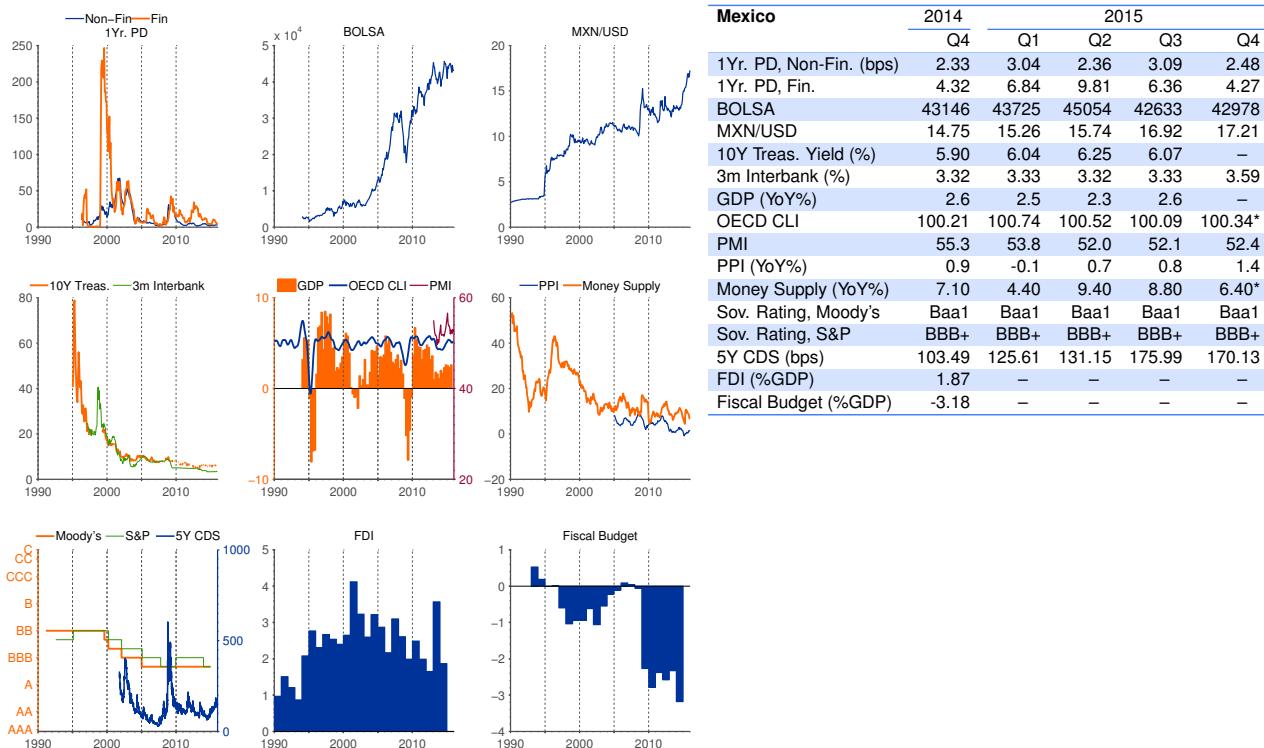


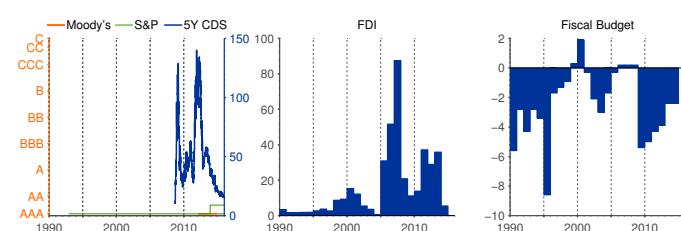
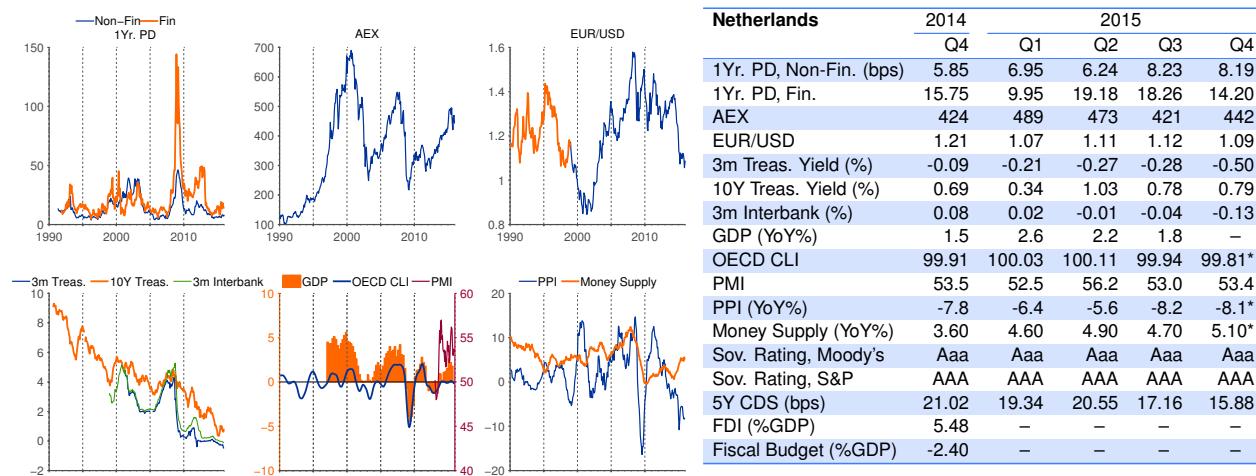
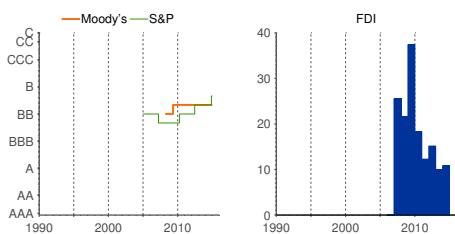
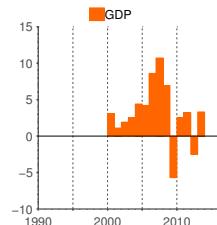
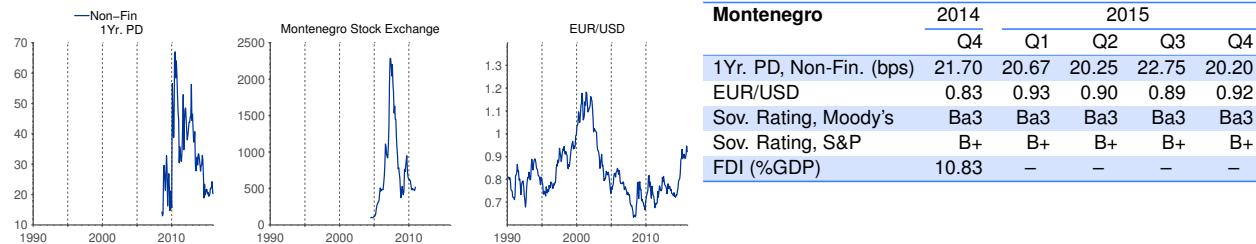


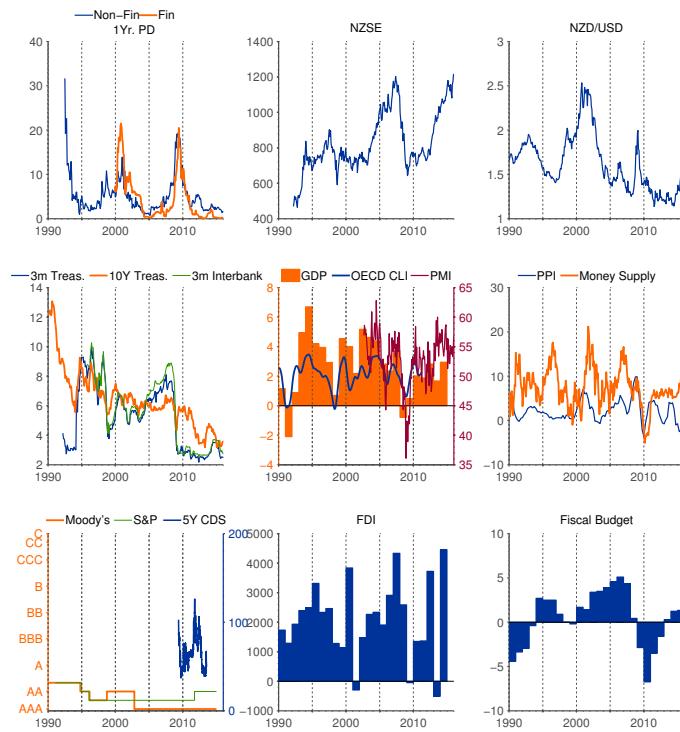
	Malaysia				
	2014	2015			
	Q4	Q1	Q2	Q3	
1Yr. PD, Non-Fin. (bps)	14.76	13.27	14.30	17.78	13.61
1Yr. PD, Fin.	10.62	11.90	14.24	19.61	16.55
KLSE Composite	1761	1831	1707	1621	1693
USD/MYR	3.50	3.70	3.77	4.39	4.29
3m Treas. Yield (%)	3.42	3.19	3.06	3.14	2.74
10Y Treas. Yield (%)	4.15	3.89	4.03	4.15	4.19
3m Interbank (%)	3.86	3.73	3.69	3.74	3.84
GDP (YoY%)	5.7	5.6	4.9	4.7	—
PPI (YoY%)	-4.4	—	—	—	—
Money Supply (YoY%)	7.00	7.90	6.00	5.20	3.70*
Sov. Rating, Moody's	A3	A3	A3	A3	A3
Sov. Rating, S&P	A-	A-	A-	A-	A-
5Y CDS (bps)	113.00	132.49	137.84	238.82	180.22
FDI (%GDP)	3.14	—	—	—	—
Fiscal Budget (%GDP)	-3.50	—	—	—	—



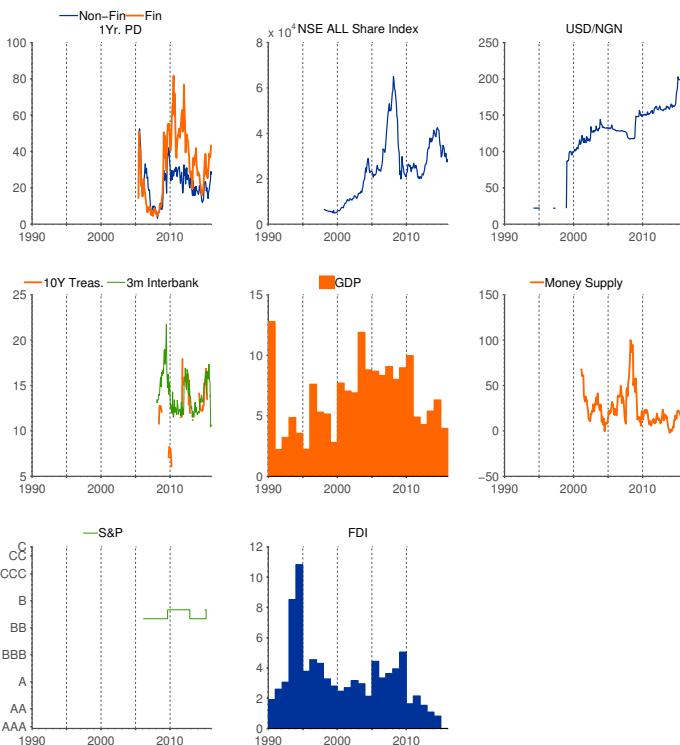
	Malta				
	2014	2015			
	Q4	Q1	Q2	Q3	
1Yr. PD, Non-Fin. (bps)	0.85	0.22	1.15	1.20	1.49
1Yr. PD, Fin.	5.08	4.87	7.44	3.71	4.61
Malta Stock Exchange	3331	3776	4091	4334	4431
EUR/USD	1.21	1.07	1.11	1.12	1.09
3m Treas. Yield (%)	0.08	0.00	-0.00	-0.00	-0.10
3m Interbank (%)	0.08	0.02	-0.01	-0.04	-0.13
GDP (YoY%)	8.1	7.2	8.1	8.0	—
PPI (YoY%)	-1.8	-1.8	-3.9	-3.4	-3.0*
Money Supply (YoY%)	3.60	4.60	4.90	4.70	5.10*
Sov. Rating, Moody's	A3	A3	A3	A3	A3
Sov. Rating, S&P	BBB+	BBB+	BBB+	BBB+	BBB+
FDI (%GDP)	-12.90	—	—	—	—
Fiscal Budget (%GDP)	-2.10	—	—	—	—



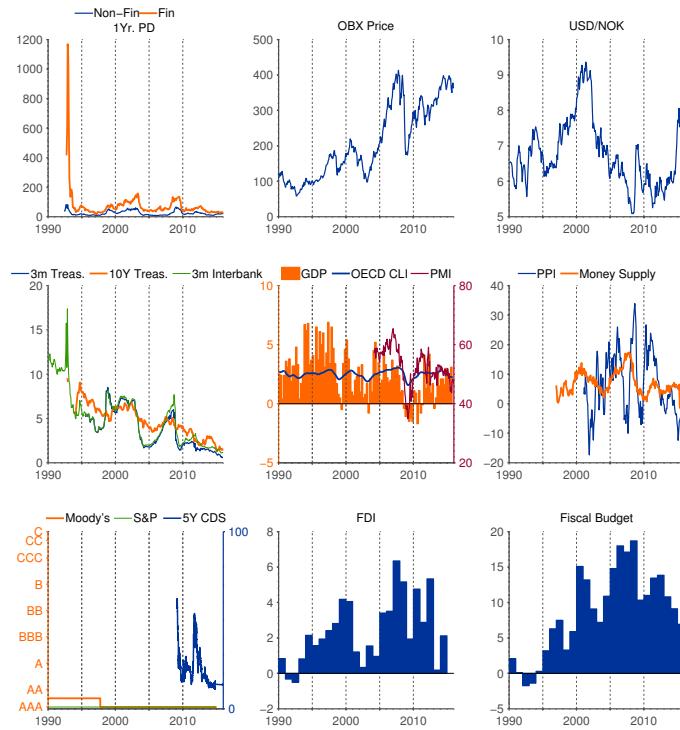




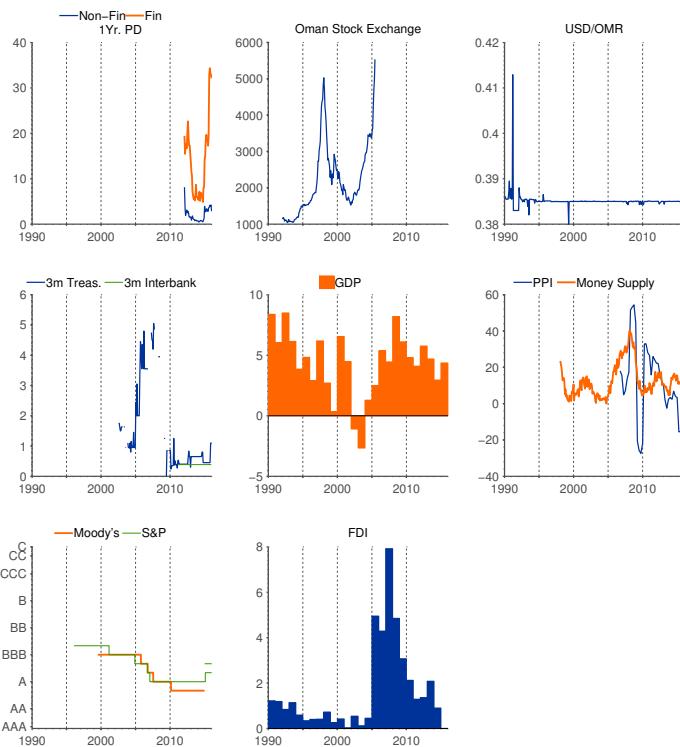
	New Zealand		2015			
	2014	Q4	Q1	Q2	Q3	Q4
1Yr. PD, Non-Fin. (bps)	2.25	2.62	2.10	1.77	1.61	
1Yr. PD, Fin.	0.25	0.21	0.10	0.22	0.16	
NZSE	1122	1152	1121	1081	1217	
NZD/USD	1.28	1.34	1.48	1.56	1.46	
3m Treas. Yield (%)	3.53	3.11	2.77	2.50	2.50	
10Y Treas. Yield (%)	3.67	3.23	3.63	3.28	3.57	
3m Interbank (%)	3.67	3.63	3.27	2.86	2.75	
GDP (YoY%)	3.0	—	—	—	—	
PMI	56.4	54.7	55.2	55.0	56.7	
PPI (YoY%)	-0.8	-2.5	-2.2	0.2	—	
Money Supply (YoY%)	6.30	8.30	9.50	8.50	8.40*	
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa	
Sov. Rating, S&P	AA	AA	AA	AA	AA	
FDI (%GDP)	4454.20	—	—	—	—	
Fiscal Budget (%GDP)	1.25	—	—	—	1.35	



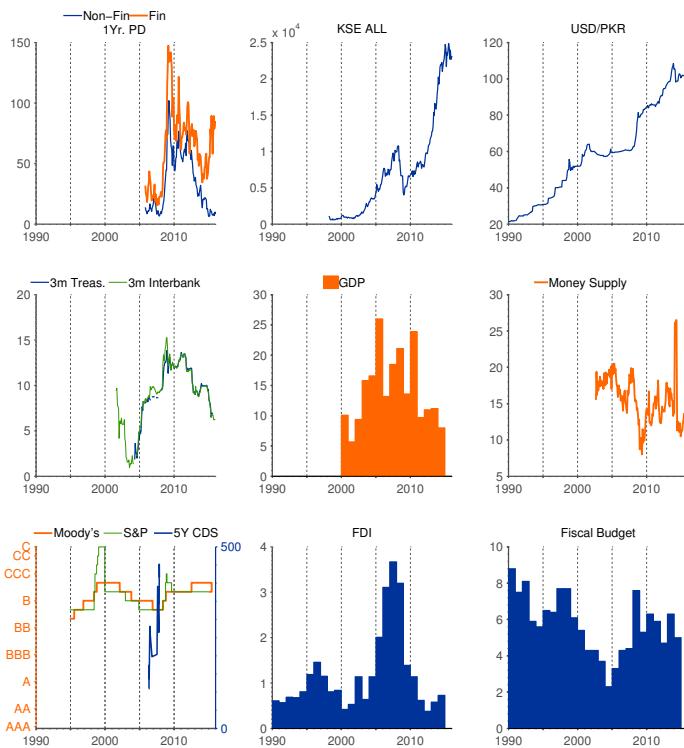
	Nigeria		2015			
	2014	Q4	Q1	Q2	Q3	Q4
1Yr. PD, Non-Fin. (bps)	23.11	18.27	14.14	22.13	27.39	
1Yr. PD, Fin.	34.03	26.96	28.11	37.28	43.67	
NSE ALL Share Index	34657	31753	33457	31218	28642	
USD/NGN	183.45	199.28	199.15	199.26	199.30	
10Y Treas. Yield (%)	15.20	16.85	13.50	—	13.87*	
3m Interbank (%)	15.24	16.50	15.98	15.55	10.68	
GDP (YoY%)	6.3	—	—	—	4.0	
Money Supply (YoY%)	20.64	21.63	16.32	11.32	10.01*	
Sov. Rating, S&P	B+	B+	B+	B+	B+	
FDI (%GDP)	0.82	—	—	—	—	



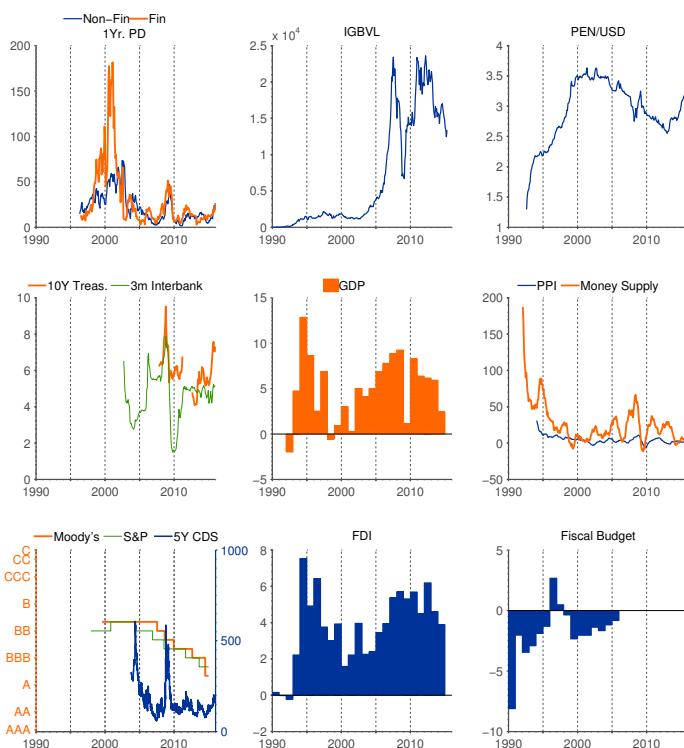
	2014		2015		
	Q4	Q1	Q2	Q3	Q4
1Yr. PD, Non-Fin. (bps)	17.11	21.34	17.19	19.34	20.00
1Yr. PD, Fin.	33.02	34.97	29.08	27.09	30.29
OBX Price	364	389	386	350	362
USD/NOK	7.45	8.06	7.85	8.52	8.84
3m Treas. Yield (%)	1.03	0.92	0.89	0.62	0.57
10Y Treas. Yield (%)	1.54	1.49	1.85	1.47	1.48
3m Interbank (%)	1.48	1.47	1.33	1.12	1.13
GDP (YoY%)	3.0	2.5	1.4	3.1	—
OECD CLI	99.80	99.37	99.09	98.98	98.97*
PMI	49.8	48.6	44.2	47.5	46.8
PPI (YoY%)	-7.9	-6.1	-4.9	-10.1	-10.8
Money Supply (YoY%)	5.20	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)	13.84*	—	—	—	13.41*
FDI (%GDP)	2.12	—	—	—	—
Fiscal Budget (%GDP)	9.12	—	—	—	6.94



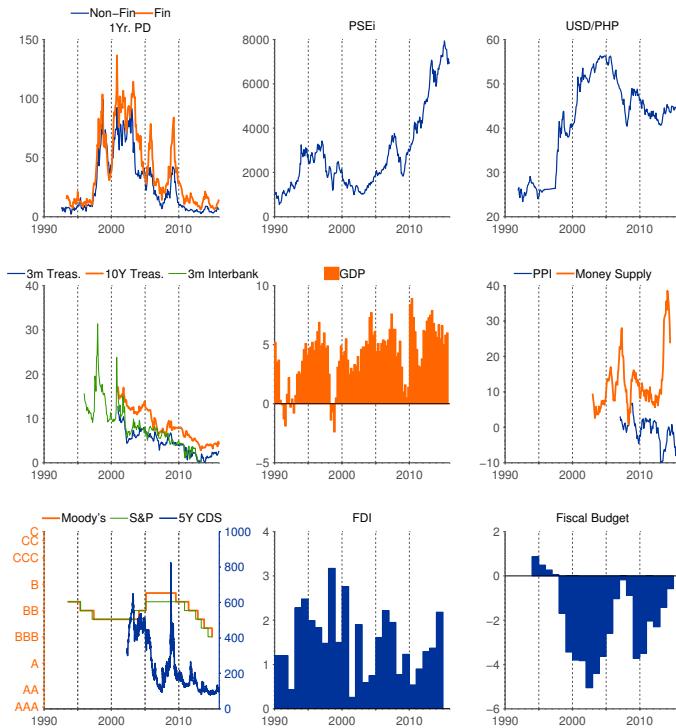
	2014		2015		
	Q4	Q1	Q2	Q3	Q4
1Yr. PD, Non-Fin. (bps)	3.92	3.30	2.80	4.16	2.85
1Yr. PD, Fin.	14.08	19.65	17.26	34.35	32.14
USD/OMR	0.39	0.39	0.39	0.39	0.38
3m Treas. Yield (%)	0.45	0.45	0.45	0.45	1.10
3m Interbank (%)	0.39	0.39	0.39	0.39	0.39
GDP (YoY%)	3.0	—	—	—	4.4
PPI (YoY%)	3.3	-15.5	-15.3	-15.4	—
Money Supply (YoY%)	15.32	11.87	11.04	11.09	9.40*
Sov. Rating, Moody's	A1	A1	A1	A1	A1
Sov. Rating, S&P	BBB+	BBB+	BBB+	BBB+	BBB+
FDI (%GDP)	0.90	—	—	—	—



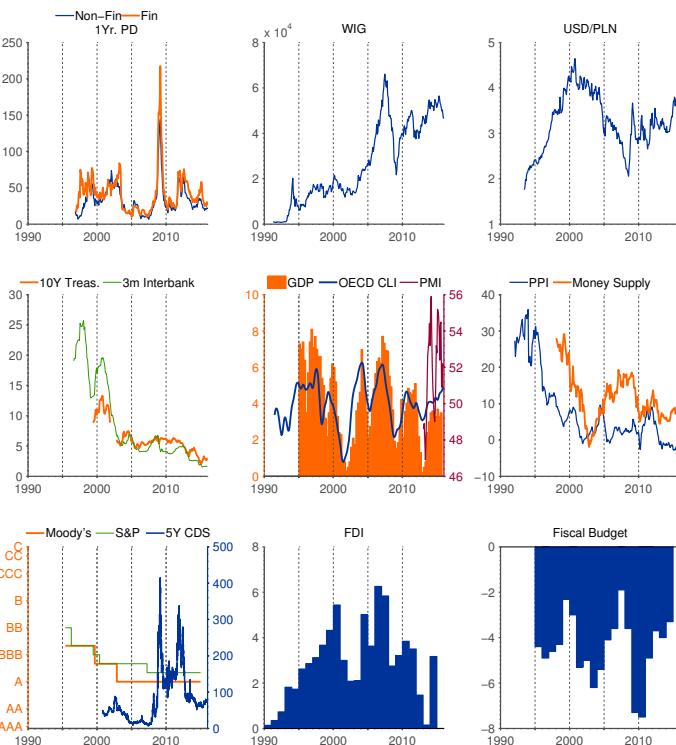
	Pakistan		2015			
	2014	Q4	Q1	Q2	Q3	Q4
1Yr. PD, Non-Fin. (bps)	6.38	12.23	7.92	8.62	8.26	
1Yr. PD, Fin.	50.36	78.59	72.29	89.35	85.22	
KSE ALL	23398	21703	24037	22709	22937	
USD/PKR	100.52	101.93	101.78	104.46	104.73	
3m Treas. Yield (%)	9.57	8.07	6.94	6.95*	—	
3m Interbank (%)	9.38	7.74	6.76	6.35	6.24	
GDP (YoY%)	8.0	—	—	—	—	
Money Supply (YoY%)	10.90	12.30	13.20	14.50	12.90*	
Sov. Rating, Moody's	B3	B3	B3	B3	B3	
Sov. Rating, S&P	B-	B-	B-	B-	B-	
FDI (%GDP)	0.73	—	—	—	—	
Fiscal Budget (%GDP)	5.00	—	—	—	—	



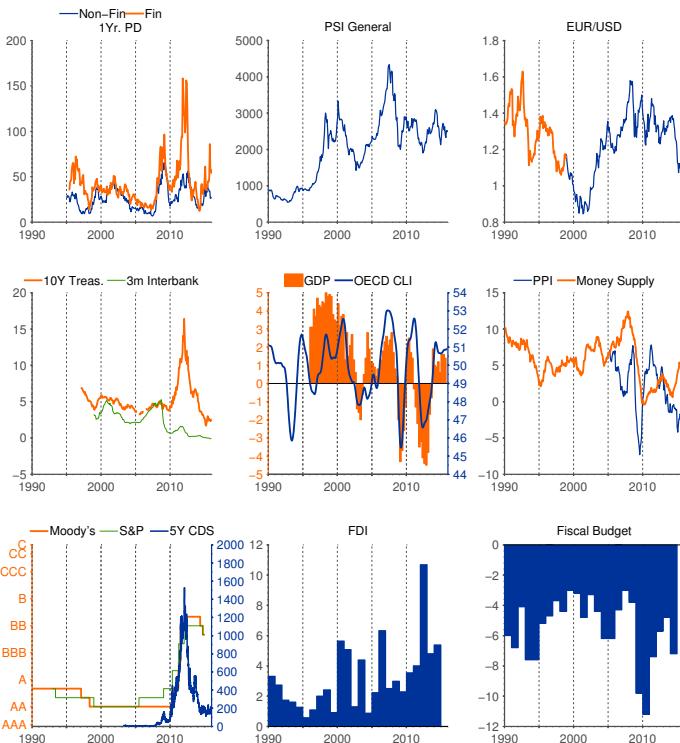
	Peru		2015			
	2014	Q4	Q1	Q2	Q3	Q4
1Yr. PD, Non-Fin. (bps)	4.95	8.82	10.56	20.48	19.58	
1Yr. PD, Fin.	12.62	12.09	14.41	16.93	26.77	
IGBVL	14794	12462	13367*	—	—	
PEN/USD	2.98	3.10	3.18	3.23	3.41	
10Y Treas. Yield (%)	5.41	5.55	6.37	7.58	7.31	
3m Interbank (%)	4.90	4.43	4.21	5.22	5.16	
GDP (YoY%)	2.4	—	—	—	—	
PPI (YoY%)	1.5	1.6	2.1	1.9	2.6	
Money Supply (YoY%)	6.70	5.70	2.30	1.10	3.10*	
Sov. Rating, Moody's	A3	A3	A3	A3	A3	
Sov. Rating, S&P	BBB+	BBB+	BBB+	BBB+	BBB+	
5Y CDS (bps)	114.92	134.32	140.12	195.73	187.66	
FDI (%GDP)	3.89	—	—	—	—	



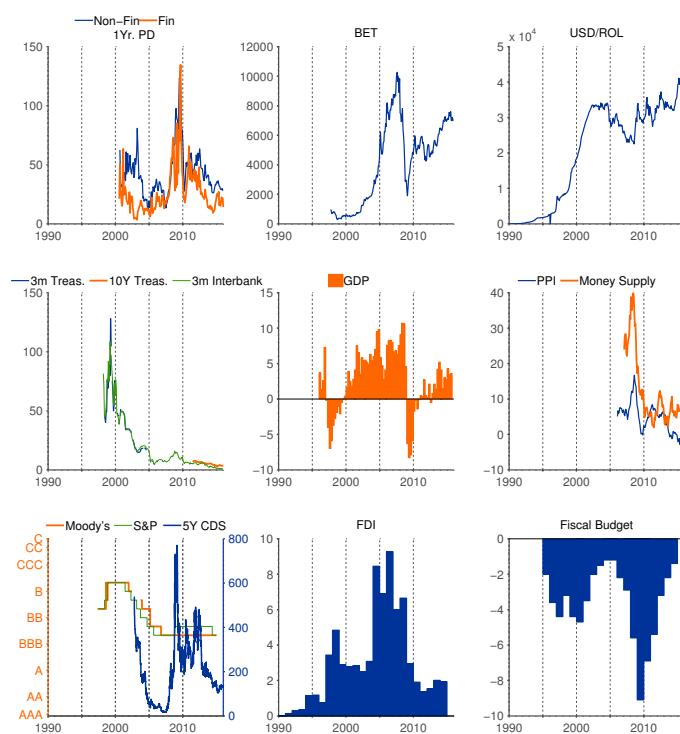
	Philippines				
	2014	2015			
	Q4	Q1	Q2	Q3	Q4
1Yr. PD, Non-Fin. (bps)	3.47	3.94	4.95	7.83	6.13
1Yr. PD, Fin.	9.20	6.30	7.45	11.48	14.34
PSEi	7231	7940	7565	6894	6952
USD/PHP	44.72	44.70	45.11	46.73	46.91
3m Treas. Yield (%)	2.38	2.31	2.08	1.69	2.67
10Y Treas. Yield (%)	3.87	4.20	4.37	3.80	4.10
GDP (YoY%)	6.6	5.0	5.8	6.0	—
PPI (YoY%)	-1.4	-5.5	-6.4	-8.2	-6.1*
Sov. Rating, Moody's	Baa2	Baa2	Baa2	Baa2	Baa2
Sov. Rating, S&P	BBB	BBB	BBB	BBB	BBB
5Y CDS (bps)	101.50	92.59	93.17	134.65	107.67
FDI (%GDP)	2.18	—	—	—	—
Fiscal Budget (%GDP)	-0.58	—	—	—	—



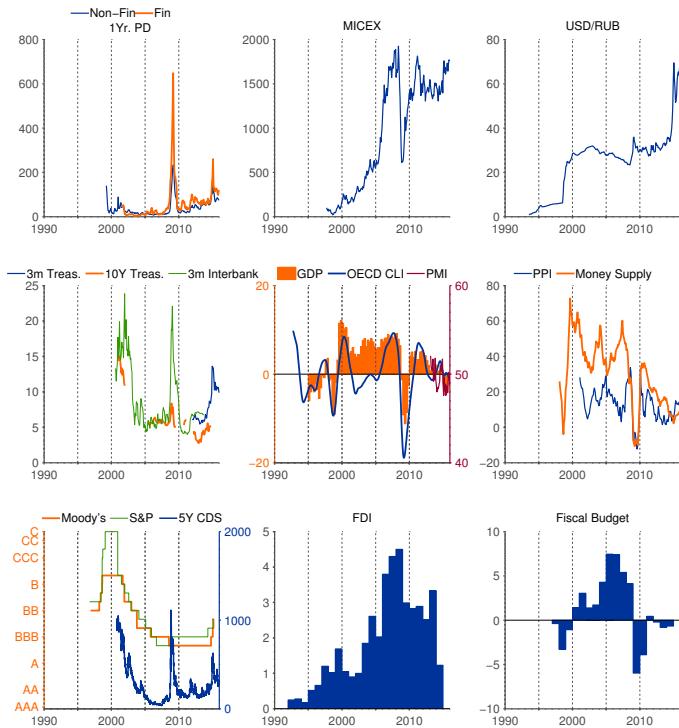
	Poland				
	2014	2015			
	Q4	Q1	Q2	Q3	Q4
1Yr. PD, Non-Fin. (bps)	34.72	27.01	21.28	21.50	21.01
1Yr. PD, Fin.	49.65	41.42	28.33	26.98	26.34
WIG	51416	54091	53329	49825	46467
USD/PLN	3.54	3.80	3.76	3.80	3.92
10Y Treas. Yield (%)	2.52	2.31	3.31	2.84	2.94
3m Interbank (%)	1.96	1.55	1.62	1.63	1.62
GDP (YoY%)	3.3	3.7	3.3	3.5	—
OECD CLI	100.24	100.36	100.61	100.73	100.94*
PMI	52.8	54.8	54.3	50.9	52.1
PPI (YoY%)	-2.7	-2.5	-1.4	-2.8	-1.8*
Money Supply (YoY%)	8.20	8.89	8.27	8.38	9.10
Sov. Rating, Moody's	A2	A2	A2	A2	A2
Sov. Rating, S&P	A-	A-	A-	A-	A-
5Y CDS (bps)	66.86	59.12	74.99	79.67	74.17
FDI (%GDP)	3.17	—	—	—	—
Fiscal Budget (%GDP)	-3.30	—	—	—	—



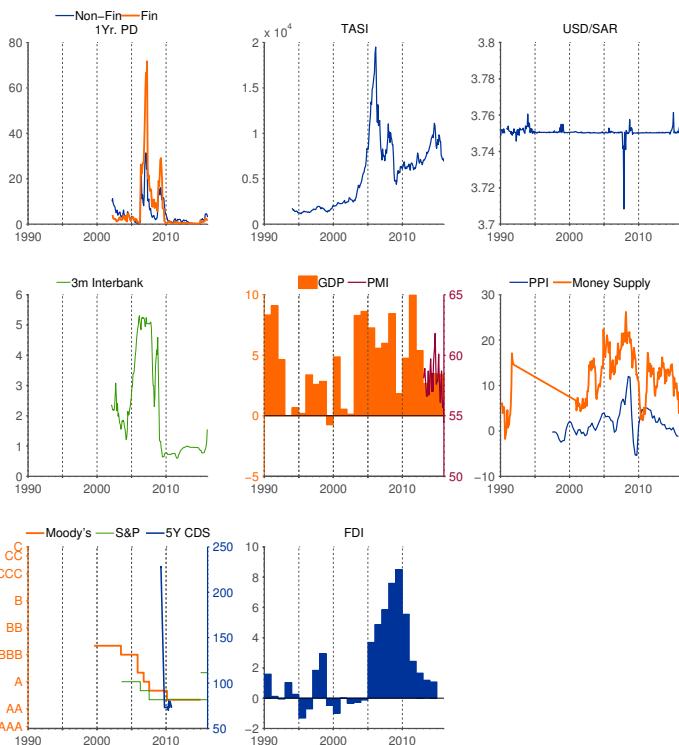
	Portugal				2015
	2014	2015			
	Q4	Q1	Q2	Q3	Q4
1Yr. PD, Non-Fin. (bps)	36.06	34.60	36.67	33.88	26.66
1Yr. PD, Fin.	47.45	35.11	45.03	85.98	53.31
PSI General	2128	2630	2537	2331	2524
EUR/USD	1.21	1.07	1.11	1.12	1.09
10Y Treas. Yield (%)	2.69	1.69	3.00	2.39	2.52
3m Interbank (%)	0.08	0.02	-0.01	-0.04	-0.13
GDP (YoY%)	0.6	1.6	1.6	1.4	—
OECD CLI	100.65	100.74	100.86	100.87	100.88*
PPI (YoY%)	-3.5	-2.4	-1.9	-4.1	-2.6
Money Supply (YoY%)	3.60	4.60	4.90	4.70	5.10*
Sov. Rating, Moody's	Ba1	Ba1	Ba1	Ba1	Ba1
Sov. Rating, S&P	BB+	BB+	BB+	BB+	BB+
5Y CDS (bps)	202.46	126.92	195.05	173.17	170.51
FDI (%GDP)	5.39	—	—	—	—
Fiscal Budget (%GDP)	-7.20	—	—	—	—



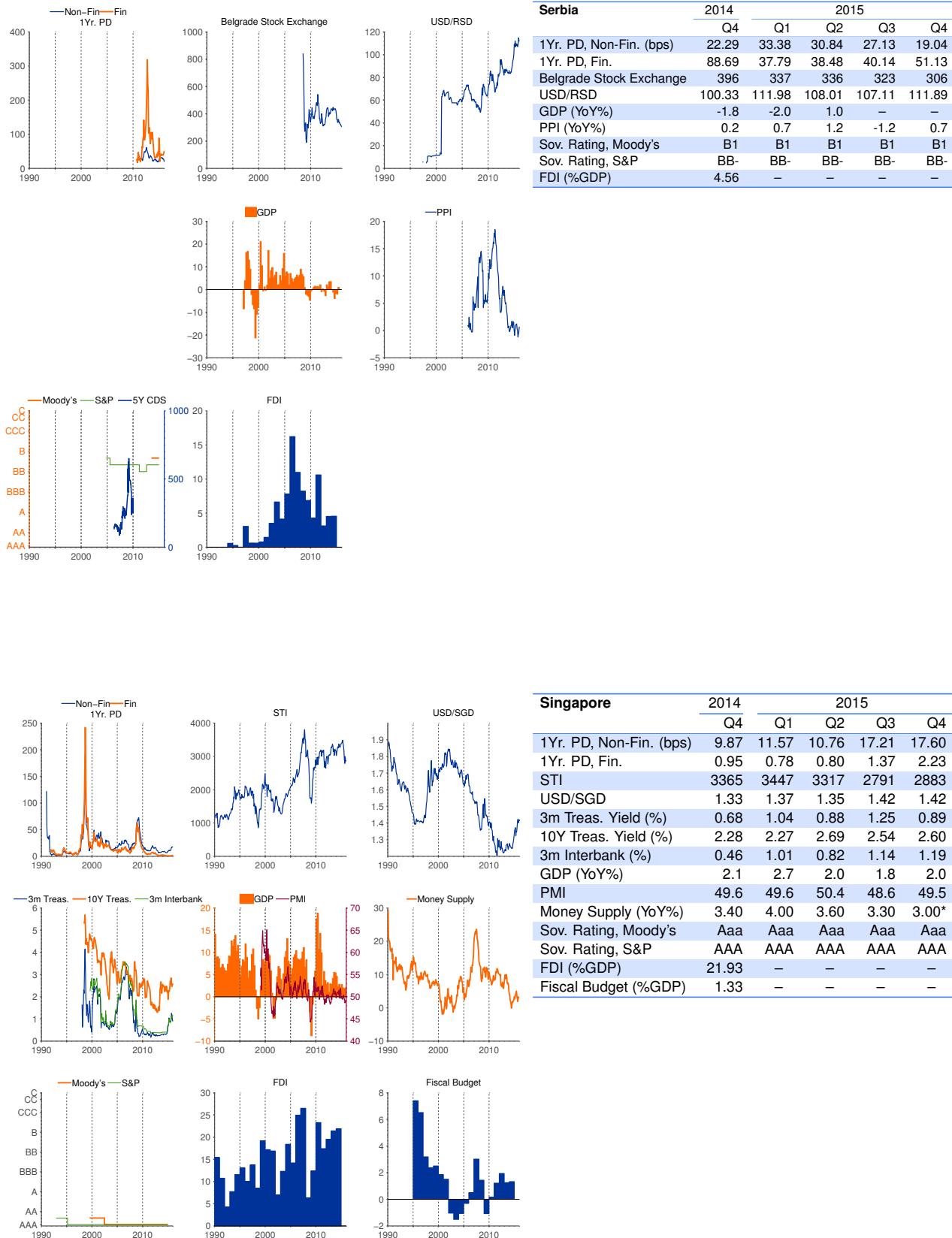
	Romania				2015
	2014	2015			
	Q4	Q1	Q2	Q3	Q4
1Yr. PD, Non-Fin. (bps)	34.84	36.45	31.63	28.88	28.27
1Yr. PD, Fin.	22.45	23.15	18.20	22.38	14.13
BET	7083	7076	7298	6982	7004
USD/ROL	37073.00	41105.00	40176.31	39542.00	41634.01
10Y Treas. Yield (%)	3.57	3.24	4.18	3.62	3.71
3m Interbank (%)	1.46	1.25	1.12	1.27	0.81
GDP (YoY%)	2.7	4.3	3.4	3.6	—
PPI (YoY%)	-1.4	-1.1	-1.9	-2.8	-2.6*
Money Supply (YoY%)	8.42	6.66	8.91	8.40	8.20*
Sov. Rating, Moody's	Baa3	Baa3	Baa3	Baa3	Baa3
Sov. Rating, S&P	BBB-	BBB-	BBB-	BBB-	BBB-
5Y CDS (bps)	134.51	107.35	132.38	135.11	131.19
FDI (%GDP)	1.94	—	—	—	—
Fiscal Budget (%GDP)	-1.40	—	—	—	—

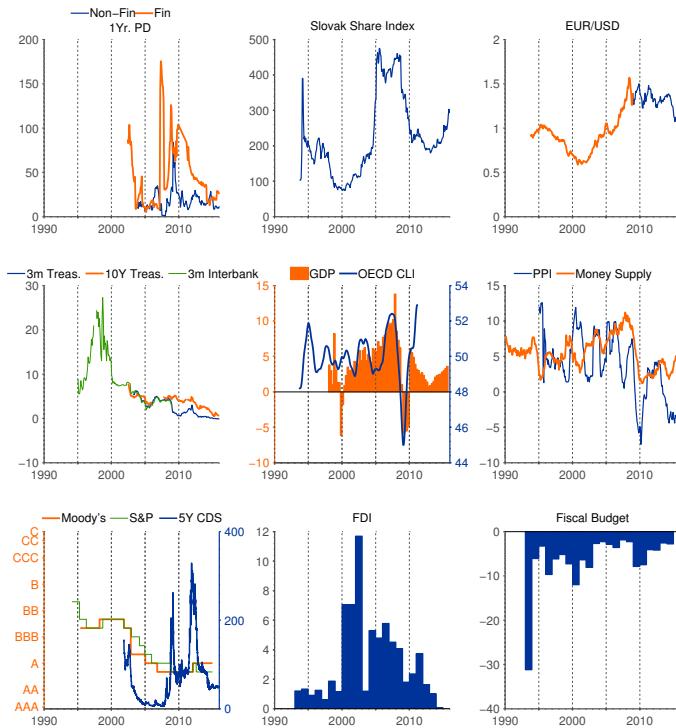


	Russia				
	2014	2015			
	Q4	Q1	Q2	Q3	
1Yr. PD, Non-Fin. (bps)	105.85	104.73	71.33	85.98	76.19
1Yr. PD, Fin.	180.84	127.06	128.43	104.89	119.29
MICEX	1397	1626	1655	1643	1761
USD/RUB	60.74	58.19	55.34	65.36	72.52
3m Treas. Yield (%)	13.62	11.97	10.93	10.53	9.88
10Y Treas. Yield (%)	5.08*	—	—	—	—
GDP (YoY%)	0.4	-2.2	-4.6	-4.1	—
OECD CLI	100.11	99.90	100.16	99.87	99.36*
PMI	48.9	48.1	48.7	49.1	48.7
PPI (YoY%)	5.9	13.0	13.1	12.7	13.9*
Money Supply (YoY%)	2.20	6.20	6.80	7.50	8.80*
Sov. Rating, Moody's	Ba1	Ba1	Ba1	Ba1	Ba1
Sov. Rating, S&P	BB+	BB+	BB+	BB+	BB+
5Y CDS (bps)	476.09	407.86	341.87	361.13	308.97
FDI (%GDP)	1.23	—	—	—	—
Fiscal Budget (%GDP)	-0.67	—	—	—	—

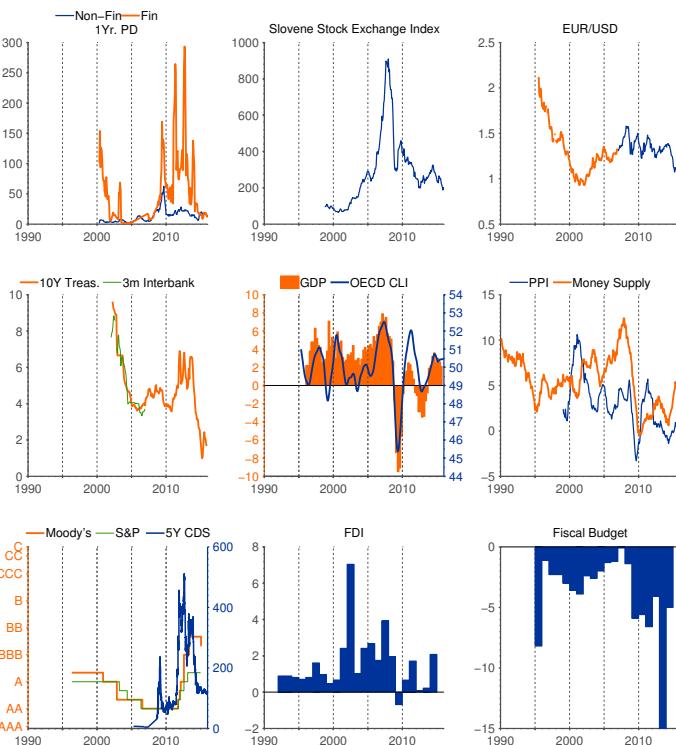


	Saudi Arabia				
	2014	2015			
	Q4	Q1	Q2	Q3	
1Yr. PD, Non-Fin. (bps)	1.92	2.40	1.61	4.57	3.07
1Yr. PD, Fin.	1.81	0.99	1.13	2.31	1.47
TASI	8333	8779	9087	7404	6912
USD/SAR	3.75	3.75	3.75	3.75	3.75
3m Interbank (%)	0.86	0.77	0.78	0.90	1.55
GDP (YoY%)	3.5	—	—	—	3.4
PMI	57.9	60.1	56.1	56.5	54.4
PPI (YoY%)	0.7	-0.3	-1.1	-1.2	—
Money Supply (YoY%)	11.90	10.20	10.50	8.50	5.70*
Sov. Rating, Moody's	Aa3	Aa3	Aa3	Aa3	Aa3
Sov. Rating, S&P	A-	A-	A-	A-	A-
FDI (%GDP)	1.07	—	—	—	—

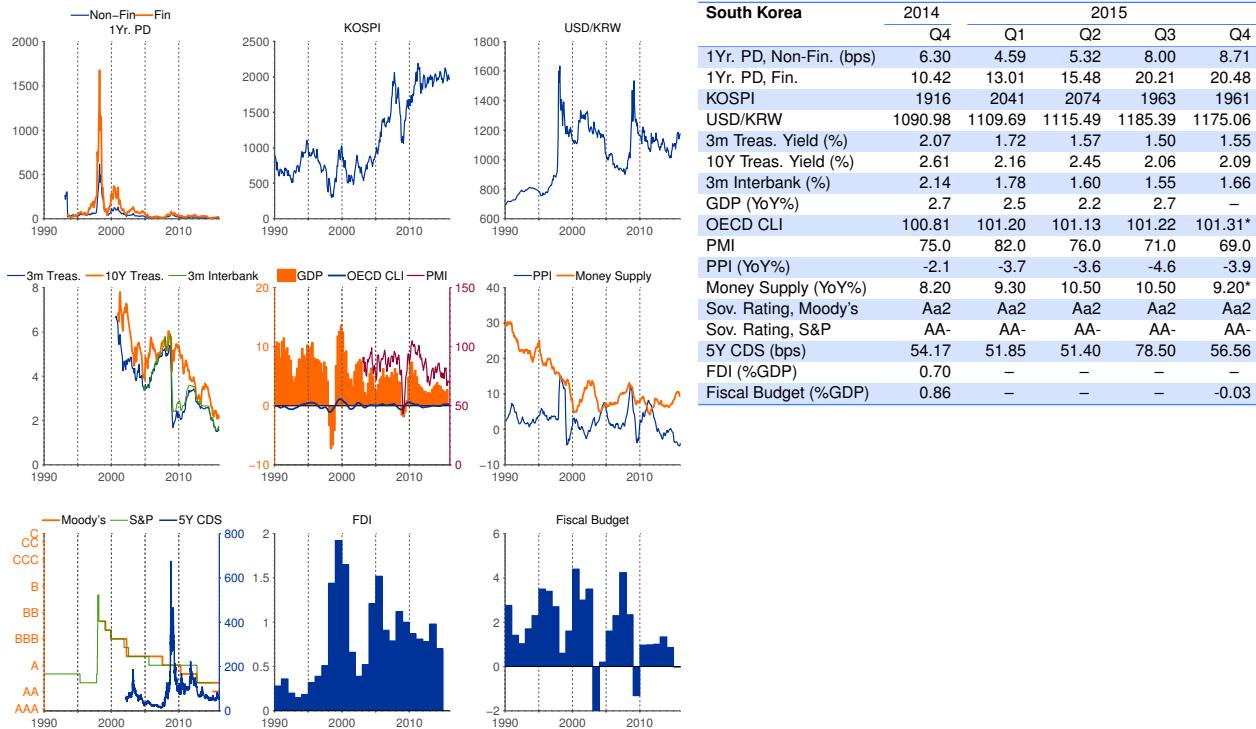
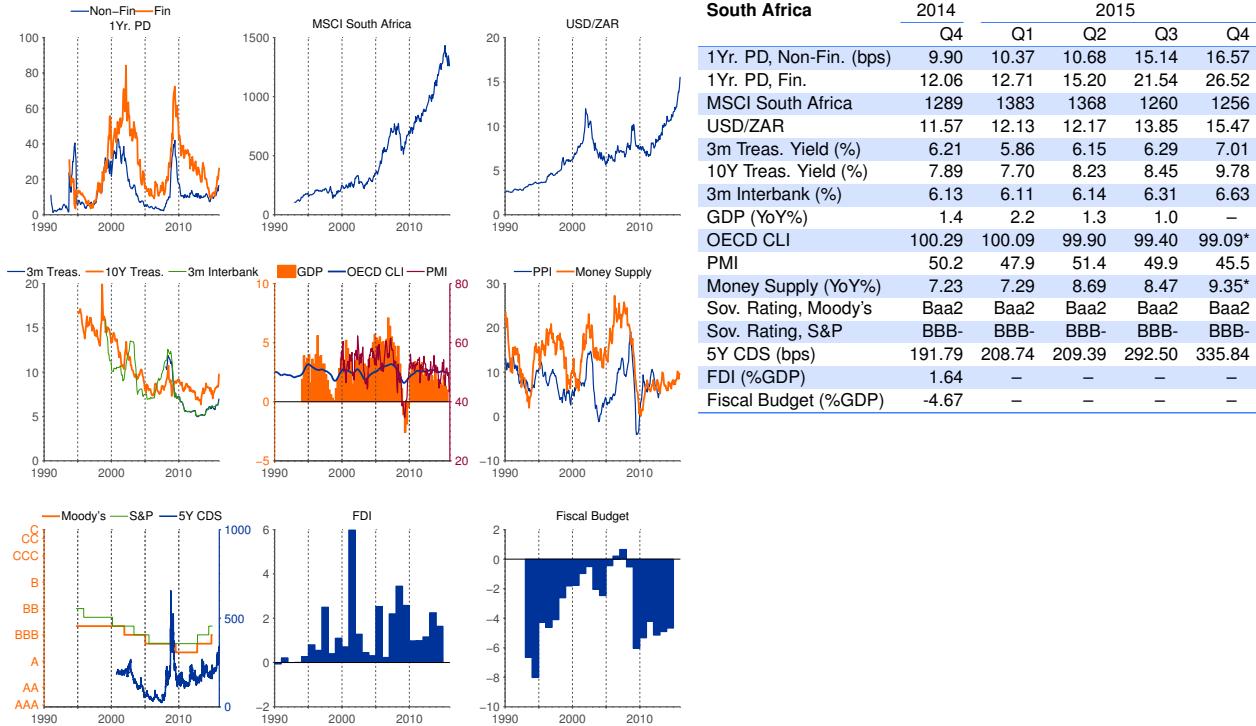


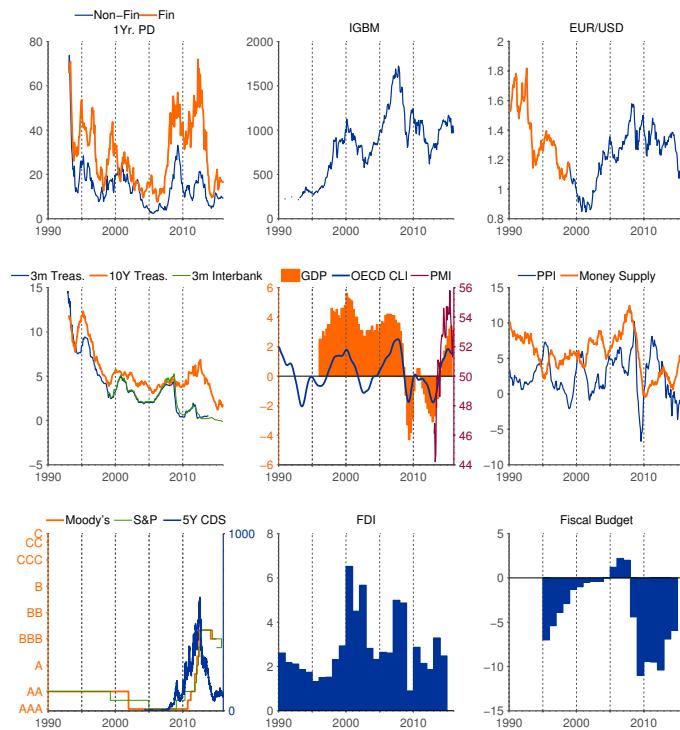


	2014		2015		
	Q4	Q1	Q2	Q3	Q4
1Yr. PD, Non-Fin. (bps)	21.95	8.29	11.94	9.67	11.67
1Yr. PD, Fin.	22.53	21.44	19.60	28.18	25.48
Slovak Share Index	222	241	256	269	292
EUR/USD	1.21	1.07	1.11	1.12	1.09
3m Treas. Yield (%)	0.13	0.00	-0.03	-0.07	-0.13
10Y Treas. Yield (%)	1.09	0.48	1.33	0.79	0.73
GDP (YoY%)	2.8	3.0	3.3	3.6	-
PPI (YoY%)	-3.7	-3.3	-4.4	-5.2	-5.0*
Money Supply (YoY%)	3.60	4.50	5.20	5.00	5.30*
Sov. Rating, Moody's	A2	A2	A2	A2	A2
Sov. Rating, S&P	A+	A+	A+	A+	A+
5Y CDS (bps)	54.64	47.18	49.01	50.46	48.49
FDI (%GDP)	0.08	-	-	-	-
Fiscal Budget (%GDP)	-2.80	-	-	-	-

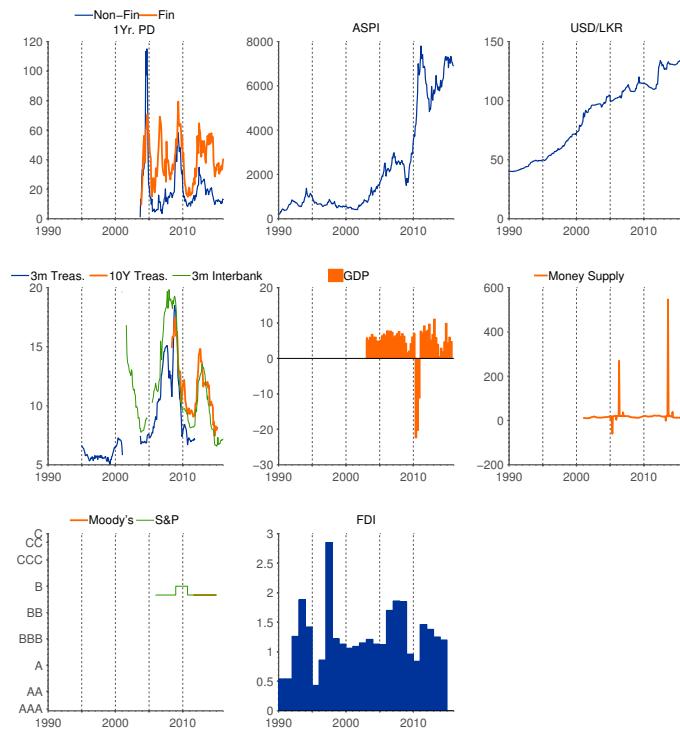


	2014		2015		
	Q4	Q1	Q2	Q3	Q4
1Yr. PD, Non-Fin. (bps)	18.61	16.39	18.80	16.95	13.85
1Yr. PD, Fin.	16.58	8.56	8.95	18.35	13.14
Slovene Stock Exchange Index	252	227	250	214	201
EUR/USD	1.21	1.07	1.11	1.12	1.09
10Y Treas. Yield (%)	2.11	0.99	2.13	2.07	1.66*
GDP (YoY%)	2.5	3.0	2.6	2.1	-
OECD CLI	100.46	100.35	100.43	100.45	100.43
PPI (YoY%)	-0.2	0.4	0.4	-1.0	-1.4
Money Supply (YoY%)	3.60	4.60	4.90	4.70	5.10*
Sov. Rating, Moody's	Baa3	Baa3	Baa3	Baa3	Baa3
Sov. Rating, S&P	A-	A-	A-	A-	A-
5Y CDS (bps)	134.12	117.86	129.21	119.51	113.95
FDI (%GDP)	2.08	-	-	-	-
Fiscal Budget (%GDP)	-5.00	-	-	-	-

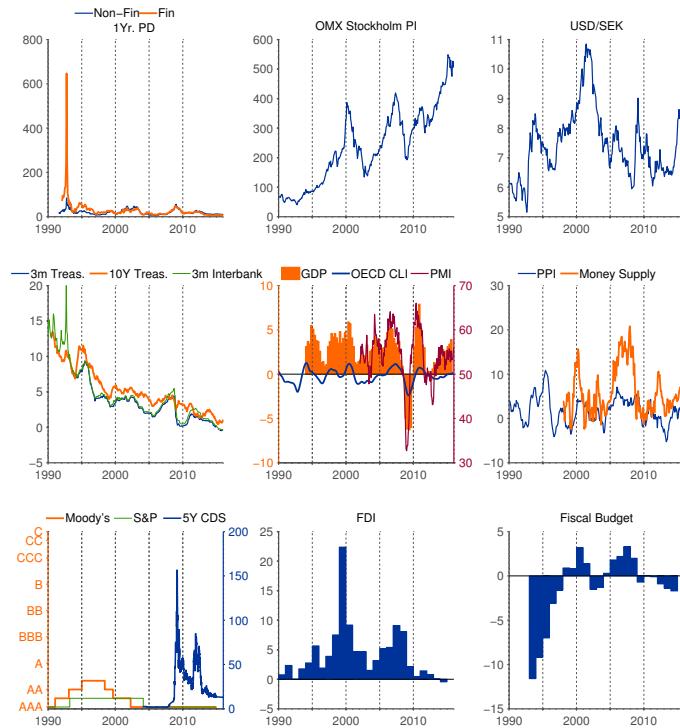




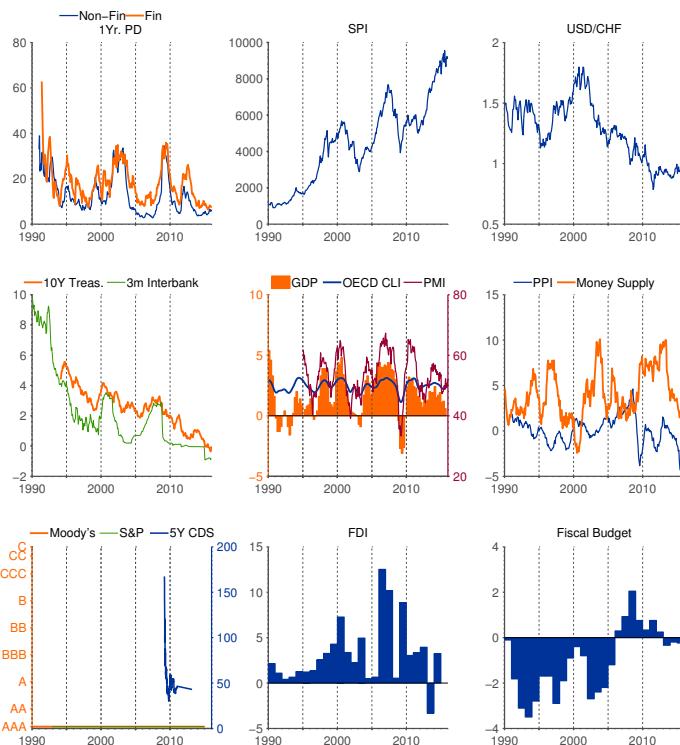
	2014		2015		
	Q4	Q1	Q2	Q3	Q4
1Yr. PD, Non-Fin. (bps)	11.12	8.99	9.45	10.11	9.13
1Yr. PD, Fin.	20.09	13.06	18.58	16.75	16.17
IGBM	1042	1169	1093	966	965
EUR/USD	1.21	1.07	1.11	1.12	1.09
10Y Treas. Yield (%)	1.61	1.21	2.30	1.89	1.77
3m Interbank (%)	0.08	0.02	-0.01	-0.04	-0.13
GDP (YoY%)	2.1	2.7	3.2	3.4	—
OECD CLI	101.78	101.82	101.63	101.51	101.53*
PMI	53.8	54.3	54.5	51.7	53.0
PPI (YoY%)	-3.6	-1.3	-1.4	-3.6	-2.6*
Money Supply (YoY%)	3.60	4.60	4.90	4.70	5.10*
Sov. Rating, Moody's	Baa2	Baa2	Baa2	Baa2	Baa2
Sov. Rating, S&P	BBB+	BBB+	BBB+	BBB+	BBB+
5Y CDS (bps)	96.93	85.45	109.98	109.25	89.88
FDI (%GDP)	2.48	—	—	—	—
Fiscal Budget (%GDP)	-5.90	—	—	—	—



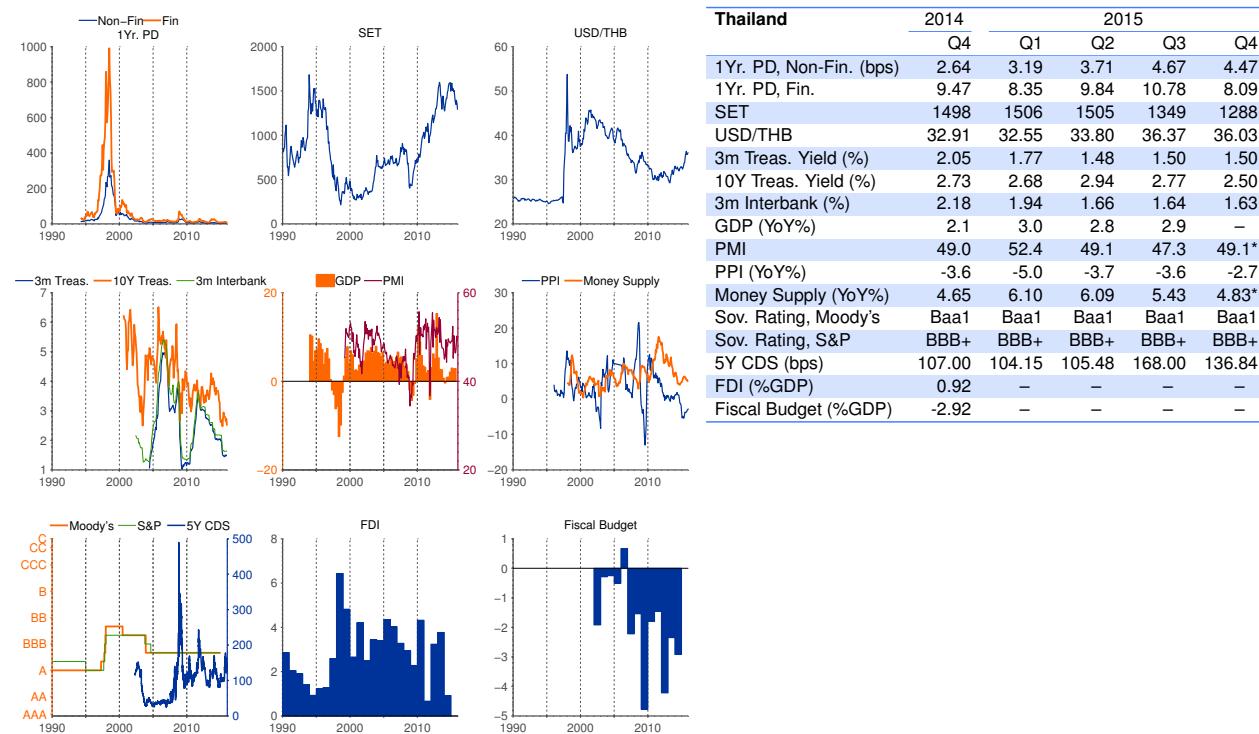
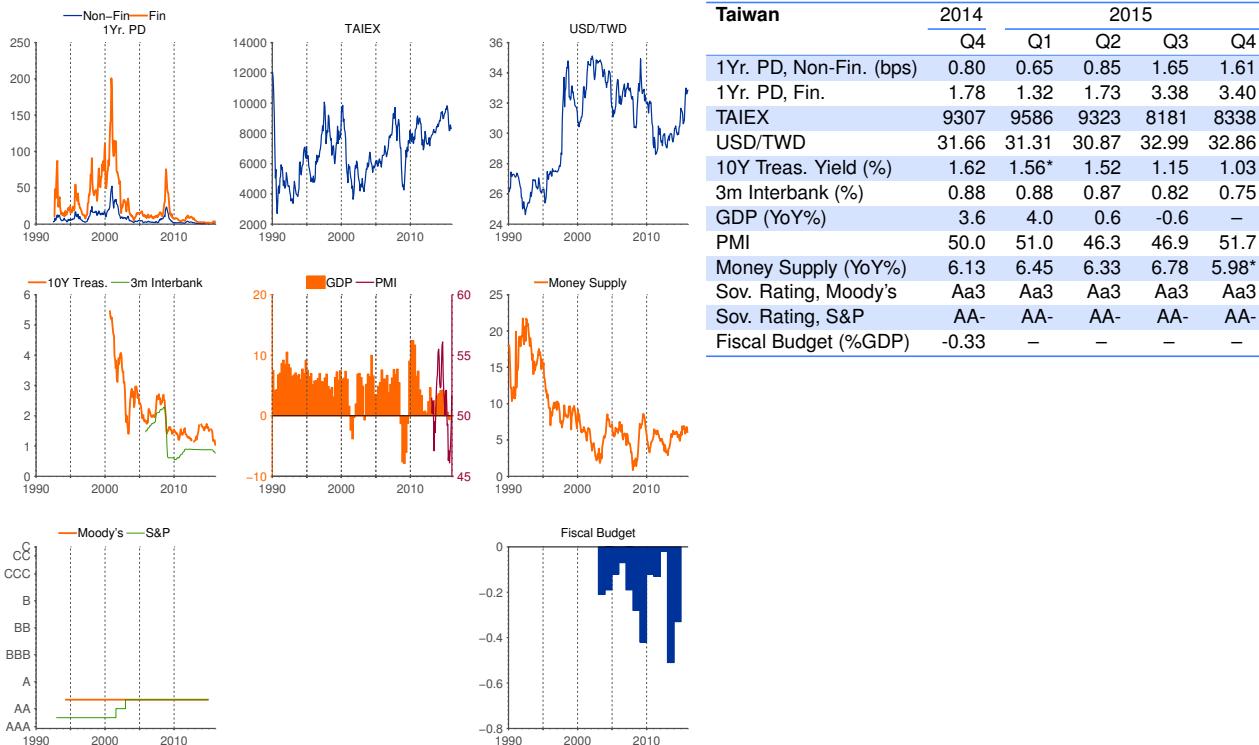
	2014		2015		
	Q4	Q1	Q2	Q3	Q4
1Yr. PD, Non-Fin. (bps)	12.40	12.91	11.88	11.32	12.68
1Yr. PD, Fin.	32.75	37.35	33.78	35.94	40.73
ASPI	7299	6820	7021	7051	6895
USD/LKR	131.20	133.17	133.92	141.30	144.25
10Y Treas. Yield (%)	7.94	8.20*	—	—	—
3m Interbank (%)	6.68	7.31	6.75	7.11	7.18
GDP (YoY%)	9.9	4.4	6.0	4.8	—
Money Supply (YoY%)	13.10	12.30	14.40	16.10*	—
Sov. Rating, Moody's	B1	B1	B1	B1	B1
Sov. Rating, S&P	B+	B+	B+	B+	B+
FDI (%GDP)	1.20	—	—	—	—

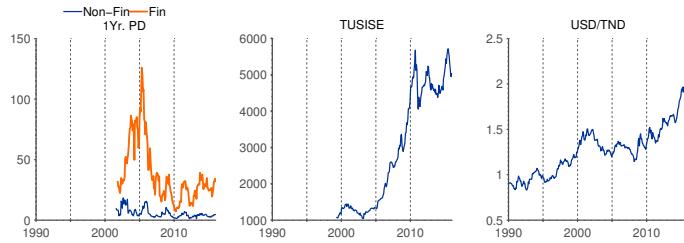


	2014		2015		
	Q4	Q1	Q2	Q3	Q4
1Yr. PD, Non-Fin. (bps)	12.39	11.72	11.32	10.46	9.61
1Yr. PD, Fin.	7.28	5.33	7.27	8.62	5.74
OMX Stockholm PI	474	543	505	476	505
USD/SEK	7.81	8.63	8.29	8.37	8.44
3m Treas. Yield (%)	0.12	0.09*	-0.36	-0.48	-0.45
10Y Treas. Yield (%)	0.93	0.42	0.99	0.73	1.00
3m Interbank (%)	0.26	-0.07	-0.22	-0.29	-0.29
GDP (YoY%)	2.6	3.1	3.4	3.9	-
OECD CLI	99.91	100.00	100.01	100.18	100.30*
PMI	55.4	54.1	52.8	53.3	56.0
PPI (YoY%)	-0.1	2.3	0.5	-1.4	-1.5*
Money Supply (YoY%)	4.30	6.33	6.36	6.42	8.00*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
5Y CDS (bps)	13.52	-	-	-	13.31
FDI (%GDP)	-0.44	-	-	-	-
Fiscal Budget (%GDP)	-1.70	-	-	-	-

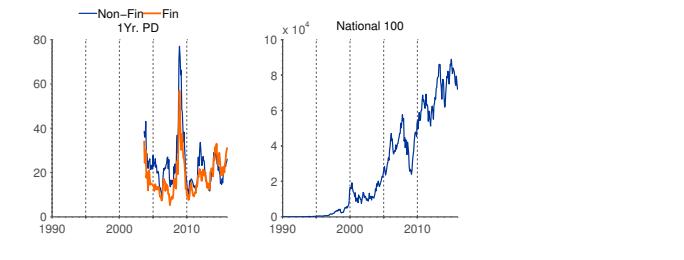
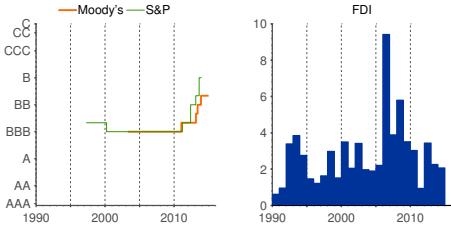
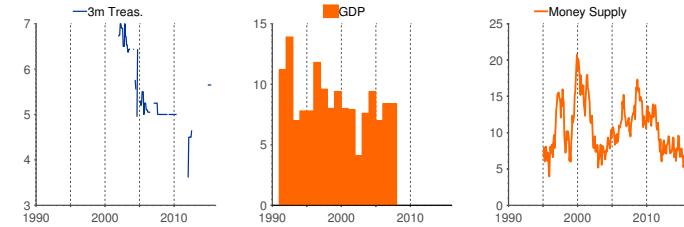


	2014		2015		
	Q4	Q1	Q2	Q3	Q4
1Yr. PD, Non-Fin. (bps)	4.72	4.35	4.66	6.46	5.61
1Yr. PD, Fin.	8.27	7.69	6.36	8.28	7.91
SPI	8857	9137	8919	8680	9094
USD/CHF	0.99	0.97	0.94	0.97	1.00
10Y Treas. Yield (%)	0.32	-0.05	0.13	-0.12	-0.06
3m Interbank (%)	-0.13	-0.88	-0.85	-0.80	-0.82
GDP (YoY%)	1.9	1.1	1.2	0.6	-
OECD CLI	99.48	98.91	99.09	99.37	99.59*
PMI	53.6	47.9	50.0	49.5	52.1
PPI (YoY%)	-1.6	-2.1	-4.4	-4.8	-3.6
Money Supply (YoY%)	3.22	2.21	2.10	1.28	2.69*
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA
FDI (%GDP)	3.24	-	-	-	-
Fiscal Budget (%GDP)	-0.20	-	-	-	-0.24

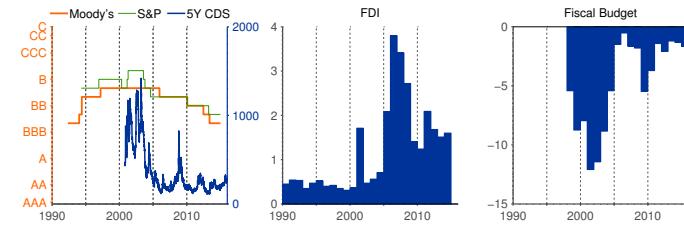
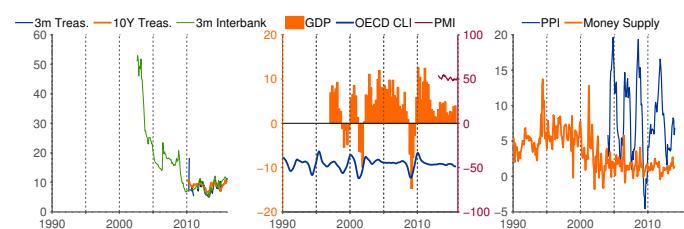


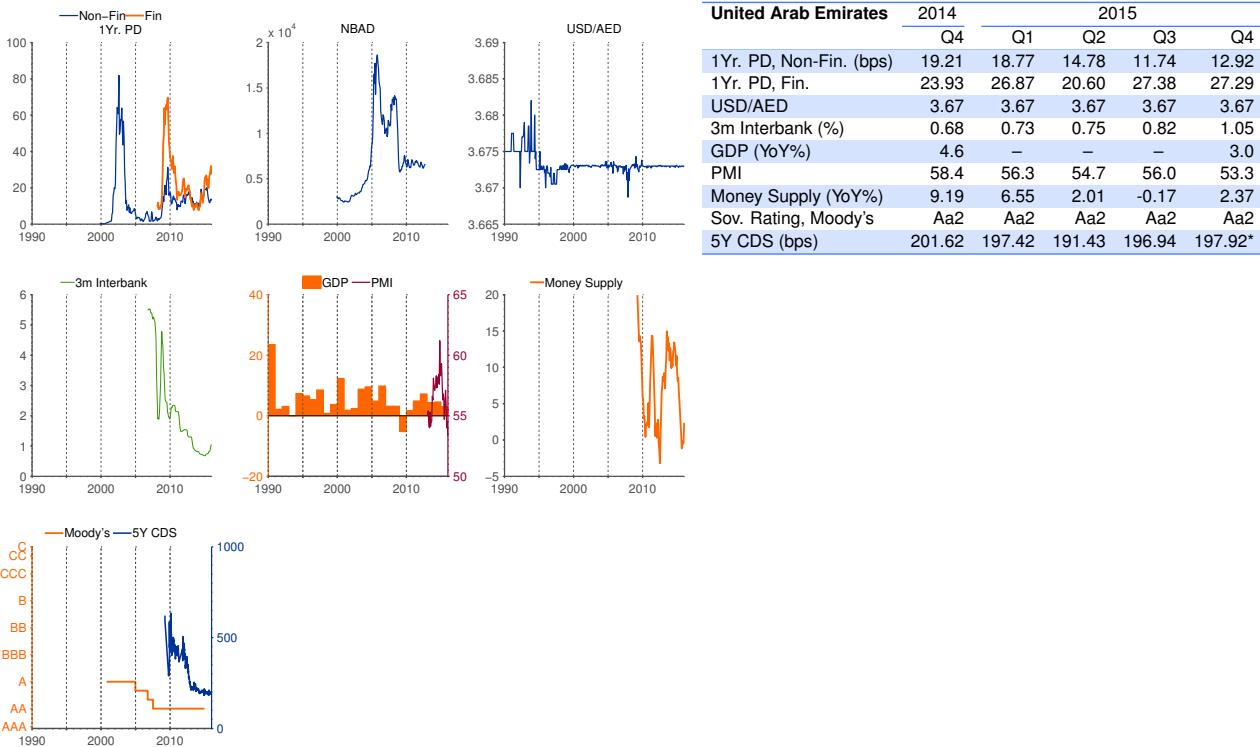
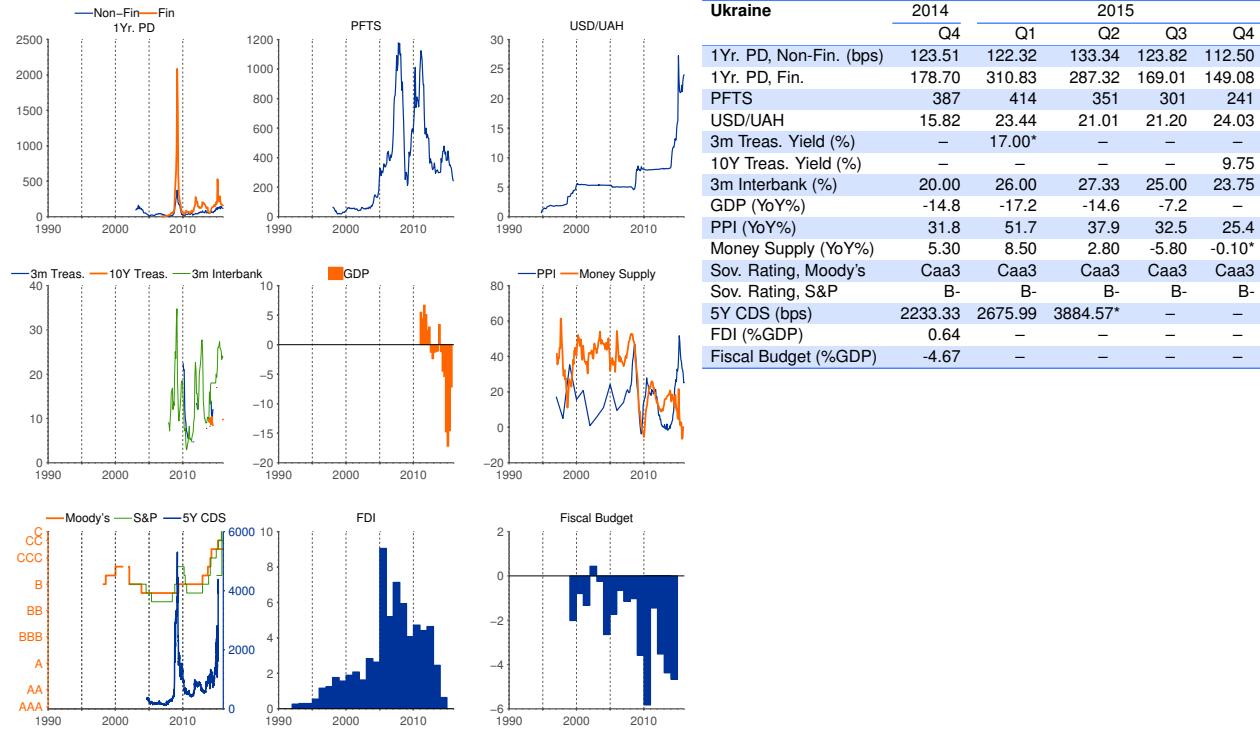


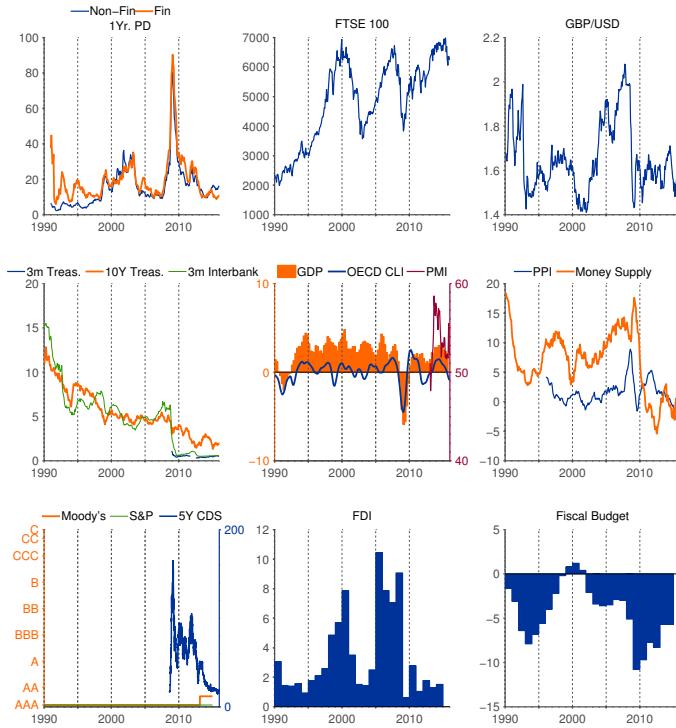
	Tunisia		2015				
	2014	2015	Q4	Q1	Q2	Q3	Q4
1Yr. PD, Non-Fin. (bps)	2.73	2.44	3.59	4.42	5.01		
1Yr. PD, Fin.	24.27	24.73	19.48	31.70	31.45		
TUSISE	5090	5313	5719	5275	5042		
USD/TND	1.86	1.96	1.95	1.97	2.04		
3m Treas. Yield (%)	5.65	5.65	5.65*	—	—		
Money Supply (YoY%)	7.80	6.86	5.45	3.42	3.46*		
Sov. Rating, Moody's	Ba3	Ba3	Ba3	Ba3	Ba3		
FDI (%GDP)	2.07	—	—	—	—		



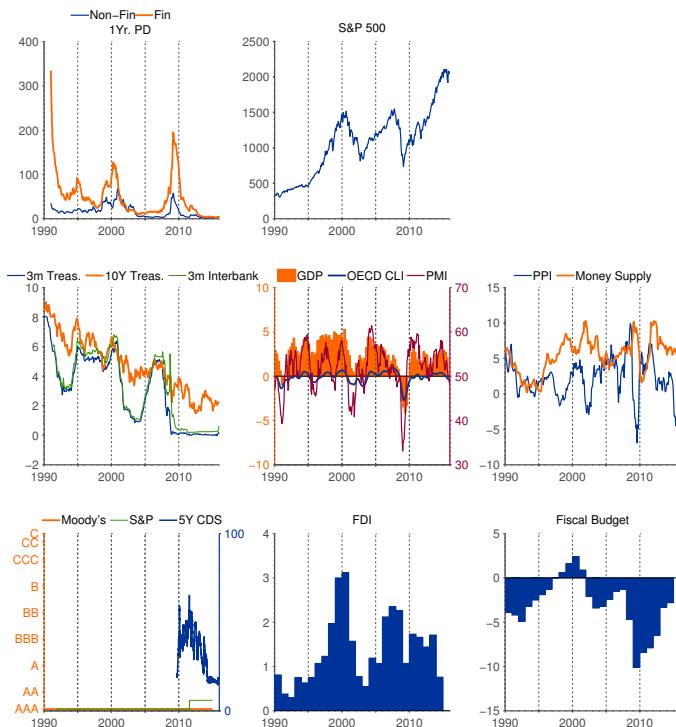
	Turkey		2015				
	2014	2015	Q4	Q1	Q2	Q3	Q4
1Yr. PD, Non-Fin. (bps)	14.99	17.24	21.24	22.64	26.23		
1Yr. PD, Fin.	22.57	22.15	22.47	25.43	31.33		
National 100	85721	80846	82250	74205	71727		
3m Treas. Yield (%)	10.32	9.11	9.38	10.70	10.96		
10Y Treas. Yield (%)	7.86	8.27	9.18	10.74	10.46		
3m Interbank (%)	9.79	10.25	11.08	11.89	11.47		
GDP (YoY%)	2.7	2.5	3.8	4.0	—		
OECD CLI	4.10	2.97	1.49	1.49	—		
PMI	51.4	48.0	49.0	48.8	52.2		
Sov. Rating, Moody's	Baa3	Baa3	Baa3	Baa3	Baa3		
Sov. Rating, S&P	BB+	BB+	BB+	BB+	BB+		
5Y CDS (bps)	184.39	217.20	225.12	312.40	273.56		
FDI (%GDP)	1.60	—	—	—	—		
Fiscal Budget (%GDP)	-1.33	—	—	—	-1.67		



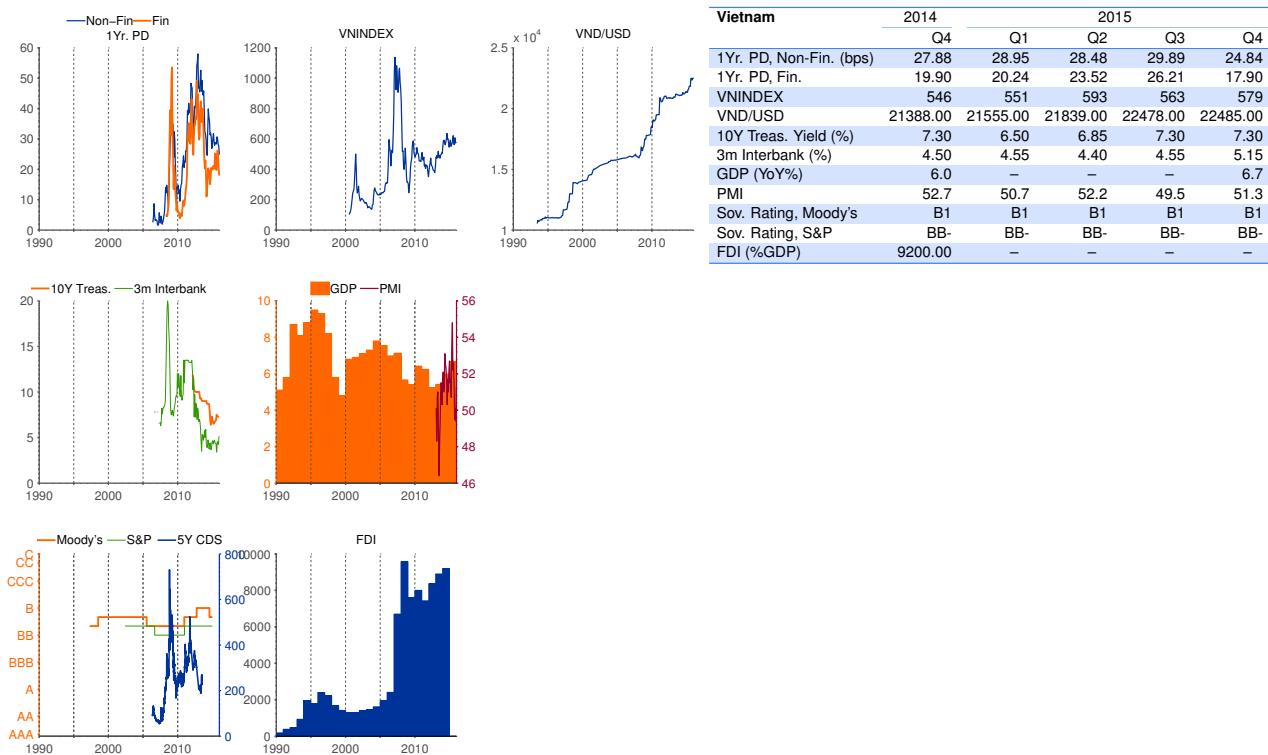
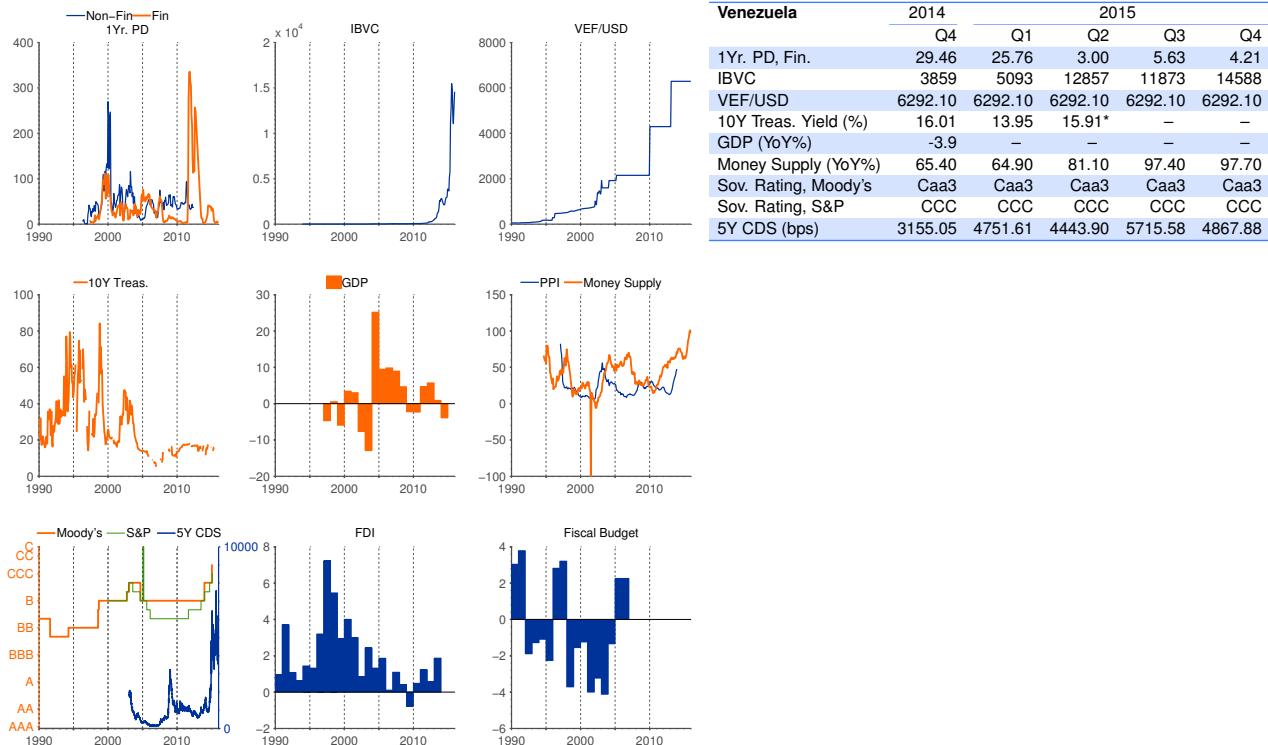




	United Kingdom		2015			
	2014	Q4	Q1	Q2	Q3	Q4
1Yr. PD, Non-Fin. (bps)	15.28	16.06	13.98	14.29	15.88	
1Yr. PD, Fin.	12.11	10.90	9.67	9.67	10.93	
FTSE 100	6566	6773	6521	6062	6242	
GBP/USD	1.56	1.48	1.57	1.51	1.47	
3m Treas. Yield (%)	0.46	0.50	0.53	0.55	0.55	
10Y Treas. Yield (%)	1.76	1.58	2.02	1.76	1.96	
3m Interbank (%)	0.56	0.57	0.58	0.58	0.59	
GDP (YoY%)	2.8	2.5	2.3	2.1	—	
OECD CLI	100.84	100.60	100.18	99.53	99.09*	
PMI	52.8	53.8	51.5	51.6	51.9	
PPI (YoY%)	-1.1	-1.7	-1.5	-1.8	-1.2	
Money Supply (YoY%)	-1.10	-0.70	-0.20	-0.50	0.50*	
Sov. Rating, Moody's	Aa1	Aa1	Aa1	Aa1	Aa1	
Sov. Rating, S&P	AAA	AAA	AAA	AAA	AAA	
5Y CDS (bps)	20.48	20.21	19.17	15.33	19.11	
FDI (%GDP)	1.52	—	—	—	—	
Fiscal Budget (%GDP)	-5.70	—	—	—	—	



	United States		2015			
	2014	Q4	Q1	Q2	Q3	Q4
1Yr. PD, Non-Fin. (bps)	2.31	2.26	2.21	4.27	5.33	
1Yr. PD, Fin.	3.34	3.71	3.08	4.11	4.59	
S&P 500	2059	2068	2063	1920	2044	
3m Treas. Yield (%)	0.04	0.02	0.01	-0.02	0.16	
10Y Treas. Yield (%)	2.17	1.92	2.35	2.04	2.27	
3m Interbank (%)	0.26	0.26	0.26	0.26	0.63	
GDP (YoY%)	2.5	2.9	2.7	2.1	—	
OECD CLI	100.56	100.18	99.80	99.32	99.11*	
PMI	55.1	51.5	53.5	50.2	48.2	
PPI (YoY%)	-0.6	-3.3	-2.6	-4.1	-2.7	
Money Supply (YoY%)	5.90	6.10	5.60	6.10	6.00	
Sov. Rating, Moody's	Aaa	Aaa	Aaa	Aaa	Aaa	
Sov. Rating, S&P	AA+	AA+	AA+	AA+	AA+	
5Y CDS (bps)	17.18	16.52	16.16	15.66	17.56	
FDI (%GDP)	0.76	—	—	—	—	
Fiscal Budget (%GDP)	-2.80	—	—	—	—	



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 January 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](#).[†]

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

[†]The RMI CRI model uses Germany's three-month Bubill 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/clts. The OECD CLI shown in Appendix C is amplitude adjusted with a deduction of 50 for the purpose of presentation along with the PMI.

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

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

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

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

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

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

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

PDiR

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

The table at right classifies firms into S&P-equivalent PDiR based on their 1-year PD. For example, if a firm has a 1-year PD of 50bps, then it will be assigned an S&P-equivalent rating of BB. The upper bounds for each PDiR are derived using default and rating transition data provided by credit rating agencies to the European Securities and Markets Authority (ESMA) Central Ratings Repository.[†] RMI-CRI uses this data to compute issuer-weighted 1-year average default rates (ADR) for each ratings cohort, using ratings data from 2005-2014.

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.

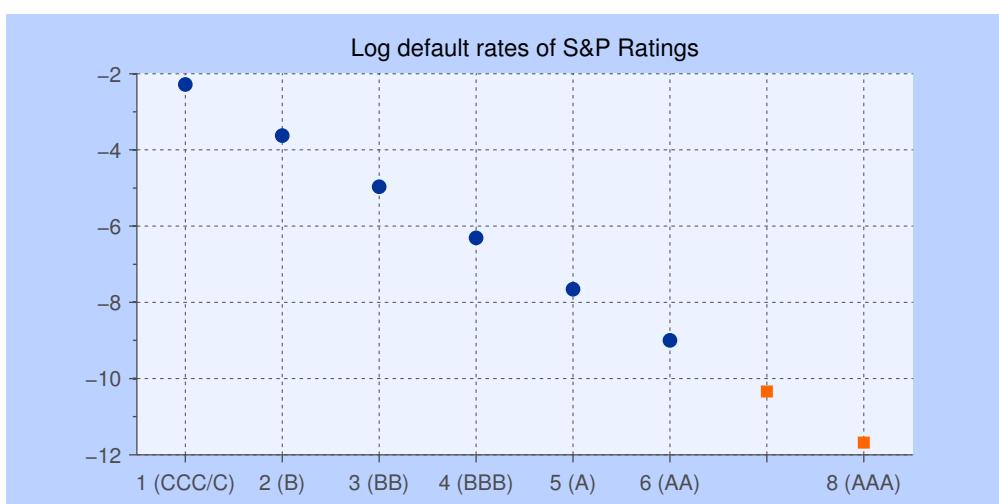
PDiR	Upper bound (bps)
AAA	0.17
AA	2.42
A	9.28
BBB	35.52
BB	136
B	521
CCC/C	—

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.



[†][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>

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For more information please contact us:

Telephone: +65 6516 3380

Email: rmicri@nus.edu.sg

QCR Editors:

Liu Weiy-Hsiao
Dexter Tan
Hsiao Kuo-wei
Khaw Ker Wei

Contributors to this issue:

Peng Wenting
Lee Yanru
Xia Xinyao
Samuel Lim