

Since President Michel Temer assumed office, the political situation has stabilized, at least in the short run. However, the corruption investigations are still a significant political risk. A major positive is the recovery of energy and commodity prices, which narrows the current account deficit. Nonetheless, with a GDP decline of 3.86% in 2015, the weak economic performance hurts Brazil's credit position.

Due to the insufficient data, we are dropping coverage for Brazil.

CREDIT POSITION	Annual Ratios (source for past results: IMF)					
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>P2011</u>	<u>P2012</u>	<u>P2013</u>
Debt/ GDP (%)	62.3	71.1	66.7	62.5	58.6	55
Govt. Sur/Def to GDP (%)	1.5	3.3	3.5	3.5	3.5	3.5
Adjusted Debt/GDP (%)	62.3	71.1	66.7	62.5	58.6	55
Interest Expense/ Taxes (%)	22.8	32.7	23.5	23.1	23.1	23.1
GDP Growth (%)	0.8	5	9.7	9.7	9.7	9.7
Foreign Reserves/Debt (%)	16.2	18.5	18.8	19.1	19.1	19.1
Implied Sen. Rating	N/A	N/A	N/A	N/A	N/A	N/A

INDICATIVE CREDIT RATIOS	<u>AA</u>	<u>A</u>	<u>BBB</u>	<u>BB</u>	<u>B</u>	<u>CCC</u>
Debt/ GDP (%)	100.0	115.0	130.0	145.0	170.0	200.0
Govt. Sur/Def to GDP (%)	2.5	0.5	-2.0	-5.0	-8.0	-10.0
Adjusted Debt/GDP (%)	95.0	110.0	125.0	140.0	160.0	190.0
Interest Expense/ Taxes (%)	9.0	12.0	15.0	22.0	26.0	35.0
GDP Growth (%)	3.5	3.0	2.0	1.0	-1.0	-5.0
Foreign Reserves/Debt (%)	3.0	2.5	2.0	1.5	1.0	0.5

PEER RATIOS	Other NRSRO	Debt as a % of GDP	Govt. Surp. Def to GDP (%)	Adjusted Debt/GDP	Interest Expense/ Taxes %	GDP Growth (%)	Ratio-Implied Rating*
United Kingdom	AAA	76.3	-11.4	95.9	6.9	-5	BB
Germany	AAA	69.4	-3	76	10.7	-2	BB+
Kingdom of Spain	AA	50.4	-11.1	55.3	9.6	-3	BBB
Italy	A+	109.6	-5.3	115.7	15.9	-2.8	B+
Greece	BB+	118.6	-15.4	121.7	25.8	-3.2	B