

## Nordic High Yield Default Rate Update

The second quarter of 2016 has been characterized by oil price challenges and debt restructurings. The trailing twelve month (TTM) Nordic high yield default rate rose to 12.38%, up from 9.67% ending the previous quarter.

### This Quarter:

- A substantial number of distressed restructurings in the oil and gas sector is the main reason for increasing default rates. In June, the Norwegian Oil & Gas TTM default rate rose to a record 34.80%.
- There were 19 default events during the second quarter. Of these, 7 involved missed interest and installment payments, and 12 involved distressed debt exchanges.
- An additional 26 credit events were recorded by Stamdata during the second quarter. These events include covenant waivers and other restructuring events that were not classified as default.

	HY Volume (01.07.2015)*	TTM Default Rate
Norwegian HY Non Oil & Gas	\$ 13 248 141 211	2.75 %
Norwegian HY Oil & Gas	\$ 13 957 306 361	34.80 %
Norwegian HY	\$ 27 205 447 572	19.20 %
Nordic HY (Nordic ISIN)	\$ 42 170 850 485	12.38 %

\* The numbers represent the outstanding volume excl. already defaulted bonds at the start of the 12-month period.

Source: [www.stamdata.com](http://www.stamdata.com)

# Nordic High Yield Default Rate Rises to 12.38% in June

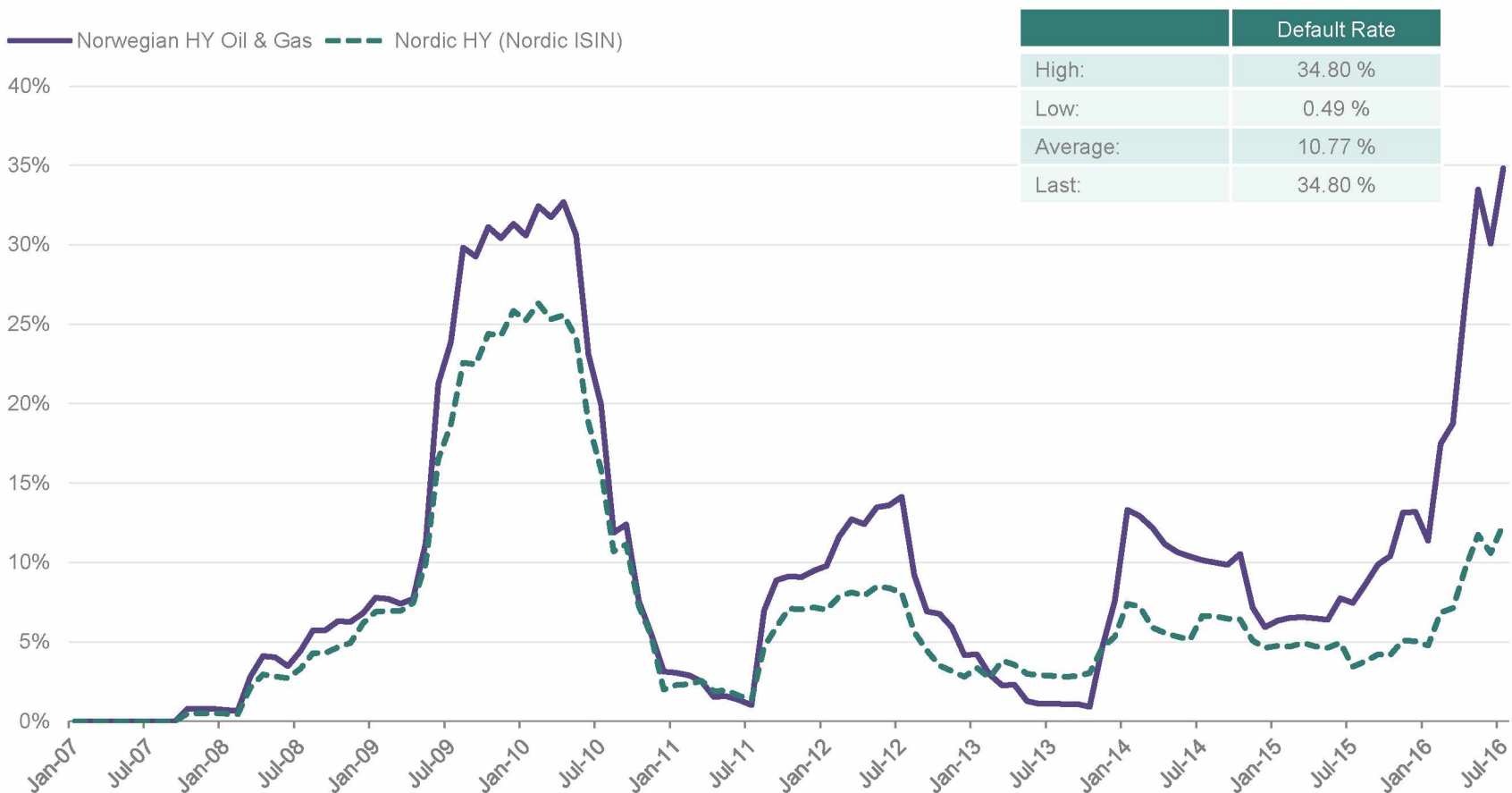
## Trailing Twelve Month Corporate High Yield Default Rate



Source: [www.stamdata.com](http://www.stamdata.com)

# Norwegian High Yield Oil & Gas Default Rate Hits 34.80% in June

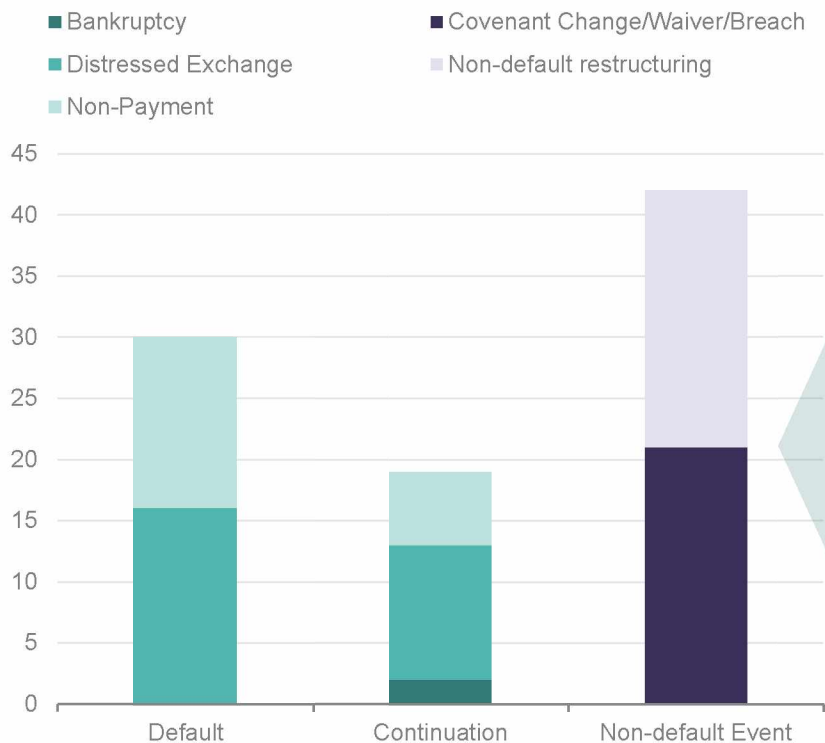
## Trailing Twelve Month Corporate High Yield Oil & Gas Default Rate



Source: [www.stamdata.com](http://www.stamdata.com)

# 42 Non-default Credit Events Recorded During the First Half of 2016

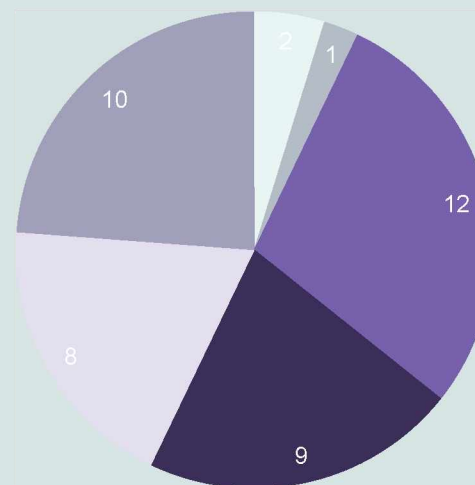
## Credit Event Count 2016 H1



49 bond default events have taken place since the start of 2016. They have involved missed interest and installment payments, and a number of distressed debt exchanges. The numbers include new bond defaults and continuation of bond defaults without resolution.

## Non-default Credit Events 2016 H1 by Type

- Missed payment due to technical errors
- Buyback Below Par
- Change of Covenant
- Covenant Waiver
- Compensated Monetary Loss
- Refinancing



A substantial number of the debt restructurings are classified as non-default events. These include extended maturities with compensation in the form of increased margins, and temporary waivers of covenants.

# Stamdata - Depth and Accuracy

## Stamdata Default & Recovery

- The Stamdata Default & Recovery database contains detailed information on individual credit events occurring in the Nordic bond market.
- Default events are classified as either bankruptcy, non-payment or distressed exchange. Examples of default events from Q2 2016 are non-payment events such as deferral of interest payments, and distressed exchange events such as debt-to-equity swaps or extended maturities.
- Default rates are calculated every month. The default rates reflect the volume of defaulted bonds during a 12-month period as a fraction of the volume of bonds at the start of the period.

## Stamdata

- Stamdata delivers reference data for Nordic debt securities. The data includes detailed information on bonds, certificates and structured debt securities issued by governments, municipalities, banks and corporate borrowers.
- The depth and accuracy available in Stamdata is unprecedented in the Nordic fixed income market, making Stamdata the leading provider of reference data. Reference data is available either through a web-interface or as a daily data-file used for automatic import into financial systems.
- For more information or to start a subscription, contact Stamdata at [mail@stamdata.com](mailto:mail@stamdata.com).