

[/] DB Municipal Credit Strategy

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Ethan Parks (818)-268-0574 ethan.parks@db.com

SOVEREIGN METRICS

	GREECE A2	SPAIN Aaa	FRANCE Aaa	ITALY Aa2	BRAZIL Baa3	CALIFORNIA Baa1	ILLINOIS A2	NEW YORK Aa3	NEW JERSEY Aa3	TEXAS Aa1
POPULATION	11.1 Mln	45.6 Mln	62.6 Mln	58.1 Mln	196.6 Mln	36.9 Mln	12.9 Mln	19.5 Mln	8.7 Mln	24.8 Mln
NOMINAL GDP	\$342.3 Bln	\$1,463 Bln	\$2,634 Bln	\$2,090 Bln	\$1,481 Bln	\$1,850 Bln	\$633.7 Bln	\$1,144.5 Bln	\$475 Bln	\$1,224 Bln
GDP PER CAPITA	\$30,219	\$31,016	\$42,091	\$34,954	\$7,497	\$42,696	\$49,124	\$58,692	\$50,919	\$38,575
GOV. DEBT	\$377.5 Bln	\$931.1 Bln	\$2,000 Bln	\$2,333 Bln	\$1,084 Bln	\$89.0 Bln	\$24.2 Bln	\$56.9 Bln	\$31.0 Bln	\$12.6 Bln
DEBT/GDP	108.00%	62.30%	76.70%	112.80%	63.00%	4.81%	3.82%	4.97%	6.53%	1.03%
DEBT / REVS	273%	167%	162%	240%	167%	101%	89.3%	72.9%	108.4%	13.85%
DEBT/CAPITA	\$33,407	\$19,795	\$31,949	\$40,103	\$5,514	\$2,412	\$1,876	\$2,918	\$3,563	\$508
DEFICIT	\$21.4 Bln	\$174.8 Bln	\$183.6 Bln	\$115.8 Bln	\$18.8 Bln	\$18.9 Bln	\$17.8 Bln	\$11.4 Bln	\$12.2 Bln	\$0.00
DEFICIT/GDP	6.40%	12.27%	7.03%	5.60%	1.27%	1.08%	2.81%	1.00%	2.57%	0.00%
UNEMPLOYMENT	9.70%	20.50%	9.50%	9.10%	7.20%	13.20%	12.20%	9.40%	9.70%	7.50%

The destructive economic effects of the global recession on sovereign and sub-sovereign credits continues to spur **widespread downward ratings pressure**. On a relative value basis, it is clear, as the data in the above table demonstrates, that **the largest US States are better positioned than many European Sovereign Governments (ESG) to withstand a prolonged period of declining tax and fee revenues due primarily to more conservative debt profiles and more aggressive expense reduction efforts**.

- ESG average debt-to-GDP of 89.9% vs State average of 4.2%
- ESG average debt-to-revenues of 210.6% vs State average of 77.1%
- ESG average debt per capita of \$31,314 vs State average of \$2,255
- ESG average deficit as a percentage of GDP of 7.8% vs State average of 1.5%

Sources:

Moody's -- <http://www.moody.com>

Economy Watch -- <http://www.economywatch.com/economic-statistics/country/>

World Bank -- <http://web.worldbank.org/WBSITE/EXTERNAL/DATASTATISTICS/0,,contentMDK:20535285~menuPK:1192694~pagePK:64133150~piPK:64133175~theSitePK:239419,00.html>

The Pew Charitable Trusts -- http://www.pewtrusts.org/our_work_detail.aspx?id=542

Center on Budget and Priority Policies -- <http://www.cbpp.org/>

U.S. Department of Commerce Bureau of Economic Analysis -- <http://www.bea.gov/index.htm>

California State Budget -- <http://www.ebudget.ca.gov/>

Texas State Budget -- <http://www.texasbudgetsource.com/>

New York State Budget -- <http://www.budget.state.ny.us/>

Illinois State Budget -- <http://www.state.il.us/budget/>

****To the best of our knowledge the data presented is accurate and timely. However, due to differences among disparate data sources, variability in budget year periods and ongoing budgetary processes, the data may have changed subsequent to the completion of this document. Feel free to contact the author to verify data sources as needed.**

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