

**Exhibit 6: 2015 Election Calendar: considerable electoral risk ahead**

Date	Political events
Sun, 15-Feb 2015	Hamburg's election
Sun, 1-Mar 2015	Italian regional elections
Sun, 19-Apr 2015	Finnish Parliamentary election
Thu, 7-May 2015	United Kingdom general election
Sun, 10-May 2015	Bremen's election
May 2015	Spanish regional elections
May 2015	Dutch Senate election
Sat, 13-Jun 2015	Turkish general election
Sun, 20-Sept 2015 - Sun, 11-Oct 2015	Portuguese Legislative election
Sun, 18-Oct 2015	Swiss Federal election
Oct 2015	Polish Parliamentary and Presidential election
Sun, 20-Dec 2015	Spanish general election (date tbc)

Source: Credit Suisse

**Greece – Clear and present danger, but with less systemic implications**

The Greek government coalition – formed by the centre-right party New Democracy and the junior centre-left partner Pasok – has recently won a vote of confidence, with support from 155 MPs (out of 300). Such a vote was expected and confirms that the government has a sufficient cushion, currently, for normal parliamentary votes – but it doesn't prevent political uncertainty given the upcoming (February 2015) election of a new president of the Republic, which will require a majority of at least 180. If such a qualified majority is not found, the Constitution requires that new Parliamentary elections must be called. The current majority could possibly gather support from some of the smaller opposition parties' MPs, but as of this moment there is still no candidate and no declaration of support coming from these other oppositions.

**The chances of early elections next spring are probably higher than 50%, currently.** The “normal” election deadline would instead be 2016.

The uncertainty related to that vote, in addition to recent polls showing a further advance of the main opposition party Syriza, contributed to a sharp repricing of Greek assets in recent weeks. We had been highlighting political risk in Greece for a long while. The further rise in support for Syriza has two explanations, in our view.

Firstly, the party has moderated its tone somewhat, becoming less radical in its statements: Syriza no longer threatens to disavow the EU/IMF bailout agreements, nor does it request a default on the debt, preferring to demand a renegotiation and some kind of (official sector) debt relief.

Second, Syriza managed to polarise the political confrontation between a “new” left, Syriza, and the “old” right, New Democracy, with a progressive disappearance of the smaller opposition parties. As such, the recent rise in Syriza should not be seen as a further increase in radicalism in the country, but a conflation of different strands of radicalism into one most likely to win an election – as well as a more moderate political proposition.

While Syriza is leading in the polls, however, it still does not seem able to govern on its own (i.e., it is unlikely it will have an outright majority). As such, the problem is as much one of potentially protracted uncertainty in the formation of a government as it is on the bias of any new government (depending on who the coalition partners are): a coalition of Syriza with the new centre-left, pro-European movement, To Potami, would imply a more traditional centre-left approach than if Syriza were to side with more extreme fringe parties in Parliament, which have a more nationalist approach and are strongly opposed to the EU and the IMF.

Finally, it is worth nothing that polls are just that: traditional parties could still re-organise and present new political propositions and new people if forced into early elections.

Overall, while Syriza is growing in the polls and has significant chances of finding itself in government soon, it is also the case that it is becoming less radical. Moreover, both the macroeconomic and the funding backdrop are not at all the same than in 2012, while countries such as Ireland, Portugal and Spain have shown that there is life after a crisis and after a EU/IMF program. As such, **while we believe that an early election would be disruptive for markets, we also believe it won't lead to a systemic crisis for the euro area, as was the case back in 2012.**

**Exhibit 7: Sufficient cushion for normal votes...**

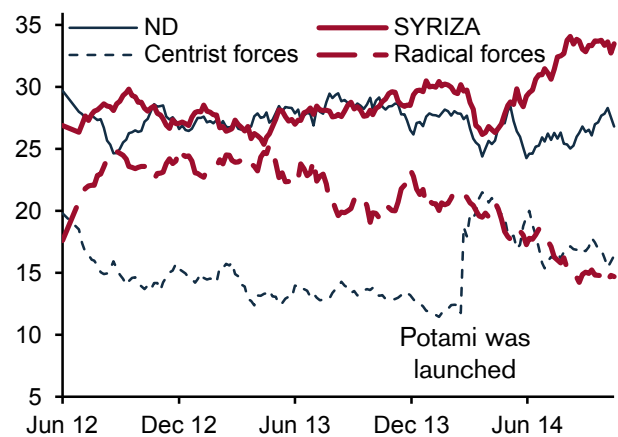
... but it doesn't prevent political uncertainty given the upcoming election of a new president of the Republic, which will require a majority of at least 180

Parliamentary Group	Seats
<b>N.D. (New Democracy)</b>	<b>127</b>
<b>SYRIZA (Coalition of the Radical Left)</b>	<b>71</b>
PA.SO.K. (Panhellenic Socialist Movement)	28
ANEXARTITOI ELLINES (Independent Hellenes)	13
LAIKOS SYNDESMOS - CHRYSI AVGI (People's Association – Golden Dawn)	16
DHM.AR (Democratic Left)	10
K.K.E. (Communist Party of Greece)	12
ANEXARTITOI DIMOKRATIKOI VOULEFTES	16
INDEPENDENT	7
<b>Majority: N.D. and PA.SO.K.</b>	<b>155</b>
Opposition	145
Total	300

Source: Credit Suisse, Hellenic Parliament

**Exhibit 8: Syriza on the rise... but at the expenses of radical forces**

Several polls, five-poll moving average



Source: Credit Suisse

**UK: Independence movements**

The outcome of the UK's general election, to be held in May next year, looks extremely uncertain. The 2010 election produced a rare coalition government that, contrary to expectations at the time, has lasted. However, a variety of political trends are further challenging the mainstream of politics in the UK. There are risks the election leads to a dysfunctional, weak government and/or a government that could hold a referendum on EU membership, for which there would be a clear risk of the UK leaving.

The first issue is the rise of the anti-EU populist UKIP. Its support has surged in recent years. In UK general elections, UKIP's share of the votes increased from 0.3% in 1997 to 3.1% in 2010 (with zero seats in all elections). In the European parliamentary elections, the surge has been larger from 1% of the votes (0 seats) in 1994 to 27.5% (24 seats) in 2014.

Moreover, recent opinion polls suggest that the support for UKIP has reached 14%-18%. After a defection from a member of the governing Conservative Party to UKIP and its victory in the by-election, support for UKIP rose five points at the expense of the Conservative Party, which lost two points. However this doesn't mark the peak of support for the UKIP, which reached 16% in June after the win in the European parliamentary elections and 18% after the 2013 council elections. The European parliamentary elections were the first time a party other than Labour and Conservative won the popular vote in a national election since 1906.