



Country Risk Assessment

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Coface Country and Sector Ratings

- **@Country rating**

- Assesses the average risk of payment defaults by companies in a given country
- To rate Countries, Coface combines
 - Economic and Political prospects of the Country
 - Coface Payment Experience
 - Business Climate Assessment
- Ratings are available for 155 countries, with 7 rating grades: A1, A2, A3, A4, B, C, D

- **@Sector Rating**

- Assesses the average risk of payment default by companies in a given sector
- To rate Sectors, Coface combines
 - Economic prospects of the sector
 - Companies' financial situation
 - Coface payment experience
- There are ten different grades from A+ to D, regularly updated for 15 sectors

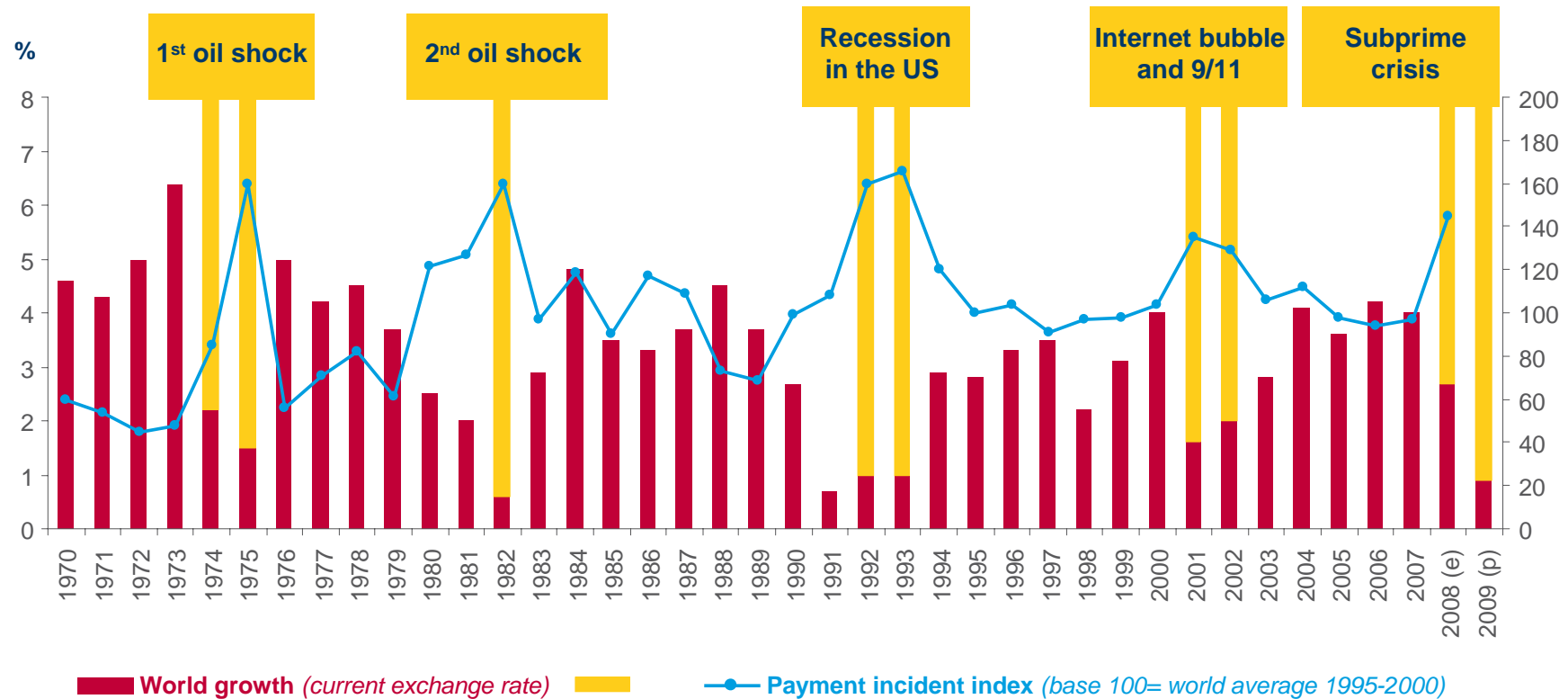
Coface Rating

- **"Business Climate" Rating**

- Introduced in 2008, this rating is intended to assess overall business environment and more precisely whether corporate information is available and reliable and whether the legal system provides fair and efficient creditor protection
- This rating is based on a yearly survey filled by Coface entities in the world and has seven grades: A1, A2, A3, A4, B, C, D

- **Various Coface Ratings, Payment Incident Index and Assessments of Sector and Country Risks are available on www.cofacerating.com**

The 5th Credit crisis: Credit crisis last 18 to 24 months

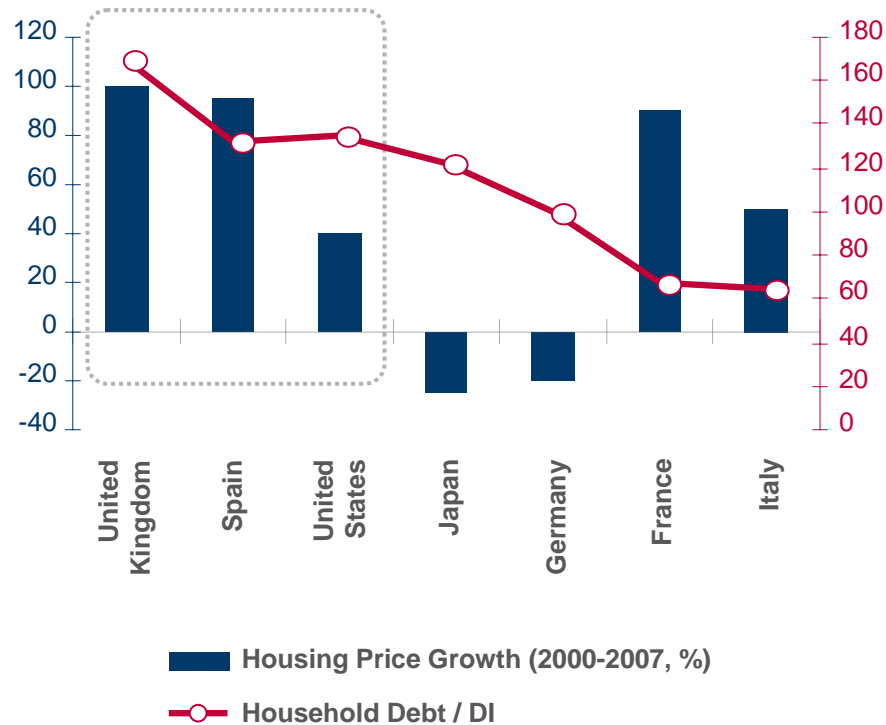


Propagation of the Credit Crisis: "Bubble Burst Countries": the Epicenter of the Crisis

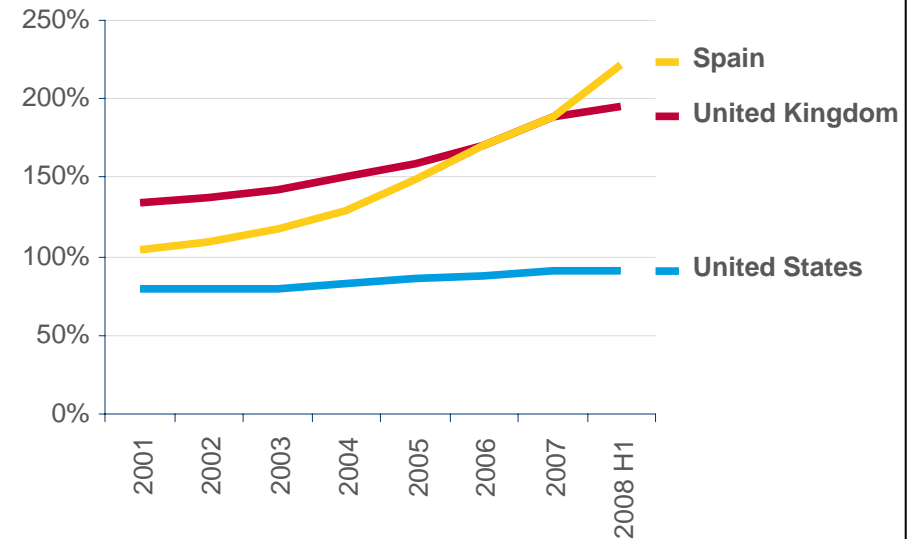


"Bubble Burst Countries": Recession Shock and Microeconomic Vulnerabilities

Housing Price Growth/
Household Debt/DI

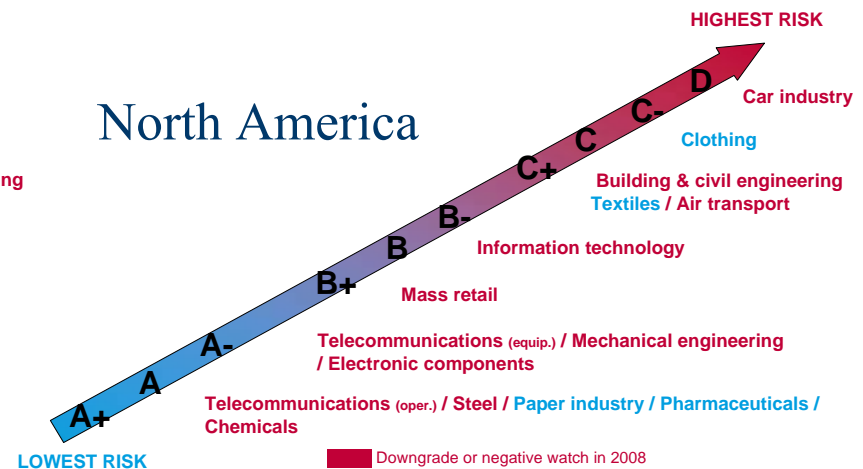
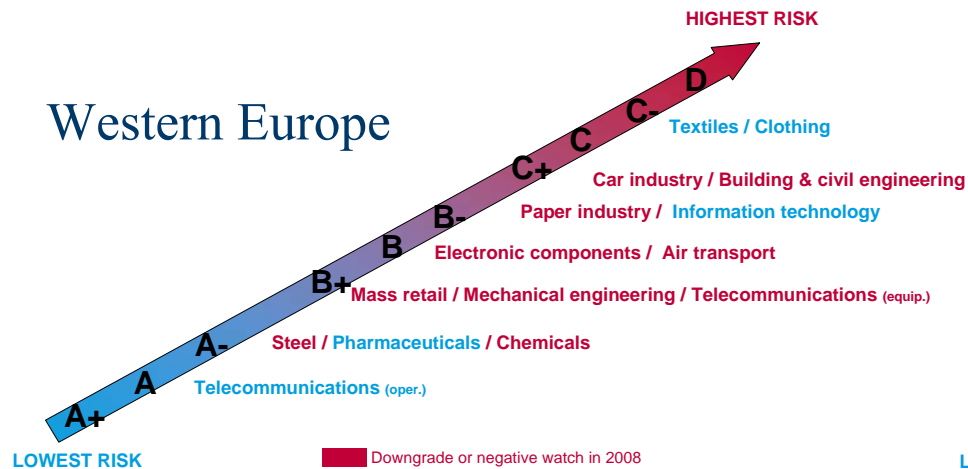
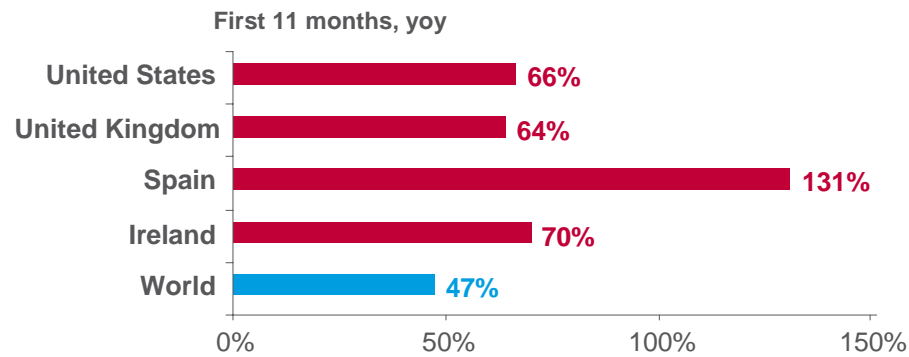


Domestic Banks Claims
On Private Sector/GDP (%)

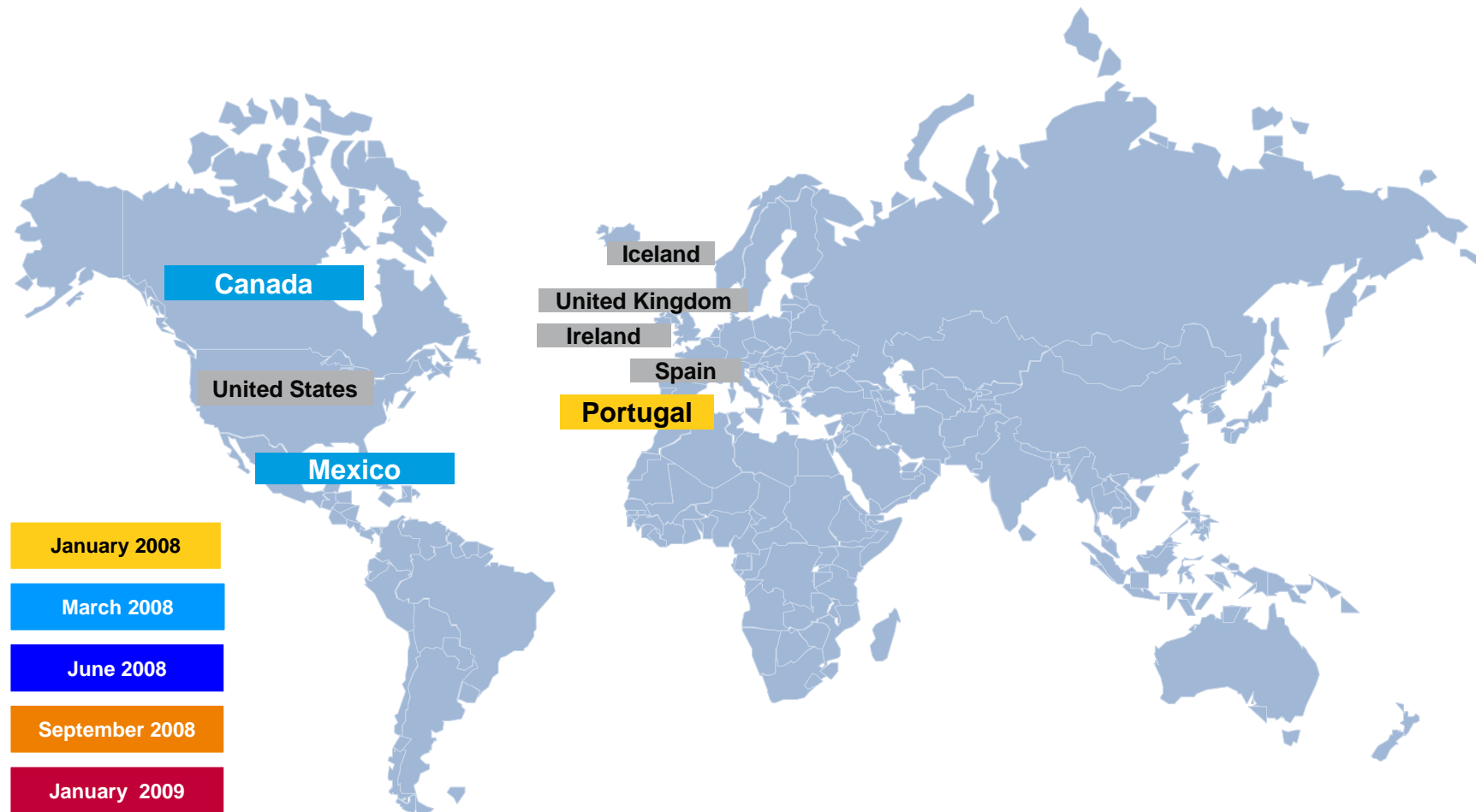


"Bubble Burst Countries": Significant Increase of Non Payments

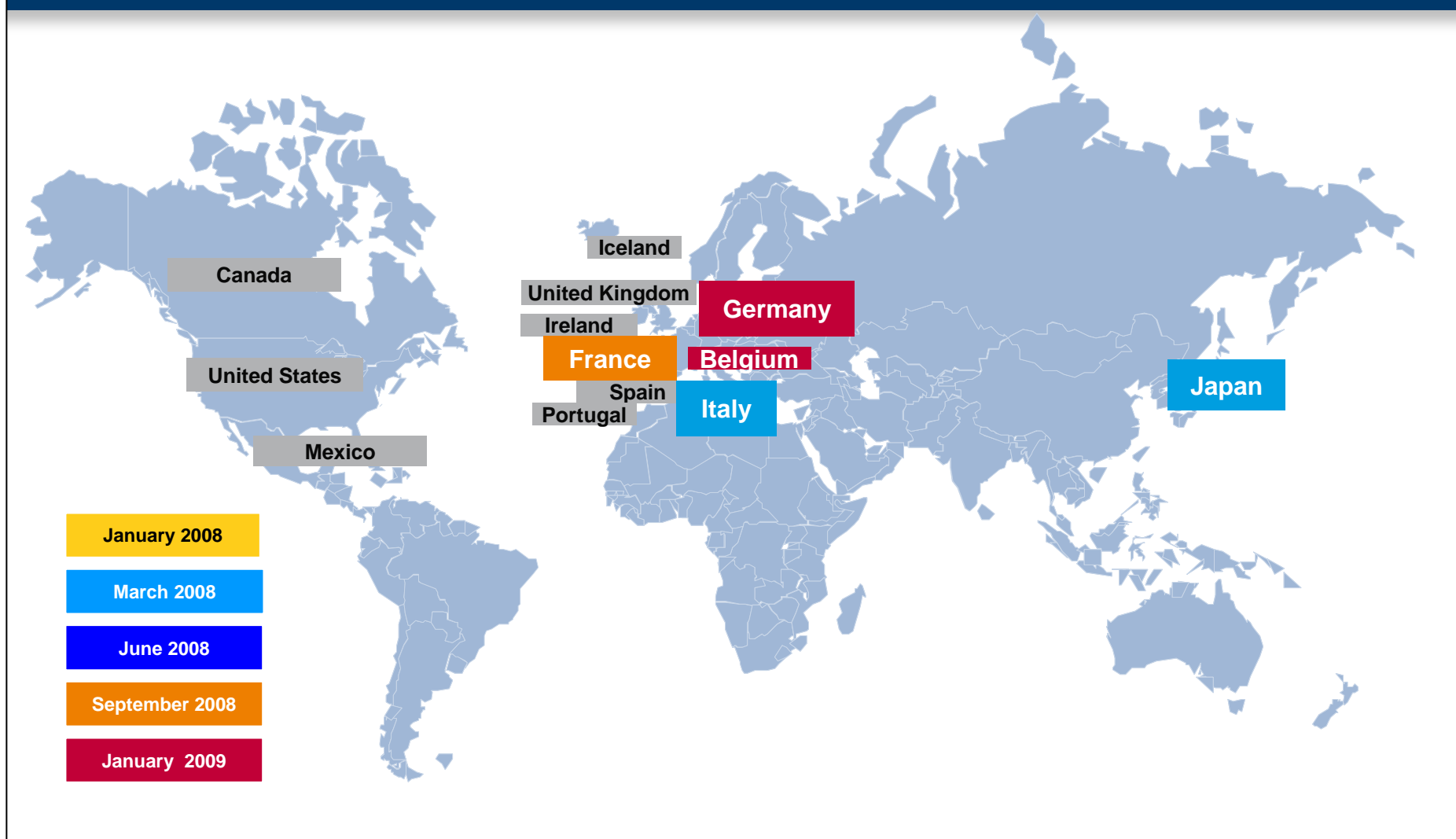
Payment Incident Index - 2008 evolution



Propagation of the Credit Crisis: "Neighbours of the Epicenter"

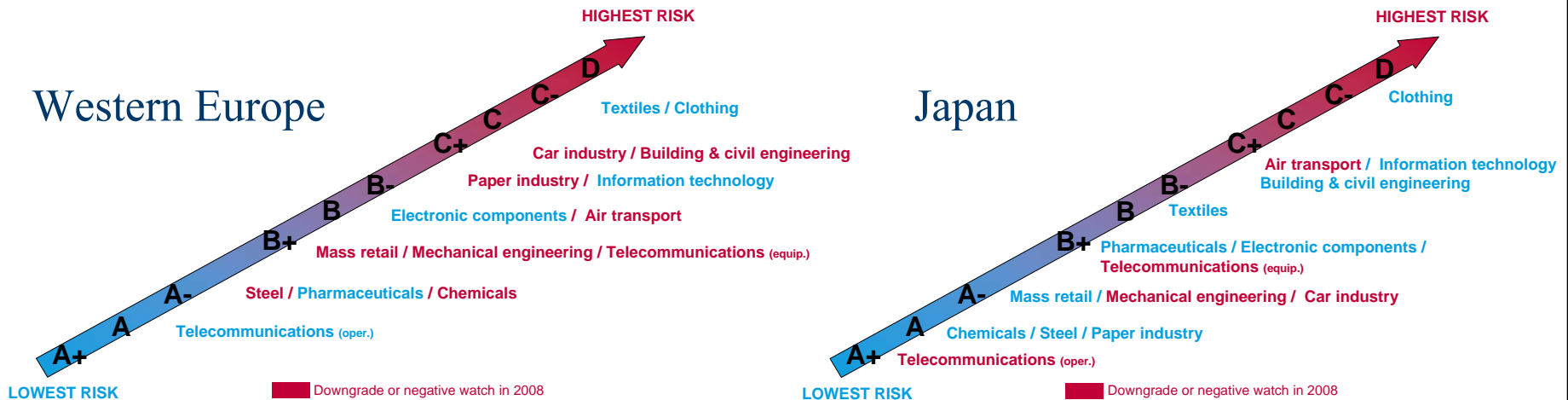
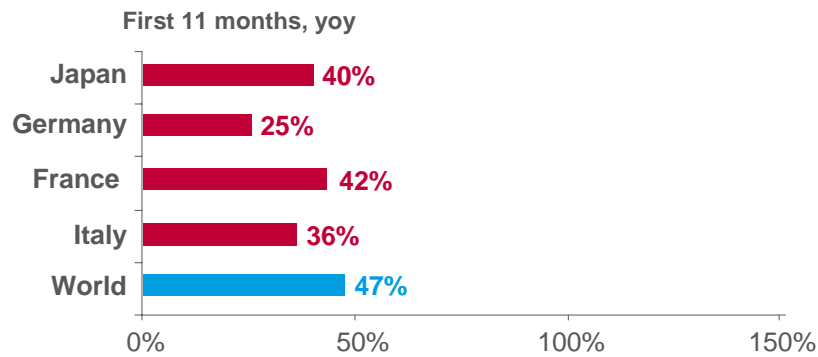


Propagation of the Credit Crisis: "Soft Growth Countries" are hit



"Soft Growth Countries": Increase of Non Payments and Sectors' Vulnerabilities

Payment Incident Index - 2008 evolution



Industrialized Countries: @Country and Business Climate Rating

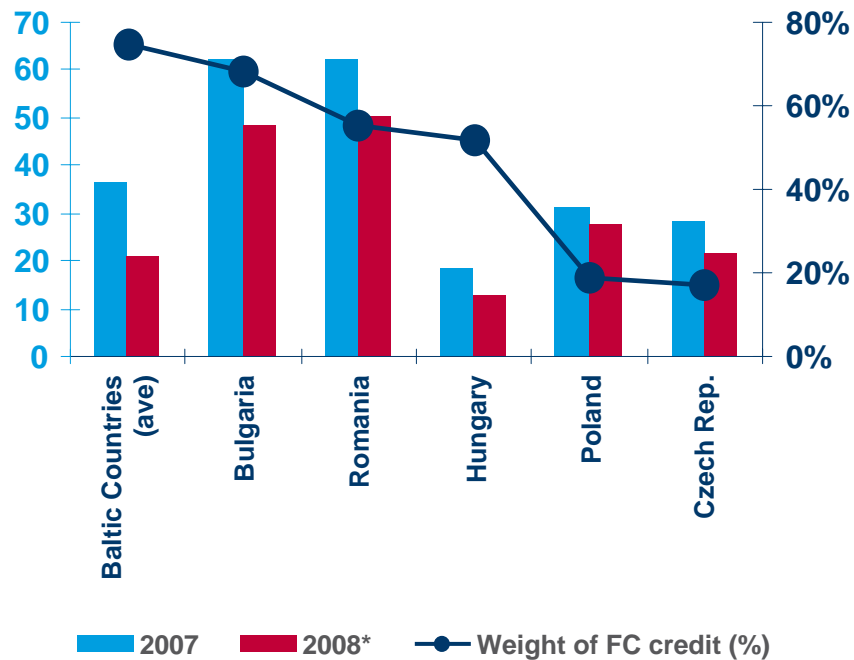
	Country risk rating					Business climate rating
	January 2008	March 2008	June 2008	September 2008	January 2009	2009
Canada	A1	A1 ↓	A1 ↓	A1 ↓	A1 ↓	A1
Japan	A1	A1 ↓	A1 ↓	A1 ↓	A1 ↓	A1
United states	A1 ↓	A2	A2	A2	A2	A1
Austria	A1	A1	A1	A1	A1	A1
Netherlands	A1	A1	A1	A1	A1	A1
Sweden	A1	A1	A1	A1	A1	A1
Switzerland	A1	A1	A1	A1	A1	A1
Germany	A1	A1	A1	A1	A1 ↓	A1
Belgium	A1	A1	A1	A1	A1 ↓	A1
Denmark	A1	A1	A1 ↓	A1 ↓	A1 ↓	A1
France	A1	A1	A1	A1 ↓	A1 ↓	A1
Australia	A1	A1	A1	A1	A2	A1
Ireland	A1 ↓	A1 ↓	A1 ↓	A2	A2	A1
United Kingdom	A1 ↓	A1 ↓	A1 ↓	A2	A2	A1
Spain	A1 ↓	A1 ↓	A2	A2	A2 ↓	A1
Greece	A2	A2	A2	A2	A2 ↓	A2
Italy	A2	A2	A2	A2 ↓	A2 ↓	A2
Portugal	A2	A2	A2 ↓	A2 ↓	A2 ↓	A2
Iceland	A1 ↓	A1 ↓	A1 ↓	A3	A3	A1

Propagation of the Credit Crisis: "Overheating Emerging Countries" ...

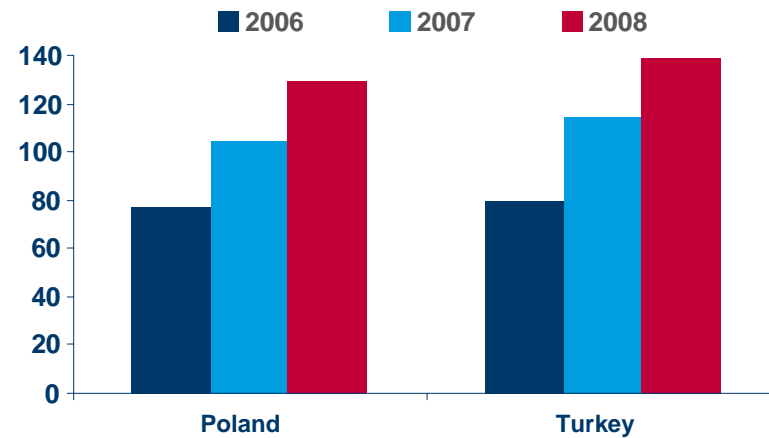


Emerging Europe: Companies are highly "Credit Crunch" Sensitive

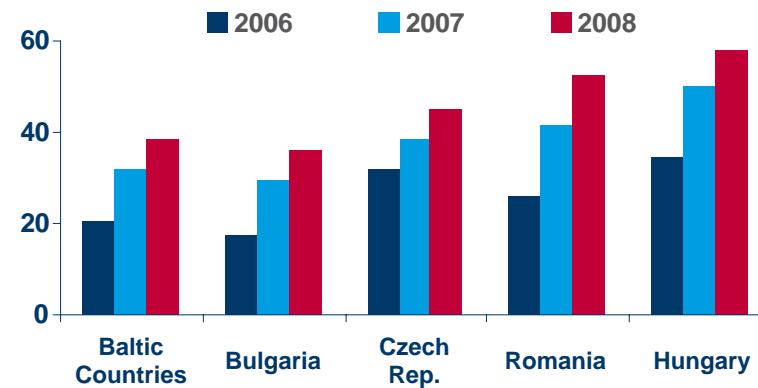
Domestic Credit Growth and weight of FC credit (%)



Corporate External Debt (B \$)



Corporate External Debt (B \$)



Emerging Europe: @Country and Business Climate Rating

	Country risk rating					Business climate rating
	January 2008	March 2008	June 2008	September 2008	January 2009	2009
Slovenia	A1	A1	A1	A1	A1 ↓	A2
Czech Rep.	A2	A2	A2	A2	A2	A2
Estonia	A2 ↓	A2 ↓	A3	A3	A3	A2
Poland	A3 ↗	A3 ↗	A3 ↗	A3 ↗	A3	A3
Slovakia	A3	A3	A3	A3	A3	A2
Hungary	A3	A3	A3	A3	A3 ↓	A2
Lithuania	A3 ↓	A3 ↓	A3 ↓	A3 ↓	A3 ↓	A3
Latvia	A3 ↓	A3 ↓	A4	A4	A4	A3
Bulgaria	A4 ↓	A4 ↓	A4 ↓	A4 ↓	A4 ↓	A4
Croatia	A4	A4	A4	A4	A4 ↓	A3
Romania	A4 ↓	A4 ↓	A4 ↓	A4	A4 ↓	A4
Serbia	C	C	C	C	C	C
Turkey	B	B	B	B	B	A4

Propagation of the Credit Crisis: ... What About BRIC's?

