

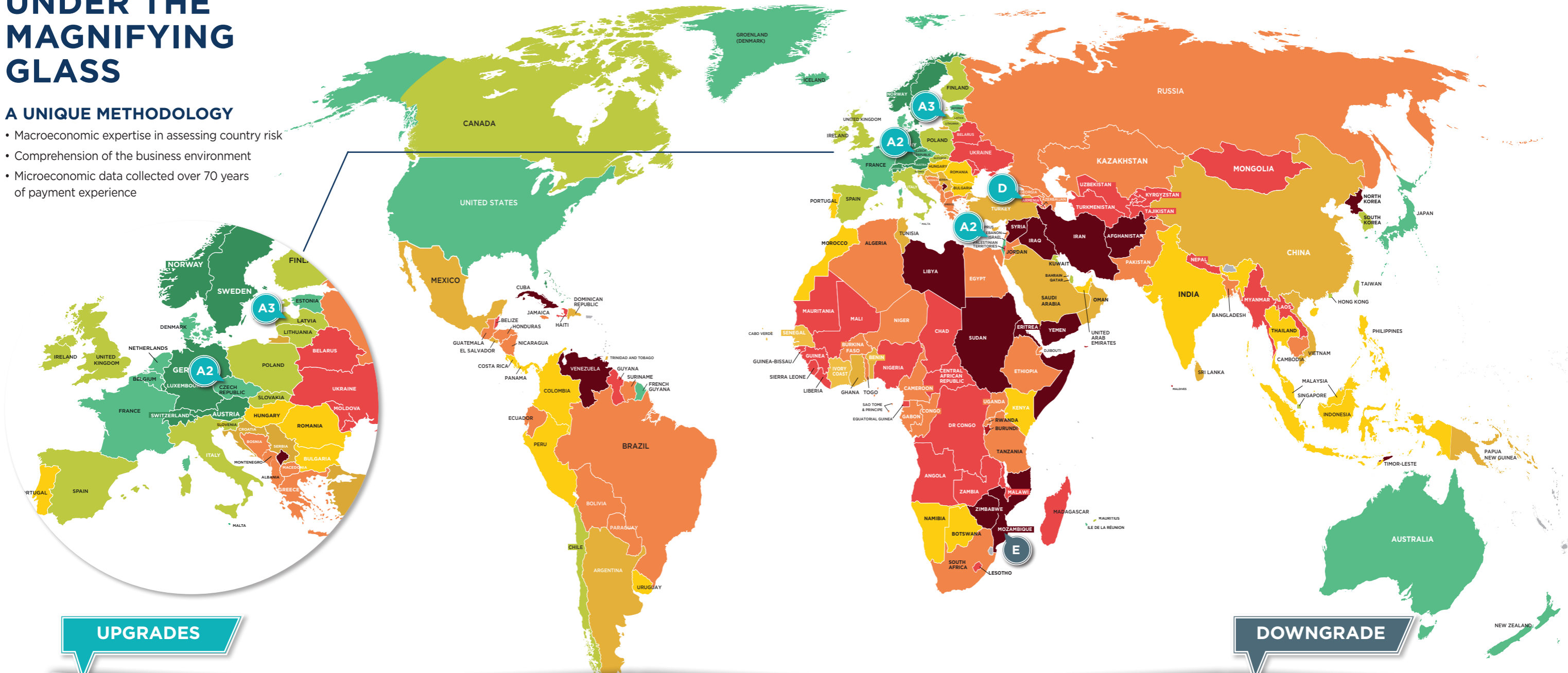
RISK OF BUSINESSES DEFAULTING



160 COUNTRIES UNDER THE MAGNIFYING GLASS

A UNIQUE METHODOLOGY

- Macroeconomic expertise in assessing country risk
- Comprehension of the business environment
- Microeconomic data collected over 70 years of payment experience



UPGRADES

ARMENIA

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- Russia's recovering economy will boost activity and improve business confidence
- Growth in industrial production and retail sales
- Outlook for the Russian rouble, along with a modest recovery in growth, are reducing currency volatility

CZECH REPUBLIC

A2

- Fair growth of 2.6% expected for 2017, up from 2.4% in 2016
- Strong household demand, thanks to low unemployment and growth in wages
- Exports are boosted by German demand
- The automotive sector is benefitting from solid sales dynamics in the EU
- Possible rebound in public investments
- Solid banking system

ISRAEL

A2

- Real GDP growth came in at 5% in 2016 - considerably above expectations
- Annual current account surpluses since 2003
- Low level of unemployment (3.4%) and inflation are supporting household purchasing power and brightening the outlook for domestic-oriented sectors, such as consumer electronics, construction and retail

LATVIA

A3

- Upturn in the economy expected in 2017, with 2.8% growth
- Rebound in investments following their fall last year, due to delays in the use of EU investment funds
- Good situation on the labour market will support domestic demand as the main growth driver
- A financial system dominated by solid and stable Swedish banks

MOZAMBIQUE

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- The IMF suspended its aid program in April 2016, following the revelation of previously undisclosed public borrowing which pushed the country into debt distress
- The government defaulted on interest payments to bondholders on January 18 2017
- Political stability will remain under threat, with fierce rivalries within the ruling party (Frelimo) at the next elections

DOWNGRADE