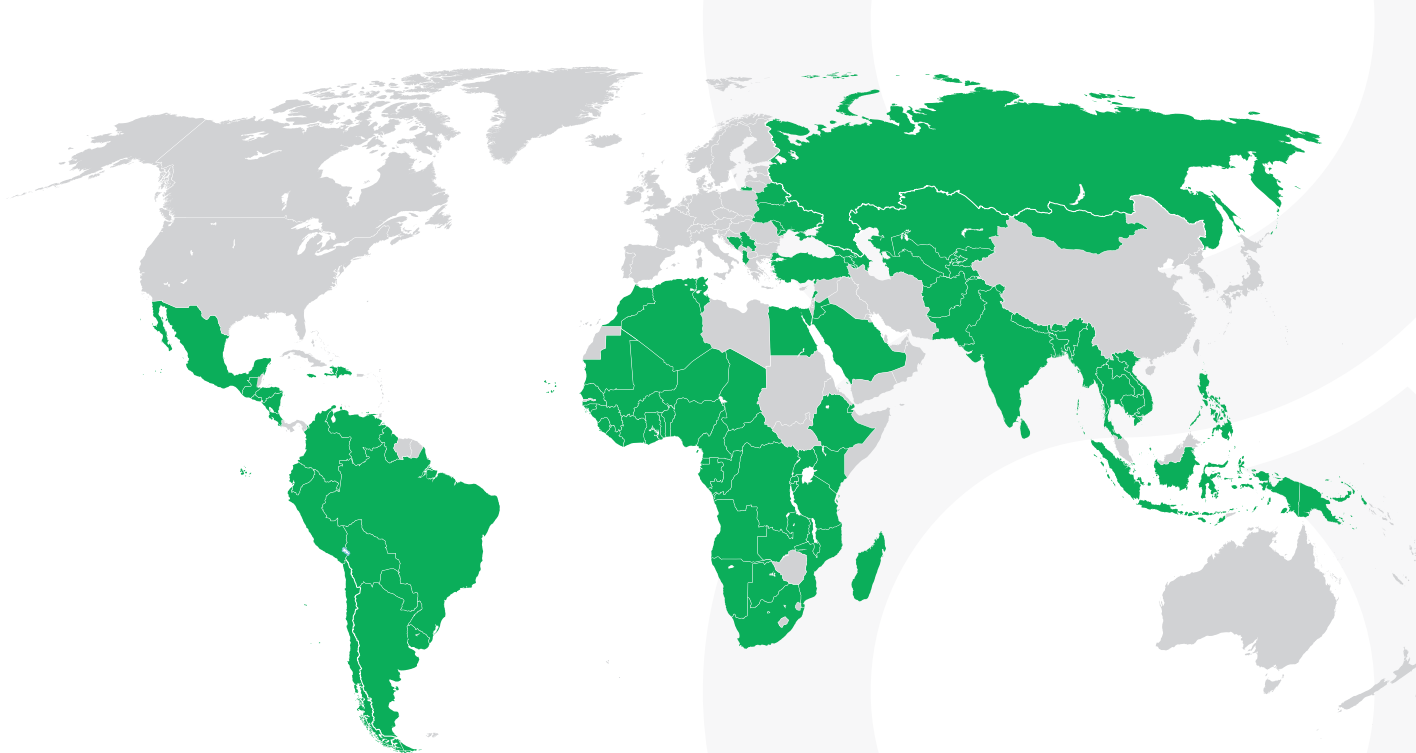


Country Risk Rating



OGResearch's proprietary **Country Risk Rating** provides a model-based assessment of overall country risk from the point of view of an international investor. The Rating covers a wide array of risks associated with investing into a country. Macroeconomic as well as other relevant risks stemming from political, business and investment climate, financial markets development, and exchange rate regime are all taken into account. The Rating expresses non-diversifiable risk inherent to all borrowers in a country, irrespective of the quality of their balance sheet.

Main Features

- Ratings are expressed in commonly used rating scale (i.e. from "AAA" to "D").
- Ratings are thoroughly revised in annual frequency. In between the annual revisions, a rating outlook is provided based on the incoming data.
- Macro and non-macro (institutional and structural) indicators are taken into account, selected by OGResearch experts on the basis of a rigorous analysis.
- Based on 25 risk indicators grouped in several Risk Rating Categories.
- Detailed overview of risk contributions of all indicators in each rating category.

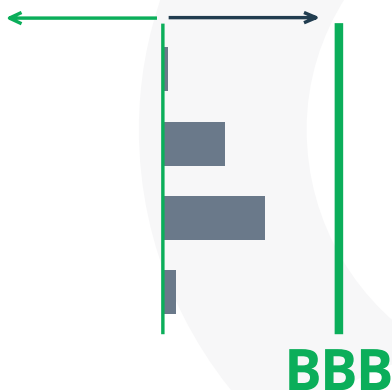
Key value added

- Rating available for nearly 100 countries worldwide, with focus on emerging and frontier markets.
- Model-based approach allows to construct Rating for countries unrated by established rating agencies.
- Can be adjusted to cover additional countries and other risk measures (on client demand).

Example of Country Risk Rating



Underperformance | Outperformance
vs. Average Rating



Risk Rating Categories

- Macroeconomic resilience
- Financial market development
- Business climate
- Political climate

The bold vertical green line in the chart shows the Country Rating in comparison to the BB average rating of frontier markets (marked by the thin vertical green line).

The outperformance or underperformance of the Country Rating against this average is assessed per the factors in each of the Risk Rating Categories (represented by the horizontal gray bars).

Risk Rating Categories

The Rating is based on the assessment of 25 risk indicators arranged into the Risk Rating Categories listed below:

- Macroeconomic resilience (CA deficit, CPI & GDP volatility, debt stock etc.).
- Financial markets development.
- Business climate (rule of law, corruption control etc.).
- Political climate (Government effectiveness, political stability etc.).

