

# CIS Sovereign Borrowings in 2020

**Karen Vartapetov**  
Director, Lead Analyst for  
CEE/CIS, Frankfurt  
S&P Global Sovereign  
Ratings



# CIS and CEE sovereign ratings

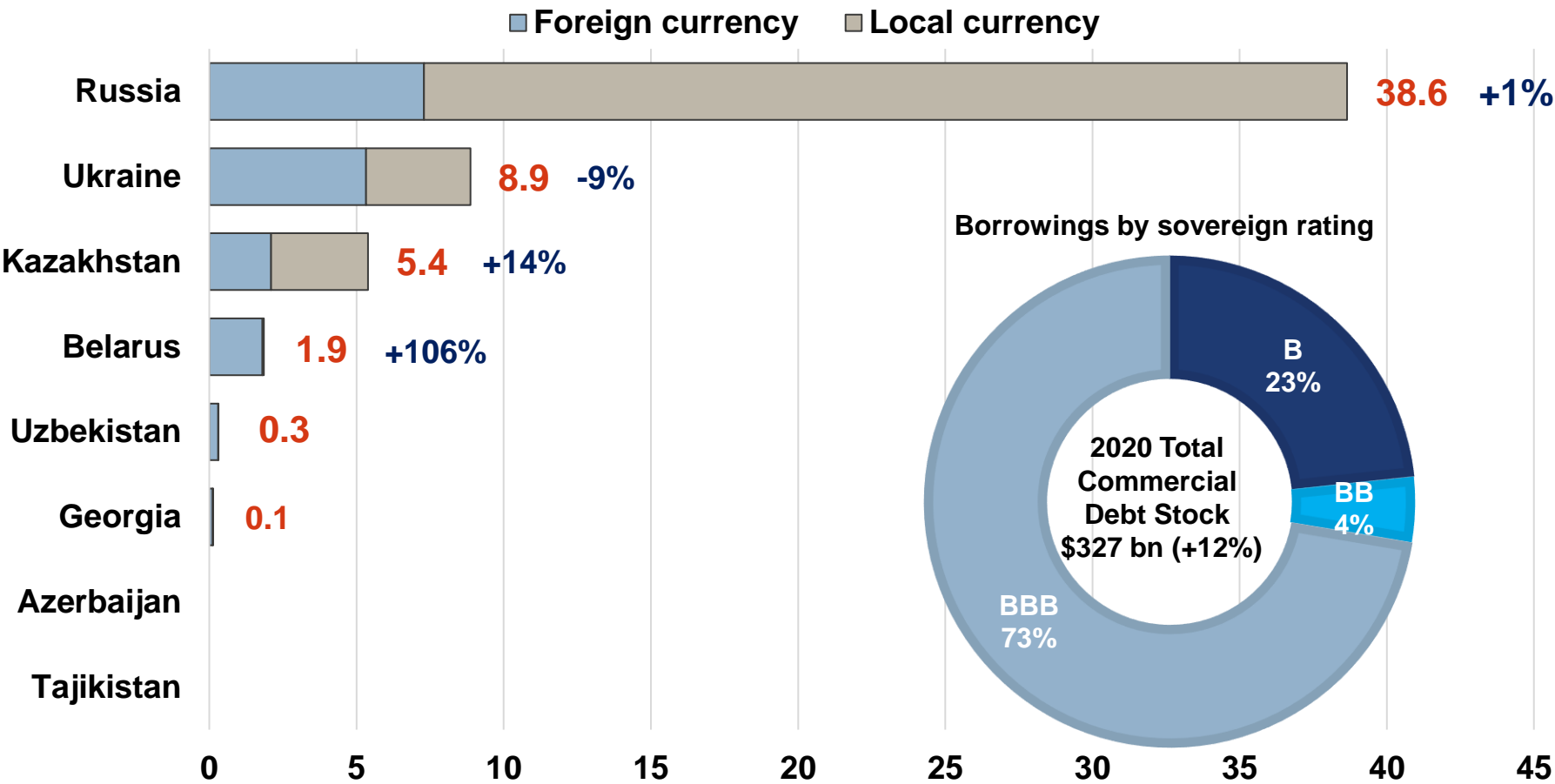
Sovereign	Rating	Rating Action*
<b>CIS</b>		
Russia	BBB-/Stable	-
Kazakhstan	BBB-/Stable	-
Azerbaijan	BB+/Stable	-
Georgia	BB/Stable	↑
Uzbekistan	BB-/Stable	-
Belarus	B/Stable	-
Ukraine	B/Stable	↑
Tajikistan	B-/Stable	-
<b>CEE</b>		
Czech Republic	AA-/Stable	-
Slovenia	AA-/Stable	↑
Slovakia	A+/Stable	-
Poland	A-/Stable	↑
Hungary	BBB/Positive	↑

Sovereign	Rating	Rating Action*
Bulgaria	BBB/Positive	↑
Croatia	BBB-/Stable	↑
Romania	BBB-/Negative	↓
Estonia	AA-/Stable	-
Latvia	A/Stable	↑
Lithuania	A/Stable	↑
<b>Western Balkans</b>		
Serbia	BB+/Positive	↑
North Macedonia	BB-/Stable	-
Montenegro	B+/Stable	-
Albania	B+/Stable	-
Bosnia and Herzegovina	B/Positive	↑
Turkey	B+/Stable	↓
Israel	AA-/Stable	↑

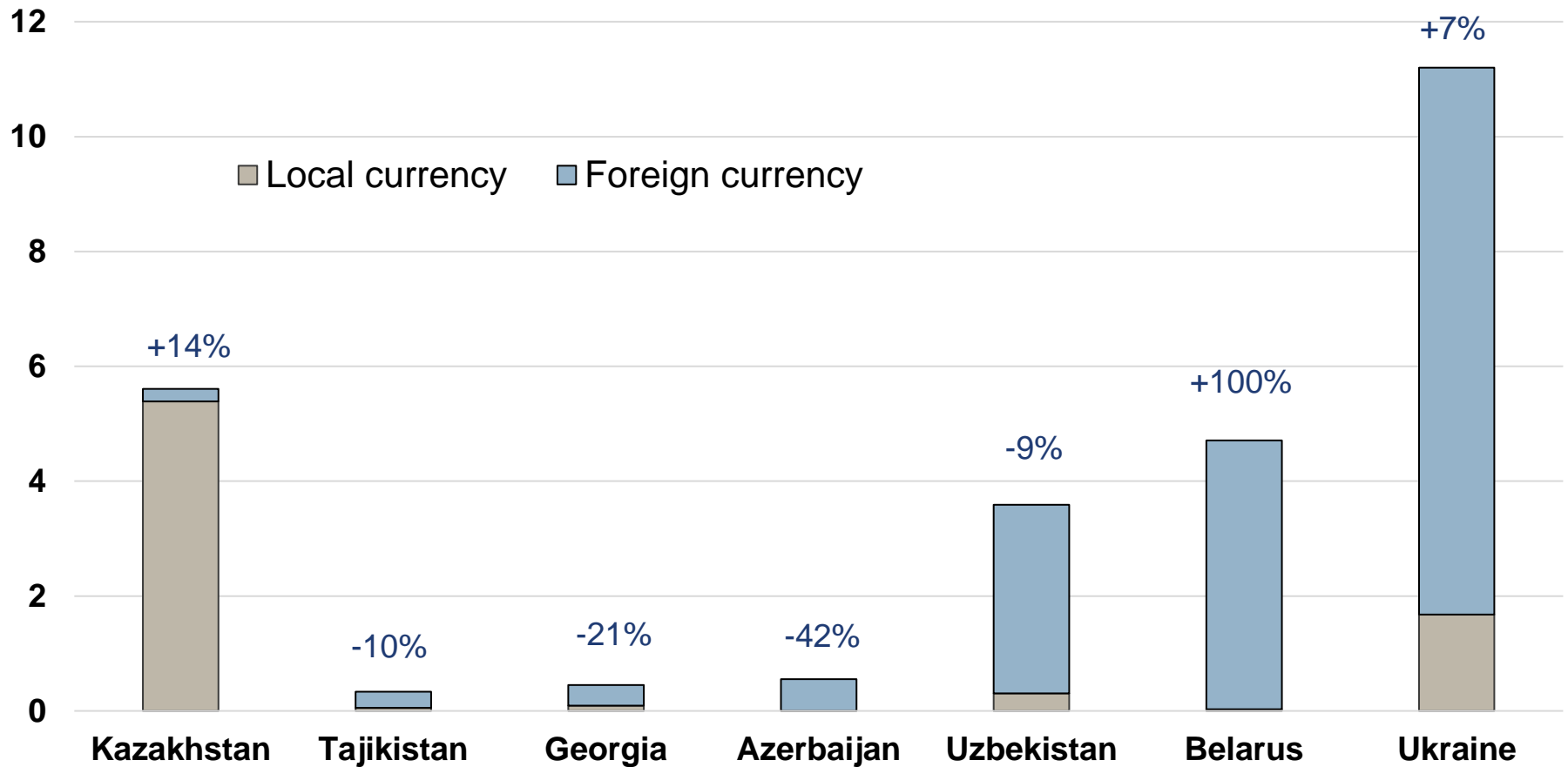
\* Foreign currency long-term sovereign ratings as of 27 Feb 2020. The arrow denotes to a positive (green) or negative (red) rating action in the last 24 months

# CIS sovereign commercial borrowings in 2020 to hit \$55bn

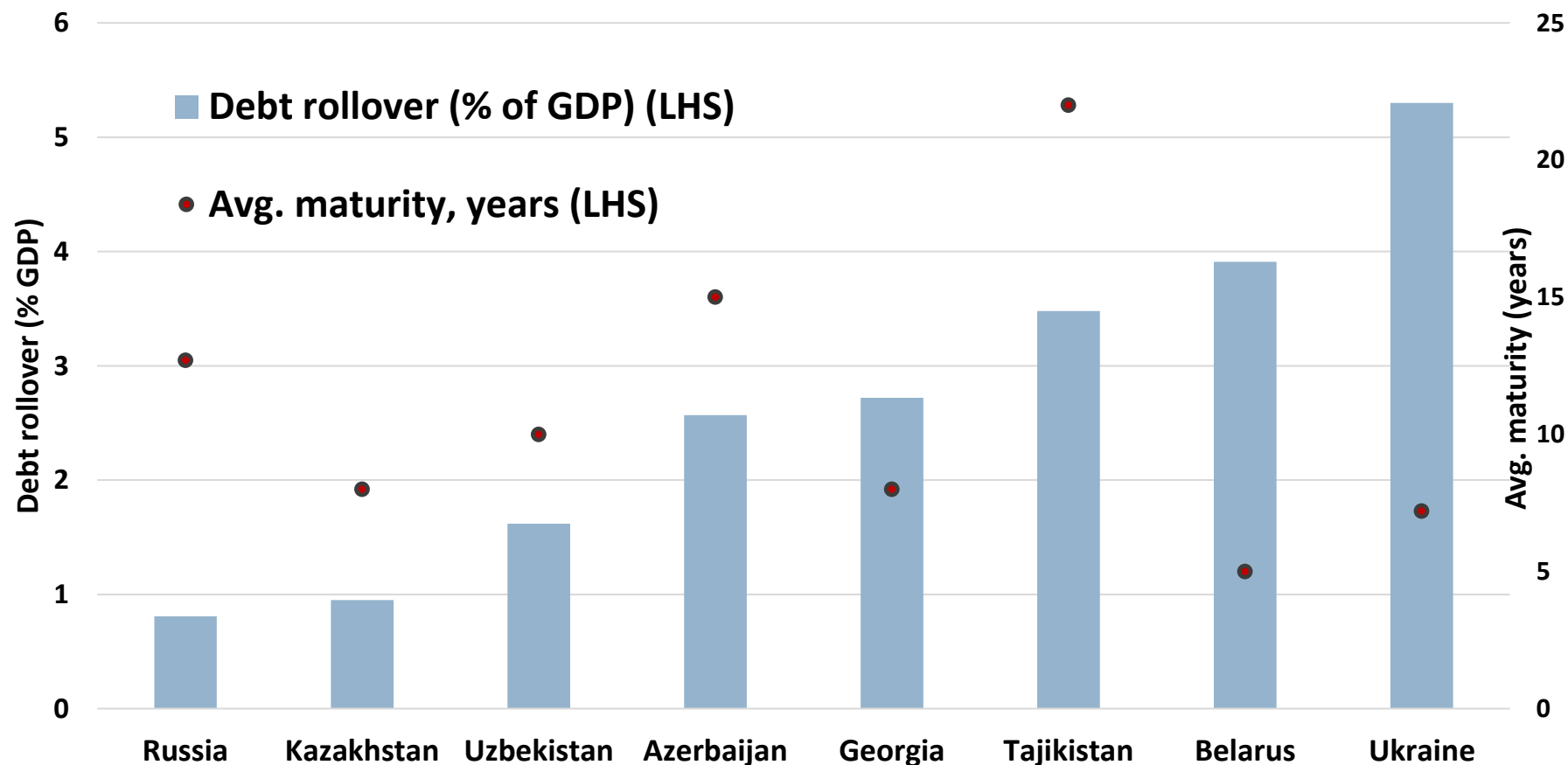
(in \$bn and change to 2019 in %)



# Total borrowings (incl. bi/multilateral) to increase by 12% (in \$bn and % to 2019)

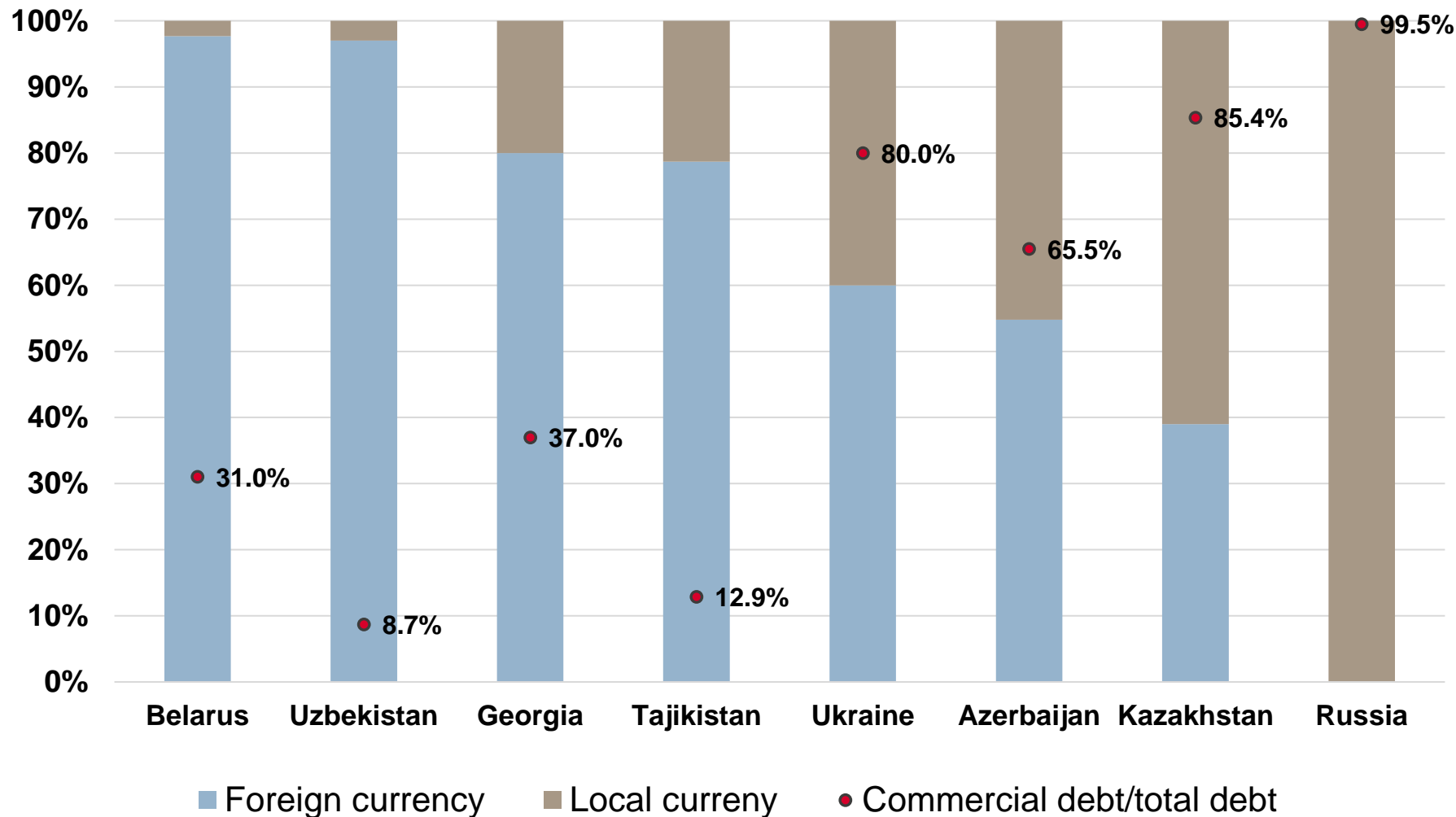


# Debt rollover ratio (% GDP) remains moderate, partly due to bilateral debt, but also policy efforts



Source: Standard & Poor's Global Sovereign Borrowing Report 2020

# Debt stock composition: local-currency commercial for higher rated (2020, %)



# S&P corporate rating above the sovereign: conditions

- Stand-alone credit profile above the sovereign rating
- No high dependence on the government
- If a hosting sovereign accounts over 25% of total exposure, the company needs :
  - pass the stress test (*default scenario stress test*)
  - generate enough foreign currency (FC) revenue to manage FC debt (*Transfer & Convertibility assessment*)

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgement at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, [www.standardandpoors.com](http://www.standardandpoors.com) (free of charge), and [www.ratingsdirect.com](http://www.ratingsdirect.com) and [www.globalcreditportal.com](http://www.globalcreditportal.com) (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at [www.standardandpoors.com/usratingsfees](http://www.standardandpoors.com/usratingsfees).

#### Australia

Standard & Poor's (Australia) Pty. Ltd. holds Australian financial services license number 337565 under the Corporations Act 2001. Standard & Poor's credit ratings and related research are not intended for and must not be distributed to any person in Australia other than a wholesale client (as defined in Chapter 7 of the Corporations Act).

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.