



EH country risk is

a combination of 2 components:

- ✓ **the long term risk which is represented by a letter** (6 levels: AA, the best, A, BB, B, C and D, the worst);
- ✓ **the short term risk which is represented by a number** (from 1, the best, to 4, the worst).

✓ **Long term risk (country grade)**

results from a combination of three sub-rating, the SBE which measures the business environment, the P which measures political risk and ME which measures macroeconomic risk.

✓ **Short -term risk (country risk level)**

result from a combination of 2 indicators.

✓ **The CRI, the cyclical risk indicator,**

measures commercial risk but also the business cycle. This indicator includes data on businesses (especially insolvencies). Secondly, the FFI, the financing flows indicator which measures the financial strength of the economy. ■

Country Grade



High risk



Country Risk Level

