

Republic of Croatia

This annex refers to the rating action release of 28 June 2019

Annex I: Summary of core variable scorecard (CVS) and qualitative scorecard (QS)¹

Implied rating of core variable scorecard (CVS)		bbb
Weight	Qualitative scorecard (QS)	
35%	Growth potential of the economy	Weak
	Economic policy framework	Neutral
	Macro-economic stability and sustainability	Weak
30%	Fiscal policy framework	Neutral
	Debt sustainability	Weak
	Market access and funding sources	Neutral
15%	Current account vulnerability	Neutral
	External debt sustainability	Neutral
	Vulnerability to short-term external shocks	Weak
10%	Perceived willingness to pay	Neutral
	Recent events and policy decisions	Neutral
	Geopolitical risk	Neutral
10%	Banking sector performance	Neutral
	Banking sector oversight and governance	Neutral
	Financial imbalances and financial fragility	Weak
QS adjustment (notches)		-1
Additional considerations (notches)		0
Final rating		BBB- STA

Annex II: Selected indicators

	2015	2016	2017	2018	2019E	2020F
GDP per capita (EUR, '000s)	10.6	11.2	11.9	12.5	13.1	13.7
Real GDP, % change	2.4	3.5	2.9	2.6	2.6	2.5
HICP, % change	-0.3	-0.6	1.3	1.6	1.0	1.2
General government balance, % of GDP	-3.2	-1.0	0.8	0.2	0.1	0.5
General government debt, % of GDP	83.7	80.5	77.8	74.6	70.9	67.6
Current account balance, % of GDP	4.6	2.5	4.1	2.9	2.6	1.9
Gross external debt, % of GDP	100.1	85.1	87.4	73.2	-	-

Source: EC, Croatian National Bank, Croatian Bureau of Statistics, Haver, Scope Ratings GmbH

Annex III: Economic development and default indicators

IMF Development Classification	Developing economy
5y CDS spread (bps) as of 26 June 2019	83.36

¹ The weighting and explanation of all rating factors are described in Scope's 'Public Finance Sovereign Ratings' methodology, available on www.scoperatings.com