

## Cyprus

This annex refers to the rating action release of 23 August 2019

### Annex I: Summary of core variable scorecard (CVS) and qualitative scorecard (QS)<sup>1</sup>

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

### Annex II: Selected indicators

	2015	2016	2017	2018	2019E	2020F
GDP per capita (USD, '000s)	23.2	24.1	26.0	28.3	28.3	30.1
Real GDP, % change	2.0	4.8	4.5	3.9	2.9	2.6
CPI, % change	-1.5	-1.2	0.7	0.8	0.5	0.9
General government balance, % of GDP	-1.3	0.3	1.8	-4.8	3.0	2.8
General government debt, % of GDP	108.0	105.5	95.8	102.5	96.4	89.9
Current account balance, % of GDP	-1.5	-5.1	-8.4	-7.0	-8.0	-9.4
Gross external debt, % of GDP	572.6	576.5	552.3	494.6	-	-

Source: IMF, EC, CYPSTAT, Haver, Scope Ratings GmbH

### Annex III: Economic development and default indicators

IMF Development Classification <sup>2</sup>	AE
5y CDS spread (bps) as of 21 August 2019	92

<sup>1</sup> The weighting and explanation of all rating factors are described in Scope's 'Public Finance Sovereign Ratings' methodology, available on [www.scooperatings.com](http://www.scooperatings.com)

<sup>2</sup> AE = advanced economy; EMDE = emerging market and developing economy