

Thresholds for Risk Scoring

Sovereign Analytics Website
December 2016

Thresholds and Risk Scores

THRESHOLDS and RISK SCORES									
FISCAL SECTOR			BANKING SECTOR				EXTERNAL SECTOR		
Debt Sustainability		RISK	Private Credit ↑,		RISK	Current Account		RISK	
Debt & Fiscal "Space"		SCORE	year over year		SCORE	Funding Need		SCORE	
AE	EM					AE	EM		
Debt to GDP, %	Debt to GDP, %					CA % GDP	CA % GDP		
> 125	> 90	9	> 30	> 30	9	-7.0	-6.0	9	
> 115	> 80	8	> 25	> 25	8	-6.0	-5.0	8	
> 100	> 70	7	> 20	> 20	7	-5.0	-4.0	7	
> 75	> 55	6	> 17	> 17	6	-4.0	-3.0	6	
> 60	> 45	5	> 15	> 15	5	-3.0	-2.0	5	
> 45	>35	4	> 13	> 13	4	-2.0	-1.0	4	
> 30	> 25	3	> 10	> 10	3	-1.0	0.0	3	
> 20	>15	2	> 7	> 7	2	0.0	1.5	2	
< 20	<15	1	< 7	< 7	1	1.0	3.0	1	
RISK SCORES: Lowest Risk = 1 Highest Risk = 9									

Sector Thresholds & Risk Scores

Risk Score	Fiscal Risk		Banking Risk		External Risk	
	Public Debt to GDP, %		Private Credit Growth, % (yoy)		Current Account to GDP, %	
	AE	EM		Equal or More than	AE	EM
9	➤ 125	➤ 90	➤ 30		-7	-6
8	➤ 115	➤ 80	➤ 25		-6	-5
7	➤ 100	➤ 70	➤ 20		-5	-4
6	➤ 75	➤ 55	➤ 17		-4	-3
5	➤ 60	➤ 45	➤ 15		-3	-2
4	➤ 45	➤ 35	➤ 13		-2	-1
3	➤ 30	➤ 25	➤ 10		-1	0
2	➤ 20	➤ 15	➤ 7		0	1.5
1	< 20	< 15	< 7		1	3

G-20+ Overall Country Risk Score

(1 = lowest, 9 = highest)

