

Sovereign Ratings And Country T&C Assessments

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Standard & Poor's Ratings Services currently rates 128 sovereign governments and has established transfer and convertibility (T&C) assessments for each country with a rated sovereign, as shown in the table below. A T&C assessment is the rating associated with the likelihood of the sovereign restricting nonsovereign access to foreign exchange needed for debt service. For most countries, Standard & Poor's analysis concludes that this risk is less than the risk of sovereign default on foreign-currency obligations; thus, most T&C assessments exceed the sovereign foreign currency rating. Foreign currency ratings of nonsovereign entities or transactions generally can be as high as the T&C assessment if their stress-tested operating and financial characteristics support the higher rating. For more information, please see "Corporate And Government Ratings That Exceed The Sovereign Rating," published monthly on RatingsDirect.

If a sovereign, through membership in a monetary or currency union, has ceded monetary and exchange rate policy responsibility to a monetary authority that the sovereign does not solely control, the T&C assessment reflects the policies of the controlling monetary authority, vis-à-vis the exchange of its currency for other currencies in the context of debt service. The same applies if a sovereign uses as its local currency the currency of another sovereign. A T&C assessment may change sharply if a sovereign introduces a new local currency, by entering or exiting a monetary/currency union, or through some other means. This is because the new local currency, and in some cases the new monetary authority, may operate in very different monetary and exchange regimes. The T&C assessment does not normally reflect the likelihood of change in a country's local currency.

Also included below are recovery ratings for selected sovereigns. Standard & Poor's sovereign foreign-currency recovery ratings reflect its opinion on the extent to which a sovereign government will be able and willing to repay nonofficial foreign-currency debtholders post-default. For historical information on all of these ratings and assessments, please see "Sovereign Rating And Country T&C Assessment Histories," published monthly on RatingsDirect.

| Sovereign Ratings And Country T&C Assessments As Of Jan. 13, 2012 | | | | |
|---|--|--|--|--|
| Country | Sovereign local currency ratings (LT/Outlook/ST) | Sovereign foreign currency ratings (LT/Outlook/ST) | Sovereign foreign currency recovery rating | Transfer and convertibility assessment |
| Abu Dhabi | AA/Stable/A-1+ | AA/Stable/A-1+ | | AA+* |
| Albania | B+/Stable/B | B+/Stable/B | 4 | BB- |
| Andorra | A/Negative/A-1 | A/Negative/A-1 | | AAA* |
| Angola | BB-/Stable/B | BB-/Stable/B | | BB- |
| Argentina | B/Stable/B | B/Stable/B | | B |
| Aruba | A-/Stable/A-2 | A-/Stable/A-2 | | A- |
| Australia | AAA/Stable/A-1+ | AAA/Stable/A-1+ | | AAA |
| Austria | AA+/Negative/A-1+ | AA+/Negative/A-1+ | | AAA* |
| Azerbaijan | BBB-/Stable/A-3 | BBB-/Stable/A-3 | | BBB- |
| Bahamas | BBB/Stable/A-3 | BBB/Stable/A-3 | | BBB+ |
| Bahrain | BBB/Negative/A-3 | BBB/Negative/A-3 | | BBB |
| Bangladesh | BB-/Stable/B | BB-/Stable/B | | BB- |

| Sovereign Ratings And Country T&C Assessments As Of Jan. 13, 2012 (cont.) | | | |
|---|-------------------|-------------------|-------|
| Barbados | BBB-/Negative/A-3 | BBB-/Negative/A-3 | BBB |
| Belarus | B-/Negative/C | B-/Negative/C | 4 |
| Belgium | AA/Negative/A-1+ | AA/Negative/A-1+ | AAA* |
| Belize | B-/Negative/C | B-/Negative/C | 3 |
| Benin | B/Stable/B | B/Stable/B | BBB-* |
| Bermuda | AA-/Stable/A-1+ | AA-/Stable/A-1+ | AAA |
| Bolivia | B+/Positive/B | B+/Positive/B | B+ |
| Bosnia and Herzegovina | B/Watch Neg/B | B/Watch Neg/B | BB- |
| Botswana | A-/Stable/A-2 | A-/Stable/A-2 | A+ |
| Brazil | A-/Stable/A-2 | BBB/Stable/A-3 | A- |
| Bulgaria | BBB/Stable/A-3 | BBB/Stable/A-3 | A |
| Burkina Faso | B/Stable/B | B/Stable/B | BBB-* |
| Cambodia | B/Stable/B | B/Stable/B | B+ |
| Cameroon | B/Stable/B | B/Stable/B | BBB-* |
| Canada | AAA/Stable/A-1+ | AAA/Stable/A-1+ | AAA |
| Cape Verde | B+/Stable/B | B+/Stable/B | BB |
| Chile | AA/Positive/A-1+ | A+/Positive/A-1 | AA |
| China | AA-/Stable/A-1+ | AA-/Stable/A-1+ | AA- |
| Colombia | BBB+/Stable/A-2 | BBB-/Stable/A-3 | BBB+ |
| Cook Islands | B+/Stable/B | B+/Stable/B | AAA* |
| Costa Rica | BB+/Stable/B | BB/Stable/B | 2 |
| Croatia | BBB-/Negative/A-3 | BBB-/Negative/A-3 | BBB+ |
| Curacao | A-/Stable/A-2 | A-/Stable/A-2 | A- |
| Cyprus | BB+/Negative/B | BB+/Negative/B | 4 |
| Czech Republic | AA/Stable/A-1+ | AA-/Stable/A-1+ | AA+ |
| Denmark | AAA/Stable/A-1+ | AAA/Stable/A-1+ | AAA |
| Dominican Republic | B+/Stable/B | B+/Stable/B | 3 |
| Ecuador | B-/Positive/C | B-/Positive/C | 4 |
| Egypt | B+/Negative/B | B+/Negative/B | 3 |
| El Salvador | BB-/Stable/B | BB-/Stable/B | 3 |
| Estonia | AA-/Negative/A-1+ | AA-/Negative/A-1+ | AAA* |
| Fiji | B/Stable/B | B/Stable/B | 4 |
| Finland | AAA/Negative/A-1+ | AAA/Negative/A-1+ | AAA* |
| France | AA+/Negative/A-1+ | AA+/Negative/A-1+ | AAA* |
| Gabon | BB-/Stable/B | BB-/Stable/B | 4 |
| Georgia | BB-/Stable/B | BB-/Stable/B | 4 |
| Germany | AAA/Stable/A-1+ | AAA/Stable/A-1+ | AAA* |
| Ghana | B/Stable/B | B/Stable/B | 4 |
| Greece | CC/Negative/C | CC/Negative/C | 4 |
| Grenada | B-/Stable/C | B-/Stable/C | 4 |
| Guatemala | BB+/Negative/B | BB/Negative/B | 3 |
| Guernsey | AA+/Stable/A-1+ | AA+/Stable/A-1+ | AAA* |

| Sovereign Ratings And Country T&C Assessments As Of Jan. 13, 2012 (cont.) | | | |
|---|-------------------|-------------------|-----------|
| Honduras | B/Positive/B | B/Positive/B | BB- |
| Hong Kong | AAA/Stable/A-1+ | AAA/Stable/A-1+ | AAA |
| Hungary | BB+/Negative/B | BB+/Negative/B | 3 BBB |
| Iceland | BBB-/Stable/A-3 | BBB-/Stable/A-3 | BBB- |
| India | BBB-/Stable/A-3 | BBB-/Stable/A-3 | BBB+ |
| Indonesia | BB+/Positive/B | BB+/Positive/B | 3 BBB- |
| Ireland | BBB+/Negative/A-2 | BBB+/Negative/A-2 | AAA* |
| Isle of Man | AA+/Stable/A-1+ | AA+/Stable/A-1+ | AAA* |
| Israel | AA-/Stable/A-1+ | A+/Stable/A-1 | AA |
| Italy | BBB+/Negative/A-2 | BBB+/Negative/A-2 | AAA* |
| Jamaica | B-/Negative/C | B-/Negative/C | 3 B |
| Japan | AA-/Negative/A-1+ | AA-/Negative/A-1+ | AAA |
| Jordan | BB/Negative/B | BB/Negative/B | BBB- |
| Kazakhstan | BBB+/Stable/A-2 | BBB+/Stable/A-2 | BBB+ |
| Kenya | B+/Stable/B | B+/Stable/B | BB- |
| Korea | A+/Stable/A-1 | A/Stable/A-1 | AA- |
| Kuwait | AA/Stable/A-1+ | AA/Stable/A-1+ | AA+ |
| Latvia | BB+/Positive/B | BB+/Positive/B | 3 BBB+ |
| Lebanon | B/Stable/B | B/Stable/B | 4 BB- |
| Libya | NR | NR | |
| Liechtenstein | AAA/Stable/A-1+ | AAA/Stable/A-1+ | AAA* |
| Lithuania | BBB/Stable/A-3 | BBB/Stable/A-3 | A |
| Luxembourg | AAA/Negative/A-1+ | AAA/Negative/A-1+ | AAA* |
| Macedonia | BB/Stable/B | BB/Stable/B | 3 BB+ |
| Malaysia | A/Stable/A-1 | A-/Stable/A-2 | A+ |
| Malta | A-/Negative/A-2 | A-/Negative/A-2 | AAA* |
| Mexico | A-/Stable/A-2 | BBB/Stable/A-3 | A |
| Mongolia | BB-/Positive/B | BB-/Positive/B | BB |
| Montenegro | BB/Negative/B | BB/Negative/B | AAA* |
| Montserrat | BBB-/Stable/A-3 | BBB-/Stable/A-3 | BBB-* |
| Morocco | BBB/Stable/A-2 | BBB-/Stable/A-3 | BBB+ |
| Mozambique | B+/Stable/B | B+/Stable/B | B+ |
| Netherlands | AAA/Negative/A-1+ | AAA/Negative/A-1+ | AAA* |
| New Zealand | AA+/Stable/A-1+ | AA/Stable/A-1+ | AAA |
| Nigeria | B+/Positive/B | B+/Positive/B | B+ |
| Norway | AAA/Stable/A-1+ | AAA/Stable/A-1+ | AAA |
| Oman | A/Negative/A-1 | A/Negative/A-1 | AA- |
| Pakistan | B-/Stable/C | B-/Stable/C | 3 B- |
| Panama | BBB-/Positive/A-3 | BBB-/Positive/A-3 | AAA* |
| Papua New Guinea | B+/Stable/B | B+/Stable/B | BB |
| Paraguay | BB-/Stable/B | BB-/Stable/B | BB |
| Peru | BBB+/Stable/A-2 | BBB/Stable/A-3 | A- |
| Philippines | BB+/Positive/B | BB/Positive/B | 3 BB+ |

| Sovereign Ratings And Country T&C Assessments As Of Jan. 13, 2012 (cont.) | | | | |
|---|-------------------|-------------------|---|-------|
| Poland | A/Stable/A-1 | A-/Stable/A-2 | | A+ |
| Portugal | BB/Negative/B | BB/Negative/B | 4 | AAA* |
| Qatar | AA/Stable/A-1+ | AA/Stable/A-1+ | | AA+ |
| Ras Al Khaimah | A/Stable/A-1 | A/Stable/A-1 | | AA+* |
| Romania | BB+/Stable/B | BB+/Stable/B | 3 | BBB+ |
| Russia | BBB+/Stable/A-2 | BBB/Stable/A-3 | | BBB |
| Rwanda | B/Positive/B | B/Positive/B | | B |
| Saudi Arabia | AA-/Stable/A-1+ | AA-/Stable/A-1+ | | AA+ |
| Senegal | B+/Negative/B | B+/Negative/B | 4 | BBB-* |
| Serbia | BB/Stable/B | BB/Stable/B | 4 | BB |
| Singapore | AAA/Stable/A-1+ | AAA/Stable/A-1+ | | AAA |
| Slovak Republic | A/Stable/A-1 | A/Stable/A-1 | | AAA* |
| Slovenia | A+/Negative/A-1 | A+/Negative/A-1 | | AAA* |
| South Africa | A/Stable/A-1 | BBB+/Stable/A-2 | | A |
| Spain | A/Negative/A-1 | A/Negative/A-1 | | AAA* |
| Sri Lanka | BB-/Stable/B | B+/Positive/B | 4 | B+ |
| Suriname | BB-/Stable/B | BB-/Stable/B | | BB |
| Sweden | AAA/Stable/A-1+ | AAA/Stable/A-1+ | | AAA |
| Switzerland | AAA/Stable/A-1+ | AAA/Stable/A-1+ | | AAA |
| Taiwan | AA-/Stable/A-1+ | AA-/Stable/A-1+ | | AA+ |
| Thailand | A-/Stable/A-2 | BBB+/Stable/A-2 | | A |
| Trinidad and Tobago | A/Stable/A-1 | A/Stable/A-1 | | AA |
| Tunisia | BBB/Negative/A-3 | BBB-/Negative/A-3 | | BBB |
| Turkey | BBB-/Positive/A-3 | BB/Positive/B | 3 | BBB- |
| Uganda | B+/Stable/B | B+/Stable/B | | BB |
| Ukraine | B+/Stable/B | B+/Stable/B | 4 | B+ |
| United Kingdom | AAA/Stable/A-1+ | AAA/Stable/A-1+ | | AAA |
| United States | AA+/Negative/A-1+ | AA+/Negative/A-1+ | | AAA |
| Uruguay | BB+/Stable/B | BB+/Stable/B | 2 | BBB |
| Venezuela | B+/Stable/B | B+/Stable/B | 4 | B+ |
| Vietnam | BB-/Negative/B | BB-/Negative/B | 3 | BB- |
| Zambia | B+/Stable/B | B+/Stable/B | | B+ |

* These T&C assessments are for countries that are either members of monetary or currency unions or use as their local currency the currency of another sovereign. Because of this, the assessment shown is based on Standard & Poor's analysis of either the monetary authority of the monetary/currency union or the sovereign issuing the currency. Thus, for European Economic and Monetary Union (EMU) members (Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, Netherlands, Portugal, Slovak Republic, Slovenia, and Spain), the T&C assessments reflect our view of the likelihood of the European Central Bank restricting nonsovereign access to foreign exchange needed for debt service. Similarly, the T&C assessments for countries with rated sovereigns in the Eastern Caribbean Currency Union (Grenada and Montserrat) reflect the current and projected policies of the Eastern Caribbean Central Bank. Likewise, the T&C assessments for countries with rated sovereigns in the West African Economic and Monetary Union (Benin, Burkina Faso, and Senegal) are based on the policies of the Central Bank of West African States, and the T&C assessments for countries with rated sovereigns in the Central African Economic and Monetary Community (Cameroon and Gabon) are based on the policies of the Bank of Central African States. As for countries that use the currency of another, the T&C assessments of El Salvador and Panama are equalized with that of the United States, while those of Abu Dhabi and Ras Al Khaimah are equalized with that of the United Arab Emirates, Andorra and Montenegro with EMU members, the Cook Islands with New Zealand, Guernsey and the Isle of Man with the United Kingdom, and Liechtenstein with Switzerland.

Related Criteria And Research

- Sovereign Government Rating Methodology And Assumptions, June 30, 2011
- Methodology: Criteria For Determining Transfer And Convertibility Assessments, May 18, 2009

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