

Czech Republic

This annex refers to the rating action release of 2 October 2020

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

Implied rating of core variable scorecard (CVS)		aa
Weight	Qualitative scorecard (QS)	
35%	Growth potential of the economy	Strong
	Economic policy framework	Neutral
	Macro-economic stability and sustainability	Weak
30%	Fiscal policy framework	Strong
	Debt sustainability	Strong
	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)		0
Additional considerations (notches)		0
Final rating		AA STA

Annex II: Selected indicators

	2016	2017	2018	2019E	2020F	2021F
GDP per capita (USD, '000s)	16.7	18.1	19.5	20.6	18.8	19.8
Real GDP, % change	2.5	4.4	2.8	2.6	-7.8	4.5
CPI, % change	1.3	1.4	2.6	3.5	1.4	1.6
General government balance, % of GDP	0.7	1.5	0.9	0.3	-6.7	-4.0
General government debt, % of GDP	36.8	34.7	32.6	30.8	38.7	39.9
Current account balance, % of GDP	0.0	1.0	2.0	3.0	4.0	5.0
Gross external debt, % of GDP	73.4	89.3	82.6	78.3	-	-

Source: AMECO, Czech National Bank, Scope Ratings GmbH

Annex III: Economic development and default indicators

IMF Development Classification ²	AE
10Y CDS spread as of 29 September 2020	135.5

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

² AE = advanced economy; EMDE = emerging market and developing economy