

Portuguese Republic

This annex refers to the rating action release of 31 January 2020

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 | Neutral |
| | Economic policy framework | Strong |
| | Macro-economic stability and sustainability | Weak |
| 30% | Fiscal policy framework | Strong |
| | Debt sustainability | Neutral |
| | Market access and funding sources | Strong |
| 15% | Current account vulnerability | Neutral |
| | External debt sustainability | Neutral |
| | Vulnerability to short-term external shocks | Neutral |
| 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 | Neutral |
| 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 (USD, '000s) | 17.4 | 18.1 | 19.0 | 19.8 | 20.5 | 21.2 |
| Real GDP, % change | 1.8 | 2.0 | 3.5 | 2.4 | 2.0 | 1.7 |
| CPI, % change | 0.5 | 0.6 | 1.6 | 1.2 | 0.3 | 1.1 |
| General government balance, % of GDP | -4.4 | -1.9 | -3.0 | -0.4 | -0.1 | 0.0 |
| General government debt, % of GDP | 131.2 | 131.5 | 126.0 | 122.2 | 119.5 | 117.1 |
| Current account balance, % of GDP | 0.2 | 1.1 | 1.2 | 0.4 | -0.1 | -0.4 |
| Gross external debt, % of GDP | 217.1 | 206.9 | 201.8 | 197.2 | - | - |

Source: EC, ECB, Eurostat, Haver, Scope Ratings GmbH

Annex III: Economic development and default indicators

| | |
|---|----|
| IMF Development Classification ² | AE |
| 5y CDS spread (bps) as of 30 January 2020 | 34 |

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

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