

MOODY'S
ANALYTICS

COUNTRY RISK SERVICE

Flexibly assess investment risks by country



A critical component of international investment and development is the risks associated with investing, operating or trading in a foreign country. Moody's Analytics Country Risk Service enables users to assess their risk profile along multiple dimensions for countries across the globe, focusing on the threats most critical to their operations.

Our service combines the expert research of our country analysts with data-driven risk assessments to generate a more reliable and complete picture of short-term and longer-run country risk.

THE CORE OF OUR SERVICE: MOODY'S ANALYTICS COUNTRY RISK INDEX

Moody's Analytics Country Risk Index (MACRI) provides a means to assess and compare investment risk across 191 countries. The MACRI aggregates threats along six risk dimensions into a single country risk score, incorporating more than 100 economic, social, political, and demographic metrics combined with economic forecasts and expert assessments by our country analysts. Users have the option of adjusting weights across risk factors to produce scores that most accurately match their risk preferences. Updated quarterly.

Moody's Analytics Country Risk Index (MACRI) assesses risk across six dimensions of threat and uncertainty.

- **Macroeconomic risk** related to the natural cyclical nature of the economy and the quality of monetary and fiscal policy.
- **Business risk** reflecting operational uncertainty from local conditions that businesses face daily.
- **Financial risk** from possible shifts in asset and liability valuations due to interest-rate and exchange-rate shocks.
- **Social risk** from either large-scale social upheaval or individual-level risks such as crime and disease affecting human resources.
- **Political risk** related to policy uncertainty and/or the possibility of large shifts in political conditions.
- **Security risk** to human life and property from war, geopolitical instability, natural disasters and climate change.

A COMPLETE SUITE OF RISK INDICATORS

To complement the MACRI's broad view of risk, our Country Risk Service provides four supplementary indicators focused on short-run risk.



Risk of Recession Indicator

Estimates the probability of a recession occurring over the next 12 months. Covers 113 countries and is calculated using the most recent high-frequency data for each country. Updated monthly.



Currency Depreciation Indicator

Provides a view to where depreciation events are most likely to occur across 107 different countries, estimating the risk over the next 12 months. Updated monthly.



Fiscal Space Indicator

Measures fiscal space risks associated with government debt for 78 countries, defined as the amount of additional borrowing, above current debt, a country is capable of without endangering debt sustainability. Updated monthly.



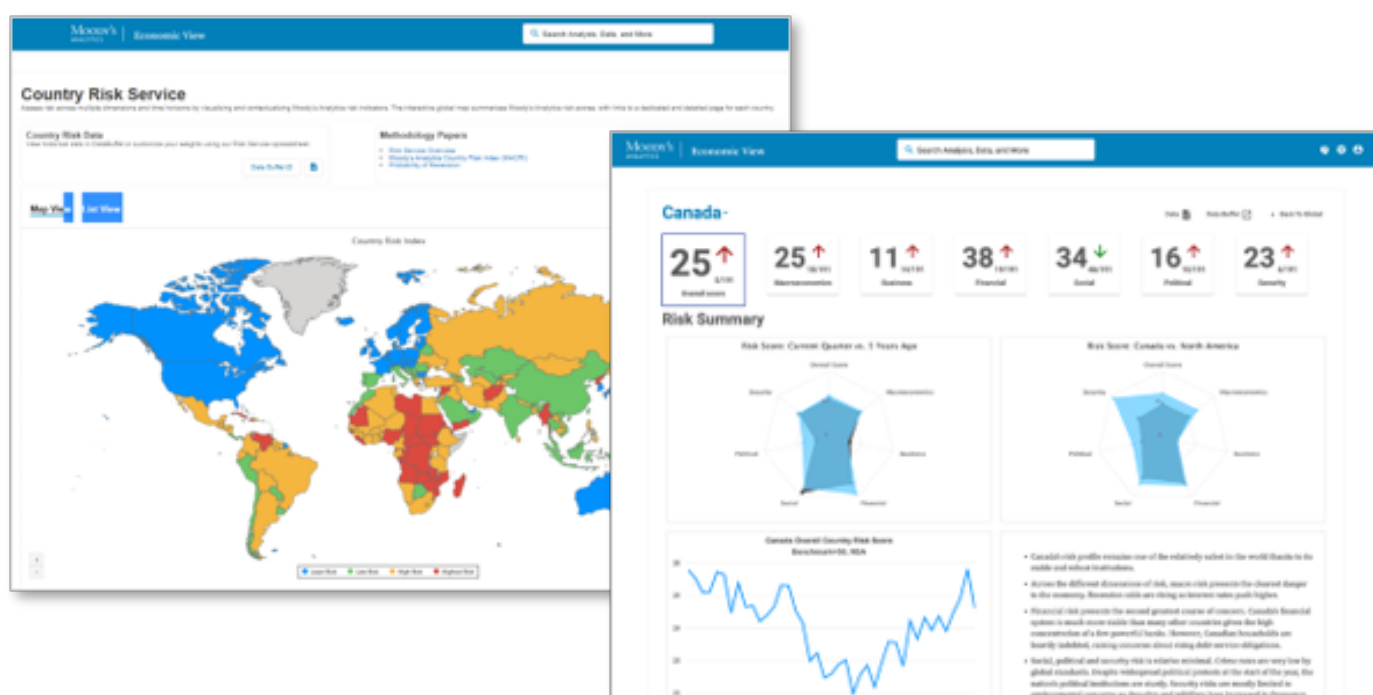
Economic Clarity & Surprise Indexes

Assesses how the most recent data stack up against Moody's Analytics' forecasts and a country's historical performance for 73 countries. Has the country overperformed our forecasts, or has it underperformed relative to its history? Updated monthly.

KEY FEATURES

- Robust, one-stop solution enabling multi-factor assessment of country investment.
- Convenient Country Risk platform providing an integrated view to country risk scores and analysis to better visualize and contextualize country risk indicators.
- Standardized, documented methodology facilitates easy comparison across countries.
- Ability for users to adjust and save weights to create a custom Country Risk Index reflecting their unique risk assumptions.
- Flexible data delivery options including API and Excel Add-in.

Gain a deeper view to threats across multiple dimensions and timeframes on the Country Risk Service platform featuring an interactive global indicator map, narrative analysis, and detailed pages for each country.



APPLICATIONS

- Inform investment strategy through comprehensive insight into risk factors within and across countries.
- Meet regulatory requirements for country monitoring to inform limit setting when lending overseas.
- Guide decision-making when expanding or managing business operations in another country.
- Enhance supply chain management through assessment of countries' ability to manage shock.

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