

Financial Institutions **Research**

A Closer Look At Our BICRAs For 30 Countries In Central And Eastern Europe, The Middle East, And Africa

Primary Credit Analyst:

Emmanuel Volland, Paris (33) 1-4420-6696; emmanuel_volland@standardandpoors.com

Secondary Contacts:

Pierre Gautier, Paris (33) 1-4420-6711; pierre_gautier@standardandpoors.com
Timucin Engin, Dubai (971) 4 372 7150; Timucin_Engin@standardandpoors.com
Scott Bugie, Paris (33)1-4420-6680; scott_bugie@standardandpoors.com
Paul-Henri Pruvost, Paris (33) 1-4420-6691; paul-henri_pruvost@standardandpoors.com
Nicolas Hardy, PhD, Paris (33) 1-4420-7318; nicolas_hardy@standardandpoors.com
Matthew Pirnie, Johannesburg (27) 11 214 1993; matthew_pirnie@standardandpoors.com
Goeksenin Karagoez, Paris (33) 1-4420-6724; goeksenin_karagoez@standardandpoors.com
Michal Gur Kagan, Tel Aviv +972 3 753 9708; michal_gur_kagan@standardandpoors.com

Table Of Contents

Gulf Countries

Central And Eastern European Countries

Russia And The Rest Of The CIS

Arab Mediterranean Countries

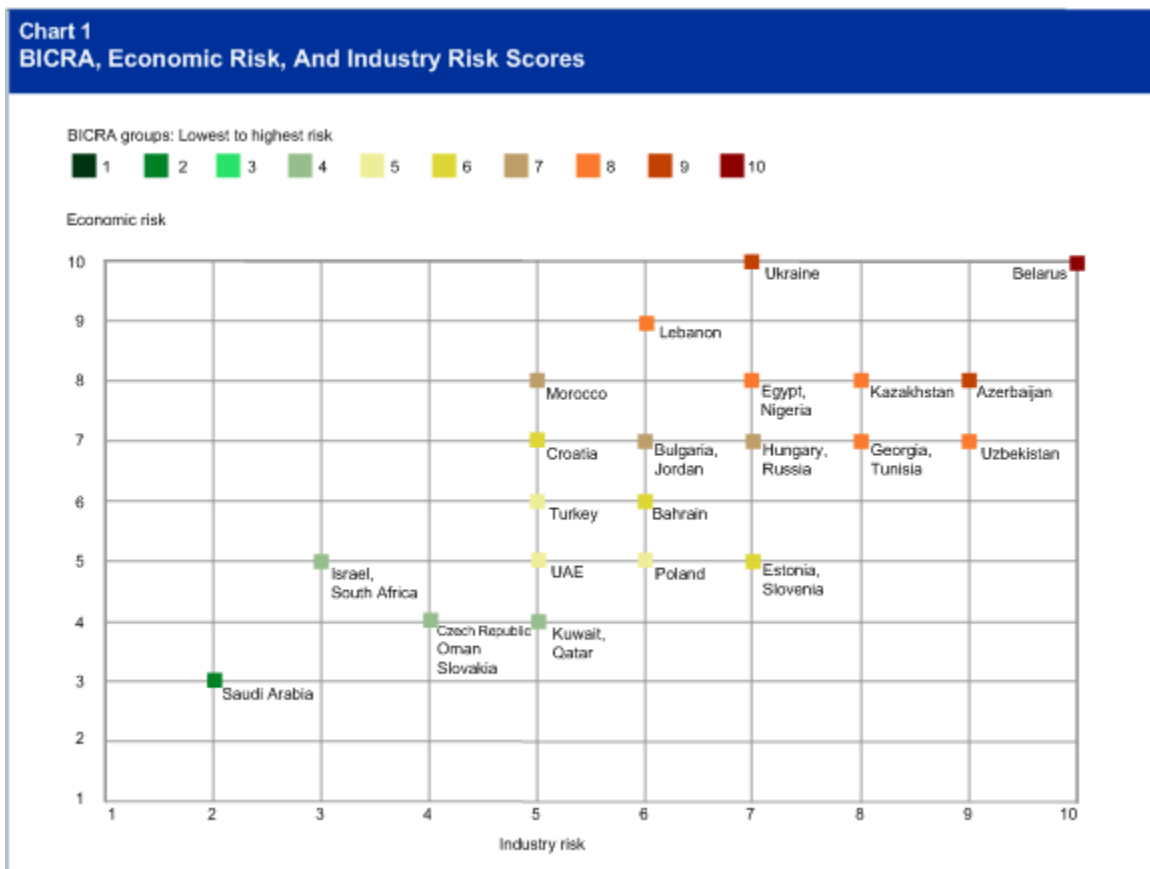
Israel, South Africa, And Turkey

RESEARCH

A Closer Look At Our BICRAs For 30 Countries In Central And Eastern Europe, The Middle East, And Africa

Banking sectors across the globe face trying times in the current uncertain and volatile environment. In this context, Standard & Poor's Ratings Services recently reviewed its Banking Industry Country Risk Assessments (BICRAs) for 86 countries using its updated BICRA criteria. This report is a detailed analysis of the results for the Central and Eastern Europe, Middle East, and Africa (CEEMEA) region, which includes 30 countries for which Standard & Poor's has a BICRA.

The scattering of BICRA groups in CEEMEA highlights the diverse nature of this region (see chart 1). Some countries, notably Kazakhstan and Ukraine, have experienced severe banking crises over the past three years and are currently in the process of restructuring. At the other end of the spectrum is Saudi Arabia, which we believe has a stable and resilient economic environment, a good track record of effective supervision, a protected franchise, and abundant core customer deposits.



We have assessed national banking industries as part of our approach to rating banks for several years. Our BICRA criteria allow us to evaluate individual banking systems and assign a BICRA using our scores on two main

components, economic risk and industry risk. To score economic risk and industry risk, we assess various factors under our BICRA methodology framework (see table 1). A BICRA is scored on a scale from '1' to '10', ranging from the lowest-risk banking systems (group '1') to the highest risk (group '10'). (See "Banking Industry Country Risk Assessment Methodology And Assumptions," "S&P's BICRAs Measure Banking Risks For 86 Countries," both published on Nov. 9, 2011 on RatingsDirect on the Global Risk Portal, and Banking Industry Country Risk Assessment Update: February 2012," published on Feb. 7, 2012.).

Table 1 BICRA Methodology Framework			
Factor	Subfactor adjustments	Additional adjustments*	
Economic Risk	A. Economic resilience	Economic structure and stability Macroeconomic policy flexibility Political risk	GDP per capita
	B. Economic imbalances	Expansionary phase Private-sector credit growth Residential real estate prices Equity prices Current-account balance and external debt position - or - Correction phase Expected impact on the banking sector	Atypical change in private-sector credit growth or asset prices Commercial real estate prices
	C. Credit risk in the economy	Private-sector debt capacity and leverage Lending and underwriting standards Payment culture and rule of law Sovereign government credit stress	Currency movements or price volatility Country-specific characteristics
Industry Risk	A. Institutional framework	Banking regulation and supervision Regulatory track record Governance and transparency	
	B. Competitive dynamics	Risk appetite Industry stability Market distortions	
	C. System-wide funding	Core customer deposits External funding Domestic debt capital markets Government role	Non-loan assets

* Additional adjustments apply to 10% or less of the BICRA scores assigned.

Each factor is scored on a numerical scale that ranges from '1' ("very low risk") to '6' ("extremely high risk"). This scoring is based on the analysis of the characteristics associated with each factor and sub-factor. The criteria apply the "extremely high risk" or '6' score in rare circumstances since it signals serious deficiencies or stress (see "Banking Industry Country Risk Assessment Methodology," published Nov. 9, 2011).

Gulf Countries

The banking sectors of the six countries comprising the Gulf Cooperation Council (GCC)--the United Arab Emirates (UAE; not rated), the Kingdoms of Bahrain (BBB/Negative/A-3) and Saudi Arabia (AA-/Stable/A-1+), The Sultanate of Oman (A/Negative/A-1), and the States of Kuwait (AA/Stable/A-1+) and Qatar (AA/Stable/A-1+)--vary in their creditworthiness. Overall, they are in the middle of our BICRA groupings. But Saudi Arabia stands out as the strongest with a BICRA in group '2' and Bahrain as the weakest with a BICRA in group '6'.

The Gulf countries generally enjoy high levels of wealth because most of them benefit from large oil and gas revenues, which generate strong current account surpluses. They also usually maintain large net foreign asset positions. Consequently, they have high fiscal flexibility, which allows them to implement strong countercyclical policies that support their banking sectors. This supports our view of "low risk" to "intermediate risk" with regard to economic resilience, as our criteria define the terms.

Most of the Gulf countries have no major economic imbalances, in our opinion, supporting our assessment of "low risk" to "intermediate risk." That said, we consider that the United Arab Emirates exhibits "high risk" because the Emirate of Dubai (not rated) is still wrestling with its debt overhang and facing the consequences of the fall of its real estate sector. Qatar and Kuwait are also more exposed to the asset price bubble and its consequences for the banking sector as the real estate and construction sector largely fueled precrisis rapid lending growth. Saudi Arabia and Oman have more limited economic imbalances, in our view.

Credit risk in the economy is "high" for all GCC countries except Saudi Arabia, despite the relatively low leverage of the private sector in most economies, and the significant wealth of individuals. Even though lending is usually extended to safe components of the retail and corporate sectors, including government-related entities, we note that the payment culture and rule of law are usually weak while lending and underwriting standards are relaxed. Common features of the GCC banking sectors include high single-name concentration and high exposure to the real estate and construction sector.

The global crisis has revealed the uneven quality of institutional frameworks in the GCC countries, and supports our opinion that the Saudi regulator is the region's strongest. Bahrain, Oman, and Qatar face "intermediate risk" in their institutional framework. Kuwait and the UAE have higher levels of risk, and their domestic industries were comparatively the hardest hit in the downturn. However, we have recently noted a positive trend toward best international practices in these two countries.

Our assessment of competitive dynamics factors in moderate competition and adequate industry stability for GCC countries. Banks in the region generally focus on basic products and are not subject to major market distortions despite significant government ownership stakes. Bahrain is more prone to industry instability than the other countries because of its more fragmented banking sector and fragile political situation. Qatari banks, with their sustained double-digit lending growth, tend to show a higher risk appetite. Saudi banks have a more restrained risk

appetite, in our opinion, which translates into unparalleled stability through the cycle.

Systemwide funding represents "low risk" or "intermediate risk" for the Gulf banks as they tend to be essentially funded by customer deposits. One of their weaknesses is the short-term maturity of their funding, and their domestic debt capital markets lack breadth and depth. Sizable latent flexibility also exists since cash-rich government-related entities are the largest depositors, allowing governments to swiftly channel funds to the banking sector.

We classify all GCC countries as "highly supportive" toward their banking sectors. All of the GCC's governments in our view have the capacity, willingness, and track records to provide their banks with extraordinary support during period of stress. The classification does not apply to offshore banks, or so-called "wholesale" banks, in Bahrain. That's because we do not expect the authorities to extend extraordinary support in case of need. Bahrain's track record is in line with this view because some of its offshore banks defaulted during the past decade.

Central And Eastern European Countries

The 2008 financial crisis and its aftermath hit Central and Eastern Europe's (CEE) banking systems hard and exacerbated the significant differences that already existed among them. The region's seven banking sectors generally rank in the middle to high-risk range of our BICRAs. The Czech Republic (AA-/Stable/A-1+) and Slovak Republic (A/Stable/A-1) stand out with BICRAs in group '4', while Hungary (BB+/Negative/B) and Bulgaria (BBB/Stable/A-3) show the highest risk with BICRAs in group '7'.

CEE countries usually have competitive, export-oriented economies with flexible and skilled labor forces. This explains our assessment of "intermediate risk" in economic resilience for the Czech Republic, Slovak Republic, and Poland (A-/Stable/A-2). However, these economies' performances depend heavily on the health of their main European trading partners. In addition, Bulgaria, and to a lesser extent Croatia (BBB-/Negative/A-3) have lower levels of wealth as indicated by their lower GDP per capita. This explains our view of "high risk" in economic resilience for these two countries. We view all these countries as politically stable with well-established market-oriented frameworks. However, the Hungarian government recently took some controversial decisions, including some aimed at raising the bank tax, which worried investors and shareholders.

CEE economies are in a correction phase after a buildup of imbalances in the past decade. The impact on the region's banking sectors is uneven. Hungary, Bulgaria, and Croatia are trying to cut debt after years of strong credit growth. We believe that the impact of the correction will be high on their banking sectors. Banking systems in the Czech Republic, Slovak Republic, and Poland have survived the crisis relatively unscathed. In our opinion, their lower economic imbalances imply a faster and stronger recovery and an "intermediate" level of risk.

We assess credit risk in the economy from "intermediate" to "very high" across the region. The risk is particularly elevated in Hungary because of the very high share of mortgages denominated in Swiss francs. Bulgaria and Slovenia are heavily exposed to the construction and commercial real estate sector. The Czech Republic and the Slovak Republic stand out by not having significant foreign currency loans and lower private-sector leverage.

Differences in our assessments of institutional frameworks across the region, ranging from "intermediate risk" to "high risk" primarily reflect differences in regulators' track records in limiting risks from the buildup of imbalances during boom years. Practices are rapidly changing and regulators are now imposing stricter standards. The institutional frameworks in the Slovak Republic and the Czech Republic pose "intermediate risk" and have insulated

banks from larger problems, compared with others in the region. Although we view supervision in CEE as comprehensive, its track record is short and untested.

We consider that competitive dynamics is a supportive factor for all CEE countries with an overall "intermediate" level of risk. Banks generally focus on standard products and enjoy high margins on commercial lending. Slovenia (A+/Negative/A-1), which we assess as "high risk", has more state-owned banks than the other countries in the region, triggering some market distortions. Overall, the banking industry features high stability across the region. A handful of historical players with strong customer franchises dominate the sector, preventing high competition.

Risks we attach to systemwide funding are diverse in CEE. Most banks in the Czech Republic and the Slovak Republic have sound funding profiles with loan-to-deposit ratios at or below 80%. In Poland, Croatia, and Bulgaria, banks' funding profiles are less balanced and parental funding is often necessary to fill liquidity gaps. Systemwide funding is "very high risk" in Hungary and more vulnerable to investor confidence owing to greater reliance on wholesale funding. For all these countries, domestic debt capital markets are quite narrow and shallow.

We classify all CEE countries as "supportive" toward their banking sectors. While we recognize their track records of extraordinary support during periods of stress, we believe that authorities rely above all on prudent regulation and supervision to ensure the soundness of their banking systems.

Russia And The Rest Of The CIS

We reviewed under our revised BICRA methodology seven countries in the region of Russia and the rest of the Commonwealth of Independent States (CIS), in which we include Georgia for geographic reasons. The region's banking sectors are among the riskiest in the world because of what we view as "very high" or "extremely high" credit risk in the economy owing to weak rule of law, and deficiencies in the countries' banking supervision and regulation and funding profiles. The seven countries' BICRAs range from group '7' for Russia (BBB/Stable/A-3) to group '10' for Belarus (B-/Negative/C). Russia dominates the region and represented approximately 80% of its estimated combined \$2.2 trillion GDP in 2011. Russia's relatively high level of wealth and moderate systemwide leverage compared with the rest of the region are factors that offset weaknesses in credit risk in the economy, the institutional framework, and competitive dynamics due to the dominance of state-owned banks.

We base our risk assessment of the economic resilience of Russia and other CIS countries as "high" or "very high" on their narrowly based economies, typically centered on exports of commodities and uncompetitive domestic companies. The level of wealth in the region, as measured by GDP per capita, ranges from mid-income for Russia and Kazakhstan (BBB+/Stable/A-2) to low-income for the rest of the CIS.

Our views of economic imbalances range from "intermediate risk" to "extremely high risk" in the region. The Russian credit market and real estate sector cooled down considerably in 2009 and 2010 because of the financial crisis and recession. Credit growth in Russia picked up in 2011 and we project that real growth of loans will be 10% for 2011. Kazakhstan, Ukraine (B+/Stable/B), and Belarus experienced overheated credit booms in 2003-2008. The credit boom in Kazakhstan, and to a lesser degree in Ukraine, was funded by cross-border borrowings, and followed by highly damaging corrections. Two large banks failed in Kazakhstan in 2009-2010, and numerous small banks failed in Ukraine. Both countries' banking sectors are currently restructuring. The banking sectors of Azerbaijan (BBB-/Stable/A-3), Georgia (BB-/Stable/B), and Uzbekistan (not rated) are much smaller, with lower intermediation. They are vulnerable to the same potential boom and bust cycles that Kazakhstan, Ukraine, and

Belarus experienced.

Credit risk in the economy ranges from "high" to "extremely high" in all countries in the region, in our opinion owing to the poor creditworthiness of private-sector companies and weak legal infrastructure. We expect that the rate of nonperforming and restructured loans would be extremely high in Russia and other CIS countries in a recession. In Kazakhstan, Belarus, and Ukraine this rate was close to or above 50% during the past three difficult years.

We consider that the institutional framework underpinning banking is weak in most countries in the region. Banking supervision in particular is poorly executed and subject to government influence in those countries, where the line between the public and private sectors is blurry and companies are subject to political interference. We also assess transparency concerning financial information and ownership and corporate governance in Russia and the rest of the CIS as relatively weak.

The banking sectors in the region can be highly profitable when the cycle is positive, but are subject to volatile economic swings. The significant presence of state-owned banks in certain countries distorts competition, in particular regarding the collection of deposits, and places private-sector banks at a competitive disadvantage, in our view.

The profile of bank funding is weak in Russia and the rest of the CIS but has improved in certain countries, most notably Russia. Banks are typically not able to fund all their loans with core customer deposits. Banks usually look to fund longer maturities in foreign currencies, often borrowing in the wholesale cross-border markets. This practice proved to be highly risky for Kazakh banks and their international creditors.

Government ownership of banks in the region is high but not universal. Government actions to provide extraordinary support to banks are "uncertain" in Ukraine and Belarus. Russia has become more predictably "supportive" of banks since the crisis of 2008. In Uzbekistan, the government owns most of the banking sector and will likely intervene to help banks in time of need. This supports our opinion that the country is "highly supportive" toward its banking sector.

Arab Mediterranean Countries

The banking sectors in these five Arab Mediterranean countries have many features in common. Jordan (BB/Negative/B) and Morocco (BBB-/Stable/A-3) are in BICRA group '7' and Egypt (B/Negative/B), Lebanon (B/Stable/B), and Tunisia (BBB-/Negative/A-3) in BICRA group '8'.

We assess economic resilience for four of these countries as "very high risk." This is mainly because of their low level of wealth, with GDP per capita in the \$2,500-\$5,000 range. Tunisia ranks slightly higher with more characteristics that we associate with a "high risk" assessment, including a more diversified economy. All of these economies are exposed to cyclical sectors, such as agriculture, tourism, and real estate. They are also vulnerable to external factors like reductions in remittances from nonresidents or major slowdowns in the economies of their main trading partners. Factors stemming from the so-called Arab spring and subsequent political transitions are putting growth prospects in some countries of this region at risk because of uncertain political transitions and caretaker governments facing rising social demands.

We do not see large economic imbalances in the region, although we assess the risks in Lebanon, Egypt, and

Morocco as "high." We are not observing a buildup of credit-fueled real estate or stock market bubbles in the region. In the housing segment, demographics are supportive and limit the risk of oversupply. Current account deficits and external debt positions in these countries in our view are of limited risk, and do not signal rising imbalances.

Credit risk in the economy is "extremely high" for Lebanon, and "very high" for the other four countries, reflecting the Lebanese banks' very high exposure to their indebted sovereign. In our view, lending and underwriting standards in the region are relaxed and high concentration in loan portfolios a common feature. In Egypt and Tunisia, state-owned banks are dealing with substantial legacy problem loans that are taking time to resolve. Payment culture and rule of law is another weakness; legal frameworks are usually ineffective, especially when it comes to seizing of assets.

The institutional frameworks carry "high risk" or "very high risk" in the region, in our view. The quality of regulation and supervision ranges from intermediate to weak. Banks are not allowed to engage in proprietary trading activities or provide high risk products, which we view positively. However, risk oversight lacks sophistication despite the progress in implementing the Basel II framework, which is still pending in Egypt and Tunisia. There are also issues with governance and transparency across the board, in our opinion. Reforms are underway, but could be delayed during political transitions.

We assess competitive dynamics in the region as "high risk." Banking systems are often fragmented and competition is high. The Moroccan banking system is more concentrated, with the three largest banks controlling about two-thirds of system assets, supporting our assessment of "intermediate risk." We do not see major market distortions, except in Egypt where the state-owned banks are among the country's largest institutions and do not always price according to risk, in our view. Lebanese and Moroccan banks have shown an appetite for geographic expansion into neighboring countries or more risky African countries.

We consider systemwide funding to carry "intermediate risk," although Tunisia is the exception, with "very high risk." Core customer deposits are the main source of funding and a supportive feature for banking systems in the region, except in Tunisia where banks rely more on wholesale funding. Limited access to external funding and nascent domestic debt markets are negative factors in our assessment.

We consider the governments of these five countries to be "supportive" toward their banking systems because there is, in our opinion, a willingness to provide extraordinary financial support to financial institutions in times of stress, but limited capacity to do so.

Israel, South Africa, And Turkey

These three countries are among the CEEMEA region's largest economies. We are presenting them as a separate group because they do not share many similarities with their neighboring countries. Israel (A+/Stable/A-1) and South Africa (BBB+/Stable/A-2) are in BICRA group '4' and Turkey (BB/Positive/B) is in group '5'.

Israeli banks operate in a diversified economy with a high level of wealth compared with other countries in the region, as illustrated by a GDP per capita of about \$30,000. Israel's fair degree of fiscal and monetary flexibility supports our assessment of economic resilience as "intermediate risk." These conditions could, however, prove to be fragile considering the country's high political risk. Turkey's economic volatility and structural imbalances make its

financial system and export-oriented industries vulnerable to external shocks. Long-term economic growth and political stability in South Africa are restrained by low wealth levels, high unemployment, and large infrastructure needs.

Economic imbalances range from "intermediate risk" in South Africa and Israel to "high risk" in Turkey. This largely reflects our view that housing prices and credit growth in South Africa will remain limited. In Israel, the sharp increase in residential housing prices might be a sign of growing economic imbalances. However, relatively low debt leverage and the specific characteristics of the real estate market reduce our concerns. Turkey's net external debt remains relatively high, and this, coupled with recurring current account deficits, makes the economy dependent on portfolio flows, foreign direct investments, and cross-border borrowings.

We qualify credit risk in the economy as "high" in Israel and "intermediate" in South Africa and Turkey. For Israel, this is mainly explained by significant loan concentration on the real estate sector and large conglomerates. Our assessment for South Africa reflects our expectation that asset quality will recover only slowly. The banking sector is also exposed to mortgage lending, a segment that contributes to the bulk of problem loans, reflecting high household indebtedness. In Turkey, credit risk in the economy is shaped by low household and corporate debt. However, Turkey's weak legal system, very rapid loan growth, and high proportion of foreign currency lending are restraining factors.

Israel and Turkey have "intermediate risk" in their institutional frameworks while South Africa has "low risk," in our opinion. Our assessment for South Africa reflects its prudent regulation and supervision and strong track record. Turkey has made significant improvements since the systemic crisis of 2001, bringing its regulatory standards increasingly on a par with international standards. This improvement came after a period of what we viewed as regulatory underperformance.

South Africa's competitive dynamics has a better score than Israel and South Africa because its banking system is oligopolistic, meaning that the threat of new entrants is minimal. Industry structure and stability is relatively similar in Israel. However, competitive distortion from nonbank competitors is more significant. Turkey has a largely stabilized banking industry with several large players dominating the market, following a restructuring in the past decade. State banks still account for about a quarter of the Turkish market but do not hinder the competitive strength of the industry.

We consider that systemwide funding represents a "high risk" for Turkish banks. They are mainly funded by customer deposits but their short maturity is a source of risk. In addition, the domestic debt capital market remains underdeveloped. The "intermediate risk" for South Africa is based on our view that although banking assets are largely funded by customer deposits, banks are structurally exposed to short-term wholesale deposits. However, we believe that mitigating factors exist. In addition, local debt capital markets are deep and liquid by emerging market standards. Israel has "low risk" in systemwide funding, with a high level of core customer deposits as a share of total loans and a very low level of net external funding compared with regional peers'. In addition, Israeli banks benefit from the existence of a domestic debt capital market that is relatively deep and active.

We classify Israel, South Africa, and Turkey as "supportive" toward their banking sectors. While we recognize the track record of extraordinary support during periods of stress, we believe that authorities rely above all on prudential regulation and supervision to underpin the soundness of the banking system.

Table 2

BICRA Scores For 30 Countries In Central And Eastern Europe, The Middle East And Africa											
Country	BICRA group	Anchor*	Economic risk descriptions				Industry risk descriptions				Government support assessment
			Economic resilience	Economic imbalances	Credit risk in the economy	Economic risk	Institutional framework	Competitive dynamics	Systemwide funding	Industry risk	
Azerbaijan	9	b+	High	Intermediate	Extremely high	8	Very high	Very high	Very high	9	Supportive
Bahrain	6	bb+	High	Intermediate	High	6	Intermediate	High	High	6	Highly supportive
Belarus	10	b-	High	Extremely high	Extremely high	10	Very high	Very high	Extremely high	10	Support uncertain
Bulgaria	7	bb	High	High	Very high	7	High	Intermediate	High	6	Supportive
Croatia	6	bb+	High	High	High	7	High	Intermediate	Intermediate	5	Supportive
Czech Republic	4	bbb	Intermediate	Intermediate	Intermediate	4	Intermediate	Intermediate	Intermediate	4	Supportive
Egypt	8	bb-	Very high	High	Very high	8	Very high	High	Intermediate	7	Supportive
Estonia	6	bb+	Intermediate	Intermediate	High	5	High	High	High	7	Supportive
Georgia	8	bb-	High	High	Very high	7	Intermediate	High	Extremely high	8	Supportive
Hungary	7	bb	High	High	Very high	7	High	Intermediate	Very high	7	Supportive
Israel	4	bbb	Intermediate	Intermediate	High	5	Intermediate	Intermediate	Low	3	Supportive
Jordan	7	bb	Very high	Low	Very high	7	High	High	Intermediate	6	Supportive
Kazakhstan	8	bb-	High	High	Extremely high	8	Very high	High	Very high	8	Supportive
Kuwait	4	bbb	Low	Intermediate	High	4	Very high	Intermediate	Low	5	Highly supportive
Lebanon	8	bb-	Very high	High	Extremely high	9	High	High	Intermediate	6	Supportive
Morocco	7	bb	Very high	High	Very high	8	High	Intermediate	Intermediate	5	Supportive
Nigeria	8	bb-	Very high	High	Very high	8	Very high	Very high	Intermediate	7	Supportive
Oman	4	bbb	Intermediate	Low	High	4	Intermediate	Intermediate	Intermediate	4	Highly supportive
Poland	5	bbb-	Intermediate	Intermediate	High	5	High	Intermediate	High	6	Supportive
Qatar	4	bbb	Low	Intermediate	High	4	Intermediate	High	Intermediate	5	Highly supportive
Russia	7	bb	High	Intermediate	Very high	7	Very high	High	High	7	Supportive
Saudi Arabia	2	a-	Intermediate	Low	Intermediate	3	Low	Low	Low	2	Highly supportive
Slovakia	4	bbb	Intermediate	Intermediate	Intermediate	4	Intermediate	Intermediate	Intermediate	4	Supportive
Slovenia	6	bb+	Low	High	High	5	High	High	High	7	Supportive
South Africa	4	bbb	High	Intermediate	Intermediate	5	Low	Low	Intermediate	3	Supportive
Tunisia	8	bb-	High	Intermediate	Very high	7	Very high	High	Very high	8	Supportive
Turkey	5	bbb-	High	High	Intermediate	6	Intermediate	Intermediate	High	5	Supportive
Ukraine	9	b+	Very high	Very high	Extremely high	10	Very high	High	High	7	Support uncertain

Table 2

BICRA Scores For 30 Countries In Central And Eastern Europe, The Middle East And Africa (cont.)											
United Arab Emirates	5	bbb-	Low	High	High	5	High	Intermediate	Intermediate	5	Highly supportive
Uzbekistan	8	b+	Very high	Intermediate	Very high	7	Extremely high	Very high	High	9	Highly supportive

Copyright © 2012 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED, OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses, and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw, or suspend such acknowledgement at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal, or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com and www.globalcreditportal.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.