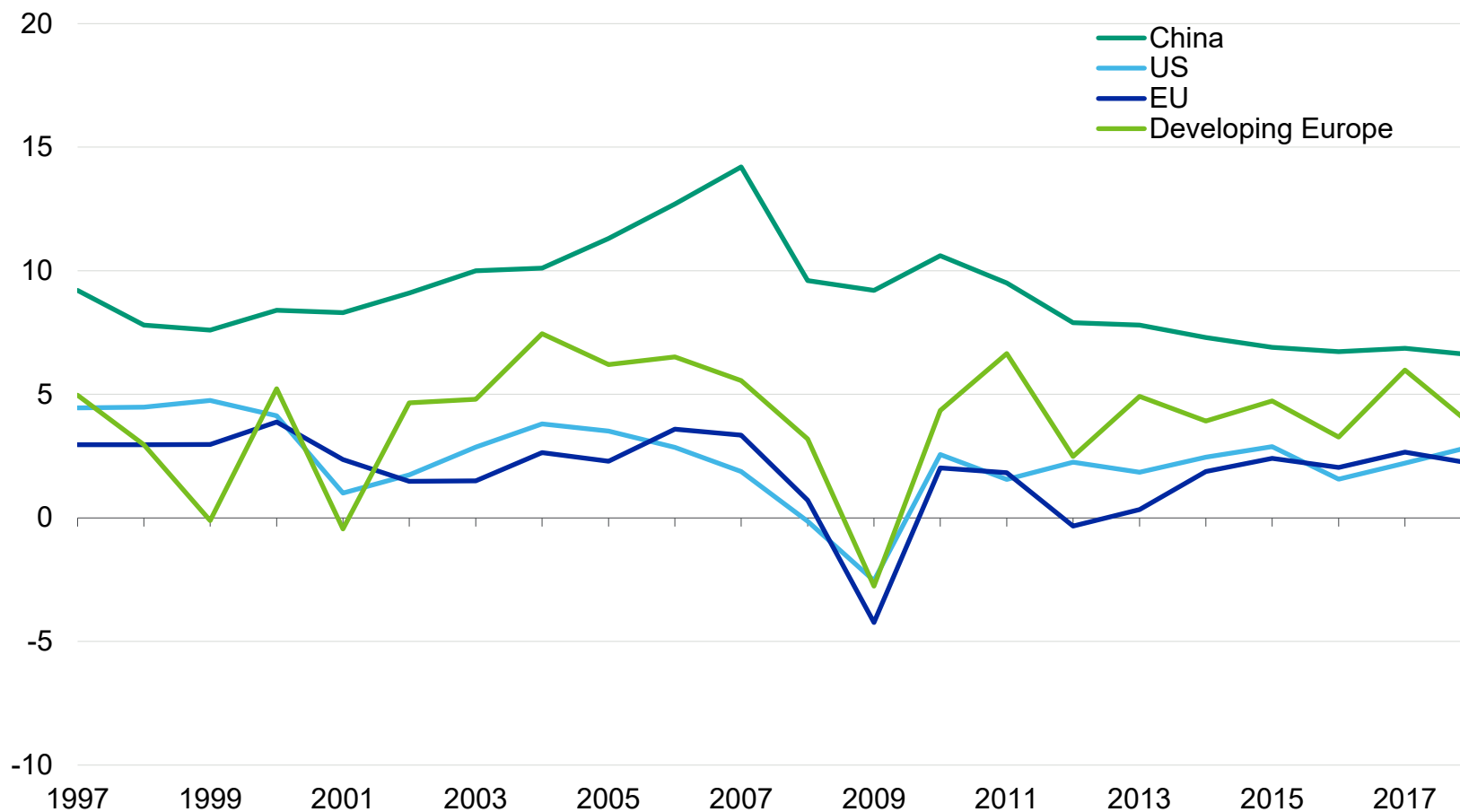


# South-East Europe After the Crisis

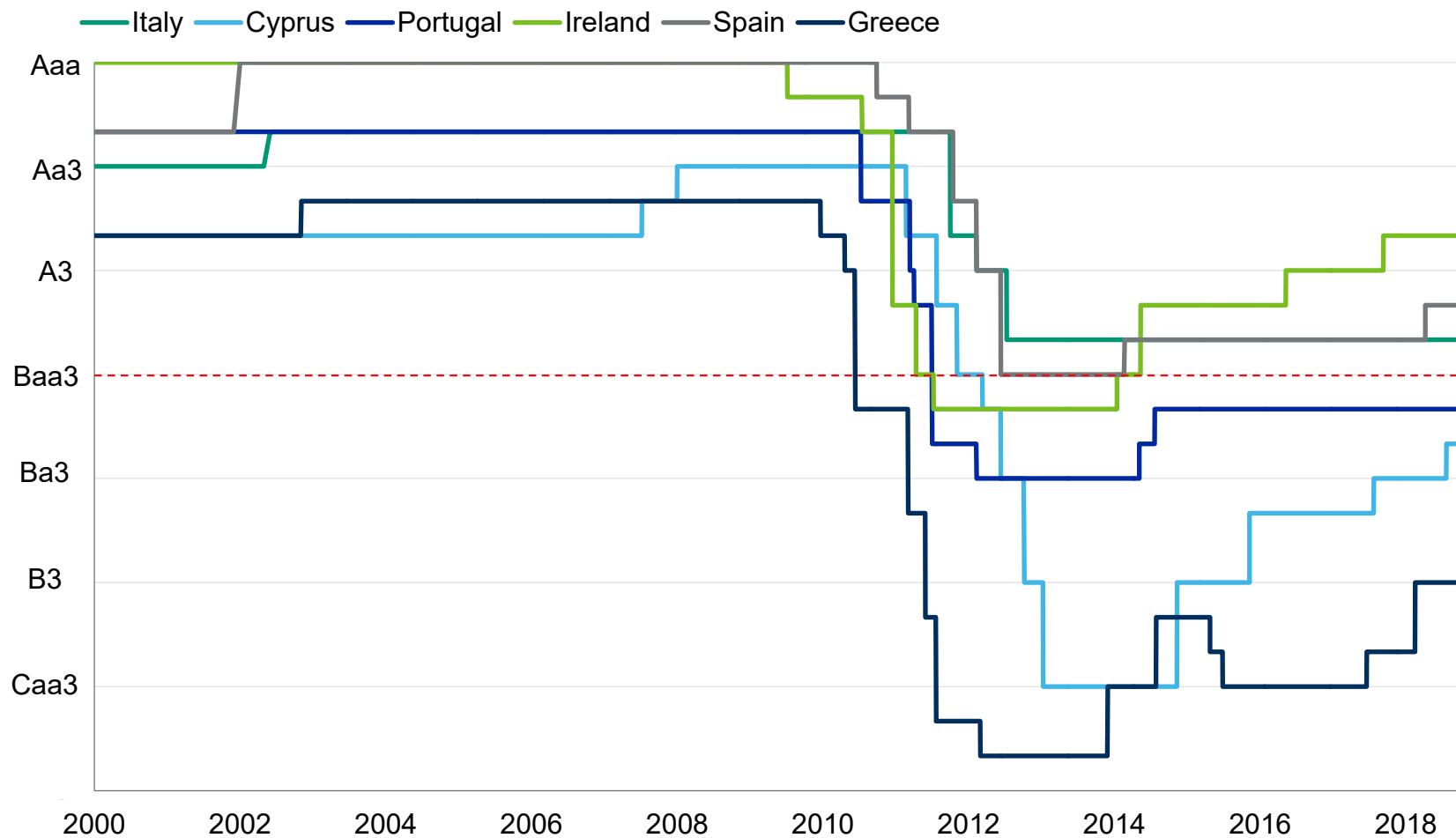
# Regional growth has been robust

GDP growth, per cent



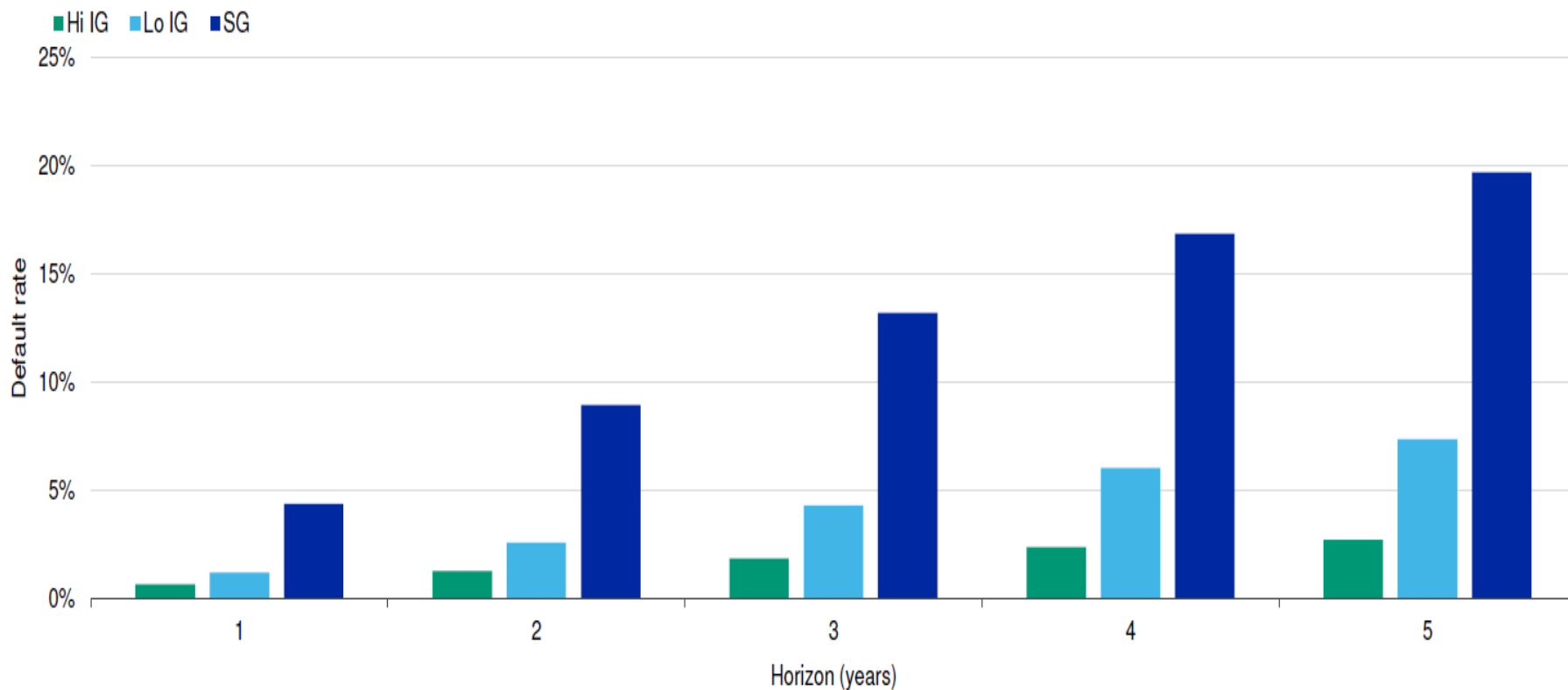
Source: IMF.

# EA ratings have recovered somewhat



# Sovereign credit risk is pervasive

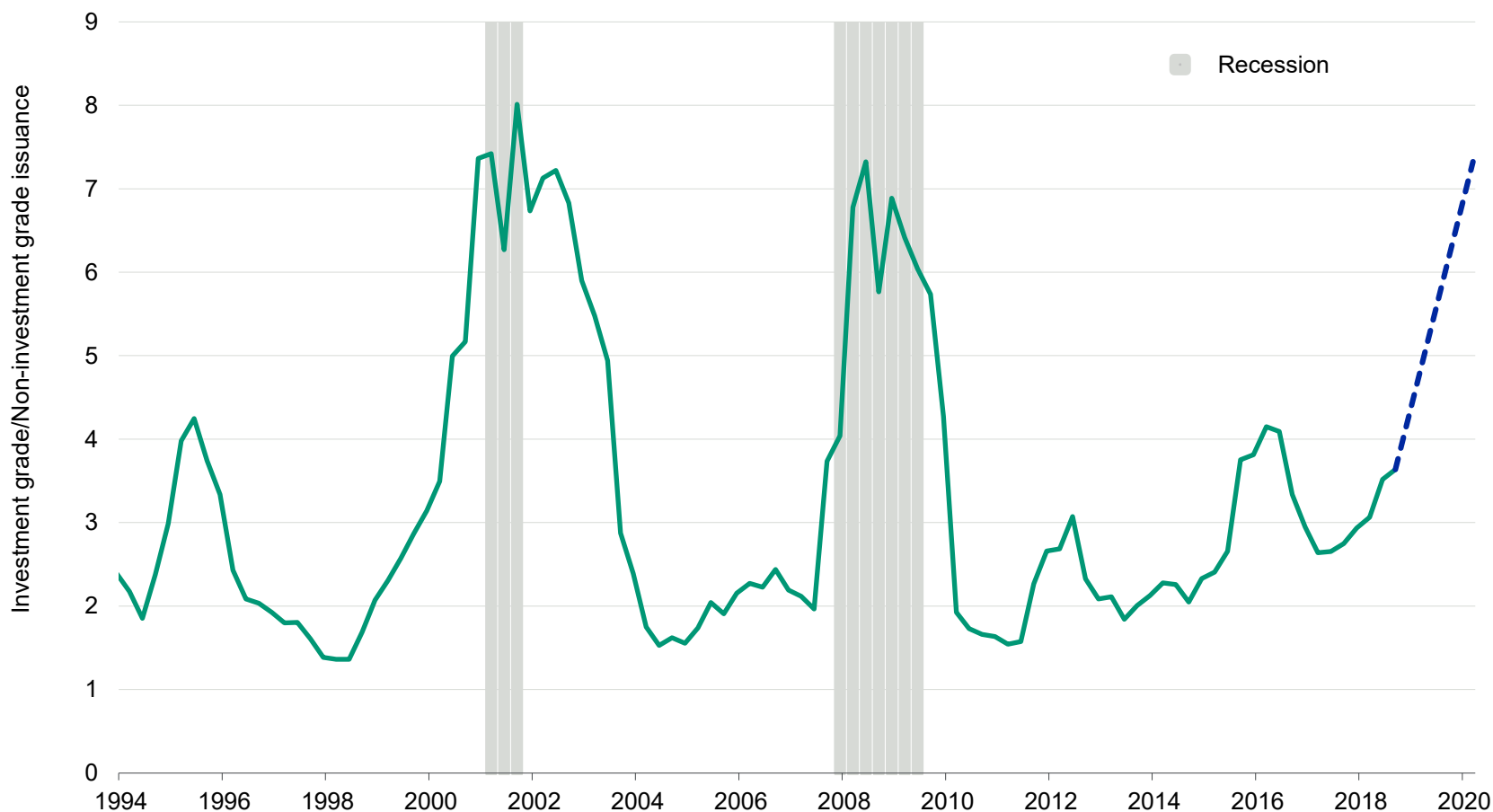
## European corporate default rates across three sovereign groupings



For more detail, see: [European default experience is consistent with pervasive sovereign credit risk](#), October 2018

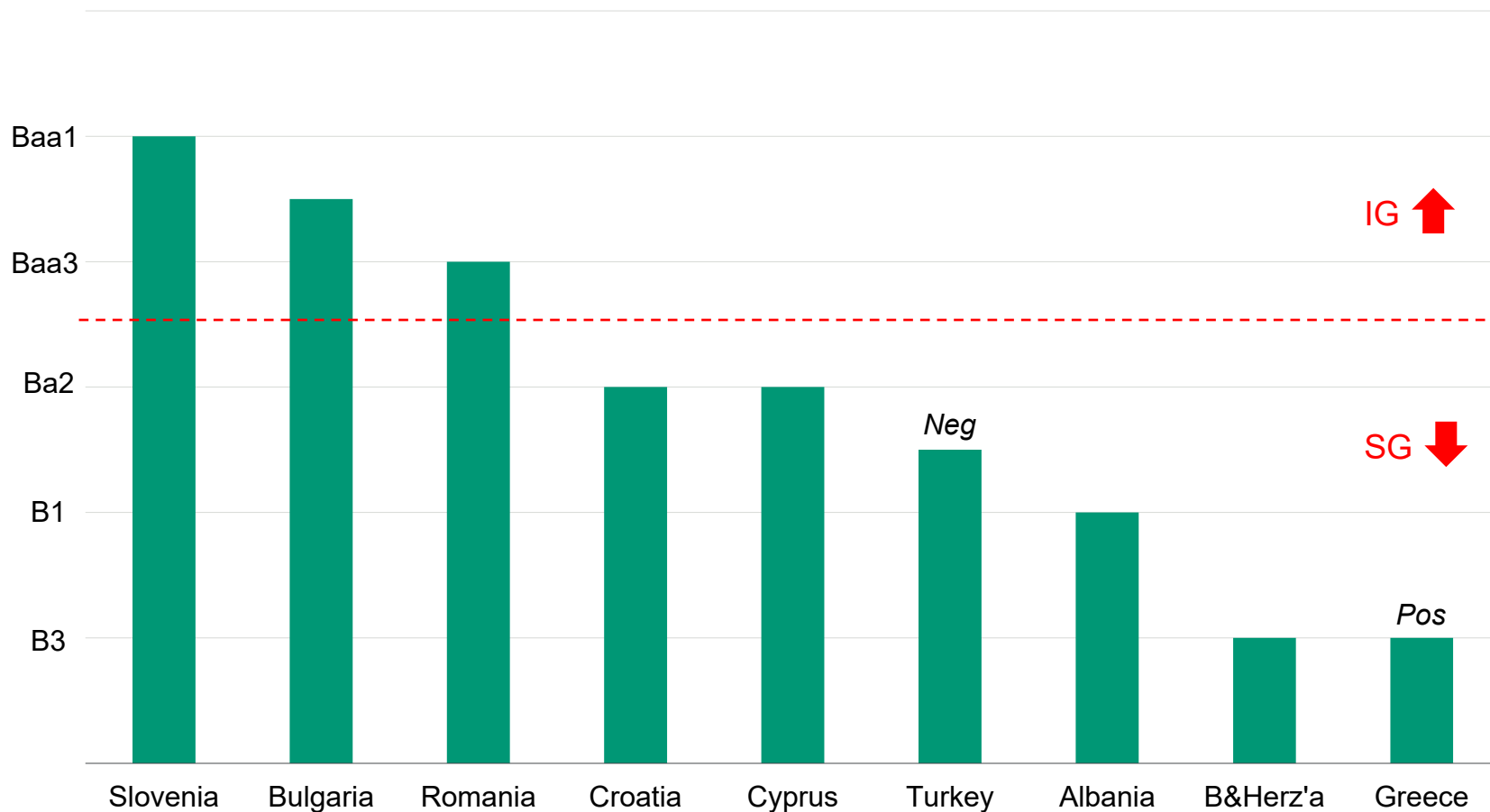
# HY market access can collapse quickly

## Ratio of IG to HY issuance



Source: Dealogic and Moody's Investors Service.

# Sovereign ratings in SEE

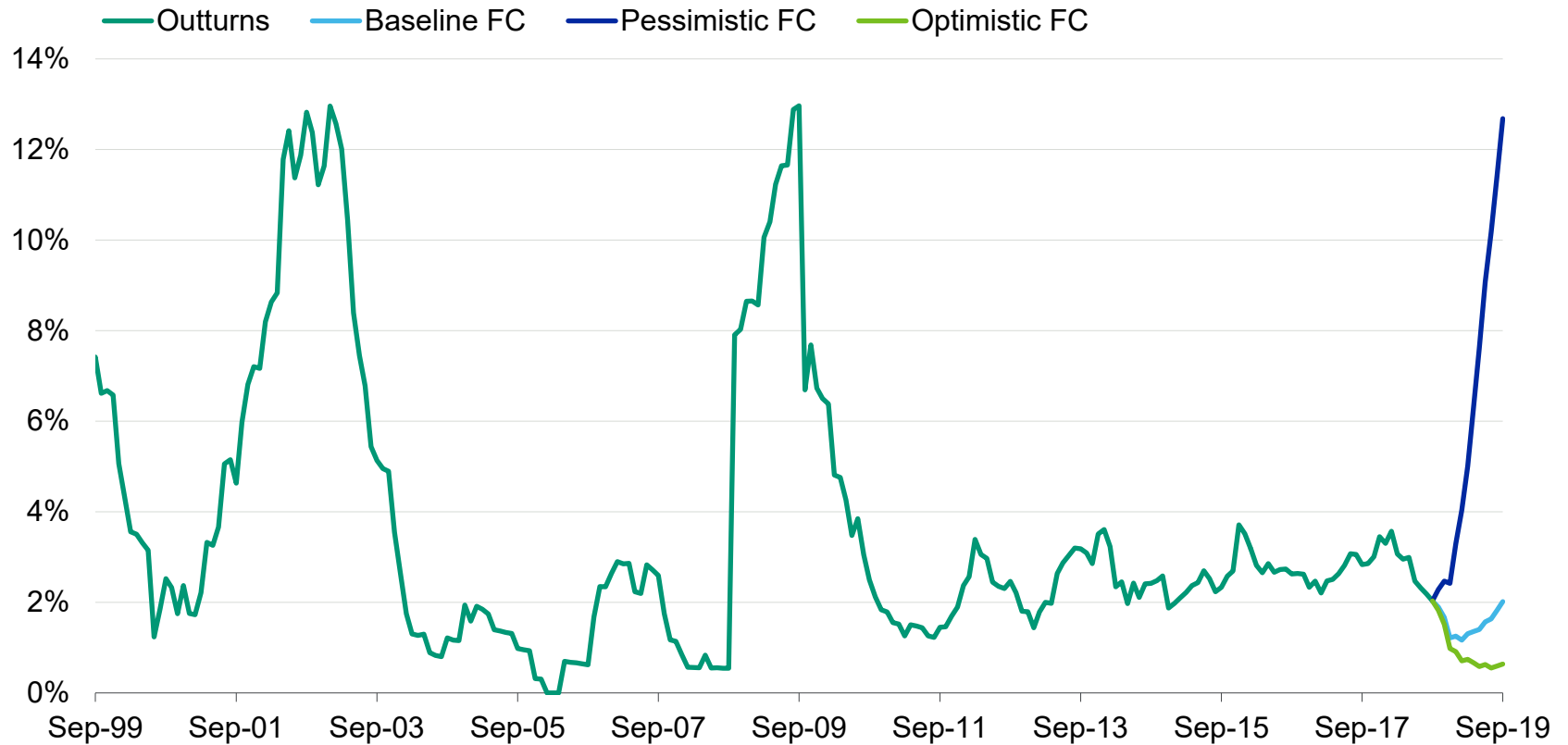


Source: Moody's Investors Service

# Benign conditions mask risks

## Downturn would lead to sharp default spike

Twelve month trailing speculative grade default rate, Europe (%)

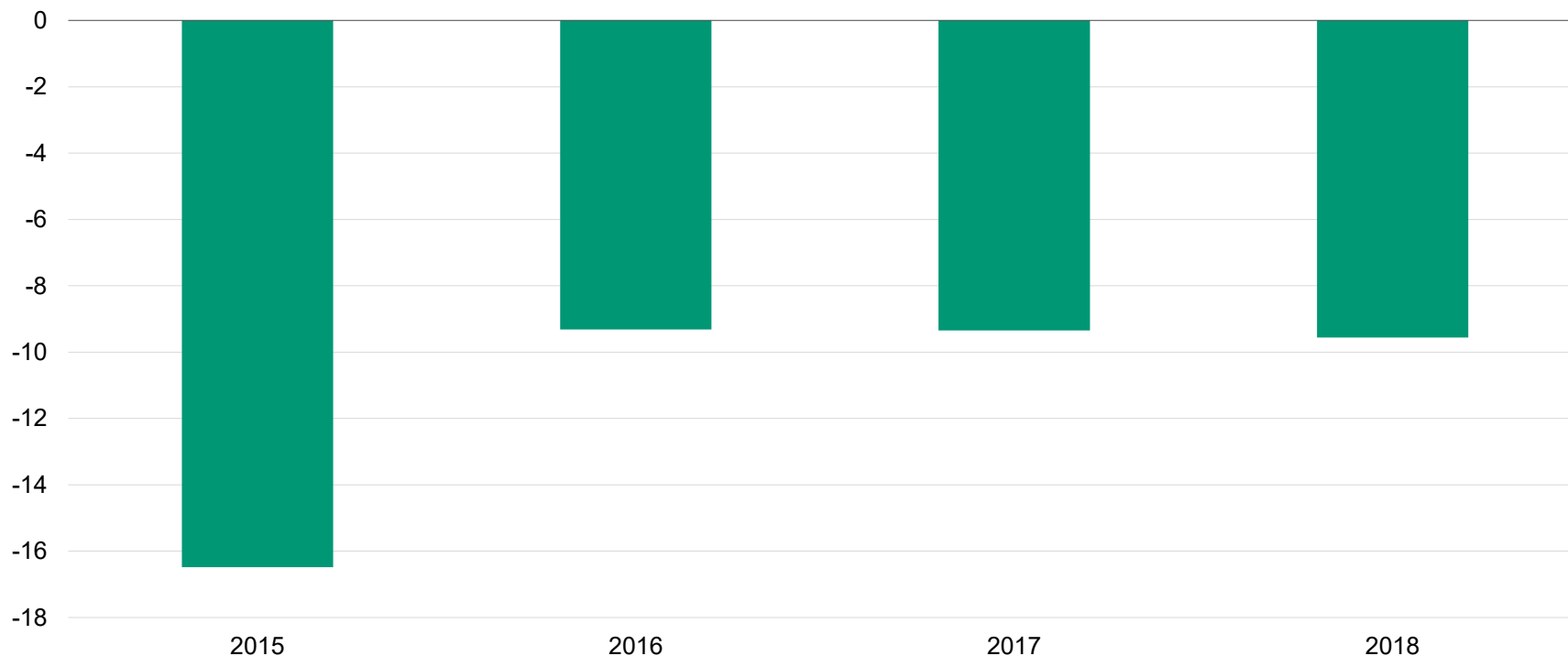


Source: Moody's Investors Service

# Are banks better placed?

## Average capital loss under Moody's stress test

Percentage point capital losses in stress



Note: Average across Slovenia, Greece, Romania, Turkey & Cyprus

Source: Moody's Investors Service



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