Date of Release: March 18, 2022

DBRS Morningstar Upgrades the Hellenic Republic to BB (high), Trend Changed to Stable

Industry Group: Public Finance – Sovereigns
Region: Europe

DBRS Ratings GmbH (DBRS Morningstar) upgraded the Hellenic Republic's Long-Term Foreign and Local Currency – Issuer Ratings to BB (high) from BB and changed the trend to Stable from Positive. At the same time, DBRS Morningstar upgraded the Hellenic Republic's Short-Term Foreign and Local Currency – Issuer Ratings to R-3 from R-4 and changed the trend to Stable from Positive.

KEY RATING CONSIDERATIONS

The ratings upgrades reflect DBRS Morningstar's view that Greece continues to progress economic reforms and remains fully committed to fiscal consolidation. The economy grew by 8.3% last year and is now very close to its pre-pandemic level. Fiscal overperformance and cash management strategy in 2021 led to liquid cash reserves remaining very high, currently around EUR 41 billion. Russia's invasion of Ukraine looks set to shave off around one percentage point from this year's GDP growth. The ECB last December signaled its support to Greek government bonds. Greek banks continue to make significant progress in reducing non-performing loans (NPLs) to single digits, even with some new asset quality deterioration. Improvements in DBRS Morningstar's building blocks of "Economic Structure and Performance", "Debt and Liquidity" and "Monetary Policy and Financial Stability" are the key factors for the upgrades.

The Stable trend reflects DBRS Morningstar's view that Greece's longer term economic prospects appear to be considerably strengthened by governance, investments, exports and reforms, underpinning public sector debt sustainability. DBRS Morningstar views that several credit uncertainties remain - the global economic implications of the situation in Ukraine; asset quality of the financial sector; and the extent to which the ECB will provide support to Greek bonds in a situation of market disruption.

Greece's ratings are underpinned by euro area membership. Greece is one of six European Union (EU) member states with EU adopted plans that include grants and loans. Moreover, the country is one of five member states to submit a first payment request to the European Commission that should release the first disbursement of EUR 3.6 billion, probably in April. Around EUR 70 billion of funds from the Next Generation EU financial instrument and the Multiannual Financial Framework are available in total. Greece's National Recovery and Resilience Plan (Greece 2.0) consists of reforms that will likely boost inclusive growth and investment narrowing the investment gap between Greece and its euro area peers.

RATING DRIVERS

The ratings could be upgraded if one or a combination of the following occur: (1) continued implementation of reforms that boost investment improving longer term economic prospects; (2) sustained commitment to fiscal consolidation that keeps the public debt ratio on a downward trajectory.

Triggers for a downgrade include: (1) persistently weak economic performance; (2) a reversal or stalling in structural reforms; (3) renewed financial-sector instability.

RATING RATIONALE

Recovery To Continue Despite Risks From Inflation and Weaker Confidence Following Russia's Invasion of Ukraine

The coronavirus pandemic and the restrictive measures led to a severe economic contraction in 2020. Greece's real GDP contracted by 9.0% due to the sharp decline in private consumption and export of services. In 2021, the milder impact of the restrictions, the vaccination rollout and the better than anticipated performance of the tourism sector resulted in a strong rebound. Real GDP grew by 8.3%, supported by strong investment and export growth and pent up private consumption. After the collapse of the travel and tourism industry in 2020, the sector recovered some lost ground in 2021, with travel receipts from tourism reaching around 60% of 2019 levels. Furthermore, the labour market continued to recover, with the unemployment rate falling below 13.0% for the first time since August 2010.

The European Commission in its Winter 2022 outlook foresaw growth of 4.9% in 2022, driven by investment and private consumption and further improvements in the exports of services as the recovery in tourism flows continues. The main risks to the outlook are linked to growing inflationary pressure, which is expected to impact consumption and investment exacerbated also by Russia's invasion of Ukraine. Despite the limited direct impact from the Russian market, which accounted for only 2% of the total arrivals in 2019, the recovery of the tourism sector could be postponed further due to the geopolitical tensions and high energy costs, which somewhat cloud the outlook for 2022.

The funds from the NGEU are expected to have a significant impact on the Greek economy. In DBRS Morningstar's view, the successful implementation of Greece's National Recovery Plan (Greece 2.0) constitutes an upside risk for the Greek economy. According to the 2022 State Budget, the RRF expenditure, including grants and loans are expected to reach a level of over 5 billion EUR each year until the end of the program. Together with the structural funds from the 2021-2017 EU Budget, Greece will receive around 70 billion euros in the next seven years. According to the Bank of Greece, the EU recovery funds if combined with reforms, could result in a 7% real GDP increase by 2026, mainly due to the increase in investments and total factor productivity. The implementation of Greece 2.0 could also lead to 180,000-200,000 new permanent jobs. In DBRS Morningstar's view, the deployment of EU funds, combined with an expected continued implementation of structural reforms, will likely improve Greece's growth prospects and warrants a positive qualitative adjustment to the "Economic Structure and Performance" building block.

Fiscal Outturn for 2021 Likely Better Than Expected And Return to Primary Surplus Likely Next Year

Greece implemented one of the largest support packages in the European Union to mitigate the economic impact of the pandemic. The packages included job retention schemes and financial support to the self-employed, increased expenditures to support the health care system, liquidity support to businesses through loan guarantees and deferred payments of taxes and social contributions, leading to a high fiscal deficit of 10% of GDP in 2020 from a surplus in 2019. A strong revenue performance underpinned by a better than anticipated growth outcome in 2021 and lower expenditures, resulted in an improvement in the 2021 fiscal deficit relative to 9.6% of GDP in the 2022 State Budget. The fiscal position is expected to improve further this year as the economy continues on its recovery path and the COVID-19 measures have been mostly withdrawn, with the fiscal deficit expected to fall to 4.0% and the primary deficit 1.4% of GDP, before turning into primary surplus in 2023.

Main risks to the fiscal outlook are related to a potential need for additional COVID-19 measures or the activation of state guarantees that were granted during the pandemic. Also, in response to increased energy costs the government has introduced support measures to mitigate the impact on households and businesses. The scheme will have a fiscally neutral impact as the cost will be covered by the increased revenues from the Emission Trading System (ETS). Nevertheless, some additional measures are likely in the near future. Greece's strong fiscal position before the pandemic supports DBRS Morningstar's view that Greece will remain committed to fiscal consolidation and will comply fully with guidelines from the European institutions once targets are reinstated.

Debt Liability Management Is Reducing Further Debt Servicing Costs and the Liquidity Buffer is Very High

Greece's debt-to-GDP ratio fell to 197.1% in 2021 from 206.3% in 2020, remaining the highest among its euro area peers. Despite the very high level, several risk mitigating factors are in place. Greece is benefiting from a favourable debt structure as the official sector holds over 75% of government debt with most of it financed at very low interest rates. In addition, the debt has a very long weighted-average maturity of 21 years as of June 2021, with more than 98% of debt at fixed rates, mitigating the risks arising from increased market volatility. Benefiting from Greece's participation in the ECB's PEPP the Greek authorities have pursued an active debt strategy prepaying more expensive debt. The ECB have stated a flexible approach to buying Greek government bonds if necessary to counter negative shocks. The average effective interest rate on medium to long term debt at 1.4% is significantly lower than that of its Southern European peers. Greece plans in coming months to fully repay the outstanding IMF loans and also is considering the repayment of the GLF loans due in 2023 by the end of the year.

The sizeable cash reserves of around EUR 41 billion at end February 2022 continue to serve as a liquidity buffer and enhance confidence among market participants. This reserve buffer reduces repayment risks leading to a positive qualitative adjustment to the "Debt and Liquidity" building block. Nevertheless, in DBRS Morningstar's view fiscal discipline and sustained growth will be key in Greece's debt sustainability.

Continued Progress on NPL Disposal, But Uncertainty Relates to New Flows

Greek banks made further progress in reducing their NPL ratios during 2021. The NPL ratio declined from 30.1% at the end of 2020 to 15.0% at end of September 2021. This reduction was primarily driven by sales and securitizations of loans under the Hercules Asset Protection Scheme (HAPS). The government extended the Hercules Scheme for an additional eighteen months until October 2022. The extension of the Hercules scheme and the implementation of the new insolvency framework will likely support banks' further efforts to clean up their balance sheets. The systemic banks are currently on track to reach their targets for single digit NPL ratios by the end of 2022. However, the pandemic will likely result in new flows of NPLs. This accounts for DBRS Morningstar's negative qualitative adjustment to the "Monetary Policy and Financial Stability" building block. Moreover, the banks are being tasked with lending on to Greek companies the majority of the RRF loan proceeds of up to EUR 12.7 billion, which will translate also into additional lending opportunities for the banks themselves. This will help the banks provide credit to Greek corporates, thereby supporting economic recovery and growth.

Services Exports Expected To Be Supportive This Year

The deterioration in the travel balance resulted in a 6.6% deficit in the current account in 2020. The partial recovery in international travel flows and the strong performance in exports of goods improved the current account position in 2021, with the deficit standing at 5.8%. Travel receipts recovered some of the lost ground in 2020, reaching around 60% of 2019 levels. This year the external position is expected to improve on the back of strong performance of exports of goods, the further recovery in international tourist flows, and shipping exports, however, recovering domestic demand and higher input prices will result also in higher imports of goods and services. Exports of goods and services, excluding shipping, have increased by almost 60% in real terms from between 2009 and 2020. The flow of EU transfers is also expected to have a positive impact on the external accounts. From a stock perspective, Greece's net external liabilities remain high at 176.0% of GDP in Q3 2021, up from 89.0% in 2011, mostly reflecting public sector external debt. The level is expected to remain at high levels because of the long-term horizon of foreign official-sector loans to the public sector.

Continued Commitment to Investment and Reforms

In recent years Greece enjoys a stable political environment and good cooperation with its EU peers and institutions. Significant progress has been made in reducing red tape in the public sector, improving the business environment and unblocking several investment projects. Efforts to improve Greece's digital performance, which still remains below the EU average as measured by EC's Digital Economy and Society Index (DESI) have also accelerated, with significant progress made in the functioning of the public administration. Government priorities in the next few months focus on the successful implementation of the Greece 2.0 economic programme, with several reforms and investments in the pipeline. DBRS Morningstar views that the improvement in the political environment and the government's commitment to address Greece's long standing challenges warrants a positive qualitative adjustment to the "Political Environment" building block.

ESG CONSIDERATIONS

Human Capital and Human Rights (S) and Institutional Strength, Governance and Transparency (G) were among key drivers behind this rating action. Compared with its euro system peers, Greece's per capita GDP is relatively low at $ 19,827 in 2021. According to the World Bank Governance Indicators in 2020 Greece scores of 63 for Rule of Law and 69 for Government Effectiveness, significantly lower than its euro area peers in 2020. However, DBRS Morningstar notes Greece's institutional strengths associated with euro system membership and recent improvements in these areas. These factors have been taken into account within the following building blocks: Fiscal Management and Policy, Economic Structure and Performance and Political Environment.

A description of how DBRS Morningstar considers ESG factors within the DBRS Morningstar analytical framework can be found in the DBRS Morningstar Criteria: Approach to Environmental, Social, and Governance Risk Factors in Credit Ratings at https://www.dbrsmorningstar.com/research/373262.

For more information on the Rating Committee decision, please see the Scorecard Indicators and Building Block Assessments.

EURO AREA RISK CATEGORY: LOW

Notes:
All figures are in Euros unless otherwise noted. Public finance statistics reported on a general government basis unless specified.

The principal methodology is the Global Methodology for Rating Sovereign Governments https://www.dbrsmorningstar.com/research/381451/global-methodology-for-rating-sovereign-governments (July 9, 2021). Other applicable methodologies include the DBRS Morningstar Criteria: Approach to Environmental, Social, and Governance Risk Factors in Credit Ratings https://www.dbrsmorningstar.com/research/373262/dbrs-morningstar-criteria-approach-to-environmental-social-and-governance-risk-factors-in-credit-ratings (February 3, 2021).

The sources of information used for this rating include Ministry of Finance (Greek State Budget 2022), Hellenic Statistical Authority, Bank of Greece (Monetary Policy-Annual Report, December 2021) , Public Debt Management Agency (Funding Strategy for 2022, Investors Presentation July 2021, Debt Bulletin 104), Eurostat, BIS, ECB, European Council: Consilium Europa, European Commission (Enhanced Surveillance Report – Greece, February 2022), IMF (Article IV Consultation - Press Release and Staff Report (July 2021), World Economic Outlook October 2021, World Bank, UNDP, Social Progress Imperative, Global Carbon Project, The Digital Economy and Society Index (DESI), Haver Analytics. DBRS Morningstar considers the information available to it for the purposes of providing this rating to be of satisfactory quality.

DBRS Morningstar does not audit the information it receives in connection with the rating process, and it does not and cannot independently verify that information in every instance.

Generally, the conditions that lead to the assignment of a Negative or Positive trend are resolved within a 12-month period. DBRS Morningstar's outlooks and ratings are under regular surveillance.

For further information on DBRS Morningstar historical default rates published by the European Securities and Markets Authority (ESMA) in a central repository, see: http://cerep.esma.europa.eu/cerep-web/statistics/defaults.xhtml. DBRS Morningstar understands further information on DBRS Morningstar historical default rates may be published by the Financial Conduct Authority (FCA) on its webpage: https://www.fca.org.uk/firms/credit-rating-agencies.

The sensitivity analysis of the relevant key rating assumptions can be found at: https://www.dbrsmorningstar.com/research/393906.

This rating is endorsed by DBRS Ratings Limited for use in the United Kingdom.

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Initial Rating Date: August 16, 2013
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Issuer	Debt Rated	Rating Action	Rating	Trend
Hellenic Republic	Long Term Foreign Currency - Issuer Rating	Trend Change	BB	Stable
Hellenic Republic	Long Term Foreign Currency - Issuer Rating	Upgraded	BB (high)	Stable
Hellenic Republic	Long Term Local Currency - Issuer Rating	Trend Change	BB	Stable
Hellenic Republic	Long Term Local Currency - Issuer Rating	Upgraded	BB (high)	Stable
Hellenic Republic	Short-Term Foreign Currency - Issuer Rating	Trend Change	R-4	Stable
Hellenic Republic	Short-Term Foreign Currency - Issuer Rating	Upgraded	R-3	Stable
Hellenic Republic	Short-Term Local Currency - Issuer Rating	Trend Change	R-4	Stable
Hellenic Republic	Short-Term Local Currency - Issuer Rating	Upgraded	R-3	Stable

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Greece

Scorecard Indicators

Fiscal Management and Policy	2016	2017	2018	2019	2020	2021	2022	2023	2024	Source	Current Scorecard Input	
Overall Fiscal Balance (% of GDP)	0.3%	0.9%	0.8%	0.2%	-10.5%	-10.2%	-4.3%	-2.8%	-2.4%	IMF WEO	13 year average	-3.5%
Government Effectiveness (Percentile Rank)	60.1	64.9	64.4	65.9	69.2	-	-	-	-	World Bank	5 year average	64.9
Debt and Liquidity	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**			
General Government Gross Debt (% of GDP)	183.4%	182.4%	189.9%	184.9%	211.2%	206.7%	199.4%	192.4%	188.2%	IMF WEO	5 year projection	179.6%
Interest Costs (% of GDP)	3.2%	3.1%	3.4%	3.0%	3.0%	2.9%	3.0%	3.0%	3.0%	IMF WEO	5 year average	3.0%
Economic Structure and Performance	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**			
GDP per Capita (USD thousands)	17.9	18.6	19.8	19.1	17.7	19.8	21.2	22.3	23.4	IMF WEO	10 year average	19.6
Output Volatility (%)	4.3%	4.6%	4.7%	4.7%	4.7%	4.7%	4.6%	4.4%	-	IMF WEO	Latest	4.7%
Economic Size (USD billions)	193	200	212	205	189	212	225	236	247	IMF WEO	5 year average	204
Monetary Policy and Financial Stability	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**			
Rate of Inflation (%, EOP)	0.3%	1.0%	0.6%	1.1%	-2.4%	1.3%	-0.1%	1.6%	1.6%	IMF WEO	13 year average	0.1%
Total Domestic Savings (% of GDP)	157%	165%	154%	163%	189%	190%	-	-	-	ECB/IMF	Latest[1]	190%
Change in Domestic Credit (% of GDP)	-2.1%	-6.8%	-1.4%	-8.7%	14.5%	1.2%	-	-	-	BIS/IMF	7 year average[1]	-0.9%
Net Non-Performing Loans (% of Capital)	81.6%	172.4%	157.6%	129.2%	105.4%	77.3%	-	-	-	IMF IFS	Latest[1]	77.3%
Change in Property Price/GDP Index (%)	-1.4%	-2.7%	0.4%	5.2%	15.8%	3.8%	-	-	-	BoG/IMF	7 year average[1]	2.4%
Balance of Payments	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**			
Current Account Balance (% of GDP)	-2.4%	-2.6%	-3.6%	-2.2%	-7.4%	-7.4%	-5.1%	-4.9%	-4.4%	IMF WEO	8 year average	-4.7%
International Investment Position (% of GDP)	-139.3%	-143.2%	-148.5%	-154.0%	-174.5%	-178.9%	-	-	-	IMF	5 year average[1]	-159.8%
Share of Global Foreign Exchange Turnover (Ratio)	194.8%	200.5%	198.9%	206.1%	207.8%	210.8%	-	-	-	BIS/IMF	Latest	210.8%
Exchange Rate Classification (see footnote)	5	5	5	5	5	5	-	-	-	IMF	Latest	5
Political Environment	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**			
Voice and Accountability (Percentile Rank)	70.4	69.5	71.5	72.5	78.7	-	-	-	-	World Bank	5 year average	72.5
Rule of Law (Percentile Rank)	58.7	56.7	58.7	60.6	63.0	-	-	-	-	World Bank	5 year average	59.5

See DBRS Morningstar's Global Methodology for Rating Sovereign Governments for additional details on the methodology behind the scorecard indicators and associated scoring thresholds. Exchange Rate Classifications: Freely floating exchange rate = 1; Float = 2; Crawls, banded pegs, and other managed = 3; Stabilized = 4; Pegs, currency unions and dollarized arrangements = 5.

[1] *Scores for 2021 have been computed using the most recent data when year-end data is not available.*

Rating Committee Date: 15-Mar-2022

Greece

Building Block Assessments and Rating Committee Summary

15-Mar-2022

Building Blocks	Scorecard Result	Quantitative Assessment	Net Impact of Qualitative Factors	Building Block Assessment
Fiscal Management and Policy	12.26	Good/Moderate	N/A	Good/Moderate
Debt and Liquidity	1.92	Weak	+ 1 Category	Weak/Poor
Economic Structure and Performance	6.00	Poor	+ 1 Category	Poor/Moderate
Monetary Policy and Financial Stability	14.28	Good	- 1 Category	Good/Moderate
Balance of Payments	6.36	Poor	N/A	Poor
Political Environment	13.67	Good	+ 1 Category	Strong/Good
Overall Assessment	**Composite Scorecard Result**	**Scorecard Rating Range**	**Composite Building Block Assessment**	**Indicative Rating Range**
	45.4	BB (high) - BB (low)	48.7	BBB (low) - BB

Greece's Long-Term Foreign Currency - Issuer Rating BB (high)

Main topics discussed in the Rating Committee include: Greece's economic outlook and fiscal performance, debt dynamics, developments in the banking sector and political environment. For additional details on DBRS Morningstar analysis and opinions, please see the accompanying rating report.

DBRS Morningstar Scorecard: Scoring Ranges and Associated Assessment Categories

Lower Bound	0.00	1.00	3.00	5.00	7.00	9.00	11.00	13.00	15.00	17.00	19.00
Upper Bound	0.99	2.99	4.99	6.99	8.99	10.99	12.99	14.99	16.99	18.99	20.00
Assessment Category	Very Weak	Weak	Weak/ Poor	Poor	Poor/ Moderate	Moderate	Good/ Moderate	Good	Strong/ Good	Strong	Very Strong

Hellenic Republic

ESG Checklist

ESG Factor	ESG Credit Consideration Applicable to the Credit Analysis:	Y/N	Extent of the Effect on the ESG Factor on the Credit Analysis: Relevant (R) or Significant (S)*
Environmental	**Overall:**	**N**	**N**
Emissions, Effluents, and Waste	Do the costs or risks result in changes to a government's financial standing or relationship with other governments, and does this affect the assessment of credit risk?	N	N
Carbon and GHG Costs	Does a government face coordinated pressure from a higher-tier government or from numerous foreign governments as a result of its GHG emissions policies, and does this affect the assessment of credit risk?	N	N
	Will recent regulatory changes have an impact on economic resilience or public finances?	N	N
	Carbon and GHG Costs:	**N**	**N**
Resource and Energy Management	Does the scarcity of key resources impose high costs on the public sector or make the private sector less competitive?	N	N
	Is the economy reliant on industries that are vulnerable to import or export price shocks?	N	N
	Resource and Energy Management:	**N**	**N**
Land Impact and Biodiversity	Is there a risk to a government's economic or tax base for failing to effectively regulate land impact and biodiversity activities?	N	N
Climate and Weather Risks	Will climate change and adverse weather events potentially destroy a material portion of national wealth, weaken the financial system, or disrupt the economy?	N	N
Social	**Overall:**	**Y**	**S**
Human Capital and Human Rights	Compared with regional or global peers, is the domestic labour force more or less competitive, flexible, and productive?	Y	S
	Are labour or social conflicts a key source of economic volatility?	N	N
	Are individual and human rights insufficiently respected or failing to meet the population's expectations?	N	N
	Is the government exposed to heavy, coordinated international pressure as a result of its respect for fundamental human rights?	N	N
	Human Capital and Human Rights:	**Y**	**S**
Access to Basic Services	Does a failure to provide adequate basic services deter investment, migration, and income growth within the economy?	N	N
Governance	**Overall:**	**Y**	**S**
Bribery, Corruption, and Political Risks	Does widespread evidence of official corruption and other weaknesses in the rule of law deter investment and contribute to fiscal or financial challenges?	Y	R
Institutional Strength, Governance, and Transparency	Compared with other governments, do institutional arrangements provide a higher or lesser degree of accountability, transparency, and effectiveness?	Y	S
	Are regulatory and oversight bodies insufficiently protected from inappropriate political influence?	N	N
	Are government officials insufficiently exposed to public scrutiny or held to insufficiently high ethical standards of conduct?	N	N
	Institutional Strength, Governance, and Transparency:	**Y**	**S**
Peace and Security	Is the government likely to initiate or respond to hostilities with neighboring governments?	N	N
	Is the government's authority over certain regions contested by domestic or foreign militias?	N	N
	Is the risk of terrorism or violence sufficient to deter investment or to create contingent liabilities for the government?	N	N
	Peace and Security:	**N**	**N**
	Consolidated ESG Criteria Output:	**Y**	**S**

* A **Relevant Effect** means that the impact of the applicable ESG risk factor has not changed the rating or rating trend on the issuer.
A **Significant Effect** means that the impact of the applicable ESG risk factor has changed the rating or trend on the issuer.

Hellenic Republic: ESG Considerations

March 18, 2022

Environmental

This factor does not affect the ratings assigned to Greece. From a credit perspective, policies relating to each subfactor are generally sound, and the fiscal cost of new investments is managed effectively within the context of Greece's budgetary framework. The government in its National Energy and Climate Plan attempts to actively address climate change by setting a target for non-ETS greenhouse gas (GHG) emissions reductions of -16% by 2030 compared to 2005. Greece plans to dedicate 37.5% of its National Recovery and Resilience Plan to support climate transition objectives. DBRS Morningstar will continue to assess the credit impact of new regulatory and policy measures.

Social

The Human Capital and Human Rights subfactor affects the ratings assigned. Greece's GDP per capita of $19,827 in 2021 is relatively low compared with its euro system peers. Low investment has weighed on Greece's growth performance. Investment spending has fallen markedly in the years of the crisis from 21% of GDP in 2010 to approximately 12% in 2021, the lowest in the euro area and far from the average of 22%, which is also reflected in the relatively low productivity growth. Respect for human rights is high, and there is widespread access to quality healthcare and other basic services. Greece ranks 31 among the 168 countries assessed in the 2021 Social Progress Index.

Governance

The Institutional Strength, Governance, and Transparency subfactor affects the ratings assigned. According to the World Bank Governance Indicators in 2020 Greece scores of 63 for Rule of Law and 69 for Government Effectiveness, significantly lower than its euro area peers. The Bribery, Corruption and Political Risks subfactor is also a relevant factor in the analysis. Greece underperforms the EU average in the 'Control of Corruption' indicator (58.7 percentile rank), however it has made good progress in recent years improving its score in the Corruption Perception Index from 36 in 2012 to 49 in 2021. DBRS Morningstar notes Greece's institutional strengths associated with eurosystem membership and recent improvements in these areas.