

# *S&P Cuts Greece Credit Rating to CCC+/C*

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New York, April 16 (RHC)-- Standard & Poor's (S&P) has cut Greece's credit rating again, saying it expects the country's debt to be "unsustainable." In a press release on Wednesday, S&P dropped the long- and short-term sovereign credit rating of Greece to CCC+/C from B-/B and described the outlook for the country's full-year economic growth as "negative, given the risk of further worsening in liquidity for the sovereign, the banks, and the economy."

Sovereign ratings are used by markets to figure out the interest rate at which a country can borrow from investors. According to S&P, the uncertainty over the talks between the new Greek government and its main creditors -- the International Monetary Fund, the European Commission, and the European Central Bank -- has worsened the country's economic condition.

The downgrade indicates that business, financial and economic conditions have deteriorated "due to the uncertainty stemming from the prolonged negotiations between the almost three-month-old Greek government and its official creditors," read part of the press release.

Since the end of November 2014, around 14 percent of the deposit base of Greek banks has been lost due to customer withdrawals as deposit outflows keep rising in the Hellenic Republic. S&P's also estimates that the Greek economy "has contracted by close to one percent over the past six months," despite a weaker euro and lower oil prices.

The rating agency maintained that unless Greece reaches a deal over the next ?7.2bn tranche of its bailout loan, its economic prospects could worsen.

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