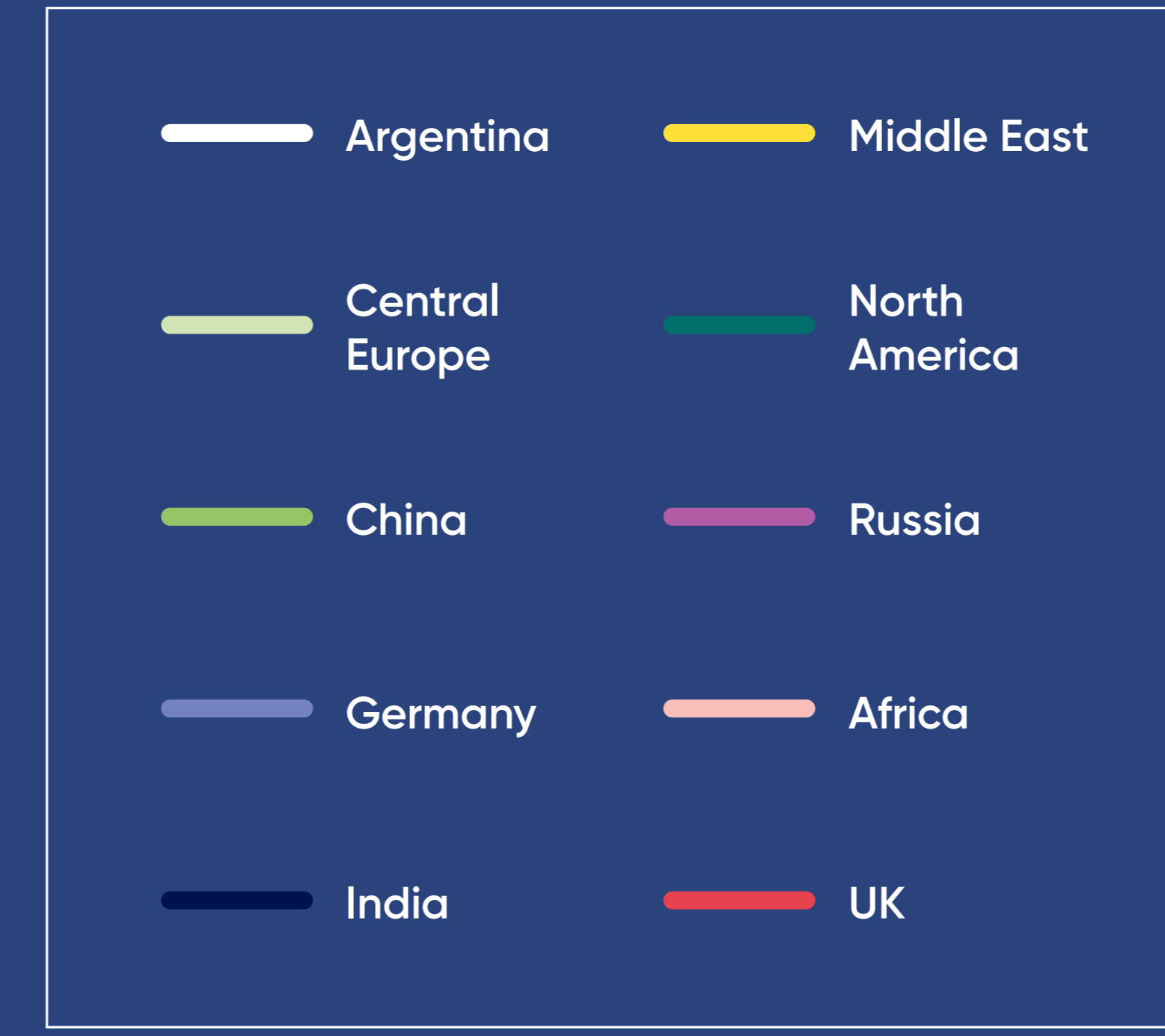
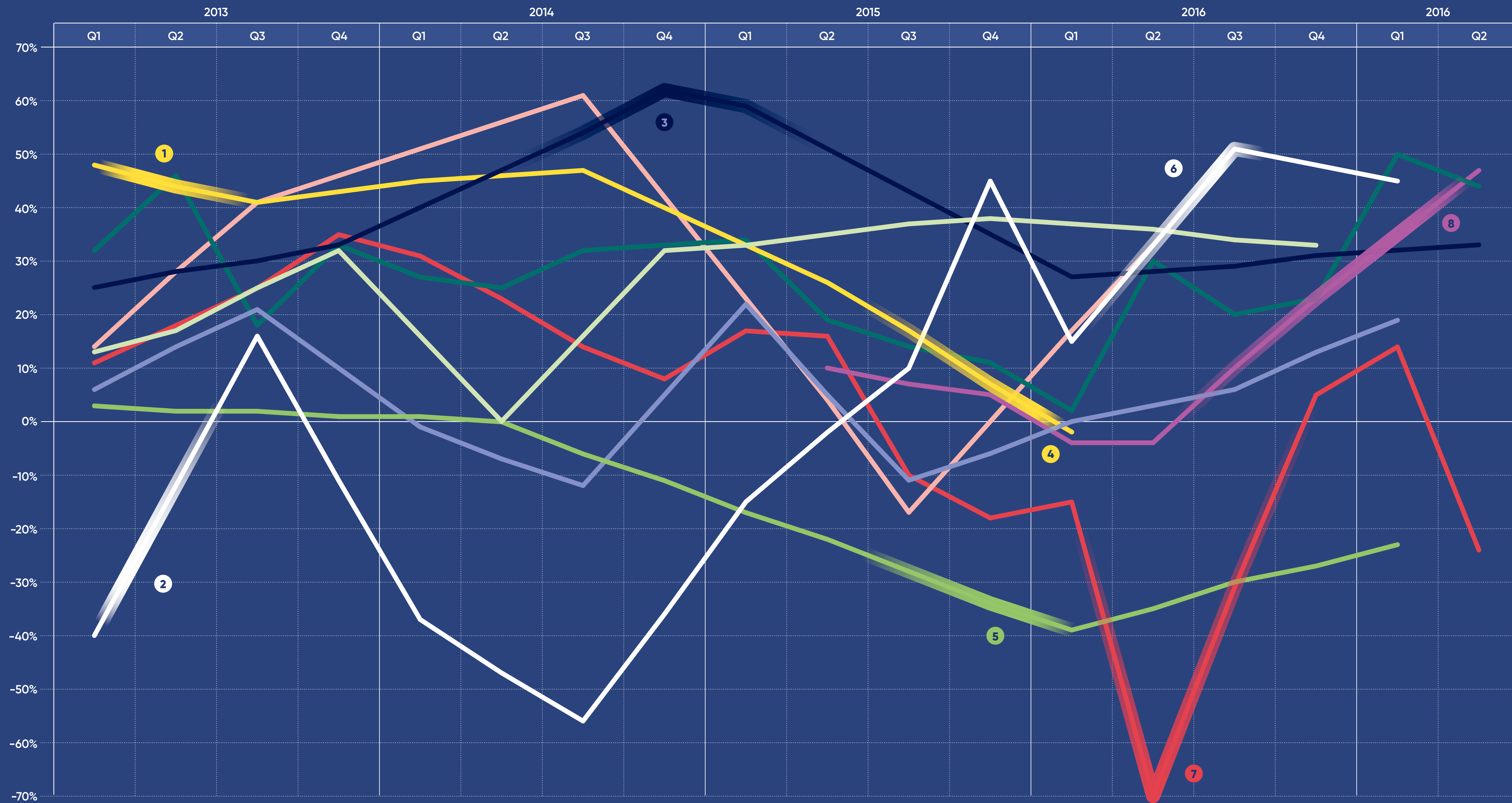


# POLITICAL CORRECTION

The correlation between politics and business sentiment shows that the two are intrinsically linked. The rise of pro-business parties, public referendum or rising cross-border tensions can impact bottom lines across the world and must be factored into the decision-making process. But navigating and mitigating geopolitical risk can be a tricky task for finance leaders to master

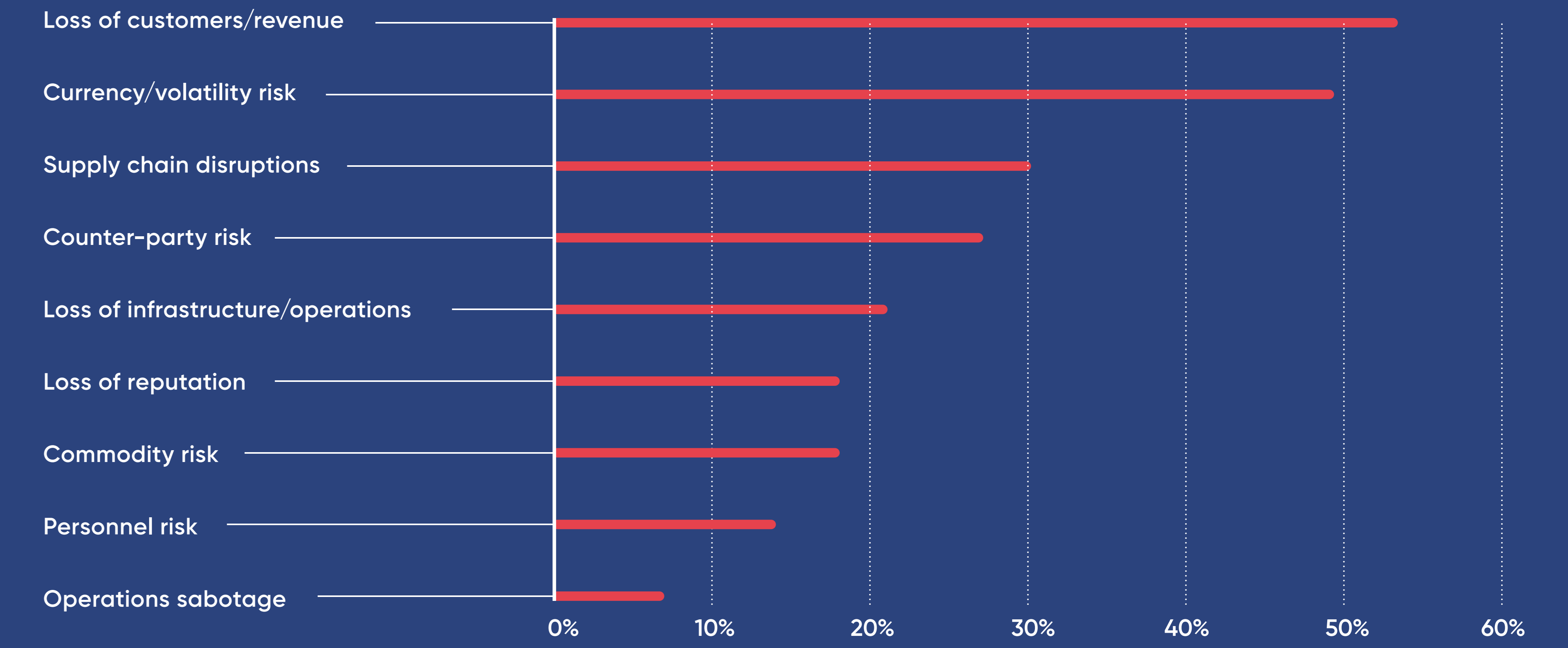
## CFO SENTIMENT BY REGION

NET PERCENTAGE CHANGE OF CFOs WHO ARE MORE OPTIMISTIC ABOUT THEIR COMPANIES' FINANCIAL PROSPECTS NOW THAN THREE MONTHS AGO



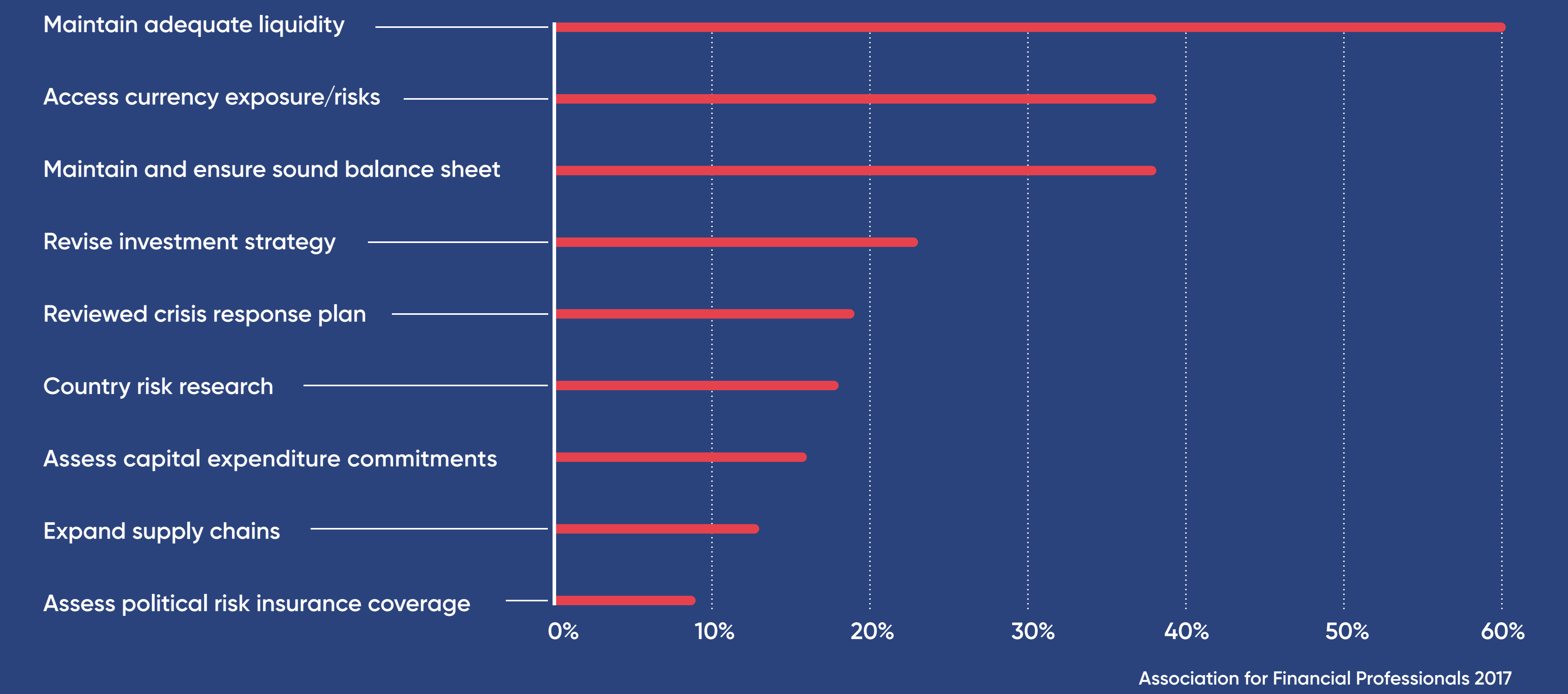
## TOP AREAS OF CONCERN REGARDING GEOPOLITICAL RISK

SURVEY OF FINANCE PROFESSIONALS



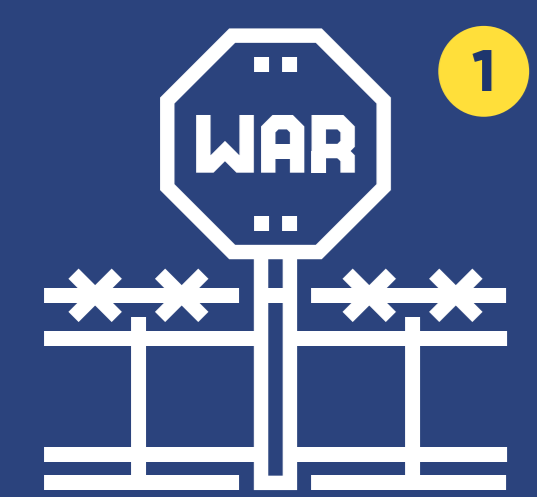
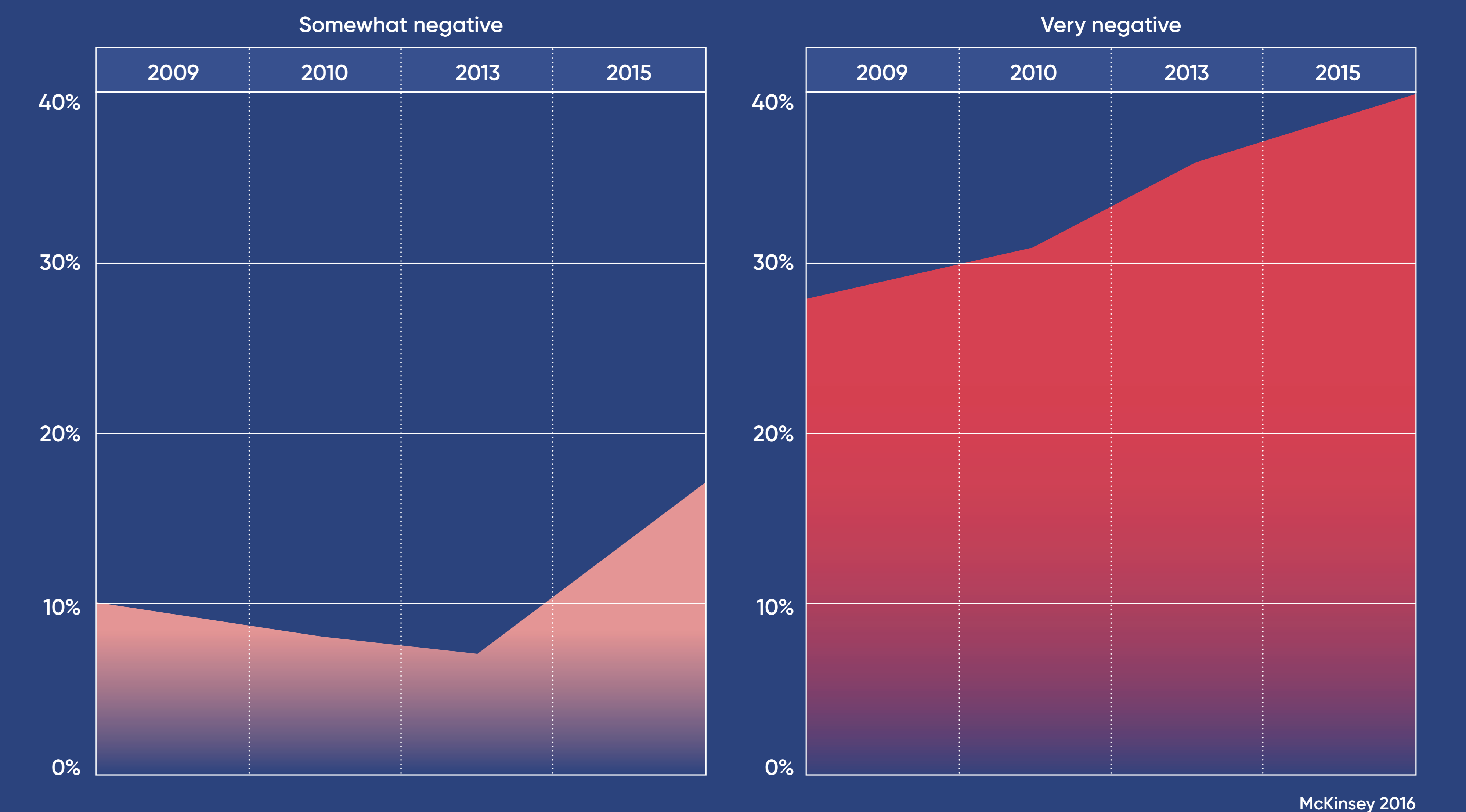
## ACTIONS TAKEN BY TREASURY/FINANCE FUNCTION TO RESPOND/REDUCE POTENTIAL IMPACT OF GEOPOLITICAL RISK

SURVEY OF FINANCE PROFESSIONALS

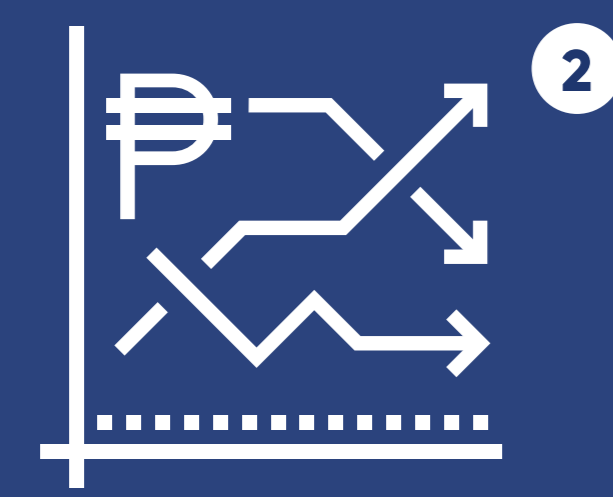


## EXPECTED IMPACT OF GEOPOLITICS ON COMPANY PROFITABILITY

PERCENTAGE OF GLOBAL EXECUTIVES WHO BELIEVE GEOPOLITICAL INSTABILITY WILL HAVE A NEGATIVE IMPACT ON COMPANY PROFITABILITY OVER THE NEXT FIVE YEARS



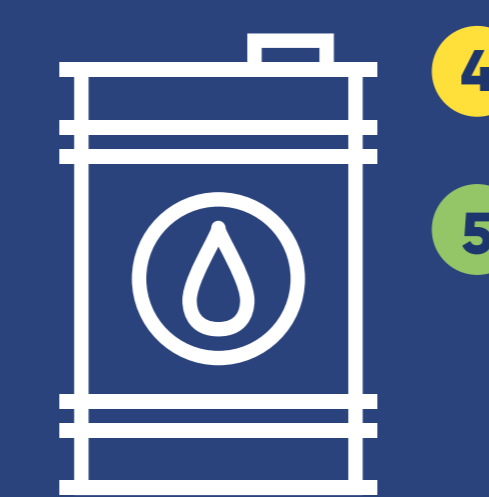
1  
Rising political tensions amid an ongoing Syria crisis failed to dampen optimism in the **MIDDLE EAST** as steady oil prices, combined with continuing large public expenditures, underpin strong economic growth relative to other parts of the world



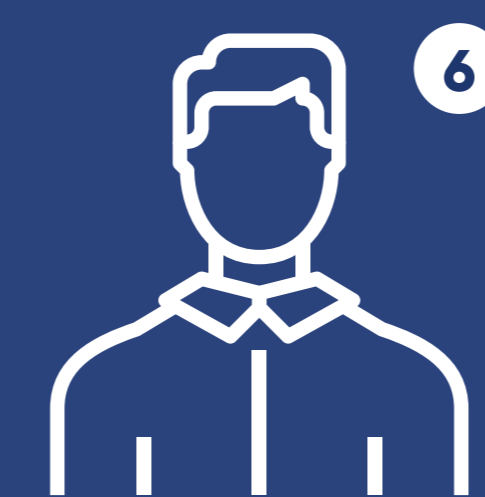
2  
Worries over inflation and exchange rates topped the list of concerns for CFOs in **ARGENTINA**, with the majority voicing skepticism over the government's ability to enact or maintain an effective economic policy



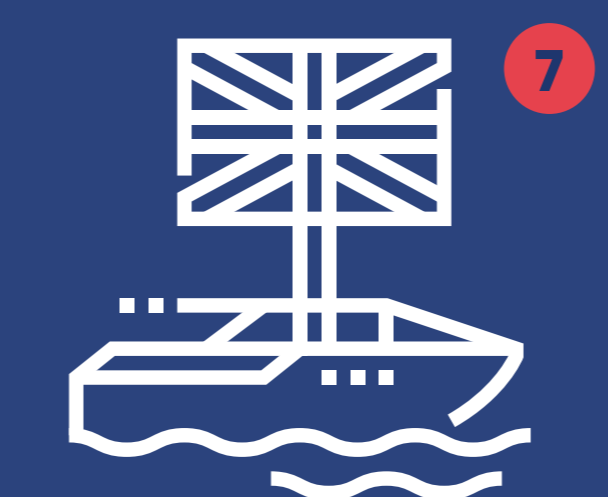
3  
Optimism was on the rise in **INDIA**, with CFOs expressing confidence in the newly elected government's ability to push through effective legislation to meet fiscal targets



4  
A crash in commodity prices to the lowest level since the financial crisis eroded sentiment across the **MIDDLE EAST** and **CHINA**



5  
The financial outlook in **ARGENTINA** was buoyed in early-2016 with CFOs enamored with newly elected President Mauricio Macri's economic policies



6  
Optimism around financial prospects in the **UK** tanked around the time of the Brexit vote in June, with political uncertainty weighing heavily on CFOs' appetite for risk



7  
Heightened political tensions between the United States and **RUSSIA** have done little to dampen optimism among the latter's CFOs in the first half of 2017, as the ruble continued to recover from recent losses and executives expressed greater risk appetite to expand overseas