

# German Financials

Super Sector Analysis - December 2023

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Credit Benchmark's German Financials Index tracks 250+ Credit Consensus Ratings (CCRs). These CCRs can be further divided by Super Sector into the following segments: Banks, Financial Services, and Insurance.

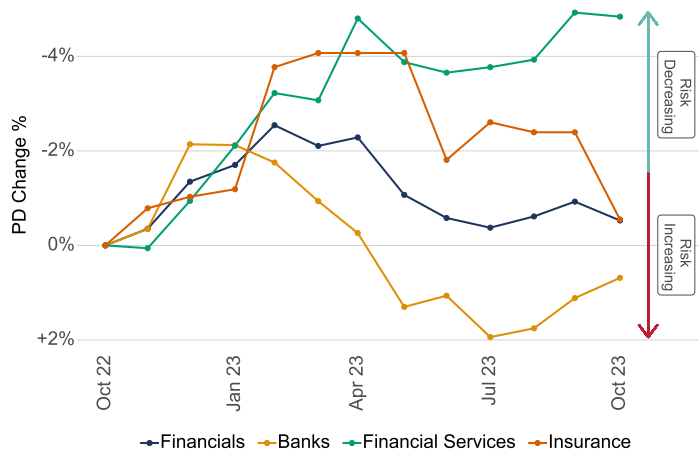
This Industry Report explores our German Financials Index through different analyses which you can find on pages 1 and 2. Please refer to page 3 for a breakdown of the entities which make up the index.

## Analysis

### Credit Indices: Trends

Within German Financials, **Financial Services** showed the biggest 6-month change. Credit risk **dropped** by 5% over the 6 months leading up to April 2023.

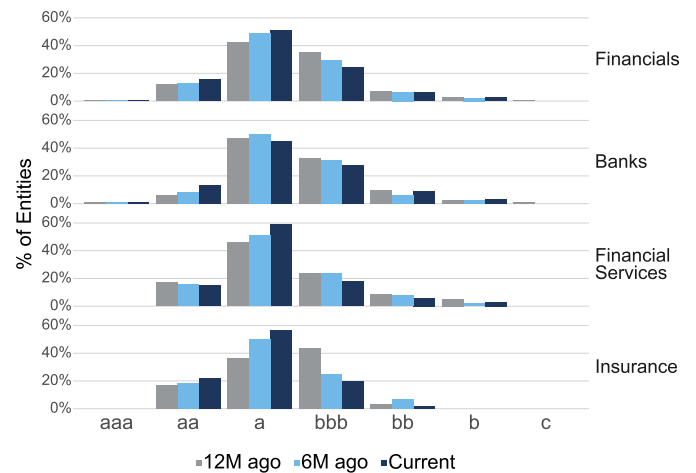
Over the same period, credit risk in **Banks** saw the smallest change.



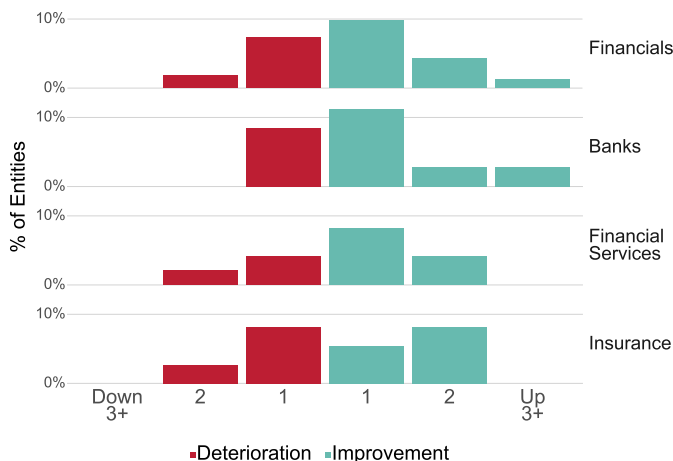
### Credit Distribution

In **German Financials**, a majority of ratings lies in the **a** credit category. **59%** of ratings within **Financial Services** lie in the **a** credit category.

Across segments, on average **9%** of ratings are considered **non-investment grade**.



### Notch Movements



Over the past 12 months, **24%** of **German Financials** saw changes in their ratings. Of these entities, **15%** got upgraded and **9%** received a downgrade.

In particular, **10%** of entities had a **1-notch** upgrade and **7%** experienced a **1-notch** downgrade.

## Analysis (continued)

### Transition Matrix

This transition matrix shows the movement of entities between 4 rating categories **over the last year**.

For example, over this period, 15.9% of **IGb** entities transitioned to **IGa**.

	IGa	IGb	HYb	HYc	No. of entities
IGa	97.1%	2.9%	0%	0%	105
IGb	15.9%	79.5%	4.5%	0%	44
HYb	0%	20%	80%	0%	15
HYc					0

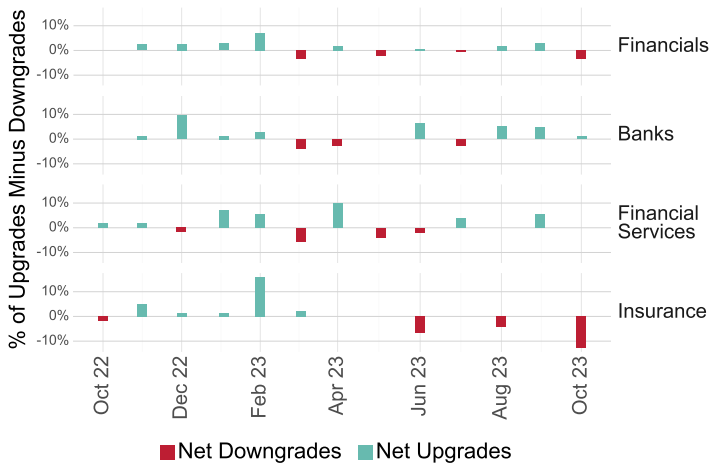
### Correlation Matrix

This matrix presents the correlations of month-on-month PD changes between **German Financials** and several subsegments spanning from **October 2022** to **October 2023**.

The least **correlated** pair is between **Banks** and **Insurance**, with a value of **-0.21**.

	Financials	Banks	Financial Services	Insurance
Financials		0.65	0.77	0.50
Banks	0.65		0.33	-0.21
Financial Services	0.77	0.33		0.35
Insurance	0.50	-0.21	0.35	

### Credit Indices: Upgrades vs. Downgrades



Insurance had a big net move in February 2023, with 16% more entities **upgraded** than downgraded.

In December 2022 and April 2023, there were 10% more entities **upgraded** for Banks and Financial Services.

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Credit Benchmark has a **Credit Consensus Rating (CCR)** and accompanying detailed analytics for **100,000+** legal entities globally. CCRs are based on the contributed credit risk estimates from **40+** of the world's leading financial institutions.

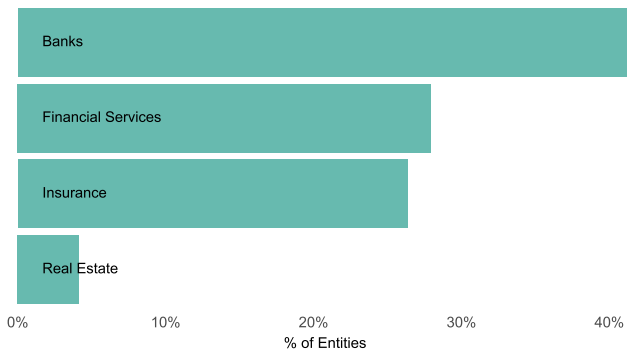
To understand the creditworthiness of the geographies, industries, and entities that matter to you and to be alerted to their changing CCRs, please email [info@creditbenchmark.com](mailto:info@creditbenchmark.com).

Credit Benchmark's **German Financials Index** tracks **250+** CCRs. These CCRs can be broken down by **Super Sector**, **Sector**, **Rated/Unrated**, and **Private/Public**.

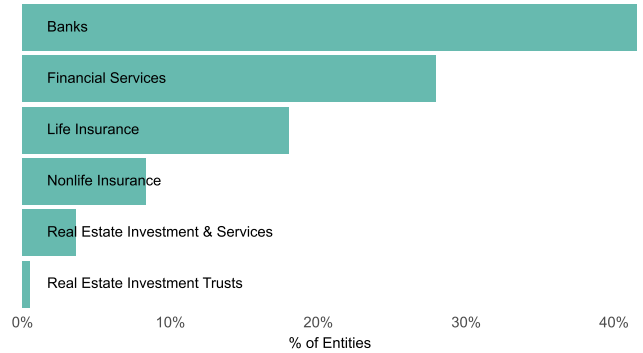
Credit Benchmark can provide additional types of CCR breakdown and levels of granularity.

## Breakdown

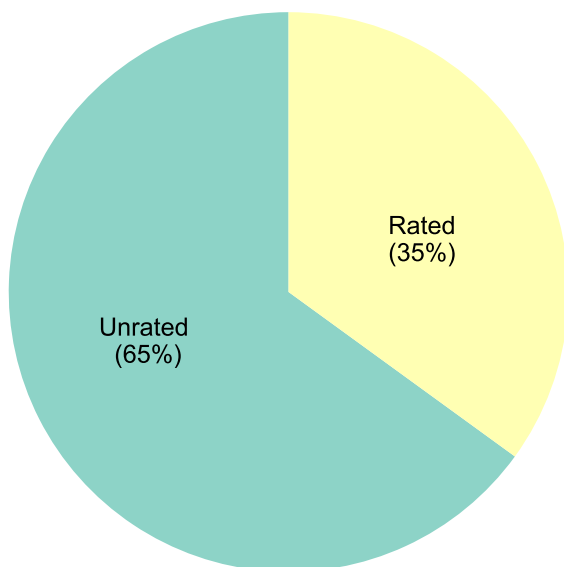
### Super Sector



### Sector



### Rated/Unrated



### Private/Public

