

Credit Rating Transition and Default Study 2024

This report is the annual update of the transition and default study for Scope Ratings GmbH and Scope Ratings UK Limited (both referred to as 'Scope Ratings'), presenting credit rating transition matrices and default rates for Scope Ratings' rated universe.

Transition and default rates are presented on an aggregated basis in the report (all sectors combined) and broken down by sectors in the appendices.

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1. Scope Ratings' credit rating universe

This report covers issuer credit ratings from the following categories: Corporates, Financial Institutions, Covered Bonds, Structured Finance, the Sovereign and Public Sector (sovereigns, sub-sovereigns, supranational entities, and government related entities¹) and Project Finance. Credit ratings are counted and tracked at the issuer level apart from Structured Finance and Project Finance, for which Scope Ratings includes all the tranche credit ratings from a given financial structure. Scope Ratings includes long-term and short-term credit ratings, both assigned publicly and on a subscription basis. For Covered Bonds, Scope Ratings includes the credit rating of the covered bonds programme.

The study includes Scope Ratings' rating universe across all countries. Geographically, 95% of the universe is in Europe (not only EU) as at 31.12.2024.

The report covers Scope Ratings' twelve years of credit rating history (from 31.12.2012 to 31.12.2024) and includes credit ratings assigned by Scope Ratings². Prior to 2017, statistics also reflect sovereign credit ratings assigned by FERI Euro Ratings (FERI) acquired in August 2016.

Table 1: Scope Ratings' credit rating universe by sectors (long-term and short-term credit ratings)

Ratings	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Financial Institutions	148	147	156	149	146	134	114	57	55	57	52	0	0
Corporates (non-financial)	528	671	701	665	587	356	231	42	23	10	9	9	3
Covered Bonds	37	40	40	40	39	40	39	26	23	21	0	0	0
Structured Finance	229	227	240	217	180	163	127	64	44	31	4	3	2
Public Finance³	201	205	195	160	146	126	116	69	60	60	59	59	0
Project Finance	140	117	40	8	2	1	1	1	0	0	0	0	0
Total	1,283	1,407	1,372	1,239	1,100	820	628	259	205	179	124	71	5

Table 2: Credit rating distribution

Rating categories	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Long-term ratings:													
AAA	125	130	133	135	123	114	102	51	45	37	9	9	0
AA	84	84	80	72	73	63	50	31	24	18	16	14	0
A	253	274	256	213	191	163	122	45	41	41	29	11	1
BBB	299	337	322	282	241	154	116	26	17	14	22	18	2
BB	87	80	72	64	52	45	21	14	22	17	13	15	1
B	57	64	71	63	48	28	18	10	9	11	4	3	0
CCC	13	12	10	13	7	3	2	0	3	3	3	1	1
CC	9	6	6	4	6	2	2	2	4	3	1	0	0
C	11	8	3	4	2	2	2	3	4	4	0	0	0
D	1	1	0	0	1	0	0	2	2	3	1	0	0
Total long-term rating	939	996	953	850	744	574	435	184	171	151	98	71	5
Short-term ratings:													
S-1+	123	129	127	113	106	90	83	43	4	2	1	0	0
S-1	101	123	104	89	80	62	40	14	26	23	21	0	0
S-2	107	148	174	179	163	89	66	14	4	3	4	0	0
S-3	8	6	11	7	6	5	3	3	0	0	0	0	0
S-4	5	5	3	1	1	0	1	1	0	0	0	0	0
Total short-term rating	344	411	419	389	356	246	193	75	34	28	26	0	0

¹ GREs rated top-down as per our Government Related Entities Rating Methodology

² Note that as of 01.01.2021, in addition to Scope Ratings GmbH, credit ratings are issued by Scope Ratings UK Limited.

³ Encompasses sovereigns, sub-sovereigns, supranational and government related entities.

2. Transition matrices – long-term credit ratings – all sectors

The credit ratings transition matrices presented in this section combine all sectors and track ratings as of 31 December of each year. The credit rating transition matrices presented by individual sectors are provided in the appendices.

Credit ratings which were in default intra-period are kept at default at the end of the period. Further, once defaulted, the credit rating is maintained as default throughout the remaining periods. If the rating was subsequently upgraded, the record is duplicated, and a "dummy" identifier is assigned to it in order to further track its performance post default status. The original record is kept in default status.

Table 3: One-year transition matrix (31.12.2023 to 31.12.2024 stock basis)

		2024												
		AAA	AA	A	BBB	BB	B	CCC	CC	C	WR	Paid-off	Default	No. of ratings
2023	AAA	87%	3%	0%	0%	0%	0%	0%	0%	0%	3%	7%	0%	130
	AA	1%	76%	5%	0%	0%	0%	0%	0%	0%	14%	4%	0%	84
	A	0%	2%	79%	1%	0%	0%	0%	0%	0%	15%	3%	0%	274
	BBB	0%	0%	4%	77%	2%	0%	0%	0%	0%	13%	4%	0%	337
	BB	0%	0%	0%	3%	86%	4%	1%	1%	0%	4%	1%	0%	80
	B	0%	0%	0%	0%	5%	78%	5%	0%	2%	3%	5%	3%	64
	CCC	0%	0%	0%	0%	0%	0%	58%	25%	0%	0%	8%	8%	12
	CC	0%	0%	0%	0%	0%	0%	0%	67%	17%	0%	0%	17%	6
	C	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	8

Table 4: Three-year transition matrix (31.12.2021 to 31.12.2024 stock basis)

		2024												
		AAA	AA	A	BBB	BB	B	CCC	CC	C	WR	Paid-off	Default	No. of ratings
2021	AAA	69%	1%	0%	0%	0%	0%	0%	0%	0%	3%	27%	0%	135
	AA	6%	68%	11%	0%	0%	0%	0%	0%	0%	10%	6%	0%	72
	A	0%	2%	67%	2%	0%	0%	0%	0%	0%	22%	8%	0%	213
	BBB	0%	1%	12%	44%	4%	0%	1%	0%	0%	30%	7%	0% ⁴	282
	BB	0%	2%	0%	5%	52%	6%	6%	2%	0%	11%	14%	3%	64
	B	0%	0%	0%	0%	16%	48%	3%	5%	3%	14%	8%	3%	63
	CCC	0%	0%	0%	0%	0%	0%	15%	15%	31%	0%	38%	0%	13
	CC	0%	0%	0%	0%	0%	0%	0%	50%	25%	25%	0%	0%	4
	C	0%	0%	0%	0%	0%	0%	0%	0%	50%	0%	50%	0%	4

⁴ Default rate for BBB category over the 3-year horizon is 0.35%.

Table 5: Five-year transition matrix (31.12.2019 to 31.12.2024 stock basis)

		2024												
		AAA	AA	A	BBB	BB	B	CCC	CC	C	WR	Paid-off	Default	No. of ratings
2019	AAA	59%	2%	0%	0%	0%	0%	0%	0%	0%	7%	32%	0%	114
	AA	2%	51%	14%	0%	0%	0%	0%	0%	0%	11%	22%	0%	63
	A	0%	3%	60%	4%	1%	0%	0%	0%	0%	23%	10%	0%	163
	BBB	0%	1%	14%	31%	5%	2%	5%	0%	1%	29%	14%	0%	154
	BB	0%	0%	0%	7%	40%	7%	0%	4%	0%	13%	27%	2%	45
	B	0%	0%	0%	0%	7%	18%	7%	7%	29%	18%	7%	7%	28
	CCC	0%	0%	0%	0%	0%	0%	0%	33%	0%	0%	67%	0%	3
	CC	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	2
	C	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	2

Table 6: Average annual transition matrix (31.12.2012 to 31.12.2024 static pool)

		AAA	AA	A	BBB	BB	B	CCC	CC	C	WR	Paid-off	Default	No. of ratings
		AAA	91%	1%	0%	0%	0%	0%	0%	0%	1%	8%	0%	888
AA	5%	84%	4%	0%	0%	0%	0%	0%	0%	0%	4%	3%	0%	525
A	0%	3%	87%	2%	0%	0%	0%	0%	0%	0%	6%	2%	0%	1,387
BBB	0%	0%	5%	83%	2%	0%	0%	0%	0%	0%	7%	2%	0%	1,551
BB	0%	0%	0%	5%	76%	6%	1%	0%	0%	0%	8%	4%	0%	416
B	0%	0%	0%	0%	8%	73%	5%	2%	0%	0%	8%	2%	2%	329
CCC	0%	0%	0%	0%	0%	0%	62%	14%	5%	5%	10%	3%	58	
CC	0%	0%	0%	0%	0%	3%	8%	64%	17%	3%	0%	6%	36	
C	0%	0%	0%	0%	0%	0%	0%	0%	84%	3%	13%	0%	32	

3. Transition matrices – short-term credit ratings, all sectors

Table 7: One-year transition matrix (31.12.2023 to 31.12.2024 stock basis)

		2024								No. of ratings
		S-1+	S-1	S-2	S-3	S-4	WR	Paid-off	Default	
2023	S-1+	84%	1%	0%	0%	0%	15%	0%	0%	129
	S-1	6%	75%	0%	0%	0%	18%	2%	0%	123
	S-2	0%	3%	69%	0%	0%	28%	0%	0%	148
	S-3	0%	0%	0%	100%	0%	0%	0%	0%	6
	S-4	0%	0%	0%	20%	80%	0%	0%	0%	5

Data for the three-year transition matrix (on a stock basis) below mainly relates to sovereign and public sector credit ratings as well as financial institution and corporate credit ratings.

Table 8: Three-year transition matrix (31.12.2021 to 31.12.2024 stock basis)

		2024								No. of ratings
		S-1+	S-1	S-2	S-3	S-4	WR	Paid-off	Default	
2021	S-1+	83%	5%	0%	0%	0%	12%	0%	0%	113
	S-1	8%	56%	3%	0%	0%	30%	2%	0%	89
	S-2	0%	13%	46%	1%	1%	39%	1%	0%	179
	S-3	0%	0%	43%	29%	0%	29%	0%	0%	7
	S-4	0%	0%	0%	100%	0%	0%	0%	0%	1

Table 9: Average annual transition matrix (31.12.2012 to 31.12.2024 static pool)

		S-1+	S-1	S-2	S-3	S-4	WR	Paid-off	Default	No. of ratings
S-1+		95%	1%	0%	0%	0%	4%	0%	0%	698
S-1		5%	85%	3%	0%	0%	7%	1%	0%	582
S-2		0%	5%	86%	1%	0%	9%	0%	0%	844
S-3		0%	0%	17%	68%	2%	12%	0%	0%	41
S-4		0%	0%	0%	17%	75%	8%	0%	0%	12

4. Default rates – all sectors

Default rates presented in this section combine credit ratings from all sectors.

In Table 10 below, default rates are calculated on a stock basis as the ratio between default occurring in the relevant period and the stock of credit ratings that were not in the default category of 31 December one year, three, and five years before.

Table 10: Default rates (stock basis)

	One-year (31.12.2023 – 31.12.2024)			Three-year (31.12.2021 – 31.12.2024)			Five-year (31.12.2019 – 31.12.2024)		
	One-year default rate %	No. of defaults	Total no. of ratings	Three-year default rate %	No. of defaults	Total no. of ratings	Five-year default rate %	No. of defaults	Total no. of ratings
AAA	0.00%	0	130	0.00%	0	135	0.00%	0	114
AA	0.00%	0	84	0.00%	0	72	0.00%	0	63
A	0.00%	0	274	0.00%	0	213	0.00%	0	163
BBB	0.00%	0	337	0.35%	1	282	0.00%	0	154
BB	0.00%	0	80	3.13%	2	64	2.22%	1	45
B	3.13%	2	64	3.17%	2	63	7.14%	2	28
CCC	8.33%	1	12	0.00%	0	13	0.00%	0	3
CC	16.67%	1	6	0.00%	0	4	0.00%	0	2
C	0.00%	0	8	0.00%	0	4	0.00%	0	2
Short-term ratings	0.00%	0	488	0.00%	0	420	0.0%	0	340

Table 11: 1-year rolling average default rates

	31.12.2012 – 31.12.2024
	1-year rolling average default rate %
AAA	0.00%
AA	0.00%
A	0.00%
BBB	0.01%
BB	0.31%
B	1.66%
CCC	4.77%
CC	3.26%
C	1.55%
Short-term ratings	0.0%

In Table 11 above, one-year rolling average default rates are calculated on monthly cohorts for the twelve-year period from 31.12.2012 to 31.12.2024. Please see Appendix I – Methodology used for rating transitions and default rates for details on the calculation.

5. Appendix I – Methodology used for rating transitions and default rates

Credit rating transition tracks the evolution of credit ratings between two different dates and does not track intra-period credit rating changes. A credit rating that is 'A' at the beginning of the period and 'BBB' at the end of the period is displayed as a credit rating change. Consequently, a credit rating that was 'A' at the beginning of the period, changed to 'BBB' and changed back to 'A' during the same period is not displayed as a credit rating change. Two separate credit rating changes within one period (e.g. from 'A' to 'BBB' and later on from 'BBB' to 'BB') is displayed only as one credit rating change, i.e. from 'A' to 'BB'. The exception is the treatment of defaults and selective defaults. If the credit rating was in default or selective default intra-period, it is kept as defaulted at the end of the period. Further, once defaulted, the credit rating is kept as defaulted throughout the remaining periods. If the rating was subsequently upgraded, the record is duplicated, and a "dummy" identifier is assigned to it in order to further track its performance.

Credit rating transitions and default rates are calculated under **two distinct methodologies**:

- The first method is based on a **stock concept**, i.e. a comparison of credit ratings between two different dates. Hence the five-year transition matrix 2019–2024 simply shows the credit ratings which were outstanding as of 31.12.2019 and their final position as of 31.12.2024. Under this method, the 2019–2024 five-year default rate for the B credit rating category is the ratio between issuers in default on 31.12.2024 and the number of issuers rated B on 31.12.2019.
- The second method is by **static pools or cohorts**. This is done by creating static pools of credit ratings that are outstanding at the beginning of a period and by tracking the evolution of credit ratings through multiple time horizons. For example, all credit ratings outstanding as of 31.12.2012 form the 2013 static pool, all surviving credit ratings of the 2013 static pool as of 31.12.2013, together with all new credit ratings assigned in 2014 from the 2014 static pool. The evolution of the credit ratings from the 2013, 2014 and 2015 static pools are combined in the average annual transition 2012–2024 (Table 6: Average annual transition matrix (31.12.2012 to 31.12.2024 static pool)).
- While we use the annual static pool basis for the rating transitions, we are calculating 1-year rolling average for default rates (Table 11: 1-year rolling average default rates). The 1-year rolling average default rate per rating category measures the percentage of entities that default within a 12-month period, rolling forward each month from 30.09.2012 to 31.12.2024. This method ensures a continuous assessment of credit risk while smoothing short-term fluctuations. Each month-end serves as the start of a new 12-month observation window. For example, the cohort as of 31/01/2015 is tracked for defaults occurring by 31/01/2016. The next cohort is taken as of 28/02/2015, tracking defaults by 28/02/2016, and so on. For each month t , all entities in a rating category as of the last day of the month are included in the stock for that period. Within each 12-month window from t to $t+12$, the number of entities that default is counted for each rating category. The default rate for a given rating category is then the ratio of all defaults and the stock in the respective rating category.

Issuers may be placed in multiple static pools as their credit ratings are outstanding over several years. For example, an issuer rated during 2013 and withdrawn during 2016, is included in the 2014, 2015 and 2016 static pool.

6. Appendix II – Credit rating transition matrices by sectors: long-term credit ratings

6.1 Corporates

Table 12: One-year transition matrix (31.12.2023 to 31.12.2024 stock basis)

		2024												
		AAA	AA	A	BBB	BB	B	CCC	CC	C	WR	Paid-off	Default	No. of ratings
2023	AAA	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
	AA	0%	68%	0%	0%	0%	0%	0%	0%	0%	32%	0%	0%	19
	A	0%	1%	74%	0%	0%	0%	0%	0%	0%	23%	1%	0%	138
	BBB	0%	0%	1%	70%	1%	0%	0%	0%	0%	27%	0%	0%	149
	BB	0%	0%	0%	0%	89%	2%	0%	2%	0%	6%	0%	0%	47
	B	0%	0%	0%	0%	5%	80%	3%	0%	3%	5%	0%	5%	40
	CCC	0%	0%	0%	0%	0%	0%	50%	0%	0%	0%	0%	50%	2
	CC	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
	C	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0

Table 13: Three-year transition matrix (31.12.2021 to 31.12.2024 stock basis)

		2024												
		AAA	AA	A	BBB	BB	B	CCC	CC	C	WR	Paid-off	Default	No. of ratings
2021	AAA	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
	AA	0%	47%	18%	0%	0%	0%	0%	0%	0%	35%	0%	0%	17
	A	0%	2%	63%	3%	0%	0%	0%	0%	0%	30%	2%	0%	112
	BBB	0%	0%	10%	47%	2%	0%	1%	0%	0%	39%	2%	1%	178
	BB	0%	0%	0%	3%	69%	5%	3%	3%	0%	13%	0%	5%	39
	B	0%	0%	0%	0%	21%	57%	0%	0%	0%	17%	0%	5%	42
	CCC	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
	CC	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	1
	C	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0

Table 14: Average annual transition matrix (31.12.2012 to 31.12.2024 static pool)

		AAA	AA	A	BBB	BB	B	CCC	CC	C	WR	Paid-off	Default	No. of ratings
AAA		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
AA		0%	87%	5%	0%	0%	0%	0%	0%	0%	8%	0%	0%	93
A		0%	1%	88%	3%	0%	0%	0%	0%	0%	8%	1%	0%	628
BBB		0%	0%	4%	86%	1%	0%	0%	0%	0%	10%	0%	0%	800
BB		0%	0%	0%	1%	83%	5%	0%	0%	0%	11%	0%	0%	217
B		0%	0%	0%	0%	6%	80%	1%	0%	1%	10%	0%	3%	186
CCC		0%	0%	0%	0%	0%	0%	33%	17%	0%	17%	0%	33%	6
CC		0%	0%	0%	0%	0%	0%	0%	0%	0%	50%	0%	50%	2
C		0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	1

6.2 Covered Bonds

Table 15: One-year transition matrix (31.12.2023 to 31.12.2024 stock basis)

		2024												
		AAA	AA	A	BBB	BB	B	CCC	CC	C	WR	Paid-off	Default	No. of ratings
2023	AAA	90%	0%	0%	0%	0%	0%	0%	0%	0%	10%	0%	0%	40
	AA	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
	A	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
	BBB	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
	BB	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
	B	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
	CCC	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
	CC	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
	C	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0

Table 16: Three-year transition matrix (31.12.2021 to 31.12.2024 stock basis)

		2024												
		AAA	AA	A	BBB	BB	B	CCC	CC	C	WR	Paid-off	Default	No. of ratings
2021	AAA	90%	0%	0%	0%	0%	0%	0%	0%	0%	10%	0%	0%	40
	AA	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
	A	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
	BBB	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
	BB	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
	B	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
	CCC	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
	CC	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
	C	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0

Table 17: Average annual transition matrix (31.12.2012 to 31.12.2024 static pool)

	AAA	AA	A	BBB	BB	B	CCC	CC	C	WR	Paid-off	Default	No. of ratings
AAA	97%	0%	0%	0%	0%	0%	0%	0%	0%	2%	0%	0%	304
AA	50%	25%	0%	0%	0%	0%	0%	0%	0%	25%	0%	0%	4
A	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
BBB	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
BB	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
B	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
CCC	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
CC	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
C	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0

6.3 Financial Institutions

Table 18: One-year transition matrix (31.12.2023 to 31.12.2024 stock basis)

		2024												
		AAA	AA	A	BBB	BB	B	CCC	CC	C	WR	Paid-off	Default	No. of ratings
2023	AAA	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	3
	AA	0%	97%	0%	0%	0%	0%	0%	0%	0%	3%	0%	0%	29
	A	0%	0%	90%	0%	0%	0%	0%	0%	10%	0%	0%	0%	63
	BBB	0%	0%	40%	53%	0%	0%	0%	0%	0%	7%	0%	0%	15
	BB	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
	B	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	3
	CCC	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
	CC	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
	C	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0

Table 19: Three-year transition matrix (31.12.2021 to 31.12.2024 stock basis)

		2024												
		AAA	AA	A	BBB	BB	B	CCC	CC	C	WR	Paid-off	Default	No. of ratings
2021	AAA	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	3
	AA	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	26
	A	0%	0%	84%	0%	0%	0%	0%	0%	0%	16%	0%	0%	62
	BBB	0%	0%	30%	26%	0%	0%	0%	0%	0%	43%	0%	0%	23
	BB	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
	B	0%	0%	0%	0%	0%	50%	0%	0%	0%	50%	0%	0%	2
	CCC	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
	CC	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
	C	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0

Table 20: Average annual transition matrix (31.12.2012 to 31.12.2024 static pool)

		AAA	AA	A	BBB	BB	B	CCC	CC	C	WR	Paid-off	Default	No. of ratings
AAA		100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	17
AA		0%	96%	2%	0%	0%	0%	0%	0%	0%	1%	1%	0%	179
A		0%	3%	93%	1%	0%	0%	0%	0%	0%	4%	0%	0%	420
BBB		0%	0%	12%	77%	0%	0%	0%	0%	0%	10%	0%	0%	137
BB		0%	0%	0%	67%	33%	0%	0%	0%	0%	0%	0%	0%	3
B		0%	0%	0%	0%	0%	89%	0%	0%	0%	11%	0%	0%	9
CCC		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
CC		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
C		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0

6.4 Sovereign and Public Sector

Table 21: One-year transition matrix (31.12.2023 to 31.12.2024 stock basis)

		2024												
		AAA	AA	A	BBB	BB	B	CCC	CC	C	WR	Paid-off	Default	No. of ratings
2023	AAA	89%	11%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	38
	AA	0%	68%	5%	0%	0%	0%	0%	0%	0%	26%	0%	0%	19
	A	0%	0%	92%	0%	0%	0%	0%	0%	0%	8%	0%	0%	24
	BBB	0%	0%	20%	60%	0%	0%	0%	0%	0%	20%	0%	0%	15
	BB	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	4
	B	0%	0%	0%	0%	50%	50%	0%	0%	0%	0%	0%	0%	2
	CCC	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
	CC	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	1
	C	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0

Table 22: Three-year transition matrix (31.12.2021 to 31.12.2024 stock basis)

		2024												
		AAA	AA	A	BBB	BB	B	CCC	CC	C	WR	Paid-off	Default	No. of ratings
2021	AAA	94%	6%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	35
	AA	0%	83%	8%	0%	0%	0%	0%	0%	0%	8%	0%	0%	12
	A	0%	0%	85%	0%	0%	0%	0%	0%	0%	15%	0%	0%	13
	BBB	0%	0%	35%	41%	0%	0%	0%	0%	0%	24%	0%	0%	17
	BB	0%	0%	0%	50%	50%	0%	0%	0%	0%	0%	0%	0%	2
	B	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	1
	CCC	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
	CC	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
	C	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0

Table 23: Average annual transition matrix (31.12.2012 to 31.12.2024 static pool)

		AAA	AA	A	BBB	BB	B	CCC	CC	C	WR	Paid-off	Default	No. of ratings
AAA		97%	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	239
AA		1%	87%	2%	0%	0%	0%	0%	0%	0%	10%	0%	0%	132
A		0%	2%	90%	3%	0%	0%	0%	0%	0%	5%	0%	0%	148
BBB		0%	0%	9%	81%	4%	0%	0%	0%	0%	6%	0%	0%	141
BB		0%	0%	0%	8%	75%	3%	0%	0%	0%	13%	0%	0%	60
B		0%	0%	0%	0%	13%	60%	7%	0%	0%	7%	0%	13%	15
CCC		0%	0%	0%	0%	0%	0%	40%	20%	0%	40%	0%	0%	5
CC		0%	0%	0%	0%	0%	25%	0%	50%	0%	0%	0%	25%	4
C		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0

6.5 Structured Finance

Table 24: One-year transition matrix (31.12.2023 to 31.12.2024 stock basis)

		2024												
		AAA	AA	A	BBB	BB	B	CCC	CC	C	WR	Paid-off	Default	No. of ratings
2023	AAA	82%	0%	0%	0%	0%	0%	0%	0%	0%	0%	18%	0%	49
	AA	6%	56%	19%	0%	0%	0%	0%	0%	0%	0%	19%	0%	16
	A	3%	13%	68%	3%	0%	0%	0%	0%	0%	0%	13%	0%	31
	BBB	0%	0%	4%	76%	4%	0%	1%	0%	0%	1%	13%	0%	72
	BB	0%	0%	0%	5%	80%	5%	5%	0%	0%	0%	5%	0%	20
	B	0%	0%	0%	0%	0%	69%	13%	0%	0%	0%	19%	0%	16
	CCC	0%	0%	0%	0%	0%	0%	60%	30%	0%	0%	10%	0%	10
	CC	0%	0%	0%	0%	0%	0%	0%	80%	20%	0%	0%	0%	5
	C	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	8

Table 25: Three-year transition matrix (31.12.2021 to 31.12.2024 stock basis)

		2024												
		AAA	AA	A	BBB	BB	B	CCC	CC	C	WR	Paid-off	Default	No. of ratings
2021	AAA	37%	0%	0%	0%	0%	0%	0%	0%	0%	0%	63%	0%	57
	AA	24%	29%	24%	0%	0%	0%	0%	0%	0%	0%	24%	0%	17
	A	4%	8%	25%	4%	0%	0%	0%	0%	0%	0%	58%	0%	24
	BBB	0%	3%	5%	43%	15%	2%	5%	0%	0%	5%	22%	0%	60
	BB	0%	5%	0%	5%	23%	9%	14%	0%	0%	5%	41%	0%	22
	B	0%	0%	0%	0%	0%	24%	12%	18%	12%	6%	29%	0%	17
	CCC	0%	0%	0%	0%	0%	0%	15%	15%	31%	0%	38%	0%	13
	CC	0%	0%	0%	0%	0%	0%	0%	67%	33%	0%	0%	0%	3
	C	0%	0%	0%	0%	0%	0%	0%	0%	50%	0%	50%	0%	4

Table 26: Average annual transition matrix (31.12.2012 to 31.12.2024 static pool)

		AAA	AA	A	BBB	BB	B	CCC	CC	C	WR	Paid-off	Default	No. of ratings
AAA		79%	0%	0%	0%	0%	0%	0%	0%	0%	1%	20%	0%	328
AA		22%	61%	6%	0%	0%	0%	0%	0%	0%	0%	11%	0%	116
A		4%	11%	65%	2%	0%	0%	0%	0%	0%	2%	16%	0%	159
BBB		0%	0%	6%	75%	7%	1%	0%	0%	0%	2%	8%	0%	354
BB		0%	0%	0%	9%	67%	10%	2%	0%	0%	0%	13%	0%	124
B		0%	0%	0%	1%	10%	62%	12%	4%	0%	4%	6%	0%	113
CCC		0%	0%	0%	0%	0%	0%	68%	13%	6%	0%	13%	0%	47
CC		0%	0%	0%	0%	0%	0%	10%	70%	20%	0%	0%	0%	30
C		0%	0%	0%	0%	0%	0%	0%	0%	87%	0%	13%	0%	31

6.6 Project Finance

Table 27: One-year transition matrix (31.12.2023 to 31.12.2024 stock basis)

		2024												
		AAA	AA	A	BBB	BB	B	CCC	CC	C	WR	Paid-off	Default	No. of ratings
2023	AAA	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
	AA	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1
	A	0%	0%	78%	6%	0%	0%	0%	0%	11%	6%	0%	18	
	BBB	0%	0%	0%	94%	2%	0%	0%	0%	0%	3%	0%	86	
	BB	0%	0%	0%	11%	78%	11%	0%	0%	0%	0%	0%	9	
	B	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	3	
	CCC	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0	
	CC	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0	
	C	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0	

Table 28: Average annual transition matrix (31.12.2012 to 31.12.2024 static pool)

		AAA	AA	A	BBB	BB	B	CCC	CC	C	WR	Paid-off	Default	No. of ratings
AAA		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
AA		0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1
A		0%	0%	81%	6%	3%	0%	0%	0%	0%	6%	3%	0%	32
BBB		0%	0%	2%	92%	3%	0%	0%	0%	0%	0%	3%	0%	119
BB		0%	0%	0%	8%	67%	8%	0%	0%	0%	17%	0%	0%	12
B		0%	0%	0%	0%	17%	83%	0%	0%	0%	0%	0%	0%	6
CCC		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
CC		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
C		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0

6.7 Corporates + Financial Institutions + Project finance

Table 29: One-year transition matrix (31.12.2023 to 31.12.2024 stock basis)

		2024												
		AAA	AA	A	BBB	BB	B	CCC	CC	C	WR	Paid-off	Default	No. of ratings
2023	AAA	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	3
	AA	0%	86%	0%	0%	0%	0%	0%	0%	0%	14%	0%	0%	49
	A	0%	1%	79%	0%	0%	0%	0%	0%	0%	18%	1%	0%	219
	BBB	0%	0%	3%	78%	2%	0%	0%	0%	0%	16%	1%	0%	250
	BB	0%	0%	0%	2%	88%	4%	0%	2%	0%	5%	0%	0%	56
	B	0%	0%	0%	0%	4%	83%	2%	0%	2%	4%	0%	4%	46
	CCC	0%	0%	0%	0%	0%	0%	50%	0%	0%	0%	0%	50%	2
	CC	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
	C	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0

Table 30: Three-year transition matrix (31.12.2021 to 31.12.2024 stock basis)

		2024												
		AAA	AA	A	BBB	BB	B	CCC	CC	C	WR	Paid-off	Default	No. of ratings
2021	AAA	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	3
	AA	0%	79%	7%	0%	0%	0%	0%	0%	0%	14%	0%	0%	43
	A	0%	1%	71%	2%	0%	0%	0%	0%	0%	25%	1%	0%	176
	BBB	0%	0%	12%	44%	1%	0%	0%	0%	0%	39%	3%	0%	205
	BB	0%	0%	0%	3%	68%	5%	3%	3%	0%	15%	0%	5%	40
	B	0%	0%	0%	0%	20%	58%	0%	0%	0%	18%	0%	4%	45
	CCC	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0
	CC	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	1
	C	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0

Table 31: Average annual transition matrix (31.12.2012 to 31.12.2024 static pool)

		AAA	AA	A	BBB	BB	B	CCC	CC	C	WR	Paid-off	Default	No. of ratings
AAA		100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	17
AA		0%	93%	3%	0%	0%	0%	0%	0%	0%	3%	0%	0%	273
A		0%	2%	89%	2%	0%	0%	0%	0%	0%	6%	0%	0%	1080
BBB		0%	0%	4%	85%	1%	0%	0%	0%	0%	9%	0%	0%	1056
BB		0%	0%	0%	2%	81%	5%	0%	0%	0%	11%	0%	0%	232
B		0%	0%	0%	0%	6%	80%	0%	0%	0%	10%	0%	3%	201
CCC		0%	0%	0%	0%	0%	0%	33%	17%	0%	17%	0%	33%	6
CC		0%	0%	0%	0%	0%	0%	0%	0%	0%	50%	0%	50%	2
C		0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	1

7. Appendix III – Credit Rating transition matrices by sectors: short-term credit ratings

7.1 Corporates

Table 32: One-year transition matrix (31.12.2023 to 31.12.2024 static pool)

	S-1+	S-1	S-2	S-3	S-4	WR	Paid-off	Default	No. of ratings
S-1+	73%	0%	0%	0%	0%	28%	0%	0%	40
S-1	6%	71%	0%	0%	0%	22%	2%	0%	102
S-2	0%	2%	69%	0%	0%	29%	0%	0%	130
S-3	0%	0%	0%	100%	0%	0%	0%	0%	2
S-4	0%	0%	0%	0%	100%	0%	0%	0%	1

7.2 Financial Institutions

Table 33: One-year transition matrix (31.12.2023 to 31.12.2024 static pool)

	S-1+	S-1	S-2	S-3	S-4	WR	Paid-off	Default	No. of ratings
S-1+	96%	0%	0%	0%	0%	4%	0%	0%	24
S-1	17%	83%	0%	0%	0%	0%	0%	0%	6
S-2	0%	0%	100%	0%	0%	0%	0%	0%	3
S-3	0%	0%	0%	0%	0%	0%	0%	0%	0
S-4	0%	0%	0%	0%	100%	0%	0%	0%	1

Table 34: Three-year transition matrix (31.12.2021 to 31.12.2024 static pool)

	S-1+	S-1	S-2	S-3	S-4	WR	Paid-off	Default	No. of ratings
S-1+	96%	0%	0%	0%	0%	4%	0%	0%	24
S-1	25%	75%	0%	0%	0%	0%	0%	0%	4
S-2	0%	20%	60%	0%	0%	20%	0%	0%	5
S-3	0%	0%	0%	0%	0%	0%	0%	0%	0
S-4	0%	0%	0%	0%	0%	0%	0%	0%	0

7.3 Sovereign and Public Sector

Table 35: One-year transition matrix (31.12.2023 to 31.12.2024 static pool)

	S-1+	S-1	S-2	S-3	S-4	WR	Paid-off	Default	No. of ratings
S-1+	88%	2%	0%	0%	0%	11%	0%	0%	65
S-1	0%	100%	0%	0%	0%	0%	0%	0%	15
S-2	0%	20%	60%	0%	0%	20%	0%	0%	15
S-3	0%	0%	0%	100%	0%	0%	0%	0%	4
S-4	0%	0%	0%	33%	67%	0%	0%	0%	3

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