

## 1 - Rating Distribution

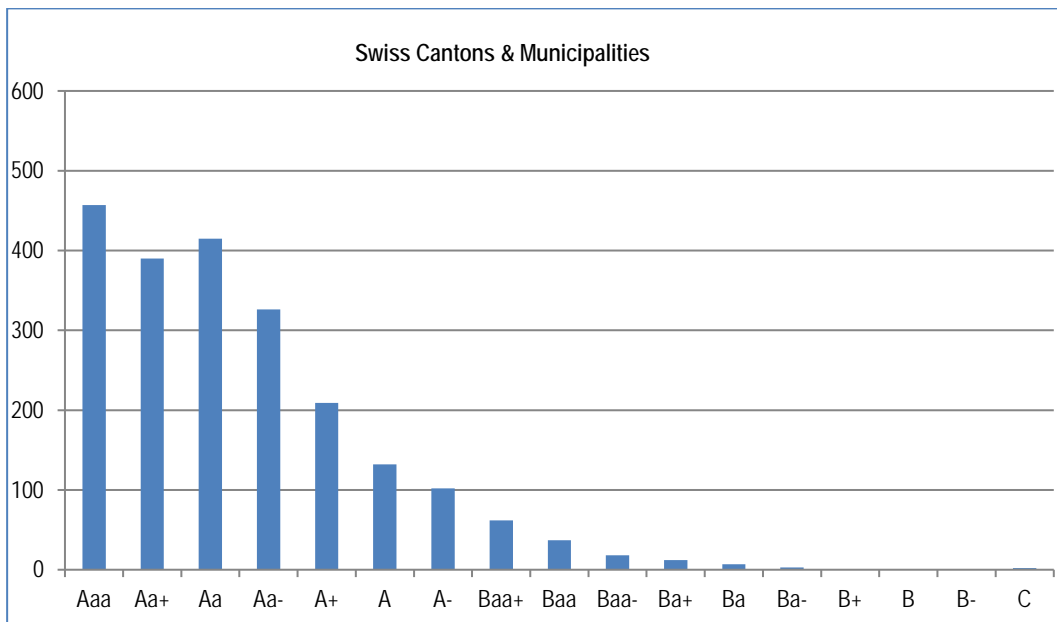
### Local & Regional Government Rating

Local & Regional Government Ratings (# Released by the end of 2021)

- Cantons (26)
- Municipalities (2'147)

Distribution Characteristics

- Ø Aa
- Investment > 95%
- Subinvestment < 5%



## Non-Financial Corporate Rating<sup>1</sup>

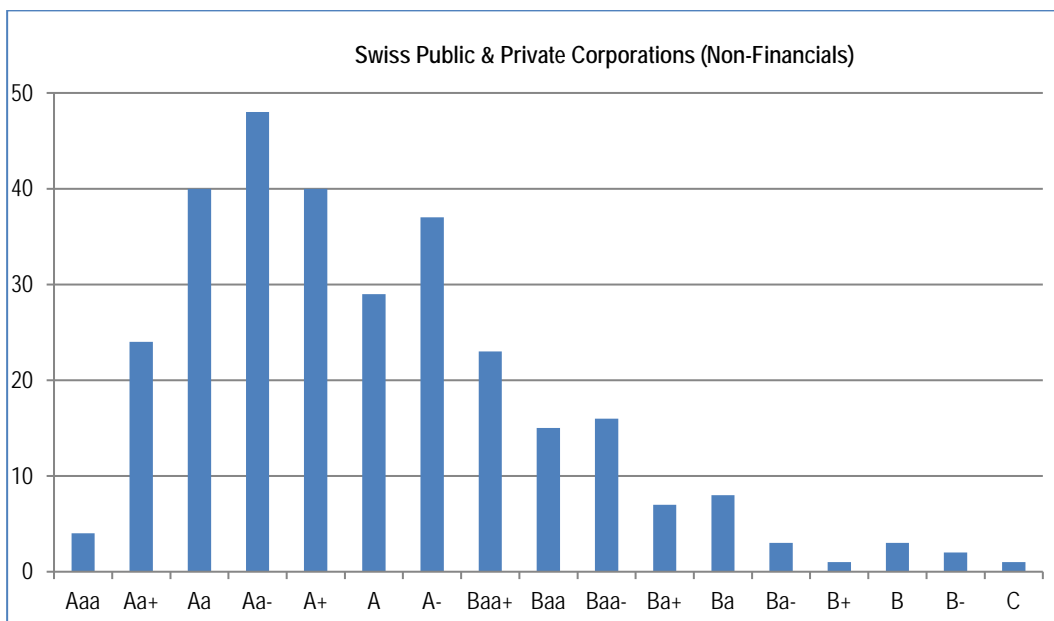
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Corporate Ratings (# Released by the end of 2021)

- Public Sector Corporations (237)
- Private Sector Corporations (64)

Distribution Characteristics

- Ø                      A+
- Investment        > 90%
- Subinvestment    < 10%




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<sup>1</sup> Excluding banks and real estate companies

## Financial Corporate Rating

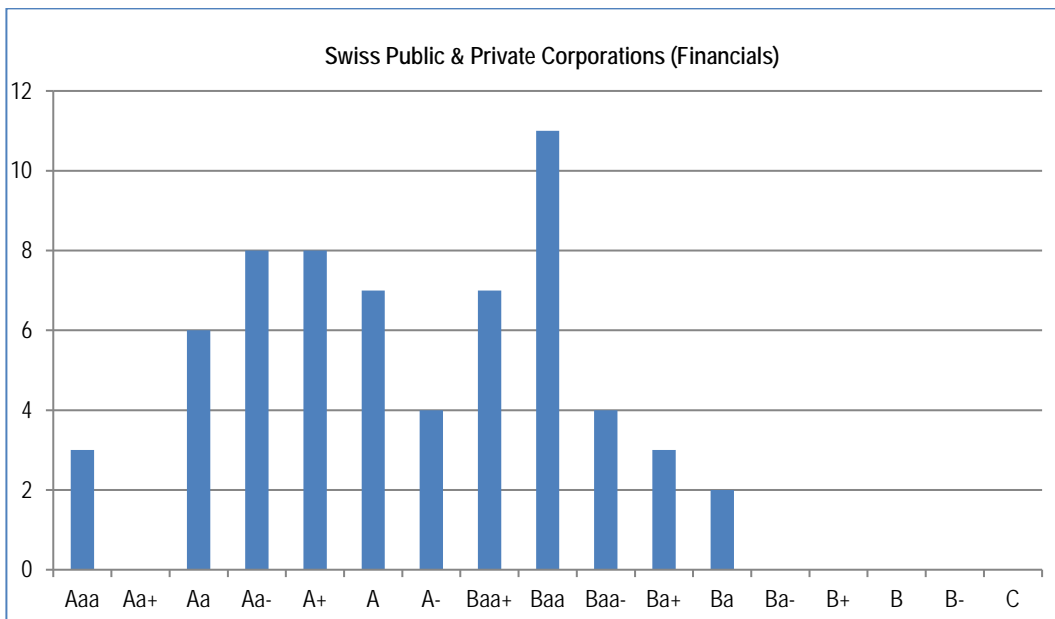
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Corporate Ratings (# Released by the end of 2021)

- Public Sector Corporations (26)
- Private Sector Corporations (37)

Distribution Characteristics

- Ø                      A
- Investment        > 90%
- Subinvestment    < 10%



## Real Estate Corporate Rating

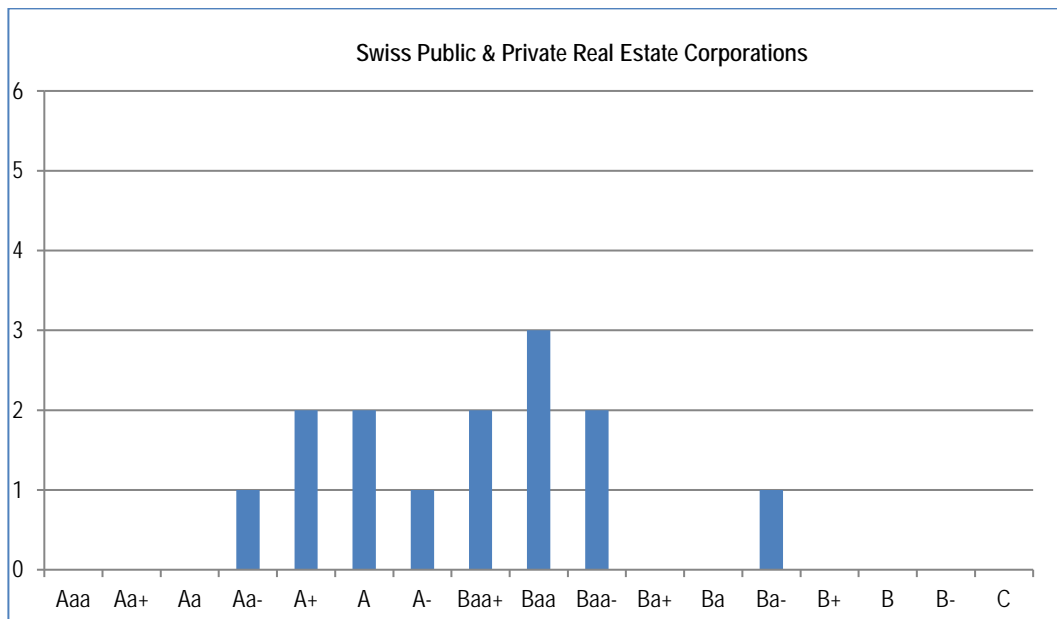
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Corporate Ratings (# Released by the end of 2021)

- Public Sector Corporations (4)
- Private Sector Corporations (10)

Distribution Characteristics

- Ø Baa+
- Investment > 90%
- Subinvestment < 10%



## Mortgage Rating

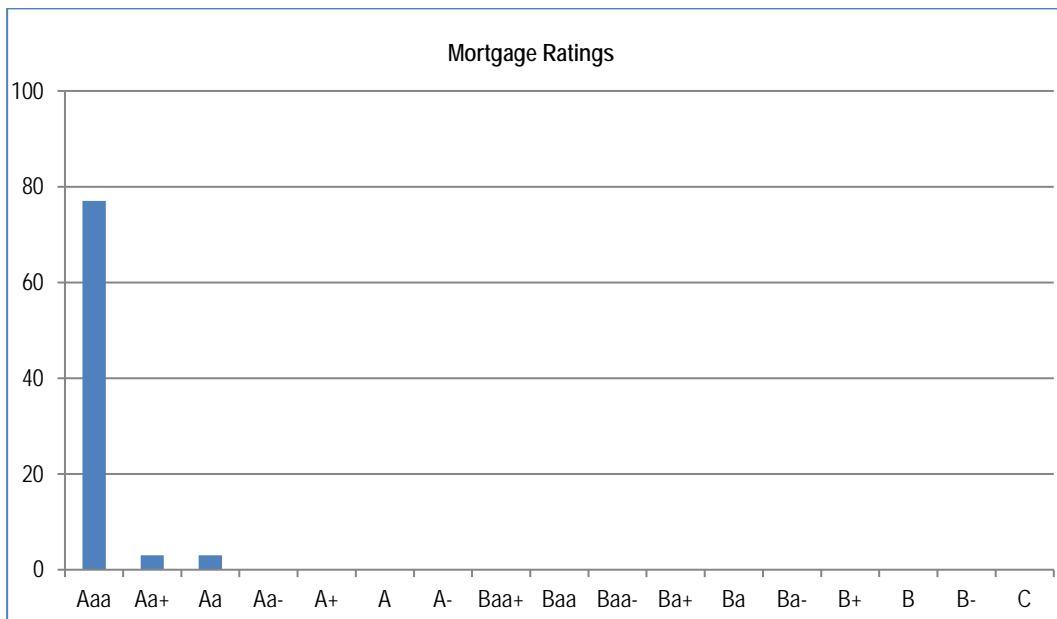
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Mortgage Ratings (# Released during 2021): 83

- Desktop Rating (59)
- Current Rating / Under Monitoring (24)

### Distribution Characteristics

- Ø                      Aaa
- Investment        100%
- Subinvestment    0%



## 2 - Rating Comparison (by the end of 2021)<sup>2</sup>

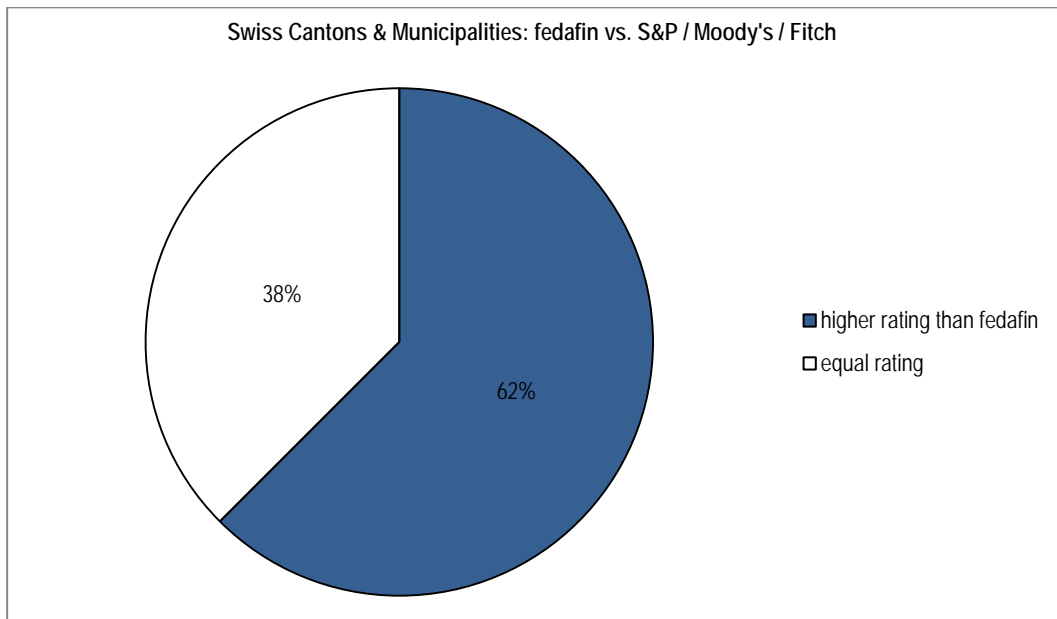
### Local & Regional Government Rating

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Issuer Ratings fedafin (# under Monitoring): 2'173

Overlap with

- S&P: 11
- Moody's: 4
- Fitch: 1



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<sup>2</sup> The comparison of fedafin ratings to S&P's, Moody's and Fitch is omitted for mortgages because there is no overlap.

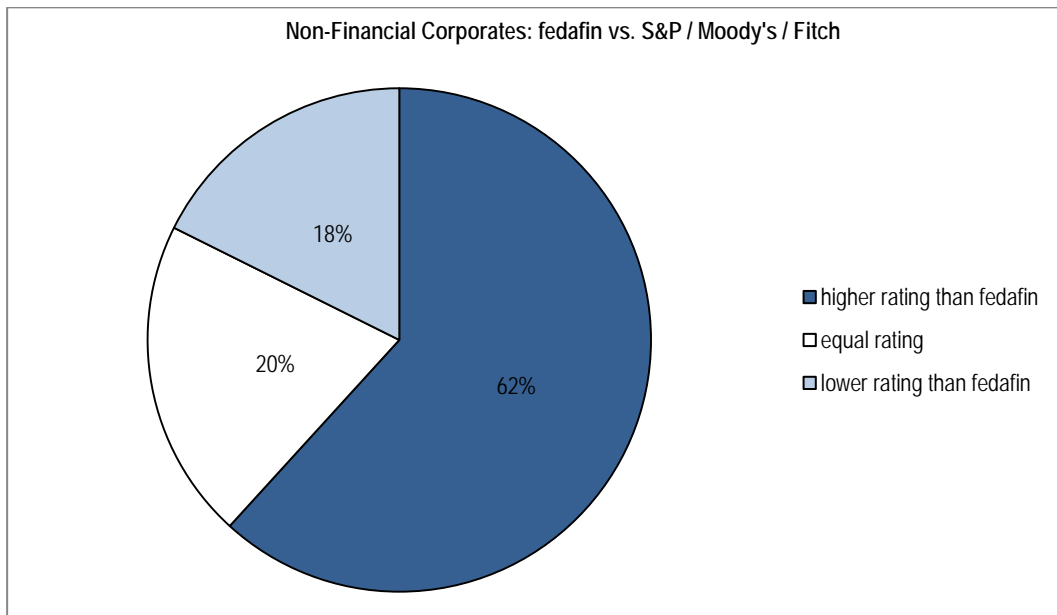
## Non-Financial Corporate Rating

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Issuer Ratings fedafin (# under Monitoring): 301

Overlap with

- S&P: 16
- Moody's: 11
- Fitch: 6



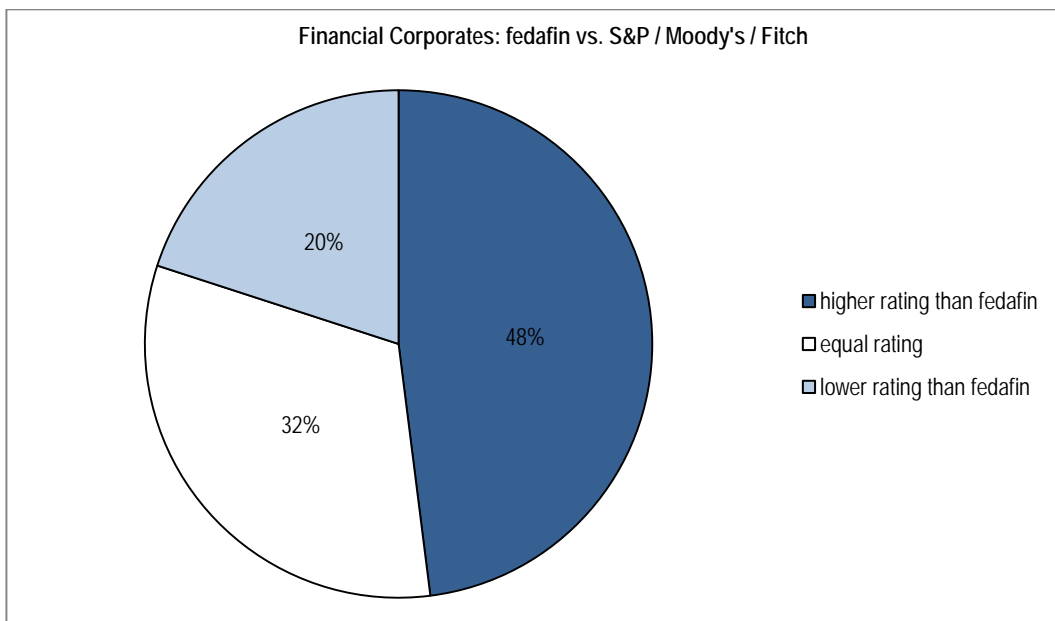
## Financial Corporate Rating

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Issuer Ratings fedafin (# under Monitoring): 63

Overlap with

- S&P: 15
- Moody's: 8
- Fitch: 2





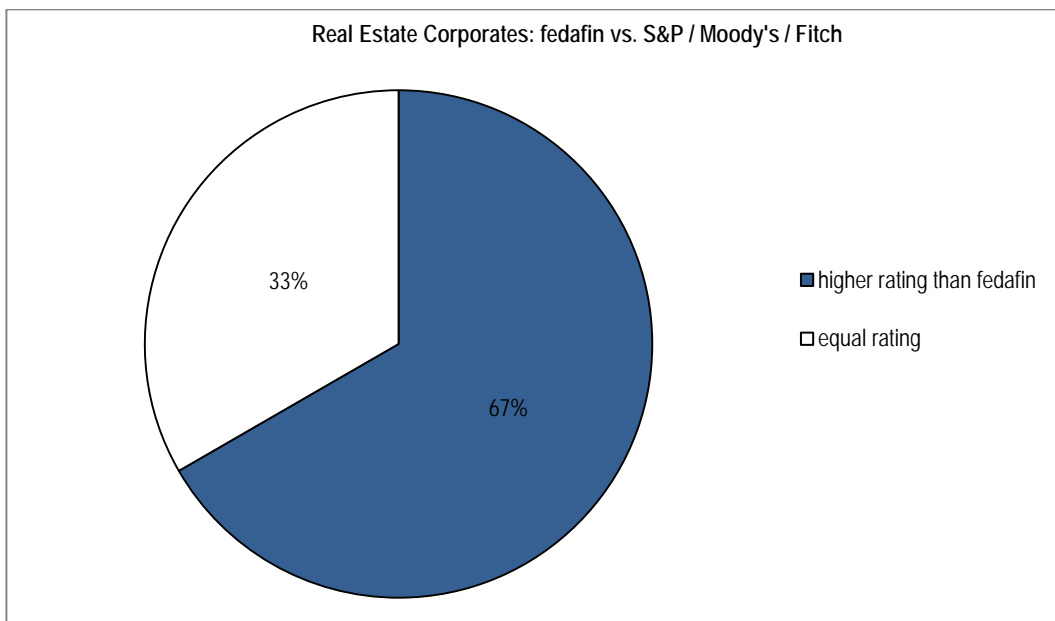
## Real Estate Corporate Rating

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Issuer Ratings fedafin (# under Monitoring): 14

Overlap with

- S&P: -
- Moody's: 2
- Fitch: 1



### 3 - One-Year Migration History<sup>3</sup>

The following tables show average one-year migration matrices with and without notches for each individual rating segment over the respective credit rating history. Intuitively, the figures represent the probability of migrating from one credit rating class to another (or remaining in the same credit rating class) over the course of a year. The concentration of migration rates along the main diagonal demonstrates that credit ratings are highly stable.

#### Local & Regional Government Rating (Average Migration Rates 2000 - 2020)

		Rating at time t+1							
		Aaa	Aa	A	Baa	Ba	B	C	D
Rating at time t	Aaa	88.8%	11.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Aa	7.0%	88.3%	4.6%	0.0%	0.0%	0.0%	0.0%	0.0%
	A	0.1%	15.5%	81.0%	3.4%	0.0%	0.0%	0.0%	0.0%
	Baa	0.0%	0.1%	21.5%	74.5%	3.9%	0.0%	0.0%	0.0%
	Ba	0.0%	0.0%	0.7%	25.3%	68.4%	4.6%	0.3%	0.8%
	B	0.0%	0.0%	0.0%	1.0%	30.6%	51.7%	10.5%	6.2%
	C	0.0%	0.0%	0.0%	0.0%	6.2%	25.4%	40.8%	27.7%

		Rating at time t+1																	
		Aaa	Aa+	Aa	Aa-	A+	A	A-	Baa+	Baa	Baa-	Ba+	Ba	Ba-	B+	B	B-	C	D
Rating at time t	Aaa	88.8%	10.0%	1.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Aa+	18.8%	64.4%	15.4%	1.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Aa	1.8%	18.0%	65.3%	11.9%	1.3%	1.6%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Aa-	0.4%	2.0%	24.4%	60.0%	11.6%	1.4%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	A+	0.2%	0.3%	4.9%	25.0%	56.2%	11.6%	1.4%	0.3%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	A	0.0%	0.1%	4.2%	3.7%	25.9%	54.4%	9.0%	1.3%	1.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	A-	0.0%	0.0%	0.4%	0.8%	4.7%	28.0%	55.2%	9.0%	1.8%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Baa+	0.0%	0.0%	0.0%	0.1%	1.5%	8.0%	27.7%	50.8%	9.7%	2.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Baa	0.0%	0.1%	0.1%	0.1%	0.4%	7.7%	8.4%	24.8%	47.7%	7.6%	1.6%	1.5%	0.1%	0.0%	0.1%	0.0%	0.0%	0.0%
	Baa-	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	3.4%	7.0%	30.4%	47.1%	9.4%	2.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Ba+	0.0%	0.0%	0.0%	0.0%	0.4%	0.2%	1.0%	4.7%	12.2%	28.3%	39.4%	11.8%	1.6%	0.0%	0.2%	0.0%	0.2%	0.0%
	Ba	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.2%	0.8%	9.7%	9.7%	23.9%	43.2%	8.0%	0.0%	3.3%	0.0%	0.3%	0.8%
	Ba-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.9%	1.0%	8.4%	31.6%	39.7%	0.3%	14.2%	0.0%	0.6%	2.3%
	B+	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	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%	0.0%	0.0%	0.2%	0.8%	4.1%	13.6%	12.8%	0.0%	51.7%	0.0%	10.5%	6.2%
	B-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	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%	0.0%	0.0%	0.0%	0.0%	0.8%	1.9%	3.5%	0.0%	25.4%	0.0%	40.8%	27.7%

<sup>3</sup> Fedafin does not yet report migration matrices for the sector „mortgages“, because the migration history is too short.

Non-Financial Corporate Rating (Average Migration Rates 2003 - 2020)

		Rating at time t+1							
		Aaa	Aa	A	Baa	Ba	B	C	D
Rating at time t	Aaa	88.9%	11.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Aa	2.0%	90.4%	7.6%	0.0%	0.0%	0.0%	0.0%	0.0%
	A	0.0%	4.4%	90.2%	5.4%	0.0%	0.0%	0.0%	0.0%
	Baa	0.0%	0.0%	5.9%	86.3%	7.8%	0.0%	0.0%	0.0%
	Ba	0.0%	0.0%	0.0%	12.6%	82.3%	4.7%	0.0%	0.5%
	B	0.0%	0.0%	0.0%	0.0%	13.3%	60.0%	20.0%	6.7%
	C	0.0%	0.0%	0.0%	0.0%	0.0%	20.0%	60.0%	20.0%

		Rating at time t+1																	
		Aaa	Aa+	Aa	Aa-	A+	A	A-	Baa+	Baa	Baa-	Ba+	Ba	Ba-	B+	B	B-	C	D
Rating at time t	Aaa	88.9%	9.1%	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Aa+	5.8%	76.7%	14.5%	2.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Aa	1.5%	8.3%	70.2%	17.6%	2.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Aa-	0.0%	1.1%	9.3%	73.6%	12.9%	3.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	A+	0.0%	0.0%	1.7%	7.5%	70.8%	17.9%	2.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	A	0.0%	0.0%	0.0%	3.0%	12.8%	66.0%	16.2%	2.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	A-	0.0%	0.0%	0.0%	0.9%	2.2%	9.5%	73.2%	13.9%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Baa+	0.0%	0.0%	0.0%	0.0%	0.0%	1.8%	10.5%	68.4%	14.6%	4.1%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Baa	0.0%	0.0%	0.0%	0.0%	0.0%	0.9%	2.6%	19.1%	59.1%	15.7%	1.7%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Baa-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.7%	10.9%	67.4%	16.7%	3.6%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%
	Ba+	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.2%	17.5%	60.0%	13.3%	3.3%	0.0%	0.8%	0.8%	0.0%	0.0%
	Ba	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.8%	24.6%	56.1%	10.5%	1.8%	5.3%	0.0%	0.0%	0.0%
	Ba-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	7.9%	18.4%	60.5%	0.0%	10.5%	0.0%	0.0%	2.6%
	B+	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	50.0%	50.0%	0.0%	0.0%
	B	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.3%	8.3%	0.0%	50.0%	0.0%	25.0%	8.3%
	B-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
	C	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	20.0%	0.0%	60.0%	20.0%

Financial Corporate Rating (Average Migration Rates 2010 - 2020)

		Rating at time t+1							
		Aaa	Aa	A	Baa	Ba	B	C	D
Rating at time t	Aaa	86.1%	13.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Aa	0.7%	95.9%	3.4%	0.0%	0.0%	0.0%	0.0%	0.0%
	A	0.0%	2.3%	96.2%	1.5%	0.0%	0.0%	0.0%	0.0%
	Baa	0.0%	0.0%	4.9%	95.1%	0.0%	0.0%	0.0%	0.0%
	Ba	0.0%	0.0%	0.0%	20.0%	80.0%	0.0%	0.0%	0.0%
	B	0.0%	0.0%	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%	0.0%	0.0%

		Rating at time t+1																
		Aaa	Aa+	Aa	Aa-	A+	A	A-	Baa+	Baa	Baa-	Ba+	Ba	Ba-	B+	B	B-	C
Rating at time t	Aaa	86.1%	5.6%	8.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Aa+	3.3%	66.7%	20.0%	10.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Aa	0.0%	1.7%	83.3%	13.3%	1.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Aa-	0.0%	0.0%	3.6%	89.3%	3.6%	3.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	A+	0.0%	0.0%	0.0%	3.6%	87.5%	7.1%	1.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	A	0.0%	0.0%	0.0%	2.2%	6.5%	82.6%	8.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	A-	0.0%	0.0%	0.0%	0.0%	0.0%	6.7%	86.7%	6.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Baa+	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	12.5%	81.3%	6.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Baa	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	11.1%	88.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Baa-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	25.0%	75.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Ba+	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	33.3%	66.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Ba	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	25.0%	75.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Ba-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	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%	0.0%	0.0%	0.0%	0.0%	0.0%	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%	0.0%	0.0%	0.0%	0.0%	0.0%	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%	0.0%	0.0%	0.0%	0.0%	0.0%	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%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Real Estate Corporate Rating (Average Migration Rates 2010 - 2020)

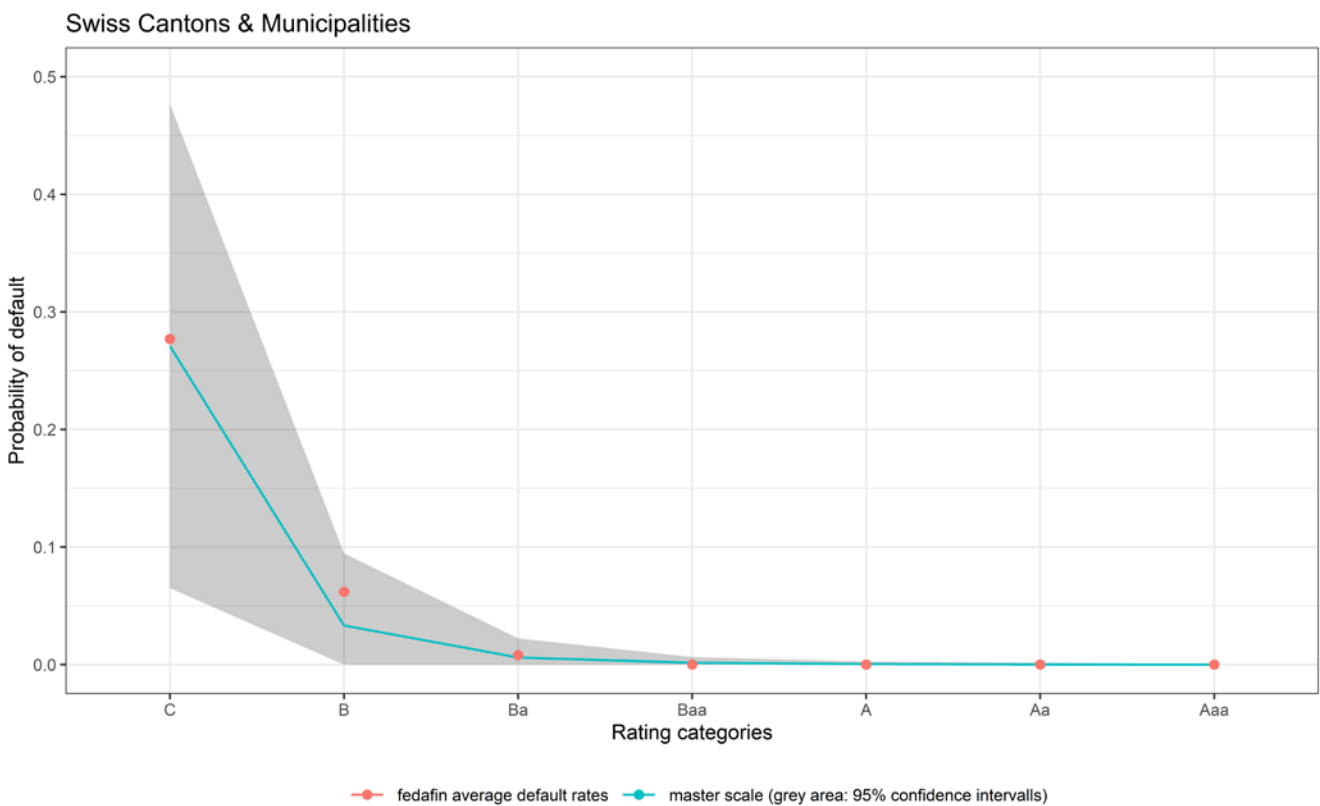
		Rating at time t+1							
		Aaa	Aa	A	Baa	Ba	B	C	D
Rating at time t	Aaa	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Aa	0.0%	33.3%	66.7%	0.0%	0.0%	0.0%	0.0%	0.0%
	A	0.0%	0.0%	91.7%	8.3%	0.0%	0.0%	0.0%	0.0%
	Baa	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
	Ba	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
	B	0.0%	0.0%	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%	0.0%	0.0%
	D	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

		Rating at time t+1																	
		Aaa	Aa+	Aa	Aa-	A+	A	A-	Baa+	Baa	Baa-	Ba+	Ba	Ba-	B+	B	B-	C	D
Rating at time t	Aaa	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Aa+	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Aa	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Aa-	0.0%	0.0%	0.0%	33.3%	66.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	A+	0.0%	0.0%	0.0%	0.0%	85.7%	0.0%	14.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	A	0.0%	0.0%	0.0%	0.0%	0.0%	71.4%	28.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	A-	0.0%	0.0%	0.0%	0.0%	0.0%	10.0%	70.0%	20.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Baa+	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	83.3%	16.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Baa	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	9.5%	85.7%	4.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Baa-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Ba+	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Ba	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Ba-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	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%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	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%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	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%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	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%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

## 4 – Benchmarking to fedafin Master Scale<sup>4</sup>

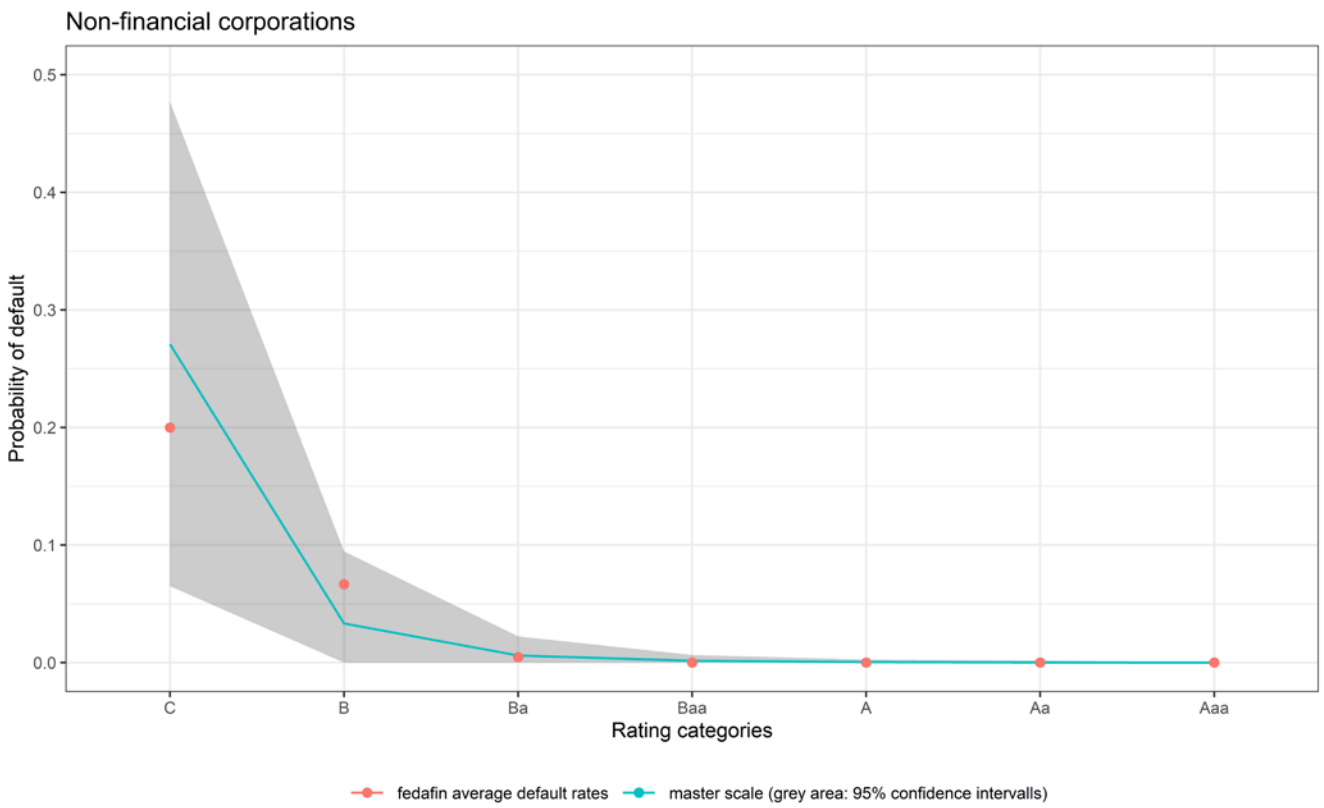
The following figures compare real average default rates per credit rating class with fedafin's master scale. Both rating segments' average default rates lie within the master scale's confidence intervals.

### Local & Regional Government Rating (PD Ø 2000 - 2020)



<sup>4</sup> Fedafin does not report benchmarking results or cumulative default rates for the sectors „financial corporates“, „real estate corporates“ and „mortgages“, because no defaults occurred so far.

Non-Financial Corporate Rating (PD Ø 2003 – 2020)



## 5 - Estimated Cumulative Default Rates (CDR)

The following tables show the estimated cumulative default rates per rating class and segment. The cumulative default rates are estimated based on Markov matrix multiplication because the existing sample does not allow an empirical determination using the cohort method (insufficient sample size and duration of the rating history).

### Local & Regional Government Rating (Bp)

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	Aaa	Aa	A	Baa	Ba	B	C
1-Year CDR	0	0	0	0	81	620	2'769
3-Year CDR	0	0	0	10	272	1'750	4'754
5-Year CDR	0	0	1	29	449	2'365	5'434
10-Year CDR	0	1	7	83	714	2'932	5'942
20-Year CDR	2	6	24	144	872	3'153	6'109

### Non-Financial Corporate Rating (Bp)

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	Aaa	Aa	A	Baa	Ba	B	C
1-Year CDR	0	0	0	0	47	667	2'000
3-Year CDR	0	0	0	12	211	2'232	4'295
5-Year CDR	0	0	2	49	452	3'451	5'593
10-Year CDR	0	3	29	250	1'109	5'127	7'149
20-Year CDR	18	60	217	844	2'084	6'237	8'026



## 6 - Benchmarking to S&P

### Local & Regional Government Rating (Bp) (Default Rate Ø 2000 – 2020)

	Aaa	Aa	A	Baa	Ba	B	C
fedafin	0	0	0	0	81	620	2'769
S&P *	0	0	0	0	45	301	3'928

\*Source: Standard & Poor's 2020 Annual Sovereign Default And Rating Transition Study: Sovereign Foreign Currency Average One-Year Transition Rates (1975-2020)

The sample underlying fedafin's average default rates includes up to 2'600 Swiss municipalities and 26 Swiss cantons per year, between 2000 and 2020.

Fedafin is further allowing for an extended default definition for validation purposes.

The sample underlying S&P's average default rates includes up to 135 sovereign states per year from all over the world, between 1975 and 2020.

### Non-Financial Corporate Rating (Bp) (Default Rate Ø 2003 – 2020)

	Aaa	Aa	A	Baa	Ba	B	C
fedafin	0	0	0	0	47	667	2'000
S&P *	0	0	3	6	36	222	2'864
S&P **	0	2	5	16	63	334	2'830

Source: Standard & Poor's 2020 Annual Global Corporate Default And Rating Transition Study:

\* Average One-Year Corporate Transition Rates (1981-2020) – Europe

\*\* Global Corporate Average Transition Rates (1981-2020)

The sample underlying fedafin's average default rates includes up to 250 Swiss corporations per year, between 2003 and 2020.

The sample underlying S&P's average default rates includes up to 7'000 corporations per year from all over the world, between 1981 and 2020.

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