GLOBAL

REGION ANALYSIS

Credit Benchmark

Credit Risk IQ
July 2026

Credit Benchmark's Industry Reports provide unique insights into the **credit quality** and **trends** of **geographies** and **industries** that matter to you. **Every month**, Credit Benchmark publishes **9,000+** Industry Reports on various sectors.

To learn more about the Industry Reports and analyses Credit Benchmark can offer, please email info@creditbenchmark.com.

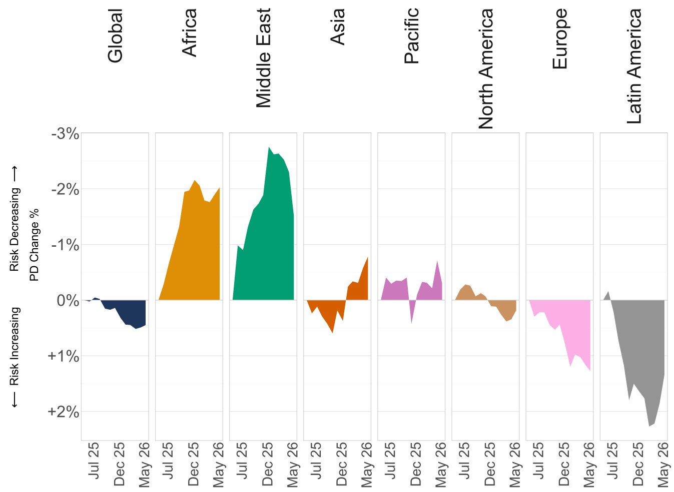
Credit Benchmark's Global Index tracks **26,000+** Credit Consensus Ratings (CCRs). These CCRs can be further divided by **Region** into the following segments: **Africa**, **Asia**, **Europe**, **Latin America**, **Middle East**, **North America**, and **Pacific**.

This **Industry Report** explores our **Global** 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.

Credit Indices: Trends

Africa showed the biggest **6-month** change within Global entities. Credit risk **dropped** by **2%** over the 6 months leading up to November 2025.

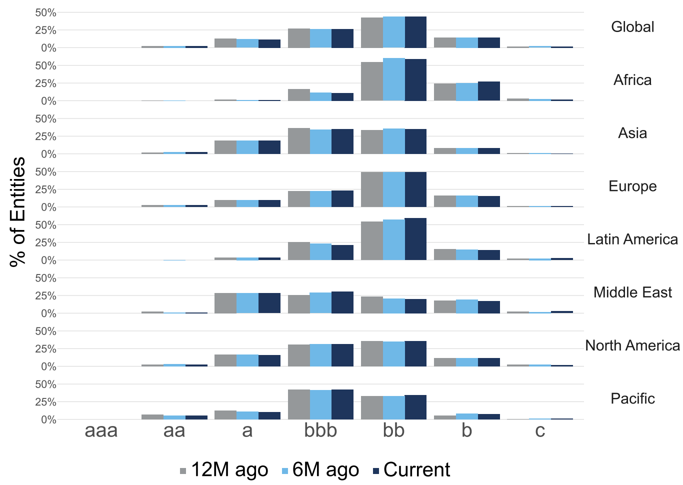
The average credit risk level in **North America** remained stable over a similar time frame.



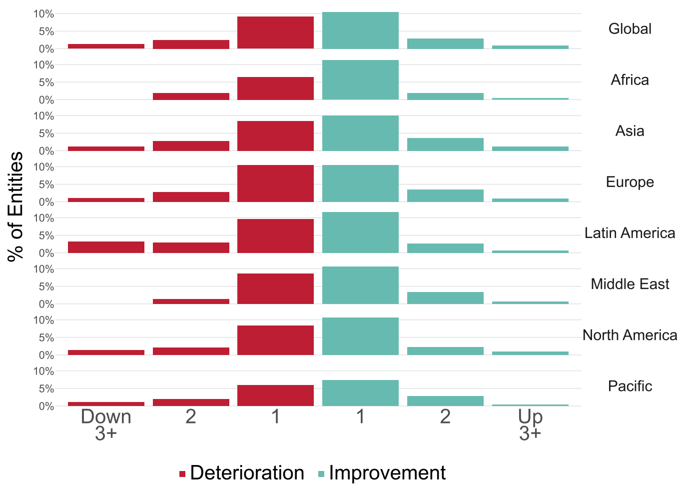
Credit Distribution

A majority of ratings within **Global entities** lies in the **bb** credit category. **60%** of ratings within **Africa** lie in the **bb** credit category.

On average, within each segment, **58%** of ratings are considered **non-investment grade**.



Notch Movements



27% of **Global entities** experienced a rating transition over the last 12 months. Of these entities, **14%** were upgraded and **13%** were downgraded.

Particularly, **10%** of entities experienced a **1-notch** upgrade and **9%** underwent a **1-notch** downgrade.

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Transition Matrix

This credit transition matrix shows the movement of entities between **6** rating categories **over the last year**.

For example, over this period, 6.4% of **bb** entities transitioned to **bbb**.

	aaa/aa	a	bbb	bb	b	c	No. of entities
aaa/aa	89.5%	10.2%	0.3%	0%	0%	0%	371
a	2.1%	92.3%	5.5%	0.1%	0%	0%	2,030
bbb	0%	3.9%	87.7%	8.1%	0.2%	0%	4,235
bb	0%	0%	6.4%	88.1%	5.3%	0.2%	6,148
b	0%	0%	0.2%	17.3%	78.8%	3.7%	1,858
c	0%	0%	0%	3.1%	18%	78.9%	194

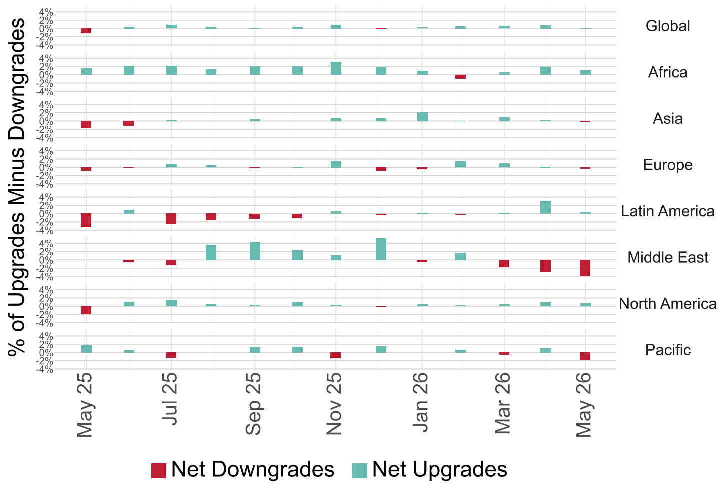
Correlation Matrix

This matrix presents the correlations of month-on-month PD changes between **Global entities** and several subsegments spanning from **May 2025** to **May 2026**.

The least **correlated** pair is between **Asia** and **Middle East**, with a value of **-0.61**.

	Global	Africa	Asia	Europe	Latin America	Middle East	North America	Pacific
Global		3%	27%	67%	28%	-48%	65%	-44%
Africa	3%		-57%	-18%	-32%	27%	34%	15%
Asia	27%	-57%		7%	42%	-61%	10%	-34%
Europe	67%	-18%	7%		-20%	-34%	-5%	-60%
Latin America	28%	-32%	42%	-20%		-30%	37%	-19%
Middle East	-48%	27%	-61%	-34%	-30%		-22%	45%
North America	65%	34%	10%	-5%	37%	-22%		0%
Pacific	-44%	15%	-34%	-60%	-19%	45%	0%	

Credit Indices: Upgrades vs. Downgrades



Latin America had a big net move in May 2025, with 3% more entities **downgraded** than upgraded.

Middle East also saw a large net change in December 2025, where 5% more entities were **upgraded** than downgraded.

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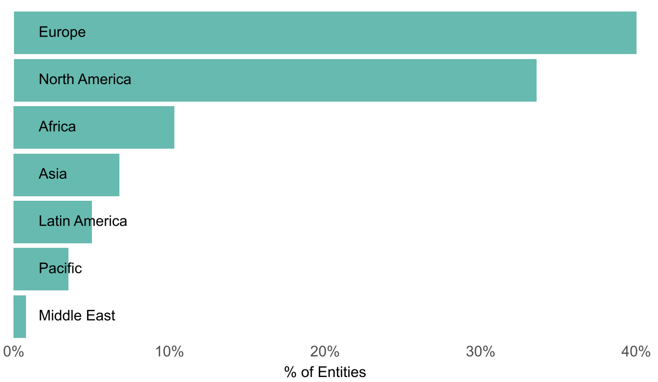
Credit Benchmark has a **Credit Consensus Rating** (CCR) and accompanying detailed analytics for **120,000+** legal entities globally. CCRs are based on the contributed credit risk estimates from **40+** of the world's leading financial institutions.

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.

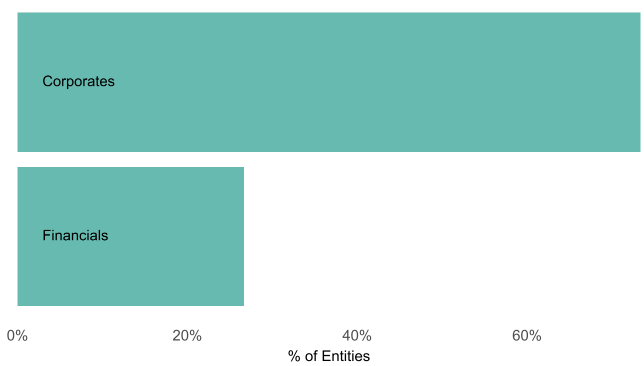
Credit Benchmark's Global Index tracks **26,000+** CCRs. These CCRs can be broken down by **Region**, **Entity Type**, **Rated/Unrated**, and **Private/Public**.

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

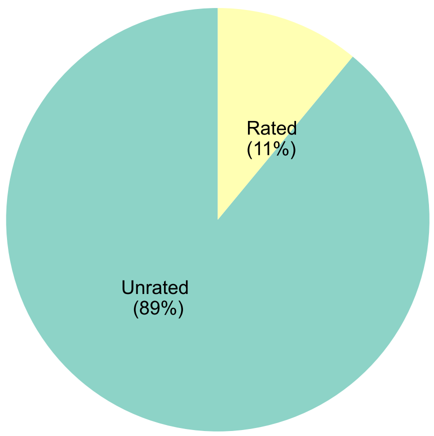
Region



Entity Type



Rated/Unrated



Private/Public