Transition matrix

A transition matrix shows the probabilities of change between different credit ratings over a specific time period. It shows the percentage of rating changes to total rated entities for a particular time period. The transition study associates issuer ratings at the beginning of the time period with rating at the end of the period. An issuer that remain rated for more than one year will continue to be captured. In this transition matrix, each row correspondent to previous rating and each column correspondence to rating after 1 year.

Corporate Transition metrics 2024-2025

WCRCL Corporate Rating Transition Matrix 2024 to 2025								
Scale	**AAA**	**AA**	**A**	**BBB**	**BB**	**B**	**C**	**D**
AAA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
AA	12.50%	75.00%	12.50%	0.00%	0.00%	0.00%	0.00%	0.00%
A	0.00%	2.33%	91.86%	5.81%	0.00%	0.00%	0.00%	0.00%
BBB	0.00%	0.00%	3.51%	91.81%	4.68%	0.00%	0.00%	0.00%
BB	0.00%	0.00%	0.00%	0.00%	93.75%	6.25%	0.00%	0.00%
B	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
C	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
D	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

The above WCRCL Corporate Rating Matrix 2024–2025 shows that, in the 'AA' category rating, 75.00% reaffirmed their existing rating, 12.50% upgraded to 'AAA', and 12.50% downgraded to 'A'. In the 'A' category rating, 91.86% reaffirmed their existing rating, 2.33% upgraded to 'AA', and 5.81% downgraded to 'BBB'. In the 'BBB' category rating, 91.81% reaffirmed their existing rating, 3.51% upgraded to the 'A' category, and 4.68% downgraded to 'BB'. In the 'BB' category rating, 93.75% reaffirmed their existing rating, and 6.25% downgraded to 'B'.

Corporate Transition metrics 2023-2024

WCRCL Corporate Rating Transition Matrix 2023 to 2024								
Scale	**AAA**	**AA**	**A**	**BBB**	**BB**	**B**	**C**	**D**
AAA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
AA	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
A	0.00%	0.00%	98.60%	1.40%	0.00%	0.00%	0.00%	0.00%
BBB	0.00%	0.00%	5.40%	90.70%	3.90%	0.00%	0.00%	0.00%
BB	0.00%	0.00%	0.00%	0.00%	60.00%	40.00%	0.00%	0.00%
B	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
C	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
D	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

The above WCRCL Corporate Rating Matrix 2023-2024 shows that, in the 'A' category rating, 98.6% reaffirm their existing rating and 1.40% downgrade to 'BBB.' In the 'BBB' category rating, 90.7% reaffirm their existing rating, 5.4% upgrade to the 'A' category, and 3.9% downgrade to ‘BB.’ In the ‘BB’ category rating, 60.0% rating is to reaffirm its existing rating, and 40.0% is to downgrade to ‘B.’

<u>SME Transition metrics 2024-2025</u>

Scale	WCRSME1	WCRSME2	WCRSME3	WCRSME4	WCRSME5	WCRSME6	WCRSME7	WCRSME8
WCRSME1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
WCRSME2	0.00%	85.87%	14.13%	0.00%	0.00%	0.00%	0.00%	0.00%
WCRSME3	0.00%	0.33%	98.80%	0.66%	0.22%	0.00%	0.00%	0.00%
WCRSME4	0.00%	0.00%	22.22%	71.30%	6.48%	0.00%	0.00%	0.00%
WCRSME5	0.00%	0.00%	0.00%	42.86%	57.14%	0.00%	0.00%	0.00%
WCRSME6	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%
WCRSME7	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
WCRSME8	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

The above WCRCL SME Rating Matrix 2024–2025 shows that, in the ‘WCRSME 2’ category rating, 85.87% reaffirmed their existing rating and 14.13% downgraded to ‘WCRSME 3’. In the ‘WCRSME 3’ category rating, 98.80% reaffirmed their existing rating, 0.33% upgraded to the ‘WCRSME 2’ category, 0.66% downgraded to ‘WCRSME 4’, and 0.22% downgraded to ‘WCRSME 5’. In the ‘WCRSME 4’ category rating, 71.30% reaffirmed their existing rating, 22.22% upgraded to the ‘WCRSME 3’ category, and 6.48% downgraded to ‘WCRSME 5’. In the ‘WCRSME 5’ category rating, 57.14% reaffirmed their existing rating, and 42.86% upgraded to the ‘WCRSME 4’ category. In the ‘WCRSME 6’ category rating, 100.00% of the rated entity upgraded to the ‘WCRSME 5’ category.

<u>SME Transition metrics 2023-2024</u>

Scale	WCRSME 1	WCRSME 2	WCRSME 3	WCRSME 4	WCRSME 5	WCRSME 6	WCRSME 7	WCRSME 8
WCRSME 1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
WCRSME 2	0.00%	92.60%	5.55%	1.85%	0.00%	0.00%	0.00%	0.00%
WCRSME 3	0.00%	0.55%	98.21%	1.00%	0.24%	0.00%	0.00%	0.00%
WCRSME 4	0.00%	0.40%	51.00%	47.00%	1.60%	0.00%	0.00%	0.00%
WCRSME 5	0.00%	0.00%	14.29%	28.57%	57.14%	0.00%	0.00%	0.00%
WCRSME 6	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
WCRSME 7	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
WCRSME 8	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

The above WCRCL SME Rating Matrix 2023-2024 shows that, in the ‘WCRSME 2’ category rating, 92.6% reaffirm their existing rating, 5.55% downgrade to ‘WCRSME 3’, and 1.85% downgrade to ‘WCRSME 4.’In the ‘WCRSME 3’ category rating, 98.21% reaffirm their existing rating, 0.55% upgrade to the ‘WCRSME 2’ category, 1.0% downgrade to ‘WCRSME 4’, and 0.24% downgrade to ‘WCRSME 5.’ In the ‘WCRSME 4’ category rating, 47.0% rating is to reaffirm its existing rating, 51.0% upgrade to the ‘WCRSME 3’ category, and 1.6% downgrade to ‘WCRSME 5’.