The Creditreform Solvency Index is the central pillar of Creditreform’s Commercial Report and other information formats for evaluating a business’s solvency. Its accurate forecasts of the probability of default (PD) provide for quick and direct assessment of a customer’s solvency – and consequently also the customer’s credit worthiness.
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Creditreform’s Solvency Index calculation techniques are continually evolving, employing proven mathematical and statistical analysis methods. These advances not only take structural changes in the economic structure, but also factors such as changing PDs in the individual market segments, into account.

The PD describes the likelihood with which a company in Germany will slide into either of the two lowest Creditreform Solvency Index categories (500 or 600) within twelve months. This definition corresponds to the probability of default under Basel II.

The Solvency Index’s excellent forecasting accuracy is also attributed to Creditreform’s extensive database which has increased significantly over the past few years – not only in terms of 10 million accounts now published, but also regarding industry KPIs and in the payment-experience field. The Debitorenregister Deutschland debtors’ register, alone, for example, gives Creditreform access to over 100 million payment experiences.

Schematic calculation of the Creditreform Solvency Index

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The following attributes are used in calculating the Creditreform Solvency Index

- Credit opinion
- Payment behavior
- Financial report data
- Industry risk
- Company development
- Turnover
- Legal form
- Company’s age
- Regional risk
- Order situation
- Capital
- Management experience
- Number of employees
- Sales per employee
- Relationship of capital: sales

Due to their relevance for calculating solvency scores, a wide range of exclusive Creditreform information sources is tapped for this. These sources include, in particular:

- External payment experiences
- Financial statement data
- Industry risk

Creditreform Solvency Index

The path to Creditreform Solvency Index

The calculation of the Creditreform Solvency Index involves a wide range of information relevant to a company’s solvency. The individual KPIs in the Commercial Report are collated into an overall score value represented as a three-digit figure.