

# Summary

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“Interest-Rate Sensitivity of Listed German Financial Service Companies: An Empirical Study”

This article examines the interest-rate sensitivity of listed financial service companies in the German capital market based on the fundamental approach developed by Stone (1974). This means using a market and an interest-rate factor for explaining returns on shares, whereas empirical studies regularly apply different variants to the construction of the interest-rate factor in particular. The empirical analysis focuses on a comparison of the results of various designs of this two-factor regression model for the period from 1973 to 2003 on the basis of a uniform set of data pertaining to German financial service providers. A major influence on the results emanates from the orthogonalization variants relating to the independent variables, the interest-rate period to be considered in the interest-rate factor and the slope of the term structure of interest rates during the evaluation period. On the other hand, alternative constructions of the interest-rate factor have hardly been found to produce an effect on the results.