

# Fitch Ratings Global Corporate Finance 2010 Transition and Default Study

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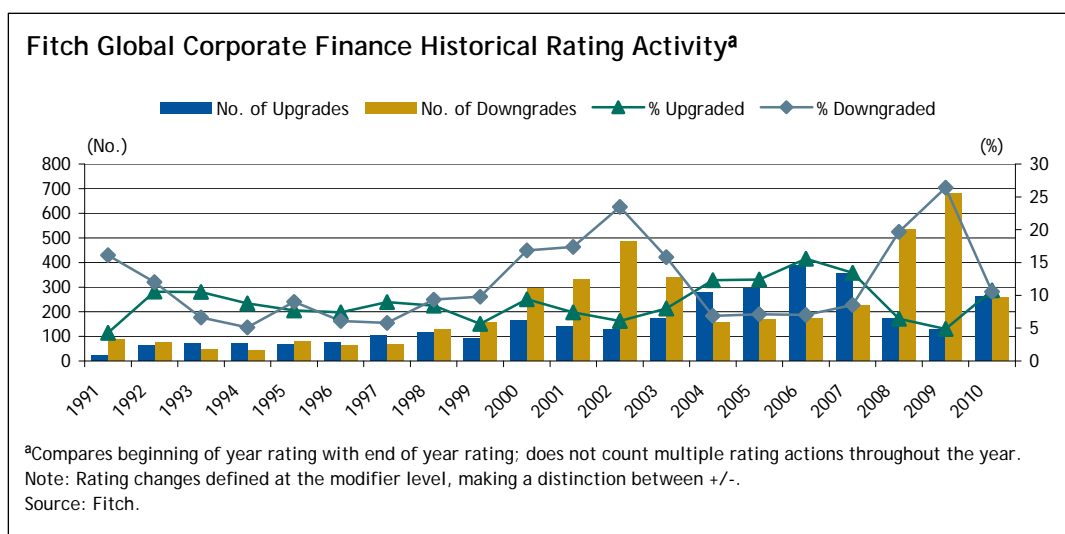
## Summary

The global economic and credit recovery often labored to advance in 2010, but on both fronts there was meaningful improvement year over year. The share of Fitch-rated global corporate issuers affected by downgrades declined to 10.6% in 2010 from a recession high of 26.4% in 2009, while upgrades rose to 10.7% of outstanding ratings, up from 4.9% in 2009. Downgrades and defaults were down sharply across regions and sectors in 2010.

The impact of the severe recession on developed market financial institutions lingered in 2010 but diminished in severity, while industrials saw a positive turn in credit quality as downgrades trailed upgrades by a margin of 0.6 to 1.0. Rating trends were also decidedly more robust across emerging markets where downgrades lagged upgrades by a margin of 0.3 to 1 in 2010.

Fitch-rated global corporate defaults tumbled in 2010, providing further evidence of the recovery's presence. The annual default rate on Fitch-rated issuers fell to 0.49% from 2009's 2.59%. Similar to 2009, 2010 defaults — 13 in total and down sixfold from 73 in 2009 — were all rated non-investment grade with all but one rated 'CCC' or lower. Fitch's corporate ratings continued to exhibit a strong ability to differentiate default risk in 2010.

This study provides data and analysis on the performance of Fitch's global corporate ratings in 2010 and over the long term, spanning the period 1990–2010. The report offers key summary statistics on 2010's rating transition and default trends.



Fitch Global Corporate Finance Rating Movements Across Major Rating Categories

(%)

	Average Annual 1990–2009		2009		2010	
	Downgrade	Upgrade	Downgrade	Upgrade	Downgrade	Upgrade
AAA	5.59	N.A.	22.22	N.A.	6.67	N.A.
AA	9.01	0.10	26.29	0.00	10.00	0.00
A	6.15	2.20	18.23	0.75	5.57	0.70
BBB	5.08	4.20	9.40	1.45	1.88	1.41
BB	10.96	8.67	15.50	6.08	4.17	7.74
B	7.44	10.83	14.24	5.38	4.15	7.67
CCC to C	29.05	18.57	57.41	1.85	22.73	50.00

N.A. – Not applicable  
Source: Fitch.

Highlights

- The ratio of corporate downgrades to upgrades retreated from negative territory to end 2010 at a balanced 1 to 1 — a dramatic improvement from the 5.4 to 1 margin recorded in 2009. The number of downgrades fell more than 60% year over year, while upgrades more than doubled from 2009 totals.
- The bulk of the year’s credit gains were concentrated at the speculative grade level where downgrades scaled back to 9.7% of ratings from 27.9% in 2009, while upgrades climbed to 26.7% from 9.4% the prior year. The share of investment grade issuers downgraded also fell to 10.9% from 25.8% in 2009, but investment grade downgrades continued to top upgrades, mostly due to continued pressure on developed market financial institutions. For the year, investment grade upgrades increased to 4.5% of ratings, inching ahead of the 3.2% rate recorded in 2009.
- The share of Fitch-rated global corporate issuers with stable ratings year over year was 78.7% in 2010, up from 68.7% in 2009, another sign of improving credit conditions.
- Multi-notch rating downgrades, a measure of the severity of credit quality deterioration, declined in 2010. Downgrades of two or more notches fell to 30% of all issuer downgrades in 2010 from nearly half of all negative actions a year earlier. By broad sector, 29% of all financial institution downgrades consisted of downgrades of two or more notches compared with 31% of total industrial downgrades.

Fitch Global Corporate Finance Rating Actions by Sector — 2010<sup>a</sup>

Sector	Downgrades		Upgrades	
	No.	% of Sector Ratings	No.	% of Sector Ratings
Banking and Finance	138	13.2	84	8.0
Industrials	98	8.0	166	13.5
Insurance	24	13.1	14	7.7
All	260	10.6	264	10.7

<sup>a</sup>Compares beginning of year rating with end of year rating, does not count multiple rating actions throughout the year.

Note: Rating changes defined at the modifier level, making a distinction between +/-.  
Source: Fitch.

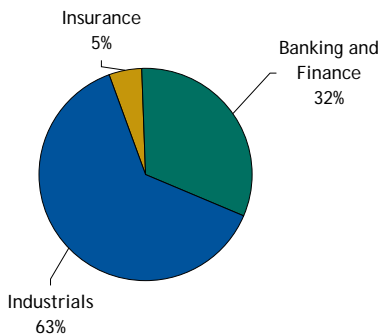
Fitch Global Corporate Finance Rating Actions by Region — 2010<sup>a</sup>

Region	Downgrades		Upgrades	
	No.	% of Regional Ratings	No.	% of Regional Ratings
Asia/Pacific	21	6.6	44	13.8
Europe	90	12.6	72	10.1
LATAM and Caribbean	13	6.9	30	16.0
Middle East and Africa	6	6.7	2	2.2
North America	130	11.3	116	10.1
All	260	10.6	264	10.7

<sup>a</sup>Compares beginning of year rating with end of year rating, does not count multiple rating actions throughout the year.

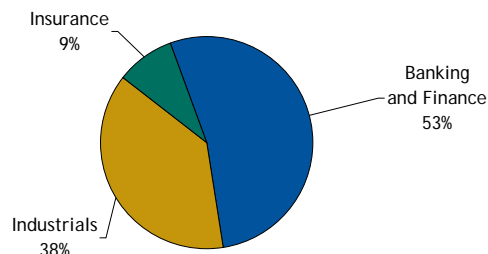
Note: Rating changes defined at the modifier level, making a distinction between +/-.  
Source: Fitch.

**Fitch Global Corporate Finance  
Distribution of Upgrades by Sector — 2010**



Source: Fitch.

**Fitch Global Corporate Finance  
Distribution of Downgrades by Sector — 2010**

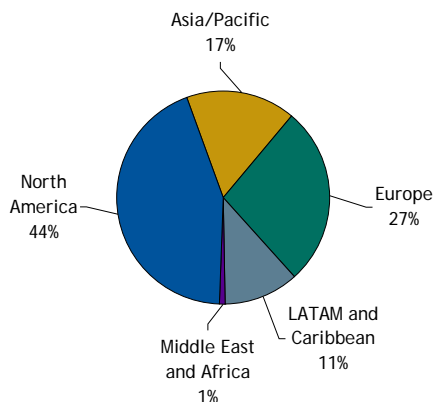


Source: Fitch.

Upgrades above one notch were only slightly higher in 2010 than in the previous year, not unusual given the still-fragile recovery, especially in developed markets. Among negative rating movements, the 2010 average downgrade was 1.7 notches, below the 2.4 notches reported in 2009, while for positive movements the average upgrade was 1.1 notches.

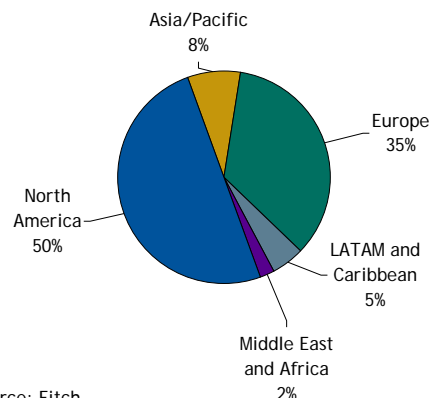
- On a similar note, the number of fallen angels — issuers downgraded to speculative grade from investment grade — plummeted to 18 for full-year 2010, compared with a peak of 118 recorded in 2009. Meanwhile, 2010 rising stars — issuer upgrades to investment grade from speculative grade — remained constant alongside 2009 data, inching modestly higher to 26 from 23.
- The share of European issuers downgraded (12.6%) was slightly higher than the 11.3% share reported in North America. Among the remaining regions all downgrade rates settled within a few basis points of each other — Latin America (LATAM)/Caribbean, 6.9%; Middle East and Africa, 6.7%; and Asia-Pacific, 6.6%. Regional downgrade rates fell across the board compared with prior year activity, while upgrade rates moved higher with LATAM/Caribbean at 16%, Asia-Pacific at 13.8%, North America and Europe both at 10.1%, and the Middle East and Africa at 2.2%.

**Fitch Global Corporate Finance  
Distribution of Upgrades by Region — 2010**



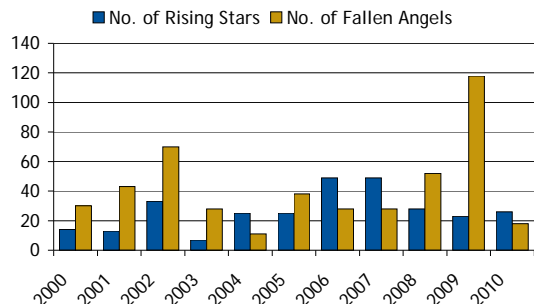
Source: Fitch.

**Fitch Global Corporate Finance  
Distribution of Downgrades by Region — 2010**



Source: Fitch.

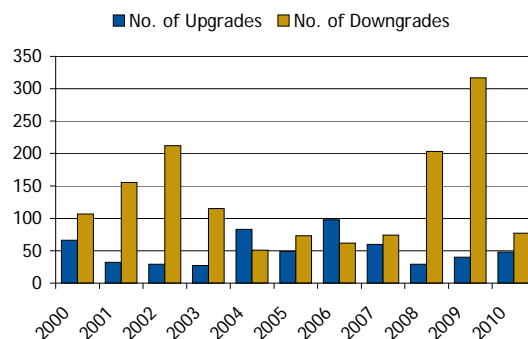
### Fitch Global Corporate Finance Fallen Angels and Rising Stars<sup>a</sup>



<sup>a</sup>A Fallen Angel is an issuer downgraded from an investment grade to a speculative grade rating. A Rising Star is an issuer upgraded from a speculative grade to an investment grade rating.

Source: Fitch.

### Fitch Global Corporate Finance Multi-notch Ratings Actions<sup>a</sup>

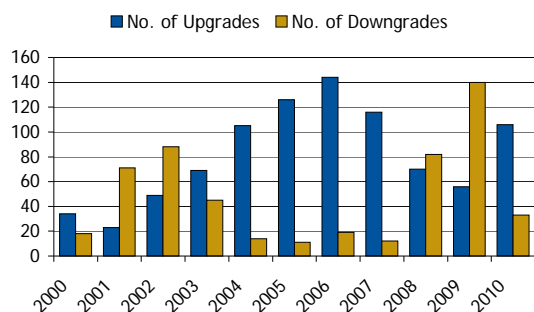


<sup>a</sup>A multi-notch rating action is defined here as an upgrade or a downgrade of more than one notch examining rating changes on a year-over-year basis.

Source: Fitch.

- Emerging market upgrade rates for 2010 again topped developed market results, with the share of issuers upgraded at 16.9% and 8.6%, respectively. Emerging market upgrades were split more evenly among financial and nonfinancial entities at 57% and 43%, respectively. The reverse was true for developed market upgrade totals, with the share of upgrades heavily concentrated among industrials (76% versus 24% for financials). As far as downgrade activity across the two market segments, 12% of developed market issuers were affected by downgrades in 2010, above their emerging market counterparts' share of 5%. Financial institutions accounted for 65% of developed market downgrades and 45% of emerging market downgrades in 2010. Of note, banks receiving sovereign support are now at the support rating floor with sovereign and bank ratings equalized. The result of this is that bank ratings are sensitive to changes in sovereign rating actions.
- Global financial institution downgrades were due in part to the downward pressure on European banks resulting from the sovereign debt crisis in Europe, entangling several countries, including Greece, Ireland, Spain, and Portugal. However,

### Fitch Global Corporate Finance Emerging Markets Historical Rating Activity<sup>a</sup>

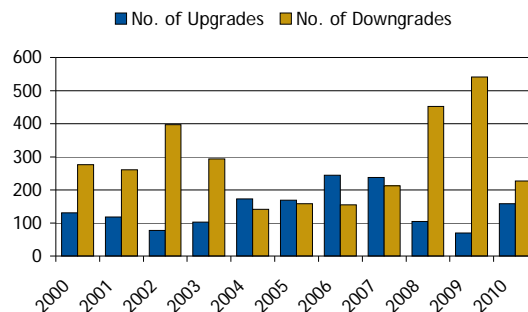


<sup>a</sup>Compares beginning of year rating with end of year rating; does not count multiple rating actions throughout the year.

Note: Rating changes defined at the modifier level, making a distinction between +/-.

Source: Fitch.

### Fitch Global Corporate Finance Developed Markets Historical Rating Activity<sup>a</sup>



<sup>a</sup>Compares beginning of year rating with end of year rating; does not count multiple rating actions throughout the year.

Note: Rating changes defined at the modifier level, making a distinction between +/-.

Source: Fitch.

financial issuers recorded a 13.2% downgrade rate in 2010, significantly lower than the 32.3% 2009 rate. The share of industrial entities downgraded in 2010 declined as well, to 8% from 20.2% a year earlier. Upgrades surged past year-earlier levels, with the upgrade rates for financial institutions (8%) and industrials (13.5%) both surpassing 2009's 3.9% and 5.9%, respectively.

- Fitch-rated 2010 global corporate finance issuer defaults decreased to just a fraction of year-earlier levels — 13, well below the 73 recorded in 2009. The resulting Fitch-rated issuer-based default rate was 0.49% for 2010, down considerably from 2009's recession-induced 2.59%. Of note, 2010 defaults were all speculative grade-rated credits, resulting in an annual speculative grade default rate of 1.66% in 2010, compared with 8.91% in 2009.
- The discriminatory power of Fitch's corporate finance ratings (i.e., Gini coefficients) remained steadfast in 2010. The average annual, three-, and five-year Gini coefficients were 0.84, 0.73, and 0.70, respectively, over the period 1990–2010.

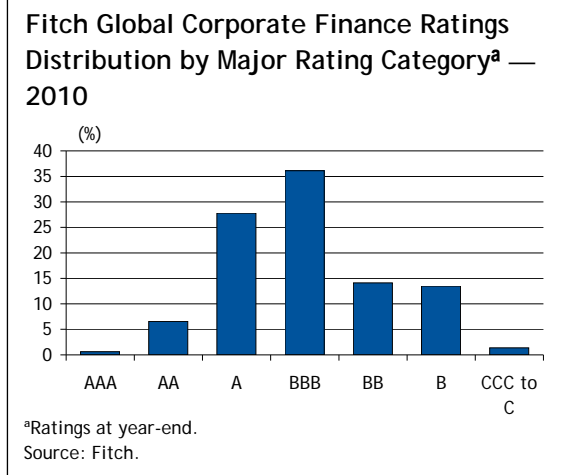
### Fitch 2010 Rating Transition Rates

The 2010 one-year rating migration on the next page pinpoints the movement of ratings across the major rating categories (e.g. from 'A' to 'BBB'), as opposed to the modifier level, which counts each notch change (e.g. from 'A' to 'A-'). (Please see the Fitch Global Corporate Finance Transition Rates at the modifier level in the Appendix on page 16.) The vertical left-hand column identifies ratings outstanding at the beginning of 2010, while the horizontal axis offers details on the migration pattern of those ratings by year's end. In the 2010 one-year transition rates table on the next page, the diagonal, beginning with 'AAA' at 93.33% and followed by 'AA' at 90.00%, shows the relative stability of each rating category.

The 2010 transition data shows that global corporate downgrades declined across all major rating categories year over year. However, the most meaningful improvement was noticeable further down the rating scale at the non-investment grade level.

Downgrade rates for categories 'AAA', 'AA', and 'A' fell sharply year over year. However, 2010 transition data reveals that downgrade rates at the upper investment grade categories of 'AAA' (6.7%), 'AA' (10%), and 'A' (5.6%) remained elevated relative to the lower investment and non-investment rating categories such as 'BBB' (1.9%), 'BB' (4.2%), and 'B' (also 4.2%). (Of note, 'AAA' rated entities accounted for only 0.6% of all Fitch-rated corporate issuers at the beginning of 2010.) Pressure on global financial institutions contributed to these skewed results as the sector experienced an uneven recovery in 2010.

Upgrade activity at the investment grade rating categories remained subdued, even declining slightly year over year. Across the 'A' and 'BBB' grades, the share of issuers moving up the rating scale in 2010 was modest — 0.7% and 1.4%, respectively — all but mimicking year-earlier results of 0.75% and 1.45%. Again, there were no upgrades at the 'AA' rating category, reflecting the rare move up to 'AAA'.



As for the ranks of non-investment grade issuers, upgrades increased year over year as the bounce in economic activity gave a significant boost to cash flow and accommodating funding conditions allowed many issuers to refinance. The 2010 upgrade rates for 'BB' rose to 7.7% from 6.1% in 2009, while single 'B' levels climbed to 7.7% compared with 5.4% a year-earlier. Lower rated speculative grade issuers, those rated 'CCC' to 'C', witnessed the largest increase, to 50% from a mere 1.9% the previous year.

Examining the migration data across the broad market sectors again revealed the contrast between the two distinct recoveries of financials and industrials. Downgrade patterns show that those associated with financials topped industrials across every rating category except 'CCC' to 'C' (financials 17.4% versus industrials 28.6%). Upgrade rates for both segments, however, were similar — muted at the top end of the scale and gathering momentum at the lower end or speculative grade categories. Speculative grade entities are more sensitive to changes in the broader economy, whether positive or negative and this manifested itself again in 2010.

A comparison of 2010 transition data relative to long-term average annual historical results for 1990–2009 displays the extent to which the recovery brought migration patterns in 2010 more in line with historical averages, especially at the investment grade level. Among upgrades, most categories were modestly below historical averages, except 'CCC to C', which experienced a higher than average upgrade rate in 2010.

### Fitch Global Corporate Finance One-Year Transition Rates — 2010

(%)

	AAA	AA	A	BBB	BB	B	CCC to C	D	Total
AAA	93.33	6.67	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA	0.00	90.00	10.00	0.00	0.00	0.00	0.00	0.00	100.00
A	0.00	0.70	93.73	5.29	0.28	0.00	0.00	0.00	100.00
BBB	0.00	0.00	1.41	96.71	1.88	0.00	0.00	0.00	100.00
BB	0.00	0.00	0.00	7.74	88.10	3.87	0.30	0.00	100.00
B	0.00	0.00	0.00	0.00	7.67	88.18	3.83	0.32	100.00
CCC to C	0.00	0.00	0.00	0.00	18.18	31.82	27.27	22.73	100.00

Source: Fitch.

### Fitch Global Corporate Finance Rating Activity by Broad Market Sector — 2010

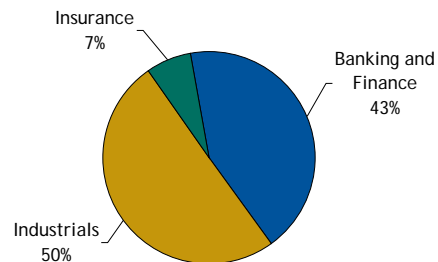
(%)

	Global Corporates		Financial Institutions <sup>a</sup>		Industrials	
	Downgrade	Upgrade	Downgrade	Upgrade	Downgrade	Upgrade
AAA	6.67	N.A.	7.69	N.A.	0.00	N.A.
AA	10.00	0.00	10.74	0.00	6.45	0.00
A	5.57	0.70	6.15	1.18	4.75	0.00
BBB	1.88	1.41	2.66	1.33	1.27	1.48
BB	4.17	7.74	4.35	6.09	4.07	8.60
B	4.15	7.67	4.65	3.88	3.80	10.33
CCC to C	22.73	50.00	17.39	56.52	28.57	42.86

<sup>a</sup>Includes banks, finance, and insurance companies. N.A. – Not applicable.

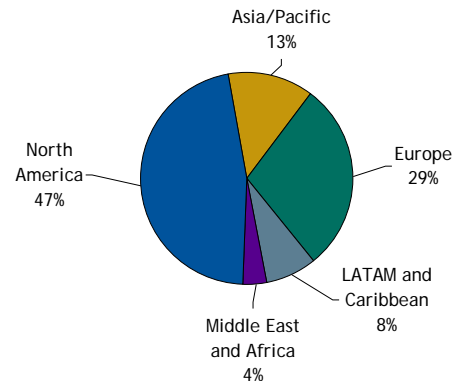
Source: Fitch.

**Fitch Global Corporate Finance Ratings Distribution by Sector — 2010**



Source: Fitch.

**Fitch Global Corporate Finance Ratings Distribution by Region — 2010**



Source: Fitch.

The average annual data including 2010 (1990–2010) shows that over the long term, issuers rated investment grade exhibit more stability than non-investment grade issuers. Each incremental move down the rating scale displays increased rating volatility, with the relative proportion of upgrades to downgrades affected by issuer-specific and, importantly, macro developments that are both economic and geopolitical in nature.

### Fitch Global Corporate Finance Average Annual Transition Rates: 1990 – 2010

(%)

	AAA	AA	A	BBB	BB	B	CCC to C	D	Total
AAA	94.39	5.61	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA	0.09	90.86	8.65	0.32	0.02	0.02	0.00	0.04	100.00
A	0.02	2.09	91.78	5.33	0.53	0.10	0.07	0.10	100.00
BBB	0.00	0.22	3.75	91.23	3.72	0.59	0.25	0.26	100.00
BB	0.03	0.05	0.10	8.40	81.05	7.20	1.75	1.41	100.00
B	0.00	0.00	0.31	0.51	9.62	82.52	4.46	2.58	100.00
CCC to C	0.00	0.00	0.00	0.22	2.59	18.75	50.00	28.45	100.00

Source: Fitch.

### Global Corporate Average Annual Rating Activity by Broad Market Sector: 1990–2010

(%)

	Global Corporates		Financial Institutions <sup>a</sup>		Industrials	
	Downgrade	Upgrade	Downgrade	Upgrade	Downgrade	Upgrade
AAA	5.61	N.A.	5.10	N.A.	7.00	N.A.
AA	9.05	0.09	8.08	0.13	11.93	0.00
A	6.11	2.11	5.37	3.07	7.17	0.75
BBB	4.81	3.96	4.32	5.54	5.15	2.88
BB	10.36	8.58	12.52	9.81	9.26	7.95
B	7.04	10.44	5.93	10.88	7.67	10.19
CCC to C	28.45	21.55	21.43	29.08	33.58	16.04

<sup>a</sup>Includes banks, finance, and insurance companies. N.A. – Not applicable  
Source: Fitch.

### Fitch 2010 Defaults Fall as Recovery Takes Shape

Fitch-rated defaults totaled 13 in 2010, down significantly from the 73 recorded in 2009. As a result, Fitch's annual issuer-based default rate declined to 0.49%, down from 2.59% in 2009.

Geographically, North American issuers accounted for a slight majority, with five of the 2010 Fitch-rated defaults. European and LATAM/Caribbean issuers each accounted for three defaults, while Asia-Pacific issuers registered two. Emerging markets defaults outnumbered those of developed markets by a single default — a change from the past two years, when advanced economies led defaults.

By broad market sector, financial institutions contributed five defaults in 2010, compared with 23 a year earlier. Among the 2010 defaults, Russia's International Industrial Bank initially defaulted on the repayment of a matured Eurobond in July and, ultimately, the bank's license was revoked in October. In addition, commercial finance company American Capital (Strategies) Ltd. performed a coercive debt exchange in June. The resulting annual issuer-based default rate for Fitch-rated global financial institutions was 0.37% in 2010.

Industrial issuer defaults fell sharply alongside financials, with eight recorded in 2010. Fitch-rated industrial defaults included the bankruptcy of former U.S. video rental giant Blockbuster, Inc. in September; and Indonesian food and beverage company PT Central Proteinaprima Tbk, which missed an interest payment on U.S. dollar-denominated notes. The Fitch-rated global industrial issuer-based annual default rate was 0.62% in 2010.

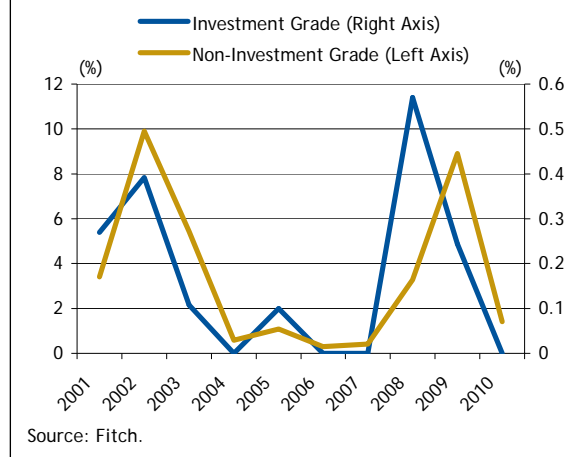
Of note, the 2010 defaults were all rated non-investment grade by Fitch, with all but one of the year's defaulters rated 'CCC' or below. Fitch's global corporate ratings continued to exhibit a strong ability to differentiate default risk. The annual default rate across non-investment grade corporate issuers was 1.66%, whereas no investment grade rated defaults were recorded on the year.

### Fitch-Rated Global Corporate Finance Issuer Default Rates

	Number of Fitch-Rated Defaults	Default Rate (%)
1990	6	1.34
1991	10	1.85
1992	4	0.64
1993	0	0.00
1994	0	0.00
1995	1	0.11
1996	2	0.20
1997	1	0.08
1998	6	0.43
1999	14	0.86
2000	7	0.38
2001	21	0.92
2002	47	2.15
2003	27	1.16
2004	3	0.12
2005	8	0.31
2006	2	0.07
2007	3	0.10
2008	37	1.29
2009	73	2.59
2010	13	0.49

Source: Fitch.

### Fitch Global Corporate Finance Issuer Default Rates



Source: Fitch.

**Fitch Global Corporate Finance Average Cumulative Default Rates: 1990–2010**

(%)

	One-Year	Two-Year	Three-Year	Four-Year	Five-Year	10-Year
AAA	0.00	0.00	0.00	0.00	0.00	0.00
AA	0.04	0.04	0.08	0.06	0.09	0.14
A	0.09	0.27	0.45	0.56	0.69	1.92
BBB	0.24	0.80	1.42	2.00	2.62	5.45
BB	1.28	3.40	5.05	6.11	6.76	13.27
B	2.37	5.70	7.39	7.98	8.99	12.62
CCC to C	25.48	32.55	33.41	33.86	34.38	39.66
Investment Grade	0.13	0.40	0.70	0.93	1.18	2.37
Non-Investment Grade	3.37	6.26	7.83	8.76	9.63	14.69
All Corporates	0.80	1.56	2.06	2.37	2.66	4.12

Source: Fitch.

**Fitch Global Corporate Finance Annual Default Rates — 2010**

(%)

AAA	AA	A	BBB	BB	B	CCC to C
0.00	0.00	0.00	0.00	0.00	0.30	21.43

Source: Fitch.

On a long-term basis the average annual default rate across Fitch-rated corporate issuers was 0.80% through 2010. The complete series of Fitch default rates from the one- to five-year (including 10-year) period at the major rating categories is available in the Fitch Global Corporate Finance Average Cumulative Default Rates:

**Fitch Global Corporate Finance Ratings Gini Coefficients — Time Horizon**

(1990–2010)

One-Year	Three-Year	Five-Year
0.84	0.73	0.70

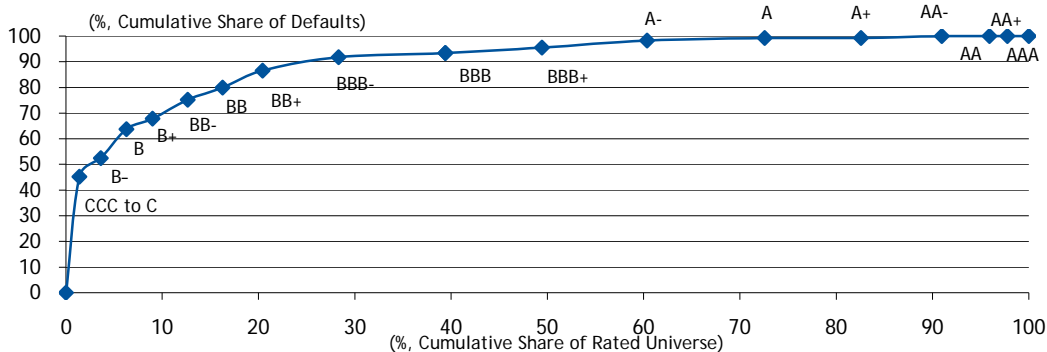
Source: Fitch.

1990–2010 table above. As shown, the incidence of default increases considerably with each incremental movement down the rating scale, but particularly when the movement coincides with a shift from investment grade to non-investment grade. Fitch's average annual global corporate investment grade default rate was 0.13% over the 1990–2010 period, while across Fitch's global corporate non-investment grade ratings, the rate was 3.37%.

As noted in prior studies, with respect to the historical default frequencies displayed in the Average Cumulative Default Rates table above, the long-term average default rates at the 'B' level appear modest relative to data reported by other sources. This is due to historical market coverage. In recent cohorts, the default rate on Fitch-rated 'B' entities is substantially higher than the comparable 'BB' rate. For a detailed description of the methodology used to calculate Fitch's default rates, please see the Fitch Transition and Default Methodology section on the next page.

In order to broaden the traditional analysis of rating performance described above — specifically, the examination of rating performance utilizing default frequencies and rating transition rates — Fitch calculated the Gini coefficient (or accuracy ratio) as an additional measure of the ability of Fitch's ratings to differentiate default risk. The Gini coefficient is a number between 0 and 1, with 0 corresponding to random differentiation of defaulters and non-defaulters and all defaults being equally distributed across all rating categories, versus 1 which represents perfect differentiation of defaulters from non-defaulters and all defaults occurring at the lowest end of the rating scale.

**Fitch One-Year Global Corporate Finance Rating Performance (1990–2010)**



Source: Fitch.

Over an average annual horizon, the Gini coefficient for Fitch’s global corporate finance universe was 0.84, indicating strong discriminatory power. Examining multiyear horizons — particularly average three-year and five-year periods — Gini coefficients were again robust at 0.73 and 0.70, respectively. The Gini coefficient will naturally decline over time as a result of rating migration.

The Lorenz curve, shown in the chart above, illustrates how well Fitch ratings have historically ranked default risk. As depicted in the chart, speculative grade rated issuers (‘BB+’ and below) represented 20% of all Fitch-rated global corporate issuers over the period 1990–2010, but accounted for nearly 90% of all Fitch-rated defaults. In 2009, speculative grade rated issuers represented 27.1% of Fitch rated issuers but 93% of the year’s defaults; in 2010, the figures were 29.7% and 100%, respectively.

## Fitch Transition and Default Methodology

Fitch’s transition and default statistics include all Fitch global, publicly rated, corporate finance long-term debt issuer ratings from 1990 to the present, including more than 34,000 data points over the past 21 years. Fitch employs a static pool approach in calculating default and transition data. The static pools or, alternatively, cohorts, are created by grouping issuer ratings according to the year in which the ratings are active and outstanding at the beginning of the respective year. For example, issuers with ratings outstanding at the beginning of 1990 constitute the 1990 static pool or cohort, with the same true for the 1991, 1992, and subsequent cohorts. Issuers newly rated by Fitch in any given year are included in the following year’s cohort. For example, the performance of ratings initiated in mid-1995 would be followed as part of the 1996 and future cohorts. Ratings withdrawn in midyear are excluded from subsequent cohorts since they are no longer active, but they are monitored for defaults. Defaults on withdrawn ratings are included in Fitch’s average annual and multiyear default statistics.

Fitch’s continuing data enhancement efforts may result in slightly different statistics than in previously published studies. Therefore, this most recent study supersedes all prior versions. In addition, comparisons with earlier Fitch corporate finance transition and default studies should be viewed within the context of the differing methodologies, whether rating movements were analyzed across the broad rating categories or at both the modifier and flat levels.

### Parameters of the Fitch Corporate Issuer Default Rate

- Statistical data captured in this study is based on the long-term IDR, or historically, the long-term issuer rating (a proxy of default risk). For those issuers not assigned an issuer-level rating historically, an algorithm was used to derive an IDR proxy from the outstanding rated debt at year end.
- Fitch worldwide publicly rated corporate finance IDRs and long-term issuer ratings encompassing industrials, utilities, insurance, banks and finance companies. This includes Fitch-rated parent companies and their subsidiaries where the subsidiaries have outstanding debt or securities rated by Fitch.
- Structured finance, sovereign, public finance, private placement, local currency, financial strength and national ratings were excluded from the study.
- Short-term issuer and debt ratings were also excluded from the study.
- One-year default rates were calculated by dividing the number of defaulted issuers by the number of outstanding rated issuers at the beginning of each respective year.

### Transition Rates

In order to calculate one-year transition rates, Fitch examines the performance of ratings outstanding at the beginning and end of a calendar year. Withdrawn ratings are excluded from the transition table calculations since they do not fit this criteria; namely, the ratings must be outstanding over a full year or over the full period under observation.

Issuer ratings may reside in multiple static pools, as long as their ratings are outstanding at the beginning and end of the year or multiple-year horizons under observation. For example, the annual performance of an issuer rating initiated in 1994, and therefore outstanding at the beginning of 1995, and withdrawn in 1999, would be included in the 1995, 1996, 1997, and 1998 static pools. The rating's performance over multiple-year horizons would also be included in the two-year, three-year, and four-year transition rates for each of the cohorts noted, but excluded from five-year transition rates since the rating was withdrawn in year five and was not outstanding for five full years as part of any cohort. (In other words, as part of the 1995 cohort, this rating's performance would be monitored over a one-year period, 1995; two-year period, 1995–1996; three-year period, 1995–1997; and four-year period, 1995–1998.) In all, Fitch's transition data contain 21 static pools or cohorts from 1990–2010, allowing for 21 unique one-year transition rates, 20 two-year transition rates, 19 three-year transition rates, and so forth.

The occurrence and timing of both rating upgrades and downgrades for corporate issuers can be attributed to changes in qualitative and/or quantitative factors. Both qualitative and quantitative measures are used to assess the business and financial risks of corporate issuers. Qualitative analysis includes examining industry risk, operating environment, market position, management, and accounting policies. In contrast, the quantitative aspect of Fitch's corporate ratings focuses on a company's policies in relation to operating strategies, acquisitions and divestitures, leverage targets, dividend policy, and financial goals. An important component in the analysis is the company's ability to generate cash, which is reflected by the ratios that measure profitability and coverage on a cash flow basis.

The rating transitions outlined in this study represent a distinct historical period and may not represent future rating migration patterns. Transition rates are influenced by a number of factors, including macroeconomic variables, credit conditions, and corporate strategy. It is useful to examine the performance of Fitch's ratings on a relative scale within each rating category. In addition, it is important to point out that while transition matrices are presented at both the modifier and flat levels in this study, all other statistical analysis was conducted at the modifier level, unless noted otherwise.

#### Fitch's Definition of Default

Fitch defines a default as one of the following:

- Failure of an obligor to make timely payment of principal and/or interest under contractual terms of any financial obligation.
- The bankruptcy filing, administration, receivership, liquidation or other winding up or cessation of business of an obligor.
- The distressed or other coercive exchange of an obligation, where creditors were offered securities with diminished structural or economic terms compared with the existing obligation.

### Default Rates

Fitch's default rates are calculated on an issuer basis, as opposed to dollar amounts. First, defaults are examined by year for each static pool and individual rating category. For example, if 25 issuers defaulted in 2002, and the 2002 static pool consisted of 2,000 issuer ratings, the resulting annual default rate for all ratings in 2002 would be 1.3%. If 10 of these defaults consisted of defaults among issuers rated 'BB' at the beginning of the year and the 'BB' cohort at the beginning of the year totaled 500, the 'BB' 2002 default rate would be 2% (10/500).

From these annual default rates, Fitch derives average annual default rates by weighing each cohort's default rates by the number of ratings outstanding in the given cohort relative to the number of total ratings outstanding for all cohorts. In other words, following the example above, the 2002 'BB' annual default rate of 2% might be followed by a 2003 'BB' annual default rate of 1%. A straight average of these two rates would ignore potential differences in the size of the two cohorts. Rather, weighing the results

based on the relative number of 'BB' ratings outstanding in 2002 and 2003 gives greater emphasis to the results of the 'BB' cohort with the most observations.

The same technique is used to calculate average default rates over multiple-year horizons. For example, the two-year default rate for the 2002 'BB' rating pool would be averaged with the two-year default rate for the 2003 'BB' rating pool by weighing the default rates by the relative size of each pool.

### Withdrawn Ratings

With regard to withdrawn ratings, all public ratings are included in the static pool data until the ratings are withdrawn and are then excluded from future static pools.

For the purpose of calculating default rates, however, Fitch tracks withdrawn ratings on a continual basis and includes defaults on withdrawn ratings for the cohorts in which the ratings were active and outstanding. For example, a 'BB' issuer's rating is outstanding in 1995 and is withdrawn in 1997. If the issuer defaults in 1999, the default would be included in the 1995 five-year default rate and 1996 four-year default rate.

Appendix

Fitch Global Corporate Finance Average Cumulative Default Rates: 1990–2010

(%, Modifier Level)

%	One-Year	Two-Year	Three-Year	Four-Year	Five-Year	10-Year
AAA	0.00	0.00	0.00	0.00	0.00	0.00
AA+	0.00	0.00	0.00	0.00	0.00	0.00
AA	0.00	0.00	0.12	0.18	0.26	0.18
AA–	0.06	0.07	0.07	0.00	0.00	0.14
A+	0.00	0.12	0.25	0.34	0.40	0.81
A	0.07	0.30	0.55	0.71	0.81	2.25
A–	0.20	0.37	0.53	0.59	0.83	2.73
BBB+	0.16	0.35	0.61	0.97	1.42	3.04
BBB	0.12	0.80	1.56	2.22	2.76	6.01
BBB–	0.52	1.36	2.28	3.04	4.04	7.97
BB+	1.24	3.34	5.07	5.78	6.25	10.91
BB	1.05	3.73	5.68	7.59	9.14	18.96
BB–	1.56	3.13	4.41	5.06	5.11	11.06
B+	1.21	4.55	7.55	7.96	7.96	7.17
B	3.37	7.38	8.56	9.77	11.96	21.17
B–	2.57	5.19	5.86	6.10	7.21	13.38
CCC to C	25.48	32.55	33.41	33.86	34.38	39.66
Investment Grade	0.13	0.40	0.70	0.93	1.18	2.37
Non-Investment Grade	3.37	6.26	7.83	8.76	9.63	14.69
All Corporates	0.80	1.56	2.06	2.37	2.66	4.12

Source: Fitch.

Fitch Global Corporate Finance Three-Year Default Statistics

(%)

Ten-Year Average of Three-Year Cumulative Default Rates (CDRs) — Major Rating Categories

	AAA	AA	A	BBB	BB	B
1999–2008	0.00	0.12	0.58	1.51	4.89	7.85

Most Recent Three-Year Cumulative Default Rates (CDRs)

	AAA	AA	A	BBB	BB	B
2008	0.00	1.27	0.91	1.77	6.19	14.24
2007	0.00	0.00	1.14	1.54	6.75	9.40

Ten-Year Average of Three-Year Cumulative Default Rates (CDRs) — Modifier Level

	AAA	AA+	AA	AA–	A+	A	A–	BBB+	BBB	BBB–	BB+	BB	BB–	B+	B	B–
1999–2008	0.00	0.00	0.20	0.11	0.27	0.74	0.65	0.72	1.54	2.49	4.99	5.01	4.67	8.77	8.85	5.38

Most Recent Three-Year Cumulative Default Rates (CDRs)

	AAA	AA+	AA	AA–	A+	A	A–	BBB+	BBB	BBB–	BB+	BB	BB–	B+	B	B–
2008	0.00	0.00	2.11	1.03	0.00	1.68	0.90	0.00	2.37	3.02	9.93	3.20	4.92	15.38	14.49	12.36
2007	0.00	0.00	0.00	0.00	0.91	2.33	0.00	0.00	2.03	2.80	8.96	3.62	7.81	13.00	9.71	5.26

Source: Fitch.

Fitch Global Financial Institutions<sup>a</sup> Average Cumulative Default Rates:1990–2010

(%)

	One-Year	Two-Year	Three-Year	Four-Year	Five-Year	10-Year
AAA	0.00	0.00	0.00	0.00	0.00	0.00
AA	0.05	0.05	0.10	0.06	0.06	0.05
A	0.12	0.34	0.51	0.56	0.60	1.75
BBB	0.23	0.75	1.34	1.84	2.39	6.22
BB	1.57	4.67	6.78	7.84	8.25	16.18
B	1.08	2.06	2.80	3.45	4.42	4.62
CCC to C	18.34	20.90	20.34	19.51	20.65	22.03
Investment Grade	0.13	0.36	0.59	0.71	0.85	1.81
Non-Investment Grade	2.80	5.08	6.50	7.36	8.15	13.86
All Financial Institutions <sup>a</sup>	0.51	0.99	1.35	1.53	1.71	2.75

<sup>a</sup>Includes banks, finance, and insurance companies.

Source: Fitch.

Fitch Global Industrials Average Cumulative Default Rates: 1990–2010

(%)

	One-Year	Two-Year	Three-Year	Four-Year	Five-Year	10-Year
AAA	0.00	0.00	0.00	0.00	0.00	0.00
AA	0.00	0.00	0.00	0.08	0.17	0.32
A	0.04	0.17	0.37	0.54	0.81	2.12
BBB	0.26	0.83	1.48	2.10	2.78	5.13
BB	1.12	2.74	4.15	5.23	6.04	12.33
B	3.10	7.72	9.93	10.55	11.68	15.21
CCC to C	30.98	41.26	43.22	44.70	45.36	57.89
Investment Grade	0.14	0.47	0.84	1.20	1.60	2.95
Non-Investment Grade	3.69	6.91	8.55	9.53	10.43	14.98
All Industrials	1.11	2.18	2.83	3.27	3.71	5.37

Source: Fitch.

## Fitch Global Corporate Finance One-Year Transition Rates: 2010

(%)

	AAA	AA	A	BBB	BB	B	CCC to C	D	Total
AAA	93.33	6.67	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA	0.00	90.00	10.00	0.00	0.00	0.00	0.00	0.00	100.00
A	0.00	0.70	93.73	5.29	0.28	0.00	0.00	0.00	100.00
BBB	0.00	0.00	1.41	96.71	1.88	0.00	0.00	0.00	100.00
BB	0.00	0.00	0.00	7.74	88.10	3.87	0.30	0.00	100.00
B	0.00	0.00	0.00	0.00	7.67	88.18	3.83	0.32	100.00
CCC to C	0.00	0.00	0.00	0.00	18.18	31.82	27.27	22.73	100.00

## Fitch Global Corporate Finance Transition Rates: 1990–2010

### Average Annual

AAA	94.39	5.61	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA	0.09	90.86	8.65	0.32	0.02	0.02	0.00	0.04	100.00
A	0.02	2.09	91.78	5.33	0.53	0.10	0.07	0.10	100.00
BBB	0.00	0.22	3.75	91.23	3.72	0.59	0.25	0.26	100.00
BB	0.03	0.05	0.10	8.40	81.05	7.20	1.75	1.41	100.00
B	0.00	0.00	0.31	0.51	9.62	82.52	4.46	2.58	100.00
CCC to C	0.00	0.00	0.00	0.22	2.59	18.75	50.00	28.45	100.00

### Average Two-Year

AAA	89.32	10.39	0.30	0.00	0.00	0.00	0.00	0.00	100.00
AA	0.15	82.82	15.98	0.89	0.12	0.00	0.00	0.04	100.00
A	0.02	3.82	84.85	9.59	1.06	0.26	0.10	0.30	100.00
BBB	0.01	0.43	7.12	83.62	5.96	1.40	0.55	0.91	100.00
BB	0.03	0.16	0.35	15.90	66.25	10.82	2.42	4.08	100.00
B	0.00	0.00	0.54	1.32	17.07	69.93	4.30	6.85	100.00
CCC to C	0.00	0.00	0.00	0.51	3.84	28.90	27.62	39.13	100.00

### Average Three-Year

AAA	84.27	14.74	0.99	0.00	0.00	0.00	0.00	0.00	100.00
AA	0.21	76.37	21.37	1.78	0.14	0.05	0.00	0.09	100.00
A	0.02	5.53	79.28	12.46	1.68	0.39	0.10	0.54	100.00
BBB	0.03	0.64	9.79	77.94	7.07	2.18	0.62	1.73	100.00
BB	0.00	0.23	1.06	21.53	54.67	13.00	2.91	6.61	100.00
B	0.00	0.00	0.69	2.76	22.35	60.68	3.76	9.77	100.00
CCC to C	0.00	0.00	0.00	0.92	5.23	35.38	16.00	42.46	100.00

### Average Four-Year

AAA	79.14	17.88	2.98	0.00	0.00	0.00	0.00	0.00	100.00
AA	0.26	71.97	24.87	2.61	0.18	0.05	0.00	0.08	100.00
A	0.01	7.10	74.76	14.35	2.40	0.55	0.12	0.70	100.00
BBB	0.03	0.78	12.24	73.40	7.51	2.58	0.85	2.60	100.00
BB	0.00	0.19	1.59	25.47	46.46	14.46	3.03	8.82	100.00
B	0.00	0.00	0.67	5.75	26.33	53.42	2.08	11.75	100.00
CCC to C	0.00	0.00	0.35	1.05	7.69	36.71	9.09	45.10	100.00

### Average Five-Year

AAA	73.73	20.76	4.87	0.64	0.00	0.00	0.00	0.00	100.00
AA	0.32	68.15	27.69	3.38	0.29	0.06	0.00	0.11	100.00
A	0.02	8.48	70.33	16.41	2.85	0.86	0.14	0.92	100.00
BBB	0.02	0.84	14.17	69.43	7.97	2.89	1.04	3.63	100.00
BB	0.00	0.12	2.07	28.16	41.85	14.46	2.60	10.74	100.00
B	0.00	0.00	0.88	9.67	26.26	47.03	1.65	14.51	100.00
CCC to C	0.00	0.00	0.40	3.64	6.07	37.65	3.64	48.58	100.00

### Average 10-Year

AAA	39.30	33.62	24.45	2.62	0.00	0.00	0.00	0.00	100.00
AA	0.44	49.18	37.09	10.73	1.80	0.54	0.00	0.22	100.00
A	0.00	12.36	52.96	25.18	3.77	2.15	0.28	3.31	100.00
BBB	0.06	2.28	13.45	56.28	12.67	4.02	0.78	10.45	100.00
BB	0.00	0.18	4.11	28.26	22.54	12.88	1.79	30.23	100.00
B	0.00	0.00	1.03	22.05	20.51	21.03	1.03	34.36	100.00
CCC to C	0.00	0.00	0.00	10.81	8.11	18.92	0.00	62.16	100.00

Source: Fitch.

## Fitch Global Corporate Finance One-Year Transition Rates: 2010

(%, Modifier Level)

	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC to C	D	Total
AAA	93.33	6.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA+	0.00	64.29	7.14	21.43	0.00	7.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA	0.00	8.82	73.53	17.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA-	0.00	1.52	1.52	84.09	10.61	2.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
A+	0.00	0.00	0.00	2.18	85.59	10.04	1.31	0.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
A	0.00	0.00	0.00	0.00	1.32	88.11	7.93	1.32	0.44	0.00	0.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
A-	0.00	0.00	0.00	0.00	0.00	1.91	85.88	7.63	3.05	1.53	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
BBB+	0.00	0.00	0.00	0.00	0.00	0.00	3.77	82.64	10.57	3.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
BBB	0.00	0.00	0.00	0.00	0.00	0.00	0.60	6.91	82.28	8.41	1.20	0.30	0.30	0.00	0.00	0.00	0.00	0.00	100.00
BBB-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.40	9.13	86.51	3.17	0.79	0.00	0.00	0.00	0.00	0.00	0.00	100.00
BB+	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.67	14.17	80.00	4.17	0.00	0.00	0.00	0.00	0.00	0.00	100.00
BB	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.71	3.42	18.80	62.39	7.69	2.56	1.71	0.85	0.85	0.00	100.00
BB-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.01	0.00	1.01	24.24	66.67	6.06	1.01	0.00	0.00	0.00	100.00
B+	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.45	16.09	71.26	5.75	2.30	1.15	0.00	100.00
B	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.54	3.08	23.85	61.54	3.85	5.38	0.77	100.00
B-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.04	1.04	35.42	58.33	4.17	0.00	100.00
CCC to C	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18.18	0.00	2.27	29.55	27.27	22.73	100.00

## Fitch Global Corporate Finance Transition Rates: 1990–2010

(%, Modifier Level)

	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC to C	D	Total
<b>Average Annual</b>																			
AAA	94.39	2.94	2.14	0.53	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA+	0.46	81.61	12.77	4.26	0.15	0.46	0.15	0.00	0.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA	0.06	2.71	80.04	11.60	4.24	0.59	0.24	0.24	0.00	0.24	0.00	0.00	0.06	0.00	0.00	0.00	0.00	0.00	100.00
AA-	0.03	0.10	3.29	83.68	9.46	2.40	0.65	0.14	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.07	100.00
A+	0.00	0.09	0.41	4.79	82.83	8.76	1.83	0.70	0.38	0.20	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00	100.00
A	0.05	0.00	0.23	0.91	5.52	81.45	8.28	1.94	0.80	0.21	0.23	0.12	0.02	0.02	0.09	0.00	0.05	0.07	100.00
A-	0.00	0.00	0.10	0.18	1.01	6.30	79.13	8.95	1.80	0.86	0.13	0.13	0.88	0.03	0.10	0.03	0.16	0.21	100.00
BBB+	0.00	0.00	0.03	0.20	0.46	0.98	7.19	77.49	9.90	1.90	0.78	0.20	0.35	0.14	0.03	0.00	0.17	0.17	100.00
BBB	0.00	0.00	0.08	0.13	0.03	0.39	1.17	7.31	80.85	6.55	1.17	1.01	0.34	0.26	0.18	0.05	0.36	0.13	100.00
BBB-	0.00	0.04	0.04	0.15	0.22	0.15	0.22	1.25	10.20	77.27	5.34	2.06	1.07	0.52	0.66	0.07	0.18	0.55	100.00
BB+	0.00	0.14	0.00	0.00	0.00	0.00	0.14	0.72	2.58	14.35	69.30	5.81	1.94	1.08	1.36	0.36	0.86	1.36	100.00
BB	0.00	0.00	0.00	0.00	0.00	0.08	0.00	0.41	0.74	3.20	11.16	67.51	6.64	2.79	2.38	1.89	2.05	1.15	100.00
BB-	0.08	0.00	0.00	0.00	0.00	0.00	0.08	0.08	0.66	1.08	3.97	11.59	65.81	5.96	4.72	1.74	2.48	1.74	100.00
B+	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.22	0.22	0.44	0.54	3.92	16.01	62.96	8.82	3.05	2.51	1.31	100.00
B	0.00	0.00	0.00	0.00	0.00	0.34	0.11	0.00	0.00	0.11	0.34	0.90	3.60	14.51	65.47	6.52	4.39	3.71	100.00
B-	0.00	0.00	0.00	0.00	0.00	0.40	0.13	0.00	0.27	0.27	0.27	0.40	1.33	3.33	14.53	69.33	6.93	2.80	100.00
CCC to C	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.22	0.00	0.00	0.43	0.22	1.94	0.65	3.45	14.66	50.00	28.45	100.00

### Average Three-Year

AAA	84.27	4.30	7.78	2.65	0.66	0.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA+	1.05	57.69	19.06	12.41	7.17	1.40	0.17	0.52	0.17	0.00	0.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA	0.00	6.42	53.45	21.42	12.70	2.65	1.19	0.56	0.70	0.63	0.07	0.07	0.00	0.00	0.00	0.00	0.00	0.14	100.00
AA-	0.13	0.68	6.67	62.95	17.05	7.51	2.78	1.10	0.68	0.21	0.00	0.08	0.00	0.04	0.04	0.00	0.00	0.08	100.00
A+	0.04	0.15	1.48	11.60	58.93	16.69	5.16	2.77	1.40	0.61	0.15	0.34	0.19	0.08	0.04	0.08	0.00	0.30	100.00
A	0.00	0.00	0.93	2.63	11.74	57.32	14.64	6.27	1.91	1.16	0.69	0.21	1.28	0.06	0.30	0.03	0.18	0.66	100.00
A-	0.03	0.00	0.14	0.66	4.00	13.80	55.00	15.25	5.35	2.45	1.04	0.66	0.31	0.17	0.28	0.14	0.10	0.62	100.00
BBB+	0.00	0.00	0.35	0.58	0.97	3.48	14.08	49.07	19.99	4.80	2.32	0.73	0.46	0.27	1.43	0.31	0.43	0.73	100.00
BBB	0.04	0.00	0.11	0.32	0.36	1.61	4.71	14.73	56.83	11.17	2.28	2.03	1.32	0.50	0.93	0.36	0.82	1.89	100.00
BBB-	0.05	0.16	0.31	0.10	0.58	0.58	1.36	5.62	20.58	50.24	7.24	4.83	1.94	0.84	1.52	0.63	0.58	2.83	100.00
BB+	0.00	0.50	0.00	0.10	0.40	0.50	1.11	3.83	8.06	21.77	38.10	5.54	3.93	3.02	2.42	1.41	2.72	6.55	100.00
BB	0.00	0.00	0.00	0.00	0.00	0.12	0.36	0.84	3.13	12.05	13.49	34.34	10.48	4.70	7.11	2.89	3.13	7.35	100.00
BB-	0.00	0.00	0.00	0.00	0.00	0.00	0.48	0.97	3.76	7.76	9.45	12.85	37.21	8.48	6.30	3.88	2.91	5.94	100.00
B+	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.82	1.31	1.31	5.58	11.33	19.05	33.66	10.84	3.61	2.63	9.85	100.00
B	0.00	0.00	0.00	0.00	0.00	0.38	0.19	0.38	0.38	2.06	1.13	3.56	15.01	21.76	32.46	7.69	3.75	11.26	100.00
B-	0.00	0.00	0.00	0.00	0.00	0.88	0.88	0.22	0.22	1.32	1.10	2.42	3.74	7.03	20.22	48.79	5.27	7.91	100.00
CCC to C	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.31	0.00	0.62	0.62	1.85	2.77	3.08	8.62	23.69	16.00	42.46	100.00

Continued on next page.

Source: Fitch.

Fitch Global Corporate Finance Transition Rates: 1990–2010 (Continued)

(%)

	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC to C	D	Total
<b>Average 10-Year</b>																			
AAA	39.30	10.04	12.23	11.35	13.54	10.48	0.44	0.87	1.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA+	0.35	12.15	21.18	21.18	14.24	15.63	4.17	4.17	2.78	2.43	0.69	0.69	0.00	0.00	0.00	0.35	0.00	0.00	100.00
AA	0.63	5.39	19.33	29.95	16.64	11.89	6.18	5.23	1.90	0.63	0.63	0.48	0.00	0.16	0.32	0.32	0.00	0.32	100.00
AA-	0.33	1.74	9.16	32.82	18.76	12.87	8.07	5.89	4.03	3.27	1.42	0.87	0.11	0.00	0.22	0.22	0.00	0.22	100.00
A+	0.00	1.29	3.43	11.37	30.47	16.52	10.73	10.52	4.72	5.04	1.39	0.86	0.64	0.21	0.54	0.43	0.43	1.39	100.00
A	0.00	0.55	3.91	9.74	15.01	23.02	16.65	11.56	7.19	3.18	1.82	1.00	0.82	0.73	0.82	0.09	0.00	3.91	100.00
A-	0.00	0.25	1.36	3.96	10.75	12.36	22.00	14.71	14.34	6.18	2.84	0.99	1.11	2.22	1.48	0.25	0.49	4.70	100.00
BBB+	0.17	0.00	1.00	2.51	3.01	5.18	12.71	19.90	24.92	12.37	4.68	2.84	1.34	0.67	1.84	0.33	0.67	5.85	100.00
BBB	0.00	0.00	0.86	0.86	2.74	2.91	5.99	11.82	30.82	12.33	5.48	4.79	3.42	1.37	1.88	1.20	1.20	12.33	100.00
BBB-	0.00	0.00	0.21	1.24	2.07	1.45	2.90	10.77	20.08	25.88	8.90	3.73	3.52	1.24	2.28	1.45	0.41	13.87	100.00
BB+	0.00	0.00	0.00	0.45	0.90	1.80	2.70	10.36	13.96	6.31	15.32	5.86	4.05	3.15	1.80	4.95	3.60	24.77	100.00
BB	0.00	0.00	0.00	0.00	0.00	0.57	2.84	2.84	10.80	10.80	8.52	7.39	5.11	6.82	2.27	1.70	1.14	39.20	100.00
BB-	0.00	0.00	0.00	0.00	0.62	1.86	0.62	2.48	14.91	11.80	2.48	5.59	12.42	9.94	4.35	4.97	0.00	27.95	100.00
B+	0.00	0.00	0.00	0.00	0.00	0.00	1.04	2.08	9.38	19.79	15.63	8.33	6.25	8.33	2.08	7.29	2.08	17.71	100.00
B	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15.25	5.08	1.69	8.47	5.08	11.86	3.39	0.00	0.00	49.15	100.00
B-	0.00	0.00	0.00	0.00	2.50	0.00	0.00	0.00	0.00	2.50	0.00	5.00	0.00	2.50	7.50	27.50	0.00	52.50	100.00
CCC to C	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.70	4.05	4.05	0.00	4.05	4.05	6.76	9.46	2.70	0.00	62.16	100.00

Source: Fitch.

Fitch European Corporate Finance Transition Rates

(%)

	AAA	AA	A	BBB	BB	B	CCC to C	D	Total
<b>One-Year: 2010</b>									
AAA	87.50	12.50	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA	0.00	86.84	13.16	0.00	0.00	0.00	0.00	0.00	100.00
A	0.00	1.64	88.11	10.25	0.00	0.00	0.00	0.00	100.00
BBB	0.00	0.00	0.99	97.54	1.48	0.00	0.00	0.00	100.00
BB	0.00	0.00	0.00	6.58	92.11	1.32	0.00	0.00	100.00
B	0.00	0.00	0.00	0.00	6.12	91.84	1.02	1.02	100.00
CCC to C	0.00	0.00	0.00	0.00	25.00	50.00	12.50	12.50	100.00
<b>Average Annual: 1990–2010</b>									
AAA	96.38	3.62	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA	0.06	91.31	8.22	0.35	0.00	0.00	0.00	0.06	100.00
A	0.00	1.77	91.71	6.26	0.14	0.00	0.03	0.09	100.00
BBB	0.00	0.18	5.00	90.30	3.92	0.30	0.18	0.12	100.00
BB	0.00	0.00	0.16	9.27	78.70	8.46	1.95	1.46	100.00
B	0.00	0.00	0.28	0.43	10.21	83.83	3.40	1.84	100.00
CCC to C	0.00	0.00	0.00	0.00	2.92	27.74	57.66	11.68	100.00

Fitch North American Corporate Finance Transition Rates

One-Year: 2010

AAA	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA	0.00	89.47	10.53	0.00	0.00	0.00	0.00	0.00	100.00
A	0.00	0.00	95.63	3.75	0.63	0.00	0.00	0.00	100.00
BBB	0.00	0.00	2.04	95.92	2.04	0.00	0.00	0.00	100.00
BB	0.00	0.00	0.00	7.53	85.62	6.16	0.68	0.00	100.00
B	0.00	0.00	0.00	0.00	8.33	84.09	7.58	0.00	100.00
CCC to C	0.00	0.00	0.00	0.00	15.38	23.08	42.31	19.23	100.00

Average Annual: 1990–2010

AAA	93.63	6.37	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA	0.10	90.50	9.06	0.29	0.03	0.00	0.00	0.03	100.00
A	0.03	2.35	91.55	4.91	0.79	0.16	0.09	0.12	100.00
BBB	0.00	0.29	2.95	91.71	3.84	0.70	0.20	0.31	100.00
BB	0.05	0.09	0.14	7.71	81.96	6.81	1.62	1.62	100.00
B	0.00	0.00	0.49	0.74	8.39	82.32	4.93	3.13	100.00
CCC to C	0.00	0.00	0.00	0.45	2.73	13.64	48.18	35.00	100.00

Source: Fitch.

## Fitch Asia-Pacific Corporate Finance Transition Rates

(%)

	AAA	AA	A	BBB	BB	B	CCC to C	D	Total
<b>One-Year: 2010</b>									
AAA	0.00	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	100.00
A	0.00	0.00	98.97	1.03	0.00	0.00	0.00	0.00	100.00
BBB	0.00	0.00	0.83	96.69	2.48	0.00	0.00	0.00	100.00
BB	0.00	0.00	0.00	14.29	83.93	1.79	0.00	0.00	100.00
B	0.00	0.00	0.00	0.00	15.00	85.00	0.00	0.00	100.00
CCC to C	0.00	0.00	0.00	0.00	25.00	25.00	0.00	50.00	100.00

### Average Annual: 1990–2010

AAA	22.22	77.78	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA	0.27	91.83	7.36	0.27	0.00	0.27	0.00	0.00	100.00
A	0.00	1.87	93.07	4.95	0.00	0.00	0.11	0.00	100.00
BBB	0.00	0.00	5.33	92.36	2.21	0.10	0.00	0.00	100.00
BB	0.00	0.00	0.00	11.89	83.72	2.84	0.78	0.78	100.00
B	0.00	0.00	0.00	0.00	16.81	75.63	3.36	4.20	100.00
CCC to C	0.00	0.00	0.00	0.00	6.25	18.75	56.25	18.75	100.00

## Fitch Latin America and Caribbean Corporate Finance Transition Rates

### One-Year: 2010

AAA	0.00	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	100.00
A	0.00	5.56	94.44	0.00	0.00	0.00	0.00	0.00	100.00
BBB	0.00	0.00	0.00	98.46	1.54	0.00	0.00	0.00	100.00
BB	0.00	0.00	0.00	4.08	93.88	2.04	0.00	0.00	100.00
B	0.00	0.00	0.00	0.00	8.16	89.80	2.04	0.00	100.00
CCC to C	0.00	0.00	0.00	0.00	16.67	50.00	0.00	33.33	100.00

### Average Annual: 1990–2010

AAA	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA	0.00	97.78	2.22	0.00	0.00	0.00	0.00	0.00	100.00
A	0.00	0.40	93.52	5.67	0.40	0.00	0.00	0.00	100.00
BBB	0.00	0.00	2.21	89.81	5.26	0.85	1.36	0.51	100.00
BB	0.00	0.00	0.00	8.43	78.28	9.36	2.81	1.12	100.00
B	0.00	0.00	0.00	0.26	11.34	79.64	6.44	2.32	100.00
CCC to C	0.00	0.00	0.00	0.00	1.18	17.65	42.35	38.82	100.00

## Fitch Middle East and African Corporate Finance Transition Rates

### One-Year: 2010

AAA	0.00	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	100.00
A	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	100.00
BBB	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	100.00
BB	0.00	0.00	0.00	0.00	88.89	11.11	0.00	0.00	100.00
B	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	100.00
CCC to C	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

### Average Annual: 1990–2010

AAA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AA	0.00	77.27	18.18	4.55	0.00	0.00	0.00	0.00	100.00
A	0.00	2.21	92.25	4.80	0.74	0.00	0.00	0.00	100.00
BBB	0.00	0.00	13.18	83.72	1.55	0.78	0.39	0.39	100.00
BB	0.00	0.00	0.00	2.94	79.41	16.18	1.47	0.00	100.00
B	0.00	0.00	0.00	0.00	6.20	92.25	0.78	0.78	100.00
CCC to C	0.00	0.00	0.00	0.00	0.00	16.67	33.33	50.00	100.00

Source: Fitch.

## Fitch Developed Markets Corporate Finance Transition Rates

(%)

	AAA	AA	A	BBB	BB	B	CCC to C	D	Total
<b>One-Year: 2010</b>									
AAA	93.33	6.67	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA	0.00	89.60	10.40	0.00	0.00	0.00	0.00	0.00	100.00
A	0.00	0.65	93.02	6.01	0.32	0.00	0.00	0.00	100.00
BBB	0.00	0.00	1.80	96.24	1.95	0.00	0.00	0.00	100.00
BB	0.00	0.00	0.00	8.51	85.64	5.32	0.53	0.00	100.00
B	0.00	0.00	0.00	0.00	7.69	84.62	7.69	0.00	100.00
CCC to C	0.00	0.00	0.00	0.00	24.14	20.69	37.93	17.24	100.00
<b>Average Annual: 1990–2010</b>									
AAA	94.30	5.70	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA	0.10	90.87	8.67	0.31	0.02	0.00	0.00	0.04	100.00
A	0.02	2.18	91.63	5.38	0.52	0.10	0.07	0.10	100.00
BBB	0.00	0.26	3.58	91.36	3.77	0.58	0.20	0.26	100.00
BB	0.04	0.08	0.12	8.22	81.68	6.77	1.45	1.64	100.00
B	0.00	0.00	0.45	0.67	8.80	81.51	5.07	3.50	100.00
CCC to C	0.00	0.00	0.00	0.39	4.28	12.84	49.42	33.07	100.00

## Fitch Emerging Markets Corporate Finance Transition Rates

One-Year: 2010

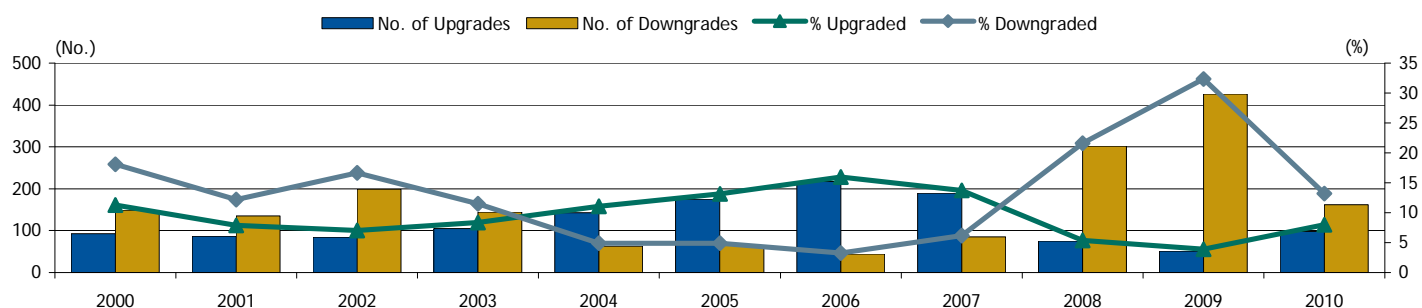
AAA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AA	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
A	0.00	0.98	98.04	0.98	0.00	0.00	0.00	0.00	100.00
BBB	0.00	0.00	0.00	98.38	1.62	0.00	0.00	0.00	100.00
BB	0.00	0.00	0.00	6.76	91.22	2.03	0.00	0.00	100.00
B	0.00	0.00	0.00	0.00	7.65	91.18	0.59	0.59	100.00
CCC to C	0.00	0.00	0.00	0.00	6.67	53.33	6.67	33.33	100.00

Average Annual: 1990–2010

AAA	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA	0.00	89.66	6.90	1.72	0.00	1.72	0.00	0.00	100.00
A	0.00	0.73	94.18	4.51	0.58	0.00	0.00	0.00	100.00
BBB	0.00	0.00	4.71	90.44	3.39	0.62	0.55	0.28	100.00
BB	0.00	0.00	0.08	8.77	79.78	8.06	2.37	0.95	100.00
B	0.00	0.00	0.16	0.33	10.53	83.63	3.78	1.56	100.00
CCC to C	0.00	0.00	0.00	0.00	0.48	26.09	50.72	22.71	100.00

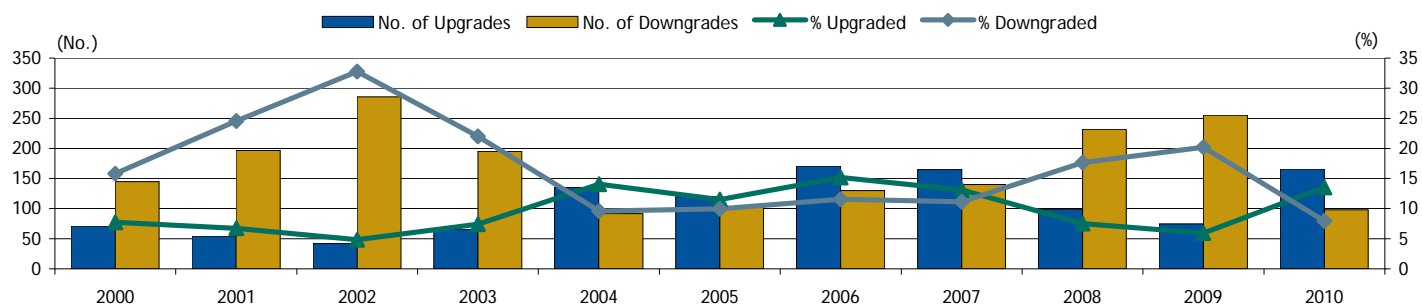
Source: Fitch

## Fitch Global Financial Institutions Historical Rating Activity<sup>a</sup>



<sup>a</sup>Compares beginning of year rating with end of year rating; does not count multiple rating actions throughout the year. Note: Rating changes defined at the modifier level, making a distinction between +/- . Includes banks, finance, and insurance companies.  
Source: Fitch.

## Fitch Global Industrials Historical Rating Activity<sup>a</sup>



<sup>a</sup>Compares beginning of year rating with end of year rating; does not count multiple rating actions throughout the year. Note: Rating changes defined at the modifier level, making a distinction between +/- .  
Source: Fitch.

**Fitch Global Financial Institutions Transition Rates<sup>a</sup>**

(%)

	AAA	AA	A	BBB	BB	B	CCC to C	D	Total
<b>One-Year: 2010</b>									
AAA	92.31	7.69	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA	0.00	89.26	10.74	0.00	0.00	0.00	0.00	0.00	100.00
A	0.00	1.18	92.67	6.15	0.00	0.00	0.00	0.00	100.00
BBB	0.00	0.00	1.33	96.01	2.66	0.00	0.00	0.00	100.00
BB	0.00	0.00	0.00	6.09	89.57	3.48	0.87	0.00	100.00
B	0.00	0.00	0.00	0.00	3.88	91.47	3.88	0.78	100.00
CCC to C	0.00	0.00	0.00	0.00	30.43	26.09	26.09	17.39	100.00
<b>Average Annual: 1990–2010</b>									
AAA	94.90	5.10	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA	0.13	91.80	7.77	0.20	0.03	0.03	0.00	0.05	100.00
A	0.03	3.04	91.56	4.53	0.59	0.07	0.04	0.13	100.00
BBB	0.00	0.46	5.08	90.14	3.20	0.61	0.27	0.24	100.00
BB	0.00	0.15	0.15	9.51	77.67	7.73	3.01	1.78	100.00
B	0.00	0.00	0.22	0.54	10.13	83.19	4.74	1.19	100.00
CCC to C	0.00	0.00	0.00	0.00	3.57	25.51	49.49	21.43	100.00

<sup>a</sup>Includes banks, finance, and insurance companies.  
Source: Fitch.

**Fitch Global Industrials Transition Rates**

	AAA	AA	A	BBB	BB	B	CCC to C	D	Total
<b>One-Year: 2010</b>									
AAA	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA	0.00	93.55	6.45	0.00	0.00	0.00	0.00	0.00	100.00
A	0.00	0.00	95.25	4.07	0.68	0.00	0.00	0.00	100.00
BBB	0.00	0.00	1.48	97.26	1.27	0.00	0.00	0.00	100.00
BB	0.00	0.00	0.00	8.60	87.33	4.07	0.00	0.00	100.00
B	0.00	0.00	0.00	0.00	10.33	85.87	3.80	0.00	100.00
CCC to C	0.00	0.00	0.00	0.00	4.76	38.10	28.57	28.57	100.00
<b>Average Annual: 1990–2010</b>									
AAA	93.00	7.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA	0.00	88.07	11.25	0.68	0.00	0.00	0.00	0.00	100.00
A	0.00	0.75	92.08	6.46	0.44	0.13	0.10	0.04	100.00
BBB	0.00	0.05	2.83	91.97	4.07	0.57	0.24	0.27	100.00
BB	0.04	0.00	0.08	7.84	82.79	6.93	1.11	1.23	100.00
B	0.00	0.00	0.37	0.49	9.33	82.14	4.30	3.38	100.00
CCC to C	0.00	0.00	0.00	0.37	1.87	13.81	50.37	33.58	100.00

Source: Fitch.

## Fitch Global Industrials One-Year Transition: 2010 Cohort

(%, Modifier Level)

	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC to C	D	Total
AAA	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA+	0.00	80.00	0.00	0.00	0.00	20.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA	0.00	23.08	69.23	7.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA-	0.00	15.38	0.00	76.92	7.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
A+	0.00	0.00	0.00	0.00	86.76	13.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
A	0.00	0.00	0.00	0.00	1.77	86.73	7.08	2.65	0.00	0.00	1.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
A-	0.00	0.00	0.00	0.00	0.00	1.75	90.35	6.14	1.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
BBB+	0.00	0.00	0.00	0.00	0.00	0.00	3.85	89.23	6.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
BBB	0.00	0.00	0.00	0.00	0.00	0.00	1.12	8.99	84.83	4.49	0.00	0.00	0.56	0.00	0.00	0.00	0.00	0.00	100.00
BBB-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.04	87.95	1.81	1.20	0.00	0.00	0.00	0.00	0.00	0.00	100.00
BB+	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.27	15.19	77.22	6.33	0.00	0.00	0.00	0.00	0.00	0.00	100.00
BB	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.86	4.29	20.00	55.71	10.00	4.29	2.86	0.00	0.00	0.00	100.00
BB-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.39	0.00	1.39	27.78	63.89	4.17	1.39	0.00	0.00	0.00	100.00
B+	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.45	18.18	65.45	9.09	1.82	0.00	0.00	100.00
B	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.44	4.88	28.05	57.32	1.22	6.10	0.00	100.00
B-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	29.79	65.96	4.26	0.00	0.00	100.00
CCC to C	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.76	0.00	4.76	33.33	28.57	28.57	100.00

## Fitch Global Industrials Three-Year Transition: 2008 Cohort

AAA	50.00	0.00	25.00	0.00	25.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA+	0.00	60.00	0.00	20.00	0.00	20.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA	0.00	33.33	33.33	16.67	16.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA-	0.00	10.00	0.00	35.00	30.00	10.00	0.00	5.00	0.00	5.00	0.00	0.00	0.00	5.00	0.00	0.00	0.00	0.00	100.00
A+	0.00	0.00	0.00	1.52	48.48	39.39	3.03	3.03	1.52	0.00	3.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
A	0.00	0.00	0.00	0.00	4.35	69.57	19.57	5.43	1.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
A-	0.00	0.00	0.00	0.00	5.43	5.43	58.14	22.48	4.65	2.33	1.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
BBB+	0.00	0.00	0.00	0.00	0.00	0.00	9.02	63.11	19.67	5.74	2.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
BBB	0.00	0.00	0.00	0.00	0.00	0.00	2.37	10.65	59.17	19.53	2.96	1.78	2.37	0.59	0.59	0.00	0.00	0.00	100.00
BBB-	0.00	0.00	0.00	0.00	0.71	0.00	0.00	1.42	14.89	57.45	9.93	9.22	0.71	1.42	2.13	0.00	0.00	2.13	100.00
BB+	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.41	7.04	30.99	45.07	2.82	7.04	0.00	0.00	0.00	1.41	4.23	100.00
BB	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.43	1.43	10.00	12.86	35.71	20.00	8.57	5.71	1.43	1.43	1.43	100.00
BB-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.51	1.75	7.02	12.28	35.09	14.04	10.53	5.26	5.26	5.26	100.00
B+	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.90	0.00	2.90	11.59	13.04	26.09	15.94	4.35	0.00	23.19	100.00
B	0.00	0.00	0.00	0.00	0.00	2.27	0.00	0.00	0.00	1.14	0.00	1.14	1.14	26.14	28.41	13.64	5.68	20.45	100.00
B-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.70	18.92	43.24	8.11	27.03	100.00
CCC to C	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	100.00

## Fitch Global Industrials 10-Year Transition: 2001 Cohort

AAA	0.00	20.00	0.00	20.00	40.00	20.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA+	0.00	0.00	0.00	0.00	20.00	40.00	0.00	0.00	20.00	20.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA	0.00	0.00	0.00	0.00	0.00	78.26	4.35	4.35	0.00	4.35	8.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA-	0.00	0.00	0.00	5.26	10.53	36.84	26.32	5.26	0.00	15.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
A+	0.00	0.00	0.00	1.96	11.76	19.61	23.53	15.69	11.76	9.80	1.96	0.00	1.96	0.00	0.00	1.96	0.00	0.00	100.00
A	0.00	0.00	0.00	0.00	2.90	24.64	23.19	15.94	13.04	8.70	4.35	2.90	0.00	0.00	1.45	0.00	0.00	2.90	100.00
A-	0.00	0.00	0.00	0.00	0.00	5.71	18.57	25.71	18.57	12.86	2.86	0.00	2.86	1.43	2.86	0.00	2.86	5.71	100.00
BBB+	0.00	0.00	0.00	0.00	0.00	0.00	5.63	21.13	30.99	19.72	5.63	2.82	2.82	0.00	2.82	0.00	1.41	7.04	100.00
BBB	0.00	0.00	0.00	0.00	0.00	3.39	5.08	13.56	25.42	20.34	3.39	1.69	1.69	3.39	0.00	1.69	1.69	18.64	100.00
BBB-	0.00	0.00	0.00	0.00	0.00	2.17	4.35	6.52	10.87	26.09	13.04	8.70	6.52	0.00	8.70	0.00	0.00	13.04	100.00
BB+	0.00	0.00	0.00	0.00	0.00	3.70	0.00	3.70	14.81	3.70	22.22	0.00	3.70	3.70	7.41	3.70	3.70	29.63	100.00
BB	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.00	6.67	13.33	0.00	0.00	13.33	6.67	0.00	0.00	40.00	100.00
BB-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18.18	13.64	0.00	0.00	13.64	4.55	4.55	4.55	0.00	40.91	100.00
B+	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.14	0.00	14.29	0.00	14.29	14.29	0.00	0.00	7.14	42.86	100.00
B	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12.50	0.00	0.00	0.00	0.00	0.00	87.50	100.00
B-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14.29	0.00	0.00	28.57	0.00	0.00	57.14	100.00
CCC to C	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	100.00

## Fitch Global Industrials Default Rates

(%)

	One-Year 2010 Cohort	Three-Year 2008 Cohort	10-Year 2001 Cohort
AAA	0.00	0.00	0.00
AA+	0.00	0.00	0.00
AA	0.00	0.00	0.00
AA-	0.00	0.00	0.00
A+	0.00	0.00	0.00
A	0.00	0.00	1.68
A-	0.00	0.00	3.45
BBB+	0.00	0.00	3.62
BBB	0.00	0.00	7.38
BBB-	0.00	1.72	6.12
BB+	0.00	3.49	11.27
BB	0.00	1.25	13.95
BB-	0.00	4.00	15.25
B+	0.00	18.39	21.43
B	0.00	17.14	33.33
B-	0.00	25.00	19.05
CCC to C	28.57	73.68	55.56

Source: Fitch.

## Fitch Global Financial Institutions Excluding Insurance One-Year Transition: 2010 Cohort

(% Modifier Level)

	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC to C	D	Total
AAA	91.67	8.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA+	0.00	75.00	0.00	25.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA	0.00	0.00	84.21	15.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA-	0.00	0.00	1.90	89.52	5.71	2.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
A+	0.00	0.00	0.00	3.70	87.41	5.19	2.22	1.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
A	0.00	0.00	0.00	0.00	1.12	87.64	10.11	0.00	1.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
A-	0.00	0.00	0.00	0.00	0.00	1.72	79.31	10.34	5.17	3.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
BBB+	0.00	0.00	0.00	0.00	0.00	0.00	1.00	75.00	16.00	8.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
BBB	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.13	77.34	15.63	3.13	0.78	0.00	0.00	0.00	0.00	0.00	0.00	100.00
BBB-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.79	85.71	6.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
BB+	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13.16	86.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
BB	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.17	15.22	73.91	4.35	0.00	0.00	2.17	2.17	0.00	100.00
BB-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15.38	73.08	11.54	0.00	0.00	0.00	0.00	100.00
B+	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.00	83.33	0.00	3.33	3.33	0.00	0.00	100.00
B	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16.67	68.75	8.33	4.17	2.08	100.00
B-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.04	2.04	40.82	51.02	4.08	0.00	0.00	100.00
CCC to C	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30.43	0.00	0.00	0.00	26.09	17.39	0.00	100.00

## Fitch Global Financial Institutions Excluding Insurance Three-Year Transition: 2008 Cohort

	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC to C	D	Total
AAA	90.00	10.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA+	0.00	17.65	0.00	58.82	23.53	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA	0.00	0.00	30.61	22.45	44.90	2.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA-	0.00	0.00	2.70	59.46	19.82	7.21	3.60	2.70	2.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.80	100.00
A+	0.00	0.00	0.00	6.06	52.53	18.18	6.06	10.10	1.01	4.04	0.00	1.01	0.00	0.00	0.00	1.01	0.00	0.00	100.00
A	0.00	0.00	0.00	0.00	12.15	46.73	21.50	3.74	2.80	5.61	0.00	0.93	1.87	0.00	0.00	0.00	0.00	4.67	100.00
A-	0.00	0.00	0.00	0.79	0.79	5.51	48.03	18.11	6.30	11.81	2.36	0.00	1.57	0.00	2.36	0.79	0.00	1.57	100.00
BBB+	0.00	0.00	0.00	0.00	0.00	0.00	6.73	34.62	38.46	9.62	3.85	0.00	0.00	0.00	5.77	0.96	0.00	0.00	100.00
BBB	0.00	0.00	0.00	1.05	0.00	0.00	2.11	4.21	53.68	14.74	8.42	1.05	0.00	2.11	0.00	2.11	3.16	7.37	100.00
BBB-	0.00	0.00	0.00	1.52	0.00	0.00	0.00	3.03	18.18	46.97	7.58	9.09	0.00	0.00	1.52	1.52	3.03	7.58	100.00
BB+	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.50	2.50	20.00	30.00	2.50	7.50	2.50	0.00	5.00	0.00	27.50	100.00
BB	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.00	0.00	45.71	8.57	5.71	0.00	0.00	11.43	8.57	100.00
BB-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.63	0.00	0.00	26.32	13.16	18.42	13.16	15.79	2.63	0.00	7.89	100.00
B+	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15.38	53.85	15.38	7.69	0.00	7.69	100.00
B	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.85	26.92	26.92	30.77	3.85	0.00	7.69	100.00
B-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.86	45.71	48.57	0.00	2.86	100.00
CCC to C	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25.00	25.00	50.00	0.00	100.00

## Fitch Global Financial Institutions Excluding Insurance 10-Year Transition: 2001 Cohort

	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC to C	D	Total
AAA	60.00	20.00	0.00	0.00	20.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA+	0.00	18.18	9.09	36.36	36.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA	0.00	2.63	10.53	50.00	23.68	10.53	0.00	0.00	2.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA-	0.00	0.00	9.09	30.30	36.36	4.55	7.58	6.06	4.55	0.00	0.00	1.52	0.00	0.00	0.00	0.00	0.00	0.00	100.00
A+	0.00	0.00	1.61	22.58	27.42	11.29	9.68	14.52	1.61	6.45	0.00	0.00	1.61	0.00	0.00	1.61	0.00	1.61	100.00
A	0.00	0.00	0.00	8.96	10.45	13.43	17.91	14.93	2.99	4.48	4.48	0.00	7.46	0.00	2.99	0.00	0.00	11.94	100.00
A-	0.00	0.00	0.00	3.13	10.94	15.63	32.81	10.94	9.38	12.50	0.00	0.00	1.56	3.13	0.00	0.00	0.00	0.00	100.00
BBB+	0.00	0.00	0.00	1.82	12.73	10.91	25.45	7.27	10.91	9.09	10.91	0.00	0.00	3.64	0.00	3.64	0.00	3.64	100.00
BBB	0.00	0.00	2.13	0.00	2.13	0.00	10.64	14.89	36.17	6.38	6.38	0.00	2.13	0.00	0.00	6.38	0.00	12.77	100.00
BBB-	0.00	0.00	0.00	5.13	5.13	5.13	7.69	10.26	20.51	15.38	7.69	0.00	0.00	0.00	2.56	0.00	17.95	100.00	
BB+	0.00	0.00	0.00	5.56	0.00	0.00	5.56	16.67	16.67	11.11	5.56	16.67	5.56	0.00	0.00	0.00	11.11	5.56	100.00
BB	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.69	0.00	7.69	0.00	0.00	0.00	0.00	0.00	7.69	76.92	100.00	
BB-	0.00	0.00	0.00	0.00	4.00	4.00	0.00	0.00	8.00	32.00	12.00	0.00	16.00	12.00	0.00	0.00	0.00	12.00	100.00
B+	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12.50	25.00	0.00	0.00	0.00	0.00	0.00	25.00	0.00	37.50	100.00
B	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50.00	16.67	0.00	0.00	0.00	16.67	16.67	0.00	0.00	0.00	100.00
B-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	100.00
CCC to C	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.09	0.00	0.00	9.09	18.18	9.09	27.27	0.00	0.00	27.27	100.00

## Fitch Global Financial Institutions Excluding Insurance Default Rates

(%)

	One-Year 2010 Cohort	Three-Year 2008 Cohort	10-Year 2001 Cohort
AAA	0.00	0.00	0.00
AA+	0.00	0.00	0.00
AA	0.00	0.00	0.00
AA-	0.00	1.50	0.00
A+	0.00	0.00	0.68
A	0.00	3.13	4.79
A-	0.00	1.26	0.00
BBB+	0.00	0.00	1.98
BBB	0.00	5.98	6.59
BBB-	0.00	5.68	9.59
BB+	0.00	21.57	1.96
BB	0.00	6.82	35.71
BB-	0.00	6.67	7.32
B+	0.00	6.67	14.29
B	1.89	6.06	0.00
B-	0.00	2.04	0.00
CCC to C	14.29	30.77	12.50

Source: Fitch.

## Fitch Global Insurance One-Year Transition: 2010 Cohort

(% Modifier Level)

	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC to C	D	Total
AAA	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA+	0.00	40.00	20.00	40.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA-	0.00	0.00	0.00	50.00	50.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
A+	0.00	0.00	0.00	0.00	73.08	26.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
A	0.00	0.00	0.00	0.00	0.00	96.00	4.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
A-	0.00	0.00	0.00	0.00	0.00	3.13	93.75	3.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
BBB+	0.00	0.00	0.00	0.00	0.00	0.00	11.43	80.00	8.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
BBB	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11.11	88.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
BBB-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11.11	22.22	66.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
BB+	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	33.33	0.00	66.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
BB	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
BB-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
B+	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50.00	50.00	0.00	0.00	0.00	0.00	100.00
B	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CCC to C	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

## Fitch Global Insurance Three-Year Transition: 2008 Cohort

AAA	25.00	25.00	0.00	50.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA+	0.00	50.00	50.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA	0.00	0.00	0.00	21.43	21.43	14.29	7.14	0.00	21.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14.29	100.00
AA-	0.00	0.00	0.00	16.67	40.00	26.67	10.00	6.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
A+	0.00	0.00	0.00	0.00	34.38	21.88	21.88	9.38	12.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
A	0.00	0.00	0.00	0.00	0.00	68.42	5.26	26.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
A-	0.00	0.00	0.00	0.00	0.00	8.70	73.91	13.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.35	100.00
BBB+	0.00	0.00	0.00	0.00	0.00	0.00	8.70	56.52	30.43	0.00	0.00	0.00	4.35	0.00	0.00	0.00	0.00	0.00	100.00
BBB	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11.76	70.59	11.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.88	100.00
BBB-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50.00	0.00	0.00	0.00	0.00	50.00	0.00	0.00	0.00	0.00	0.00	100.00
BB+	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	66.67	0.00	33.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
BB	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	100.00
BB-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
B+	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CCC to C	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

## Fitch Global Insurance 10-Year Transition: 2001 Cohort

AAA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA+	0.00	0.00	20.00	0.00	60.00	20.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA	0.00	0.00	0.00	0.00	50.00	16.67	16.67	0.00	16.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
AA-	0.00	0.00	0.00	0.00	20.00	20.00	10.00	20.00	30.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
A+	0.00	0.00	0.00	0.00	16.67	33.33	16.67	16.67	16.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
A	0.00	0.00	0.00	0.00	11.11	33.33	33.33	11.11	11.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
A-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50.00	100.00
BBB+	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50.00	50.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
BBB	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
BBB-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BB+	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BB	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BB-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	100.00
B+	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CCC to C	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

## Fitch Global Insurance Default Rates

(%)

	One-Year 2010 Cohort	Three-Year 2008 Cohort	10-Year 2001 Cohort
AAA	0.00	0.00	0.00
AA+	0.00	0.00	0.00
AA	0.00	10.00	0.00
AA-	0.00	0.00	0.00
A+	0.00	0.00	0.00
A	0.00	0.00	0.00
A-	0.00	3.03	20.00
BBB+	0.00	0.00	0.00
BBB	0.00	4.76	0.00
BBB-	0.00	0.00	0.00
BB+	0.00	0.00	0.00
BB	0.00	0.00	0.00
BB-	0.00	0.00	66.67
B+	0.00	0.00	0.00
B	0.00	0.00	0.00
B-	0.00	0.00	0.00
CCC to C	0.00	0.00	0.00

Source: Fitch.

## Fitch-Rated Defaults 2010

Issuer Name	Rating at Beginning of Year <sup>a</sup>	Industry Sector	Country
Amcore Bank, N.A.	C	Banking and Finance	United States
Amcore Financial Inc.	C	Banking and Finance	United States
American Capital Ltd.	C	Banking and Finance	United States
Blockbuster Inc.	CCC	Industrials	United States
Independencia S.A.	CCC	Industrials	Brazil
International Industrial Bank	B	Banking and Finance	Russian Federation
PT Arpeni Pratama Ocean Line Tbk	CCC	Industrials	Indonesia
PT Central Proteinaprima Tbk	CC	Industrials	Indonesia
SANLUIS Corp., S.A. de C.V.	CC	Industrials	Mexico
SANLUIS Rassini Autopartes, S.A. de C.V.	CC	Industrials	Mexico
Tristan Oil Ltd.	C	Industrials	Kazakhstan
UCBH Holdings, Inc.	C	Banking and Finance	United States
WIND Hellas Telecommunications S.A.	CCC	Industrials	Greece

<sup>a</sup>Fitch rating at the beginning of the year or initial rating.  
Source: Fitch.

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