

Corporate Average Cumulative Default Rates by Credit Rating

1920–2012 Rating	Cumulative Default Rate (%)			
	One Year	Three Year	Five Year	10 Year
Aaa	0.00	0.03	0.17	0.87
Aa	0.07	0.35	0.84	2.50
A	0.10	0.64	1.38	3.62
Baa	0.29	1.54	3.10	7.11
Ba	1.35	5.46	9.92	19.27
B	3.80	13.72	22.06	35.89
Caa-C	14.02	31.21	41.40	53.89
Average Cumulative Default Rates for Investment-Grade Bonds (%)	0.16	0.88	1.82	4.45
Average Cumulative Default Rates for Speculative-Grade Bonds (%)	3.86	11.81	18.34	29.38
Number of Times More Risky Speculative-Grade Bonds Are Than Investment-Grade Bonds*	24.1	13.4	10.1	6.6

Source: **Corporate Default and Recovery Rates, 1920–2012**. Moody's Investors Service, February 2013.
 Information from sources deemed reliable, but its accuracy cannot be guaranteed. Performance is historical and does not guarantee future results.
 *Some numbers may not add up correctly due to rounding.
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