

# Medium-Sized Enterprises

## Annual observed recovery rate trends

June 2025

### Recoveries: Past patterns, present pressures

#### 2025 Outlook

Tightening financial conditions and heightened market volatility continue to elevate global financial stability risks. However, corporate fundamentals are still sound and balance sheets broadly resilient. The rise of private credit and non-bank exposures are reshaping where risk resides. The climate crisis, once longterm but increasingly immediate, is adding new dimensions to financial risk. Our data indicates that corporate lending remained resilient during uncertain periods in financial markets.

#### Corporate Defaults in the Global Credit Data Loss Database

We have collected bank internal loss and recovery data from 50+ global banks since 2000. Historical observed recovery rates and time to peak recovery are shown here by common risk drivers: collateral and seniority, region and industry. GCD members receive raw granular data in many more categories for deeper analysis.

#### Drivers of Loss

Seniority and Collateral are observed as affecting recoveries. Secured recovery is higher than unsecured, particularly where a strong (primary) collateral is held. GCD has its strongest database in Europe and North America, which register similar figures. Latin America shows relatively low recoveries.

**Observed Recovery Rate** refers to the historically observed nominal average recovery cash flows divided by outstanding at default. It is based on resolved loans for years 2000-2019.

**Time to Peak Recovery** is calculated as the center point of recovered cash flow.

**Primary Collateral** is Cash, Marketable Securities, Ships, Airplanes, Real Estate and Other Objects. **Secondary Collateral** is all other collaterals.

<b>95,700</b>	<b>80%</b>	<b>1.3</b>
<b>Number of Facilities</b>	<b>Observed Recovery Rate</b>	<b>Time to Peak Recovery</b>

		Nr of Facilities	Observed Recovery Rate
Secured	Primary	37,213	84%
	Secondary	33,771	75%
	Total	70,984	80%
Unsecured	Senior	21,348	79%
	Subordinated	408	58%
	Other	2,960	84%
Total		24,716	79%
Africa & Middle East		1,314	82%
Asia & Oceania		3,739	79%
Europe		54,083	80%
Latin America		2,014	69%
North America		34,543	79%

Agriculture	4,701	86%
Communications	1,627	78%
Construction	10,227	78%
Hotels and Restaurants	3,594	79%
Manufacturing	18,296	81%
Mining	864	80%
Other	6,503	79%
Other Services	13,046	78%
Real Estate	10,524	82%
Social/Health Services	4,365	76%
Transportation	3,751	80%
Utilities	565	82%
Wholesale/Retail Trade	17,637	78%

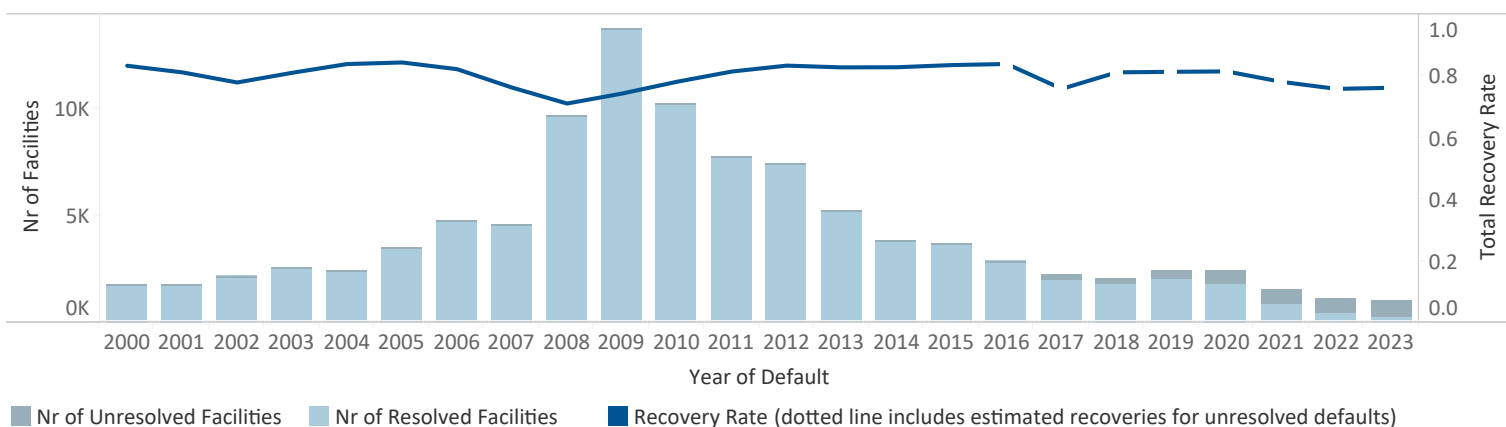
### Recoveries and losses in crisis times; What do decades of defaults reveal about risk, response and recovery

The next crisis may not resemble the last, but it will once more test recoveries. GCD's long run dataset shows that not all downturns affect recovery in the same way. The global financial crisis (GFC) originated within the financial system itself and resulted in recoveries well below the long-term average. In contrast, Covid-19 was an external shock. This crisis brought a small rise in defaults, but recoveries held at 82%.

These results provide a rare empirical view of how recoveries behave under stress across two very different global crises. Banks use this data to model downturn scenarios, conduct regulatory stress tests and understand the broader macrofinancial forces that influence losses. A recent joint study by GCD and ECB ([LGD and macroeconomic conditions](#)) explores this further.

	Total Recovery Rate	Observed Recovery Rate	Time to Peak Recovery
COVID 2020	82%	83%	0.8
GFC 2008-2009	73%	73%	1.6
Other Years	81%	82%	1.2

Total Recovery Rate includes estimated values for unresolved defaults while Observed Recovery Rate is based on resolved defaults only. See [GCD LGD for Unresolved Defaults Methodology](#) for more details.



# Small-Sized Enterprises

## Annual observed recovery rate trends

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### Recoveries: Past patterns, present pressures

#### 2025 Outlook

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#### Corporate Defaults in the Global Credit Data Loss Database

We have collected bank internal loss and recovery data from 50+ global banks since 2000. Historical observed recovery rates and time to peak recovery are shown here by common risk drivers: collateral and seniority, region and bank type. GCD members receive raw granular data in many more categories for deeper analysis.

#### Drivers of Loss

Seniority and Collateral are observed as affecting recoveries. Secured recovery is higher than unsecured, particularly where a strong (primary) collateral is held. GCD has its strongest database in Europe. Africa & Middle East shows relatively low recovery rates.

**Observed Recovery Rate** refers to the historically observed nominal average recovery cash flows divided by outstanding at default. It is based on resolved loans for years 2000-2019.

**Time to Peak Recovery** is calculated as the center point of recovered cash flow.

**Primary Collateral** is Cash, Marketable Securities, Ships, Airplanes, Real Estate and Other Objects. **Secondary Collateral** is all other collaterals.

62,436

Number of  
Facilities

66%

Observed  
Recovery Rate

1.3

Time to Peak  
Recovery

		Nr of Facilities	Observed Recovery Rate
Secured	Primary	10,786	78%
	Secondary	24,659	64%
	Total	35,445	68%
Unsecured	Senior	15,517	63%
	Subordinated	85	60%
	Other	11,389	66%
	Total	26,991	64%

Africa & Middle East	2,538	58%
Asia & Oceania	2,990	85%
Europe	41,588	68%
Latin America	836	64%
North America	14,483	59%

Agriculture	1,312	75%
Communications	1,284	63%
Construction	7,019	65%
Hotels and Restaurants	2,825	66%
Manufacturing	9,039	70%
Mining	315	73%
Real Estate	2,960	73%
Social/Health Services	1,760	69%
Other Services	12,606	63%
Transportation	3,725	67%
Utilities	319	67%
Wholesale/Retail Trade	13,415	63%
Other	5,857	68%

### Recoveries and losses in crisis times; What do decades of defaults reveal about risk, response and recovery

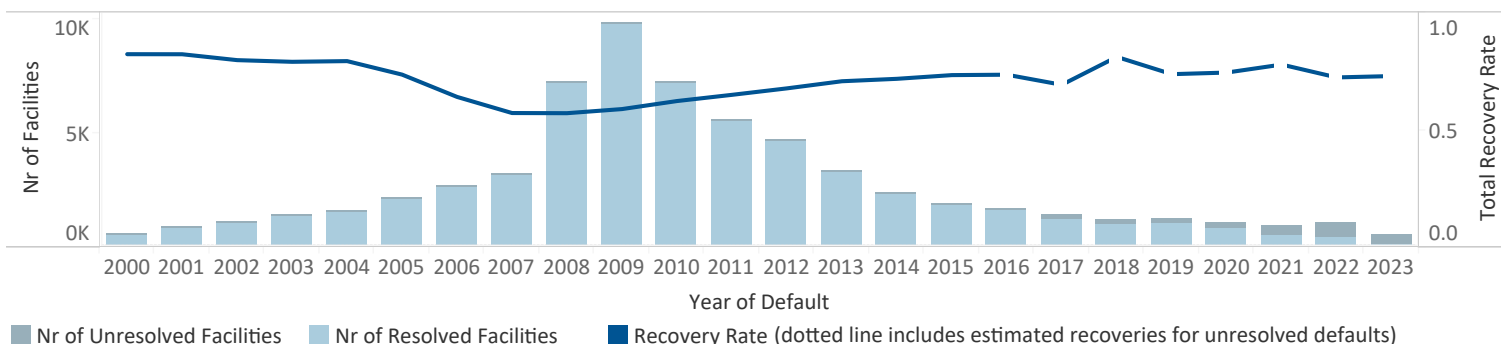
The next crisis may not resemble the last, but it will once more test recoveries. GCD's long run dataset shows that not all downturns affect recovery in the same way. The global financial crisis (GFC) originated within the financial system itself and resulted in recoveries well below the long-term average. In contrast, Covid-19 was an external shock. This crisis brought a small rise in defaults, but recoveries held at 74%.

These results provide a rare empirical view of how recoveries behave under stress across two very different global crises. Banks use this data to model downturn scenarios, conduct regulatory stress tests and understand the broader macrofinancial forces that influence losses. A recent joint study by GCD and ECB ([LGD and macroeconomic conditions](#)) explores this further.

	Total Recovery Rate	Observed Recovery Rate	Time to Peak Recovery
COVID 2020	74%	77%	0.7
GFC 2008-2009	58%	58%	1.6
Other Years	69%	69%	1.2

Total Recovery Rate includes estimated values for unresolved defaults while Observed Recovery Rate is based on resolved defaults only. See [GCD LGD for Unresolved Defaults Methodology](#) for more details.

### Recovery Rates by Year of Default



Global Credit Data maintains the world's most exhaustive and high quality, member-bank contributed data source for credit risk.



### More from Global Credit Data

This report draws on verified information collected from 50+ global or regional banks over 20 years and covers over 300,000 defaulted facilities in total.

[Explore our other reports.](#) They provide an instant insight into observed Recovery Rates and other key benchmarks for various exposure classes, industry sectors and collateral types:

Corporates, Banks and Financial Institutions, Sovereigns, Real Estate Finance, Shipping Finance, Aircraft Finance.

To meet the standards set by global regulations like BCBS239 or RDARR GCD has established a robust framework to continuously measure, monitor and improve [data quality](#).

### About

At GCD we pool credit loss data directly from banks' books, providing vital insights into the financial industry since 2004. As a non-profit organization owned by over 50 member banks we focus on collecting detailed credit risk data, particularly for low default portfolios.

Beyond data pooling we offer a platform to exchange knowledge and foster research. We are actively engaged in understanding and assessing climate risk, demonstrating our commitment to addressing contemporary and future financial challenges.

Joining GCD grants you access to an exclusive community of banks and deep data insights. Gain market understanding and benchmark your performance.

[www.globalcreditdata.org](http://www.globalcreditdata.org)

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