Global Credit Data
by banks for banks

LARGE CORPORATES
PD AND DEFAULT RATE REPORT 2025

87,461
Cohort size

0.79%
Default rate

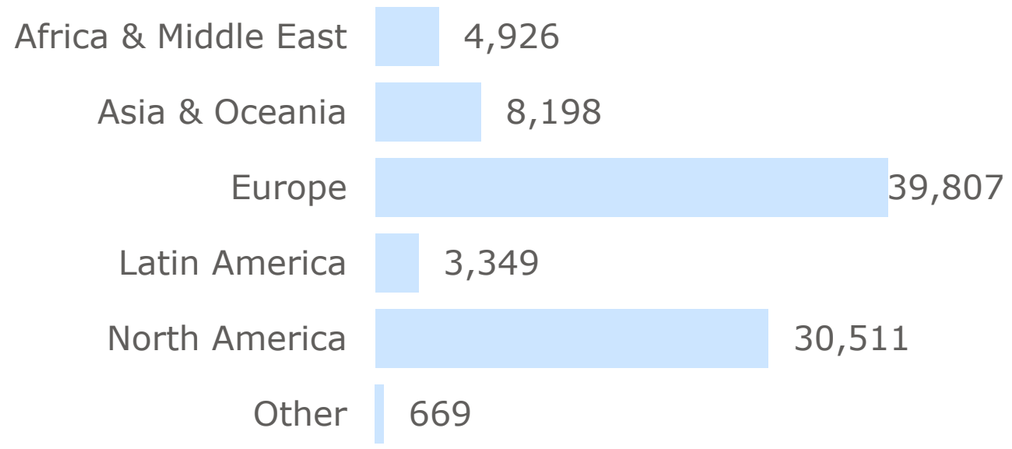
2007-2024
History coverage

Over 85,000 borrowers in our PD database

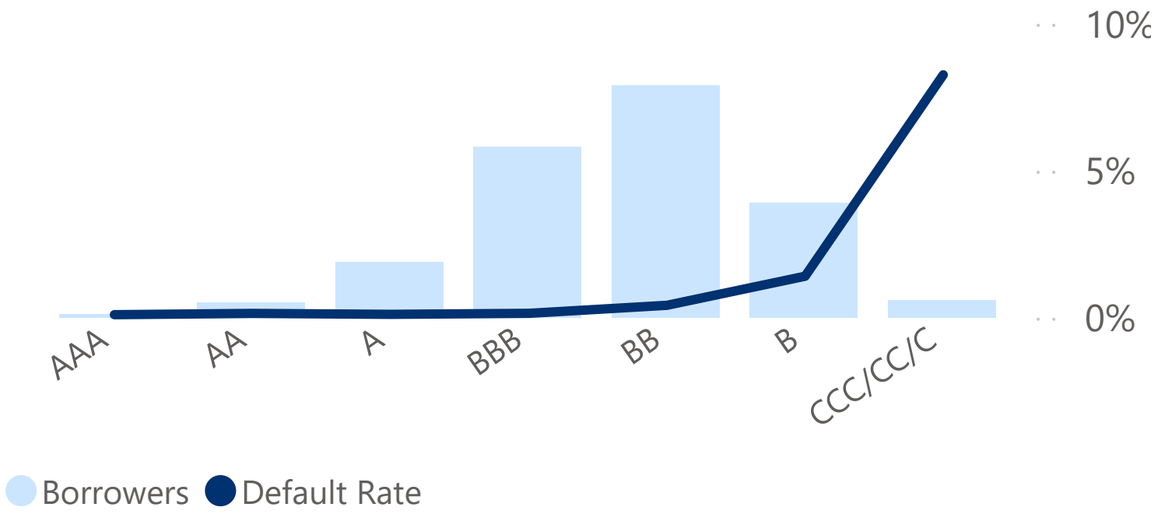
We have been collecting internal PD and default data from over 50 global banks since 2007. This report covers global corporate obligors across a wide range of industries. The dataset is particularly strong in Europe and North America, with the largest representation from the manufacturing, wholesale, and retail trade sectors.

Member banks have access to granular data at the country and industry-code level. They use it for detailed analyses such as credit quality monitoring, asset correlation studies, and risk modelling. These applications enhance the accuracy of internal models and strengthen risk management practices across institutions.

Borrowers by region

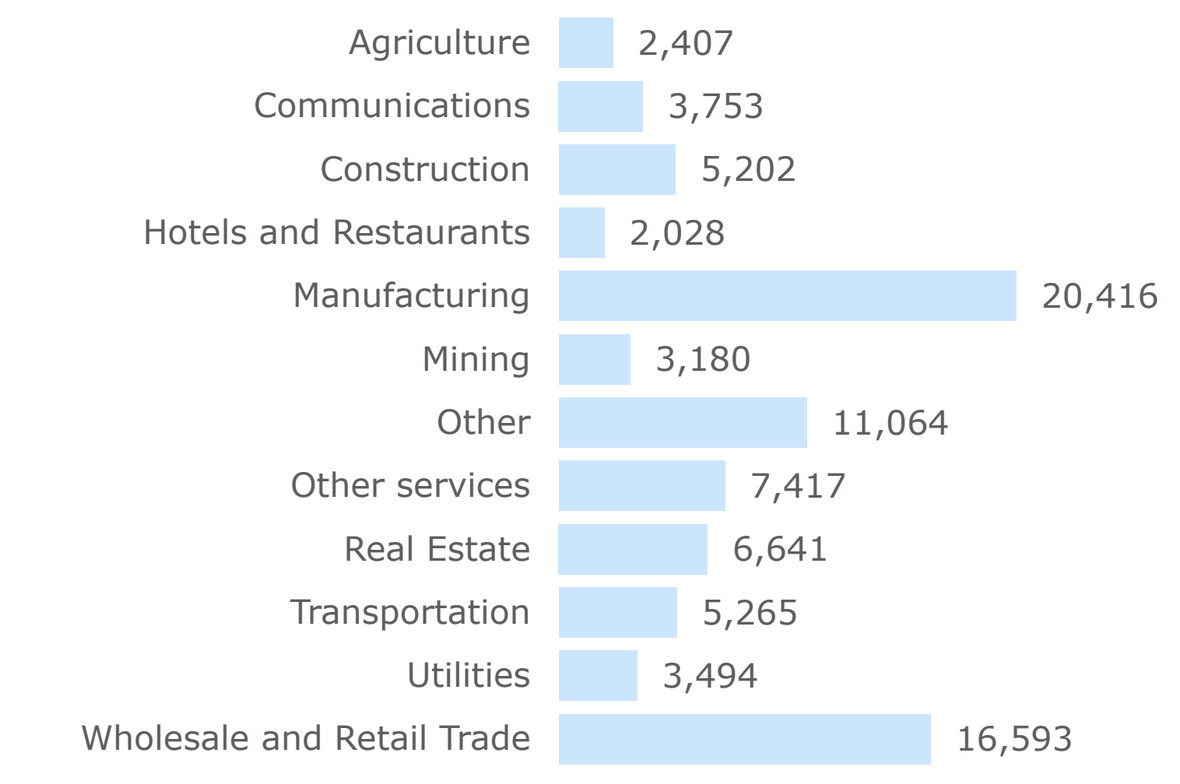


Rating grade and default rate



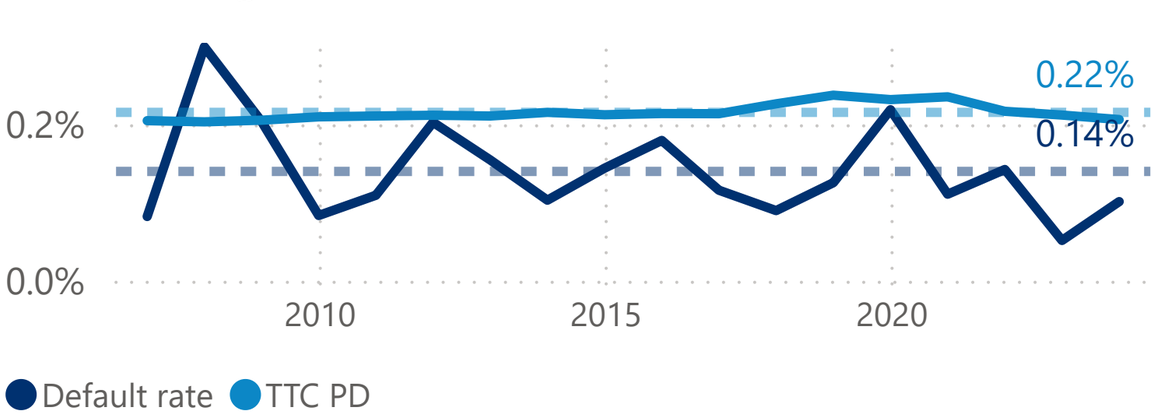
The chart shows the typical distribution of borrowers across rating classes, with the majority concentrated in the mid-grades (BBB to B). The curve shows the expected exponential rise in default rates as credit quality deteriorates.

Borrowers by industry

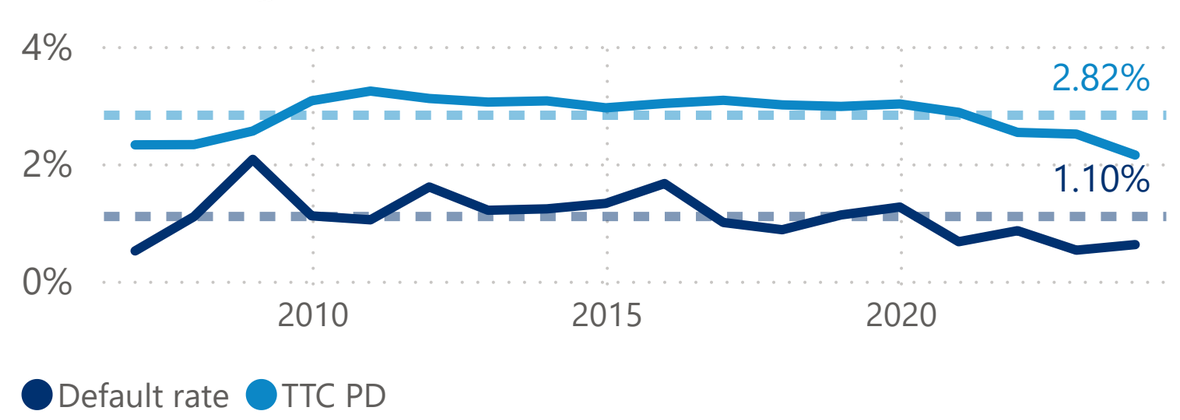


PD and default rate over time in investment and speculative grades

Investment grade



Speculative grade



The through-the-cycle probability of default (TTC PD) remains stable over time at 0.22% for investment-grade and 2.82% for speculative-grade exposures. The observed default rate is typically lower than the PD. This reflects regulatory buffer requirements, except during the 2008 Global Financial Crisis, in investment grade.

Both PDs and default rates show a declining trend in the post-Covid period, indicating improved credit quality and stable risk profiles across rating segments.

DEFAULT RATE: observed proportion of performing borrowers at the beginning of the year that experience a default event within a one-year period.

COHORT SIZE: count of performing borrowers on January 1st of each year of the dataset. The overall cohort size is calculated by averaging the yearly cohort sizes

MORE FROM GLOBAL CREDIT DATA

Based on internal ratings from 50+ member banks, Global Credit Data monitors the rating migrations on the basis of more than 85,000 Large Corporate borrowers over the last +15 years.

This dashboard is based on the PD & Rating Platform, find more information on our website.

Explore our other dashboards. 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, GCD has established a robust framework to measure, monitor and improve data quality.

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ABOUT GCD

At GCD, our mission since 2004 has been to empower banks and the financial industry with a deep understanding of credit risk through a unique data source. As a non-profit organisation owned by 50+ member banks, we collect valuable data directly from banks' books.

Our activities revolve around pooling credit data, particularly from low default portfolios. Beyond data pooling we foster knowledge exchange, facilitate research and information sharing services, creating a dynamic environment for insights and collaboration.

Join our community to access exclusive data insights, gain market understanding, and benchmark your performance against industry peers.

WWW.GLOBALDREDITDATA.ORG

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