Global Credit Data
by banks for banks

RECOVERY RATE REPORT 2026
CORPORATES

187,969	75%	1.3
Facilities	Observed recovery rate	Time to peak recovery

Close to 200.000 defaults in GCD's LGD database

For lenders a default is only the beginning of the loss story. What matters next is recovery: how much the bank gets back, how quickly, and what explains the difference between a manageable loss and a severe one.

We have collected bank internal loss and recovery data from 50+ global banks. This provides a rare empirical view of recovery performance across 25 years of credit cycles.

Drivers of loss

Here, we show historical observed recovery rates by common risk drivers: collateral and seniority, region and industry. Secured facilities recover more than unsecured ones on average, particularly when backed by primary collateral.

Europe and North America, where GCD's data is strongest, show broadly similar outcomes; recoveries in Africa and the Middle East are lower. Sector matters too: agricultural, real estate and mining lead the table, while construction and services lag behind.

Turning recovery data into risk insight

This makes the dataset practical, not just descriptive. In an environment of closer supervisory scrutiny under IFRS9 and Basel 3.1, observed recovery data helps banks preplace assumptions with evidence. GCD members receive data in many more categories. They use this to model the underlying risks, analyse downturn scenarios and support regulatory stress testing.

Seniority and collateral

	Facilities	Observed recovery rate
Secured	**123,769**	**76%**
Primary	54,002	82%
Secondary	69,767	72%
Unsecured	**64,200**	**73%**
Other	16,109	71%
Senior	47,264	74%
Subordinated	827	61%
Total	**187,969**	**75%**

Industry

	Facilities	Observed recovery rate
Agriculture	6,673	83%
Communications	4,384	74%
Construction	19,066	73%
Hotels and Restaurants	7,199	74%
Manufacturing	35,138	78%
Mining	2,577	81%
Other Services	28,451	72%
Real Estate	15,769	80%
Social and Health Services	6,838	74%
Transportation	9,343	75%
Unknown	15,754	74%
Utilities	1,636	80%
Wholesale and Retail Trade	35,141	73%

Region

	Facilities	Observed recovery rate
North America	60,941	75%
Latin America	4,939	69%
Europe	108,509	76%
Asia & Oceania	9,038	80%
Africa & Middle East	4,542	67%

Recoveries and losses in crisis times

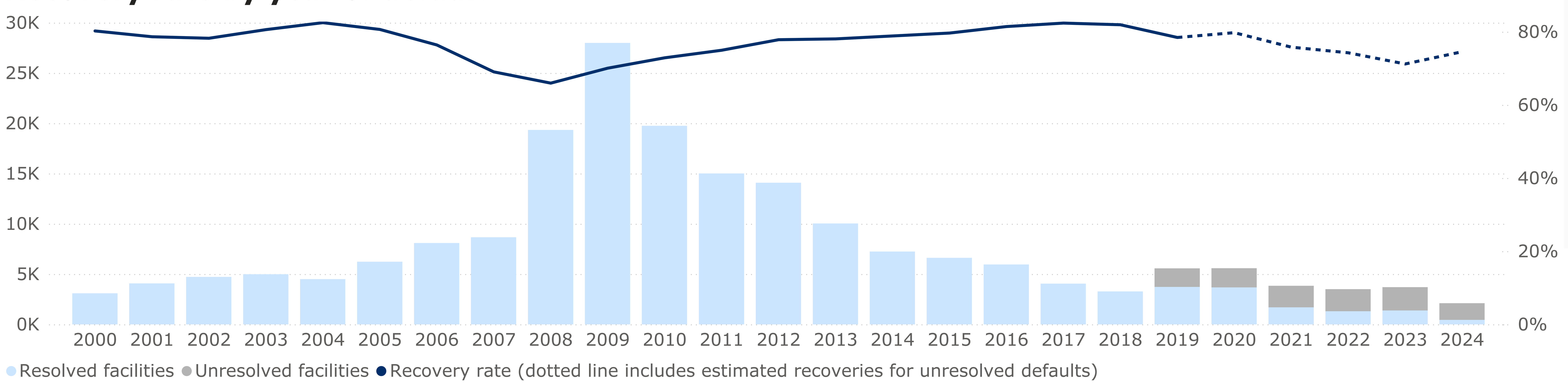
The next crisis may not resemble the last, but it will again test recoveries. GCD's long run dataset shows that not all downturn affect recovery in the same way.

The global financial crisis (GFC) originated within the financial system and pushed recovery rates well below the long-term average. In contrast, Covid was an external shock and recoveries held up.

Crisis period	Total recovery rate	Observed recovery rate	Time to peak recovery
2008-2009 (GFC)	68%	68%	1.6
2020 (Covid)	79%	83%	0.8
Other years	77%	77%	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.

Recovery rate by year of default



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 300,000 facilities over the last 20+ years.

This report is based on the LGD Platform, find more information on our website.

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, GCD has established a robust framework to measure, monitor and improve data quality.

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.

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