Global Credit Data
by banks for banks

RECOVERY RATE REPORT 2026
SMALL-SIZED CORPORATES

62,938	66%	1.3
Facilities	Observed recovery rate	Time to peak recovery

25 years of recovery experience

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 report focuses on small and medium-sized enterprises (SME) defined here as companies with annual turnover below €50mn.

To show differences within the SME segment, this page presents results for small-sized enterprises while the next page covers medium-sized enterprises.

Drivers of loss

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 communication and services lag behind.

Seniority and collateral

	Facilities	Observed recovery rate
Secured	**35,759**	**68%**
Primary	10,825	78%
Secondary	24,934	64%
Unsecured	**27,179**	**64%**
Other	11,540	65%
Senior	15,552	63%
Subordinated	87	61%
Total	**62,938**	**66%**

Industry

	Facilities	Observed recovery rate
Agriculture	1,316	75%
Communications	1,272	64%
Construction	7,094	65%
Hotels and Restaurants	2,829	67%
Manufacturing	9,080	70%
Mining	319	73%
Other Services	12,594	64%
Real Estate	3,076	73%
Social and Health Services	1,805	68%
Transportation	3,773	67%
Unknown	6,268	67%
Utilities	319	67%
Wholesale and Retail Trade	13,193	63%

Region

	Facilities	Observed recovery rate
Africa & Middle East	2,540	58%
Asia & Oceania	2,986	85%
Europe	41,624	68%
Latin America	829	64%
North America	14,959	60%

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 downturns affect recovery in the same way.

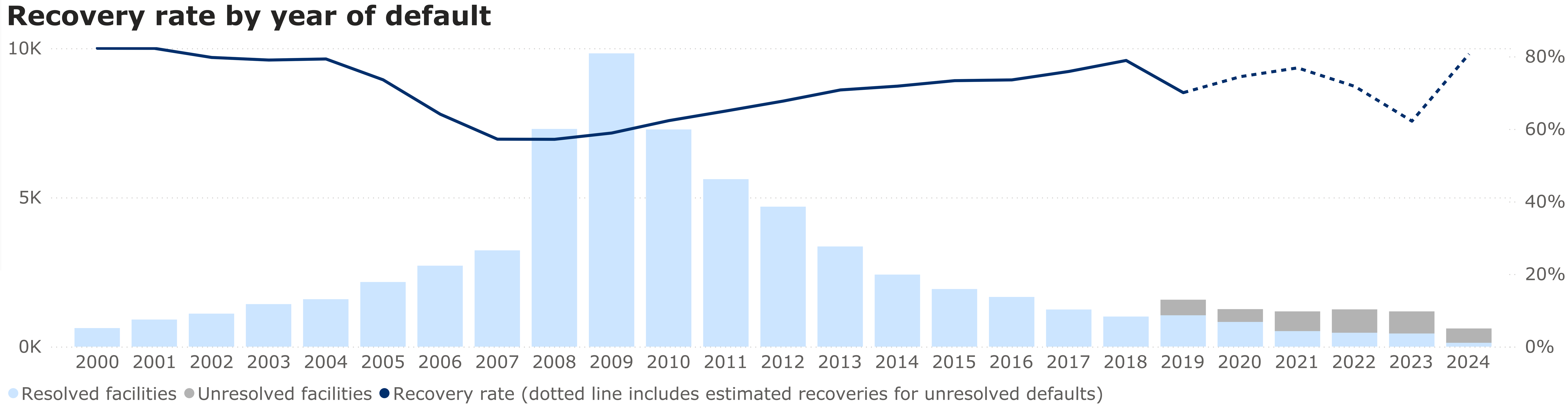
The global financial crisis (GFC) originated within the financial system and pushed recovery rates well below the long-term average. In contrast, Covid was an external shock and recoveries held up.

Crisis period

	Total recovery rate	Observed recovery rate	Time to peak recovery
2008-2009 (GFC)	58%	58%	1.6
2020 (Covid)	74%	78%	0.8
Other years	72%	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]().

Recovery rate by year of default



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RECOVERY RATE REPORT 2026
MEDIUM-SIZED CORPORATES

96,504	79%	1.3
Facilities	Observed recovery rate	Time to peak recovery

Medium-sized corporates show stronger recoveries

Recovery outcomes for medium-sized enterprises are stronger overall than for small-sized enterprises. The observed recovery rate is 79% compared with 66% on the previous page, while the time to peak recvovey remains at 1.3 years.

Primary collateral again records the highest recoveries. Regional outcomes are broadly consistent across Europe, North America and Asia and Oceania, while Latin America records a lower recovery rate. Differences across industries range from 76% to 86%.

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.

Observed recovery rate refers to the historically nominal average recovery cash flows divided by outstanding at default

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 collateral.

Small-sized enterprises are SME facilities with a default amount of €150,000 or less. **Medium-sized enterprises** are SME facilities with a default amount above €150,000.

Seniority and collateral

	Facilities	Observed recovery rate
Secured	**71,644**	**80%**
Primary	37,381	84%
Secondary	34,263	75%
Unsecured	**24,860**	**79%**
Other	2,972	84%
Senior	21,477	79%
Subordinated	411	58%
Total	**96,504**	**79%**

Industry

	Facilities	Observed recovery rate
Agriculture	4,765	86%
Communications	1,554	79%
Construction	10,311	78%
Hotels and Restaurants	3,643	79%
Manufacturing	18,321	81%
Mining	884	80%
Other Services	13,011	78%
Real Estate	10,708	82%
Social and Health Services	4,442	76%
Transportation	3,785	80%
Unknown	7,210	79%
Utilities	565	82%
Wholesale and Retail Trade	17,305	78%

Region

	Facilities	Observed recovery rate
Africa & Middle East	1,320	82%
Asia & Oceania	3,723	79%
Europe	54,365	80%
Latin America	1,873	67%
North America	35,223	79%

Recoveries and losses in crisis times

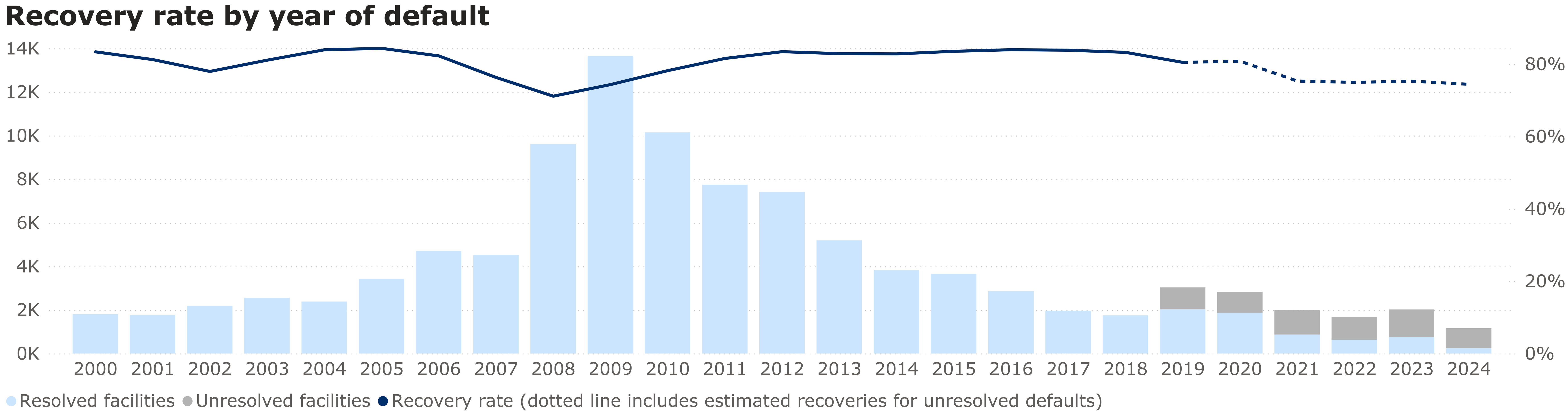
Medium-sized enterprises also show stronger recovery outcomes during periods of stress. their observed recovery rate was 73% during the global financial crisis, compared with 58% for small-sized enterprises. During Covid, the corresponding rates were 80% and 74%.

Crisis period

	Total recovery rate	Observed recovery rate	Time to peak recovery
2008-2009 (GFC)	73%	73%	1.6
2020 (Covid)	80%	83%	0.9
Other years	80%	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.

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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