

Observed Recovery Rate Dashboard Sovereigns, Central Banks and Municipalities

April 2021

Banks recover 93% from Sovereign, Central Banks and Municipality defaults

Key Findings

- Every sovereign default has its own unique story. Where a sovereign default gets restructured or replaced by new debt without any principal haircut then the loan is booked as a 100% recovery.

Seniority and Collateral

Very few loans to this category of borrower have collateral. The small number of secured cases all repaid in full.

Region

All regions appear to have similar rates of recovery. GCD members receive country level data for deeper analysis.

Sovereign Types

Many of the default cases here are States, Provinces and Municipalities, which may or may not benefit from Sovereign guarantees. The 58 Sovereign defaults represent 30 different defaults events from 19 different countries. Some countries default several times consecutively, some defaults are reported by several lenders.

Recoveries and Losses in Crisis Times

The long timespan of the GCD database and the detailed cash flow data allow for dedicated analysis by year of default. Higher numbers of defaults are observed during the financial crisis starting in 2008.

Note on Terms Used (see [Appendix](#) for more details)

Observed Recovery Rate refers to the historically observed nominal average recovery cash flows divided by outstanding at default.

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

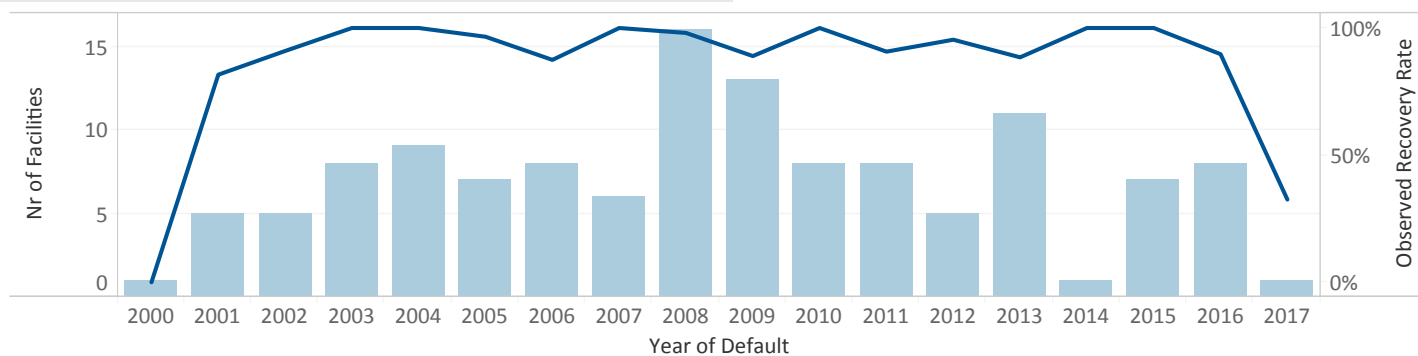
Primary Collateral is Cash, Marketable Securities, Ships, Airplanes, Real Estate and Other Objects. **Secondary Collateral** is all other collaterals.

	Nr of Facilities	Observed Recovery Rate	Time to Peak Recovery
Grand Total	127	93%	1.1

Secured	Primary	3	100%	1.9
	Secondary	22	98%	1.3
Total	25	98%	1.4	
Unsecured	Senior	96	92%	1.1
	Other	6	84%	0.7
	Total	102	92%	1.1

Africa & Middle East	22	90%	1.4
Asia & Oceania	5	97%	2.2
Europe	22	87%	0.8
Latin America	34	94%	1.3
North America	44	96%	0.9

Sovereigns	58	93%	1.4
Central Banks	5	100%	2.3
Federal States & Pro..	28	89%	0.9
Municipalities	34	94%	0.8
Other Administrative..	2	88%	0.1



About Global Credit Data

Global Credit Data (GCD) is a non-profit association owned by 50+ member banks. GCD operates pooled databases on a “give to get” basis, meaning that members who supply high quality data and receive detailed data in return. The robustness of GCD’s data collection infrastructure place the GCD databases as the global standard for credit risk data pooling.

About this report

This report summarizes Recovery Rates for Sovereigns, in which numerical evidence of recoveries and losses is presented. See other GCD Reports for Corporates and Banks.

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