

### Banks recover 94% 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 54 Sovereign defaults represent 29 different defaults events from 20 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.

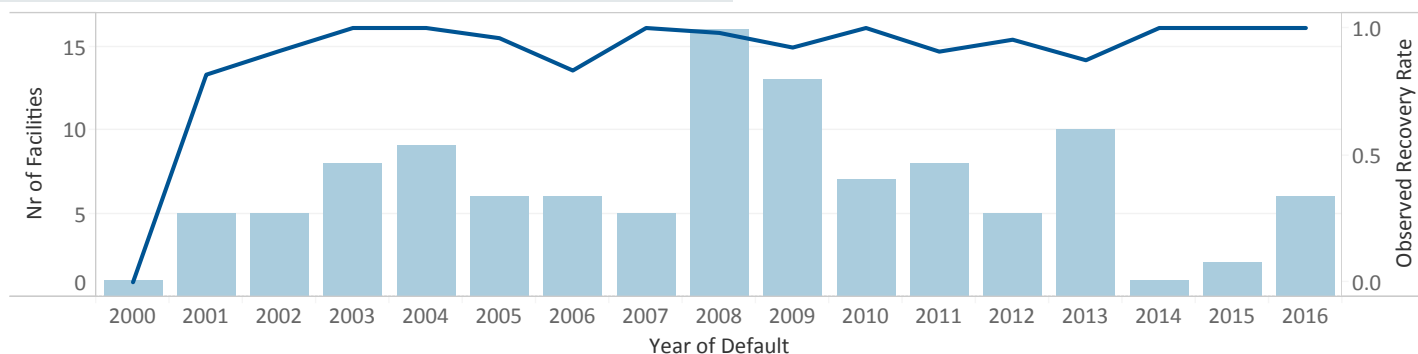
**Primary Collateral** is Cash, Marketable Securities, Ships, Airplanes, Real Estate and Other Objects. **Secondary Collateral** is all other collaterals.

	Nr of Facilities	Observed Recovery Rate	Time to Peak Recovery
Grand Total	113	94%	1.0

Secured	Primary	3	100%	1.9
	Secondary	18	100%	0.9
Total	21	100%	1.0	
Unsecured	Senior	89	93%	1.0
	Other	3	68%	0.3
Total	92	92%	1.0	

Africa & Middle East	18	88%	1.2
Asia & Oceania	5	97%	2.2
Europe	20	86%	0.5
Latin America	32	99%	1.4
North America	38	96%	0.6

Sovereigns	54	94%	1.2
Central Banks	9	100%	1.4
Federal States & Provinces	27	92%	0.9
Municipalities	23	93%	0.4



#### 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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