

News Release

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Global Banks Cite Credit Risk Insurance As One of The Most Important Tools for Credit Risk Mitigation in Latest IACPM Survey; After Strong Growth, though, CRI Usage Stagnated in 2025

New York, NY – Credit portfolio managers responding to the latest IACPM-ITFA global credit risk insurance survey continue to rank private Credit Risk Insurance, or CRI, on single loans as one of the top three most important tools for credit risk mitigation, together with loan sales and synthetic securitizations, or SRTs.

“Credit risk insurance has proven to be an extremely useful method for banks to mitigate exposure at the borrower level and clear capital space to increase lending capacity for large corporate and small, medium enterprises, as well as, project and trade finance,” said Som-lok Leung, executive Director of the International Association of Credit Portfolio Managers, or IACPM.

Over five years, total CRI insured exposure increased from \$130 billion in 2019 to \$191 billion in 2024, as reported by 46 banks participating in the survey. European banks continue to be the dominant users of CRI, with \$129 billion or over 65% of total insured exposure. Banks in the Asia Pacific region, or APAC, accounted for \$29 billion in coverage, while non-EU banks in Europe were covered by \$20 billion. Banks in North America are less likely to employ credit risk insurance, as it is less efficient given current regulatory treatment.

Indeed, the overall volume of insured exposures seems to have begun stagnating in 2025. By June last year, total volume was \$192 billion, barely above the \$191 billion reported at the end of 2024. Members of the IACPM note that CRI is very sensitive to regulatory treatment. Prudential treatment is clearer than it was previously, but

survey respondents say a lack of effective prudential recognition of CRI risk mitigation is one of the top two challenges facing banks interested in using the tool.

“The IACPM and its members are working with policy makers globally to improve transparency and regulations aimed at safeguarding the effective use of CRI, while also strengthening the tool’s ability to help grow global and regional economies,” said Mr. Leung. “It should be noted CRI is proving its reliability. In 2023 and 2024, insurers paid 100% of the claims reported by banks.”

Large corporate loans, including both revolving and term loan facilities, formed the asset class with the highest CRI insured exposure at \$47.5 billion. Project finance was the next largest asset class, with an exposure of \$28.2 billion, followed by trade finance at \$24.6 billion, and asset-based finance at \$15 billion.

Of the insured assets covered by CRI in 2024, 46% are internally rated BBB and 32% are BB equivalent.

About IACPM

The IACPM, with over 160 member institutions located in 31 countries, is a professional association dedicated to the advancement of credit portfolio management. The organization’s programs of meetings, studies, research and advocacy are designed to increase awareness of the value and the function of credit portfolio management among financial and insurance markets worldwide, and to discuss and resolve issues of common interest to its members.