INTERNATIONAL ASSOCIATION OF CREDIT PORTFOLIO MANAGERS

Relevance and Evolution over Time

2025 Global Survey on Credit Risk Insurance

Select High-Level Results

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Executive Summary (Page 1 of 2)

Survey Demographics

- Globally, 46 firms participated in the survey, including 42 banks and four multilateral development banks.
- Ninety-three percent of those contributing to the survey are current users of CRI to mitigate risk in the credit portfolio.
- Almost 90% of the currently active respondents have been users of CRI for risk mitigation for more than three years. Over 40% have been active for more than ten years.

CRI in CPM Risk Mitigation Toolkit

- Credit portfolio managers continue to rank private Credit Risk Insurance (CRI) on single loans as **one of the three most important tools for credit risk mitigation**, next to loan sales and synthetic securitizations (SRT).*
- The **increase of lending capacity** remains banks' main goal when using CRI across any asset class.
- The rationale for choosing **CRI over CDS** continues to be obligors that do not trade in CDS, CDS mismatches, and mark-to-market considerations of CDS hedges.

Volume of Insured Assets

- **Between 2019 and 2024**, the total insured exposure - as reported by the 46 participating banks - **increased** from US$ 130 Billion to **US$ 191 Billion in 2024**, facilitating a total of **US$ 455 Billion in credit transactions**.
    - 90% of insured exposure was reported by banks with total balance-sheet size above US$ 500 Billion.
    - **EU banks** are the dominant users of CRI, with over 65% of total insured exposure, well above banks in APAC and in Europe outside the EU.
    - Between 2019 and 2024, the insured ratio ranged between 39% and 45%.
- **By June 30, 2025**, however, volumes of insured exposures are **stagnating**, remaining at US$ 192 Billion on a total of US$ 440 Billion in credit transactions.
- The **five banks** with the largest aggregate amount of insured exposure **accounted for 55% of the total reported insured exposure**, a slight increase vs end of 2023 (51%).

(*) Source: IACPM 2025 Principles and Practices in Credit Portfolio Management

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Executive Summary (Page 2 of 2)

Insured Assets

- The main insured assets in 2024 are **Project Finance** (US$ 28.2 Billion), **Large Corporate** revolving credit facilities/ term loans (US$ 25.8 Billion/ US$ 21.7 Billion), and **Trade Finance**, receivables, supply chain finance (US$ 24.6 Billion).
- The **rating distribution** of insured exposure remains focused on BBB (46%) and BB (32%) exposures. Many protected obligors are unrated externally and do not trade in the CDS market.

Purpose of Credit Risk Insurance on Loans

- The volume of insured exposure is very sensitive to its regulatory treatment, as **74%** (US$ 134 Billion) of the insured exposure by YE 2024 was protected at least in part **to obtain capital relief** and might not be insured if capital relief was not attained.

Regulatory Challenges

- Contrary to 2023, the regulatory treatment of CRI is now much clearer for participants. However, the ineffectiveness of prudential regulations in recognition of CRI risk mitigation effect is now weighted as high as implementation difficulties in the top 2 challenges faced by participating firms in using CRI.

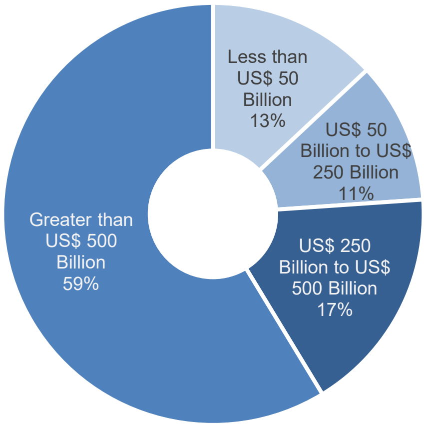
CRI Performance

- In 2023 and 2024, insurers paid 100% of claims reported by banks.

Survey Goals

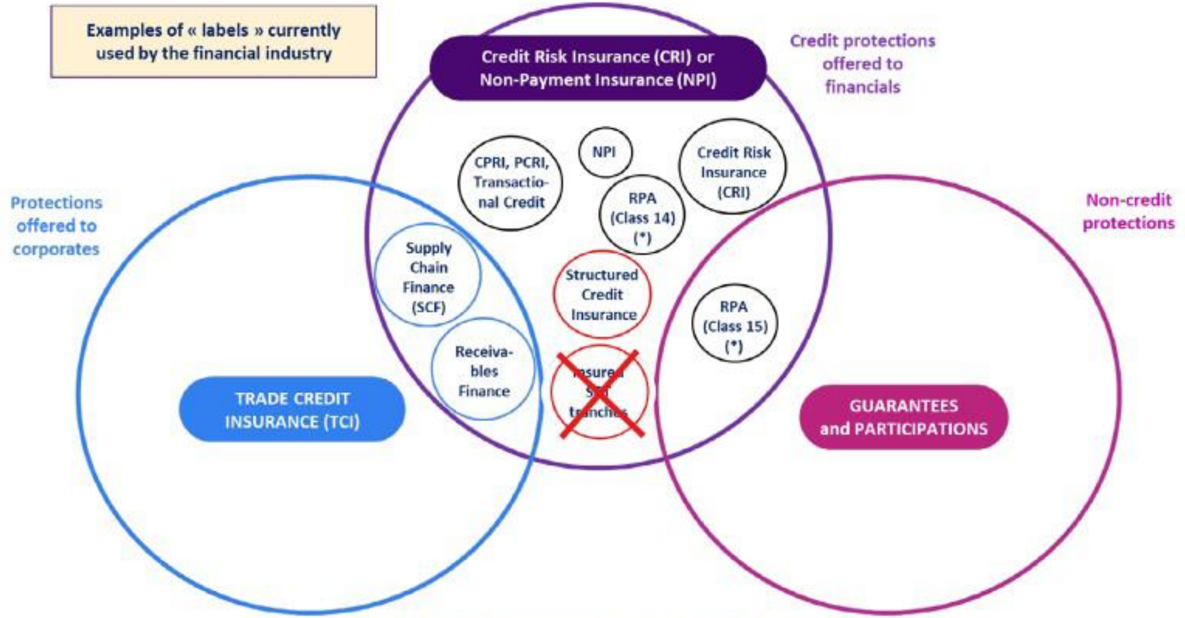
- The IACPM (International Association of Credit Portfolio Managers) and the ITFA (International Trade and Forfaiting Association) have partnered to conduct a biennial survey on Credit Risk Insurance (CRI) used by banks to mitigate the risk of non-payment on loans.
- Conducted since 2019, the survey provides the only available global data source to support banks' CRI practice and regulators globally. Results enable participating banks to confidentially benchmark their CRI practices with those of other leading financial firms and inform the discussion with prudential policy makers globally.
- Since the last iteration in 2023 (results available here), the IACPM has established a standard terminology for the universe of credit protections offered by insurance companies and used by banks, which has been summarized and published in this document.
- The scope of this survey corresponds to the IACPM standard terminology for CRI, excluding insurance on tranches of traditional and synthetic SRT securitizations. Insured SRT tranches are covered by a separate IACPM survey.

Participating Firms' Balance Sheet Size (N = 46)



Survey Scope

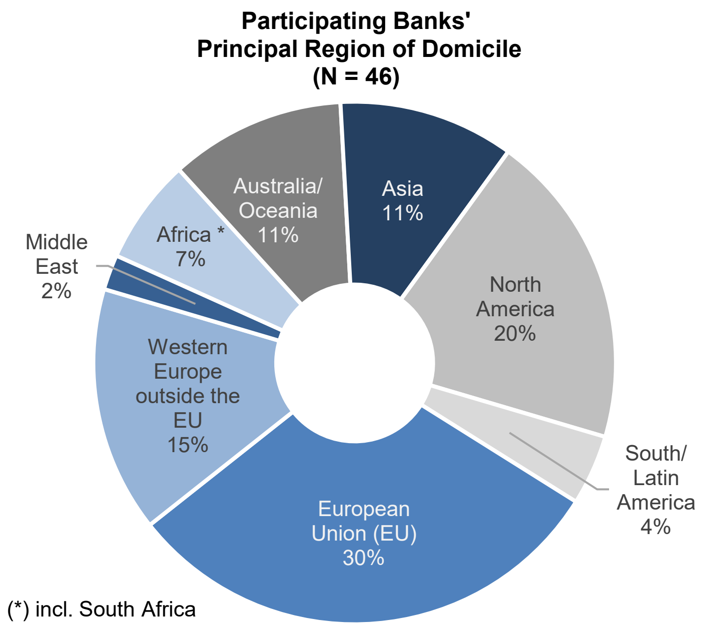
As shown in the purple group titled CRI or NPI.

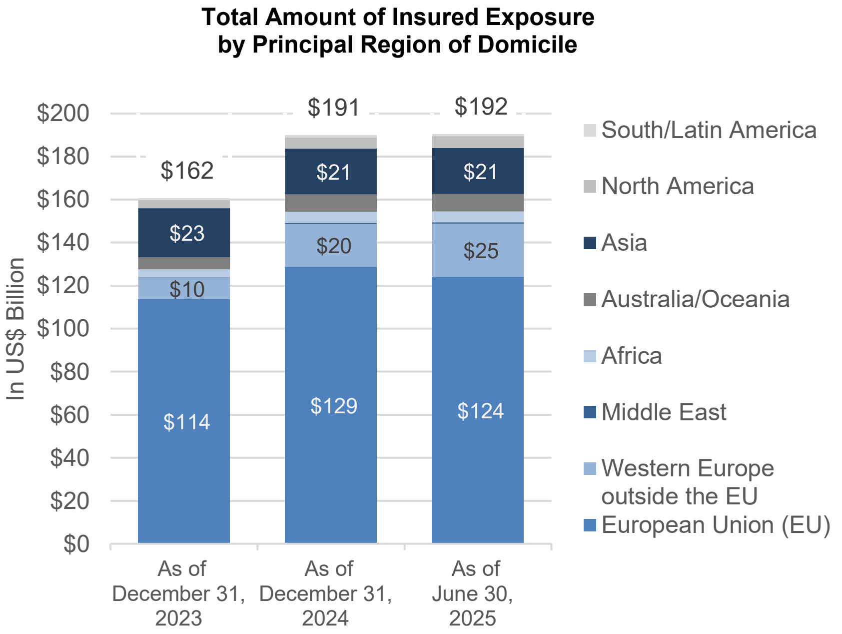


(*) **Class 14** and **Class 15** refer respectively to Credit and Suretyship (**C&S**) in international classifications of non-life insurance (OECD, EU, UK, Hong Kong, etc)

Regional Diversification of Participants and Insured Exposure

Despite the global distribution of participating firms, over three-quarters (78%) of the reported total insured exposure as of June 30, 2025, has been contracted by firms domiciled in Europe (EU 65% and non-EU 13%).

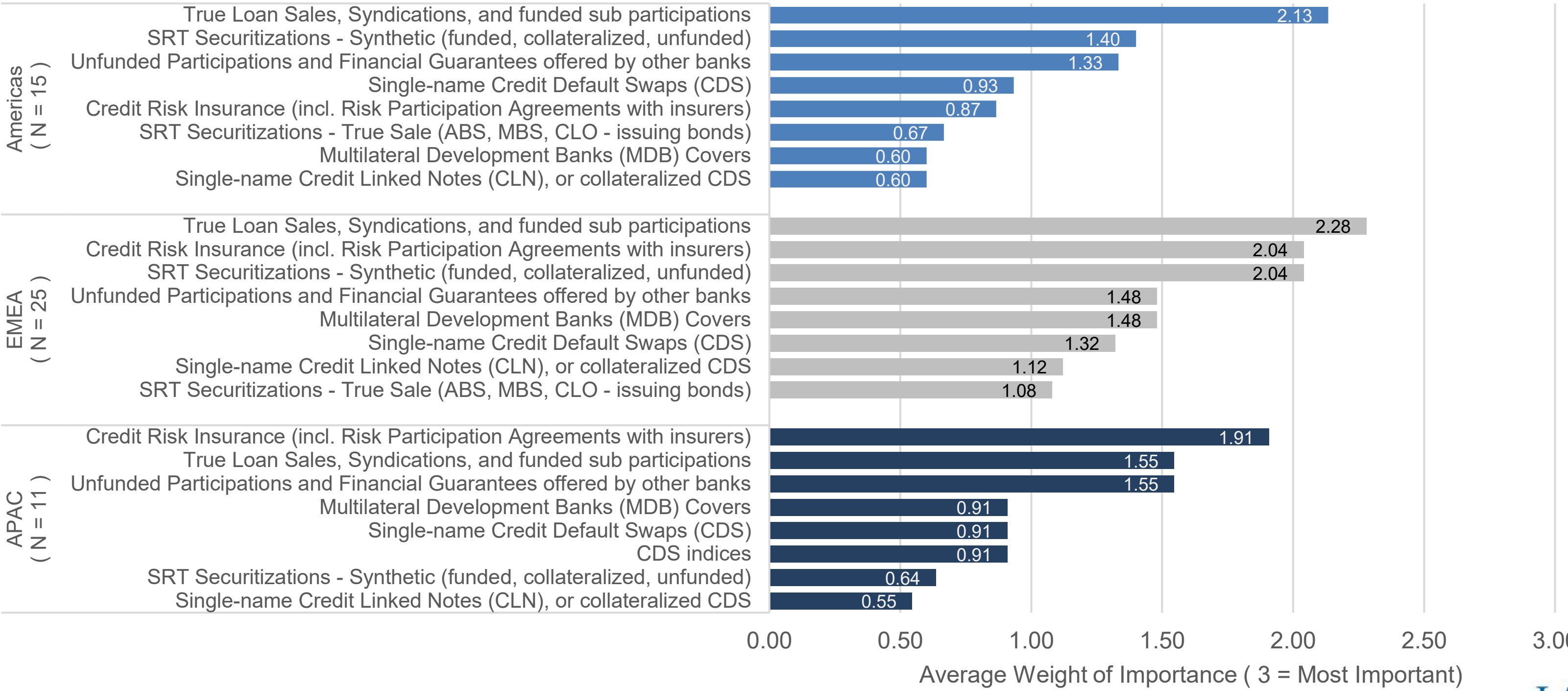




Source: IACPM / ITFA Credit Risk Insurance Survey 2025 | Questions: Please identify your firm's principal region of domicile. (Q3)
Please indicate the total aggregate amount of your insured exposure at the end of 2023 and 2024, as well as of June 30, 2025? (Q7)

Relative Importance of Market Tools for Risk Mitigation

By Region of Domicile

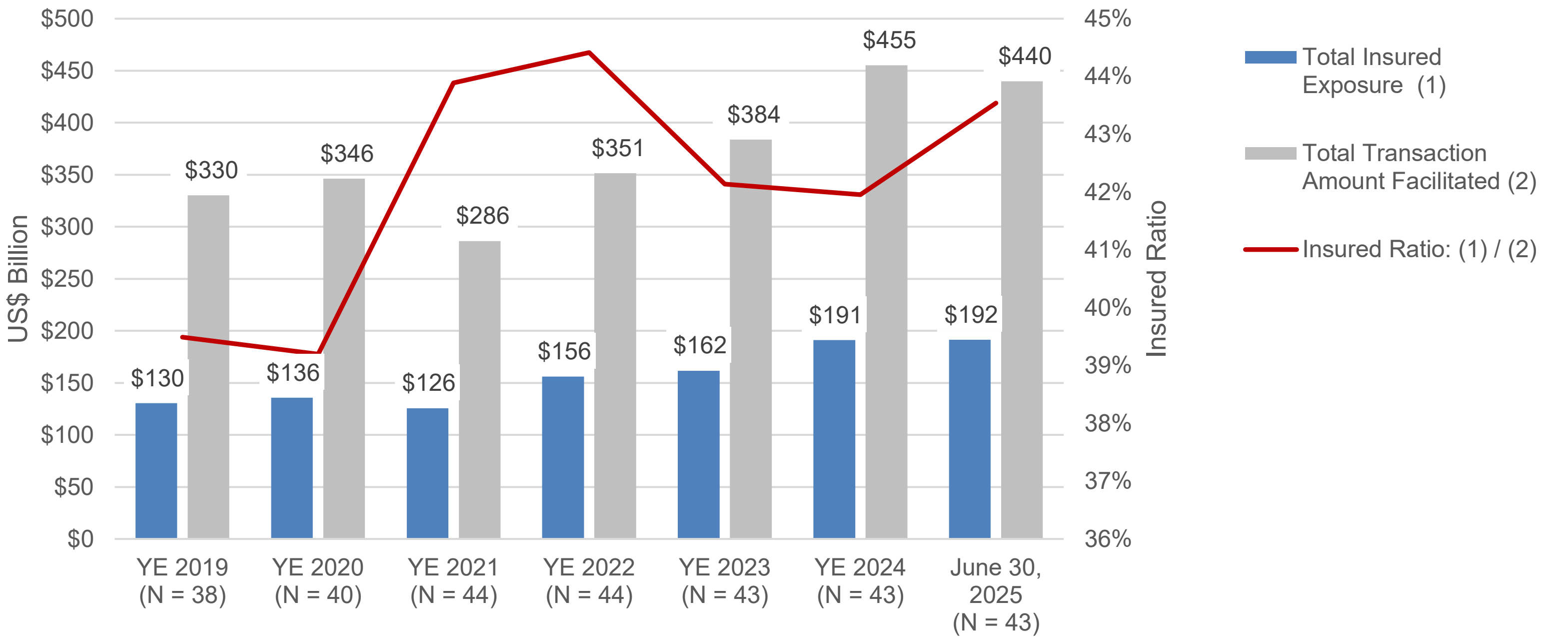


Source: ***IACPM Principles & Practices in CPM Survey 2025*** | *Question: Please rate the tools you use to manage your credit portfolio by importance. (Q24)*

Global Insured Exposure and Ratio Over Time

Data reflects total CRI volume for contributing firms globally (in US$ Billion).

Between 2021 and 2024, the 43 participating banks increased their insured exposure by more than 50%. This increase was mostly driven by larger institutions while smaller firms increased their CRI volume only slightly.



*Source: IACPM / ITFA Credit Risk Insurance Survey 2025, 2023, 2021 | Questions: Please indicate the total aggregate amount of your **insured exposure / underlying credit facilities** held by your institution for which CRI is used as a CRM technique at the end of <YYYY>.*

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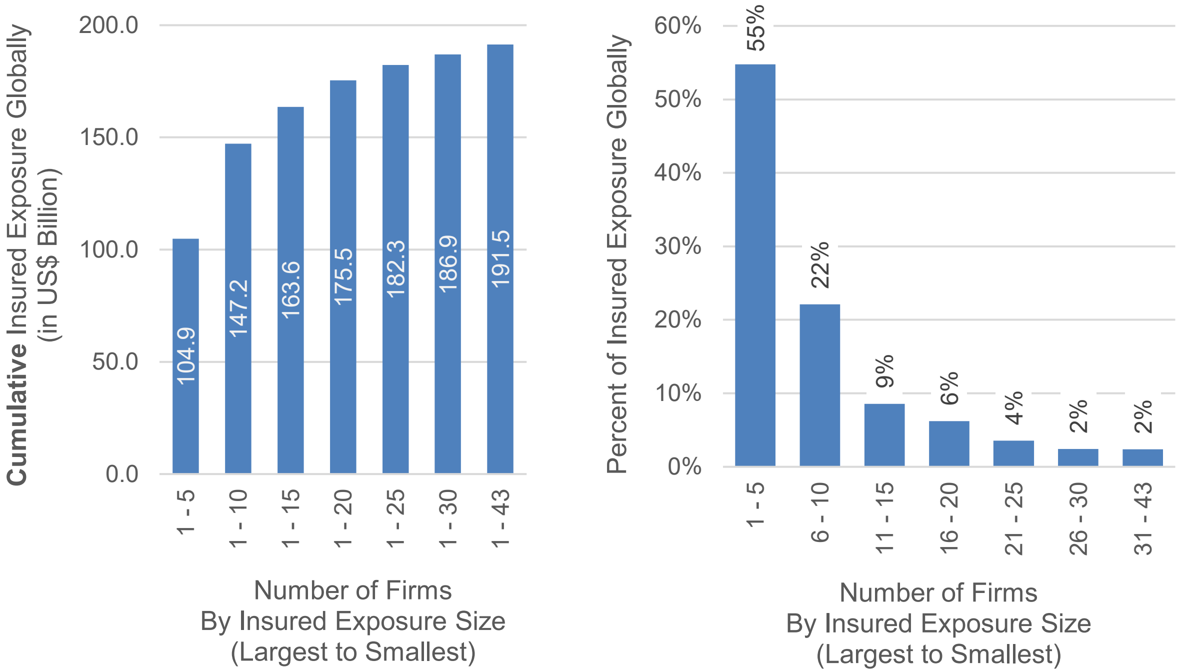
Global Cumulative Insured Exposure As of June 30, 2025 (N = 43)

As of June 30, 2025, less than one quarter of the 43 contributing firms globally insured over three-quarters of the reported global exposure; none domiciled in the Americas.



As of June 30, 2025, the five firms with the largest aggregate amount of insured exposure accounted for over half (55%) of the total reported insured exposure. A slight increase compared to the end of 2023 (51%). All five are larger institutions (asset size above US$ 500 Billion) domiciled in the EU and Asia.

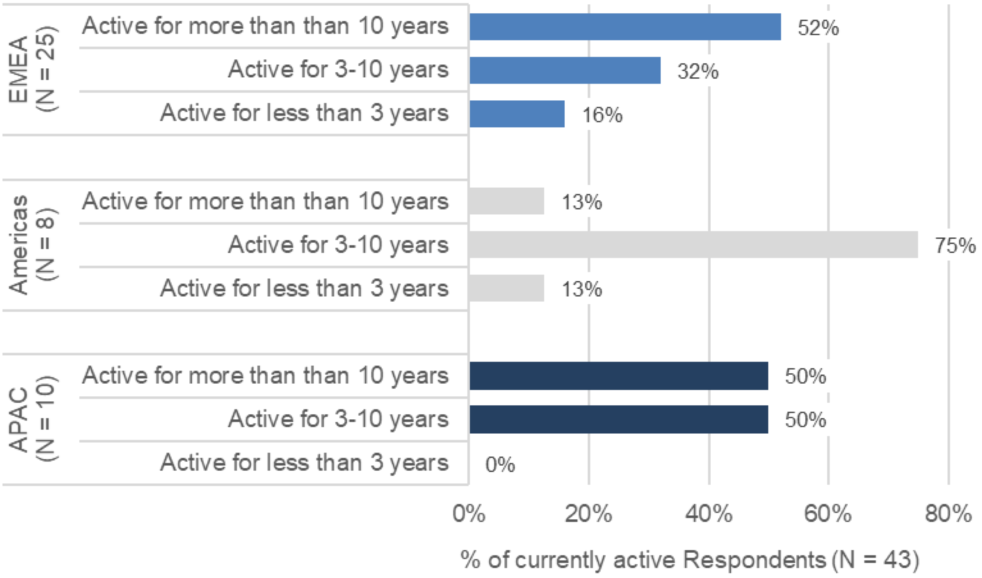
The firms with the ten largest insured exposures cumulative account for 77% of the total reported exposure. All ten are larger institutions (asset size above US$ 500 Billion) domiciled in the Europe and Asia.

Source: IACPM / ITFA Credit Risk Insurance Survey 2025
Questions: Please indicate the total aggregate amount of your insured exposure at the end of 2023 and 2024, as well as of June 30, 2025? (Q7)

Experience

Active CRI Users Only; By Region of Domicile

Globally, almost 90% of currently active respondents have been users of CRI for risk mitigation for more than three years. Over 40% have been active for more than ten years. The lower numbers outside Europe reflect the persisting European dominance for this risk mitigation tool which is at least partly due to a less favorable regulatory treatment of the instrument in other jurisdictions and the lack of large capital markets in the EU.



Clarifying Comments
Bank has been purchasing insurance for many years, with a renewed focus in the last 2 -3 years.
NPI initiative for committed term debt (non-trade) initiated in 2023 with first trade in late'23. We continue to scale the product […] in 2026 and beyond.
Our trade finance was active for 3-10 years. The corporate side did the first CRI this year only.
The bank became active with the implementation of Basel II.
The bank has been using CRI in relation to Trade Finance (LCs & Trade Loans) and receivables purchase transactions for over 10 years. The bank intends to start using CRI in relation to loans and portfolios of loans soon.
The desk was established in 2011 with operations commencing in 2012.
We are active since the second half of 2024.
We have only done one transaction.

Source: IACPM / ITFA Credit Risk Insurance Survey 2025
Question: Please indicate when your bank started executing CRI transactions, assuming your firm is still active in this space. (Q5)

CRI Volume Globally and Motivation/Purpose

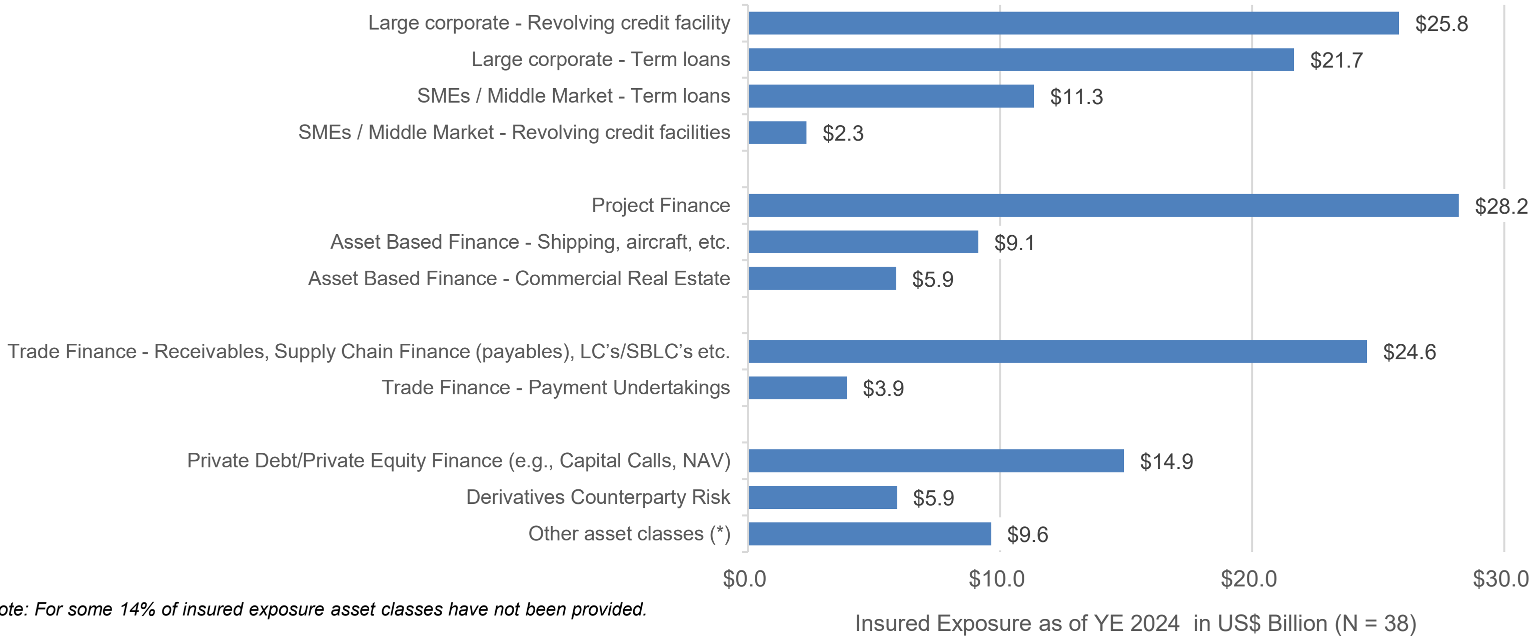
CRI Volume Globally (US$ Billion) Data reflects CRI volume from contributing banks	YE 2022 (N = 46)	YE 2023 (N = 43)	YE 2024 (N = 43)	June 30, 2025 (N = 43)	Volume Increase 2022 - 2025	Insured Exposure Ratio YE 2022 (N = 44)	Insured Exposure Ratio YE 2024 (N = 39)	Insured Exposure Ratio June 30, 2025 (N = 39)
Total Insured Exposure (US$ Billion) (1)	156.1	161.7	191.0	191.5	22.7%			
Total Transaction Amount Facilitated (US$ Billion) (2)	351.5	383.7.0	455.2	439.8	25.1%			
Insured Ratio: (1) / (2)	44.4%	42.1%	42.0%	43.5%				
Exposure Insured for Credit Risk Mitigation Purpose only	48.8	Information not collected	47.4	53.0		31%	26%	29%
Exposure Insured to obtain Capital Relief **	107.3		134.0	127.9		69%	74%	71%

(**) The sum of the exposure insured to obtain (i) Capital Relief only; (ii) Credit Risk Mitigation and Capital Relief; or (iii) Credit Risk Mitigation, Capital Release and Improvement of Return on Capital. | *Source: IACPM / ITFA Credit Risk Insurance Survey 2025* | *Questions: Please indicate the total aggregate amount of your **insured exposure** (Q7) / **underlying credit facilities** held by your institution for which CRI has been purchased as a CRM technique (Q8) at the end of 2023 and 2024 as well as of June 30, 2025. Please estimate to the best of your knowledge the percentage split of your aggregate insured exposure based on the **reasons for obtaining CRI cover**, as of December 31, 2024. Please enter percentages as full number. (Q10)*

Insured Exposure By Asset Classes

As of YE 2024, in US$ Billion (N = 38)

Large Corporate, revolving credit facilities plus term loans was the asset class with the highest insured exposures in 2024, followed closely by Project Finance and Trade Finance, receivables, supply chain finance, LC's/SBLC's etc.



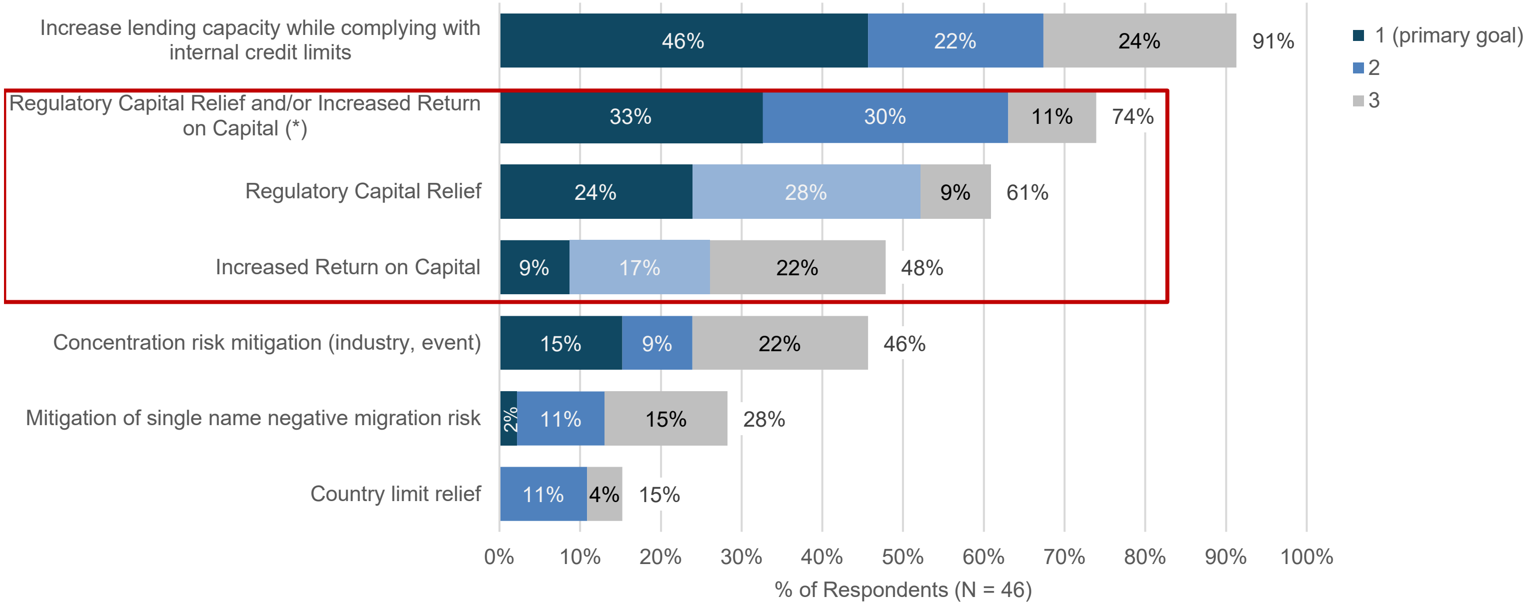
Note: For some 14% of insured exposure asset classes have not been provided.

(*) Commodities, healthcare, mining, and Sovereigns.

Source: IACPM / ITFA Credit Risk Insurance Survey 2025 | Question: For which of the following asset classes has your bank used CRI over the past 1-2 years, including today? Please provide your bank's insured exposure per asset class as of December 31, 2024. (Q15)

Top 3 Goals for Using CRI

Firms globally continue to use CRI solutions as an additional risk distribution channel to increase lending capacity, release regulatory capital, increase capital return and mitigate concentration risks in loan portfolios.

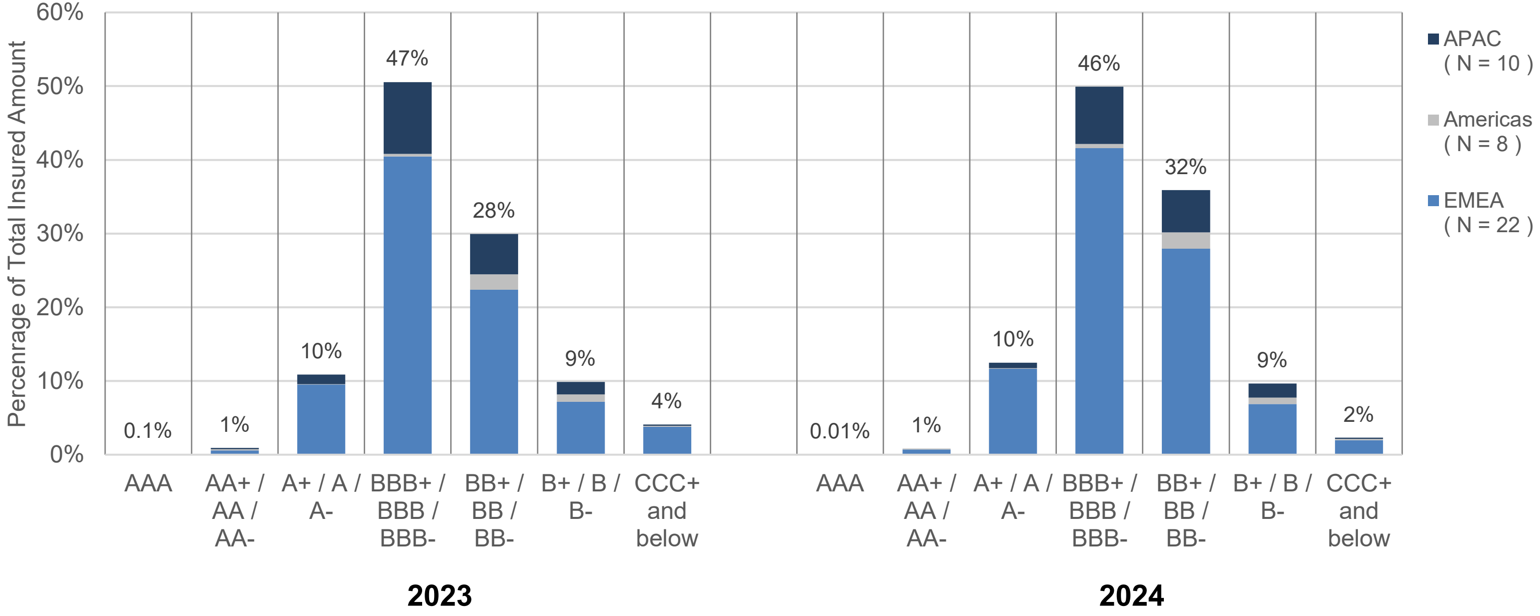


(*) Total of responses to "Regulatory Capital Relief" and "Increased Return on Capital". To avoid double-counting, percentages reflect only one Capital related ranking per firm, e.g., if a firm ranked "Regulatory Capital Relief" 1st and "Increased Return on Capital" 2nd, the total only reflects Rank 1 for "Regulatory Capital Relief". | Source: IACPM / ITFA Credit Risk Insurance Survey 2025 | Question: What are your top 3 goals when using CRI for any of the asset classes indicated above? Please rank from 1 (primary goal) to 3. (Q16)

Rating Distribution of Insured Exposures

Ratings weighted by insured amount; N = 40

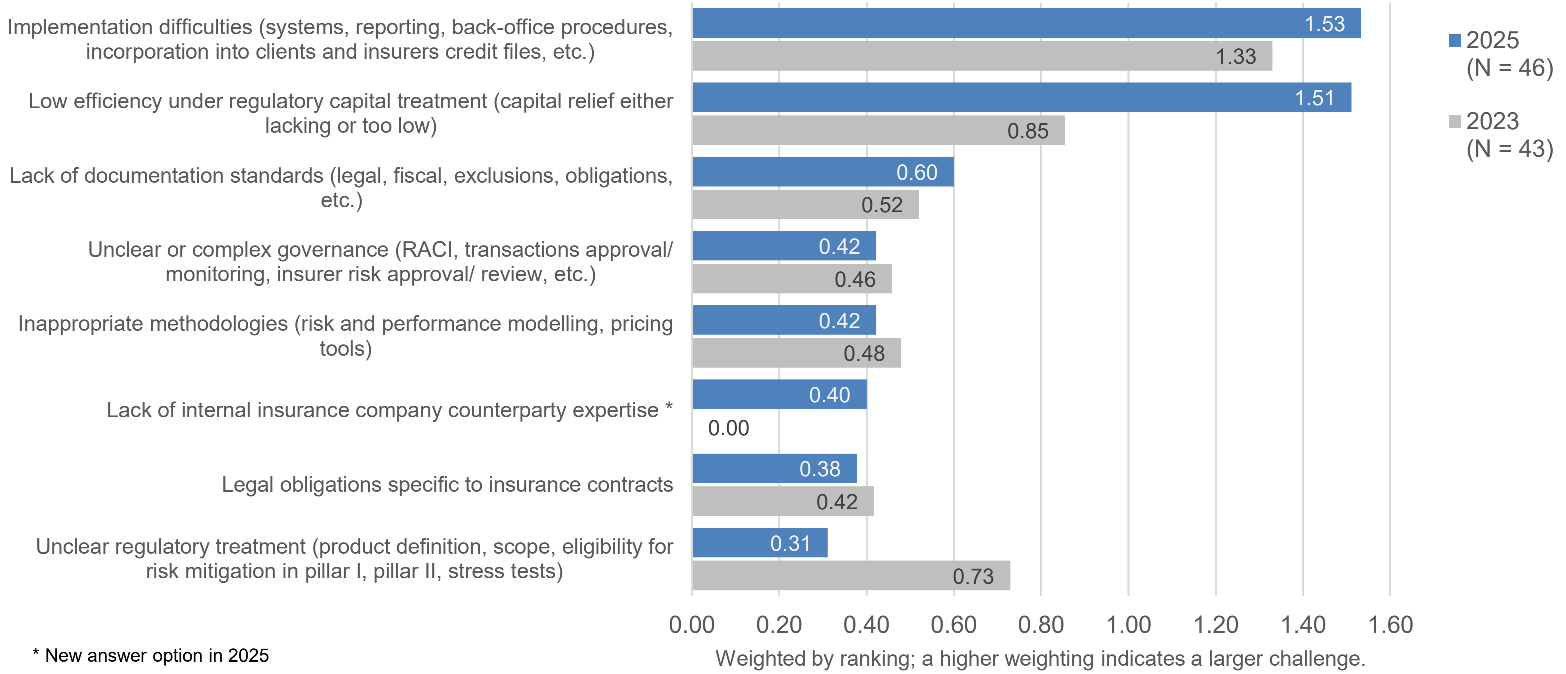
The rating distribution of insured exposure remained stable over the past six years (2019-2024) with most of the globally insured exposure rated triple-B and double-B.



Source: IACPM / ITFA Credit Risk Insurance Survey 2025 | Question: Please estimate to the best of your knowledge the underlying borrowers' average equivalent credit rating for your bank's portfolio of insured exposure at the end of 2023 / 2024 (in %). Please use internal equivalent where appropriate. (Q17 / Q18)

Top 3 Operational Challenges

Implementation difficulties as well as the low efficiency of CRI under current regulatory capital treatment, while most prevalent for banks in the Americas, continue to be the main operational challenges for banks globally.



* New answer option in 2025

Source: IACPM / ITFA Credit Risk Insurance Survey 2025 | Question: If your bank is currently using CRI, please indicate your top 3 operational challenges? If your bank is currently not using CRI, please indicate your top 3 challenges that prevent you from internal adoption. Please rank from 1 (most challenging) to 3. (Q28)

ABOUT THE IACPM

The IACPM is an industry association established to further the practice of credit exposure management by providing an active forum for its member institutions to exchange ideas and take collective action. Credit portfolio managers have a unique and evolving role in today's financial markets, and the IACPM offers an excellent forum through which these issues can be identified, understood and addressed. The Association holds annual conferences and regional meetings, conducts research on the credit portfolio management field, represents its members before regulatory and administrative bodies around the world, and works with other organizations on issues of mutual interest relating to the measurement and management of credit portfolio risk. Currently, there are 160+ financial institutions based in 30+ countries that are members of the IACPM.

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