



Multilateral Development Banks and
Development Finance Institutions

DEFAULT AND RECOVERY STATISTICS PRIVATE LENDING 1994-2024

Publication summary

Introduction

The [Global Emerging Markets Risk Database \(GEMs\)](#) Consortium was established in 2009 as a joint initiative of the European Investment Bank (EIB) and the International Finance Corporation (IFC) to pool credit risk data. The GEMs database is a common good designed to catalyse investments in emerging markets and support technical cooperation between international institutions. GEMs comprises 27 member institutions, all of which are Multilateral Development Banks (MDB) and Development Finance Institutions (DFI) with business activities in emerging markets and developing economies.

GEMs collects data from its members on their performing and non-performing exposures in emerging markets and developing economies and produces statistics on default and recovery rates categorised by dimensions such as geography, sector, income group and others.

This document summarizes the key findings of the October 2025 GEMs publication, Default and Recovery Statistics - Private Lending 1994-2024. The publication shares the default and recovery rates of GEMs members' private counterparts. Private counterparts comprise a wide range of entities, such as financial institutions and corporates.

The dataset highlighted in this summary document includes more than 10000 counterparts from a total of 169 developing countries.

Dataset composition

Item	Count
Counterparts	10 476
Contracts	15 507
Defaulted Counterparts	2 101
Contracts for Recovery Rates	1 801

In parallel to this summary, separate summaries are available at <https://www.gemsriskdatabase.org/> sharing insights on the default and recovery rates of public counterparts and sovereign and sovereign-guaranteed lending.

Key Findings: Default Rates

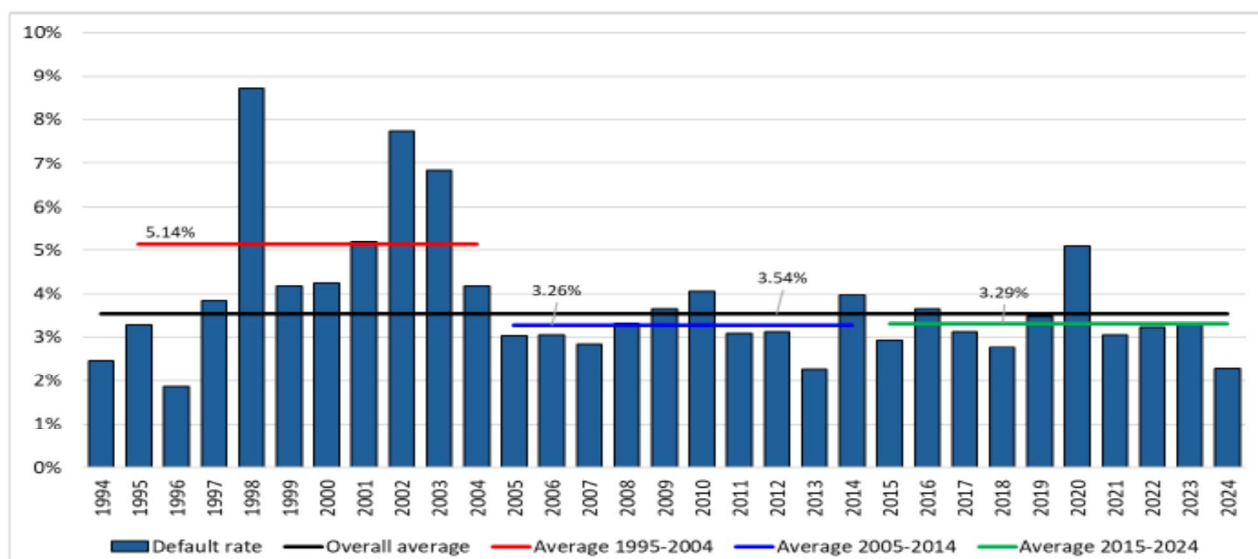
Over the 1994-2024 reporting period, private counterparts exhibited an overall default rate of 3.54%.

Average default rate

Counterparts	Observed years	Number of defaults	Number of observations	Signed Amount EUR Mio	Lower of 90% confidence interval	Average default rate	Upper of 90% confidence interval
10 476	31	2 101	59 361	446 361	3.19%	3.54%	3.89%

A lower average default rate for private counterparts occurs between 2005 and 2014 (3.26%) compared with the previous decade (5.14% in 1995-2004) and is maintained in the following decade (3.29% in 2015-2024). The spike seen in 2020 coincides with the COVID-19 pandemic, which created a challenging business environment across most sectors.

Annual default rates



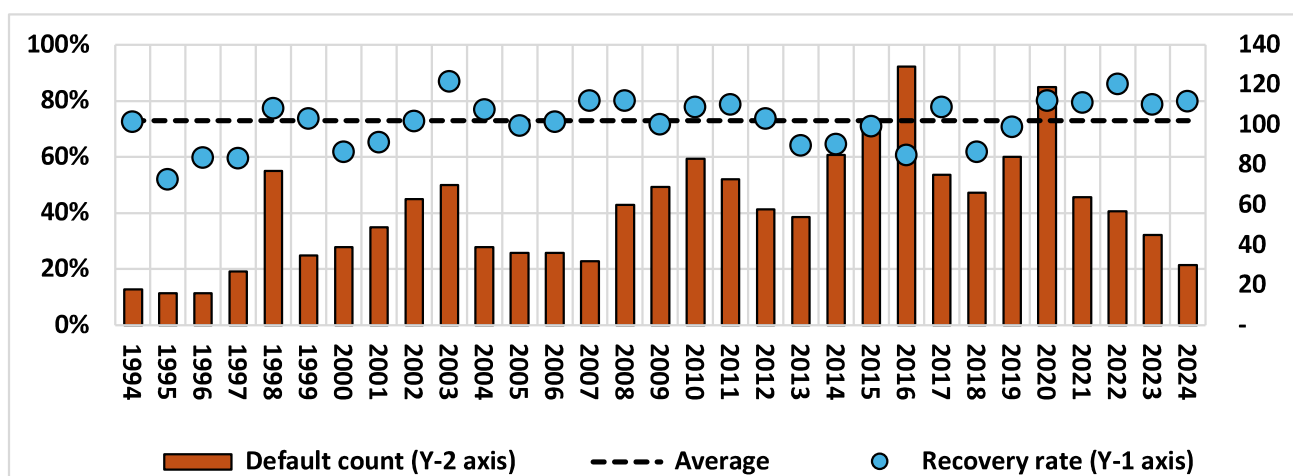
Key Findings: Recovery Rates

The GEMs database contains 1801 defaulted contracts with private counterparts that allow calculation of recovery rates. GEMs shows that the recovery rates for contracts with private counterparts average 72.9%.

Average recovery rate

Number of defaults	Signed amount EUR Mio	Average recovery rate	Minimum observation	10th percentile	25th percentile	Median	75th percentile	90th percentile	Maximum observation
1 801	27 450	72.9%	0.0%	11.1%	50.6%	91.1%	99.8%	100.0%	100.0%

Annual recovery rates (blue dots below) remain relatively stable over time, fluctuating around the long-term average (dashed line), despite varying numbers of defaults each year (brown bars).



The full GEMs publication, Default and Recovery Statistics - Private Lending 1994-2024, is available at <https://www.gemsriskdatabase.org/> and includes brand new statistics highlighting default rates by project type, and recovery rates by continent, sector grouping, region and sector grouping, seniority and project type.

