



Genuinely interacting with customers

Annual Report Summary 2015 Atradius N.V.

This is Atradius

Our aim is to help our customers strengthen their credit and cash management and grow their business.

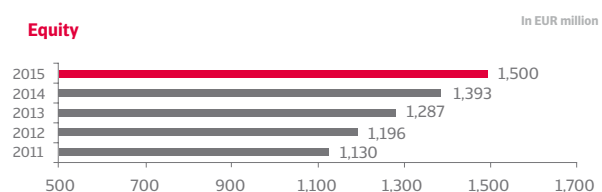
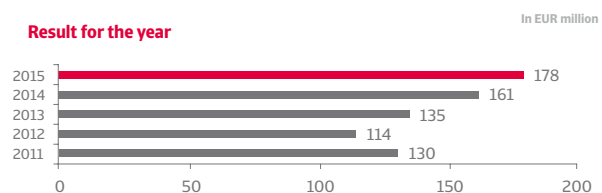
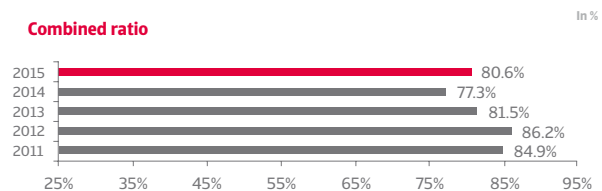
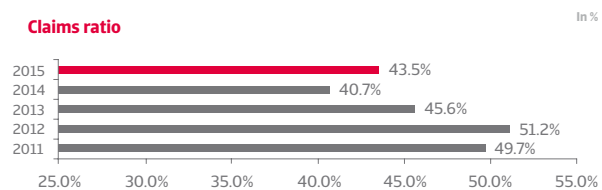
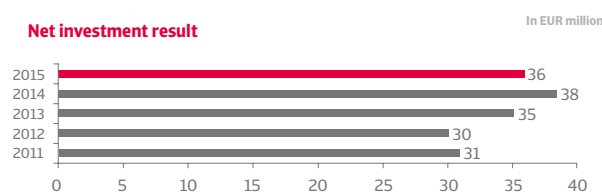
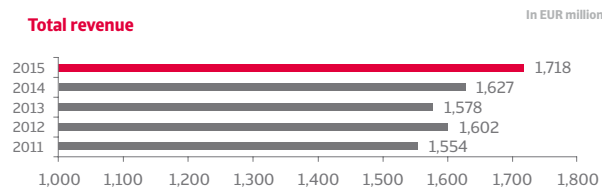
At the heart of our wide range of credit management products and services is our trade credit insurance, complemented by bonding products, debt collection and reinsurance. These are delivered by our teams of experts backed by the wealth of constantly updated financial data that we hold on over 200 million companies worldwide.

From strategically located offices on six continents, we aim to be close to our customers and to the markets in which they trade: supporting them when and where they need us. With total income of EUR 1.7 billion, we have earned our place as a leading global trade credit insurer.

Our 2015 performance at a glance

Continued strong contributions across the Group

- Total revenue increased by 5.6% (3.6% at constant foreign exchange rates), outperforming the market through good growth in new markets and further building on our strong position in Western Europe.
- Even though we maintain a low risk investment portfolio, the investment result contributed positively to the bottom line. This was driven by a steady inflow from the Group's insurance business and positive performance of the investment portfolio.
- Our risk acceptance remained high in 2015 and claims costs were managed successfully, despite the deteriorating risk environment. The claims ratio ended at 43.5%.
- The combined ratio ended at 80.6%, with claims development and expenses impacted by higher commission payments and one-off costs.
- The result for the year was EUR 178.2 million: an improvement of 10.6% on 2014 with a strong contribution from our Iberian region.
- Our equity position was strengthened by 7.7%, due mainly to profit generation.



Genuinely interacting with customers

Many companies claim to put customers at the centre of their world. Atradius genuinely does.

That's because we treat our customers as close partners. They rely on us to provide the best service possible, and that demands real commitment from us: commitment to deliver what they need to be successful, and then to celebrate their success with them.

That interaction is at the heart of our own success too, success that can result only from helping our customers achieve their goals. We understand the issues that our customers face every day, we aim to provide the trade credit insurance cover they need, and we work with them to develop solutions to help their businesses thrive.

Over the years, that genuine interaction has proved a recipe for success, for our customers and for ourselves.

Innovation is in our DNA

In business, standing still is not an option. As Charles Darwin so aptly put it:

“It is not the strongest of the species that survives, nor the most intelligent, but the one most adaptable to change”

Opportunities don't just happen: they have to be foreseen and grasped. As the business world constantly changes, that's exactly what we do. Atradius Insights, our sophisticated online analysis tool, is a prime example of innovation in action. Developed in close collaboration with our customers, it has raised the bar in credit management intelligence, helping our customers to identify risks, measure performance and find new business opportunities.

Our commitment to customers

Atradius is a family in which everyone strives to have a positive influence on their colleagues. And this is a family that embraces our customers, brokers and agents too. We travel alongside them on their journey: experiencing their milestones, celebrating their triumphs, standing with them through their challenges and offering support when plans go off course. This helps us to anticipate what our customers



will need to meet their aspirations and avoid the pitfalls that can befall any business, and to provide the right solutions.

Information – the key to success

Accurate information is vital if our customers are to prosper, so we share information about their buyers from our constantly updated databases on global trading risks and opportunities. And, because our view of the business world encompasses the experiences of many thousands of vendors and buyers, we can provide our customers with a more accurate assessment of trading risks.

Our global IT platform allows that information to be transmitted instantly across the globe. That's how we are able to deliver credit limit decisions within seconds on 70% of our customers' requests for cover.

Our service promise

There is no value in creating products that don't serve customers' needs. We work closely with our customers to offer them the very finest service and the products that suit them, however and wherever they trade.

Good communication is of course vital. Our customers have many contact points throughout our organisation, and it's through these personal contacts that we build strong relationships. We genuinely care about our customers' businesses and always do our utmost to provide solutions to their trading problems.

The global economy in 2015 – contrasting fortunes in emerging markets

Conditions in many emerging markets deteriorated sharply in 2015. Among the bigger markets, the Chinese economy slowed further and Russia and Brazil entered deep recessions.

The slowdown in the Chinese economy also had an adverse impact on its trade partners and reduced demand for commodities. Indeed, countries that rely heavily on commodity exports also faced lower income as a result of the fall in commodity prices. To add to these economic woes, in anticipation of monetary policy tightening in the US, international investors withdrew large sums of capital from emerging markets.

Economic growth across many emerging markets fell as a result of these developments. However, not all emerging markets fared poorly. Countries that rely on the import of commodities such as oil, steel and coal benefitted from the lower prices as this freed up resources to spend on domestic goods, boosting economic growth. Countries in Central America also profited from US economic growth, as many of them rely heavily on exports to the US. Similarly, Central and Eastern European countries benefitted from the recovery in the Eurozone through higher exports and more inward investment.



“The relationship Atradius has with us is proactive. Our account manager has worked with us for many years and has always been accommodating and approachable. If there are issues, Atradius goes out of its way to help and we like to work on solutions with them together.”

Brett Kelly, Company Secretary,
Bega Cheese Limited, Australia

Insolvency conditions were mixed

The financial circumstances of businesses generally improved across advanced markets in 2015, especially in the Eurozone, with better financing conditions and demand for products. This led to an improvement in the number of insolvencies in most countries – notably Spain, the Netherlands and Ireland. However, insolvency rates remain high from an historical perspective and are far from the benign environment of 2008.

Other advanced markets also faced stable or improving conditions. Steady improvement continued in the US and UK business climate and in insolvencies on the back of solid economic growth. Some advanced markets, especially in the Asia-Pacific region, faced less comforting economic conditions as they felt the impact of moderating growth in China.

Insolvency numbers and the general business environment in many emerging markets deteriorated significantly. Insolvencies increased sharply in Russia, Brazil and China, while the business environment in many smaller countries worsened in line with the poorer economic conditions. There were, however, exceptions to this general trend. India for example saw a marked improvement in its rate of insolvencies.

Continuing to innovate and expand – our successes in 2015



For Atradius, staying ahead of the game means never ‘resting on our laurels’ but constantly enhancing our services and creating new products that improve our value proposition.

Indeed, in 2015 our latest online innovation - Atradius Insights - received the prestigious Oracle Fusion Middleware Innovation Award.

Geographically, we continued to expand our activities in Asia, Africa and Latin America while opening a new office for Credit Insurance in Russia and an office in South Korea. In addition, Atradius Collections entered new markets in Canada, China and India.

Demand for our bonding offering is growing too. Our goal is to build on this and we are looking into the potential for profitably expanding our bonding presence throughout Europe.

The new insurance and reinsurance regulation for the European Economic Area, Solvency II, came into force on 1 January 2016. It is essential that we meet its requirements and our customers, business partners and other stakeholders can rest assured that, through our careful preparation throughout 2015, we have not only met those requirements but also taken this opportunity to further bolster our capital management, risk management and internal control systems.

Looking at our bottom line results, we are pleased with the profit for the year of EUR 178.2 million: an increase of 10.6% on 2014.

Our credit insurance business performed well, with a notable result in Spain, our largest credit insurance market, where revenue increased by 2.5% compared to 2014. In the other mature markets of Western Europe we also built on our market position. For instance, in Germany, our second largest credit insurance market, revenue increased 3.2%.

North America (+24.6%), Oceania (+13.2%), Central and Eastern Europe (+16.5%) and Asia (+11.7%) all showed satisfactory revenue growth, in line with our ambition to expand in these regions.

Our Special Products unit achieved noteworthy revenue growth of 21.8%, while our Global unit also performed well, with revenue up by 5.4%. Our Bonding (+8.8%) and Reinsurance (+0.7%) units followed the positive revenue trend of the credit insurance units.

Meanwhile, our Collections unit saw an increase in service income of 5.7%, while debt placements increased by 28%, with a strong contribution from our expanding non-insured collections product line in North East Asia.

Global footprint

Europe

Austria	Vienna
Belgium	Namur, Antwerp
Czech Republic	Prague
Denmark	Copenhagen, Århus
Finland	Helsinki
France	Paris, Bordeaux, Compiègne, Lille, Lyon, Marseille, Rennes, Strasbourg
Germany	Cologne, Berlin, Bielefeld, Bremen, Dortmund, Düsseldorf, Frankfurt, Freiburg, Hamburg, Hanover, Kassel, Munich, Nuremberg, Stuttgart
Greece	Athens
Hungary	Budapest
Ireland	Dublin
Italy	Rome, Milan
Luxembourg	Luxembourg,
Netherlands	Amsterdam, Ommen
Norway	Oslo
Poland	Warsaw, Krakow, Poznan, Jelenia Gora
Portugal	Lisbon, Porto
Russia	Moscow
Slovakia	Bratislava
Spain	Madrid, Alcalá de Henares, Alicante, Barcelona, Bilbao, A Coruña, Girona, Las Palmas de Gran Canaria, Málaga, Murcia, Oviedo, Pamplona, Sevilla, Tarragona, Terrassa, Valencia, Zaragoza
Sweden	Stockholm
Switzerland	Zurich, Lausanne, Lugano
Turkey	Istanbul
United Kingdom	Cardiff, Belfast, Birmingham, London, Manchester

Middle East

Israel	Tel Aviv ⁽¹⁾
Lebanon	Beirut ⁽¹⁾
Saudi Arabia	Riyadh ⁽¹⁾
United Arab Emirates	Dubai ⁽¹⁾

Americas

Argentina	Buenos Aires ⁽¹⁾
Brazil	São Paulo
Canada	Almonte (Ontario), Mississauga (Ontario), Pointe Claire (Quebec)
Chile	Santiago de Chile ⁽¹⁾
Mexico	Mexico City, Guadalajara, Monterrey,
Peru	Lima ⁽¹⁾
USA	Baltimore (Maryland), Chicago (Illinois), Dallas (Texas), Los Angeles (California), Morristown (New Jersey), New York (New York)

Asia

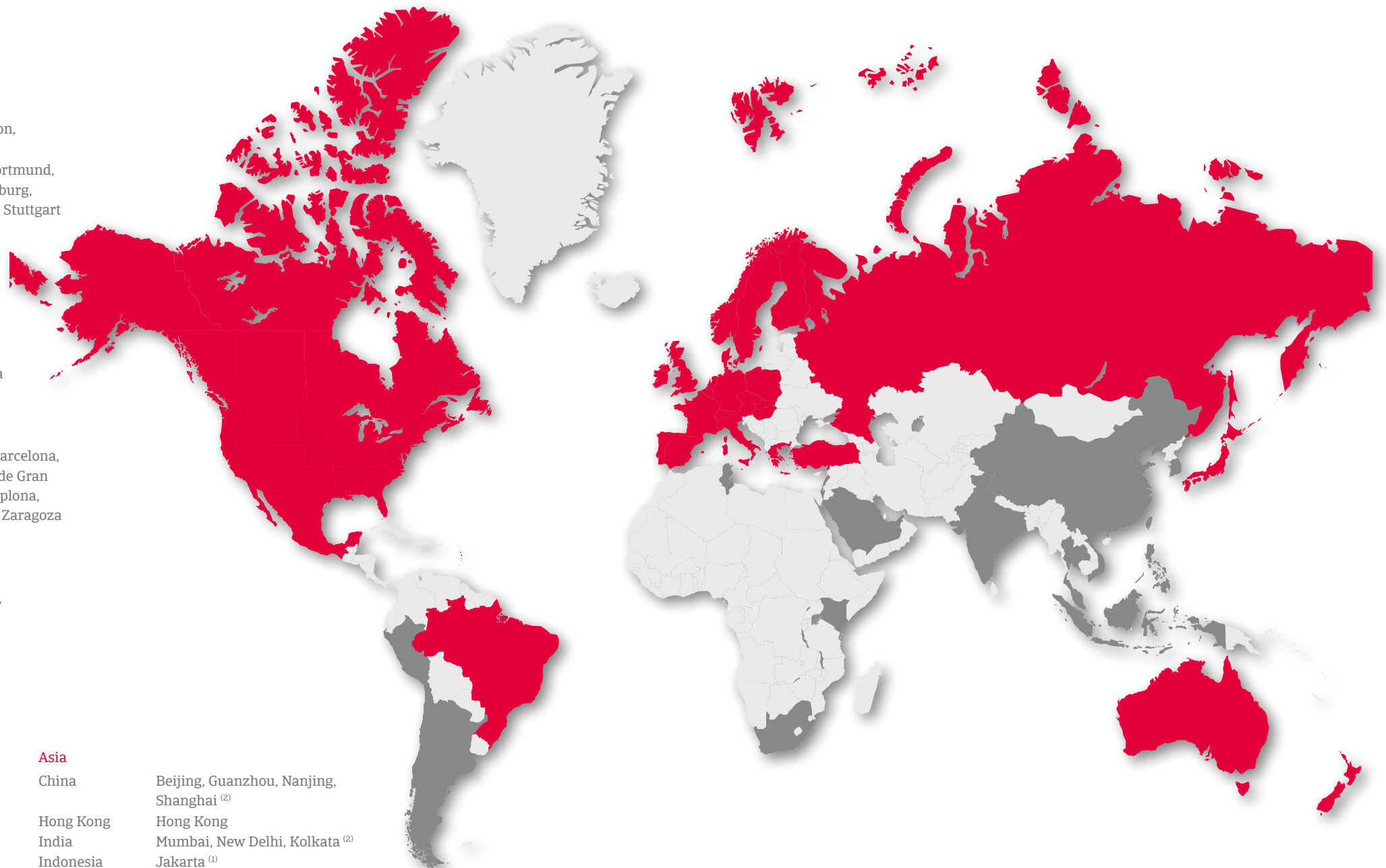
China	Beijing, Guanzhou, Nanjing, Shanghai ⁽²⁾
Hong Kong	Hong Kong
India	Mumbai, New Delhi, Kolkata ⁽²⁾
Indonesia	Jakarta ⁽¹⁾
Japan	Tokyo
Malaysia	Kuala Lumpur ⁽¹⁾
Philippines	Manila ⁽¹⁾
Singapore	Singapore
South Korea	Seoul ⁽²⁾
Taiwan	Taipei ⁽²⁾
Thailand	Bangkok ⁽¹⁾
Vietnam	Hanoi ⁽¹⁾

Africa

Kenya	Nairobi ⁽¹⁾
South Africa	Johannesburg ⁽¹⁾
Tunisia	Tunis ⁽¹⁾

Oceania

Australia	Sydney, Brisbane, Melbourne, Perth
New Zealand	Wellington



⁽¹⁾ Associated company, minority interest or co-operation agreement with local partner

⁽²⁾ Service establishment and co-operation agreement with local partner

Our products and services – always flexible and adaptable

Over 90 years' experience in international trade has taught us that every business is different. That's why we design our products to be flexible, so that they can be adapted to meet each customer's needs and mirror the way they do business.

Our core product - credit insurance - provides cover against financial loss when our customers' buyers cannot pay for goods and services bought on credit. Because the insurance is modular in design it can be adapted to the needs of small, medium-sized or large companies.

For multinationals we offer a tailored credit management solution: our Global policy. Customers can choose between credit insurance with standard terms and conditions, serving both the parent company and its subsidiaries, stand-alone policies that accommodate varying performance levels and country conditions, or a combination of both.

For large and medium-size companies, our flexible modular credit insurance allows terms of cover to be adapted to each customer's needs, whether they conduct their business domestically or across the world. And, to meet the many different demands of SMEs, we have a range of products that are simple to use and to manage.

We also offer structured credit risk solutions for specific large and complex transactions. These address a range of circumstances, from enhanced credit protection for single contracts or buyers to pre-export finance, and can be combined to meet multiple needs.

Skilled and sensitive debt collection

Atradius Collections helps businesses - both insured and uninsured - to collect domestic and international trade debts while maintaining sound business relationships with their clients. It has built a strong reputation as a dedicated business-to-business specialist, combining the strength of Atradius credit insurance with its own integrated international network of collectors, lawyers and insolvency practitioners. We also offer a facility for customers to outsource their reminder process and a range of services for the financial industry.

An extensive range of bonding products

Our bonding products put customers in a stronger financial position when dealing with their business partners: protecting the beneficiary if the supplier (our customer) fails to meet its contractual obligations.

Covering the risks of multiple instalment agreements

Atradius Instalment Credit Protection (ICP) covers short and medium term risks involved in multiple instalment agreements with private individuals and businesses - such as consumer credit, leasing and renting - and is offered to financial and corporate policyholders in Belgium and Luxembourg. Our latest product - B2C Protect - covers customers in the construction sector against payment default by homeowners.

Insuring the insurers

Atradius Reinsurance is the leading specialised credit and bonding reinsurer, offering reinsurance solutions for the credit insurance and bonding business of primary insurers around the world. The combination of the reinsurer's skills with the experience of a leader in credit insurance and bonding reinforces Atradius Re's proposition to the market.

"I'm very glad that Atradius involved us, as a customer, in developing Atradius Insights. You need to be as proactive as possible, and this tool helps me to do that."

Arne Antonsson, Chief Credit Officer,
Electrolux Group, Sweden

The outlook for 2016

Economic conditions in 2016 are expected to remain challenging, despite what appears to be brighter conditions in advanced markets. The focus of concern will fall on the world's emerging markets.

Indeed, the headwinds that buffeted many emerging markets in 2015 are likely to persist. Commodity prices are forecast to remain low, the Chinese economy is projected to slow further and US monetary policy may continue to tighten. As a consequence, economic growth across emerging markets is expected to remain under pressure.

However, the countries that bucked the trend in 2015 may continue doing so in 2016 aided by strong domestic dynamics and improving macroeconomic policies.

The outlook for advanced markets is much brighter. The Eurozone is expected to continue its recovery with growth picking up further, while the US and

UK are projected to maintain their steady growth. As a result, business conditions and the insolvency environment may improve. Nevertheless, the advanced markets aren't insulated from the weaker conditions across emerging markets and this may suppress growth and slow their recovery.

Overall, the global economy may see slightly brighter conditions in 2016, but the economic environment is likely to remain challenging.

What does 2016 hold for Atradius?

Our aim is always to help our customers strengthen their credit and cash management and grow their business. That commitment is a constant facet of our strategy and is made possible by our most valuable asset - our dedicated and skilled people. It is through their efforts that we can continue to deliver high value customer service in 2016 and beyond.



Consolidated financial statements

All amounts in thousands of Euro, unless otherwise stated

Consolidated statement of financial position

Assets	31.12.2015	31.12.2014
Intangible assets	173,500	168,761
Property, plant and equipment	121,253	123,444
Investment property	10,098	10,378
Investments in associated companies	35,396	39,392
Financial investments	2,212,264	2,083,832
Reinsurance contracts	689,849	668,962
Deferred income tax assets	52,965	102,351
Current income tax assets	21,288	12,566
Receivables	204,575	216,386
Accounts receivable on insurance and reinsurance business	175,373	169,351
Other accounts receivable	29,202	47,035
Other assets	480,451	436,739
Deferred acquisition costs	73,919	72,270
Miscellaneous assets and accruals	406,532	364,469
Cash and cash equivalents	230,707	268,048
Total	4,232,346	4,130,859
Equity		
Capital and reserves attributable to the owners of the Company	1,500,249	1,393,039
Total	1,500,249	1,393,039
Liabilities		
Subordinated loan	248,289	248,141
Employee benefit liabilities	76,123	83,882
Insurance contracts	1,648,791	1,572,151
Provisions	6,588	4,281
Deferred income tax liabilities	112,154	133,522
Current income tax liabilities	31,641	36,191
Payables	195,207	225,353
Accounts payable on insurance and reinsurance business	161,835	183,078
Trade and other accounts payable	33,372	42,275
Other liabilities	411,973	387,013
Borrowings	1,331	47,286
Total	2,732,097	2,737,820
Total equity and liabilities	4,232,346	4,130,859

Consolidated income statement

	2015	2014
Insurance premium revenue	1,537,005	1,458,156
Insurance premium ceded to reinsurers	(674,608)	(643,043)
Net premium earned	862,397	815,113
Service and other income	180,754	169,047
Share of income of associated companies	782	7,247
Net income from investments	35,234	30,590
Total income after reinsurance	1,079,167	1,021,997
Insurance claims and loss adjustment expenses	(718,522)	(636,651)
Insurance claims and loss adjustment expenses recovered from reinsurers	308,888	244,401
Net insurance claims	(409,634)	(392,250)
Net operating expenses	(407,874)	(386,220)
Total expenses after reinsurance	(817,508)	(778,470)
Operating result before finance costs	261,659	243,527
Finance income	4,108	4,985
Finance expenses	(17,597)	(16,142)
Result for the year before tax	248,170	232,370
Income tax expense	(69,949)	(71,180)
Result for the year attributable to the owners of the Company	178,221	161,190
Attributable to:		
Owners of the Company	178,221	161,190

Consolidated statement of comprehensive income

	2015	2014
Result for the year	178,221	161,190
Other comprehensive income:		
Items that will not be reclassified to the income statement:		
Actuarial gains/(losses) on defined benefit pension plans	2,795	(21,523)
Income tax relating to items that will not be reclassified	(1,399)	6,586
Items that may be subsequently reclassified to the income statement:		
Net fair value gains/(losses) on available-for-sale financial investments	(12,574)	12,710
Exchange gains/(losses) on translating foreign operations and associated companies	3,782	4,236
Income tax relating to items that may be reclassified	1,265	(3,281)
Other comprehensive income for the year, net of tax	(6,131)	(1,272)
Total comprehensive income for the year attributable to the owners of the Company	172,090	159,918



Managing risk, enabling trade

The Annual Report Summary 2015 is derived from, and should be read in conjunction with, the Atradius N.V. Annual Report 2015. The Annual Report 2015 is available on www.atradius.com

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www.atradius.com

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