



Helping our customers grow

Annual Report Summary 2014 Atradius N.V.

This is Atradius

As a leading global credit insurer, Atradius' aim is to support our customers' growth by strengthening their credit and cash management.

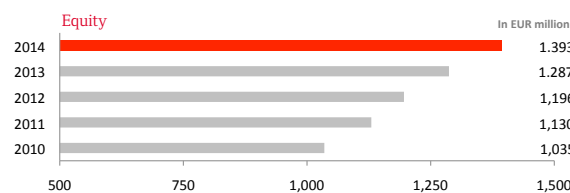
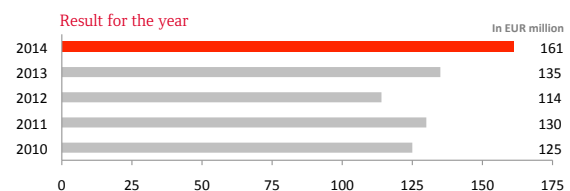
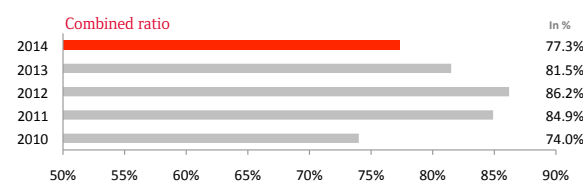
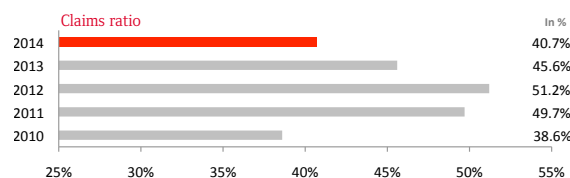
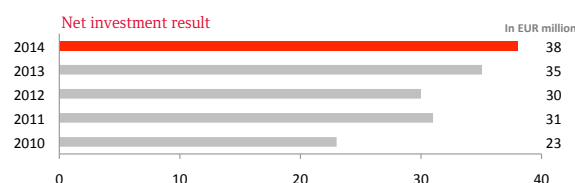
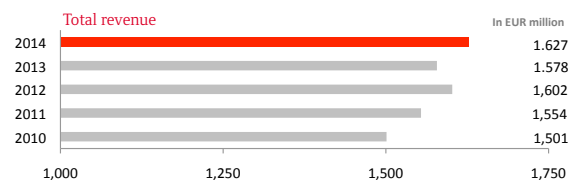
We do this through a wide range of credit management products and services. Our core credit insurance products include bonding, debt collection and reinsurance, all of which are supported by the expertise of our people and a wealth of constantly updated financial data on over 200 million companies worldwide.

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

Our 2014 performance at a glance

Another year of strong results

- Total revenue increased by 3.3% (3.6% at constant foreign exchange rates), increasing in Western Europe and showing good growth in new markets.
- A steady cash inflow from the Group's insurance business and positive performance of the investment portfolio contributed to a good investment result.
- Through effective risk management we improved our claims ratio to 40.7% despite the continuing challenging risk environment, while at the same time our risk acceptance remained high.
- The combined ratio ended at 77.3%, a 4.3 percentage point improvement on 2013, despite expenses being impacted by one-off expenses and higher commissions paid.
- The result for the year was EUR 161.2 million: an improvement of 19.8% on 2013 with a major contribution from our Iberian region.
- Our equity position was strengthened by 8.2%, due mainly to profit generation.
- Our long-term capital position improved by 16.7% following the increase of equity and the issuance of the EUR 250 million subordinated debt.



Helping our customers grow

Growth in business can mean many things. Growth in size and brand reputation, in geographic reach and much more. Whatever form business growth takes, Atradius plays a key role by giving valuable credit management support.

Through our credit insurance and credit management services, the reinsurance we give our customers helps them plan for their company's future success by reducing the risk of losses from unpaid debts. Our focus has always been on developing long-lasting customer relationships. Developing and fostering those relationships to help our customers succeed and grow by supporting them in winning new business, entering new markets and ultimately by providing the safety net of credit protection is important to us.

In 2014 we once again achieved robust results, as reflected in the strong credit ratings assigned to the Atradius Group by A.M. Best (A - Excellent, stable outlook) and Moody's (A3, stable outlook): a testament to our strong technical performance, geographic diversification and competitive position in the global trade credit insurance market.

By helping our customers grow, we grow too: not only in terms of the volume of business that we insure but also in the way that we progress as an organisation and in the range of products we offer. Our aim is to be where our customers trade - and want to trade. By establishing ourselves in new markets, delivering innovative products and developing new ways to interact with our customers, we flourish. It is a continuous process: we are always focusing on enabling trade for our customers and listening to their feedback so that we can identify new opportunities to evolve our own business.

The year saw many initiatives aimed at supporting our customers' growth. New products were designed to attract small and medium sized enterprises while, at the other end of the scale, new 'top-up' solutions devised with leading reinsurers help our customers obtain strategically important cover. A new service - Atradius Insights - gives customers an even greater wealth of management information, helping them

actively manage their risk portfolio and easily identify opportunities for profitable growth.

We continue to expand geographically with new offices in Thailand and Indonesia, a licence in Russia and increased capabilities in Latin America and Africa.

2014 was a milestone for both Atradius and our parent company Grupo Catalana Occidente S.A. (GCO): marking ten years since the launch of the Atradius name and the 150th anniversary of GCO. To celebrate both landmarks we have aligned the Atradius brand with our parent, with a new logo and visual identity.

As we have said many times - and it remains true - our people are our greatest asset, which is why we continue to invest in their personal and professional development and their engagement, not just with Atradius but also with our customers and business partners. The positive results of that investment are evident in our excellent customer retention.



“By helping our customers grow, we grow too”

The global economy in 2014 - better, but disappointing

The global economy improved in 2014 but did not live up to the promise of late 2013. Global growth ended higher at 2.7% but below expectations. Latin America posted a meagre 1.2% economic growth rate as the 'super cycle' of high commodity prices and abundant Chinese growth turned flat, while US growth ended at 2.2%, although this was due mainly to bad winter weather. Asia performed slightly better, growing 4.8%. The Eurozone economy grew only 0.8% as geopolitical tensions in the Ukraine hit household and business confidence. There was a mixed picture across Europe, with Germany's economy growing by a respectable 1.4% and France's by a marginal 0.4%, while Italy's shrank by 0.3%. Some other countries provided positive surprises. Spain recorded 1.3% growth, while Greece emerged from 25 quarters of recession by posting 0.2% growth and Portugal 0.9%. Outside the Eurozone, the UK's GDP grew by an unexpected 3.1%.

Global trade growth was also better but disappointing. Hopes were upbeat, as late 2013 had looked positive, but since then global growth has weakened, falling back to 4% in June 2014 as a result of weaker trade growth in Latin America (5.5%) and Asian trade growth also sliding (4.0%). Eurozone and US trade growth continued an upward trend at 4% and 4.5% respectively in June. Within the Eurozone, both Germany's and Spain's trade grew by 4%, with France lagging the Eurozone average at 2.5%.

Eurozone confidence is an issue

Consumer confidence in the Eurozone peaked in the early summer of 2014 and then slid. Business confidence worsened but remained marginally positive. In both respects, Germany and Spain performed better than the Eurozone average, while France performed worse.

This feeble confidence has a number of causes. Unemployment levels remain high, although some countries have been able to lower unemployment rates: notably Spain and Greece. Debt in the private sector is too high, at 260%, prompting deleveraging by consumers and businesses. However,

deleveraging is troubled by deflationary tendencies: inflation of 2-3% helps inflate away the debt to some extent but the current 0.6% is far too low. Finally, the European banking sector has continued to restrict its lending and the rolling over of loans. While the European Central Bank's asset quality reviews and asset tests have helped, unemployment, high private debt and banking sector issues continue to weigh on confidence. In addition, severe geopolitical issues have surfaced in the Middle East and the Ukraine. Tensions between Russia and the US and EU rose to post Second World War heights, culminating in a volley of sanctions and counter-sanctions. Critically, energy trade has so far been exempted from the sanctions.

The ECB showed determination to help growth and raise inflation in the Eurozone by announcing an asset purchase programme of EUR 1 trillion. Official interest rates were kept low, helping euro depreciation and export growth, as well as inflation. Meanwhile, the US Federal Reserve reduced its expansionary policy programme somewhat by ending quantitative easing of bond purchases.

The oil price fell rapidly during the autumn of 2014, from USD 110 in June to around USD 60 per barrel Brent in December. This reflects growth in US shale production, weaker demand from Asia – particularly China – and the unwillingness of Saudi Arabia to maintain prices by cutting production. The overall impact is positive for the world economy: the Eurozone in particular will benefit as an oil importer.

Insolvencies continued to improve but remain high

Insolvencies continued to decline in advanced economies, for some countries at least: including the UK, Germany, the US and the Netherlands. Improvements were also seen in the Eurozone periphery where Spain and Portugal showed much better figures. In line with their lacklustre economic development, the insolvency environment in France and Italy again worsened and the overall level of insolvencies remains high.

Holding a mirror to the global economy: our performance in 2014

There are many facets to Atradius' support for business, each of which serves national and international trade in a specific way. Each of these can be affected by the prevailing global economy but, despite continuing uncertainties, 2014 proved another successful year for us, with profits up almost 20% to EUR 161.2 million.

Our credit insurance business achieved a result, before reinsurance costs, of EUR 315.6 million - up 16.3% on 2013 - despite wide variations in performance across world markets. We also increased our risk acceptance by over 11% and that focus on meeting customer needs was well rewarded by customer retention of 91.5% coupled with an increase in new business. For Atradius, true customer service also means having a presence wherever our customers trade and want to trade. Not surprisingly therefore, we opened new offices in Thailand, Indonesia and China, increased our service capabilities in India and Taiwan and established a direct presence in Russia. Our Special Products Unit, providing solutions outside the framework of whole turnover credit insurance, continued to expand its capabilities and international footprint, and this was reflected in revenue growth of 11.3% to EUR 47.3 million.

Demand is growing for Atradius' bonding solutions and in response we have expanded our capacity to meet customer requirements. 2014 marked the expansion of our bonding activities into Germany, adding diversity to our portfolio. We also support our customers' multinational activity by issuing bonds in six additional European countries and through partnerships across the globe. Our bonding operation yielded revenue of EUR 93.6 million in 2014.

The fortunes of our debt collection service Atradius Collections can move counter to those of our credit insurance, depending on the state of the world economy. The signs of a global economic recovery in 2014 were naturally reflected in slightly lower debt placement and therefore collections income, although this still reached a creditable EUR 41.6 million. Atradius Collections also continued its

expansion in South America and Asia, providing a valuable contribution to our goal of supporting customers where they trade.

Atradius Reinsurance (Atradius Re) has a distinctive – some would say 'unique' – role in the development of the credit insurance industry, especially in emerging markets in Asia, the Middle East and Latin America. Reinsurance revenue rose by 4.5% in 2014, to EUR 133.8 million. Meanwhile, Atradius Dutch State Business' service generated EUR 125 million for the account of the Dutch State, delivering important stimulus to Dutch exports.

While the way we conduct our business – forward planning, strategic expansion, product initiatives and our response to changing market conditions – reflect the state of global economy, our success is measured by that of our customers, and by the trust that they, our business partners and indeed all our stakeholders place in us.

How will risk management grow in the future?

As businesses grow and expand into new markets, opportunities are measured against the risks that they carry. Indeed, the geo-political upheaval that can surface across the world adds a level of complexity to risk management that didn't exist a generation ago, even for businesses trading in supposedly 'safe' markets. Economic and political issues in one region can reduce demand for goods and services across the globe. Volatility in the price of essential commodities can impact any business, anywhere. As a result, there is a growing need for ever-more sophisticated ways to monitor and manage the risks to which businesses are exposed.

Atradius understands this. The skills of our economists and risk underwriters are augmented by advanced technologies that enable us to keep our customers informed about, and protected from, worldwide credit risks.

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
Taiwan	Taipei ⁽²⁾
Thailand	Bangkok ⁽¹⁾
Vietnam	Hanoi ⁽¹⁾

Africa

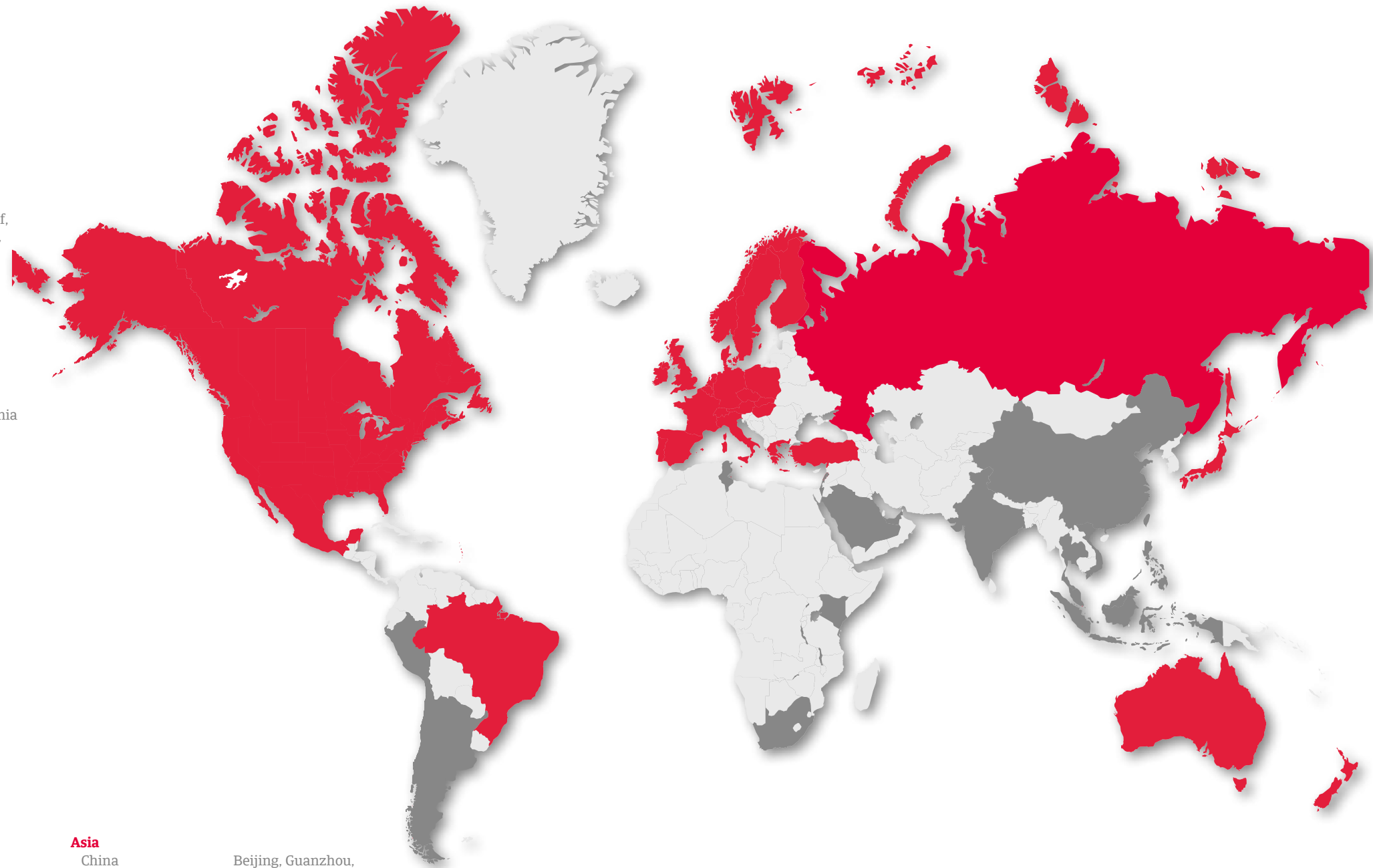
Kenya	Nairobi ⁽¹⁾
South Africa	Johannesburg ⁽¹⁾
Tunisia	Tunis ⁽¹⁾

Oceania

Australia	Sydney, Brisbane, Melbourne,
Perth	Wellington
New Zealand	

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

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



Products and services designed to promote growth

Because the demands that our customers place on us are many and varied, the ways in which we help them grow their businesses are equally diverse.

Our adaptable 'whole turnover' credit insurance serves small, medium and large businesses engaged in domestic or export trade. It can be easily combined with other Atradius products, such as our debt collection services, to create a comprehensive credit management solution.

For multinational corporations, we offer a tailored credit management solution - our Global policy - widely acknowledged to be 'best in class'. Customers can choose between a single policy that works for both the parent company and all of its subsidiaries, stand-alone policies to accommodate varying country conditions, or a combination of the two.

We also offer a range of structured credit risk solutions for specific large and complex transactions: from enhanced credit protection for single contracts or buyers to pre-export finance.

Buyer intelligence at your fingertips

Atradius buyer rating complements a customer's credit insurance policy, by giving online access to buyer ratings on their insured portfolio. In this way, customers can directly assess the quality of their buyer portfolio and monitor their credit risk.



Skilled and sensitive debt collection

Atradius Collections helps businesses – both credit 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 collections specialist, leveraging the strength of Atradius Credit Insurance, combined with its own integrated international network of collectors, lawyers and insolvency practitioners.

Covering the risks of multiple instalment agreements

Atradius Instalment Credit Protection (ICP) covers the 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.

An extensive range of bonding products

Our range of bonding products puts 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.

Insuring the insurers

Atradius Re is the only specialist reinsurer for credit insurance and bonding, offering a wide range of reinsurance solutions for the credit insurance and bonding business of primary insurers around the world. The combination of the skills of a reinsurer with the experience of a leader in credit insurance and bonding reinforces Atradius Re's most developed proposition to the market.

“Flexible and adaptable”

The economic outlook for 2015



In 2015 the world economy is expected to show 3.2% GDP growth, with all regions contributing. Asia is likely to be the largest contributor, with a growth forecast of 4.8%. That is significantly above the forecasts for Latin America (1.8%) and Eastern Europe (1.7%). The US is expected to step up its contribution to a decent 3.0% growth rate with the Eurozone considerably lower, but still positive, at 1.1%. Meanwhile, global trade growth of 4.0% is expected. The oil price is likely to rise and hover in the range of USD 75-80 per barrel for Brent as the production surplus is gradually absorbed.

There are a number of risks to this outlook. Further unwinding of the expansionary US monetary policy should be done with the utmost care: otherwise, the financial market could be easily panicked and withdraw funds from emerging economies, causing a liquidity crunch. Moreover, risk aversion amongst investors is still unusually low, with liquidity searching for yield. Secondly, Eurozone growth may continue to disappoint.

Against a background of already weak economic growth in the Eurozone, there are further signs

of deflation and intensified geopolitical issues. However, a re-escalation of the sovereign debt crisis seems distant, as the European Central Bank remains vigilant. Still, the fragile Greek political situation may give rise to echoes of the 2012 crisis.

The Russian slowdown is now a fact, with US and EU sanctions increasing and the oil price decline taking its toll. Those countries closest to Russia will feel the effects. As Russia continues to stoke the conflict in Ukraine, sanctions and Russian counter-sanctions may be stepped up further and ultimately impact the European energy situation. Further tension in Syria and Iraq may jeopardise the oil supply from the Middle East, putting upward pressure on the current lower prices and hindering the recovery.

While Chinese growth is being carefully managed by the authorities, a hard landing at around 5% cannot be discounted. That would reinforce the impact that China has had on commodity prices and commodity exports, especially from Latin America, over the past year and hamper global growth.

Consolidated financial statements

All amounts in thousands of Euro, unless otherwise stated.

Consolidated statement of financial position

	31.12.2014	31.12.2013
Assets		
Intangible assets	168,761	171,447
Property, plant and equipment	123,444	125,732
Investment property	10,378	11,542
Investments in associated companies	39,392	34,177
Financial investments	2,083,832	1,835,791
Reinsurance contracts	668,962	654,891
Deferred income tax assets	102,351	100,197
Current income tax assets	12,566	19,251
Receivables	216,386	167,841
Accounts receivable on insurance and reinsurance business	169,351	130,671
Other accounts receivable	47,035	37,170
Other assets	436,739	398,706
Deferred acquisition costs	72,270	63,545
Miscellaneous assets and accruals	364,469	335,161
Cash and cash equivalents	268,048	178,258
Total	4,130,859	3,697,833
Equity		
Capital and reserves attributable to the equity holders of the Company	1,393,039	1,286,924
Total	1,393,039	1,286,924
Liabilities		
Subordinated loan	248,141	119,521
Employee benefit liabilities	83,882	94,840
Insurance contracts	1,572,151	1,486,294
Provisions	4,281	6,319
Deferred income tax liabilities	133,522	110,320
Current income tax liabilities	36,191	21,417
Payables	225,353	193,159
Accounts payable on insurance and reinsurance business	183,078	165,599
Trade and other accounts payable	42,275	27,560
Other liabilities	387,013	372,498
Borrowings	47,286	6,541
Total	2,737,820	2,410,909
Total equity and liabilities	4,130,859	3,697,833

Consolidated financial statements

All amounts in thousands of Euro, unless otherwise stated.

Consolidated income statement

	2014	2013
Insurance premium revenue	1,458,156	1,412,075
Insurance premium ceded to reinsurers	(643,043)	(642,371)
Net premium earned	815,113	769,704
Service and other income	169,047	166,352
Share of income of associated companies	7,247	5,804
Net income from investments	30,590	29,262
Total income after reinsurance	1,021,997	971,122
Insurance claims and loss adjustment expenses	(636,651)	(691,730)
Insurance claims and loss adjustment expenses recovered from reinsurers	244,401	286,688
Net insurance claims	(392,250)	(405,042)
Net operating expenses	(386,220)	(383,151)
Total expenses after reinsurance	(778,470)	(788,193)
Operating result before finance costs	243,527	182,929
Finance income	4,985	4,102
Finance expenses	(16,142)	(13,267)
Result for the year before tax	232,370	173,764
Income tax expense	(71,180)	(39,261)
Result for the year	161,190	134,503
Attributable to:		
Equity holders of the Company	161,190	134,522
Non-controlling interests	-	(19)
	161,190	134,503

The Annual report summary 2014 is derived from, and should be read in conjunction with, the Atradius N.V. Annual report 2014. The Annual report 2014 is available on www.atradius.com



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www.atradius.com

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