



Leading the future

Annual Report Summary 2016 Atradius N.V.

This is Atradius

Our mission is simple. We lead our customers into the future by strengthening their credit and cash management and helping them to grow their business safely. In this way we add value for our customers.

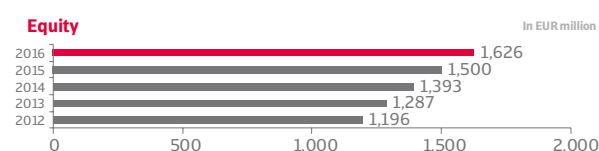
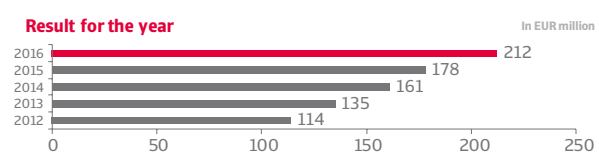
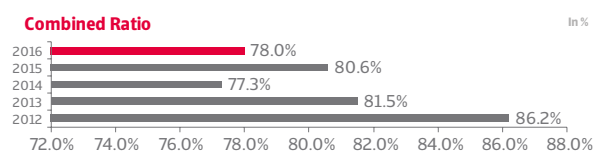
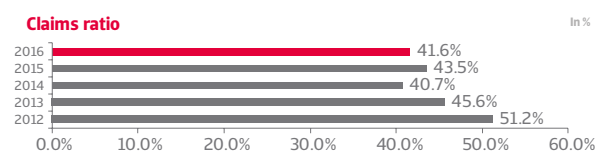
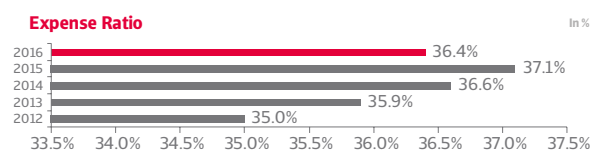
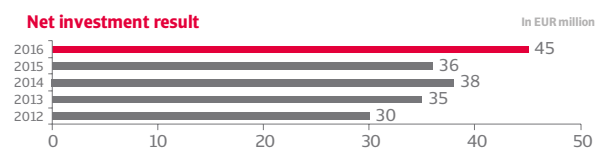
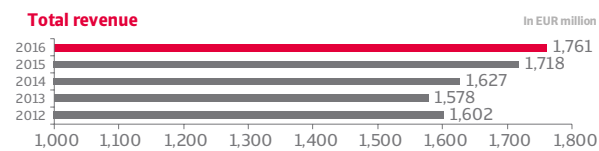
To that end, everyone at Atradius lives and breathes 'service'. While our business is built on our credit insurance and the wide range of credit management products and services we can deliver, it is our people who through their ingenuity and dedication deliver exceptional credit management solutions, helping our partners achieve their goals.

We aim to be close to our customers' businesses: geographically in their home markets and those of their buyers, intellectually by taking the time to get to know their businesses and what they need to succeed, and emotionally by building real relationships and partnerships. The support that we give our customers helps them pursue trading opportunities with confidence and understand the risks that lie ahead.

Our 2016 performance at a glance

Continued strong contributions across the Group

- Our total income increased by 3.0% (3.3% at constant foreign exchange rates), supported by growth in Europe.
- Total revenue increased by 2.5% including service result (3.4% at constant foreign exchange rates), also supported by growth in Europe.
- The investment return contributed positively to our bottom line, driven by the positive performance of our investment portfolio.
- Our risk acceptance remained high, delivering a solid 41.6% claims ratio as we successfully managed claims costs in a deteriorating risk environment.
- The combined ratio ended at 78.0%.
- The result for the year was EUR 211.8 million.
- Our shareholders' equity and subordinated debt position strengthened by 8.4%, resulting from profit generation and an additional subordinated loan of EUR 75 million provided by the shareholders of Atradius N.V.



“Everyone at Atradius lives and breathes service”

Leading the future

All businesses operate in the 'here and now', but lasting success comes from leading the future. So, while it's vital that we provide businesses with excellent credit management support today, it's the constant advances that we make in the way we interact with our customers and other partners in the years ahead that will guarantee our continued leadership of the market.

The business world is constantly evolving, and that's why we develop new tools to help our customers stay ahead of the curve. Our expansion and new partnerships in markets that promise valuable opportunities also ensure that we meet our customers' needs: giving them support to grow their business.

Our commitment to simplify and improve customers' credit management and help them focus on genuine opportunities is evident from our continued innovation in and enhancements to our products and services.

Put simply, our success is determined only by that of our customers. By helping lead their success we ensure ours.

Leading the future through innovation

The amount of data recorded every single day of the 21st century far surpasses that recorded in the whole of the last century: that's how far technology has progressed. Harnessing and analysing that data is essential to our customers' future, because how a business adapts to this information-driven world will increasingly determine its success or failure. At Atradius we constantly advance how we access, use and share information and technology to make our customers' credit management more effective.

Leading the future through expansion

Opportunities come in many forms, but every new opportunity is accompanied by new risks. So, while a new product or innovation can take business to new levels, entering new markets potentially



opens a business up to new hazards too. Accessing information about businesses in those markets, their payment behaviour and how to protect against the risk of payment default can have real consequences for our customers' profitability. That's why every year we enter new agreements to improve our customers' safe access to and trade in markets across the world.

Leading the future through commitment

At Atradius everyone, through their actions and their interactions, strives to have a positive influence on his or her colleagues. Each of us has a genuine desire to help our customers, and all our business partners, achieve their goals. That means travelling alongside them on their journey: experiencing their milestones, celebrating their triumphs, standing with them through their challenges and offering advice and support when plans go off course.

The power of Atradius' dedication is reflected in the loyalty of our customers, and so it's no surprise that we continue to achieve very high customer retention rates. The positive energy we get from our customers, brokers, agents and the market helps us to lead the future through innovation, expansion and commitment.

The global economic environment in 2016

Atradius' understanding of the global economy is vital to the service we offer.

Global growth remained flat, with difficult economic conditions in many emerging markets and stagnant growth in advanced markets.

Growth in advanced markets weakened. The Eurozone was hit by lower external demand and less investment growth. Nevertheless, a rise in employment and low inflation enabled consumer spending to keep its momentum. All member states' economies, except that of Greece, grew. However, Southern Europe lagged behind the North. Spain was the clear exception in Southern Europe, with robust growth of 3.2% in 2016.

The European Central Bank's monetary policy stimulus led to lower interest rates and looser financial conditions, which reduced the costs of company funding and consumer borrowing. Bank lending recovery was relatively weak in Southern Europe.

Economic growth in the United States was among the most robust of developed markets, even though its economic recovery was weaker than expected. Private consumption, accounting for more than two-thirds of the US economy, remained strong while unemployment levels improved.

Elsewhere, growth in emerging markets weakened, with the Chinese slowdown and the difficult economic situation in Brazil and some other Latin American countries pushing the emerging market growth rate towards that of advanced economies.

Growth in international trade was subdued, as China continued to rebalance from investment-driven to consumption-led growth. Trade growth was low across Asia, slowed in Latin America and shrank in Eastern Europe. Countries that rely heavily on commodity exports suffered from the drop in commodity prices and falling external demand.

But there was also positive news. Financial pressures caused by capital withdrawal from emerging markets eased following the UK's Brexit vote. Net importers of commodities, including many Latin American countries, benefitted from yet another year of record-low prices. Economic growth in Central and Eastern Europe remained high due to the Eurozone recovery, translating into higher exports and more inward investment, as well as reducing the pressure on Russia.

“We are committed to improving our customers' credit management and helping them focus on genuine opportunities”

Leading the way – our successes in 2016

Atradius continues to push the boundaries of credit management, with a 'customer-first' mind-set that keeps us at the forefront of the industry.

In today's globalised business world, digitalisation – the use of digital technologies to improve business models – has a major impact on the dynamics of global trade and is unquestionably vital for business success. We are harnessing the benefits of digitalisation, for instance through our innovative business intelligence tool Atradius Insights, so that we can respond nimbly to this changing business landscape. Atradius Insights enables us to gather and analyse vast amounts of data, helping our customers manage their buyer portfolio and credit risks with increased accuracy.

The merger in 2016 of our legal entities Credito y Caución and Atradius Credit Insurance has also reduced complexity within our organisation so that we can respond to our customers' needs as a single streamlined organisation.

Geographical expansion is vital to our success and that of our customers. Our new Credit Insurance office in South Korea has broadened the scope of our Asian operation and enabled us to support even

more businesses trading there. We've also committed to acquiring a 25% stake in one of our longstanding partners, the Credit Guarantee Insurance Corporation of Africa Ltd (CGIC): Africa's leading trade credit insurer. This alliance promises new opportunities to extend our market reach in South Africa and beyond.

Our aim to be close to customers and the markets in which they trade is evident too in the expansion of our Bonding operations into Belgium, Luxembourg and the Netherlands, while Atradius Collections now has a presence in both China and India.

Two important acquisitions have boosted our credit management and collections services. We now have a 100% shareholding in Graydon, the leading business information services provider in the Netherlands, Belgium and the UK, and an 80% stake in Ignios, the Portuguese information company.

These are just some of our latest customer-focused developments. In addition, we piloted a new customer portal, Atrium, to replace our on-line tool Serv@Net and transform the way that our customers and brokers interact with us. Even at this early stage, the feedback from the market has been extremely positive ahead of the planned launch of Atrium in 2017.



Close to our customers – our global footprint

Europe

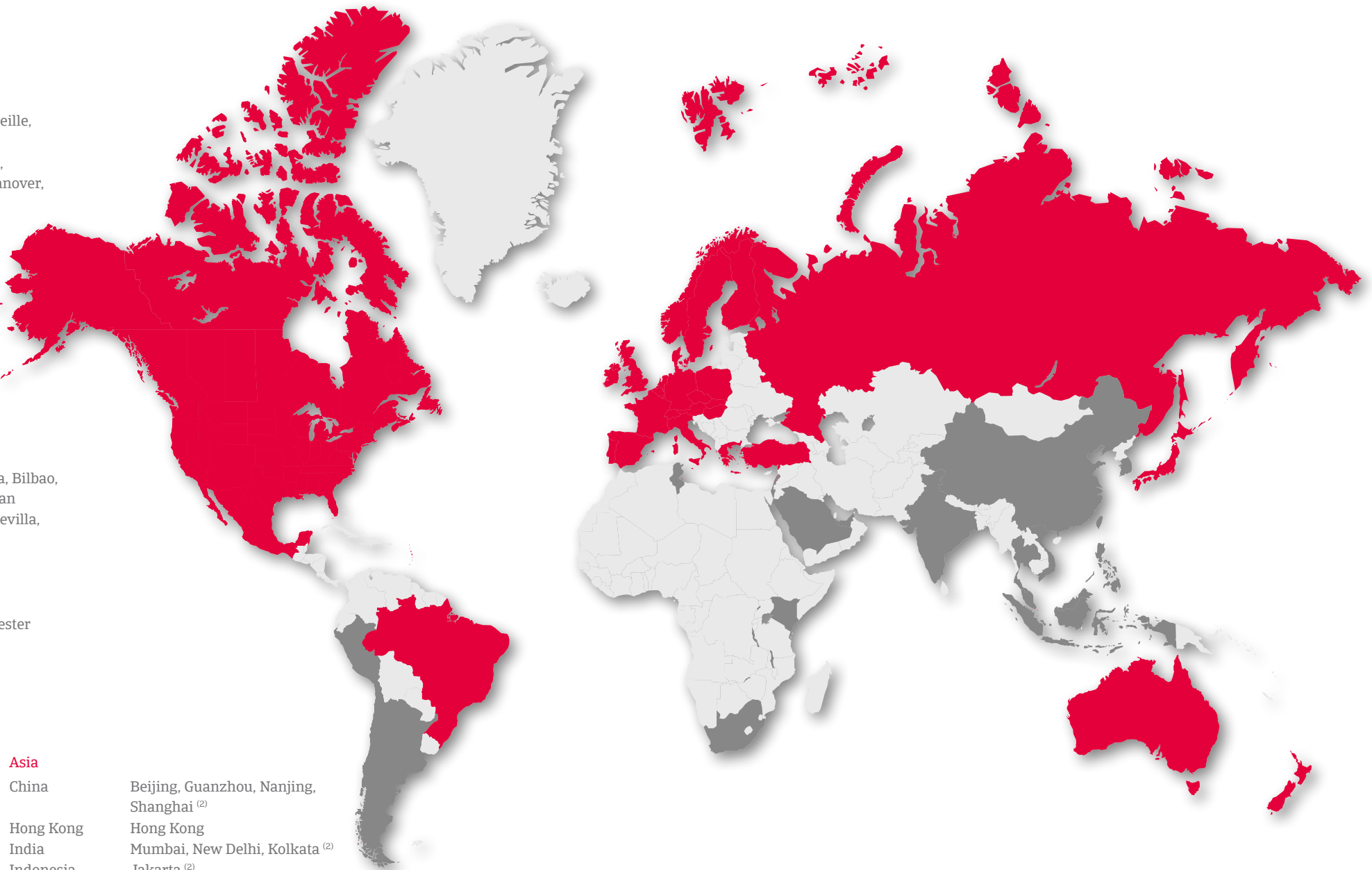
Austria	Vienna
Belgium	Namur, Antwerp
Czech Republic	Prague
Denmark	Copenhagen, Århus
Finland	Helsinki
France	Paris, Bordeaux, Compiègne, Lille, Lyon, Marseille, Rennes, Strasbourg
Germany	Cologne, Berlin, Bielefeld, Bremen, Dortmund, Düsseldorf, Frankfurt, Freiburg, Hamburg, Hanover, Kassel, Munich, Nuremberg, Stuttgart
Greece	Athens
Hungary	Budapest
Iceland	Reykjavik
Ireland	Dublin
Italy	Rome, Milan
Luxembourg	Luxembourg
Netherlands	Amsterdam, Ommen
Norway	Oslo
Poland	Warsaw, Krakow, Poznan, Jelená Góra
Portugal	Lisbon, Porto
Russia	Moscow
Slovakia	Bratislava
Spain	Madrid, Alcalá de Henares, Alicante, Barcelona, Bilbao, Castellón, A Coruña, Girona, Las Palmas de Gran Canaria, Málaga, Murcia, Oviedo, Pamplona, Sevilla, Tarragona, Terrassa, Valencia, Zaragoza
Sweden	Stockholm
Switzerland	Zurich
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 ⁽²⁾
Japan	Tokyo
Malaysia	Kuala Lumpur ⁽¹⁾
Philippines	Manila ⁽¹⁾
Singapore	Singapore
South Korea	Seoul ⁽²⁾
Taiwan	Taipei ⁽¹⁾
Thailand	Bangkok ⁽²⁾
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 – designed for today and for the future

Every business is unique. That's why we design our credit insurance products in a flexible modular format that can be adapted to suit all sizes of business from small and medium-sized enterprises (SMEs) to multinational corporations.

For multinationals we offer a sophisticated and tailored credit management solution: our Global policy. Customers can choose between a single credit insurance policy 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 policy can be adapted to each customer's needs, whether they conduct their business domestically or across the world. And, to meet the demands of SMEs, we have a range of products that are simple to use and to manage.

'Whole turnover' credit insurance may not be right for every company. Therefore we 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

With a presence in 25 countries, Atradius Collections helps businesses to collect trade debts while maintaining sound business relationships with their customers. It has built a strong reputation as a business-to-business specialist, combining the strength of Atradius Credit Insurance with its own integrated international network of collectors, lawyers and insolvency practitioners. Atradius Collections also offers a range of services for the financial industry.

“Our customer-first mind-set keeps us at the forefront of the industry”

An extensive range of bonding products

The wide range of bonding products offered in many countries by Atradius Bonding 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.

Covering the risks of multiple instalment agreements

Atradius Instalment Credit Protection (ICP) covers short risks involved in multiple instalment agreements with private individuals and businesses in Belgium and Luxembourg – such as consumer credit, leasing and renting. Recently we added residential real estate insurance products for co-ownerships and rental guarantees, while our product B2C Protect will cover customers in the construction sector against payment default by property owners.

Insuring the insurers

Atradius Reinsurance (Atradius Re) 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 skills of a reinsurer with the experience of a leader in credit insurance and bonding reinforces Atradius Re's highly developed proposition to the market.

Business Intelligence

Atradius offers business intelligence services through several companies including Iberinform in Spain, Graydon in the Netherlands, Belgium and UK, Informes in Mexico and Ignios in Portugal.

Our range of business information solutions helps customers make well-informed business decisions in areas of their business such as credit management, risk and compliance and marketing.

The outlook for 2017



Global growth is expected to pick up slightly in 2017 to 2.8%.

Growth in emerging markets is likely to improve as commodity prices recover to a degree. In Latin America, Brazil is forecast to improve significantly, while Mexico and other Central American countries are vulnerable to protectionist and anti-immigration measures by the US. Russia is expected to return to growth helping to push up Eastern European figures. Asia, particularly India and China, will continue to be the engine of global growth.

Emerging markets may endure some financial pressure from tighter US monetary policy. Advanced markets are forecast to maintain their growth rate, although growth in the Eurozone is expected to cool slightly. The reason is the potential impact of Brexit, which is also likely to suppress UK growth. US growth is projected to accelerate as a consequence of higher domestic demand and investment.

For advanced markets as a whole, the business environment will remain more or less stable with little change to insolvency levels. However, the UK may see the strongest rise in insolvencies, as uncertainty surrounding the negotiations with the EU and the adverse effects of the weak pound kick in. This will also have moderately negative knock-on effects on other EU countries. Overall the picture for 2017 is of a slight improvement in global growth, although economic conditions will remain challenging.

What does 2017 hold for Atradius and our customers?

The global business landscape in 2017 will again be full of many economic and political uncertainties. For our customers, balancing these factors to manage their risk will be a demanding task but, as always, we will use our expertise, ingenuity and above all the dedication of our people to guide them toward profitable trade and business growth.

Consolidated financial statements

All amounts in thousands of Euro

Consolidated statement of financial position

Assets	31.12.2016	31.12.2015
Intangible assets	226,005	173,500
Property, plant and equipment	125,968	121,253
Investment property	9,908	10,098
Investments in associated companies	39,586	35,396
Financial investments	2,280,293	2,212,264
Reinsurance contracts	632,262	689,849
Deferred income tax assets	45,315	52,965
Current income tax assets	50,613	21,288
Receivables	201,287	204,575
Accounts receivable on insurance and reinsurance business	153,405	175,373
Other accounts receivable	47,882	29,202
Other assets	493,185	498,263
Deferred acquisition costs	73,124	73,919
Miscellaneous assets and accruals	420,061	424,344
Cash and cash equivalents	287,080	230,707
Total	4,391,502	4,250,158
Equity		
Capital and reserves attributable to the owners of the Company	1,625,470	1,500,249
Non-controlling interests	55	-
Total	1,625,525	1,500,249
Liabilities		
Subordinated debt	323,437	248,289
Employee benefit liabilities	109,451	93,935
Insurance contracts	1,561,155	1,648,791
Provisions	6,027	6,588
Deferred income tax liabilities	115,179	112,154
Current income tax liabilities	23,960	31,641
Payables	232,746	195,207
Accounts payable on insurance and reinsurance business	183,407	161,835
Trade and other accounts payable	49,339	33,372
Other liabilities	393,411	411,973
Borrowings	611	1,331
Total	2,765,977	2,749,909
Total equity and liabilities	4,391,502	4,250,158

Consolidated income statement

	2016	2015
Insurance premium revenue	1,557,588	1,537,005
Insurance premium ceded to reinsurers	(663,831)	(674,608)
Net premium earned	893,757	862,397
Service and other income	203,079	180,754
Share of income of associated companies	26,689	782
Net income from investments	18,279	35,234
Total income after reinsurance	1,141,804	1,079,167
Insurance claims and loss adjustment expenses	(698,392)	(718,522)
Insurance claims and loss adjustment expenses recovered from reinsurers	271,896	308,888
Net insurance claims	(426,496)	(409,634)
Net operating expenses	(431,325)	(407,874)
Total expenses after reinsurance	(857,821)	(817,508)
Operating result before finance costs	283,983	261,659
Finance income	3,325	4,108
Finance expenses	(12,744)	(17,597)
Result for the year before tax	274,564	248,170
Income tax expense	(62,792)	(69,949)
Result for the year	211,772	178,221
Attributable to:		
Owners of the Company	211,795	178,221
Non-controlling interests	(23)	-
Total result for the year	211,772	178,221

Consolidated statement of comprehensive income

	2016	2015
Result for the year	211,772	178,221
Other comprehensive income:		
Items that will not be reclassified to the income statement:		
Actuarial gains/(losses) on defined benefit pension plans	(40,045)	2,795
Income tax relating to items that will not be reclassified	7,925	(1,399)
Items that may be subsequently reclassified to the income statement:		
Net fair value gains/(losses) on available-for-sale financial investments	20,324	(12,574)
Share of other comprehensive income of associated companies	-	-
Exchange gains/(losses) on translating foreign operations and associated companies	(1,869)	3,782
Income tax relating to items that may be reclassified	(1,699)	1,265
Other comprehensive income for the year, net of tax	(15,364)	(6,131)
Total comprehensive income for the year	196,408	172,090
Attributable to:		
The owners of the Company	196,431	172,090
Non-controlling interests	(23)	-
Total comprehensive income for the year	196,408	172,090

