

Committed to our customers

Annual report summary 2010 Atradius N.V.



Four years in figures

Atradius N.V.

All figures in accordance with IFRS	Notes	2010	2009	2008 ⁽¹⁾	2007
Financial information (in EUR million)					
Gross earned premium		1,345.6	1,468.6	1,616.4	1,148.6
Service income		155.1	197.8	225.4	166.9
Total turnover		1,500.7	1,666.4	1,841.8	1,315.5
Net investment result		22.7	68.3	47.8	79.7
Total income		1,523.4	1,734.7	1,889.6	1,395.2
Total net profit		124.9	(113.3)	(193.4)	164.2
From continuing operations		124.9	(113.3)	(193.4)	164.2
From discontinued operations		-	-	-	-
Balance sheet information (in EUR million)					
Equity at year-end		1,035.2	905.0	1,005.5	843.5
Total assets		3,274.9	3,199.4	4,284.1	2,992.7
Insurance contracts (technical provisions)		1,311.8	1,508.1	2,166.9	1,232.1
Shareholders' information					
Return on equity	A	12.9%	(11.9%)	(16.8%)	21.4%
Return on equity (continuing operations)	B	12.9%	(11.9%)	(16.8%)	21.4%
Outstanding ordinary shares (at year-end, in million)		79.1	79.1	79.1	56.6
Dividend paid (in EUR million)		-	-	25.3	-
Pay-out ratio	C	-	-	15.4%	-
Basic earnings per share (in EUR)	D	1.58	(1.43)	(2.49)	2.90
Dividend per share (in EUR)	E	-	-	0.32	-
Technical ratios					
Gross claims ratio		38.6%	85.4%	98.6%	39.9%
Gross expense ratio		35.4%	36.4%	34.1%	38.5%
Gross combined ratio		74.0%	121.8%	132.7%	78.4%
Net claims ratio		44.6%	77.1%	97.4%	41.3%
Net expense ratio		39.3%	45.6%	32.2%	37.9%
Net combined ratio		83.9%	122.7%	129.7%	79.2%
Employees					
Headcount, at year-end		3,318	3,627	4,106	3,604
Full-time equivalents, at year-end		3,165	3,470	3,854	3,366
Full-time equivalents, average		3,318	3,662	3,851	3,335
Credit ratings					
Standard & Poor's		A-, negative			

⁽¹⁾ Including Crédito y Caución since January 2008

Notes:

- A. Return on equity is defined as the total net profit for the year divided by the time weighted average shareholders' equity of the year.
- B. Return on equity based on continuing operations is defined as net profit from continuing operations divided by the time-weighted average shareholders' equity of the year.
- C. Pay-out ratio is defined as dividend paid to shareholders divided by the total net profit for the period that is related to this dividend.
- D. Basic earnings per share is defined as total net profit for the year divided by the weighted average number of outstanding shares during the year.
- E. Dividend per share is defined as the total dividend paid in the year divided by the weighted average number of outstanding shares during the year.

Atradius at a glance

Highlights

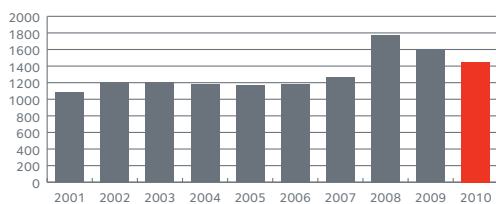
- The worldwide economy started its recovery in 2010, led by Asia, Latin America and Eastern Europe.
- Atradius had a net profit of EUR 124.9 million.
- Our restructuring programme was completed, resulting in the planned decrease in operational expenses of 12% compared to 2009.

(All figures in EUR million)
 Figures include Crédito y Caución since January 2008

About Atradius

Atradius provides trade credit insurance, bonding and collections services worldwide, and has a presence in 42 countries. Its products and services are designed to help reduce customers' exposure to buyers who are unable to pay for the products and services that they buy. With total income of more than EUR 1.5 billion and a market share of approximately 31% of the global trade credit insurance market, Atradius' products contribute to the growth of companies throughout the world by protecting them from the payment risks associated with selling products and services on credit. With 160 offices, Atradius has access to credit information on 52 million companies worldwide and makes more than 22,000 trade credit decisions daily.

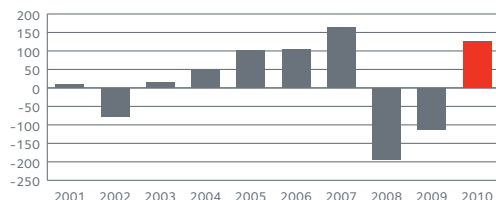
Total insurance revenues



What is credit insurance?

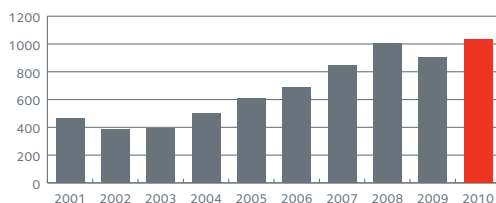
The sale of goods and services on credit terms that are stipulated in the contract, allowing the buyer a period after delivery to pay, is often offered by vendors as an alternative to prepayment or cash on delivery. But, while trade credit allows the buyer time to generate income before having to pay, the vendor runs the risk of possible non-payment.

Net profit



Credit insurance protects businesses from financial loss due to the risks of a buyer's protracted default or insolvency, and can also cover the risk of non-payment by a foreign buyer resulting from currency issues, political unrest and governmental intervention.

Shareholders' funds





Supporting the success of our customers

2010 will best be remembered as the year in which businesses around the world gradually emerged from the depths of recession, and tentatively resumed a semblance of normal trade. 'Tentatively' because, despite signs of an improved economic environment, the spectre of harsh austerity measures dampened both business and consumer confidence, as well as expectations for the future. It is as though people wanted to celebrate a return to economic stability, but felt that such celebration may be premature.

One of our most important tasks in 2010 was therefore to let customers know that supporting their financial success continues to be our top priority. One way in which we have done so is through the introduction of our Customer Service Charter, which is designed to reassure all our customers, large and small, about the quality, timeliness and accuracy of our services.

We always aim to meet the high standards that we set ourselves in the Customer Service Charter, including the timeliness and clarity of our communications; the efficient management of our customers' credit insurance policies; the accuracy and integrity of our credit limit decisions; and the speed of our claims and recovery service.

In addition, although the worst of the global downturn may have passed, we still closely monitor the fluctuations in the global economy, making our considered judgements and research widely available through publications such as the monthly Atradius Market Monitor, bi-annual Payment Practices Barometer and regular concise reports on the political and economic situation in key trading nations.

At Atradius, being close to our customers is not just a measure of geographical proximity but a standard of care. We are committed to listening to our customers' needs, providing greater access to account information, buyer information and underwriters and, as much as possible, making sure our products and service meet their particular needs.

We are cautiously optimistic about future economic trends, but remain vigilant. An essential element of our commitment is, after all, to guide customers towards viable trading opportunities and away from unacceptable risk. Throughout 2010, we sought to restore cover, wherever possible, to pre-economic crisis levels. Our customers – and their buyers – have aided us greatly in this task through their transparency in the sharing of financial information.

We are determined to ensure that our customers optimise their business relationship with us, and also to strengthen our competitive market position. The renewed focus on our regional organisation, which links our global expertise to close attention to each customer's circumstances, will help us achieve both these aims. With that sharper focus, we can deliver increased excellence not just in our traditional credit insurance and debt collection services, but also through our niche products such as bonding, instalment credit protection and single situation cover.

Corporate strategy

Our corporate strategy has two goals: to provide unrivalled service to all our customers in a cost efficient manner; and to drive revenue growth and profitability. This strategy is founded on four pillars: customer service excellence; operational efficiency; geographic coverage; and product innovation.

Put simply, our vision is to drive the growth of the market for trade credit protection and, in doing so, to give our customers, partners, investors, and employees every opportunity to realise their ambitions for growth.

And our mission is to strengthen our customers' credit management and support their growth by providing them with accurate assessments of the payment default risk of their buyers, effective collections of overdue invoices and reliable surety protection against a range of contractual defaults.

We provide our customers excellent service through dedicated teams of account managers, collectors and underwriters who know the business environment they trade in.

Customer service excellence

Customer service has always been our highest priority, as this is what singles us out from our competitors. It is vital in this respect that we give our customers access to our decision makers and have

the flexibility to respond quickly and efficiently to differing – and often changing – market needs. We are now introducing a more decentralised approach to servicing our customers, still supported by an aligned overall Group strategy. Thus, in 2010 we extended more autonomy to our country based teams, so that, using their understanding of their markets, they can more easily adapt our products and services to meet any local variations in demand, while still adhering to an overall aligned Group strategy. The added flexibility that this brings means that we will be able to meet our customer needs even more efficiently and effectively, while supporting our ambitions for balanced growth. As a result, customers will have improved access to our credit limit decision makers in their region. Overall, our goal is to improve our customers' experience of Atradius.

Our Global unit, servicing our largest multinational clients, will continue to offer a separate service proposition, ensuring an aligned offering across all markets, as will our Special Products unit.

While our investment in technology has enabled us to improve our strategic focus in this way, the real driver has been our constant quest for improvement in customer satisfaction and in the efficiency and quality of our own performance. Our aim is to establish even more proactive account management, and to provide customers with the appropriate risk management information as early as possible that will support their internal credit risk management.



Striving for success by working closely together

Operational efficiency

We constantly seek to improve on both our productivity and efficiency, and are well placed to reap the benefits of the significant investment that we have made over recent years in integration and infrastructure.

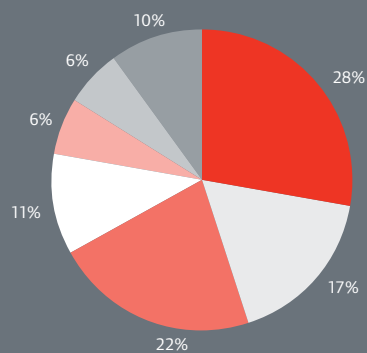
Our business model allows us to have standardised and cost efficient core processes, combined with the flexibility to tailor our offering locally: enabling us to better capture market opportunities more efficiently. We expect further productivity improvements to emerge from our decentralisation, with each regional unit designing the most efficient operation to suit its specific circumstances, while continuing to comply with strict cost control and with overall Group and regulatory guidelines. We have ensured that, as the decentralisation process continues, we also improve our transparency and the availability of management information. In this way, we can readily identify efficiency potential and synergies across regions, recommend best practice and drive central operational excellence initiatives.

Geographic strategy

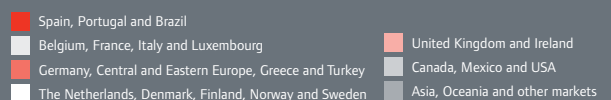
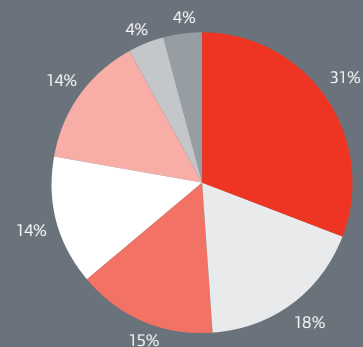
Atradius' geographic strategy is customer-driven: we want to be where our customers do business. In practice, this means strengthening our existing local capabilities and seeking to enter regions where we are not yet present but which we know are important markets for our customers. A key aspect of this is to increase the local presence of our risk underwriters, thereby ensuring that credit limit decisions are underpinned by local knowledge and support. To expand into regions where we are not yet present, we either enter those markets directly or through partnerships with local insurance companies. We cannot afford to ignore recent developments and changing outlooks across many countries, which could lead to an imbalance

in our overall product and credit limit portfolio in terms of geography, segmentation and sector split. As a result, we will seek to improve our market share in the SME and middle market segments in key countries, while continuing to maintain our leadership in the segments of large local companies and multinationals, and to retain a focus on emerging markets.

Risk diversification



Revenue diversification



Corporate responsibility

It was back in 2008 that Atradius first signed up to the United Nations Global Compact: an initiative that commits its signatories to align their operations to ten universally accepted principles covering human rights, labour standards, the environment and anti-corruption.

It was not a difficult decision for Atradius to make: we have always ensured that we run our business on ethical principles. But in recent years, as Corporate Responsibility (CR) has increasingly entered the consciousness, vocabulary and strategy of commerce and industry worldwide, there is also an expectation for businesses to demonstrate their CR credentials.

The essence of our commitment to CR is encapsulated in our CR vision statement:

We are a responsible global company offering credit management solutions worldwide. As such, in our pursuit of profit, we aim to manage the ethical, environmental and social risks of the way we do business.

Our vision is to ensure that our decisions and actions benefit our employees, our customers, our shareholders and the communities in which we work – and that those decisions should be tempered by an understanding of their impact on the environment.

We believe that corporate responsibility is meaningful to our customers and beneficial to the financial health of our business, resulting in cost savings, improved customer service, the motivation of our employees and enhanced brand value. This is very evident in the many and varied initiatives that our people across the globe are taking, including energy and resource saving projects in our offices; incentives to lower our carbon footprint; the ethical disposal of materials; and the procurement of energy from sustainable sources.

You can find details of Atradius' participation in the UN Global Compact at www.unglobalcompact.org/participant/980-Atradius-NV, and more details of our commitment to Corporate Responsibility at www.atradiusdutchstatebusiness.nl/dsben/cr



Product and service offering

Credit insurance

No two businesses are exactly alike, and this is reflected in our product strategy: to differentiate our product and service proposition based on different customer needs. We therefore tailor our products in such a way that they provide our customers with the appropriate risk management solutions for their complete sales cycle. Our core product is 'whole turnover' credit insurance and, in line with our customer segmentation strategy, we offer different credit insurance products to meet the specific needs of SMEs, large local companies and multinational corporations.

SMEs and large local companies

For SMEs and large local companies, we offer Atradius Modula: a flexible modular credit insurance policy that provides protection against non-payment and allows our customers to select specific terms and conditions of cover. Atradius Modula can easily be combined with other Atradius products, such as our debt collection services, to create comprehensive solutions.

In Spain, Portugal, and Brazil we offer a product, through our Group company Crédito y Caución, which is well adapted to the needs of small, medium and large, mainly local, companies. Our product suite provides protection for both domestic and export business, and all policy types can be tailored, by means of some 600 modules, to meet each customer's needs.

Multinationals

Atradius offers a sophisticated tailored credit management solution in the form of our Global policy, noted for its 'best in class' features. Customers can choose between a credit insurance policy with standard terms and conditions serving both the parent company and all its subsidiaries, or stand-alone policies that accommodate varying performance levels and country conditions, or a combination of the two. Our Global account teams, located in the same country as the customer's head office and also locally at subsidiary level, provide extensive and consistent cross-border customer service. A dedicated underwriter, well versed in the customer's needs, ensures consistent and high-quality decision making across the multinational organisation and its buyer portfolio. Indeed, our worldwide centres of underwriting expertise cover every region of the globe, providing a truly universal perspective of risk levels – a critical factor for those customers operating across borders.

Atradius buyer ratings

As part of our insurance offering, we have developed Atradius Buyer Ratings: a tool for customers to assess the quality of their buyer portfolio and monitor their credit risk. This can be added to a customer's credit insurance policy, giving them access to buyer ratings on their insured buyer portfolio free of charge via our online service Serv@Net.

Special products

'Whole turnover' coverage is not always the right solution for every customer. We therefore offer structured credit risk solutions for specific large and complex transactions through our Special Products service. In this way, we can offer an effective solution, whether the customer needs enhanced credit protection for a single contract or buyer, a safety net against the unfair calling of a bond, pre-export finance or a combination of all of these.

Bonding

We also provide a wide range of bonding products that put customers in a stronger financial position when dealing with business partners. A bond protects the beneficiary if the supplier - our customer - fails to meet the agreed performance level. Atradius holds a leading position in the French, Italian, Nordic and Spanish non-banking bonding markets and has an international network of business partners that have access to a wide range of guarantee facilities in other markets. Within this framework, we offer a wide range of bonds, including bid bonds, performance bonds, advance payment bonds, maintenance bonds, legal bonds, EU bonds and customs bonds.

Reinsurance protection

We offer reinsurance protection for the credit insurance and bonding business of primary insurers operating in many markets around the world. The assumed reinsurance business is offered by a dedicated team of underwriters at Atradius Reinsurance Ltd., which operates separately from the rest of the Atradius Group.

Instalment credit protection (ICP)

Atradius Instalment Credit Protection manages and 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 policy holders in Belgium and Luxembourg.



Non risk-based products

In addition to our portfolio of insurance products, we also develop non-risk based products, which can easily be combined with our insurance products.

Collections

Atradius Collections recovers domestic and international trade debts on behalf of its customers – both insured and uninsured - while, wherever possible, allowing them to maintain sound business relationships with their clients.

Credit information service

Through its Group company Iberinform, Atradius also offers a comprehensive and state-of-the-art web-based credit information service on Spanish buyers, including buyer ratings and investigated reports, as well as financials and public information.

Results 2010

All amounts stated in thousands of euros

Consolidated statement of financial position

Assets	31.12.2010	31.12.2009
Intangible assets	163,947	169,415
Property, plant and equipment	124,812	131,000
Investment property	22,668	23,231
Investments in associated companies and joint ventures	29,821	22,611
Financial investments	1,267,375	1,286,080
Reinsurance contracts	606,634	689,791
Deferred income tax assets	127,734	117,647
Current income tax assets	39,663	25,180
Receivables	216,019	259,988
Accounts receivable on insurance and reinsurance business	173,815	207,329
Other accounts receivable	42,204	52,659
Other assets	335,010	323,761
Deferred acquisition costs	59,847	54,623
Miscellaneous assets and accruals	275,163	269,138
Cash and cash equivalents	341,303	150,669
Total	3,274,986	3,199,373
Equity		
Capital and reserves attributable to the equity holders of the Company	1,035,229	905,041
Non-controlling interest	(16)	0
Total	1,035,213	905,041
Liabilities		
Subordinated loans	117,367	116,649
Employee benefit liabilities	89,917	82,947
Insurance contracts	1,311,846	1,508,084
Provisions	24,293	53,203
Deferred income tax liabilities	119,552	104,502
Current income tax liabilities	20,717	13,357
Payables	222,233	163,938
Accounts payable on insurance and reinsurance business	188,695	134,604
Trade and other accounts payable	33,538	29,334
Other liabilities	333,441	251,066
Borrowings	407	586
Total	2,239,773	2,294,332
Total equity and liabilities	3,274,986	3,199,373

Note for the reader:

This summary is derived from, and should be read in conjunction with, the Atradius N.V. Annual report 2010 dated 2 March 2011. The Annual report 2010 is available as a pdf from www.atradius.com.

Consolidated income statement

All amounts stated in thousands of euros

	2010	2009
Insurance premium revenue	1,345,615	1,468,582
Insurance premium ceded to reinsurers	(619,544)	(658,340)
Net premium earned	726,071	810,242
Service and other income	155,105	197,790
Share of income of associated companies	10,203	8,335
Net income from investments	12,485	59,978
Total income after reinsurance	903,864	1,076,345
Insurance claims and loss adjustment expenses	(554,965)	(1,351,003)
Insurance claims and loss adjustment expenses recovered from reinsurers	189,249	640,648
Net insurance claims	(365,716)	(710,355)
Net operating expenses	(382,746)	(493,679)
Total expenses after reinsurance	(748,462)	(1,204,034)
Operating result before finance costs	155,402	(127,689)
Finance income and expenses	(2,659)	(13,036)
Result for the year before tax	152,743	(140,725)
Income tax (expense)/income	(27,795)	27,459
Result for the year	124,948	(113,266)
Attributable to:		
Equity holders of the Company	124,966	(113,257)
Non-controlling interest	(18)	(9)
	124,948	(113,266)
Earnings per share for (loss)/profit attributable to the equity holders of the Company during the year (expressed in EUR per share):		
- Basic	1.58	(1.43)
- Diluted	1.58	(1.43)

Note for the reader:

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Global footprint

Europe

Austria
Belgium
Czech Republic
Denmark
Finland
France

Vienna
Namur, Antwerp
Prague
Copenhagen, Århus
Helsinki
Paris, Aix en Provence, Bordeaux, Compiègne, Lille, Lyon, Nancy, Nantes, Orléans, Rennes, Strasbourg, Toulouse
Cologne, Berlin, Bielefeld, Bremen, Dortmund, Frankfurt, Hamburg, Hanover, Kassel, Munich, Nuremberg, Stuttgart

Germany

Greece
Hungary
Iceland
Ireland
Italy
Luxembourg
Netherlands
Norway
Poland
Portugal
Russia
Slovakia
Spain

Athens
Budapest
Reykjavik (**)
Dublin
Rome, Milan
Strassen
Amsterdam, Ommen
Oslo
Warsaw, Krakow, Poznan, Wroclaw
Lisbon, Porto
Moscow
Bratislava
Madrid, Alcalá de Henares, Alicante, Barcelona, Bilbao, A Coruña, Getafe, Girona, Granollers, Las Palmas de Gran Canaria, Málaga, Murcia, Oviedo, Pamplona, Sevilla, Tarragona, Terrassa, Valencia, Valladolid, Zaragoza
Stockholm
Zürich, Lausanne, Lugano
Istanbul
Cardiff, Belfast, Birmingham, Glasgow, Leeds, London, Manchester

Middle East

Israel
Lebanon
United Arab Emirates

Tel Aviv (*)
Beirut (*)
Dubai (*)

Asia

China
Hong Kong
India
Japan
Singapore
Taiwan

Shanghai
Hong Kong
Mumbai
Tokyo
Singapore
Taipei (**)

Africa

Kenya
South Africa
Tunisia

Nairobi (*)
Johannesburg (**)
Tunis (*)

Americas

Aruba
Brazil
Canada

Oranjestad
São Paulo
Almonte (Ontario), Mississauga (Ontario), Duncan (British Columbia)
Santiago de Chile (**)
Willemstad
Mexico City, Guadalajara, Monterrey
Hunt Valley (Maryland), Chicago (Illinois), Los Angeles (California), New York (New York)

Chile
Curaçao
Mexico
USA

Oceania

Australia
New Zealand

Sydney, Brisbane, Melbourne
Auckland

(*) Associated companies or minority shareholdings

(**) Co-operation agreement with local partner

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