



Genuinely interacting with customers

Annual Report 2015 Atradius N.V.

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This is Atradius

As a global leader in credit insurance, our aim is to provide our customers with support to help them strengthen their credit and cash management and grow their business.

At the heart of the wide range of credit management products and services we can deliver is our credit insurance offering, complemented by bonding products, debt collection services and reinsurance. All of these are made available through the expertise of our people and 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 so that we can support them when and where they need us. With total income of EUR 1.7 billion⁽¹⁾ and a market share of 23%, as we have earned our place as a leading global trade credit insurer.

Over the 90 years that we have been supporting businesses we have continued to evolve in size, strength and expertise. However, the area in which we take the most pride is our commitment to delivering the best service consistently wherever we do business. This commitment to service extends not just to our customers but to all our stakeholders; including our business partners, agents, brokers, shareholders and employees.

Atradius is composed of people who care about customers. We get to know and understand their businesses and the people who work there. That gives us the insight that enables us to work together to achieve their goals. Our aim is to be the preferred partner in growing business safely, giving our customers the cover they want or the information they need to help them to fully understand the trading risks ahead of them.

Atradius is a team that works together to deliver credit management solutions. This team consists not only of salespeople and account managers but also of underwriters, IT experts, business information providers, economists, claims processors, debt collectors and administrative staff. We all play a role in helping our partners and come to work with the goal of making a difference every day.

(1) 23% of 2014 global credit insurance premiums according to data compiled by the International Credit Insurance & Surety Association, "ICISA".

**Making a
difference
every day.**



The evolution of Atradius

- 1925** – NCM (Nederlandsche Credietverzekering Maatschappij) is founded in the Netherlands, with the aim of improving trading conditions for Dutch companies.
- 1929** – In Spain, Crédito y Caución is founded. Since then it has grown organically to become the dominant credit insurance and surety company on the Iberian Peninsula.
- 1932** – NCM partners with the Dutch government to provide export credit services to Dutch companies on behalf of the Dutch State. This relationship still exists.
- 1954** – In Germany, Gerling Kreditversicherung (Gerling Credit) is established as the credit insurance arm of the Gerling Group.
- 1962** – Gerling Credit opens its first international branch office in Switzerland, and is the first private credit insurer to offer export credit protection.
- 1991** – NCM acquires the short-term export credit arm of the UK's Export Credit Guarantee Department (ECGD), itself a longstanding credit insurer.
- 2001** – The paths of NCM and Gerling Credit meet and Gerling NCM is formed.
- 2004** – Gerling NCM rebrands to Atradius.
- 2008** – Grupo Catalana Occidente S.A. becomes the major shareholder of Atradius. Crédito y Caución becomes a key part of the Atradius Group.
- 2011** – Atradius launches its Roadmap for Success; a strategy to enable its regional teams across the globe to be even more responsive to their customers' needs.
- 2013** – Atradius redefines its corporate guiding principles with a clear focus on delivering tailor-made solutions in each of its markets.
- 2014** – Atradius celebrates its 10th anniversary, and the 150th anniversary of Grupo Catalana Occidente S.A.



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% ⁽²⁾.
- The result for the year was EUR 178.2 million: an improvement of 10.6% on 2014.
- Our equity position was strengthened by 7.7%, due mainly to profit generation.

Management Board

Isidoro Unda (Chairman)

Andreas Tesch

Christian van Lint

Dominique Charpentier

Claus Gramlich-Eicher

The Supervisory Board

Ignacio Álvarez, Chairman

Francisco Arregui, Vice-Chairman

Bernd Meyer

Dick Sluimers

José Ruiz

Xavier Freixes

Hugo Serra

Désirée van Gorp

Supervisory Board Committees

Audit Committee

Remuneration, Selection and Appointment Committee

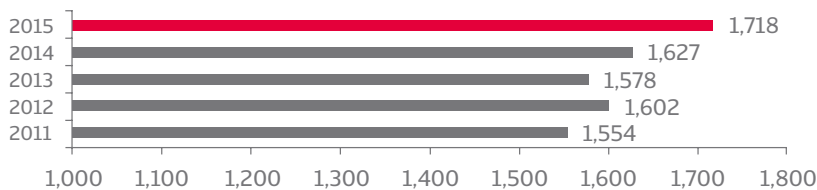
(2) The combined ratio is calculated using the general insurance standard; the sum of claims and expenses divided by insurance revenue.



Our 2015 performance at a glance

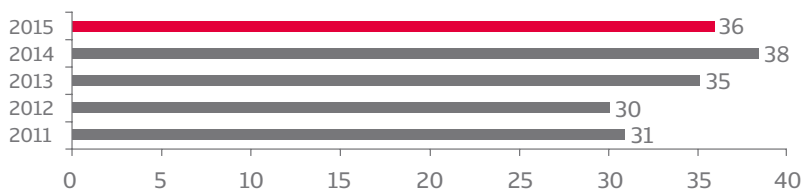
Total revenue

In EUR million



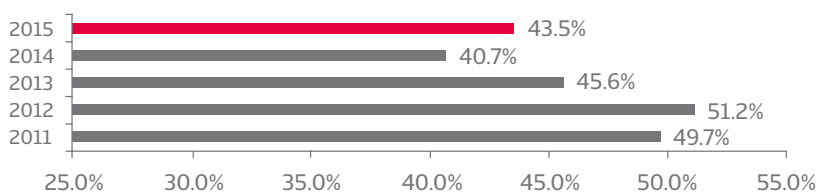
Net investment result

In EUR million



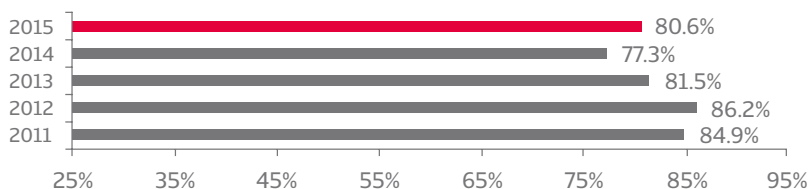
Claims ratio

In %



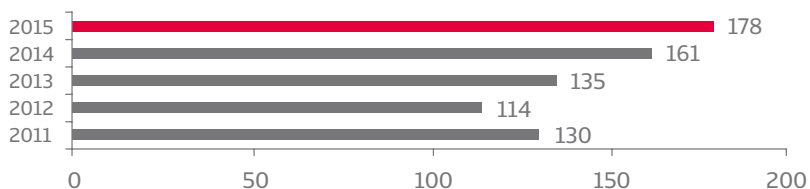
Combined Ratio

In %



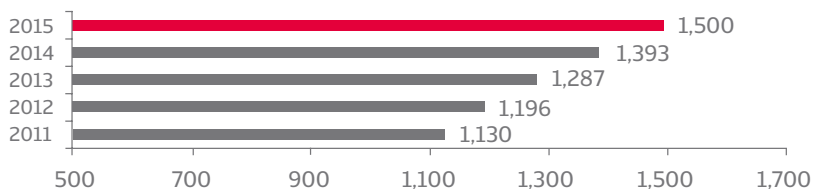
Result for the year

In EUR million



Equity

In EUR million





Ten years in figures

Financial information (in EUR million)	2015	2014	2013	2012	2011	2010	2009	2008 ⁽¹⁾	2007	2006
Insurance premium revenue	1,537.0	1,458.2	1,412.1	1,439.8	1,403.4	1,345.6	1,468.6	1,616.4	1,148.6	1,076.5
Service and other income	180.8	169.0	166.4	161.8	150.5	155.1	197.8	225.4	166.9	152.9
Total revenue	1,717.8	1,627.2	1,578.4	1,601.6	1,553.8	1,500.7	1,666.4	1,841.8	1,315.5	1,229.4
Net investment result ⁽²⁾	36.0	37.8	35.1	30.3	31.1	22.7	68.3	47.8	79.7	55.5
Total income	1,753.8	1,665.0	1,613.5	1,632.0	1,584.9	1,523.4	1,734.7	1,889.6	1,395.2	1,284.9
Result for the year	178.2	161.2	134.5	113.6	129.8	124.9	(113.3)	(193.4)	164.2	105.3
Balance sheet information (in EUR million)										
Equity	1,500.2	1,393.0	1,286.9	1,196.3	1,129.8	1,035.2	905.0	1,005.5	854.0	690.2
Total assets	4,232.3	4,130.9	3,697.8	3,737.2	3,580.1	3,285.2	3,389.7	4,021.0	2,840.3	2,874.9
Insurance contracts	1,648.8	1,572.2	1,486.3	1,592.8	1,549.3	1,311.8	1,508.1	2,166.9	1,232.1	1,349.7
Shareholders information										
Return on equity ⁽³⁾	12.3%	12.0%	10.8%	9.8%	12.0%	12.9%	(12.0%)	(17.0%)	21.4%	16.3%
Outstanding ordinary shares (at year-end)	79.1	79.1	79.1	79.1	79.1	79.1	79.1	79.1	56.6	56.6
Dividend paid (in EUR)	64.9	53.8	43.5	43.5	25.3	-	-	25.3	-	11.3
Technical ratios										
Gross claims ratio	43.5%	40.7%	45.6%	51.2%	49.7%	38.6%	85.2%	98.3%	39.4%	45.0%
Gross expense ratio	37.1%	36.6%	35.9%	35.0%	35.2%	35.4%	36.6%	34.1%	38.4%	39.0%
Gross combined ratio	80.6%	77.3%	81.5%	86.2%	84.9%	74.0%	121.8%	132.4%	77.8%	84.0%
Net claims ratio	42.0%	42.6%	46.4%	49.1%	50.3%	44.6%	76.6%	96.9%	41.4%	45.8%
Net expense ratio	35.9%	35.8%	37.4%	37.5%	34.2%	39.3%	46.2%	32.3%	37.7%	41.0%
Net combined ratio	77.9%	78.4%	83.8%	86.7%	84.5%	83.9%	122.9%	129.2%	79.1%	86.8%
Employees										
Full-time equivalents (FTE), at year-end	3,161	3,139	3,107	3,143	3,149	3,171	3,488	3,863	3,366	3,304
Credit ratings										
A.M. Best	A outlook stable									
Moody's	A3 outlook stable									

1) Including Crédito y Caución since January 2008

2) Consists of net income from investments and share of income of associated companies

3) Return on equity is defined as the result for the year divided by the time weighted average shareholders' equity



Genuinely interacting with customers

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

That is because we treat our customers as close partners. We understand that their reliance on us to provide the very best service possible demands real commitment on our part: commitment to understand – and even anticipate – what each customer needs to keep their business successful, and then to celebrate that success with them. As a result, those partnerships often develop into real friendships.

Throughout this Annual Report, you will find many examples of how that relationship –that interaction– is at the heart of Atradius' own success too: success that can result only from helping our customers achieve their goals. We empathise with the difficult issues that our customers face every day; we try our hardest to provide the trade credit insurance cover they need; and we work with them to develop solutions that can help their businesses thrive.

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



We treat our customers as close partners.



A message from the Management Board



Left to right: Claus Gramlich-Eicher, Isidoro Unda, Christian van Lint, Andreas Tesch and Dominique Charpentier

Dear stakeholder,

In 2015 we celebrated our 90th anniversary and, since our origins as NCM in 1925, we have carved an enviable reputation for our support and encouragement of safe and successful world trade. Today we have more than 65,000 customers, whom we serve with the invaluable help of over 2,000 brokers and agents and our many other business partners. These are not just our most important stakeholders but key assets too.

Central to our strategy is to partner with our customers to provide the unrivalled quality of our service. We are committed to offering the very best in service across the globe, and ensuring that our people are always well prepared to respond to our customers' requests.

The impact of our focus on service is reflected in our customer retention rate and the many years that our loyal customers stay with us. Indeed, 97% of the customers who participated in a recent survey would recommend Atradius to other organisations.

The success of our long-lasting relationships with our customers and business partners alike has contributed to another very positive year for Atradius. Our growth of 5.4% has outperformed that of the worldwide credit insurance market and the global economy. The profit for 2015 was EUR 178.2 million: an improvement of 10.6% on 2014 with a combined ratio of 80.6%. Shareholder equity has also increased and is now EUR 1.5 billion.

“

We are committed to offering the very best in service across the globe.



Ratings that reflect our excellent performance

Our financial performance is reflected in the strong credit ratings assigned to the Atradius Group by A.M. Best (A outlook stable) and Moody's (A3 outlook stable): a testament to our sound performance, geographic diversification and strong competitive position within the global trade credit insurance market.

Our progress in 2015

Improving our position in the market means constantly enhancing our services and creating new products that improve our value proposition. This year we delivered yet another online innovation to the market in the form of Atradius Insights: an advanced business intelligence tool to support our customers with a detailed analysis of their debtor portfolio. In recognition of this innovative tool, Atradius Insights received the prestigious Oracle Fusion Middleware Innovation Award in 2015.

We never 'rest on our laurels' but remain eager to grow and gain market share. We have continued to expand our activities in Asia, Africa and Latin America and in 2015 opened a new office for Credit Insurance in Russia and an office in South Korea, while 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.

During 2015 we continued preparing for the implementation of the new insurance and reinsurance regulation for the European Economic Area, Solvency II, which came into force on 1 January 2016. Not only have we met the new regulatory requirements but, in doing so, we have taken this opportunity to further enhance our capital management, risk management and internal control systems.

Following the intention expressed in 2015, Atradius Insurance Holding N.V., as the sole shareholder, has agreed to the merger of Atradius Credit Insurance N.V. and Compañía Española de Seguros y Reaseguros de Crédito y Caucción, S.A.U. into one single legal entity by the means of the absorption of the former by the latter. Atradius N.V. will remain the Dutch holding company of a leading international network of credit insurance, bonding, reinsurance, debt collections, and information services companies.

The resulting legal structure will be effective once the relevant regulatory approvals have been obtained (expected at the end of 2016). The aim of the merger will be to strengthen the efficiency and service to our customers working as one legal entity within a simplified regulatory environment, without any impact on the business model, financial statements and established brands. Grupo Catalana Occidente remains committed to keeping Atradius' entities well capitalised and with the same financial and operational independence.

Since 2003 Atradius has used an internally developed economic capital model. During 2015 we finalised the incorporation of the new regulatory requirements into our capital model.

To strengthen our technological capabilities we also continue to improve our IT infrastructure. In 2015 we began renewing our worldwide integrated IT platform and updated our websites with valuable input from both current and prospective customers and brokers, thus creating a state-of-the-art digital entry point to the Atradius world.



**Sound
performance,
geographic
diversification
and strong
competitive
position.**



Our outlook for 2016

In 2016 the outlook for economic conditions will be challenging, despite what appears to be brighter conditions in advanced markets. The Eurozone, United States and United Kingdom are forecast to maintain steady growth while the emerging markets remain under pressure. We will continue to focus on profitable growth expanding our global footprint to support customers worldwide.

While this message has highlighted many of Atradius' success factors, our people are without doubt our greatest asset. Through our cultural change initiatives, driving innovation by cross functional teams and empowering local markets, our staff engagement goes from strength to strength. All of this contributes to our service excellence and reinforces the trust that our customers place in us.

What does 2016 hold for Atradius? We will of course seek to maintain our strong capital position and well-capitalised operating entities, because these are the foundations that support the evolution of our insurance business. These enable us to withstand financial stress in adverse business and financial markets, meet our financial obligations and ultimately deliver shareholder value. And, by genuinely interacting with our customers and other stakeholders, we will continue to build on our good reputation by understanding what they expect of us and keeping them informed of our aspirations.

The solvency position of Atradius' regulated entities is strong. Under Solvency I capital is exceeding the minimum regulatory capital requirements almost fivefold and - more importantly - also under the new regime of Solvency II, Atradius is well capitalised. We apply the standard formula as well as the internal capital model, subject to regulatory approval.

We on the Management Board would like to thank our customers, brokers, agents, reinsurers, business partners, and employees for contributing to our positive result in 2015. We now look forward to another successful year in 2016.

The Atradius Management Board

Isidoro Unda (Chairman)

Andreas Tesch

Christian van Lint

Dominique Charpentier

Claus Gramlich-Eicher



**Our people are
without doubt our
greatest asset.**



Our commitment to customers

Atradius is a family in which every person, through their actions – and their interactions, strives to have a positive influence on his or her colleagues.

But this is an extended family that embraces our customers, brokers and agents too. Just as we delight in the progress that we encourage in our colleagues, we have a genuine desire to help our customers and other business partners achieve their goals. That means travelling alongside them on their journey: experiencing their milestones, celebrating their triumphs, standing alongside them through their challenges and offering support when plans go off course.

It is the closeness of these relationships that help us anticipate what our customers will need, if they are to meet their aspirations and avoid the pitfalls that can befall any business, and provide the right solutions.

That customers and colleagues alike recognise the strength of our commitment to them is evident in our strong retention rates.

“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 in Australia



Products, services and brand

How we interact with our customers

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

Flexible and adaptable

Our core product - credit insurance - provides cover against financial losses arising when a buyer of our customer is unable to pay for goods and services bought on credit. And our strategy is to focus on a range of business segments: offering variations of credit insurance targeted at small and medium-sized enterprises (SMEs), medium-sized and large local companies and multinational corporations.

For multinationals we offer a sophisticated and tailored credit management solution in the form of our Global policy. As a market leader and pioneer with 18 years of experience in this segment, Atradius Global has developed an excellent understanding of the needs of multinationals. Customers can choose between a credit insurance policy with standard terms and conditions, serving both the parent company and all its subsidiaries, stand-alone policies that accommodate varying performance levels and country conditions, or a combination of both.

Our dedicated global account teams are situated across the world, providing extensive cross-border customer service. Dedicated underwriters ensure consistent high quality decision making on the buyer portfolio of our global customers. For our large and medium-size customers we offer a flexible modular credit insurance policy that gives protection against non-payment and allows the terms of cover to be adapted to each customer's needs. In this way, cover can be adapted to fit all kinds of businesses, large and small, doing business domestically or across the world. To meet the many different demands of SMEs we have created a range of SME products, all of which are characterised by their simplicity.

While traditional credit insurance cover is on a 'whole turnover' basis, this is not always the right solution for every company. Therefore we offer a range of structured credit risk solutions for specific large and complex transactions. These solutions 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.



We design our products to meet each customer's specific needs.



Skilled and sensitive debt collections

Atradius 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, leveraging the strength of Atradius credit insurance, combined with its own integrated international network of collectors, lawyers and insolvency practitioners and its online capabilities.

Since 2015 Atradius Collections is also offering first party collections service, so that customers can outsource their reminder process immediately after due date. A range of services has been created for the financial industry, including back-up servicing, cross border collection and invoice verification, allowing factoring companies and asset based lenders to investigate that the business transactions and/or invoices from their client are acknowledged by the buyer and that the buyer intends to pay.

Clients benefit from Atradius Collections' worldwide collections expertise, with local staff in 25 countries.

An extensive range of bonding products

A bond protects a beneficiary if the supplier - our customer - fails to meet its contractual obligations. Our range of bonding products puts customers in a stronger financial position when dealing with their business partners. We are currently offering administrative (i.e. excise, customs and authorisation bonds) and market bonds (i.e. bid, performance and maintenance bonds) in traditional sectors like construction, engineering and travel. But there is also a growing demand for bonds in new sectors such as environmental services. Atradius already holds leading positions in the French, Italian, Nordic and Spanish bonding markets.

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. Consumer credit, leasing and renting have always been part of our product offering, while more recently we have added residential real estate insurance products for co-ownerships and for rental guarantee. Since 2014 we have seen rapid growth in the market for private car leasing while our new product - B2C Protect - will be offered to customers in the construction sector to protect against payment default by home owners. These services are offered to financial and corporate policyholders in Belgium and Luxembourg.

Insuring the insurers

Atradius Reinsurance is the leading specialised credit and bonding reinsurer in the market, offering reinsurance solutions for the credit insurance and bonding business of primary insurers around the world, through its dedicated team of underwriters. 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. The reinsurance business is underwritten by a dedicated team of specialist underwriters based in Dublin at Atradius Reinsurance Ltd. (Atradius Re).



**A growing
demand for
bonds.**



Working with the Dutch State

Atradius Dutch State Business (ADSB) is the Export Credit Agency of The Netherlands. ADSB provides credit insurance and guarantees to Dutch exporters and to banks financing Dutch exports. On behalf and for the account of the Dutch State, ADSB provides cover for risks related to infrastructure projects and the export of capital goods that are not covered by the private market.

The Atradius brand

A company's brand is simply the perception that people, whether customers, prospects, partners, suppliers or employees, have of that company. If the brand is strong, and matches the reality of the company's characteristics and the goods and services that it provides, then it will trigger positive responses in people's minds.

The Atradius brand strategy ensures that we elicit those positive responses from all our stakeholders. For our external audience our brand principles describe how our products and services differentiate us from others – effectively showing what we do. Internally, our brand reflects – and indeed influences – our employees' commitment and the company's personality. It reflects our attitude: how we do what we do.

Two recent examples of how we have expressed and strengthened our brand, internally and externally, were linked, on one hand to our "Did you know?" internal ambassador programme, emphasising our pride, and on the other hand to the SME advertising campaign related to customers' statements and trading experiences which successfully increased Atradius brand awareness and lead generation.

Moreover, the Atradius brand is regularly reinforced with awards acknowledging our commitment to service and innovation. In 2015 we received a European Business Award for Customer Focus, an Oracle Fusion Innovation Award for our Atradius Insights tool and awards from World Commerce Review and from Global Banking & Finance Review for being the best Credit Insurer and Credit Insurance Provider.

Sharing knowledge is an important aspect of our commitment to service. In addition to our transparency in offering our customers the background to our cover decisions so, that they can act from the same body of knowledge we do, we supplement this with regular publications and webinars about the countries and industries in which they do business in. This additional information helps to keep them aware of market developments that may impact their trading activities.

In 2015 we continued strengthening our brand, by aligning our logo and other visual branding with that of our parent company Grupo Catalana Occidente S.A. The timing was perfect: celebrating the 10th anniversary of the launch of the Atradius brand name and the 150th anniversary of Grupo Catalana Occidente S.A.

Value proposition

The Atradius value proposition describes the benefits customers can expect from our products and services. Our promise is to drive the growth of the trade receivable management market and provide our customers, partners, investors and other stakeholders with every opportunity to realise their ambitions for sustainable growth. Our vision is to be the market leader for trade credit risk management and our mission is to support our customers' growth by strengthening their credit and cash management.



**The Atradius
brand is
reinforced
with awards
acknowledging
our commitment
to service and
innovation.**

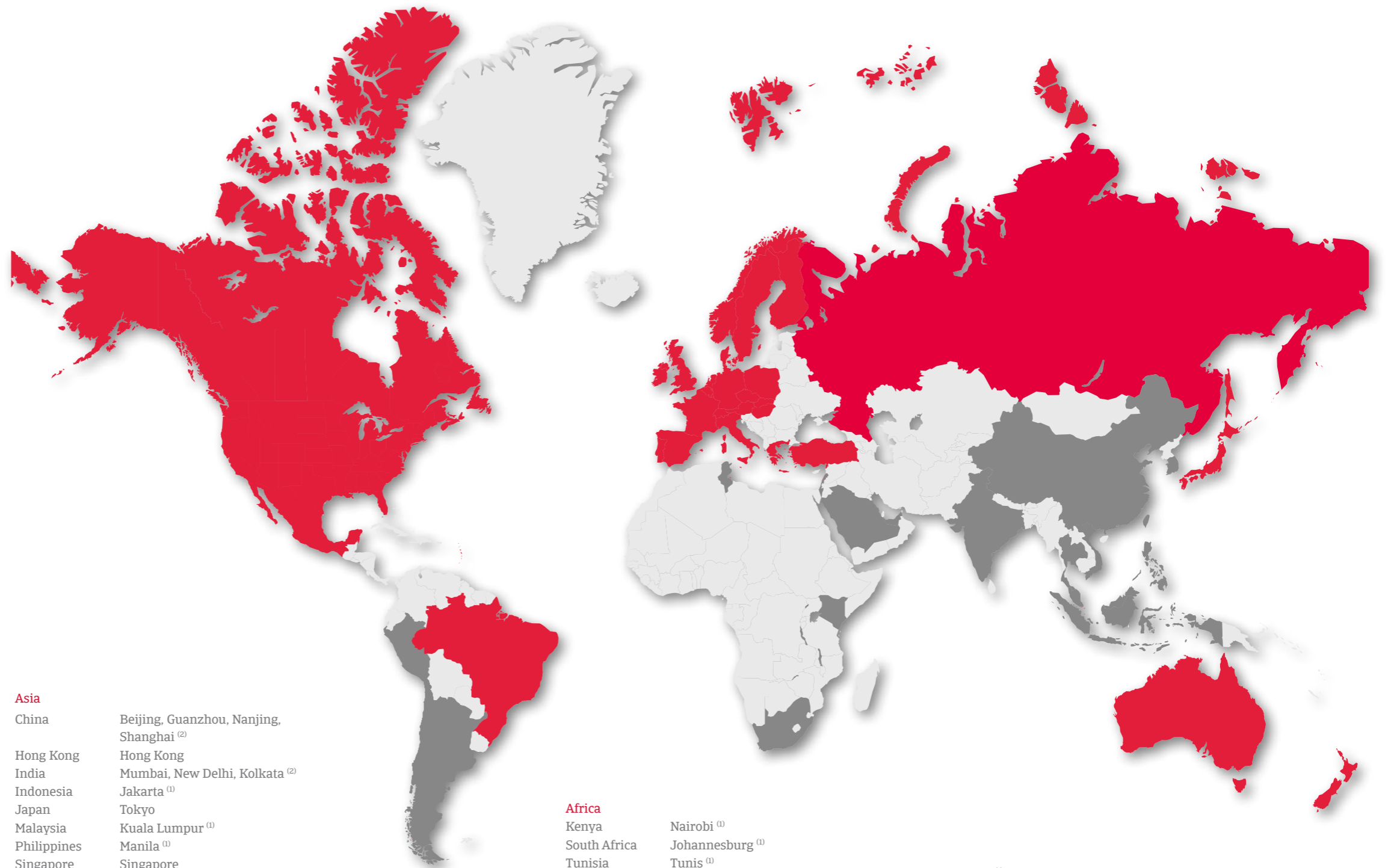


Global footprint

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, Jelena 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

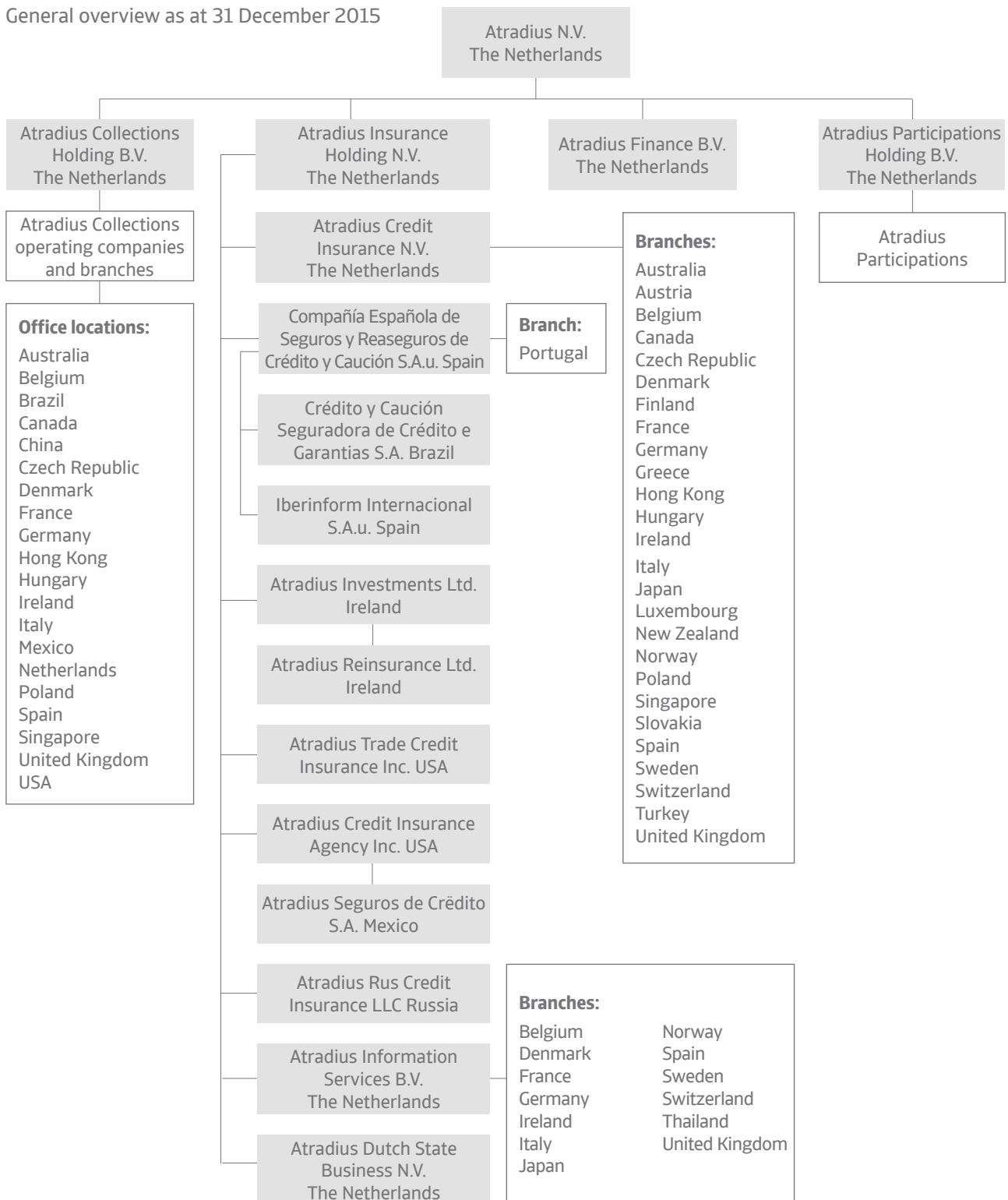
⁽¹⁾ Associated company, minority interest or co-operation agreement with local partner

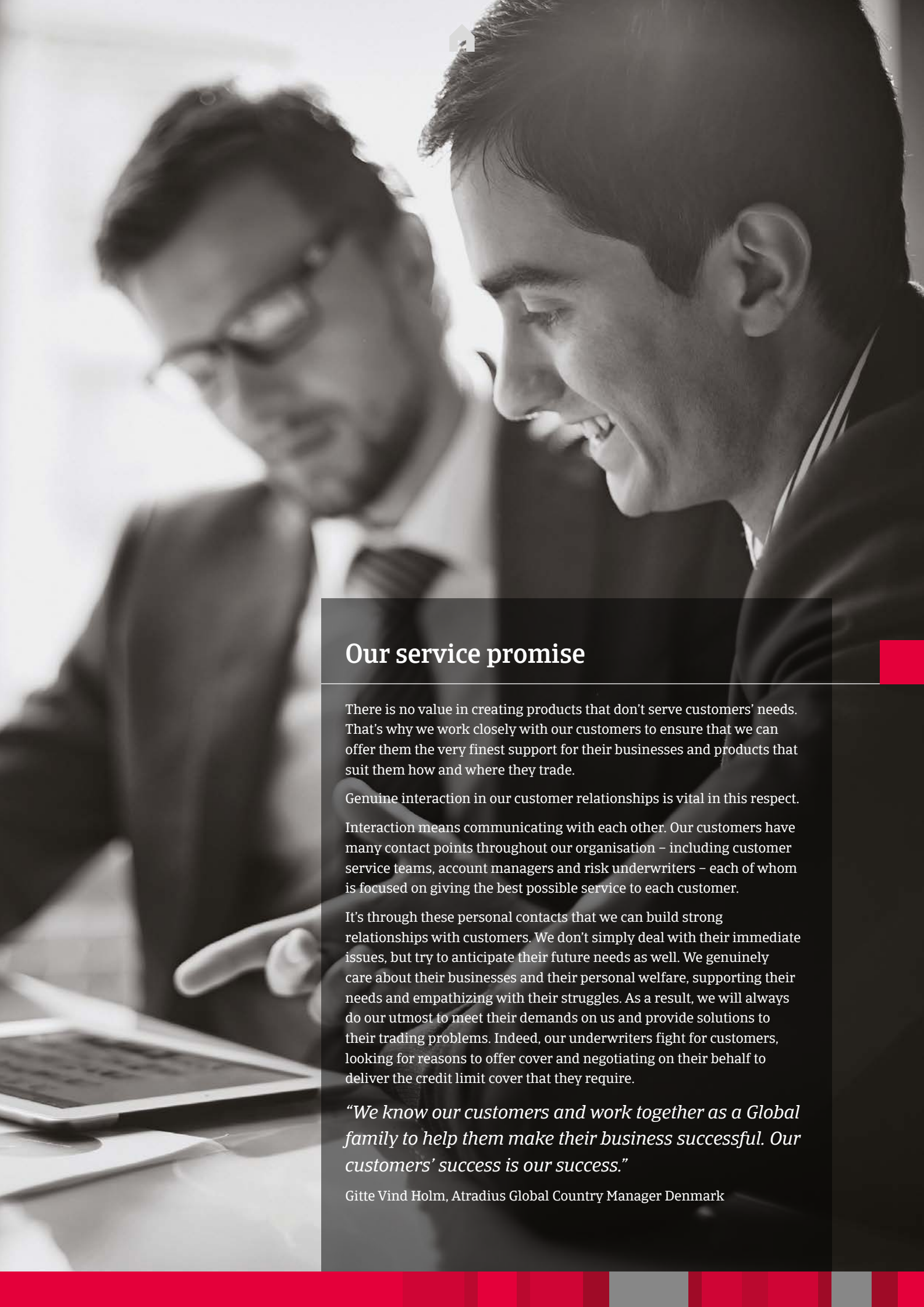
⁽²⁾ Service establishment and co-operation agreement with local partner



Atradius Group organisation

General overview as at 31 December 2015





Our service promise

There is no value in creating products that don't serve customers' needs. That's why we work closely with our customers to ensure that we can offer them the very finest support for their businesses and products that suit them how and where they trade.

Genuine interaction in our customer relationships is vital in this respect.

Interaction means communicating with each other. Our customers have many contact points throughout our organisation – including customer service teams, account managers and risk underwriters – each of whom is focused on giving the best possible service to each customer.

It's through these personal contacts that we can build strong relationships with customers. We don't simply deal with their immediate issues, but try to anticipate their future needs as well. We genuinely care about their businesses and their personal welfare, supporting their needs and empathizing with their struggles. As a result, we will always do our utmost to meet their demands on us and provide solutions to their trading problems. Indeed, our underwriters fight for customers, looking for reasons to offer cover and negotiating on their behalf to deliver the credit limit cover that they require.

“We know our customers and work together as a Global family to help them make their business successful. Our customers' success is our success.”

Gitte Vind Holm, Atradius Global Country Manager Denmark



Report of the Supervisory Board

The global economy has kept its growth rate close to a 3% level in 2015. During 2015 there was a steady economic growth across advanced markets and an economic recovery in the Eurozone which experienced positive economic growth since mid-2013, but the expansion gained significant strength in 2015. However, the economic growth in emerging markets was less than initially expected, mainly in China, Russia and Brazil; the latter two actually in recession. The number of insolvencies dropped in most advanced markets in 2015 but the level of insolvencies will remain relatively high, especially in the Eurozone. Also, insolvency conditions in many emerging markets have deteriorated notably. Overall, business conditions in 2015 were more challenging than before.

For 2016, the perspectives are similar to those of the previous year. However there are some factors that threaten the development of the economy. The main source of concern for global economic growth is expected to be the uncertain effects resulting from the low price of raw materials, the possible restrictions for international trade due to geopolitical issues and the troubled emerging markets. The deceleration of the Chinese economy is expected to continue over the coming years whereby it remains uncertain if a hard landing can be avoided. Bankruptcies will remain high in the Eurozone and are rising in key emerging markets.

In this challenging environment, Atradius again achieved an excellent profit of EUR 178 million: 10.6% more than in 2014, with a notable contribution from the Spanish market. Total revenue grew by 5.6%, strengthening our presence both in Western Europe as and in the new markets. Our risk acceptance rose, resulting in a 9.2% increase of the total potential exposure allowing us to support our customers' growth. Atradius also managed to further strengthen its shareholders' equity to EUR 1,500 million, growing by EUR 107 million.

In 2015 Atradius has celebrated its 90 year anniversary of supporting worldwide trade. At present Atradius serves more than 65,000 customers and works closely with over 2,000 brokers and agents, and many other business partners.

During the year, Atradius undertook several initiatives to improve its (online) service offering and product development to maintain and enhance its strong value proposition to its customers. It launched innovative customer tools and continued to expand its activities, in particular in Asia, Africa and Latin America, while growing its bonding business in Europe. Furthermore Atradius continued in improving its IT infrastructure and focused on preparing its organisation for the Solvency II legislation which becomes applicable for certain Atradius entities as of 1 January 2016.



**Atradius again
achieved an
excellent profit of
EUR 178 million.**



As regards the Solvency II regulation, Grupo Catalana Occidente (GCO), as parent company of Atradius, has formally submitted the partial internal model for credit and suretyship line of business for approval to the College of Supervisors.

The full Supervisory Board convened six times during 2015 and the Audit Committee seven times, while the Remuneration, Selection and Appointment Committee convened twice.

Both the Management Board and the Supervisory Board annually participate in Atradius' Permanent Education Programme. In 2015 this programme covered, amongst other topics: the strategy of Atradius in comparison to its competitors, Business Innovation, Own Funds and Capital Requirement Calculation under Solvency II and Investment Policies for Insurance Companies.

As in previous years, the Supervisory Board was involved in the review of the Remuneration Policy. The Supervisory Board and in particular the Audit Committee was also closely involved with and was regularly updated on all developments within Atradius in order to meet the Solvency II requirements.

Atradius N.V.'s Annual Report contains the financial statements for the financial year 2015, audited by Deloitte Accountants B.V., and has been presented to the Supervisory Board by the Management Board. The Supervisory Board has approved the Annual Report and advised the General Meeting to adopt the financial statements for 2015.

The Supervisory Board

Ignacio Álvarez
Chairman



The Supervisory Board would like to thank the Management Board and all Atradius employees for the excellent results achieved in 2015 as well as all customers for continuing to trust their business to us. Finally, the Supervisory Board is confident that the Atradius management team and employees will contribute to another successful year in 2016.



Shareholder structure

Atradius is part of Grupo Catalana Occidente. It is the international brand of the credit insurance business.



Shareholder structure of Atradius N.V.		Percentage of Shares
Grupo Catalana Occidente, S.A.		35.77%
Grupo Compañía Española de Crédito y Caución, S.L.		64.23%
Grupo Catalana Occidente, S.A.	73.84%	
Consorcio de Compensación de Seguros	9.88%	
Nacional de Reaseguros	7.78%	
España, SA Compañía nacional de Seguros	5.00%	
Ges Seguros y Reaseguros	3.50%	
Total		100.00%

Grupo Catalana Occidente is the main shareholder with an economic stake of 83.2% (35.77% directly and 47.43% indirectly through the holding Company Grupo Compañía Española de Crédito y Caución, S.L.).

The shares of Grupo Catalana Occidente are listed on the Continuous Market of the Barcelona and Madrid stock exchanges as part of the IBEX Medium Cap Index. Currently, 38% of its capital is floating and the main shareholder is INOC, S.A., holding 62% of the capital of Grupo Catalana Occidente.

Thanks to the stability of the results and the prudent investment policy, Grupo Catalana Occidente has a solid solvency position.

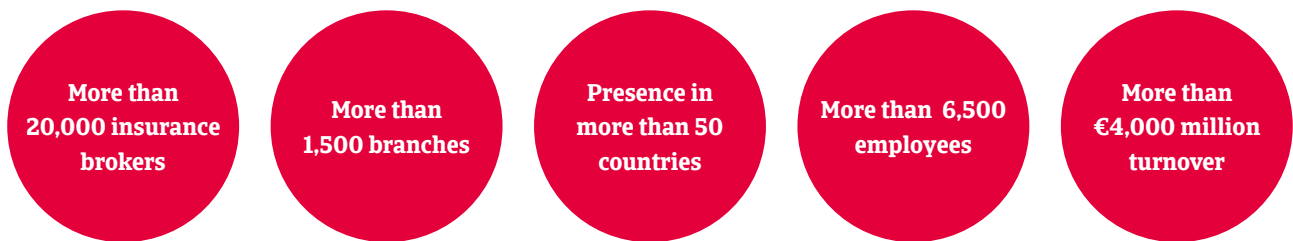
Key figures (EUR million)	2015	2014	% change 2014/2015
Long-term capital market value	3,262.5	3,168.2	3.0%
Equity	2,585.9	2,437.6	6.1%
Subordinated loan	211.8	248.1	(14.6%)
Return on long-term capital	12.1%	11.9%	
Funds under management	11,055.8	9,483.6	16.6%
Total revenue	3,826.1	3,437.6	11.3%
Consolidated result	296.1	268.1	10.4%



Grupo Catalana Occidente

One of the leaders in the Spanish insurance sector and in global credit insurance. Founded more than 150 years ago, it has experienced constant growth, thanks to its capacity to adapt to change and remain loyal to its principles, which are truly insurance oriented.

The Grupo Catalana Occidente is committed to the professional development of its employees and insurance agents, its personalised customer service and the trust its shareholders have in the organisation.



Strategic goal

To be leaders in the the field of risk protection and long-term savings of families as well as that SMEs, and to be international leaders in commercial risk coverage.

Growth

Defining markets targeted by the group, appropriate product and service development and establishing suitable distribution channels to reach the customer.



Profitability

Recurrent and sustained profitability based on technical and actuarial rigour, investment diversification and processes that allow tight cost ratios and quality service.

Solvency

Prioritise own resources generation and continued growth in order to support the group's expansion, ensuring compliance with commitments and ensuring appropriate shareholders returns.



	Characteristics	Lines of Business
Traditional Business	Focused on Spain	Multi-risk
	Families and small and medium sized companies	Automobile
	Professional agency network	Other non-life
	1,043 offices	Life and financial products
Credit Insurance Business		Health
		Funeral
	Service offered in 50 countries	Credit insurance
	Companies	Bonding
	Agents and brokers	Credit and bonding reinsurance
		Debt collection
		Instalment credit protection
		Business information



Fundación Jesús Serra

Fundación Jesús Serra, named after the founder of the Grupo Catalana Occidente, was created in 2006 in order to channel the philanthropic actions of the Group and to drive the human and professional values that were characteristic of its founder. For this reason, the foundation participates in more than seventy projects in the areas of business, teaching, investigation, culture, sport and social action. In this way the Group contributes to the construction of a fairer, more united and more developed society, in which values such as initiative, effort, healthy competition and continuous improvement prevail.



Giving our stakeholders absolute confidence

Atradius endorses the importance of sound corporate governance. Key elements of independence, accountability and transparency create a relationship of trust between Atradius and all of its stakeholders – customers, shareholders, employees, suppliers and the general public.

Atradius N.V. is a limited liability company organised under the laws of the Netherlands with a Management Board and a Supervisory Board. The Management Board is responsible for achieving the Company's objectives, strategy, policy and results and is guided by the interests of the Company and the business connected with it. The Supervisory Board supervises the Company's general affairs and the policy pursued by the Management Board as well as the performance of the management duties by the Management Board members, taking into account the interests of the Company and the business connected with it.

The Management Board

Composition

The Management Board of Atradius N.V. currently consists of five members.

Isidoro Unda - Chairman and Chief Executive Officer

Andreas Tesch - Chief Market Officer

Christian van Lint - Chief Risk Officer

Dominique Charpentier - Chief Insurance Operations Officer

Claus Gramlich-Eicher - Chief Financial Officer

CVs of each of the Management Board members, showing their roles, background and experience are available on our [website](#).



**Independence,
accountability and
transparency create
a relationship
of trust.**



Role and procedures

The Management Board as a whole is responsible for the management and the general affairs of Atradius and is supervised by the Supervisory Board. The Management Board determines Atradius' operational and financial objectives, and the strategy designed to achieve these objectives, and ensures that Atradius has in place an effective risk management system, internal control system and internal audit function. The annual business plan and budget of Atradius are submitted to the Supervisory Board for approval. The Management Board rules describe the (allocation of) duties and the decision-making process of the Management Board.

The General Meeting has the authority to appoint the members of the Management Board on the recommendation of the Remuneration, Selection and Appointment Committee of the Supervisory Board. A Management Board member may be suspended or dismissed by the General Meeting at any time. The Management Board shall consist of at least three members. Management Board members are appointed for an undefined term. In the event of a vacancy, the management of Atradius N.V. will be conducted by the remaining members or sole remaining member of the Management Board.

Remuneration

The Supervisory Board determines the remuneration and further employment conditions of each member of the Management Board, based on the recommendation of the Remuneration, Selection and Appointment Committee of the Supervisory Board and in accordance with the remuneration policy adopted by the General Meeting. Information regarding the amount of remuneration received by Management Board members can be found in the explanatory notes to the consolidated financial statements of the Annual Report 2015.

Conflict of interest

A member of the Management Board with a potential conflict of interest with the Company will immediately report this to the Chairman of the Management Board who will determine whether the reported case qualifies as a conflict of interest. A member of the Management Board will not participate in a discussion and/or decision-making process on a subject or transaction in relation to which he has a conflict of interest with the Company

The Supervisory Board

Composition

The Supervisory Board of Atradius N.V. currently consists of eight members.

Ignacio Álvarez, Chairman

Francisco Arregui, Vice-Chairman

Bernd Meyer

Dick Sluimers

José Ruiz

Xavier Freixes

Hugo Serra

Désirée van Gorp

CVs of each of the Supervisory Board members, showing their background and experience are available on our [website](#).



Atradius has in place an effective risk management system.



Role and procedures

The Supervisory Board supervises the Company's general affairs and the policy pursued by the Management Board. The Supervisory Board rules describe the decision-making process and the composition and committees of the Supervisory Board.

The General Meeting has the authority to appoint the members of the Supervisory Board on the recommendation of the Remuneration, Selection and Appointment Committee of the Supervisory Board. A Supervisory Board member may be suspended or dismissed by the General Meeting at any time. The Supervisory Board shall consist of at least five members. Supervisory Board members shall resign according to a rotation scheme determined by the Supervisory Board pursuant to which each Supervisory Board member shall resign after a maximum period of four years, after the date of appointment. A resigning Supervisory Board member may be reappointed. An independent Supervisory Board member shall not hold office for more than twelve years. A Supervisory Board member will resign early in the event of inadequate performance or in other circumstances in which resignation is deemed necessary by the other members of the Supervisory Board.

The composition of the Supervisory Board

The composition of the Supervisory Board shall be such that the combined experience, expertise and independence of its member enables the Supervisory Board to best carry out its various responsibilities. The current members of the Supervisory Board have extensive experience in insurance and reinsurance, investment banking, strategic consulting and regulatory matters.

Role of the Chairman and the Company Secretary

Among other things, the Chairman of the Supervisory Board co-ordinates the decision making of the Supervisory Board, draws up the agenda of the Supervisory Board meetings, chairs the Supervisory Board meetings and the General Meetings of Shareholders, ensures the adequate performance of the Supervisory Board and its committees, ensures the annual evaluation of the functioning of the members of the Management Board and the Supervisory Board, and acts on behalf of the Supervisory Board in serving as the principal contact person for the Management Board. The Chairman of the Supervisory Board is assisted in his role by the Company Secretary.

Committees of the Supervisory Board

The committees of the Supervisory Board are set up to reflect both the Dutch corporate standards and the specific interests of the business of Atradius. As risk management is considered to be a key area for attention, the Supervisory Board considers it important that this subject is discussed by the full Supervisory Board, rather than in a specific risk committee. All risk subjects dealt with in meetings of the Supervisory Board are chaired by Mr. B. Meyer.



Audit Committee

The Audit Committee supports the Supervisory Board in fulfilling its supervisory and monitoring duties with respect to the assurance of the integrity of the Company's financial statements, the external auditor's qualifications, and the performance of internal and external auditors. The Audit Committee monitors, independently and objectively, the financial reporting process within Atradius and the system of internal controls. The Audit Committee also facilitates the ongoing communication between the external auditor, the Management Board, the internal audit department and the Supervisory Board on issues concerning the Company's financial position and financial affairs. In 2015, the Audit Committee met seven times. The Audit Committee currently consists of Xavier Freixes (Chairman), Ignacio Álvarez and Francisco Arregui.

Remuneration, Selection and Appointment Committee

The Remuneration, Selection and Appointment Committee supports the Supervisory Board in fulfilling its supervisory and monitoring duties with respect to proposals for the appointment of members of the Management Board and the Supervisory Board, the remuneration policy, the remuneration of senior management and other corporate governance matters. In 2015, the Remuneration, Selection and Appointment Committee met two times. The Remuneration, Selection and Appointment Committee currently consists of Francisco Arregui (Chairman) and Ignacio Álvarez.

Remuneration

The General Meeting determines the remuneration of the members of the Supervisory Board based on the recommendation of the Remuneration, Selection and Appointment Committee and in accordance with the remuneration policy adopted by the General Meeting. Members of the Supervisory Board are reimbursed for their expenses. Information regarding the amount of remuneration received by Supervisory Board members can be found in the explanatory notes to the consolidated financial statements of the Annual Report 2015.

Conflict of interest

A member of the Supervisory Board with a potential conflict of interest with the Company will immediately report this to the Chairman of the Supervisory Board who will determine whether the reported case qualifies as a conflict of interest. A member of the Supervisory Board will not participate in a discussion and/or decision-making process on a subject or transaction in relation to which he has a conflict of interest with the Company.

General Meeting

The General Meeting is the body of the Company formed by the shareholders and other persons entitled to vote. The General Meeting can exercise its rights at the General Meeting of Shareholders. The General Meeting is also authorised to approve important decisions regarding the identity or character of Atradius, as well as major acquisitions and divestments.



The internal and external auditor

Internal auditor

The internal auditor fulfils an important role in assessing and testing the internal risk management and control system. The Director of Internal Audit reports to the Chairman of the Audit Committee and, with respect to day-to-day activities, to the Chief Executive Officer of Atradius.

External auditor

The General Meeting appoints the external auditor on the recommendation of the Audit Committee of the Supervisory Board. The Audit Committee evaluates the performance of the external auditor and also pre-approves the fees for audit and permitted nonaudit services to be performed by the external auditor. The Audit Committee ensures that the external auditor is not appointed to render non-audit services that are listed explicitly as prohibited services in the Atradius Compliance Code on Auditor Independence.

The General Meeting appointed Deloitte Accountants B.V. as the Company's external auditor for the financial year 2015 on 4 June 2015.

Remuneration policy

Atradius has aligned its remuneration policy with the principles contained in the Dutch Insurer's Code, the Regulation on Controlled Remuneration issued by DNB and, to the extent applicable, the Dutch Financial Sector Remuneration Policy Act. The remuneration policy for the Atradius Group is being reviewed annually. The design principles underlying the remuneration policy of the Atradius Group are aligned with the principles in the above mentioned regulations, taking into consideration Atradius' strategy and risk appetite, objectives and values, the long-term interests of the Atradius Group, as well as the relevant international context and wider societal acceptance. For the purpose of the Dutch Financial Sector Remuneration Policy Act, (Wet Beloningsbeleid Financiële Ondernemingen - WBFO), Grupo Catalana Occidente S.A. is considered head of the group. The Dutch Financial Sector Remuneration Policy Act is applicable to all staff of Atradius Credit Insurance N.V. and its branches.

A remuneration report is available in the [About us / Management section](#) of the Atradius Group website – group.atradius.com.



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"

Our customers understand that, and so do we. Opportunities don't just happen: they have to be foreseen and grasped. As the business world constantly changes, that is exactly what we do.

Atradius Insights is a prime example of our innovation in action, and once again it demonstrates how our genuine interaction with customers pays dividends for both parties. Developed in close collaboration with our customers, this sophisticated online analysis tool has raised the bar in credit management intelligence, helping our customers to easily identify risks, measure performance and find new business opportunities.

Our ability to continue to innovate and to make new products available across the globe, wherever our customers choose to trade, is greatly enhanced by our global IT platform, setting an enviable industry standard for customer service.

"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



The global economic environment in 2015

Sluggish global growth

The global economy remained weak in 2015, with economic conditions deteriorating markedly in many emerging markets while those in advanced markets improved. As a result, global economic growth fell to 2.6%: down from 2.8% in 2014.

Advanced economies supported by Eurozone recovery

2015 saw steady economic growth across advanced markets and an economic recovery in the Eurozone. The Eurozone has been experiencing positive economic growth since mid-2013 but gained even more momentum in 2015, with all Eurozone member states - except Greece - growth is increasing. Even so, the Eurozone recovery remained tepid as its economy grew by only 1.5% well below its historical average. Growth was also uneven, with a much weaker performance in large member states such as France and Italy. Overall, unemployment fell very little while consumer spending remained well below its 2008 peak.

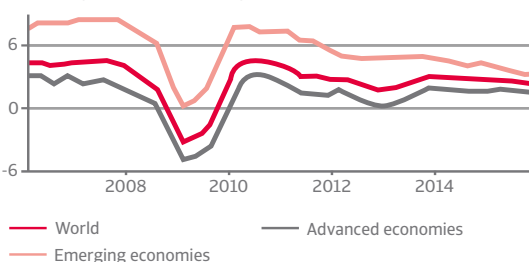
Measures taken by the European Central Bank brought interest rates down to record lows, thus improving financial conditions. This reduced funding costs for companies and made it cheaper for consumers to borrow. As a result, borrowing in the Eurozone gradually increased, while banks also slowly started to relax their credit conditions, making it easier to obtain loans. This easing followed years of tightening, leaving credit conditions still challenging. Bank lending was also held back by the many nonperforming loans on the books of most banks. While financial conditions improved in 2015, many companies still found it difficult to obtain funding on favourable terms.

“

Banks slowly started to relax their credit conditions.

Global economic growth remains muted

Real GDP growth, percent change y-o-y



Source: IHS



The United States economy saw steady expansion in 2015: continuing the trend that began in 2010. The economy grew 2.5%, despite harsh winter weather in the first quarter. Consumer spending increased, encouraged by rising wages, and business investment remained solid. Unemployment continued to fall, nearing its low level of 2007, but labour participation lagged behind. Economic growth was weakened by the scaling back of activities in the oil sector in response to low prices and exports suffered as a result of the more expensive US dollar.

Large discrepancies between emerging markets

Conditions in many emerging markets deteriorated sharply in 2015. Among the biggest 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.

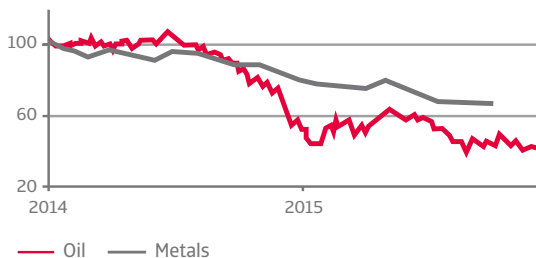
However, not all emerging markets fared poorly. Countries that rely on the import of commodities such as oil, steel and coal benefitted from the lower prices as this freed up resources to spend on domestic goods, boosting economic growth. Countries in Central America also profited from US economic growth, 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 slowdown in the Chinese economy also had an adverse impact on its trade partners.

Global commodity prices remained low

Brent oil index: Metals index



Source: IHS



Insolvency conditions were mixed

Financial conditions for 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 – most notably Spain, the Netherlands and Ireland. However, insolvency rates remain high from an historical perspective and conditions 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 insolvency conditions on the back of solid economic growth. Other advanced markets, especially in the Asia-Pacific region, faced less comforting economic conditions as they felt the impact of moderating growth in China.

Insolvency conditions and the general business environment in many emerging markets deteriorated significantly.

Insolvencies increased sharply in Russia, Brazil and China. In addition to these large markets, 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 insolvency conditions.

The 2016 outlook

Economic conditions in 2016 are expected to remain challenging. 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. 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 the recovery in advanced markets. Overall, the global economy may see slightly brighter conditions in 2016, but the economic environment is likely to remain challenging.



**Economic growth
across emerging
markets is expected
to remain under
pressure.**



Stable growth in an unstable business environment

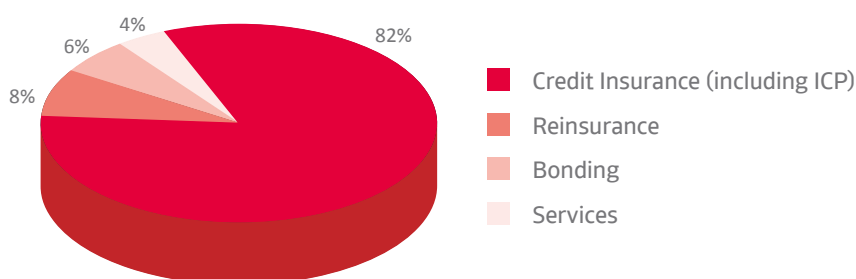
(EUR thousands)	2015	2014	
Insurance revenue	1,658,459	1,573,410	5.4%
Gross insurance claims and loss adjustment expenses*	(721,731)	(640,536)	(12.7%)
Gross insurance operating expenses *	(616,082)	(575,391)	(7.1%)
Reinsurance result	(102,957)	(155,905)	34.0%
Insurance result	217,689	201,578	8.0%
Service income*	63,261	58,364	8.4%
Service expenses	(55,307)	(54,252)	(1.9%)
Service result	7,954	4,112	93.4%
Net investment result **	36,016	37,837	(4.8%)
Operating result before finance costs	261,659	243,527	7.4%
Result for the year (after tax)	178,221	161,190	10.6%
Em ployees (FTE)	3,161	3,139	0.7%

* Overview includes inter-segment revenue and (claims) expenses

** Consists of net income from investments and share of income of associated companies

	Gross		Net	
	2015	2014	2015	2014
Claims ratio	43.5%	40.7%	42.0%	42.6%
Expense ratio	37.1%	36.6%	35.9%	35.8%
Combined ratio	80.6%	77.3%	77.9%	78.4%

Revenue by business segment





In 2015 Atradius once more achieved very good results, in an ongoing uncertain environment. The profit for the year was EUR 178.2 million: an increase of 10.6% on 2014. This was driven by a 5.4% increase in insurance revenue, compared to 2014. At constant exchange rates the revenue increase was 3.5%. The Gross claims, impacted by a large case provision, ended at EUR 721.7 million, up 12.7% on 2014 whereas the gross insurance expenses, partly due to one-off costs, increased by 7.1% to EUR 616.1 million. The gross combined ratio, as a result, ended at a satisfying 80.6%, albeit 3.3 percentage point above 2014.

Our credit insurance business performed well in 2015, with ongoing strong performance in Southern Europe. The revenue in Spain, which is our largest credit insurance market, increased by 2.5% compared to 2014. More importantly, Spain continued the positive trend of their claims result in 2015.

In the other mature markets of Western Europe we also managed to build on our market position. Germany, our second largest local credit insurance market, continued its good performance in 2015 with a revenue increase of 3.2%.

The units in the markets; North America (+24.6%), Oceania (+13.2%), Central and Eastern Europe (+16.5%) and Asia (+11.7%) showed satisfactory revenue growth, in line with our ambition to expand in these regions, albeit supported by positive foreign exchange developments; especially in Asia. The claims costs were managed well and the risk mitigating actions taken in the Asian region have proven to be successful. The Asian claims ratio returned to 54% in 2015, a significant improvement compared to 2014, in spite of the ongoing uncertain market conditions.

Special Products achieved a significant revenue growth of 21.8% and our Global unit also performed well, with a revenue increase of 5.4%. Finally, the other Atradius insurance products Bonding (+8.8%) and Reinsurance (+0.7%) followed the positive revenue trend of the credit insurance units, albeit that Reinsurance achieved a high claims ratio of 88% due to adverse performance of certain treaties.

The Atradius gross insurance operating expenses in 2015 amounted to EUR 616.1 million: and the cost ratio increased 0.5 percentage points compared to 2014. The direct operating expenses, include project related IT costs, one-off early retirement costs and one-off costs relating to the planned intragroup reorganisation of two European credit insurance carriers into one legal entity, ended at EUR 413.4 million. Brokerage fees increased by 5.5% to EUR 202.7 million, following the trend of the increasing revenue.

As part of our claims expenses are ceded to our reinsurers, the continued strong claims performance of Atradius in 2015 once again brought a good result to our panel of reinsurers. We have aligned the reinsurance of the various business units under a single quota share contract in 2015, with an increased retention of 57.5%, compared to 55% in 2014. The cost of reinsurance was EUR 103.0 million, a decrease of EUR 52.9 million compared to 2014, largely explained by the previously mentioned increased retention rate and higher reinsurance commission received.

Services achieved a positive result of EUR 8.0 million this year, almost doubling the result of 2014. This was largely due to an 8.4% increase in service income. Our Collections unit generated an increase of debt placements.

The net investment result, including the share of income of associated companies, ended at EUR 36.0 million, a decrease of 4.8% compared to 2014. The persistent low yield environment had an ongoing negative impact on our interest income, which was offset by positive realised gains on shares. In addition the steady cash inflow from the Group's insurance business ensured that our investment portfolio remained at a healthy level.



The profit for
the year was
EUR 178.2
million.



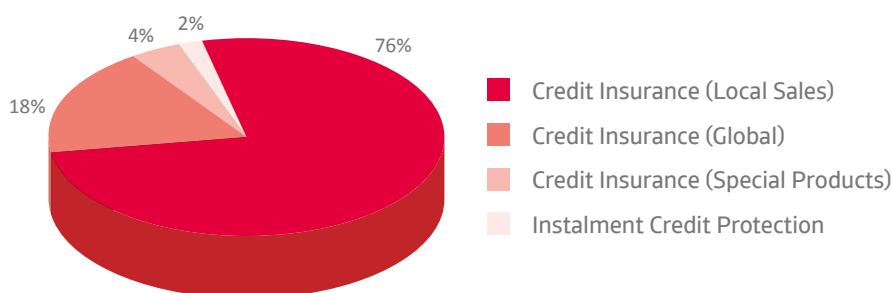
Business segment

Credit insurance including Instalment Credit Protection (ICP)

(EUR thousands)	2015	2014	
Insurance premium revenue	1,300,484	1,230,808	5.7%
Information income	121,454	115,254	5.4%
Insurance revenue	1,421,938	1,346,062	5.6%
Gross insurance claims and loss adjustment expenses*	(622,395)	(554,076)	(12.3%)
Gross insurance operating expenses*	(507,846)	(476,419)	(6.6%)
Result before reinsurance	291,697	315,567	(7.6%)
Reinsurance result	(68,786)	(130,246)	47.2%
Result after reinsurance	222,911	185,321	20.3%
Total credit insurance and ICP gross claims ratio	43.8%	41.2%	6.3%
Employees (FTE)	2,698	2,683	0.6%

*Overview includes inter-segment (claims) expenses

Credit Insurance & ICP revenue by product



Credit insurance is Atradius' core product, comprising traditional credit insurance for both domestic and export trade, and the structured credit and political risk business of our Special Products team.

Atradius' credit insurance business has continued its good performance in 2015, with a result after reinsurance of EUR 222.9 million, an increase of 20.3% on 2014. Insurance revenues reported a 5.6% increase on 2014 (3.4% at constant exchange rates), with satisfactory growth in the developing markets. Claims increased by 12.3% to EUR 622 million compared to 2014. The increase is largely explained by a specific large case provision, which mainly impacted our Special products and local credit insurance units. The impact of the increased claims expenses was however partly offset by - excess of loss - reinsurance. This is reflected in the improvement of our reinsurance result, which also benefitted from increased commissions. Lastly, the operating expenses increased by 6.6%, largely due to higher project related IT costs and one-off costs for early retirement and planned changes in the company's legal entity structure.

The global economic growth has been weak in 2015. Although the Eurozone has continued its economic recovery and both the economies of the United States and the United Kingdom are expanding at reasonable rates, the conditions in many emerging markets have deteriorated significantly. The main drivers for this are the slowdown of the Chinese economy, geopolitical conflicts in the Middle East and weak commodity markets.



Despite this increased uncertainty, we continue to support our customers by insuring their trade around the world. In 2015 our total potential exposure (TPE) increased by 9.2% to EUR 563 billion. The top three regions for exposure concentration remain the same as last year: Europe holds 72% of the exposure, whereas Asia holds 14% and the Americas 13% of the total exposure. In relative terms Europe has grown slower than every other market, showing an increase of 7.8%, whereas the concentration mainly increased in other geographic areas: Central America and North America, Middle East and Africa. In Europe, the only region where our exposure has decreased is Russia-Ukraine, reflecting the current deep recession in Russia.

The concentration of exposure by trade sector remained relatively stable. Around 56% of the Group's TPE is in five trade sectors: electronics (13%), chemicals (12%), consumer durables (11%), metals (11%) and food (9%). In 2015 our exposure in chemicals and transport rose by +17% and +16%, respectively, due to increased business levels of existing and new customers.

Our initiatives to meet customers' needs were rewarded through excellent customer retention of 91% and increasing levels of new business. However, the ongoing competition in the market added pressure on prices, with a negative impact on our revenue that could be only partially countered by increases in insured turnover. Nevertheless, overall our credit insurance portfolio reported healthy growth.

Our local credit insurance units increased their insurance revenue by 5.5% to EUR 1,083 million. At constant exchange rates the increase would have been 3.6%. Spain and Germany, our two largest markets, delivered a steady performance in their mature markets and saw their revenue increase by 2.5% and 3.2% respectively. The relative size of these portfolios, 49% of the total local credit insurance portfolio, means that this clearly had a major impact on our total credit insurance numbers.

The other markets in Western Europe showed a more diversified pattern. Italy, where investments in the sales network paid off well, reported revenue growth of 9.9%. The United Kingdom realised a notable revenue increase of 12.9%, although this was partly due to the development of the British pound (+3.1% at constant exchange rates). On the other hand, France and the Netherlands experienced a decrease in revenue of around 2% due to difficult market conditions.

Our units in North America (+24.6%), Central and Eastern Europe (+16.5%) and Oceania (+13.2%) showed satisfying revenue growth.

The revenue in the Asian region ended 11.7% higher than in 2014, in spite of the restructuring of the Chinese local customer portfolio in 2014 and the ongoing uncertainty in the region. This revenue increase was however largely due to positive foreign exchange gains. Hong Kong, Singapore and Dubai in particular delivered good revenue, while the recently opened offices (Thailand and Indonesia) also added to our results in Asia.

Gross claims expenses of local credit insurance ended at EUR 469 million, leading to a claims ratio of 43.3%, an improvement of 0.8 percentage points on 2014. Local credit insurance in Spain reported continued good claims results in 2015 with a claims ratio of 38%, reflecting the success of the risk mitigating actions taken in previous years. Germany also continued its good claims performance in 2015 with a claims ratio of 33%. Other local credit insurance regions varied, with claims ratios ranging from 38% in Oceania and Italy to 60% in Central and Eastern Europe. The risk mitigating actions taken in the Asian region have been successful.



**Insurance revenue
increased by 5.5%
to EUR 1,083
million.**



The Asian claims ratio returned to 54% in 2015, a major improvement on the 157% in 2014, in spite of the ongoing uncertain market conditions in this region.

Our Global unit represents 18% of our total credit insurance revenue and is the acknowledged market leader in the multinational customer segment of the credit insurance industry, in spite of the entry of new players in this market segment. 2015 was a challenging but rewarding year for this unit, with a revenue increase of 5.4% (2.2% at constant exchange rates) to EUR 256 million and a claims ratio of 48%. Global is fully geared up to provide the best possible service to our customers. This was evidenced in 2015 when Atradius was awarded the “Oracle Fusion Middleware Innovation Award” for the introduction of the Insights tool: an online business tool that supports customers in managing their buyer portfolios and credit risks. This tool was initially launched with our Global customers and has been well received. Furthermore we opened an office in Moscow in 2015, to expand our geographical footprint and enhance our service for credit insurance customers in this region of the world.

Our Special Products Unit (SPU) offers solutions for our customers outside the framework of our whole turnover policies, to cover trade but also to support trade financing. Working closely with our prospective customers, SPU addresses the increasing demand for non-cancellable credit limits. Since its inception in London in 2005, SPU has expanded to five other locations: Paris, Amsterdam, Cologne, New York and Singapore. The team’s international footprint ensures that our services are available to Atradius customers worldwide, with increasing focus on making those services available through our partners and network across Asia, and soon in Brazil. The team set up last year to offer trade credit insurance with non-cancellable limits to the wide UK market has been very successful. Hybrid solutions, complementing and enhancing our whole turnover policies, as well as new products dedicated to banks and commodity trading companies, have also contributed to the success of the unit. In 2015, with continuing growing demand for SPU’s customised solutions, the unit’s revenue grew by 21.8% to EUR 57.6 million, with the strongest contribution coming from the customers and their brokers based in the UK and across Asia-Pacific. The claims ratio of SPU, impacted by large case provisions, ended at 78%.

Instalment Credit Protection (ICP) covers the medium- and long-term risks that financial and corporate policyholders face in their multiple instalment agreements with private individuals and businesses, and is available in Belgium and Luxembourg. In 2015 insurance revenues dropped by 6,8% to EUR 25.6 million. This drop was expected in view of the re-orientation of some important customers on the consumer credit market. The claims paid were lower than in previous years and together with the good recoveries the gross claims result improved. Operating expenses were well under control and the sale of the remaining French debt collection portfolio contributed to the positive result for the ICP unit.

In 2015 strategic partnerships were concluded for the ‘Residential Real Estate’ product line of ICP; coverage of loans and common charges to co-ownerships. For the rental guarantee coverage ICP’s distributor was able to conclude partnerships with most of the major players in real estate in Belgium and Luxembourg. For 2016 the further development of car leases to individuals will be important as will the launch of a new product “B2C protect”, which will be offered to customers in the construction sector to protect against payment defaults by house owners.



Global is fully geared up to provide the best possible service to our customers.

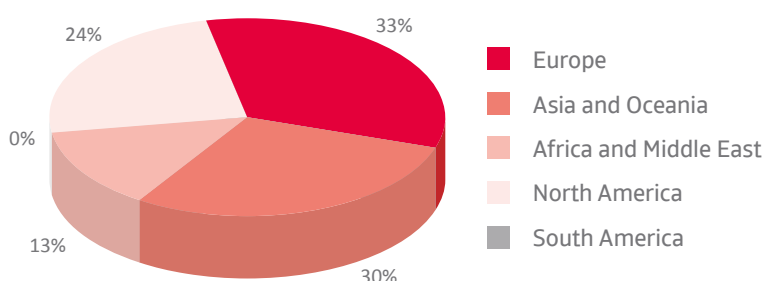


Business segment

Reinsurance

(EUR thousands)	2015	2014	
Insurance revenue	134,744	133,772	0.7%
Gross insurance claims and loss adjustment expenses	(118,420)	(64,347)	(84.0%)
Gross insurance operating expenses	(56,776)	(57,080)	0.5%
Result before reinsurance	(40,452)	12,345	(427.7%)
Reinsurance result	10,597	(5,656)	287.4%
Result after reinsurance	(29,855)	6,689	(546.3%)
Gross claims ratio	87.9%	48.1%	82.7%
Employees (FTE)	25	25	-

Reinsurance revenue by region of cedent



Atradius Re provides reinsurance capacity for primary insurance companies from both the developed and developing credit insurance and bonding markets and assumes business from over 60 countries on all continents. The underlying business consists of around 60% credit insurance and 40% bonding, based on premium volume. The business is underwritten by an international team of underwriters based in our offices in Dublin, Ireland.

Atradius Re has long-standing relationships with its clients and leads more than one third of its treaties, in addition to maintaining close contacts with specialist brokers. The quality of these client relationships is underscored by the company's unique offering: combining the Atradius Group's skills in the primary underwriting of credit insurance and bonding risks with its own distinctive approach and expertise in structuring reinsurance solutions. In this way, Atradius Re can anticipate and respond to our clients' specific and changing needs. Its strategy is to diversify and evolve its portfolio by region, country and business type, with a focus on Asia, the Middle East and Latin America.

The total reinsurance revenue for 2015 of EUR 134.7 million is 0.7% higher than that of 2014, with sizeable growth in Brazil and Turkey. However the low oil price and demand crisis in the commodity markets have led to greater uncertainty of the economic conditions, especially in emerging markets that have a higher dependency on commodity trade and oil revenue. This is reflected in the gross claims expenses of the Atradius Re portfolio, with its composition focused on emerging markets. As a result the gross claims expenses ended at EUR 118.4 million, well up on 2014.

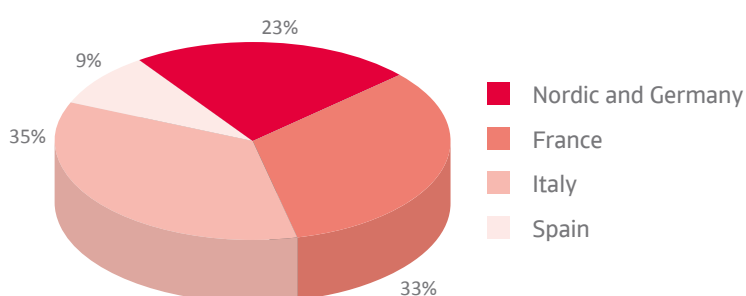


Business segment

Bonding

(EUR thousands)	2015	2014	
Insurance revenue	101,777	93,576	8.8%
Gross insurance claims and loss adjustment expenses	19,084	(22,113)	186.3%
Gross insurance operating expenses	(35,955)	(32,968)	(9.1%)
Result before reinsurance	84,906	38,495	120.6%
Reinsurance result	(44,768)	(20,003)	(123.8%)
Result after reinsurance	40,138	18,492	117.1%
Gross claims ratio	(18.8%)	23.6%	(179.3%)
Employees (FTE)	136	134	1.5%

Bonding insurance revenue by region



Bonding is offered in Italy, France, Spain, the Nordic countries and since 2014 in Germany. Atradius offers a wide variety of bonding products designed for different roles and tailored to customer needs. The bond products fall in to two broad categories: contract bonds (bid, performance, advance payment and maintenance bonds) and commercial bonds (excise, customs and authorisation bonds).

In addition to the traditional sectors, such as construction, engineering and travel, demand for bonds is growing in new sectors such as environmental services. Bonding customers also show an increasing need for both domestic services and international bonding support. To meet customer expectations, we have grown our capacity so that we can also address the foreign requirements of our domestic customers.

Moreover, our active response to the evolution of the bonding market means that we provide a web solution to help our customers handle their surety bonds efficiently while at the same time maintaining a pioneering catalogue of products.

Our presence throughout European countries allows us to support our customers' multinational activities, combined with a wider spread network of frontiers across the world. In line with our pan-European strategy Bonding is currently building a common state-of-the-art IT platform and is investigating the possibility of expanding our bonding presence throughout Europe.

Insurance revenue in 2015 amounted to EUR 101.8 million, an 8.8% increase on 2014, due largely to the strong performance of Italy (+11.1%) where the agents network was further developed and additional revenue was generated on infrastructure projects. The recently started business in Germany developed well in 2015, with good levels of new business.

The excellent 2015 claims result of EUR 19.1 million is the main driver for the good bottom line performance of the Bonding unit in 2015. This was due largely to several positive settlements of old cases in Italy.



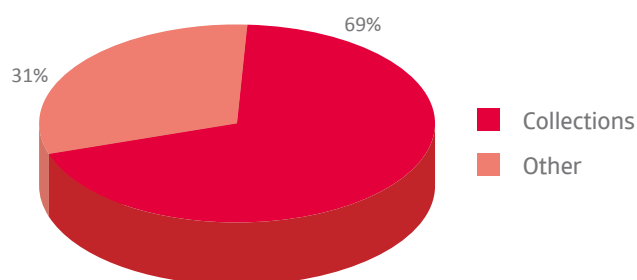
Business segment

Services

(EUR thousands)	2015	2014	
Service income *	63,261	58,364	8.4%
Service expenses	(55,307)	(54,252)	(1.9%)
Service result	7,954	4,112	93.4%
Employees (FTE)	302	297	1.7%

* includes intersegment revenues

Service income



Atradius' services segment comprises our debt collection operations, the export credit agency fees that we receive from the Dutch State and service revenue from Iberinform's buyer information services.

Debt collection

Atradius Collections helps its customers – both credit insured and non-insured – to recover domestic and international trade debts while maintaining sound business relationships with their clients. It has built an enviable reputation, becoming the global trade invoice collector of choice, leveraging the strength of our core credit insurance business with its own integrated international network. It offers a single point of contact for all debt collection cases and worldwide collections expertise 'on the ground' through a presence in 25 countries, covering 96% of all countries worldwide through a global network of collectors, lawyers and insolvency practitioners. Debt collection and credit insurance complement each other as they are counter-cyclical in nature. The collection service picks up as the economy deteriorates while credit insurance prospers more in a benign environment. The collection service supports the product and risk diversification of our business as it is free of insurance risk.

During 2015 the economic climate has stabilised at a challenging level with low payment behaviour and a slight decrease in numbers of insolvencies. Atradius Collections' service income increased by 5.7% to EUR 44 million in 2015, while debt placements increased by 28%, mainly as a result of increased claims and growing market share of our non-insured collections product line in the North East Asia region. The positive development of debt placements and the underlying increase in our customer base are providing a positive outlook for further business development and collections service income generation. Atradius Collections has expanded its reach in 2015 further by opening new offices in key locations in Canada and the Asian market to support global customers.

New services, such as First Party Collections and Invoice Verification, have been launched to support an end-to-end invoice collection management process to allow large companies, factors, and ECAs to expand their international growth in a secure, controlled and efficient manner. The growing income generation related to these products is supporting diversification of Collections' income streams.



Atradius Dutch State Business

Atradius Dutch State Business (ADSB) issues credit insurance policies and guarantees to Dutch companies and banks financing Dutch exports on behalf and for the account of the Dutch State. It provides cover for risks related to infrastructure projects and the export of capital goods – often on medium or long-term credit – and for services to buyers in countries outside the Netherlands that are not covered by the private market. It also provides cover for political risks related to investments in other countries.

ADSB also provides cover on ‘development relevant investment- and export contracts in medium and lower income countries’, which benefit local small and medium enterprises. This service is provided under the Dutch Good Growth Fund from the Dutch ministry of foreign affairs and was introduced in July 2014.

In addition, ADSB provides debt management services, under an agreement with the Dutch State, including those relating to international debt agreements concluded by the Paris Club. It also manages the loan portfolio of the ‘Nederlandsche Investeringsbank voor Ontwikkelingslanden’. This portfolio is in run-off and consists of concessional loans to developing countries on behalf of the Dutch State.

Information services

Through the Group company Iberinform Internacional, Atradius offers a wide range of business information services. Iberinform supports business decision making with the assistance of business intelligence tools designed to analyse customers, suppliers and competitors. Their credit scoring models and business reports help companies to assess customer credit risk, assign credit limits and, ultimately, improve their cash flow.

Similar business information services are offered in Mexico via our company Informes Mexico S.A., supported by a newly developed IT platform.



Promoting genuine interaction with our customers

What makes Atradius stand out from the crowd is the way in which our employees genuinely interact with our customers and business partners, building long-lasting and mutually beneficial relationships. To ensure that this happens, we empower our employees, providing them with the tools they need and encouraging them to act on their own initiative.

In 2015 Crédito y Caución was named the fourth best company to work for in Spain by Actualidad Económica, Spain's leading business magazine. This is our best result since first taking part in the study in 2006. Since then, Crédito y Caución has always ranked highly, and the latest result clearly underlines the success of our policy of stimulating and encouraging talent in the workforce: something that is vital for customer satisfaction and loyalty.

Evolve

In 2015, the Evolve initiative entered its fourth year. The main objective of this initiative is to strengthen the external focus of all Atradius staff by encouraging them to engage in continuous improvement, increasing efficiency and raising the quality of our customer service to the next level.

At the start of the year the Guiding Board, which acts as an internal sounding board for the Operational Project Board, was revised to allow other senior management to contribute to the Evolve process.

The Management Board gave the Reliable Accountability Award to the team that had developed 'Insights': a state of the art software solution enabling Atradius' customers to analyse their portfolio effectively and efficiently.

An internal campaign increased our people's understanding and knowledge of Atradius' major customers, brokers and partners. A platform was created to inspire and encourage collaboration within Atradius on innovation. The topic of innovation was also embedded in management development programmes and linked to the Young@Atradius initiative, a networking group in NL focusing on junior staff members.

And throughout the year, our employees were kept fully informed of Evolve initiatives like these through various forms of communication, including a special Evolve Newsflash.



Raising the quality of our customer service to the next level.



Development

Internal

The Atradius Academy supports the development of Atradius staff at all levels. We believe that it's vital to offer our employees the opportunity to develop their knowledge and skills when and where they choose, and so the suite of e-learning courses offered by our Learning Management System is constantly expanding. In 2015, a wide range of technical training was given through elearning modules and distance learning, keeping staff up to date and aware of changes in Atradius' systems. There were many classroom training sessions too: for instance in Belgium, where special attention was given to Buyer Fraud Prevention.

As it becomes ever more important that our people understand the governance applicable to our industry, this year we introduced the annual Atradius Learning Carousel: a set of e-learning courses that will revolve every three years to cover governance topics. These are mandatory for all staff and are available in seven languages.

External

At the request of customers, the Atradius Academy also offers tailor-made Credit Insurance training, focusing on Underwriting and Special Risk Management related to regular buyers and also on topics such as Private Equity and Venture Capital Funds. In 2015 several of our customers sent representatives to such courses held on site to educate their staff and to strengthen the relationship between Atradius and our customers.

Permanent Education for the Management Board and Supervisory Board

In the framework of the Permanent Education of the Management Board and the Supervisory Board, two sessions were organised by the Atradius Academy comprising three major topics: Solvency II, Innovation and the Developments in the Insurance Market.



**Employees are
the driving
force behind our
organisation.**



Gender Diversity

Dutch legislation, effective from 1 January 2013, requires Dutch large companies, when nominating or appointing members to their Management Board or Supervisory Board, to take into account as far as possible a balanced composition of these boards in terms of gender, so that at least 30% of the positions are held by women and at least 30% by men.

The current composition of the Management Board and the Supervisory Board deviates from these percentages. In 2015, no new appointments have been made in respect of the Management Board or the Supervisory Board. With regard to future appointments, the Management Board and the Supervisory Board will take gender diversity objectives into account as far as possible.

The success of Atradius depends on employees. They are the driving force behind our organisation. It is important for everyone to be able to work together successfully on both personal and professional ambitions. This is exactly why we continuously strive for employee engagement through developing our staff and the Evolve process.

Indicators	2015	2014	2013	2012	2011	2010	2009	2008 ⁽¹⁾	2007	2006
Headcount	3,333	3,298	3,257	3,315	3,304	3,318	3,627	4,106	3,604	3,545
Full-time equivalent	3,161	3,139	3,107	3,143	3,149	3,171	3,488	3,863	3,366	3,304
Full-time equivalent, average	3,153	3,132	3,132	3,139	3,159	3,318	3,662	3,851	3,335	3,280
Retention rate	92.0%	94.9%	91.4%	92.6%	91.1%	85.8%	88.6%	88.8%	82.9%	84.3%
Sick leave	3.1%	2.8%	3.0%	3.1%	3.4%	3.6%	3.4%	3.0%	2.4%	3.6%
Development and training										
Expenses as % of salaries	1.6%	1.5%	1.2%	1.4%	1.3%	1.3%	1.4%	2.5%	2.6%	2.4%
Number of participants	6,366	5,646	5,283	1,656	1,952	1,236	1,943	4,455	n/a	n/a

1) Including Crédito y Caución since January 2008



Creating the framework for security and strength

As a global insurance company, Atradius is exposed to many and varied risks linked both to the nature of our business and to the external environment.

Atradius classifies its main risk types as insurance, financial and operational. Insurance risk is predominantly the risk of nonpayment by a buyer covered by a policy (credit insurance) or the risk of non-performance of a customer (bonding). Financial risks arise out of developments in financial markets and with counterparties - including market risk, credit risk and liquidity risk. Operational risk is the risk of direct or indirect losses resulting from human error, inadequate or failed internal processes, systems or external events - and includes fraud risk.

Risk management

The Management Board is ultimately responsible for risk management and internal control within the Group; it delegates authority to take decisions in this context to the Risk Strategy Management Board (RSMB) and to various risk committees with responsibilities for specific risk-related areas such as underwriting of buyer exposures, country risk, provisioning, asset composition and investment policy, reinsurance, risk, capital and pricing modelling, and approval of new products. In addition, all staff have well-defined authorities specifying the level of risk they can accept. This framework ensures that risks are assumed and managed in a controlled way and in line with the risk appetite of the company.

We refer for the description of the main risk and uncertainties and how these are managed to note 4 Risk and capital management of the consolidated financial statements.



Compliance practices support our business, our reputation and our integrity.



Atradius compliance framework

Compliance practices support our business, our reputation and our integrity. Complying with relevant laws, rules and regulations and maintaining a high standard in terms of ethics and integrity leads to lower operational risk and more stable business processes. The Group's Code of Conduct outlines the basic corporate, legal and ethical compliance principles and guidelines that apply to all employees of the Group and that govern the Group's operations and its employees' business conduct and actions. Individual Compliance Codes address specific compliance areas in more detail and set out detailed compliance requirements that must be followed across the Group and which must be included in existing business procedures. For example, the Customer Due Diligence Code addresses potential risks in areas such as sanction regulations and money laundering. The Compliance Function within Atradius consists of the Group Compliance Function and the Local Compliance Function and consists of employees who (partially) perform compliance activities. The Compliance Function supports the management of Atradius in meeting its objective of being compliant with applicable laws, rules and external and internal regulations.

Capital management

Atradius seeks to maintain a strong capital position and well capitalised operating entities. This helps us to support the evolution of our insurance business, withstand financial stress in adverse business and financial markets, meet our financial obligations and ultimately deliver shareholder value.

In 2015 Atradius entities were able to meet their financial obligations efficiently and to comply with local legal and regulatory requirements.

Shareholders funds

Shareholder funds at the end of 2015: EUR 1,500.2 million increased by 7.7% from EUR 1,393.0 million at year end 2014, due mainly to positive results after tax. Shareholder funds are expected to continue to grow in 2016 and beyond.

Regulatory capital

The solvency position of Atradius' regulated entities is strong. Under Solvency I capital is exceeding the minimum regulatory capital requirements almost fivefold. And -more importantly- also under the new regime of Solvency II, Atradius is well capitalised entities are comfortably capitalised. We apply both the standard formula as well as the internal capital model, subject to regulatory approval.



Atradius is well positioned for the new regulatory environment.



Solvency II

In January 2016, a full-scale revision of the solvency framework and prudential regime applicable to insurance and reinsurance companies in the European Economic Area has been implemented. The new regulatory regime, known as 'Solvency II' aims to create a harmonised, risk-oriented solvency regime which incorporates capital requirements for (re)insurance companies that are more reflective of the risks they incur.

The Solvency II framework covers three main areas, or pillars:

- **Pillar 1** consists of the quantitative requirements: for example, the amount of capital an insurer should hold;
- **Pillar 2** focuses on requirements for the governance and risk management of (re)insurers, as well as for the effective supervision of (re) insurers;
- **Pillar 3** establishes regulatory reporting and market disclosure requirements.

Atradius prepared itself for Solvency II as part of a framework set out by its ultimate parent company Grupo Catalana Occidente, S.A. and is well positioned for the new regulatory environment.

Atradius has been modelling economic capital requirements for over ten years. Its internally developed proprietary model uses the main risk drivers of the credit insurance and bonding business such as exposure volume, buyer quality, correlations and underwriting strategy. Since the results of this model more closely reflect the business and risk profile of a large multinational credit insurer than does the Solvency II Standard Formula, the Group plans to use its internal model to calculate part of its regulatory capital requirements. For that reason Grupo Catalana Occidente, S.A has applied for regulatory approval of the partial internal model for insurance risk. Until approval is granted, the Standard Formula will be used for regulatory purposes and the proprietary model will be used for internal decision-making purposes.

Subordinated notes

Atradius Finance B.V., a wholly owned subsidiary of Atradius N.V., issued EUR 250 million subordinated notes on 23 September 2014. These subordinated notes count as Tier 2 capital under the current Dutch Solvency I regime and are also eligible Tier 2 capital under Solvency II. Please see note 16 of the consolidated financial statements of the Annual Report 2015.

For a more detailed overview of the main regulatory capital requirements please see Note 4 of the consolidated financial statements of the Annual Report 2015.



An ethical approach to global trade

As a company whose remit is to enable successful trade, we believe that our biggest corporate responsibility (CR) is an economic one. Trade is by definition essential for the world's economic development. It allows companies to grow, compete and improve their products, thereby creating employment and reducing poverty by generating wealth.

The economic problems of recent years have reinforced the importance of our credit insurance. It enables businesses to stay healthy and maintain good relationships with their customers. Through this process we support the global economy and secure many jobs around the world. We see this as a key social accomplishment of our day-to-day business.

At the heart of our business is our assessment of the ability of companies across the globe to pay - and therein lies our social responsibility. We aim to stimulate the economy responsibly, analyse and safeguard millions of business relationships, and thus generate confidence in businesses from all sectors, sizes and countries to co-operate in worldwide trade. In this way, we enable over 60,000 businesses, shipping €800 billion in goods and services, to trade worldwide with almost 2.4 million customers. Around 2% of the value of global export trade takes place because of the insurance cover we provide.

As a responsible global company, we also aim to manage the ethical, environmental and social aspects of the way we do business. This commitment is manifested through our affiliation with the ten points of the United Nations Global Compact (UNGC), a call to companies to align strategies and operations with universal principles on human rights, labour, environment and anti-corruption, and to act in a way that advances societal goals. Each year we report to UNGC on our continued commitment and the progress that we are making in all areas of CR.

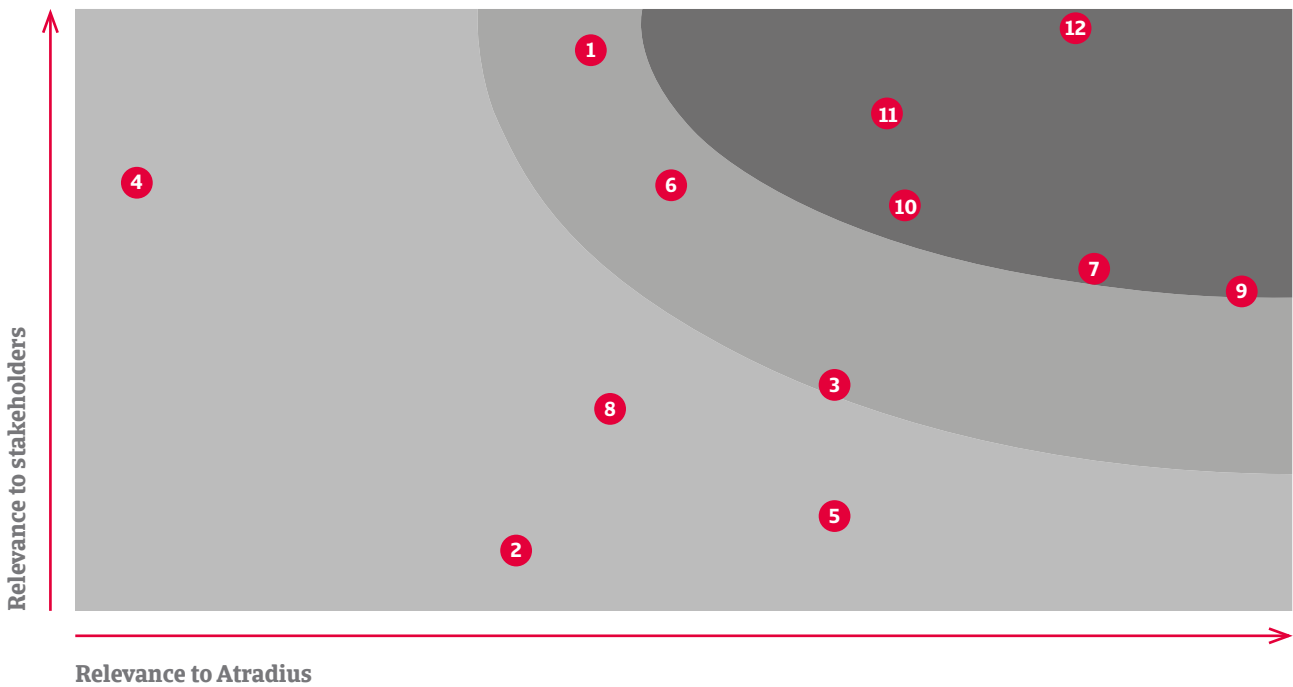
In 2014 we began a materiality analysis involving our most important stakeholder groups, to further improve our corporate responsibility activities. This materiality matrix is developed with input from Atradius' top management, employees and employee representatives, as well as our external stakeholders.



We support the global economy and secure many jobs around the world.



The matrix consists of two axes. On the x axis, issues are plotted based on the relative importance and relevance for Atradius. On the y axis, issues are plotted based on the relative importance and relevance for our stakeholders.



- 1 Economic development & growth of emerging markets
- 2 Digitisation & 24/7 economy
- 3 Regulation & legislation
- 4 Environmental protection & sustainable sourcing
- 5 Demand of simplicity and transparency in product and service delivery
- 6 Fraudulent claims & trustworthiness of customers
- 7 Customer loyalty & values
- 8 Cybercrime & protection of sensitive information
- 9 Employee satisfaction and retention
- 10 Relationship management with partners and intermediaries
- 11 Compliance and integrity management
- 12 Corporate governance & risk management

In future, we will analyse the outcomes of this materiality matrix further and start to use the matrix as one of the guiding elements of our CR and wider business strategy. It will be reviewed periodically, so that we can incorporate new stakeholder views, changes in our surroundings, and keep track of issues that we should be focusing on. We will report externally on the most applicable UNGC principles, based on the GRI reporting standards and taking into consideration the materiality matrix results.



This CR commitment and progress will help us to interact with absolute integrity with our various stakeholders:

Our people

We strive to improve our employees' satisfaction with the company and to raise our reputation within the labour market. Through regular employee surveys, we measure our employees' perception and wherever possible improve how we act as an employer. For example:

- In August a vitality programme 'The Step' was launched for all Dutch employees. This is a personal vitality programme that provides both body and mind with a long lasting energy boost. The six month programme consists of check-ups with questionnaires and physical tests, and also workshops and training courses on topics such as sleep, food and energy management. This programme strives for both better health for our employees and a reduction in absenteeism.
- As mentioned in the Human Resources section of this Annual report, in 2015 Crédito y Caución was named the fourth best company to work for in Spain by Actualidad Económica: a real endorsement of our stance on developing talent in the workforce as a valuable element in customer satisfaction and loyalty.

Our customers

We are open and transparent with our customers who are, after all, central to our CR strategy. Our main focus is to engage with them to build sustainable trade relationships that will stimulate healthy economic growth and job creation.

Our suppliers

We expect our suppliers to apply the same CR standards that we set ourselves. We seek to procure ethically sourced materials from our suppliers and promote corporate responsibility throughout our entire supply chain.

Our communities

Aware of the responsibility we have towards the local communities in which we operate, we encourage our people and operating companies to be actively involved in initiatives that benefit those communities: whether financially, personally or socially.

For example, in Spain Crédito y Caución has partnered with the Food Banks to alleviate the social effects of the economic crisis and has launched the project alimentalacadena.es (feed the chain). The idea is simple: when a project participant donates one euro a month to buy food, Fundación Jesús Serra will match that donation up to an annual ceiling of EUR 100,000, provided that the unemployment rate in Spain does not fall below 15%.



**We are open and
transparent with
our customers.**



Our environment

We operate in a way that minimises our consumption of valuable and finite resources. We have established internal environmental sustainability programmes in our operations worldwide, including energy saving, recycling, and a travel policy that minimises our environmental footprint.

Environmental KPIs	2015	2014	2015/2014
KPI	Total	Total	Change
Number of reporting countries	31	31	no change
Number of offices	100	100	no change
Total office space (m ²)	105,875	105,875	no change
Total personnel (FTE)	3,154	3,139	increase
Energy (gas & electricity) usage			
Electricity from non-renewable source (kWh)	8,766,020	9,445,801	decrease
Electricity from renewable source (kWh)	2,170,970	1,876,706	increase
% of renewable electricity	19.8%	16.6%	increase
Total electricity (kWh)	10,936,990	11,322,507	decrease
Gas (m ³)	406,557	370,721	increase
Total energy	14,521,196	14,590,783	decrease
Travel			
Employee air travel (km)	13,820,150	11,757,081	increase
Employee rail travel (km)	2,598,529	2,271,157	increase
Company lease car travel (km)	10,857,769	10,878,588	decrease
Total travel (km)	27,276,448	24,906,826	increase
CO² footprint (tonnes of CO²)			
Energy CO ²	7,531	7,822	decrease
Travel CO ²	7,217	6,488	increase
Total CO²	14,748	14,310	increase
Paper used			
Non-recycled paper (sheets A4)	15,856,663	14,610,918	increase
Recycled paper (sheets A4)	6,891,267	10,154,671	decrease
% recycled paper	30.3%	41.0%	decrease
Total Paper	22,747,930	24,756,589	decrease
Water usage (m³)	42,911	44,556	decrease
Waste – per type			
Hazardous waste (tonnes)	7.8	9.0	decrease
Non-hazardous waste (tonnes)	515.0	535.0	decrease
Total Waste	523.0	544.0	decrease

*has changed by revision of square meters



Information – the key to success

Accurate information is vital if our customers are to continue to prosper. The access that we give customers, to our constantly updated information on global trading risks and opportunities, is an essential part of our interaction with them. That information takes many forms. It can help our customers manage their trading portfolio more efficiently, find new opportunities and improve their business performance. And, because our view of the business world encompasses the experiences of many thousands of vendors and buyers, we can share a much more accurate assessment of trading risks than can a single customer.

Since we have information sources based locally, and a global IT platform that allows that information to be transmitted instantly across the globe, we can share with customers the most up-to-date data available. That's how we are able to deliver credit limit decisions within seconds on 70% of our customers' requests for cover. Even when a decision can't fully meet the customer's expectations, the value to them lies in our explanation of the extent of the risk.

The speed with which we deliver information goes beyond credit limit decisions, enabling our customers to have their credit insurance claims handled speedily and their trade debts recovered effectively.

“We are immensely proud of our long and impressive history in sourcing and using business information”.

Vincent Bert , Executive Manager Information Procurement,
Financial Control and Management Information



Consolidated financial statements 2015

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Consolidated financial statements

Consolidated statement of financial position

Assets	Note	31.12.2015	31.12.2014
Intangible assets	6	173,500	168,761
Property, plant and equipment	7	121,253	123,444
Investment property	7	10,098	10,378
Investments in associated companies	9	35,396	39,392
Financial investments	10	2,212,264	2,083,832
Reinsurance contracts	18	689,849	668,962
Deferred income tax assets	20	52,965	102,351
Current income tax assets	20	21,288	12,566
Receivables	11	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	12	73,919	72,270
Miscellaneous assets and accruals	13	406,532	364,469
Cash and cash equivalents	14	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	16	248,289	248,141
Employee benefit liabilities	17	76,123	83,882
Insurance contracts	18	1,648,791	1,572,151
Provisions	19	6,588	4,281
Deferred income tax liabilities	20	112,154	133,522
Current income tax liabilities	20	31,641	36,191
Payables	21	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	22	411,973	387,013
Borrowings	14	1,331	47,286
Total		2,732,097	2,737,820
Total equity and liabilities		4,232,346	4,130,859



Consolidated income statement

	Note	2015	2014
Insurance premium revenue	23	1,537,005	1,458,156
Insurance premium ceded to reinsurers	23	(674,608)	(643,043)
Net premium earned		862,397	815,113
Service and other income	24	180,754	169,047
Share of income of associated companies	25	782	7,247
Net income from investments	25	35,234	30,590
Total income after reinsurance		1,079,167	1,021,997
Insurance claims and loss adjustment expenses	26	(718,522)	(636,651)
Insurance claims and loss adjustment expenses recovered from reinsurers	26	308,888	244,401
Net insurance claims		(409,634)	(392,250)
Net operating expenses	27	(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	28	(17,597)	(16,142)
Result for the year before tax		248,170	232,370
Income tax expense	29	(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

	Note	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	15.5	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	15.3	(12,574)	12,710
Exchange gains/(losses) on translating foreign operations and associated companies	15.4	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



Consolidated statement of changes in equity

	Attributable to the owners of the Company						
	Share capital	Share premium reserve	Revaluation reserve	Currency translation reserve	Pension reserve	Retained earnings	Total equity
Balance at 1 January 2014	79,122	757,911	37,624	(38,319)	(124,649)	575,235	1,286,924
Dividends	-	(53,803)	-	-	-	-	(53,803)
Total comprehensive income for the year	-	-	10,461	3,204	(14,937)	161,190	159,918
Result for the year	-	-	-	-	-	161,190	161,190
Other comprehensive income	-	-	10,461	3,204	(14,937)	-	(1,272)
Balance at 31 December 2014	79,122	704,108	48,085	(35,115)	(139,586)	736,425	1,393,039
Balance at 1 January 2015	79,122	704,108	48,085	(35,115)	(139,586)	736,425	1,393,039
Dividends	-	(64,880)	-	-	-	-	(64,880)
Total comprehensive income for the year	-	-	(10,909)	3,382	1,396	178,221	172,090
Result for the year	-	-	-	-	-	178,221	178,221
Other comprehensive income	-	-	(10,909)	3,382	1,396	-	(6,131)
Balance at 31 December 2015	79,122	639,228	37,176	(31,733)	(138,190)	914,646	1,500,249



Consolidated statement of cash flows

	2015	2014
I. Cash flows from operating activities		
Result for the year before tax	248,170	232,370
Adjustments for:		
Realised capital (gains)/losses on investments	(19,593)	(14,340)
Dividends received from financial investments	(7,034)	(5,712)
Share of income of associated companies	(782)	(7,247)
Depreciation, impairment and amortisation	27,873	33,768
Interest expense on subordinated loan	13,333	8,825
Net interest income	(12,504)	(12,636)
Other non-cash items	20,483	9,513
Changes in operational assets and liabilities:		
Insurance contracts	76,640	85,857
Reinsurance contracts	(20,887)	(14,071)
Deferred acquisition costs	(1,649)	(8,725)
Accounts receivable and payable on insurance and reinsurance business	(27,265)	(21,201)
Changes in other assets and liabilities	(39,819)	(28,590)
Pensions and other long-term employee benefit net contributions	(26,341)	(42,992)
Income tax paid	(32,412)	(22,806)
Interest paid	(2,856)	(5,047)
Net cash (used in)/generated by operating activities	195,357	186,966
II. Cash flows from investing activities		
Investments and acquisitions (cash outflows):		
Investment property	-	(28)
Short-term investments	(194,558)	(402,267)
Financial investments available-for-sale	(1,036,158)	(786,730)
Property, plant and equipment and intangible assets	(27,747)	(26,330)
Divestments, redemptions and disposals (cash inflows):		
Investment property	61	-
Investments in associated companies	2,689	-
Short-term investments	288,321	285,665
Financial investments available-for-sale	800,453	670,391
Property, plant and equipment and intangible assets	144	283
Dividends received from associated companies	1,829	2,551
Dividends received from financial investments	7,034	5,712
Interest received	38,875	36,892
Net cash (used in)/generated by investing activities	(119,057)	(213,861)
III. Cash flows from financing activities		
Dividend paid	(64,880)	(53,803)
Interest paid on subordinated loan	(13,125)	(7,050)
Subordinated loan - redemption	-	(120,000)
Subordinated loan - addition	-	248,104
Net cash (used in)/generated by financing activities	(78,005)	67,251
Changes in cash and cash equivalents (I + II + III)	(1,705)	40,356
Cash and cash equivalents at the beginning of the year	220,762	171,717
Effect of exchange rate changes on cash and cash equivalents	10,319	8,689
Cash and cash equivalents at the end of the year	229,376	220,762

The cash and cash equivalents are presented net of bank overdrafts (see Note 14).



Notes to the consolidated financial statements

1 General information

Atradius N.V. ('the Company'), with its office at David Ricardostraat 1, 1066 JS, Amsterdam, the Netherlands, and its subsidiaries (together referred to as 'the Group') is a global credit insurer and aims to support its customers' growth by strengthening their credit and cash management through a wide range of credit insurance management products and services. These services include credit insurance, bonding, reinsurance, information services, collection services and instalment credit protection. The Group offers products and services from strategically located offices on six continents and employed 3,333 people as at 31 December 2015 (2014: 3,298). The parent is Grupo Compañía Española de Crédito y Caución, S.L., which owns 64.23% of the shares in Atradius N.V. The ultimate parent and the ultimate controlling party of the Group is Grupo Catalana Occidente, S.A., which holds 73.84% of the shares in Grupo Compañía Española de Crédito y Caución, S.L. and 35.77% (2014: 35.77%) of the shares in Atradius N.V. The financial statements of Atradius N.V. are consolidated within Grupo Catalana Occidente, S.A., which is a listed company in Spain.

These Group consolidated financial statements have been authorised for issue by the Management Board on 2 March 2016 and have been reviewed by the Supervisory Board. On 2 March 2016 the consolidated financial statements have been adopted at the Annual General Meeting of Atradius N.V.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all financial years presented, unless otherwise stated.

2.1 Basis of preparation

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and also comply with Part 9 of Book 2 of the Dutch Civil Code. They have been prepared under the historical cost convention as modified by the revaluation of available-for-sale financial investments.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 3.

The income statement of Atradius N.V. for 2015 is incorporated in the consolidated financial statements, which allows for a presentation of a condensed company income statement in the company financial statements in compliance with Book 2, Article 402 of the Dutch Civil Code.

All amounts in the notes are shown in thousands of Euro (EUR), rounded to the nearest thousand, unless otherwise stated.

2.2 New and revised standards

All changes in the accounting policies have been made in accordance with the transitional provisions in the respective standards. All standards and amendments adopted by the Group require retrospective application.



2.2.1 Standards, amendments and interpretations effective in 2015

The following relevant standards, amendments and interpretations have been adopted in 2015, but have had no material effect on the consolidated financial statements unless otherwise mentioned:

- Amendments to IAS 19 Defined Benefit Plans: Employee Contributions. The narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service. The amendment had no impact on the Group as contributions to existing defined benefit plans are attributed to periods of service using the projected unit credit method (being the default accounting treatment under IAS 19);
- Annual improvements: 2010-2012 Cycle and Annual Improvements: 2011 -2013 Cycle. These two cycles are a collection of amendments issued under the annual improvement process, which is designed to make necessary, but non-urgent amendments to IFRS.

2.2.2 Standards, amendments and interpretations not yet adopted

The following relevant amendments are effective for annual periods beginning after 31 December 2015 and have not been early adopted by the Group:

- Annual improvements to IFRS: 2012-2014 Cycle (effective 1 January 2016). The Cycle introduces limited amendments to the following standards: IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, IFRS 7 Financial Instruments: Disclosures (with consequential amendments to IFRS 1), IAS 19 Employee Benefits and IAS 34 Interim Financial Reporting. The amendments are not expected to have a material effect on the consolidated financial statements;
- Amendments to IAS 1 Disclosure Initiative (effective 1 January 2016). The narrow-focus amendments clarify, rather than significantly change, existing IAS 1 requirements. The amendments are not expected to have a material effect on the consolidated financial statements;
- Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation (effective 1 January 2016). This amendment clarifies when revenue-based depreciation or amortisation methods are permitted. These amendments are not expected to have a material impact on the Group's consolidated financial statements.

The following relevant standards and amendments have not yet been endorsed by the European Union and as such have not been adopted:

- IFRS 9 Financial Instruments (effective 1 January 2018). This standard replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments and the new general hedge accounting requirements. The Group is assessing the potential impact on its consolidated financial statements;
- IFRS 15 Revenue from Contracts with Customers (effective 1 January 2018). The standard establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. The Group is assessing the potential impact on the consolidated financial statements;
- IFRS 16 Leases (effective 1 January 2019). This standard replaces the existing guidance in IAS 17 Leases and several interpretations (IFRIC 14, SIC-15 and SIC-27). IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. The Group is assessing the potential impact on the consolidated financial statements.

2.3 Changes in presentation

Certain comparative amounts have been reclassified to conform to the current period presentation. These are further detailed in the related notes.

2.4 Consolidation

The following principles of consolidation and measurement are applied to the financial statements:



2.4.1 Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases to exist.

Intra-group transactions, balances and unrealised gains on intra-group transactions are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Subsidiaries' accounting policies are changed where necessary to ensure consistency with the policies adopted by the Group except for the accounting for insurance contracts (see Note 2.18).

2.4.2 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of fair values of the assets (at the acquisition date) transferred to the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in the income statement as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that the deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively.

2.4.3 Associated companies

Associated companies are entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies, generally accompanying a shareholding of between 20% and 50% of the voting rights. Associated companies are accounted for using the equity method and are initially recognised at cost. The Group's investment in associated companies includes goodwill (net of any accumulated impairment loss).

The Group's share in its associated companies' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Associate's accounting policies are changed where necessary to ensure consistency with the policies adopted by the Group.

Interests in companies in which the Group does not exercise significant influence are accounted for at fair value, in accordance with the accounting principles for available-for-sale investments.

2.5 Segment reporting

IFRS 8 requires operating segments to be identified on the basis on which the Management Board regularly reviews components of the Group in order to allocate resources to the segments and to assess their performance. Operating segments are reported in a manner consistent with the internal reporting provided to the Management Board.

2.6 Foreign currencies

2.6.1 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency').

2.6.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the



translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. A monetary item that forms part of a net investment in a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future is, in substance, part of the net investment in that foreign operation. In the consolidated financial statements the related exchange gains and losses on these monetary items are recognised in other comprehensive income.

Translation differences on non-monetary items, such as equities classified as available-for-sale financial investments, are included in the revaluation reserve through other comprehensive income.

2.6.3 Group companies

The results and financial position of all Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing exchange rate at the date of that statement of financial position;
- income and expenses for each income statement presented are translated at monthly average exchange rates unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at exchange rates at the dates of the transactions; and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as the foreign entity's assets and liabilities and are translated at the closing rate.

The exchange rates of the most relevant functional currencies for the Group are presented below:

Currency	End rate			Average rate		
	GBP	USD	AUD	GBP	USD	AUD
At 31 December 2015	1.362	0.919	0.671	1.375	0.898	0.675
At 31 December 2014	1.284	0.824	0.674	1.239	0.750	0.678

2.7 Goodwill and other intangible assets

2.7.1 Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed. If the net amount of the identifiable assets acquired and the liabilities assumed exceed the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the Group's previously held equity interest in the acquiree (if any), then the excess is recognised immediately in profit or loss as a bargain purchase. Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see Note 2.4.2) less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to the Group's relevant cash-generating units. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.



Goodwill on the acquisitions of associated companies is included in investments in associated companies.

2.7.2 Software

Acquired computer software licenses are capitalised on the basis of costs incurred to acquire and to bring to use the specific software. These assets are amortised on the basis of the expected useful life: which is between three and five years. Computer software is stated at cost less accumulated amortisation and any accumulated impairment losses.

Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development team's employee costs and an appropriate portion of relevant overhead. All other costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Computer software development costs recognised as assets are amortised using the straight-line amortisation method over their estimated economic useful lives: not exceeding, in general, a period of five years.

Subsequent expenditure on capitalised intangible assets are capitalised only when they increase the future economic benefits embedded in the specific assets to which they relate. All other expenditure is expensed as incurred.

2.7.3 Other intangible assets

Other intangible assets are recognised at fair value at the acquisition date. Amortisation charges are included in net operating expenses and are calculated using the straight-line method over the expected life of the asset which is estimated to be between 5 and 15 years.

2.8 Property, plant and equipment

Land and buildings comprise offices occupied by the Group ('property for own use'). Land and buildings are stated at the cost of acquisition or construction, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. For analysis of the residual value, the fair value is assessed based on active market prices, adjusted if necessary, for any difference in the nature, location or condition. All other property, plant and equipment are stated at historical cost less accumulated depreciation and subsequent impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be reliably measured. All other repairs and maintenance are recognised as an expense in the income statement during the financial period in which they are incurred.

Some of the Group's properties comprise a part that is held as investment property to earn rentals or for capital appreciation and another part that is held for own use. If these parts could be sold separately or leased out separately under a financial lease, the Group accounts for the parts separately as investment property and property for own use, respectively.

The depreciation period is based on the estimated economic useful life of the asset. Leasehold improvements are amortised over the shorter of the estimated useful life of the improvements and the respective lease terms. Land is not depreciated. All other assets are depreciated using the straight-line depreciation method over the estimated economic useful lives: buildings over 50 years, fixtures and fittings over 3-10 years and information systems hardware over 3-5 years.

2.9 Investment property

Property held for long-term rental yields that is not occupied by one of the companies of the Group is classified as investment property.

Investment property comprises freehold land and buildings. It is stated at the cost of acquisition or construction, less any subsequent accumulated depreciation and subsequent impairment losses. Buildings are depreciated using the straight-line depreciation method over the estimated economic useful life of the property: 50 years.

2.10 Fair value measurements



For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1: Quoted prices in active markets. This category includes financial instruments for which the fair value is determined directly by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis;

Level 2: Valuation techniques based on observable market data. This category includes financial instruments for which the fair value is determined using a valuation technique (a valuation model), where inputs in the valuation model are taken from an active market or are market observable. If certain inputs in the model are not market observable, but all significant inputs are, the instrument is still classified in this category, provided that the impact of those elements on the overall valuation is insignificant. Included in this category are items whose value is derived from quoted prices of similar instruments, but for which the prices are (more than insignificantly) modified based on other market observable external data;

Level 3: Valuation techniques incorporating information other than observable market data. This category includes financial investments for which the fair value is determined using a valuation technique for which a significant level of the input is not supported by a current observable market transaction. This category also includes the financial investments for which the fair value is based on brokers quotes or pricing services. These valuations are for 100% of the fair value verified with an external independent valuation company.

The fair values of financial instruments traded in active markets are based on quoted market prices at the end of the reporting period. The quoted market price used for financial investments held by the Group is the current bid price. Transaction costs on initial recognition of financial investments are expensed as incurred.

The fair values of financial instruments in markets that are not active are determined using valuation techniques. The Group uses a variety of methods and assumptions that are based on market conditions existing at the end of the reporting period.

The fair values of property own use and investment property are determined by independent real estate valuers registered in the relevant countries and have appropriate qualifications and experience in the valuation of properties.

See Note 4.3.1.1 for further details regarding the determination of the fair value of financial investments.

2.11 Recognition and derecognition of financial investments

All purchases and sales of financial investments carried at fair value that require delivery within the time frame established by regulation or market convention ('regular way' purchases and sales) are recognised at trade date, which is the date that the Group commits to purchase or sell the asset. Loans and receivables are recognised and derecognised at settlement date, which is the date the Group receives or delivers the asset.

Financial investments are derecognised when the rights to receive cash flows from the financial investments have expired or where the Group has transferred substantially all the risks and rewards of ownership. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of a financial investment and does not retain control over the investment, it derecognises the financial investment. In transfers where control over the asset is retained, the Group continues to recognise the asset to the extent of its continuing involvement. The extent of continuing involvement is determined by the extent to which the Group is exposed to changes in the value of the asset.

2.12 Classification of financial investments

The Group classifies its financial investments into two categories: investments available-for-sale and loans and receivables. The classification depends on the purpose for which the investments were acquired. The Group determines the classification of its investments at initial recognition and re-evaluates this at the end of each reporting period.

2.12.1 Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial investments that are either designated in this category or not classified in the categories 'loans and receivables' (Note 2.12.2) and 'fair value through profit or loss'.



Financial investments are initially recognised at fair value plus transaction costs that are directly attributable to their acquisitions. Unrealised gains and losses arising from changes in the fair value of financial investments classified as available-for-sale are recognised in other comprehensive income net of tax. When financial investments classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as net gains or losses on financial investments.

2.12.2 Loans and receivables

Loans and receivables (including deposits) are non-derivative financial investments with fixed or determinable payments that are not quoted on an active market, other than those that the Group intends to sell in the short-term, or that it has designated as available-for-sale. Deposits withheld by ceding companies and receivables arising from insurance contracts are also classified in this category. Loans and receivables are initially recognised at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

2.13 Impairment of assets

2.13.1 Financial assets - general

The Group assesses, at the end of each reporting period, whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a 'loss event') and that loss event has a negative impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The Group first assesses whether objective evidence of impairment exists for financial assets that are individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

2.13.2 Financial investments - carried at amortised cost

Objective evidence that loans and receivables are impaired can include significant financial difficulty of the counterparty, default or delinquency by a counterparty, restructuring of a loan or advance by the Group on terms that the Group would not otherwise consider, indications that a counterparty will enter bankruptcy, or other observable data relating to a group of assets such as adverse changes in the payment status of counterparties, or economic conditions that correlate with defaults. If there is objective evidence that an impairment loss has been incurred on loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and estimated future cash flows. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement.

2.13.3 Financial investments - carried at fair value

The Group assesses, at the end of each reporting period, whether there is objective evidence that an available-for-sale financial investment is impaired. Objective evidence that available-for-sale financial investments (including debt and equity securities) are impaired can include default or delinquency by an issuer, indications that an issuer will enter bankruptcy and/or the disappearance of an active market for a security. In addition, for an investment in an equity security, management assesses whether there has been a significant or prolonged decline in its fair value below its acquisition cost.

Where such evidence exists for available-for-sale financial investments, the cumulative net loss that has been previously recognised directly in other comprehensive income is recycled from other comprehensive income (the revaluation reserve)



and recognised in the income statement. If, in a subsequent period, the fair value of debt securities classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed through the income statement, but only to the amortised cost price. Subsequent increases above the amortised cost price are credited against the revaluation reserve as a component of other comprehensive income. Impairment losses recognised in the income statement on equity securities cannot be reversed in subsequent periods.

2.13.4 Impairment of other non-financial assets

Assets that have an indefinite useful life, for example land, are not subject to amortisation or depreciation and are tested annually for impairment. Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Investment properties are not allocated to cash-generating units, rather they are tested for impairment on an individual basis.

If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised in the income statement, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. The amount of the reversal is recognised in the income statement. However, impairment losses recognised for goodwill are not reversed in subsequent periods.

2.14 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.15 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks and other short-term highly liquid investments with original maturities of three months or less that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. Bank overdrafts which are repayable on demand form an integral part of the Group's cash management and are included as a component of cash and cash equivalents for cash flow purposes. In the statement of financial position, bank overdrafts which do not meet the criteria for offsetting, are presented separately as liabilities under borrowings.

Deposits pledged for regulatory and other purposes as well as cash held for investments are not available for use in the Group's day-to-day operations and are therefore not included within cash and cash equivalents. These assets are included within financial investments.

2.16 Capital and reserves

2.16.1 Share capital

Share capital is classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax. Incremental costs directly attributable to the issue of equity instruments as consideration for the acquisition of a business are included in the cost of acquisition.

2.16.2 Share premium reserve

Share premium reserve is the amount received by the Company in excess of the nominal value of the shares it has issued.

2.16.3 Revaluation reserve

The revaluation reserve comprises the unrealised gains/losses of the securities available-for-sale after the deduction of income tax, except for impairments that are charged directly to the income statement.



2.16.4 Currency translation reserve

The net exchange difference, after the deduction of income tax that is recognised in the currency translation reserve in each period represents the following:

- in respect of revenue, expenses and capital transactions, the difference between translating these items at actual or average exchange rates and using the exchange rate at the end of the reporting period, which is the case for recognised assets and liabilities;
- in respect of the net assets at the beginning of the reporting period, the difference between translating these items at the rate used at the end of the previous reporting period and using the rate at the end of the current reporting period; and
- in respect of the net assets acquired during the reporting period, the difference between translating these items at the rate of acquisition date and using the rate at the end of the current reporting period.

2.16.5 Pension reserve

The pension reserve relates to the various defined benefit schemes and consists of:

- actuarial gains and losses, after the deduction of income tax, that arise in calculating the Group's pension obligations and fair value of the plan assets in respect of a defined benefit plan in the period in which they occur; and
- the non-recognition of assets ('asset ceiling') that can occur when the plan assets are higher than the projected benefit obligation and where the Group cannot recover any surplus through refunds from the pensions vehicle due to solvency and/or control requirements.

2.16.6 Retained earnings

Retained earnings is the accumulated amount of profits or losses at the end of the reporting period which have not been distributed to shareholders.

2.16.7 Non-controlling interests

Non-controlling interests represent the proportion of shareholders' equity and of total comprehensive income that is attributable to minority shareholders.

2.17 Subordinated loans

A subordinated loan is recognised initially at fair value, net of transaction costs incurred. A subordinated loan is subsequently stated at amortised cost. The difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the fixed period of the loan during which the interest is fixed using the effective interest method. Interest payable is reported under other liabilities.

2.18 Insurance contracts

An Insurance contract is a contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder or its beneficiary if a specified uncertain future event (the insured event) affects the policyholder.

The insurance contracts issued by the Group can be classified into two main categories:

- Credit insurance contracts: contracts that provide for specific payments to be made to reimburse the holder for the loss it incurs because a specified debtor fails to make a payment when due under the original or modified terms of a debt instrument; and
- Bonding contracts: contracts that provide compensation to the beneficiary of the contract if the Group's bonding customer fails to perform a contractual obligation relative to the beneficiary.

The company applies IFRS 4.25 that allows that existing insurance accounting practices are continued. The main item is that Compañía Española de Seguros y Reaseguros de Crédito y Caucción S.A.u. ('Crédito y Caucción') applies existing earnings and related provisioning practices. The differences in application lead to different allocations of unearned premium and



provision for outstanding claims. Further reference is made to specific information included on Crédito y Caución in Note 4.2.6 and Note 18.

2.18.1 Deferred acquisition costs

Commission costs that vary with and are related to securing new contracts and renewing existing contracts are capitalised as deferred acquisition costs. All other costs are recognised as expenses when incurred. The deferred acquisition costs are subsequently amortised over the life of the policies as premium is earned.

2.18.2 Provision for unearned premium

The recognition of unearned premium per product is set out in Note 4.2.6.1.

2.18.3 Provision for outstanding claims

Claims and loss adjustment expenses are charged to the income statement as incurred based on the estimated liability for compensation owed to contract holders. They include direct and indirect claims settlement costs and arise from the risks the Group has taken up to the end of the reporting period. The Group does not discount its liabilities (other than the recoveries on the Instalment Credit Protection (ICP) product) given the short-term nature of the Group's liabilities. Liabilities for unpaid claims are estimated using the input of assessments for individual cases reported to the Group and statistical analyses for the claims incurred but not reported. When appropriate, deductions are made for salvage, subrogation and other expected recoveries from third parties. For reinsurance business the provisions are determined on a treaty-by-treaty basis, based on premium and loss information supplied by the ceding companies. Estimates of expected losses are developed using historical claims experience, actual versus estimated claims experience and other known trends and developments.

Additional information on the measurement of the provision for outstanding claims is provided in Note 4.2.6.

2.18.4 Liability adequacy test

At the end of each reporting period, a liability adequacy test is performed to ensure the overall adequacy of the total insurance contract liabilities, net of related deferred acquisition costs. In performing this test, current best estimates of future contractual cash flows and claims handling expenses are used. Any deficiency on consolidated level is immediately charged to the income statement by first writing down the related deferred acquisition costs and then by establishing a provision for losses arising from the liability adequacy test.

2.18.5 Reinsurance contracts

Contracts entered into by the Group with reinsurers under which the Group is compensated for losses on one or more contracts issued by the Group and that meet the classification requirements for insurance contracts are classified as reinsurance contracts held. Contracts that do not meet the classification requirements are classified as financial assets. Insurance contracts entered into by the Group under which the contract holder is another insurer (reinsurance business) are included in insurance contracts.

The benefits to which the Group is entitled under its reinsurance contracts held are recognised as reinsurance assets. These assets consist of short-term balances due from reinsurers (classified within loans and receivables), as well as longer term receivables (classified as reinsurance contracts) that are dependent on the expected claims and benefits arising under the related reinsurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premium payable for reinsurance contracts and are recognised as an expense when due.

The Group assesses its reinsurance assets for impairment on a quarterly basis. If there is objective evidence that the reinsurance asset is impaired, the Group reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the income statement. The Group gathers the objective evidence that a reinsurance asset is impaired by applying similar procedures adopted for financial assets held at amortised cost. The impairment loss is calculated under the same method used for these financial assets.

The Group has profit commission arrangements with its reinsurance companies that are based on the loss ratio per underwriting year. The Group accounts for these commissions based on detailed assessments of the expected ultimate loss ratios.



The Group recognises the gains and losses from reinsurance contracts directly in the income statement.

2.18.6 Receivables and payables related to insurance contracts

Receivables and payables are recognised when due. These include amounts due to and from agents, brokers and insurance contract holders.

If there is objective evidence that the insurance receivable is impaired, the Group reduces the carrying amount of the insurance receivable accordingly and recognises that impairment loss in the income statement. The Group gathers the objective evidence that an insurance receivable is impaired by applying similar procedures adopted for loans and receivables. The impairment loss is also calculated under the same method used for these financial assets.

2.18.7 Salvage and subrogation reimbursements

Some insurance contracts permit the Group to sell goods acquired in settling a claim (i.e., salvage). The Group may also have the right to pursue third parties for payment of some or all costs (i.e., subrogation).

Estimates of salvage recoveries and subrogation reimbursements are included as an allowance in the measurement of the provision for claims. The allowance is the amount that can reasonably be expected to be recovered.

2.19 Provisions

Provisions for restructuring, onerous contracts and litigation are recognised when the Group has a present legal or constructive obligation as a result of past events and it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Restructuring provisions include employees' termination payments which are directly related to restructuring plans. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Where the effect of the time value of money is material, the provision is measured as the present value of the expenditure expected to be required to settle the obligation discounted using a pre-tax rate.

2.20 Deposits received from reinsurers

Deposits received from reinsurers represent amounts received from reinsurance companies in respect of ceded claims and premium provisions and are stated at amortised cost using the effective interest method. Interest expense is recognised on an effective yield basis, except for short-term deposits where the impact of interest would be immaterial.

2.21 Employee benefits

2.21.1 Post-employment benefits

The Group has a number of post-employment benefit plans. The schemes are determined by periodic actuarial calculations and are generally funded through payments to state plans, insurance companies or trustee-administered funds. The Group has both defined benefit plans and defined contribution plans.

Defined benefit plans

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, dependent on one or more factors such as age, years of service and compensation. In a defined benefit plan the Group may pay contributions into a separate entity or fund. The Group, and in some cases the employees who are participating, fund a defined benefit plan and the Group has a legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The amount recognised as a defined benefit liability is the net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly. The recognition of assets that arise by over-funding of the defined benefit plan is



limited to the ability to use the surplus to generate future benefits (the asset ceiling). The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms of maturity that approximate the terms of the related pension liability.

Remeasurement of the net defined benefit liability, which comprises actuarial gains and losses, the return on plan assets (excluding net interest that is calculated by applying the discount rate) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the income statement.

The non-recognition of assets ('asset ceiling') can occur when the plan assets are higher than the projected benefit obligation and the Group cannot recover any surplus through refunds from the pension vehicle due to solvency and/or control requirements.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the income statement. If the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period), the related past service costs are amortised on a straight-line basis over the vesting period. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Administration expenses;
- Net interest expense or income;
- Remeasurement.

The first two components of defined benefit costs are presented in the income statement under net operating expenses. The net interest is presented under finance expenses. Curtailment gains and losses are accounted for as past service costs. Remeasurements are recognised in other comprehensive income.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. The contributions to these plans are recognised as expenses in the income statement.

2.21.2 Other long-term employee benefits

The Group has a number of other post-employment plans. The main plans are lump sum payment plans and pre-pension plans. A lump sum payment plan is a plan where the employees are entitled to a lump sum payment at the date their employment is terminated. A pre-pension plan is a plan where the employees are entitled to receive payments if they stop working before their actual retirement date.

The Group's net obligation in respect of long-term service benefits, other than pension plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The net obligation is calculated annually by independent actuaries using actuarial techniques.

2.21.3 Termination benefits



Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. When termination benefits are related to an overall restructuring plan, the Group liability is included as part of the provisions.

2.21.4 Profit sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit sharing based on a formula that takes into consideration, amongst other things, individual targets and the profit attributable to the owners of the Company. The Group recognises a liability where contractually obliged or where there is a past practice that has created a constructive obligation.

2.22 Taxation

Income tax in the consolidated income statement for the year comprises current and deferred tax. Income tax is recognised in the consolidated income statement except to the extent that it relates to items recognised in other comprehensive income, in which case it is recognised in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Group intends to settle its current tax assets and liabilities on a net basis. If the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting nor the taxable profit or loss, it is not accounted for.

2.23 Consolidated income statement

2.23.1 Income

Revenue comprises the fair value for services, net of value added tax, after eliminating revenue within the Group. Revenue is recognised as follows:

Premium earned

Written premium includes both direct business and reinsurance business and is defined as all premium and policy related fees invoiced to third parties and reinsurance premium, excluding tax.

Written premium includes an estimate of premium not yet invoiced for which the Group has already accepted the contractual risk. Accruals for premium refunds and cancellations are charged against premium written. Premium earned includes an adjustment for the unearned share of premium.

Premium ceded under reinsurance contracts is reported as a reduction of premium earned. Amounts for ceded unearned premium under cession agreements are reported as assets in the consolidated statement of financial position.

Service and other income

Service income includes the income from information services, collections and the income from activities carried out as an agent on behalf of the Dutch State. This income is recognised as the service is provided.

Share of income of associated companies



Associates are accounted for in the consolidated financial statements using the equity method. Under the equity method the investor's share of after-tax profits or losses of the associates is presented as a single line item in the income statement.

Net income from investments

Investment income comprises interest income on funds invested (including available-for-sale financial investments), dividend income, gains on the disposal of available-for-sale financial investments and rental income from investment property that are recognised in the income statement. Interest income is recognised as it accrues in the income statement, using the effective interest method. Dividend income is recognised in the income statement on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Investment expenses comprise impairment losses recognised on financial investments and investment property.

Realised gains or losses on investment property recognised in the income statement represent the difference between the net disposal proceeds and the carrying amount of the property.

2.23.2 Expenses

Net insurance claims

Claims charges include claims paid, the change in provision for outstanding claims, and the claims handling expenses. Claims ceded under cession contracts are recorded as reductions of gross claims.

Net operating expenses

Net operating expenses comprise administrative expenses and commissions. Total administrative expenses are expenses associated with selling and administrative activities after reallocation of claims handling expenses to insurance claims.

Finance income and expenses

Finance income consists of interest received on loans, receivables and cash and cash equivalents.

Finance expenses includes interest, amortisation of discount on the subordinated loan, foreign exchange results and the net interest on the net defined benefit liability (asset) related to defined benefit plans (see also Note 2.21). Foreign currency gains and losses are reported on a net basis and consist of transaction and translation results.

Interest income and expenses are calculated using the effective interest rate method based on market rather than nominal rates, at the date that the instrument is recognised initially or modified.

2.24 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

2.24.1 The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.24.2 The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.



2.25 Consolidated statement of cash flows

The statement of cash flows is presented using the indirect method, whereby the result for the year before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

Some of the terminology used in the statement of cash flows is explained as follows:

- Cash flows are inflows and outflows of cash and cash equivalents;
- Operating activities are the principal revenue-producing activities of the Group and other activities that are not investing or financing activities;
- Investing activities are the acquisition and disposal of long-term assets and other investments not included in cash equivalents; and
- Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the Group.

3 Critical accounting estimates and judgements in applying accounting policies

The Group makes estimates and assumptions that affect the reported assets and liabilities and contingent assets and liabilities. Estimates and judgements are continually evaluated. These are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The most significant areas for which management is required to make judgements and estimates that affect reported amounts and disclosures are detailed below.

3.1 Measurement of fair value

The Group measures some of its financial instruments at fair value for financial reporting purposes. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Where Level 1 inputs are not available, the Group engages an external independent valuation company to perform the valuation. The Group works together with the external independent valuation company to establish the appropriate valuation techniques and inputs to the model.

Information about the valuation techniques and inputs used in determining the fair value of various instruments are disclosed in Note 4.3.1.1 and Notes 7 and 16.

3.2 (Re-)insurance related estimates

The ultimate liability arising from claims made under insurance contracts

The estimate of the ultimate liability arising from claims including recoveries made, or to be made, under insurance contracts is the Group's most critical accounting estimate. Although management has endeavoured to adequately take all facts into account, by their very nature estimates remain uncertain and the eventual outcome may differ significantly from the projected amount.

Pipeline premium

Pipeline premium is estimated as the part of insurance premium earned but not yet invoiced at the end of the reporting period. Although the calculation of the pipeline premium is derived from the core business systems and calculated at policy level, the calculation does involve the use of management estimates.

Sliding scale reinsurance commission

Reinsurance commission related to the Group's quota share treaties is calculated and accounted for at a provisional rate but reviewed against the development of the ultimate loss ratio as soon as an underwriting year matures. The sliding scale



commission (an additional income or expense on top of the provisional commission) is based on an estimate by management of the ultimate loss ratio for an underwriting year.

3.3 Impairment of available-for-sale equity financial investments

The Group determines that an available-for-sale equity financial investment is impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgement. In making this judgement, the Group evaluates among other factors, the normal volatility in share price, the financial health of the investment, industry and sector performance, changes in technology and operational and financing cash flows. Impairment may be appropriate when there is evidence of deterioration in the financial health of the investment, industry and sector performance, changes in technology, and financing and operational cash flows.

Had all the declines in fair values below cost been considered significant or prolonged the Group would have an additional EUR 8.1 million loss before tax (2014: EUR 0.0 million), being the transfer of the total revaluation reserve for unrealised losses on equity financial investments to the income statement.

3.4 Estimated impairment of goodwill

In accordance with its accounting policy, the Group annually tests whether goodwill has suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value in use calculations. These calculations require the use of estimates (see Note 6).

In order to test the value in use against the recognised goodwill, the Group has stress-tested the main assumptions (discount rate and combined ratio of terminal value) which have been applied when determining the value in use for the related cash-generating units. Increasing both assumptions downward and upward by 1% respectively did not indicate any potential impairment of the goodwill under this scenario. The term 'potential' is used here since an indication of impairment does not always lead to an actual impairment charge to the income statement.

3.5 Pension and post-retirement benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The main assumptions used in determining the net cost (income) for pensions includes the discount rate and the inflation rate. Any change in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation. Other key assumptions for pension obligations are based in part on current market conditions.

Additional information, including a sensitivity analysis for the main (actuarial) assumptions, is disclosed in Note 17.

4 Risk and capital management

4.1 Risk management

As a global insurance provider, the Group recognises the importance of risk management. The Group has introduced a strong governance and associated internal control system within the organisation. As a self-learning organisation and based on additional regulatory requirements the Group continues to strengthen its risk management capabilities by broadening risk management scope and enhancing the existing risk management tools.

The relationship between risk and capital is fundamental for the Group. Understanding how risk-taking consumes capital allows management to steer the Group and take strategic decisions based on risk. These decisions are increasingly driven by the outcome of Atradius' economic capital model. This model contributes to a multitude of risk assessment activities, as well as risk profile measurement, and allows the Group to better monitor and manage risk levels within the organisation through the allocation of risk-based capital. Moreover, risk management, risk profile measurement and implicitly the



relationship between risk and capital play a central role in the regulatory regime, Solvency II that is effective since 1 January 2016.

4.1.1 The risk landscape

The state of the global economy remains challenging. Economic deterioration may result in higher insolvencies causing more frequent and severe claims expenses. In addition, a deterioration may lower our revenues as they are strongly correlated to global trade. The return on our investment may also deteriorate and default on our holdings of debt instruments may occur. A severe deterioration of all the above mentioned may impact the credit rating of the Group. A downgrade of our credit rating could have a potential negative impact on the number of policies within the Group. This might further lower revenues.

4.1.2 The risk management and internal control framework

The Management Board is ultimately responsible for risk management and internal control within the Group. Without affecting this responsibility in any way, the authority to take decisions in this context has been delegated to the Risk Strategy Management Board (RSMB). The RSMB consists of all members of the Management Board, as well as the Director of Group Risk Management, the Executive Manager of Strategy and Corporate Development and the Director of Finance. The RSMB's responsibilities include the development of the framework to manage risk and the on-going overview of the largest risks. The RSMB establishes the internal risk control system by determining risk control policies and prescribing risk mitigation activities. In addition, the RSMB ensures that there are processes and systems to review the effectiveness of risk management and the internal control system.

The Supervisory Board is responsible for overseeing that the Management Board implements, amongst other things, a suitable risk management and internal control system. In this respect, the Management Board, alongside its risk management functions, periodically presents results, developments and plans to the Supervisory Board and relevant committees thereof.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. Through its training and management standards and procedures, the Group aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The responsibilities of the Audit Committee include supervising, monitoring and advising the Management Board on the effect of internal risk management and control systems. The Audit Committee is assisted in this role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Central to the risk governance framework is the risk governance structure. The risk governance structure defines the process by which the Group decides what risks it takes on and how it manages those risks. Risk boundaries are part of the risk governance structure. The purpose of risk boundaries is to have a clear and Group-wide aligned understanding of what business the Group wants to underwrite and what lines are not to be crossed. Risk boundaries are used to steer and govern the business and apply to all Atradius employees working in risk and/or policy underwriting. The risk governance structure consists of a number of bodies that act under the delegated authority of the RSMB.

4.1.3 Risk classification

The Group has classified its risks as insurance, financial and operational. Insurance risks are the risks of financial loss as a direct result of providing insurance; these arise predominantly from the risk of non-payment by a buyer covered by a policy (credit insurance) or the risk of non-performance by a customer (bonding). Financial risks include market risk, credit risk and liquidity risk. Operational risks are the risks of direct or indirect losses resulting from inadequate or failed internal processes, people, systems or external events.

4.2 Insurance risk

4.2.1 Insurance products, their characteristics, sensitivity to insurance risk, risk mitigation and controls



The Group distinguishes two main direct insurance products: credit insurance and bonding. In addition, the Group writes credit and surety business as a reinsurer. Credit insurance can be divided into three subcategories: traditional credit insurance, instalment credit protection and special products. Each of these categories has particular risk characteristics.

The starting point for the management of insurance risk is that all staff have well-defined authorities specifying the level of risk they can accept and that all risk acceptance must take place within the framework of the risk governance structure described in Note 4.1.2. The main elements of the risk governance structure currently in place are described below. Furthermore, the Group's reinsurance structure imposes checks on the largest exposures. Exposures beyond a certain threshold are subject to special acceptance by our leading reinsurers.

Traditional credit insurance and special products

In traditional credit insurance, the Group insures its customers against the risk of non-payment of trade receivables. The causes of loss covered differ by policy and usually include all forms of legal insolvency. Policies can also cover so-called 'political' causes of loss which include but are not limited to, the risk of non-payment due to payment transfer problems, cancellation of export/import licenses and contract frustration. Traditional credit insurance does not cover non-payment of trade receivables due to commercial disputes. Each policy stipulates a maximum credit period that the policyholder can offer to their buyers without prior approval from the Group. 'Buyers' are the customers of the Group's insured customers, i.e., the parties that the Group insures credit risk on. In order to mitigate the risk of adverse selection, the traditional credit insurance products of the Group usually cover only whole portfolios of buyers.

For traditional credit insurance, there are two underwriting processes: policy underwriting and buyer underwriting. Policy underwriting is the process by which the Group decides which customers to accept as policyholders and the terms and conditions of cover that are offered. Buyer underwriting is the process by which the Group sets risk limits for each buyer and issues credit limits, thus allowing us to manage risk on the portfolio of existing policies. Policy underwriting takes place in the Commercial units and buyer underwriting in the Risk Service units.

Policies are issued for a fixed period: usually no longer than three years. Normally, customers retain some of the risk for their own account to protect the Group from the risk of moral hazard. That self-retention can take the form, for example, of an uninsured percentage, a deductible on each claim, an aggregate first loss amount or a combination of these. Almost all policies stipulate our maximum liability. A customer is covered for the credit risk on a buyer only once a credit limit on the buyer has been established. Most policies allow customers to establish credit limits themselves for smaller amounts, under conditions specified in the policy. Larger credit limits must be issued by the Group. Credit limits are an important risk management instrument for the Group as they cap the amount that we would have to pay out to a customer in the event of a claim. Moreover, the Group can, in principle, withdraw the credit limit on a buyer at any time if circumstances demand. Credit limits may be subject to specific conditions and the Group can also set conditions for cover on a country or withdraw cover on a country altogether. These are important tools in managing our risk exposure.

Staff in Commercial units have well-defined authorities specifying who can underwrite which policies. Authorities typically require the approval of two people and conditions become stricter as policies become larger, with the largest policies needing sign-off by both the Director of a Commercial unit and the responsible Management Board member. The pricing of credit insurance policies, new and renewed, is also subject to governance and the methodologies used to establish a benchmark price require the approval of the Quantitative Model Committee.

Staff in Risk Services have well-defined authorities specifying who can set what capacity on a buyer and who can approve what credit limit. As credit amounts grow, decisions need authorisation from one or more cosignatories of increasing seniority. There is an authority structure in which decisions are escalated depending on the amounts involved. The last two steps in this authority structure are the Local credit committee and the Group credit committee. The Group credit committee underwrites the largest buyers in terms of exposure. Exposure includes Credit Insurance, Bonding, Special Products and Reinsurance.

The Group's Special Products business offers a range of tailor-made policies to insure against a number of credit and political risks: including policies that cover single transactions, single trade relationships and asset confiscation. A distinguishing feature of our special products policies is that usually, unlike traditional credit insurance, credit limits cannot be readily withdrawn. However, the conditions of our special products policies tend to place a greater onus of risk monitoring and diligence on the insured.

All policies are bound within clearly defined authorities issued to the policy underwriters who report ultimately to the Chief Market Officer. All buyer risk is signed off by a dedicated Risk Services team which has a separate and distinct reporting line to the Chief Risk Officer. In addition, a dedicated risk management team with a functional reporting line to the Group Risk



Management unit ensures adherence to the risk governance model monitors the portfolio risk and ensures compliance with the terms of the reinsurance treaty.

Bonding

The Group issues surety bonds for customers in Italy, France, Spain, the Nordic region, Germany and since 2015, in the Benelux countries. Surety bonds insure beneficiaries against the risk of our customer not meeting contractual, legal, or tax obligations. Beneficiaries range from national, regional or local governments and tax authorities to companies.

While our customer may fail to meet its obligations either because it is unable to perform to the agreed or required level or because it is insolvent, there is also the risk that the customer may intentionally fail to meet its obligations. Therefore, our assessment of both the customer's financial strength and its ability to perform plays an important part in the underwriting process. Unlike traditional credit insurance, exposure related to issued bonds cannot be unilaterally cancelled by the Group.

When a bond is called by the beneficiary, Atradius mediates to resolve conflicts by working with both customer and beneficiary. If, as a result of non-performance a payment is made by the Group to the beneficiary, a recovery action is taken against the customer who remains ultimately liable. If the Group does incur an irrecoverable loss it is almost always because of the customer's financial distress, making the triggers for loss similar to those of traditional credit insurance.

The spread of customers over industry sectors varies by country as a result of differing legal and market environments. As a consequence, the type of bonds issued range from bid bonds, performance bonds, maintenance bonds, advance payment bonds to various types of administrative bonds. These are issued with tenors ranging from a few weeks to years, but only rarely in excess of five years.

All bonding facilities and individual bonds are underwritten by technical underwriters who are part of the Commercial units. Technical underwriters assess the risk of non-performance. Financial underwriters, who are not part of the Commercial units, must approve the acceptance of facilities and individual bonds over certain thresholds. There is an authority structure in which decisions are escalated depending on the amounts involved. The last two steps in this authority structure are the Local credit committee and the Group credit committee mentioned above.

Other products

The Group underwrites reinsurance programmes for the credit insurance and bonding business written by primary insurers. This business is conducted by Atradius Reinsurance Ltd. (Atradius Re), domiciled and regulated in Ireland.

Atradius Re provides reinsurance capacity for primary insurance companies from both the developed and developing credit insurance and bonding markets. It currently assumes business from over 50 countries worldwide, maintaining a balanced diversity within the portfolio from each continent. The underlying business consists of around 60% credit insurance and 40% bonding, based on premium volume.

Reinsurance underwriting guidelines and risk boundaries define the kind of business Atradius Re is authorised to write, with specific guidelines to type of product, capacity limit, exposure, term and diversity of the underlying insurance ceded. Particular attention is given to ensuring the diversity of business from third party clients and the level of exposure to any one country, company, or market is managed within agreed underwriting limits and capacity.

All reinsurance business is reviewed regularly in detail for past underwriting years performance, triangulation development, individual buyer exposure development, aggregate total potential exposure management and market and country exposure. Risk and policy limit setting is monitored to ensure credit quality and performance of the underlying insurance products to reinsurance terms agreed with third party clients.

The Instalment Credit Protection (ICP) unit insures its customers against non-payment of scheduled instalment payments. Its exposure is approximately 55% retail and 45% corporate, where retail exposure originates from consumer credit extended by financial institutions. Corporate exposure typically relates to the leasing to corporations of equipment such as cars and to a lesser extent computer hardware and other equipment. A small part of the portfolio consists of cover for corporate loans provided by banks. The retail exposure is by its nature highly diversified.

Policy underwriting is performed within the Commercial units. Policies are generally issued for a fixed period with automatic renewal. The indemnification rate can rise to 100% and recoveries are for the benefit of the Group.



Risk underwriting is performed by the risk underwriting teams. Credit decisions are made for each individual operation based on an automated decision model. The model, without human intervention, can refer the case to an underwriter for manual assessment. Authorities are granted to underwriters according to their seniority and expertise. Cases are escalated according to pre-determined thresholds to the local ICP credit committees, then to the ICP credit committee and finally to the Management Board member responsible for instalment credit protection.

4.2.2 Insurance risk management tools

The Group monitors exposure by counterparty, sector and country across all sources of insurance risk. It holds records of all credit insurance policies, credit limits and buyers in various connected systems. These systems enable the Group to set system specific limits by buyer or buyer group. For the largest exposures, which fall in the scope of the Group Credit Committee, the Group sets limits at the aggregate level. Management information derived from these systems allows the Group to monitor aggregate exposure by country, customer or buyer sector and in many other ways.

All buyers with significant exposure are reviewed at least annually. The Group continually receives information on buyers through on-line connections with business information providers and from customers reporting negative payment experiences. Buyers are reviewed whenever pertinent new information is received. The Group assigns an internal rating to buyers and the review process takes into account all sources of exposure on a buyer through direct business, including exposure for special products and bonding. The authority structure described in this note applies to buyer reviews.

The main system includes an integrated risk and cost-based pricing system. Most new policies and non-tacit renewals are priced starting from a price suggested by the pricing system.

For reinsurance, Atradius Re has a number of risk management tools available to monitor the reinsurance portfolio for performance, exposure and financial development. The reinsurance system is used to record the risk profile, ultimate estimate and related accounting information for each reinsurance treaty. This allows the reporting of performance, total aggregate exposure and accounting reinsurance result. Performance development and exposures related to each reinsurance treaty are reviewed quarterly within certain limits and exception reporting.

For ICP, consumer credit risk underwriting relies on the databases of the relevant national authorities. In Belgium, the National Bank of Belgium maintains two databases: a negative database, listing every credit non-payment incident, and a positive database, listing every credit granted to any individual. In addition, ICP maintains and uses its own internal consumer credit database.

Both Bonding and ICP have their own pricing systems and guidelines, which are adapted to the specifics of their businesses.

4.2.3 Reinsurance programme

The Group transfers a significant portion of its insurance risk to external reinsurers, through a number of reinsurance arrangements that include quota share and excess of loss treaties covering either the entire portfolio of the Group or specific transactions/policies. The reinsurance treaties are usually renewed annually. On renewal, the Group reassesses the structure of the treaties, including the excess of loss treaties (the attachment points, spread of the layer and the number of reinstatements). A number of items are taken into consideration during this review, including the cost of the synthetic capital that reinsurance provides as measured by the economic capital model, the probability of exhausting the excess of loss cover and the impact on capital requirements of the rating agency model.

For the underwriting year 2015 one quota share reinsurance treaty was in place covering the majority of the Group's business. The own retention under this treaty was 57.5%.

In addition, a single excess of loss programme, covering the own retention under this major quota share treaty, consisting of a series of excess of loss treaties (by buyer and/or buyer group) was placed. The combined excess of loss programme for the Group has mitigated the likelihood of it retaining two separate retentions if a common buyer were to fail.

The attachment point of the excess of loss treaties has been set such that the net retention for business ceded under the main quota share and excess of loss structure for any buyer or buyer group does not exceed EUR 15.8 million for the Group. The top of the excess of loss layers is chosen so that, in the judgement of management, there remains only a very remote possibility that failure of any single buyer or buyer group will exceed the top end of the excess of loss coverage.

Atradius Re purchased an excess of loss retrocession programme providing protection for the non-Group (reinsurance) business in order to limit the impact of high losses in 2015.



With regard to the reinsurance panel, it is the Group's policy to select only reinsurers that have a high quality standard of solvency/rating. The normal minimum requirement is an 'A' level rating.

4.2.4 Concentration risk

The Group is exposed to concentration risk in a number of ways: by buyer, buyer's country or buyer's sector. The following tables illustrate the exposure at the end of 2015 and 2014 in terms of the sum of credit limits registered by the Group on individual buyers. This is referred to as total potential exposure or TPE.

TPE is an approximate upper boundary to real exposure, in the sense that a limit that the Group has issued does not necessarily give rise to credit risk at a specific point in time. The Group normally does not know the real outstanding exposure under its limits on any specific buyer. The 'usage' of limits is, on average, much smaller than the amount of the limit. At the portfolio level, real outstanding exposure tends to be in the range of 10% to 30% of TPE, on top of which customers still have their own retention. In addition to the TPE, customers are often allowed to bring exposure under the policy through discretionary limits and potential exposure resulting from a discretionary limit on any buyer is not held on the Group's system. Each policy specifies the maximum discretionary limit allowed under the policy and, for most policies this is no more than EUR 20 thousand per buyer. This illustrates that TPE is a crude measure of exposure and that, in aggregate, real exposure will be far lower.

The TPE details below show TPE gross of reinsurance; due to the non-linear nature of the excess of loss cover in the Group's reinsurance programme, which has a finite number of reinstatements for each layer, there is no natural way to show TPE net of reinsurance.

In the following tables, the TPE has been aggregated and shows the exposure for credit insurance (including special products and reinsurance). As a result we can see that more than 54% of the exposure is concentrated on Germany, Central and Eastern Europe, Spain, France and the United Kingdom, where Germany and Spain together carry more than 29% of the overall exposure.

Buyer country	TPE 2015 (EUR million)	%	TPE 2014 (EUR million)	%
Spain, Portugal	89,601	15.9%	85,165	16.5%
Germany	80,398	14.3%	77,297	15.0%
Central and Eastern Europe	50,805	9.0%	45,925	8.9%
USA	43,819	7.8%	35,150	6.8%
United Kingdom	42,031	7.5%	36,820	7.2%
France	40,917	7.3%	39,170	7.6%
Italy	32,735	5.8%	26,929	5.2%
The Netherlands	23,914	4.3%	23,177	4.5%
Nordic	24,023	4.3%	21,818	4.2%
Other	134,401	23.8%	123,663	24.1%
Total	562,644	100%	515,114	100%

Of the increase in TPE compared to 2014, EUR 21.0 billion is caused by movements in foreign exchange rates (see Note 2.6.3).

The following table shows the distribution of TPE over buyer industry sector. In terms of Industry Sectors the main buyer sectors we provide cover on are Chemicals, Electronics, Consumer durables and Metals, together good for more than 47% of the exposure in 2015. The remaining exposure is distributed across Food, Transport, Construction, Machines, Agriculture, Construction materials, Services and other sectors.



Industry sector	TPE 2015 (EUR million)	TPE 2014 (EUR million)
Chemicals	74,538	63,915
Electronics	69,797	67,005
Consumer durables	60,940	56,347
Metals	59,888	56,286
Food	52,056	48,188
Transport	50,612	43,705
Construction	41,147	37,238
Machines	33,902	31,629
Agriculture	28,327	25,932
Construction materials	24,425	21,981
Services	24,113	21,180
Other	42,899	41,708
Total	562,644	515,114

The following table shows TPE aggregated by group of buyers. This is the method of aggregation that is relevant for the Group's excess of loss treaties. For instance, assuming real outstanding exposure of 20% of TPE, then only buyers with TPE in excess of around EUR 150 million could give rise to a hit to an excess of loss treaty (2014: the same).

Value band (EUR million)	TPE 2015 (EUR million)	TPE 2014 (EUR million)
0 - 20	316,278	294,203
20 - 100	96,987	87,443
100 - 250	56,899	55,495
250 - 500	40,003	32,122
500 - 1000	24,572	19,296
1000 - and more	27,905	26,555
Total	562,644	515,114

Exposure for bonding and for instalment credit protection has different characteristics and therefore has not been included in these tables. The bonding exposure is EUR 23.0 billion (2014: EUR 21.3 billion). Exposure for instalment credit protection amounts to EUR 2.1 billion (2014: EUR 2.0 billion).

4.2.5 Factors affecting the frequency and severity of claims

The frequency and severity of claims are affected by several factors. These include all factors that affect credit risk in general. Thus the status of the economy is a major driver of the frequency and severity of claims. Its effect may vary by country and sector. For trade credit risk, the behaviour of customers may also affect the frequency and severity of claims, for instance through risks inherent to their business activities and their risk management practices. Specific events (e.g. natural disasters) or structural changes in the economy (e.g. easier access to developed markets for producers in low cost countries), may impact the frequency and severity of claims. What specific events or structural changes are relevant in this respect will vary over time. In addition, the political risk cover that the Group provides has its own dynamics of frequency and severity of claims.

The bonding business usually only incurs irrecoverable losses when, after a bond call, any payments to beneficiaries cannot be reclaimed from the bonding customer, or its guarantors. This is almost always due to either the insolvency or bankruptcy of the bonding customer. Thus, in the end, the frequency and severity of claims is affected by similar factors as those affecting credit insurance.

All forms of credit insurance and bonding bear the risk that changes in legislation, in particular of insolvency law, may affect the amount and timing of claims payments or recoveries.



The Group's business processes are designed to effectively manage the impact of the many risk factors that affect the frequency and severity of claims. The business processes continually evolve in response to how the Group views these risk factors in the context of its overall business strategy.

4.2.6 Sources and assumptions

4.2.6.1 Sources of uncertainty in the estimation of future claims payments

The sources of uncertainty in the estimation of future claims payments include, but are not limited to, all the factors that affect the frequency and severity of claims in general, as described in Note 4.2.5.

The insurance liabilities that cover claims experience after the reporting period for risks that have been accepted before the end of the reporting period consist of two elements: the provision for unearned premium (UPR) and the provisions for claims 'incurred but not reported', the IBNR. The accounting policies and estimation methods for setting UPR and IBNR vary by product and in part also by entity within the Group:

- for traditional credit insurance, premium is earned in full when the underlying shipment takes place. UPR exclusively relates to the unearned part of premium invoiced in advance and to risks that have not started. IBNR is the Group's estimate for future claims payments that will result from risks taken on, but for which no claims notification has been received;
- for the credit insurance business of Crédito y Caución, premium is earned pro rata over the period between invoice date and due date of invoices for the insured shipments. Thus part of UPR relates to risks that have started, in the sense that the underlying insured shipment has taken place. IBNR is Crédito y Caución's estimate for future claims payments that will result from risks taken on, for which no claims notification has been received and for which the underlying invoices are overdue at the end of the reporting period;
- for bonding, instalment credit protection and reinsurance, the UPR relates to risk taken on.

As a consequence, the release of the provision for unearned premium should be taken into account for the credit insurance business of Crédito y Caución, bonding, instalment credit protection and reinsurance when interpreting the claims development tables in Note 18 to evaluate the accuracy with which the Group has historically estimated future claims payments.

Estimates for future claims payments are made through a combination of case-by-case estimates and statistical estimates. Provisions for reported claims are set on a case-by-case basis, taking into account statistical estimates for expected recoveries and statistical estimates of claims incurred to payment ratios. The estimates for future claims payments are produced per period during which policyholders brought risk under the cover of the policy (i.e., the period in which the insured shipment has taken place). Large cases are provisioned separately, at expected loss.

In the case of traditional credit insurance, the main sources of uncertainty for estimates of future claims payments include:

- the amounts that will be paid out as a percentage of the claim amount;
- the speed with which customers submit claims, as measured from the moment that the insured shipment took place, the expected average claims payment and the expected percentage of cases that do not lead to a payment;
- the expected number of claims for risks taken on during the most recent months since very few claims will have been reported for the most recent four to six months (depending on the country of the customer);
- the inflow by number and size of large case; and
- the estimation of the expected recovery percentages.

Estimates for future claims payments for bonding have a greater uncertainty than estimates for future claims payments for credit insurance. Bonding is a 'longer tail' business; i.e., the time between issuance of the bond and receipt of the bond call tends to be much longer than that of traditional short-term credit insurance. For example, most credit insurance covers credit periods up to 180 days, while around half the number of bonds written has tenors of over two years. After receipt of a bond call, it will take longer to settle the claim and litigation is not uncommon, either following the bond call or when trying to realise recoveries. Especially in Italy, litigation tends to be a lengthy process. Outcomes of litigation cannot be predicted with certainty.



4.2.6.2 Assumptions, change in assumptions and sensitivity

The risks associated with credit insurance and bonding are complex and are subject to a number of influences that are not particularly open to quantitative sensitivity analysis. However, this section describes the quantitative sensitivity analysis that is feasible.

The most important assumption used in the main method for reserving for traditional credit insurance to set the estimate for the ultimate number of claims for the most recent months of shipment is that the claims inflow in early 2016 will be around 20% above the level of end 2015. An indication of the sensitivity to projected ultimate number of claims would be the following: if the estimated ultimate number of claims for the most recent six months of risk were to change by 10%, the claims provisions would change by EUR 21 million, gross of reinsurance (2014: EUR 22 million). As in essence provisions for most recent months are set as estimated number times estimated claims size, this also describes the sensitivity to assumed claims size.

By its nature, an estimate of the expected inflow of large cases is not easy to quantify. The order of magnitude of this sensitivity would, in the judgement of management, be similar to the sensitivity in the estimated number of claims for the most recent months, although, as is inevitable with severity risk, it has a longer tail.

In the latter half of 2014, we saw an increase in claims in China mainly related to underwriting years 2013 and 2014. As a consequence, we reviewed our portfolio and took actions to reduce this risk. By the end of 2014, limited claims had been paid and uncertainty remained with regards to the losses that could ultimately be incurred. During 2015 this risk has been reduced due to settlements.

Claims provisions are presented net of recoveries from salvage and subrogation. Realised recoveries can deviate from expected recoveries. Expected recoveries amount to EUR 504.1 million (2014: EUR 430.3 million). The largest two components of the expected recoveries are the recoveries for standard credit insurance of EUR 228.2 million (2014: EUR 160.7 million), and for instalment credit protection of EUR 125.5 million (2014: EUR 136.9 million). The estimated recoveries for standard credit insurance have increased due to large losses, the estimated recoveries for instalment credit protection have decreased due to a sale to a third party of underlying debt.

4.3 Financial risk

The Group is exposed to financial risk mainly through its financial assets, financial liabilities, reinsurance contracts and insurance contracts. The core components of financial risk are market risk, credit risk and liquidity risk.

These risks arise mainly from interest rate sensitive positions, equity instruments, credit exposures, non-Euro currency exposures and cash flow patterns.

4.3.1 Market risk

Market risk is the risk that the fair value of assets and liabilities that are sensitive to movements in market prices, decrease or increase due to adverse movements in equity prices, interest rates or currency rates. The Group exposes itself to these risks by holding assets and liabilities whose fair value are sensitive to movements in those prices. To measure these risks, the Group uses several risk metrics. The most important ones being Value-at-Risk, capital models from the credit assessment institutions, interest rate duration and the mismatch between assets and liabilities whose fair value is denominated in foreign currency.

The Group uses an Asset Liability Management (ALM) approach to analyse the impact of market risk on its assets and liabilities. The ALM is, amongst others, based on the review of commitments resulting from the Group's insurance liabilities and aims to define the Strategic Asset Allocation (SAA) so that these commitments can be met while maximising the expected investment return.

4.3.1.1 Fair value of financial assets and liabilities

The estimated fair values of the Group's financial assets and liabilities, other than the subordinated loan, equal their carrying value. The fair value of the subordinated loan is disclosed in Note 16.

The fair values correspond with the price, at our best estimate, that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Whenever possible, the fair values



are based on quoted market prices. If there is no quoted market price available, we use valuation techniques which are based on market prices of comparable instruments or parameters from comparable active markets (market observable data). If no observable market inputs are available, valuation models are used (non-market observable data). These valuation techniques are subjective in nature and involve various assumptions about the relevant pricing factors. Changes in these assumptions could significantly affect the estimated fair values. Consequently, the fair values presented may not be indicative of the net realisable value. In addition, the calculation of the estimated fair value is based on market conditions at a specific point in time and may not be indicative of future fair values.

The fair values are subject to a control framework designed to ensure that they are either determined or validated by a function independent of the risk taker. To this end, the Group establishes the accounting policies and processes governing valuation and is responsible for ensuring that these comply with all relevant accounting pronouncements. Within this governance structure, non-quoted investments or illiquid investments in which the Group invests are valued by an external independent valuation company. That company uses its own proprietary valuation systems to value the securities supported by economic and market assumptions from financial information providers. The valuations are provided on a monthly basis and are reviewed and approved by the Group.

Debt and equity securities available-for-sale

The fair value of debt and equity securities available-for-sale is based on quoted market prices, where available. For those securities not actively traded, fair values are provided by an external independent valuation company.

Loans and short-term investments

For loans and other short-term investments, carrying amounts represent a reasonable estimate of fair values.

Other financial assets

The carrying amount of other financial assets, including cash and cash equivalents, is not materially different to their fair value, given their short-term nature.

Subordinated loan

The fair value of the subordinated loan is based on binding quotes from independent brokers (see Note 16 for further details).

Other financial liabilities and deposits received from reinsurers

The carrying amount of other financial liabilities and deposits received from reinsurers is not materially different to their fair value, given their short-term nature.

The following tables present the fair values of the financial instruments carried at fair value:



Financial instruments measured at fair value Assets 2015	Quoted prices in active markets - Level 1	Valuation techniques incorporating information other than observable market data - Level 3	Total
Available-for-sale:			
Equity securities	398,056	-	398,056
Debt securities:			
Government bonds	478,636	-	478,636
Corporate bonds	1,054,332	-	1,054,332
Structured debt	-	3,908	3,908
Total	1,931,024	3,908	1,934,932

Financial instruments measured at fair value Assets 2014	Quoted prices in active markets - Level 1	Valuation techniques incorporating information other than observable market data - Level 3	Total
Available-for-sale:			
Equity securities	417,604	-	417,604
Debt securities:			
Government bonds	481,579	-	481,579
Corporate bonds	792,479	-	792,479
Structured debt	-	21,075	21,075
Total	1,691,662	21,075	1,712,737

There have been no transfers between Level 1 or 2 in 2015 or 2014.

Structured debt

All structured debt contains embedded derivatives which are used for interest related strategies and are considered as closely related to the debt instrument. One of the main risks on the structured debt is the default risk of the guarantor of the issuer of the instrument.

Reconciliation of Level 3 fair values

The following table details the changes in the fair value of Level 3 financial investments (valuation techniques incorporating information other than observable market data):



Financial investments Level 3	Debt securities	
	2015	2014
Balance at 1 January	21,075	23,335
Total gains or losses:		
In income statement (net income from investments)	41	(364)
In other comprehensive income	92	2,690
Sales	(17,300)	(4,586)
Balance at 31 December	3,908	21,075

There have been no transfers into or out of Level 3 of the fair value hierarchy during 2015 or 2014.

4.3.1.2 Equity price risk

Equity price risk is the risk that the fair value of the assets that are sensitive to movements in equity prices decreases due to adverse movements in equity prices. The Group exposes itself to equity price risk by investing in equity instruments issued by corporations and equity instruments issued by investment funds. These risks are measured and analysed by using value at risk techniques and capital models from the external credit assessment institutions. The Value-at-Risk measures the potential maximum loss on the Group's equity instruments due to adverse movements in equity prices in the short-term while the capital models measures the potential maximum loss in the long-term, (see Note 4.3.1.4 for more information). The Group invests in a portfolio of diversified equity instruments to manage these risks.

Investment funds

The investment funds in which the Group invests are exposed to market risk, counterparty risk, liquidity risk and currency risk (i.e., general investment fund risks). The risks of an investment fund is mainly driven by the nature of the assets in which it invests. As investment funds are offered to multiple investors, the investment restrictions of a fund are governed in the fund's prospectus. The Group only selects investment funds that have similar investment restrictions stated in their prospectus as stated in the Atradius Group Investment Policy.

Equity instruments issued by investment funds

The portfolio of equity instruments issued by investment funds are shown in the following table:

	Weight in %		Weight in %	
	2015		2014	
Active fixed income funds	76	0.0%	45,847	11.0%
Passive equities exchange traded funds	180,823	56.4%	191,737	46.1%
Active money market funds	139,984	43.6%	178,589	42.9%
Total	320,883	100.0%	416,173	100.0%

Active fixed income funds

During 2015, the participation in the Euro investment grade corporate debt fund was sold. The remaining position in active investment funds is in order to fulfil local regulatory requirements.

Passive equities exchange traded funds

The portfolio of passive equities exchange traded funds mainly consists of exchange traded funds which passively tracks the Dow Jones Euro Stoxx 50 Index.



Active money market funds

The portfolio of active money market funds invest in portfolio money market instruments that are denominated in Euro, US Dollar and British Pound. The funds aim to maintain a weighted average maturity of maximum 90 days.

4.3.1.3 Interest rate risk

Interest rate risk is the risk that the fair value of assets and liabilities, that are sensitive to movements in interest rates, decreases or increases due to adverse movements in interest rates. The Group exposes itself to this risk by investing in debt instruments and equity instruments issued by investment funds that invest in debt instruments, issuing subordinated notes and by insurance contracts. The Group manages this risk by matching the duration of the subordinated loan and the insurance contracts with one of the debt instruments.

Profile

At the end of the reporting period the interest rate profile of the Group's interest-bearing financial instruments was:

	Fixed rate instruments - carrying amount		Variable rate instruments - carrying amount	
	2015	2014	2015	2014
Financial assets ^{(1) (3)}	1,536,876	1,295,133	508,039	639,143
Financial liabilities ^{(2) (4)}	(248,289)	(248,141)	(48,336)	(98,988)
Total	1,288,587	1,046,992	459,703	540,155

1) Fixed rate financial assets include debt securities;

2) Fixed rate financial liabilities include the subordinated loan;

3) Variable rate financial assets include cash and cash equivalents, loans, short-term investments and cash held for investments;

4) Variable rate financial liabilities include borrowings and deposits received from reinsurers.

Duration

Duration demonstrates the dependability of a bond's market value to a change in the underlying discount rate of that bond. The duration figure depicts the percentage change of the market value of a bond investment if the underlying discount rate is parallel shifted by 1%. The higher the duration figure, the more a bond is sensitive to movements in the underlying discount rate.

The Group uses the duration to assess its interest rate risk exposure and monitors whether the duration remains between the minimum and maximum duration limit (between one to five years for government bonds and one to three years for corporate bonds) as set in the Atradius Group Investment Policy. As the duration can be described as the percentage change of a bond's value when the underlying discount rate is parallel shifted by 1%, the average maturity is the weighted average of the time until a bond has paid its final interest and principal redemption. The duration for 2015 is 2.6 years (2014: 2.6 years) and the average maturity for 2015 is 3.1 years (2014: 3.2 years).

4.3.1.4 Value-at-Risk

The Group measures equity price and interest rates risk by analysing the Value-at-Risk (VaR) of its financial instruments. This risk metric measures the potential maximum loss on those financial instruments due to adverse movements in equity prices and interest rates within a specified time frame and probability (confidence level). The VaR is based on variance-covariance methodology that uses the historical volatility of the fair values of the financial instruments and the correlation between them as main inputs. These volatilities and correlations are provided by financial information providers or financial institutions.

The risk of using the variance-covariance methodology or any other historical methodology is that it may underestimate the riskiness of the financial instruments. This is because these methodologies assume that the historical volatility of and correlation between the financial instruments will be repeated in the future. Therefore, it is not intended to represent or to guarantee any future price movements but rather to be used as guidance for information purposes and comparison of historical developments only.



The VaR provides insight into the maximum expected loss per asset category and on portfolio level. The fair values and percentages presented are calculated with a given confidence level of 99% for a period of 12 months. This implies that there is 1% probability of underestimating the potential maximum loss for the coming 12 months.

The following table shows the VaR of the Group's equity securities and debt securities on portfolio level.

Value-at-Risk	EUR million	% of the market value	EUR million	% of the market value
	2015		2014	
Equity securities:				
Shares (including equity funds)	155.5	60.3%	85.5	44.3%
Debt securities:				
Government bonds (including government bond funds)	6.4	1.3%	7.4	1.5%
Corporate bonds (including corporate bond funds)	27.1	2.5%	14.8	1.7%
Structured debt	0.9	30.4%	7.3	33.9%
Total portfolio	166.7	7.5%	95.6	4.6%

The VaR of the individual portfolio components is based on the volatility of the investments where these are ultimately exposed to. The volatility of each asset class as a whole serves as input for the VaR calculation of that asset class. In case of an investment fund, the volatility of the fund (driven by the characteristics of its underlying securities) serves as input for the calculation of the VaR on that specific investment fund and is subsequently included in the VaR calculation of the asset class. Total portfolio VaR may not be equal to the sum of the VaR of the individual portfolio components because the correlation between these components may be less than one. The VaR percentage increased from 4.6% at the end of 2014 to 7.5% at the end of 2015 and the VaR value increased from EUR 95.6 million at the end of 2014 to EUR 166.7 million at the end of 2015. The increase in VaR percentage and VaR value is driven by higher volatility on the financial markets and a higher allocation to corporate bonds.

4.3.1.5 Currency risk

Movements in exchange rates may affect the value of consolidated shareholders' equity, which is expressed in Euro. Foreign exchange rate differences taken to other comprehensive income arise on the translation of the net investment in foreign subsidiaries and associated companies. During 2015, the Euro weakened against some of the non-Euro functional currencies (see Note 2.6.3) resulting in a foreign currency gain in other comprehensive income of EUR 3.4 million, net of tax (2014: a gain of EUR 3.2 million, net of tax).

However, the impact of these fluctuations is limited as revenue, expenses, assets and liabilities within our non-Euro operations are generally denominated in the same currencies.

The Group's exposure to foreign currency exchange rate risk, arising from monetary financial assets and liabilities denominated in non-functional currencies as at 31 December 2015 and 31 December 2014, is presented in the following table:

	Financial assets	Financial liabilities	Net position	Financial assets	Financial liabilities	Net position
	2015			2014		
EUR	162,724	146,047	16,677	148,999	143,210	5,789
GBP	(2,890)	15,132	(18,022)	12,743	23,680	(10,937)
USD	215,384	292,086	(76,702)	213,131	306,689	(93,558)
AUD	15,277	14,657	620	13,915	11,358	2,557
Other	121,620	173,726	(52,106)	120,282	175,893	(55,611)
Total	512,115	641,648	(129,533)	509,070	660,830	(151,760)



Sensitivity analysis

As an indication of the currency exposure, a 10% strengthening of these foreign currencies against the Euro as at the end of the reporting period would have increased/(decreased) the result for the year by an amount equal to the net position as presented above, calculated against that 10%. This analysis assumes that all other variables, and in particular interest rates, remain constant and is performed on the same basis as for 2014. A 10% weakening of the aforementioned foreign currencies against the Euro as at the end of the reporting period would have had an equal but opposite effect.

The following table specifies the Group's gross and net positions in major currencies (both monetary and non-monetary items):

	Assets	Liabilities	Net position	Assets	Liabilities	Net position
	2015			2014		
EUR	3,156,381	1,882,196	1,274,185	3,044,481	1,889,227	1,155,254
GBP	91,926	85,898	6,028	137,764	120,200	17,564
USD	391,562	343,657	47,905	369,904	334,053	35,851
AUD	78,517	49,417	29,100	71,905	40,680	31,225
Other	513,960	370,929	143,031	506,805	353,660	153,145
Total	4,232,346	2,732,097	1,500,249	4,130,859	2,737,820	1,393,039

4.3.2 Credit risk

Credit risk is the risk that customers or counterparties are unable to repay their debt towards the Group in full when due. The Group exposes itself to credit risk mainly by reinsurance contracts and holding financial assets.

Reinsurance is used to manage insurance risk. This does not, however, discharge the Group's liability as primary insurer. If a reinsurer fails to pay a claim for any reason, the Group remains liable for the payment to the policyholder. The Group policy is to select only reinsurers that have a well-established investment grade credit rating. The normal minimum requirement is an 'A' level rating, although there are some minor exceptions. In the event that the reinsurer's rating is found to be below this threshold, the Group has the right to either terminate the reinsurance relationship during the course of the reinsurance year or else seek collateral if the relationship is to continue. Deposits received from reinsurers mitigate the credit risk and are therefore included in the table below.

Individual operating units maintain records of the payment history for significant contract holders with whom they conduct regular business. The exposure to individual counterparties is also managed by other mechanisms, such as the right of offset where counterparties are both debtors and creditors. Management information reported to the Group includes details of provisions for impairment on loans and receivables and subsequent write-offs.

Credit exposure to business partners, such as insured customers and brokers, is closely monitored. Potential impairments on receivables are reviewed monthly and updated.

With regard to managing the credit risks of the financial investments, the investment policy of the Group is to hold a, principally Euro-centric, internationally diversified portfolio and to avoid large risk concentrations. From a Standard & Poor's rating scale or comparable perspective, the overall fixed income portfolio is almost completely invested in investment grade debt securities which are rated 'A-' or higher. If a corporate bond in which the Group has indirectly invested (through an investment fund) falls below the minimum credit rating or is not rated, it should be reviewed by the Group Investment Committee to decide whether the investment fund is still a suitable investment. The maximum concentration limit per issuer (per legal entity and at Group level) is 5% of the market value of the financial investments of the legal entity or the Group. The concentration per issuer is evaluated by aggregating the exposure to a single issuer through both debt investments and equity securities. The Group Investment Committee monitors this limit and action is taken if a concentration limit is breached.

The counterparty ratings of receivables, short-term investments, claims, commissions and deposits arising from reinsurance, cash and cash equivalents and the rating of debt securities as at 31 December 2015 and as at 31 December 2014, are presented in the following tables:



At 31 December 2015 (EUR million)	AAA	AA	A	BBB	Other and Non- rated	Total
Receivables, claims, commissions and deposits arising from reinsurance:						
Receivables, claims and commissions arising from reinsurance	-	258	298	3	17	576
Deposits received from reinsurers	-	(19)	(21)	(7)	-	(47)
Debt securities:						
Government bonds	165	284	13	12	5	479
Corporate bonds	6	100	837	104	7	1,054
Structured debt	-	-	1	3	-	4
Short-term investments:						
Deposits withheld by ceding companies	-	5	14	4	7	30
Bank deposits under short-term investments	23	12	72	140	-	247
Cash and cash equivalents	-	22	34	167	8	231
Total	194	662	1,248	426	44	2,574

At 31 December 2014 (EUR million)	AAA	AA	A	BBB	Other and Non- rated	Total
Receivables, claims, commissions and deposits arising from reinsurance:						
Receivables, claims and commissions arising from reinsurance	-	262	298	4	12	576
Deposits received from reinsurers	-	(26)	(25)	-	(1)	(52)
Debt securities:						
Government bonds	156	297	9	14	6	482
Corporate bonds	6	75	693	11	7	792
Structured debt	-	1	4	6	10	21
Short-term investments:						
Deposits withheld by ceding companies	-	4	9	2	18	33
Bank deposits under short-term investments	16	34	1	286	1	338
Cash and cash equivalents	-	14	11	238	5	268
Total	178	661	1,000	561	58	2,458

The counterparty credit ratings and the credit rating of the debt instruments are predominantly based on Standard & Poor's rating. In the absence of a Standard & Poor's credit rating, the Group uses Moody's or Bloomberg Composite Ratings.

4.3.3 Liquidity risk

The Group is exposed to liquidity risk if there is insufficient cash available to meet its financial obligations, when due, at a reasonable cost. For the Group, liquidity risks may arise if large scale short-term fluctuations occur to cash flows, such as a decline in incoming cash or a rise in outgoing cash, or a combination of both.

Liquidity risk is managed at Group level, in close coordination with local operations. The Group's policy is to monitor and measure ongoing cash flow patterns and control liquidity by maintaining sufficient cash and highly marketable securities to reduce liquidity risk to acceptably low levels. The investment policy states that the Group should only invest in financial instruments that can be liquidated in less than four business days. The Group is liquid with EUR 140 million (2014: EUR 179 million) investments in money market funds which can be liquidated on a daily basis with settlement on the liquidation date. The Group is able to access credit facilities to prevent certain liquidity shortages which may arise due to short-term cash



flow variances. The Group maintains two uncommitted credit lines in the form of an overdraft facility for a total amount of EUR 53 million (2014: EUR 53 million). The credit line provides liquidity to cover infrequent peaks in short-term liquidity requirements while also permitting the Group to reduce its cash balances and to benefit from a more substantial and stable investment portfolio. Finally, the Group has in place a simultaneous claims payment clause in the main reinsurance treaties. This clause allows the Group to ask the reinsurers to anticipate the payment of a large claim upon Group request instead of the usual payment terms agreed in the reinsurance treaties.

Liquidity and interest risk tables

The following tables indicate the estimated amount and timing of the main cash flows at the end of the reporting period of interest and non-interest bearing liabilities and assets. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The Group has considered the impact of the cross-border cash pooling arrangement in this overview.

The tables have been drawn up based on the undiscounted contractual cash flows of financial liabilities based on the earliest contractual repayment date. When the Group has a choice of when an amount is paid, the financial liability is allocated to the latest period in which the Group can be required to pay. When the lender has a choice of when an amount is paid, the financial liability is allocated to the earliest period in which the Group can be required to pay.

At 31 December 2015		Contractual cash flows (undiscounted)				Carrying amount
	Weighted average effective interest rate %	On demand	Less than 1 year	1 to 5 years	> 5 years	
Interest bearing liabilities						
Subordinated loan	5.35%	-	13,125	52,500	547,500	248,289
Deposits received from reinsurers	0.28%	-	47,005	-	-	47,005
Total		-	60,130	52,500	547,500	295,294
Non-interest bearing liabilities						
Insurance contracts		-	1,047,261	468,791	4,773	1,648,791
Payables		-	195,207	-	-	195,207
Total		-	1,242,468	468,791	4,773	1,843,998

At 31 December 2014		Contractual cash flows (undiscounted)				Carrying amount
	Weighted average effective interest rate %	On demand	Less than 1 year	1 to 5 years	> 5 years	
Interest bearing liabilities						
Subordinated loan	5.35%	-	13,125	52,500	571,075	248,141
Deposits received from reinsurers	0.50%	-	51,702	-	-	51,702
Total		-	64,827	52,500	571,075	299,843
Non-interest bearing liabilities						
Insurance contracts		-	1,001,575	437,457	4,551	1,572,151
Payables		-	225,353	-	-	225,353
Total		-	1,226,928	437,457	4,551	1,797,504



At 31 December 2015		Contractual cash flows (undiscounted)				Carrying amount
	Weighted average effective interest rate %	On demand	Less than 1 year	1 to 5 years	> 5 years	
Interest bearing assets						
Debt securities	0.58%	-	332,484	1,190,786	49,441	1,536,876
Investments: deposits and cash held for investments	0% - 2.0%	164,085	72,959	34,127	6,059	277,230
Cash: Cash and bank deposits	0% - 0.1%	226,719	2,657	-	-	229,376
Total		390,804	408,100	1,224,913	55,500	2,043,482
Non-interest bearing assets						
Other financial assets		-	398,158	-	-	398,158
Reinsurance contracts		-	438,171	196,141	1,997	689,849
Receivables		-	204,575	-	-	204,575
Total		-	1,040,904	196,141	1,997	1,292,582

At 31 December 2014		Contractual cash flows (undiscounted)				Carrying amount
	Weighted average effective interest rate %	On demand	Less than 1 year	1 to 5 years	> 5 years	
Interest bearing assets						
Debt securities	0.55%	-	183,984	1,064,088	89,014	1,295,133
Investments: deposits and cash held for investments	0% - 0.50%	87,429	275,392	7,940	-	370,761
Cash: Cash and bank deposits	0% - 1.0%	220,623	139	-	-	220,762
Total		308,052	459,515	1,072,028	89,014	1,886,656
Non-interest bearing assets						
Other financial assets		-	417,938	-	-	417,938
Reinsurance contracts		-	426,178	186,141	1,937	668,962
Receivables		-	216,386	-	-	216,386
Total		-	1,060,502	186,141	1,937	1,303,286

4.4 Operational risk

4.4.1 Operational risk management

Operational risks are the risks of direct or indirect loss from inadequate or failed internal processes, people, and systems or external events. This definition is in line with industry practice as well as with the European Union Solvency II Framework Directive.

The Operational Risk Management (ORM) unit is part of the Group Risk Management department and is responsible for developing methods for the identification, assessment and response to risks, and for monitoring and further enhancing the overall risk management and control framework. The ORM unit works closely with both Internal Audit and the Legal and Compliance unit. At the highest level, operational risk is overseen by the Operational Risk Committee, which has a reporting line through to the Chief Risk Officer.



The ORM unit uses a framework for management of operational risk, which is based on the Committee of Sponsoring Organisations' Enterprise Risk Management (COSO ERM) Integrated Framework. Identification and monitoring activities continue to be developed and enhanced, including the maintenance of risk registers, risks and control self-assessment procedures and business continuity plans. Additionally, risks and the related controls are discussed at all levels, locations and units across the business, including the Management Board and Supervisory Board. High-level information on crystallised risks has been captured for several years, with separate records of information technology risk events stretching back even further. To provide oversight and assurance in an auditable and efficient manner, the ORM unit employs a dedicated governance, risk and compliance software platform (the 'GRC portal') that integrates existing risk management activities across the business.

In respect of external fraud, a specific department monitors the activity of customers and buyers to detect indications of fraud and the Group provides fraud awareness training to employees to help identify fraudulent buyers. Internal fraud is addressed through manual and automated operational controls such as the segregation of duties, application of signing authorities and role-based system privileges and authorities.

More details on certain operational risk management activities are provided below.

4.4.1.1 Risk registers and risk / control self-assessments

While the ORM unit is responsible for facilitating operational risk management within the Group, the lines of business and functional areas are responsible for managing their operational risks. Atradius Leadership Team members, assisted by 'risk champions', maintain risk registers for their respective units. The content of the registers provides input to local management meetings and is also reviewed during meetings of the Management Board. This ensures that operational risks are evaluated from all management perspectives.

While risk registers use a top-down approach to capturing risks, the Group also uses a bottom-up approach of control self-assessments to identify and assess risks and any control weaknesses inherent in business processes.

On a quarterly basis, the Group conducts specific assessments of processes and controls covering financial reporting risks; the resulting 'in control' sign-off process is overseen by a committee with representatives from Group Risk Management, Finance and Internal Audit.

4.4.1.2 Business continuity management

The Group recognises the importance of being able to recover its critical business processes in the event of any major operational disruption. Business continuity management at Atradius is based on the internationally recognised British Standard BS25999 and aligned with the International Standard ISO223019. The ORM unit co-ordinates the documentation, maintenance and continual testing of practical plans for recovering key business activities within acceptable timeframes.

4.4.1.3 Compliance

Compliance practices support our business, our reputation and our integrity. These elements are of importance to our customers, suppliers, staff and other stakeholders. Complying with relevant laws, rules and regulations and maintaining a high standard in terms of ethics and integrity, leads to lower operational risk and more stable business processes. The Group's Code of Conduct outlines the basic corporate, legal and ethical compliance principles and guidelines that apply to all employees of the Group and that govern the Group's operations and its employees' business conduct and actions. Individual Compliance Codes address specific compliance areas in more detail and set out detailed compliance requirements that must be complied with across the Group and which must be included in existing business procedures. For the monitoring and testing of effectiveness of these requirements, close alignment is sought with the activities of the ORM and Internal Audit units.

4.5 Capital management

4.5.1 Guiding principles

Capital management is guided by the following principles:

- to ensure that the Group is sufficiently capitalised to have the ability to survive by maintaining sufficient available capital after meeting its financial obligations;



- to meet the local regulatory capital requirements of all Group entities, including branches and subsidiaries of the Group worldwide;
- to manage the capital adequacy of the Group and its entities, taking into account the economic and accounting views along with the external rating agencies and regulatory capital requirements;
- to optimise capital structure by allocating funds across the Group's entities; and
- minimising the overall cost of funding while preserving financial flexibility.

In 2015, the capital of the Group has been managed according to the Group guidelines and in close cooperation with the units involved in managing the different factors related to capital. The Group entities were able to meet their financial obligations efficiently and to comply with local legal and regulatory requirements.

4.5.2 The Group's objectives, policies and processes with regard to capital

Available capital is measured and managed both from an accounting and economic perspective. The Group considers the solvency calculation models of the relevant regulatory authorities and credit rating agencies to actively manage capital to ensure capital adequacy. The Group's policy is to maintain a sufficient excess above the minimum solvency capital required by the relevant regulatory authorities.

The Group has embedded in its procedures the necessary tests to ensure compliance with externally imposed regulations and internally imposed requirements for capital adequacy. Such compliance is ensured by:

- monitoring duration of assets and liabilities;
- incorporating a view on business expectations such as expected future investments in new businesses, revenues, claims, reinsurance expectations and dividends as these impact both available and required capital; and
- taking into consideration capital market expectations such as expected returns, volatilities and correlations as these may impact earnings and the shareholder equity reserves.

In order to ensure capital adequacy, a capital buffer above the minimum solvency capital required is maintained, which is in excess of the strict requirements such that large loss events do not impair the ability of the Group to carry on its normal course of business.

4.5.3 Regulatory capital

The following table summarises the minimum required capital for the Group based on Solvency I. The minimum capital requirement is based on the sum of the local capital requirements of the different regulated entities of the Group and the regulatory capital based on the EU directive. The local capital requirements differ from jurisdiction to jurisdiction. The information for 2015 is an estimate that is updated once the regulatory accounts are filed.

	2015 ⁽²⁾	2014 ⁽¹⁾
Regulatory capital held	993,146	944,403
Minimum legal regulatory capital	206,842	202,267
Surplus	786,304	742,136

(1) Comparative regulatory capital balances have been changed to reflect the final amounts of 2014 (compared to the preliminary amounts presented in the 2014 financial statements)

(2) Preliminary estimates

The main regulated legal entities and respective territories are Atradius Credit Insurance N.V. in the Netherlands that is regulated by the Dutch Central Bank (De Nederlandsche Bank, DNB), Crédito y Caución in Spain that is regulated by Dirección General de Seguros y Fondos de Pensiones (DGSFP) and Atradius Reinsurance Ltd. in Ireland that is regulated by the Central Bank of Ireland (CBI).



5 Segment information

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Management Board in order to allocate resources to the segment and to assess its performance. The insurance business is split into the segments Credit insurance which includes Instalment credit protection (ICP), Bonding and Reinsurance due to the different nature of the related products and the associated insurance liabilities. The segment Services includes Collection activities, Atradius Dutch State Business and other service related business. Group costs relate to corporate operations, after cost allocations to the other business segments.

Collection activities include recovery activities on behalf of insurance companies. Transactions between segments are on an arm's length basis in a manner similar to transactions with third parties. The accounting policies of the reportable segments are the same as described in Note 2.

Information regarding these segments is presented in the following tables:

Business segment	Credit insurance	Bonding	Reinsurance	Total insurance business	Services	Inter-segment elimination	Group costs	Total
2015								
Insurance premium revenue	1,300,484	101,777	134,744	1,537,005	-	-	-	1,537,005
Service and other income	121,454	-	-	121,454	59,300	-	-	180,754
Inter-segment revenue	-	-	-	-	3,961	(3,961)	-	-
Total revenue	1,421,938	101,777	134,744	1,658,459	63,261	(3,961)	-	1,717,759
Insurance premium ceded to reinsurers	(609,502)	(46,753)	(18,353)	(674,608)	-	-	-	(674,608)
Total segment income after reinsurance	812,436	55,024	116,391	983,851	63,261	(3,961)	-	1,043,151
Insurance claims and loss adjustment expenses	(622,395)	19,084	(118,420)	(721,731)	-	3,209	-	(718,522)
Insurance claims and loss adjustment expenses recovered from reinsurers	300,954	(15,259)	23,193	308,888	-	-	-	308,888
Net insurance claims	(321,441)	3,825	(95,227)	(412,843)	-	3,209	-	(409,634)
Gross operating expenses	(507,846)	(35,955)	(56,776)	(600,577)	(55,307)	752	(15,505)	(670,637)
Commission received for business ceded to reinsurers	239,762	17,244	5,757	262,763	-	-	-	262,763
Net operating expenses	(268,084)	(18,711)	(51,019)	(337,814)	(55,307)	752	(15,505)	(407,874)
Operating segment result	222,911	40,138	(29,855)	233,194	7,954	-	(15,505)	225,643
Share of income of associated companies								782
Net income from investments								35,234
Finance income								4,108
Finance expenses								(17,597)
Result for the year before tax								248,170
Income tax expense								(69,949)
Result for the year								178,221



Business segment	Credit insurance	Bonding	Reinsurance	Total insurance business	Services	Inter-segment elimination	Total
2015							
Reinsurance contracts	482,361	166,203	41,285	689,849	-	-	689,849
Receivables	171,904	23,401	6,347	201,652	5,419	(2,496)	204,575
Unallocated assets	-	-	-	-	-	-	3,337,922
Total assets	654,265	189,604	47,632	891,501	5,419	(2,496)	4,232,346
Insurance contracts	998,756	285,181	364,854	1,648,791	-	-	1,648,791
Payables	173,414	20,529	63	194,006	10,902	(9,701)	195,207
Unallocated liabilities	-	-	-	-	-	-	888,099
Total liabilities	1,172,170	305,710	364,917	1,842,797	10,902	(9,701)	2,732,097
Total year end number of employees (full-time equivalent)	2,698	136	25	2,859	302	-	3,161



Business segment	Credit insurance	Bonding	Reinsurance	Total insurance business	Services	Inter-segment elimination	Group costs	Total
2014								
Insurance premium revenue	1,230,808	93,576	133,772	1,458,156	-	-	-	1,458,156
Service and other income	115,254	-	-	115,254	53,793	-	-	169,047
Inter-segment revenue	-	-	-	-	4,571	(4,571)	-	-
Total revenue	1,346,062	93,576	133,772	1,573,410	58,364	(4,571)	-	1,627,203
Insurance premium ceded to reinsurers	(582,185)	(45,795)	(15,063)	(643,043)	-	-	-	(643,043)
Total segment income after reinsurance	763,877	47,781	118,709	930,367	58,364	(4,571)	-	984,160
Insurance claims and loss adjustment expenses	(554,076)	(22,113)	(64,347)	(640,536)	-	3,885	-	(636,651)
Insurance claims and loss adjustment expenses recovered from reinsurers	228,705	10,569	5,127	244,401	-	-	-	244,401
Net insurance claims	(325,371)	(11,544)	(59,220)	(396,135)	-	3,885	-	(392,250)
Gross operating expenses	(476,419)	(32,968)	(57,080)	(566,467)	(54,252)	686	(8,924)	(628,957)
Commission received for business ceded to reinsurers	223,234	15,223	4,280	242,737	-	-	-	242,737
Net operating expenses	(253,185)	(17,745)	(52,800)	(323,730)	(54,252)	686	(8,924)	(386,220)
Operating segment result	185,321	18,492	6,689	210,502	4,112	-	(8,924)	205,690
Share of income of associated companies								7,247
Net income from investments								30,590
Finance income								4,985
Finance expenses								(16,142)
Result for the year before tax								232,370
Income tax expense								(71,180)
Result for the year								161,190

Business segment	Credit insurance	Bonding	Reinsurance	Total insurance business	Services	Inter-segment elimination	Total
2014							
Reinsurance contracts	437,604	212,550	18,808	668,962	-	-	668,962
Receivables	181,478	25,304	7,564	214,346	4,127	(2,087)	216,386
Unallocated assets	-	-	-	-	-	-	3,245,511
Total assets	619,082	237,854	26,372	883,308	4,127	(2,087)	4,130,859
Insurance contracts	912,148	357,806	302,197	1,572,151	-	-	1,572,151
Payables	194,251	27,130	1,723	223,104	11,710	(9,461)	225,353
Unallocated liabilities	-	-	-	-	-	-	940,316
Total liabilities	1,106,399	384,936	303,920	1,795,255	11,710	(9,461)	2,737,820
Total year end number of employees (full-time equivalent)	2,683	134	25	2,842	297	-	3,139



The segmental reporting follows the management point of view. In all the other insurance related notes the figures are reported based on the products of credit insurance and bonding which differs from the segmental view presented here. The underlying contracts of the Reinsurance segment are approximately 60% credit insurance contracts and approximately 40% bonding (2014: 60% and 40% respectively), based on premium volume.

Revenue from external customers allocated to the region in which the insurance contract is issued or services are rendered is presented in the following table:

	2015	2014
Spain and Portugal	399,709	389,131
France, Belgium, Italy and Luxembourg	313,995	300,254
Germany, Central and Eastern Europe	281,109	263,413
United Kingdom and Ireland	273,655	263,883
The Netherlands	132,437	125,339
Oceania and Asia	112,938	97,840
Americas	111,275	90,155
Nordic countries	92,641	97,188
Total	1,717,759	1,627,203

Revenue is derived from a large number of customers and no single customer (or group under common control) contributes more than 10% to the Group's revenue.

Total assets and capital expenditure allocated based on where the assets are located are presented in the following table:

	Assets		Non-current assets *		Additions to non-current assets *	
	2015	2014	2015	2014	2015	2014
Spain and Portugal	927,603	826,254	116,607	118,769	3,722	3,268
France, Belgium, Italy and Luxembourg	441,400	432,245	20,185	20,497	2,098	1,406
Germany, Central and Eastern Europe	334,189	314,548	4,683	5,384	1,646	1,787
United Kingdom and Ireland	1,327,333	1,155,819	26,934	26,573	10,183	10,655
The Netherlands	562,417	795,508	13,076	7,880	8,546	7,629
Nordic countries	240,360	227,652	1,400	1,620	398	750
Americas	201,243	189,019	2,527	2,724	197	338
Oceania and Asia	197,801	189,814	1,796	1,494	957	525
Total	4,232,346	4,130,859	187,208	184,941	27,747	26,358

* Non-current assets included in the above table comprise intangible assets (other than goodwill), property, plant and equipment and investment property.



6 Intangible assets

2015	Goodwill	Software	Other *	Total
At cost at 1 January	118,377	164,980	24,537	307,894
Additions	-	20,238	-	20,238
Disposals	-	(19,014)	-	(19,014)
Effect of movements in foreign exchange rates	1	3,504	124	3,629
At cost at 31 December	118,378	169,708	24,661	312,747
Accumulated amortisation and impairments at 1 January	(735)	(122,966)	(15,432)	(139,133)
Amortisation charge for the year	-	(12,610)	(1,187)	(13,797)
Disposals	-	19,014	-	19,014
Impairment	-	(2,778)	-	(2,778)
Effect of movements in foreign exchange rates	-	(2,449)	(104)	(2,553)
Accumulated amortisation and impairments at 31 December	(735)	(121,789)	(16,723)	(139,247)
Balance at 1 January	117,642	42,014	9,105	168,761
Balance at 31 December	117,643	47,919	7,938	173,500
2014	Goodwill	Software	Other *	Total
At cost at 1 January	118,412	144,321	24,410	287,143
Additions	-	18,516	-	18,516
Disposals	-	(1,453)	-	(1,453)
Effect of movements in foreign exchange rates	(35)	3,596	127	3,688
At cost at 31 December	118,377	164,980	24,537	307,894
Accumulated amortisation and impairments at 1 January	(735)	(100,771)	(14,190)	(115,696)
Amortisation charge for the year	-	(10,608)	(1,147)	(11,755)
Disposals	-	1,438	-	1,438
Impairment	-	(10,464)	-	(10,464)
Effect of movements in foreign exchange rates	-	(2,561)	(95)	(2,656)
Accumulated amortisation and impairments at 31 December	(735)	(122,966)	(15,432)	(139,133)
Balance at 1 January	117,677	43,550	10,220	171,447
Balance at 31 December	117,642	42,014	9,105	168,761

* Other intangible assets relate to agent networks, non-patented technology, trade names and insurance portfolios

Goodwill

If applicable, impairment of goodwill is recognised as a separate item in the income statement. During 2015 there was no impairment charge (2014: no impairment charge).

The goodwill allocated to the main cash-generating units or groups of units (CGU's) is presented in the following table:



Cash-Generating Units	2015	2014
Crédito y Caución	98,797	98,797
Atradius Trade Credit Insurance Inc.	4,750	4,750
Atradius Collections B.V.	6,426	6,426
ACI N.V. (France)	2,767	2,767
ACI N.V. (Nordic bonding)	2,599	2,598
Other	2,304	2,304
Total	117,643	117,642

The Nordic Bonding unit includes the Group's bonding business in Denmark, Norway, Sweden and Finland.

The value in use of an individual CGU is determined using a discounted cash flow model. The cash flows are estimated using a projection period and a normalised period. The projection period is 10 years, where the first 1-3 year projections are based on financial budgets and/or forecasts. The remaining years are estimated using ratios and growth rates that converge towards their normalised term value. For the main portion of the goodwill, the discount rate (after tax) used is 8.53% (2014: 8.74%) and the terminal value is calculated based on the free cash flows in year 11, for which a normalised long-term annual cash flow is calculated and a long-term growth rate of 0.5% (2014: 0.5%). The discount rate used is close to cost of equity. Any profits, after fulfilling minimum capital requirements, are assumed to be distributable dividends. Minimum capital requirements are calculated based on the Solvency II standard formula and minimum shareholders equity required (non-distributable).

Software

The Group assessed all capitalised software to determine if the criteria for capitalisation are being met. In 2015, the Group decided EUR 2.8 million of the capitalised software should be impaired (2014 : EUR 10.5 million), since the expected benefits of the developed software cannot be achieved.



7 Property, plant and equipment & Investment property

2015	Land & buildings	Fixtures & fittings	IT hardware	Total property, plant & equipment	Investment property
At cost at 1 January	108,638	51,211	51,379	211,228	14,750
Additions	45	3,196	4,268	7,509	-
Disposals	-	(3,246)	(8,914)	(12,160)	(100)
Transfer between property classes	-	-	-	-	-
Effect of movements in foreign exchange rates	(101)	730	1,354	1,983	(35)
At cost at 31 December	108,582	51,891	48,087	208,560	14,615
Accumulated depreciation and impairments at 1 January	(8,334)	(39,103)	(40,347)	(87,784)	(4,372)
Depreciation charge for the year	(1,105)	(3,504)	(5,431)	(10,040)	(54)
Disposals	-	3,123	8,893	12,016	39
Impairment loss	-	-	-	-	(134)
Transfer between property classes	-	-	-	-	-
Effect of movements in foreign exchange rates	17	(625)	(891)	(1,499)	4
Accumulated depreciation and impairments at 31 December	(9,422)	(40,109)	(37,776)	(87,307)	(4,517)
Balance at 1 January	100,304	12,108	11,032	123,444	10,378
Balance at 31 December	99,160	11,782	10,311	121,253	10,098



2014	Land & buildings	Fixtures & fittings	IT hardware	Total property, plant & equipment	Investment property
At cost at 1 January	108,626	51,482	50,080	210,188	14,559
Additions	153	2,743	4,918	7,814	28
Disposals	-	(3,792)	(5,073)	(8,865)	-
Transfer between property classes	(122)	-	-	(122)	122
Effect of movements in foreign exchange rates	(19)	778	1,454	2,213	41
At cost at 31 December	108,638	51,211	51,379	211,228	14,750
Accumulated depreciation and impairments at 1 January	(7,245)	(37,936)	(39,275)	(84,456)	(3,017)
Depreciation charge for the year	(1,067)	(4,022)	(5,101)	(10,190)	(159)
Disposals	-	3,504	5,003	8,507	-
Impairment loss	-	-	-	-	(1,196)
Transfer between property classes	(38)	-	-	(38)	38
Effect of movements in foreign exchange rates	16	(649)	(974)	(1,607)	(38)
Accumulated depreciation and impairments at 31 December	(8,334)	(39,103)	(40,347)	(87,784)	(4,372)
Balance at 1 January	101,381	13,546	10,805	125,732	11,542
Balance at 31 December	100,304	12,108	11,032	123,444	10,378

The depreciation charge on property for own use is reported as part of net operating expenses. The depreciation charge on investment property is reported as part of net income from investments.

The fair value of land and buildings for own use and of investment property is presented in the following table:

	Property own use		Investment property	
	2015	2014	2015	2014
Spain	79,822	79,836	8,607	8,607
Italy	20,620	19,500	745	1,425
Mexico	3,813	3,743	1,479	1,452
The Netherlands	-	-	906	906
Other	782	686	-	133
Total	105,037	103,765	11,737	12,523

Fair value measurement

Land and buildings are independently appraised by real estate valuers, which are registered in the relevant countries and have appropriate qualifications and experience in the valuation of properties. The Group usually revalues land and buildings every two to three years.

All property is valued using valuation techniques. All significant inputs used in the measurement are market observable and the fair value is therefore classified in Level 2 in the fair value hierarchy (as in 2014). Valuation techniques used are: Market (comparison) approach, Income approach (discounted cash flow method) and Cost approach. The valuations for Spanish property are in accordance with the rules applicable to insurance companies in connection with the valuation of assets to cover technical provisions. Significant valuation inputs used to determine the fair value measurements based on techniques used are construction features, location (and/or conditions) and transport utilities.



The estimated fair value of the properties is directly dependant on the changes of the inputs used. There has been no change in the valuation techniques used compared to prior year.

Property own use

A property in Italy with a carrying value of EUR 5.4 million (2014: EUR 5.3 million) is subject to a legal charge for the amount of EUR 2.7 million (2014: EUR 2.7 million).

Investment property

Investment properties in Italy with a carrying value of EUR 346 thousand (2014: EUR 353 thousand) are subject to a legal charge for the full amount.

In 2015, there was an impairment of EUR 134 thousand (2014: EUR 1.2 million in Spain), as a result of lower market valuations in Italy.

The investment property can be classified as follows: 87% office (2014: 84.0%), 13% retail (2014: 14.9%) and 0% residential (2014: 1.1%).

Direct operating expenses incurred (including repairs and maintenance) arising from investment property are EUR 101 thousand (2014: EUR 87 thousand). During the year an amount of EUR 0.6 million (2014: EUR 0.7 million) has been recognised as rental income from investment property for lease contracts. These contracts have remaining terms of between 1 and 10 years. Expected rental income arising from these contracts for next year is EUR 0.9 million of which EUR 0.7 million are for non-cancellable contracts.

8 Subsidiaries

The following table sets forth, as at 31 December 2015 and 2014, the name and country of incorporation of the main subsidiaries of Atradius N.V.

All companies are, directly or indirectly, wholly owned unless otherwise indicated. The companies are listed in alphabetical order.

	Country of incorporation	% interest held	Type of business
Atradius Collections B.V.	The Netherlands	100.00%	Collections
Atradius Credit Insurance N.V.	The Netherlands	100.00%	Credit insurance
Atradius Finance B.V.	The Netherlands	100.00%	Finance
Atradius Information Services B.V.	The Netherlands	100.00%	Information services
Atradius Insurance Holding N.V.	The Netherlands	100.00%	Holding
Atradius Participations Holding B.V.	The Netherlands	100.00%	Holding
Atradius Reinsurance Ltd.	Ireland	100.00%	Reinsurance
Atradius Rus Credit Insurance LLC	Russia	100.00%	Credit insurance
Atradius Seguros de Crédito, S.A.	Mexico	100.00%	Credit insurance
Atradius Trade Credit Insurance, Inc.	USA	100.00%	Credit insurance
Compañía Española de Seguros y Reaseguros de Crédito y Caución S.A.u.	Spain	100.00%	Credit insurance
Crédito y Caución Seguradora de Crédito e Garantias S.A.	Brazil	100.00%	Credit insurance

Following the intention expressed in 2015, Atradius Insurance Holding N.V., as the sole shareholder, has agreed to the merger of Atradius Credit Insurance N.V. and Compañía Española de Seguros y Reaseguros de Crédito y Caución, S.A.U. into one single legal entity by the means of the absorption of the former by the latter. Atradius N.V. will remain the Dutch



holding company of a leading international network of credit insurance, bonding, reinsurance, debt collections, and information services companies.

The resulting legal structure will be effective once the relevant regulatory approvals have been obtained (expected at the end of 2016). The aim of the merger will be to strengthen the efficiency and service to our customers working as one legal entity within a simplified regulatory environment, without any impact on the business model, financial statements and established brands. Grupo Catalana Occidente remains committed to keeping Atradius' entities well capitalised and with the same financial and operational independence.

9 Investments in associated companies

The following table shows the changes in investments valued by using the equity method:

	2015	2014
Balance at 1 January	39,392	34,177
Share of income of associated companies	431	7,247
Dividends received	(1,829)	(2,551)
Disposals	(2,689)	-
Effect of movements in foreign exchange rates	91	519
Balance at 31 December	35,396	39,392

None of the associated companies is listed. All information from the associated companies, unless otherwise stated, is based on balance sheet dates between 30 September and 31 December.

	Country of incorporation	% interest held	Type of business
Graydon Holding N.V., Amsterdam	The Netherlands	45.00%	Information services
CLAL Credit Insurance Ltd., Tel Aviv	Israel	20.00%	Credit insurance
Al Mulla Atradius Insurance Consultancy & Brokerage L.L.C., Dubai	UAE	49.00%	Dormant
Compañía de Seguros de Crédito Continental S.A., Santiago de Chile	Chile	50.00% ¹⁾	Credit insurance
The Lebanese Credit Insurer s.a.l., Beirut	Lebanon	48.90%	Credit insurance

1) Minus one share

The following tables show summarised financial information of the Group's interest in associated companies and the financial information of the associated companies:



2015	Graydon Holding N.V.	CLAL Credit Insurance Ltd.	Compañía de Seguros de Crédito Continental S.A.	The Lebanese Credit Insurer s.a.l.	Other *	Total
The Group's interest						
Goodwill	-	380	1,611	-	-	1,991
Net assets	5,769	8,850	17,079	1,707	-	33,405
Carrying amount	5,769	9,230	18,690	1,707	-	35,396
Share of income of associated companies	(1,726)	991	1,523	(599)	242	431
Result sale	-	-	-	-	(157)	(157)
Other income	-	-	-	-	508	508
Dividends received	-	-	1,829	-	-	1,829
Associated companies						
Assets	53,827	71,725	113,426	10,676	-	249,654
Liabilities	41,006	27,474	79,269	7,186	-	154,935
Revenue	52,702	12,966	8,241	2,520	-	76,429
Net assets	12,821	44,251	34,157	3,490	-	94,719
Result for the year	(3,835)	4,956	3,046	(1,225)	-	2,942
2014						
The Group's interest						
Goodwill	-	380	1,611	-	-	1,991
Net assets	7,495	7,263	17,916	2,152	2,575	37,401
Carrying amount	7,495	7,643	19,527	2,152	2,575	39,392
Share of income of associated companies	225	983	6,352	(314)	1	7,247
Dividends received	1,850	-	701	-	-	2,551
Associated companies						
Assets	44,620	63,283	78,391	8,448	5,150	199,892
Liabilities	27,966	26,969	42,559	4,047	-	101,541
Revenue	54,207	10,325	6,055	1,939	-	72,526
Net assets	16,654	36,314	35,832	4,401	5,150	98,351
Result for the year	501	4,914	12,704	(642)	2	17,479

* In 2015 the Company sold its investment in Inversiones Credece S.A to Grupo Catalana Occidente resulting in a loss of EUR 0.2 million. Furthermore, a dividend of EUR 0.5 million (2014: EUR 0 million) was received from Al Mulla Atradius Insurance Consultancy & Brokerage L.L.C., which investment was fully impaired in 2010.

Transactions with associated companies are disclosed in Note 35.



10 Financial investments

Financial investments classified by measurement category and nature	Available-for-sale		Loans and receivables		Total	
	2015	2014	2015	2014	2015	2014
Equity securities	398,056	417,604	-	-	398,056	417,604
Debt securities	1,536,876	1,295,133	-	-	1,536,876	1,295,133
Loans	-	-	102	334	102	334
Short-term investments	-	-	210,797	343,742	210,797	343,742
Cash held for investments	-	-	66,433	27,019	66,433	27,019
Total	1,934,932	1,712,737	277,332	371,095	2,212,264	2,083,832

Movements in available-for-sale financial investments	Equity securities		Debt securities		Total	
	2015	2014	2015	2014	2015	2014
Balance at 1 January	417,604	538,353	1,295,133	1,045,027	1,712,737	1,583,380
Additions	309,566	184,615	726,592	602,115	1,036,158	786,730
Disposals	(337,470)	(315,116)	(462,983)	(355,275)	(800,453)	(670,391)
Amortisation charge for the year	-	-	(25,018)	(23,576)	(25,018)	(23,576)
Revaluations through other comprehensive income	10,155	11,582	(4,422)	15,465	5,733	27,047
Effect of movements in foreign exchange rates	(1,799)	(1,830)	7,574	11,377	5,775	9,547
Balance at 31 December	398,056	417,604	1,536,876	1,295,133	1,934,932	1,712,737

11 Receivables

	2015	2014
Accounts receivable on insurance and reinsurance business	175,373	169,351
Amounts owed by policyholders and direct insurance operations	122,902	115,727
Receivables arising out of reinsurance	52,471	53,624
Other accounts receivable	29,202	47,035
Total	204,575	216,386

The outstanding receivables are substantially all current and consequently their fair values do not materially differ from their carrying amounts.

There is no concentration of credit risk in respect of receivables as the Group has a large number of internationally dispersed debtors (see Note 4.3.2).

An amount of EUR 81.5 million (2014: EUR 89.4 million) relates to past due receivables on insurance and reinsurance business for which no impairment loss has been recognised, 93.2% (2014: 81.3%) relates to receivables ageing less than three months.

All receivables are considered for impairment testing. As of 31 December 2015, receivables of EUR 39.2 million (2014: EUR 34.8 million) were considered to be partially impaired. The amount of the impairment taken related to these receivables was EUR 22.9 million (2014: EUR 22.5 million). This balance takes into account that a portion of the impaired receivables will be recovered. The Group does not hold any collateral over these balances.



Movements on the provision for impairment of receivables are presented in the following table:

	2015	2014
Balance at 1 January	22,527	31,016
Impairment of receivables	5,837	2,516
Receivables written off during the year as uncollectable	(2,642)	(6,107)
Unused amounts reversed	(2,758)	(4,898)
Balance at 31 December	22,964	22,527

The movement in the provision for impaired receivables for the insurance business is accounted for on the premium line. Amounts charged to the allowance account are generally written off when there is no expectation of recovery.

12 Deferred acquisition costs

	2015	2014
Balance at 1 January	72,270	63,545
Change in deferred acquisition costs	2,519	4,168
Effect of movements in foreign exchange rates	(870)	4,557
Balance at 31 December	73,919	72,270
Current	50,902	50,142
Non-current	23,017	22,128

13 Miscellaneous assets and accruals

	2015	2014
Pipeline and ceded return premium	335,360	299,148
Prepayments and accrued interest	40,863	37,463
Reimbursement rights	8,722	9,258
Other	21,587	18,600
Total	406,532	364,469

Pipeline premium relates to shipments made by the Group's policyholders for which the Group is at risk but has not invoiced the premium.

The miscellaneous assets and accruals are substantially all current and consequently the fair values of these assets do not materially differ from their carrying amounts.

The reimbursement rights relate to the Spanish pension plans. Since the related policies do not qualify as an insurance policy under IAS 19, the fair value cannot be netted with the related pension liability (see Note 17).



14 Cash and cash equivalents

	2015	2014
Cash at bank and on hand	228,050	267,909
Short-term bank deposits	2,657	139
Cash and cash equivalents	230,707	268,048
Cash and cash equivalents	230,707	268,048
Bank overdrafts	(1,331)	(47,286)
Cash and cash equivalents in the statement of cash flows	229,376	220,762

The Group manages the cash by using a cross-border cash pooling agreement. The related zero balancing and interest compensation arrangement allows for offsetting of cash balances of branches within a legal entity. However, it does not allow offsetting between different legal entities. Therefore, in the statement of financial position, the related bank overdrafts that do not qualify for offsetting are presented separately as liabilities under borrowings.

15 Capital and reserves

15.1 Share capital

The authorised share capital of Atradius N.V. amounts to EUR 250,000,000 and is divided into 250,000,000 ordinary shares with a nominal value of EUR 1 each (2014: the same) of which 79,122,142 ordinary shares were issued and fully paid (2014: the same). The fully paid ordinary shares carry one vote per share and carry the right to dividends.

15.2 Share premium reserve

	2015	2014
Balance at 1 January	704,108	757,911
Dividends	(64,880)	(53,803)
Balance at 31 December	639,228	704,108

15.3 Revaluation reserve

	2015	2014
Balance at 1 January	48,085	37,624
Change in revaluation reserve - gross	6,649	27,050
Change in revaluation reserve - tax	(1,524)	(5,934)
Net (gains)/losses transferred to net profit on disposal - gross	(19,223)	(14,340)
Net (gains)/losses transferred to net profit on disposal - tax	3,189	3,685
Balance at 31 December	37,176	48,085



15.4 Currency translation reserve

	2015	2014
Balance at 1 January	(35,115)	(38,319)
Change in currency translation reserve - gross	3,782	4,236
Change in currency translation reserve - tax	(400)	(1,032)
Balance at 31 December	(31,733)	(35,115)

The Group's significant foreign currencies and sensitivity to fluctuations are set out in Note 4.3.

15.5 Pension reserve

	2015	2014
Balance at 1 January	(139,586)	(124,649)
Recognised actuarial gains/(losses)	1,396	(14,937)
Change in pension reserve - gross	2,795	(21,523)
Change in pension reserve - tax	(1,399)	6,586
Balance at 31 December	(138,190)	(139,586)

15.6 Retained earnings

	2015	2014
Balance at 1 January	736,425	575,235
Result for the year	178,221	161,190
Balance at 31 December	914,646	736,425

15.7 Dividend distribution

The Group's dividend distribution is based on the Company financial statements. The Company and its subsidiaries are subject to legal restrictions regarding the amount of dividends they can pay to their shareholders. The Dutch Civil Code contains the restriction that dividends can only be paid up to an amount equal to the excess of the Company's shareholders' equity and reserves required by law. Additionally, certain subsidiaries are subject to restrictions on the amount of funds they may distribute in the form of dividends or otherwise and also in respect of minimum capital requirements that are imposed by industry regulators in the countries in which the subsidiaries operate.

The Company distributes dividends out of the retained earnings balance. If this balance is insufficient, the Company will distribute dividends out of the share premium reserve (see Note 4.2 in the Company financial statements).

16 Subordinated loan

	2015	2014
Balance at 1 January	248,141	119,521
Accretion of interest	148	516
Redemption	-	(120,000)
Addition	-	248,104
Balance at 31 December	248,289	248,141

On 3 September 2014, Atradius Finance B.V., a subsidiary of Atradius N.V. (the Company), redeemed its guaranteed subordinated bonds with a nominal value of EUR 1,000 each for an aggregate amount of EUR 120 million. The interest on the bonds was fixed at 5.875% per annum payable annually in the first 10 years.



On 23 September 2014, Atradius Finance B.V. issued guaranteed subordinated notes with a nominal value of EUR 100,000 each for an aggregate amount of EUR 250 million (the 'notes'). Atradius Finance B.V. may redeem the notes, in whole but not in part, on 23 September 2024 and thereafter on each interest payment date. Unless previously redeemed, the notes will be redeemed at maturity on 23 September 2044. The notes bear interest at a fixed rate of 5.250% per annum payable annually in the first 10 years, which will thereafter be reset to a floating 3 month-EURIBOR plus a margin of 5.031% per annum payable quarterly for the remaining 20 years. The notes do qualify as regulatory capital under the Solvency II grandfathering rules. The notes are issued by Atradius Finance B.V. and guaranteed by the Company. The notes are listed on the Luxembourg Stock Exchange.

The fair value estimate of the notes is EUR 226 million (2014: EUR 251 million). The fair value of the notes is classified as Level 2 under the fair value hierarchy as it is based on binding quotes from independent brokers.

17 Employee benefit assets and liabilities

	2015	2014
Retirement benefits	71,200	78,441
Other long-term employee benefits	4,923	5,441
Total	76,123	83,882

17.1 Retirement benefits

The employee benefit assets and liabilities relate mainly to pension assets and liabilities for defined benefit plans. The main defined benefit plans are in the United Kingdom, Germany and the Netherlands and these represent 93% (2014: 93%) of the defined benefit obligation. The other plans relate to Spain, Italy, Switzerland, Sweden, Belgium, Norway, France and Mexico. The recognition of assets and liabilities is determined separately for each plan.

Within the Group there are also defined contribution plans. The contributions to these plans are recognised as expenses in the income statement. The total contributions amounted to EUR 9.9 million in 2015 (2014: EUR 9.3 million).



Pension assets and liabilities

The following table presents the change in the value of the net defined benefit liability:

	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	2015	2014	2015	2014	2015	2014
Balance at 1 January	732,723	604,913	654,282	514,419	78,441	90,494
Included in the income statement:						
Current service cost	20,200	11,447	-	-	20,200	11,447
Past service cost	43	(4,264)	-	-	43	(4,264)
Interest cost / income	20,663	22,958	19,496	20,211	1,167	2,747
Administration costs	538	473	-	-	538	473
Effect of movements in foreign exchange rates	28	778	(491)	331	519	447
Total included in the income statement	41,472	31,392	19,005	20,542	22,467	10,850
Included in OCI:						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
- demographic assumptions	225	(3,427)	-	-	225	(3,427)
- financial assumptions	(5,246)	108,674	-	-	(5,246)	108,674
- experience adjustments	(11,512)	(6,665)	-	-	(11,512)	(6,665)
Return on plan assets excluding interest income	-	-	(13,115)	77,576	13,115	(77,576)
Effect of movements in foreign exchange rates	16,549	15,436	16,753	15,354	(204)	82
Total included in OCI	16	114,018	3,638	92,930	(3,622)	21,088
Other:						
Contributions paid by the employer	(2,994)	(2,926)	25,928	42,482	(28,922)	(45,408)
Plan participants contributions	2,284	2,153	2,284	2,153	-	-
Benefits paid	(15,936)	(16,827)	(18,772)	(19,575)	2,836	2,748
Additional benefits	629	-	629	1,331	-	(1,331)
Total other	(16,017)	(17,600)	10,069	26,391	(26,086)	(43,991)
Balance at 31 December	758,194	732,723	686,994	654,282	71,200	78,441

Plan assets

The Group has pension related assets which under IAS 19 do not meet the criteria to qualify as plan assets. In Germany, for one of the plans, assets of EUR 17.9 million (2014: EUR 16.5 million) are classified as financial investments since in the event of bankruptcy, these assets are not fully secured for the members of the pension plan. In the UK, EUR 28.5 million of financial investments (2014: EUR 26.9 million) is on an escrow account to support the UK pension fund. In the event of insolvency, the Trustee of the pension fund has the right to those investments, provided certain conditions are met.

The surplus of the UK pension plan in the amount of EUR 18.0 million is netted with the defined benefit obligation of the other plans.



In Spain, the defined benefit plans are partially insured with Seguros Catalana Occidente S.A.. These insurance policies do not qualify as insurance policies under IAS 19, therefore the fair value is treated as reimbursement rights, which are recorded as part of other assets for an amount of EUR 8.7 million (2014: EUR 9.3 million). At the end of 2015, the defined benefit obligation related to the reimbursement rights amounts to EUR 25.1 million (2014: EUR 25.0 million). This same defined benefit obligation has in addition plan assets of EUR 12.5 million (2014: EUR 12.6 million).

Characteristics of the main defined benefit plans

Characteristic	United Kingdom	Germany	The Netherlands
Entitlement	Pension entitlements are based on a percentage of final salary (closed to new employees).	Pension entitlements are based on a percentage of the average salary of the last 10 years.	Pension entitlements are based on a percentage of the average salary (maximum of EUR 0.1 million - closed to new employees).
Number of participants	196 active members (2014: 209 active members). 0 inactive members (2014: 0 inactive members).	503 active members (2014: 504 active members). 407 inactive members (2014: 389 inactive members).	356 active members (2014: 371 active members). 1,355 inactive members (2014: 1,351 inactive members).
Defined benefit obligation	EUR 263 million (2014: EUR 252 million).	EUR 111 million (2014: EUR 109 million).	EUR 310 million (2014: EUR 309 million).
Plan assets	EUR 281 million (2014: EUR 252 million).	EUR 70 million (2014: EUR 69 million). Assets of EUR 17.9 million (2014: EUR 16.5 million) are recognised as part of the financial investments.	EUR 297 million (2014: EUR 297 million).
Remeasurement gain (loss) through OCI	EUR 6.4 million - gain (2014: EUR 5.8 million - gain).	EUR 0.0 million - gain (2014: EUR 11.7 million - loss).	EUR 1.4 million - loss (2014: EUR 10.1 million - loss).
Funding arrangement	The basis of the funding agreement lies in the Trust Deed and Rules. The pension fund performs triennial actuarial valuations to determine employer contributions.	A Contractual Trust Agreement is established as a financing vehicle to cover part of the pension liabilities. There is no specific funding arrangement although the assets must exceed the initially funded amount of EUR 39.2 million.	The employer pays a yearly base premium as a percentage of the total sum of eligible salaries of all active participants which cannot be below the cost-effective premium for that year.
Employee contributions	In 2015 contributions amounted to 5% (2014: 3.5%) of the eligible salary.	None; all contributions are made by the employer.	Employees contribute 7% of their eligible salary.
ALM-strategy	Every three years an ALM-study is performed to review the investment policy. The investment policy is to hold government and corporate bonds in respect of pensioners to broadly match their liabilities and to hold assets expecting to deliver a return in respect of the non-pensioners.	The investment objectives and policies are developed based on an ALM-study. The investment policy limits the interest rate risk by restricting the investment in bonds to fixed rate bonds. Equity price risk is controlled by investing according to the Dow Jones Euro Stoxx 50 Index.	At least once every three years an ALM-study is performed in which the impact of the strategic investment policies are analysed. The interest rate risk is partially hedged within the investment portfolio by the use of debt instruments in combination with liability driven investment funds.



Fair value of plan assets

The fair value of plan assets at the end of the reporting period is analysed in the following table:

Plan assets	2015	2014
Cash and cash equivalents	1,739	6,256
Equity instruments	259,188	242,098
Debt instruments	216,346	184,667
Investment funds	173,494	188,655
Insurance contracts	20,604	19,550
Real estate	15,623	13,056
Total	686,994	654,282

All equity and debt securities have quoted prices in active markets. The plan assets do not include any of the Group's own financial instruments, nor any property occupied or other assets used by the Group.

The expected rates of return on individual categories of plan assets are determined by reference to relevant indices published by the stock exchange of the particular country. The overall expected rate of return is calculated by weighting the individual rates for each asset class in accordance with the anticipated balance in the plan's investment portfolio. The actual return on plan assets (including reimbursement rights) was EUR 5.8 million (2014: EUR 97.6 million).

In 2016 the Group expects to contribute approximately EUR 17.0 million to defined benefit plans.

Actuarial assumptions

The principal assumptions used for the purpose of the actuarial valuations of the three main defined benefit plans are presented in the following table:

Principal actuarial assumptions	United Kingdom		Germany		The Netherlands	
	2015	2014	2015	2014	2015	2014
Discount rate	3.75%	3.75%	2.25%	2.25%	2.25%	2.25%
Price inflation rate	3.25%	3.25%	1.75%	1.75%	1.75%	1.75%
Expected increase of future salaries	2.75%	3.25%	2.80%	2.80%	1.75%	1.75%
Expected increase of future benefit levels	3.00%	3.00%	1.50%	1.50%	0.875%	0.75%
Mortality table	CMI 2015 (1.5% LTR)	CMI 2012 (1.5% LTR)	Heubeck Richttafeln 2005 G	Heubeck Richttafeln 2005 G	Prognosetafel AG2014 + adjusted experience	Prognosetafel AG2014 + adjusted experience
Duration in years	19	20	17	17	20	21

An approximation of the sensitivity of the relevant actuarial assumptions, holding other assumptions constant, would impact the total defined benefit obligation of the main pension plans by the amounts shown below:



Defined benefit obligation	2015		2014	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(115,940)	154,362	(117,585)	154,899
Price inflation rate (1% movement)	90,408	(76,652)	90,916	(78,359)
Future salary growth (1% movement)	21,031	(19,398)	20,181	(18,773)
Future pension growth (1% movement)	121,160	(100,601)	120,477	(94,794)
Future mortality (+1 year)	23,098	n/a	22,746	n/a

17.2 Defined benefit costs

A total defined benefit cost of EUR 20.6 million (2014: EUR 7.6 million) is recognised in the income statement under net operating expenses (see Note 27). EUR 20.8 million (2014: EUR 6.6 million) relates to pension plans and EUR -0.2 million (2014: EUR 1.0 million) to other long-term employee benefits.

18 Insurance contracts

Credit insurance	Gross	Reinsurance asset	Net	Gross	Reinsurance asset	Net
	2015			2014		
Claims reported and loss adjustment expenses	344,344	(168,041)	176,303	288,282	(152,236)	136,046
Claims incurred but not reported	563,726	(255,644)	308,082	493,010	(221,579)	271,431
Claims provisions	908,070	(423,685)	484,385	781,292	(373,815)	407,477
Provision for unearned premium	292,852	(99,961)	192,891	286,044	(82,597)	203,447
Total	1,200,922	(523,646)	677,276	1,067,336	(456,412)	610,924
Bonding						
Claims reported and loss adjustment expenses	185,524	(91,543)	93,981	260,637	(140,907)	119,730
Claims incurred but not reported	67,173	(8,118)	59,055	54,306	(7,202)	47,104
Claims provisions	252,697	(99,661)	153,036	314,943	(148,109)	166,834
Provision for unearned premium	195,172	(66,542)	128,630	189,872	(64,441)	125,431
Total	447,869	(166,203)	281,666	504,815	(212,550)	292,265
Total insurance contracts	1,648,791	(689,849)	958,942	1,572,151	(668,962)	903,189
Current	1,130,609	(473,043)	657,566	1,084,203	(461,870)	622,333
Non-current	518,182	(216,806)	301,376	487,948	(207,092)	280,856

The liabilities for gross claims reported, loss adjustment expenses and claims incurred but not reported are net of expected recoveries from salvage and subrogation.



18.1 Claims development tables

The claims development tables provide an overview of how the Group's recognised claims costs for underwriting years 2006-2015 have changed at successive financial year-ends. This overview also provides a breakdown of the claims provisions (claims reported and loss adjustment expenses and claims incurred but not reported) that are held against each underwriting year as at 31 December 2015. Underwriting year here means the year in which the risks were accepted; for reinsurance business it is the treaty year.

Credit Insurance – Gross

Claims development per underwriting year – (EUR million)

Year when risk was taken	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Estimate of gross claims incurred:											
at the end of the year when risk was taken	737.3	787.9	1,438.9	749.0	515.2	739.7	809.6	682.1	753.0	829.6	
one year later	769.9	1,050.7	1,992.9	644.8	500.3	694.4	764.0	586.0	734.6		
two years later	744.4	1,069.4	2,116.2	620.6	451.2	670.4	704.9	554.6			
three years later	742.9	1,081.1	2,122.5	592.0	437.4	663.5	696.3				
four years later	738.5	1,084.9	2,136.2	578.7	438.9	649.7					
five years later	743.0	1,094.0	2,126.1	577.0	432.1						
six years later	738.0	1,090.5	2,120.0	569.5							
seven years later	736.1	1,089.3	2,103.4								
eight years later	736.2	1,080.4									
nine years later	734.0										
Current estimate of cumulative claims	734.0	1,080.4	2,103.4	569.5	432.1	649.7	696.3	554.6	734.6	829.6	8,384.2
Cumulative payments to date	729.1	1,070.5	2,091.2	566.4	437.5	651.5	683.7	530.7	584.2	150.3	7,495.1
Claims provision at 31 December 2015 in respect of 2006 - 2015	4.9	9.9	12.2	3.1	(5.4)	(1.8)	12.6	23.9	150.4	679.3	889.1
In respect of prior years (before 2006)											19.0
Total											908.1

The table contains recognised claims costs only. It excludes the impact of losses from risks that have been accepted for which the premium has yet to be earned. The consequence of this is that the claims expense for a particular underwriting year can increase in future financial years as both the premium and losses are recognised in the income statement. This is relevant for the credit insurance business written by Crédito y Caución, the reinsurance business and instalment credit protection. The premium earned for underwriting years 2012-2014 in the current financial year for these blocks of business was EUR 126.3 million.

Underwriting year 2015 is currently higher than underwriting year 2014 at the end of 2014 due to one large case for which EUR 90 million is included in the claim costs for 2015.

The claims development tables are presented on a gross basis. The effect of risk mitigation is in line with our quota share treaties as included in Note 4.2, detailing further disclosures on insurance risk. The overall impact of risk mitigation on claims provisions (for all underwriting years combined) is approximately 47%. Risk mitigation for gross claims incurred as shown in this table varies between 45% and 47%. These differ from the quota share treaties due to the private instalment credit protection and the inward reinsurance business which are not ceded.



Bonding - Gross

Claims development per underwriting year – (EUR million)

Year when risk was taken	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Estimate of gross claims incurred:											
at the end of the year when risk was taken	12.5	8.8	13.2	10.7	10.2	19.3	19.0	21.7	19.0	21.0	
one year later	8.5	25.6	33.2	22.1	25.7	48.8	48.7	32.6	34.6		
two years later	21.6	29.2	38.8	30.7	36.4	60.8	53.7	39.1			
three years later	24.5	34.0	45.6	34.8	43.4	62.8	58.4				
four years later	27.8	30.1	49.3	36.2	43.4	57.4					
five years later	21.6	29.3	50.6	38.4	42.4						
six years later	22.1	31.8	52.1	38.1							
seven years later	25.9	41.1	53.8								
eight years later	30.7	45.1									
nine years later	33.9										
Current estimate of cumulative claims	33.9	45.1	53.8	38.1	42.4	57.4	58.4	39.1	34.6	21.0	423.8
Cumulative payments to date	23.1	30.9	41.9	26.3	26.3	43.4	31.4	12.6	6.4	0.9	243.2
Claims provision at 31 December 2015 in respect of 2006 - 2015	10.8	14.2	11.9	11.8	16.1	14.0	27.0	26.5	28.2	20.1	180.6
In respect of prior years (before 2006)											72.1
Total											252.7

The claims costs do not include an estimate for future claim payments on cases where the Group does not yet have adverse information. This explains the increase in claims costs over time. For bonding, the Group typically earns premium in proportion to the length of time involved, over the tenor of the bond, meaning that while an increase in the claims incurred can be seen, premium will also be recognised and this cannot be seen in the table above. The premium earned for underwriting years 2012-2014 in the current financial year was EUR 72.4 million.

As described in Note 4.2.6, bonding tends to be longer tail business and around half of the bonds written have tenors of over two years. The development for 2012, 2013 and 2014 is EUR 14.9 million, 21% of the premium earned for these years in 2015. The remaining claims provisions for prior years are EUR 72.1 million, almost halved compared to the end of 2014 due to an agreement reached with a beneficiary in Italy.

The claims development tables are presented on a gross basis. The effect of risk mitigation is in line with our quota share treaties as included in Note 4.2, detailing further disclosures on insurance risk. The overall impact of risk mitigation on claims provisions (for all underwriting years combined) is approximately 39%. Risk mitigation for gross claims incurred as shown in this table varies between 26% for the more recent years to 66% for the years prior to 2006. This is due to a relatively higher retention in recent years and due to the inward reinsurance business which is not ceded.



18.2 Insurance liabilities and reinsurance assets

18.2.1 Changes in insurance liabilities and reinsurance assets

Credit insurance	Gross	Reinsurance asset	Net	Gross	Reinsurance asset	Net
	2015			2014		
Balance at 1 January	781,292	(373,815)	407,477	751,867	(370,625)	381,242
Claims paid in the year	(577,433)	268,151	(309,282)	(544,441)	241,362	(303,079)
Increase/(decrease) in liabilities arising from claims	666,553	(319,711)	346,842	552,954	(235,294)	317,660
Foreign exchange rate and other movements	37,658	1,690	39,348	20,912	(9,258)	11,654
Balance at 31 December	908,070	(423,685)	484,385	781,292	(373,815)	407,477
Claims reported and loss adjustment expenses	344,344	(168,041)	176,303	288,282	(152,236)	136,046
Claims incurred but not reported	563,726	(255,644)	308,082	493,010	(221,579)	271,431
Total	908,070	(423,685)	484,385	781,292	(373,815)	407,477
Bonding						
Balance at 1 January	314,943	(148,109)	166,834	315,215	(153,014)	162,201
Claims paid in the year	(74,298)	36,047	(38,251)	(50,752)	13,977	(36,775)
Increase/(decrease) in liabilities arising from claims	16,081	10,823	26,904	49,651	(9,108)	40,543
Foreign exchange rate and other movements	(4,029)	1,578	(2,451)	829	36	865
Balance at 31 December	252,697	(99,661)	153,036	314,943	(148,109)	166,834
Claims reported and loss adjustment expenses	185,524	(91,543)	93,981	260,637	(140,907)	119,730
Claims incurred but not reported	67,173	(8,118)	59,055	54,306	(7,202)	47,104
Total	252,697	(99,661)	153,036	314,943	(148,109)	166,834
Claims provisions	1,160,767	(523,346)	637,421	1,096,235	(521,924)	574,311



18.2.2 Provision for unearned premium

Credit insurance	Gross	Reinsurance asset	Net	Gross	Reinsurance asset	Net
	2015			2014		
Balance at 1 January	286,044	(82,597)	203,447	263,497	(77,081)	186,416
Movement in the period	7,184	230	7,414	13,914	(6,583)	7,331
Foreign exchange rate and other movements	(376)	(17,594)	(17,970)	8,633	1,067	9,700
Balance at 31 December	292,852	(99,961)	192,891	286,044	(82,597)	203,447
Bonding						
Balance at 1 January	189,872	(64,441)	125,431	155,715	(54,171)	101,544
Movement in the period	10,011	(3,065)	6,946	31,661	(10,702)	20,959
Foreign exchange rate and other movements	(4,711)	964	(3,747)	2,496	432	2,928
Balance at 31 December	195,172	(66,542)	128,630	189,872	(64,441)	125,431
Provision for unearned premium	488,024	(166,503)	321,521	475,916	(147,038)	328,878

18.3 Stop-loss reinsurance scheme

A stop-loss reinsurance scheme, in Spain, provided by Consorcio de Compensación de Seguros, was both entered into and cancelled by the Group in 2009. After five years, this stop-loss reinsurance scheme is considered settled in 2014. The impact of this stop-loss reinsurance scheme on the Group's income statement in 2015 was a loss of EUR 24 thousand (2014: a loss of EUR 10.3 million).

19 Provisions

2015	Restructuring	Onerous contracts	Litigation	Total
Balance at 1 January	2,564	18	1,699	4,281
Additional provisions	4,025	-	347	4,372
Unused amounts reversed	(853)	3	(121)	(971)
Utilised	(838)	(21)	(264)	(1,123)
Effect of movements in foreign exchange rates	29	-	-	29
Balance at 31 December	4,927	-	1,661	6,588
Current	774	-	-	774
Non-current	4,153	-	1,661	5,814



2014	Restructuring	Onerous contracts	Litigation	Total
Balance at 1 January	4,960	72	1,287	6,319
Additional provisions	383	-	746	1,129
Unused amounts reversed	(3)	-	(37)	(40)
Utilised	(2,806)	(56)	(297)	(3,159)
Effect of movements in foreign exchange rates	30	2	-	32
Balance at 31 December	2,564	18	1,699	4,281
Current	1,167	18	-	1,185
Non-current	1,397	-	1,699	3,096

Restructuring

In 2015 a provision of EUR 4.0 million was created due to an intragroup reorganisation which will bring together Atradius Credit Insurance N.V. and Compañía Española de Seguros y Reaseguros de Crédito y Caucción S.A.u., into one legal entity. The remaining EUR 0.9 million comprises of termination benefits for a total of 23 positions of which 16 have already left the workforce.

Onerous contracts

The provision for onerous contracts represents the future lease payments that the Group is presently obliged to make under non-cancellable onerous operating lease contracts. The onerous contract to which the provision was related, expired in 2015.

Litigation

The litigation provision is related to disputes with third parties that are not related to the insurance business of the Group. Insurance business related litigation provisions are included in the provisions for outstanding claims. The provision relates to the estimated cost including the costs of legal proceedings of any non-insurance claims against the Group. These provisions have not been discounted to reflect present value since the effect of discounting is not material.

20 Deferred and current income tax

Current income tax

	2015	2014
Current income tax assets	21,288	12,566
Current income tax liabilities	31,641	36,191
Net	(10,353)	(23,625)

The current income tax assets consist mainly of advances paid for local income tax. The current income tax liabilities consist mainly of income and other local taxes payable.



Deferred income tax

	2015	2014
Deferred income tax assets before set-off	157,987	114,062
Set-off of deferred tax positions	(105,022)	(11,711)
Net deferred tax assets as presented in the statement of financial position	52,965	102,351
Deferred income tax liabilities before set-off	217,176	145,233
Set-off of deferred tax positions	(105,022)	(11,711)
Net deferred tax liabilities as presented in the statement of financial position	112,154	133,522

The gross movement on the deferred income tax is presented in the following table:

	2015	2014
Balance at 1 January	(31,171)	(10,123)
Credit (charge) to other comprehensive income for the year	364	5,166
Charge to the income statement for the year	(29,431)	(28,124)
Effect of movements in foreign exchange rates	1,049	1,910
Balance at 31 December	(59,189)	(31,171)

The movement in the deferred tax assets and liabilities is presented in the following table:

2015	Balance at 1 January	Recognised in other comprehensive income for the year	Recognised in the income statement for the year	Effect of movements in foreign exchange	Balance at 31 December
Tax losses carried forward	22,037	-	(7,463)	(119)	14,455
Technical balances	12,915	-	(9,835)	(73)	3,007
Pensions	19,023	(1,399)	1,628	250	19,502
Fiscal goodwill	21,213	-	(8,391)	(48)	12,774
Financial investments	(10,348)	1,763	759	(3)	(7,829)
Equalisation provisions	(77,314)	-	(24,586)	1,020	(100,880)
Property, plant and equipment	(12,917)	-	(652)	14	(13,555)
Other	(5,780)	-	19,109	8	13,337
Total	(31,171)	364	(29,431)	1,049	(59,189)



2014	Balance at 1 January	Recognised in other comprehensive income for the year	Recognised in the income statement for the year	Effect of movements in foreign exchange	Balance at 31 December
Tax losses carried forward	23,689	-	(1,940)	288	22,037
Technical balances	12,133	-	739	43	12,915
Pensions	21,544	6,586	(9,261)	154	19,023
Fiscal goodwill	24,336	-	(3,116)	(7)	21,213
Financial investments	(8,975)	(1,420)	7	40	(10,348)
Equalisation provisions	(59,958)	-	(18,263)	907	(77,314)
Property, plant and equipment	(16,804)	-	3,803	84	(12,917)
Other	(6,088)	-	(93)	401	(5,780)
Total	(10,123)	5,166	(28,124)	1,910	(31,171)

One of the main Group subsidiaries, Atradius Credit Insurance N.V., the Netherlands (ACI N.V.), operates in a branch structure. ACI N.V. is part of the fiscal unity in the Netherlands, headed by Atradius N.V. Due to the branch structure, until the end of 2011 losses of foreign branches could immediately be offset against the current tax liability of the fiscal unity of which ACI N.V. is part. However, as Dutch tax law provides for recapture rules once foreign branches become profitable again, a corresponding deferred income tax liability is recognised.

As per 1 January 2012, all results from foreign branches are exempt from tax in the Netherlands.

Deferred income tax assets are recognised for tax losses carried forward, unused tax credits, and deductible temporary differences, to the extent that it is probable that taxable profits will be available against which the unused tax losses carried forward, unused tax credits, and deductible temporary differences can be utilised. In 2015, EUR 2.5 million deferred tax assets on the losses carried forward and deductible temporary difference were written down or not recognised (2014: EUR 3.3 million). This is partly offset by the reversals of the impairments, prior year adjustments and foreign exchange.

The Group has unrecognised tax losses carried forward balances amounting to EUR 50.7 million (2014: EUR 47.7 million). The expiration of these unrecognised tax losses carried forward is included in the following table:

Expiration unrecognised tax losses carried forward	2015	2014
1 - 3 years	624	4,017
4 - 9 years	6,128	6,981
Indefinite	43,946	36,730
Total	50,698	47,728

The decrease of unrecognised tax losses is mainly due to the reversal of impairment of deferred tax assets on the losses carried forward mentioned above.



The deferred and current income tax charged or credited to other comprehensive income during the year is presented in the following table:

	Deferred tax	Current tax	Deferred tax	Current tax
	2015		2014	
Revaluation reserve in shareholders equity related to:				
Available-for-sale financial investments	1,763	(98)	(1,420)	(829)
Pension reserve in shareholders equity related to:				
Recognised actuarial gains/(losses)	(1,399)	-	6,586	-
Currency translation reserve in shareholders equity related to:				
Currency translation reserve	-	(400)	-	(1,032)
Total	364	(498)	5,166	(1,861)

21 Payables

	2015	2014
Accounts payable on insurance and reinsurance business	161,835	183,078
Payables arising out of reinsurance operations	80,320	92,731
Amounts due to policyholders	67,719	77,037
Amounts due to intermediaries and current account Dutch State	13,796	13,310
Trade and other accounts payable	33,372	42,275
Accounts payable	25,250	37,072
Other accounts payable	8,122	5,203
Total	195,207	225,353

The payables are substantially all current.

22 Other liabilities

	2015	2014
Ceded pipeline premium and return premium	164,415	150,944
Deposits received from reinsurers	47,005	51,702
Unearned reinsurance commission	57,418	49,429
Payroll and bonus accruals	39,374	39,769
Reinsurance accruals	32,385	29,779
Other accruals	52,723	48,115
IPT and stamp duties payable	6,364	7,435
Other taxes	12,289	9,840
Total	411,973	387,013

Other liabilities are substantially all current.



23 Net premium earned

Credit insurance	Gross	Reinsurers' share	Net	Gross	Reinsurers' share	Net
	2015			2014		
Written premium	1,388,554	(625,420)	763,134	1,318,880	(599,718)	719,162
Change in provision for unearned premium	(7,184)	(230)	(7,414)	(13,914)	6,583	(7,331)
Other movements	(793)	294	(499)	6,123	(2,935)	3,188
Total	1,380,577	(625,356)	755,221	1,311,089	(596,070)	715,019
Bonding						
Written premium	166,416	(52,332)	114,084	178,765	(57,670)	121,095
Change in provision for unearned premium	(10,011)	3,065	(6,946)	(31,661)	10,702	(20,959)
Other movements	23	15	38	(37)	(5)	(42)
Total	156,428	(49,252)	107,176	147,067	(46,973)	100,094
Total premium earned	1,537,005	(674,608)	862,397	1,458,156	(643,043)	815,113

24 Service and other income

	2015	2014
Collections and recovery services	39,982	37,033
Information services and fees	121,454	115,254
Other service income	19,318	16,760
Total	180,754	169,047

Information services income and fees are part of the insurance segment. Collections and recovery services and other service income are part of the service segment.



25 Net income from investments

Net investment income by type of investment	2015	2014
Income		
Debt securities available-for-sale	14,049	12,799
Loans	10	62
Equity securities available-for-sale	23,738	18,756
Other investments	1,062	2,871
Total income from financial investments	38,859	34,488
Investment property	798	502
Total investment income	39,657	34,990
Expenses		
Debt securities available-for-sale	(469)	(640)
Equity securities available-for-sale	(902)	(38)
Handling expenses	(2,757)	(2,367)
Total expenses from financial investments	(4,128)	(3,045)
Investment property	(295)	(1,355)
Total investment expenses	(4,423)	(4,400)
Net income from investments	35,234	30,590
Share of income of associated companies	782	7,247
Net income from investments including associated companies	36,016	37,837
Net investment income by nature of income/(expense)	2015	2014
Income		
Interest	12,300	13,761
Dividends	7,034	5,712
Realised gains	19,894	15,015
Rental income from investment property	429	502
Total	39,657	34,990
Expenses		
Handling expenses	(2,757)	(2,367)
Realised losses	(301)	(675)
Impairment loss	(1,204)	(1,199)
Depreciation of investment property	(161)	(159)
Total	(4,423)	(4,400)
Net income from investments	35,234	30,590
Share of income of associated companies	782	7,247
Net income from investments including associated companies	36,016	37,837

In interest income and expenses reported above, the component related to financial investments available-for-sale is net EUR 11.2 million (2014: EUR 10.8 million); this is derived from government and corporate bonds.



Net gains/(losses) by category	Impairments	Realised gains/(losses)	Impairments	Realised gains/(losses)
	2015		2014	
Investment property	(134)	370	(1,196)	-
Financial assets classified as available-for-sale	(1,070)	19,223	(3)	14,340
Total	(1,204)	19,593	(1,199)	14,340

26 Insurance claims

Credit insurance	Gross	Reinsurers' share	Net	Gross	Reinsurers' share	Net
	2015			2014		
Claims paid in the year	577,433	(268,151)	309,282	544,441	(241,362)	303,079
Change in claims provisions	89,121	(51,560)	37,561	8,513	6,069	14,582
Claims handling expenses	34,021	-	34,021	32,218	-	32,218
Total	700,575	(319,711)	380,864	585,172	(235,293)	349,879
Bonding						
Claims paid in the year	74,298	(36,047)	38,251	50,752	(13,977)	36,775
Change in claims provisions	(58,217)	46,870	(11,347)	(1,101)	4,869	3,768
Claims handling expenses	1,866	-	1,866	1,828	-	1,828
Total	17,947	10,823	28,770	51,479	(9,108)	42,371
Total insurance claims	718,522	(308,888)	409,634	636,651	(244,401)	392,250

For more detail on the change in claims provisions, see Note 18.2.1.



27 Net operating expenses

	2015	2014
Total administrative expenses	467,924	436,852
Acquisition costs	205,232	196,273
Change in deferred acquisition costs	(2,519)	(4,168)
Gross operating expenses	670,637	628,957
Commissions received for business ceded to reinsurers	(262,763)	(242,737)
Total net operating expenses	407,874	386,220

Administrative expenses by type of business	2015	2014
Insurance and information expenses	432,999	407,722
Recoveries and collections expenses	42,789	42,537
Other service expenses	12,518	11,715
Group costs	15,505	8,924
Total gross administrative expenses	503,811	470,898
Claims handling expenses allocated to insurance claims	(35,887)	(34,046)
Total administrative expenses	467,924	436,852

As part of the gross administrative expenses, depreciation, amortisation and impairment charges for intangible assets and property, plant and equipment amount to EUR 26.5 million (2014: EUR 32.4 million).

Employee benefit expenses	2015	2014
Salaries and wages (including social security costs)	279,526	269,348
Restructuring costs and termination benefits	3,172	380
Pension costs - defined contribution plans	9,880	9,348
Pension costs - defined benefit plans	20,557	7,642
Total employee benefit expenses	313,135	286,718

For an explanation of the employee benefit details see Note 17.

28 Finance expenses

	2015	2014
Interest and fees on the subordinated loan	13,333	8,825
Net interest on the net defined benefit liability	1,026	2,604
Other interest expense	2,875	3,503
Foreign exchange (income)/expense	363	1,210
Total	17,597	16,142

The subordinated loan costs include the periodic interest expenses of EUR 13.1 million (2014: EUR 8.3 million) and the accretion of interest on the loan in the amount of EUR 0.2 million (2014: EUR 0.5 million).



29 Income tax

	2015	2014
Current tax	40,518	43,056
Deferred tax	29,431	28,124
Income tax expense/(income) for the year	69,949	71,180

The reconciliation from the expected tax rate to the actual tax rate is provided in the following table:

	2015	2014
Result before tax	248,170	232,370
Tax calculated at domestic tax rates applicable to results in the respective countries	69,188	67,121
Tax exempt (income)/loss	(2,036)	663
Write down/(reversal) of deferred tax assets	745	2,024
Reassessment of prior year local tax positions	(1,821)	(1,207)
Impact of change in tax rate	611	(2,917)
Other	3,262	5,496
Income tax expense/(income) for the year	69,949	71,180

The weighted average applicable tax rate was 27.8% (2014: 28.9%).

Deferred tax assets relating to losses carried forward in certain entities have been impaired. This is included in 'write down (reversal) of deferred tax assets'.

The impact of the change in tax rate in 2015 reflects the effect of changes in income tax rate in Italy, UK, Spain and Norway and in 2014 in Spain.

30 Dividends per share

The dividends paid in 2015 and 2014 were EUR 64.9 million (EUR 0.82 per share) and EUR 53.8 million (EUR 0.68 per share) respectively.

31 Assets not freely disposable

The financial assets not freely disposable in 2015 are EUR 311.6 million (2014: EUR 264.5 million). Assets that are not freely disposable consist of financial investments, properties and cash that have been held mainly for local regulatory purposes and can be used to cover technical provisions. The amount of pledged assets not covering technical provisions is EUR 76.4 million (2014: EUR 76.7 million).

32 Capital commitments

Capital commitments of EUR 16.4 million (2014: EUR 17.7 million) are related to contracted obligations for future payments for outsourcing, networking, imaging and licences.



33 Operating leases

Non-cancellable operating lease commitments are included in the following table:

	2015	2014
Less than one year	22,094	22,377
Between one and five years	69,508	70,749
More than five years	27,223	27,770
Total	118,825	120,896

The Group leases office equipment and office space under a number of operating lease agreements. The lease contracts have remaining terms of between 1 and 20 years. The leasing of office space represents around 93% (2014: 94%) of the total future payments regarding operating leases.

During the year an amount of EUR 24.1 million (2014: EUR 24.4 million) has been recognised as expense.

34 Personnel

The number of employees working for the Group are included in the following table:

	2015	2014
Total average number of employees (full-time equivalent)	3,153	3,132
Total year end number of employees (full-time equivalent)	3,161	3,139
Total year end number of employees (headcount)	3,333	3,298

35 Related party transactions

The following table provides the total value of transactions which have been entered into with related parties in the financial year:

	2015		2014	
	Associated companies	Parent ⁽¹⁾	Associated companies	Parent ⁽¹⁾
Sales to related parties	12,295	36	12,534	1,023
Purchases from related parties	2,950	1,650	2,549	71
Amounts owed by related parties	-	8,770	425	9,661
Amounts owed to related parties	4	-	1,252	191

⁽¹⁾ Subsidiaries of Grupo Catalana Occidente, S.A.

Reinsurance includes transactions with associated companies.

Sales to related parties consist of the net effect of Reinsurance business (premiums, claims, recoveries and commission) and for information services provided to the Group. Purchases from related parties consist of the net effect of (retro-) ceded insurance (premiums, claims, recoveries and commission). The amounts owed by related Group companies consist of the fair value of insurance policies as calculated under the requirements of IAS 19.

Terms and conditions of transactions with related parties



No guarantees have been provided or received for any related party receivables for 2015 or 2014. For the years ending 31 December 2015 and 2014, the Group has not raised any provision or expenses for doubtful debtors relating to amounts owed by related parties.

Sale of investment in associated company

In 2015, Atradius Participation Holdings B.V., sold its shares in Inversiones Credere S.A, to Grupo Catalana Occidente at a sale price of EUR 2.3 million.

Subordinated loan

Plus Ultra, Seguros Generales y Vida, S.A. de Seguros y Reaseguros, a subsidiary of the ultimate parent of the Group purchased on 23 September 2014 EUR 40 million (16%) of the guaranteed subordinated notes (see Note 16). In 2015 the interest expense relating to this portion was EUR 2.1 million.

All relationships with related parties are at arm's-length.

Compensation of key current and former management personnel of the Group

The following table provides details on the remuneration for members of the Management Board, Supervisory Board and other identified staff. Other identified staff are the members of the RSMB, not part of the Management Board, and other staff members that hold key management positions.

Remuneration	2015	2014
Management Board		
Short-term employee benefits ⁽¹⁾	2,824	2,240
Long-term employee benefits	426	1,180
Post-employment benefits	389	416
Total compensation paid to Management Board members	3,639	3,836
Number of members	5	5
Supervisory Board		
Short-term employee benefits ⁽¹⁾	450	485
Total compensation paid to Supervisory Board members	450	485
Number of members	8	8
Other identified staff		
Short-term employee benefits ⁽¹⁾	7,949	7,581
Long-term employee benefits	1,910	2,437
Post-employment benefits	798	843
Total compensation paid to other identified staff	10,657	10,861
Number of members	34	37

1) Short-term employee benefits include salaries, housing, social security, medical expenses, lease cars and other benefits. In 2014 a crisis tax levy of 16% as imposed by the Dutch government amounted to EUR 205,589 and related to the Management Board. The crisis tax levy was payable by the employer and was charged over income of employees exceeding EUR 150,000. These expenses are included in the remuneration costs mentioned. In 2015, this tax is no longer levied.

From the total compensation payable to Management Board members, EUR 3.2 million (2014: EUR 2.5 million) has been paid at the end of the reporting period. The remaining balance payable is subject to meeting the variable pay conditions. The Management Board and Supervisory Board members also participate in the Boards of some of the subsidiaries. Apart from this they do not have other relationships with the Company or its subsidiaries.



36 Events after the reporting period

There are no events to report.



Company financial statements 2015

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Company financial statements

Company statement of financial position (before profit appropriation)

Assets	Note	31.12.2015	31.12.2014
Fixed assets		1,497,451	1,394,078
Property, plant and equipment		43	63
Investments in group companies	3	1,497,408	1,394,015
Current assets		9,782	5,512
Receivables from group companies		3,432	474
Current income tax assets		-	1,502
Cash and cash equivalents		6,350	3,536
Total		1,507,233	1,399,590
Equity			
Capital and reserves attributable to the owners of the Company	4		
Share capital		79,122	79,122
Share premium reserve		580,437	716,267
Legal reserve participations		555,649	490,830
Retained earnings		106,820	(54,370)
Result for the year (unappropriated)		178,221	161,190
Total		1,500,249	1,393,039
Liabilities			
Provision for deferred tax liabilities	5	141	1,226
Current liabilities		6,843	5,325
Payables to group companies		36	1,364
Other liabilities	6	4,229	3,961
Current income tax liabilities		2,578	-
Total		6,984	6,551
Total equity and liabilities		1,507,233	1,399,590

Company income statement

	2015	2014
Income after tax from group companies	183,904	166,821
Other results after tax	(5,683)	(5,631)
Result for the year	178,221	161,190



Company statement of changes in equity

	Share capital	Share premium reserve	Legal reserve participations	Retained earnings	Result for the year	Total
Balance at 1 January 2014	79,122	828,389	433,783	(188,892)	134,522	1,286,924
Change in revaluation reserve and pension reserve group companies	-	-	(4,476)	-	-	(4,476)
Change in currency translation reserve	-	-	3,204	-	-	3,204
Net income recognised directly in equity	-	-	(1,272)	-	-	(1,272)
Appropriation of prior year result	-	-	-	134,522	(134,522)	-
Result for the year	-	-	-	-	161,190	161,190
Change in regulatory reserve	-	(58,319)	58,319	-	-	-
Dividends	-	(53,803)	-	-	-	(53,803)
Balance at 31 December 2014	79,122	716,267	490,830	(54,370)	161,190	1,393,039
Balance at 1 January 2015	79,122	716,267	490,830	(54,370)	161,190	1,393,039
Change in revaluation reserve and pension reserve group companies	-	-	(9,513)	-	-	(9,513)
Change in currency translation reserve	-	-	3,382	-	-	3,382
Net income recognised directly in equity	-	-	(6,131)	-	-	(6,131)
Appropriation of prior year result	-	-	-	161,190	(161,190)	-
Result for the year	-	-	-	-	178,221	178,221
Change in regulatory reserve	-	(70,950)	70,950	-	-	-
Dividends	-	(64,880)	-	-	-	(64,880)
Balance at 31 December 2015	79,122	580,437	555,649	106,820	178,221	1,500,249



Notes to the Company financial statements

1 General information

Atradius N.V. (referred to as the “Company”) is based in Amsterdam (The Netherlands),

The Company financial statements are part of the 2015 consolidated financial statements, which are also included in the annual report. The Company income statement is presented in abbreviated form in accordance with Article 402 of Book 2 of the Dutch Civil Code.

The Company has applied the provisions of Article 379, Subsection 5 of Book 2 of the Dutch Civil Code. The list referred to in this article has been included in the appendix and is filed at the offices of the Commercial Register in Amsterdam.

The Company has issued a statement of liability in accordance with Article 403, Book 2 of the Dutch Civil Code for the following Group companies: Atradius Collections B.V., Atradius Collections Holding B.V., Atradius Credit Management Services B.V. and Atradius Information Services B.V.

The Company financial statements have been authorised for issue by the Management Board on 2 March 2016.

2 Summary of significant accounting policies

2.1 Basis of presentation

The Company annual financial statements have been prepared in accordance with Part 9, Book 2 of the Dutch Civil Code. In the preparation of the Company annual financial statements, the provisions of Article 362, Subsection 8 of Book 2 of the Dutch Civil Code have been applied. The valuation principles for assets and liabilities and the method of determining the result are identical to those applied in the consolidated financial statements. Reference is made to the notes thereto.

All amounts in the notes are shown in thousands of Euro (EUR), rounded to the nearest thousand, unless otherwise stated.

2.2 Investments in Group companies

The Group companies are valued using the equity method in accordance with the accounting principles applied in the consolidated financial statements.

2.3 Legal reserve participations

Legal reserve participations have to be created under Dutch legislation for the reserves established by subsidiaries that cannot be distributed.



3 Investments in group companies

The following table shows the changes in investments in group companies valued using the equity method:

	2015	2014
Balance at 1 January	1,394,015	1,292,269
Share of profit/(loss)	183,904	166,821
Dividends received	(74,380)	(63,803)
Change in revaluation reserve and pension reserve	(9,513)	(4,476)
Foreign exchange reserve movements	3,382	3,204
Balance at 31 December	1,497,408	1,394,015

4 Capital and reserves

4.1 Share capital

The authorised share capital of Atradius N.V. amounts to EUR 250,000,000 and is divided into 250,000,000 ordinary shares with a nominal value of EUR 1 each (2014: the same) of which 79,122,142 ordinary shares were issued and full paid (2014: the same). The fully paid ordinary shares carry one vote per share and carry the right to dividends.

4.2 Share premium reserve

	2015	2014
Balance at 1 January	716,267	828,389
Transfer between legal reserve participations and share premium reserve	(70,950)	(58,319)
Dividends	(64,880)	(53,803)
Balance at 31 December	580,437	716,267

4.3 Legal reserve participations

	2015	2014
Balance at 1 January	490,830	433,783
Change in revaluation reserve and pension reserve group companies	(9,513)	(4,476)
Change in currency translation reserve	3,382	3,204
Change in regulatory reserve	70,950	58,319
Balance at 31 December	555,649	490,830

The total amount of equity in the company financial statements equals shareholders' equity in the consolidated financial statements. Certain components within equity are different in the company financial statements due to legal reserves, established by subsidiaries of Atradius N.V., which in accordance with Book 2, Part 9 of the Dutch Civil Code, Article 389, Subsection 6, cannot be distributed. In particular:

- changes in revaluation of Group companies, which consists of unrealised revaluations within consolidated Group companies presented in the revaluation reserve in the consolidated financial statements, and actuarial gains and losses and effect of asset ceilings within consolidated Group companies presented in the pension reserve in the consolidated financial statements, are presented together in the legal reserve participations in the company financial statements;
- foreign currency translations on consolidated Group companies, presented in the currency translation reserve in the consolidated financial statements, are presented in the legal reserve participations in the company financial statements;



- based on preliminary figures, the regulatory reserve mainly consists of the equalisation provision of EUR 433.2 million (2014: EUR 372.5 million), and minimum capital based on Solvency I requirements, of EUR 206.8 million (2014: EUR 201.4 million), both of which are stipulated by local insurance regulators.

The Company can build up the regulatory reserve from its retained earnings or from the share premium reserve by deducting each increase in the regulatory reserve from either one of these components. The Company decided to build up the regulatory reserve from the share premium reserve in both 2014 and 2015.

The following table shows the split of the legal reserve participations at the end of the reporting period:

	2015	2014
Revaluation reserve and pension reserve group companies	(58,664)	(49,151)
Currency translation reserve	(55,877)	(59,259)
Regulatory reserve	670,190	599,240
Total	555,649	490,830

4.4 Retained earnings

	2015	2014
Balance at 1 January	(54,370)	(188,892)
Appropriation of prior year result	161,190	134,522
Balance at 31 December	106,820	(54,370)

5 Provision for deferred tax liabilities

	2015	2014
Balance at 1 January	1,226	2,829
Utilised	(1,085)	(1,603)
Balance at 31 December	141	1,226

6 Other liabilities

	2015	2014
Other taxes	417	393
Long-term employee benefits	405	1,393
Other liabilities	3,407	2,175
Total	4,229	3,961

7 Contingencies

The Company has contingent liabilities in respect of guarantees arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities. The Company has given guarantees to third parties in the ordinary course of business amounting to EUR 0.5 million (2014: EUR 0.5 million).

Atradius N.V. is head of the Dutch fiscal unity for corporate income tax, consisting of Atradius N.V., Atradius Insurance Holding N.V., Atradius Credit Insurance N.V., Atradius Participations Holding B.V., Atradius Information Services B.V., Atradius Collections Holding B.V. and Atradius Collections B.V. All companies included in the fiscal unity are jointly and severally liable for the corporate income tax payable by the fiscal unity.



The Company, like all other insurers, is subject to litigation in the normal course of business. The Company believes that such litigation will not have a material effect on its profit or loss and financial condition.

The Company acts as the guarantor for the guaranteed subordinated loan, EUR 250 million, (2014: EUR 250 million) issued by Atradius Finance B.V. (see Note 16 of the consolidated financial statements).

8 Personnel

The number of employees (full-time equivalents) working for the Company:

	2015	2014
Total average number of employees (full-time equivalent)	6	6
Total year end number of employees	6	6

9 Auditor fees

The following expenses were made for audit and non-audit services rendered by the Group's external auditor:

2015	Deloitte Accountants B.V.	Other Deloitte Network organisations	Total Deloitte Network
Audit financial statements	1,035	1,332	2,367
Other audit services	257	162	419
Fiscal advisory services	-	-	-
Non-audit services	-	-	-
Total	1,292	1,494	2,786
2014	Deloitte Accountants B.V.	Other Deloitte Network organisations	Total Deloitte Network
Audit financial statements	1,028	1,274	2,302
Other audit services	135	71	206
Fiscal advisory services	-	-	-
Non-audit services	-	-	-
Total	1,163	1,345	2,508

These amounts relate to the actual expenses incurred for the audit of the related financial year, and other services, on an accrual basis.

10 Remuneration of Management Board and Supervisory Board

For information on remuneration of the members of the Management Board and the Supervisory Board: see Note 35 of the consolidated financial statements.



Other information



Proposed profit appropriation

1. Statutory appropriation of result

In accordance with article 24 of the Articles of Association the result for the year is at the disposal of the General Meeting.

2. Proposed appropriation of result

The Management Board proposes to the General Meeting to allocate the result for the year to the retained earnings and to make a distribution of EUR 71.2 million out of the retained earnings.



Events after the reporting period

There are no events to report.

Amsterdam, 2 March 2016

The Supervisory Board

Ignacio Álvarez (Chairman)
Francisco Arregui (Vice-Chairman)
Bernd Meyer
Dick Sluimers
José Ruiz
Xavier Freixes
Hugo Serra
Désirée van Gorp

The Management Board

Isidoro Unda (Chairman)
Andreas Tesch
Christian van Lint
Dominique Charpentier
Claus Gramlich-Eicher



Independent auditor's report

To: the Shareholders and the Supervisory Board of Atradius N.V.

Report on the financial statements

We have audited the accompanying financial statements 2015 of Atradius N.V., Amsterdam. The financial statements include the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated statement of financial position as per 31 December 2015, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes, comprising a summary of the significant accounting policies and other explanatory information. The company financial statements comprise the company statement of financial position as per 31 December 2015, the company income statement for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the consolidated management report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Atradius N.V. as per 31 December 2015 and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

Opinion with respect to the company financial statements

In our opinion, the company financial statements give a true and fair view of the financial position of Atradius N.V. as per 31 December 2015 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the consolidated management report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the consolidated management report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Amsterdam, 2 March 2016

Deloitte Accountants B.V.

R.J.M. Maarschalk



Glossary

Atradius Modula

A family of modular credit insurance policies, offering companies greater flexibility to tailor their policies to their specific needs.

Bonding (product)

The activity of providing guarantees that protect the beneficiary if the supplier fails to meet the agreed performance level. Bonding is also known as surety insurance.

Buyer

A customer of our insured customer (i.e. the holder of the credit insurance policy). Buyers carry a credit risk such as protracted default, insolvency and bankruptcy. This could lead to a financial loss for our customer/policyholder. Buyer underwriting is related to the assessment of this credit risk.

Buyer underwriting

The activity related to the risk acceptance of credit risk of buyers. Buyer underwriting determines the credit limits that are attached to the credit insurance policy and determines the amount for which shipments are insured. Buyers are assessed on financial and non-financial criteria, including financial status, profitability, liquidity, size, region, trade sector and payment experience.

Claim

An application by an insured customer for indemnification of a loss under the policy.

Claims ratio

A performance indicator that is defined as total claims including claims handling expenses divided by total insurance revenue.

Combined ratio

The combined ratio is calculated using the general insurance standard; the sum of the claims and the expenses divided by total insurance revenue.

Credit insurance (product)

Commercial and/or political risk insurance whereby the customer is protected against non-payment of trade receivables due to insolvency or default.

Credit limit

The maximum exposure specifically approved or otherwise authorised by the insurer in respect of a buyer.

Debt collection

Activity to collect monies owed by a company. Atradius offers this service to both insured customers and third parties.

Economic capital

The amount of risk capital, assessed on a realistic basis, required by a company to cover its risks assumed under insurance contracts.

European Economic Area (EEA)

The economic association of European countries, including all member countries of the European Union (EU) and Iceland, Norway, and Liechtenstein.

Eurozone

Refers to the European Union member states that have adopted the Euro as their currency.

Expense ratio

A performance indicator that is defined as total insurance expenses divided by total insurance revenue.

Exposure

Total amount underwritten by the insurer as cover on a buyer, a country, under a policy or under all policies.

Financial year

A period used for calculating annual financial statements but which does not require that the period reported on constitutes a calendar year.

Global

Atradius' product and service offering to multinational customers, which provides tailored credit management solutions for customers worldwide in several languages and currencies.

**Global Reporting initiative (GRI)**

A leading organisation in the sustainability field. GRI promotes the use of sustainability reporting as a way for organisations to become more sustainable and contribute to sustainable development. Allied with the UN Global Compact.

Insolvency

Legally recognised inability of a debtor to meet its commitments and pay its debts.

Instalment credit protection

Atradius' offering to financial and corporate policyholders in Belgium and Luxembourg, that protects against short and medium-term risks involved in multiple instalment agreements with private individuals and businesses (business-to-consumer).

Insurance revenue

The total of gross earned premium and information income (i.e. credit checking fees).

Medium-term business

Business (capital goods and major projects) transacted on credit terms of between two and five years.

Policyholder

Our insured customer; the party that purchases an insurance policy for protection against the risk of non-payment by (foreign or domestic) buyers and assumes responsibilities and obligations under that policy.

Policy underwriting

The activity related to establishing the terms and conditions of the insurance policy designed to mitigate unacceptable risks. These terms and conditions include premium rate, maximum credit periods, the insurer's maximum liability, the customer's own retention and other risk sharing and mitigation aspects.

Political risk

The risk that a government buyer or a country prevents the fulfilment of a transaction, or fails to meet its payment obligations, or the risk that is beyond the scope of an individual buyer or falls outside the individual buyer's responsibility.

Premium

Amount paid by an insured customer to the insurer in return for risk coverage.

Reinsurance

A risk-sharing operation, whereby the insurer obtains cover from a third party (the reinsurer) for part of the credit risks that it has guaranteed, in exchange for the payment of a premium.

Reinsurance business

The activity whereby Atradius acts as a reinsurance company for credit insurance and bonding business of primary insurers. This activity is performed by a dedicated team of underwriters at Atradius Reinsurance Ltd.

SME

Small and medium-sized enterprises.

Solvency II

An EU Directive that codifies the EU insurance regulation. It introduces a new regulatory framework and has come into effect on January 2016. The Solvency II Directive aims to create a harmonised, risk-orientated solvency regime resulting in capital requirements for (re) insurance companies that are more reflective of the risks they run. Its objectives are to deepen the integration of the EU insurance market, to improve the protection of policyholders and beneficiaries, to improve the international competitiveness of EU insurers and to instil better regulation of the EU insurance markets.

Underwriter

Person charged with risk acceptance, control of that risk and the setting of cover conditions on buyer/credit limits, including any country-specific terms of cover.

Underwriting year

The year in which a risk is accepted for a shipment from a customer/policyholder to its buyer. The underwriting year performance provides management with important insight into the buyer (risk) underwriting performance. In addition, it gives information about the most recent underwriting year performance without any impact from previous underwriting years.

UN Global Compact

A United Nations strategic policy initiative for Businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption.

Whole turnover policy

Protection provided to the insured in the form of a credit insurance policy that covers the total trade receivables portfolio of an insured customer against the risk of non-payment of its buyers (for commercial risks) and the country of the buyers (for political risks).



Overview of subsidiaries, associated companies and minority shareholdings

The following table sets forth, as at 31 December 2015, the name and jurisdiction of establishment of the subsidiaries, branches, associated companies and minority shareholdings of Atradius N.V. All companies are, directly or indirectly, wholly owned unless otherwise indicated. The companies are listed in alphabetical order

Name	Country	Ownership	Name	Country	Ownership
African Trade Insurance Agency	Kenya	1 share	Atradius Credit Management Services B.V.	Netherlands	
Al Mulla Atradius Insurance Consultancy & Brokerage (L.L.C.)	UAE	49%	Atradius Credit Management Services (RUS) LLC	Russia	
Atradius Collections B.V.	Netherlands		Atradius Dutch State Business N.V.	Netherlands	
Belgium branch	Belgium		Atradius Finance B.V.	Netherlands	
Canada branch	Canada		Atradius Information Services B.V.	Netherlands	
Czech Republic branch	Czech Republic		Belgium branch	Belgium	
Denmark branch	Denmark		Denmark branch	Denmark	
France branch	France		France branch	France	
Germany branch	Germany		Germany branch	Germany	
Hungary branch	Hungary		Ireland branch	Ireland	
Ireland branch	Ireland		Italy branch	Italy	
Italy branch	Italy		Japan branch	Japan	
Poland branch	Poland		Norway branch	Norway	
Atradius Collections Holding B.V.	Netherlands		Spain branch	Spain	
Atradius Collections Limited	Canada		Sweden branch	Sweden	
Atradius Collections Limited	Hong Kong		Switzerland branch	Switzerland	
Atradius Collections Limited	United Kingdom		Thailand branch	Thailand	
Atradius Collections Pte. Limited	Singapore		United Kingdom branch	United Kingdom	
Atradius Collections Pty. Limited	Australia		Atradius India Credit Management Services Private Ltd.	India	
Atradius Collections Serviços de Cobranças de Dívidas Ltda	Brazil		Atradius Insurance Holding N.V.	Netherlands	
Atradius Collections, S.A. de C.V.	Mexico		Atradius Investments Limited	Ireland	
Atradius Collections S.L.	Spain		Atradius Italia Intermediazioni S.R.L.	Italy	
Atradius Collections, Inc.	USA		Atradius Participations Holding B.V.	Netherlands	
Atradius Corporate Management Consulting (Shanghai) Co., Ltd.	China		Atradius Pension Trustees Ltd.	United Kingdom	
Atradius Credit Information & Consulting (Shanghai) Co. Ltd.	China		Atradius Reinsurance Limited	Ireland	
Atradius Credit Insurance Agency, Inc.	USA		Atradius Rus Credit Insurance LLC	Russia	
Atradius Credit Insurance N.V.	Netherlands		Atradius Seguros de Crédito, S.A.	Mexico	
Australia branch	Australia		Atradius Trade Credit Insurance, Inc.	USA	
Austria branch	Austria		ATRAL Trade Insurance Brokerage Yuhan Hoesa	South Korea	
Belgium branch	Belgium		CLAL Credit Insurance Ltd.	Israel	20%
Canada branch	Canada		Compagnie Tunisienne pour l'Assurance du Commerce Exterieur S.A.	Tunisia	4%
Czech Republic branch	Czech Republic		Compañía Española de Seguros y Reaseguros de Crédito y Caución, S.A.u.	Spain	
Denmark branch	Denmark		Portugal branch	Portugal	
Finland branch	Finland		Compañía de Seguros de Crédito Continental S.A.	Chile	50%*
France branch	France		Crédito y Caución do Brasil Gestao de Riscos de Crédito e Servicos LTDA	Brazil	
Germany branch	Germany		Crédito y Caución Seguradora de Crédito e Garantias S.A.	Brazil	
Greece branch	Greece		DAP Holding N.V.	Netherlands	2%
Hong Kong branch	Hong Kong		Graydon Holding N.V.	Netherlands	45%
Hungary branch	Hungary		Hotel Maatschappij de Wittenburg B.V.	Netherlands	3%
Ireland branch	Ireland		Iberinform Internacional S.A.u.	Spain	
Italy branch	Italy		Iberinmobiliaria, S.A.u.	Spain	
Japan branch	Japan		Informes Mexico, S.A. de C.V.	Mexico	
Luxembourg branch	Luxembourg		Invercyca, S.A.u.	Spain	
New Zealand branch	New Zealand		NCM (UK) Holdings Ltd.	United Kingdom	
Norway branch	Norway		NCM Credit Insurance Ltd.	United Kingdom	
Poland branch	Poland		NCM Teri Ltd.	United Kingdom	
Shanghai representative office	China		NCM UK Agency Ltd.	United Kingdom	
Singapore branch	Singapore		Nederlandse Financieringsmaatschappij voor Ontwikkelingslanden N.V.	Netherlands	1%
Slovakia branch	Slovakia		PT Atradius Information Services Indonesia	Indonesia	
Spain branch	Spain		Technical Credit Insurance Consultants S.A.	Belgium	
Sweden branch	Sweden		The Lebanese Credit Insurer s.a.l.	Lebanon	49%
Switzerland branch	Switzerland		Verenigde Assurantiebedrijven Nederland N.V.	Netherlands	0.65%
Turkey branch	Turkey				
United Kingdom branch	United Kingdom				



Disclaimer

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