



Achieving New Heights



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Atradius is a leading global credit insurance and credit management provider.

At our 90+ offices in 40 countries we make 12,000 credit decisions on behalf of our customers every working day. We annually protect EUR 400 billion in world trade against non-payment and many other risks, helping our customers trade wherever they want. We do this by researching new or established markets, continually updating intelligence on 45 million companies around the world and through our products and services, giving our customers the security and freedom they need to grow and to broaden their horizons. In 2006, we stretched ourselves more than ever before to achieve new heights – geographically, operationally and financially.

Our strategy

We focus on credit insurance and complementary services such as collections, business information, bonding and reinsurance. This enables us to increase the leverage of our credit insurance operations. We've expanded our credit insurance product offering to cater for the SME market, rolling out online policies and products requiring minimal administrative maintenance. As a result of this complete customer focus, Atradius offers a complete range of credit insurance policies, including political risk and single transaction cover.

Geographic strategy

In 2006 we strengthened existing markets and expanded our capabilities in new markets – Singapore, Hong Kong, Japan and China – to maximise the value and quality of service and information we offer our customers and help them to do business in these regions.

We increased the size of our office in Singapore to strengthen our offering, and invested in our Asian hub in Hong Kong to develop business further in Asia.

We also introduced new product offerings around the globe to provide the support our customers require to achieve their business objectives. The Atradius Modula policy, which tailors insurance cover to meet the needs of any business, is being extended around the world. Where this product is not suitable, we have dedicated teams that can create bespoke solutions for any customer, worldwide.

Looking ahead

Our 2006 record results were achieved by aiming high, remaining focused and achieving our goals with sustainable growth and improvement across all our business activities. This achievement is reflected in our customer retention rate, which increased from 88.6% in 2005 to 90.2% in 2006. In 2007 we look forward to building on this further.

In 2007 one of the most exciting events will be Atradius joining forces with Crédito y Caución, the leading Spanish insurance and bonding company. After the establishment of the Atradius Group with the merger of Gerling Credit and NCM in 2001, this merger follows compelling business logic. The combined group will create new opportunities to further Atradius' strategy whilst retaining its status as an international company headquartered in the Netherlands. We are confident that together, Atradius and Crédito y Caución will be able to achieve new heights in terms of value for customers, size, geographical reach, underwriting expertise and portfolio balance.

Company profile

At Atradius, we put the customer at the heart of everything we do. Offering superior value for our customers, no matter how large or small or what industry they operate in, is essential.

Corporate operational strategy

We know that the norm is simply not enough.

For us this means constantly monitoring, reviewing and improving everything we do including the quality of our services, systems, business practices and products. Our credit management knowledge and expertise coupled with our geographical proximity to so many of our clients' business operations is our unique selling proposition.

We rolled out a quality management framework across the Atradius Group in 2006, a key element of our operating strategy. This includes customer and broker panels that provide feedback on service levels and information updates used by product development teams throughout the development process.

We also continued to move underwriters closer to our customers in 2006, a commitment which delivers added value through a clearer explanation and understanding of decisions on credit limits. This information can alert customers to potential future problems with buyers, which could limit their financial flexibility and inhibit growth.

With Customiser, our group-wide contact management system, and the rollout of Atradius Connect, a service that keeps track of transactions and automatically updates them, we've reduced the workload for our staff and our customers, allowing us to focus more strategically on servicing their other needs.

Product philosophy: the Product Family

Our product innovation and development are inspired by three guiding principles:

- Customer-centric: our products are fuelled by concrete customer needs and are driven by insights gained from customer research
- Global: we develop products so that they can be launched in any market served by the Atradius Group
- Flexible: we deliberately develop modular products to allow customers to substitute one product for another or add other Atradius

products and services to their existing Atradius portfolio

We refer to this as the 'Product Family' approach. This enables us to offer the right product for every stage of our customer's credit management cycle – from business information products that support sales and marketing through to credit insurance and debt collection solutions that support their credit management procedures and protect their customer relationships.

Service philosophy: Easy access

We've launched several initiatives to raise the standard of our customer service.

We've enhanced our online policy management system, Serv@Net, to make it easier for customers to manage their credit insurance policy.

Our collections service has been strengthened with the launch of Collect@Net, an online real-time debt-management platform enabling customers to keep track of all the debts they have placed with us. All debt-management activities, from entering to tracking outstanding invoices, are incorporated into one integrated platform.

We also launched a fast-track system in 2006, Atradius Connect, which automatically transfers credit limit applications from customers' ledgers directly to the Atradius underwriting platform. The credit limit decisions are transferred back to the customers' ledgers in the same way, significantly reducing the administrative burden on both sides.

Products

Our primary goals are to create sustainable growth in revenues and profits and reduce profit volatility by balancing risk with reward. Atradius pursues these goals through traditional credit insurance and bonding products, and through the development of non-traditional propositions that protect against specialised commercial and political risks.

Apart from developing risk-based products, Atradius also makes a point of developing non-insurance products and services, to add value to



new and existing customer relationships and diversify our product portfolio. In 2006, the emphasis was on growing the recoveries and collections business.

Credit insurance

As Atradius' core business, we are well aware that when it comes to credit insurance one size does not fit all. That's why we develop credit insurance products to meet the specific needs of SME's, large domestic companies as well as multinationals.

SME's – our products support SME's through every stage of growth. In 2006 we rolled out Atradius Modula Focus in several European markets. The Modula Focus policy enables SME's to select the risks they want to cover and buy a policy online. Our distribution partners for the SME segment are important to us, and we have started to develop dedicated products for our distribution partners, an initiative we intend to pursue.

Large domestic companies – for large domestic companies we developed Atradius Modula, a modular credit insurance policy that allows Atradius' customers to select specific terms and conditions of cover. This enables the customer to build protection against non-payment, regardless of whether they are driven by customer specifics or the sector in which they operate. Atradius Modula can easily be combined with other Atradius product offerings such as collection services.

Multinationals – Atradius' Global Policy continues to offer uniquely sophisticated tailored credit management solutions for multinationals. This means that our customers have access to 'best in class' features, which includes stand-alone as well as standard term policies, dedicated

country teams servicing clients, and global underwriting expertise.

Special Products

Sometimes today's challenging and competitive global trading environment makes 'whole turnover' coverage insufficient. That's why we've developed practical bespoke solutions for exposures that often cannot be effectively addressed by more traditional credit management tools. These structured credit and political risk solutions offered by the Special Products team enable us to offer specialised commercial and political risk insurance products for large and complex transactions.

Instalment Credit Protection

Atradius Instalment Credit Protection manages and covers the short and medium-term risks involved in multiple instalment agreements with private individuals and businesses (such as consumer credit, leasing and renting) for financial and corporate policy holders in France, Belgium and Luxembourg. Atradius can help customers grow their business by helping to reduce equity requirements within the framework of the Basel 2 financial regulations and by making it easier for companies to obtain financing.

Reinsurance

Atradius Reinsurance underwrites the credit and surety business of primary insurers operating in many markets around the world. A dedicated team of underwriters, which operates as a legally and organisationally separate entity from the rest of the Atradius Group, allows primary insurers to use the capital and expertise of Atradius Reinsurance to expand their businesses and manage their risk profiles.



Bonding and guarantees

Atradius' wide range of bonding products puts customer companies in a stronger financial position when dealing with clients. A bond protects the buyer if the supplier fails to meet the agreed performance level. Atradius leads the French, Italian and Nordic non-banking bonding markets and has an international network of business partners with access to outstanding guarantee facilities in additional markets. Within this framework Atradius offers Bid bonds, Performance bonds, Advance Payment bonds, Maintenance bonds, Legal bonds, EU bonds and Customs bonds.

Debt collection

Atradius Collections helps customers to collect and recover trade debts without compromising sound business relationships with clients. We cover a total of 220 countries with a local presence in 14 markets and a global network of collections specialists, lawyers and insolvency practitioners. We specialise in business-to-business collections, leveraging the strength and information database of its core business of

credit insurance. With its international network, Atradius' competitive advantage draws on cross-border and overseas collections. Collections customers can also make use of the newly launched Collect@Net facility.

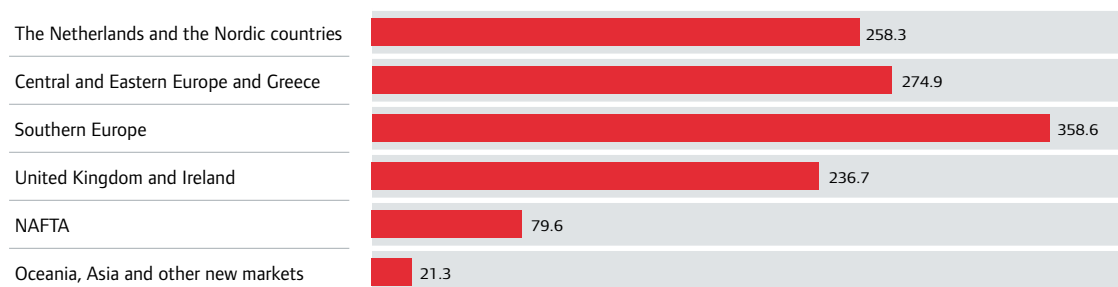
Business information

Following the corporate strategy first implemented in 2005, business information enables Atradius to diversify its business portfolio further. In 2006 we launched Atradius Observa News in the UK, France and Germany – an internet news monitoring service designed to complement our core offering of credit insurance and related services. The service will be enhanced and extended to other countries in 2007.

Factoring

After selling our factoring operations to Fortis Commercial Finance in 2006, Atradius and Fortis have entered into a cross-distribution agreement for factoring, credit insurance and related products, which enables Atradius to offer a broader product range to customers.

Business performance per region (€ million)



■ Total revenues

Results 2006

All amounts are stated in thousands of euros.

Consolidated balance sheet

Assets	31.12.2006	31.12.2005	Equity and liabilities	31.12.2006	31.12.2005
Intangible assets	30,516	28,324	Shareholders' equity	690,148	605,074
Property, plant and equipment	47,700	41,603	Minority interest	422	394
Investments	1,280,225	1,224,143	Subordinated loans	114,495	114,071
Reinsurance assets	710,759	725,579	Underwriting provisions	1,349,698	1,277,441
Receivables	410,679	372,320	Non-underwriting provisions	27,144	33,126
Other assets	124,874	92,033	Payables	210,601	228,973
Deferred income tax receivables	129,610	129,983	Other liabilities	251,387	230,999
Current income tax receivables	21,340	61,153	Employee benefit liabilities	106,272	95,982
Cash and cash equivalents	119,192	62,792	Deferred income tax liabilities	111,164	107,107
Total assets	2,874,895	2,737,930	Current income tax liabilities	13,564	44,763
			Total equity and liabilities	2,874,895	2,737,930

Consolidated income statement

Continuing operations	2006	2005
Insurance premium revenue	1,076,474	1,058,794
Insurance premium ceded to reinsurers	(535,583)	(521,202)
Net premiums earned	540,891	537,592
Service and other income	152,857	146,725
Share of income from associated companies	9,489	6,830
Net income from investments	46,059	39,065
Total income after reinsurance	749,296	730,212
Insurance claims and loss adjustment expenses	(524,468)	(597,448)
Insurance claims and loss adjustment expenses recovered from reinsurers	236,552	321,102
Net insurance claims	(287,916)	(276,346)
Net operating expenses	(314,997)	(341,616)
Total expenses after reinsurance	(602,913)	(617,962)
Operating result before amortisation of goodwill and finance costs	146,383	112,250
Impairment of goodwill	–	(735)
Finance income and expenses	(7,755)	(7,542)
Profit before tax	138,628	103,973
Income tax expenses	(33,325)	(21,655)
Profit for the year from continuing operations	105,303	82,318
Discontinued operations		
Profit for the year from discontinued operations	–	17,964
Profit for the year	105,303	100,282
Attributable to:		
Equity holders of the Company	105,255	100,443
Minority interest	48	(161)
	105,303	100,282



Key strengths

We are a leading global credit insurer with a 24% market share, a strong presence in key markets in Europe, Australia and North America, and a rapidly growing presence in Asia and Eastern Europe.

Strong financial position

Our financial stability and independence are underpinned by solid 'A' ratings, a committed shareholder base and well-spread risk.

Wealth of experience

Dedicated and committed employees with decades of experience and a wealth of risk assessment knowledge help our customers achieve their growth ambitions and guide them safely and efficiently through increasingly challenging trading environments.

Customer-centric product and service proposition

We offer market research driven credit insurance, information and collections products and services that support our customers throughout the credit management cycle.

These products are backed by attentive customer service and account management together with online systems that provide easy access to Atradius, 24 hours a day, 365 days a year.

'Best in class' integrated global network

All our offices across the globe are connected by a single, unified and integrated IT network that ensures that all customers, large or small, get what they need wherever they are, through a single login. We offer truly integrated solutions for multinationals giving them a global view of their group credit management performance through one IT platform.

Distribution network

Atradius pursues a multi-channel distribution approach and utilises its strong relationship with the insurance brokerage network, direct distribution or distribution via partners. These, primarily, are other financial services groups, often in strategic alliances with quality brands such as Fortis, Tokio Marine & Nichido Fire and China Continent Property and Casualty, depending on client preference and national market structure.

Key figures 2006

	2006 € million	2005 € million
Gross premium earned	1,077	1,059
Total turnover	1,285	1,251
Net result	105	100
Equity	690	605

Total turnover includes gross premiums earned, service income and net investment result.

Average number of full-time equivalent employees	3,280
Information access	45 million companies
Market share	24%
Standard & Poor's rating	A
Moody's rating	A2



Atradius offices

■ Europe

Austria: Vienna

Belgium: Antwerp, Namur

Czech Republic: Prague

Denmark: Copenhagen, Viby

Finland: Helsinki

France: Aix-en-Provence, Bordeaux, Compiègne, Lille, Lyon, Nancy, Orléans, Paris, Rennes, Strasbourg, Toulouse

Germany: Berlin, Bielefeld, Bremen, Cologne, Dortmund, Dusseldorf, Frankfurt/Main, Freiburg, Hamburg, Hanover, Kassel, Mannheim, Munich, Münster, Nuremberg, Stuttgart

Greece: Athens

Hungary: Budapest

Ireland: Dublin

Italy: Milan, Rome

Luxembourg: Luxembourg

The Netherlands: Amsterdam, Ommen

Norway: Oslo (Lysaker)

Poland: Krakow, Poznan, Warsaw, Wrocław

Portugal: Lisbon

Slovakia: Bratislava

Spain: Barcelona, Bilbao, Madrid, Valencia

Sweden: Stockholm

Switzerland: Lausanne, Lugano, Zurich

United Kingdom: Belfast, Birmingham, Cardiff, Glasgow, Leeds, London, Manchester

■ Americas

Brazil: Sao Paulo

Canada: Almonte (Ontario), Mississauga (Ontario), Duncan (British Columbia)

Chile: Santiago de Chile *

Mexico: Guadalajara, Mexico City, Monterrey

Netherlands Antilles: Willemstad

USA: Atlanta, Baltimore, Boston, Chicago, Denver, Los Angeles, Minneapolis, New York, Philadelphia, Portland (Oregon), St. Louis, San Antonio

■ Middle East

Israel: Tel Aviv *

Lebanon: Beirut *

United Arab Emirates: Dubai *

■ Asia

China: Shanghai

Hong Kong: Hong Kong

India: Mumbai

Japan: Tokyo

Singapore: Singapore

■ Oceania

Australia: Adelaide, Brisbane, Melbourne, Perth, Sydney

New Zealand: Auckland, Wellington

■ Africa

Tunisia: Tunis *

Iceland, Russia, South Africa
Co-operation agreements with local partners

* Associated companies or minority shareholdings

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