

Credendo Group publishes annual report and posts 5% increase in turnover in 2015

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- > In spite of the challenging economic environment in most emerging markets, Credendo Group posted a profit of 9 million euros
- > Last year Credendo collected premiums with a value of 390 million euros, up 5% on 2014
- > Financial solidity in spite of a difficult economic climate
- > Expansion and adaptation of the product range and services for SMEs

Macroeconomic situation

2015 proved to be another challenging year for world trade. The biggest sufferers were emerging markets. Accordingly, Credendo Group issued 37 country risk downgrades for short-term risks and just 8 upgrades. Unsurprisingly, most of these downgrades concerned countries that generate a large proportion of their revenues from commodity exports, mainly in Sub-Saharan Africa, the Commonwealth of Independent States, Latin America and the Near and Middle East. The economic situation was overshadowed in Europe by the conflict between Ukraine and Russia and plummeting oil prices, in the Middle East by the civil wars in Syria and Iraq and the advance of Islamic State, in Asia by territorial tensions with China and in Africa by security problems caused by jihadist movements.

In spite of the political risks, there are still considerable opportunities for exporters in Asia and Africa. This conclusion also emerged from the Trade Forum that Credendo organised for the first time in 2015: Asia is expected to achieve 6% growth in 2016 thanks to the performance of countries such as Vietnam, Myanmar, Cambodia, Laos and the Philippines. In Africa two main groups can be distinguished. On the one hand, there are the oil- and mineral-exporting nations, such as Angola, Nigeria and South Africa, which have suffered from declining commodity prices and the resulting dramatic drop in export earnings and government revenue. On the other, there are the oil-importing nations, such as Tanzania, Kenya and Senegal, which have been able to benefit from the low oil prices, partly thanks to the wider range of products that they export. Côte d'Ivoire is expected to top the class as a result of its robust policy and the strong revenues it generates from cocoa exports.

Credendo Group's results

"In spite of the challenging economic and political environment in emerging markets, and consequently the increase in the number of claims files, Credendo managed to end the year with a consolidated profit of 9 million euros", says Dirk Terweduwe, Group Chief Executive Officer. "The rise in the number of premiums collected (5% more than last year) also demonstrates that Credendo is a reliable export partner and one that gives a personal approach preference over a general cessation of cover. To safeguard this personal approach in the future, Credendo took on 32 additional employees in 2015."

Key figures for 2015:

- > Insured sums fell by 11 billion euros, from 95 billion euros in 2014 to 84 billion euros last year, reflecting weaker global trade;
- > In 2015 Credendo Group collected premiums with a value of 390 million euros, up 5% on 2014;
- > In spite of a negative technical result caused by a sharp rise in the number of claims files, the group posted a consolidated profit of 9 million euros;

- > The group has equity of 2,376 million euros, a slight increase on last year, and no debt. Its reserves rose by 336 million euros.

Custom products and services

To allow even closer cooperation with its customers, Credendo has set up a desk where SMEs can receive a personal and comprehensive explanation of the products that are offered by Belgium's public export credit insurer and destined for SMEs. In addition to this custom service, three changes have also been made to the product range:

- > Capacity for forfaiting (a refinancing product) has been doubled: export contracts up to 5 million euros;
- > A new product has been launched: buyer credit for contracts between 2 and 5 million euros;
- > A change has been made to the insurance of political risk for investments: additional risk categories have been added.

Outlook

"The International Monetary Fund expects 2016 to be a year in which there is once again little global growth. Credendo has already taken the necessary steps to reduce the volatility of the portfolio", stresses Dirk Terweduwe, Group Chief Executive Officer. "As Europe's fourth biggest credit insurance group, our mission continues to be to protect companies against the economic and political risks associated with international commercial transactions, without losing sight of our customers' wishes."

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Credendo Group

Credendo Group is a European trade insurance group present across the continent and active in all segments of trade credit insurance, providing a range of products that cover risks worldwide. The group is headed by Delcredere | Ducroire, the Belgian public credit insurer; other member businesses are Credimundi, KUPEG, INGO-ONDD, Garant and Trade Credit. In 2015 Credendo Group insured international trade worth 84 billion euros and earned 390 million euros in premium income.

For more information, visit www.credendogroup.com
