

FOR IMMEDIATE RELEASE

CONTACTS: Konstantin Langowski
Senior Financial Analyst
+31 20 308 5431
konstantin.langowski@ambest.com

Christopher Sharkey
Manager, Public Relations
+1 908 439 2200, ext. 5159
christopher.sharkey@ambest.com

Mathilde Jakobsen
Director, Analytics
+31 20 308 5427
mathilde.jakobsen@ambest.com

Jim Peavy
Director, Communications
+1 908 439 2200, ext. 5644
james.peavy@ambest.com

AM Best Affirms Credit Ratings of Atradius N.V.’s Main Operating Subsidiaries

AMSTERDAM, 11 December 2020—AM Best has affirmed the Financial Strength Rating of A (Excellent) and the Long-Term Issuer Credit Ratings of “a+” of Atradius Crédito y Caución S.A. de Seguros y Reaseguros (ACyC) (Spain), Atradius Reinsurance Designated Activity Company (ARe) (Ireland), Atradius Trade Credit Insurance, Inc. (ATCI) (U.S.) and Atradius Seguros de Crédito, S.A. (Atradius Mexico) (Mexico). Concurrently, AM Best has affirmed the Long-Term Issue Credit Rating of “bbb” of the EUR 250 million, 5.25% subordinated fixed to floating rate guaranteed notes, due 2044, issued by Atradius Finance B.V. (Netherlands) and unconditionally and irrevocably guaranteed on a subordinated basis by Atradius N.V. (Atradius). The outlook of these Credit Ratings (ratings) is stable.

The ratings reflect Atradius’ balance sheet strength, which AM Best categorises as very strong, as well as its strong operating performance, favourable business profile and appropriate enterprise risk management. The ratings of ACyC, ARe, ATCI and Atradius Mexico consider their strategic importance to Atradius as its primary underwriting entities in the group’s key markets around the world.

Atradius’ balance sheet strength is underpinned by its consolidated risk-adjusted capitalisation, as measured by Best’s Capital Adequacy Ratio (BCAR), which remained at the strongest level at year-end 2019. AM Best expects prospective risk-adjusted capitalisation to be maintained at the strongest level, supported by conservative capital management and good capital generation over the cycle. The group’s balance sheet strength

—MORE—

—2—

also benefits from a conservative investment portfolio and good liquidity. An offsetting factor is the group's relatively high dependence on reinsurance, although the associated risk is mitigated partially through the use of a well-diversified panel of reinsurance counterparties of good credit quality.

Atradius has a track record of strong operating performance, demonstrated by a 10-year (2010-2019) weighted average return on equity and combined ratio of 12% and 76%, respectively (as calculated by AM Best), supported by several years of relatively benign claim experience. At the end of third-quarter 2020, the combined ratio for Atradius' credit insurance business deteriorated to 92% (nine-months 2019: 76%). The deterioration reflects heightened claims experience, driven by significant economic and global trade disruptions related to the impact of the COVID-19 pandemic. AM Best expects further elevated claims activity in the last quarter of 2020 and in 2021. However, AM Best believes that Atradius' strong underwriting expertise and exposure management, together with its ability to take prompt risk-mitigating actions on non-performing business, will allow it to maintain a strong performance record over the cycle.

Atradius benefits from a leading position in the global credit insurance market. Although the group is largely a monoline insurer, its exposures are well-diversified by geography and industry. Atradius' favourable business profile is underpinned by its good access to key markets as a result of the group's strong global franchise and comprehensive network of agents.

This press release relates to Credit Ratings that have been published on AM Best's website. For all rating information relating to the release and pertinent disclosures, including details of the office responsible for issuing each of the individual ratings referenced in this release, please see AM Best's [Recent Rating Activity](#) web page. For additional information regarding the use and limitations of Credit Rating opinions, please view [Guide to Best's Credit Ratings](#). For information on the proper media use of Best's

—MORE—



PRESS RELEASE

OLDWICK, N.J. • NEW YORK • MEXICO CITY • LONDON • AMSTERDAM • DUBAI • SINGAPORE • HONG KONG

—3—

Credit Ratings and AM Best press releases, please view [Guide for Media - Proper Use of Best's Credit Ratings and AM Best Rating Action Press Releases](#).

AM Best is a global credit rating agency, news publisher and data analytics provider specializing in the insurance industry. Headquartered in the United States, the company does business in over 100 countries with regional offices in New York, London, Amsterdam, Dubai, Hong Kong, Singapore and Mexico City. For more information, visit www.ambest.com.

Copyright © 2020 by A.M. Best Rating Services, Inc. and/or its affiliates. ALL RIGHTS RESERVED.

#####