Managing risk, enabling trade

Rethinking business

Annual Report 2023 Atradius N.V.

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This is Atradius

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Fast-changing risk landscape

How to recognise risks without missing the action? Advanced drones are entering the logistics industry, as they can quickly and accurately identify targeted locations. Today, it is vital to be alert to the evolution of any potential risk factors that could affect business performance.

Rethinking business

The global economic environment is changing at an astounding rate.

Prior to the pandemic, crises were sporadic. When they occurred, businesses had time to digest, recalibrate and respond before the next shock came along. In recent years events, crises and disruptions are coming more frequently, with barely a moment to draw breath in between.

The fallout from COVID, geopolitical shifts, supply chain disruption, friend-shoring, near-shoring, the rise in trade protectionism, the wars in Ukraine and Gaza, climate change and energy transition risk, rising debt and inflation, and disruptive AI. Each and every one has an impact on the way that trade happens and forces businesses to react in order to survive.

In the face of so much change, it is easy to focus on the negative, but this also creates the opportunity to “rethink business” in response to the changing risk landscape. To see disruption as an opportunity to learn and grow. This is not just true for Atradius, but all businesses. This is something that we are doing, together with our customers.

We are proud to have nearly 100 years of experience in managing risk and enabling trade. This longevity is evidence of the depth of our expertise and our reliability. Our performance in 2023 is proof that even as change comes thicker and faster, we are able to tread the path between risk and opportunity. 2023 has been a year where we have grown our business and demonstrated the value of the products we offer as a means to navigate the rapidly evolving risk landscape.

Atradius is helping our customers to adapt and thrive by having deep insight into the emerging trends and risks that are shaping the way trade happens. We are helping our customers to embrace the changes and seize the opportunities, so we can grow our businesses together.

Our performance at a glance

Robust growth during the most challenging of times

- The result for the year grew to EUR 379.1 million, a 15.2% increase compared to 2022
- Total revenue reached EUR 2.5 billion, with insurance, service and other income increasing by 9.7%.
- Atradius gross claims ratio increased to 38.5% compared to 34.4% in 2022
- The gross operating expense ratio for the year was 32.0%, resulting in a gross combined ratio of 70.6%
- A positive contribution of EUR 67.6 million came from our investment portfolio
- Solid Solvency II ratio has remained above 200% (1)
- Total Potential Exposure (TPE) increased by 3.2%
- A customer retention of 94.9%, demonstrated unwavering customer confidence along with steady demand for Atradius' best-in-class service (1)

(1) *Subject to finalisation of any audit procedures.*

Management Board

David Capdevila, Chair
Andreas Tesch
Christian van Lint
Claus Gramlich-Eicher
Marc Henstridge

The Supervisory Board

Xavier Freixes, Chair
Hugo Serra
Désirée van Gorp
John Hourican
Carlos Halpern
José María Sunyer
Juan Ignacio Guerrero
Joaquín Guallar

Supervisory Board Committees

Audit Committee
Remuneration, Selection and Appointment Committee

Ten years in figures

Financial information (in EUR million)	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016** [1]	**2015**	**2014**
Insurance premium revenue	2,278.5	2,224.5	1,900.3	1,727.4	1,759.5	1,648.5	1,588.1	1,557.6	1,537.0	1,458.2
Service and other income	237.0	225.7	250.6	252.0	252.5	249.5	249.1	203.1	180.8	169.0
Total revenue	2,515.5	2,450.2	2,151.0	1,979.4	2,012.0	1,898.0	1,837.2	1,760.7	1,717.8	1,627.2
Net investment result [2]	81.6	42.3	35.6	14.3	25.9	22.1	24.7	22.8	36.0	37.8
Total income	2,597.1	2,492.5	2,186.5	1,993.7	2,037.9	1,920.2	1,861.9	1,805.6	1,753.8	1,665.0
Result for the year	372.2	332.2	240.2	44.2	227.7	202.7	186.2	211.8	178.2	161.2
Balance sheet information										
(in EUR million)										
Equity	2,430.4	2,175.4	2,142.3	1,913.3	2,008.7	1,821.4	1,753.2	1,625.5	1,500.2	1,393.0
Total assets	6,707.6	6,291.0	5,918.8	5,380.2	5,067.4	4,725.3	4,519.2	4,391.5	4,250.2	4,130.9
Insurance contracts	2,822.7	2,565.6	2,134.4	1,902.7	1,706.2	1,619.9	1,530.3	1,561.2	1,648.8	1,572.2
Shareholders information										
Return on equity [3]	16.2%	15.4%	11.2%	2.3%	11.9%	11.3%	11.0%	13.6%	12.3%	12.0%
Outstanding ordinary shares (at year-end, in million)	79.1	79.1	79.1	79.1	79.1	79.1	79.1	79.1	79.1	79.1
Dividend paid (in EUR million)	193.2	164.6	91.0	102.9	91.8	83.9	76.7	71.2	64.9	53.8
Technical ratios										
Gross claims ratio [4]	39.4%	38.7%	27.8%	58.6%	42.8%	43.7%	41.7%	41.6%	43.5%	40.7%
Gross expense ratio	35.9%	33.8%	37.2%	35.7%	35.9%	35.5%	35.7%	36.4%	37.1%	36.6%
Gross combined ratio	75.2%	72.5%	65.0%	94.3%	78.7%	79.2%	77.4%	78.0%	80.6%	77.3%
Net claims ratio	42.4%	41.3%	37.3%	55.9%	43.3%	44.7%	41.4%	42.0%	42.0%	42.6%
Net expense ratio	32.9%	31.7%	35.9%	36.7%	30.0%	32.0%	34.2%	35.4%	35.9%	35.8%
Full-time equivalents (FTE), at year-end	3,409	3,310	3,497	3,503	3,531	3,545	3,596	3,586	3,161	3,139
Financial strength ratings										
A.M. Best [5]	A (Excellent), outlook stable									
Moody's [6]	A1, outlook stable									

(1) *For the purposes of measuring performance, the management report will display amounts applying a similar financial reporting basis as those applied by the Company in its management report in previous years, which will differ from the financial statements 2023 that have been subject to the adoption of IFRS 17 and 9 as further described in Note 2.2 of the financial statements. These differences in presentation are allowed by IFRS 8 Operating Segments as further explained in Note 2.8 of the financial statements.*

(2) *Net income from investments excluding extraordinary impact of associated companies (minus EUR 11.7 million 2017 impairment and EUR 22.2 million 2016 realised gains).*

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

(4) *2019 Gross Claims Expenses and the Gross Claims Ratio shown in the management report exclude a single large claim of 83.9m which was 100% reinsured and had zero impact on the net insurance result.*

(5) *In 2023 A.M. Best reaffirmed the Financial Strength Rating of A (Excellent), outlook stable and the Long-Term Issuer Credit Ratings (Long-Term ICRs) of the Atradius rated entities as "a+".*

(6) *In September 2023, Moody's upgraded the financial strength rating of the Atradius rated entities from A2 to A1 and changed the outlook from positive to stable.*

A message from the Management Board

Left to right: Christian van Lint, Andreas Tesch, David Capdevila, Claus Gramlich-Eicher, Marc Henstridge.

In spite of an unsettling and complex global landscape, our company generated strong results. The economic activity across the world proved more resilient than we expected.

Our Insurance Revenues reached EUR 2.3 billion, with strong customer retention and increased level of insured business. Overall, Atradius produced a Result after Tax of EUR 379.1 million. With market conditions moving markedly in 2023, we are proud of our company's resilience and what our people across Atradius have achieved both collectively and individually. By many measures, we ended the year better than we started. Our record results for the 3rd year in a row, only confirm that adhering to our core strategy of helping our customers to adapt and thrive in a continuously challenging economic setting allows us to drive good organic growth and at the same time manage our risks properly.

Around the world, 2023 was another year of significant challenges. From devastating natural disasters to the terrible wars in Ukraine and Gaza which are undoubtedly the most important on the list. Our deepest sympathy is with all the people affected by the extreme human tragedy caused by the destruction and the wars. These events have made us deeply aware of the growing geopolitical uncertainty. This uncertainty is exacerbated further by the economic stress of higher food and energy prices, continued disruption in supply chains, and sticky high inflation coupled with elevated interest rates. Our response to these economic challenges has been effective and timely. We have stopped all our commercial activities in Russia indefinitely and de-risked considerably our portfolio in areas affected by the ongoing wars. We stabilised the level of our exposure, while at the same time, maintaining its high quality across the board. In Credit Insurance, we have prudently aligned our underwriting with the return of insolvencies to pre-pandemic levels, and we remain focused on risk dynamics based on deep market knowledge and understanding.

We have all been experiencing the severe consequences of global crises in the recent years. They happen more frequently and their impact is far reaching, affecting our everyday lives in many different ways. Longer term challenges such as climate change and energy transition risks are adding to the complexity of our world. In the background, relentless breakthroughs in technology such as cutting-edge computer chips, cloud services and Artificial Intelligence, are impacting almost all industries, driving innovation, new business models and new ways of working. All these together impose a fast-paced change of the global economic environment in a rate not seen before.

Indeed, we can only be certain of faster changes in the coming years. We see this as a time to 'rethink business'. We move forward not driven by the soft, hard or negative market conditions at play, but instead by the possibilities, now and in the future, created by this accelerated rate of change. We see in constant disruption an opportunity to grow and learn as a response to the changing global landscape.

What rethinking business means in practice for us, is an uncompromising focus on progressing our internal agenda and company initiatives. These are designed to allow us to unlock the greatest possible value for our customers and our people, embrace the changes and seize the opportunities. Our unique Atradius culture is the great enabler that brings it all together for our company.

Our large, multi-year programmes together with separate innovation initiatives cover key areas of our business in commercial and risk. Our agenda continues to be dominated by the digital transformation programmes for our Credit Insurance and Surety units. 2023 was a year of progress as we reached a key milestone after a major release, which saw us shifting our core commercial credit insurance operations across many of our offices to a single, state-of the art, in-house built secure system. This new working environment offers unprecedented levels of functionality and connectivity between our online systems that will allow us to maximise the value of our products and services to all our customers, brokers and market partners.

Another area of progress was full compliance with the new IFRS 17 accounting standard for insurance contracts which became effective for annual reporting periods after 1 January 2023. New technology was needed in delivering the main components of the programme, which now serves as the foundation to further improve our data quality, management and governance.

With regards to sustainability, we carried out a Materiality Assessment which identified and prioritised the sustainability aspects based on the impact they may have on people, the environment and society in general, as well as the business risks and the opportunities they may generate. The outcome was integrated into the new Sustainability Master Plan 2024-2026 which is structured into 10 strategic lines related to 4 pillars: Environmental Responsibility, Social Commitment, Good Governance and Sustainable Business. Additionally, this year Atradius approved its sustainability policy, the approach of which is in line with the public policy of our shareholders, GCO.

In 2023, we demonstrated Atradius' commitment to a global growth strategy by the opening of our new office in Slovenia. whereas the international expansion of Atradius Collections over the past year continued with the acquisition of the Pro Kolekt Group, a market leader in Balkans region. These two growth initiatives highlight our mission to support our customers wherever they trade in the world by delivering local expertise in receivables management.

We mentioned our view of the key role we believe that technological advancements play in the rate of change in the global environment. In this context, we consider technology to be a key enabler of our growth ambitions. Atradius has been using innovative tools, such as machine learning, already for the past ten years, which have significantly enhanced our analytical capabilities, particularly in risk. We continue to monitor and test new developments in emerging technologies, distributed tools and AI that we think have a strong business use case in key areas.

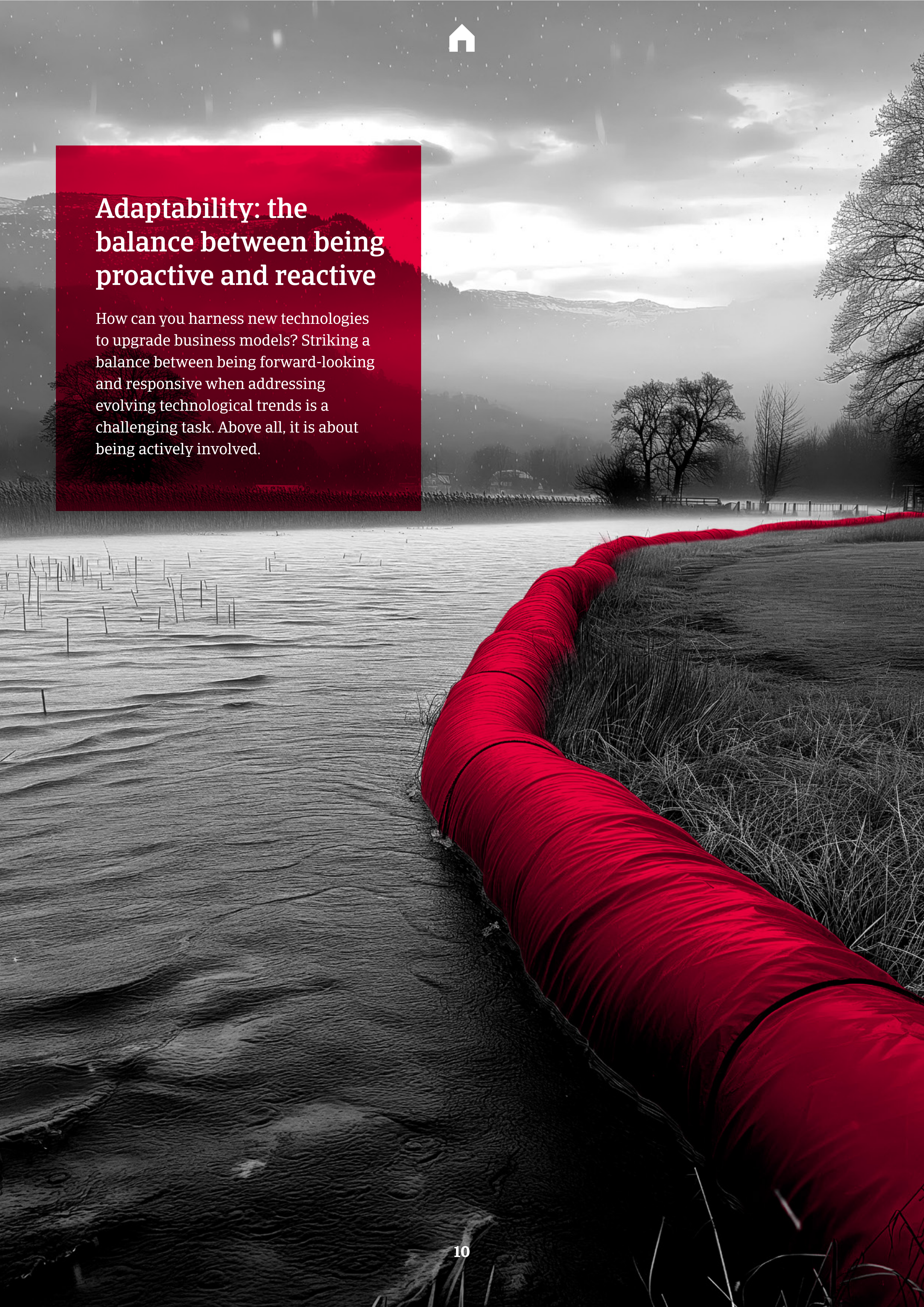
For 2024, we are on track with our strategic and financial targets. We have already seen signs of a slowing growth trend during the second half of 2023, and we predict global economic activity to slow to 1.9% this year, the weakest growth rate since the global financial crisis - excluding the COVID driven downturn in 2020. We expect weak GDP figures in several major economies such as the US and China. We are also anticipating increased insolvency rates in most markets, the impact of which remains unclear within the short-term. Although the global economy is proving to be more resilient than expected, there are still considerable economic and geopolitical risks that could potentially escalate and overturn any attempted predictions: a regional escalation of the war in Gaza, persistently high inflation in major economies, or a possible further slowdown of growth in China. Uncertainty will continue to be a defining feature of the global economy in 2024.

Throughout these challenging past few years, we never stopped doing all the things that define that unique trust that our customers and market partners put in Atradius. We are growing our businesses together and we constantly seek to become better in what we do for our clients. Rethinking business will become our longstanding commitment for 2024 and the next few years. Together with our market partners, we will focus on finding and developing new opportunities as they take shape in a fast changing world.

Our people and our culture are at the heart of this process as they underpin the success of our company in everything we do. We continue to invest in the future of Atradius and our people, while allowing for moderate increases in our staff headcount. We see plenty of challenges ahead, but we are moving forward with energy, excitement and determination to deliver for our clients, our people and our communities.

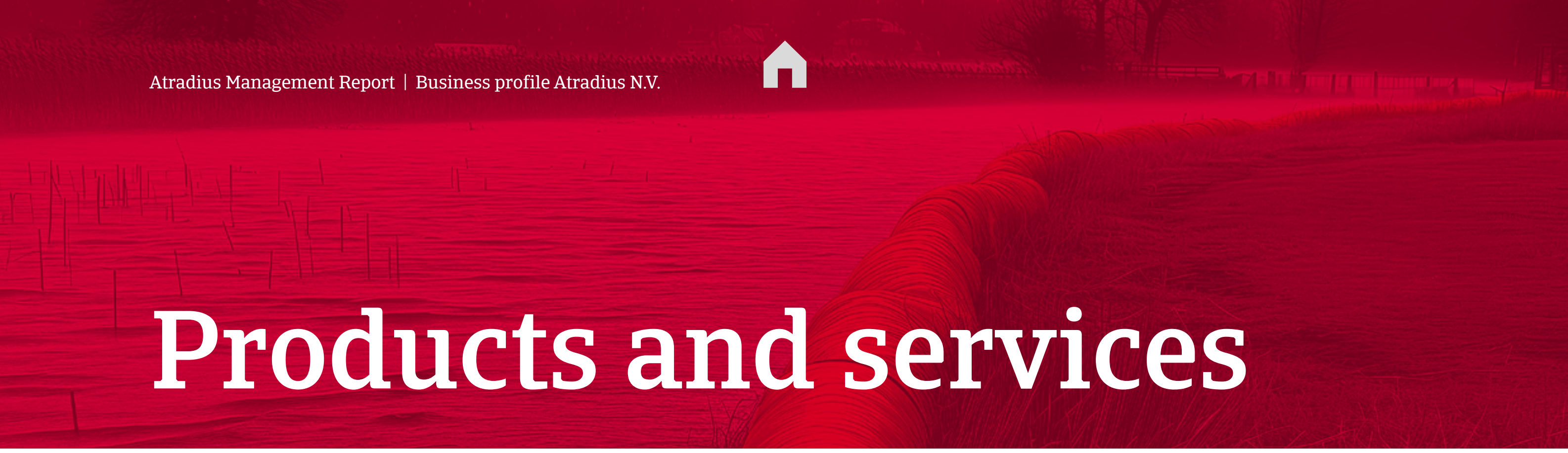
The Atradius Management Board

David Capdevila, Chair
Andreas Tesch
Christian van Lint
Claus Gramlich-Eicher
Marc Henstridge



Adaptability: the balance between being proactive and reactive

How can you harness new technologies to upgrade business models? Striking a balance between being forward-looking and responsive when addressing evolving technological trends is a challenging task. Above all, it is about being actively involved.



Products and services

Credit Insurance

A modular approach to ensure every policy is tailored to the needs of the customer

Credit insurance provides protection against losses arising from non-payment for goods and services sold on credit (whether this results from insolvency, default, or political risk).

Our credit insurance products are based on a concept called 'Modula'. This is a worldwide-aligned catalogue of modules (policy conditions), which can be combined in a flexible way for each customer to meet the requirements of their business. This means that every policy is tailored to the needs of the customer. These products are designed to provide protection for a customer's whole turnover.

We have solutions for all types of business: multinationals, medium-size and large companies and SMEs.

For multinationals, we offer a sophisticated and tailor-made credit management solution in the form of our Global policy. As a longstanding market leader and pioneer in this segment, Atradius Global has developed an excellent understanding of the needs, structure and geographies of multinationals. The structure of our modular cover and service footprint is uniquely designed to mirror the requirements of our customers, whether they have centralised or local credit management. This customer-focused approach is supported by dedicated Global Account Teams and Key Account Underwriters. Located around the world they allow us to provide extensive cross-border customer service, consistent high-quality decision making and accurately anticipate the needs and requirements of our Global customers.

For medium-size and large local companies we offer policies tailored to the customer's needs using the Modula concept. In this way, cover can be adapted to fit all kinds of businesses, in any sector, doing business domestically or internationally.

For SMEs we have created a range of products built from the Modula concept and packaged to make them easy to understand and simple to administer. These are often tailored to specific markets or industries, such as Modula First in several European countries, Modula Kompakt in Germany, or Modula Smart in Italy. In Spain and Portugal, the Agile Policy breaks new ground in allowing our agents to fully steer the underwriting process.

The benefit of purchasing credit insurance from Atradius comes from the day-to-day credit management and risk assessment support that we provide alongside our credit insurance policy. Each policy is supported by an account manager, credit limit underwriting and our online tools and services, which includes credit risk information and data on markets and businesses throughout the world.

Our Account Managers provide an on-demand contact point to help customers to navigate their policies and give credit management support.

Hundreds of experienced underwriters carry out credit limit underwriting across the globe. They assess the risk of buyers and set safe trading limits. They are based in the country of the buyer, so they bring local knowledge and language skills to provide the best possible risk assessments.

Our online tools provide additional credit management support services such as 'Insights' which provides portfolio risk analysis. 'Atrium' enables customers to perform administrative tasks for their policy such as applying for a credit limit or submitting a claim.

In addition to more traditional credit insurance, which covers a customer's 'whole turnover', we also 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, which can be combined to meet multiple needs.

With the rise of digital trading, we have also developed a single transaction credit insurance product which can be digitally integrated with platforms so that credit insurance can be purchased online, in the moment when trading decisions are being taken.

Reinsurance
Specialised reinsurance solutions for credit and bonding insurance lines

Atradius, acting from the branch of ACyC Ireland, offers reinsurance solutions for credit insurance and surety primary insurers around the globe. Our dedicated team of underwriters supports over 123 clients in over 55 countries, under the brand name Atradius Re. The unique capability of Atradius Re is combining the Group's skills in the primary underwriting of credit insurance and bonding risks with our own distinctive approach and expertise in structuring reinsurance solutions.

Surety Bonds and Guarantees
Leading bond supplier in Europe

Present in 12 European countries, Atradius Surety serves a wide portfolio of businesses of all sizes across different trade sectors. We help our customers secure their performance and support their business development both locally and internationally. Our customer support goes beyond the mere risks of coverage and protection against worst-case scenarios. We provide tailor-made products and solutions that fit their needs and strategies. We aim to be the first choice for companies that are subject to bond obligations. Thanks to our long-standing Surety expertise, in-depth market knowledge and international network we can meet customers' large and complex needs quickly and efficiently. Our diligent approach and strong business focus have allowed us to grow steadily over the last decades and earn the trust of major organisations, propelling us to become a leading Surety supplier in Europe.

In January 2024, Atradius renamed the Bonding Unit to Atradius Surety, as Surety is a more widely recognised name for this product offering.

Debt Collection
Professional and reliable collections backed by a global network

With worldwide expertise and staff in 40+ countries, Atradius Collections support businesses - both those that are covered by credit insurance and those that are not – to collect domestic and international trade receivables, whilst maintaining sound business relationships with their clients. We have built a strong reputation as a business-to-business credit management specialist, using the strength of Atradius Credit insurance, combined with our own integrated international network of collectors, lawyers and insolvency practitioners, in addition to our online capabilities. Since 2015, Atradius Collections has also offered a first-party collections service, which allows customers to outsource their reminder process immediately after the invoice due date. We have created a range of services for the financial industry, including back-up servicing, cross-border collection, and invoice verification, allowing factoring companies and asset-based lenders to investigate whether the business transactions or invoices from clients are acknowledged by the buyer. In line with our overall mission and vision our online platform also acts as an accounts receivable platform “Credit-IQ” for the SME market.

Instalment Credit Protection
Risk protection for instalment-based credit agreements

Atradius Instalment Credit Protection (ICP) covers short-term and medium-term risks mainly coming from instalment-based credit agreements with private individuals and businesses. We offer our services to financial and corporate policyholders in Belgium and Luxembourg. The main products that we offer relate to consumer credit, leasing and renting risks. We have extended our ICP product range to offer residential real estate insurance products for co-ownerships, as well as products for private-car leasing arrangements.

Dutch State Business
The export credit agency of the Netherlands

Atradius Dutch State Business (ADSB) is the official export credit agency (ECA) of the Netherlands acting on behalf and on the account of the Dutch Ministry of Finance and Ministry of Foreign Affairs. With a broad range of insurance and guarantee products, ADSB enables exporters, construction companies, and banks to finance their export transactions. Public export credit insurance offered through ECA is always additional to the private market and is meant to support the national export of capital goods. Overall, this mostly concerns higher value export destined to emerging markets with longer credit periods (up to 20 years).

Credit Information Services
Business intelligence to support credit management decisions

We offer information services through the following companies: Iberinform in Spain and Portugal, and Informes in Mexico. These companies support our customers with business intelligence solutions to help them to manage risk and grow their businesses by making smart decisions about credit management, risk and compliance management and marketing. They also support us by providing information to underwrite buyer risks for our core credit insurance business.

Global footprint

Europe

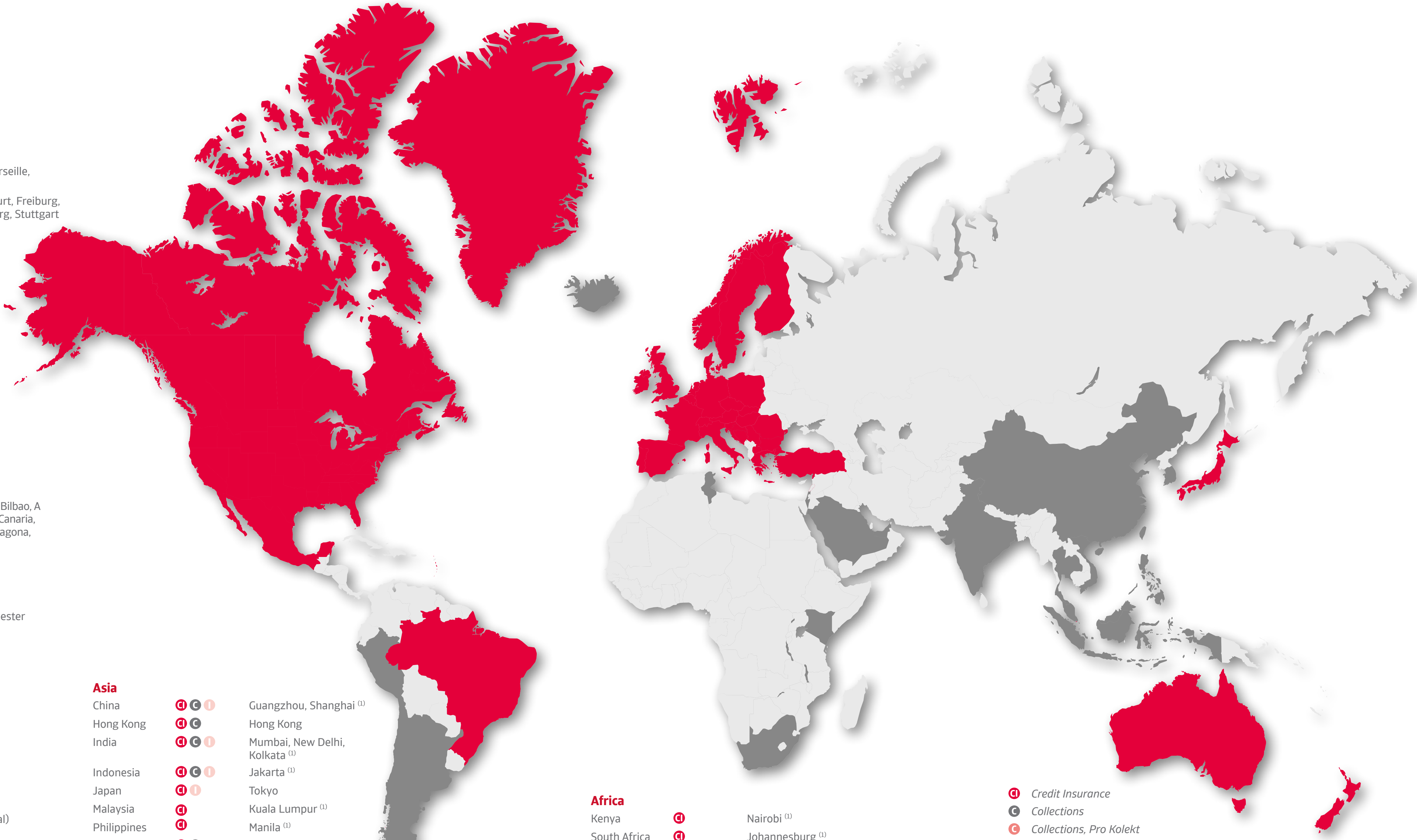
Austria	CI	Vienna
Belgium	CI C I S IC	Namur, Antwerp
Bosnia and Herzegovina	C	
Bulgaria	CI C	Sofia
Croatia	C	
Czech Republic	CI C	Prague
Denmark	CI C I S	Copenhagen, Århus
Finland	CI S	Helsinki
France	CI C I S	Paris , Bordeaux , Compiègne, Lille, Lyon, Marseille, Rennes, Strasbourg
Germany	CI C I S	Berlin, Bielefeld, Bremen, Dortmund, Frankfurt, Freiburg, Hamburg, Hannover, Köln, München, Nürnberg, Stuttgart
Greece	CI	Athens
Hungary	CI C	Budapest
Iceland	CI	Reykjavik [1]
Ireland	CI C I R	Dublin
Italy	CI C I S	Rome, Milan
Luxembourg	CI S IC	Leudelange
Netherlands	CI C I S D	Amsterdam, Ommen
North Macedonia	C	
Norway	CI C I S	Oslo
Poland	CI C	Warsaw, Krakow, Poznan, Jelena Gora
Portugal	CI C I	Lisbon, Porto
Romania	CI C	Bucharest
Serbia	C	
Slovakia	CI C	Bratislava
Slovenia	CI C	Ljubljana
Spain	CI C I S	Madrid, Alcalá de Henares, Alicante, Barcelona, Bilbao, A Coruña, Castellón, Girona, Las Palmas de Gran Canaria, Málaga, Murcia, Oviedo, Pamplona, Seville, Tarragona, Terrassa, Valencia, Valladolid, Zaragoza
Sweden	CI C I S	Stockholm
Switzerland	CI I	Zurich
Turkey	CI C	Istanbul
United Kingdom	CI C I	Cardiff, Belfast, Birmingham, London, Manchester

Middle East

Israel	CI	Tel Aviv [1]
Saudi Arabia	CI	Riyadh [1]
United Arab Emirates	CI C	Dubai [1]

Americas

Argentina	CI C	Buenos Aires [1]
Brazil	CI C	São Paulo
Canada	CI C	Mississauga (Toronto), Pointe Claire (Montreal)
Chile	CI	Santiago de Chile [1]
Mexico	CI C I	Mexico City, Guadalajara, Monterrey
Peru	CI	Lima [1]
USA	CI C	Atlanta (Georgia), Baltimore (Maryland), Chicago (Illinois), Los Angeles (California), Morristown (New Jersey), New York (New York)



Asia

China	CI C I	Guangzhou, Shanghai [1]
Hong Kong	CI C	Hong Kong
India	CI C I	Mumbai, New Delhi, Kolkata [1]
Indonesia	CI C I	Jakarta [1]
Japan	CI I	Tokyo
Malaysia	CI	Kuala Lumpur [1]
Philippines	CI	Manila [1]
Singapore	CI C	Singapore
South Korea	CI I	Seoul [1]
Taiwan	CI I	Taipei [1]
Thailand	CI I	Bangkok [1]
Vietnam	CI I	Ho Chi Minh City [1]

Africa

Kenya	CI	Nairobi [1]
South Africa	CI	Johannesburg [1]
Tunisia	CI	Tunis [1]

Oceania

Australia	CI C	Sydney, Adelaide, Brisbane, Melbourne, Perth
New Zealand	CI	Auckland

CI *Credit Insurance*
C *Collections*
C *Collections, Pro Kolekt*
I *Information*
S *Surety*
IC *Instalment Credit*
D *DSB*
R *Reinsurance*

Atradius offices

[1] *Service establishment, minority interest and/or cooperation agreement with local partner.*

General Atradius Group organisation

General overview of the main holding and operating companies as at 31 December 2023

- Atradius N.V.
The Netherlands
  - Atradius Collections Holding B.V.
The Netherlands
    - **Operating companies and branches:** Australia, Belgium, Bosnia and Herzegovina, Brazil, Bulgaria, Canada, China, Croatia, Czech Republic, Denmark, France, Germany, Hong Kong, Hungary, Ireland, Italy, Mexico, Netherlands, North Macedonia, Poland, Portugal, Romania, Serbia, Slovenia, Spain, Singapore, Turkey, United Kingdom, United Arab Emirates, USA
  - Atradius Insurance Holding N.V.
The Netherlands
    - Atradius Crédito y Caución S.A. de Seguros y Reaseguros
Spain
      - **Branches:** Australia, Austria, Belgium, Bulgaria, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Hong Kong, Hungary, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Poland, Portugal, Romania, Singapore, Slovakia, Slovenia, Sweden, Switzerland, Turkey, United Kingdom
      - Atradius Crédito y Caución Seguradora S.A.
Brazil
      - Iberinform Internacional S.A.U.
Spain
    - Atradius Dutch State Business N.V. The Netherlands
    - Atradius Trade Credit Insurance, Inc. USA
    - Atradius Credit Insurance Agency, Inc. USA
      - Atradius Seguros de Crédito S.A. Mexico
    - Atradius Information Services B.V.
The Netherlands
      - **Operating companies & branches:** Belgium, China, Denmark, France, Germany, India, Indonesia, Ireland, Italy, Japan, Mexico, Norway, Russia, South Korea, Spain, Sweden, Switzerland, Taiwan, Thailand, United Kingdom, Vietnam
  - Atradius Finance B.V.
The Netherlands
  - Atradius Participations Holding S.L.U.
Spain
    - Atradius Participations

Creating opportunities from challenges

Where are the opportunities? The construction industry is unlocking new ways to live with nature by using innovative and green designs. 3D-printing may become a mass production process for construction and encourage creativity and optimism.

Report of the Supervisory Board

In an increasingly complex world, Atradius has once again demonstrated resilience and agility by achieving excellent results

Against a backdrop of heightened geopolitical risks in 2023, ongoing wars in Ukraine and Gaza together with devastating natural disasters - leading to an unprecedented humanitarian crisis - global inflationary concerns, volatile market conditions and more, Atradius delivered another year of outstanding performance. Despite the challenges, our risk-taking process, the hard work and determination of our people across the globe, but also the resilience of the global economy, allowed us to navigate a tumultuous and complex economic environment that required agility and adaptability. Continued de-risking of the portfolio, expense management and careful selection of growth opportunities, together with our distribution partners and customers, contributed to another record year in Atradius. Total revenue reached EUR 2.3 billion and a profit of EUR 379 million. Solvency was strengthened by an increase in the equity of 11.6% to more than EUR 2.7 billion. With these exceptional results we are entering 2024 from a position of strength.

In the face of a fast-changing world, Atradius continued to pursue its strategy of sustainable and profitable growth in the longer term. In 2023, key multiple strategic projects were delivered, including the simplification of the European underwriting entities implemented through the merger of Atradius Reinsurance DAC into Atradius Crédito y Caución S.A. de Seguros y Reaseguros. Major system releases within our digital transformation and optimisation programme across all lines of business reaffirmed our commitment to continuous improvement and operational excellence. Other important strategic priorities successfully executed included the IFRS 17 implementation based on a robust new data management system to ensure quality and enhanced governance.

With regard to corporate governance, the Supervisory Board continued to ensure that Atradius runs its business and manages risk for stakeholders in a transparent and ethical way. In 2023, the full Supervisory Board convened five times. We have two established Committees, the Audit Committee and the Remuneration, Selection and Appointment Committee that discuss specific issues in depth and prepare items on which the full Supervisory Board makes decisions. In 2023, the Audit Committee convened four times and the Remuneration, Selection and Appointment Committee convened twice.

Key topics discussed during the 2023 Supervisory Board meetings include the review of Atradius' results and strategy, including areas such as the monitoring of the consequences of geopolitical challenges, the developments on the commercial area, the review and monitoring of the risk management framework, the review of investment and rating aspects and the renewal of the reinsurance programme.

We also received updates on compliance, IT security and key human resources matters, and were informed on the main developments around the implementation of the IFRS 17 accounting standards and the large business transformation programmes. In December 2023, we approved the Atradius budget for 2024. We further dealt with the consideration and approval of recommendations made by the Remuneration, Selection and Appointment Committee and, where applicable, their submission to the shareholders for approval.

Key topics discussed during the 2023 Audit Committee meetings included the review of Atradius' results and annual report, the external auditor's reports and updates, the evolution and sufficiency of technical provisions, the internal audit reports and the internal audit plan, the re-appointment of the external auditor and the review of the external auditor's independence and non-audit services provided. These topics were discussed in the presence of the external auditor, PricewaterhouseCoopers.

During 2023, the Remuneration, Selection and Appointment Committee discussed the functioning of the members of the Management Board and the Supervisory Board. This included an evaluation of the scope and composition of the Management Board and the Supervisory Board, including the Supervisory Board profiles. It also evaluated the result of the yearly self-assessments undertaken by the Supervisory Board. In addition, the Remuneration, Selection and Appointment Committee reviewed the variable pay, targets and performance of the members of the Management Board, the remuneration of the Supervisory Board, the updates to the remuneration policy of Atradius, as well as gender diversity topics. The Remuneration, Selection and Appointment Committee further made recommendations on the re-appointments of members of the Supervisory Board.

As in previous years, both the Supervisory Board and the Management Board participated in Atradius' annual Permanent Education programme. In 2023, this programme covered training in relation to ESG and the new IFRS 17 accounting standards.

At the end of 2023, Bernd Hinrich Meyer stepped down after being a member of the Supervisory Board of Atradius N.V. and its predecessors for more than 20 years. We wish to sincerely thank Bernd for his invaluable insight and commitment to Atradius over the years. Furthermore, in December 2023, Xavier Freixes, Hugo Serra and Juan Ignacio Guerrero were re-appointed as members of the Supervisory Board.

This Annual Report contains the financial statements for the financial year 2023, audited by PricewaterhouseCoopers Accountants N.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 2023.

We the members of the Supervisory Board would like to thank the Management Board and the employees of Atradius for their dedication and ongoing commitment, which has allowed Atradius to achieve outstanding results. We would also like to thank customers, brokers, agents and distribution partners for their continued trust in Atradius. Finally, we would like to note that we are confident that the Atradius management team, employees and stakeholders will contribute to a successful 2024.

The Supervisory Board

Xavier Freixes

Chair

Shareholder structure

Atradius is part of GCO. It is the international brand of the credit insurance business.

Shareholder structure of Atradius N.V. unchanged since 2011:

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, S.A. Compañía Nacional de Seguros	5.00%	
Ges Seguros y Reaseguros	3.50%	
Total		**100.00%**

GCO 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 GCO are listed on the Continuous Market of the Barcelona and Madrid stock exchanges as part of the IBEX Medium Cap Index. Currently, 33.53% of its capital is floating and the main shareholder is INOC, S.A., holding 62.03% of the capital of GCO.

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

Key figures (EUR million)	**2023**	**2022**
Long-term capital market value	**5,738.80**	**4,916.3**
Equity	5,170.40	4,374.0
Subordinated debt	156,2	191,3
Return on long-term capital	**12.1%**	**12.9%**
Funds under management	**15,364.7**	**14,991.1**
Total revenue	**5,565.6**	**5,245.6**
Consolidated result	**615,5**	**542,6**

GCO

GCO is one of the leaders of the Spanish insurance sector and in global credit insurance. Founded more than 160 years ago, it has experienced continuous growth, thanks to its capacity to adapt to change and remain loyal to its principles, which are truly insurance oriented.

GCO 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.

- More than 14,500 Intermediaries
- More than 1,450 branches
- Presence in more than 50 countries
- More than 8,500 employees
- More than €5,700 million turnover

Strategic goal

To be leaders in 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.

Profitability

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

Growth

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

Solvency

Prioritise own resource generation and continued growth in order to support the group's expansion, ensuring compliance with commitments and ensuring appropriate shareholder 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
	1,361 offices	Life and financial products
		Health
		Funeral
Credit Insurance Business	Service offered in more than 50 countries	Credit insurance
	Business to business	Surety
	Agents and brokers	Credit and bonding reinsurance
		Debt collection
		Instalment credit protection
		Business information

Our Foundation, one of the most active foundations in Spain, was born under the wing of GCO in 1998 with the purpose of channelling the sponsorship and patronage activities that the insurance company had been carrying out throughout an entire century. Its original name —Fundación Catalana Occidente —Fundación Jesús Serra, in 2006, as a tribute to the figure Jesús Serra Santamans, founder of the company and firm defender, from the private sphere, of the humanitarian values and spirit in benefit of the community. In 2024, the Foundation was renamed Fundación Occident.

Occident Fundación

In this new era, our Foundation, one of the foundations that promotes and finances social projects in Spain, continues to follow the path of its founder and yearly promotes a large number of research and educational projects, cultural activities, sport activities and solidarity initiatives, both organised by the Foundation only and organised in collaboration with other institutions, with the aim of fostering GCO's work and commitment towards society.

Building trust

Atradius endorses the importance of sound corporate governance. The key elements of independence, accountability and transparency create a relationship of trust between Atradius and our stakeholders, which include 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.

David Capdevila - Chair and Chief Executive Officer
(1966, Spanish nationality)

David Capdevila was appointed Chair of the Management Board and Chief Executive Officer (CEO) of Atradius N.V. in January 2020.

David is responsible for Strategy and Corporate Development, Human Resources and Facilities, Legal and Compliance, Internal Audit and corporate responsibility within Atradius. He is also the General Manager of Atradius Crédito y Caución S.A. de Seguros y Reaseguros and the Chair of Grupo Compañía Española de Crédito y Caución, S.L. David joined Grupo Catalana Occidente in 1992 as Organisation and Quality Director and, since then, has assumed various responsibilities within Grupo Catalana Occidente S.A. and its entities. His previous roles include the position of General Manager of Crédito y Caución (2006-2013) and Chief Market Officer and member of the Management Board of Atradius N.V.(2008-2013). Between 2016 and 2019 he was the CEO of Plus Ultra Seguros. David has a degree in Actuarial Economics from the University of Barcelona and an MBA from IESE Business School in Barcelona.

Andreas Tesch - Chief Market Officer
(1969, German nationality)

Andreas Tesch was appointed Chief Market Officer (CMO) in November 2011.

Andreas is responsible for Credit Insurance, as well as Special Products, Dutch State Business and Group Marketing and Communications. He is the Chair of Atradius Trade Credit Insurance, Inc. and Atradius Participations Holding S.L.U, a Board member of Atradius Dutch State Business N.V. , and a member of the Supervisory Board of Credit Guarantee Insurance Corporation Limited, amongst others. He has also been President of the International Credit Insurance and Surety Association (ICISA). Andreas has worked for Atradius and its predecessor companies since 2001. From January 2007 to October 2011, he was Director of Global, Oceania and New Markets and, before that, Director of Risk Services for Central and Eastern Europe. Prior to joining Atradius, he was a Director at Simon Kucher & Partners, advising clients on strategy and mergers and acquisitions. Andreas has a degree in Business Administration from the University of Cologne.

Christian van Lint - Chief Risk Officer
(1960, Dutch nationality)

Christian van Lint was appointed Chief Risk Officer (CRO) in November 2012.

Christian is responsible for Group Risk Management, Group Buyer Underwriting, Risk Services and Outward Reinsurance. He has worked for Atradius and its predecessor companies since 1983. From February 2006 to November 2012, he was Director of Group Risk Management and, before that, Director of Risk Services for the Netherlands and Nordics. He has held various positions in the areas of claims and recoveries, buyer underwriting, and special risk management. Christian graduated in Business Administration and Economics in Utrecht.

Claus Gramlich-Eicher - Chief Financial Officer
(1965, German nationality)

Claus Gramlich-Eicher was appointed Chief Financial Officer (CFO) in May 2013.

Claus is responsible for Group Finance, including Finance Programme Management, as well as Group Control, Corporate Finance & Tax, the Enterprise Data Function (EDF) and ESG. He is also the Chair of Atradius Finance B.V. and a member of the board of Compañía de Seguros de Crédito Continental S.A., as well as a member of the Advisory Board of Kemiex A.G. He has more than 30 years of experience in the financial services sector. Before joining Atradius, he worked for Allianz in various senior financial and investment management roles in Germany, Spain, Italy and the Czech Republic. He has also held non-executive Board member positions in insurance, investment management and pension fund management companies. Claus studied Economics and Business Administration at the University of St. Gallen and ESADE in Barcelona and holds both a Master's Degree from the University of St. Gallen and a CEMS Master's in International Management.

Marc Henstridge - Chief Insurance Operations Officer

(1968, British nationality)

Marc Henstridge was appointed Chief Insurance Operations Officer (CIOO) in January 2017.

Marc is responsible for Project and Process, IT Services (CIO and CTO roles), Bonding, Collections, Assumed Reinsurance, and Instalment Credit Protection. He is a Board member of Atradius Collections Holding B.V. and Atradius Participations Holding S.L.U. Marc has worked for Atradius and its predecessor companies since 1997. Before his appointment as CIOO, he served as Director of Risk Services in the UK and Ireland, and Special Products worldwide. Prior to joining Atradius, he spent 10 years at HSBC Corporate as an analyst in the retail and aerospace sectors. Marc graduated in Business Studies from Oakwood College of H&FE in Kent.

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 them. It ensures Atradius has an effective risk management system, internal control system and internal audit function in place. It submits the annual business plan and budget of Atradius 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. You can find information regarding the amount of remuneration received by Management Board members in the explanatory notes to the consolidated financial statements of the Annual Report 2023.

Conflict of interest

A member of the Management Board with a potential conflict of interest with the Company will immediately report this to the Chair 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 any deliberations or decision-making of the Management Board if that member has a direct or indirect personal interest that conflicts with the interest of the Company or its business. In such a case, the other non-conflicted members of the Management Board will pass the resolution. If all members of the Management Board are conflicted, then the Supervisory Board will pass the resolution.

The Supervisory Board

Composition

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

Xavier Freixes - Chair
(1969, Spanish nationality)

Xavier is Founder and Director of Ashtree Strategic Advisors Ltd and is currently the Chair of the Board of Atradius Crédito y Caución S.A. de Seguros y Reaseguros and a Board member at Corporación Químico Farmacéutica Esteve, S.A. Xavier started his career in 1995 as a practising lawyer at Cuatrecasas in Barcelona, where he became a partner in 2005. He moved to London in 2007 to become a Senior Mergers and Acquisitions Specialist at Deephaven Capital Management International Ltd, and later, Founding Partner, General Counsel and Chief Executive Officer of Tyrus Capital S.A.M. in Monaco. Former positions include General Counsel of the Barcelona Stock Exchange and external consultant at Generalitat de Catalunya, lecturer at the Universitat Pompeu Fabra and the ESADE Business School in Barcelona. Xavier has a degree in Law from Universitat Autònoma in Barcelona and a Master's degree in Corporate Law from Universitat Pompeu Fabra in Barcelona.

Hugo Serra
(1975, Spanish nationality)

Hugo is currently Vice-Chair and CEO of GCO (Grupo Catalana Occidente, S.A.) and has been a member of the Board of Grupo Catalana Occidente, S.A. and Occident GCO, S.A.U. de Seguros y Reaseguros since 2006. Other current positions include, among others, Board member of Grupo Compañía Española de Crédito y Caución, S.L., joint CEO of Co Sociedad de Gestión y Participación, S.A., Chair of the Board of Grupo Catalana Occidente Gestión de Activos, S.A., SGIIC and Board member of Atradius Crédito y Caución S.A. de Seguros y Reaseguros and INOC, S.A. He is also a trustee at Fundación Occident. Before joining GCO, he held various responsible positions in multinationals in the financial sector. Hugo has a BSBA from the University of Wales, a degree in Business Administration from the Polytechnic University of Catalonia in Barcelona, and an Executive MBA from IESE Business School in Barcelona.

Désirée van Gorp
(1965, Dutch nationality)

Désirée is full-time professor of International Business and chairing the International Advisory Board at Nyenrode Business University. She also is visiting Professor at universities in Uruguay, China and Italy. Désirée is engaged in several (supervisory) boards among others for Atradius Crédito y Caución S.A. de Seguros y Reaseguros, World Trade Organization's Chairs Programme, NBTC Holland Marketing, Foundation Young & Bold, Expert Panel and (Chair) of early-stage funding initiative of start-ups for the regional development organization, Utrecht, the Netherlands. She also is involved in the Women in Business Awards 2023 for the United Nations' World Investment Forum. In addition to research and education she advises organisations, profit and non-profit, regarding sustainable value chains, building ecosystems, innovation and digitalization while using the design thinking method to enhance change in them. She obtained a master title in law at Leiden University; her PhD she defended at Nyenrode on the topic of global sourcing, offshoring & outsourcing; and she is design thinking educated at Stanford University.

John Hourican
(1970, Irish nationality)

John Hourican is currently CEO of NewDay Limited, a Board member of UK Finance and Board member of Atradius Crédito y Caución S.A. de Seguros y Reaseguros. He was Group Chief Executive Officer of Bank of Cyprus from 2013 to 2019 and Chief Executive of The Royal Bank of Scotland Group's (RBS) Investment Bank (Markets & International Banking) from 2008 to 2013. Between 2007 and 2008, he served on behalf of a consortium of banks (RBS, Fortis and Santander) as Chief Financial Officer and member of the Management Board of ABN AMRO Group. He joined RBS in 1997 as a leveraged finance banker. John held various senior positions in RBS's wholesale banking division, including on the division's Board as Finance Director and Chief Operating Officer. He also ran the bank's leveraged finance business in Europe and Asia. He started his career at Price Waterhouse, here he held various Corporate Finance and Audit roles in Dublin, London and Hong Kong. He is a Fellow of the Institute of Chartered Accountants in Ireland. John graduated in Economics and Sociology from the National University of Ireland and in Accounting from Dublin City University.

Carlos Halpern
(1970, Spanish nationality)

Carlos has more than 20 years' experience in the insurance and financial sectors. He has been senior advisor with several consulting firms including Roland Berger Strategy Consultants and has been involved in several digital transformation projects. He currently acts as Lecturer in Finance in several business schools including IESE and ICADE. He is a Board member of Atradius Crédito y Caución S.A. de Seguros y Reaseguros, Grupo Catalana Occidente, S.A. and Grupo Compañía Española de Crédito y Caución, S.L. From 2004 until 2014 he held various senior positions with Liberbank, including leading a major integration project, and several Board positions in different financial companies. From 1996 until 2004, he worked at Europraxis Consulting where he was involved in management consulting projects in several European countries. Carlos has a Master's degree in Business Administration from IESE Business School and a Master's Degree in Physics (Information Technology) from the Complutense University of Madrid. He has also completed the Advanced Management Program at Harvard Business School.

José María Sunyer
(1969, Spanish nationality)

José María has 29 years' experience in the insurance sector and is currently Chair of Ges Seguros y Reaseguros, S.A. (formerly CEO from 2010 to 2018). He is also Chair of Nacional de Reaseguros, S.A. and Vice-Chair of Almudena Seguros, S.A. He is a Board member of Atradius Crédito y Caución S.A. de Seguros y Reaseguros and of Corporación Europea de Inversiones, S.A., as well as Asitur, S.A. Up until 2022 José María was a member of the Advisory Board of ICEA (Spanish Institute for Cooperation and Investigation between Insurance and Pension Fund Management Companies) and is currently member of the Governing Board of UNESPA (Spanish Association of Insurance and Reinsurance Institutions). In the past, he has been a Board member of Audatex, Calculo, Gesnorte and Sersanet. José María has a degree in Economics from Universidad Pontificia de Comillas in Madrid.

Juan Ignacio Guerrero
(1958, Spanish nationality)

Juan Ignacio has more than 35 years' experience in the insurance sector. He is currently Chair of the Audit Committee of Atradius N.V., Board member of Atradius Crédito y Caución S.A. de Seguros y Reaseguros, a Board member of Grupo Compañía Española de Crédito y Caución, S.L. as well as a Board member at Domasa Inversiones, S.L. Between 2011 and 2023, Juan Ignacio was an independent member of the Board of GCO (Grupo Catalana Occidente, S.A.), and between 1984 and 2006, he was Deputy Director General and later CEO and Managing Director at Aresa, Seguros Generales, S.A., a Spanish insurance company. Former positions in the insurance sector include member of the Governing Board of UNESPA (Spanish Association of Insurance and Reinsurance Institutions) between 1996 and 2006 and Vice-President of the Advisory Committee on Health Insurance Companies of the Government of Catalonia between 1985 and 2006. Juan Ignacio has a degree in Economics and Business Studies from the University of Barcelona. He is also qualified as an Insurance Actuary and holds a Doctorate in Financial Mathematics and Actuarial Studies (pending reading of the doctoral thesis) from the same university, where he is also a lecturer on a Master's Degree course on Insurance Management.

Joaquín Guallar
(1975, Spanish nationality)

Joaquín is currently a member of the Management Board (Comité de Dirección) of GCO (Grupo Catalana Occidente, S.A.), as well as Secretary Non-Director of the Board of Directors of Grupo Catalana Occidente, S.A. Before joining GCO in 2013, Joaquín was a Senior Associate at Cuatrecasas, the Spanish law firm that he had joined in 2001. Between 2008 and 2009 he was seconded to Cravath Swaine & Moore LLP in New York as a foreign associate lawyer. Other current positions include, among others, Board member of Atradius Crédito y Caución S.A. de Seguros y Reaseguros, Grupo Compañía Española de Crédito y Caución, S.L., Grupo Catalana Occidente Gestión de Activos S.A.U. SGIIC and Occident Inversions, S.A. (Andorra) and Secretary Non-Director of the Board of Occident GCO , S.A.U. de Seguros y Reaseguros. Joaquín has a degree in Economics from the University of Barcelona and a Law degree from Abat Oliba CEU (University of Barcelona), as well as a Master's degree in International Business Law at ESADE and a Certificate of Research Sufficiency - Doctorate in International Studies from the University of Barcelona. He has also taken the General Manager Program (PDG) at IESE Business School in Barcelona.

Former member of the Supervisory Board (until 31 December 2023):
Bernd Hinrich Meyer.

Role and procedures

The Supervisory Board supervises the Company's general affairs and the policy pursued by the Management Board. The responsibilities of the Supervisory Board include, among others, supervising, monitoring and advising the Management Board on the Company's strategy, performance and risks inherent to its business activities, the design and effectiveness of the internal risk management and control systems and the financial reporting process. The Supervisory Board rules describe the decision-making process and the composition of the 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 and each will serve a term of a maximum of four years from the date of appointment, after which they will step down in accordance with the Board's rotation scheme (outlined below).

Name	Position	Date of initial appointment	Year of next re-appointment
Xavier Freixes	Chair	01 September 2011	2027
Hugo Serra	Member	01 September 2011	2027
Désirée van Gorp	Member	16 May 2013	2025
John Hourican	Member	01 June 2016	2024
Carlos Halpern	Member	19 January 2017	2024
José María Sunyer	Member	19 January 2017	2024
Juan Ignacio Guerrero	Member	01 January 2022	2027
Joaquín Guallar	member	01 January 2023	2025

A resigning Supervisory Board member may be reappointed. 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

Members of the Supervisory Board are chosen so that their combined experience, expertise and independence enable it 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 Chair and the Company Secretary

The Chair of the Supervisory Board co-ordinates the decision making, draws up the meeting agendas, and chairs both the Supervisory Board meetings and the General Meetings of Shareholders. The Chair also ensures the adequate performance of the Supervisory Board and its committees, including an annual evaluation of both 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 Chair of the Supervisory Board is assisted in their role by the Company Secretary.

Committees of the Supervisory Board

The committees of the Supervisory Board are set up to reflect both relevant corporate standards and the specific interests of the business of Atradius. As risk management is considered a key area of attention, the Supervisory Board considers it important that this subject is discussed in the full Supervisory Board, rather than in a specific risk committee.

Audit Committee

The Audit Committee supports the Supervisory Board in fulfilling its supervisory and monitoring duties for 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 independently and objectively monitors the financial reporting process within Atradius and the system of internal controls. It also facilitates 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 2023, the Audit Committee met four times. The Audit Committee currently consists of Juan Ignacio Guerrero (Chair), Xavier Freixes and Carlos Halpern.

Remuneration, Selection and Appointment Committee

The Remuneration, Selection and Appointment Committee supports the Supervisory Board in fulfilling its duties concerning the appointment of members of the Management Board and the Supervisory Board. It also monitors and supervises the remuneration policy, the remuneration of senior management and other corporate governance matters. In 2023, the Remuneration, Selection and Appointment Committee met twice. The Committee currently consists of Hugo Serra (Chair), Xavier Freixes and Joaquín Guallar.

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. The expenses of members of the Supervisory Board are reimbursed. You can find information regarding the amount of remuneration received by Supervisory Board members in the explanatory notes to the consolidated financial statements of the Annual Report 2023.

Conflict of interest

A member of the Supervisory Board with a potential conflict of interest with the Company will immediately report this to the Chair of the Supervisory Board, who will determine whether the reported case qualifies as a conflict of interest. A Supervisory Board member will not participate in any deliberations or decision-making process of the Supervisory Board, if that member has a direct or indirect personal interest that conflicts with the interest of the Company or its business. In such a case, the other non-conflicted Supervisory Board members will pass the resolution. If all Supervisory Board members are conflicted as referred to above, then the General Meeting will pass the resolution.

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 Chair 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 services to be performed by the external auditor. The Audit Committee ensures the external auditor is not appointed to render non-audit services that are listed explicitly as prohibited services in the Atradius Policy on Auditor Independence.

The General Meeting appointed PricewaterhouseCoopers Accountants N.V. as the Company's external auditor for the financial year 2023.

We’re in this together

No one is alone. We explore, reflect, re-explore, and thrive together. We have already entered a whole new world of business in the same boat, so let us navigate our way out of the sometimes rough seas with support from each other.

The global economic environment

Slower growth ahead

Global economic growth slowed from 3.1% in 2022 to 2.5% in 2023 (against 1.5% forecasted for the year in 2022). Despite still presenting a decline, growth was relatively strong at the start of the year. In May 2023 the World Health Organization announced that it no longer considered the COVID-19 pandemic a global public health emergency. Supply chains, which the pandemic disrupted, largely normalized. The energy shocks caused by the war in Ukraine reduced, manifesting a lesser economic impact than was projected in 2022.

Nonetheless, anticipated headwinds began to mount as extra savings built up during the pandemic began to decline, the initial growth stimulus from the reopening of the services sector diminished, and a sustained slowdown in manufacturing occurred. Additionally, the war in Gaza emerged as a new risk, with a potentially large impact on oil markets and the global economy if the conflict experiences a regional escalation.

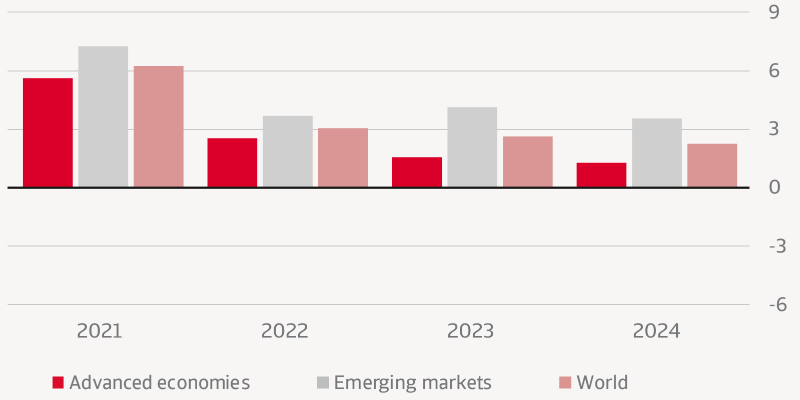
Advanced markets

Across advanced markets, GDP growth slowed to 1.4% in 2023, from 2.6% in 2022. Advanced economies continue to drive the decline in world GDP growth from 2022 to 2023, with stronger services activity offset by weaker manufacturing. Many governments kept supportive fiscal policies in 2023, because of the energy crisis. Monetary policy, however, was tightened almost everywhere in the advanced world to combat high inflation. In advanced markets, inflation declined to an average 4.6% in 2023, mainly due to lower energy prices, with core inflation (excluding energy and food) easing in the second half of the year.

Growth in the United States was better than expected at the beginning of 2023, but GDP performance was worse in the second half of the year, as wage growth slowed, savings accumulated during the pandemic began to run out, and monetary policy kept interest rates high. The labour market remained relatively tight in 2023, with an average unemployment rate of 3.7%. However, unemployment started to increase in the second half of the year. The Federal Reserve tightened the policy rate several times in 2023 and continued to shrink the size of its balance sheet.

Growth in the eurozone was weak throughout 2023. The industrial sector was in a recession and services activity was not strong enough to offset manufacturing weakness. High inflation was still weighing on consumers' purchasing power and negatively affecting sentiment among both households and businesses. The European Central Bank tightened its policy rate in the first half of 2023 but paused its hiking cycle in September, when inflation started to come down. The ECB also continued to build down its balance sheet, as principal payments on assets under the Asset Purchasing Programme were no longer reinvested.

Global economic growth
Real and expected GDP growth, percent change y-o-y



Source:Macrobond

Emerging markets

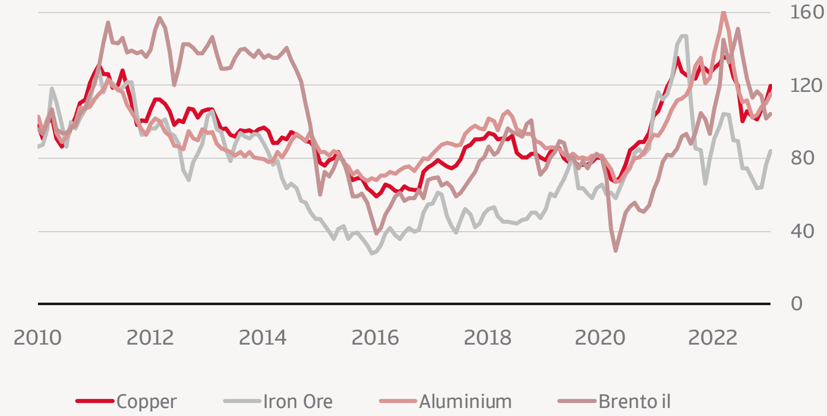
Growth in emerging market economies (EMEs) increased slightly from 3.7% in 2022 to 4.0% in 2023. Growth was supported by China's reopening from the COVID lockdowns in early 2023. The consumption recovery in emerging markets, however, was slower than in advanced markets post-COVID, due to an earlier reopening in emerging economies, a lower availability of effective vaccines and weaker safety nets. There are substantial differences between EMEs. Emerging Asia was ahead of other regions due to China's recovery post-COVID, while Latin America, which struggles with structural weaknesses and political uncertainty, will lag behind other regions.

Growth in Emerging Asia improved in 2023, mostly driven by China, where the growth rate changed from 3.0% in 2022 to 5.1% in 2023. China's growth was boosted in the first quarter following the end of COVID containment measures, but consumption growth in the rest of the year disappointed, and spending remains below the pre-pandemic trend. The Chinese real estate sector remains a weak spot, with poor housing activity indicators, and a steady stream of negative headlines about distressed property developers.

The economic recovery slowed for the second year in a row in Latin America, but the slower GDP growth and lower inflation also paved the way for a looser monetary policy. Brazil's economy saw a flat development of GDP growth in 2023 (3.0%) compared to 2022. GDP performance was surprisingly robust coming out of the pandemic. Growth was underpinned by a record harvest in Q1 of 2023. In Mexico, economic activity slowed to 3.0% in 2023, and its post-pandemic recovery remains incomplete. Mexico's exports declined in 2023, as the economy was exposed to the global slowdown, and elevated inflation weighed on private consumption growth.

In Eastern Europe, growth was more resilient in 2023 than expected one year ago due to a stronger-than-expected GDP performance of the Russian economy. In Turkey, there was a shift towards more orthodox economic policymaking after the re-election of President Erdogan. The central bank rapidly tightened the monetary policy in response to rampant inflation, with the interest rate rising to levels not seen in over 20 years. This, along with the weak external environment and high inflation, weighed on Turkish growth.

Global commodity prices
Price index, 2010=100



Source: Macrobond, World Bank

Global insolvencies: adjusting back to pre-pandemic levels

Insolvencies continued to increase in 2023, driven by normalisation after the pandemic and the bankruptcies of zombie firms. The phasing out of fiscal support measures and the lifting of temporary changes to insolvency legislation pushed the insolvency level higher in most markets. The mean insolvency level across countries is already above 2019, but countries are at different stages of the adjustment process.

In the eurozone, relatively high increases of insolvencies were recorded in the Netherlands, Italy and France, countries where the adjustment process was in full swing. However, there were also markets with a relatively small increase, such as Belgium and Austria, or even a decline, as happened in Spain. In these markets, the insolvency level already increased to the normal level in 2022.

In the United States, there was a relatively high insolvency growth rate in 2023, as they were adjusting back to pre-pandemic levels. In the United Kingdom, the increase of insolvencies was more contained, as the insolvency level was already back at the pre-pandemic level at the start of the year. Due to the phasing out of government support and the poor recovery since Brexit, the strongest rise in insolvencies in the UK already occurred in 2022.

Macroeconomic outlook for 2024

We predict global economic activity to slow to 1.9% in 2024, the weakest growth rate since the global financial crisis

(excluding the COVID driven downturn in 2020). We expect weak GDP figures in several major economies such as the US and China at the start of 2024, followed by only a sluggish recovery.

Growth in advanced economies is projected to slow to 0.6%. Growth in the key advanced markets – US, UK and eurozone – is expected to remain low in 2024. Tight monetary and fiscal policy, as well as the depletion of excess savings will weigh on the US economy. Eurozone GDP growth is expected to remain flat (0.8%), mainly as a result of weak exports and inflation that continues to weigh on private consumption. Governments in advanced markets continue to provide fiscal support in 2024, though the fiscal position is less expansionary than last year. Central banks are expected to continue to keep the monetary policy relatively tight, despite the expectation that inflation will continue to decline. Only when inflation has convincingly returned to target, central banks are expected to loosen the monetary policy somewhat. This could happen in 2024, but probably more likely in the second half of the year.

For emerging markets, GDP growth is forecast to decline modestly in 2024. Emerging Asia remains the fastest growing region in 2024 (4.6%). In China, permanent scars from the protracted zero-COVID policy are weighing on consumption and investment. The ongoing crisis in the property sector will also continue to drag on the economy in 2024. In Eastern Europe, growth is likely to remain flat in 2024 compared to last year, but with divergences between countries. The outlook for this region continues to be clouded by the war in Ukraine. For Latin America, we foresee a slowdown of growth in 2024, due to the weak external environment and the lagged effects of high inflation and monetary policy tightening.

For 2024, we are still predicting insolvency increases for the majority of markets, but the percentage increase is generally lower than in 2023. The picture across markets is more mixed than in 2023. Several markets are still likely to see a substantial rise in insolvencies. In Italy, the Netherlands and the United States, the adjustment process back to pre-pandemic levels started in 2023 and we expect that this will continue into 2024. But there will also be markets with a negative expected insolvency growth in 2024 or relatively contained increases, such as Finland, Austria, Belgium and the United Kingdom.

While global economic activity has proven more resilient than expected, there are still risks that could derail the global economy in 2024. Some of these risks are (geo)political, such as the war in Gaza that has the potential to escalate regionally. Others are economic, such as the persistently high inflation that could trigger more central bank policy rate hikes, a possible further slowdown of growth in China, or debt distress in emerging markets. The current risk environment remains challenging, especially for companies that are still recovering from the COVID-19 pandemic.

Empowering customers and continuity of trade

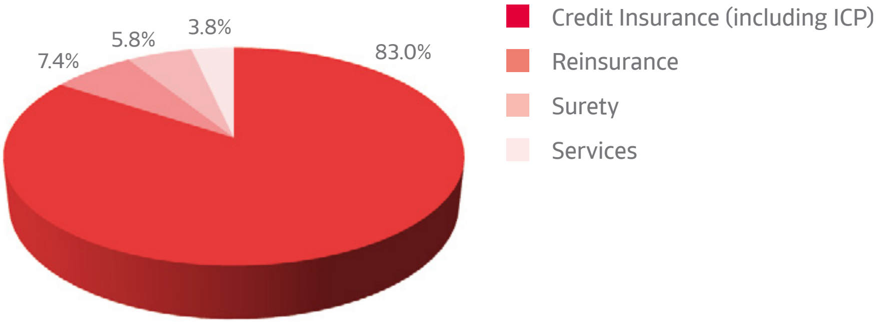
P&L information (EUR thousands) [1]	2023	2022	% change
Insurance premium revenue	2,278,520	2,224,480	2.4%
Information income	143,812	141,922	1.3%
Gross insurance revenue	**2,422,331**	**2,366,403**	**2.4%**
Gross insurance claims and loss adjustment expenses [2]	(953,395)	(914,772)	(4.2%)
Gross insurance operating expenses	(868,668)	(800,805)	(8.5%)
Reinsurance result	(212,501)	(244,828)	13.2%
Insurance result	**387,767)**	**405,998**	**(4.5%)**
Service income [2]	95,645	86,248	10.9%
Service expenses	(78,987)	(77,405)	(2/0%)
Service result	**16,659**	**8,844**	**88.4%**
Net investment result	81,597	42,343	92.7%
Operating result before finance costs	**486,023**	**457,184**	**6.3%**
Result for the year (after tax)	**372,201**	**332,212**	**12.0%**
Employees (FTE)	**3,409**	**3,310**	**(3.0%)**

[1] *For the purposes of measuring performance, the management report will display amounts applying a similar financial reporting basis as those applied by the Company in its management report in previous years, which will differ from the financial statements 2023 that have been subject to the adoption of IFRS 17 and 9 as further described in Note 2.2 of the financial statements. These differences in presentation are allowed by IFRS 8 Operating Segments as further explained in Note 2.8 of the financial statements.*

[2] *Overview includes inter-segment revenue and claims expenses*

	Gross		Net	
	2023	**2022**	**2023**	**2022**
Claims ratio	39.4%	38.7%	42.4%	41.3%
Expense ratio	35.9%	33.8%	32.9%	31.7%
Combined ratio	75.2%	72.5%	75.3%	73.1%

Revenue by business segment



2023 proved to be another year of strong performance for Atradius, despite the continuous challenging and complex global economy. Following achievement of the EUR 2 billion revenue milestone in 2022, gross insurance revenue grew a further 3.1% at constant rates compared to last year. The global economy has proven more resilient than expected and the overall volumes of insured business continued to grow in most markets, although weaker than the rebound effect seen in late 2020 and 2021.

Insolvencies continued to progressively increase during 2023. This was an anticipated normalisation following the conclusion of different government support measures implemented during the pandemic, along with the overall tightening of leading conditions. Some markets insolvencies appeared above pre-pandemic levels, while others are still in the process of adjustment. Gross claims expenses for the year were EUR 953.4 million, a 4.2% increase in absolute terms, with a gross claims ratio of 39.4% (a 0.7%pt increase compared to 2022).

Despite the less than favourable economic outlook observed during 2023 and its implications for global trade, ranging from high food and energy prices, to elevated interest rates and geopolitical volatility in some markets, our Credit Insurance business showed stable and consistent growth trends in most regions across the Group. While Spain, our largest market, observed a slowdown in customer sales, it still continued to grow moderately due to the volume of insured turnover and a robust customer base thanks to excellent customer retention. Both our Global unit and our local business in Asian markets where we continue to pursue our growth ambition, continued to develop well throughout 2023. Our local business in UK & Ireland, France and Netherlands saw a notably robust growth trend throughout the year, contributing the most substantial revenue growth in absolute terms. Our Reinsurance, Surety and Instalment Credit Protection businesses also developed well, showing stronger growth trends than in 2022.

Brokerage fees increased by 4.7% with a stable brokerage ratio of 12.9%, driven by the overall growth in insured business across geographical regions and markets. Operating expenses rose by 8.5%, following the continued insurance portfolio growth during the year, along with increased investment in the digital transformation programmes for the Credit Insurance and Surety business, as well as developments required for compliance with the new IFRS 17 accounting standard for insurance contracts. The gross combined ratio, while increasing 2.7%pts on 2022, ended at a healthy 75.2%. The reinsurance result in 2023 was EUR 212.5 million (13.2% better than 2022) driven mainly by increased gross claims volumes subsequently ceded to reinsurers along with higher reinsurance commissions in the year. The overall net insurance result ended at EUR 387.8 million, a 4.5% decrease from 2022.

The result from our non-insurance services increased by EUR 7.8 million, driven by the excellent performance from Collections (a service income increase of 30.5% vs last year).

The net result from our investment portfolio was EUR 81.6 million above the previous year by 92.7%. This positive performance was a result of strong contributions from our associated companies, higher interest rates in our investment portfolio and realised capital gains on the investment assets. The financial income & expense result increased compared to the previous year, benefitting from favourable variances in exchange rates and higher interest rates.

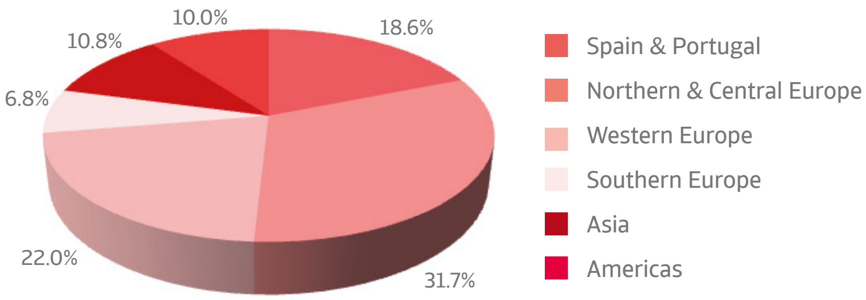
Overall, the total result for the year reached EUR 372.2 million, in large part due to organic growth and strong demand for Atradius' products and services, together with higher investment results. This is a product of our continued growth ambition, excellent customer retention and the continued demand for Atradius' products and services.

Credit Insurance including Instalment Credit Protection (ICP)

(EUR thousands)	2023	2022	
Insurance premium revenue	1,945,895	1,924,549	1.1%
Information income	143,812	141,922	1.3%
Insurance revenue	**2,089,707**	**2,066,471**	**1.1%**
Gross insurance claims and loss adjustment expenses [1]	(848,975)	(789,011)	(7.6%)
Gross insurance operating expenses [1]	(716,139)	(671,122)	(6.7%)
Result before reinsurance	**524,593**	**606,339**	**(13.5%)**
Reinsurance result	(184,794)	(224,872)	17.8%
Result after reinsurance	**339,799**	**381,468**	**(10.9%)**
Total credit insurance and ICP gross claims ratio	**40.6%**	**38.2%**	**(2.4% pts)**

[1] *Overview includes inter-segment revenue and (claims) expenses.*

Credit insurance & ICP revenue by region



2023 was an overall positive year for our credit insurance business with positive growth trends across most of the group. Gross insurance revenue grew moderately by 1.1% (1.9% at constant foreign exchange rates) while claims expenses increased by 7.6% as claims entry progressively returned to pre-pandemic levels, generating a result after reinsurance of EUR 339.8 million (10.9% lower than in 2022).

Keeping our customers at the very heart of everything we do along with our unwavering commitment to excellence, 2023 proved to be another year of exceptional customer satisfaction, visible in a customer retention rate of 94.9%. Our credit insurance portfolio continued to show growth across the group, with most markets reporting favourable development, and collectively generating EUR 2,089.7 million in revenue, a 1.1% increase coming from 2022.

2022 had benefited from increased turnover, part of which was driven by inflation and increased commodity prices. In 2023 underlying performance was favourable and portfolios continued to develop well, however the impact of increasing inflation and commodity prices did not provide additional contributions to revenue growth as it did in 2022. Nonetheless almost every one of our local credit insurance units proved resilient and grew versus the previous year. Asia also maintained a moderate growth in 2023, as our growth ambition in this region remains unabated. While our markets in North America showed marginal growth during the year, France and Netherlands showed strong and stable growth (10.1% and 7.3%, respectively), along with the UK and Ireland (7.2%). The rest of our European markets also showed positive development with the exception of our local markets in Italy and the Nordic regions, which were unable to grow during the year under the strain of a challenging competitive environment. Spain, our largest market, grew moderately during the year, despite subdued development of insured turnover. Our Global unit showed moderate performance and growth during the year, while maintaining excellent customer base retention thanks to Global's first class service.

The Group's risk exposure for credit insurance (total potential exposure, or TPE) increased by 3.2%, to EUR 876.7 billion at year-end 2023. This is due to the moderate growth of insurable business volumes driven by new business acquisition as well as increases in commodity prices and inflation. Europe represents over 70% of total exposure, where Germany with 12.9% is the largest market, followed by Spain with 10.9%.

The claims ratio for the year rose to 40.6%, which is 2.4% pts higher than the previous year with an increase in the overall number of claims. The foreseen development of insolvencies following the phasing out of fiscal support measures and temporary changes to insolvency legislation that were implemented as economic support mechanisms during the COVID pandemic have contributed to this increase, as a progressive return of claims entry to pre-pandemic levels. Increases in overall claims inflow and claims expenses were ultimately observed in a very generalised manner across all regions.

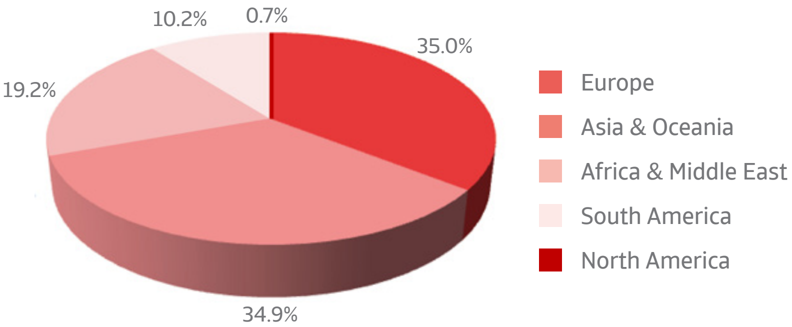
The reinsurance result for 2023 improved substantially. As claims inflow increased progressively throughout the year, there was a corresponding increase in claims ceded to reinsurers. Reinsurance commissions relating to prior and more mature underwriting years also contributed to this improvement.

The technical result after reinsurance for our credit insurance & ICP business decreased by 10.9% compared to 2022, placing it at EUR 339.8 million mainly due to higher claims costs and operating expenses.

Reinsurance

(EUR thousands)	2023	2022	
Insurance revenue	**186,319**	**166,555**	**11.9%**
Gross insurance claims and loss adjustment expenses	(82,877)	(85,506)	3.1%
Gross insurance operating expenses	(74,586)	(64,254)	(16.1%)
Result before reinsurance	**28,857**	**16,797**	**71.8%**
Reinsurance result	(899)	(3,851)	76.7%
Result after reinsurance	**27,958**	**12,945**	**116.0%**
Gross claims ratio	**44.5%**	**51.3%**	**6.8%**

Reinsurance revenue by region of cedent



Atradius Re is a unit that operates as a market reinsurer providing capacity to primary insurance companies in credit insurance and surety.

Our reinsurance business currently supports business from 123 clients in over 55 countries, maintaining a balanced diversity within the portfolio. The underlying business consists of 56% credit insurance and 44% bonding, based on premium volume. A multilingual, highly trained and experienced international team, at Atradius Re's office in Dublin, Ireland, has underwritten the business.

We have long-standing relationships with our clients, 241 live contractual agreements and we lead 35% of our treaties. In addition, we maintain close contacts with specialist brokers. The quality of these client relationships is underscored by our unique offering: combining the Group's skills in the primary underwriting of credit insurance and bonding risks with our own distinctive approach and expertise in structuring reinsurance solutions. At Atradius Re, we always strive to anticipate and respond to the specific and changing needs of our customers.

Total reinsurance revenue, of EUR 166.6 million in 2022, increased to EUR 186.3 million, in 2023. This increase in revenue is due to a combination of new business, mainly bonding, and increased business from existing cedants.

The claims ratio has decreased from 51.3% in 2022 to 44.5% in 2023, partially due to the favourable developments in claims activity from prior underwriting periods.

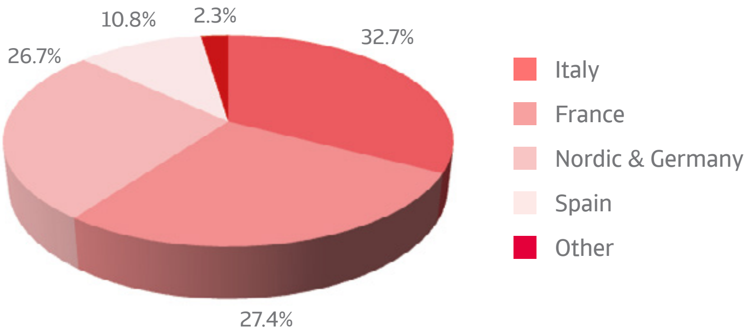
Gross insurance operating expenses showed an increase from EUR 64.3 million to EUR 74.6 million, mainly due to higher commissions payable as a result of increased earned premium during the year, but also due to profit commissions paid and sliding scale commission adjustments as a result of lower claims. The gross insurance operating expenses ratio has increased from 38.6% to 40.0%.

The profitability during financial year 2023 was due to a combination of a significant increase in revenue and positive development of claims in respect of prior underwriting years.

Surety

(EUR thousands)	2023	2022	
Insurance revenue	**146,305**	**133,376**	**9.7%**
Gross insurance claims and loss adjustment expenses	(21,543)	(40,255)	46.5%
Gross insurance operating expenses	(60,444)	(50,116)	(20.6%)
Result before reinsurance	**64,318**	**43,004**	**49.6%**
Reinsurance result	(26,808)	(16,106)	(66.5%)
Result after reinsurance	**37,510**	**26,897**	**39.5%**
Gross claims ratio	**14.7%**	**30.2%**	**15.5%**

Surety revenue by region



Atradius Surety continues its profitable growth and in 2023 recorded a revenue of EUR 146.3 million (an increase of 9.7% compared to the previous year). The increase in revenue is mainly thanks to new opportunities in sectors different than the traditional construction industry (e.g. renewable energy) and qualified new business.

Despite the weaker economic outlook, geopolitical conflicts and spikes in energy prices and inflation, claims remained moderately impacted and well below the previous year. The claims ratio has significantly decreased from 30.2% in 2022 to 14.7% in 2023, partially thanks to the favourable developments in claims activity from prior underwriting periods.

Since the pandemic outbreak, in which the exposure dropped significantly, we have been able to rebound and reach a new peak of EUR 30.2 billion (9.3% more than last year) with a better quality portfolio. This growth has been achieved thanks to the smooth cooperation between the Business and Financial Underwriting, which contributed to winning major deals and mitigating risks on more challenging cases.

While structural expenses continued to remain stable during 2023, total operating expenses grew as the surety business increased investment in digital transformation programmes which aim to provide a modern state of the art user journey and experience for both customers and partners.

Surety´s technical result has reached EUR 64.3 million (before reinsurance) or a gross margin of 44.0%.

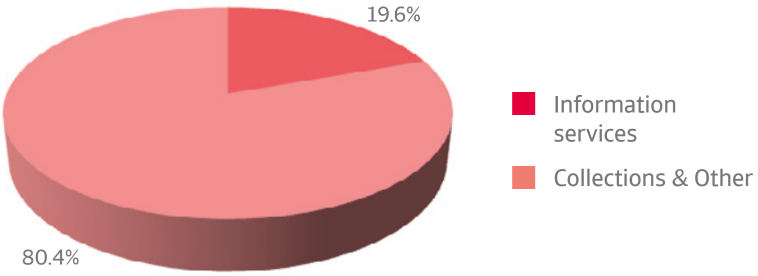
Despite the economic uncertainties, Surety maintains its strong financial position, solid growth and risk profile which we also aim to pursue in the years to come.

Services

(EUR thousands)	2023	2022	
Service income [1]	95,645	86,248	10.9%
Service expenses	(78,987)	(77,405)	(2.0%)
Service result	**16,659**	**8,844**	**88.4%**

[1] *Overview includes intersegment revenues.*

Service revenue



Our services segment comprises our debt collection operations, the Dutch State Business and our information service businesses. It achieved an excellent result in 2023, with an overall good performance throughout the different services. Atradius Collections saw an excellent year of commercial development, geographical expansion and revenue growth.

Debt Collection

Our collections services unit, Atradius Collections, helps our credit-insured and non-insured customers recover domestic and international trade debts while maintaining good business relationships with their clients. We have built an enviable reputation, becoming the global trade invoice collector of choice, leveraging the strength of our core credit insurance business with its integrated international network. After opening new offices in Dubai and Portugal in recent years, Atradius Collections has expanded its international presence into the Balkan region. The acquisition of the Pro Kolekt Group enables us to provide local debt collection services to customers in Bulgaria, Romania, Slovenia, Croatia, Serbia, Bosnia & Herzegovina and North Macedonia. It supports our long-term goals, aligning our vision of delivering local expertise in accounts receivable management across the globe.

We offer a single point of contact for all debt collection cases and worldwide collections expertise 'on the ground' through a presence in 40 countries, covering 96% of all countries worldwide through a global network of collectors, lawyers and insolvency practitioners.

The acquisition of the Pro Kolekt Group strengthens the Atradius credit insurance offer in the Balkan region with local debt collection and information services, enabling Atradius to provide an end-to-end credit management solution to our customers. Debt collection and credit insurance complement each other as they are counter-cyclical, with the collection service picking up as the economy deteriorates. In contrast, credit insurance prospers more in a benign environment.

The challenging economic climate continued during 2023, after many governments halted COVID fiscal support packages, which resulted in an increase of insolvencies globally. After two years of decline during the pandemic years, in the majority of countries there is a significant increase in overdue accounts receivable and non-payments. The global economy is performing better than expected at the start of the year however, the full effect of monetary tightening on demand has been felt. High inflation levels led to higher interest rates, thus affecting consumer and business confidence.

Through a focus on product and risk diversification, Atradius Collections has generated service revenues of EUR 63 million in 2023, representing an increase of 28% compared to 2022. Our efforts in the preventive services product(s) have proven viable and supported our growth. Our customers are loyal and support our dedication to continuous improvement of service delivery with an overall customer satisfaction score of 8 out of 10.

Atradius Collections continued its international expansion with the acquisition of Pro Kolekt, in line with our mission to support our customers growth, wherever they trade in the world, by delivering local expertise in receivables management.

Atradius Dutch State Business

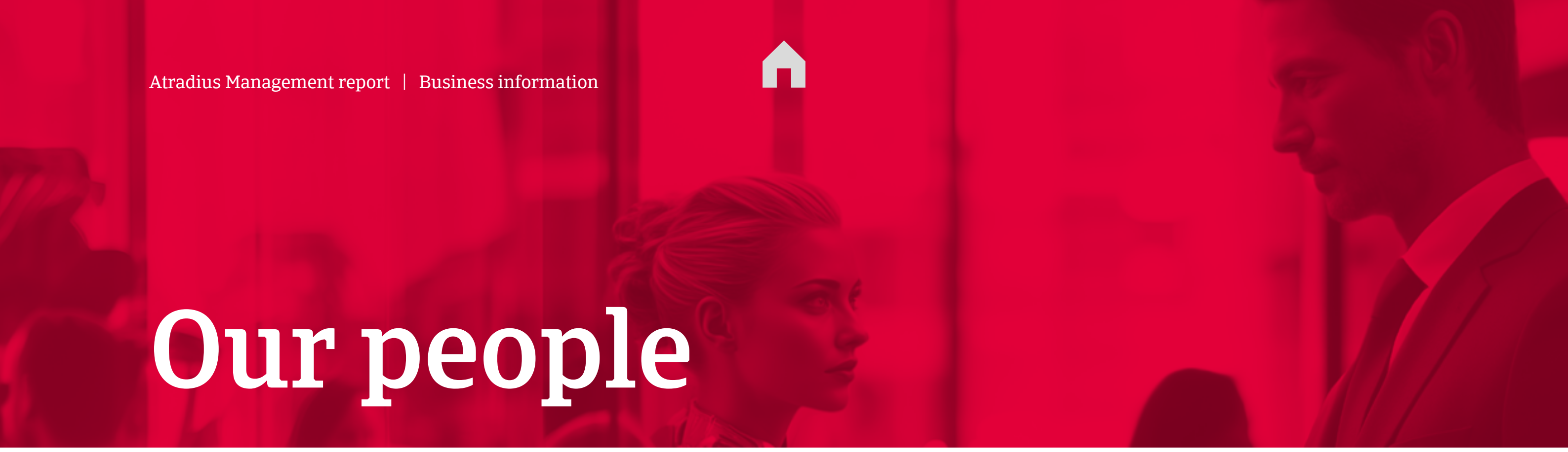
The technical results for the account of the Dutch state were positive throughout 2023 as Atradius Dutch State Business (ADSB) provided cover for risks related to infrastructure projects, the export of capital goods, services to buyers in countries outside the Netherlands, as well as cover for political risks related to investments in other countries.

ADSB also continued to cover development-relevant investments and export contracts in selected medium-income and lower-income countries, which benefit (local) SMEs. We provide this service within the framework of the Dutch Good Growth Fund.

The Dutch Trade and Investment Fund enables ADSB to provide cover on investments and export contracts up to EUR 5 million, for which financial support by commercial banks is not available. By discounting bills of exchange, ADSB can also finance these contracts.

Information Services

Iberinform, our information service companies in Spain and Portugal, continued to support our insurance business in the Iberian markets, demonstrating stable revenue performance.



Our people

The world around us is changing at a rapid rate.

Until now, Human Resources (HR) could perform the day-to-day activities in a relatively stable environment, allowing us, together with the business, to work gradually towards a future and slowly adapt to new requirements. Currently, an impressive number of developments are emerging, affecting our future and the foundation of our work.

Our employees are at the centre of our business. We have stood strong despite change thanks to our employees' expertise and reliability. Their resilience and commitment to our company meant that we could see the challenges in 2023 as opportunities to gain experience and grow. As an employer, we aim to provide a positive employee experience, focusing on keeping our people motivated and engaged. We believe in creating an environment where everyone feels included and free to be themselves.

One of our main activities in 2023 was to start rethinking and adapting our HR strategy to reflect the challenges of today – talented employees leaving the company, technological advancements, and sustainability. We needed to adapt our HR strategy to our goals and therefore defined three strategic pillars to improve today and prepare for tomorrow and the near future. We want to be an attractive employer, enable our employees to reach their potential and be resilient for the future, while we evolve our culture.

Attractive employer

As an answer to the basic needs of our company and employees, we want to be an attractive employer, focusing on employee retention and attraction. We do this by being the employer of choice for our (future) employees by providing them with up-to-date and attractive employment conditions.

Attraction and retention of talent was a key strategic pillar in 2023 for Atradius. We continuously attract the right employees, take care of a good onboarding, and implement the appropriate up-to-date conditions to be able to do so. By optimising these core activities, we stay on top of the game and can meet the needs of Atradius and our employees.

In 2023, we had a retention rate of 91%. This is higher than in 2022 where this rate was 90%, further increasing our already high retention rate. Thus, indicating that our efforts to attract and retain our employees and keep a positive work environment are on track. Our constant efforts towards recruitment and onboarding are effective, suggesting our new hires are a good fit for the company and they receive the support they seek.

In line with our value of continuous improvement, in 2023, we continued to improve our global online onboarding journey, which we launched in February 2022. Moreover, France and The Netherlands have created their online country onboarding process. More countries will follow next year. Additionally, an online toolbox for managers was created to facilitate and streamline the onboarding process internally. We piloted a Buddy Programme in three countries to help new hires adjust to their new work environment, the company culture, and their specific goals. The aim in 2024 is to offer this programme globally to all our new joiners worldwide.

In terms of attracting talent, we have the Employee Advocacy Programme – a programme aimed at encouraging our employees to share Atradius content on social media. It is currently used to share our vacancies on our employees' network to increase the reach. We have also given special attention to making our vacancies appear gender-neutral and have included an 'equal opportunity for all' statement in our job postings. Additionally, our employer branding was improved on all our career sites, enhancing the look and feel of our website, including inspiring videos regarding the Atradius culture while promoting the position.

Enabling employer

In HR, we ensure attractive conditions and aim to continuously provide our employees with the right career and development opportunities. We focus on the opportunities that fit with the changing context in which we operate. This helps us become an enabling employer.

Having the opportunity to develop and being offered a clear career perspective is particularly important to help our employees in the current competitive business environment. The feeling of making progress in their development and career highly contributes to the satisfaction of our employees.

At Atradius, we encourage employees to determine their own set of personal goals and work on their development and career accordingly. As HR, together with management, we do our utmost to support and facilitate this journey. All employees receive annual appraisals and participate in either regular one-to-one meetings with their manager or team meetings to review their performance. They can discuss the challenges they face and set new goals.

The results of our Employee Engagement Survey in 2022 showed that career development and personal development were one of the few topics we scored below the external benchmark. In May 2023, we conducted an Employee Development Survey to gain a better understanding of the development needs and learn from current experiences. Over 2300 employees participated in the survey. The question "career development is important to me" scored 8.3 and the question "feedback from others is important to me when it comes to career development" scored 7.9. These results indicate that we all find career development to be an especially important topic and both feedback and knowledge sharing are essential.

In recent years, we have continued to make important steps in facilitating development. The Atradius Academy aims to make learning accessible to all via various (virtual) learning and development opportunities such as e-learning courses, webinars, classroom training and development programmes designed in a hybrid fashion with both online and in-person sessions. Additionally, all new employees must complete our suite of compliance courses.

A key component of future-proofing Atradius and Shaping Tomorrow Together (our global initiative to prepare employees for digital change) is to stay up to date with recent technologies and innovations. To facilitate this, we have invested in training and development courses on Office 365 tools and offered various in-house webinars on the various internal IT systems and apps we developed as part of the Digital Ambassador Programme. These webinars have each reached over eight hundred employees across our offices.

The continuous increase in offerings from the Atradius Academy, complemented by local and unit-level training, ensures all our employees are offered a large variety of learning opportunities per year. This year the average learning hours per employee was 20.3 hours (compared to 16.6 hours in 2022), with men (19.4 hours) and women (21.2 hours) spending a similar amount of time developing themselves. Three years ago we set an internal target to ensure each employee spends at least 20 hours on learning per year, which we have now reached.

Sustainable employer

As a sustainable employer, we ensure the long-term well-being of our employees so that together we are fit for the future. We do this considering societal and demographic changes.

Our employees' well-being and vitality are of primary importance. We offer various organisation-wide well-being and vitality initiatives to ensure our employees take the time to focus on themselves and keep a positive work-life balance. We believe that continuous efforts to evolve our company culture have a positive impact on the mental health and well-being of our employees.

In 2023, we continued the third year of our Growth Programme with two sessions: one on personal development and the other about feedback. This is part of our three-year programme where, in 2021, we focused on personal well-being and the importance of having a good balance in a challenging environment. In 2022, we focused on gaining an overview and focus and building strong teams in the new hybrid-working world. Topics included managing workload, goal setting and how to create a dream team. As the well-being of our employees is extremely important to us, well-being initiatives will continue next year.

In today's world, the active engagement and acknowledgement of diversity, equity, and inclusion (DEI) is essential. We have created a multi-year action plan to obtain a more diverse workforce and an inclusive work environment that stimulates life-long learning, provides flexibility and is in line with the company's ESG initiatives. The action plan addresses this topic in recruitment, hiring, training, salary development and promotions.

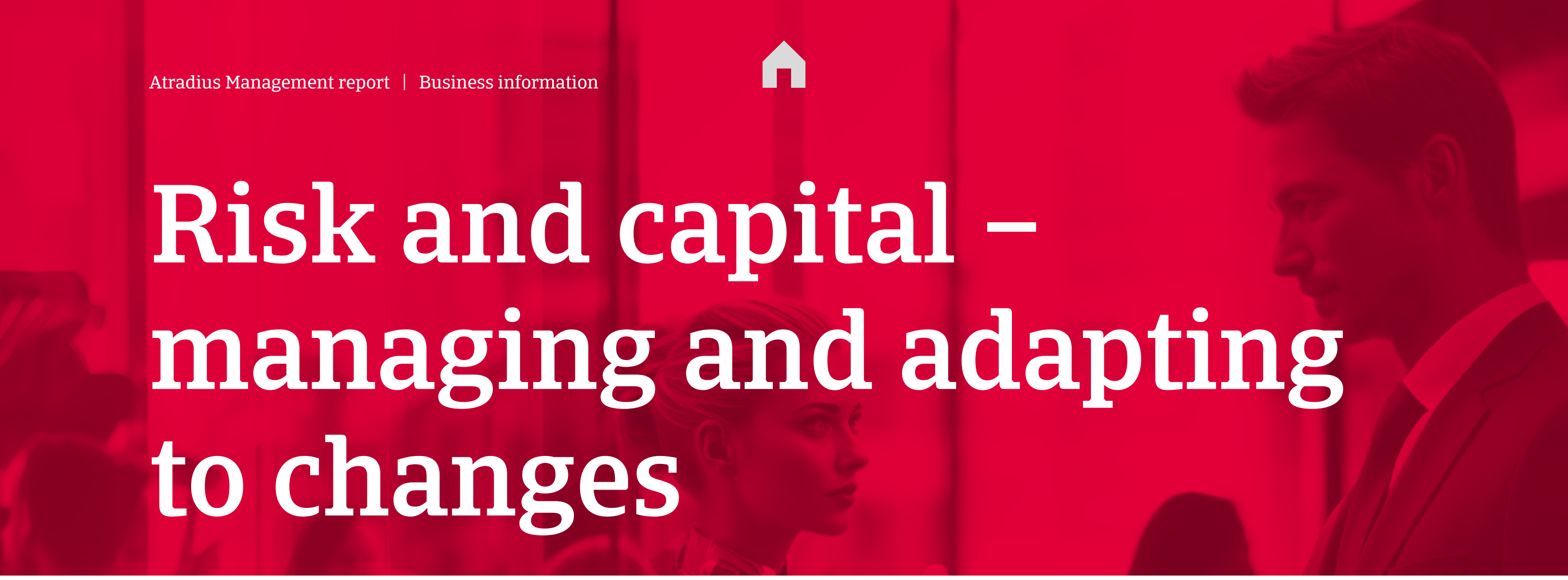
One sub-action of the multi-year action plan is to offer an Unconscious Bias in Recruitment course for all hiring managers. This course was created as a follow-up to last year's webinar series on diversity and inclusion, raising further awareness on the topic and including a guide on how to use more inclusive language. We have also piloted a Female Sponsorship Programme to help improve female career progression and expand the talent pool available for senior positions. As already mentioned, we have made our vacancies appear gender-neutral and all postings include an 'equal opportunity for all' statement. Efforts on this action plan will continue during the coming years in line with our Sustainability Master Plan outlined in the ESG Chapter on page 53.

Evolving our culture

To be an attractive, enabling, and sustainable employer, we find it especially important to strengthen our culture. We do this via Evolve+, our multi-year cultural programme. Since 2017, the Strike initiative has been taking place - a group-wide sales competition helping build and support our growing competitive spirit and actively encouraging proactivity and agility. In May 2023, a winners' event was hosted in Madrid to celebrate the Strike League winning teams from 2022. The teams were recognised for their contribution, commitment, and dedication to the winning of new business, and the significant contribution they made to our Strike targets.

Another Evolve+ initiative is the Happy Holidays Video – a yearly Atradius-branded Seasons Greetings video to share with customers and partners. The video highlights our offices around the world to display our culture and bring forward our international community.

Atradius Cares, under the Evolve+ initiative, was introduced in 2017 to share our resources charitably and give back to society. This applies to our commercial stakeholders, the wider community and the environment. Over the past years, various events have been organised locally by our colleagues around the world. Participating in these initiatives encourages team spirit and reinforces positive and sustainable values while contributing positively to society. It contributes to our direct community and environment, and it also broadens personal horizons. Detailed information can be found in the ESG chapter on page 53.



Risk and capital – managing and adapting to changes

As a global insurance company, Atradius is exposed to constantly evolving risks, due to the nature of our business and the continuously changing environment. We mitigate these with a strong and adaptable approach to risk and capital management but at the same time recognise they provide an opportunity to learn and grow, to “rethink” our approach.

We group the main types of risk into four classes: insurance, financial, strategic, and operational. Insurance risk, or underwriting risk, is mainly the risk of non-payment by a buyer, covered by a policy (credit insurance), or the risk of non-performance towards a customer (bonding). Financial risks arise out of developments in the financial market and with counterparties - including market risk, credit risk and liquidity risk. Strategic risks relate to changes in the business environment. Operational risks are the risk of loss arising from inadequate or failed internal processes, personnel, systems, or from external events.

This high-level categorisation is not exhaustive. We also focus on Environmental, Social and Governance (commonly referred to as ESG) risks that are described in more detail in the respective section of this report. Important concepts are sustainability, integrity, transparency, and a responsible attitude to carrying out activities.

During 2023, Atradius addressed multiple developments in the global risk landscape combined with an increased focus on ESG issues.

Risk management framework

The Boards of the Groups companies are ultimately responsible and accountable for risk management and internal control within their respective companies. The Management Board implements and oversees Atradius' group-wide risk governance through the Risk Strategy Management Board (RSMB) and committees that support and report to the RSMB. These committees operate in specific risk-related areas such as underwriting of buyer exposures, country risk, provisioning, asset management and investments, reinsurance, quantitative modelling, and approval of new products and transactions. In addition, our people have well-defined authorities specifying the level of risk they are allowed to accept. This framework ensures that we assume and manage risks in a controlled way, in line with the risk appetite and risk profile of the company. Risk appetite is the aggregate level of risk that Atradius is willing to assume and manage within a determined period of time. We act to maintain and improve our risk profile that is split into the specific risk categories of Underwriting Risk, Financial Risk, Strategic Risk, and Operational Risk.

Atradius uses various operational tolerances and limits for different types of risk that are embedded in the Company through its risk governance structure. These include:

- Solvency Capital Requirement (SCR): SCR Ratio, SCR max, thresholds and respective monitoring
- Strategic asset allocation for investment assets
- Limitations on exposure or cover terms for countries and industry sectors
- Group and individual buyer exposure limits
- Credit risk limits (e.g. for reinsurance, deposits)
- Policy and risk underwriting authority levels.

For the description of the main risks and uncertainties, and how we manage them, please refer to Note 4 of the consolidated financial statements.

Underwriting risk

In 2023, we maintained sufficient commercial and risk underwriting resources to address the rapidly changing circumstances globally and particularly in the countries and trade sectors where we provide services. We maintain and improve the quality of our portfolio by our prudent and professional policy and buyer underwriting. We measure and monitor our portfolio through a set of risk metrics such as: Country Ratings, Buyer Rating and Risk Acceptance. At the same time, we communicated and explained our actions to our stakeholders (customers, brokers, reinsurers, regulators, shareholders and employees) to ensure transparency and to steer the business.

Financial risk

We maintained a diversified portfolio of investments, closely monitored, and managed according to strategic asset allocation parameters. The investment portfolio remained concentrated around high-quality fixed income assets, without exposure towards structured investments or derivatives. We ensured sufficient cash liquidity for any given circumstance by investing in liquid assets and maintaining a short duration within the fixed income investment portfolio and supported this with a credit facility for the unlikely event of a liquidity crunch. The impact of exchange rate fluctuations has been limited as revenue, expenses, assets, and liabilities within our non-Euro operations are generally denominated in the same currencies.

Our credit risk, the risk of non-payment by banks, policyholders, or counterparties, is low. This risk is limited and well spread; in addition, we have reinsurance contracts with a panel of strong and well-rated reinsurers.

Strategic risk

Strategic risk arises from changes in the business environment and from adverse business decisions, improper implementation of decisions, or lack of responsiveness to changes in the business environment. It is the risk related to strategic planning, market developments and reputation.

Atradius manages strategic risk exposures based on an evaluation of the likelihood of the risk materialising and the impact should that event occur. It includes those risks that senior management consider having the highest overall magnitude.

Operational risk

In 2023, Atradius continued to successfully manage various types of operational risk. Inherent operational risks related to all activities undertaken by Atradius are managed within our internal control system via policies, procedures and periodic risk and assurance activities. These activities adapt as new risks are identified or existing risks evolve. Notwithstanding the above, there are risks identified that merit additional focus.

Evolving cyber threats were recognised, especially related to AI, phishing, ransomware, denial of service and fraud, which highlight the increasing monetisation of cyber threat against financial services companies through insufficient technical controls and user error. Consequently, we have increased our cyber risk-management, as part of a Cyber Security Strategy, to further improve governance, protection, resilience and vigilance across Atradius.

Other IT related risks are recognised but these are considered less material and addressed by existing IT General controls. These deal with the inherent IT risks faced by Atradius and cover topics including infrastructure, configuration management, physical security, disaster recovery, data integrity and service quality.

A team comprising employees from various locations across our company, monitors the activity of customers and buyers to detect indications of external fraud. Internal fraud is addressed through manual and automated operational controls.

Risk and capital

The relationship between risk and capital is fundamental, as taking risk consumes capital. Strategic decisions are taken with the interdependence of risk and capital in mind.

These strategic decisions are substantially informed by the outcomes of our bespoke economic capital model, which was developed in house. This model contributes to a multitude of risk assessment and measurement activities. It enhances our ability to manage and monitor risk levels within the organisation through the allocation of risk-based capital.

In 2023, the use of the internal model was important for the management of our risk profile given the model's ability to react quickly to increasing number of changes in the portfolio and environment. In addition, the model continues to be used to calculate regulatory capital requirements under Solvency II.

Atradius compliance framework

At Atradius, we believe that compliance with relevant laws, rules, and regulations, and maintaining a high standard of ethics and integrity, leads to lower operational risk and stable business processes. The Atradius Code of Conduct outlines the basic corporate, legal, and ethical principles and guidelines that apply to all our employees. The Code of Conduct also governs our operations and business conduct towards customers, brokers and all parties involved in Atradius' business. The Atradius Speak-Up Procedure gives guidance on how to raise concerns regarding a violation or breach of the Code of Conduct in a confidential manner. Atradius also has several additional compliance policies to address specific areas, for example the Policy on Customer Due Diligence and the Policy on Sanctions amongst others. Atradius has a Data Protection Framework in place, which includes controls, policies, and procedures to comply with the applicable data protection legislation. All the compliance policies are available to employees and reviewed on a regular basis.

The compliance function supports the management of Atradius in meeting our objective of being compliant with applicable laws, rules, and external and internal regulations. The Group compliance function is responsible for the maintenance and overall effectiveness of the compliance framework at Group level, whilst local compliance functions monitor regulatory compliance developments at local country level.

Capital management

We seek to maintain a strong capital position and well-capitalised operating entities in line with our defined risk appetite. This helps to support the evolution of our insurance business, to withstand financial stress in adverse business and financial markets, to meet our financial obligations and, to create shareholder value.

Shareholders' funds and Subordinated debt[1]

We maintain a strong capital position, building further our capitalisation thanks to high retained earnings in 2023. Shareholders' funds at the end of 2023 amounted to EUR 2,784.7 million, an increase of 11.6% from EUR 2,495.2 million at year-end 2022.

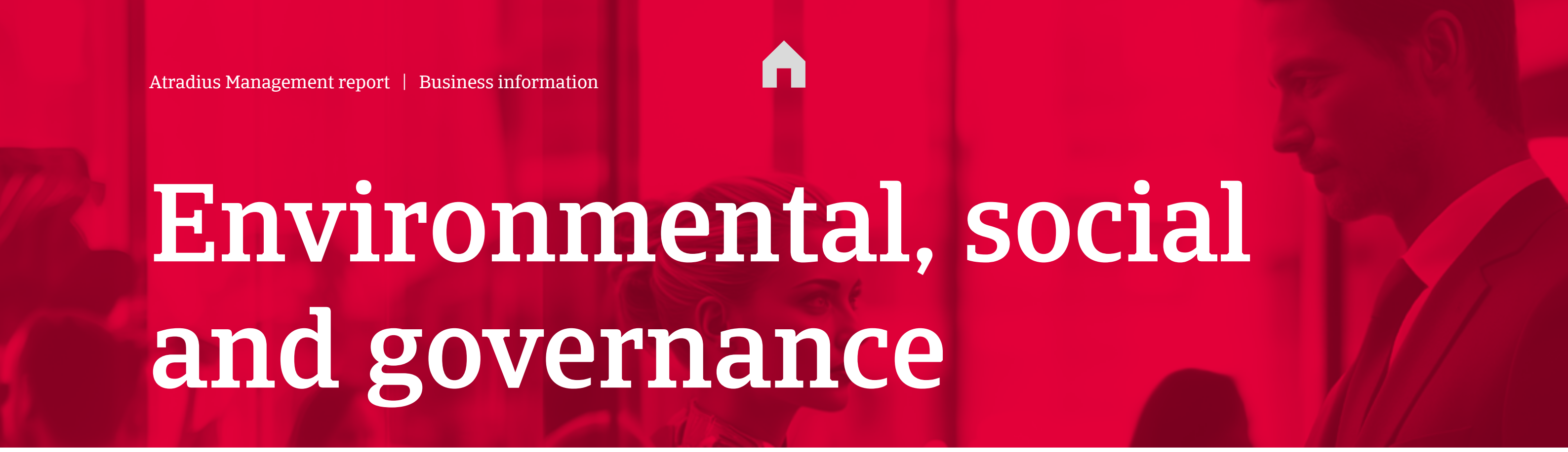
Subordinated debt at the end of 2023 amounted to EUR 250 million (nominal amount), unchanged from year–end 2022. The EUR 250 million nominal amount represents subordinated notes listed on the Luxembourg Stock Exchange, which qualify as Tier-2 basic own funds for Solvency II. The issuer Atradius Finance B.V. has the option to redeem the notes in whole, but not in part, on the First Call Date (23 September 2024) or on any Interest Payment Date thereafter. No decision has been made yet to redeem the notes. For further details, please see Note 20 of the consolidated financial statements of the Annual Report 2023.

Regulatory capital

At the end of 2023, Atradius' companies collectively held a solvency ratio above 200% (unaudited).

We apply a partial internal model (consisting of an internal model to measure substantially all underwriting risk exposure and the regulatory standard formula to measure other risk types) to calculate regulatory capital requirements under Solvency II.

[1] *Amounts mentioned in this paragraph are based on Note 20 in the Financial statements*



Environmental, social and governance

In recent years, there has been a paradigm shift in how businesses approach sustainability and ESG (environmental, social, governance).

The incorporation of environmental, social, and governance (ESG) factors in a company's business model, partially due to the growing pressure from stakeholders and partially driven by looming regulatory initiatives, is changing the perspectives of companies.

Rethinking business through an ESG lens involves considering not only financial performance but also the contribution to environmental protection, social equity, and robust governance structures. This holistic approach aims to create long- term value and align business strategies with the UN Sustainable Development Goals.

In recent years, Atradius has focused in developing Environmental, Social, and Governance (ESG) initiatives to reflect the company's commitment to sustainability.

Good governance

Atradius aims to make sustainability central to their vision by anchoring it into their purpose of managing risk and enabling trade.

In 2022, we created a dedicated ESG Committee chaired by our CFO Claus Gramlich-Eicher. The Committee is composed of members of our leadership team from various business areas and group functions, and has been set up to structure our various ESG initiatives.

In 2023, we also recruited a Head of ESG, who is responsible for promoting, driving, and coordinating the ESG initiatives globally as well as for overseeing the operational management of sustainability across our different international businesses.

Additionally, this year Atradius approved its sustainability policy in line with GCO's public policy which defines the Atradius' approach towards sustainability.

In addition, Atradius has a Human Rights statement with the aim of adapting it to the provisions of the United Nations' Universal Declaration of Human Rights and in accordance with the principles and values of the Group's Code of conduct.

> We believe in a future built upon sustainable global trade with positive outcomes for people and the planet.

Sustainability Master Plan 2024-2026

In 2022, we formalised our sustainability ambitions based on three pillars - People, Planet and Prosperity, which have guided our actions in the current year.

In 2023, together with GCO, we carried out a materiality assessment following the new European Corporate Sustainability Reporting Directive (CSRD) approach. The CSRD implies the incorporation of the double materiality approach, which identifies and prioritises the sustainability aspects based on, (1) the impact that Atradius' activities have on the environment and its stakeholders (impact materiality), and (2) the impact that the environment and its stakeholders have on Atradius´ activities from a risk and opportunity perspective (financial materiality).

The process included interviews with relevant functions of Atradius as well as internal and external surveys, complemented by global peer, trend, and regulatory analyses.

The outcome was integrated into a new Sustainability Master Plan 2024-2026 which is structured into 10 strategic lines related to 4 pillars: Environmental Responsibility, Social Commitment, Good Governance and Sustainable Business.

Promoting sustainability awareness

Atradius has developed several programmes including education sessions for senior management to promote a culture of sustainability within the organisation and ensure that employees are well-informed.

This started last year with the launch of our mandatory sustainability e-learning on the Atradius Academy Learning Management System.

In 2023, we also launched the Sustainability SharePoint which contains details about our own sustainability initiatives and general information on ESG and sustainability.

International Commitments

Atradius supports the ten principles of the United Nations Global Compact on human rights, labour conditions, the environment and anti-corruption and reports on this annually, via our parent company GCO. As part of GCO, Atradius is also a signatory to the UNEP-FI Principles for Sustainable Insurance and UNPRI Principles for Responsible Investment.

Recognitions

In 2023, Atradius was awarded the bronze medal from EcoVadis in recognition of our sustainability that place us in the top 50% of companies assessed by the provider of business sustainability ratings.

According to Moody's, Atradius' ESG Credit Impact Score is neutral-to-low (CIS-2), reflecting the limited credit impact of Environmental and Social risks on the financial strength rating ('A1' outlook stable).

Environmental responsibility

Atradius has a global presence operating in more than 50 countries through a network of 98 offices varying in different sizes.

In most countries, Atradius leases offices either as a single tenant or rents spaces within a multi-tenant building. We collaborate with the landlords to lower our carbon footprint and support our sustainability goals.

Atradius has developed Corporate Real Estate Standards (CRES), which include ESG goals for energy saving measures and new procurement procedures when sourcing for new office locations. Atradius has also introduced hybrid working, reducing the amount of office square meters from 102.629 square meter in 2019 to the 84.972 square meter in 2023 already, and in progress to future optimalisation.

Energy consumption and energy efficiency measures

Currently, 9 buildings where Atradius has offices hold sustainable building certificates. When sourcing new office locations, our specifications always include criteria to maximize sustainability, seeking certifications such as ENERGY Star, BREEAM, and LEED.

In an effort to reduce energy consumption, Atradius is implementing various energy efficiency measures. These include replacing existing lighting with more energy-efficient and environmentally friendly LED bulbs, installing motion-sensitive lighting systems, and adjusting lighting schedules to align with office hours. In 2023, the total electricity consumption reached 9.526.636 KWh, with around 40% sourced from renewable energy. In 27 offices, 100% of the electricity consumed is guaranteed to be of renewable origin. The remaining energy consumption, generated by facilities through stationary combustion, amounted to 548 tonnes of $CO2$.

Local actions have also been developed to promote sustainable practices, for example in France an energy challenge was organised on each floor of the building throughout 2022, with rewards distributed to the floor that had used the lowest amount of energy in 2023.

Paper and waste

We have put measures in place to assess and minimize the resources we purchase. This includes managing materials categorised as waste spills, hazardous waste such as electronic batteries, PCs, and electronic printing materials. We also responsibly dispose of old phones, laptops, screens, and other electronic devices. Through these initiatives, we aim to significantly decrease the company’s environmental footprint.

Furthermore, we consider waste minimisation during office refurbishments, reusing and recycling materials wherever possible.

In 2023, our paper usage resulted in emissions amounting to 44 tonnes of $CO2$ and 23% is recycled paper. Furthermore, demonstrating our commitment to sustainability, we set a target to source 100% of our paper from recycled materials in the coming years, ensuring they hold eco-certifications such as the Forest Stewardship Council (FSC).

Travel

In 2023, we revised our internal travel policy, incorporating new ESG recommendations to encourage environmental consciousness and responsible behaviour. The updated policy advises minimizing air travel, especially for distances under 500 kilometres or travel times less than four hours. In the same year, our business travel activities resulted in 3025 tonnes from air travel and 80 tonnes from train travel. Additionally, our company car fleet contributed to 1162 tonnes of CO_2 emissions.

The Group Company lease car policy is expected to be published in early 2024 with a more focus on ESG by limiting emissions to a maximum of 120 grams/km and applying an incentive to hybrid and electric cars, 5% and 10% increase in the lease amount at the time of replacement, respectively.

In terms of commuting journeys, a sustainable mobility model will continue to be promoted with the installation of electric car charging stations near the offices, like in the UK, Denmark, Norway, Sweden, The Netherlands, Germany, Belgium, and France.

In addition, Atradius Belgium has undertaken initiatives to promote new alternative means of transportation, such as the inclusion in company benefits of the reimbursement of bike sharing use in Antwerp or the free use of four electric company bikes as new ways of getting to work and reducing emissions.

Social commitments

At the close of 2023 Atradius' workforce stands at 3499 employees, of which 49% are women.

Diversity, equality, and inclusion

Atradius promotes gender equality and diversity through the Code of Conduct and the Human Resources Policy. In addition, we developed a Human Rights statement in 2021.

In 2022, we designed a multi-year action plan to create a more diverse workforce and inclusive work environment which among other initiatives included targets to increase the presence of women in middle management as well as the reduction of our gender gap. The actions will maintain continuity in our Sustainability Master Plan for 2024-2026 with further development to be implemented to comply with the EU Pay Transparency Directive.

In 2023, 33% of all managers (31% in 2022) and 25% (24% in 2022) of our senior management were women (including our leadership team). As positions within senior management become available, Atradius will continue to keep its culture of diversity at the centre of hiring practices with increasing the number of women in senior positions. As the women within Atradius are equally representative of the high calibre of human capital within the company, we expect that within four years they shall represent at least 22% of the Supervisory Board (11% in 2023), 17% of the Management Board (0% in 2023) and 26% (25% in 2023) of our sub-top-level positions.

We continued to monitor the gender pay gap. Several factors come into play when measuring pay gaps such as years of experience or the different average salary by country. In 2023, the pay gap calculated as average remuneration ratio Women/Men was 0.93 in the category Senior Management (stable compared to 2022) and 0.82 in the category Middle Management (0.84 in 2022).

These actions were complemented by courses and webinars on inclusive language, intercultural communication, and unconscious bias to raise further awareness on the topic.

More information can be found in the HR section on page 45.

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We value the richness of genders, races, cultures and personalities.

Employee well-being programme

Atradius is promoting new ways of working and is implementing measures aiming at facilitating and improving people's work-life balance.

In 2023, we continued the third year of the Growth Programme with two sessions: one on personal development and the other on feedback.

Since July 2021 Atradius introduced a hybrid working model that combines the advantages of working in the office and of working at home, allowing employees to work 40% of the working week remotely. The model provides a groupwide common framework, while also offering flexibility for local adaptations linked to local legislation, Collective Labour Agreements, and current local practices.

Contribution to local communities

In 2023 Atradius' employees coordinated various local campaigns and activities to support local causes through partnerships with local charities and employee volunteer programmes.

Health

Atradius actively engages in charity races to raise funds and awareness for disease prevention. For example, in 2023 Atradius Italy participated to "Race for the Cure" a sporting event for women's health that supports breast cancer organisations and hospitals and Atradius France in "Les foulées de l'assurance" for the prevention of cardiovascular diseases. Additionally, Atradius UK and Ireland have supported the Alzheimer´s Society, the chosen charity of the year via bake sales, charity events, and choir concerts throughout the year.

Finally, for the ninth consecutive year Atradius Amsterdam has taken part in the Amsterdam City Swim, an event where swimmers raise money to help fund the research into treatments for the ALS (Lou Gehrig's disease).

Toy collection and donation were organized by the employees of Atradius France to support the activities of Ti'Clown, an association that helps children live better in hospital and regain their status as children despite their illness.

Environmental awareness

Through the World Clean-up Day, Atradius volunteers participated in clean-up drives, collecting rubbish both on land and in the sea. In 2023, 140 colleagues from 17 different countries/regions participated in picking up 190 kilos of waste.

Atradius Belgium has launched a new trend of end-of-year gifts for its employees and donated 5 trees for each colleague in the Atradius forest in Evelette. A total of 1500 trees were planted in 2023.

We developed local actions to involve our customers in our sustainability efforts; in 2023, Atradius Germany invited 15 customers to plant 4-meter-tall trees in Kevelaer, Germany, with their account managers.

For any registration on our platform view, a new tool offered to our customers in Spain, Portugal, and Brazil, Atradius delivers water filters to the NGO The Social Water, for the purification of polluted waters.

Solidarity and social inclusion

Atradius Vietnam donated used computers to Thien An Shelter (MATA), a social protection institution established to help the visually impaired youth access education and learn skills needed to integrate into the society.

Several countries such as Spain and the Netherlands have a long-standing participation in donating to local food banks.

Sustainable business

Sustainable investment

Atradius has updated its Policy to include sustainable investment principles in the management of its financial investments.

The policy includes the incorporation of ESG considerations into the analysis and decision-making processes in terms of investment management:

Exclusion principles:

Exclusion of companies in which part of their activity is carried out in certain economic sectors, which are involved in controversial activities or in those companies with a high ESG risk score , as measured by an external provider.

Integration principles:

Investment in projects aimed at the transition towards a low-carbon economy, which is more resource-efficient and more sustainable, are progressively increased and/or investments in projects aimed at achieving the social and environmental objectives, in line with the priorities set out in the Group's Sustainability Master Plan.

In 2023 we achieved the target of ensuring 10% of our investments were sustainable or delivered sustainable impacts.

ESG Rating Pilot

In 2022, we conducted customer surveys and interviews to develop a more accurate understanding of the customers' needs in relation to sustainability and the role that we can have as a credit insurer. As a result, in 2023 we kicked-off several pilots. One in particular was focused on developing in-house knowledge and insights of how ESG drivers and topics translate themselves into credit risks, and to which degree companies' ESG performance is linked to their own creditworthiness. Once we have developed this insight, we can support our customers to navigate through the ESG-linked credit risks.

The pilots conducted also highlight that, considering the limited availability of ESG information, reports and scores in the market at the moment, it is safe to say that we are at the beginning of this journey. Our expectation is that more companies will start gathering data in 2024 already so they can publish sustainability disclosures and reports as of 2025 following coming into effect of the CSRD for a number of companies, and the information will become more readily available in a standardized and audited form, so we can build reliable data models and insights.

Consolidated financial statements 2023

Contents

All amounts in thousands of Euro, unless otherwise stated

Consolidated statement of financial position

As at December 31, 2023

Assets	Note	31/12/2023	31/12/2022
Assets held for sale	32	-	**34,742**
Cash and cash equivalents	6	**694,238**	**575,789**
Receivables	7	**124,381**	**96,638**
Other assets	8	**191,481**	**164,083**
Current income tax assets	9	**86,018**	**83,035**
Deferred income tax assets	9	**3,817**	**15,320**
Insurance contract assets	15	**776,751**	**739,636**
Direct insurance contract assets	15	109,788	94,489
Reinsurance contract assets	16	654,132	634,015
Deferred acquisition costs	15	12,831	11,132
Investments in associates	12	**88,815**	**88,726**
Financial investments	10	**3,153,146**	**2,944,676**
Investment properties	13	**25,633**	**25,947**
Property, plant and equipment	13	**190,223**	**180,880**
Intangible assets	14	**193,649**	**213,618**
Total		**5,528,153**	**5,163,090**
Equity			
Equity attributable to owners	22	**2,784,685**	**2,495,232**
Total		**2,784,685**	**2,495,232**
Liabilities			
Liabilities held for sale	32	-	**21,851**
Payables	17	**141,765**	**144,086**
Other liabilities	18	**406,262**	**405,558**
Current income tax liabilities	9	**45,578**	**73,194**
Deferred income tax liabilities	9	**122,755**	**84,178**
Insurance contract liabilities	15	**1,722,984**	**1,626,324**
Direct insurance contract liabilities	15	1,722,832	1,626,287
Reinsurance contract liabilities	16	152	37
Provisions	19	**4,347**	**4,087**
Subordinated debt	20	**249,828**	**249,600**
Employee benefit obligation	21	**49,949**	**58,979**
Total		**2,743,468**	**2,667,858**
Total equity and liabilities		**5,528,153**	**5,163,090**

Consolidated profit and loss statement

for the year ended December 31, 2023

	Note	2023	2022
Insurance revenue	15.2	2,300,480	2,078,310
Insurance service expense	27	(1,623,291)	(1,368,231)
Investment results	23	(34,898)	(17,126)
Net expenses from reinsurance contracts	16.3	(261,067)	(272,274)
Insurance service result		**381,224**	**420,679**
Other income from ancillary insurance activities	24	**244,074**	**240,835**
Net gains/(losses) on FVTPL	25	20,160	(16,605)
Net gains/(losses) on debt securities measured at FVOCI	25	31,342	(9,575)
Other investment income	25	4,871	(244)
Net investment income	25	**56,373**	**(26,424)**
Share of income/(losses) of associated companies	12	**11,266**	**17,755**
Net insurance and investment result		**692,936**	**652,846**
Other finance costs	26	1,323	1,481
Other operating expenses	27	(200,431)	(175,094)
Profit before income tax		**493,828**	**479,233**
Income tax expense	28	(119,061)	(109,030)
Profit for the year		**374,766**	**370,203**
Net result on held for sale operations	32	4,314	(41,102)
Result for the year		**379,081**	**329,101**
Attributable to:			
Owners of the Company		379,081	329,100
Non-controlling interests		-	-
Total result for the year		**379,081**	**329,100**

All amounts in thousands of Euro, unless otherwise stated

Consolidated statement of comprehensive income

for the year ended December 31, 2023

	Not	2023	2022
Result for the year		379,081	329,100
Other comprehensive income:			
Items that will not be reclassified to the profit and loss statement:			
Revenue Reserve - Transition	22.6	-	(2,977)
Net gains/(losses) on investments measured at FVOCI	22.6	(37)	(6,292)
Actuarial gains/(losses) on defined benefit pension plans	22.5	11,108	37,471
Income tax relating to items that will not be reclassified	22.5	(3,031)	(11,388)
Items that may be subsequently reclassified to the profit and loss statement:			
Net fair value gains/(losses) on available-for-sale financial investments		-	-
Net gains on investments measured at FVOCI reclassified to profit or loss on	22.3	103,988	(141,539)
Finance expenses from insurance contracts issued		45,505	(8,738)
Indexation hyperinflation	22.6	-	55
Exchange gains/(losses) on translating foreign operations and associated		(30,547)	59,508
Income tax relating to items that may be reclassified		(23,455)	33,552
Other comprehensive income for the year, net of tax		**103,531**	**(40,349)**
Total comprehensive income for the year		**482,612**	**288,750**
Attributable to:			
The owners of the Company		482,612	288,750
Total comprehensive income for the year		**482,612**	**288,750**

Consolidated statement of changes in equity

for the year ended December 31, 2023

	Note	Share capital	Share premium reserve	Revaluation reserve	Currency translation reserve	Pension reserve	OCI - Insurance Finance Expenses	Retained earnings	Result for the year	Total	Total equity
		Attributable to the owners of the Company									
Balance at 1 January 2022		**79,122**	**639,228**	**110,854**	**(61,959)**	**(55,082)**	**-**	**1,189,911**	**240,249**	**2,142,323**	**2,142,323**
IFRS9 & 17 transition	2.2.1	-	-	(61,503)	-	-	25,583	264,653	-	228,733	228,733
Balance at 1 January 2022		**79,122**	**639,228**	**49,351**	**(61,959)**	**(55,082)**	**25,583**	**1,454,564**	**240,249**	**2,371,056**	**2,371,056**
Dividends	29	-	-	-	-	-	-	(164,574)	-	(164,574)	(164,574)
Total comprehensive income for the year		**-**	**-**	**(108,121)**	**59,642**	**26,083**	**(8,738)**	**231,034**	**88,851**	**288,750**	**288,750**
Appropriation of prior year result		-	-	-	-	-	-	240,249	(240,249)	-	-
Result for the year		-	-	-	-	-	-	-	329,100	329,100	329,100
Other comprehensive income		-	-	(108,121)	59,642	26,083	(8,738)	(9,215)	-	(40,349)	(40,349)
Balance at 31 December 2022		**79,122**	**639,228**	**(58,770)**	**(2,317)**	**(28,999)**	**16,845**	**1,521,025**	**329,100**	**2,495,232**	**2,495,232**
Balance at 1 January 2023		**79,122**	**639,228**	**(58,770)**	**(2,317)**	**(28,999)**	**16,845**	**1,521,025**	**329,100**	**2,495,232**	**2,495,232**
Dividends	29	-	-	-	-	-	-	(193,160)	-	(193,160)	(193,160)
Total comprehensive income for the year		**-**	**-**	**78,909**	**(28,923)**	**8,077**	**45,505**	**329,063**	**49,981**	**482,612**	**482,612**
Appropriation of prior year result		-	-	-	-	-	-	329,100	(329,100)	-	-
Result for the year		-	-	-	-	-	-	-	379,081	379,081	379,081
Other comprehensive income		-	-	78,909	(28,923)	8,077	45,505	(37)	-	103,531	103,531
Balance at 31 December 2023		**79,122**	**639,228**	**20,138**	**(31,240)**	**(20,922)**	**62,350**	**1,656,928**	**379,081**	**2,784,685**	**2,784,685**

All amounts in thousands of Euro, unless otherwise stated

Consolidated statement of cash flows

for the year ended December 31, 2023

	Note	2023	2022
Operating activities			
Insurance business		**482,351**	**553,833**
(+) Cash received from insurance activities (Inflows):		2,862,435	2,610,139
(-) Payments from insurance activities (Outflows):		(2,380,085)	(2,056,306)
Other business		**66,292**	**45,852**
(+) Cash received from other activities (Inflows):		224,315	251,635
(-) Payments from other activities (Outflows):		(158,022)	(205,783)
Cash generated from operating activities		**548,643**	**599,685**
Profit tax paid		**(153,567)**	**(136,319)**
A) Net cash from operating activities		**395,076**	**463,366**
Investing activities			
1. Cash received from investing activities (Inflows):		**1,434,924**	**1,138,243**
(+) Property, plant and equipment	13	437	4,525
(+) Investment property	13	-	401
(+) Intangible assets		2,659	15,180
(+) Financial instruments		674,808	880,506
(+) Investments in equity instruments		665,371	182,391
(+) Disposal of subsidiaries		6,002	-
(+) Interest received		63,895	32,595
(+) Dividends received	12	19,799	19,585
(+) Other cash received in relation to investing activities		1,953	3,060
2. Payments from investments activities (Outflows):		**(1,505,616)**	**(1,340,746)**
(-) Property, plant and equipment	13	(34,371)	(31,920)
(-) Investment property	13	-	4,776
(-) Intangible assets		(15,537)	(6,406)
(-) Financial instruments		(708,744)	(1,157,428)
(-) Investments in equity instruments		(743,349)	(145,268)
(-) Other cash paid in relation to investing activities		(3,615)	(4,500)
B) Net cash from investing activities		**(70,692)**	**(202,503)**
Financing activities			
1. Cash received from investing activities (Inflows):		-	-
2. Cash paid in investing activities (Outflows):		**(216,125)**	**(181,428)**
(-) Dividends paid to shareholders	29	(193,159)	(164,574)
(-) Interest paid		(23,195)	(17,071)
(-) Subordinated liabilities		228	217
C) Net cash from financing activities		**(216,125)**	**(181,428)**
D) Effect of exchange rate changes		**10,192**	**(3,039)**
E) Net increase/(decrease) in cash and cash equivalents (A+B+C+D)		**118,450**	**76,396**
F) Cash and cash equivalents at beginning of the year	6	**575,789**	**499,393**
G) Cash and cash equivalents at end of year		**694,239**	**575,789**
Total variance		**118,450**	**76,396**

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 'Atradius') 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, surety, reinsurance, information services, collection services and instalment credit protection. Atradius offers products and services from strategically located offices on six continents and employed 3,525 people as at 31 December 2023 (2022: 3,426). The parent is Grupo Compañía Española de Crédito y Caución, S.L., which owns 64.23% (equal to 2022) of the shares in Atradius N.V. The ultimate parent and the ultimate controlling party of Atradius 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% (equal to 2022) of the shares in Atradius N.V. The financial statements of Atradius N.V. are consolidated within Grupo Catalana Occidente, S.A. (GCO), which is a listed company in Spain.

Atradius N.V. subsidiaries are subject to licensing requirements and supervision of their local regulators. Atradius Crédito y Caución S.A. de Seguros y Reaseguros (ACyC) is the primary insurance company and is subject to the supervision of the Spanish regulator, Directorate General of Insurance and Pension Funds (Dirección General de Seguros y Fondos de Pensiones; hereinafter 'DGSFP').

The Atradius consolidated financial statements have been authorised for issue by the Management Board on 12 March 2024 and have been reviewed by the Supervisory Board.

2 Summary of significant accounting policies 2023

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

The Atradius 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. The Atradius consolidated financial statements are prepared based on going concern.

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 Atradius 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 profit and loss statement of Atradius N.V. for 2023 is incorporated in the consolidated financial statements, which allow for a presentation of a condensed company profit and loss 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.

Due to rounding, numbers presented throughout this, and other documents, may not add up precisely to the totals provided.

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 Atradius require retrospective application.

2.2.1 Standards, amendments and interpretations effective in 2023

The following relevant standards and amendments has been adopted in 2023 and has had a material effect on the consolidated financial statements:

- IFRS 17 Insurance contracts (effective 1 January 2023), IFRS 17 Insurance contracts (issued on 18 May 2017); including Amendments to IFRS 17 (issued on 25 June 2020) has been applied for annual reporting periods starting on 1 January 2023 (date of first application). It is compulsory to include one-year of comparative information. IFRS 17 Insurance contracts establishes principles for the recognition, measurement, presentation and disclosures of insurance contracts within the scope of the standard. This standard supersedes IFRS 4, which allows continued use of local accounting practices and has resulted in insurance contracts being accounted for differently between jurisdictions and similar products. Unlike the above, the implementation of IFRS 17 involves a consistent application on the accounting for all insurance contracts. A major change compared with IFRS 4 is that estimated losses (onerousness) on a group of contracts that are expected, but has not yet occurred, is considered to have occurred and has an impact in the accounts and accounting. For all contracts that are not onerous at initial recognition, an entity shall recognise a profit margin in the profit and loss account (called a contractual service margin or CSM) over the period in which the entity performs the service. However, if at the time of initial recognition or during the period in which the entity performs the service, the contract becomes onerous, the entity shall recognise the loss in the profit and loss accounts immediately. Further reference is made to specific information included in Note 2.2.17 and Note 15 insurance contracts.
- IFRS 9 Financial Instruments (effective 1 January 2018) replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement, impairment of financial instruments and the new general hedge accounting requirements; We refer to Note 2.10 and note 10. Major changes compared to IAS 39 are: The classification categories for financial assets under IAS 39 of held to maturity, loans and receivables, fair value through profit or loss (FVTPL), and available-for-sale determine their measurement. These are replaced in IFRS 9 with categories that reflect the measurement, namely amortized cost, fair value through other comprehensive income (FVOCI) and FVTPL. IFRS 9 bases the classification of financial assets on the contractual cash flow characteristics and the entity's business model for managing the financial asset, whereas IAS 39 bases the classification on specific definitions for each category. Overall, the IFRS 9 financial asset classification requirements are considered more principle based than under IAS 39. A major change is that IFRS 9 applies a single impairment model to all financial instruments subject to impairment testing while IAS 39 has different models for different financial instruments. Impairment losses are recognized on initial recognition, and at each subsequent reporting period, even if the loss has not yet been incurred. The impairment requirements under IFRS 9 are significantly different from those under IAS 39. There are key differences between the two standards : whereas the IAS 39 Incurred Loss Model Delays the recognition of credit losses until there is objective evidence of impairment and only past events and current conditions are considered when determining the amount of impairment, under IFRS 9 Expected credit losses (ECLs) are recognized at each reporting period, even if no actual loss events have taken place. IFRS9 implementation has been postponed to align it with IFRS 17.
- Amendments to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information. The amendment introduces the concept of classification overlay. The classification overlay allowed Atradius to classify financial assets in the comparative period 2022 in a way that aligns with the manner in which Atradius reasonably expected those assets were classified on initial application of IFRS 9 as per January 1, 2023. Financial instruments sold before January 1, 2023 were reported in accordance with IFRS 9, and IAS39 impairments were replaced by ECL.

The standard becomes effective in 2023 and, in line with IFRS, the comparative balances are adjusted and opening balance as per 1 January 2022 was restated as a consequence. The impact of these changes on the balance sheet and profit and loss statements are detailed in the tables below:

Assets	31/12/2021 IFRS 9 /17	Changes in measurement	31/12/2021 IAS39 / IFRS4
Receivables	187,101	187,506	374,607
Miscellaneous assets and accruals	144,329	431,456	575,785
Other assets 1)	924,508	77,575	1,002,082
Tax assets	8,503	67,717	76,220
Investments	3,079,701	-	3,079,701
Insurance contract assets	548,097	262,275	810,372
Total assets	**4,892,239**	**1,026,528**	**5,918,767**

Equity	31/12/2021 Restated IFRS 9 /17	Changes in measurement	31/12/2021 IAS39 / IFRS4
Capital and reserves attributable to the equity holders of the Company	2,371,056	(228,733)	2,142,323
Total equity	**2,371,056**	**(228,733)**	**2,142,323**

Liabilities	31/12/2021 Restated IFRS 9 /17	Changes in measurement	31/12/2021 IAS39 / IFRS4
Payables	695,752	555,199	1,250,951
Tax liabilities	141,676	-	141,676
Insurance contract liabilities	1,434,372	700,062	2,134,434
Subordinated debt	249,383	-	249,383
Total liabilities	**2,521,183**	**1,255,261**	**3,776,444**

1) Includes: Property, plan and equipment; cash and cash equivalents, intangible assets

All amounts in thousands of Euro, unless otherwise stated

Profit and loss	2022 Restated IFRS 9 /17	Changes in measurement	2022 IAS 39 / IFRS 4
Profit and loss technical accounts premium	-	1,366,401	1,366,401
Profit and loss technical accounts claims	-	(620,803)	(620,803)
Broker and reinsurance commissions	-	24,931	24,931
IFRS17 insurance contracts result	420,679	(420,679)	-
Insurance result	**420,679**	**334,722**	**770,528**
Profit and loss service and other income	**240,835**	**-**	**225,708**
Operating expenses	**(175,094)**	**(406,301)**	**(581,395)**
Investment income	64,083	(204)	63,879
Investment expenses	(90,507)	51,216	(39,291)
Share of income from associated companies	17,755	-	17,755
Profit and loss investment income	**(8,670)**	**51,013**	**42,343**
Other Finance income and expenses	**1,482**	**(602)**	**880**
Result for the year before tax	**479,232**	**(21,168)**	**458,064**
Income tax	**(109,030)**	**4,811**	**(104,220)**
Net Result on discontinued operations	**(41,102)**	**19,469**	**(21,633)**
Total result for the year	**329,100**	**3,111**	**332,212**

The following relevant standards, amendments and interpretations have been adopted in 2023 and did not have a material effect on the consolidated financial statements:

- Amendments to IAS 1 Presentation of Financials Statements and IFRS Practice statement 2: Disclosure of accounting policies and Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates.. The Amendments revise IAS 1 to require entities to disclose their material accounting policy information rather than their significant accounting policies. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to explain the application of the materiality concept to accounting policy disclosures. The Amendments also revise IAS 8 to replace the definition of a change in accounting estimates with a definition of accounting estimates and provide other clarifications to help entities distinguish accounting policies from accounting estimates. These amendments do not have an impact on the consolidated financial statements;
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction. These amendments do not have an impact on the consolidated financial statements;
- Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules (issued 23 May 2023). The Amendments introduce:
    - A mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules;
    - Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date; and
    - A mandatory temporary exception from the recognition and disclosure of deferred taxes arising from implementation of the OECD's Pillar Two Model Rules (Note 9).

2.2.2 Standards, amendments and interpretations not yet adopted

The following relevant standards and amendments are effective for annual periods beginning after 31 December 2023 and have not been early adopted by Atradius:

- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback. The objective of the Amendments is to specify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendment does not have material impact on the consolidated financial statements;
- Amendments to IAS 1 Presentation of Financials Statements: Non-current liabilities with covenants. This is to

clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability classification of liabilities as current or non-current. The amendments are effective for reporting periods beginning on or after January 1, 2024. These amendments will not have material impact on the consolidated financial statements.

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

- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (Issued on 25 May 2023). These amendments will not have material impact on the consolidated financial statements.

2.3 Consolidation

All the entities that are consolidated have 31 December 2023 as year-end.
The following principles of consolidation and measurement are applied to the financial statements:

2.3.1 Subsidiaries

Subsidiaries are all entities over which Atradius has control. Atradius controls an entity when it 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 Atradius. They are de-consolidated from the date on which control ceases.

Intragroup transactions, balances and unrealised gains on intragroup transactions are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

When Atradius loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related Non-controlling Interest (Minority-interest further referred to as ‘non-controlling interest’) and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

2.3.2 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 Atradius, liabilities incurred by Atradius to the former owners of the acquiree and the equity interests issued by Atradius in exchange for control of the acquiree. Acquisition-related costs are generally recognised in the profit and loss 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.

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 Atradius’ previously held equity interest in the acquiree (if any), then the excess is recognised immediately in profit or loss as a bargain purchase.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity’s net assets in the event of liquidation, may be initially measured either at fair value or at the non-controlling interests’ proportionate share of the recognised amounts of the acquiree’s identifiable net assets. The choice of measurement method is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by Atradius in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at the fair value and included in the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments, are adjusted retrospectively, with a corresponding adjustment to goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. A contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration that: (i) is within the scope of IFRS 9 shall be measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss in accordance with IFRS 9. (ii) is not within the scope of IFRS 9 shall be measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss
.

When a business combination is achieved in stages, Atradius' previously held equity interest in the acquiree is re-measured to fair value at the acquisition date (i.e., the date when Atradius obtains control) and the resulting gain or loss, if any, is recognised in the profit and loss statement. Amounts arising from interests in the acquiree before the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, Atradius reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

2.3.3 Associated companies

Associated companies are entities in which Atradius 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. Interests in associates are initially recognised at cost, which includes positive goodwill arising on acquisition. Negative goodwill is recognised in the profit and loss statement on the acquisition date. If associates are obtained in successive share purchases, each significant transaction is accounted for separately.

Atradius' 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 Atradius and its associated companies are eliminated to the extent of Atradius' 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 Atradius.

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

2.4 Segment reporting

IFRS 8 requires operating segments to be identified on the basis on which the Management Board regularly reviews components of Atradius in order to allocate resources to the segments and to assess their performance. Although the Management Board reviews the Company's results in accordance with IFRS 17 in an aggregated level, operating segments are reported in a manner consistent with the internal reporting provided to the Management Board, which is prepared in accordance with IFRS 4. Note that there are not budget/actuals made on IFRS 17 yet. For more information related to segment reporting please see Note 5.

2.5 Foreign currencies

2.5.1 Functional and presentation currency

Items included in the financial statements of each of Atradius' entities/branches are measured using the currency of the primary economic environment in which the entities/branches operate (the 'functional currency').

All amounts in the notes are shown in thousands of Euro (EUR).

2.5.2 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 profit and loss 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.

2.5.3 Atradius companies

The results and financial position of all Atradius 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 profit and loss 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 are taken to other comprehensive income. When a foreign operation is sold, such exchange differences are recognised in the profit and loss 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 Atradius are presented below:

Currency	End rate			Average rate		
	GBP	USD	AUD	GBP	USD	AUD
At 31 December 2023	1.151	0.905	0.615	1.158	0.915	0.605
At 31 December 2022	1.127	0.938	0.637	1.156	0.964	0.648

2.6 Goodwill and other intangible assets

2.6.1 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 Atradius' 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 2.3.2) less accumulated impairment losses, if any. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

For the purpose of impairment testing, goodwill is allocated to Atradius' relevant cash-generating units. The cash-generating units where goodwill is allocated are the lowest identifiable level possible. 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.

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

For more information related to intangibles please see note 14.

2.6.2 Software

Acquired computer software licences 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.

Development costs that are directly associated with the production of identifiable and unique software products controlled by Atradius, 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. The research costs associated with developing identifiable and unique software products as well as the costs of maintaining computer software programmes are recognised as an expense as incurred. The computer software development costs recognised as assets are amortised using the straight-line amortisation method over its estimated economic useful lives: in general, not exceeding a period of five years. Majority of capitalised software developed for strategic business developments has an estimated useful life of 10 years.

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embedded in the specific assets to which it relates. All other expenditure is expensed as incurred.

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

For more information related to intangibles please see note 14.

2.7 Property, plant and equipment

Land and buildings comprise offices occupied by Atradius ('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 Atradius and the cost of the item can be reliably measured. All other repairs and maintenance are recognised as an expense in the profit and loss statement during the financial period in which they are incurred.

Some of Atradius' 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, Atradius 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 depreciated 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.

2.7.1 Leased property, plant and equipment

At the inception of a contract, Atradius assesses whether it is a lease. A contract is a lease if it involves the use of an identified asset and conveys the right to control the use of the asset for a period of time in exchange for consideration – i.e. Atradius has the rights to obtain substantially all of the economic benefits from using the asset, and direct the use of the asset.

As a lessee

A right of use (ROU) asset and a lease liability are recognised at the commencement date of the lease. The ROU asset is initially measured at cost, which comprises the amount of the lease liability, any lease payments made at or before the commencement date, any initial direct costs incurred and an estimate of the costs to remove the underlying asset or to restore the site on which it is located, less any lease incentives received. The lease liability is initially measured at the present value of the lease payments to be paid, discounted using the interest rate implicit in the lease or, if that cannot be readily determined, Atradius's incremental borrowing rate. Atradius generally uses its incremental borrowing rate as the discount rate that applies to the lease.

Subsequently, the ROU asset is depreciated using the straight-line depreciation method over the shorter of the asset's useful life and the lease term. The lease liability is subsequently measured at amortised cost using the effective interest method. The depreciation expense on the ROU asset and the interest expense on the lease liability are separately recognised in the profit and loss statement.

Atradius presents its ROU assets in 'property plant and equipment' and lease liabilities in 'other liabilities' in the statement of financial position.

Atradius has elected not to recognise ROU assets and lease liabilities for short-term-leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are recognised as an expense on a straight-line basis in the profit and loss statement.

As a lessor

Atradius classifies all leases for which it is a lessor as operating leases, because none of these leases transfer substantially all of the risks and rewards incidental to ownership of the underlying asset.

Lease payments from operating leases are recognised as income on a straight-line basis over the lease term and are included in 'net investment income'.

Atradius presents its operational leases as a lessor in 'investment property' in the statement of financial position.

2.8 Investment property

Property held for long-term rental yields that is not occupied by one of the companies of Atradius 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.

2.9 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 broker 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 Atradius 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. Atradius 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 for own use and investment property are determined, every two years, by independent real estate valuators registered in the relevant countries and who 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.

Tangible and intangible assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs. Additionally the company reviews in the case of self developed software if there are any objective reasons to impair the carrying value. This is based on progress of the development and considering time and money spent, budget and deliveries according to the milestones. If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease. Please refer to the paragraph "Property, plant and equipment" for the treatment of a revaluation decrease.

2.10 Financial instruments

2.10.1 Summary of measurement categories

Atradius classifies its financial assets into the following categories:

Type of financial instrument	Classification	Reason
Cash and cash equivalents	Amortised cost	SPPI, hold to collect business model
Debt securities	Fair value through OCI	SPPI, hold to collect and sell business model
	Fair value through Profit and Loss	Mandatory, does not pass the SPPI test
Investment funds	Fair value through Profit and Loss	Designated upon initial recognition
Equity securities	Fair value through OCI	Designated upon initial recognition

2.10.2 Recognition and derecognition of financial instruments

All purchases and sales of financial instruments that require delivery within the time frame established by regulation or market convention ('regular way' purchases and sales) are recognised at trade date, i.e. the date that Atradius commits to purchase or sell the asset. Loans and receivables are recognised and derecognised at settlement date, the date Atradius receives or delivers the asset.

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

2.10.3 Classification of financial instruments

The classification approach is based on two concepts: the entity's business model and the characteristics of contractual cash flows of assets and liabilities (represented by Solely Payments of Principal and Interest (SPPI)).

Atradius has assessed whether its financial assets are maintained to:

- Obtain contractual cash flows: The management of this type of business model aims to generate cash flows by obtaining contractual payments over the life of the instrument. However, even if the objective of the business model is to hold financial assets to collect contractual cash flows, the entity does not need to hold all instruments until maturity. Thus, an entity's business model may be to hold financial assets to collect contractual cash flows even when sales of financial assets occur or are expected to occur in the future. Such sales should be circumstantial, infrequent, of negligible value or consistent with the objective of the business model.
- Obtain contractual cash flows and sell such assets: The management of this type of business model aims both at obtaining contractual cash flows and the sale of financial assets. There are several objectives that can be consistent with this type of business model.
- Sell the assets or manage their return through their fair value: The management of this type of business model aims to evaluate it on a fair value basis. An entity focuses primarily on fair value information and uses that information to assess asset performance and make decisions. For these portfolios, obtaining contractual cash flows is only secondary to achieving the business model objective.

Based on defined business models and cash flow characteristics, Atradius classifies its debt instruments into three valuation categories (i) amortised cost, (ii) fair value through other comprehensive income (equity) and (iii) fair value through profit and loss.

i. Debt instruments at amortised cost: the objective of its business model is to maintain the financial asset in order to collect contractual cash flows and, according to the terms of the contract, cash flows are received on specific dates, which constitute only payments of principal plus interest on principal (SPPI). Interest, impairment and exchange differences are recorded in profit or loss.
ii. Debt instruments at fair value through changes in other comprehensive income: the business model aims both at obtaining contractual cash flows and selling them and, according to the terms of

the contract, cash flows are received on specific dates, which constitute only payments of principal plus interest on principal. The impairment model is based on expected future credit losses. Expected Credit Losses and exchange differences are recorded in profit or loss, as in the amortised cost model. The remaining fair value changes are recorded in OCI. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

iii. Debt instruments at fair value through profit or loss: A financial asset shall be measured at fair value through profit or loss unless measured at amortised cost or at fair value through other comprehensive income. This category includes debt instruments for which Atradius has determined that the SPPI ("solely payments of principal and interest") test is not met because of the existence of characteristics such as, inter alia: (i) order of priority of payments; (ii) option to replace collateral; (iii) the option to replace or modify the terms of the instrument until it is converted into capital; (iv) option to defer interest payments; (v) option to convert to interest-bearing bonds at any time or on each interest payment date; (vi) the timing of interest settlement does not coincide with the time horizon of the reference rate; (vii) possibility of indefinite maturity without compensation.

Atradius also classifies investment fund in the financial assets at fair value through profit or loss category, as this typology of instruments does not meet the definition of equity instruments in accordance with IAS 32 and therefore cannot be measured at fair value through changes in other comprehensive income and must be measured at fair value through changes in profit or loss.

In addition, Atradius applies the irrevocable designation options in initial recognition regarding equity securities. An equity instrument, provided it is not held for trading purposes, may be classified at fair value through changes in other comprehensive income (equity). Movements in the carrying amount are taken through OCI. On disposal of the equity instruments, the cumulative change in fair value is transferred to retained earnings and not recycled through profit and loss. Atradius has assumed that equity securities represent investments that Atradius intends to maintain in the long term for strategic purposes and it has designated these investments as "fair value through changes in other comprehensive income". Dividends are taken through profit and loss.

2.10.4 Expected Credit Loss

An expected credit loss (ECL) is calculated for debt securities measured at FVOCI.
For financial assets measured at AC, ECL is not calculated given the liquidity of these assets.

Atradius assesses on a forward-looking basis the Expected Credit Loss (ECL) associated with its debt instrument assets carried at FVOCI. At each reporting date, Atradius measures the value adjustment for expected credit losses at an amount equal to the expected credit losses over the life of the asset or the expected credit losses over the next 12 months; depending on whether the credit risk on that financial instrument has increased significantly since initial recognition. The measurement of the ECL reflects:

a. an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
b. the time value of money; and
c. reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

A number of significant judgements are required in applying the accounting requirements for measuring ECL, such as:

a. determining criteria for a significant increase in credit risk (SICR);
b. choosing appropriate models and assumptions for the measurement of the ECL;
c. establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
d. establishing groups of similar financial assets for the purposes of measuring the ECL.

The Company outlines a three-stage model for impairment, based on changes in credit quality since initial recognition, as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1, and it has its credit risk continuously monitored by the Company;
- If a significant increase in credit risk (SICR) since initial recognition is identified, the financial instrument is moved to Stage 2, but it is not yet deemed to be credit-impaired.
- If the financial instrument is credit-impaired, the financial instrument is then moved to Stage 3.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of the lifetime

ECL that results from default events possible within the next 12 months. Instruments in Stage 2 or 3 have their ECL measured based on the ECL on a lifetime basis.
- A pervasive concept in measuring the ECL in accordance with IFRS 9 is that it should consider forward-looking information.
- Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

The Company defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criterion

The borrower is more than 90 days past due on its contractual payments.

Qualitative criterion

The borrower meets the unlikeliness to pay criterion, which indicates that the borrower is in significant financial difficulty. These are instances where:

- The borrower is in long-term forbearance;
- The borrower is insolvent;
- The borrower is in breach of (a) financial covenant(s);
- An active market for that financial asset has disappeared because of financial difficulties;
- Concessions have been made by the lender relating to the borrower's financial difficulties;
- It is becoming probable that the borrower will enter bankruptcy; or
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

The criteria above have been applied to all financial instruments held by the Company and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the probability of default (PD), exposure at default (EAD) and loss given default (LGD) throughout the Group's expected loss calculations.

An instrument is considered to no longer be in default (that is, to have cured) when it no longer meets any of the default criteria for a consecutive period of six months. This period of six months has been determined based on an analysis that considers the likelihood of a financial instrument returning to default status after cure, using different possible cure definitions.

Measuring ECL – Explanation of inputs, assumptions and estimation techniques

The ECL is measured on either a 12-month (12M) or lifetime basis, depending on whether a SICR has occurred since initial recognition or whether an asset is considered to be credit-impaired. The ECL is the discounted product of the PD, EAD and LGD, defined as follows:
- The PD represents the likelihood of a borrower defaulting on its financial obligation (according to the definition of default and credit-impaired assets above), either over the next 12 months (12M PD) or over the remaining lifetime (Lifetime PD) of the obligation.
- The EAD is based on the amounts that the Company expects to be owed at the time of default, over the next 12 months or over the remaining lifetime.
- The LGD represents the Company's expectation of the extent of loss on a defaulted exposure. The LGD varies by type of borrower, type and seniority of claim, and availability of collateral or other credit support. The LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). The LGD is calculated on a 12M or lifetime basis, where the 12M LGD is the percentage of loss expected to be made if the default occurs in the next 12 months, and the lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (that is, the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original EIR or an approximation thereof.

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a financial instrument portfolio from the point of initial recognition throughout the lifetime of the financial instrument. The maturity profile is based on historical observed data, and it is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

Forward-looking economic information is also included in determining the 12M and Lifetime PD, EAD and LGD. These assumptions vary by product type.

The assumptions underlying the ECL calculation are monitored and reviewed on a quarterly basis.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

Significant increase in credit risk

The Company considers a financial instrument to have experienced a SICR when one or more of the following quantitative, qualitative or backstop criteria have been met:

Quantitative criteria

Thresholds have been established to determine whether the remaining Lifetime PD at the reporting date has increased significantly compared to the residual Lifetime PD expected at the reporting date when the exposure was first recognised.

Qualitative criteria

For debt instruments securities, if the instrument meets one or more of the following criteria:

- significant increase in credit spread;
- significant adverse changes in business, financial and/or economic conditions in which the borrower operates;
- actual or expected forbearance or restructuring;
- actual or expected significant adverse change in operating results of the borrower; and
- significant change in collateral value (secured facilities only) that is expected to increase risk of default.

The assessment of a SICR incorporates forward-looking information and is performed at the borrower level and on a periodic basis. The criteria used to identify a SICR are monitored and reviewed periodically for appropriateness by the independent Credit Risk team.

Forward-looking information incorporated in the ECL models

The assessment of a SICR and the calculation of the ECL both incorporate forward-looking information. The Company has performed historical analysis and identified the key economic variables impacting credit risk and the ECL for each portfolio.

Equity securities that are classified as fair value through OCI are not subject to impairment analysis.

2.11 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.

2.12 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 Atradius in the management of its short-term commitments. Bank overdrafts that are repayable on demand form an integral part of Atradius' 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 that 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 Atradius' day-to-day operations and are therefore not included within cash and cash equivalents. These assets are included within financial investments.

2.13 Capital and reserves

2.13.1 Share capital

Share capital is the nominal value of issued shares. 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.

2.13.2 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.

2.13.3 Revaluation reserve

The revaluation reserve comprises the unrealised gains/losses of the debt securities and the equity securities that are valued at FVOCI after the deduction of income tax, including the impairments on the debt securities that are accounted as FVOCI. The revaluation reserve moves through the profit and loss statement when the impairments on assets at FVOCI are recognized or the financial assets at FVOCI are sold.

2.13.4 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:

a. 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;
b. 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
c. in respect of the net assets acquired during the reporting period, the difference between translating these items at the rate at acquisition date and using the rate at the end of the current reporting period.

2.13.5 Pension reserve

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

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

2.13.6 Insurance finance expenses reserve

For all insurance contracts issued and reinsurance contracts held, the Company has chosen to disaggregate insurance finance income or expenses between profit or loss and OCI. The amount included in profit or loss is determined by a systematic allocation of the expected total insurance finance income or expenses over the duration of the group of contracts. The systematic allocation is determined using the discount rates as determined on initial recognition of the group of contracts.

Amounts presented in OCI are accumulated in the insurance finance reserve. If the Group derecognises a contract as a result of a transfer to a third party or a contract modification, then any remaining amounts of accumulated OCI for the contract are reclassified to profit or loss as a reclassification adjustment.

2.13.7 Retained earnings

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

2.13.8 Non-controlling interests

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

Non-controlling interest are initially measured on the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities at the date of the acquisition. The calculation of the percentage attributable to the non-controlling interest includes any equity interest not held indirectly through subsidiaries.

Non-controlling interest is presented within equity separately from the equity attributable to the equity holders of the Company. Similarly, the statement of recognised income and expenses presents total income and expenses for the period showing separately the amounts attributed to the equity holders of the Company and non-controlling interests.

2.14 Subordinated debt

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

2.15 Insurance contracts

2.15.1 Definition and classification

Insurance contracts are contracts under which the Company accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Company uses judgement to assess whether a contract transfers insurance risk.

Before the Company accounts for an insurance contract based on the guidance in IFRS 17, it analyses whether the contract contains components that should be separated. IFRS 17 distinguishes three categories of components that have to be accounted for separately:

- Cash flows relating to embedded derivatives that are required to be separated;
- Cash flows relating to distinct investment components; and
- Promises to transfer distinct goods or distinct services other than insurance contract services.

The Company applies IFRS 17 to all remaining components of the contract. The Company does not have any contracts that require further separation of insurance contracts.

The Company is not engaged in contracts that have a legal form of insurance but do not transfer significant insurance risk and expose the Company to financial risk and investment contracts that contain DPF, whereby the investor has the right and is expected to receive, as a supplement to the amount not subject to the Company's discretion, potentially significant additional benefits based on the return of specified pools of investment assets.

In the normal course of business, the Company uses reinsurance to mitigate its risk exposures. A reinsurance contract transfers significant risk if it transfers substantially all of the insurance risk resulting from the insured portion of the underlying insurance contracts, even if it does not expose the reinsurer to the possibility of a significant loss.

All references to insurance contracts in these consolidated financial statements apply to insurance contracts issued or acquired, reinsurance contracts held unless specifically stated otherwise.

Measurement approaches

The Company uses for all its products and markets-credit and surety products, and reinsurance held–one common harmonised approach being the general measurement model (GMM). The Company has chosen this approach since all these products have a significant portion of insurance contracts that have a coverage period longer than one year. Additionally, the general measurement approach allows including changes in the estimation of cash flows that are important to deal with volatile economic environments. Atradius is exposed to these material expectation changes with respect to future events as result from the changes in the credit quality of the credit exposures because of macro-economic changes.

The main reinsurance treaties that are on a risk attaching basis do cover all insurance products. As such these treaties all have a coverage period for more than one year (the coverage of the direct contracts plus one year) and are exposed to the same changes in estimates as the direct contracts.

Definition of insured event and coverage period

The coverage period is defined as a period during which the entity provides insurance contract services. This period includes the insurance contract services that relates to all fulfilment cash flows within the boundary of the insurance contract. During the coverage period an insured event can happen.

The Company has defined the coverage period as the period during which the entity provides insurance contract services, which in turn is the period during which insured events can take place. The insured event for credit insurance, following the policy wording is the insolvency and/or protracted default of the buyer. As is common for the Credit Insurance market, Atradius policies do not recognise a protracted default, until the end of a waiting period. For surety insurance, the coverage ends at the end of the (estimated) period that the bond will cover the insured events. For assumed reinsurance business of credit and surety (“Assumed Reinsurance”), the end of the coverage period depends on the type of coverage provided under the reinsurance treaty. For losses occurring during cover, the end of the coverage period is equal to the reinsurance treaty end date. For risks attaching cover, this is the maximum duration of the underlying business (credit Insurance and/or surety) according to the treaty.

2.15.2 Level of aggregation

The Company has defined the units of account based on the combination of portfolio, year of issue and profitability, as detailed below.

The Company manages insurance contracts issued by product lines within one operating segment, where each product line includes contracts that are subject to similar risks. All insurance contracts within a product line represent a portfolio of contracts. Each portfolio is further disaggregated into groups of contracts that are issued within a calendar year (annual cohorts) and are: (i) contracts that are onerous at initial recognition; (ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or (iii) a group of remaining contracts. These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. The allocation of contracts to a group after initial recognition is not subsequently reconsidered.

Local Credit Insurance business and Surety business is managed at country level. While Atradius manages Global Credit Insurance, Special products, Instalment Credit Protection and Assumed Reinsurance at group level.

The Company monitors the profitability of contracts within portfolios and the likelihood of changes in insurance, financial and other exposures resulting in these contracts becoming onerous at the level of the country or unit with no information available at a more granular level. The assessment of onerous at initial recognition is per portfolio performed on each set of insurance contracts. Only in very exceptional circumstances the Company will for strategic reasons issue contracts that are onerous at initial recognition. For Credit Insurance, the Company considers that contracts should not be grouped as onerous at initial recognition, as contracts are managed together with contracts that are yet to be recognised as result of the ability to dynamically underwrite these risks.

The Company uses significant judgement to determine at what level of granularity the Company has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same group without performing an individual contract assessment.

The Company assumes that all groups have a significant chance of becoming onerous, due to potential large expectation changes, except for Instalment Credit protection where the Company does not expect a significant chance that the group becomes onerous.

The Company has extensively reviewed all facts and circumstances in all cases where one counterparty has multiple insurance contracts. The Company has decided that some of these contracts cannot be measured independently. Circumstances to come to this decision are items such as the existence of one master agreement, aggregated first loss, aggregate buyer limits and bonus malus on the combined result of all insurance contracts.

Portfolios of reinsurance contracts held are assessed for aggregation and measurement separately from portfolios of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the Company aggregates reinsurance contracts held issued within a calendar year (annual cohorts) into groups of: (i) contracts for which there is a net gain at initial recognition, if any; (ii) contracts for which, at initial recognition, there is no significant possibility of a net gain arising subsequently; and (iii) remaining contracts in the portfolio, if any.

The Company has for their main reinsurance held contracts determined to split these in two portfolios, proportional and non-proportional, which is consistent with how the assumed reinsurance is split into portfolios.

Transition approaches that were applied by Atradius on adoption of IFRS 17 with respect to contracts aggregation requirements are included in Note 3.3.

2.15.3 Recognition, modification, derecognition of insurance contracts

The Company recognises groups of insurance contracts issued from the first of the following dates:

- At the beginning of the coverage period;
- The date when the first payment of the policyholder is due; or
- When the Company determines that a group of contracts becomes onerous.

The Company in general recognises the insurance contract at the beginning of the coverage period unless groups of insurance contracts are onerous once the contract is bound and if the bound date is prior to the coverage start date. For standard credit insurance business, the existence of credit limits (coverage of insured sales) determines the existence of the insurance contract, and not the policy itself.

Insurance contracts acquired in a business combination within the scope of IFRS 3 or a portfolio transfer are accounted for as if they were entered into at the date of acquisition or transfer.

Reinsurance contracts held are recognised as follows:

a. A group of reinsurance contracts held that provide proportional coverage (quota share reinsurance) is recognised at the later of:
b. The beginning of the coverage period of the group; and
c. The initial recognition of any underlying insurance contract;
d. All other groups of reinsurance contracts held are recognised from the beginning of the coverage period of the groups of reinsurance contracts held; unless the Company entered into the reinsurance contract held at or before the date when an onerous group of underlying contracts is recognised prior to the beginning of the coverage period of the group of reinsurance contracts held, in which case the reinsurance contract held is recognised at the same time as the group of underlying insurance contracts is recognised.

Only contracts that individually meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, subject to the annual cohorts restriction. Composition of the groups is not reassessed in subsequent periods.

The Company derecognises an insurance contract when it is:

a. Extinguished (that is, when the obligation specified in the insurance contract expires or is discharged or cancelled); or
b. The contract is modified and additional criteria discussed below are met.

When the Company modifies an insurance contract as a result of an agreement with the counterparties or due to a change in regulations, the Company treats changes in cash flows caused by the modification as changes in estimates of the fulfilment cash flow (FCF), unless the conditions for the derecognition of the original contract are met.

The Company derecognises the original contract and recognises the modified contract as a new insurance contract if the modified terms had been included at contract inception and the Company would have concluded that the modified contract: results in a different contract boundary; or belongs to a different group of contracts.

When an insurance contract is derecognised from a group of insurance contracts, the Company adjusts the FCF to eliminate the present value of future cash flows and risk adjustment for non-financial risk relating to the rights and obligations removed from the group and adjust the CSM and the number of coverage units for the expected remaining insurance contract services, to reflect the number of coverage units removed.

2.15.4 Measurement

2.15.4.1 Fulfilment cash flows

Fulfilment cash flows (FCF) consist of a best estimate and a risk adjustment.

- The estimate consists of estimates of the future cash flows within the contract boundary of the contracts that the Company expects to collect from premiums and to pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts. The estimate corresponds to a probability weighted average of future outcomes, with prudent choices being made as to possible scenarios and likelihoods thereof.
- The estimates are determined from the perspective of the Company, and consistent with observable market prices for market variables where relevant. It considers circumstances as at measurement date in as far relevant and known to the Company and reflect conditions existing at the measurement date.

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates.

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation. Refer to note 2.2.3.1.

In the measurement of reinsurance contracts held, the probability-weighted estimates of the present value of future cash flows include the potential credit losses and other disputes of the reinsurer to reflect the non-performance risk of the reinsurer. The company has set the potential credit loss at zero based on the high-level quality of the reinsurance panel.

Where appropriate and proportionate methodology and data exists, the Company estimates cash flows at the level of group of contracts or lower. However, where estimate relate to more severe events, that do not occur at the level of the group of contracts and that occur with sufficient frequency to allow for robust modelling at that level of granularity the Company models the estimates related to the possible events at a higher level, combining information from multiple portfolios, and then allocating such estimates to Group level.

The Company uses consistent assumptions to measure the estimates of the present value of future cash flows for the group of reinsurance contracts held and such estimates for the groups of underlying insurance contracts.

Contract boundary

The Company uses the contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts.

Cash flows are within the boundary of an insurance contract if they arise from the substantive rights and obligations that exist during the period in which the policyholder is obligated to pay premiums, or the Company has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation ends when:

a. the Company has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price level that fully reflects those risks;
b. both of the following criteria are satisfied:
   i. the Company has the practical ability to reassess the risks of the portfolio of insurance contracts that contains the contract and, as a result can set a price that fully reflects the risk of that portfolio; and
   ii. the pricing of the premiums up to the date when risks are reassessed does not consider the risks that

relate to periods after the reassessment date.

The Company has defined the contract boundary for the different product lines as the end of the policy period except for:

- Credit Insurance if the group of contracts can withdraw the buyer limits and as such has unlimited re-underwrite ability. The Group has for practical purposes defined this at month end. The contract boundary is extended with the notice period that applies for withdrawal of the buyer limits.
- Permanent bonds if the Group can cancel the bond, as at the end of the notice period. In as far as such period limits the Company to withdraw earlier.

How the Company manages insurance risk is explained in note 4.2.1.

Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

Atradius determines that the premiums receivable from the intermediary are future cash flows within the boundary of an insurance contract. When the policyholder pays the premiums to the intermediary, Atradius continues to treat the premiums receivable from the intermediary as future cash flows within the boundary of an insurance contract and includes them in the measurement of a group of insurance contracts until recovered in cash.

Reinsurance

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Group that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or in which the Group has a substantive right to receive insurance contract services from the reinsurer.

The Company main proportional reinsurance agreements renew on an annual basis. Atradius treats these reinsurance contracts as a series of annual contracts that cover underlying business that are based on risk attachment principles attached to the agreement, instead of issued within a year. Estimates of future cash flows arising from all underlying contracts issued and expected to be issued within the reinsurance contracts' one-year boundary are included in the measurement of the reinsurance contracts. Estimates of future cash flows arising from all underlying contracts issued and expected to be issued within the reinsurance contracts boundary are included in the measurement of the reinsurance contracts.

The excess of loss reinsurance contract held provides coverage for claims incurred based on the attachment principle. Thus, all cash flows arising from claims incurred and expected to be incurred based on the attachment principle are included in the measurement of the reinsurance contracts held. The main contracts do include mandatory reinstatement reinsurance premiums. These are inside the contract boundary.

Any cash flow that is not directly attributable to a portfolio of insurance contracts, such as some product development and training costs, are recognised in other operating expenses as incurred.

Insurance acquisition costs

The Company defines acquisition cash flows as cash flows that arise from costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) and that are directly attributable to the portfolio of insurance contracts to which the group belongs.

Insurance acquisition cash flows are allocated to groups of insurance contracts on a systematic and rational basis.

Insurance acquisition cash flows not directly attributable to a group of contracts but directly attributable to a portfolio of contracts are allocated to groups of contracts in the portfolio or expected to be in the portfolio.

The Company recognises an asset for directly attributable acquisition costs that relate to broker commissions. These balances are directly linked to prepaid premium for which the premium is not yet part of a recognised group of insurance contracts. There is no risk that these acquisition costs cannot be recovered since when the related insurance contract never gets recognised, both the related prepaid premium and the broker commissions are refunded.

Other pre-recognition cash flows within the contract boundary

Before a group of insurance contracts is recognised, the Company could recognise assets or liabilities for cash flows related to a group of insurance contracts other than insurance acquisition cash flows, either because of the occurrence of the cash flows or because of the requirements of another IFRS standard. Cash flows are related to the group of insurance contracts if they would have been included in the FCF at initial recognition of the group if they had been paid or received after that date. Such assets or liabilities (referred to as ‘other pre-recognition cash flows’) are included in the carrying amount of the related portfolios of insurance contracts issued or in the carrying amount of the portfolios of reinsurance contracts held.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows. It reflects the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Company fulfils insurance contracts. The Company takes diversification benefits into account.

For the calculation of the risk adjustment, the Company uses the Cost of Capital method. The Costs of Capital is calibrated to the risk margin as used in the standard formula in Solvency II, where per product a factor is established that captures the ratio of the risk adjustment to the expected claims cash flows. This factor is then used to derive the respective risk adjustment per contract.

For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer. A factor is constructed from the claims cash flow weighted average of the direct business being ceded.

Discount rate

The Company measures the value of money over time using discount rates that reflect the liquidity characteristics of insurance contracts and the characteristics of cash flows, consistent with current market prices and excluding factors influencing the market prices of the reference assets but not affecting the flows of insurance contracts. The discount rate is calculated using the "bottom-up" approach after the transition ("bottom-up") based on the risk-free curve, mainly based on the curve published monthly by EIOPA (*European Insurance and Occupational Pensions Authority)* and applying an illiquidity premium of zero.

2.15.4.2 Initial measurement

Contractual service margin

The contractual service margin (CSM) is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Company will recognise as it provides insurance contract services in the future.

At initial recognition, the CSM is an amount that results in no income or expenses (unless a group of contracts is onerous or insurance revenue and insurance service expenses are recognised as in (d) below) arising from:

a. The initial recognition of the FCF;
b. Cash flows arising from the contracts in the group at that date;
c. The derecognition of any insurance acquisition cash flows asset; and
d. The derecognition of any other pre-recognition cash flows. Insurance revenue and insurance service expenses are recognised immediately for any such assets derecognised.

When the above calculation results in a net outflow, the group of insurance contracts issued is onerous. A loss from onerous insurance contracts is recognised in profit or loss immediately, with no CSM recognised on the balance sheet on initial recognition, and a loss component is established in the amount of loss recognised.

For groups of reinsurance contracts held, any net gain or loss at initial recognition is recognised as the CSM unless the net cost of purchasing reinsurance relates to past events, in which case the Company recognises the net cost immediately in profit or loss. For reinsurance contracts held, the CSM represents a deferred loss that the Company will recognise as a reinsurance expense as it receives insurance contract services from the reinsurer in the future and is calculated as the sum of:

a. The initial recognition of the FCF; and
b. Cash flows arising from the contracts in the group at that date;
c. The amount derecognised at the date of initial recognition of any asset or liability previously recognised for cash flows related to the group of reinsurance contracts held (other pre-recognition cash flows); and
d. Any income recognised in profit or loss when the entity recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group.

A loss-recovery component is established or adjusted within the remaining coverage for reinsurance contracts held for the amount of income recognised in (d) above. This amount is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Company expects to recover from the reinsurance contracts held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

When underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, the Group applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

For insurance contracts acquired in a portfolio transfer or a business combination within the scope of IFRS 3, at initial recognition, the CSM is an amount that results in no income or expenses arising from:

a. The initial recognition of the FCF; and
b. Cash flows arising from the contracts in the group at that date, including the fair value of the groups of contracts acquired as at the acquisition date as a proxy of the premiums received.

No insurance contracts acquired were assessed as onerous at initial recognition. The Company did not acquire any reinsurance contracts held.

Subsequent measurement

The carrying amount at the end of each reporting period of a group of insurance contracts issued is the sum of:

a. The LRC, comprising:
    i. The FCF related to future service allocated to the group at that date; and
    ii. The CSM of the group at that date; and
b. The liability for incurred losses (LIC), comprising the FCF related to past service allocated to the group at the reporting date.

The carrying amount at the end of each reporting period of a group of reinsurance contracts held is the sum of:

a. The remaining coverage, comprising:
    i. The FCF related to future service allocated to the group at that date; and
    ii. The CSM of the group at that date; and
b. The incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

Changes in fulfilment cash flows

The FCF are updated by the Company for current assumptions at the end of every reporting period, using the current estimates of the amount, timing and uncertainty of future cash flows and of discount rates.

The way in which the changes in estimates of the FCF are treated depends on which estimate is being updated:

a. Changes that relate to current or past service are recognised in profit or loss; and
b. Changes that relate to future service are recognised by adjusting the CSM or the loss component within the liability for remaining coverage (LRC) as per the policy below.

The following adjustments relate to future service and thus adjust the CSM:

a. Experience adjustments – arising from premiums received in the period that relate to future service and related cash flows;

b. Changes in estimates of the present value of future cash flows in the LRC, except those described in the following paragraph; and
c. Changes in the risk adjustment for non-financial risk that relate to future service.

The adjustments above are measured using discount rates determined on initial recognition (the locked-in discount rates).

The following adjustments do not adjust the CSM:

a. Changes in the FCF for the effect of the time value of money and the effect of financial risk and changes thereof;
b. Changes in the FCF relating to the LIC;
c. Experience adjustments – arising from premiums received in the period that do not relate to future service and related cash flows, and
d. Experience adjustments relating to insurance service expenses.

The Company does not have any products with complex guarantees and does not use derivatives as economic hedges of the risks.

Changes to the contractual service margin

For insurance contracts issued, at the end of each reporting period the carrying amount of the CSM is adjusted by the Company to reflect the effect of the following changes:

a. The effect of any new contracts added to the group.
b. Interest accreted on the carrying amount of the CSM.
c. Changes in the FCF relating to future service are recognised by adjusting the CSM. Changes in the FCF are recognised in the CSM to the extent that the CSM is available. When an increase in the FCF exceeds the carrying amount of the CSM, the CSM is reduced to zero, the excess is recognised in insurance service expenses and a loss component is recognised within the LRC. When the CSM is zero, changes in the FCF adjust the loss component within the LRC with correspondence to insurance service expenses. The excess of any decrease in the FCF over the loss component reduces the loss component to zero and reinstates the CSM.
d. The effect of any currency exchange differences.
e. The amount recognised as insurance revenue for insurance contract services provided during the period, determined after all other adjustments above.

For reinsurance contracts held, at the end of each reporting period, the carrying amount of the CSM is adjusted by the Company to reflect the effect of the following changes:

a. The effect of any new contracts added to the group.
b. Interest accreted on the carrying amount of the CSM.
c. Income recognised in profit or loss when the entity recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group. A loss recovery component is established or adjusted within the remaining coverage for reinsurance contracts held for the amount of income recognised.
d. Reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held.
e. Changes in the FCF, to the extent that the change relates to future service, unless the change results from a change in FCF allocated to a group of underlying insurance contracts that does not adjust the CSM for the group of underlying insurance contracts.
f. The effect of any currency exchange differences.
g. The amount recognised in profit or loss for insurance contract services received during the period, determined after all other adjustments above.

Income referred to in (c) above is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Company expects to recover from the reinsurance contract held that is entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

For the purposes of (c)–(e) above, when underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, Atradius applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

Interest accretion on the CSM

Under the GMM, interest is accreted on the CSM using discount rates determined at initial recognition per individual new business subgroup that are applied to nominal cash flows that do not vary based on the returns of underlying items.

The CSM is adjusted for changes in the FCF, measured applying the discount rates as specified in the Changes in fulfilment cash flows section above.

Release of the CSM to profit or loss

The amount of the CSM recognised in profit or loss for insurance contract services in the period is determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining expected coverage period of the group of insurance contracts based on coverage units. We refer to the section 2.15.1 Definition of insured event and coverage above.

The total number of coverage units in a group is the quantity of service provided by the contracts in the group over the expected coverage period. The coverage units are determined at each reporting period-end prospectively by considering:

a. The quantity of benefits provided by contracts in the group;
b. The expected coverage period of contracts in the group; and
c. The likelihood of insured events occurring, only to the extent that they affect the expected coverage period of contracts in the group.

The Company determines coverage units for all product lines based on the (expected exposure) of the insurance contracts. The Company considers this exposure equal over time unless it is in the nature of the product that the exposure decreases. In practice, this means that except for credit insurance and Assumed Surety contracts, the CSM is earned pro-rata over time. The Company has determined that, for the credit insurance contracts, the coverage units are determined based on the estimated payment behaviour of companies in a B2B relation and for Assumed Surety business, coverage units are determined considering the typical duration profile of bonds issued by the cedant, and issuance pattern over the duration of the underlying contract.

The Company reflects the time value of money in the allocation of the CSM to coverage units, using discount rates determined at initial recognition that are applied to nominal cash flows that do not vary based on the returns of underlying items.

For reinsurance contracts held, the CSM is released to profit or loss as insurance contract services are received from the reinsurer in the period. Coverage units for the proportional reinsurance contracts held are based on the insurance coverage provided by the reinsurer. The coverage period for these contracts is determined based on the coverage period of all underlying contracts whose cash flows are included in the reinsurance contract boundary. Refer to the Contract boundary section in note 2.15.4.1 above.

Onerous contracts – Loss component

When adjustments to the CSM exceed the amount of the CSM, the group of contracts becomes onerous and the Company recognises the excess in insurance service expenses, and it records the excess as a loss component of the LRC.

When a loss component exists, the Company allocates the following between the loss component and the remaining component of the LRC for the respective group of contracts, based on the ratio of the loss component to the FCF relating to the expected future cash outflows:

a. Expected incurred claims and other directly attributable expenses for the period;
b. Changes in the risk adjustment for non-financial risk for the risk expired; and
c. Finance income (expenses) from insurance contracts issued.

The amounts of loss component allocation in (a) and (b) above reduce the respective components of insurance revenue and are reflected in insurance service expenses.

Decreases in the FCF in subsequent periods reduce the remaining loss component and reinstate the CSM after the loss component is reduced to zero. Increases in the FCF in subsequent periods increase the loss component.

Reinsurance contracts held – Loss-recovery component

A loss-recovery component is established or adjusted within the asset for remaining coverage for reinsurance contracts held for the amount of income recognised in profit or loss when the Company recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group.

Subsequently, the loss-recovery component is adjusted to reflect changes in the loss component of an onerous group of underlying insurance contracts discussed in the onerous contracts – Loss component section above. The loss-recovery component is further adjusted, if required, to ensure that it does not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that Atradius expects to recover from the group of reinsurance contracts held.

The loss-recovery component determines the amounts that are presented as a reduction of incurred claims recovery from reinsurance contracts held and are consequently excluded from the reinsurance expenses determination.

2.15.4.3 Amounts recognised in comprehensive income

Insurance service result from insurance contracts issued

Insurance revenue

As the Company provides insurance contract services under the group of insurance contracts, it reduces the LRC and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration that Atradius expects to be entitled to in exchange for those services.

The insurance revenue comprises the following:

1. Amounts relating to the changes in the LRC:
    a. Claims and other directly attributable expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:
        i. Amounts allocated to the loss component;
        ii. Insurance acquisition expenses; and
        iii. Amounts related to the risk adjustment for non-financial risk (see (b));
    b. Changes in the risk adjustment for non-financial risk, excluding:
        i. Changes included in insurance finance income (expenses);
        ii. Changes that relate to future coverage (which adjust the CSM); and
        iii. Amounts allocated to the loss component;
    c. Amounts of the CSM recognised for the services provided in the period;
    d. Experience adjustments arising from premiums received in the period other than those that relate to future service; and
    e. Other amounts, including any other pre-recognition cash flows assets derecognised at the date of initial recognition.
2. Insurance acquisition cash flows recovery is determined by allocating the portion of premiums related to the recovery of those cash flows based on the passage of time over the expected coverage of a group of contracts.

Insurance service expenses

Insurance service expenses include the following:

a. Incurred claims, excluding investment components reduced by loss component allocations;
b. Other incurred directly attributable expenses, including amounts of any other pre-recognition cash flows assets (other than insurance acquisition cash flows) derecognised at the date of initial recognition;
c. Insurance acquisition cash flows amortisation;
d. Changes that relate to past service – changes in the FCF relating to the LIC;
e. Changes that relate to future service – changes in the FCF that result in onerous contract losses or reversals of those losses; and

f. Insurance acquisition cash flows assets impairment.

The amortisation of insurance acquisition cash flows is reflected in insurance service expenses in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue, as described above.

Other expenses not meeting the above categories are included in other operating expenses in the consolidated statement of profit or loss.

Insurance service result from reinsurance contracts held

Net income (expenses) from reinsurance contracts held

The Company presents financial performance of groups of reinsurance contracts held on a net basis in net income (expenses) from reinsurance contracts held, comprising the following amounts:

a. Reinsurance expenses;
b. Incurred claims recovery, excluding investment components reduced by loss-recovery component allocations;
c. Other incurred directly attributable expenses;
d. Changes that relate to past service – changes in the FCF relating to incurred claims recovery;
e. Effect of changes in the risk of reinsurers' non-performance; and amounts relating to accounting for onerous groups of underlying insurance contracts issued:
    i. Income on initial recognition of onerous underlying contracts;
    ii. Reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held; and
    iii. Changes in the FCF of reinsurance contracts held from onerous underlying contracts.

Reinsurance expenses are recognised similarly to insurance revenue. The amount of reinsurance expenses recognised in the reporting period depicts the transfer of received insurance contract services at an amount that reflects the portion of ceding premiums that Atradius expects to pay in exchange for those services.

Reinsurance expenses comprise the following amounts relating to the changes in the remaining coverage:

a. Claims and other directly attributable expenses recovery in the period, measured at the amounts expected to be incurred at the beginning of the period, excluding:
    i. Amounts allocated to the loss-recovery component;
    ii. Repayments of investment components; and
    iii. Amounts related to the risk adjustment for non-financial risk (see (b))
b. Changes in the risk adjustment for non-financial risk, excluding:
    i. Changes included in finance income (expenses) from reinsurance contracts held;
    ii. Changes that relate to future coverage (which adjust the CSM); and
    iii. Amounts allocated to the loss-recovery component.
c. Amounts of the CSM recognised for the services received in the period; and
d. Experience adjustments – arising from premiums paid in the period other than those that relate to future service.

Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part of reinsurance expenses. Ceding commissions that are contingent on claims of the underlying contracts issued reduce incurred claims recovery. It is on the top of the paragraph stated we present a net amount.

Insurance finance income or expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

a. The effect of the time value of money and changes in the time value of money; and
b. The effect of financial risk and changes in financial risk.

The main amounts within insurance finance income or expenses are:

a. Interest accreted on the FCF and the CSM;
b. The effect of changes in interest rates and other financial assumptions; and
c. Foreign exchange differences.

The Company disaggregates changes in the risk adjustment for non-financial risk between insurance service result and insurance finance income or expenses.

The groups of insurance contracts, including the CSM, that generate cash flows in a foreign currency are treated as monetary items.

2.16 Provisions

Provisions for restructuring, onerous contracts and litigation are recognised when Atradius 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 that 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.

2.17 Employee benefits

2.17.1 Post-employment benefits

Atradius has a number of post-employment benefit plans. The obligations of these schemes are determined by periodic actuarial calculations and are generally funded through payments to state plans, insurance companies or trustee-administered funds. Atradius 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 Atradius may pay contributions into a separate entity or fund. Atradius, and in some cases the employees who are participating, fund a defined benefit plan and Atradius 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 previous 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 to 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), is recognised immediately in other comprehensive income. Atradius 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 profit and loss statement.

The non-recognition of assets ('asset ceiling') can occur when the plan assets are higher than the projected benefit obligation and Atradius 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 profit and loss statement. Atradius 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; and
- remeasurement.

The first two components of defined benefit costs are presented in the profit and loss 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 Atradius 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, Atradius pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. Atradius 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 profit and loss statement.

2.17.2 Other long-term employee benefits

Atradius 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.

Atradius' 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 obligation is calculated annually by independent actuaries using actuarial techniques.

2.17.3 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. Atradius recognises termination benefits when it is 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 Atradius liability is included as part of the provisions.

2.17.4 Profit sharing and bonus plans

Atradius 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. Atradius recognises a liability where contractually obliged or where there is a past practice that has created a constructive obligation.

2.18 Taxation

Income tax in the consolidated profit and loss statement for the year comprises current and deferred tax. Income tax is recognised in the consolidated profit and loss 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 used. 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 Atradius 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.

2.19 Consolidated profit and loss statement

2.19.1 Income

Revenue comprises the fair value for services, net of value added tax, after eliminating revenue within Atradius. The accounting principles regarding insurance revenue are included in Note 2.15.4.3.

Service and other income

Service income includes the income from:

- Credit information services, consisting of providing up-to-date credit information on buyers for which a customer requires a credit limit application under the insurance policy. This performance obligation is satisfied over time during the policy period. Revenue is recognised based on the credit limit applications requested by and invoiced to the customer, against fixed prices stated in the contract. If a contract includes a separate charge for monitoring, this element is recognised evenly over time;
- Debt collection services for debts owed to customers. The performance obligation is defined at the level of the individual debts, placed under the contract. Revenue is recognised in line with the actual collected amounts, based on fees specified in the debt collection agreements.
- Business information and other service income.
- Business information is provided online to customers on a subscription basis. Revenue is recognised evenly over time based on the consideration in the contract, reflecting the constant effort required to acquire and prepare business information.
- Atradius Dutch State Business (ADSB) is the official Export Credit Agency for The Netherlands and issues export credit insurance policies and guarantees to Dutch businesses, on behalf of and for the risk of the Dutch State. ADSB receives a service fee for managing the credit insurance facility, specified in the service contract. This income is recognised evenly over time.

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 profit and loss statement.

Net income from investments

Investment income comprises interest income on funds invested, dividend income, unrealised gains and losses on debt securities FVTPL, realised gains and losses on the disposal of debt securities FVOCI and rental income from investment property that are recognised in the profit and loss statement. Interest income is recognised as it accrues in the profit and loss statement, using the effective interest method. Dividend income is recognised in the profit and loss statement on the date that Atradius' 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 profit and loss statement represent the difference between the net disposal proceeds and the carrying amount of the property.

2.19.2 Expenses

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 include interest, amortisation of discount on the subordinated debt, foreign exchange results and the net interest on the net defined benefit liability (asset) related to defined benefit plans (see also Note 2.20). 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.

2.20 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:

a. cash flows are inflows and outflows of cash and cash equivalents;
b. operating activities are the principal revenue-producing activities of Atradius and other activities that are not investing or financing activities;
c. investing activities are the acquisition and disposal of assets and other investments not included in cash equivalents; and
d. financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of Atradius.

2.21 Hyperinflation accounting

IAS 29 requires the financial statements of entities operating in hyperinflationary economies to be adjusted to reflect the changes in the general purchasing power of their functional currency. Thus, non-monetary assets and liabilities that are not already expressed in terms of the measuring unit current at the period end date are restated to reflect the change in the CPI. In the financial statements of Atradius, the restatement effects on equity items are included in other components of comprehensive income, including the translation differences. The effect of inflation on monetary assets and liabilities over the reporting period is included in the reporting period's consolidated income as a loss on net monetary position. The accumulated gains and losses on net monetary position for previous periods are included within the retained earnings.

The presentation of the consolidated profit and loss statement of the reporting period is not restated as the effect of the restatement is not material. As stated in IAS 21 “The Effects of Changes in Foreign Exchange Rates”, financial statements, including their profit and loss statements, are translated in Euros at the closing exchange rate to be incorporated in the financial statements of Atradius, and the comparative information is not restated.

2.22 Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale and (a) represents a separate major line of business or geographical area of operations; or (b) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or (c) is a subsidiary acquired exclusively with a view to resale.

Intercompany transactions eliminations are performed against held for sale operations.

3 Critical accounting estimates and judgements in applying accounting policies

Atradius makes estimates and assumptions that affect the reported financial statements (balance sheet, profit and loss 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 Financial investments related estimates and judgements

3.1.1 Classification of financial instruments

The Company has made judgements in applying the business model criteria to its portfolio of debt instruments. The Company does not consider applying the SPPI criteria to be an area of significant judgement for its debt instrument portfolio, as it only invests in straightforward basic lending arrangements.

For more information, refer to note 2.1.

3.1.2 Measurement of fair value

The Company 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 Company 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. When market observable inputs are not available (Level 1 and some Level 2 securities), the Company engages an external independent valuation company to perform the valuation. Atradius works together with the external independent valuation company to establish the appropriate valuation techniques and inputs to the model.

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, the Company uses 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 Company 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 Company invests are valued by an external independent valuation company or the asset manager of illiquid investment fund. The external independent valuation 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 Company.

The fair values of subordinated debts, equal their carrying value, are disclosed in Note 20 Subordinated debt.

Debt and equity securities

The fair value of debt and equity securities is based on quoted market prices, where available. For those securities, not actively traded, fair values are provided by an external independent valuation company or by the fund's asset manager.

Loans and short-term investments

For loans and other short-term investments, carrying amounts represent a reasonable estimate of their 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 debt

The fair values of subordinated debts are based on binding quotes from independent brokers (see Note 20 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.

Information about the valuation techniques and inputs used in determining the fair value of various instruments are disclosed in Note 2.9.

3.1.3 Expected credit loss (ECL)

Accounting policies applicable to Expected Credit Loss (ECL) assessment are detailed in Note 2.10.4.

Amounts arising from expected credit loss

The following table explain the changes in the loss allowance for FVOCI debt securities between the beginning and the end of the annual period:

All amounts in thousands of Euro, unless otherwise stated

2023	Stage 1	Stage 2	Total
Debt securities:			
Balance on 1 January	3,968	15,862	19,830
New financial assets	530	639	1,169
Provision (net) by change of stage	686	(686)	-
Changes in valuation	168	676	844
Changes in PD	(2,464)	(1,686)	(4,150)
Sales/transfer of assets [(1)]	(358)	(14,649)	(15,007)
Balance at 31 December	**2,530**	**156**	**2,686**

2022	Stage 1	Stage 2	Total
Debt securities:			
Balance on 1 January	1,688	1,140	2,829
New financial assets	4,309	15,169	19,478
Provision (net) by change of stage	230	6,063	6,293
Changes in valuation	(5)	68	63
Changes in PD	1,850	7,969	9,818
Sales/transfer of assets	(4,104)	(14,546)	(18,651)
Balance at 31 December	**3,968**	**15,862**	**19,830**

[1)] Movement in Stage 2 due to sale subsidiary in Russia.

The total market value for debt instruments designated at FVTPL is EUR 2.3 billion (2022: EUR 2.2 billion). The increase in the fair value during the year is EUR 0.1 billion (2022: EUR - 0.3 billion).

3.2 (Re-) Insurance related estimates

In accordance with the Company's accounting policies, as described in the preceding paragraphs, it has been necessary to make judgements, estimates and assumptions about the carrying value of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis.

The Company applies significant judgements associated with IFRS 17 in the following cases:

Determining the cash flows within the contract boundary

The measurement of a group of (re-)insurance contracts includes all future cash flows that arise within the contract limit. In determining which cash flows fall within a contract boundary, the Company considers its substantive rights and obligations arising from the terms of the contract as well as from the applicable law and regulations. Cash flows are considered to be outside the contract limit if the Company has the practical ability to change the price of existing contracts to reflect their revaluation risks and if the contract price for the hedge to the revaluation date considers only the risks until that next reassessment date. The Company applies its judgement in assessing whether it has the practical ability to set a price that fully reflects all contract or portfolio risks. The Company considers contractual, legal and regulatory restrictions in making its assessment.

Level of granularity information

The Company uses judgement to determine at what level of granularity it has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same portfolio without performing an individual contract assessment.

Assessment of directly attributable cash flows

The Company applies its judgement in assessing whether cash flows are directly attributable to a specific portfolio of insurance contracts. Cash flows are included in the measurement of a portfolio of insurance contracts only if they are directly attributable to the individual contracts of a group, the group itself or the portfolio to which the contract belongs. In estimating fulfilment cash flows, the Company also allocates fixed and variable overheads directly attributable to the performance of insurance contracts.

Assessment of whether the retrospective approach to the transition is impracticable

Atradius assessed all available information and determined that it would be impracticable to apply the full retrospective approach of all group of contracts before 2021.

3.3 Methods used and judgements applied in determining the IFRS 17 transition amounts

The Company has adopted IFRS 17 retrospectively, applying alternative transition methods where the full retrospective approach was impracticable. The Company applied the full retrospective approach to the insurance contracts in force at the transition date (1 January 2022) that were issued less than one year prior to the transition date. The Company applied the modified retrospective approach to the insurance contracts that were originated more than one year prior to the transition date. However, on the annual cohorts that do relate to that period more than one year prior to transition date and have a liability for remaining coverage (LRC), the Company applied the full retrospective approach as per 1 January 2022.

The Company did not apply the fair value approach.

The transition approach was determined at the level of a group of insurance contracts and affected the approach for calculating the CSM on initial adoption of IFRS 17:

- Full retrospective approach – the CSM at initial recognition is based on initial assumptions when groups of contracts were recognised and rolled forward to the date of transition as if IFRS 17 had always been applied; and
- Modified retrospective approach – the CSM at initial recognition is calculated based on assumptions at transition using some simplifications and taking into account the actual pre-transition fulfilment cash flows (FCF).

For credit insurance contracts issued, the Company has used the full retrospective approach for more than 90 % of the portfolios.

The Company has determined that it would be impracticable to apply the full retrospective approach where any of the following conditions existed:

- The full retrospective application required assumptions that would have been made in an earlier period, for example:
    - The Company's expectations on expected claims and recoveries would not have been possible to recreate without the use of hindsight;
    - Difficulties in retrieving relevant reliable information existed where assumptions developed at the date of initial recognition were not on an IFRS 17 basis (such as risk adjustment for non-financial risk or expenses);
    - The older the contracts in force are, the Company did not have the ability to retrieve data from the past on assumptions.

- The full retrospective application required significant estimates of amounts, and it was impossible to distinguish objectively between information about those estimates that provided evidence of circumstances that (i) existed on the date at which those amounts were to be recognised, measured or disclosed; and (ii) would have been available when the consolidated financial statements for that prior period were authorised for issue, and other information, for example:

    - The Company had limited or no information required for the allocation of acquisition cash flows to respective groups of insurance contracts issued or expected to be issued and other overhead expenses to respective groups under IFRS 17. Systems have not been tracking or allocating acquisition costs, because

previous accounting policies did not require this. In addition, the allocation of applicable overheads to groups of contracts could require information that has not historically been tracked/recorded.
- The Company has not historically been accumulating information about the changes in estimates that would have been recognised in profit or loss for each accounting period, because they did not relate to future service, and the extent to which changes in the FCF would have been allocated to the loss component.

The Company applied this modified retrospective approach for all the products except for the Credit Insurance contracts mentioned above.

Full retrospective approach

The Company has determined that reasonable and supportable information was available for all contracts in force at the transition date that were issued within one year prior to the transition date.

Accordingly, the Company has:

a. identified, recognised and measured each group of insurance contracts and each insurance acquisition cash flows asset in this category as if IFRS 17 had always been applied (except that a retrospective impairment test has not been performed); and
b. derecognised any existing balances that would not exist if IFRS 17 had always applied;
c. and recognised any resulting net difference in equity.

Modified retrospective approach

After making reasonable efforts to gather necessary historical information, the Company has determined that for certain groups of contracts such information was not available or was not available in a form that would enable it to be used without undue cost and effort. It was therefore impracticable to apply the full retrospective approach. The Company applied significant judgement in determining the transition amounts under this approach.

Judgements in applying the modified retrospective approach

The Company has determined that transactional-level data and annual actuarial assumptions are available as far as seven years prior to the IFRS 17 transition date and that it includes nearly 100% of all insurance contract data. The Company applies the modified retrospective approach to all groups of contracts in force as at the transition date and that originated within seven to one year prior to the transition date, where the full retrospective approach has not been applied because it was impracticable but the closest possible outcome could have been achieved using reasonable and supportable information. The modified retrospective approach was applied as follows:

a. Aggregation of contracts. Groups of contracts were divided into annual cohorts. Aggregation of insurance contracts by expected profitability was assessed as at the transition date to the extent that reasonable and supportable information was available to perform this assessment as at initial recognition. For this assessment, the Company estimated the FCF at the initial recognition as described below. Further, to aggregate non-onerous insurance contracts issued into groups of contracts that had no significant possibility of becoming onerous subsequently or groups of remaining contracts, the Company assessed the likelihood of changes in insurance, financial and other exposures on the FCF prospectively as at the transition date. Similarly, to aggregate reinsurance contracts held in a net cost position into groups of contracts for which there is no significant possibility of a net gain arising subsequently or groups of remaining contracts, the Company assessed the likelihood of changes in insurance, financial and other exposures on the FCF prospectively as at the transition date.
b. Future cash flows. To the extent that reasonable and supportable information was not available to estimate future cash flows at initial recognition, future cash flows at the date of initial recognition of a group of insurance contracts were estimated as the future cash flows at the transition date, adjusted by the actual cash flows that have occurred between the transition (or earlier) date and the date of initial recognition. Actual cash flows included cash flows from contracts derecognised before the transition date.
c. Risk adjustment for non-financial risk. Similar to the cash flow simplification above, the risk adjustment for non-financial risk was estimated at the transition date by adjusting the risk adjustment for non-financial risk at the transition date by the expected release of risk before the transition date. In estimating the release of risk, reference was made to the release of risk for similar insurance contracts that were issued at the transition date.

d. Discount rates. The Company did not apply the modification for discount rates determination as permitted by paragraph C13 of IFRS 17. The Company did apply the bottom-up approach. The bottom-up approach is based on the Euro swap curve (after the entry into force of the single European currency).
e. Insurance acquisition cash flows assets. The Company did not recognise any insurance acquisition cash flows assets for any insurance acquisition cash flows paid (or for which a liability has been recognised applying another IFRS standard) before the transition date.
f. CSM, loss component and loss-recovery component. The Company has determined that it does not have reasonable and supportable information to determine the carrying value of the CSM, loss component or loss-recovery component prior to the transition date. Accordingly, the Company has determined the amounts at transition, assuming that it had not prepared any interim reports prior to transition. For contracts measured under the GMM, the CSM, loss component and loss-recovery component of the LRC at the transition date were determined applying modifications in the FCF estimation, as described above. The CSM was reduced for the allocation to profit or loss for services provided or received before the transition date, by comparing the remaining coverage units as at the transition date with the coverage units provided or received under the group of contracts before the transition date.

   For insurance contracts issued, where the calculated CSM resulted in a loss component, the Company used the systematic approach to determine amounts allocated to the loss component before the transition date.

   For groups of reinsurance contracts held that provide coverage for onerous groups of underlying contracts in force at the transition date that were in place by the time the underlying contracts were issued. Loss-recovery components of the asset for remaining coverage were determined at the transition date by multiplying the loss components of the LRC for the respective groups of underlying insurance contracts by the percentage of claims for the group of underlying insurance contracts that the Company expects to recover from the group of reinsurance contracts held.

3.4 (Re-) Insurance related estimates and assumptions

This note provides an overview of items that are more likely to be materially adjusted due to changes in estimates and assumptions in subsequent periods. Detailed information about each of these estimates is included in the notes below, together with information about the basis of calculation for each affected line item in the consolidated financial statements.

In applying IFRS 17 measurement requirements, the following inputs and methods were used that include significant estimates:

The present value of future cash flows is estimated using deterministic scenarios, except where stochastic modelling is used to measure financial guarantees.
The assumptions used in the deterministic scenarios are derived to approximate the probability-weighted mean of a full range of scenarios.

In addition to contributions from standard components of Atradius reserving methodologies, an Event Based Provision has been estimated specific to the potential impact derived from the war in Ukraine. This provision is for those risks considered to not be fully covered by the standard methodologies.

As a result of the reviewed assessment performed, a EUR 122 million provision gross of reinsurance (EUR 92.3 million net of reinsurance) is held for claims already incurred. This compares to EUR 140 million provision gross of reinsurance (EUR 98.4 million net of reinsurance) as per 2022 closing.

For the sensitivities with regards to the assumptions made that have the most significant impact on measurement under IFRS 17, refer to note 3.5.

3.4.1 Factors affecting the frequency and severity of claims

The frequency and severity of claims is affected by several factors. These include all factors that affect credit risk in general, including the state of the economy, that varies by country and sector. For trade credit risk, the behaviour of customers also affects 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 Company provides has its own dynamics of frequency and severity of claims.

During 2023, slowing economic growth and the normalisation of insolvency rates to pre-COVID levels affected the frequency and severity of claims.

The war in Ukraine continues to impact the global economy, especially energy prices. Most trade sectors, are dependent on energy and have continued to see higher prices for longer during 2023. Therefore, world-trade is being affected by such inflation and stress. This in turn impacts uncertainty related to the frequency and severity of claims.

In response, most central banks continued to raise the interest rates until pausing in 2023 Q3. Banks and other suppliers of credit have tightened their lending conditions. Further adding to the uncertainty in frequency and severity, also affecting recoveries.

All the factors above, lead to an increased potential for adverse development on the technical provisions in the coming months because of increase in frequency, severity and insolvency rates.

The surety business usually only incurs irrecoverable losses when, after a bond call, any payments to beneficiaries recourse to the surety customer or if its guarantors fail. This is typically due to either the insolvency or bankruptcy of the surety 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 surety bear the risk that changes in legislation, in particular of insolvency law, may affect the amount and timing of claims payments or recoveries.

The Company’s business processes are designed to effectively manage the impact of the many risk factors that affect the frequency and severity of claims. These business processes are continuously adapted to respond to The Company view of these risk factors in the context of its overall business strategy.

3.4.2 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 epigraph 3.4.1.

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 contract boundary of the policy (e.g. 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 main unit);
- the inflow by number and size of large case; and
- the estimation of the expected recovery percentages.

Estimates for future claims payments for surety have a greater uncertainty than estimates for future claims payments for credit insurance. Surety 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 and a half years. After receipt of a bond call, it usually takes 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. For surety, the provisions set on a case-by-case basis are based on the amount called minus an amount to account for expected recoveries based on historic experience or case specific information. The case by case and business oriented evaluation is integrated with a statistical and actuarial model. This model based on the exposure of active bonds applies probability of defaults and loss given default.

3.4.3 Discount rates

The Company measures the value of money over time using discount rates that reflect the liquidity characteristics of insurance contracts and the characteristics of cash flows, consistent with current market prices and excluding factors influencing the market prices of the reference assets but not affecting the flows of insurance contracts. The discount rate is calculated by the "bottom-up" approach after the transition ("bottom-up") based on the risk-free curve, mainly based on the curve published monthly by EIOPA (European Insurance and Occupational Pensions Authority) and applying an illiquidity premium of zero.
The observable market information is available for up to 20 years. For the unobservable period, the yield curve was interpolated between an ultimate rate and the last observable point using the Smith-Wilson method.

All amounts in thousands of Euro, unless otherwise stated

The yield curves that are used to discount the estimates of future cash flows are as follows:

	2023				2022			
Currency	1 year	5 years	10 years	20 years	1 year	5 years	10 years	20 years
EUR	3.19%	2.79%	2.86%	2.83%	3.18%	3.13%	3.09%	2.77%
AUD	4.43%	4.54%	4.87%	4.94%	3.98%	4.17%	4.51%	4.46%
GBP	4.74%	4.06%	3.99%	4.03%	4.46%	4.06%	3.71%	3.54%
USD	4.50%	3.97%	3.99%	3.99%	5.07%	3.95%	3.75%	3.63%

3.4.4 Estimates of future cash flows to fulfil insurance contracts

Included in the measurement of each group of contracts within the scope of IFRS 17 are all of the future cash flows within the boundary of each group of contracts. The estimates of these future cash flows are based on probability-weighted expected future cash flows. The Company estimates which cash flows are expected as at the valuation date. In making these expectations, the Company uses information about past events, current conditions and forecasts of future conditions. The Company's estimate of future cash flows is the average of a range of scenarios that reflect the full range of possible outcomes. The estimated future cash flows are calculated using a deterministic scenario representing the probability-weighted average of a range of scenarios.

Where estimates of expenses-related cash flows are determined at the relevant level, these are allocated to contracts on a systematic basis, such as activity-based costing method. The Company has determined that this method results in a systematic and rational allocation. Similar methods are consistently applied to allocate expenses of a similar nature. Expenses of an administrative policy maintenance nature are allocated to contracts based on premiums of contracts in force within groups.

Indirect acquisition cash flows are allocated to contracts based on, for example, gross invoiced premiums . This implies an allocation of acquisition cash flows among existing groups of insurance contracts.

Claims handling expenses are allocated based on the outstanding amount observed for each claim at each valuation date.

Uncertainty in the estimation of future claims payments arises primarily from the frequency and severity of claims and uncertainties regarding future inflation rates leading to claims and claims-handling expenses growth. Atradius is capturing, within the future cash-flows estimates, the higher uncertainty for most recent months of risk.

Assumptions used to develop estimates about future cash flows are reassessed on quarterly bases and adjusted where required.

3.4.5 Expenses

The Company projects estimates of future expenses relating to fulfilment of contracts within the scope of IFRS 17 using expected expense levels. Expenses comprise expenses directly attributable to contracts, including an allocation of fixed and variable overheads.

Possible increases in expense assumptions increase estimates of future cash outflows and thus decrease the CSM within the LRC for contracts measured under the GMM.

3.4.6 Methods used to measure credit insurance and surety contracts

The Company estimates insurance liabilities in relation to all bounded contracts. Estimates are performed on risk attaching period (e.g. months for Short term – Credit Insurance), with further allocation to contracts in proportion to the loss estimation volume measure (depending on the model).

Judgement is involved in assessing the most appropriate technique to estimate insurance liabilities for the expected losses from claims.

The most methods employed to estimate claims are the chain-ladder,the Bornhuetter-Ferguson and PD - LGD methods, which are the industry standards for this type of claims.

The Company has not changed the methods used to estimate claims.

In its claims assessments, the Company uses internal and market data. Internal data is derived mostly from the Company's claims reports. This information is used to develop scenarios related to the latency of claims that are used for the projections of the ultimate number of claims.

3.4.7 Methods used to measure the risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that is required for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk as the insurance contract is fulfilled. Because the risk adjustment represents compensation for uncertainty, estimates are made on the degree of diversification benefits and expected favourable and unfavourable outcomes in a way that reflects the Company's degree of risk aversion. The Company estimates an adjustment for non-financial risk separately from all other estimates..

The risk adjustment is calculated at the Company Group level and then allocated down to each group of contracts in accordance with their risk profiles. The cost of capital method was used to derive the overall risk adjustment for non-financial risk.

In the cost of capital method, the risk adjustment is determined by applying a cost rate to the present value of projected capital requirement relating to non-financial risk. The cost rate is set at 6% per annum, representing the return required to compensate for the exposure to non-financial risk. The capital requirement is determined at a 99.5% confidence level, and it is projected in line with the run-off of the business. The diversification benefit is included to reflect the diversification in contracts sold across geographies, because this reflects the compensation that the entity requires.

The resulting amount of the calculated risk adjustment corresponds to the confidence level of 74% (2022: 77%).

The methods and assumptions used to determine the risk adjustment for non-financial risk were not changed in 2023 and 2022.

3.5 Sensitivity analysis

The following tables present information on how reasonably possible changes in assumptions with regard to underwriting risk variables and discount rates impact insurance liabilities and profit or loss and equity before and after risk mitigation by reinsurance contracts held. The analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions might be correlated.

The risks associated with credit insurance and surety are subject to several factors that are not particularly open to quantitative sensitivity analysis. This section describes the quantitative sensitivity analysis that is feasible.

The Company has defined the following three sensitivity assessments:
- Uplift shock on discounting rates (+50 basic points).
- Down lift shock on discounting rates (-50 basic points).
- Deterioration in underwriting risk: All expected cashflows related to all estimated claims are increased by 10%. Where all amounts imply indemnities, recoveries and claim handling expenses. This is applied irrespective of product, model and type of claims' related cashflows.

All amounts in thousands of Euro, unless otherwise stated

(EUR Million)	2023												
Discounting	**FCF**	**CSM**	**LC**	**LRC**	**Total**	**Impact**				**Total**	**CSM**	**P&L**	**OCI**
						FCF	**CSM**	**LC**	**LRC**				
Insurance Contracts	**1,227**	**218**	**200**	**-**	**1,446**								
+50bps						(4)	-	(1)	-	**(4)**	218	-	5
- 50bps						4	-	1	-	**4**	218	-	(5)
Reinsurance Contracts	**(483)**	**(30)**	**3**	**(74)**	**(513)**								
+ 50bps						3	-	-	-	**3**	(30)	-	(3)
- 50bps						(3)	-	-	-	**(3)**	(30)	-	3

Underwriting Risk - claims increase by 10%	**FCF**	**CSM**	**LC**	**LRC**	**Total**	**Impact**				**Total**	**CSM**	**P&L**	**OCI**
						FCF	**CSM**	**LC**	**LRC**				
Insurance Contracts	1,227	218	200	-	**1,446**	124	(22)	61	-	**102**	196	(170)	(164)
Reinsurance Contracts	(483)	(30)	3	(74)	**(513)**	(68)	12	0	(33)	**(55)**	(17)	88	88

(EUR Million)	2022												
Discounting	**FCF**	**CSM**	**LC**	**LRC**	**Total**	**Impact**				**Total**	**CSM**	**P&L**	**OCI**
						FCF	**CSM**	**LC**	**LRC**				
Insurance Contracts	**1,131**	**229**	**216**	**-**	**1,360**								
+ 50bps						2	1	(3)	-	**3**	229	1	1
- 50bps						(2)	(1)	3	-	**(3)**	228	(1)	(1)
Reinsurance Contracts	**(431)**	**(23)**	**1**	**(112)**	**(454)**								
+ 50bps						(0)	(1)	-	2	**(1)**	(24)	(2)	(1)
- 50bps						0	1	-	(2)	**1**	(22)	2	1

Underwriting Risk - claims increase by 10%	**FCF**	**CSM**	**LC**	**LRC**	**Total**	**Impact**				**Total**	**CSM**	**P&L**	**OCI**
						FCF	**CSM**	**LC**	**LRC**				
Insurance contracts	1,131	229	216	-	**1,360**	112	(21)	56	-	**91**	208	(149)	(148)
Reinsurance contracts	(431)	(23)	1	(112)	**(454)**	(62)	12	-	(35)	**(50)**	(11)	86	86

3.6 Estimated impairment of goodwill

In accordance with its accounting policy, the Company annually tests whether goodwill of subsidiaries and associated companies 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.

In order to test the value in use against the recognised goodwill, the Company has stress-tested the main assumptions (discount rate, combined ratio and Capital Requirement ratio) which have been applied when determining the value in use for the related cash-generating units.

The discount rate used varies depending on the location and industry of the company to analyse, using customised Risk-Free Rates, Market Betas and Country Risk Premiums. The terminal value is calculated based on the dividend flow/free cash flow of the normalised period through a perpetuity, which applies a long-term growth rate of 2% for CGUs excluding ACYC CGU (2022: 2%) and a 3% for associated companies (2022: 3%).

The projection period is 10 years, where the first 1-4 year projections are based on financial budgets and/or forecasts. In the budgets and forecasts, the impact of the changed macroeconomic situation is taken into account. The remaining years are estimated using ratios and growth rates that converge towards their normalised term value.

For further details see Note 14.

3.7 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 Company 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 Company 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 21.

4 Risk and capital management

4.1 Risk management

As a global insurance provider, Atradius recognises the importance of risk management. Atradius maintains a solid risk management system comprising a risk strategy aligned to the business plan and supported by a mature governance structure, clear policies and procedures and an associated internal control system. Atradius continues to refine its risk management capabilities to reflect the ever changing threat landscape.

The relationship between risk and capital is fundamental for Atradius. Understanding how risk-taking consumes capital allows management to steer Atradius and take strategic decisions with the interdependence of risk and capital in mind. These decisions are substantially informed by the outcomes of Atradius' economic capital model. This internally developed model, which has received supervisory approval for use in calculating regulatory capital requirements, contributes to a multitude of risk assessment activities, as well as risk profile measurement, and enhances Atradius' ability to monitor and manage risk levels within the organisation through the allocation of risk-based capital and the definition of an appropriate risk appetite.

4.1.1 The risk landscape

The state of the global economy greatly influences the risks that Atradius faces. Economic deterioration may result in increased insolvencies thereby causing more frequent and severe claims expenses. The return on our investment may also deteriorate and defaults on our holdings of debt instruments may occur. A severe deterioration of all the above-mentioned may affect the credit rating of Atradius. A downgrade of our credit rating could have a negative impact on the number of customer policies held by Atradius and thereby lower revenues. Understanding of this landscape, anticipating developments and preparing mitigating actions is a key expertise of Atradius.

In addition to the risks arising from direct credit insurance policies, reinsurance, and surety, which we refer to as underwriting risk, Atradius' risk landscape contains other types of risk. Atradius faces market risk related primarily to our assets, credit risk from reinsurers and third-party receivables, and operational risks such as cyber risk, legal risks, process execution risks and those relating to our personnel. In addition, strategic risks exist, such as the rapidly changing technological environment, possible adverse impacts from geopolitical conflict, and uncertainty around the breakup of supranational entities. Atradius has structures, systems and processes in place to identify, evaluate, monitor, and respond to internal and external sources of material risk in the landscape.

During 2023 we have seen the direct and indirect impact of the war in Ukraine persist (including the effects of government-imposed sanctions) and most recently the war in Gaza. These and other lesser reported conflicts have resulted in among others, interest rate hikes, inflation, and increasing energy costs.
These continue to affect global trade as well as national economies in differing magnitudes due to the unpredictable end evolving direction of the conflict.

As in previous stressful periods, we analysed the nature and sources of the risks across geographies and industry sectors, as well as the interaction of the factors that ultimately affect the resilience of our customers and their buyers. We used our extensive knowledge base and forward-looking tools, models and analysis on a continuous basis in portfolio management, underwriting decisions and policy structure to ensure the continued quality of our risk portfolio.

In relation to climate-related risks - more frequent and severe weather events are damaging infrastructure and disrupting supply chains. Transition to a lower carbon economy is bringing new policies, regulations and changes to market dynamics. There is a risk that such changes, or proposed speed of their implementation, could have a negative impact on Atradius by affecting our operations and/or our customers and their buyers. Focus on carbon footprint / CO_2 emissions may require manufacturers to either adapt or ultimately go out of business, in turn having a knock-on effect on their suppliers. Doing business in certain trade sectors may become undesirable and attract negative publicity. At the same time, interest in climate change / ethical practices, such as ESG (Environmental, Social & Governance) and CSR (Corporate Social Responsibility) considerations, may create opportunities to enhance Atradius offerings. Developments are monitored and discussed in various forums within Atradius.

In summary, Atradius has taken the appropriate steps to manage the rapidly changing risk landscape.

4.1.2 The risk management and internal control framework

The boards of the group companies have ultimate responsibility and accountability for risk management and internal control within their respective companies. Atradius N.V.'s Management Board implements and oversees Atradius' group-wide risk governance through the Risk Strategy Management Board (RSMB). The RSMB consists of all members of the Management Board, as well as the Directors of Group Risk Management, Strategy and Corporate Development and Finance.

The RSMB's responsibilities include the development and maintenance of the framework to manage risk and ongoing oversight of the most material risks. The RSMB sets the Group's risk appetite and establishes the internal risk management framework by approving risk policies, risk boundaries, and by 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 a suitable risk management and internal control system. In this respect, the Management Board periodically presents results, developments and plans to the Supervisory Board and relevant committees thereof. One of these committees, the Audit Committee, supervises monitors and advises the Management Board on the effectiveness of internal risk management and control systems. The Audit Committee is assisted in this role by Internal Audit, which carries out both regular and ad-hoc reviews of risk management controls and procedures.

Atradius' risk management policies are established to formalise the identification and analysis of risks faced by Atradius, 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 Atradius' activities. Through its training, management standards and procedures, Atradius maintains a disciplined and constructive control environment in which all employees understand their roles and responsibilities.

Central to Atradius' system of governance is the Atradius risk governance structure. The risk governance structure comprises a framework of committees, which support the RSMB in specific areas of risk.

By applying the Atradius risk governance structure, Atradius is able to:

- Communicate risk-related norms and values across the organisation;
- Provide clarity over the various responsibilities and accountabilities in the management of risk;
- Manage the Group's risk profile and development of the business over time;
- Ensure that Atradius adheres to an approved risk appetite;
- Ensure appropriate ownership of decisions; and
- Provide the Management Board with clear insight into decision-making and risk-management processes.

To achieve reliability over financial information and solvency reporting, the following controls are implemented and tested quarterly:

- Key controls required to manage the risk of a material error in financial and non-financial reporting; and
- Entity-level controls that detect material misstatement due to failures in controls that operate across and throughout the business.

4.1.3 Risk classification

Atradius classifies its main risk types 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 default-related non-payment by a buyer covered by a policy (credit insurance), the risk of non-performance by a customer (Surety), or ceded business through Atradius' reinsurance arm. Financial risks include market risk, counterparty credit risk and liquidity risk. Operational risks arise from inadequate or failed internal processes, people, systems, or from external events. Atradius also maintains a category for strategic risks, as mentioned in Section 4.1.1 above.

Environmental, Social and Governance (ESG) refers to the three central factors in measuring the sustainability and societal impact of an investment in a company or business:

- Environmental concerns: The threat of climate change and depletion of natural resources. The main question becomes the sustainability of products, services and therefore companies.

- Social concerns: How the company affects the wider social environment. This includes diversity, human rights, and consumer protection.
- Corporate governance concerns: The rights and responsibilities of the management of a company.

Atradius implicitly considers ESG risks within Insurance, Financial and Operational risk as well as within Strategic Risk assessments.

4.2 Insurance risk

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

Atradius operates with two main direct insurance product lines: credit insurance and surety. In addition, Atradius writes both 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 sub-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. Furthermore, Atradius' 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, Atradius 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 and protracted default. Policies can also cover so-called 'political' causes of loss, that include the risk of non-payment due to payment transfer problems, cancellation of export/import licences 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 its buyers without prior approval from Atradius. 'Buyers' are the customers of Atradius' insured customers, i.e., the parties that Atradius insures trade credit risk on. To mitigate the risk of adverse selection, the traditional credit insurance products of Atradius usually cover the policyholder's entire portfolio of buyers.

For traditional credit insurance, there are two underwriting processes: policy underwriting and buyer underwriting. Policy underwriting is the process by which Atradius decides which companies to accept as policyholders and the terms and conditions of cover that are offered to those policyholders. Buyer underwriting is the process by which Atradius sets a risk capacity for each buyer and issues credit limits for buyers under existing policies. Policy underwriting and buyer underwriting are carried out by Commercial and Risk Services units respectively.

Policies are issued for a fixed period: usually no longer than two years with a break clause after one year. Within traditional credit insurance, customers retain some of the risk for their own account to protect Atradius 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. All policies stipulate Atradius' maximum liability. A customer is covered for the credit risk on a buyer after a credit limit on the buyer has been established. Most policies allow customers to establish credit limits themselves for smaller amounts, under strict conditions specified in the policy. For larger amounts Atradius must issue credit limit decisions. Credit limits are an important risk management instrument for Atradius as they are the key control of the amount that Atradius would have to pay to a customer in the event of a claim. Atradius usually has the right to reduce or withdraw the credit limit on a buyer at any time if circumstances demand. Credit limits may be subject to specific conditions and Atradius can also set conditions for cover on a country or withdraw cover on a country altogether. These tools are important to manage insurance risk exposure in a dynamic way.

Staff in Commercial units have well-defined authorities specifying who can underwrite which policies. Policies typically require the approval of two people and conditions become stricter as the maximum liability under a policy becomes 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, amended and renewed), is also subject to governance and the models and methodologies used to establish a technical price require the approval of the Quantitative Model Committee, a committee responsible for approving the quantitative models used within Atradius.

Underwriters in Risk Services have well-defined authorities specifying the level of decisions that an underwriter can take for the approval of credit limit on and capacity in the system on a buyer. As credit limit amounts grow, decisions require the approval of one or more co-signatories of increasing seniority. The largest credit limit amounts require the approval of the Atradius credit committee with the appropriate authority level and, in exceptional cases, the approval of the (leaders of the) reinsurance panel.

The special products business offers a range of bespoke policies to insure against various credit and political risks. This product line includes policies that cover single transactions, single trade relationships and multi-buyer excess of loss. A distinguishing feature of special products policies is that, unlike traditional credit insurance, credit limits typically cannot be readily withdrawn. To mitigate this the conditions of special products policies place a greater onus on risk monitoring and due diligence on the insured than traditional credit insurance.

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 dedicated Risk Services teams, who report ultimately to the Chief Risk Officer. In addition, a dedicated risk management team with a functional reporting line to the Director of Group Risk Management ensures adherence to the risk governance model, monitors the portfolio risk and ensures compliance with the terms of the reinsurance treaties.

Surety

Atradius issues surety bonds for customers in European countries including Italy, France, Spain, Portugal, Germany, the Nordic and the Benelux countries. Surety bonds insure beneficiaries against the risk of our customer not meeting its contractual, legal, or tax obligations. Beneficiaries include national, regional, local governments and tax authorities as well as companies.

While a customer may fail to meet its obligations either because it is unable to perform to an 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 play an important part in the underwriting process. Unlike traditional credit insurance, exposure related to surety bonds issued cannot be unilaterally reduced or withdrawn by Atradius.

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

The spread of customers over industry sectors varies by country as a result of differing legal and market environments. The type of surety bonds issued include bid bonds, performance bonds, maintenance bonds, advance payment bonds and 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 Surety facilities and individual surety bonds are underwritten by technical underwriters who are part of the Commercial Surety units. Technical underwriters assess the risk of non-performance as well as Surety wordings and other relevant technical aspects. Financial underwriters, who are not part of the Commercial units, focus on the credit risk-related aspects of customers; they must approve the acceptance of facilities and individual bonds over certain thresholds. Financial Underwriting decisions are taken in line with a well-defined authorities specifying the level of decisions that an underwriter can make. The largest amounts require the approval of Atradius credit committees (Local or Group) with the appropriate authority level.

Other products

Assumed Reinsurance

Atradius provides, through its ACyC Irish branch, reinsurance capacity to primary insurance companies from both the developed and developing credit insurance and surety markets. It currently assumes business from over 55 countries worldwide, maintaining a balanced diversity within the portfolio from each continent. The underlying business consists of approximately 56% credit insurance and 44% Surety, based on premium volume.

Assumed reinsurance underwriting guidelines and risk boundaries define the kind of assumed reinsurance is authorised to write, with specific guidelines for 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 assumed reinsurance business is regularly reviewed with respect to past underwriting years' performance, triangulation development, individual buyer exposure development, aggregate total potential exposure management of economic capital requirements and market and country exposure. Risk and policy limit setting is monitored to ensure credit quality and compliance of the underlying insurance products to the terms of the reinsurance programme.

Instalment Credit Protection (ICP)

The ICP product line 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.

Policy underwriting is performed within the Commercial ICP units. Policies are generally issued for a fixed period with automatic renewal. The indemnification rate can be up to 100% but is usually lower and recoveries are for the benefit of Atradius.

Risk underwriting is performed by the risk underwriting teams. 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 ICP.

4.2.2 Insurance risk management tools

Atradius monitors its exposure across various dimensions such as counterparty, industry sector and geographic location. We maintain records of all credit insurance policies, credit limits and buyers in our integrated systems. These systems enable Atradius to set specific limits by buyer or buyer group. Management information derived from these systems allow Atradius to monitor aggregate exposure by country, customer, industry sector and other dimensions.

In addition to customer and buyer-specific decision tools, we use several instruments to analyse and manage the Company's insurance risk profile on both a retrospective, current and forward-looking basis. These includes:

- Economic capital model – a best practice risk measurement tool;
- Risk dashboards and tools to drill down to underlying details of parts of the portfolio;
- Predictive analysis of indicators such as shipments, claims and premiums;
- Models of probabilities of default and loss-given-default.

These tools ensure that Atradius manages its risk profile within a regularly reviewed and approved risk management framework.

All buyers with significant exposure are reviewed at least annually. Depending on the credit worthiness of a buyer, reviews may be more frequent and even require the involvement of a Special Risk Management unit. Atradius continuously receives information on buyers through on-line connections with business information providers and from customers reporting negative payment experiences. Buyers are reviewed whenever substantive new information is received. Atradius assigns an internal rating to buyers and the review process takes into account exposure on a buyer through direct business, including exposure for special products and Surety. The authority structure for approval of new exposure referred to in this note also applies to buyer reviews.

Atradius operates with an integrated risk and (capital) cost-based pricing system. Generally, new policies and renewals are priced starting from a technical price suggested by one of the Pricing models approved for use by the Quantitative Model Committee, a committee responsible for approving the quantitative models that are used within Atradius, in the group.

For assumed reinsurance, Atradius uses a number of risk management tools to monitor the assumed reinsurance portfolio for exposures and performance developments. The assumed 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 results. Performance development and exposures related to each assumed reinsurance treaty are reviewed quarterly within certain limits and through exception reporting.

For ICP, consumer credit risk underwriting relies on the databases of the relevant national authorities. In addition, ICP maintains and uses its own internal consumer credit database.

Both surety and ICP have their own pricing systems and guidelines that reflect the specifics of their businesses.

4.2.3 Reinsurance programme

Atradius 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 Atradius or specific risks. The reinsurance treaties are renewed annually. During 2023, Atradius decided to renew its reinsurance arrangements for 2024. This trend will continue with the renewal of the reinsurance arrangements for 2025 in early 2024. On renewal, Atradius assesses the optimal structure of the treaties for the forthcoming period, including excess of loss. A number of items are taken into consideration during this review, including the forecast growth in the underlying business, economic developments etc. In addition, the proposed structure is considered in the context of the Solvency II capital requirements and Atradius' risk appetite.

For the underwriting year 2023 one quota share reinsurance treaty is in place covering the majority of Atradius' business. The retention under this treaty is 63% (2022: 63%).

In addition, there are two separate quota share treaties, which cover a limited number of policies, where the retention percentage is 25%, and a single excess of loss treaty, covering the own retention under these quota share treaties, consisting of a series of excess of loss layers (per buyer group). The excess of loss treaty also provide protection for the assumed reinsurance of ACyC Ireland. The combined excess of loss programme for Atradius has mitigated the likelihood of it retaining two separate retentions if a common buyer were to fail, affecting both the assumed and direct business of Atradius. 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 group will exceed the top end of the excess of loss coverage purchased.

The attachment point of the excess of loss treaties has been set such that the net retention for business ceded under the quota share treaties and excess of loss structure for any buyer group does not exceed EUR 26.25 million for Atradius (2022: EUR 26.25 million)

With regard to the reinsurance panel, it is Atradius' policy to select only reinsurers that have a high rating. The normal minimum requirement is an 'A-' level rating. The treaties also include a provision that if a reinsurer is downgraded during the period of the reinsurance below an A- rating then security can be requested and if not provided the reinsurance agreement with that reinsurer can be terminated.

4.2.4 Concentration risk

Atradius is exposed to concentration risk in a number of ways: primarily by buyer, buyer country or buyer industry. The following tables illustrate the exposure at the end of 2023 and 2022 in terms of the sum of credit limits registered by Atradius on individual buyers. This is referred to as total potential exposure or TPE.

TPE is an approximate upper boundary to real outstanding exposure, in the sense that a limit that Atradius has issued does not necessarily give rise to underwriting risk at a specific point in time. Atradius normally does not know the real outstanding exposure under its limits on any specific buyer at any point in time. 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 have exposure under the policy through discretionary limits. Potential exposure resulting from a discretionary limit on any buyer is not held on Atradius' system. Each policy specifies the maximum discretionary limit allowed under the policy. For most policies this is no more than EUR 20 thousand per buyer. This illustrates that TPE is a crude but appropriate measure of exposure and that, in aggregate, real outstanding exposure will be far lower.

The following tables show aggregated TPE for credit insurance (including special products) and assumed reinsurance.

All amounts in thousands of Euro, unless otherwise stated

Buyer country (EUR million)	TPE 2023	%	TPE 2022	%
Germany	129,890	14.5%	125,354	14.5%
Spain, Portugal	101,442	11.4%	97,580	11.3%
USA	93,244	10.4%	95,616	11.1%
Central and Eastern Europe	93,574	10.5%	88,671	10.3%
Italy	62,570	7.0%	62,161	7.2%
United Kingdom	64,223	7.2%	59,740	6.9%
France	60,226	6.7%	58,808	6.8%
Nordic	41,773	4.7%	40,912	4.7%
The Netherlands	41,116	4.6%	39,063	4.5%
Other	205,220	23.0%	195,347	22.6%
Total	**893,277**	**100%**	**863,252**	**100%**

The following table shows the distribution of TPE over buyer industry sector.

Industry sector (EUR millio)	TPE 2023	%	TPE 2022	%
Chemicals	126,643	14.2%	123,206	14.3%
Electronics	107,461	12.0%	107,892	12.5%
Metals	99,523	11.1%	94,888	11.0%
Consumer durables	91,213	10.2%	91,125	10.6%
Food	84,098	9.4%	82,021	9.5%
Transport	81,113	9.1%	75,650	8.8%
Construction	66,469	7.4%	62,382	7.2%
Other	62,519	7.0%	59,186	6.9%
Machines	57,551	6.4%	55,280	6.4%
Construction materials	41,276	4.6%	41,563	4.8%
Agriculture	43,483	4.9%	39,751	4.6%
Services	31,928	3.6%	30,309	3.5%
Total	**893,277**	**100%**	**863,252**	**100%**

The following table shows TPE aggregated by group of buyers. This is the method of aggregation that is relevant for Atradius' excess of loss treaties.

TPE Value band (EUR million)	TPE 2023	%	TPE 2022	%
0 - 20	427,053	47.8%	413,003	47.8%
20 - 100	156,707	17.5%	154,124	17.9%
100 - 250	103,669	11.6%	98,213	11.4%
250 - 500	77,604	8.7%	72,296	8.4%
500 - 1000	67,700	7.6%	67,739	7.8%
1000 - and more	60,545	6.8%	57,878	6.7%
Total	**893,277**	**100%**	**863,252**	**100%**

Exposure for Surety and for instalment credit protection has different characteristics and therefore is not included in these tables. The Surety exposure is EUR 30.2 billion (2022: EUR 27.6 billion). Exposure for instalment credit protection amounts to EUR 4.0 billion (2022: EUR 3.4 billion). Assumed reinsurance exposure is 25.3 billion (of which 16.3 billion are depicted in the tables above).

4.3 Financial risk

Atradius 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, decreases or increases due to adverse movements in equity prices, interest rates or currency exchange rates. Atradius exposes itself to these risks by holding assets and liabilities which fair value is sensitive to movements in those prices.

To measure these risks, Atradius uses several risk metrics. The most important ones being the mismatch between assets and liabilities which fair value is denominated in foreign currency, value-at-risk, capital models from the credit assessment institutions and interest rate duration.

Atradius uses a Solvency II available capital approach to define the Strategic Asset Allocation and to assess the impact of investment decisions to ensure that sufficient Solvency II capital remains.

4.3.1.1 Fair value of financial assets and liabilities

The estimated fair values of the Company's financial assets and liabilities, other than the subordinated debt, equal their carrying value. The fair values of subordinated debts are disclosed in note 20.

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, the Company uses 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 Company 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 Company invests are valued by an external independent valuation company or the asset manager of illiquid investment fund. The external independent valuation 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 Company. The valuation process at the asset manager is audited and approved by its external auditor.

Debt and equity securities

The fair value of debt and equity securities is based on quoted market prices, where available. For those securities, not actively traded, fair values are provided by an external independent valuation company or by the fund's asset manager.

Loans and short-term investments

For loans and other short-term investments, carrying amounts represent a reasonable estimate of their 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 debt

The fair values of subordinated debts are based on binding quotes from independent brokers (see Note 20 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 and the hierarchy of the financial instruments carried at fair value (note 2.9).

2023	Level 1	Level 3	Total
Fair Value through Profit and Loss:			
Investment Funds	61,010	36,155	97,165
Debt securities:			
Government bonds	1,949	-	1,949
Corporate bonds	328	-	328
Total	**63,287 -**	**36,155**	**99,442**
Financial Assets at Fair Value through Other Comprehensive Income:			
Shares	402,400	-	402,400
Debt securities:			
Government bonds	646,777	-	646,777
Corporate bonds	1,690,475	-	1,690,475
Total	**2,739,652**	**-**	**2,739,652**

2022	Level 1	Level 3	Total
Fair Value through Profit and Loss:			
Investment Funds	214,778	31,649	246,427
Debt securities:			
Government bonds	1,942	-	1,942
Corporate bonds	299	-	299
Total	**217,019 -**	**31,649**	**248,668**
Financial Assets at Fair Value through Other Comprehensive Income:			
Shares	147,798	-	147,798
Debt securities:			
Government bonds	643,669	-	643,669
Corporate bonds	1,785,110	-	1,785,110
Total	**2,576,577**	**-**	**2,576,577**

All amounts in thousands of Euro, unless otherwise stated

At 31 December 2023 the Company is mainly exposed to securities traded in active markets (level 1), whereas having a limited exposure to illiquid markets (level 3).

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	Funds	
	2023	2022
Balance at 1 January	**31,649**	**27,123**
Total gains or losses:		
In profit and loss statement (net income from investments)	(3,234)	1,107
Acquisitions	7,740	3,419
Balance at 31 December	**36,155**	**31,649**

4.3.1.2 Equity securities and investment funds price risk

Risk on equity securities and investment funds is the risk that the fair value of the assets that are sensitive to movements in equity securities and investment funds prices decreases due to adverse movements in equity securities and investment funds prices. Atradius exposes itself to equity securities and investment funds price risk by investing in equity secutiries 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 Atradius' equity securities and investment funds instruments due to adverse movements in equity and investment fundprices 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). Atradius invests in a portfolio of diversified equity and investment funds instruments to minimise the idiosyncratic risk of individual assets.

Individual equity instruments

Atradius invests in individual equities via a segregated mandate in which the asset manager has discretion to select the equity portfolio in accordance with investment restrictions set in the investment management agreement. This diversified portfolio consists of EUR denominated large capitalisation equities. Per the end of December 2023, he market value of these equities is EUR 402.4 million (2022: EUR 147.8 million).

- **Investment funds:** the investment funds in which Atradius invests are exposed to market risk, counterparty risk, liquidity risk and currency risk (i.e., general investment fund risks). Atradius only selects investment funds that have similar investment restrictions stated in their prospectus as set in the Atradius Investment Policy.

- **Debt instruments issued by investment funds: t**he portfolio of debt instruments issued by investment funds can be divided by:

  - **Passive equities exchange traded funds:** the portfolio of passive equities exchange traded funds mainly consists of an exchange traded fund which passively tracks the Dow Jones Euro Stoxx 50 Index.

  - **Active money market funds:** the portfolio of active money market funds consists of money market funds denominated in Euro, US dollar and Brazilian real.

  - **Real estate funds:** the portfolio of real estate funds consists of real estate funds denominated in EUR and in which the underlying asset exposure is focussed on prime European real estate.

  - **Infrastructure funds:** the infrastructure fund is a fund-of-funds investment denominated in EUR. The underlying funds have different focus, e.g. from renewable energy towards more traditional infrastructure sectors like utilities, transport, energy or telecommunications, but all with a global approach, resulting in a multi-currency exposure of the underlying assets.

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

Investment funds	EUR million	Weight in %	EUR million	Weight in %
	2023		2022	
Passive equities exchange traded funds	7,824	8.1%	101,321	41.1%
Active money market funds	53,188	54.7%	113,457	46.0%
Real estate funds	29,222	30.1%	25,930	10.5%
Infrastructure funds	6,931	7.1%	5,719	2.3%
Total	**97,165**	**100.0%**	**246,427**	**100.0%**

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. Atradius exposes itself to this risk by investing in debt instruments and instruments issued by investment funds that invest in debt instruments, issuing subordinated debt and by insurance contracts. Financial assets in Atradius are mainly covering insurance liabilities. The refinance risk of the bond, if not called the interest rate will be Euribor 3 months + fixed add-on. If refinanced it will result into new market interest rate.

Profile

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

	Fixed rate instruments - carrying amount		Variable rate instruments - carrying amount	
	2023	2022	2023	2022
Financial assets (1) (3)	2,337,252	2,428,779	1,008,290	695,220
Financial liabilities (2) (4)	(249,828)	(249,600)	(10,367)	(9,263)
Total	**2,087,424**	**2,179,179**	**997,923**	**685,957**

1) Fixed rate financial assets include debt securities
2) Fixed rate financial liabilities include the subordinated debt.
3) Variable rate financial assets include cash and cash equivalents, loans, short-term investments.
4) Variable rate financial liabilities include borrowings and deposits received from reinsurers.

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 100 basis points or 1.00%. The higher the duration figure, the more a bond is sensitive to movements in the underlying discount rate. Atradius 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 Investment Policy. The duration is calculated as the weighted average of the discounted future cash flows to be received measured in years. The duration as per 31 of December 2023 is 1.7 years (2022: 2.0 years) and the average maturity for 2023 is 1.9 years (2022: 2.2 years).

The fixed rate financial liabilitities include the subordinated notes issued by Atradius Finance BV on 23 September 2014 with a nominal amount of EUR 250 million. 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 until first call date, 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.

4.3.1.4 Value-at-Risk

Atradius measures equity price and interest rate risk by analysing the value-at-risk (VaR) of its financial instruments. This risk metric measures the maximum potential 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 these as main inputs. These volatilities and correlations are provided by financial information providers or financial institutions.

All amounts in thousands of Euro, unless otherwise stated

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 Atradius equity securities and debt securities on portfolio level.

Value-at-Risk	**EUR million**	**% of the market value**	**EUR million**	**% of the market value**
	2023		**2022**	
Equity securities:				
Shares	133.3	33.10%	81.0	54.8%
Investment Funds [1]**:**	14.6	33.10%	72.9	54.8%
Debt securities:				
Government bonds	28.1	4.30%	30.2	4.7%
Corporate bonds	66.5	3.90%	90.7	5.1%
Total portfolio	**179.1**	**5.7%**	**198.7**	**6.7%**

[1] *It excludes money market funds.*

The classification of financial investments in the VaR table stated above are based on the actual financial risks that the individual securities present in the investment portfolio carry. For instance, within debt securities a separation between government bonds, and corporate bonds is maintained to capture the actual exposure to corporate bonds that carry additional credit risk above the risks that government bonds bring along. When individual securities are classified to the asset class that fits their actual risk profile, the volatility of that asset class is calculated using the volatility to the financial markets of the underlying securities in that asset class. The volatility of each asset class 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 is less than the sum of the VaR of the individual portfolio components because the correlation between these components is less than one and forms the basis of portfolio diversification. The VaR percentage decreased from 6.7% at the end of 2022 to 5.7% at the end of 2023 and the VaR value decreased from EUR 198.7 million at the end of 2022 to EUR 179.1 million at the end of 2023.

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 2023, the Euro appreciated in value against some of the non-Euro functional currencies (see Note 2.5.1) resulting in a foreign currency loss in other comprehensive income of EUR 28.9 million, net of tax (2022: a gain of EUR 59.6 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.

	Assets	Liabilities	Net position	Assets	Liabilities	Net position
		2023			2022	
EUR	3,868,992	1,806,999	2,061,993	3,603,671	1,748,242	1,855,429
GBP	249,835	153,268	96,567	238,232	146,859	91,373
USD	682,968	335,376	347,592	656,742	344,603	312,139
AUD	137,916	48,563	89,353	125,150	43,844	81,306
Other	588,441	399,262	189,179	539,295	384,309	154,986
Total	**5,528,153**	**2,743,468**	**2,784,685**	**5,163,090**	**2,667,858**	**2,495,232**

4.3.2 Credit risk

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

Taking out reinsurance coverage with external reinsurers is used to manage insurance risk. This does not, however, discharge the liability as primary insurer. If a reinsurer fails to pay a claim for any reason, Atradius remains liable for the payment to the policyholder. The Atradius policy is to select only reinsurers that have a well-established investment grade credit rating. The 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, Atradius 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.

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 Atradius 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 Atradius 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 minimum allowed average rating of the overall fixed income portfolio is A-, whereas investments in individual fixed income securities are allowed a minimum rating of BBB- at purchase. If a debt security in which Atradius has invested falls below the minimum credit rating or is not rated, it should be reviewed by the Group Investment Committee to decide whether the debt security is still a suitable investment. The maximum concentration limit per issuer (per legal entity and at Atradius N.V. level) is 5% of the market value of the financial investments of the legal entity or Atradius N.V.. 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 takes action if necessary.

The main objectives of the investment portfolio concentrate on the capital preservation and liquidity, in order to support Atradius strategic and operational needs at any given moment in time. Despite the steep increase in interest rates, the annual review of the investment policy did not lead to any changes in the concentration risk settings, as the existing restrictions were considered to be sufficient. The Group Investment Committee closely monitored any downgrades on the BBB-rated bonds and any major changes in the concentration exposure by issuer throughout the year.

Regarding receivables, there is no concentration of credit risk in respect of receivables as Atradius has a large number of internationally dispersed debtors.

The amounts that best represent the maximum exposure to credit risk in reinsurance contract assets at the reporting dates are EUR 137 million (2022: EUR 133 million).

All amounts in thousands of Euro, unless otherwise stated

The counterparty ratings of short-term investments, cash and cash equivalents and the rating of debt securities as at 31 December 2023 and as at 31 December 2022, are presented in the following tables:

At 31 December (EUR million)	2023			2022		
	Stage 1	Stage 2	Total	Stage 1	Stage 2	Total
Cash and cash equivalents						
AAA	67	-	67	116	-	116
AA	47	-	47	46	-	46
A	551	-	551	378	-	378
BBB	18	-	18	21	-	21
Below investment grade	11	-	11	16	-	16
Without qualifications	-	-	-	-	-	-
Gross amount	**694**	**-**	**694**	**576**	**-**	**576**
Financial Assets at FV with changes in Other Comprehensive Income						
Debt securities:						
Government Bonds:						
AAA	329	-	329	357	-	357
AA	267	-	267	248	-	248
A	-	-	-	6	-	6
BBB	37	-	37	12	-	12
Below investment grade	-	14	14	-	-	-
Without qualification	-	-	-	-	20	20
Corporate Bonds:						
AAA	8	-	8	12	-	12
AA	202	-	202	189	-	189
A	1,137	-	1,137	1,121	-	1,121
BBB	343	-	343	453	-	453
Without qualification	-	-	-	10	-	10
Gross amount	**2,323**	**14**	**2,337**	**2,409**	**20**	**2,429**
Financial Assets at Amortised Cost						
Deposits with credit institutions :						
AAA	89	-	89	36	-	36
AA	43	-	43	64	-	64
A	165	-	165	9	-	9
BBB	9	-	9	5	-	5
Below investment grade	-	-	-	5	-	5
Without qualification	6	-	6		-	-
Loans:				-		
Without qualification	2	-	2	-	-	-
Gross amount	**314**	**-**	**314**	**119**	**-**	**119**

The counterparty ratings of receivables, claims, commissions and deposits arising from reinsurance and the rating of debt securities as at 31 December 2023 and as at 31 December 2022, are presented in the following tables:

At 31 December (EUR million)	2023	2022
Receivables arising from reinsurance:		
AA	26	28
A	60	61
BBB	4	3
Without qualification	16	14
Gross amount	**106**	**107**

The counterparty credit ratings and the credit rating of debt instruments are predominantly based on Standard & Poor's rating.

4.3.3 Liquidity risk

Atradius is exposed to liquidity risk if there is insufficient cash available to meet its financial obligations, when due, at a reasonable cost. For Atradius, 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 Atradius level, in close coordination with local operations. Atradius' 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 Atradius should mainly invest in financial instruments that can be liquidated in less than three business days. Atradius is able to access credit facilities to prevent certain liquidity shortages which may arise due to short-term cash flow variances. Atradius maintain one uncommitted credit line in excess of EUR 1 million, in the form of an overdraft facility for a total amount of EUR 50 million (2022: EUR 50 million). The credit line provides liquidity to cover infrequent peaks in short-term liquidity requirements while also permitting Atradius to reduce its cash balances and to benefit from a more substantial and stable investment portfolio. Finally, Atradius has in place a simultaneous claims payment clause in the main reinsurance treaties. This clause allows Atradius to ask the reinsurers to anticipate the payment of a large claim upon Atradius' 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. Atradius 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 Atradius has a choice of when an amount is paid, the financial liability is allocated to the latest period in which Atradius 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 Atradius can be required to pay.

All amounts in thousands of Euro, unless otherwise stated

At 31 December 2023		Contractual cash flows (undiscounted)				
	Weighted average effective interest rate %	On demand	Less than 1 year	1 to 5 years	> 5 years	Carrying amount
Interest bearing liabilities:						
Subordinated debt	6.92%	-	13,125	89,400	607,600	249,828
Deposits received from reinsurers	1.94%	-	10,367	-	-	10,367
Total		**-**	**23,492**	**89,400**	**607,600**	**260,195**
Non-interest bearing liabilities:						
Direct insurance liabilities		-	1,090,852	316,733	(3,437)	1,227,482
Payables		-	141,765	-	-	141,765
Total		**-**	**1,232,617**	**316,733**	**(3,437)**	**1,369,247**

At 31 December 2022		Contractual cash flows (undiscounted)				
	Weighted average effective interest rate %	On demand	Less than 1 year	1 to 5 years	> 5 years	Carrying amount
Interest bearing liabilities:						
Subordinated debt	6.92%	-	13,125	80,175	629,950	249,600
Deposits received from reinsurers	1.36%	-	9,263	-	-	9,263
Total		**-**	**22,388**	**80,175**	**629,950**	**258,863**
Non-interest bearing liabilities:						
Direct insurance liabilities		-	969,197	376,941	(31,998)	1,131,430
Payables		-	144,086	-	-	144,086
Total		**-**	**1,113,283**	**376,941**	**(31,998)**	**1,275,516**

[1] *It includes subordinated debt in 2023.*

At 31 December 2023		Contractual cash flows (undiscounted)				
	Weighted average effective interest rate %	On demand	Less than 1 year	1 to 5 years	> 5 years	Carrying amount
Interest bearing assets:						
Debt securities	3.57%	-	648,498	1,797,377	53,564	2,339,529
Investments: deposits and cash held for investments	4.95%	149,369	166,850	-	2,441	314,052
Cash: Cash and bank deposits	3.10%	646,193	48,045	-	-	694,238
Total		**795,562**	**863,393**	**1,797,377**	**56,005**	**3,347,819**
Non-interest bearing assets:						
Other financial assets [1)]		-	502,006	-	-	502,005
Reinsurance contracts		-	364,180	125,772	21,494	482,874
Receivables		-	124,381	-	-	124,381
Total		**-**	**990,567**	**125,772**	**21,494**	**1,109,260**

At 31 December 2022		Contractual cash flows (undiscounted)				
	Weighted average effective interest rate %	On demand	Less than 1 year	1 to 5 years	> 5 years	Carrying amount
Interest bearing assets:						
Debt securities	3.53%	-	406,119	2,180,863	54,754	2,431,020
Investments: deposits and cash held for investments	3.20%	37,207	82,224	-	-	119,431
Cash: Cash and bank deposits	(0.03%)	555,676	20,113	-	-	575,789
Total		**592,883**	**508,456**	**2,180,863**	**54,754**	**3,126,240**
Non-interest bearing assets:						
Other financial assets [1)]		-	394,678	-	-	394,678
Reinsurance contracts		-	339,168	150,127	8,495	430,850
Receivables		-	96,638	-	-	96,638
Total		**-**	**830,484**	**150,127**	**8,495**	**922,166**

4.4 Operational risk

4.4.1 Operational risk management

Operational risk is defined as the risk of loss arising from inadequate or failed internal processes, people or systems, or from external events. This definition is in line with industry practice as well as with the European Solvency II Directive. It is present within all activities undertaken by Atradius, at all levels and across all locations. At the same time as classifying operational risk into processes, people, systems, and external events, Atradius also labels its risks where they relate to ESG categories.

The Qualitative Risk Management (QRM) unit, which contains the teams Operational Risk Management and Control, and Business Continuity Management, is part of the Group Risk Management department. QRM is responsible for developing methods for the identification, assessment and response to operational risks, and for monitoring and further enhancing the overall risk management and control framework. The QRM unit works closely with both Internal Audit and the Group Legal & Compliance unit. At the highest level, operational risk is overseen by the Operational Risk Committee (ORC), which has a reporting line to the RSMB.

The QRM unit uses a framework for the management of operational risk, which is based on the Committee of Sponsoring Organisations' Enterprise Risk Management (COSO ERM) Integrated Framework. Identification and monitoring activities are developed and enhanced on an ongoing basis and include the maintenance of risks registers, facilitation of risk and control self-assessments, capture of risk indicators and incidents, and development, maintenance, testing and review of business continuity plans. Risks and risk responses 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 many 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 QRM unit employs a dedicated governance, risk and compliance software platform (the 'GRC Portal') that integrates existing risk management activities across the business.

Financial crime risk - results from illicit activity in the form of money laundering, terrorist financing, bribery and corruption, sanctions evasion, fraud and customer tax offences and other predicate offences to money laundering such as environmental crimes and human trafficking. It arises in Atradius' day-to-day business if our customers, employees or third parties undertake or facilitate financial crime, or if our products and services are misused for illicit purposes to generate or disguise financial crime.
We have zero tolerance for deliberately or knowingly facilitating financial crime - keeping Atradius safe, secure and compliant remains a top priority to protect our business and society at large from financial crime and its corrosive effects upon individuals and communities.

Fraud risk

External fraud risk is defined within Atradius as the risk of acts of fraud or scams by individuals and/or parties excluding Atradius staff (including contractors), with the consequence of financial loss, regulatory fines, litigation loss, business disruption and/or reputational damage for Atradius. The Fraud Control Group, composed of employees across over 30 countries, monitors the activity of customers and buyers to detect potential instances of fraud. This monitoring includes using bespoke software to capture indicators of fraud from wide-ranging internal and external sources. Atradius also provides fraud awareness training and advice to employees and customers to help identify fraudulent buyers. Atradius in 2023 saw an increase in attempts by fraudsters to impersonate Atradius employees for the financial gain but suffered no material losses.

Internal fraud risk is defined as the risk of acts of fraud performed by any Atradius employees, including where this relates to collusion between Atradius employees or agents with another party, whether or not known to Atradius, with the consequence of financial loss, regulatory fines, litigation loss, business disruption and/or reputational damage for Atradius. This risk is addressed through manual and automated operational controls such as the segregation of duties, application of signing authorities including two, four and six-eye approvals and role-based system privileges and authorities. Any instance of internal fraud that is discovered, whether successful or not, is reported as an operational incident to the Risk Strategy Management Board. During 2023, 2 incidents of internal fraud with an estimated cost of EUR 220 thousand were reported to the Risk Strategy Management Board.

In addition, the Atradius Code of Conduct and several additional compliance policies applicable for more specific areas, set the requirements that Atradius' employees must adhere to. For example, the Atradius Speak up Procedure gives guidance on how to raise concerns regarding a violation or breach of the Code of Conduct, in a confidential manner. Further information on compliance policies can be found in note 4.4.1.3.

Cyber risk – refers to the risk of financial loss, disruption or damage to reputation due to failure of IT systems.
Risks include: an event impacting the data centre (covered via Business Continuity / IT Disaster Recovery), security incidents, network vulnerabilities, unauthorised activity, malicious code changes, application specific vulnerabilities and unauthorised software. The Atradius Information Security team monitors and addresses threats and coordinates the management of cyber risk across the Group. Atradius recognises increasing external threats especially from AI, ransomware, phishing and denial of service.

The fast evolving cyber landscape highlights the increasing monetisation of cyber security threats against financial services companies through insufficient technical controls and user error. As such, Atradius takes the education of end users on the aforementioned cyber risks very seriously: awareness training is mandatory for all staff. Further mitigation of this risk includes protections for critical Atradius applications and Multi-Factor Authentication for remote access. A medium-term Cyber Security Strategy is in place to further improve governance, protection, resilience and vigilance across Atradius.

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

4.4.1.1 Risk registers and risk / control self-assessments

While the QRM is responsible for facilitating operational risk management within Atradius, 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 registers provides input to local management meetings and is also reviewed by the ORC and during meetings of the Management Board. This ensures that operational risks are considered from all management perspectives.

While risk registers use a top-down approach to capturing risks, Atradius also uses a bottom-up approach of control self-assessments to review existing risks and associated controls and identify any control weaknesses in business processes.

On a quarterly basis, Atradius conducts specific assessments of processes and controls covering financial reporting risks, including reporting for regulatory compliance purposes; 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

Atradius recognises the importance of being able to recover its critical business processes in the event of any major operational disruption. A Business Continuity Management (BCM) programme is embedded in the organisation to ensure the continuity of the Business in the event of severe disruptions. The BCM programme is aligned with the International Standard ISO22301. The Group Business Continuity manager co-ordinates the documentation, maintenance and continual testing of practical plans for recovering key business activities within acceptable timeframes.

A BCM programme is in place across the Group, which includes the setting and monitoring of Group and Country objectives and this runs alongside central activities, such as conducting periodic Business Impact Analysis.

Atradius has adapted its business continuity arrangements to address new ways of working such as a hybrid working model which involves a mixture of in-office and remote working. IT systems are stable and collaboration tools have been enhanced for the whole workforce. Overall service to customers and all other parties is being maintained at a high standard.

Atradius is preparing itself for alignment with regulations on operational resilience whereby firms must ensure that they can withstand, respond to and recover from all types of ICT-related disruptions and threats.

4.4.1.3 Legal Risk / Compliance Framework

At Atradius we believe that compliance with relevant laws, rules and regulations, and maintaining a high standard of ethics and integrity, leads to lower operational risk and more-stable business processes. The Atradius Code of Conduct outlines the basic corporate, legal and ethical compliance principles and guidelines that apply to all our employees and that govern the Atradius operations and business conduct towards customers, brokers and all parties involved in Atradius business.

Atradius has set up several additional compliance policies for more specific areas which set out the requirements that Atradius’ employees must adhere to. For example, the Policy on Customer Due Diligence and Policy on Sanctions address potential sanctions risks establishing operational and control procedures to comply with sanctions laws and regulations. Atradius also has a Data Protection Framework in place, which includes controls, policies and procedures to comply with the applicable data protection legislation. All the compliance policies are available to employees and are reviewed on a regular basis.

The Compliance Function supports the management of Atradius in meeting its objective of being compliant with applicable laws, rules and external and internal regulations. The Group Compliance Function is responsible for the maintenance and overall effectiveness of the compliance framework at Group level and, the Local Compliance Function monitors regulatory and compliance developments at local country level.

4.5 Capital management

4.5.1 Guiding principles

Capital management is guided by the following principles:

- to ensure that Atradius 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 Atradius entities, including branches and subsidiaries of Atradius worldwide;
- to manage the capital adequacy of Atradius 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 Atradius' entities; and
- to minimise the overall cost of funding while preserving financial flexibility.

4.5.2 Atradius' objectives, policies and processes with regard to capital

The Company shows a robust capital and solvency position.

Atradius manages capital worth more than two billion euro. Per year-end 2023, the capital includes shareholders' funds of EUR 2.8 billion (2022: EUR: 2.5 billion) and subordinated debt of EUR 250 million (nominal value) classified as Level 2 under the fair value hierarchy and as Tier 2 basic own funds for Solvency II (for further details see note 20).

In addition to the internally developed economic capital model, Atradius considers the solvency calculation models of the relevant regulatory authorities and credit rating agencies in its process of managing capital.
In order to ensure capital adequacy, a capital buffer above the solvency capital required is maintained, such that large loss events would not impair the ability of Atradius to carry on its normal course of business and the ambition to maintain an 'A' rating level is sustained.

Atradius has embedded processes and procedures to ensure compliance with externally imposed regulations and internally imposed requirements for capital adequacy. Such compliance is ensured by:

- regular assessment of solvency needs, taking into account the business strategy, resulting risk profile and applied risk appetite levels;
- incorporating a view on expected future investments in new businesses, revenues, claims, reinsurance expectations and dividends as these impact both available and required capital;
- monitoring duration of assets; and
- taking into consideration capital market expectations such as expected returns, volatilities and correlations as these may impact earnings and the shareholder equity reserves.

4.5.3 Regulatory capital requirements

In each country in which Atradius operates with insurance or reinsurance companies established according to local laws, and also where prescribed for branches, the local insurance regulator specifies the minimum amount and type of capital that must be held by each of the subsidiaries or branches. The minimum required capital must be maintained at all times throughout the year. In addition, the local insurance regulators have the discretionary right to impose additional capital requirements in excess of the required minimum.

In 2023, the capital of Atradius has been managed according to the Atradius guidelines and in close cooperation with the units involved. The Atradius entities were able to meet their financial obligations and to comply with local legal and regulatory requirements.

4.5.4 Solvency II

Solvency II is the regulatory framework for (re-)insurance undertakings and groups domiciled in the EU.

Under Solvency II guidelines Group supervision takes place at the ultimate parent Grupo Catalana Occidente S.A. (GCO)

Since approval by the College of Supervisors in 2017, the regulated entities within Atradius apply a Partial Internal Model for calculating their regulatory capital requirements. An internal model, which reflects our business better than the regulatory “standard formula”, is used to calculate capital requirements for Underwriting Risk. Atradius uses the Standard Formula for Market, Counterparty Default and Operational Risk as the characteristics of these risk types do not warrant an internal model approach.

As per year end 2023 the eligible own funds under Solvency II for the Company amounts to EUR 2,961 million (2022: EUR 2,600 million).

5 Segment information

Operating segments are identified based on internal reports about components of Atradius that are regularly reviewed by the Management Board in order to allocate resources to the segment and to assess its performance. Although the Management Board reviews the Company's results, at aggregated level in accordance with IFRS 17, operating segments are reported in a manner consistent with the internal reporting provided to the Management Board, which is prepared in accordance with IFRS 4.

The Company has identified two operating segments, insurance and services. Within the insurance segment there are different business activities: Credit insurance including related information income, Instalment credit protection (ICP), Surety and Reinsurance. The segment Services includes collections activities, Atradius Dutch State Business, non-insurance related information income and other service related business. Group costs relate to corporate operations, after cost allocations to the other business segments.

Collections 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.

Atradius revenue has no dependency on any large customer.

Compared to the information submitted in accordance with IFRS 4, IFRS 17 implies a change in the presentation of balance sheet items, but primarily in the income statement. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance and reinsurance contracts. See below the main changes:

- IFRS 17 introduces a model that measures groups of contracts based on estimates of the present value of future cash flows that the Company expects to arise from the contract group of contracts with an explicit risk adjustment for non-financial risk. Compared with IFRS 4 this is less conservative and consequently this will reduce insurance liabilities and increase equity.
- The establishment of the CSM, in accordance with IFRS17, is the main factor that will cause the increase in insurance liabilities during the transition. Consequently, an increase in liabilities is expected to reduce equity.
- When measuring insurance liabilities, future cash flows are discounted. Under IFRS 4, except for assets related to Instalment Credit Protection, liabilities are not discounted.
- The definition of ”occurrence” changed for traditional Credit Insurance, ceteris paribus, leading to a later recognition of profits. For credit insurance business, liabilities for incurred claims will be reflected at the time the insured event according to the policy wording occurs (legal insolvency, or protracted default). Under IFRS 4 the expected claims inflow (IBNR) is recognized at the time the assumed shipment is done without building an unearned premium reserve, except for the business in Spain and Portugal where the premium is recognised based on the trading terms between customer and their buyers.
- Credit Insurance premium revenue is replaced by recognition of service margin earned on insurance contracts. While under IFRS 17, business profits are recorded as a release in CSM and recognized during the coverage period of the contract. Under IFRS 4, such recognition is made immediately in profit or loss.

Information regarding these segments is presented under IFRS4, in the following tables:

All amounts in thousands of Euro, unless otherwise stated

Business segment **2023**	**Credit insurance**	**Surety**	**Assumed Reinsurance**	**Total insurance business**	**Services**	**Inter-segment elimination**	**Group costs**	**Total**
Insurance premium revenue	1,950,205	146,305	186,319	2,282,829	-	-	-	2,282,829
Service and other income	143,812	-	-	143,812	93,169	-	-	236,981
Inter-segment revenue	-	-	-	-	2,916	(2,916)	-	-
Total revenue	**2,094,017**	**146,305**	**186,319**	**2,426,641**	**96,085**	**(2,916)**	**-**	**2,519,810**
Insurance premium ceded to reinsurers	(787,283)	(55,746)	(8,019)	(851,048)	-	-	-	(851,048)
Total segment income after reinsurance	**1,306,734**	**90,559**	**178,300**	**1,575,593**	**96,085**	**(2,916)**	**-**	**1,668,762**
Insurance claims and loss adjustment expenses	(848,975)	(21,543)	(82,877)	(953,395)	-	2,476	-	(950,919)
Insurance claims and loss adjustment expenses recovered from reinsurers	274,273	6,091	5,796	286,160	-	-	-	286,160
Net insurance claims	**(574,702)**	**(15,452)**	**(77,081)**	**(667,235)**	**-**	**2,476**	**-**	**(664,759)**
Gross operating expenses	(729,357)	(60,444)	(74,586)	(864,387)	(68,919)	440	(17,499)	(950,365)
Commission received for business ceded to reinsurers	326,618	22,846	1,324	350,788	-	-	-	350,788
Net operating expenses	**(402,739)**	**(37,598)**	**(73,262)**	**(513,599)**	**(68,919)**	**440**	**(17,499)**	**(599,577)**
Operating segment result	**329,293**	**37,509**	**27,957**	**394,759**	**27,166**	**-**	**(17,499)**	**404,426**
Share of income/ (losses) of associated companies								11,266
Net income from investments								70,330
Finance income								31,234
Finance expenses								(29,089)
Result for the year before tax								**488,167**
Income tax expense								(117,662)
Profit for the year								**370,505**
Extraordinary items								(451)
Net result on discontinued operations								2,147
Result for the year								**372,201**

Business segment 2022	Credit insurance	Surety	Assumed Reinsurance	Total insurance business	Services	Inter-segment elimination	Group costs	Total
Insurance premium revenue	1,925,409	133,376	166,555	2,225,340	-	-	-	2,225,340
Service and other income	141,922	-	-	141,922	83,785	-	-	225,707
Inter-segment revenue	-	-	-	-	2,915	(2,915)	-	-
Total revenue	**2,067,331**	**133,376**	**166,555**	**2,367,262**	**86,700**	**(2,915)**	**-**	**2,451,047**
Insurance premium ceded to reinsurers	(790,821)	(52,071)	(16,047)	(858,939)	-	-	-	(858,939)
Total segment income after reinsurance	**1,276,510**	**81,305**	**150,508**	**1,508,323**	**86,700**	**(2,915)**	**-**	**1,592,108**
Insurance claims and loss adjustment expenses	(789,011)	(40,255)	(85,506)	(914,772)	-	2,463	-	(912,309)
Insurance claims and loss adjustment expenses recovered from reinsurers	265,992	15,141	10,373	291,506	-	-	-	291,506
Net insurance claims	**(523,019)**	**(25,114)**	**(75,133)**	**(623,266)**	**-**	**2,463**	**-**	**(620,803)**
Gross operating expenses	(683,162)	(50,116)	(64,254)	(797,532)	(66,675)	452	(15,314)	(879,069)
Commission received for business ceded to reinsurers	299,958	20,824	1,823	322,605	-	-	-	322,605
Net operating expenses	**(383,204)**	**(29,292)**	**(62,431)**	**(474,927)**	**(66,675)**	**452**	**(15,314)**	**(556,464)**
Operating segment result	**370,287**	**26,899**	**12,944**	**410,130**	**20,025**	**-**	**(15,314)**	**414,841**
Share of income/ (losses) of associated companies								17,755
Net income from investments								24,588
Finance income								8,135
Finance expenses								(7,255)
Result for the year before tax								**458,065**
Income tax expense								(104,220)
Result for the year from continuing operations								**353,844**
Net result on discontinuos operations								(21,633)
Result for the year								**332,212**

All amounts in thousands of Euro, unless otherwise stated

Business segment 2023	Credit insurance	Surety	Assumed Reinsurance	Total insurance business	Services	Inter-segment elimination	Total
Reinsurance contracts	694,554	184,453	47,228	926,235	-	-	926,235
Receivables	385,877	19,171	17,854	422,902	7,353	(4,190)	426,065
Unallocated assets							5,348,503
Total assets	**1,080,431**	**203,624**	**65,082**	**1,349,137**	**7,353**	**(4,190)**	**6,700,803**
Insurance contracts	1,841,946	402,946	560,643	2,805,535	-	-	2,805,535
Payables	275,902	34,256	-	310,158	19,884	(17,691)	312,351
Unallocated liabilities							1,152,541
Total liabilities	**2,117,848**	**437,202**	**560,643**	**3,115,693**	**19,884**	**(17,691)**	**4,270,427**
Total year end number of employees (full-time equivalent)	**2,770**	**149**	**27**	**2,945**	**464**	**-**	**3,409**

Business segment 2022	Credit insurance	Surety	Assumed Reinsurance	Total insurance business	Services	Inter-segment elimination	Total
Reinsurance contracts	684,246	161,553	54,241	900,040	-	-	900,040
Receivables	345,555	19,766	13,741	377,973	5,243	(2,632)	381,673
Unallocated assets	-	-	-	-	-	-	5,010,416
Total assets	**1,029,801**	**181,319**	**67,982**	**1,278,013**	**5,243**	**(2,632)**	**6,292,129**
Insurance contracts	1,709,310	343,424	512,835	2,565,569	-	-	2,565,569
Payables	289,780	37,841	-	326,532	10,298	(8,305)	329,614
Unallocated liabilities	-	-	-	-	-	-	1,221,496
Total liabilities	**1,999,090**	**381,265**	**512,835**	**2,892,101**	**10,298**	**(8,305)**	**4,116,679**
Total year end number of employees (full-time equivalent)	**2,704**	**146**	**26**	**2,876**	**435**	**-**	**3,311**

The following table shows the total assets by geographical area under IFRS4:

	Spain	Netherland & Nordic Countries	Central and Eastern Europe, Greece and Turkey	Southern Europe	United Kingdom & Ireland	North America	Oceania & Asia	**Total**
2023	2,358,611	1,062,840	536,551	422,801	1,390,789	351,290	577,920	**6,700,803**
2022	2,139,256	841,094	520,060	398,037	1,534,693	319,593	539,395	**6,292,129**

Comparative between the two standards is showed below.

Assets	2023 IFRS 9 /17	Changes in measurement	2023 IAS39 / IFRS4
Receivables	124,381	301,322	425,703
Miscellaneous assets and accruals	191,481	563,464	754,945
Other assets 1)	1,078,111	95,810	1,173,921
Tax assets	89,835	62,208	152,043
Investments	3,267,594	-	3,267,594
Insurance contract assets	776,751	149,484	926,235
Total assets	**5,528,153**	**1,172,288**	**6,700,441**

Equity	2023 IFRS 9 /17	Changes in measurement	2023 IAS39 / IFRS4
Capital and reserves attributable to the equity holders of the Company	2,784,685	(354,308)	2,430,377
Total equity	**2,784,685**	**(354,308)**	**2,430,377**

Liabilities	2023 IFRS 9 /17	Changes in measurement	2023 IAS39 / IFRS4
Payables	602,323	441,191	1,043,514
Tax liabilities	168,333	2,854	171,187
Insurance contract liabilities	1,722,984	1,082,551	2,805,535
Subordinated debt	249,828	-	249,828
Total liabilities	**2,743,468**	**1,526,596**	**4,270,064**

1) Property pan and equipment; Employee benefit assets cash and cash equivalents, intangible assets

All amounts in thousands of Euro, unless otherwise stated

Profit and loss	2023 IFRS 9 /17	Changes in measurement	2023 IAS 39 / IFRS 4
Profit and loss technical accounts premium	-	1,431,780	1,431,780
Profit and loss technical accounts claims	-	(664,759)	(664,759)
Broker and reinsurance commissions	-	39,208	39,208
IFRS17 insurance contracts result	381,224	(381,224)	-
Insurance result	**381,224**	**425,005**	**806,229**
Profit and loss service and other income	**244,074**	**(7,092)**	**236,982**
Operating expenses	**(200,431)**	**(438,355)**	**(638,786)**
Investment income	89,615	(2,151)	87,464
Investment expenses	(33,242)	16,108	(17,134)
Share of income from associated companies	11,266	-	11,266
Profit and loss investment income	**67,639**	**13,958**	**81,596**
Other Finance income and expenses	**1,323**	**372**	**1,695**
Result for the year before tax	**493,828**	**(6,112)**	**487,716**
Income tax	**(119,061)**	**1,399**	**(117,662)**
Net Result on discontinued operations	**4,314**	**(2,167)**	**2,147**
Total result for the year	**379,081**	**(6,880)**	**372,201**

6 Cash and cash equivalents

	2023	2022
Cash at bank and on hand	549,187	431,851
Restricted cash	97,006	123,825
Short-term bank deposits	48,045	20,113
Cash and cash equivalents	**694,238**	**575,789**
Cash and cash equivalents	694,238	575,789
Cash and cash equivalents in the statement of cash flows	**694,238**	**575,789**

Atradius manages the cash by using a cross-border cash pooling agreement. This provides for a notional pool structure with interest compensation per currency. The cash pool arrangement allows for offsetting of cash balances of branches within a legal entity. However, it does not allow offsetting between different legal entities.

The restricted cash line includes cash that is not available to the Company for immediate or general business use neither to spend, nor to invest.

7 Receivables

	2023	2022
Other account receivables	**124,381**	**96,638**

The outstanding Other account receivables are substantially all current and consequently their fair values do not materially differ from their carrying amounts. Insurance receivables are not included in this clasification, as they were considered in LRC calculation.

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

The ‘Other account receivables’ related to service income, are short term balances which consist of individually small balances.

The increase in other account receivables is mainly driven by the Corporate Tax advanced payment in ACyC Spain.

The ECL of ‘Other accounts receivable’ for 2023 is EUR 1.3 million (2022: EUR 1.4 million). This balance takes into account that a portion of the impaired receivables will be recovered. Atradius does not hold any collateral over these balances.

8 Other assets

	2023	2022
Prepayments and accrued interest	59,963	52,242
Net pension plan asset	94,540	81,337
Reimbursement rights	6,590	6,687
Other	30,388	23,816
Total	**191,481**	**164,083**

Prepayments and accrued interest, relate to payments in advance for which the Company has received and invoiced for future services or goods, and interest of financial investments for which Atradius is entitled but has not received yet.

The other 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 21).

The net pension plan asset concerns the surplus of the pension plans, mainly in the UK; as per 31 December 2023 it is EUR 94.5 million (2022: EUR 81.3 million) (see Note 21).

9 Deferred and current income tax

Tax inspection

In July 2023, the Spanish Tax Authorities launched a full tax audit regarding GCO (Grupo Catalana Occidente S.A.) and its Spanish group entities, including ACyC. Fiscal years in scope are 2016 up to and including 2019. Information has been provided to the tax authorities and the tax audit is still ongoing. No topics have been formally disputed so far.

All amounts in thousands of Euro, unless otherwise stated

Pillar Two model

In December 2022, the European Commission granted approval to Directive 2022/2523 within the European Union, establishing a minimum effective tax rate for large groups. Aligned with the OECD Models Rules, this Directive is scheduled for transposition into the domestic legislation of Member States throughout 2023, with an effective date of January 1, 2024.

Pillar Two legislation is currently in the process of being adopted in Spain, the jurisdiction in which GCO is incorporated, see Note 1. In December 2023, the Council of Ministers in Spain approved, in its initial phase, the Draft Law for the transposition of the aforementioned European Directive. Following the approval in the initial phase, the text will need to be ratified by the Government and subsequently submitted to Parliament. The legislation is expected to enter into force in Spain retroactively on January 1, 2024.

The Pillar Two legislation has been enacted or substantively enacted in other jurisdictions where Atradius operates, including Ireland, the Netherlands, the United Kingdom, France and Italy, among others. These regulations take effect for accounting periods beginning on or after 31 December 2023.

The Group is within the scope of the OECD Pillar Two model rules. Since the Pillar Two legislation was not effective at the reporting date, the Group has no related current tax exposure. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

Under the new legislation, the ultimate parent company will generally be required to pay in Spain a top-up tax for the difference between the GloBE effective tax rate per jurisdiction and the 15% minimum rate in those jurisdictions without an enacted Qualified Domestic Top Up Tax. All entities within the Group have an effective tax rate that exceeds 15%, except for certain entities located in countries with a lower statutory tax rate or with incidental tax events.

The Group is in the process of assessing its exposure to the Pilar Two legislation for when it comes into effect. A preliminary assessment has been performed based on the profits and tax expenses determined as part of the preparation of the Group´s consolidated financial statement and considering only certain adjustment that would have been required applying by the Pillar 2 legislation. Based on this assessment, in most of these countries the estimated Pillar Two effective tax rates are above 15%. In countries where the estimated tax rate falls below the 15% threshold, the potential Pillar Two top- up tax impact has been estimated as not material.

Due to the complexities in applying the legislation and calculating GloBE income, the quantitative impact of the enacted or substantively enacted legislation cannot be reasonably estimated yet. Therefore, even for those entities with an accounting effective tax rate above 15%, there may still be Pillar Two tax implications. The Group is currently engaged with tax specialists to assist them with applying the legislation.

Current income tax

	2023	2022
Current income tax assets	86,018	83,035
Current income tax liabilities	45,578	73,194
Net	**40,440**	**9,841**

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

	2023	2022
Deferred income tax assets before set-off	187,097	162,822
Set-off of deferred tax positions	(183,280)	(147,502)
Net deferred tax assets as presented in the statement of financial position	**3,817**	**15,320**
Deferred income tax liabilities before set-off	306,035	231,680
Set-off of deferred tax positions	(183,280)	(147,502)
Net deferred tax liabilities as presented in the statement of financial position	**122,755**	**84,178**

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

	2023	2022
Balance at 1 January	**(68,858)**	**(128,759)**
Credit (charge) to other comprehensive income for the year	(28,110)	22,029
Charge to the profit and loss statement for the year	(20,588)	33,400
Movements with no impact on OCI nor P&L	-	1,503
Effect of movements in foreign exchange rates	(1,382)	2,969
Balance at 31 December	**(118,938)**	**(68,858)**

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

2023	Balance at 1 January	Recognised in other comprehensive income for the year	Recognised in the profit and loss statement for the year	Movements with no impact on OCI nor P&L	Effect of movements in foreign exchange	Balance at 31 December
Tax losses carried forward	34,841	-	(4,064)	-	515	31,292
Insurance contracts	(115,086)	-	(15,182)	-	(2,406)	(132,674)
Pensions	(985)	(3,031)	(2,310)	-	(360)	(6,686)
Fiscal goodwill	1,659	-	(300)	-	33	1,392
Financial investments	15,977	(25,079)	4,061	-	(153)	(5,194)
Property, plant and equipment	(9,802)	-	(371)	-	(50)	(10,223)
Other	4,539	-	(2,422)	-	1,039	3,156
Total	**(68,858)**	**(28,110)**	**(20,588)**	**-**	**(1,382)**	**(118,938)**

All amounts in thousands of Euro, unless otherwise stated

2022	Balance at 1 January	IFRS 9 & 17 Transition	Recognised in other comprehensive income for the year	Recognised in the profit and loss statement for the year	Movements with no impact on OCI nor P&L	Effect of movements in foreign exchange	Balance at 31 December
Tax losses carried forward	42,862	-	-	(8,066)	-	45	34,841
Insurance contracts	(72,749)	(67,717)	-	24,744	1,164	(528)	(115,086)
Pensions	10,496	-	(11,388)	(1,218)	-	1,125	(985)
Fiscal goodwill	1,926	-	-	(237)	-	(30)	1,659
Financial investments	(30,608)	-	33,417	13,262	112	(205)	15,977
Property, plant and equipment	(9,793)	-	-	57	2	(68)	(9,802)
Other	(3,176)	-	-	4,858	226	2,631	4,539
Total	**(61,042)**	**(67,717)**	**22,029**	**33,400**	**1,503**	**2,969**	**(68,858)**

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 2023, EUR 1.0 million deferred tax assets on the losses carried forward and deductible temporary difference were written down or not recognised (2022: EUR 0.3 million). This is offset by the reversals of the impairments, prior year adjustments and foreign exchange, resulting in a net reversal of impairment of these deferred tax assets of EUR 1.8 million.

The DTA related to the financial investments changed to a DTL due to an increase of value of the investments.

Atradius has unrecognised tax losses carried forward balances amounting to EUR 37.9 million (2022: EUR 47.0 million). The expiration of these unrecognised tax losses carried forward is included in the following table:

Expiration unrecognised tax losses carried forward	2023	2022
1 - 3 years	1,926	324
4 - 9 years	5,237	618
Indefinite	30,739	46,002
Total	**37,902**	**46,945**

The decrease of unrecognised tax losses is mainly due to the utilisation of unrecognised tax losses or expiration of unrecognised tax losses in countries where the carry forward of losses is limited to a certain amount of years.

Atradius has unrecognized deferred tax assets for an amount of EUR 1.7 million related to other items than tax losses.

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

	2023		2022	
	Deferred tax	Current tax	Deferred tax	Current tax
Revaluation reserve in shareholders equity related to:				
FVOCI financial investments	(25,079)	-	33,417	-
Pension reserve in shareholders equity related to:				
Recognised actuarial gains/(losses)	(3,031)	-	(11,388)	-
Currency translation reserve in shareholders equity related to:				
Currency translation reserve	-	1,624	-	134
Total	**(28,110)**	**1,624**	**22,029**	**134**

All amounts in thousands of Euro, unless otherwise stated

10 Financial investments

Financial investments classified by measurement category and nature	Fair Value through Profit and Loss		FV with changes in Other Comprehensive Income		Amortised Cost [1]		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Shares	-	-	402,400	147,798	-	-	402,400	147,798
Investment Funds	97,165	246,427	-	-	-	-	97,165	246,427
Debt securities	2,277	2,241	2,337,252	2,428,779	-	-	2,339,529	2,431,020
Loans	-	-	-	-	2,441	453	2,441	453
Short-term investments	-	-	-	-	186,141	104,078	186,141	104,078
Cash held for investments	-	-	-	-	125,470	14,900	125,470	14,900
Total	**99,442**	**248,668**	**2,739,652**	**2,576,577**	**314,052**	**119,431**	**3,153,146**	**2,944,676**

1) There are no bank deposits tacitly renewable in 2023 and 2022.

Movements in FVTPL financial investments	Investment funds		Debt securities		Total	
	2023	2022	2023	2022	2023	2022
Balance at 1 January	**246,427**	**341,702**	**2,241**	**2,552**	**248,668**	**344,254**
Additions	530,677	123,062	-	-	530,677	123,062
Disposals	(662,338)	(159,577)	-	-	(662,338)	(159,577)
Amortisation charge for the year	-	-	-	-	-	-
Revaluations through profit and loss statement	(18,589)	(55,967)	30	(287)	(18,559)	(56,254)
Effect of movements in foreign exchange rates	988	(2,793)	6	(24)	994	(2,817)
Balance at 31 December	**97,165**	**246,427**	**2,277**	**2,241**	**99,442**	**248,668**

Movements in FVOCI financial investments	Shares		Debt securities		Total	
	2023	2022	2023	2022	2023	2022
Balance at 1 January	**147,798**	**165,597**	**2,428,779**	**2,241,660**	**2,576,577**	**2,407,257**
Additions	212,916	28,853	484,678	1,045,287	697,594	1,074,140
Disposals	(3,239)	(23,169)	(634,035)	(700,996)	(637,274)	(724,165)
Amortisation charge for the year	-	-	(938)	(12,566)	(938)	(12,566)
Revaluations through other comprehensive income	44,751	(23,660)	66,251	(164,280)	111,002	(187,940)
Effect of movements in foreign exchange rates	175	177	(7,483)	19,674	(7,308)	19,851
Balance at 31 December	**402,400**	**147,798**	**2,337,252**	**2,428,779**	**2,739,652**	**2,576,577**

11 Subsidiaries

The following table sets forth, as at 31 December 2023, 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.

Name	Country	Ownership
Atradius Collections B.V.	Netherlands	
Belgium branch	Belgium	
Czech Republic branch	Czech Republic	
Denmark branch	Denmark	
France branch	France	
Germany branch	Germany	
Hungary branch	Hungary	
Ireland branch	Ireland	
Italy branch	Italy	
Poland branch	Poland	
Portugal branch	Portugal	
Turkey branch	Turkey	
Atradius Collections DMCC	United Arab Emirates	
Atradius Collections Holding B.V.	Netherlands	
Atradius Collections Limited	Canada	
Atradius Collections Limited	Hong Kong	
Atradius Collections Limited	United Kingdom	
Atradius Collections Pte. Limited	Singapore	
Atradius Collections Pty. Limited	Australia	
Atradius Collections Serviços de Cobranças de Dívidas Ltda	Brazil	
Atradius Collections, S.A. de C.V.	Mexico	
Atradius Collections S.L.	Spain	
Atradius Collections, Inc.	USA	
Atradius Corporate Management Consulting (Shanghai) Co., Ltd.	China	
Atradius Credit Insurance Agency, Inc.	USA	
Atradius Credit Management Services B.V.	Netherlands	
Atradius Credit Management Services (RUS) LLC	Russia	
Atradius Crédito y Caución S.A. de Seguros y Reaseguros	Spain	
Australia branch	Australia	
Austria branch	Austria	
Belgium branch	Belgium	
Bulgaria branch	Bulgaria	
Canada branch	Canada	
Czech Republic branch	Czech Republic	
Denmark branch	Denmark	
Finland branch	Finland	
France branch	France	
Germany branch	Germany	
Greece branch	Greece	
Hong Kong branch	Hong Kong	
Hungary branch	Hungary	
Ireland branch	Ireland	
Italy branch	Italy	
Japan branch	Japan	
Luxembourg branch	Luxembourg	
Netherlands branch	Netherlands	
New Zealand branch	New Zealand	
Norway branch	Norway	
Poland branch	Poland	
Portugal branch	Portugal	
Romania branch	Romania	
Singapore branch	Singapore	
Slovakia branch	Slovakia	
Slovenia branch	Slovenia	
Sweden branch	Sweden	
Switzerland branch	Switzerland	
Turkey branch	Turkey	
United Kingdom branch	United Kingdom	

Name	Country	Ownership
Atradius Crédito y Caución Seguradora S.A.	Brazil	
Atradius Dutch State Business N.V.	Netherlands	
Atradius Enterprise Management Consulting (Shanghai) Co., Ltd.	China	
Atradius Finance B.V.	Netherlands	
Atradius Information Services B.V.	Netherlands	
Belgium branch	Belgium	
Denmark branch	Denmark	
France branch	France	
Germany branch	Germany	
Ireland branch	Ireland	
Italy branch	Italy	
Japan branch	Japan	
Norway branch	Norway	
Spain branch	Spain	
Sweden branch	Sweden	
Switzerland branch	Switzerland	
Taiwan branch	Taiwan	
Thailand branch	Thailand	
United Kingdom branch	United Kingdom	
Atradius Information Services Vietnam Company Limited	Vietnam	
Atradius India Credit Management Services Private Ltd.	India	
Atradius Insurance Holding N.V.	Netherlands	
Atradius Italia Intermediazioni S.R.L.	Italy	
Atradius Participations Holding S.L.U.	Spain	
Atradius Pension Trustees Ltd.	United Kingdom	
Atradius Reinsurance DAC Escritório de Representação no Brasil Ltda.	Brazil	
Atradius Seguros de Crédito, S.A.	Mexico	
Atradius Trade Credit Insurance, Inc.	USA	
Atradius Trade Insurance Brokerage Yuhan Hoesa	South Korea	
B2B SAFE, S.A.	Spain	
Crédito y Caución do Brasil Gestao de Riscos de Crédito e Serviços LTDA	Brazil	
Iberinform Internacional S.A.U.	Spain	
Portugal branch	Portugal	
Iberinmobiliaria, S.A.U.	Spain	
Informes Mexico, S.A. de C.V.	Mexico	
Pakula, Podebski i Wspólnicy Kancelaria Prawna spólka komandytowa	Poland	99,99%
PRO KOLEKT CCR d.o.o.	Slovenia	
PRO KOLEKT Credit Management Services Bucureşti Srl	Romania	
PRO KOLEKT d.o.o.	Croatia	
«Pro Kolekt» d.o.o. Sarajevo	Bosnia-Herzegovina	
PRO KOLEKT DOOEL Skopje	Macedonia	
PRO KOLEKT društvo za naplatu duga doo Beograd	Serbia	
PRO KOLEKT Sofia OOD	Bulgaria	
PT Atradius Information Services Indonesia	Indonesia	
Compañía de Seguros de Crédito Continental S.A.	Chile	50%*
Credit Guarantee Insurance Corporation of Africa Ltd	South Africa	0,25
CLAL Credit Insurance Ltd.	Israel	20%
Compagnie Tunisienne pour l'Assurance du Commerce Exterieur S.A.	Tunisia	3.92%
Verenigde Assurantiebedrijven Nederland N.V.	Netherlands	0.65%
Nederlandse Financieringsmaatschappij voor Ontwikkelingslanden N.V.	Netherlands	0.5%
African Trade Insurance Agency	Kenya	1 share

*Minus one share

Entities for which Atradius does not have control are not fully consolidated.

On 31 October 2023, Atradius Reinsurance DAC (ARE) merged with Atradius Crédito y Caución S.A. de Seguros y Reaseguros (ACyC) through a cross-border merger. Upon effectiveness of the merger, ARE's assets and liabilities, including all of its reinsurance obligations, were transferred to ACyC (through its Irish branch) which now conducts ARE's reinsurance business as its legal successor. The merger reduced the complexity of the corporate structure of the Atradius group, achieving more efficient management of the activity and simplifying the operational business activities carried out by these companies.

Comparative with 2022:

- PRO KOLEKT CCR, Slovenia and its subsidiaries: Bosnia-Herzegovina, Bulgaria, Croatia, North Macedonia, Romania and Serbia (acquisition)
- Atradius Crédito y Caución S.A. de Seguros y Reaseguros, branch in Slovenia (incorporation)
- Atradius Rus Credit Insurance LLC (sold)
- Atradius Reinsurance DAC (merged with Atradius Crédito y Caución S.A. de Seguros y Reaseguros)

All amounts in thousands of Euro, unless otherwise stated

12 Investments in associated companies

	2023	2022
Balance at 1 January	**88,726**	**75,623**
Share of income of associated companies	11,266	17,755
Dividends received	(5,686)	(7,890)
Revaluations	892	2,240
Effect of movements in foreign exchange rates	(6,384)	998
Balance at 31 December	**88,815**	**88,726**

None of the associated companies are listed. All information from the associated companies, unless otherwise stated, is based on balance sheet dates between 30 September 2023 and 31 December 2023.

Atradius assessed the goodwill for impairment of investments in associated companies. Based on this assessment Atradius has decided that no impairment is needed in 2023 for the goodwill related to investments in associated companies.

	Country of incorporation	% interest held	Type of business
Credit Guarantee Insurance Corporation of Africa Limited	South Africa	25.00%	Credit insurance
CLAL Credit Insurance Ltd., Tel Aviv	Israel	20.00%	Credit insurance
Compañía de Seguros de Crédito Continental S.A., Santiago de Chile	Chile	50.00% [1)]	Credit insurance

1) Minus one share

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

2023	Credit Guarantee Insurance Corporation of Africa Limited	CLAL Credit Insurance Ltd.	Compañía de Seguros de Crédito Continental S.A. 1)	Total
Atradius 's interest:				
Goodwill	-	380	1,611	**1,991**
Net assets	20,814	17,149	48,863	**86,827**
Carrying amount:	**20,813**	**17,529**	**50,474**	**88,815**
Share of income of associated companies	4,432	1,225	5,609	**11,266**
Dividends received	(2,833)	(289)	(2,564)	**(5,686)**
Associated companies:				
Assets	146,477	119,359	162,576	**428,412**
Liabilities	63,223	33,608	64,849	**161,680**
Revenue	52,373	15,263	15,009	**82,645**
Net assets	83,254	85,751	97,727	**266,732**
Result for the year	**17,727**	**6,125**	**11,199**	**35,051**

2022	Credit Guarantee Insurance Corporation of Africa Limited	CLAL Credit Insurance Ltd.	Compañía de Seguros de Crédito Continental S.A. 1)	Total
Atradius 's interest:				
Goodwill	-	380	1,611	**1,991**
Net assets	21,739	17,246	47,751	**86,735**
Carrying amount:	**21,739**	**17,626**	**49,362**	**88,726**
Share of income of associated companies	6,612	1,782	9,361	**17,755**
Dividends received	(5,584)	-	(2,306)	**(7,890)**
Associated companies:				
Assets	158,727	124,998	159,086	**442,811**
Liabilities	71,772	38,770	63,579	**174,120**
Revenue	58,630	16,730	18,050	**93,409**
Net assets	86,955	86,228	95,507	**268,690**
Result for the year	**26,448**	**8,908**	**18,722**	**54,078**

1)Figures for Compañía de Seguros de Crédito Continental S.A. are related to non-consolidated statements.

All amounts in thousands of Euro, unless otherwise stated

13 Property, plant and equipment & investment property

2023	Land & buildings	Fixtures & fittings	IT hardware	Right of Use assets	Total property, plant & equipment	Investment property
At cost at 1 January	**90,502**	**58,334**	**58,062**	**155,355**	**362,253**	**33,125**
Additions	-	7,726	6,979	20,567	35,272	-
Disposals	-	(5,821)	(4,629)	(20,659)	(31,109)	-
Effect of movements in foreign exchange rates	167	279	284	(388)	342	72
At cost at 31 December	**90,669**	**60,518**	**60,696**	**154,875**	**366,758**	**33,197**
Accumulated depreciation and impairments at 1 January	**(13,204)**	**(42,545)**	**(49,678)**	**(75,947)**	**(181,374)**	**(7,178)**
Depreciation charge for the year	(860)	(3,565)	(4,526)	(16,620)	(25,571)	(400)
Disposals	-	5,121	4,297	20,598	30,016	-
Impairment / reversal impairment	-	-	-	-	-	23
Effect of movements in foreign exchange rates	(29)	(87)	(263)	773	395	(9)
Accumulated depreciation and impairments at 31 December	**(14,093)**	**(41,076)**	**(50,170)**	**(71,196)**	**(176,535)**	**(7,564)**
Balance at 1 January	**77,298**	**15,790**	**8,384**	**79,409**	**180,880**	**25,947**
Balance at 31 December	**76,576**	**19,442**	**10,527**	**83,678**	**190,223**	**25,633**

2022	Land & buildings	Fixtures & fittings	IT hardware	Right of Use assets	Total property, plant & equipment	Investment property
At cost at 1 January	**90,341**	**66,845**	**59,649**	**142,094**	**358,929**	**33,985**
Additions	-	1,945	5,059	27,105	34,109	-
Disposals	-	(3,814)	(5,308)	(3,138)	(12,261)	(6,380)
Reclassification	-	(5,510)	(131)	(1,218)	(6,859)	5,452
Change in consolidation group	-	(502)	(257)	(8,992)	(9,751)	-
Effect of movements in foreign exchange rates	161	(630)	(949)	(496)	(1,914)	68
At cost at 31 December	**90,502**	**58,334**	**58,062**	**155,355**	**362,253**	**33,125**
Accumulated depreciation and impairments at 1 January	**(12,288)**	**(43,005)**	**(49,625)**	**(63,784)**	**(168,702)**	**(7,960)**
Depreciation charge for the year	(889)	(3,249)	(5,496)	(20,290)	(29,924)	(413)
Disposals	-	3,205	4,333	2,457	9,995	1,204
Reclassification	-	49	113	598	760	-
Change in consolidation group	-	44	181	4,849	5,073	-
Effect of movements in foreign exchange rates	(27)	412	816	223	1,424	(9)
Accumulated depreciation and impairments at 31 December	**(13,204)**	**(42,545)**	**(49,678)**	**(75,947)**	**(181,374)**	**(7,178)**
Balance at 1 January	**78,053**	**23,839**	**10,023**	**78,310**	**190,225**	**26,025**
Balance at 31 December	**77,298**	**15,790**	**8,384**	**79,409**	**180,880**	**25,947**

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	
	2023	**2022**	**2023**	**2022**
Spain and Portugal	78,180	77,419	21,970	21,970
Italy	20,650	20,650	453	443
Mexico	6,461	5,531	2,154	1,844
Other	250	250	-	-
Total	**105,541**	**103,849**	**24,576**	**24,256**

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. Atradius usually revalues land and buildings every two years.

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 2022). Valuation techniques used are: Market (comparison) approach, Income approach (discounted cash flow method) and Cost approach. Significant valuation inputs used to determine the fair value measurements based on techniques used are construction features, location (and/or conditions) and transport utilities.

All amounts in thousands of Euro, unless otherwise stated

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

The investment property can be classified as follows: 91% office (2022: 92%) and 9% retail (2022: 8%).

Direct operating expenses incurred (including repairs and maintenance) arising from investment property are EUR 50 thousand (2022: EUR 44 thousand). During the year an amount of EUR 1.157 thousand (2022: EUR 673 thousand) 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 1.564 thousand for non-cancellable contracts (In 2022, expected rental income for next year was 1.650 thousand for non-cancellable contracts).

Leases: Right of Use Assets

Right of Use assets consist of office space (93%), including parking and vehicles under a number of operating lease agreements. The most significant lease contracts relate to the offices in our locations in Western Europe. The remaining terms of these office rentals vary between 2 to 10 years and most of the contracts contain extension options. The extension options are taken into account in the measurement of lease liabilities when the Group is reasonably certain to exercise these options.

Further information about the leases for which Atradius is a lessee is presented below:

	2023	2022
Lease liability included in statement of financial position at 31 December (see Note 18)	87,062	82,336
Amounts recognised in profit and loss statement :		
Interest expenses on lease liabilities	(2,541)	(1,668)
Expenses relating to short-term leases	(582)	(386)
Expenses relating to low-value assets	(37)	(31)
Amounts recognised in the statement of cash flows :		
Total cash outflow for leases	**17,048**	**23,449**

14 Intangible assets

2023	Goodwill	Software	Other [1]	Total
At cost at 1 January	**120,401**	**362,023**	**30,529**	**512,952**
Additions	888	16,998	-	17,886
Disposals	-	(8,452)	(7,399)	(15,851)
Reclassification	-	12	-	12
Effect of movements in foreign exchange rates	(5)	2,576	(30)	2,542
At cost at 31 December	**121,284**	**373,157**	**23,100**	**517,541**
Accumulated amortisation and impairments at 1 January	**(905)**	**(267,899)**	**(30,529)**	**(299,333)**
Amortisation charge for the year	-	(6,343)	-	(6,343)
Disposals	-	3,873	7,399	11,272
Impairment	-	(27,471)	-	(27,471)
Effect of movements in foreign exchange rates	-	(2,046)	30	(2,016)
Accumulated amortisation and impairments at 31 December	**(905)**	**(299,887)**	**(23,100)**	**(323,892)**
Balance at 1 January	**119,496**	**94,123**	**-**	**213,618**
Balance at 31 December	**120,379**	**73,270**	**-**	**193,649**

2022	Goodwill	Software	Other [1]	Total
At cost at 1 January	**151,421**	**366,327**	**30,458**	**548,206**
Additions	-	25,438	-	25,438
Disposals	-	(1,090)	-	(1,090)
Change in consolidation group	(30,931)	(21,800)	-	(52,731)
Effect of movements in foreign exchange rates	(90)	(6,852)	71	(6,871)
At cost at 31 December	**120,401**	**362,023**	**30,529**	**512,952**
Accumulated amortisation and impairments at 1 January	**(13,735)**	**(270,275)**	**(29,306)**	**(313,316)**
Amortisation charge for the year	-	(9,138)	(1,152)	(10,290)
Disposals	-	7,072	-	7,072
Impairment	(170)	(7,768)	-	(7,938)
Change in consolidation group	13,000	6,699	-	19,699
Effect of movements in foreign exchange rates	-	5,510	(71)	5,439
Accumulated amortisation and impairments at 31 December	**(905)**	**(267,899)**	**(30,529)**	**(299,334)**
Balance at 1 January	**137,686**	**96,052**	**1,152**	**234,890**
Balance at 31 December	**119,496**	**94,123**	**-**	**213,618**

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

All amounts in thousands of Euro, unless otherwise stated

Goodwill

If applicable, impairment of goodwill is included as part of Finance expenses (see note 26). Atradius assessed all goodwill for impairment.

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

Cash-Generating Units	2023	2022
ACyC [1]	98,797	98,797
Atradius Trade Credit Insurance Inc.	4,750	4,750
Atradius Collections B.V.	6,426	6,426
ACyC (France)	2,767	2,767
ACyC (Nordic surety) [2]	2,470	2,476
Other	5,168	4,280
Total	**120,378**	**119,496**

1) The CGU ACyC includes the local business in Spain and Portugal.

2) The Nordic Surety unit goodwill includes Atradius' surety business in Denmark, Norway, Sweden and Finland, and the movement is driven by foreign exchange movements.

The value in use of an individual CGU is determined using a dividend discount model (DDM). The dividend flows are estimated using a projection period and a normalised period. The projection period is 10 years, where the first 1-4 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. The discount rate, gross of tax, varies depending on the Risk-Free Rate and the Country Risk Premium of the country where the CGU is located. For those CGUs with Goodwill higher than EUR 10 million (ACyC), the discount rate applied is between 9.0% and 10.0% and the growth rate is between 1% and 1.5%, respectively. The terminal value is calculated based on the dividend flows of the normalised period through a perpetuity which applies a long term growth rate of 2.0% for CGUs excluding ACyC and 3.0% for associated companies (2022: 2.0%-3.0%) and the specific discount rate. Any profits, after fulfilling minimum capital requirements, are assumed to be distributable dividends. Minimum capital requirements are calculated taking into account local solvency rules, the Solvency II Partial Internal Model and minimum shareholders equity required (non-distributable)

CGUs are defined by line of business according to the way we manage and steer the operational business.

An approximation of the sensitivity of the following assumptions would impact the CGU market value by the percentages shown below (other CGUs are not included due to immaterial impacts):

Cash-Generating Units	Discount rate		Growth rate		Combined ratio		Solvency ratio [1]	
2023	**+50bp**	**-50bp**	**+50bp**	**-50bp**	**+50bp**	**-50bp**	**+1,000bp**	**-1,000bp**
ACyC	(5.6%)	6.2%	0.5%	(0.5%)	(2.8%)	2.8%	(6.3%)	6.2%
Atradius Trade Credit Insurance Inc.	(7.7%)	9.1%	5.7%	(4.9%)	(1.1%)	1.1%	-	-
Atradius Collections B.V.	(4.6%)	5.4%	2.7%	(2.3%)	-	-	-	-
ACyC (France)	(7.8%)	9.5%	6.0%	(4.9%)	(3.3%)	3.3%	(0.8%)	0.8%
ACyC (Nordic surety)	(8.2%)	10.0%	6.4%	(5.3%)	(2.4%)	2.4%	(2.5%)	2.5%

Cash-Generating Units	Discount rate		Growth rate		Combined ratio		Solvency ratio [1]	
2022	**+50bp**	**-50bp**	**+50bp**	**-50bp**	**+50bp**	**-50bp**	**+1,000bp**	**-1,000bp**
ACyC	(5.9%)	6.8%	1.1%	(0.9%)	(3.2%)	3.2%	(5.5%)	5.5%
Atradius Trade Credit Insurance Inc.	(9.5%)	11.5%	7.6%	(6.3%)	(2.4%)	2.4%	-	-
Atradius Collections B.V.	(7.4%)	9.5%	6.2%	(4.8%)	-	-	-	-
ACyC (France)	(10.3%)	13.2%	9.2%	(7.2%)	(3.6%)	3.6%	(0.7%)	0.7%
ACyC (Nordic surety)	(12.1%)	16.1%	11.9%	(8.9%)	(4.3%)	4.3%	(4.6%)	4.6%

[1] *With the same required capital.*

No sensitivity analysis mentioned above, both individually and combined, would assume that the carrying amount of the GCUs would exceed their market value.

Software

Atradius assessed all capitalised software to determine if the criteria for capitalisation are being met (see note 2.6.2). Based on this assessment, Atradius decided to impair EUR 27.5 million (2022 EUR 0.6 million) of self-developed software due to the materiality of developments and advancements within the transformation programme rendering some existing features deprecated. The features within the transformation programme include data models, users journeys, utilisation of shared components, new functionalities and multichannel/omnichannel integrations to deliver the best customer experience. During 2023, Atradius capitalised EUR 15.5 million due to the Atradius Business Transformation projects (2022: EUR 20.4 million).

All amounts in thousands of Euro, unless otherwise stated

15 Insurance contracts

15.1 Composition of the Balance Sheet

An analysis of the amounts presented on the consolidated balance sheet for insurance contracts is included in the table below, along with the presentation of current and non-current portions of the balances:

	2023	2022
Insurance contract liabilities	1,722,832	1,626,287
Insurance contract assets	122,619	105,621
Total	**1,600,213**	**1,520,666**

2023	Credit Insurance	Surety	Assumed Reinsurance	Total	Current	Non-current	Total
- Insurance contract assets/liabilities excluding Insurance acquisition cash flows assets	1,119,572	159,262	334,210	1,613,044	1,157,316	455,729	1,613,044
Deferred acquisition costs	12,831	-	-	12,831	12,831	-	12,831
Total insurance contract assets and liabilities	**1,106,741**	**159,262**	**334,210**	**1,600,213**	**1,144,485**	**455,729**	**1,600,213**

2022	Credit Insurance	Surety	Assumed Reinsurance	Total	Current	Non-current	Total
- Insurance contract assets/liabilities excluding Insurance acquisition cash flows assets	1,042,608	178,513	310,678	1,531,798	1,070,031	461,767	1,531,798
Deferred acquisition costs	11,132	-	-	11,132	11,132	-	11,132
Total insurance contract assets and liabilities	**1,031,476**	**178,513**	**310,678**	**1,520,666**	**1,058,898**	**461,767**	**1,520,666**

Detailed reconciliations of changes in insurance contract balances during the reporting periods are included in notes 15.3 and 15.4.

15.2 Insurance revenue and expenses

15.2.1 Insurance revenue and insurance service result

An analysis of insurance revenue and insurance service expenses by product line for 2023 and 2022 is included in the following tables. Additional information on amounts recognised in profit or loss and OCI is included in the insurance contract balances reconciliations in notes 15.3 and 15.4. The Company reinsurance contracts held cover combined all product lines. The Company therefore discloses the reinsurance held disclosure combined. See note 16.

2023	Credit Insurance	Surety	Assumed Reinsurance	Total
Insurance revenue:				
Amounts relating to the changes in the LRC:				
- Expected incurred claims and other directly attributable expenses	1,207,279	(5,313)	54,194	1,256,160
- Change in the risk adjustment for non-financial risk for the risk expired	89,096	5,215	8,944	103,255
- CSM recognised for the services provided	128,810	68,152	14,678	211,640
- Experience adjustments – arising from premiums received in the period other than those that relate to future service	112,349	32,944	61,645	206,938
- Insurance acquisition cash flows recovery	455,686	30,993	35,808	522,487
Total insurance revenue	**1,993,220**	**131,991**	**175,269**	**2,300,480**
Insurance service expenses:				
- Incurred claims, other directly attributable expenses and losses amortisation	(918,921)	42,411	(88,320)	(964,830)
- Changes that relate to past service – changes in the FCF relating to the LIC	65,703	(17,806)	(18,385)	29,513
- Losses on onerous contracts and reversal of those losses	(130,504)	(1,581)	(33,402)	(165,487)
- Acquisition expenses	(455,686)	(30,993)	(35,808)	(522,487)
Total insurance service expenses	**(1,439,408)**	**(7,968)**	**(175,915)**	**(1,623,291)**
Total insurance service revenue and expenses	**553,812**	**124,023**	**(646)**	**677,189**

2022	Credit Insurance	Surety	Assumed Reinsurance	Total
Insurance revenue:				
Amounts relating to the changes in the LRC:				
- Expected incurred claims and other directly attributable expenses	961,944	72,792	72,593	1,107,329
- Change in the risk adjustment for non-financial risk for the risk expired	64,866	4,559	5,830	75,255
- CSM recognised for the services provided	171,351	53,777	15,766	240,894
- Experience adjustments – arising from premiums received in the period other than those that relate to future service	132,297	25,977	40,829	199,103
- Insurance acquisition cash flows recovery	379,386	29,112	47,231	455,729
Total insurance revenue	**1,709,844**	**186,217**	**182,249**	**2,078,310**
Insurance service expenses:				
- Incurred claims, other directly attributable expenses and losses amortisation	(693,139)	(43,387)	(92,650)	(829,176)
- Changes that relate to past service – changes in the FCF relating to the LIC	105,992	(9,350)	50,032	146,674
- Losses on onerous contracts and reversal of those losses	(167,169)	(53,631)	(9,200)	(230,000)
- Acquisition expenses	(379,388)	(29,112)	(47,231)	(455,731)
Total insurance service expenses	**(1,133,704)**	**(135,479)**	**(99,049)**	**(1,368,231)**
Total insurance service revenue and expenses	**576,140**	**50,738**	**83,200**	**710,079**

Insurance service revenue and expenses, on Surety business, are significantly impacted by the higher amortization of the loss component (EUR 67 million) (2022: EUR 10 million). See further details in note 15.3.1.

All amounts in thousands of Euro, unless otherwise stated

15.2.2 Determined on transition to IFRS 17

An analysis of insurance revenue for insurance contracts issued and the CSM by segment is included in the following tables.

2023	Credit Insurance	Surety	Assumed Reinsurance	Total
Insurance revenue:				
New contracts and contracts measured under the full retrospective approach at transition	1,986,226	75,421	148,028	2,209,675
Contracts measured under the modified retrospective approach at transition	6,994	56,570	27,240	90,805
Total insurance revenue	**1,993,220**	**131,991**	**175,269**	**2,300,480**
CSM as at 31 December:				
New contracts and contracts measured under the full retrospective approach at transition	53,527	101,390	15,554	170,472
Contracts measured under the modified retrospective approach at transition	17,968	23,571	6,126	47,664
Total CSM	**71,495**	**124,961**	**21,680**	**218,136**

2022	Credit Insurance	Surety	Assumed Reinsurance	Total
Insurance revenue:				
New contracts and contracts measured under the full retrospective approach at transition	1,457,700	106,464	110,942	1,675,106
Contracts measured under the modified retrospective approach at transition	252,145	79,753	71,306	403,204
Total insurance revenue	**1,709,845**	**186,217**	**182,248**	**2,078,310**
CSM as at 31 December:				
New contracts and contracts measured under the full retrospective approach at transition	62,131	75,791	12,860	150,782
Contracts measured under the modified retrospective approach at transition	29,697	47,035	1,440	78,172
Total CSM	**91,829**	**122,826**	**14,300**	**228,955**

15.2.3 Expected recognition of the Contractual Service Margin

An analysis of the expected recognition of the CSM remaining at the end of the reporting period in profit or loss is provided in the following table:

2023		Insurance contracts issued			
Number of years until expected to be recognised	Credit Insurance	Surety	Assumed Reinsurance	Total CSM for insurance contracts issued	Total CSM for reinsurance contracts held
As at 31 December 2023					
1	58,991	49,393	10,000	118,384	20,100
2–5	10,847	67,921	10,238	89,005	8,747
6–10	1,632	7,409	1,381	10,422	811
>10	25	238	61	324	30
Total	**71,495**	**124,961**	**21,680**	**218,136**	**29,688**

2022		Insurance contracts issued			
Number of years until expected to be recognised	Credit Insurance	Surety	Assumed Reinsurance	Total CSM for insurance contracts issued	Total CSM for reinsurance contracts held
As at 31 December 2022					
1	75,767	48,548	6,596	130,911	39,627
2–5	13,932	66,761	6,753	87,446	17,244
6–10	2,097	7,283	911	10,291	1,599
>10	32	234	40	306	59
Total	**91,828**	**122,826**	**14,300**	**228,954**	**58,529**

All amounts in thousands of Euro, unless otherwise stated

15.3 Reconciliation of the liability for remaining coverage, incurred claims and CSM

15.3.1 Reconciliation of the liability for remaining coverage and incurred claims

A reconciliation of the LRC and LIC is included in the following tables. The reconciliation is performed by operating segment.

Credit Insurance:

	2023				2022			
	LRC				LRC			
	Excluding loss component	Loss component	LIC	Total	Excluding loss component	Loss component	LIC	Total
Insurance contract assets/liabilities as at 1 January	**614,099**	**164,976**	**263,532**	**1,042,607**	**610,890**	**58,768**	**196,725**	**866,383**
Insurance revenue	**(1,993,220)**			**(1,993,220)**	**(1,709,845)**			**(1,709,845)**
Insurance service expenses:								
Incurred claims and other directly attributable expenses	3,206	(165,369)	1,081,086	**918,923**	96	(57,194)	750,237	**693,139**
Changes that relate to future service: losses on onerous contracts and reversal of those losses	-	130,504	-	**130,504**	-	167,169	-	**167,169**
Changes that relate to past service: Changes to liabilities for incurred claims	-	-	(65,705)	**(65,705)**	87	-	(106,079)	**(105,992)**
Acquisition Expenses	455,686	-	-	**455,686**	379,388	-	-	**379,388**
Investment Results	**10,370**	**2,849**	**22,259**	**35,478**	**(9,387)**	**(584)**	**18,980**	**9,009**
Amounts recognised in comprehensive income:								
Other comprehensive income	1,439	1,599	(5,444)	**(2,406)**	(938)	(1,934)	13,259	**10,387**
Current Period Cash Flows:								
Premiums received	1,893,784	-	(7,945)	**1,885,839**	1,750,892	-	-	**1,750,892**
Claims and other expenses paid	-	-	(692,196)	**(692,196)**	-	-	(438,667)	**(438,667)**
Acquisition Cash Flows paid	(420,188)	-	-	**(420,188)**	(403,579)	-	-	**(403,579)**
Administration and Other costs paid	-	-	(184,776)	**(184,776)**	-	-	(168,908)	**(168,908)**
Change in scope*	5,685	236	3,105	**9,026**	(3,506)	(1,249)	(2,014)	**(6,769)**
Insurance contract assets/liabilities as at 31 December	**570,861**	**134,795**	**413,916**	**1,119,572**	**614,099**	**164,976**	**263,533**	**1,042,608**

**Reclassified as Held-for-Sale due to sale of the business*

As described in note 2.15.2, the credit insurance business is managed on a country-by-country basis except for the global credit portfolio, ICP and Special Products, which are managed globally. As a result, certain credit insurance portfolios result on a loss component, when adversely impacted by potential worsening of macroeconomic conditions or large claims. The 2022 loss component was primarily impacted by the Event Based Provision related to the potential impact of the war in Ukraine described in note 3.4. This loss component has been released during 2023, applying the release patterns for credit insurance, and recorded as part of the LIC by the end of 2023. The 2023 loss component is driven by the worsening conditions in certain credit insurance portfolios, where there has been an increase in actual claims reported and further uncertainly in claims development is expected.

Surety:

	2023				2022			
	LRC				LRC			
	Excluding loss component	Loss component	LIC	**Total**	Excluding loss component	Loss component	LIC	**Total**
Insurance contract assets/liabilities as at 1 January(1)	**(13,263)**	**95,672**	**96,104**	**178,514**	**44,669**	**55,823**	**99,104**	**199,596**
Insurance revenue	**(131,991)**			**(131,991)**	**(186,216)**			**(186,216)**
Insurance service expenses:								
Incurred claims and other directly attributable expenses	(131)	(67,818)	25,538	**(42,411)**	(316)	(10,325)	54,028	**43,387**
Changes that relate to future service: losses on onerous contracts and reversal of those losses	-	1,582	-	**1,582**	-	53,631	-	**53,631**
Changes that relate to past service: Changes to liabilities for incurred claims	-	-	17,806	**17,806**	-	-	9,350	**9,350**
Acquisition Expenses	30,993	-	-	**30,993**	29,112	-	-	**29,112**
Investment Results	**2,114**	**270**	**319**	**2,703**	**117**	**(82)**	**(4)**	**30**
Amount recognised in comprehensive income:								
Other comprehensive income	615	540	313	**1,468**	(3,817)	(3,375)	(2,260)	**(9,452)**
Current Period Cash Flows:								
Premiums Received	165,130	-	(390)	**164,740**	135,857	-	-	**135,857**
Claims and other expenses paid	-	-	(16,078)	**(16,078)**	-	-	(40,879)	**(40,879)**
Acquisition Cash Flows Paid	(24,909)	-	-	**(24,909)**	(32,667)	-	-	**(32,667)**
Administration and Other costs paid	-	-	(23,153)	**(23,153)**	-	-	(23,235)	**(23,235)**
Insurance contract assets/liabilities as at 31 December	**28,558**	**30,245**	**100,459**	**159,262**	**(13,262)**	**95,672**	**96,104**	**178,514**

The loss component recorded during 2022 is primarily driven by a large case exposure. During 2023, the release of the loss component is primarily driven by refinements to the amortization patterns applied in the cash flow models to better align the covered period and occurrence dates for claims.

All amounts in thousands of Euro, unless otherwise stated

Assumed Reinsurance:

	2023				2022			
	LRC				LRC			
	Excluding loss component	Loss component	LIC	**Total**	Excluding loss component	Loss component	LIC	**Total**
Insurance contract assets/liabilities as at 1 January	**58,034**	**53,914**	**198,729**	**310,677**	**78,225**	**57,657**	**190,539**	**326,420**
Insurance revenue	**(175,269)**			**(175,269)**	**(182,249)**			**(182,249)**
Insurance service expenses:								
Incurred claims and other expenses	6,891	(39,502)	120,931	**88,320**	(2,444)	(13,013)	108,106	**92,649**
Changes in estimates not reflected in the contractual service margin or loss component	-	-	-	**-**	-	-	-	**-**
Changes that relate to future service: losses on onerous contracts and reversal of those losses	-	33,402	-	**33,402**	-	9,200	-	**9,200**
Changes that relate to past service: Changes to liabilities for incurred claims	7	-	18,378	**18,385**	2	-	(50,034)	**(50,032)**
Acquisition Expenses	35,808	-	-	**35,808**	47,231	-	-	**47,231**
Investment results	**(11,112)**	**970**	**17,315**	**7,173**	**(10,838)**	**(322)**	**14,220**	**3,060**
Amounts recognised in comprehensive income:								
Other comprehensive income	(7,119)	(11,477)	(28,266)	**(46,862)**	(372)	393	7,220	**7,241**
Current Period Cash Flows:								
Premiums Received	192,863	-	-	**192,863**	173,056	-	-	**173,056**
Claims and other expenses paid	-	-	(82,105)	**(82,105)**	-	-	(65,977)	**(65,977)**
Acquisition Cash Flows Paid	(41,897)	-	-	**(41,897)**	(44,578)	-	-	**(44,578)**
Administration and Other costs paid	-	-	(6,285)	**(6,285)**	-	-	(5,346)	**(5,346)**
Insurance contract assets/liabilities as at 31 December	**58,205**	**37,308**	**238,697**	**334,210**	**58,033**	**53,915**	**198,728**	**310,676**

During 2023, the release of the loss component is primarily driven by refinements to the amortization patterns applied in the cash flow models to better align the covered period and occurrence dates for claims.

15.3.2 CSM Roll forward

A reconciliation of the CSM by transition method is included in the following tables.

	2023				2022			
	Transition				Transition			
	Contracts under the modified retractive approach	Contracts under the full retrospective approach	Post Transition	Total	Contracts under the modified retractive approach	Contracts under the full retrospective approach	Post Transition	Total
Insurance revenue	**90,805**	**289,117**	**1,920,558**	**2,300,480**	**403,204**	**1,125,211**	**549,895**	**2,078,310**
CSM as at 1 January	**78,172**	**39,720**	**111,061**	**228,954**	**133,967**	**164,703**	**-**	**298,671**
Changes that relate to current service:								
Changes in CSM	(48,513)	(21,768)	(141,359)	**(211,640)**	(74,740)	(65,442)	(100,713)	**(240,894)**
Changes that relate to future service:								
Initial Recognition	(83)	426	374,659	**375,002**	425	33,927	181,478	**215,830**
Changes in estimates reflected in the CSM	6,078	2,679	(202,366)	**(193,610)**	19,017	(77,329)	(9,451)	**(67,763)**
Changes in estimates that result in onerous contract losses	11,567	1,222	(2,527)	**10,262**	97	(6,857)	3,254	**(3,507)**
Changes that relate to past service:								
Adjustments to LRC	-	-	-	**-**	-	-	31,970	**31,970**
Insurance Finance Expenses	443	(207)	7,951	**8,187**	(450)	(7,412)	4,524	**(3,338)**
Change in scope	-	161	818	**980**	(143)	(1,871)	-	**(2,014)**
CSM as at 31 December	**47,664**	**22,234**	**148,238**	**218,136**	**78,172**	**39,720**	**111,061**	**228,954**

All amounts in thousands of Euro, unless otherwise stated

15.4 Reconciliation of the measurement components of insurance contract balances

A reconciliation of the measurement components of insurance contract balances is included in the following tables. The reconciliation is performed by operating segment.

Credit Insurance:

	2023				2022			
	Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total	Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Insurance contract assets/liabilities as at 1 January	**841,304**	**109,476**	**91,828**	**1,042,608**	**613,781**	**100,907**	**151,695**	**866,383**
Changes that relate to current service:								
CSM recognised for the services provided	-	-	(128,810)	**(128,810)**	-	-	(171,351)	**(171,351)**
Experience adjustments*	(391,997)	-	-	**(391,997)**	(361,923)	-	-	**(361,923)**
Risk adjustment recognised for the risk expired	-	(37,801)	-	**(37,801)**	-	(38,781)	-	**(38,781)**
Changes that relate to future service:								
Contracts initially recognised in the period	(215,938)	79,170	270,183	**133,415**	(120,422)	78,234	128,286	**86,098**
Changes in estimates reflected in the contractual service margin	161,867	4,694	(166,562)	-	17,004	1,518	(18,522)	-
Changes in estimates that result in onerous contract losses	(1,416)	305	(1,426)	**(2,537)**	(86,209)	14,387	(3,344)	**(75,166)**
Changes that relate to past service:								
Adjustments to LIC	(69,413)	(57,422)	-	**(126,835)**	(106,574)	(54,391)	-	**(160,965)**
Adjustments to LRC	662	-	-	**662**	136,036	9,670	8,834	**154,540**
Insurance Finance Expenses	**26,549**	**1,311**	**5,302**	**33,162**	**13,356**	**(819)**	**(1,757)**	**10,780**
Current Period Cash Flows	588,679	-	-	**588,679**	739,762	-	-	**739,762**
Change in scope	7,393	654	980	**9,027**	(3,506)	(1,249)	(2,014)	**(6,769)**
Insurance contract assets/liabilities as at 31 December	**947,690**	**100,387**	**71,495**	**1,119,573**	**841,304**	**109,476**	**91,828**	**1,042,608**

**As noted within note 3.5, Atradius operations are highly sensitive to changes on claims experience, especially impacting its credit insurance portfolio. During 2023 and 2022, there have been deviations between management`s expectations and actual claims experience, in addition to better than expected developments on pipeline premiums. All these result on positive experience adjustment as noted in the tables below.*

Surety:

	2023				2022			
	Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total	Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Insurance contract assets/liabilities as at 1 January	**24,272**	**31,415**	**122,826**	**178,513**	**40,776**	**32,023**	**126,797**	**199,596**
Changes that relate to current service:								
CSM recognised for the services provided	-	-	(68,152)	**(68,152)**	-	-	(53,777)	**(53,777)**
Experience adjustments	(46,092)	-	-	**(46,092)**	(29,811)	-	-	**(29,811)**
Risk adjustment recognised for the risk expired	-	(4,531)	-	**(4,531)**	-	(3,221)	-	**(3,221)**
Changes that relate to future service:								
Contracts initially recognised in the period	(90,241)	11,616	78,445	**(180)**	(53,081)	8,118	45,467	**504**
Changes in estimates reflected in the contractual service margin	12,627	(1,283)	(11,344)	**-**	16,895	(1,757)	(15,138)	**-**
Changes in estimates that result in onerous contract losses	843	(67)	985	**1,761**	7,102	1,244	(264)	**8,082**
Changes that relate to past service:								
Adjustments to LIC	5,372	(1,472)	-	**3,900**	(1,979)	(6,051)	-	**(8,030)**
Adjustments to LRC	(10,728)	-	-	**(10,728)**	12,158	3,322	20,035	**35,515**
Insurance Finance Expenses	1,533	437	2,201	**4,171**	(6,863)	(2,263)	(295)	**(9,421)**
Current Period Cash Flows	100,601	-	-	**100,601**	39,076	-	-	**39,076**
Insurance contract assets/liabilities as at 31 December	**(1,815)**	**36,116**	**124,961**	**159,262**	**24,272**	**31,415**	**122,826**	**178,513**

All amounts in thousands of Euro, unless otherwise stated

Assumed Reinsurance:

	2023				2022			
	Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total	Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Insurance contract assets/liabilities as at 1 January	**265,854**	**30,524**	**14,300**	**310,678**	**267,490**	**38,753**	**20,178**	**326,420**
Changes that relate to current service:								
CSM recognised for the services provided	-	-	(14,678)	**(14,678)**	-	-	(15,766)	**(15,766)**
Experience adjustments	(29,653)	-	-	**(29,653)**	2,446	-	-	**2,446**
Risk adjustment recognised for the risk expired	-	2,249	-	**2,249**	-	563	-	**563**
Changes that relate to future service:								
Contracts initially recognised in the period	(33,676)	7,303	26,374	**1**	(47,129)	5,062	42,076	**9**
Changes in estimates reflected in the contractual service margin	17,460	(1,756)	(15,704)	**-**	32,525	1,579	(34,103)	**-**
Changes in estimates that result in onerous contract losses	20,732	2,401	10,703	**33,836**	3,375	(1,530)	101	**1,945**
Changes that relate to past service:								
Adjustments to LIC	9,684	(6,376)	-	**3,308**	(53,927)	(15,823)	-	**(69,750)**
Adjustments to LRC	6,017	-	-	**6,017**	1,100	304	3,101	**4,505**
Insurance Finance Expenses	(37,388)	(3,421)	685	**(40,124)**	2,819	1,618	(1,286)	**3,151**
Current Period Cash Flows	62,576	-	-	**62,576**	57,156	-	-	**57,156**
Insurance contract assets/liabilities as at 31 December	**281,606**	**30,924**	**21,680**	**334,210**	**265,854**	**30,524**	**14,300**	**310,678**

15.5 Impact of contracts recognised in the year

In the following tables are detailed the cash flows on the contracts initially recognised in the period detailed in the section 15.4

Credit Insurance:

	2023			2022		
	Profitable contracts	Non profitable contracts	Total	Profitable contracts	Non profitable contracts	Total
Estimates of the present value of future cash outflows	**870,950**	**751,494**	**1,622,444**	**626,729**	**719,909**	**1,346,638**
- Insurance acquisition cash flows	218,495	146,841	**365,336**	149,120	148,905	**298,025**
- Claims and other directly attributable expenses	652,455	604,653	**1,257,108**	477,608	571,004	**1,048,613**
Estimates of the present value of future cash inflows	**(1,183,204)**	**(655,179)**	**(1,838,382)**	**(791,124)**	**(675,936)**	**(1,467,060)**
- Risk adjustment for non-financial risk	42,071	37,100	**79,170**	36,109	42,125	**78,234**
- Insurance acquisition cash flows asset/ cash flows derecognised	-	-	**-**	-	-	**-**
CSM	**270,183**	**-**	**270,183**	**128,286**	**-**	**128,286**
Increase in insurance contract liabilities from contracts recognised in the period	**-**	**133,415**	**133,415**	**-**	**86,098**	**86,098**

Atradius makes each month estimates on premium, claims and expenses for the new months that Atradius is on risk and reviews on a regular basis the estimates for the prior months on which Atradius is on risk. Note 3.4.4 describes how Atradius makes these estimates. The factors affecting the frequency and severity of claims are described in note 3.4.1.

As noted within note 15.3, the level of aggregation at which Atradius groups its contracts implies that certain insurance portfolios may generate loss component at each valuation date as there is no-offsetting between insurance portfolios. Credit portfolio, analysed as a whole, shows positive insurance service results.

All amounts in thousands of Euro, unless otherwise stated

Surety:

	2023			2022		
	Profitable contracts	Non profitable contracts	Total	Profitable contracts	Non profitable contracts	Total
Estimates of the present value of future cash outflows	95,967	737	**96,704**	75,057	559	**75,616**
- Insurance acquisition cash flows	25,385	88	**25,472**	21,232	116	**21,349**
- Claims and other directly attributable expenses	70,582	649	**71,231**	53,825	443	**54,268**
Estimates of the present value of future cash inflows	**(186,001)**	**(943)**	**(186,945)**	**(128,576)**	**(122)**	**(128,697)**
- Risk adjustment for non-financial risk	11,589	27	**11,616**	8,051	67	**8,118**
- Insurance acquisition cash flows asset/ cash flows derecognised	-	-	-	-	-	-
CSM	**78,445**	-	**78,445**	**45,467**	-	**45,467**
Increase in insurance contract liabilities from contracts recognised in the period	-	**(179)**	**(179)**	-	**504**	**504**

Assumed Reinsurance:

	2023			2022		
	Profitable contracts	Non profitable contracts	Total	Profitable contracts	Non profitable contracts	Total
Estimates of the present value of future cash outflows	141,311	1	**141,311**	110,008	13	**110,021**
- Insurance acquisition cash flows	43,376	-	**43,376**	49,074	4	**49,078**
- Claims and other directly attributable expenses	97,935	1	**97,936**	60,934	9	**60,943**
Estimates of the present value of future cash inflows	**(174,987)**	-	**(174,987)**	**(157,145)**	**(5)**	**(157,150)**
- Risk adjustment for non-financial risk	7,303	-	**7,303**	5,061	-	**5,061**
- Insurance acquisition cash flows asset/ cash flows derecognised	-	-	-	-	-	-
CSM	**26,374**	-	**26,374**	**42,076**	-	**42,076**
Increase in insurance contract liabilities from contracts recognised in the period	-	**1**	**1**	-	**9**	**9**

15.6 Insurance Acquisition Cash Flow assets

In the following tables it is detailed the movement in the period of the cash flows recognize as an asset during the year.

	2023	2022
Opening asset	**11,132**	**11,209**
Amounts derecognised on initial recognition of groups of insurance contracts	(11,132)	(11,209)
Cash flows recognised as an asset during the year	12,831	11,132
Closing asset	**12,831**	**11,132**

The insurance acquisition cash flows relate to the brokerage on the prepaid premium and are all current. The acquisition cash flows are immediately recognised when the premium is recognised. The insurance acquisition cash flows will all be derecognised in one year. In the case the company should derecognise the premium also the brokerage will be derecognised.

15.7 Gross claims development

Actual claims payments are compared with previous estimates of the undiscounted amounts of the claims in the claims development disclosure below on a gross of reinsurance basis as at 31 December 2023.

The claims development tables provide an overview of how Atradius' recognised estimate of ultimate claim costs for underwriting years 2019-2023 have changed at successive financial year-ends. Underwriting year here means the year in which the risks were accepted; for reinsurance business it is the treaty year.

Credit Insurance:

	UWY					
	2019	2020	2021	2022	2023	Total
Estimate of ultimate claim costs (gross of reinsurance, undiscounted, inclusive of other directly attributable expenses related to claims management)						
At end of accident year	-	319,730	399,917	602,343	897,770	
1 year later	1,645	291,841	336,969	603,189	-	
2 years later	9,491	300,605	318,895	-	-	
3 years later	917	276,566	-	-	-	
4 years later	(7,058)	-	-	-	-	
5 years later			-	-	-	
Cumulative gross claims and other directly attributable expenses paid	6,123	280,951	285,530	565,957	572,373	**1,710,934**
Gross cumulative claims liabilities - accident years from 2019 to 2023	(13,180)	(4,385)	33,365	37,232	325,397	**378,429**
Gross cumulative claims liabilities - prior accident years						**(12,435)**
Effect of discounting						**1,303**
Effect of the risk adjustment margin for non-financial risk						**46,618**
Gross LIC for the contracts originated (Refer to note 15.3)						**413,916**

All amounts in thousands of Euro, unless otherwise stated

Surety:

	UWY					
	2019	2020	2021	2022	2023	Total
Estimate of ultimate claim costs (gross of reinsurance, undiscounted, inclusive of other directly attributable expenses related to claims management)						
At end of accident year	-	35,599	18,212	41,160	14,109	
1 year later	2,651	36,874	17,324	40,999	-	
2 years later	4,879	32,375	18,178	-	-	
3 years later	6,120	33,264	-	-	-	
4 years later	10,576	-	-	-	-	
5 years later	-	-	-	-	-	
Cumulative gross claims and other directly attributable expenses paid	8,112	17,076	8,267	39,616	9,155	**82,226**
Gross cumulative claims liabilities - accident years from 2019 to 2023	2,465	16,188	9,911	1,383	4,953	**34,900**
Gross cumulative claims liabilities - prior accident years						**52,560**
Effect of discounting						**(4,144)**
Effect of the risk adjustment margin for non-financial risk						-
Gross LIC for the contracts originitaed (Refer to note 15.3)						**100,459**

Assumed Reinsurance:

	UWY					
	2019	2020	2021	2022	2023	Total
Estimate of ultimate claim costs (gross of reinsurance, undiscounted, inclusive of other directly attributable expenses related to claims management)						
At end of accident year	-	146,924	137,837	107,548	114,857	
1 year later	11,365	65,624	66,397	57,386	-	
2 years later	14,105	68,680	70,899	-	-	
3 years later	16,892	74,263	-	-	-	
4 years later	12,977	-	-	-	-	
5 years later	-	-	-	-	-	
Cumulative gross claims and other directly attributable expenses paid	3,043	58,266	47,207	28,268	25,737	**162,521**
Gross cumulative claims liabilities - accident years from 2019 to 2023	9,934	15,996	23,692	29,118	89,120	**167,860**
Gross cumulative claims liabilities - prior accident years						**66,690**
Effect of discounting						**(15,783)**
Effect of the risk adjustment margin for non-financial risk						**19,930**
Gross LIC for the contracts originated (Refer to note 15.3)						**238,697**

16 Reinsurance contracts

16.1 Composition of the Balance Sheet

	2023	2022
Reinsurance contract liabilities	152	37
Reinsurance contract assets	654,132	634,015
Total	**653,980**	**633,978**

	2023			2022		
	Current portion	Non-current portion	Total	Current portion	Non-current portion	Total
Reinsurance contract	465,673	188,307	653,980	431,960	202,018	633,978

16.2 Determined on transition to IFRS 17

	2023	2022
New contracts and contracts measured under the full retrospective approach at transition	68,264	66,929
Contracts measured under the modified retrospective approach at transition	35,168	68,530
Total CSM	**103,432**	**135,459**

16.3 Reconciliation of the remaining coverage and incurred claims

For the underwriting year 2023 one quota share reinsurance treaty is in place covering the majority of Atradius' business. The retention under this treaty is 63% (2022: 63%). For more information related reinsurance programme please see Note 4.2.3.

A reconciliation of the LRC and LIC is included in the following tables.

All amounts in thousands of Euro, unless otherwise stated

2023	Remaining coverage: Excluding loss-recovery component	Remaining coverage: Loss-recovery component	Incurred claims	Total
Reinsurance contract assets/liabilities as at 1 January	**231,873**	**76,929**	**325,177**	**633,979**
Net expense from reinsurance contracts	(573,670)	(3,060)	315,663	(261,067)
Investment Results	5,831	-	4,623	10,454
Insurance Finance Expenses				
Amounts recognised in comprehensive income				-
Other comprehensive income	(352)	-	(1,943)	(2,295)
Current Period Cash Flows				-
Premiums paid	888,655	-	-	888,655
Amounts received	(352,688)	-	(266,306)	(618,994)
Change in scope	1,504	-	1,743	3,247
Reinsurance contract assets/liabilities as at 31 December	**201,153**	**73,869**	**378,958**	**653,980**

2022	Remaining coverage: Excluding loss-recovery component	Remaining coverage: Loss-recovery component	Incurred claims	Total
Reinsurance contract assets/liabilities as at 1 January	**335,421**	**35,397**	**264,815**	**635,633**
Net expense from reinsurance contracts	(498,677)	42,980	183,422	(272,275)
Insurance Finance Expenses	(8,488)	-	3,462	(5,026)
Amounts recognised in comprehensive income				
Other comprehensive income	96	-	(659)	(563)
Current Period Cash Flows				
Premiums paid	832,472	-	-	832,472
Amounts received	(425,266)	-	(125,067)	(550,334)
Change in scope	(3,685)	(1,450)	(795)	(5,929)
Reinsurance contract assets/liabilities as at 31 December	**231,873**	**76,928**	**325,177**	**633,978**

16.4 Reconciliation of the measurement components of reinsurance contract balances

A reconciliation of the measurement components of reinsurance contract balances is included in the following tables.

2023	Present value of future cash flows	Risk adjustment for non- financial risk	CSM	Total
Reinsurance contract assets/liabilities as at 1 January	**430,850**	**67,669**	**135,459**	**633,978**
Changes that relate to current service:				
Changes in CSM	-	-	(51,776)	**(51,776)**
Experience adjustments	(213,642)	-	-	**(213,642)**
Risk adjustment recognised for the risk expired	-	(16,633)	-	**(16,633)**
Changes that relate to future service:				
Initial Recognition	(100,582)	40,538	169,656	**109,612**
Changes in estimates reflected in the contractual service margin	106,632	7,252	(151,815)	**(37,931)**
Changes that relate to past service:				
Adjustments to LIC	(17,211)	(32,086)	-	**(49,297)**
Adjustments to LRC	(1,400)	-	-	**(1,400)**
Insurance Finance Expenses	**6,080**	**506**	**1,574**	**8,160**
Cash flows	269,661	-	-	**269,661**
Change in scope	2,485	429	334	**3,248**
Reinsurance contract assets/liabilities as at 31 December	**482,873**	**67,675**	**103,432**	**653,980**

2022	Present value of future cash flows	Risk adjustment for non- financial risk	CSM	Total
Reinsurance contract assets/liabilities as at 1 January	**422,829**	**87,651**	**125,154**	**635,634**
Changes that relate to current service:				
Changes in CSM	-	-	(138,299)	**(138,299)**
Experience adjustments	(166,267)	-	-	**(166,267)**
Risk adjustment recognised for the risk expired	-	(23,020)	-	**(23,020)**
Changes that relate to future service:				
Initial Recognition	(96,485)	37,180	223,454	**164,149**
Changes in estimates reflected in the contractual service margin	51,598	10,431	(73,369)	**(11,339)**
Changes that relate to past service:				
Adjustments to LIC	(56,163)	(43,000)	-	**(99,163)**
Adjustments to LRC	1,666	-	-	**1,666**
Insurance Finance Expenses	**(4,782)**	**(123)**	**(685)**	**(5,590)**
Cash flows	282,138	-	-	**282,138**
Change in scope	(3,685)	(1,450)	(795)	**(5,929)**
Reinsurance contract assets/liabilities as at 31 December	**430,850**	**67,669**	**135,459**	**633,978**

16.5 CSM Roll forward RE

An analysis of the CSM is included in the following tables.

	2023				2022			
	Contracts under the modified retroactive approach	Contracts under the full retrospective approach	Post Transition	Total	Contracts under the modified retroactive approach	Contracts under the full retrospective approach	Post Transition	Total
Reinsurance expenses:	**(48,425)**	**(37,178)**	**(491,126)**	**(576,730)**	**(59,092)**	**(249,124)**	**(190,014)**	**(498,230)**
CSM as at 1 January	68,530	3,934	62,995	135,459	74,650	47,722	2,782	125,154
Changes that relate to current service:								
Changes in CSM	(21,199)	(2,976)	(27,601)	(51,776)	(31,435)	(22,770)	(84,094)	(138,299)
Changes that relate to future service:								
- Initial Recognition	39	152	169,464	169,656	365	13,384	209,705	223,454
- Changes in estimates reflected in the contractual service margin	(12,203)	6,834	(146,446)	(151,815)	24,783	(33,279)	(64,874)	(73,370)
Insurance Finance Expenses	-	-	1,574	1,574	13	(173)	(525)	(685)
Change in scope	-	-	334	334	153	(948)	-	(795)
CSM as at 31 December	**35,168**	**7,945**	**60,319**	**103,432**	**68,530**	**3,934**	**62,995**	**135,459**

All amounts in thousands of Euro, unless otherwise stated

17 Payables

	2023	2022
Other accounts payable	141,765	144,086

The payables are substantially all current. Insurance payables were not included in this clasification, as they are part of the LRC.

18 Other liabilities

	2023	2022
Deposits received from reinsurers	10,367	9,263
Payroll and bonus accruals	65,068	62,869
Prepaid premiums	105,984	111,844
Other accruals	109,760	111,588
Other taxes	28,021	27,658
Lease liabilities	87,062	82,336
Total	**406,262**	**405,558**

1) Ceded pipeline premium: Ceded accrued premium which has not been invoiced but for which Atradius is on risk

Lease liability maturity analysis (undiscounted cash flows)

	2023	2022
Less than one year	19,848	24,062
Between one and five years	52,566	63,582
More than five years	24,382	38,445
Total	**96,795**	**126,089**

19 Provisions

2023	Restructuring	Litigation	Total
Balance at 1 January	**-**	**4,087**	**4,087**
Additional provisions	-	373	373
Unused amounts reversed	-	-	-
Utilised	-	(112)	(112)
Effect of movements in foreign exchange rates	-	-	-
Balance at 31 December	**-**	**4,347**	**4,347**
Current	-	-	-
Non-current	-	4,347	4,347

2022	Restructuring	Litigation	Total
Balance at 1 January	**1,584**	**3,442**	**5,026**
Additional provisions	-	645	645
Unused amounts reversed	(589)	-	(589)
Utilised	(995)	-	(995)
Effect of movements in foreign exchange rates	-	-	-
Balance at 31 December	**-**	**4,087**	**4,087**
Current		-	-
Non-current	-	4,087	4,087

Litigation

The litigation provision is related to disputes with third parties that are not related to the insurance business of Atradius. 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 Atradius. These provisions have not been discounted to reflect present value since the effect of discounting is not material.

20 Subordinated debt

	2023	2022
Balance at 1 January	**249,600**	**249,383**
Accretion of interest	228	217
Balance at 31 December	**249,828**	**249,600**

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'). 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. At the date of issue of these annual accounts, no decision has yet been taken regarding to the call of the notes.

The fair value estimate of the subordinated notes issued by Atradius Finance BV is EUR 251 million (2022: EUR 247 million). They are classified as Level 2 under the fair value hierarchy and as Tier 2 basic own funds for Solvency II.

The fair value estimate of the subordinated bond is provided by an external independent valuation company, which uses its own proprietary valuation systems to value securities supported by economic and market assumptions from financial information providers. The model calculates, accordingly to IFRS methodology, the present value of the subordinated bond's cash flows discounted using the Euro government bond yield curve as a benchmark and applying an appropriate risk spread. The risk spread applied is estimated using the credit spreads of market quoted subordinated bond issues from similar issuers and with similar rating and maturity profiles.

All amounts in thousands of Euro, unless otherwise stated

21 Employee benefit assets and liabilities

	2023	2022
Retirement benefits	40,999	50,689
Other long-term employee benefits	8,950	8,290
Total	**49,949**	**58,979**

21.1 Retirement benefits

The employee benefit assets and liabilities relate mainly to pension assets and liabilities for defined benefit plans.

The main defined benefit plans as of 31 December 2023 are in the United Kingdom and Germany and these represent 96.1% (2022: 83.6%) of the pension plan assets and 70.1% of the defined benefit obligation booked in the liabilities (2022: 79.5%). The main characteristics of these plans are in this note.

Other plans are related to Italy, Switzerland, Sweden, Belgium, Norway, France, Mexico with a DBO between EUR 0.8 - 6 million (2022: EUR 0.5 - 6.3 million), and Spain with a surplus of EUR 3.6 million in 2023 (2022 EUR 2.7 million). The number of participants for these plans are between 13 and 451 (2022 between 13 and 451).

Defined benefit plans expose Atradius mainly to market investment risk, interest rate risk and inflation risk:

- a decline in asset market value (equity, real estate, alternatives etc.) will impact the balance sheet liability and the near-term cash flows for countries where there are minimum funding requirements;
- a decrease in corporate bond yields will result in an increase in plan liabilities even if this effect will be partially offset by an increase in the value of the plans' bonds that are part of the plan assets; and
- an increase in inflation rate will result in higher plan liabilities thus, an increase in future employer contributions in countries where there are minimum funding requirements.

Within Atradius there are also defined contribution plans. The contributions to these plans are recognised as expenses in the profit and loss statement. The total contributions amounted to EUR 19.6 million in 2023 (2022: EUR 19.3 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		Asset ceiling		Net defined benefit (asset) liability	
	2023	2022	2023	2022	2023	2022	2023	2022
Balance at 1 January	**355,443**	**563,941**	**304,814**	**472,034**	**(60)**	**-**	**50,689**	**91,907**
Additions	-	-	-	-	-	-	-	-
Included in the profit and loss statement:	-	-	-	-	-	-	-	-
Current service cost	4,059	7,263	-	-	-	-	4,059	7,263
Interest cost / income	15,307	8,419	17,733	9,234	-	-	(2,426)	(815)
Administration costs	4	4	-	-	-	-	4	4
Total included in the profit and loss statement	**19,370**	**15,686**	**17,733**	**9,234**	**-**	**-**	**1,637**	**6,452**
Included in OCI:								
Remeasurement loss (gain):								
Actuarial loss (gain) arising from:								
- demographic assumptions	(4,306)	(2,840)	-	-		-	(4,306)	(2,840)
- financial assumptions (**)	(525)	(187,482)	-	-		-	(525)	(187,482)
- experience adjustments	424	8,273	-	-		-	424	8,273
Return on plan assets excluding interest income	-	-	7,035	(144,052)		-	(7,035)	144,052
Change in Irrecoverable Surplus other than Interest	-	-	-	-	(37)	(60)	37	60
Total included in OCI	**(4,407)**	**(182,049)**	**7,035**	**(144,052)**	**(37)**	**(60)**	**(11,405)**	**(37,937)**
Other:								
Contributions paid by the employer	(4,334)	(4,115)	7,796	3,054	-	-	(12,130)	(7,169)
Plan participants contributions	606	621	606	621	-	-	-	-
Benefits paid	(13,402)	(15,752)	(13,402)	(15,752)	-	-	-	-
Settlements (*)	(3,106)	-	(3,106)	-	-	-	-	-
Acquisition / Divestiture	380	(9,028)	-	(9,005)	-	-	380	(23)
Effect of movements in foreign exchange rates	4,030	(13,861)	5,405	(18,353)	-	-	(1,375)	4,492
Reclassification of surplus plan assets		-	(13,203)	7,034	-	-	13,203	(7,034)
Total other	**(15,826)**	**(42,135)**	**(15,904)**	**(32,402)**	**-**	**-**	**78**	**(9,733)**
Balance at 31 December	**354,580**	**355,443**	**313,678**	**304,814**	**(97)**	**(60)**	**40,999**	**50,689**

(*) It includes the Sweden pension plan settlement (DBO EUR 0.5 million)
(**) In 2022 mainly driven by the change of the financial assumptions in UK, where discount rate increased 300 basic points, which lead to an actuarial gain of EUR 121.7 million on DBO.

Plan assets

Atradius 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 12.1 million (2022: EUR 2 million) are classified as cash and cash equivalents and assets of 1.0 million (2022: EUR 14.9 million) are clasified 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 26.8 million of financial investments (2022: EUR 24.1 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.

All amounts in thousands of Euro, unless otherwise stated

Net plan pension assets is EUR 94.5 million (EUR 81.3 million) and corresponds mainly to the surplus of UK pension plans, which is disclosed as net plan pension assets as part of Note 8.

In Spain and Portugal, 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 6.6 million (2022: EUR 6.7 million). At the end of 2023, the defined benefit obligation related to the reimbursement rights amounts to EUR 9.4 million (2022: EUR 10.4 million). This same defined benefit obligation has in addition plan assets of EUR 13.0 million (2022: EUR 13.1 million).

Characteristics of the main defined benefit plans

Characteristic	United Kingdom	Germany
Entitlement	Pension entitlements are based on a percentage of final salary (closed for new employees).	Pension entitlements are based on a percentage of the average salary of the last 10 years.
Number of participants	74 active members (2022: 85 active members). 556 inactive members (2022: 547 inactive members).	479 active members (2022: 471 active members). 500 inactive members (2022: 496 inactive members).
Defined benefit obligation	EUR 167.5 million (2022: EUR 169 million).	EUR 117 million (2022: EUR 113 million).
Plan assets	EUR 258 million (2022: EUR 247 million).	EUR 89.7 million (2022: EUR 76.1 million).
Remeasurement gain (loss) through OCI	EUR 6.5 million - loss (2022: EUR 6.3 million - loss).	EUR 3.3 million - gain (2022: EUR 27.6 million - gain).
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.
Employee contributions	In 2023 contributions amounted to 7.1% (2022: 7.1%) of the eligible salary.	None; all contributions are made by the employer.
ALM-strategy	A Cash Driven Investment portfolio has been implemented that combines Buy & Maintain Credit with a Liability Driven Investment, to provide contractual income that aligns with the timing of the pension liability cash flow payments together with a 100% interest rate and inflation rate liability hedge to maintain Self-sufficiency.	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.
Regulatory Framework	The UK pension plan is subject to UK pensions legislation and guidance issued by the Pensions Regulator in the UK	The German pension plan is subject to German pensions legislation and guidance issued by the Pensions Regulator in Germany

In general, the defined benefit plans are administered by pension vehicles. Although liaised with the Group, these are separate legal entities (a Trustee in the United Kingdom and a Pension Trust eV in Germany). The boards of these entities comprise both employer and employee representatives. The boards are responsible for setting their own policies (e.g. investment and governance) within the applicable legal framework. These defined benefit plans may expose the Group to actuarial risks (such as longevity risk) and financial risks like interest rate risks and investment risk.

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 2023	Cash and cash equivalents	Equity instruments	Debt instruments	Investment funds	Insurance contracts	Real estate	Total 2023
Belgium	-	-	-	-	25,139	-	**25,139**
Germany	7,339	28,816	53,529	-	-	-	**89,684**
Mexico	-	27	293	-	-	-	**320**
Norway	-	-		-	2,686	-	**2,686**
Spain	-	-		-	9,362	-	**9,362**
Switzerland	-	-		-	4,458	-	**4,458**
United Kingdom	5,176	-	166,849	10,004	-	-	**182,029**
Total	**12,515**	**28,843**	**220,671**	**10,004**	**41,645**	-	**313,678**

Plan assets 2022	Cash and cash equivalents	Equity instruments	Debt instruments	Investment funds	Insurance contracts	Real estate	Total 2022
Belgium	-	-	-	-	25,203	-	**25,203**
Germany	(532)	28,690	47,931	-	-	-	**76,089**
Mexico	-	19	233	-	-	-	**252**
Norway	-	-	-	-	2,734	-	**2,734**
Spain	-	-	-	-	13,126	-	**13,126**
Sweden	-	347	1,522	481	-	320	**2,670**
Switzerland	-	-	-	-	4,510	-	**4,510**
United Kingdom	6,443	-	163,584	10,203	-	-	**180,230**
Total	**5,911**	**29,056**	**213,270**	**10,684**	**45,573**	**320**	**304,814**

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

The return on plan assets is determined by multiplying the fair value of the plan assets by the discount rate as determined at the start of the annual reporting period, taking account of any changes in the plan assets held during the period as a result of contributions and benefit payments. The actual return on plan assets (including reimbursement rights) was EUR 24.75 million – gains (2022: EUR 135.1 million – loss).

Actuarial assumptions

The principal assumptions used for the purpose of the actuarial valuations are reviewed country by country by an independent external consultant and approved by the management. In the following table the ones related the two main defined benefit plans are presented:

All amounts in thousands of Euro, unless otherwise stated

Principal actuarial assumptions	United Kingdom		Germany	
	2023	2022	2023	2022
Discount rate	4.75%	5.00%	3.25%	3.75%
Price inflation rate	3.25%	3.50%	2.25%	2.50%
Expected increase of future salaries	3.00%	3.25%	2.80%	3.05%
Expected increase of future benefit levels	2.89%	3.36%	2.00%	2.25%
Mortality table	CMI 2022 (1% LTR)	CMI 2021 (1.25% LTR)	Heubeck Richttafeln 2018 G	Heubeck Richttafeln 2018 G
Duration in years	14	15	13	13

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	2023		2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(36,436)	43,480	(36,874)	46,098
Price inflation rate (1% movement)	33,411	(28,423)	38,505	(34,569)
Future salary growth (1% movement)	6,971	(6,305)	6,887	(6,175)
Future pension growth (1% movement)	31,781	(26,943)	33,913	(28,551)
Future mortality (+1 year)	9,502	n/a	9,668	n/a

21.2 Defined benefit costs

A total defined benefit cost of EUR 4.8 million (2022: EUR 6.7 million) is recognised in the profit and loss statement under net operating expenses (see Note 27). EUR 4.5 million (2022: EUR 6.4 million) relates to pension plans and gain of EUR 0.3 million (2022: EUR 0.7 million gain) to other long-term employee benefits.

22 Capital and reserves

22.1 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 (2022: the same) of which 79,122,142 ordinary shares were issued and fully paid (2022: the same). The fully paid ordinary shares carry one vote per share and carry the right to dividends.

Earnings per share are calculated by dividing the Group share of the net income by the number of ordinary shares in issue during the year. The earnings in 2023 were of EUR 4.2 per share.

22.2 Share premium reserve

	2023	2022
Balance at 1 January	**639,228**	**639,228**
Balance at 31 December	**639,228**	**639,228**

22.3 Revaluation reserve

	2023	2022
Balance at 1 January	**(58,770)**	**49,351**
Change in revaluation reserve - gross	93,687	(169,382)
Change in revaluation reserve - tax	(23,489)	33,417
Net (gains)/losses transferred to net profit or retained earnings on disposal - gross	10,301	27,844
Net (gains)/losses transferred to net profit or retained earnings on disposal - tax	(1,590)	-
Balance at 31 December	**20,138**	**(58,770)**

22.4 Currency translation reserve

	2023	2022
Balance at 1 January	**(2,317)**	**(61,959)**
Change in currency translation reserve - gross	(30,547)	59,508
Change in currency translation reserve - tax	1,624	134
Balance at 31 December	**(31,240)**	**(2,317)**

Atradius' significant foreign currencies and sensitivity to fluctuations are set out in Note 4.3.

22.5 Pension reserve

	2023	2022
Balance at 1 January	**(28,999)**	**(55,082)**
Recognised actuarial gains/(losses)	**8,077**	**26,083**
Change in pension reserve - gross	11,108	37,471
Change in pension reserve - tax	(3,031)	(11,388)
Balance at 31 December	**(20,922)**	**(28,999)**

The main drivers of the pension reserve variance are explained in Note 21.

All amounts in thousands of Euro, unless otherwise stated

22.6 Retained earnings

	2023	2022
Balance at 1 January	**1,521,025**	**1,454,564**
Appropriation of prior year result	329,100	240,249
Indexation´s hyperinflation	-	55
Revenue Reserve - Transition	-	(2,977)
Net gains/losses on investments measerured at FVOCI	(37)	(6,293)
Dividends	(193,160)	(164,574)
Balance at 31 December	**1,656,928**	**1,521,025**

22.7 OCI - Insurance finance expenses

	2023	2022
Balance at 1 January	**16,845**	**25,583**
FX Adjustments	46,570	(25,364)
Other	(1,065)	16,626
Balance at 31 December	**62,350**	**16,845**

22.8 Dividend distribution

Atradius' 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. Dividends can only be paid up to an amount equal to the excess of the Company's shareholders' equity and reserves required by law. 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 (see Note 10 in the Company financial statements). 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).

23 Investment result

Financial income/expenses from retained	**Insurance contracts**		**Reinsurance**	
	2023	**2022**	**2023**	**2022**
Interest Accreted	(7,774)	1,234	1,415	(526)
Effect of changes in interest rates and other financial assumptions	(809)	(15,744)	-	-
Effect of changes in FCF at current rates when CSM is unlocked at lockedin rates	(31,532)	(8,372)	7,231	93
Foreign exchange differences	(5,237)	10,783	1,808	(4,593)
Total financial income / (expenses) of insurance contracts issued recognized in P&L	(45,352)	(12,099)	10,454	(5,027)
Total financial income / (expenses) of insurance contracts issued recognized in OCI	47,800	(8,175)	(2,294)	(564)
Total financial income / (expenses) of insurance arising from insurance contracts issued	**2,448**	**(20,273)**	**8,160**	**(5,590)**

24 Other income

	2023	**2022**
Other income from ancillary insurance activities	244,074	240,835

The other income from ancilliary insurance activities, is composed by the information income and credit information services.

The main characteristics of service contracts and income are:

- The contracts of credit information, collections and business information services mostly have a duration of one year. The contract period of credit information contracts is linked to the insurance policies, which can be up to two years. But the credit limits are renewed on an annual basis, which requires additional credit information that is separately invoiced to the customer. The cooperation agreement of Atradius Dutch State Business with the Dutch state has an undetermined period.
- The agreed performance obligations and transaction prices, included in the contracts, are clear and contain no judgements that significantly affect the determination of the amount and timing of revenue.
- The contracts contain no financing elements, warranties or obligations for returns or refunds.
- In the cases that service income relates to variable consideration, the conditions are explicitly stated in the contract.
- All costs for obtaining and fulfilling contracts are recognised as expenses. Atradius does not incur costs that meet the criteria to create assets for obtaining or fulfilling specific contracts
- Applying the practical expedient in paragraph 121 of IFRS 15 Atradius does not separately disclose the remaining performance obligations for service contracts at year end, since the contracts either have a duration of one year or Atradius is allowed to recognise revenue in an amount to which it has a right to invoice.

All amounts in thousands of Euro, unless otherwise stated

25 Net investment income

The following table presents the net investment income by type of investment:

	2023				2022			
	FVTPL	FVOCI	Other	Total	FVTPL	FVOCI	Other	Total
Income								
Debt securities	26	30,649	-	**30,675**	26	13,640	-	**13,666**
Investment Funds	41,324	-	-	**41,324**	40,222	-	-	**40,222**
Equity securities	-	11,833	-	**11,833**		4,817	-	**4,817**
Short term investments	-	-	4,462	**4,462**	-	-	825	**825**
Other investments	-	-	164	**164**	-	-	40	**40**
Total income from financial investments	**41,350**	**42,482**	**4,626**	**88,458**	**40,248**	**18,457**	**865**	**59,570**
Investment property	-	-	1,158	**1,158**	-	-	673	**673**
Total investment income	**41,350**	**42,482**	**5,784**	**89,616**	**40,248**	**18,457**	**1,538**	**60,243**
Expenses								
Debt securities	-	(10,353)	-	**(10,353)**	(295)	(27,746)	-	**(28,041)**
Investment Funds	(21,190)	-	-	**(21,190)**	(56,558)	-	-	**(56,558)**
Equity securities	-	(787)	-	**(787)**	-	(286)	-	**(286)**
Other investments	-	-	(208)	**(208)**	-	-	(114)	**(114)**
Total expenses from financial investments	**(21,190)**	**(11,140)**	**(208)**	**(32,538)**	**(56,853)**	**(28,032)**	**(114)**	**(84,999)**
Investment property	-	-	(705)	**(705)**	-	-	(1,668)	**(1,668)**
Total investment expenses	**(21,190)**	**(11,140)**	**(913)**	**(33,243)**	**(56,853)**	**(28,032)**	**(1,782)**	**(86,667)**
Net income from investments	**20,160**	**31,342**	**4,871**	**56,373**	**(16,605)**	**(9,575)**	**(244)**	**(26,424)**
Share of income/ (losses) of associated companies	-	-	-	**11,266**	-	-	-	**17,755**
Net income from investments including associated companies	**20,160**	**31,342**	**4,871**	**67,639**	**(16,605)**	**(9,575)**	**(244)**	**(8,669)**

The following table presents the net investment income by nature of income/(expense):

	2023				2022			
	FVTPL	FVTOCI	Other	Total	FVTPL	FVTOCI	Other	Total
Income								
Interest	(4)	30,572	4,627	**35,195**	26	13,227	865	**14,118**
Dividends	2,280	11,833	-	**14,113**	6,878	4,817	-	**11,695**
Realised gains	36,714	77	-	**36,791**	32,880	413	-	**33,293**
Realised gains investment property	-	-		**-**	-	-		**-**
Unrealised gains	2,360	-		**2,360**	464	-		**464**
Rental income from investment property	-	-	1,157	**1,157**	-	-	673	**673**
Total	**41,350**	**42,482**	**5,784**	**89,616**	**40,248**	**18,457**	**1,538**	**60,243**
Expenses								
Handling expenses	(65)	(5,366)	-	**(5,431)**	(135)	(5,031)	-	**(5,166)**
Realised losses	(206)	(10,340)		**(10,546)**	-	(21,997)	-	**(21,997)**
Realised losses investment property	-	-	-	**-**	-	-	(937)	**(937)**
Unrealised losses	(20,919)	-	-	**(20,919)**	(56,718)	-	-	**(56,718)**
Impairment loss	-	4,566	23	**4,589**	-	(1,004)	-	**(1,004)**
Depreciation of investment property	-	-	(400)	**(400)**	-	-	(413)	**(413)**
Other	-	-	(536)	**(536)**	-	-	(432)	**(432)**
Total	**(21,190)**	**(11,140)**	**(913)**	**(33,243)**	**(56,853)**	**(28,032)**	**(1,782)**	**(86,667)**
Net income from investments	**20,160**	**31,342**	**4,871**	**56,373**	**(16,605)**	**(9,575)**	**(244)**	**(26,424)**
Share of income of associated companies	-	-	**11,266**	**11,266**	-	-	**17,755**	**17,755**
Total	-	-	11,266	11,266	-	-	17,755	17,755
Net income from investments including associated companies	**20,160**	**31,342**	**16,137**	**67,639**	**(16,605)**	**(9,575)**	**17,511**	**(8,669)**

	Impair-ments	Realised gains/(losses)	Unrealised gains/(losses)	Impair-ments	Realised gains/(losses)	Unrealised gains/(losses)
Investment property	23	-	-	-	(937)	-
Financial assets FVTPL	-	36,507	(18,559)	-	32,880	(56,254)
Financial assets FVOCI	4,566	(10,263)	-	(1,004)	(21,584)	-
Total	**4,589**	**26,244**	**(18,559)**	**(1,004)**	**10,359**	**(56,254)**

All amounts in thousands of Euro, unless otherwise stated

26 Finance income and expenses

	2023	2022
Impairment of goodwill	-	170
Interest and fees on the subordinated debt	13,364	13,352
Net interest on the net defined benefit liability	(2,489)	(868)
Other finance income and expenses	(18,194)	(4,448)
Foreign exchange (income)/expense	3,455	(11,364)
Interest expense on Right of use	2,541	1,676
Total	**(1,323)**	**(1,482)**

The subordinated debt costs include the periodic interest expenses of EUR 13.1 million (2022: EUR 13.1 million) and the accretion of interest on the debt in the amount of EUR 0.2 million (2022: EUR 0.2 million).

27 Net operating expenses

	2023	2022
Claims and benefits	935,317	682,501
Acquisition expenses	522,487	455,730
Losses on onerous contracts	165,488	229,999
Employee benefits	378,007	366,980
Depreciation and amortisation	31,914	40,214
Impairment loss on intangible assets and goodwill	27,471	7,938
Leases	619	417
Advertising	15,510	13,841
Professional and consultancy	125,533	128,364
Other	111,627	70,097
	2,313,973	**1,996,081**
Amounts attributed to insurance cash flows	(490,251)	(452,756)
Total expenses	**1,823,722**	**1,543,325**

Represented by	**2023**	**2022**
Insurance service expenses	1,623,291	1,368,231
Other operating expenses	200,431	175,094
Total expenses	**1,823,722**	**1,543,325**

Employee benefit expenses	**2023**	**2022**
Salaries and wages (including social security costs)	353,575	342,248
Restructuring costs and termination benefits	14	(1,278)
Pension costs - defined contribution plans	19,589	19,299
Pension costs - defined benefit plans	4,829	6,711
Total employee benefit expenses	**378,007**	**366,980**

For an explanation of the employee benefit details see Note 21.

28 Income tax

	2023	2022
Current tax	98,473	110,465
Deferred tax	20,588	(1,435)
Income tax expense/(income) for the year	**119,061**	**109,030**

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

	2023	2022
Result before tax	**493,828**	**479,232**
Tax calculated at domestic tax rates applicable to results in the respective countries	118,643	99,613
Tax exempt (income)/loss	(2,885)	(5,111)
Write down/(reversal) of deferred tax assets	(1,757)	2,831
Reassessment of prior year local tax positions	1,769	(4,145)
Impact of change in tax rate	(458)	239
Regional taxes	391	3,155
IFRS 9 &17 Transition	-	4,810
Other	3,357	7,638
Income tax expense/(income) for the year	**119,061**	**109,030**

The weighted average applicable tax rate was 24.0% (2022: 21.7%).

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'. On balance, the reversal exceeded the impairment.

The impact of the change in tax rate in 2023 mainly reflects the effect of changes in income tax rate in Turkey.

The category "Other" includes non-deductible expenses and withholding taxes.

29 Dividends per share

The dividends paid in 2023 and 2022 were EUR 193 million (EUR 2.44 per share) and EUR 165 million (EUR 2.1 per share) respectively.

30 Assets not freely disposable

The financial assets not freely disposable in 2023 are EUR 498.5 million (2022: EUR 447.5 million). Assets that are not freely disposable consist of financial investments and cash that have been held mainly for local regulatory purposes and can be used to cover insurance contracts liabilities. The amount of pledged assets not covering technical provisions is EUR 81.4 million (2022: EUR 79.5 million).

31 Capital commitments and contingencies

Capital commitments of EUR 18 million (2022: EUR 24.1 million) are related to contracted obligations for future payments for outsourcing, networking, imaging and licences.

Atradius has contingent liabilities in respect of matters arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities. The Group has given guarantees to third parties amounting to EUR 2.6 million (2022: EUR 2.2 million).

All amounts in thousands of Euro, unless otherwise stated

32 Held for sale

On 19 July 2023 Atradius Insurance Holding N.V. (99.9%) and Atradius Participations Holding S.L.U. (0.10%) completed the sale of all their shares in Atradius Rus Credit Insurance Limited Liability Company, Russia. The sale of Atradius Rus Credit Insurance Limited Liability Company, Russia resulted in the removal of the assets and liabilities classified as held for sale and in a result on the sale of 4.3 million – gain (2022: EUR 38.9 million - loss).

Assets	2023	2022
Total assets held for sale	-	**34,742**

Liabilities	2023	2022
Total liabilities held for sale	-	**21,851**

33 Personnel

The number of employees working for Atradius is included in the following table:

	2023	2022
Total average number of employees (full-time equivalent)	3,360	3,404
Total year end number of employees (full-time equivalent)	3,409	3,310
Total year end number of employees (headcount)(1)(2)	3,525	3,426

1) Excluding management board members and including PRO KOLEKT CCR
2) Of which 3069 employees work outside the Netherlands (2022: 2987 employees)

34 Related party transactions

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

	Associated companies	Parent (1)	Associated companies	Parent (1)
	2023		2022	
Sales to related parties	16,407	76	20,617	79
Purchases from related parties	275	2,125	104	2,315
Amounts owed by related parties	212	41,239	191	6,511
Amounts owed to related parties	8	(131)	-	(282)
Total	**16,902**	**43,309**	**20,912**	**8,623**

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

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

The increase in amounts owed by related parties relates to the fiscal unity with the parent (EUR 34.7 million).

The decrease on sales to related parties is mainly due to lower invoiced premium booked in 2023. (2023: EUR 16.4 million vs 2022: EUR 20.6 million).

Terms and conditions of transactions with related parties

No guarantees have been provided or received for any related party for 2023 or 2022. For the years ending 31 December 2023 and 2022, Atradius has not raised any provision or expenses for doubtful debtors relating to amounts owed by related parties.

Subordinated debt

Occident GCO, S.A.U. de Seguros y Reaseguros, a subsidiary of the ultimate parent of the Group purchased EUR 95.5 million (38.2%) of the guaranteed subordinated notes issued by Atradius Finance B.V. In 2023 the interest expense relating to this portion was EUR 4.35 million (2022: EUR 3.0 million).

The related party share for the subordinated debt is:

	2023	2022
Nominal value	95,476	60,041
Interest expense	4,352	3,027

Compensation of key current and former management personnel of Atradius

The following table provides details on the remuneration for members of the Management Board and Supervisory Board.

Remuneration	2023	2022
Management Board		
Short-term employee benefits [1]	2,336	2,331
Long-term employee benefits	1,582	1,362
Post-employment benefits	357	327
Total compensation paid to Management Board members	**4,275**	**4,020**
Number of members	**5**	**5**

Remuneration	2023	2022
Supervisory Board		
Short-term employee benefits [1]	615	630
Total compensation paid to Supervisory Board members	**615**	**630**
Number of members	**9**	**9**

1) Short-term employee benefits include salaries, housing, social security, medical expenses, lease cars and other.

From the total compensation for Management Board members, EUR 2.7 million (2022: EUR 2.7 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 Company´s subsidiaries. Apart from this, they do not have other relationships with the Company or its subsidiaries.

A member of the Management Board with a potential conflict of interest with the Company will immediately report this to the Chair 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 any deliberations or decision-making of the Management Board if that member has a direct or indirect personal interest that conflicts with the interest of the Company or its business. In such a case, the other non- conflicted members of the Management Board will pass the resolution. If all members of the Management Board are conflicted, then the Supervisory Board will pass the resolution.

All amounts in thousands of Euro, unless otherwise stated

35 Auditor fees

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

2023 Including VAT	PwC Accountants N.V.	Other PwC Network organisations	Total PwC Network
Audit services	918	3,181	4,099
Other services required by law and regulation	-	375	375
Other assurance related services	-	63	63
Other non-audit services	-	178	178
Total	**918**	**3,797**	**4,715**

2022 Including VAT	PwC Accountants N.V.	Other PwC Network organisations	Total PwC Network
Audit services	883	3,142	4,025
Other services required by law and regulation	-	390	390
Other assurance related services	-	18	18
Other non-audit services	-	63	63
Total	**883**	**3,613**	**4,496**

These amounts relate to the fees agreements incurred for the audit of the related financial year, and other services (expenses and non-recoverable VAT costs are included). The amounts on other audit services include services related to audit reviews on Solvency II and other regulatory requirements. The amounts reported on non-audit services lines are related to projects where external auditor is involved.

36 Events after the reporting period

The Company has no events after the reporting period that should be reported.

Company financial statements 2023

Contents

All amounts in thousands of Euro, unless otherwise stated

Company statement of financial position

Company statement of financial position as at December 31, 2023

(before profit appropriation)

Assets	Note	31/12/2023	31/12/2022
Fixed assets		**2,782,098**	**2,517,941**
Property, plant and equipment		5	5
Investments in group companies	3	2,782,093	2,517,936
Current assets		**59,887**	**46,121**
Receivables from group companies		20,435	30,096
Deferred income tax assets		-	1,320
Current income tax assets		6,798	12,132
Cash and cash equivalents	4	32,654	2,573
Total		**2,841,985**	**2,564,062**
Equity			
Capital and reserves attributable to the owners of the Company	5		
Share capital		79,122	79,122
Share premium reserve		862,883	862,883
Legal reserve		**101,446**	**10,997**
- Reserve intangibles assets		52,977	66,095
- Revaluation reserve		82,488	(41,925)
- Pension reserve		(20,922)	(28,999)
- Currency translation reserve		(13,097)	15,826
Retained earnings		1,362,151	1,213,130
Result for the year (unappropriated)		379,081	329,100
Total		**2,784,685**	**2,495,232**
Liabilities			
Current liabilities		**57,300**	**68,830**
Payables to group companies		53,470	63,584
Other liabilities	6	3,830	5,246
Total		**57,300**	**68,830**
Total equity and liabilities		**2,841,985**	**2,564,062**

Company profit and loss statement for the year ended December 31, 2023

	2023	2022
Income after tax from group companies	385,463	335,640
Other results after tax	(6,382)	(6,540)
Result for the year	**379,081**	**329,100**

All amounts in thousands of Euro, unless otherwise stated

Company statement of changes in equity for the year ended December 31, 2023

	Share capital	Share premium reserve	Legal reserves				Retained earnings	Result for the year	Total
			Reserve intangibles assets	Revaluation reserve	Pension reserve	Currency translation reserve			
Balance at 1 January 2022	**79,122**	**862,883**	**61,300**	**110,854**	**(55,082)**	**(43,815)**	**886,811**	**240,249**	**2,142,323**
IFRS9 & 17 transition	- -	- -	-	(35,920)	-	-	264,653	-	**228,733**
Balance at 1 January 2022	**79,122** -	**862,883** -	**61,300** -	**74,934**	**(55,082)**	**(43,815)**	**1,151,464**	**240,249**	**2,371,056**
Change in reserves	-	-	-	(116,859)	26,083	59,642	(9,215)	-	**(40,349)**
Change in currency translation reserve	-	-					-	-	-
Net income recognised directly in equity	**-**	**-**	**-**	**(116,859)**	**26,083**	**59,642**	**(9,215)**	**-**	**(40,349)**
Acquisitions	-	-	-	- -	- -	-	-	-	-
Appropriation of prior year result	-	-	-	-	-	-	240,249	(240,249)	-
Result for the year	-	-	-	-	-	-		329,100	**329,100**
Change in reserves	-	-	4,795				(4,795)	-	-
Dividends	-	-	-	-	-	-	(164,574)	-	**(164,574)**
Balance at 31 December 2022	**79,122**	**862,883**	**66,095**	**(41,925)**	**(28,999)**	**15,826**	**1,213,130**	**329,100**	**2,495,232**

Balance at 1 January 2023	**79,122**	**862,883**	**66,095**	**(41,925)**	**(28,999)**	**15,826**	**1,213,130**	**329,100**	**2,495,232**
Change in reserves	-	-	-	124,414	8,077	(28,923)	(37)	-	**103,531**
Change in currency translation reserve	-	-					-	-	-
Net income recognised directly in equity	**-**	**-**	**-**	**124,414**	**8,077**	**(28,923)**	**(37)**	**-**	**103,531**
Acquisitions	-	-	-	-	-	-		-	-
Appropriation of prior year result	-	-	-	-	-	-	329,100	(329,100)	-
Result for the year	-	-	-	-	-	-	-	379,081	**379,081**
Change in reserves	-	-	(13,118)	-	-	-	13,118	-	-
Dividends	-	-	-	-	-	-	(193,160)	-	**(193,160)**
Balance at 31 December 2023	**79,122**	**862,883**	**52,977**	**82,488**	**(20,922)**	**(13,097)**	**1,362,151**	**379,081**	**2,784,685**

Notes to the company financial statements

1 General information

Atradius N.V. (referred to as the “Company’) is based in Amsterdam (The Netherlands) and registered at the Dutch Chamber of Commerce under number 34196963.

The Company financial statements are part of the 2023 consolidated financial statements, which are also included in the annual report. The Company profit and loss 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.

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

The Company financial statements have been authorised for issue by the Management Board on 12 March 2024.

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.

Group companies are accounted for using the equity method. Equity of group and associated companies is based on IFRS accounting principles of Atradius N.V.

The Company has the power to govern the group companies . The equity method involves recognition of the group company’s profit or loss in the profit and loss statement for the Company’s share in the result. The Company’s interest in the group companies is carried in the balance sheet at an amount that reflects its share in the net asset value of the related subsidiary.

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

Although the company did not adopt any revised accounting standard. As described in note 2.2.1 of the consolidated financial statements, the accounting principles of the insurance entities changed due to the implementation of IFRS 9 and IFRS 17. This has a material impact on the equity. The impact of these changes is separately reflected in the tables below:

All amounts in thousands of Euro, unless otherwise stated

	2023 IFRS 9 /17	Changes in measurement	2023 IAS39 / IFRS4
Capital and reserves attributable to the equity holders of the Company	2.784.685	(354.308)	2.430.377
Result for the year	379.081	(6.880)	372.201

2.3 Investments in group companies

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

2.4 Legal reserve

The legal reserve has to be created under Dutch legislation for the reserves established by subsidiaries that cannot be distributed and relates to:
- Reserve intangible assets;
- Revaluation reserve;
- Pension reserve;
- Currency translation reserve

3 Investments in group companies

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

	2023	2022
Balance at 1 January	**2,517,936**	**2,355,919**
Investments in group companies	475	6,000
Share of profit/(loss)	385,463	335,640
Dividends received	(225,312)	(139,275)
Change in revaluation reserve, pension reserve and OCI-Insurance contracts	132,491	(99,990)
Foreign exchange reserve movements	(28,923)	59,642
Other	(37)	-
Balance at 31 December	**2,782,093**	**2,517,936**

There has been no impairments nor reversal of impairments during 2023 (2022: 0 million).

4 Cash and cash equivalents

	2023	2022
Cash at bank and on hand	32,654	2,573
Cash and cash equivalents	**32,654**	**2,573**

Cash and cash equivalent disclosed is freely available.

5 Capital and reserves

5.1 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 (equal to 2022) of which 79,122,142 ordinary shares were issued and fully paid (equal to 2022). The fully paid ordinary shares carry one vote per share and carry the right to dividends.

5.2 Share premium reserve

	2023	2022
Balance at 1 January	**862,883**	**862,883**
Balance at 31 December	**862,883**	**862,883**

5.3 Legal reserve

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 the Company, which in accordance with Book 2, Part 9 of the Dutch Civil Code, Article 389, Subsection 6, cannot be distributed. In particular:

- costs for research and development to the extent they are capitalised
- 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, actuarial gains and losses, and OCI on insurance finance expenses.
- effect of asset ceilings within consolidated group companies presented in the pension reserve in the consolidated financial statements and
- foreign currency translations on consolidated group companies, presented in the currency translation reserve in the consolidated financial statements

The legal reserves cannot be freely distributed. In case of negative balances for individual reserves legally to be retained, no distributions can be made out of retained earnings to the level of these negative amounts.

In addition to the legal and regulatory restrictions on distributing dividends from subsidiaries to the Company, there are various other considerations and limitations that are taken into account in determining the appropriate levels of equity in the Group's subsidiaries. These considerations and limitations include, but are not restricted to, local regulatory regulations and rating agency requirements, that can change over time. It is not possible to disclose a reliable quantification of these limitations.

5.4 Retained earnings

	2023	2022
Balance at 1 January	**1,213,130**	**886,811**
IFRS9 & 17 transition	-	264,653
Balance at 1 January	**1,213,130**	**1,151,464**
Appropriation of prior year result	329,100	240,249
Transfer between legal reserve and retained earnings	13,118	(4,795)
Dividends	(193,160)	(164,574)
Other comprehensive income	(37)	(9,215)
Balance at 31 December	**1,362,151**	**1,213,130**

All amounts in thousands of Euro, unless otherwise stated

6 Other liabilities

	2023	2022
Other taxes	148	171
Long-term employee benefits	1,090	1,162
Other liabilities	2,592	3,913
Total	**3,830**	**5,246**

7 Contingencies

The Company has contingent liabilities in respect of guarantees arising in the ordinary course of business. It was not anticipated that any material liabilities will arise from the contingent liabilities. The Company gave guarantees to third parties in the ordinary course of business amounting to EUR 0.6 million (2022: EUR 0.6 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 Finance B.V., Atradius Crédito y Caución S.A. de Seguros y Reaseguros, Dutch branch, Atradius Information Services B.V., Atradius Collections Holding B.V., Atradius Collections B.V., Atradius Credit Management Services B.V., and Atradius Dutch State Business N.V. All companies included in the fiscal unity are jointly and severally liable for the corporate income tax payable in the Netherlands by the fiscal unity.

The Company 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 debt, EUR 250 million, (2022: EUR 250 million) issued by Atradius Finance B.V. (see Note 20 of the consolidated financial statements).

8 Personnel

The number of employees working for the Company:

	2023	2022
Total average number of employees (headcount)	5	5
Total year end number of employees (headcount)[(1)]	5	5

9 Remuneration of Management Board and Supervisory Board

For information on remuneration of the members of the Management Board and the Supervisory Board: see Note 34 of the consolidated financial statements.

10 Proposed profit appropriation

The Management Board proposes to the General Meeting to allocate the result for the year to the retained earnings.

Other information

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.

Annual Report Atradius N.V.

12 March 2024

The Supervisory Board

Xavier Freixes, Chair
Hugo Serra
Désirée van Gorp
John Hourican
Carlos Halpern
José María Sunyer
Juan Ignacio Guerrero
Joaquín Guallar

The Management Board

David Capdevila, Chair
Andreas Tesch
Christian van Lint
Claus Gramlich-Eicher
Marc Henstridge

Independent auditor's report

Independent auditor's report

To: the general meeting and the supervisory board of Atradius N.V.

Report on the audit of the financial statements 2023

Our opinion

In our opinion:

- the consolidated financial statements of Atradius N.V. together with its subsidiaries ('the Group') give a true and fair view of the financial position of the Group as at 31 December 2023 and of its result and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union ('EU-IFRS') and with Part 9 of Book 2 of the Dutch Civil Code;
- the company financial statements of Atradius N.V. ('the Company') give a true and fair view of the financial position of the Company as at 31 December 2023 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2023 of Atradius N.V., Amsterdam. The financial statements comprise the consolidated financial statements of the Group and the company financial statements.

The consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2023;
- the following statements for 2023: the consolidated profit and loss statement, the consolidated statements of comprehensive income, changes in equity and cash flows; and
- the notes to the financial statements, including material accounting policy information and other explanatory information.

The company financial statements comprise:

- the company statement of financial position as at 31 December 2023;
- the company profit and loss statement for the year ended 31 December 2023; and
- the notes, comprising a summary of the accounting policies applied and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code for the consolidated financial statements and Part 9 of Book 2 of the Dutch Civil Code for the company financial statements.

NLE00023197.1.1

PricewaterhouseCoopers Accountants N.V., Thomas R. Malthusstraat 5, 1066 JR Amsterdam, P.O. Box 90357, 1006 BJ Amsterdam, the Netherlands
T: +31 (0) 88 792 00 20, F: +31 (0) 88 792 96 40, www.pwc.nl

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

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

Independence

We are independent of Atradius N.V. in accordance with the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Information in support of our opinion

We designed our audit procedures with respect to fraud and going concern, and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in support of our opinion, such as our findings and observations related to the audit approach fraud risk and the audit approach going concern was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of Atradius N.V. and its environment and the components of the internal control system. This included the management board's risk assessment process, the management board's process for responding to the risks of fraud and monitoring the internal control system and how the supervisory board exercised oversight, as well as the outcomes. We refer to section *Risk and Capital – managing and adapting to changes – Operational risk* of the management report for management's fraud risk assessment and section *4.4.1 Operational risk management* of the notes to the financial statements.

We evaluated the design and relevant aspects of the internal control system with respect to the risks of material misstatements due to fraud and in particular the fraud risk assessment, as well as the code of conduct, whistleblower procedures, incident registration and investigation protocols, among other things. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls designed to mitigate fraud risks.

We asked members of the management board as well as the internal audit department, legal affairs and the supervisory board whether they are aware of any actual or suspected fraud. This did not result in signals of actual or suspected fraud that may lead to a material misstatement.
As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

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We identified the following fraud risks and performed the following specific procedures:

Identified fraud risks	*Our audit work and observations*
The risk of management override of control The management board members are in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. That is why, in all our audits, we pay attention to the risk of management override of controls in: • the appropriateness of journal entries and other adjustments made in the preparation of the financial statements; • management estimates; • significant transactions, if any, outside the normal course of business for the Company. We paid particular attention to tendencies due to possible interests of the management board.	We evaluated the design and implementation of the internal control system for the processes of generating and processing journal entries, making estimates, and monitoring projects. We also paid specific attention to the access safeguards in the IT system and the possibility that these led to violations of segregation of duties. We performed our audit procedures in a mix of controls and substantive procedures. We have addressed the risk of management override of controls by: • Journal entries and other adjustments: we have selected journal entries based on risk criteria and performed specific audit procedures on these. These procedures include, among others, inspection of the entries to source documentation. We have assessed all other adjustments made in the preparation of the financial statements and noted no irregularities. • Management estimates: we have evaluated management estimates. We also specifically paid attention to the inherent risk of (unintentional or intentional) bias of management with respect to assumptions made. We assessed the sensitivity calculation for the estimates performed by management and established that it fell within a reasonable range of outcomes. • Significant transactions outside the normal course of business: we did not identify any significant transactions outside the normal course of business. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to management override of controls.
Risk of fraud in revenue recognition As part of our risk assessment and based on a presumption that there are risks of fraud in revenue recognition, we evaluated each type of revenue. With the application of the new IFRS 17 accounting standard, a new concept of insurance revenue is introduced. Under IFRS 17, the insurance revenue in each reporting period reflects the consideration to which the Company expects to be entitled in exchange for the services provided in that period.	We evaluated the design and implementation of the internal control measures and assessed the effectiveness of relevant controls in the process related to revenue reporting. Furthermore, we performed the following specific procedures, where applicable on a sample basis: • We performed specific work on the recognition of contracts, the assumptions used and subsequently the CSM balance sheet recognition. • We assessed the distribution pattern of CSM release into the insurance revenue. • We performed testing on contractual input data related to the insurance liabilities.

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Identified fraud risks	*Our audit work and observations*
The consideration contains a release of expected cash flows from the insurance contract assets and liabilities for elements like expected claims, contractual service margin and risk adjustment for non-financial risks. Consequently, insurance revenue is based on management's estimation of the valuation of certain assets and liabilities arising from insurance contracts using new or existing models and significant assumptions which may be influenced by management bias. We determined the risks of fraud in revenue recognition of insurance revenue to be predominantly present as it relates to the completeness, accuracy and cut-off assertions for the balance sheet recognition of the client service margin (CSM). In particular, the judgements associated with determining the parameters considered to measure whether insurance contracts have become onerous, as well as the release pattern of the CSM, are important in this regard.	• We challenged managements assumptions on both the Best Estimate Reserve and the Risk adjustment as well as the results driven by experience adjustments. • As part of our procedures, we evaluated the reasonableness of onerousness of insurance contracts. We performed our audit procedures in a mix of control and substantive procedures. We involved specialists in the field of actuarial valuations during the audit of the CSM. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to fraud in revenue recognition.

We incorporated an element of unpredictability in our audit. We also reviewed lawyer's letters and correspondence with regulators. During the audit, we remained alert to indications of fraud. Furthermore, we considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance with laws and regulations.

Audit approach going concern

The management board prepared the financial statements on the assumption that the Company is a going concern and that it will continue all its operations for at least twelve months from the date of preparation of the financial statements.

Our procedures to evaluate the management board's going-concern assessment included, among others:

- considering whether the management board identified events or conditions that may cast significant doubt on the Company's ability to continue as a going concern (hereafter: going-concern risks);
- considering whether the management board's going-concern assessment included all relevant information of which we are aware as a result of our audit and inquiring with the management board regarding the management board's most important assumptions underlying its going-concern assessment;
- evaluating the management board's current budget including cash flows for at least twelve months from the date of preparation of the financial statements taken into account current developments in the industry such as the macroeconomic outlook affecting global changes of insolvency and all relevant information of which we are aware as a result of our audit;
- analysing whether the current and the required financing has been secured to enable the continuation of the entirety of the Company's operations, including compliance with relevant covenants;
- performing inquiries of the management board as to its knowledge of going-concern risks beyond the period of the management board's assessment.

Based on our procedures performed, we concluded that the management board's use of the going-concern basis of accounting is appropriate, and based on the audit evidence obtained, that no material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

Report on the other information included in the annual report

The annual report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains all the information regarding the directors' report and the other information that is required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

The management board is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

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Responsibilities for the financial statements and the audit

Responsibilities of the management board and the supervisory board for the financial statements

The management board is responsible for:

- the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the management board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management board is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the management board should prepare the financial statements using the going-concern basis of accounting unless the management board either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The management board should disclose in the financial statements any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

The supervisory board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, and is not a guarantee that an audit conducted in accordance with the Dutch Standards on Auditing will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Amsterdam, 15 March 2024
PricewaterhouseCoopers Accountants N.V.

Original has been signed by M.D. Jansen RA

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Appendix to our auditor's report on the financial statements 2023 of Atradius N.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management board.
- Concluding on the appropriateness of the management board's use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.
  Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Considering our ultimate responsibility for the opinion on the consolidated financial statements, we are responsible for the direction, supervision and performance of the group audit. In this context, we have determined the nature and extent of the audit procedures for components of the Group to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole. Determining factors are the geographic structure of the Group, the significance and/or risk profile of group entities or activities, the accounting processes and controls, and the industry in which the Group operates. On this basis, we selected group entities for which an audit or review of financial information or specific balances was considered necessary.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Glossary

Atradius Atrium
Credit management portal giving customers and brokers access to all the information they need to manage their policies and apply for credit limits in one place, in real time.

Atradius Insights
An advanced online business intelligence tool to support our customers with a detailed analysis of their debtor portfolio and help them in managing their buyer portfolios and credit risks.

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 and/or 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 a performance indicator 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.

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.

Atradius Insights
An advanced online business intelligence tool to support our customers with a detailed analysis of their debtor portfolio and help them in managing their buyer portfolios and credit risks.

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 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 our dedicated team of underwriters.

SME
Small and medium-sized enterprises.

Solvency II
An EU Directive that codifies the EU insurance regulation. 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.

Surety (product)
The activity of providing guarantees that protect the beneficiary if the supplier fails to meet the agreed performance level. Surety was previously named bonding.

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.

** Applies to terminology used int he management report.*

Disclaimer

The information in the chapter 'The global economic environment" is for general guidance on matters of interest only. While we have made every attempt to ensure that the information contained in this report reflects careful analysis and investigations on our side before publication of this Annual Report, we are neither responsible for any errors or omissions nor for the results obtained from the use of this information.

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Produced and published

This Annual Report is published by Atradius N.V.

Your contact

Dirk Hagener – Director Group Marketing and Communication
Phone: +31 20 553 2626
Email: dirk.hagener@atradius.com