

PRESS RELEASE

FOR IMMEDIATE RELEASE

Global trade continues to grow, but risks increase Rising claims hamper positive outlook

Amsterdam / London, 30 March 2016 – Members of the Berne Union and members of the International Credit Insurance & Surety Association (ICISA) report a positive development of global trade in 2015 and expect a mixed picture for 2016. They expect growth in premium income and insured turnover. However this outlook is influenced by a negative claims development and an expected increase in insolvencies in almost all regions. Furthermore, the market is not expected to be as soft as in 2015, especially in Africa, MENA region and Latin America.

Trade credit insurance

The trade credit insurance members of the Berne Union and ICISA reported positive results in 2015, but have a mixed outlook for 2016. Growth in premium is expected in most regions, and particularly in Europe, MENA and Asia. All regions saw a slight increase in the number of policyholders in 2015 and this positive trend is expected to continue in 2016. An increase in premium income was noted in Europe, North America and Latin America.

The claims and insolvencies trend was, overall, stable to negative in 2015. The number of claims increased in Europe, the MENA region and the Americas. Insolvencies were on the rise in Asia, Africa, MENA and Latin America (mainly Brazil). For 2016 claims are expected to stabilize in Europe and Africa. The claims outlook for Latin America is mixed, but the claims situation in Asia is expected to deteriorate. Insolvencies are expected to grow in all regions in 2016, particularly in Asia, Australia, Europe and Latin America.

"Global trade continues to grow in all regions, especially in Asia and Europe, but risks are expected to increase further. The growth in policyholders shows clients value our product as a safe refuge in these uncertain times. This uncertainty is not only caused by macro-economic uncertainties, but also by a rise in fraud in most markets where our members operate in", Andreas Tesch, President of ICISA, notes.

Topi Vesteri, President of the Berne Union, emphasizes the increased demand for cover and the expected number of policyholders: "Many exporters and international investors see increasing demand from their sovereign and corporate importing clients for export credit solutions, mainly due the added stability and reliability to transaction execution that result from the various products offered by our members. There were some indications of increasing private credit insurers' involvement in multi-sourced structured finance projects. As many Berne Union members are government mandated export credit agencies, their respective mandate may allow them supporting their respective national exporters only. Whereas the European market showed outstanding growth in 2015, in other global regions the pool of policyholders remained stable. For 2016, respondents anticipate significant growth increase in the African region and a continuing positive trend for export credit insurance in Europe."

Kai Preugschat, Secretary-General of the Berne Union, states about the current market and the outlook 2016: "Members of the Berne Union seem mostly concerned about selected countries' debt sustainability risk resulting from persistently low oil prices, the slowdown of the BRICS economies and its effects on the global market as well as a seemingly increasing geopolitical instability in the Middle East. One relevant opportunity underlined by the industry is the potential from the re-opening of the market in Iran, followed by the continued need to facilitate SME lending solutions and further demand to support infrastructure projects. Respondents named the MENA region, Africa and Europe as the top three regions where growth is expected in 2016."

Robert Nijhout, Executive Director of ICISA, adds: "The increased number of claims and insolvencies and the mixed outlook for 2016 reflect the uncertain economic situation in large parts of the world.

ICISA members work closely with their policyholders to manage the risks as a result of this deteriorating risk outlook”

Surety

The surety members of ICISA expect the increase in the number of policyholders during 2015 to continue in 2016, especially in Europe, North America and Latin America (Mexico). The picture for both 2015 results and the outlook for 2016 are mixed. The surety market is expected to grow in most regions in 2016, mainly in Europe and the Americas. Insured turnover stabilized in 2015. The Americas and Europe were positive exceptions and reported an increase in insured turnover. This positive trend is expected to continue in 2016. The premium income picture for 2015 and 2016 is very mixed. Premium income grew in most regions with the exception of Belgium, Italy and the Netherlands where a decrease was noted. In Brazil, Canada and the UK the picture was mixed. For 2016 members expect premium income to stabilize in most regions and expect growth in Europe, Mexico and Canada. Italy is seen as a market where premium income is expected to decrease. Both claims and insolvencies stabilized in 2015, but increased in Latin America (Brazil). Also Asia saw a rise in insolvencies. For 2016 a further rise in claims and insolvencies is expected, particularly in the Americas and Europe.

“The surety market is expected to continue on this positive trend, but expects to encounter some headwinds due to the negative development in claims and insolvencies in 2016”, Jos Kroon, Vice President of ICISA explains.

Note to the editor

Please contact Edward Verhey, Head of Advocacy & Media Relations at ICISA, per e-mail: edward.verhey@icisa.org or telephone: +31 (0)20 625 4115, and Kai Preugschat, Secretary General at the Berne Union per email: kpreugschat@berneunion.org or telephone: +44 20 7841 1111, if you are interested to learn more about the statements made in this press release or about the markets members of both organisations operate in.

About Berne Union

The Berne Union, International Union of Credit & Investment Insurers was founded over 82 years ago with the vision to be an export credit insurer’s platform for information exchange, sharing of expertise and networking among its members. This vision remains unchanged and relevant today. The mission of the Berne Union, to support and grow trade and investment globally, can best be evidenced by the new export and investment credit commitments made by Berne Union and Prague Club members which amounted to approximately USD 2 trillion in 2015. Out of the total business volume, more than USD 1.7 trillion represents the support provided by short term export credit insurance.

During 2015, the overall commitment provided by Berne Union and Prague Club members this represented backing of just over 10% of world trade.

Many of the Berne Union members are government-endorsed export credit agencies, generally referred to as ‘ECAs’. ECAs are operating under a market gap mandate, generally restricted to higher risk, non-marketable risk and longer dated taking.

Berne Union and Prague members: ABGF - AIG - ASEI - ASHRA - ATI - ATRADIUS - BANCOMEXT - CESCE - COFACE - COSEC - CREDENDO - ECGC - ECIC SA - ECICS - EDC - EFIC - EGAP - Euler Hermes - EKF - EKN - EXIM HUNGARY - EXIM J - EXIMBANKA SR - FCIA - FINNVERA - GIEK - HISCOX - HKEC - ICIEC - KSURE - KUKE - MEXIM - MIGA - NEXI - ODL - OeKB - OPIC - PwC - SACE - SERV - SID - SINOSURE - SLECIC - SOVEREIGN - TEBC - THAI EXIMBANK - TURK EXIMBANK - UKEF - US EXIMBANK - XL - ZURICH

ALTUM - AOFI - BAEZ - BECI - DHAMAN - ECGAO - ECGE - ECIE - ECIO - EGFI - EIAA - EXIAR - EXIMR - EXIMGARANT - HBOR - IGA - JLGC - KAZEXPORTGARANT - KREDEX - LCI - LPEI - MBDP - NAIFE - NZECO - SEP - SONAC - TASDEER - UKREXIMBANK - UZBEKINVEST

For more information on Berne Union, please visit www.berneunion.org

About ICISA

The International Credit Insurance & Surety Association (ICISA) brings together the world's leading companies that provide trade credit insurance and/or surety bonds. Founded in 1928 as the first trade credit insurance association, the current members account for 95% of the world's private trade credit insurance business. Today, with almost USD 3 trillion in trade receivables insured and billions of dollars worth of construction, services and infrastructure guaranteed, ICISA members play a central

role in facilitating trade and economic development on all five continents and practically every country in the world.

ICISA members: ACE - Acredia Versicherung AG - Afianzadora Latinoamericana - Amlin - Arch Re - Argo Surety - PT. Askrido (Persero) - Aspen Re - Atradius - AXA Assurcredit - AXA Winterthur - AXIS Re Ltd - Catlin Re Switzerland Ltd - CESCE - China National Investment & Guaranty Co., Ltd - China Pacific Insurance Co. Ltd. - Chubb - CLAL Credit Insurance Ltd - Coface - COSEC - Credimundi - Credit Guarantee - ECICS Limited - Endurance - Euler Hermes - Fianzas Atlas - Garant - The Guarantee Company of North America - Groupama Assurance-Crédit - Hannover Re - ICIC - Liberty - Lombard Insurance Company - Mitsui Sumitomo - Munich Re - Nationale Borg - Novae Group plc - PartnerRe Ltd - PICC Property and Casualty Company Limited - Ping An P&C - Qatar Re - QBE - R+V Re - SACE BT - SCOR Global P&C SE - Seoul Guarantee Insurance Company (SGI) - SID-First Credit - Sompo Japan - Swiss Re - Tokio Marine & Nichido Fire Insurance - Tokio Marine HCC - Travelers - Tryg Garanti - Zurich Global Corporate UK, Surety - Zurich Insurance plc, Niederlassung für Deutschland - Zurich Surety, Credit and Political Risk

For more information on ICISA, please visit www.icisa.org