



An Atradius Collections presentation for Panamerican Surety Association

Lima, Peru

October 2018

Gideon Jones

**Environment
of Risk**

**Atradius
Collections**

**Key Points
about
collections**

Services



Market environment

In 2050 the emerging markets will account for more than 50% of world GDP.

Top 30 GDP countries in 2010

1	US	
2	Japan	
3	China	Asia
4	Germany	
5	UK	
6	France	
7	Italy	
8	India	Asia
9	Brazil	Latin America
10	Canada	
11	S.Korea	Asia
12	Spain	
13	Mexico	Latin America
14	Australia	
15	Netherlands	
16	Argentina	Latin America
17	Russia	CIS
18	Turkey	MENA
19	Sweden	
20	Switzerland	
21	Indonesia	Asia
22	Belgium	
23	Saudi Arabia	MENA
24	Poland	East Europe
25	Hong Kong	Asia
26	Austria	
27	Norway	
28	South Africa	Africa
29	Thailand	Asia
30	Denmark	

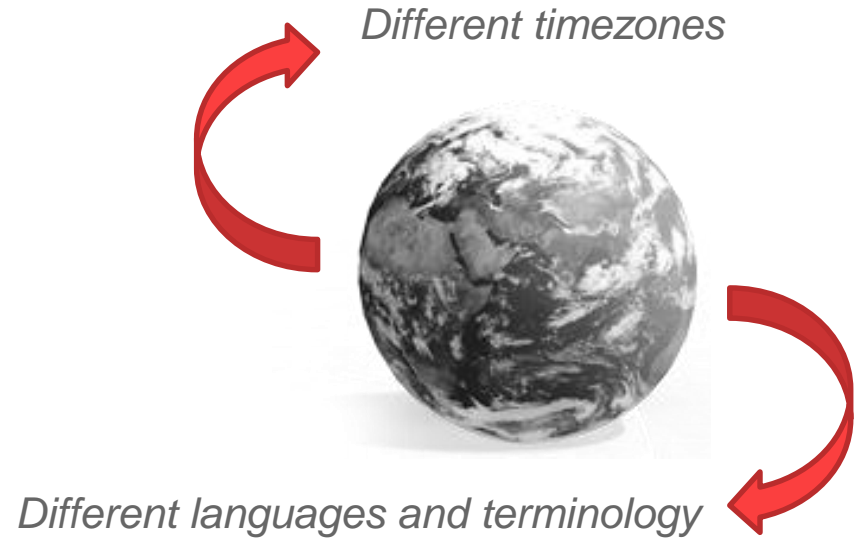
Top 30 GDP countries in 2050

1	China	Asia
2	US	
3	India	Asia
4	Japan	
5	Germany	
6	UK	
7	Brazil	Latin America
8	Mexico	Latin America
9	France	
10	Canada	
11	Italy	
12	Turkey	MENA
13	S.Korea	Asia
14	Spain	
15	Russia	CIS
16	Indonesia	Asia
17	Australia	
18	Argentina	Latin America
19	Egypt	MENA
20	Malaysia	Asia
21	Saudi Arabia	MENA
22	Thailand	Asia
23	Netherlands	
24	Poland	East Europe
25	Iran	MENA
26	Colombia	Latin America
27	Switzerland	
28	Hong Kong	Asia
29	Venezuela	Latin America
30	South Africa	Africa

GDP. It is expected to reach \$86 Trillion by 2020!

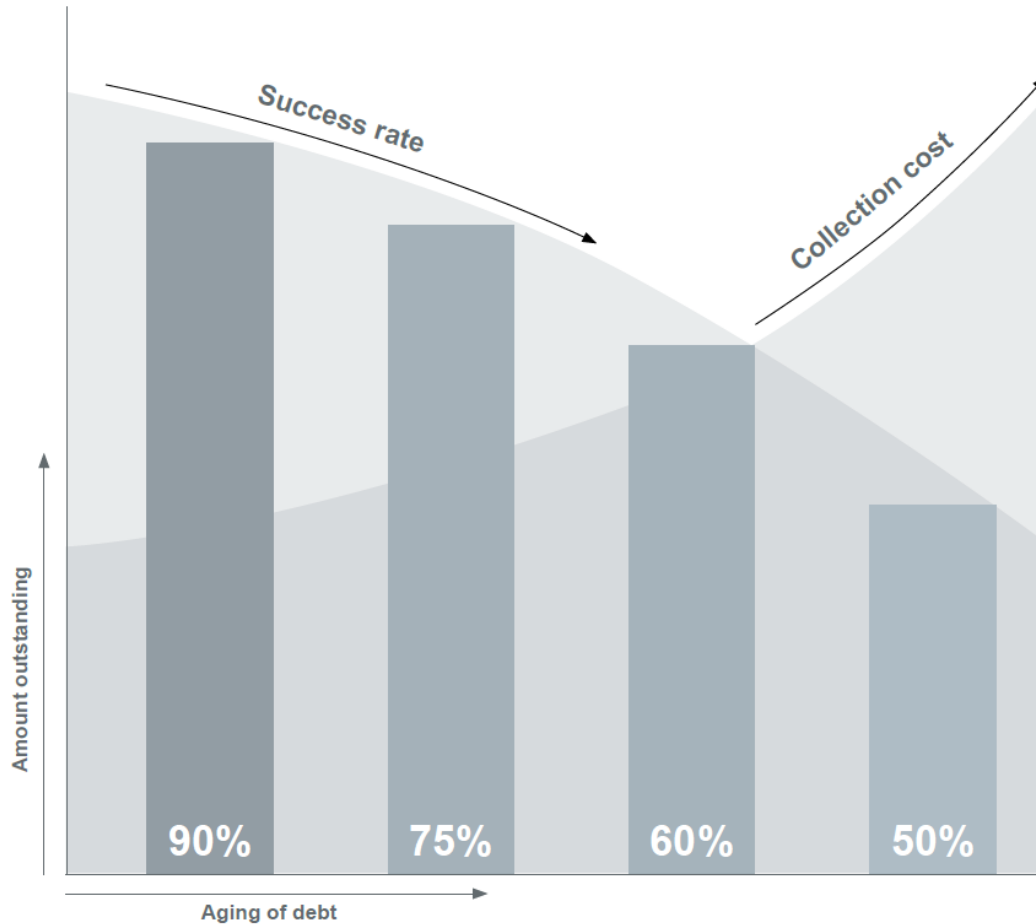
80-90% of this trade is done through credit!

The complexity of trading abroad



Key Point – Collections is a time-critical process

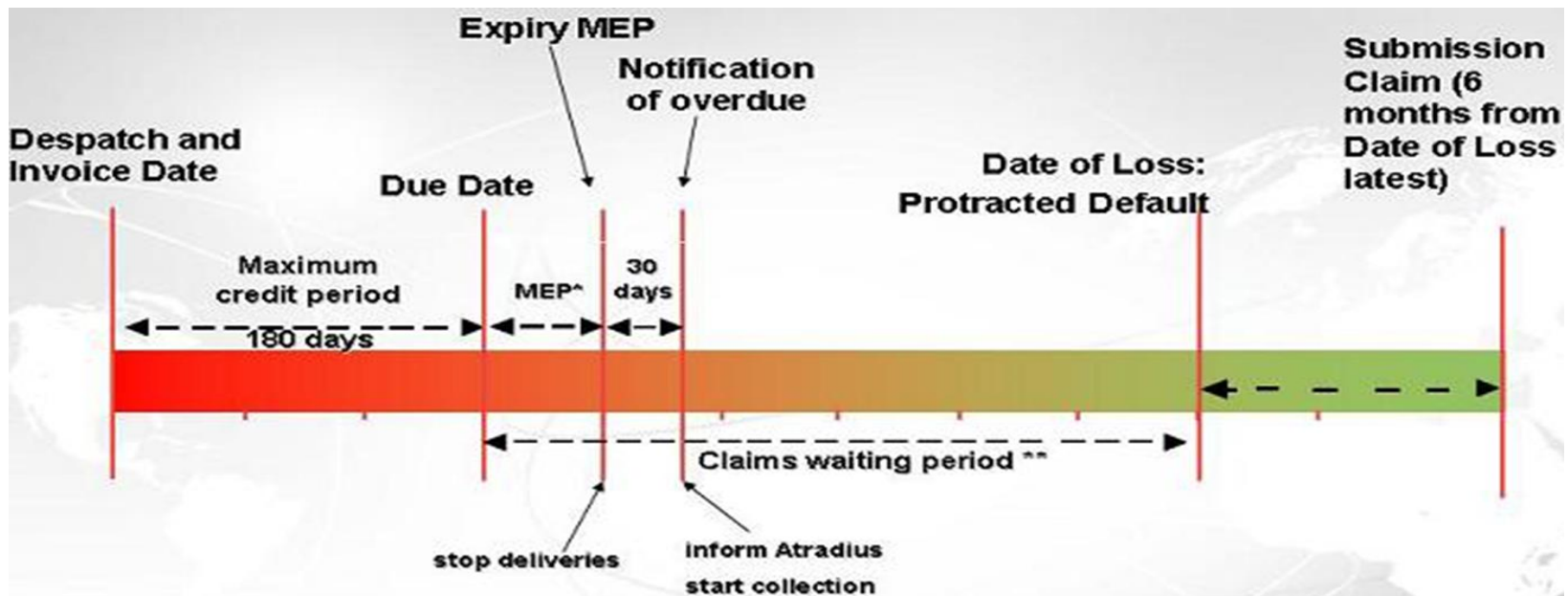
The sooner actions are taken the higher the success and lower the actual cost to collect.



Approach:
from effectiveness to
efficiency

Key Point – An effective collection process positively contributes to loss ratio performance

- Collections is an important tool to deliver strong results in credit insurance
- Insured customers are generally not good at collecting aged debt
- Best practice developed by credit insurers sees unpaid insured debts escalated to professional debt collection at a defined age point e.g. 60-90 days past due date

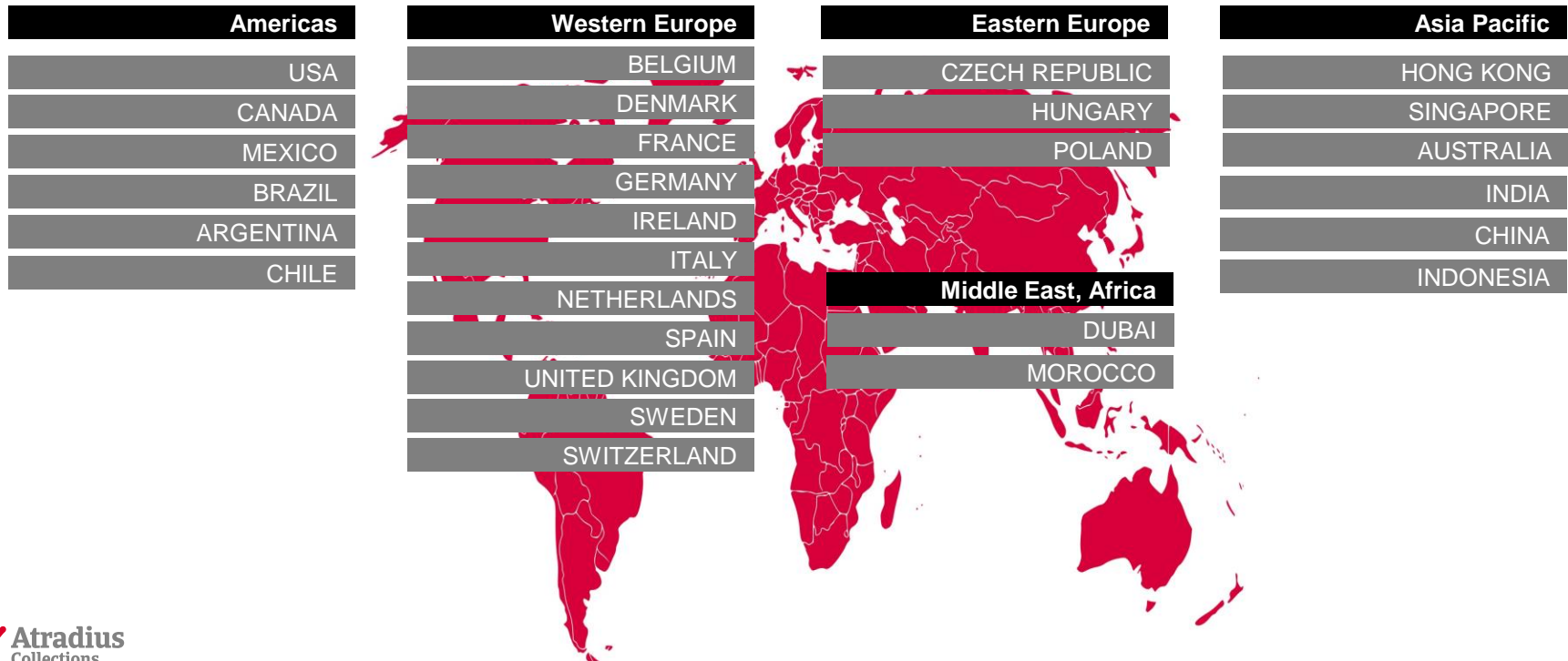


Key Point – Build or Buy a collections service?

- Generally, only the largest credit insurers have in-house collection capability.
 - Credit insurers usually out-source collections either to a global collector or to a panel of smaller Debt Collection Agencies/Lawyers based in debtor countries
- Atradius Credit y Caucion insures €500+ billion of global trade. With these volumes we decided to create a separate unit, Atradius Collections, to manage defaulted debt
 - Collections teams in key markets motivated to collect effectively.
 - A service to our customers taking the problem away
 - An effective risk mitigation process to improve Loss Ratios on credit insurance portfolio
- Since 2005 Atradius Collections have offered collections as a stand-alone service
 - We provide “collections only” service to Credit insurer customers on 5 continents

Atradius Collections - Offices Worldwide

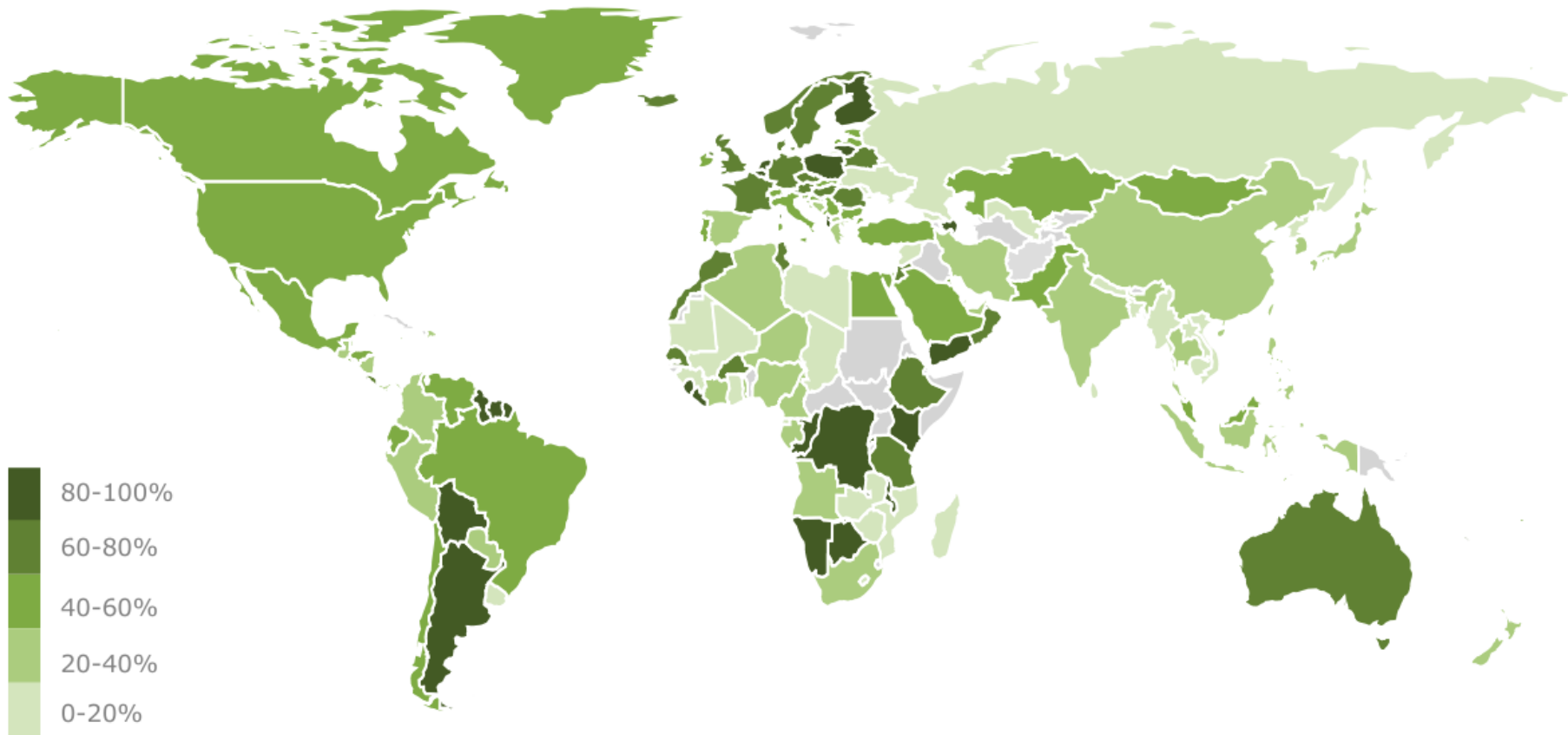
- 28 countries where Atradius Collections have an office
- 96% - we collect in 96% of countries worldwide
 - Established network of Legal partners for countries where we are not physically present
- 15,000 collection customers
- US\$1 billion trade debt for collection per annum
- 1 software platform



Worldwide reach - Success rates

We are present in 28 countries and cover over 96% of countries worldwide

Average success rate: 59,08%*

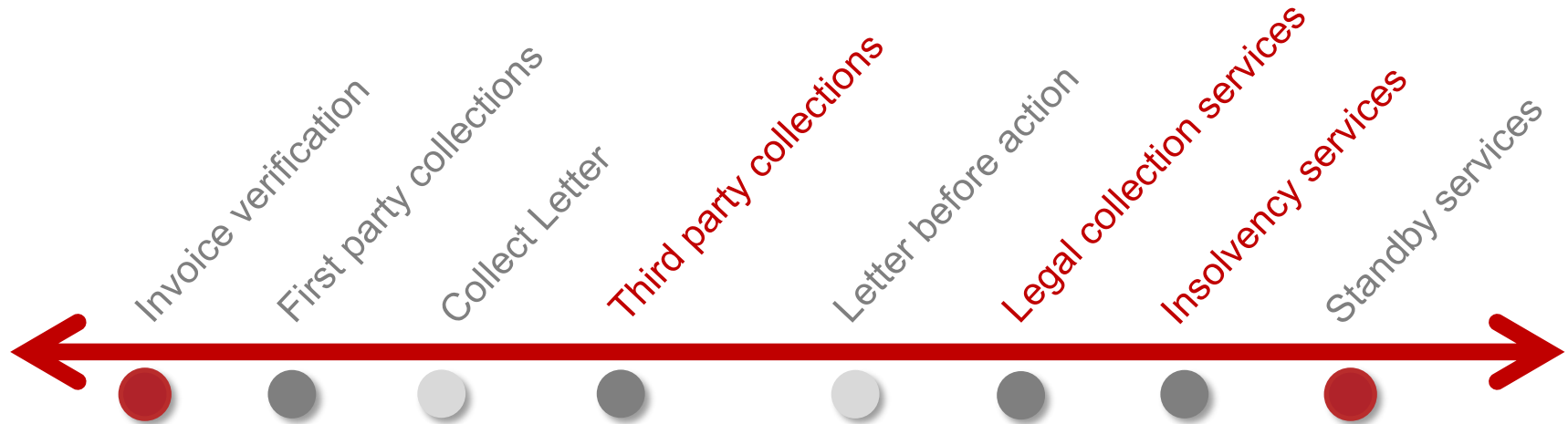


(*) debt collection success rate = the value of collected payments expressed as a percentage of the total debt received, excluding insolvencies and withdrawals

Period: 2012 until October 2017

Atradius Collections Services

Improving cash flow & Working capital by offering international expertise in:



● Relevant for credit insurers

Specialized services

- Debtor visit
- Large debt collection



Third party collections

- We offer an (international) debt collection service, communicating with debtors in local and international countries in order to obtain debt re-payment and avoid losses
- We contact debtors on your behalf (calls, letters, e mails) following defined debt collection protocols
- Atradius Collections reputation as a global player works for you/your customer
- Offered to customers with outstanding debts that are older than 60 days

Accessibility and Transparency

Wherever your debtors are located across the world, our collection specialists are always nearby.

All collection activities and results achieved can be seen directly in Collect@Net, our online collection system.

Covering 70% of world spoken languages ●

Focus on your core business rather than processes

**Communicate
with collectors**

**Upload new
cases**

**Monitor collection
process**

**Access
reports**

**Track current
debtor accounts**



Legal Collections

- When the debtor refuses to pay during the amicable collection phase, Atradius Collections offers to collect your outstanding invoices through legal collection (court action)
- Offered to customers when the debtor has enough assets in order to effect execution once a verdict has been received
- Always your choice whether to proceed to litigation



Insolvency Service

- A bankruptcy procedure is often a lengthy and cumbersome process
- This is particularly challenging for exporting companies who find themselves confronted with different legislative systems
- Language issues and local procedures can make it very difficult for individual businesses to recover any of their outstanding debts due under an insolvency procedure
- Atradius Collections will manage the registration and relationship with the insolvency practitioner, keeping track of any dividend due

Navigate international debt collections professionally

The International Debt Collection Handbook effectively serves as a trusted advisor in collection practices.

The Handbook includes 38 countries and explains the different stages of:

- amicable settlement
- financial regulations
- legal proceedings and
- insolvency procedures

www.atradius.com

www.atradiuscollections.com



“Only with local expertise can businesses ensure they are following a professional and successful approach. In the eight years of its existence, the International Debt Collection Handbook has proven to be an invaluable tool for credit managers.”

Conclusions

1. The expansion of Open Account trading and the risk environment means there is continued strong demand for credit insurance
2. Collections is a key tool of credit management which is essential to deliver great results
3. Design your collection process as part of the policy obligations – define clear notification and collection procedures
4. Atradius Collections are ready to support your business – our knowledge and experience supporting credit insurers can work for your business





Atradius Collections



Gideon Jones
Global Channel Manager – Atradius Collections
Direct Line - +44 (0) 2920 824391
Mobile - + 44 (0) 7768 233 328
E Mail gideon.jones@Atradius.com
www.atradiuscollections.com

Paulo Sawos
Country Manager Brazil – Atradius Collections
Direct Line - +55 11 3214 0478
Mobile - + 55 (0)
E Mail Paulo.sawos@Atradius.com
www.atradiuscollections.com