

Highlights of the year

Credendo has bounced back following the Covid-19 pandemic, marking its centenary year with strong growth, an improved market position and innovative product development. Making a positive impact on the environment is a key focus too.

Covid support

While the outbreak of Covid-19 in 2020 was a violent and sudden shock for the world economy, the ramifications of the pandemic have proven to be less severe than first anticipated.

Due to EU and state support packages implemented in the early days of the pandemic, the number of bankruptcies in Europe was lower than the number recorded in the year preceding the Covid outbreak. The economic recovery was swift and happened much earlier than the market initially expected.

By 2021, the credit insurance market had stabilised and, in Belgium, the state-backed reinsurance support programme developed by Credendo was brought to a close at the end of June after having been extended at the end of 2020.

This programme had been set up in 2020 and involved Credendo acting as the reinsurer for private credit insurers to help them maintain the same credit limits they had in place in the year preceding the outbreak of Covid-19. The aim of this programme was to ensure trade would continue and companies would not face the same problems they did during the global financial crisis of 2008, when credit insurance dried up.

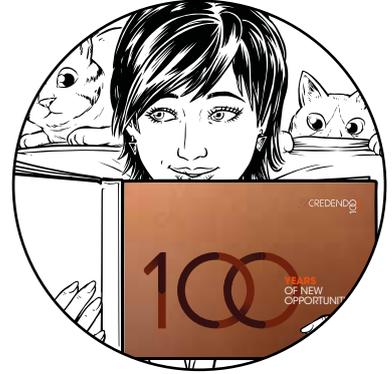
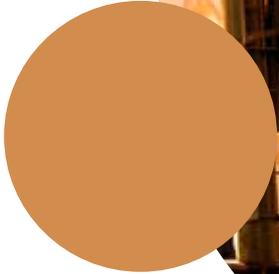
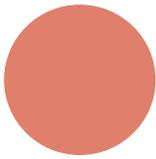


The Covid-19 outbreak proved to be an 'asymmetric shock', meaning that it had a significant detrimental impact on specific industries such as transport, tourism and hospitality. But these businesses are not typically insured by credit insurers. Following the first lockdowns, other industries were quick to recover by the end of 2020.

We have continued to pay attention to the safety of our employees, adhering to government recommendations on creating a safe working environment, promoting telework and taking a cautious approach when implementing any change in advice or policy.

While Credendo's offices in Brussels remained open during the pandemic and offered a safe place to work, most of our staff were able to work remotely as well. Credendo's Crisis Management Team met weekly to assess the impact of the pandemic and take appropriate measures.

We anticipate that while there will be more staff returning to the office in the coming year, there will not be a full-scale return to the pre-pandemic way of working and we will see remote working, less frequent business travel and teleconferences remaining a significant part of the way we operate.



Centenary celebrations

2021 marked the 100th anniversary of the establishment of Credendo. The company was founded in 1921 to support Belgian international trade by providing guarantees and insurance. It has become an international group with a presence in 14 European countries. It was formerly known as the Office National du Dueroire | Nationale Delcrededienst, and adopted the name Credendo in 2017.

Due to the ongoing Covid-19 pandemic, sadly many of the planned activities and celebrations were cancelled. However, we ran a successful communication campaign and produced three new corporate videos for the occasion of our anniversary. We also published a special celebratory book commemorating our 100 years, which was released together with our annual report. And finally, we published our own Credendo comic book in 10 languages. All these publications are available on the specific separate website we created.



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Improving market position

The merger of Credendo – Single Risk with Credendo – Excess & Surety was concluded in June 2021 to create Credendo – Guarantees & Speciality Risks. The merger was first announced in September 2020.

Credendo – Guarantees & Speciality Risks brings together three business lines: excess-of-loss and top-up cover, Single Risk insurance and surety bonds. It has a paid-in capital of EUR 135 million. Its headquarters are in Brussels with a presence across ten countries.

The newly merged entity serves as a single gateway to a range of specialised insurance products, helping improve access for businesses looking for solutions to support their needs. It has helped strengthen Credendo's market position as a provider of specialised insurance products.

The merger has been welcomed by the market, with no cancellation of policies by clients. The rating agency S&P Global Ratings assigned Credendo – Guarantees & Speciality Risks with a rating of A- with a stable outlook in 2021.

S&P Global Ratings also assigned a rating of A with a stable outlook to both Credendo – Short-Term Non-EU Risks and Credendo – Short-Term EU Risks in March 2022. These are the first ratings granted to the two entities.

We opened a new office for Credendo – Short-Term Non-EU Risks in the Netherlands in 2021. This follows on from our expansion into Ireland in 2020, with the opening of a Credendo – Guarantees & Speciality Risks branch in Cork, offering surety bonds and guarantee facilities to Ireland-based companies.





New Board of Directors

In February 2022, the Belgian government appointed a new Board of Directors for Credendo – Export Credit Agency, with Vincent Reuter remaining the chairman of the board. Board members are appointed for five years.

Credendo also added new independent members to the boards of Credendo – Short-Term Non-EU Risks and Credendo – Guarantees & Speciality Risks. We wanted to bring in external board members that offered skills and knowledge in specific competencies such as IT or banking. The new appointments are in line with Credendo's aim to improve gender equality throughout the organisation.

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New products

Credendo updated and simplified its forfaiting product in 2021 to make it more accessible to exporters.

Forfaiting works by allowing an exporter to grant a deferred payment to its buyer and sell its receivables to Credendo. Under the original product, exporters also had to take out insurance cover with Credendo to be able to apply for forfaiting for their transaction. This requirement has now been removed.

The forfaiting procedure has also been shortened, ensuring that Credendo can immediately send the exporting company a signed forfaiting agreement as soon as the transaction has been approved for financing.

In addition, we wanted to increase our support for sustainable projects, and one year ago we started to identify which incentives Credendo could implement in order to support the development of sustainable projects.

This exercise has been carried out for the following of Credendo – Export Credit Agency's products: export credit insurance, financial guarantees and the funding activity. The 'Credendo Green Package' consists of lower thresholds with regard to the Belgian content of a transaction, a higher insured percentage, an extension to domestic transactions with export potential, higher participation in financial guarantees, more resources for own financing of transactions with an increase of the maximum amounts, and an extension of the repayment terms.

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Environmental impact

Credendo continues to work on reducing its impact on the environment, both through its internal operations and via its clients.

We are currently developing an action plan to progressively reduce our support towards fossil-fuel projects. One measure already implemented is that we no longer support projects related to the coal industry. Credendo has not supported any coal projects for the past three years, but we officially announced our stance in September 2021.

Furthermore, we anticipate a progressive phasing out of our support for other fossil-fuel projects, in line with the commitments Belgium took under the COP26 Statement on International Public Support for the Clean Energy Transition signed last year in Glasgow.

Belgium also participated in the Export Finance for Future (E3F) coalition, which aims to align export finance with climate change objectives. The coalition was created in April 2021 and signatories include the governments of France, Denmark, Germany, the Netherlands, Spain, Sweden and the UK. Belgium, Italy and Finland signed up to the coalition in November 2021.

Internally, we continue to reduce our CO₂ footprint with the installation of solar panels at the Brussels headquarters in March 2022, as well as ensuring all company cars in the car pool are now hybrid models.

These efforts will help ensure that we maintain our 'CO₂ Neutral*' label granted by the environmental consultant CO2logic in late 2020 for the second time.



Innovation and future strategy

Credendo's board approved a new three-year strategy in 2021. The strategy is called 'Rise' and follows on from our previous three-year plan named 'Lift Off!'. The plan is to organise the company according to business lines with the client's needs being prioritised.

We are continuing to progress with our AREA42 trade innovation ecosystem which brings together industry expertise to encourage the digitisation of trade. Marjory is a new company set up in early 2020, created via the AREA42 platform, and is set to grow in scale in the coming year.

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