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Managing risk, enabling trade



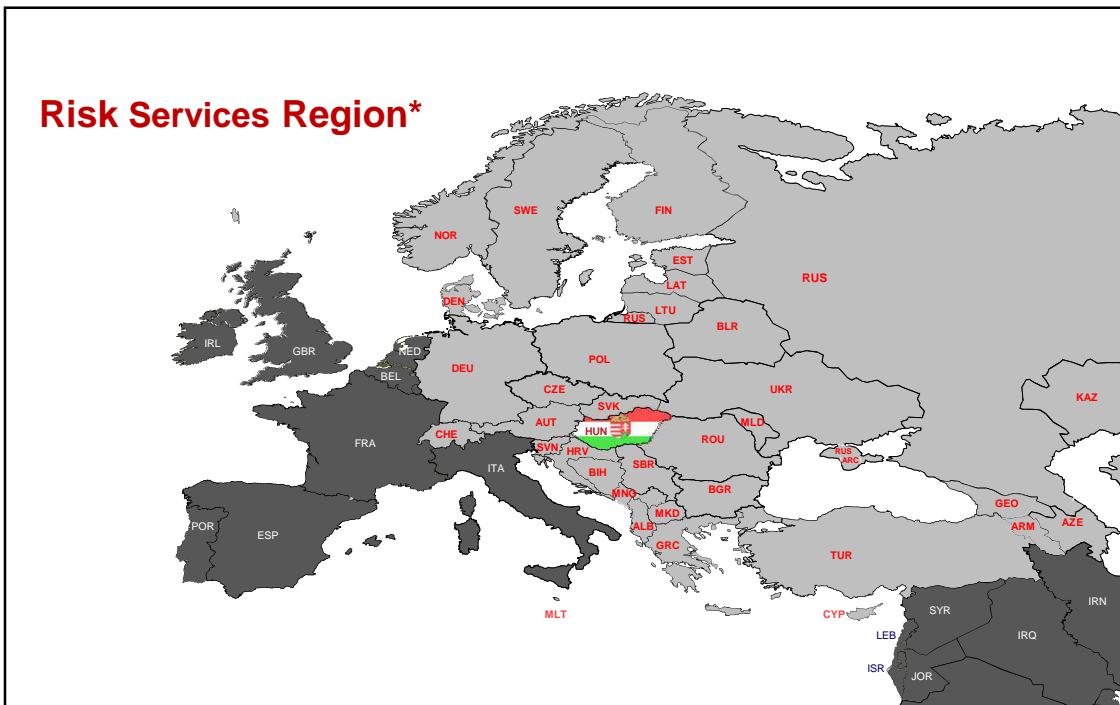
## Risk Underwriting in Hungary

Atradius HUNGARY

Budapest, 17/03/2016

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### Risk Services Region\*



\*Not illustrated: Bouvet island, Greenland, Iceland, Kyrgystan, Svalbard & Jan Mayen, Tajikistan, Turkmenistan, Uzbekistan


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### Key figures at glance - Hungary

- TPE: 3bn EUR
- Number of buyers with credit limit: over 15 000
- Speed of Service: over 60% decided within 48h
- Acceptance rate: 70-75%
- Main sectors: Engineering, Automotive, Construction, Metal manufacturing



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### Risk aspects - Highlights

✓ **Main Drivers**

- Favourable market environment and geographical location (e.g. for the relocation of the production activities to Hungary)
- Stabilization and consolidation processes in the banking system
- Developed financial reporting system – Yearly reports of the companies are available in structured way, free of charge
- Increased governmental efforts for the prevention of tax evasion

× **Challenges**


- Hungary's sovereign ratings being kept below investment grade – S&P: BB+/stable, Moody's: Ba1/positive, Fitch: BB+/positive
- Unpredictable and often rapidly changing regulatory framework in economy
- High company tax burden - encourages tax avoidance / tax evasion
- Hungary ranks 50th on the Corruption Perceptions Index (2014: 47th)

**SCORE**

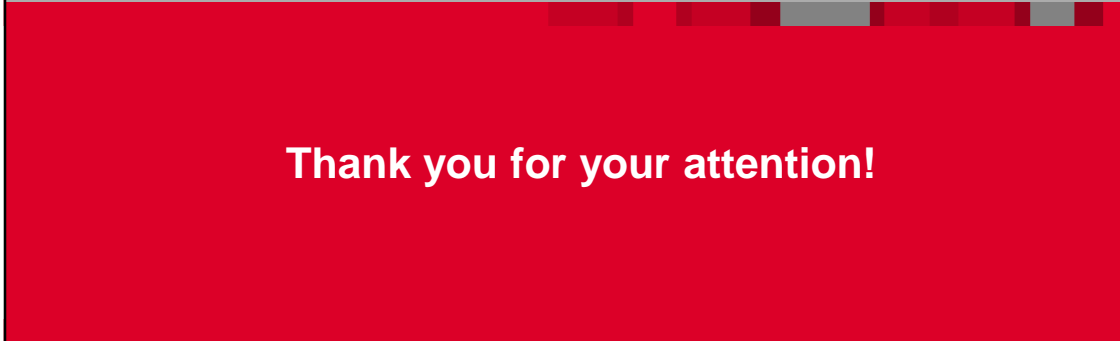
Highly Corrupt 0-9 10-19 20-29 30-39 40-49 50-59 60-69 70-79 80-89 90-100 Very Clean

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**Thank you for your attention!**

The image features a world map with several countries highlighted in red, including Canada, the United States, Mexico, Brazil, India, and parts of Europe and Africa. White lines representing flight paths or trade routes are overlaid on the map. The map is set against a dark grey background. Below the map is a solid red rectangular area containing the text 'Thank you for your attention!' in white.