



berneunion

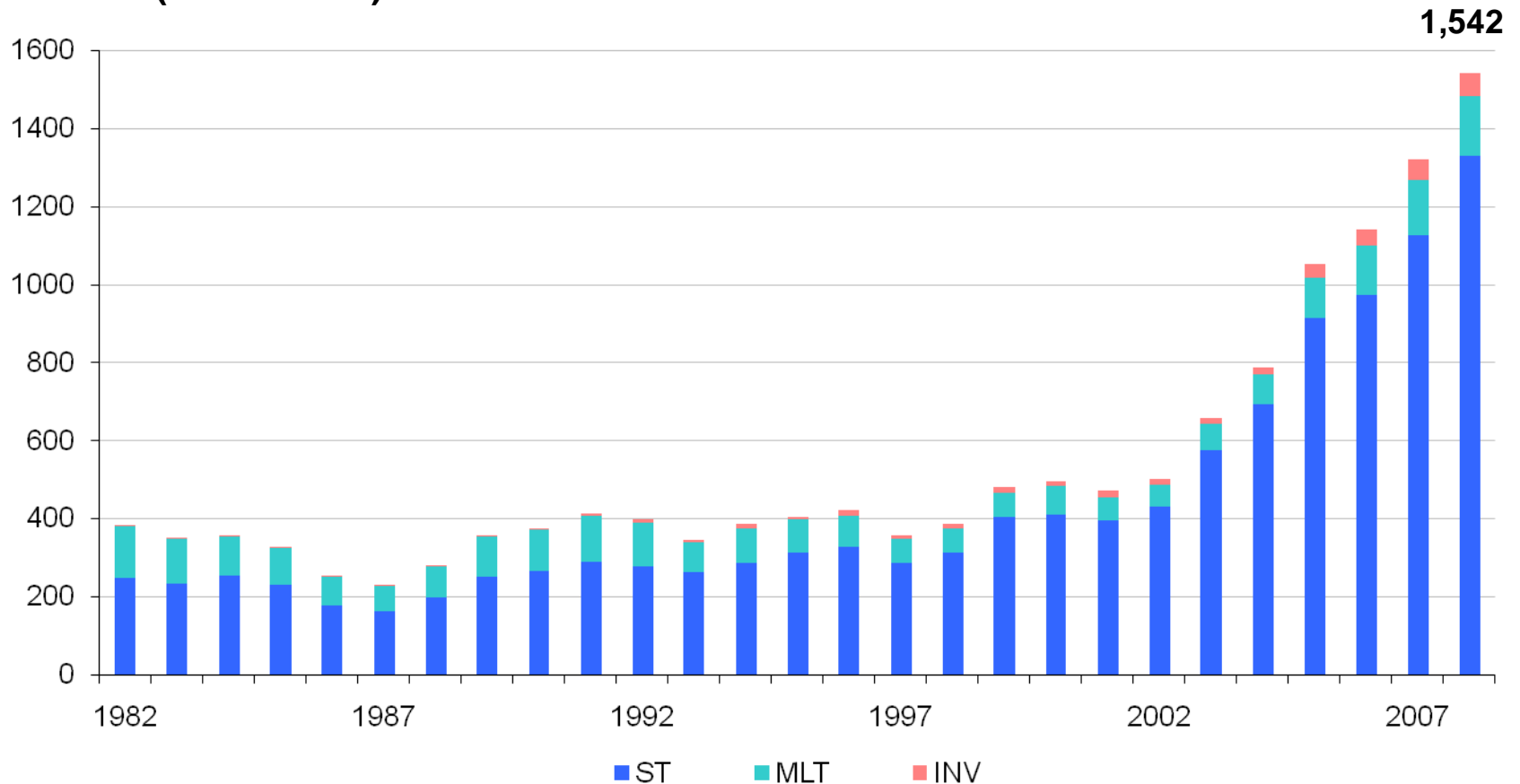
Berne Union members – riding out the storm ?

**Fabrice Morel
Berne Union secretariat**



BU total new business during year

(USD billion)

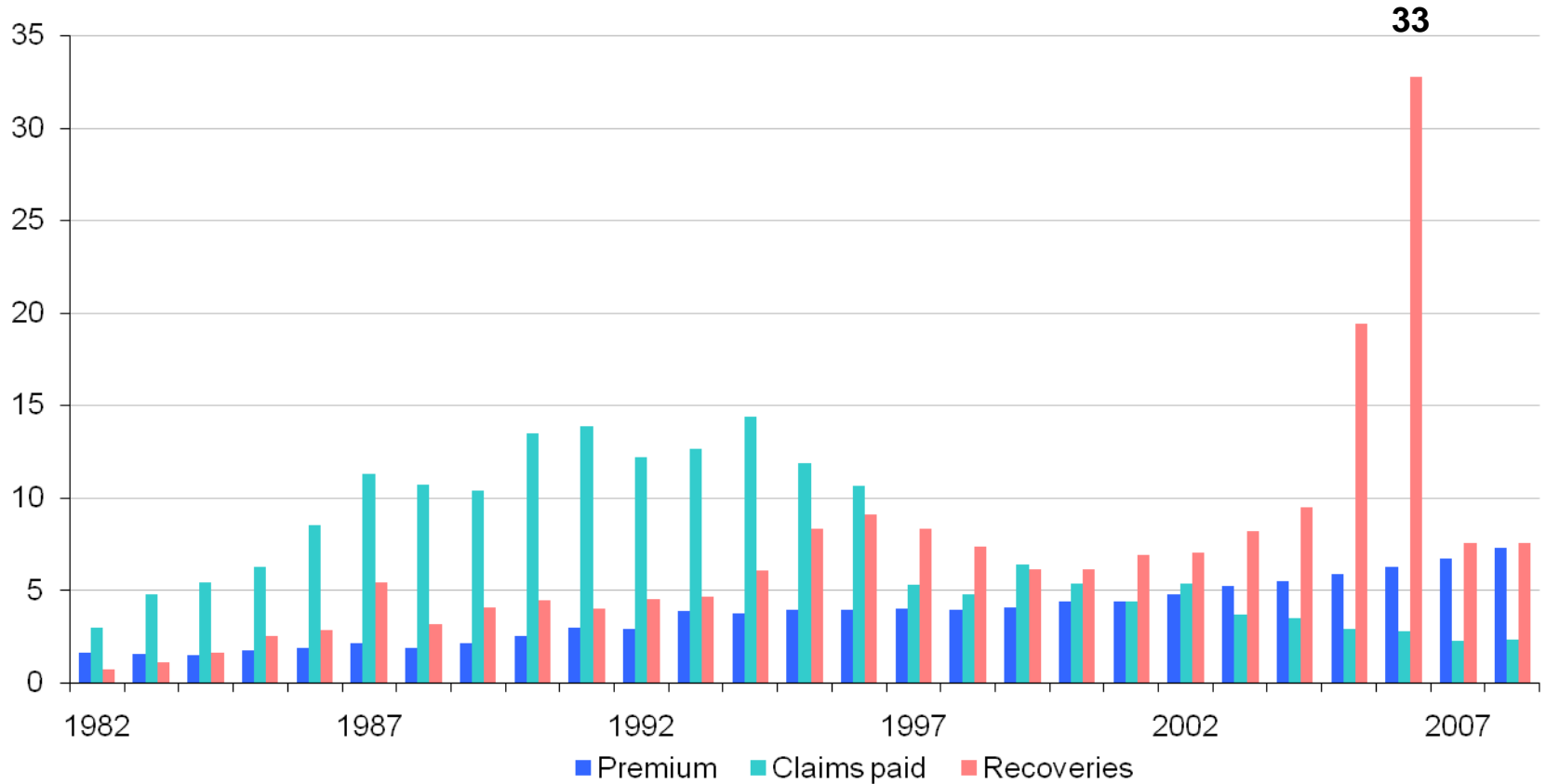


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BU total premium, claims, recoveries during year

(USD billion)



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BU total premium, claims during year

(USD billion)



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A few question marks

How bad will it get ?

What's the future for the industry ?

Not enough market capacity ?

Are these good or bad times for credit insurers ?

Do governments need to step in ?

Risks coming to the market that we have never seen ?

How was your reinsurance renewal ?

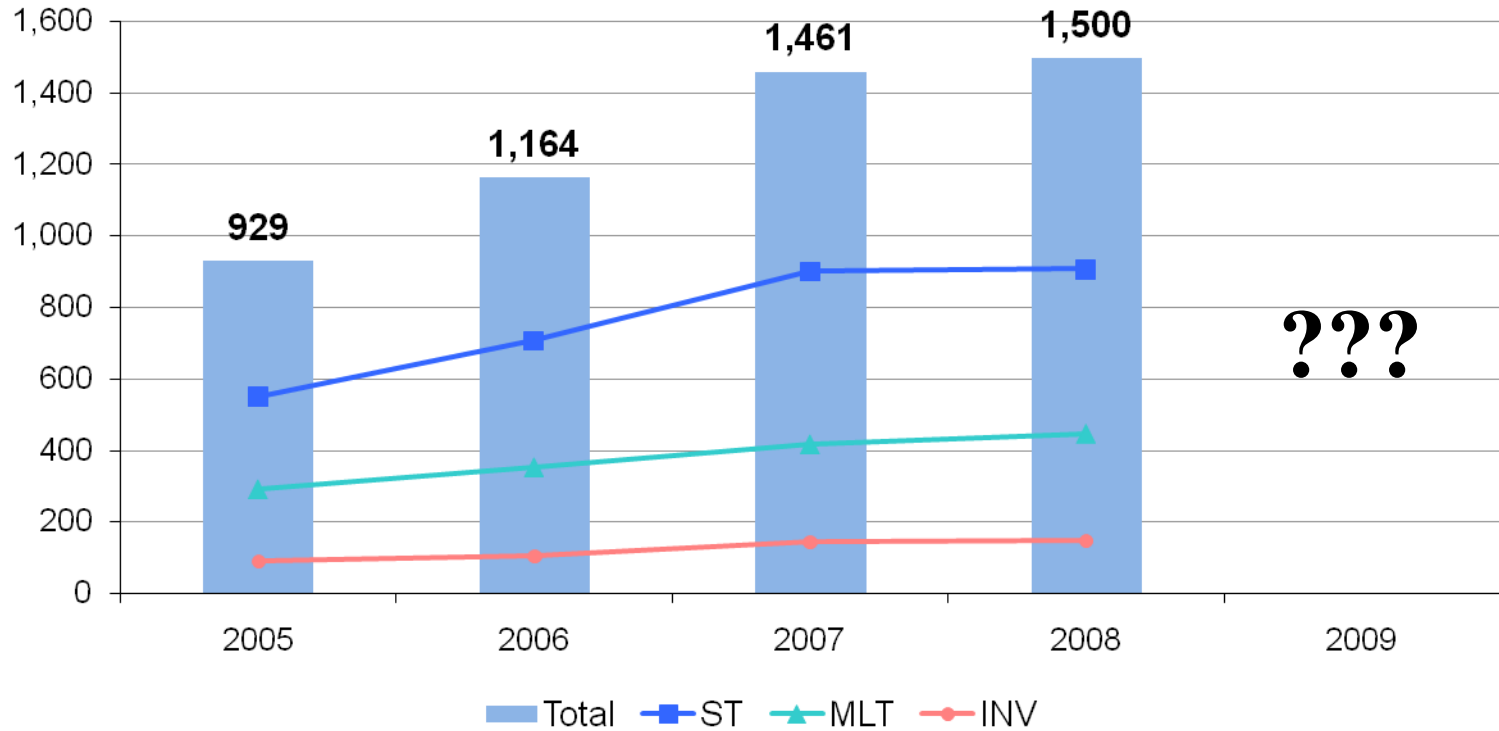
Do credit insurers drive businesses into bankruptcy ?

From overly confident to overly cautious ?

Credit insurers in the crisis ?

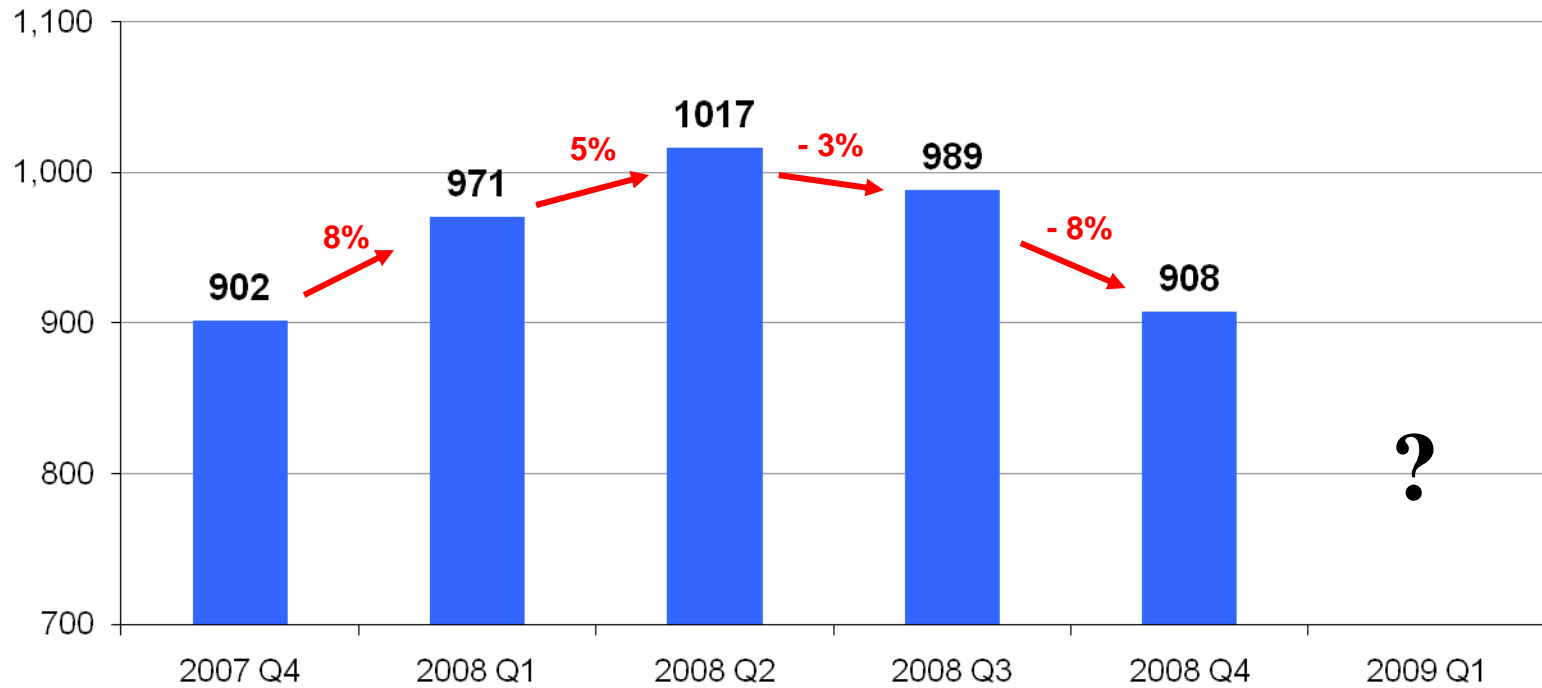
BU commitments at year-end

(USD billion)



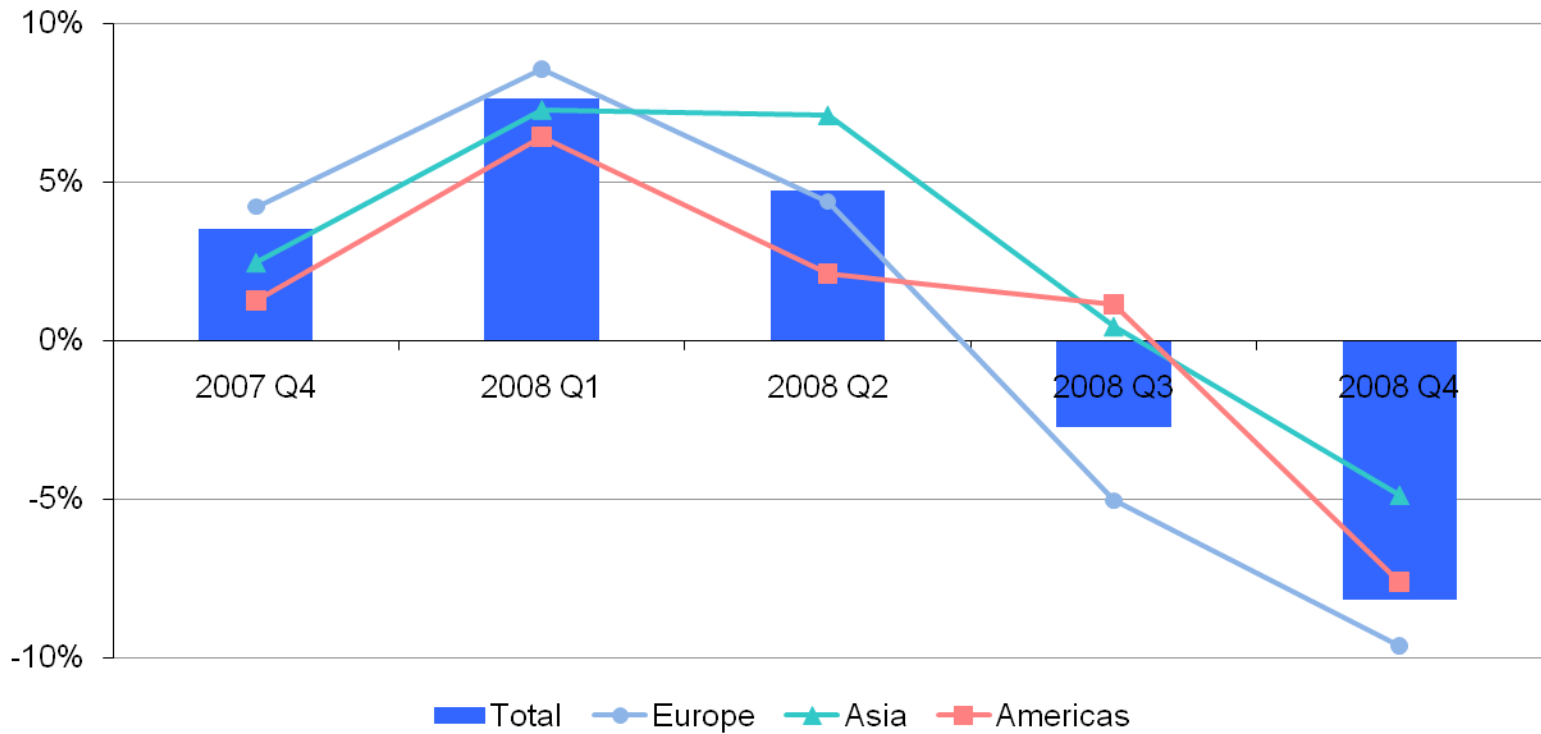
BU ST commitments at quarter-end

(USD billion)



BU ST commitments at quarter-end

(change in percent)





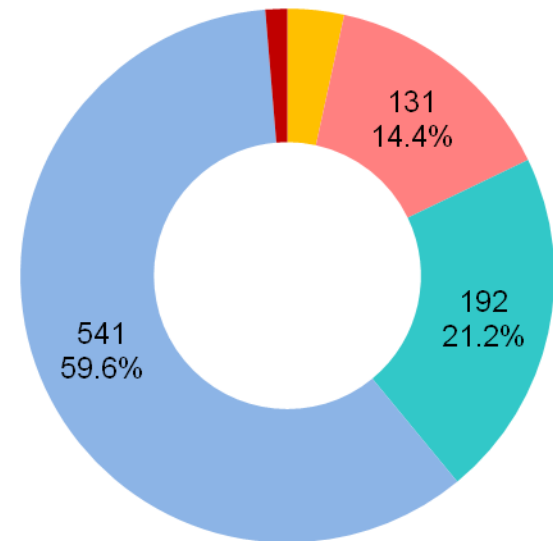
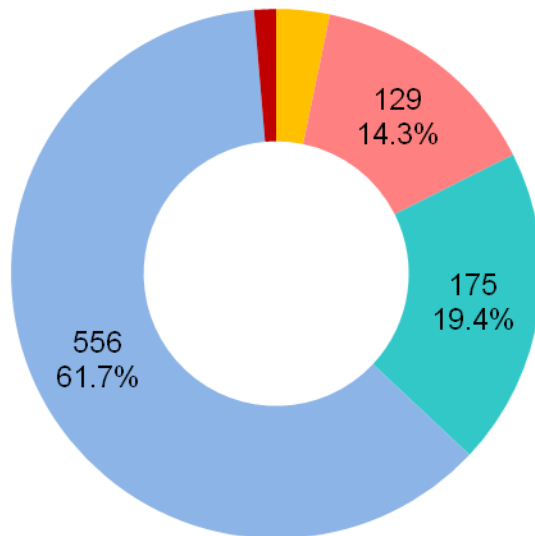
BU ST commitments at year-end

(USD billion)

2007

2008

- Africa
- Americas
- Asia
- Europe
- Oceania





BU ST commitments by country

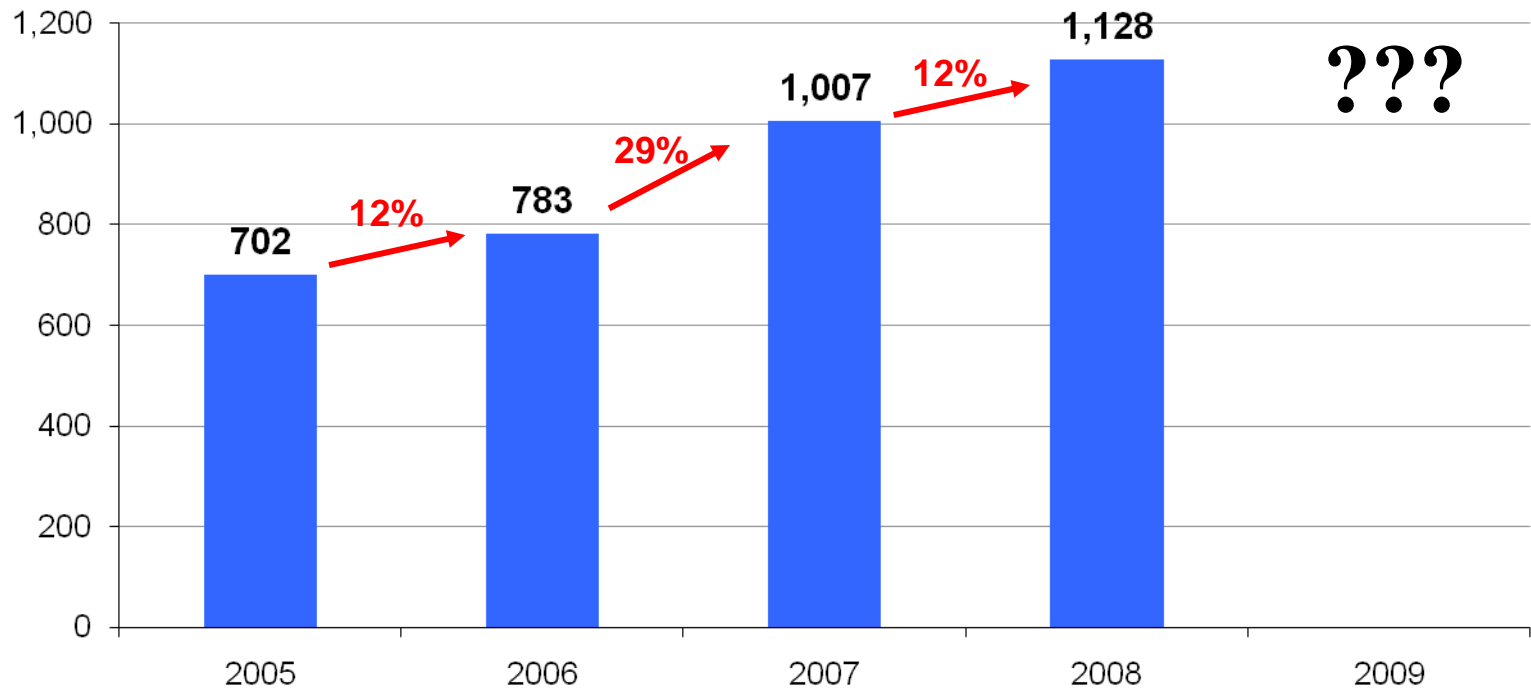
(USD billion)

	year-end 2007		year-end 2008	
United States	67.8	Italy	62.5	-4%
Italy	64.9	Germany	62.4	-2%
Germany	63.4	United States	61.2	-10%
France	56.0	France	55.6	-1%
United Kingdom	53.2	United Kingdom	48.6	-9%
Spain	44.1	Spain	40.8	-7%
China	36.6	China	39.0	+7%
Other	515.8	Other	537.9	+4%



BU ST claims paid during year

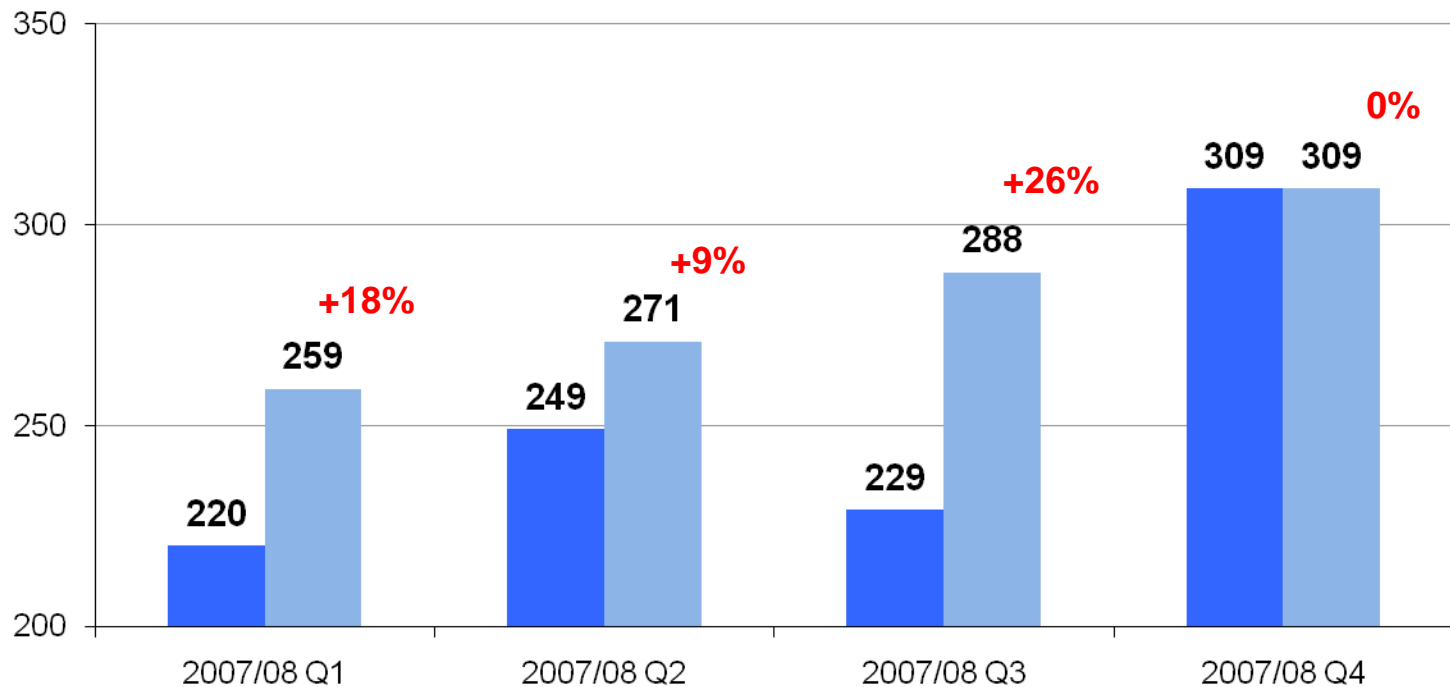
(USD million)





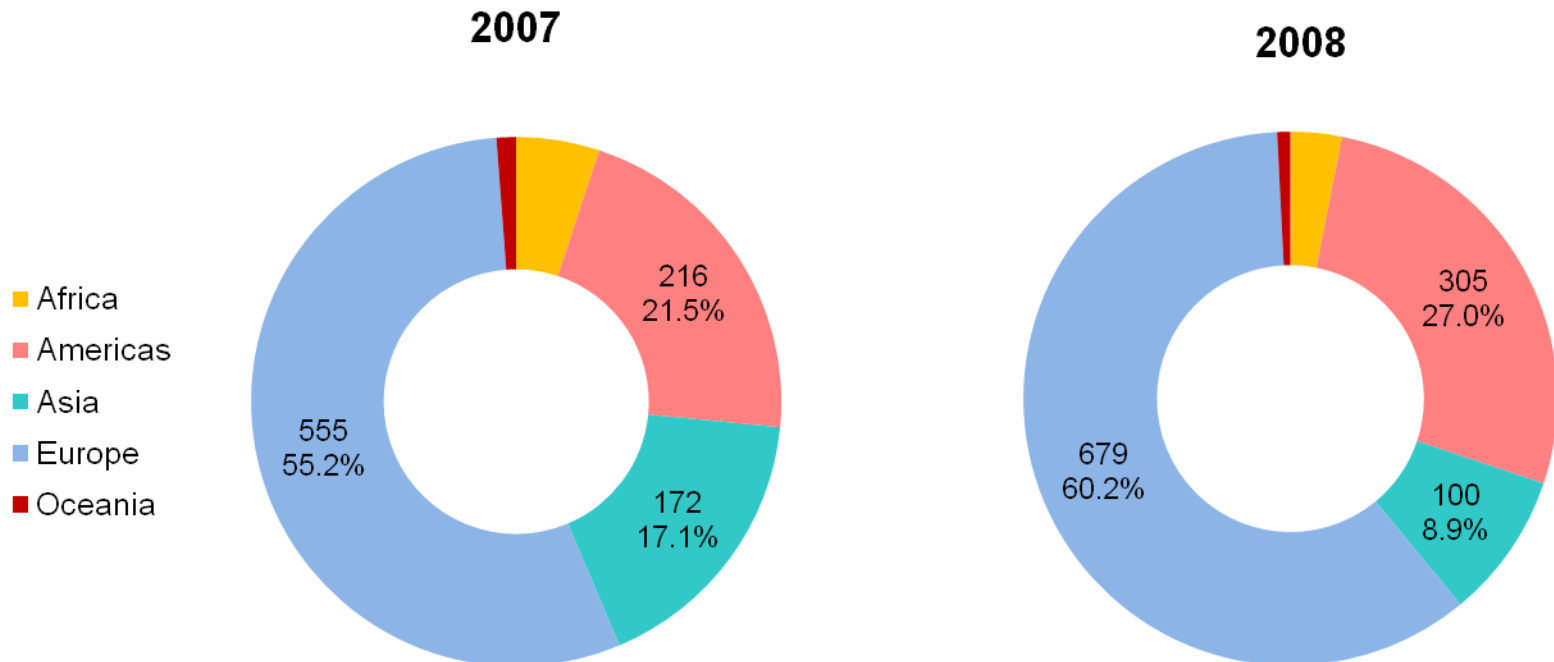
BU ST claims paid during quarter

(USD million)



BU ST claims paid during year

(USD million)



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ST claims paid by country

(USD million)

	2007		2008	
United States	112.4	United States	183.8	+64%
Italy	93.8	Italy	107.6	+15%
United Kingdom	67.6	United Kingdom	88.1	+30%
Germany	57.2	Germany	57.9	+1%
France	46.8	Spain	52.2	+71%
Brazil	36.7	France	44.7	-4%
Spain	30.6	Portugal	34.6	+51%
Portugal	22.9	Turkey	32.4	+113%
Belgium	22.4	Netherlands	31.6	+76%
Netherlands	18.0	Belgium	30.8	+38%
Other	498.6	Other	464.3	-7%

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How do BU members react to the crisis ?

1. Maintaining and expanding capacity
2. Complementing ST export credit
3. Liquidity support
4. Working capital support
5. Reinsurance cooperation

Comprehensive survey on the way ...



Thank you

Questions ?

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Appendix

1. Maintaining and expanding capacity

- NEXI-Japan:
Budgeting JPY50 trillion risk capacity for NEXI in FY'09
- EH-Germany
Announced maintaining sufficient capacity of €117 billion
- U.S. Ex-Im & China Exim
Announced US\$ 20 billion credit lines for trade finance
U.S. Ex-Im: US\$ 4 billion for ST + US\$ 8 billion for MLT
China Exim: US\$ 8 billion
- KEIC-Korea
Capital injection of US\$200 million to KEIC for 2009
Increased export insurance limit to US\$130 billion for 2009
- TEBC-Taiwan
Established a specific reserve for additional insurance capacity
- Slovak EXIM-Slovakia
15% Increase of the insurance funds capacity
- ASEI-Indonesia
Increased capital from US\$55 million to US\$150 million

Appendix

2. Complementing ST export credit

- U.S. Ex-Im
Provided cover for L/C issued by Korean banks
Reduction in premium for SMEs
- EH-Germany
Increased coverage for commercial risks (85%→95%)
Offer cover for confirmations of L/Cs issued by foreign banks
- EKF-Denmark
Increased coverage for bank L/Cs (50%→95%)
- COFACE-France
Expanded coverage for suppliers credit (95%→100%) provided by SMEs
Eased modalities for cover of export contracts (pre-shipment cover, supplier credit transfer/cession), cover for banks confirming L/C and cover against the exporter risk for banks issuing bonds or working capital financing
- MEHIB-Hungary
Increased coverage, CBC (95%→100%)
New EU Decision on prolongation of the ST SME insurance facility
- EU
Flexible use of the escape clause on short-term marketable risks

Appendix

3. Liquidity support

- NEXI-Japan
Facilitate the assignment to banks of export receivables with NEXI cover
- EH-Germany
Make easier the assignment of export receivables covered by a state guarantee
Raise the max amount for counter-guarantee covering a contract bond from €80m to €300m for an exporter to fully utilize its bank credit line
- SERV-Switzerland, etc
Considering securitization guarantees for bank refinancing

Appendix

4. Working capital support

- U.S. Ex-Im
Working capital loan guarantee for indirect exporters
Considering to offer direct working capital loans through lenders to exporting SMEs
- NEXI
Untied Loan Insurance for working capital loan to Japanese overseas subsidiaries
- SACE-Italy, EKN-Sweden, SERV-Switzerland, ASEI-Indonesia etc.
Guarantee on working capital facilities

Appendix

5. Asia-Pacific trade insurance network

To facilitate intra- and extra-regional trade and investment flows

