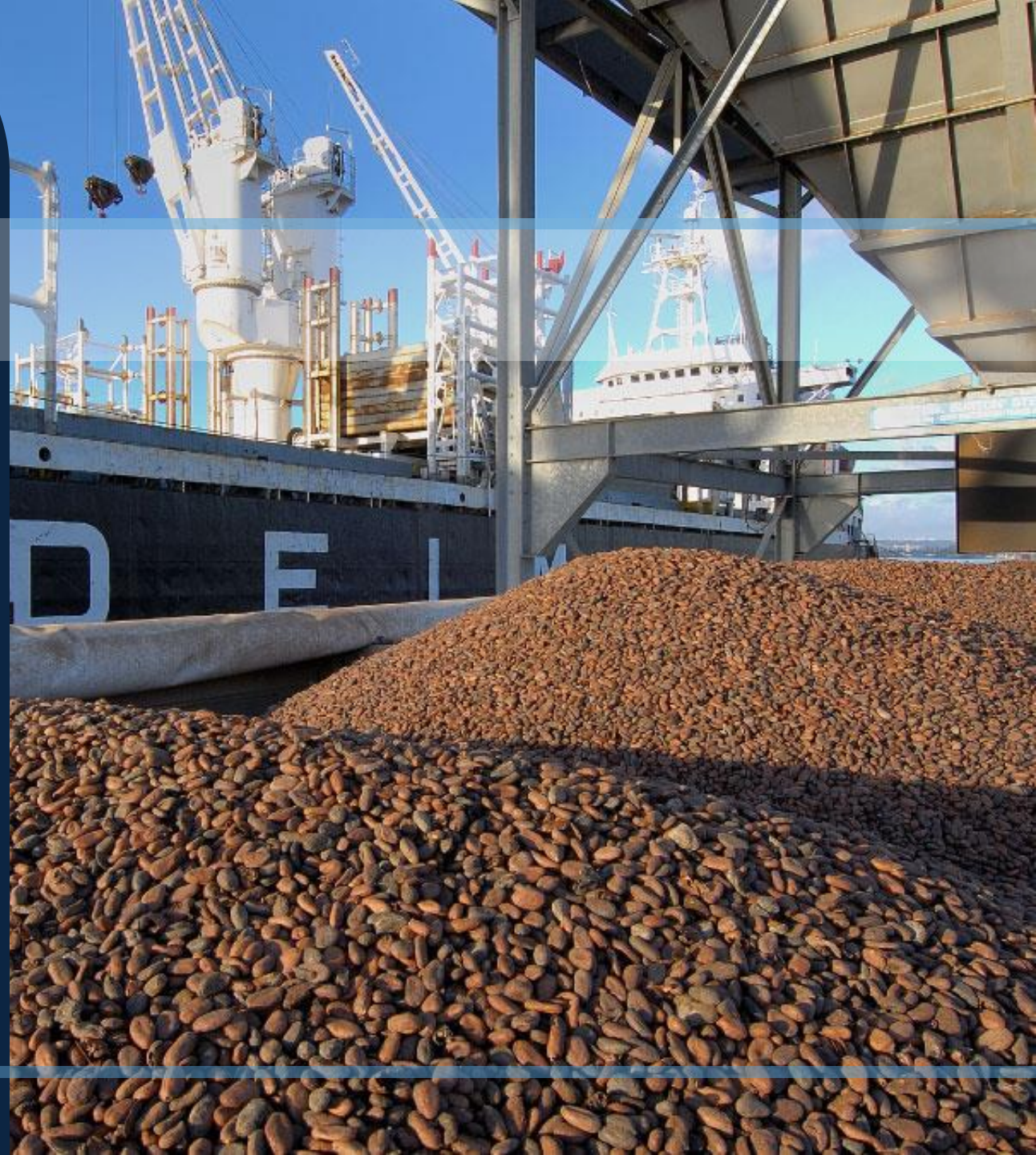


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Top Trends in Berne Union Business Data for 2022H1

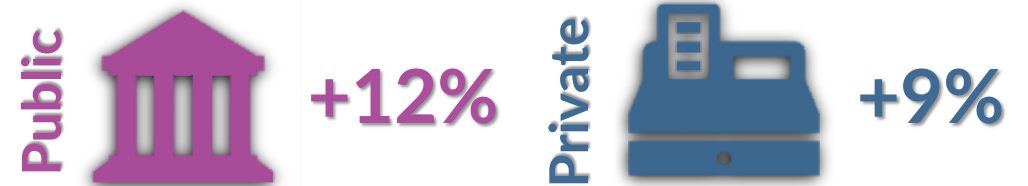
Jonathan Skovbro Steenberg,
Associate Director, Economic Research



Short-term Trade Credit continued its strengthening

ST Trade Credit by **Private and Public providers** saw a continued rise and is now growing at similar paces

While the post-pandemic recovery drove growth last year, **higher prices especially for commodities** are driving it now



Longer Tenor Business' rebound is due to active private market insurers

Both **MLT Export Credit, PRI** and **Other Cross-Border Support** strengthened further in 2022H1, however overall new cover is still not at pre-pandemic levels

New MLT Cover to **Europe** and **East APAC** rose drastically while **PRI** cover for **Sub-Saharan Africa** was the highest first half-year level since 2017

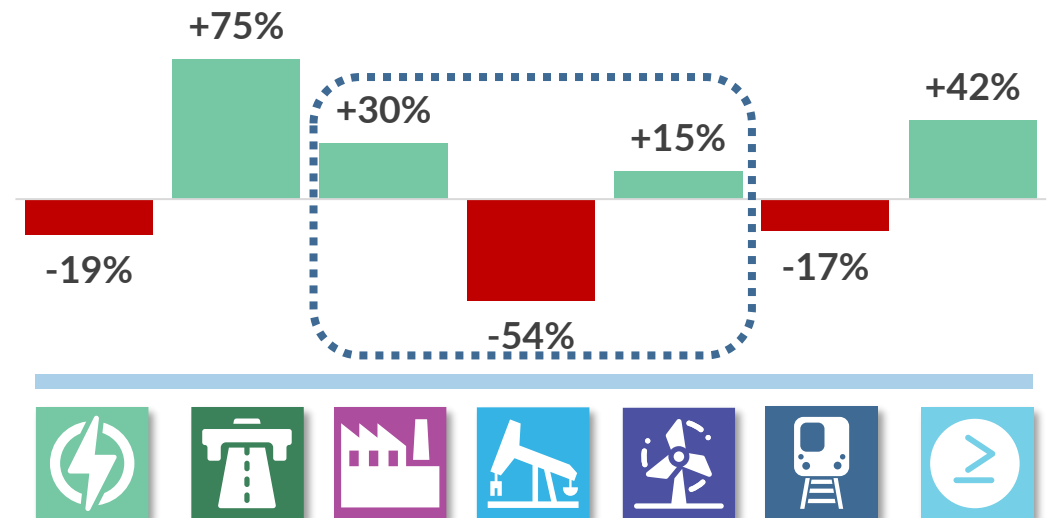


Manufacturing and Renewable Energy saw all time highs for MLT export credit and PRI in the first half of 2022

Manufacturing cover was the highest amount for any half-year since 2019 and rose in almost all regions

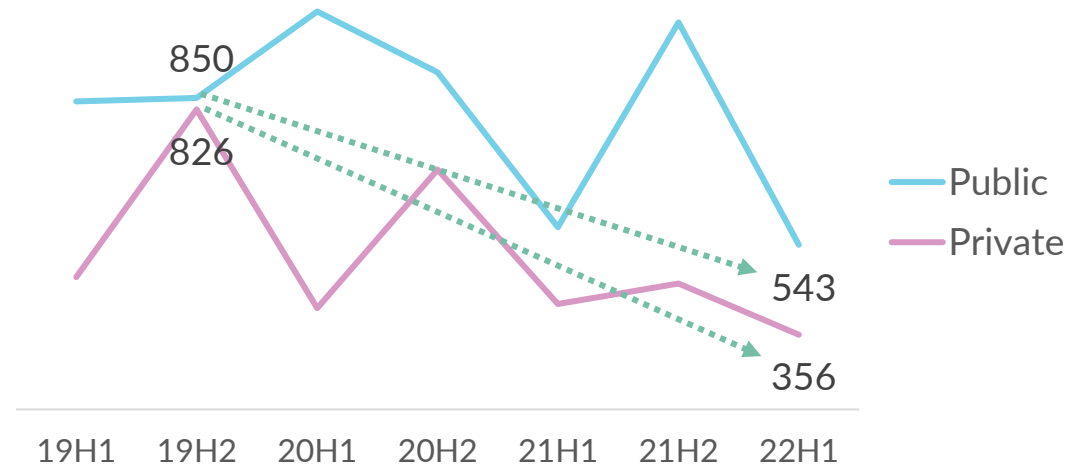
Renewable energy also saw the highest amount for any half-year since 2019 due to Europe and North America

Natural resources saw a substantial drop due to less business in MENA and LATAM & Caribbean



Claims Paid due to Short-term Trade Credit kept falling

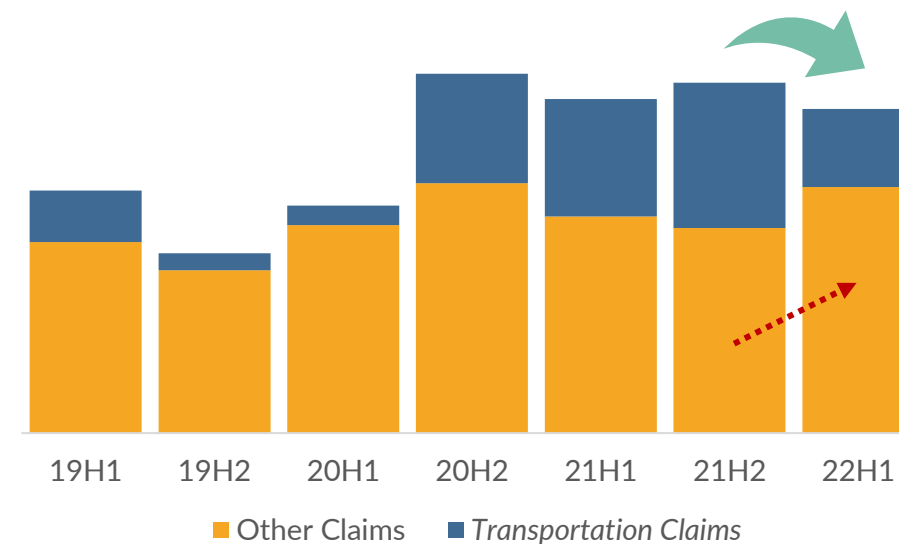
Despite a heightened risk environment claims paid due to ST Trade Credit cover fell further to USD 900 mn. in 2022H1



Some insurers noted rises in pre-claims situations following the War, but most agree that claims paid still have not returned to “*normality*”

No Record-breaking Amount of Longer Tenor Business Claims in 2022H1

Claims paid due to **Longer tenor business cover** fell slightly to USD 2,767 mn. in 2022H1, after a record level in 2021



This is still above pre-pandemic levels. However as **transportation claims** fell in 2022H1, claims paid in *all other sectors* rose

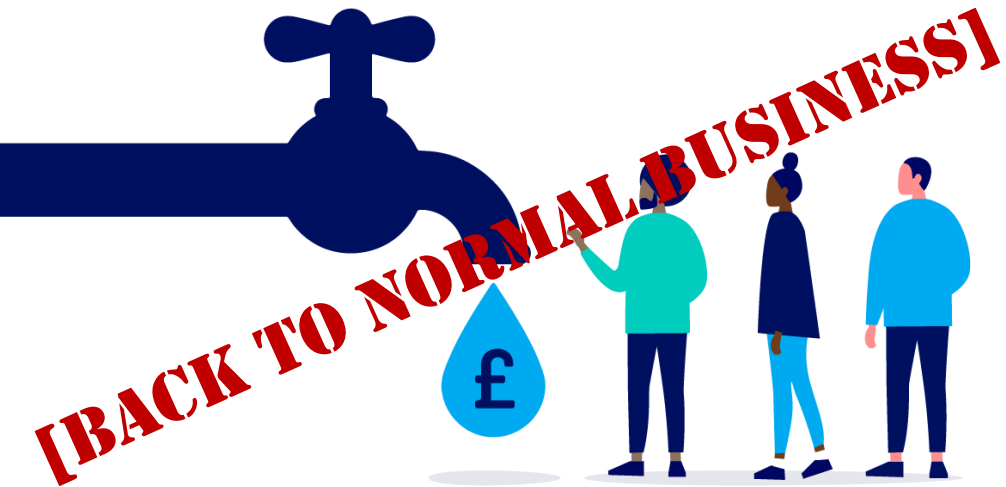
Consequences of the War are already Visible

ST Trade Credit to the Belarus, Russia and Ukraine **fell by 42% in the first half of 2022** and New Commitments for Longer Tenor Business **fell by 6%**

Claims Paid due to ST Trade Credit in the countries **more than tripled** to USD 51 mn. while Longer Tenor Claims fell to USD 25 mn.

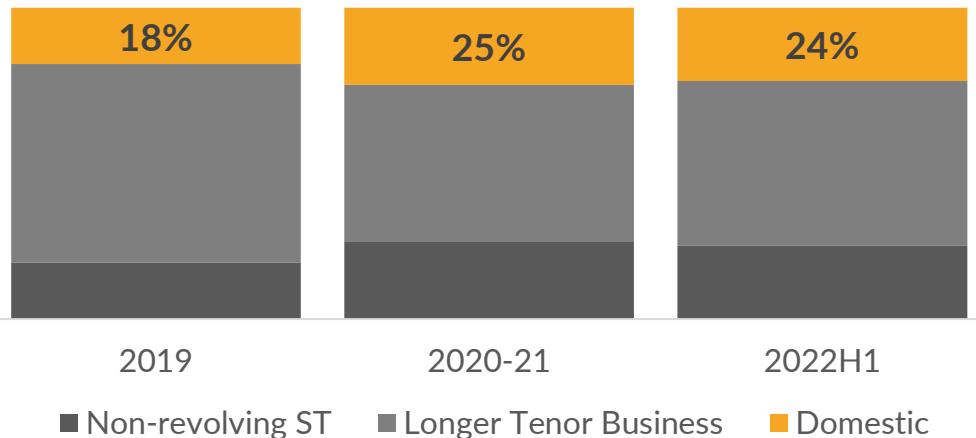


Provision of Domestic Support are Back to Normal



After two years of alleviated domestic support, new cover returned to pre-pandemic levels with USD 26.5 bn. in the first half of 2022. Notwithstanding revolving ST export credit, domestic support was around a quarter of new business by ECAs

In spite of new business returning to normal, claims paid related to domestic support was at an all-time low as there were few indemnifications related to *working capital* and *internalization* products.



Recoveries rose with the general recovery of the Industry in the First Half of 2022

Amounts recovered by Members also saw a normalization – rising by 59% to USD 1.6 bn. in the first half of 2022

This was across all business lines with only domestic support seeing a one-digit rise in recoveries.

Recoveries related to **transportation almost tripled** in 2022H1.



“We have already had significant recoveries on aircraft claims and expect this to continue [...]”

High prices and Strong pipeline *indicate solid growth new cover for the rest of the year*



‘Delayed or cancelled projects’ and ‘Rising costs’ were the two factors that are expected to have the largest negative impact on Members’ business

The expectation continues to be that ST Trade Credit will **see further, but lower, growth** for the rest of 2022 *due to less trade growth and energy inflation*

There is a more varied view, but overall pipeline **indicates further growth in 2022H2** despite the worsening economic situation. *Less new buyer demand seems to be a rising trend, nevertheless.*

Anticipation is that indemnifications *are slightly rising* for the rest of the 2022

Claims Paid related to ST Trade Credit are **expected to normalise somewhat** and some insurers are already seeing indications of this, only accelerated by the economic deterioration

The two potential negative events that would affect Members' future business the most were an 'Escalation of War in Ukraine' and 'Sovereign defaults'



Longer Tenor Business' Claims are expected to **rise somewhat** for the remainder of 2022, mainly due to sovereign risks, however some insurers expect less indemnifications

In Conclusion

2022H1

Rising New Cover (+10% YoY)

Fewer Claims Paid (-9% YoY)

More Recoveries (+59% YoY)

Added Selective Risk Appetite and
More Pre-Claims Situations

2022H2 and Future

*Strong Pipeline, High Demand for Green
Projects, and Elevated Commodity Prices*

*Sovereign Indemnifications, Normalisation
of Insolvencies, and Rising Costs*



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