Atradius Finance B.V.
Annual report 2014

Contents

Report of the Management Board

Report of the Management Board

Atradius Finance B.V. (the 'Company') is a private limited liability company, incorporated under the laws of the Netherlands on 14 November 2003, with its corporate seat in Amsterdam, the Netherlands. The Company provides finance and support services to Atradius N.V. and its subsidiaries (the 'Atradius Group'). The only activity of the Company is to support the access of the Atradius Group in obtaining external financing.

Atradius N.V. is the sole shareholder of the Company. The Atradius Group provides credit management services and products to its clients. These services include credit insurance, bonding, reinsurance, information services, collection services and instalment credit protection. The Atradius Group offers products and services in 50 countries (31 December 2013: 45 countries) and employed 3,298 people as at 31 December 2014 (31 December 2013: 3,257 people). The financial statements of Atradius N.V. are consolidated by Grupo Catalana Occidente, S.A., which is a listed company in Spain. As a global insurance company, the Atradius Group is exposed to various risks related to the nature of its business and the external environment. These include insurance, financial and operational risks. For further information we refer to Note '4. Risk and capital management' in the 2014 Atradius N.V. consolidated financial statements.

The key risk the Company is exposed to is credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The main exposure to credit risk is under the subordinated loan granted by the Company to Atradius Insurance Holding N.V..

At the time of adopting this Annual report, the key operating entities of the Atradius Group (Atradius Credit Insurance N.V., Atradius Reinsurance Ltd., Atradius Trade Credit Insurance, Inc. and Compañíа Española de Seguros y Reaseguros de Crédito y Caución, S.A.) are rated 'A (Excellent), outlook stable' by A.M. Best and 'A3, outlook stable' by Moody's.

On 3 September 2014, the first optional call date, the Company exercised the call option contained in its EUR 120 million guaranteed Subordinated Bonds due 2024 and redeemed the subordinated bonds at their principal amount together with accrued interest.

Subsequently, the Company issued on 23 September 2014, EUR 250 million Fixed to Floating Rate Guaranteed Subordinated Notes due 2044. The subordinated notes have an original maturity of 30 years. At the Company's option, the subordinated notes can be redeemed in full on 23 September 2024 and each interest payment date thereafter. The Company will redeem the subordinated notes in full on 23 September 2044 at their principal amount together with accrued interest. Atradius N.V. acts as the guarantor under the subordinated notes.

The subordinated notes issued by the Company have been assigned a debt rating of 'bbb+, outlook stable' by AM Best and 'Ba1, outlook stable' by Moody's.

On 23 September 2014, the Company granted a subordinated loan to Atradius Insurance Holding N.V. in the amount of EUR 248 million.

Amsterdam, 19 March 2015

The Management Board

C. Gramlich-Eicher
J.D. Sung
D. Hagener

Conformity statement

As required by section 5:25c subsection 2(c) of the Dutch Financial Supervision Act (Wet op het financieel toezicht), the members of the Management Board hereby confirm that to the best of their knowledge:

- The Atradius Finance B.V. 2014 financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of Atradius Finance B.V.;
- The Atradius Finance B.V. 2014 Annual report gives a true and fair view of the position of Atradius Finance B.V. at the end of the reporting period and of the development and performance of the business during the financial year 2014, together with a description of the principal risks Atradius Finance B.V. is being confronted with.

Amsterdam, 19 March 2015

The Management Board

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C. Gramlich-Eicher

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J.D. Sung

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D. Hagener

Company financial statements 2014

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Company financial statements

Company statement of financial position (after profit appropriation)

Assets	Note	31.12.2014	31.12.2013
Financial assets			
Loans and receivables	4.1.1	248,000	120,000
Other assets	4.1.2	3,605	2,284
Cash and cash equivalents	4.1.3	1,630	676
Total		**253,235**	**122,960**
Equity			
Capital and reserves attributable to the equity holders of the Company	4.2.1	650	644
Total		650	644
Liabilities			
Subordinated loan	4.3.1	248,141	119,521
Payables	4.3.2	709	-
Other liabilities	4.3.3	3,735	2,795
Total		252,585	122,316
Total equity and liabilities		**253,235**	**122,960**

Company statement of comprehensive income

	Note	2014	2013
Interest income	5.1	8,850	7,796
Interest expense	5.2	(8,825)	(7,771)
Net income from investments		25	25
Net operating expenses	5.3	(16)	(13)
Result for the year before tax		9	12
Income tax expense		(3)	(6)
Result for the year		6	6
Total comprehensive income for the year		6	6

All amounts in thousands of Euro, unless otherwise stated

Company statement of changes in equity

	Attributable to the equity holders of the Company		
	Share capital	**Retained earnings**	**Total equity**
Balance at 1 January 2013	18	620	638
Total comprehensive income for the year	-	6	6
Balance at 31 December 2013	18	626	644
Balance at 1 January 2014	18	626	644
Total comprehensive income for the year	-	6	6
Balance at 31 December 2014	18	632	650

Company statement of cash flows

I. Cash flows from operating activities	**2014**	**2013**
Interest received - loans and receivables	7,078	7,078
Loan to related party - redemption	120,000	-
Loan to related party - addition	(248,000)	-
Cash payments to suppliers and related parties	(44)	(17)
Income tax paid	-	(6)
Net cash (used in)/generated by operating activities	**(120,966)**	**7,055**
II. Cash flows from financing activities		
Interest paid - subordinated loan (bond)	(7,050)	(7,050)
Subordinated loan - redemption	(120,000)	-
Subordinated loan - addition	248,970	-
Net cash (used in)/generated by financing activities	**121,920**	**(7,050)**
Changes in cash and cash equivalents (I + II)	**954**	**5**
Cash and cash equivalents at the beginning of the year	676	671
Cash and cash equivalents at the end of the year	**1,630**	**676**

Notes to the financial statements

1 General information

Atradius Finance B.V. (the 'Company') is a private limited liability company, incorporated under the laws of the Netherlands on 14 November 2003, with its corporate seat in Amsterdam, the Netherlands. The Company provides finance and support services to Atradius N.V. and its subsidiaries (the 'Atradius Group'). The only activity of the Company is to support the access of the Atradius Group in obtaining external financing.

The sole shareholder of Atradius Finance B.V. is Atradius N.V. The ultimate parent and the ultimate controlling party of the Atradius Group is Grupo Catalana Occidente, S.A. The financial statements of Atradius N.V. are consolidated within Grupo Catalana Occidente, S.A., which is a listed company in Spain.

These financial statements have been authorised for issue by the Management Board on 19 March 2015.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all financial years presented, unless otherwise stated.

2 Summary of significant accounting policies

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

2.1 Basis of presentation

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

All amounts in the notes are shown in thousands of Euro (EUR), rounded to the nearest thousand, unless otherwise stated.

Below are selected relevant standards and amendments relevant for the Company.

2.2 New and revised standards

All changes in the accounting policies have been made in accordance with the transitional provisions in the respective standards. All standards adopted by the Company require retrospective application.

2.2.1 Standards, amendments and interpretations effective in 2014

The Company has not adopted any standards, amendments or interpretations in 2014 which had a material impact on the financial statements of the Company.

The following relevant amendments have been adopted in 2014:

- Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities (effective 1 January 2014). The amendments address inconsistencies in current practice when applying the offsetting criteria in IAS 32 Financial Instruments: Presentation. The amendments clarify the meaning of "legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement. The amendments had no impact on the Company's financial statements;

2.2.2 Standards, amendments and interpretations not yet adopted

The following relevant standards and amendments are effective for annual periods beginning after 31 December 2014 and have not been early adopted by the Company:

- Annual Improvements: 2010-2012 Cycle and Annual Improvements: 2011-2013 Cycle (both effective 1 July 2014). These two cycles are a collection of amendments issued under the annual improvement process, which is designed to make necessary, but non-urgent amendments to IFRS. These improvements are not expected to impact the Company.

The following relevant standards, amendments and interpretations have not yet been endorsed by the European Union and as such have not been early adopted:

- IFRS 9 Financial Instruments (effective 1 January 2018). This standard replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. This standard is not expected to have material impact on the Company's financial statements;
- Annual improvements to IFRS: 2012-2014 Cycle (effective 1 January 2016). The Cycle introduces limited amendments to the following standards: IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, IFRS 7 Financial Instruments: Disclosures (with consequential amendments to IFRS 1), IAS 19 Employee Benefits and IAS 34 Interim Financial Reporting. The amendments are not expected to have material effect on the Company's financial statements.

2.3 Segment reporting

The Company only has one relevant operating segment; the financial information of this operating segment is included in these financial statements.

2.4 Financial assets

The Company classifies its financial assets depending on the purpose for which they were acquired. The Company determines the classification of its financial assets at initial recognition and re-evaluates this at every reporting date.

2.4.1 Loans and receivables

Loans and receivables are non-derivative financial investments with fixed or determinable payments that are not quoted on an active market, other than those that the Company intends to sell in the short-term. Loans and receivables are initially recognised at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

2.4.2 Impairment of financial assets

The Company assesses, at the end of each reporting period, whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a 'loss event') and that loss event has a negative impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The Company first assesses whether objective evidence of impairment exists for financial assets that are individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred on loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under contract. As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price. If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement.

2.5 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. The estimated fair value of the cash and cash equivalents is equal to the book value of the cash and cash equivalents due to the short-term nature of the balance.

2.6 Capital and reserves

2.6.1 Share capital

Share capital is classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax. Incremental costs directly attributable to the issue of equity instruments as consideration for the acquisition of a business are included in the cost of acquisition.

2.6.2 Retained earnings

Retained earnings is the accumulated amount of profits or losses at the end of the reporting period, which have not been distributed to shareholders. The distribution of retained earnings can be restricted by law and/or as set out in the articles of association of the Company.

2.7 Subordinated loans

A subordinated loan is recognised initially at fair value, net of transaction costs incurred and subsequently measured at amortised cost. The difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the fixed period of the loan during which the interest is fixed using the effective interest method. Interest payable is reported under other liabilities.

2.8 Income tax

Income tax in the income statement for the year comprises current and deferred tax. Income tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect to previous years.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. If the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting, nor taxable profit or loss, it is not accounted for.

2.9 Statement of comprehensive income

2.9.1 Income

Net income from investments
Net investment income is the interest income on loans and receivables less interest expenses on subordinated bonds, both recognised using the effective interest method.

2.9.2 Expenses

Net operating expenses
Net operating expenses comprise administrative expenses.

2.9.3 Dividend distribution

Dividend distribution to the Company's shareholder is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholder.

2.10 Statement of cash flows

The statement of cash flows, when used in conjunction with the rest of the financial statements, provides information that enables users to evaluate the changes in net assets of an entity, its financial structure (including its liquidity and solvency) and its ability to affect the amounts and timing of cash flows in order to adapt to changing circumstances and opportunities.

Some of the terminology used in the statement of cash flows is explained as follows:

- Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value;
- Cash flows are inflows and outflows of cash and cash equivalents;
- Operating activities are the acquisition and disposal of long-term assets and other investments not included in cash equivalents; and
- Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the Company.

The statement of cash flows is presented using the direct method.

3 Management of financial risk

3.1 Financial risk

The Company is exposed to financial risk through its financial assets and financial liabilities. The core components of the financial risk are credit risk, liquidity risk and market risk. The relevant risks for the Company are further detailed in the next paragraphs.

3.1.1 Credit risk

The Company has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The key area where the Company is exposed to credit risk is the loans and receivables as part of financial assets. The loans and receivables consist of a subordinated loan granted to Atradius Insurance Holding N.V.. The underlying credit risk is in the business of Atradius Insurance Holding N.V. which needs to generate the necessary cash to repay the loan. The subordinated loan is related to the issued subordinated notes (part of the liabilities in the balance sheet). Atradius Insurance Holding N.V. is a subsidiary of Atradius N.V. ,the shareholder of the Company, who acts as a guarantor under the subordinated notes. At the time of adopting this Annual report, the key operating entities of the Atradius Group (Atradius Credit Insurance N.V., Atradius Reinsurance Ltd., Atradius Trade Credit Insurance, Inc. and Compañía Española de Seguros y Reaseguros de Crédito y Caución, S.A.) are rated 'A (Excellent), outlook stable' by A.M. Best and 'A3, outlook stable' by Moody's.

3.1.2 Liquidity risk

The Company is exposed to liquidity risk if there is insufficient cash available to meet its financial obligations, when due, at a reasonable cost. For the Company, liquidity risks may arise if large scale short-term fluctuations occur to cash flows, such as a decline in incoming cash or a rise in outgoing cash, or a combination of both.

The following table indicates the estimated amount and timing of cash flows as at the end of the reporting period of interest bearing assets and liabilities. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves the end of the reporting period.

The tables have been drawn up based on the undiscounted contractual cash flows of financial liabilities (and related assets) based on the earliest contractual repayment date. When the Company has a choice of when an amount is paid, the financial liability is allocated to the latest period in which the Group can be required to pay. The Company's options to redeem the subordinated notes (see Note 4.3.1) and to terminate the loan (see Note 4.1.1) prior to their contractual maturity dates are not reflected in the tables below.

At 31 December 2014	Contractual cash flows (undiscounted)				
	0-1 years	1-3 years	3-5 years	>5 years	Carrying value
Interest bearing assets					
Granted loan	13,293	26,586	26,586	567,870	248,000
Interest bearing liabilities					
Subordinated notes	13,125	26,250	26,250	571,075	248,141

At 31 December 2013	Contractual cash flows (undiscounted)				
	0-1 years	1-3 years	3-5 years	>5 years	Carrying value
Interest bearing assets					
Granted loan	7,078	14,155	14,155	162,466	120,000
Interest bearing liabilities					
Subordinated notes	5,947	7,289	7,289	141,866	119,521

Cash flow consists of interest payments and receipts and the redemption of the principal amount.

3.1.3 Market risk

Market risk is the risk that the fair value or future cash flows of the financial assets or financial liabilities will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and equity price risk. The Company is only exposed to interest rate risk.

3.1.3.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The table below summarises the combined percentage of the yield and spread at the end of the reporting period by type of interest bearing assets and liabilities as at that date. The interest bearing assets in this table relate to the subordinated loan granted to Atradius Insurance Holding N.V. The interest bearing liabilities relate to the issued subordinated bonds.

	Weighted average effective interest rate %	
	2014	2013
Interest bearing assets		
Granted loan	5.46%	7.62%
Interest bearing liabilities		
Subordinated notes	5.35%	7.60%

3.1.3.2 Currency risk

The Company is not exposed to currency exchange risk, since the Company's assets as well as the liabilities are all denominated in EURO.

3.1.3.3 Equity price risk

The Company is not exposed to movement in equity prices since it does not hold any equity investments in its investment portfolio.

4 Notes to the statement of financial position

4.1 Assets

4.1.1 Financial assets

The financial fixed assets relate to a loan granted to Atradius Insurance Holding N.V., a related party, of EUR 248 million, with an original maturity of 30 years. The loan bears interest on the principal amount consisting of a fixed rate of interest of 5.360% per annum payable annually in the first 10 years, which will thereafter be reset to a floating 3 month-EURIBOR plus a margin of 5.031% per annum payable quarterly for the remaining 20 years. Provided that notice has been given to the other parties, the Company and Atradius Insurance Holding N.V. have the possibility to terminate this loan on 23 September 2024 and each interest payment date thereafter, without any penalties.

The fair value of the loan at year-end 2014 is estimated at EUR 251.0 million (2013: EUR 89.8 million – related to the redeemed loan of EUR 120 million). The estimate is calculated in line with the estimate for the subordinated notes (see Note 4.3.1). The loan is classified as a level 2 financial instrument under the fair value hierarchy since it is related to the subordinated notes (see Note 4.3.1). No transfers were made in this respect during 2013 and 2014 (the redeemed loan was also classified as level 2).

4.1.2 Other assets

The estimated fair values of other assets are comparable with the book value of these assets due to the short-term nature of the balance. These assets consist of accrued interest and other related receivables.

4.1.3 Cash and cash equivalents

All cash and cash equivalents include cash at bank and cash in hand.

4.2 Equity

4.2.1 Capital and reserves

The authorised share capital amounts to EUR 90,000 divided into 90 shares with a nominal value of EUR 1,000 each. Eighteen shares (nominal value EUR 18,000) were issued and fully paid at balance sheet date. The fully paid ordinary shares carry one vote per share and carry the right to dividends.

4.3 Liabilities

4.3.1 Subordinated loan

On 3 September 2014, the Company redeemed its guaranteed subordinated bonds with a nominal value of EUR 1,000 each for an aggregate amount of EUR 120 million. The interest on the bonds was fixed at 5.875% per annum payable annually in the first 10 years.

On 23 September 2014, the Company issued guaranteed subordinated notes with a nominal value of EUR 100,000 each for an aggregate amount of EUR 250 million (the subordinated 'notes'). The Company may redeem the subordinated notes, in whole but not in part, on 23 September 2024 and on each interest payment date thereafter. Unless previously redeemed, the subordinated notes will be redeemed at maturity on 23 September 2044. The subordinated notes bear interest at a fixed rate of 5.250% per annum payable annually in the first 10 years, which will thereafter be reset to a floating 3 month-EURIBOR plus a margin of 5.031% per annum payable quarterly for the remaining 20 years. The subordinated notes are targeted to qualify as regulatory capital under Solvency II. The subordinated notes are guaranteed by Atradius N.V. and are listed on the Luxembourg Stock Exchange.

The subordinated notes issued by the Company have been assigned a debt rating of 'bbb+, outlook stable' by AM Best and 'Ba1, outlook stable' by Moody's.

The fair value estimate of the notes is EUR 251 million (2013: EUR 89.8 million – related to the redeemed bonds of EUR 120 million) and is classified as Level 2 under the fair value hierarchy as it is based on binding quotes from independent brokers. No transfers were made in this respect during 2013 and 2014 (the redeemed bonds were also classified as level 2).

4.3.2 Payables

Payables are all current and consist of costs related to the issuance of the new subordinated notes.

4.3.3 Miscellaneous liabilities and accruals

Included in the amount of EUR 3.9 million (2013: EUR 2.8 million) is the accrued interest balance at the end of the reporting period of EUR 3.6 million (2013: EUR 2.3 million) as interest payable on the bonds in the following year.

5 Notes to the statement of comprehensive income

5.1 Interest income

This amount consists of interest income relating to the loan granted to Atradius Insurance Holding N.V.

5.2 Interest expense

This amount consists of interest expenses relating to the subordinated notes.

5.3 Net operating expenses

This amount consists of administrative expenses.

6 Personnel

This company has no employees (2013: nil).

7 Related party transactions

At 31 December 2014	Revenue from related parties	Amounts owed by related parties	Amounts owed to related parties
Atradius Insurance Holding N.V.	8,850	251,605	-
Atradius Credit Insurance N.V.	-	-	709
Total	**8,850**	**251,605**	**709**

At 31 December 2013	Revenue from related parties	Amounts owed by related parties	Amounts owed to related parties
Atradius Insurance Holding N.V.	7,796	122,284	-
Atradius Credit Insurance N.V.	-	-	-
Total	**7,796**	**122,284**	**-**

Subordinated loan

Plus Ultra, Seguros Generales y Vida, S.A. de Seguros y Reaseguros, an associate of the ultimate parent of the Atradius Group has purchased on 23 September 2014 EUR 40 million (16%) of the guaranteed subordinated notes (see Note 16). The interest expense relating to this portion was EUR 570 thousand.

All relationships with related parties are at arm's-length.

Compensation of key current and former management personnel of the Company

There was no remuneration for members of the Management Board.

8 Auditors fees

The information of Atradius Finance B.V. is consolidated in the financial statements of Atradius N.V., no further disclosure is required relating to auditor fees.

9 Events after the reporting period

There are no events to report.

Other information

Proposed profit appropriation

Statutory appropriation of result

In accordance with article 21 of the Articles of Association the result for the year is at the disposal of the Annual General Meeting of the Company.

Proposed appropriation of result

The Management Board proposes to the General Meeting of the Company to allocate the result for the year to retained earnings. The proposal is reflected in these financial statements.

Independent auditor's report

To: the shareholder of Atradius Finance B.V.

Report on the audit of the Financial Statements 2014

Our opinion

We have audited the accompanying financial statements 2014 of Atradius Finance B.V. (the Company), based in Amsterdam.

In our opinion the financial statements give a true and fair view of the financial position of Atradius Finance B.V. as at 31 December 2014, and of its result and its cash flows for the year 2014 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:
1) the statement of financial position as at 31 December 2014;
2) the following statements for 2014: the statements of comprehensive income, changes in equity and cash flows; and
3) the notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under these standards are further described in the "Our Responsibilities for the Audit of the Financial Statements" section of our report.

We are independent of Atradius Finance B.V. in accordance with the "Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten" (ViO) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the "Verordening gedrags- en beroepsregels accountants" (VGBA).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality

Misstatements can arise due to fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

Based on our professional judgment we determined the materiality for the financial statements as a whole at € 5 million. The materiality is based on a percentage of the nominal value of subordinated loan, being 2%. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Management Board that misstatements in excess of € 250,000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Our Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Management Board of Atradius Finance B.V. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of subordinated debt and granted loan

We consider the key risk in our audit of the Company is credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The main exposure to credit risk is under the loan granted by the Company to its affiliate Atradius Insurance Holding N.V. The granted loan is related to the issued subordinated notes (liabilities in the balance sheet). Atradius Insurance Holding N.V. is a subsidiary of Atradius N.V., the shareholder of the Company, who acts as a guarantor under the subordinated notes. During 2014, at the first call option date, the Company exercised the call option contained in its EUR 120 million guaranteed Subordinated Bonds due 2024 and redeemed the subordinated bonds at their principal amount together with accrued interest. Subsequently, the Company issued a EUR 250 million Fixed to Floating Rate Guaranteed Subordinated Notes due 2044. In our audit procedures, we gave special attention to the credit risk's potential impact of the valuation of the granted loan to Atradius Insurance Holding N.V. Our audit procedures further included the evaluation of the subordinated notes and granted loan process, including the redemption of the previous subordinated bonds and the issuance of the new subordinated notes as well as the related accounting based on amortised cost. We focused amongst others on the verification of the redemption of the previous bonds and issuance of the new notes, the existence, ownership, valuation and duration of the subordinated notes and granted loan and evaluated the related documentation. We also recalculated the effective interest rate based on the transaction costs and proceeds of issuance received by the Company. We further evaluated the adequacy of the disclosure in the annual report, note 3, 4.1.1, 4.3.1 and 7.

Responsibilities of Management Board for Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the report of the management board in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

The Management Board of Atradius Finance B.V. is responsible for overseeing the Company's financial reporting process.

Our Responsibilities for the Audit of the Financial Statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all errors and fraud.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements.

Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events and or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and

- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Management Board of Atradius Finance B.V. regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

We provide the Management Board of Atradius Finance B.V. with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Management Board of Atradius Finance B.V., we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Report on other legal and regulatory requirements

Report on the report of the Management Board and the other information

Pursuant to legal requirements of Part 9 of Book 2 of the Dutch Civil Code (concerning our obligation to report about the report of the management board and other information):

- We have no deficiencies to report as a result of our examination whether the report of the Management Board, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required by Part 9 of Book 2 of the Dutch Civil Code has been annexed.
- We report that the report of the Management Board, to the extent we can assess, is consistent with the financial statements.

Engagement

We were appointed by the Management Board of Atradius Finance B.V. as auditor of Atradius Finance B.V. on 8 April 2008, as of the audit for year 2008 and have operated as statutory auditor ever since that date.

Amsterdam, 19 March 2015

Deloitte Accountants B.V.

Signed on the original: C.J. de Witt