
Atradius Finance B.V.

Condensed interim financial report for the six
months ended 30 June 2011

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1 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, and 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 current activity of the Company is to support the access of the Atradius Group to obtaining external financing.

Atradius N.V. is the sole shareholder of the Company. The Atradius Group provides credit management services to their clients. These services include credit insurance, bonding and guarantees, assumed reinsurance, information services, collection services and instalment credit protection. The Atradius Group has a direct presence in 42 countries and employed 3,303 people as at 30 June 2011. The financial statements of Atradius N.V. are consolidated within Grupo Catalana Occidente, S.A. ('GCO'), 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 paragraph '4. Risk management' in the 2010 Atradius N.V. consolidated financial statements.

The key risk that 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. Atradius N.V. acts as first priority guarantor under the subordinated bonds issued by the Company and Atradius Credit Insurance N.V. as second priority guarantor. In July 2011, Standard and Poor's confirmed the A- ratings with stable outlook of the core operating entities of GCO. As from 2009 the main subsidiaries of the Atradius Group: Atradius Credit Insurance N.V., Atradius Reinsurance Ltd, Compañía Española de Seguros y Reaseguros de Crédito y Caución, S.A. and Atradius Trade Credit Insurance, Inc. are considered core operating entities of GCO. The rating of the subordinated bonds issued by Atradius Finance B.V. has remained unchanged at BBB by Standard and Poor's.

The content of this condensed interim financial report has not been audited or reviewed by an external auditor.

Amsterdam, 22 August 2011

The Management Board
D. Rueda
J. Sung

2 Conformity statement

As required by section 5:25d 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. 2011 condensed interim financial report gives 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. 2011 condensed interim financial report gives a fair review of the information required pursuant to section 5:25d, subsections 8 and 9 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

Amsterdam, 22 August 2011

The Management Board
D. Rueda
J. Sung

3 Condensed interim financial statements

3.1 Condensed statement of financial position

Assets	Note	30.06.2011	31.12.2010
Financial assets			
Loans and receivables	5.1.1	120,000	120,000
Other assets		5,823	2,289
Current income tax assets		3	-
Cash and cash equivalents		644	648
Total		126,470	122,937
Equity			
Capital and reserves attributable to the equity holders of the Company	5.2.1	639	628
Total		639	628
Liabilities			
Subordinated loans	5.3.1	117,726	117,367
Other liabilities		8,105	4,942
Liabilities to related companies		1	5
Miscellaneous liabilities and accruals		8,104	4,937
Total		125,831	122,309
Total equity and liabilities		126,470	122,937

3.2 Condensed statement of comprehensive income

	Note	Six months ended 30 June	
		2011	2010
Interest income on loans and receivables	6.1	3,898	3,898
Interest expense on subordinated loan	6.2	(3,884)	(3,884)
Net income from investments		14	14
Net operating expenses	6.3	(2)	(4)
Finance income and expenses	6.4	2	-
Result for the period before tax		14	10
Income tax (expense) / income		(3)	0
Result for the period		11	10
Other comprehensive income		-	-
Total comprehensive income for the period		11	10

3.3 Condensed statement of changes in equity

Attributable to the equity holders of the Company			
	Subscribed capital	Revenue reserve	Total
Balance at 1 January 2011	18	610	628
Total comprehensive income for the period	-	11	11
Balance at 30 June 2011	18	621	639
Balance at 1 January 2010	18	587	605
Total comprehensive income for the period	-	10	10
Balance at 30 June 2010	18	597	615

3.4 Condensed statement of cash flows (direct method)

	30.06.2011	30.06.2010
I. Cash flows from operating activities		
Interest received - loans and receivables	-	-
Interest received - other	2	-
Cash receipts from related parties	5	-
Cash payments to suppliers	(5)	-
Income tax received/ (paid)	(6)	(6)
Net cash generated by operating activities	(4)	(6)
II. Cash flows from financing activities		
Interest paid - subordinated loans (bond)	-	-
Interest paid - other	-	-
Net cash (used in)/generated by financing activities	-	-
Changes in cash and cash equivalents (I + II)	(4)	(6)
Cash and cash equivalents at the end of the preceding year	648	559
Cash and cash equivalents at the end of the period	644	553

4 Summary of significant accounting policies

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

4.1 Basis of presentation

The principal policies applied in the preparation of these condensed interim financial statements are equal to the policies as set out in the Company's financial statements for the year ended 31 December 2010. The Atradius Finance B.V. condensed interim financial statements for the six months ended 30 June 2011, including the 2010 comparative figures, have been prepared in accordance with IAS 34, 'Interim financial reporting' and include condensed financial statements (statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows) and explanatory notes. The condensed interim financial statements should be read in conjunction with the audited 2010 financial statements of the Company.

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

4.2 Changes in accounting policies

The same accounting policies, presentation and methods of computation have been followed in these interim condensed financial statements as were applied in the preparation of the financial statements for the year ended 31 December 2010. No new standards were adopted that impacted these interim condensed financial statements.

4.3 Seasonality

Seasonality has no impact on the financial results of the Company.

4.4 Segment reporting

Since the Company only has one relevant reportable segment, no separate segmental information will be disclosed.

5 Notes to the statement of financial position

5.1 Financial assets

The Company classifies its loans and receivables 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.

5.1.1 Loans and receivables

Loans and receivables are non-derivative financial assets 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. The loans and receivables issued constitute unsecured and subordinated obligations. Loans and receivables are initially recognised at fair value 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.

The financial fixed assets relate to a subordinated loan of EUR 120 million granted to Atradius Insurance Holding N.V., a related party. The loan will terminate on 3 September 2024 ('maturity date') and shall bear an interest on the principal amount of a fixed rate of interest of 5.875% plus a margin of 0.023% per annum.

The Company can decide to redeem the subordinated bonds (which are referred to under the liabilities) in accordance with the terms and conditions of the subordinated bonds. Provided that notice has been given to the holders of the subordinated bonds, the Company has the possibility to terminate the subordinated loan with Atradius Insurance Holding N.V., prior to the maturity date, without any penalties.

5.2 Equity

5.2.1 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 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.

5.3 Liabilities

5.3.1 Subordinated loans

Subordinated loans are recognised initially at fair value, net of transaction costs incurred. Subordinated loans are subsequently stated at amortised cost.

Accrued interest is included as part of miscellaneous liabilities and accruals.

In September 2004, the Company issued guaranteed subordinated bonds with a nominal value of EUR 1,000 each for an aggregate amount of EUR 120 million (the 'Bonds'). The Company may redeem the Bonds, in whole but not in part, on 3 September 2014 and thereafter on each interest payment date. Unless previously redeemed, the Bonds will be redeemed at maturity on 3 September 2024. The Bonds bear interest at a fixed rate of 5.875% per annum, payable annually in the first 10 years, which will thereafter be reset to a floating 3 month-EURIBOR plus a margin of 2.75% per annum, payable quarterly for the remaining 10 years. The Bonds are issued by the Company and guaranteed by Atradius N.V. (as 'first priority guarantor') and its subsidiary Atradius Credit Insurance N.V. (as 'second priority guarantor'). The Bonds are listed on the Luxembourg Stock Exchange.

As the Bonds are not actively traded in the market, the fair value estimate of the Bonds at 30 June 2011 of EUR 94.7 million (31 December 2010: EUR 103.8 million) was based on the present value of the Bonds' cash flows discounted using the Euro government bond yield curve as a benchmark and applying an appropriate risk spread.

The credit spread of 479 bps (31 December 2010: 310 bps) applied is estimated using the credit spread of market quoted subordinated bond issues from similar issuers and with similar rating and maturity profiles.

The fair value estimate of the Bonds is provided by an external independent valuation company, which uses its own proprietary valuation systems to value securities supported by economic and market assumptions from financial information providers.

6 Notes to the statement of comprehensive income

6.1 Interest income on loans and receivables

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

6.2 Interest expense on subordinated loan

This amount consists of interest paid relating to the subordinated bonds.

6.3 Net operating expenses

These consist of administrative expenses.

6.4 Finance income and expenses

This amount consists of income or expenses related to the cash position of Atradius Finance B.V.

7 Related party transactions

June 2011	Revenue from related parties	Amounts owed by related parties	Amounts owed to related parties
Atradius Insurance Holding N.V.	3,539	125,823	-
Atradius Credit Insurance N.V.	-	-	1
Total	3,539	125,823	1

June 2010	Revenue from related parties	Amounts owed by related parties	Amounts owed to related parties
Atradius Insurance Holding N.V.	3,539	125,823	-
Atradius Credit Insurance N.V.	-	-	6
Total	3,539	125,823	6

Compensation of key current and former management personnel of the Company

There was no remuneration for members of the Management Board.

Authorisation of condensed interim financial statements

Amsterdam, 22 August 2011

The Management Board
D. Rueda
J. Sung

D. Rueda

J. Sung

8 Other information

8.1 Events after the reporting period

There are no events to report.