



Atradius Finance B.V.

€250,000,000 Fixed to Floating Rate Guaranteed Subordinated Notes due 2044

unconditionally and irrevocably guaranteed on a subordinated basis by

Atradius N.V.

The €250,000,000 Fixed to Floating Rate Guaranteed Subordinated Notes due 2044 (the **Notes**) are issued by Atradius Finance B.V. (the **Issuer**) and unconditionally and irrevocably guaranteed on a subordinated basis by Atradius N.V. (the **Guarantor** and together with its subsidiaries **Atradius**).

The Notes rank *pari passu* without any preference among themselves and constitute direct, unsecured and subordinated obligations of the Issuer, as further described in Condition 2.

From 23 September 2014 up to 23 September 2024 (the **First Call Date**), the Notes bear a fixed rate of interest of 5.250 per cent. per annum, payable annually in arrear on 23 September in each year (each a **Fixed Interest Payment Date**), commencing on 23 September 2015. If on the First Call Date the Notes have not been redeemed in full in accordance with the terms and conditions of the Notes (the **Terms and Conditions**), the Notes will bear a floating rate of interest of Euribor for three-month deposits in euro plus a margin of 5.031 per cent. per annum, payable quarterly in arrear on 23 March, 23 June, 23 September and 23 December in each year, for the first time on 23 December 2024.

The Issuer may, in respect of any Optional Interest Payment Date, elect to defer payment of all (but not some only) of the interest accrued to that date and the Issuer shall not have any obligation to make such payment on that date. In addition, payments of interest on the Notes will be mandatorily deferred on each Mandatory Interest Deferral Date and the Issuer shall not have any obligation to make such payment on that date. Deferral of any payment of interest on an Optional Interest Payment Date or Mandatory Interest Deferral Date will not constitute a default by the Issuer or the Guarantor and will not give the Noteholders any right to accelerate the Notes or to take any enforcement action under the Notes or the Guarantee.

Any interest in respect of the Notes not paid on an Interest Payment Date as a result of a deferral (whether optional or mandatory), together with any other interest in respect thereof not paid on any earlier Interest Payment Date, shall, so long as the same remains unpaid, constitute **Arrears of Interest**.

Arrears of Interest may be paid in whole or in part at any time, provided that no Mandatory Deferral Event has occurred and is continuing and any notifications to the Regulator have been made or consent from the Regulator has been obtained, as the case may be, in either case if required of the Issuer or the Guarantor under the Capital Adequacy Regulations. Arrears of Interest will become immediately due and payable in whole (and not in part) upon the occurrence of certain events as described in Condition 4(b).

Unless the Notes are previously redeemed or purchased and cancelled in full, the Issuer will redeem the Notes at their principal amount, together with all Arrears of Interest and further interest accrued on 23 September 2044 (the **Maturity Date**). So long as the Guarantor is subject to Capital Adequacy Regulations, any redemption pursuant to Condition 5, including on the Maturity Date, may only be made provided no Mandatory Deferral Event has occurred and is continuing at the time of such redemption, and principal, premium, interest or any other amount shall only be due and payable in respect of or arising from the Notes, provided no Mandatory Deferral Event has occurred and is continuing and the Issuer could make such payment without a Mandatory Deferral Event occurring, except where Condition 2(b) applies, in which case this condition to redemption does not apply and the Noteholder shall have a subordinated claim as set out therein.

The Issuer has the option to redeem all of the Notes in whole, but not in part, on the First Call Date or on any Interest Payment Date thereafter (each an **Optional Redemption Date**) at their principal amount, together with any accrued and unpaid interest and any Arrears of Interest, subject to and in accordance with the Terms and Conditions. In addition, the

Issuer may unless previously redeemed in full, redeem the Notes, in whole, but not in part, at their principal amount together with any Arrears of Interest and any further interest accrued to (but excluding) the date of redemption in accordance with the Terms and Conditions in the case of a Tax Event, a Capital Disqualification Event or a Rating Methodology Event, subject to and in accordance with the relevant Conditions. Furthermore, in case of a Tax Event, a Capital Disqualification Event or a Rating Methodology Event in accordance with Conditions 5(c), 5(d) and 5(e), respectively, the Issuer may, in its sole discretion, but subject to compliance with applicable Capital Adequacy Regulations, substitute the Notes in whole (but not in part) into or for another series of notes, or vary the terms of the Notes.

Any redemption, substitution, variation or purchase of the Notes is subject to (a) the prior consent of the Regulator if required of the Issuer or the Guarantor under the Capital Adequacy Regulations and (b) compliance with the Capital Adequacy Regulations.

The denomination of the Notes will be EUR 100,000 and integral multiples of EUR 1,000 in excess thereof, up to and including EUR 199,000.

Application has been made to the Commission de Surveillance du Secteur Financier (the **CSSF**) in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 (the **Luxembourg Act**) relating to prospectuses for securities to approve this document as a prospectus and to the Luxembourg Stock Exchange for the listing of the Notes on the Official List of the Luxembourg Stock Exchange and admission to trading on the Luxembourg Stock Exchange's regulated market (as defined in Directive 2004/39/EC, the **Markets in Financial Instruments Directive**). This Prospectus will be published on the website of the Luxembourg Stock Exchange, www.bourse.lu. The CSSF gives no undertaking as to the economic and financial soundness of the transaction and the quality or solvency of the Issuer in line with the provisions of article 7 (7) of the Luxembourg Law on prospectuses for securities. This Prospectus comprises a prospectus for the purposes of Article 5 (3) of Directive 2003/71/EC, as amended, (the **Prospectus Directive**) and for the purposes of the Luxembourg Act.

The Notes are expected to be assigned, on issue, a rating of Ba1 by Moody's Investors Service Limited (**Moody's**) and a rating of bbb- by AM Best Europe-Rating Services Ltd. (**A.M. Best**). Each of Moody's and A.M. Best is established in the European Community and registered pursuant to Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended by Regulation (EC) No 513/2011 of the European Parliament and of the Council of 11 March 2011. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating organisation.

The Notes will initially be represented by a temporary global note (the **Temporary Global Note**), without interest coupons, which will be deposited on or about 23 September 2014 (the **Closing Date**) with a common safekeeper for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking SA (**Clearstream, Luxembourg**). Interests in the Temporary Global Note will be exchangeable for interests in a permanent global note (the **Permanent Global Note** and, together with the Temporary Global Note, the **Global Notes**), without interest coupons, on or after 2 November 2014 (the **Exchange Date**), upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Note will be exchangeable for definitive Notes only in certain limited circumstances. See "*Summary of Provisions relating to the Notes while in Global Form*". The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations.

Investing in the Notes involves risks. Prospective investors should have regard to the risk factors described under the section headed "*Risk Factors*" in this Prospectus, but should read the complete Prospectus, including the documents incorporated by reference, to get a full understanding of the risks and merits inherent in an investment in the Notes.

Capitalised terms used, but not defined, in this section can be found elsewhere in this Prospectus. Certain definitions of capitalised terms used herein are set out in "*Terms and Conditions of the Notes*". The language of this Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Joint Lead Managers

ING

J.P. Morgan

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RISK FACTORS

Prospective investors should read the entire Prospectus.

The Issuer and the Guarantor believe that the factors described below represent the material risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes or of the Guarantor to pay under the Guarantee may occur for other reasons. The risks described below are not the only risks that the Issuer, the Guarantor and Atradius face. Additional risks and uncertainties not presently known to the Issuer or the Guarantor, or that the Issuer or the Guarantor currently believes to be immaterial, could also have a material impact on the business operations of Atradius and/or the Issuer's ability to make payments in respect of the Notes and/or the Guarantor's ability to make payments under the Guarantee. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are described below.

Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Prospectus have the same meanings in this section, unless otherwise stated.

FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE NOTES OR THE GUARANTOR'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE GUARANTEE

The following risk factors relate to the Issuer, the Guarantor and Atradius. The Issuer is a subsidiary of the Guarantor and the Guarantor is the holding company of Atradius.

1. Risks relating to the economic and financial environment

The results of Atradius may be adversely affected by general economic and other business conditions

By its nature, the business activities of Atradius are affected by general economic and other business conditions. These conditions include changing economic cycles, global political events, such as terrorist acts, war, other hostilities and/or (economic) sanctions, as well as other global events that may affect all businesses, such as the spread of pandemics, significant natural disasters and the possible consequences of global warming. Although the diversity of the countries and industry sectors in which Atradius operates may dampen the impact from adverse economic or business conditions, the business activities of Atradius are sensitive to changes in general macroeconomic conditions, such as changes in consumer confidence, industrial output, labour or social unrest, economic and political uncertainty.

As a result of the recent economic downturn, which has driven many countries into recession (including the main markets of Atradius in Western Europe), there have been increasingly high levels of unemployment, lower GDP growth and higher insolvency rates. Bank lending has been severely reduced and the housing markets in Europe and North America have declined. As a result of these conditions Atradius has experienced, and may continue to experience, more fluctuations in claims and insurance premium income. Difficult economic conditions may cause an increase in payment delays and bankruptcies of buyers covered by Atradius' insurance policies and consequently in the frequency of claims and possibly peak risks, such as abnormally high losses on the same buyer or buyer group, or even an accumulation of losses stemming from a single country or industry sector. Any increase in the frequency and severity of claims could have a material adverse effect on Atradius' business, results of operations, financial condition and prospects.

While a deterioration in the economic environment could lead to an increase in the level of insurance premiums received by Atradius, resulting from the signing of new credit insurance policies (either by new customers seeking coverage or by existing customers extending their existing coverage) or to an increase in

insurance premium rates, an economic slowdown could also result in a decrease in insurance premium volume due to lower turnover by customers of Atradius, whose turnover serves as a calculation base for the amount of insurance premiums received by Atradius, or due to cancellation of insurance policies for instance upon customers ceasing to exist or opting for self-insurance.

The results of Atradius may be adversely affected by changes in the financial markets

Global financial markets may experience extreme volatility and disruption. Any significant downturns in equity markets or downward appraisals of property values and/or significant movements of interest rates and credit spreads could have a material adverse effect on Atradius' capital and solvency position and results of operations. Many factors, including uncertainties about the solvency of certain sovereign issuers, the stability and solvency of financial institutions, the risk of future inflation or deflation in certain markets, and geopolitical tensions have in previous years led to liquidity shortage and increased volatility in financial markets and may in the future continue to weigh on the markets and the overall economy and consequently on the business activities and prospects of Atradius. Furthermore, liquidity shortage and financial market volatility could have a material adverse effect on the investment portfolio of Atradius, which is composed for a large part of financial instruments whose value depends on interest rates and/or the performance of the financial markets. In addition, disruptions, uncertainty or volatility in the financial markets may limit or otherwise adversely impact Atradius' ability to raise additional capital or increase the cost of additional capital. Adverse changes in the financial markets could have a material adverse effect on Atradius' business, results of operations, financial condition and prospects.

The exit of one or more European countries from the Eurozone could have a material adverse effect on Atradius' business, results of operations, financial condition and prospects

Despite recent improvements in the financial position of many European countries, there remains a risk that financial difficulties may result in certain European countries exiting the Eurozone. The possible exit from the Eurozone of one or more European countries and the replacement of the Euro by one or more successor currencies could create significant uncertainties regarding the enforceability and valuation of Euro denominated contracts to which Atradius (or its customers or the buyers covered by Atradius' insurance policies) are a party and thereby materially and adversely affect Atradius' (and/or its customers' and/or the buyers') liquidity, business and financial condition. The possible exit from the Eurozone of one or more European countries and/or the replacement of the Euro by one or more successor currencies could also cause significant market dislocations and lead to other adverse economic and operational impacts that are inherently difficult to predict or evaluate. As a result, the occurrence of one or more of these events could have a material adverse effect on Atradius' business, results of operations, financial condition and prospects.

Because Atradius is exposed to counterparty risk in relation to financial institutions, deteriorations in the financial soundness of financial institutions may have a material adverse effect on Atradius' business, results of operations, financial condition and prospects

Due to the nature of the global financial system, financial institutions, such as Atradius are interdependent as a result of trading, counterparty and other relationships. Financial institutions with whom Atradius conducts business act as counterparties to Atradius in such capacities as issuers of securities, customers, banks, reinsurance companies, trading counterparties, clearing agents, exchanges, clearing houses, brokers and dealers, commercial banks, investment banks and other financial intermediaries. In any of these capacities, a financial institution acting as counterparty may not perform its obligations due to, among other things, bankruptcy, lack of liquidity, market downturns or operational failures, and the collateral or security provided by it may prove inadequate to cover its obligations upon default. The interdependence of financial institutions means that the failure of a large financial institution could materially disrupt capital markets or clearance and settlement systems in the markets. This could cause severe market declines or volatility. Such a failure could also lead to a chain of defaults by other counterparties. Atradius' core business is to insure its customers against default and protracted default of their buyers. Therefore, such a failure is likely to lead to an increase

in the frequency and severity of claims, which could materially adversely affect Atradius. This risk, known as "systemic risk", could also adversely impact future product sales as a result of reduced confidence in insurance companies. It could also reduce results because of market declines and write-downs of assets and claims on third parties. Atradius believes that despite increased attention from regulators around the world with respect to systemic risk, this risk remains part of the financial system in which Atradius operates and dislocations caused by the interdependency of financial market participants could have a material adverse effect on Atradius' business, results of operations, financial condition and prospects.

2. Risks relating to Atradius' business and companies

Risks related to the creditworthiness of buyers and bonding customers, Atradius' assessment of the creditworthiness and the reliability of the information relating to such creditworthiness

The core business of Atradius is trade credit insurance. Atradius insures its customers against credit risks attached to their buyers, such as protracted default, insolvency or bankruptcy. Assessing credit risks related to buyers covered by Atradius' insurance policies is a key aspect of Atradius' business. For each buyer Atradius sets risk limits and issues credit limits. This buyer underwriting process allows Atradius to manage risks on its portfolio of existing insurance policies. Atradius also has significant bonding activities, in addition to being active as a re-insurer for other primary insurers writing traditional credit insurance and/or bonding through its subsidiary Atradius Reinsurance Ltd. based in Ireland. For these activities and its Instalment Credit Protection portfolio, Atradius relies on assessments of the credit risk related to individual buyers, buyer groups and bonding customers.

The quality and reliability of information relating to the creditworthiness of buyers or bonding customers covered by any of Atradius' insurance policies (or cedents of Atradius Reinsurance Ltd.) is essential for Atradius' underwriting processes. This includes buyer underwriting, as well as policy underwriting, by which Atradius decides which customers to accept and the terms and conditions of their cover. Atradius cannot exclude that, in certain markets or in certain situations, it will face difficulties in obtaining reliable data on the creditworthiness of buyers and bonding customers or may not obtain good quality and/or correct and/or complete information from service providers or from other sources of information that it uses. Any lack of, or unreliable information regarding a buyer or the environment in which it operates, or the delay in the provision of such information, is likely to distort the evaluations and risk assessments, and therefore the review by Atradius of the risk portfolio under its insurance policies. These risks related to assessment of creditworthiness are likely to have a material adverse effect on Atradius' business, results of operations, financial condition and prospects.

Moreover, even though the credit insurance policies developed and sold by Atradius are designed to meet the needs of customers in terms of coverage, Atradius also needs to control its risks in terms of exposure and therefore profitability. Poor or incorrect assessment of the creditworthiness of buyers during the life of the product or upon renewal, may lead to a mismatch between the pricing policy, the commitments and the management thereof by Atradius and thus have a material adverse effect on Atradius' business, results of operations, financial condition and prospects.

Financial risk

Atradius is exposed to financial risk mainly through its financial assets, financial liabilities, reinsurance contracts and insurance contracts. The core components of financial risk are market risk, credit risk and liquidity risk.

- (i) Market risk is the risk that the fair value or future cash flows of Atradius' financial instruments will fluctuate due to changes in market prices. Market risk comprises three types of risk: equity price risk, interest rate risk and currency risk;

- (ii) Credit risk is the risk of potential loss resulting from customers or counterparties who are unable to meet their payment obligations towards Atradius in full when due; and
- (iii) Liquidity risk is the risk that Atradius is unable to meet its payment obligations, when due, at a reasonable cost.

These risks arise mainly from interest rate sensitive positions, equity instruments, credit exposures, non-euro currency exposures and cash flow patterns. The materialisation of financial risk could have a material adverse effect on Atradius' business, results of operations, financial condition and prospects.

(i) Market risk

Risks related to the investment portfolio

Atradius holds an investment portfolio consisting primarily of financial instruments. Atradius adopts a diversification policy for its investment portfolio to comply with all applicable legal and regulatory requirements, and to keep the balance between risk and return. The materialisation of any of the risks described below could nevertheless have a material adverse effect on current and future results of operations, net income, cash flows and the financial condition of Atradius.

Risks related to fluctuations in the equity, fixed income and property markets

The returns on the investments from Atradius are highly susceptible to fluctuations in equity, fixed income and property markets. Atradius bears all the risk associated with its own investments. Fluctuations in the equity, fixed income and property markets affect Atradius' results of operations and financial condition. A decline in any of these markets may lead to a reduction of unrealised gains in Atradius' assets or result in unrealized losses and could result in impairments. Any decrease in the market value of its assets may reduce Atradius' solvency, which could have a material adverse effect on Atradius' financial condition and prospects.

Risks related to the fair values of the investments and property for own use and investment property

The fair values of Atradius' investments, property for own use and investment property correspond with the price that would be (expected to be) received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Whenever possible, the fair values are based on quoted market prices. If there is no quoted market price available, Atradius uses valuation techniques which are based on market prices of comparable instruments or parameters from comparable active markets (market observable data). If no observable market inputs are available, valuation models are used (non-market observable data). These valuation techniques are subjective in nature and involve various assumptions about the relevant pricing factors. Changes in these assumptions could significantly affect the estimated fair values. Non-quoted investments or illiquid investments in which Atradius invests are valued by external independent valuation companies. Consequently, the fair values of Atradius' investments, property for own use and investment property may not be indicative of the net realisable value. In addition, the calculation of the estimated fair value is based on market conditions at a specific point in time and may not be indicative of future fair values. The majority of the property for own use and investment property is located in Spain. Changes in the valuation may have a material adverse effect on Atradius' business, results of operations, financial condition and prospects.

Changes in interest rates could have a material adverse effect on Atradius' business, results of operations, financial condition and prospects

Atradius is subject to interest rate risk, which 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 sustained low interest rate environment in recent years, in particular in Europe and Japan, has impacted Atradius' investment portfolio in various ways, including the following, and will continue to do so if it persists.

- Fixed income assets represent a significant portion of Atradius' investment portfolio. Changes in interest rates and credit spreads affect the market value and returns on the fixed income assets. A decline in interest rates reduces the returns available on new investments, thereby negatively impacting Atradius' net investment income. Conversely, rising interest rates reduce the market value of existing investments, which could result in (un)realised losses on these assets.
- During periods of declining market interest rates, issuers of fixed income securities could decide to prepay their obligations in order to borrow at lower market rates, which would increase the percentage of Atradius' portfolio that it would have to reinvest, in assets with a lower return profile.

The materialisation of any of the risks set out above could have a material adverse effect on Atradius' business, results of operations, financial condition and prospects.

Risks relating to exchange rate fluctuations

Due to the geographical spread of its offices and the international nature of its activities, Atradius is exposed to currency risk, being currency transaction risk and currency translation risk. At 31 December 2013, 25% of Atradius' balance sheet was denominated in non-Euro currencies, including in particular USD and AUD. However this may change going forward and depends on many factors, such as inflows of claims per operation and the development of its business. Although Atradius is managing its exposure to currency fluctuations, major movements in exchange rates may have a material adverse effect on Atradius' business, results of operations, financial condition and prospects.

(ii) Credit risk

Atradius has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The status of the economy is a major driver of credit risk, as well as specific events (e.g. natural disasters or catastrophes) or structural changes in the economy (e.g. easier access to developed markets for producers in low cost countries). An increase in credit risk relating to counterparties of Atradius could have a material adverse effect on Atradius' business, results of operations, financial condition and prospects. Key areas where Atradius is exposed to credit risk are:

- reinsurance contracts and amounts due from reinsurers in respect of claims;
- amounts due from policyholders and insurance intermediaries;
- counterparty risk related to debt securities;
- deposits withheld by banks and ceding companies; and
- counterparty risk related to cash and cash equivalents and other receivables.

Reinsurance contracts and amounts due from reinsurers in respect of claims

Reinsurance is used to mitigate insurance risk. This does not, however, discharge Atradius' liability as primary insurer. If a reinsurer fails to pay a claim for any reason, Atradius remains liable for the payment to the policyholder. Notwithstanding Atradius' policy to select only reinsurers that have a good financial standing, if any of its reinsurers would be unable to meet its payment obligations, this is likely to have a material adverse effect on Atradius' business, results of operations, financial condition and prospects.

Amounts due from policyholders and insurance intermediaries

There is no concentration of credit risk in respect of receivables as Atradius has a large number of internationally dispersed debtors. Despite the diversity in countries and sectors of Atradius' policyholders and of the buyers covered by its insurance policies, significant deterioration in economic conditions impacts the level of credit risk as well as the premium that can be collected directly or via insurance intermediaries. This is likely to have a material adverse on Atradius' business, results of operations, financial condition and prospects.

Counterparty risk related to debt securities

With regard to managing the credit risks of its investments, the investment policy of Atradius is to hold a principally Euro-centric, internationally diversified portfolio and to avoid large risk concentrations. Notwithstanding this policy, Atradius cannot exclude the possibility that its investment portfolio may experience significant changes in value due to current persistent or potential future financial market tensions, in particular with regard to sovereign debt. These defaults or fears of default by public or private issuers or any other third party could disrupt markets, result in an increase in the volatility of financial instruments or a chain of defaults or even lead to a generalized liquidity risk and may result in Atradius recording losses or impairments of invested assets, or unrealized losses that are significant. Such losses or impairments may affect the value of Atradius' investments and reduce their profitability and have a material adverse effect on the results of operations and financial condition of Atradius.

(iii) Liquidity Risk

Atradius is exposed to liquidity risk if there is insufficient cash available to meet its financial obligations, when due, at a reasonable cost. For Atradius, liquidity risks may arise if large scale short-term fluctuations occur to cash flows, such as a decline in incoming cash (e.g. premium, fees, investment income, incoming reinsurance flows and recoveries) or a rise in outgoing cash (e.g. claims payments, outgoing reinsurance flows and operational costs), or a combination of both. If Atradius has insufficient liquidity, the Issuer or the Guarantor may not be able to fulfil its obligations under the Notes or the Guarantee, as the case may be, in a timely manner.

Atradius is exposed to mortality risk, inflation risk and long term interest risk through its defined benefit plans. Atradius uses estimates and assumptions to determine the present value of its pension and post-retirement benefits obligations. The local post-employment benefit plans may be impacted by changes in local or European regulations

Atradius has a number of post-employment benefit plans. The schemes are determined by periodic actuarial calculations and are generally funded through payments to state plans, insurance companies or trustee-administered funds. Atradius has both defined benefit plans and defined contribution plans. The employee benefit assets and liabilities relate mainly to pension assets and liabilities for defined benefit plans. The main defined benefit plans are in the United Kingdom, Germany and the Netherlands and these represent 93% of the defined benefit obligation of Atradius as at 31 December 2013. The other defined benefit plans relate to Spain, Switzerland, Italy, Sweden, Norway, Belgium, Mexico and France. The recognition of assets and liabilities is determined separately for each plan. The actuarial calculations use assumptions related to discount rate, price inflation, expected salary increase, future pension growth and mortality. A decrease in the discount rate and an increase in the other assumptions may have a material adverse effect on Atradius' results of operations and financial condition. Changes in these assumptions could significantly affect the valuation of Atradius' pension and post-retirement benefits obligations, which may have a material adverse effect on Atradius' results of operations and financial condition.

The local post-employment benefit plans may be impacted by changes in local or European regulations. Any change in the regulation may have a material adverse effect on the results of operations and financial condition of Atradius.

Risks related to the geographical and sectorial distribution of buyers covered by Atradius' (re)insurance policies, Instalment Credit Protection policies and of customers covered by Atradius' bonding products

Atradius is exposed to concentration of risks in a number of ways: by buyer/customer, buyer/customer country and buyer/customer sector. Buyers covered by Atradius' credit insurance and Instalment Credit Protection policies and bonding customers are for a large part located in Western Europe. Atradius is therefore particularly exposed to the risks and economic conditions of countries in Western Europe. Persistently difficult market conditions or the occurrence of financial or other problems in these countries and more generally in the Eurozone could increase difficulties and deteriorate the financial position of buyers and Atradius' customers present there. As a consequence, these factors could impact the level of risk for Atradius, as well as the claims received and the premium volumes collected, and have a material adverse effect on Atradius' business, results of operations, financial condition and prospects.

Atradius' credit insurance, bonding, Instalment Credit Protection and reinsurance portfolios cover a wide range of industries. However, as at 31 December 2013, chemicals, electronics, metals, consumer durables and food accounted for more than half of the overall credit insurance exposure of Atradius. Despite the diversity of industry sectors of the buyers covered by its credit insurance policies and despite Atradius' product split, Atradius cannot rule out that a significant deterioration in economic conditions in a given industry sector or region particularly impacts the level of risk for Atradius and have a material adverse effect on its business, results of operations, financial condition and prospects.

Risks related to exposure to certain buyer groups

At 31 December 2013, no buyer group represents a significant part of Atradius' exposure. Although Atradius believes that its risk in relation to a major buyer taken in isolation is quite limited, given the number of buyers and the diversity of the risks they present and the reinsurance underwritten, the materialisation of significant risks related to certain buyer groups could affect the amount of compensation payable by Atradius and have a material adverse effect on its business, results of operations, financial condition and prospects.

The performance of Atradius is subject to substantial competitive pressures that could adversely affect its results of operations

Atradius faces substantial competition for the types of products and services that it provides globally. The credit insurance market comprises a large number of participants of varying size and status, including but not limited to domestic credit insurers, export credit agencies established nationally to encourage exports, and in particular two other international insurance groups which offer the same or similar products and services. Although Atradius considers the credit insurance market to be characterized by strong entry barriers for new global players, Atradius cannot exclude the possibility that new players, including those of significant size, change their strategy in order to enter certain markets in which Atradius is present, thereby increasing the already intense competition. In some areas, Atradius also faces competition from domestic players that are smaller but have a significant local presence.

There exist a number of alternatives or substitutes to credit insurance offers, including products offered on the market, such as standby letters of credit. "Self-insurance" whereby companies decide to manage their trade credit receivables and respective credit risk internally is a key alternative to credit insurance. Demand for substitutes or a shift towards self-insurance is affected by the price and condition of the credit insurance products and services offered by Atradius, and in general in the credit insurance industry. If Atradius will be faced with strong competitive pressure, particularly on prices, and on the scope and nature of insurance

coverage issued this could result in loss of market share, and losses on some or all of its activities. Moreover Atradius may experience lower growth, if it is unable to offer competitive, attractive and innovative products and services that are also profitable, does not choose the right product offering or distribution strategy, fails to implement such a strategy successfully or fails to adhere or successfully adapt to market changes and customer demands. A decline in Atradius' competitive position could have a material adverse effect on Atradius' business, financial condition, results of operations and prospects.

A downgrade or a potential downgrade of Atradius' credit ratings could affect Atradius' standing in the market and could result in loss of business

Credit ratings have become an increasingly important factor in establishing the competitive position of insurance and reinsurance companies, and are as such important to Atradius' ability to sell its products and services to existing and potential customers.

The main operating companies of Atradius (i.e. Atradius Credit Insurance N.V., Compañía Española de Seguros y Reaseguros de Crédito y Caucción S.A., Atradius Reinsurance Limited and Atradius Trade Credit Insurance, Inc.) have the following insurance financial strength ratings:

- A.M. Best: 'A (Excellent), outlook stable' (last updated 19 September 2013)
- Moody's Investors Service: 'A3, outlook stable' (last updated 9 September 2014)

Rating agencies regularly review their ratings and methodologies and can modify the ratings they assign at any time. As part of the rating process, rating agencies also account for risk arising from exposure to sovereign risk. Atradius' largest exposure concentration in this respect is Spain. Atradius' credit quality is connected to Spain in several ways: through its investment portfolio, its core insurance business, operational cash, reinsurance, and through its main shareholder. Deterioration in the sovereign credit rating of Spain may lead to a downgrade of the credit rating of its main shareholder and consequently to a downgrade of Atradius' credit ratings.

A downgrade or a potential downgrade in the outlook and/or credit ratings of Atradius could have a significant negative impact on the results of Atradius, and in particular lead to deterioration in its competitive position, an increase in termination of existing insurance policies and difficulties in attracting new business. In addition, a downgrade could reduce public confidence in Atradius and thereby reduce demand for its products and services and increase the number of policy withdrawals by customers. These withdrawals could require the sale of invested assets at a price that may result in investment losses. Furthermore, a downgrade in Atradius' credit ratings could have a material adverse effect on its ability to raise additional capital or increase the cost of additional capital, increase the costs of reinsurance, trigger termination rights or collateral requirements under certain contracts, and impair, or cause the termination of, Atradius' relationships with creditors, distributors, fronting partners, reinsurers or commercial counterparties, each of which may have a material adverse effect on Atradius' business, results of operations, financial condition and prospects.

Reinsurance may not be available, affordable or adequate to protect Atradius against losses, and reinsurers may default on their reinsurance obligations

As part of its overall risk and capital management strategy, Atradius purchases reinsurance for risks underwritten by several of their business lines. Market conditions beyond Atradius' control determine the availability and cost of reinsurance. Atradius may therefore be forced to incur additional expenses for reinsurance or may not be able to obtain sufficient reinsurance on acceptable terms, which could materially adversely affect its ability to write future business and/or expose it to higher levels of losses.

Atradius determines the appropriate level of reinsurance coverage based on a number of factors and from time to time decides to reduce or vary coverage based on its assessment of the costs and benefits involved. Any decreases in the amount of reinsurance coverage may increase Atradius' risk of loss. In addition to the

aforementioned, a default of a reinsurer to which Atradius has material exposure could expose Atradius to significant (unexpected) losses and therefore have a material adverse effect on its business, results of operations, financial condition and prospects.

Atradius is dependent on its network of brokers and agents who distribute its products and services

Atradius serves mainly medium-sized and large companies either directly or through broker channels, except for Spain where Atradius predominantly serves a portfolio of small and medium-sized Spanish customers through a network of tied agents. Furthermore, Atradius uses agents in Italy. The brokers and agents through whom Atradius sells and distributes its products and services are independent of Atradius, whereas the tied agents in Spain act exclusively for one insurer. Atradius' credit insurance offering is dominated by specialised brokers with around 74% of the portfolio being linked to a broker. The very nature of a broker is that they provide independent advice about the market as a whole with a focus on finding the best deal for the customer, which means that they are free to offer products and services from other insurance companies and there is no obligation to favour Atradius' products and services. The successful distribution of Atradius' products and services therefore depends in part on the advice which brokers provide to customers about the supply in the market and how Atradius' products and services can benefit the customer. An unfavourable assessment of Atradius or lack of awareness or understanding about Atradius' products and services by a broker could result in Atradius generally, or certain of its products and services, not being actively marketed to their customers, with the consequence that Atradius' premium volumes may decrease. Atradius' premium volumes may also decrease if a broker channel on which a particular business unit is dependent sells fewer Atradius products and services, for instance, due to reputational harm to that broker channel. Atradius is also exposed to the risk that distributors may change their business models in ways that affect how they sell Atradius' products and services, either in response to changing business priorities or as a result of shifts in regulatory supervision or changes in applicable laws and regulations. A failure by Atradius to maintain a competitive distribution network could have a material adverse effect on Atradius' business, results of operations, financial condition and prospects.

Atradius is exposed to the risk of damage to any of its brands, trademarks and trade names or its reputation

Atradius' success and results are, to a certain extent, dependent on the strength of its brands and Atradius' reputation. Atradius and its products are vulnerable to adverse market perception as it operates in an industry where integrity, customer trust and confidence are paramount. Atradius relies on its brands such as "ATRADIUS". Atradius is exposed to the risk that litigation, employee misconduct, operational failures, the unauthorised use of any of its brands by third parties, the outcome of regulatory investigations, press speculation and negative publicity, among others, whether or not founded, could damage its brands or reputation. Any of Atradius' brands or Atradius' reputation could also be harmed if products or services offered by Atradius do not perform as expected (whether or not the expectations are well-founded) or if the customer's expectations of the product change. Any damage to Atradius' brands (or brands associated with Atradius) or reputation could cause existing customers, intermediaries or business partners to withdraw their business from Atradius and potential customers, intermediaries or business partners to be reluctant to do business with Atradius. Furthermore, negative publicity could result in greater regulatory scrutiny and influence market or rating agencies' perception of Atradius, which could make it more difficult for Atradius to maintain its credit rating. Any damage to Atradius' brands or reputation could cause disproportionate damage to Atradius' business, even if the negative publicity is factually inaccurate or unfounded, and could have a material adverse effect on Atradius' business, reputation, results of operations, financial condition and prospects.

Risks related to Atradius' international activities

Atradius offers its products and services in a large number of countries, and its insurance policies cover buyers on all continents. The geographical span of its activities exposes Atradius to diverse and sometimes

unstable economic, financial, regulatory, commercial, social and political contexts that can have an effect on the creditworthiness of buyers covered by Atradius' insurance or re-insurance policies or, to a lesser extent, the customers of Atradius, its methods of intervention and marketing, and the management and control of risks related to its products. In addition, Atradius could be faced with a number of external risk factors such as prohibited transactions with countries and individuals that are subject to sanctions or otherwise blacklisted, anti-corruption rules; fluctuations in exchange rates and monetary devaluations; capital transfer restrictions; changes in legal and tax regimes, including regulations relating to transfer pricing and withholding tax on payments made by entities of Atradius; rises in interest rates; inflation, possible recessions and financial market volatility; or political instability or risks of terrorism or war. In some countries, the legal system and court and dispute resolution system are less mature than those of its main markets in Western Europe. Atradius may face significant difficulties and its sustainable growth strategy may be affected by the environment of certain countries in which it operates, which could have a material adverse effect on its business, results of operations, financial condition and prospects.

Within the framework of its sustainable growth strategy, Atradius will continue to expand in new countries, among others, via direct establishment or fronting partners and be required to obtain approvals, licenses and authorizations necessary to carry out its activities in such new countries. Any major difficulty encountered in obtaining such authorizations or finding suitable partners could delay or jeopardize the establishment of Atradius in such new countries. In addition, the non-renewal, suspension or loss of any authorizations or the loss of a fronting partners may have a material adverse effect on the business, results of operations, financial condition and prospects of Atradius.

Risk that critical accounting estimates, assumptions and judgements in applying accounting policies may have to be adjusted over time due to e.g. new information coming to light, which could require that Atradius has to make significant changes to the related balances, which may have a material adverse effect on Atradius' results of operations and financial condition

Estimates, assumptions and judgements in applying accounting policies play a significant role in amounts recognised for the liability arising from claims made, or to be made, under insurance contract, pipeline premium, estimated reinsurance commission, valuation of goodwill and intangible assets and pension and post-retirement benefits obligation, and require a high degree of judgment by management.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The most significant areas for which management is required to make judgements and estimates that affect reported amounts are:

(Re)insurance related estimates: The ultimate liability arising from claims made under insurance contracts, pipeline premium and estimated reinsurance commission

The estimate of the ultimate liability arising from claims including recoveries made, or to be made, under insurance contracts is Atradius' most critical accounting estimate. The recognition of technical provisions requires Atradius to carry out best estimates of future contractual cash flows and claims handling expenses. These are, among others, based on various statistics, assumptions concerning changes in events and circumstances related to the customers, buyers, bond customers, bond beneficiaries and the underlying business of the accepted (re)insurance and to changes in the economic, financial, social, regulatory or political environment. Although management has endeavoured to adequately take all facts into account, by their very nature estimates remain uncertain and the outcome may differ significantly from the projected amount. The use of these assumptions requires a high degree of judgment by management. Pipeline premium is estimated as the part of insurance premium that is or will be become due on existing (re)insurance contracts, but that has not yet been invoiced at the end of the reporting period. Although the calculation of the pipeline premium is derived from the core business systems and is calculated at policy level, the calculation does involve the use of management estimates. The actual amounts invoiced may differ significantly from the

pipeline premium estimated based on the actual insured risk. Reinsurance commission related to Atradius' quota share treaties depends on the loss ratio per underwriting year. Management periodically reviews the development of the ultimate loss ratio. The reinsurance commission recognised is based on an estimate by management of the loss ratio for an underwriting year. Any change in the estimate of the liability from claims made or estimate of the pipeline premium might significantly impact the amount of reinsurance commission Atradius receives.

Goodwill and intangible assets valuation

In accordance with its accounting policy, Atradius annually tests whether goodwill and intangible assets have suffered any impairment. The recoverable amounts of cash-generating units are determined based on value in use calculations. These calculations require the use of estimates. Atradius cannot exclude the possibility of the occurrence of future events which may result in the impairment of certain parts of the goodwill and/or intangible assets. As a result of the significance of the value of goodwill and intangible assets in the balance sheet, any significant depreciation of goodwill or intangible assets could have a material adverse effect on Atradius' results of operations and financial condition.

Impairment of available-for-sale equity financial investments

Atradius determines that an available-for-sale equity financial investment is impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgement. In making this judgement, Atradius evaluates among other factors, the normal volatility in share price, the financial health of the investment, industry and sector performance, changes in technology and operational and financing cash flows. Impairment may be appropriate when there is evidence of deterioration in the financial health of the investment, industry and sector performance, changes in technology, financing and operational cash flows.

Operational Risk

Atradius is subject to operational risk, which is the risk of direct or indirect losses resulting from inadequate or failed internal processes, people, systems or external events. Operational risk could result in, among others, the incorrect or incomplete storage of files, data and important information, mistakes in the settlement of claims and failures in the monitoring of the creditworthiness of buyers or customers. Atradius has developed policies, procedures and controls which identify, monitor and mitigate operational risks, and will continue to do so in the future. However, these policies, procedures and controls may be inadequate, or may otherwise not be fully effective. Moreover, Atradius' geographical span, may lead to increased operational risks as the effectiveness of its risk management may be reduced within remote locations. The occurrence of operational risk may have a material adverse effect on Atradius' business, results of operations, financial condition and prospects.

The loss of key personnel, and the failure to attract and retain key personnel with appropriate qualifications and experience, could have a material adverse effect on Atradius' operations

The success of Atradius' operations is dependent, among other things, on its ability to attract and retain highly qualified professional personnel including key personnel. In most countries in which Atradius operates, competition for key personnel is intense among insurance companies and other financial institutions, and Atradius may incur significant costs to attract and retain such personnel or may fail to do so. Atradius' ability to attract and retain key personnel, in particular senior officers, sales executives, risk managers and actuaries, is dependent on a number of factors, including prevailing market conditions and compensation packages offered by companies competing for the same talent. Any failure to retain key personnel could have a material adverse effect on Atradius' operations due to the loss of their skills, know-how about the industry, Atradius' products, its customers, as well as the potential difficulty of promptly finding qualified replacement personnel.

Atradius is exposed to the risk of fraud and other misconduct or unauthorised activities by Atradius' personnel, distributors, customers and other third parties

Atradius is exposed to the risk of fraud and other misconduct or unauthorised activities by Atradius' personnel, distributors, customers and other third parties. Fraud typically occurs when these persons deliberately abuse Atradius' procedures, systems, assets, products or services. Within Atradius, examples include: policy fraud; falsified issuance of policies and bonds in the name Atradius; sales fraud; claims fraud and fraud in relation to payment execution. Misconduct and unauthorised activities also include, among others, personnel acting beyond authority; taking of excessive or inappropriate risks; theft or misappropriation of Atradius' and customer's assets; money laundering; corporate espionage; other negligence or intentional misconduct. Although Atradius employs detection and prevention processes to help prevent fraud, other misconduct and unauthorised activities, these processes may prove inadequate or otherwise ineffective.

The occurrence of fraud, other misconduct and unauthorised activities could result in losses, increased costs, violations of laws, regulatory investigations and sanctions by supervisory authorities, claims by customers or other third parties, loss of potential and existing customers, loss of receivables and harm to Atradius' reputation, which may have a material adverse effect on Atradius' business, results of operations, financial condition and prospects.

Defects and errors in Atradius' financial processes, systems and reporting may cause delays, miscommunication and wrong decisions

Defects and errors in Atradius' financial processes, systems and reporting, including both human and technical errors, could result in a late delivery of internal and external reports, or reports with insufficient or inaccurate information. The legal entities and the organisational structure are not always aligned in Atradius' current financial reporting process. This increases the complexity of the financial reporting process, which in turn increases the risk of financial reporting errors. Moreover, in recent years the frequency, quality, volume, and complexity of the type of financial information that must be processed by Atradius' financial reporting systems have increased, in part due to more onerous regulatory requirements. For instance, new reporting metrics (such as economic capital and Solvency II) are significantly more complex than the financial information that Atradius' financial reporting systems processed in the past, and require a higher level of skills by Atradius' personnel and increased systems complexity.

Defects and errors in Atradius' financial processes, systems and reporting could lead to wrong decisions in respect of, for instance, product pricing which could materially adversely affect its results of operations. In the event any such defects and errors occur, this could harm Atradius' reputation and could have a material adverse effect on Atradius' business, results of operations, financial condition and prospects.

Defects, errors and failures within Atradius Information Technology systems, including hardware, software and associated infrastructure, may lead to, among others, delays or inability to service customer needs, administer new business and reputational damage

Atradius' operations depend on advanced IT tools and information systems (in particular for the collection and management of information on the creditworthiness of companies, management of product sales and services, centralization of its risk and for its accounting and reporting) that are essential to the conduct of its insurance business and additional services related to business information and credit risk management. IT tools and information systems are essential for all of Atradius' activities in both the development and the quality of its commercial offerings (business information, credit risk management and collection of debts, insurance offers, including pricing and underwriting decisions of Atradius' risk underwriters) as well as for management, reporting and internal control procedures. A significant part of Atradius' IT services are outsourced to third party service providers, such as the application development service and parts of the IT infrastructure support services for Atradius' advanced centralized IT platform. Atradius could experience a

failure of its IT tools and information systems, its employees or third party service providers could fail to monitor and implement enhancements or other modifications to a system in a timely and effective manner, or its employees or third party service providers could fail to complete all necessary data reconciliation or other conversion controls when implementing a new software system or implementing modifications to an existing system. Despite the implementation of security and back-up measures, Atradius' IT systems may be vulnerable to cybercrime, viruses or other attacks, programming errors and similar disruptions. The techniques used to hack or sabotage IT systems are constantly changing, and it is often impossible to identify them before the launch of an attack. Atradius may also be subject to disruptions of any of its IT systems arising from events that are wholly or partially beyond its control (such as natural disasters, catastrophes, acts of terrorism and electrical or telecommunications outages). Despite the implementation of disaster recovery procedures and infrastructure, security and back-up measures, any failure of Atradius' IT tools and information systems, including as a result of hacking or errors made by Atradius' employees, or any failure of a third party service provider to meet its obligations (as a result of non-performance, insolvency or otherwise) or errors made by a third party service provider, could in each case cause significant interruptions to Atradius' operations, harm Atradius' reputation and have a material adverse effect on Atradius' business, results of operations, financial condition and prospects.

Risks related to the loss of confidential data

Atradius retains confidential information in its IT systems, and relies on industry standard commercial technologies to maintain the security of those systems. Anyone who is able to circumvent Atradius' security measures and penetrate its IT systems could access, misappropriate, change, or delete information in the systems, including personally identifiable customer and buyer information and proprietary business information. Any compromise of the security of Atradius' IT systems that results in unauthorised disclosure or use of personally identifiable customer and buyer information could harm Atradius' reputation, impact future product sales, subject Atradius to heightened regulatory scrutiny or civil and criminal liability, and require that Atradius incur significant technical, legal and other expenses, each of which could have a material adverse effect on Atradius' business, results of operations, financial condition and prospects.

Changes in net deferred tax assets could have a material adverse effect on Atradius' results of operations and financial condition

Generally, deferred tax assets represent the tax benefit of future deductible differences between the value of assets and liabilities for reporting (IFRS) purposes and tax purposes, tax losses carried forward and tax credits carried forward. Atradius periodically tests the basis for recognising any deferred tax asset and evaluates whether or not a valuation allowance or impairment (write-down) needs to be booked. However, it cannot be excluded that any relevant future event, such as a change in tax legislation, and/or decrease in profitability of the operating results of Atradius may cause the need to take a valuation allowance or impairment into account, which could have a material adverse effect on Atradius' results of operations and financial condition.

Risks related to the control of Atradius

The main shareholder of the Guarantor is Grupo Catalana Occidente, S.A., with an economic stake in the Guarantor of 83.2% (35.77% directly and 47.43% indirectly through the holding Grupo Compañía Española de Crédito y Caución, S.L.) at the date of this Prospectus. Grupo Catalana Occidente, S.A. has exercised significant influence over the strategic decisions of Atradius, and may continue to do so in the future. In particular, Grupo Catalana Occidente, S.A. has the ability to control decisions relating to distribution of dividends, capital increases, mergers and any other decisions requiring the approval of the shareholders of the Guarantor.

3. Risks relating to regulatory and legal matters

Because Atradius operates in a highly regulated industry, changes in statutes, regulations and regulatory policies that govern its activities could have a material adverse effect on Atradius' business, results of operations, financial condition and prospects

The insurance and other operations of Atradius are subject to insurance and financial services statutes, regulations and regulatory policies that govern the products and services Atradius sells and how Atradius manages its business, which can be different depending on the country of operation. The statutes, regulations and regulatory policies applicable to Atradius' insurance activities govern in particular solvency standards, such as levels of admissible assets, capital and reserves, the multitude and diversification of financial investments and conduct of business activity (including topics like: distribution practices; anti-money laundering rules; prohibited transactions with countries and individuals that are subject to sanctions or otherwise blacklisted; anti-corruption rules and 'know your customer' rules). Furthermore, the statutes, regulations and regulatory policies that apply to insurance intermediaries may affect the way Atradius does business. Changes in existing statutes, regulations and regulatory policies, as well as changes in the implementation of such statutes, regulations and regulatory policies may affect the way Atradius does business, its ability to sell new policies, products or services and its claims exposure on existing policies, and may result in elevated capital liquidity requirements which in turn will adversely impact the required solvency margin, increased financing costs and increased operating costs.

Risks related to the implementation of the European Solvency II regulations

The EU is adopting a full scale revision of the solvency framework and prudential regime applicable to insurance and reinsurance companies known as 'Solvency II'. Solvency II is scheduled to come into effect on 1 January 2016 and aims to create a harmonised, risk-orientated solvency regime resulting in capital requirements for (re)insurance companies that are more reflective of the risks they run. Its objectives are, among others, to improve the protection of policyholders and beneficiaries and to instil better regulation of the European Union insurance markets. Solvency II includes the Solvency Capital Requirements (**SCR**) that set the capital targets required for the insurer for the purpose of absorbing an unexpected major shock. The SCR may be calculated on the basis of a standard formula established by the regulation or on the basis of a full or partial internal model developed by the insurer itself and approved by the national supervisor. To date, drafts of Solvency II requirements have been published, but these remain subject to change until the publication, in final form, of the Solvency II Level 2 implementing measures and Level 3 guidelines and it is therefore not possible to predict exactly how Solvency II will ultimately impact the insurance industry in general and the financial condition, results of operations and solvency of Atradius in particular.

Atradius has been actively involved in preparations for Solvency II as part of a framework set out by its ultimate parent company Grupo Catalana Occidente, S.A. (**GCO**). GCO decided to develop and use an Atradius specific partial internal model for underwriting risk to calculate, based on the specific risk management of Atradius, the SCR for GCO's credit insurance line of business.

Atradius' partial internal model provides SCR calculations to GCO who will use those calculations and the SCR calculations of other GCO's lines of business, to calculate and disclose, as ultimate parent, GCO's SCR for supervisory purposes. It is for this purpose that Atradius' partial internal model should be approved by the College of Supervisors for Atradius, which comprises the supervisory authorities of Atradius' main European regulated legal entities, being Direccion General de Seguros in Spain, as well as the Dutch Central Bank and the Central Bank of Ireland. As at the date of this Prospectus, is not certain that the partial internal model will be approved, or will be approved in time, by the College of Supervisors. If the partial internal model is not approved, or not approved in time, application of the standard formula may require Atradius (or one or more of its legal entities) to strengthen its capital structure. Even if the partial internal model is approved in time, application of this model may require Atradius (or one or more of its legal entities) to strengthen its capital structure. Furthermore if Atradius (or one or more of its legal entities) were in danger of failing, or fail, to

meet Solvency II's minimum capital requirements or to maintain sufficient assets to satisfy certain regulatory requirements, the supervisory authorities have broad authority to require Atradius (or one or more of its legal entities) to take steps to protect customers and other clients and to compensate for capital shortfalls and to limit the ability of the regulated legal entities of Atradius to pay dividends or distributions.

It is uncertain at this stage how the consolidated supervision of Atradius will be structured following the implementation of Solvency II. This will also depend on decisions to be made by the College of Supervisors. As the various supervisory authorities within the College of Supervisors may adopt a different interpretation or application of the Solvency II capital adequacy rules, this may affect the capital treatment of the Notes and the way supervisory discretions referred to in the Terms and Conditions of the Notes will be exercised by the competent supervisory authority or authorities at the time.

The full implementation of the Solvency II regulation brings in significant costs to Atradius and, given pending uncertainties around the final implementing regulations or the approval of the partial internal model, it could also give rise to adaptation costs and measures that are greater than anticipated. In addition, if Atradius were to fail to implement Solvency II within the time required by the regulations, such delay could result in regulatory sanctions and/or reputational risk for Atradius and may have a material adverse effect on the financial condition, solvency margin, results of operations and therefore the business and prospects of Atradius.

Risks related to current local regulations

The five main regulated legal entities of Atradius and respective territories are Atradius Credit Insurance N.V. in the Netherlands, Compañía Española de Seguros y Reaseguros de Crédito y Caución S.A. in Spain, Atradius Reinsurance Ltd. in Ireland, Atradius Trade Credit Insurance, Inc. in the USA and Atradius Seguros de Crédito, S.A. in Mexico. Atradius Credit Insurance N.V. operates globally through a branch structure. Atradius Credit Insurance N.V., including all its branches, is regulated by the Dutch Central Bank. Certain branches of Atradius Credit Insurance N.V. are also subject to local regulatory capital requirements (Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, Switzerland and Turkey). Currently, the capital allocated to these branches is part of the consolidated capital of Atradius Credit Insurance N.V. in the Netherlands and the local regulatory capital requirements imposed on these branches do not constitute a burden in excess of the one imposed upon Atradius Credit Insurance N.V.

The regulated legal entities of Atradius are required to maintain significant levels of capital and to comply with a number of regulatory requirements relating thereto. Atradius' supervisory authorities could require it to take remedial action if any of the regulated legal entities breaches or is at risk of breaching any of the regulatory capital requirements. Among other things, such breaches could be as a result of new regulatory requirements, including Solvency II when it becomes effective. In addition, the supervisory authorities could decide to increase the regulatory capital requirements of the regulated legal entities. In this regard, under Dutch law the Dutch Central Bank has discretionary powers to give instructions to Atradius Credit Insurance N.V. to strengthen its capital position to levels above minimum regulatory capital requirements. Remedial action could include working closely with the supervisory authorities to protect customers' interests and to restore the regulated legal entities' capital and solvency positions to acceptable levels and to ensure that the financial resources necessary to meet obligations to customers are maintained.

If Atradius is unable to meet its regulatory requirements by redeploying existing available capital, it would have to consider taking other measures to protect its capital and solvency position. These measures, e.g. divesting parts of its business or raising additional capital from external sources, could have a material adverse effect on Atradius' business, results of operations, financial condition and prospects. If the regulatory requirements are not met (because Atradius could not take appropriate measures or because the measures were not sufficiently effective) Atradius could lose any of its licenses and hence be forced to cease some or all of its business operations. A breach of capital requirements may also limit the ability of a regulated legal entity to pay dividends or distributions.

In order to assess the level of available capital in the insurance sector, the national and supra-national supervisory authorities (such as EIOPA) require solvency calculations and conduct stress tests where they examine the effects of various adverse scenarios on insurers (for example a strong decline in interest rates). In addition, regulators have carried out a number of studies on the quantitative effects of proposed changes to capital rules in the recent past (quantitative impact studies), particularly with regard to Solvency II. Announcements by supervisory authorities that they intend to carry out such tests can destabilise the insurance sector and lead to a loss of trust with regard to individual companies or the insurance sector as a whole. In the event that the results of Atradius in such a calculation or test are worse than those of its competitors and these results become known, this could also have adverse effects on Atradius' financing costs, customer demand for Atradius' products and Atradius' reputation. Furthermore, a poor result by Atradius in such calculations or tests could influence supervisory authorities in the exercise of their discretionary powers.

In anticipation of the more risk-based approach under Solvency II the Dutch legislator has introduced intermediate measures. Atradius' regulated legal entity in the Netherlands, Atradius Credit Insurance N.V., which is the main insurance company of Atradius, needs to perform a forward looking own risk assessment. Furthermore, the ability of Atradius Credit Insurance N.V. to pay out a dividend or distribution may be affected and in certain cases will require the consent of the Dutch Central Bank prior to declaring a dividend or distribution. This is relatively new legislation and there is uncertainty as to how it will be interpreted and implemented by the Dutch Central Bank, with the risk that the Dutch Central Bank interprets and implements the requirements in a manner that is more onerous for Atradius than it currently anticipates. Moreover, the future application of these intermediate measures is also uncertain following the publication by the Dutch Minister of Finance of a legislative proposal (currently open for public comment) that would remove these intermediate measures as of 1 January 2015 in anticipation of Solvency II. These intermediate measures may affect the Issuer's ability to meet its obligations under the Notes or the Guarantor's ability to meet its obligations under the Guarantee.

Changes in accounting standards or policies, or Atradius' financial metrics, could adversely impact Atradius' reported results of operations and its reported financial condition

Atradius' consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, which are periodically revised or expanded. Accordingly, from time to time Atradius is required to adopt new or revised accounting standards issued by the International Accounting Standards Board (IASB) and subsequently endorsed by the European Union. It is likely that future accounting standards which Atradius is required to adopt, will change the current accounting treatment that applies to Atradius' consolidated financial statements.

Some of the proposals by the IASB, such as the proposal for the accounting of insurance contracts ("IFRS 4 phase 2"), financial instruments ("IFRS 9"), leases and post-employment benefits could have a significant impact on Atradius' consolidated financial statements. In particular, the implementation of IFRS 4 phase 2 will require a significant effort of Atradius and, given the pending uncertainties around the final accounting standard, may be more complex than currently anticipated. Atradius may also choose to change the calculation methods, definitions, presentation or other elements of its reported financial metrics, or make other choices permitted under IFRS regarding the presentation of its reported results of operations and reported financial condition. Future changes in accounting standards or policies, or Atradius' financial metrics, including as a result of choices made by Atradius, could have a material adverse effect on Atradius' reported results of operations and its reported financial condition.

Risks relating to the Dutch Intervention Act

Under the Dutch Intervention Act (*Wet bijzondere maatregelen financiële ondernemingen*), which entered into force on 13 June 2012, (the **Intervention Act**), the Dutch Central Bank and the Dutch Minister of Finance have been granted substantial powers to deal with ailing Dutch banks, insurance companies and

special purpose vehicles for risk acceptance (each a **relevant entity**). The Intervention Act provides for two categories of measures. The first category includes measures that the Dutch Central Bank can take related to the timely and efficient liquidation of an ailing relevant entity. The measures include filing a request for bankruptcy and preparing and effecting the transfer of deposits, other assets/liabilities and/or shares in the capital of the relevant entity to a third party under a transfer plan. The intervention will only be made public after approval of the transfer plan by the Amsterdam district court. The second category includes measures intended to safeguard the stability of the financial system as a whole. The Dutch Minister of Finance may with immediate effect take these measures, which include an expropriation of assets or securities of a financial enterprise (which also includes investment firms, custodians and pension funds) or its parent, in each case if it has its corporate seat in the Netherlands. The Minister may also suspend voting rights or board members. In taking these measures, provisions in Dutch statutes and articles of association may be set aside. The Intervention Act further provides that acceleration, early termination and other rights, to the extent they are triggered by the preparation or implementation of the measures introduced by the Intervention Act (collectively, **events**), cannot, subject to limited exceptions, be exercised without the prior approval of the Dutch Central Bank. An obligation to give notice of an event or to provide information regarding an event is not enforceable.

Exercise of the foregoing powers could involve taking various actions in relation to any assets of Atradius or any securities issued by the Issuer (including the Notes) or the Guarantor without the consent of the holders of such securities. These actions may include modifying or disregarding certain terms of the Notes (including disregarding any termination or acceleration rights or events of default). There can be no assurance that the taking of any such actions would not adversely affect the rights of Noteholders, the price or value of their investment in Notes and/or the ability of the Issuer to satisfy its obligations under the Notes and/or the ability of the Guarantor to satisfy its obligations under the Guarantee. In such circumstances, Noteholders may have a claim for compensation, but there can be no assurance that Noteholders would thereby recover compensation promptly or equal to any loss actually incurred.

As at the date of this Prospectus, neither the Issuer nor the Guarantor nor any other entity of Atradius has received any notice of any measure being taken in respect of it and there has been no indication that any event may occur. However, there can be no assurance that this will not change and/or that Noteholders will not be adversely affected by any event if it occurred.

Regulatory investigations and sanctions may have a material adverse effect on Atradius' business, results of operations, financial condition or prospects

Atradius faces significant risks of regulatory investigations and actions in the conduct of its business. In recent years, the financial services industry and financial products have increasingly been the subject of investigation and regulatory activity by various governmental, supervisory and enforcement authorities. The investigations concern common industry practices. Current and future investigations by supervisory authorities, in particular in the context of market conduct supervision, could result in sanctions, require Atradius to take costly measures or result in changes in laws and regulations in a manner that is adverse to Atradius and/or its business. Changes to the pricing structure of any products resulting from regulatory action, a substantial legal liability or a significant regulatory action or sanction could have a material adverse effect on Atradius' business, results of operations, financial condition and prospects. In addition, Atradius' reputation could suffer and it could be fined or prohibited from engaging in some of its business activities or be sued by customers and/or third parties if it does not comply with applicable laws or regulations.

Risks associated with any judicial, administrative or arbitral proceedings

In the normal course of business, the entities of Atradius are exposed to risks resulting from proceedings of a judicial, administrative or arbitral nature. Atradius cannot predict the outcome of any pending proceedings or potential future proceedings with certainty and may incur substantial expenses in pursuing or defending these proceedings. Depending on the circumstances, claims for a significant amount could be made against entities

of Atradius and the outcome of these proceedings could result in a significant level of liability for Atradius. Although Atradius may implement a prudent provisioning policy for litigation, proceedings could have a material adverse effect on the business, reputation, results of operations, financial condition and prospects of Atradius. Potential liabilities may not be covered by insurance, Atradius' insurers may dispute coverage or may be unable to meet their obligations, or the amount of Atradius' insurance coverage may be inadequate. Furthermore, while most of the claims are individually immaterial, such claims, in the aggregate, may material adversely affect Atradius' business. Even if claims brought against Atradius are unsuccessful or without merit, Atradius would have to defend itself against such claims. The defence of any such claims may be time consuming and costly, may distract the attention of management and potentially result in negative publicity and reputational damage. Atradius cannot rule out the possibility that the number of proceedings could increase in the future. Any of the above factors may have a material adverse effect on the business, reputation, results of operations, financial condition and prospects of Atradius.

Changes in tax laws could materially impact Atradius' tax position and could lead to a lower demand for certain of Atradius' products and services, which may have a material adverse effect on Atradius' business, results of operations, financial condition and prospects

Atradius is subject to tax in many jurisdictions. Changes in the applicable tax legislation, in the interpretation of existing tax laws, amendments to existing tax rates, or the introduction of new tax legislation, specifically with respect to taxation of insurance companies, could have a material adverse effect on Atradius' business, results of operations, financial condition and prospects. Differences in the interpretation or application of local tax legislation or any valuation of assets and liabilities on the tax balance sheet and/or transfer pricing may be challenged by local tax authorities. Generally, any breach of relevant local tax legislation may result in adjustments of the taxable amount, and the payment of late interest, fines and penalties and could have a negative impact on Atradius' effective tax rate, cash flow and result of operations. Future changes in tax legislation or its interpretation, when applied to products and services offered by Atradius, could have a material adverse effect on customers' demand for these products and services.

Changes in laws, including but not limited to insolvency laws, could have a material adverse effect on Atradius' results of operations and financial condition

Atradius carries large recovery provisions on risks that were insured under a policy on which Atradius has compensated the policyholder for a loss on these risks. The recovery possibilities depend among other things on local insolvency laws and local laws that govern the availability of personal data for risk assessment purposes, which are different in each country in which Atradius operates. A change in such laws, in particular any change in the Belgium laws where Atradius has significant recovery provisions related to Instalment Credit Protection, could have a material adverse effect on Atradius' results of operations and financial condition.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE RISKS ASSOCIATED WITH THE NOTES

1. Risks related to the particular structure of the Notes

Set out below is a brief description of certain risks relating to the particular structure of the Notes:

The Issuer's obligations under the Notes and the Guarantor's obligations under the Guarantee are subordinated and set-off is restricted

The Notes and the Coupons rank *pari passu* and without any preference among themselves and constitute direct, unsecured and subordinated obligations of the Issuer. The Notes will be unconditionally and irrevocably guaranteed on a subordinated basis by the Guarantor.

In the event of the insolvency (bankruptcy (*faillissement*) or moratorium (*surseance van betaling* or *noodregeling*, as applicable)), dissolution (*ontbinding*) or liquidation (*vereffening*) of the Issuer or the Guarantor, as the case may be, the payment obligations of the Issuer under the Notes and the Coupons and of the Guarantor under the Guarantee, as the case may be, shall rank in right of payment after unsubordinated and unsecured creditors of the Issuer or the Guarantor, as the case may be, but *pari passu* with all other subordinated obligations of the Issuer or the Guarantor, as the case may be, save for those preferred by mandatory provisions of law and those that rank or are expressed by their terms to rank junior to the Notes and Coupons or the Guarantee, as the case may be, and in priority to the claims of shareholders of the Issuer or the Guarantor, as the case may be. Furthermore, by acceptance of the Notes and the Coupons, each Noteholder and Couponholder will be deemed to have waived any right of set-off or counterclaim that such Noteholder or Couponholder might otherwise have against the Issuer in respect of or arising under the Notes or Coupons or against the Guarantor in respect of or arising under the Guarantee, as the case may be, whether prior to or in insolvency, moratorium, dissolution or liquidation of the Issuer or the Guarantor, as the case may be. Therefore, although the Notes may pay a higher rate of interest than notes which are not subordinated, there is a greater risk that an investor in the Notes will lose all or some of his investment should the Issuer become insolvent, subject to moratorium or be dissolved or liquidated.

Under certain conditions, interest payments under the Notes must be deferred and in other instances interest payments under the Notes may be deferred at the option of the Issuer

Payments of interest on the Notes will be mandatorily deferred on each Interest Payment Date in respect of which a Mandatory Deferral Event has occurred and is continuing. A Mandatory Deferral Event occurs if (a) the Solvency Condition is not met or (b) a Capital Adequacy Event has occurred and continues to exist and a deferral of interest and/or a suspension of payment of principal, as applicable, is required under the Capital Adequacy Regulations for the Notes to qualify for the purposes of determination of the solvency margin, capital adequacy ratio or comparable margins or ratios of the Guarantor, or, where this is subdivided in tiers, as tier 2 basic own funds (howsoever described at the time), on a consolidated basis.

The Issuer may defer paying interest on each Optional Interest Payment Date. An Optional Interest Payment Date is any Interest Payment Date other than a Compulsory Interest Payment Date or a Mandatory Interest Deferral Date.

Deferral of any payment of interest on an Optional Interest Payment Date or Mandatory Interest Deferral Date will not constitute a default by the Issuer or the Guarantor and will not give the Noteholders any right to accelerate the Notes or to take any enforcement action under the Notes or the Guarantee.

The Issuer is only required to pay interest on the Notes on any Compulsory Interest Payment Date, which is an Interest Payment Date which is not a Mandatory Interest Deferral Date and on which the Solvency Condition is satisfied, and in respect of which during the immediately preceding six-month period a Compulsory Interest Payment Event has occurred.

Arrears of Interest shall bear interest (to the extent permitted by applicable law) at the applicable rate of interest from (and including) the date on which (but for such deferral) the deferred payment would otherwise have been due to be made to (but excluding) the relevant date on which the relevant deferred payment is in fact made. Any Arrears of Interest and any other amount, payment of which is deferred in accordance with Conditions 4(a)(i) or 4(a)(ii), may be paid in whole or in part at any time upon the expiry of not less than 14 days' notice to such effect given by the Issuer or the Guarantor to the Noteholders in accordance with Condition 11, provided that no Mandatory Deferral Event has occurred and is continuing and any notifications to the Regulator have been made or consent from the Regulator has been obtained, as the case may be, in either case if required of the Issuer or the Guarantor under the Capital Adequacy Regulations. Arrears of Interest will become immediately due and payable in whole (and not in part) upon the earliest of the following dates:

- (a) the date fixed for any redemption, purchase or substitution, or variation of the terms, of the Notes by or on behalf of the Issuer pursuant to Condition 5 or Condition 9; or
- (b) the date on which an order is made or a resolution is passed for the liquidation of the Guarantor (other than a solvent winding-up solely for the purpose of a reconstruction or amalgamation or the substitution in place of the Guarantor of a successor in business of the Guarantor, the terms of which reconstruction, amalgamation or substitution (i) have previously been approved in writing by an Extraordinary Resolution of the Noteholders and (ii) do not provide that the Notes shall thereby become payable); or
- (c) the date on which a Compulsory Interest Payment Event occurs, provided that no Mandatory Deferral Event has occurred and is continuing,

in the case of paragraph (a) and (c) above, provided that any notifications to the Regulator have been made or consent from the Regulator has been obtained, as the case may be, in either case if required of the Issuer or the Guarantor under the Capital Adequacy Regulations.

Any deferral of interest payments (or perceived risk thereof) will likely have an adverse effect on the market price of the Notes. In addition, as a result of the interest deferral provision of the Notes being applicable, the market price of the Notes may be more volatile than the market prices of other debt securities on which original issue discount and/or interest accrual exists that are not subject to such deferral provisions. The presence of the interest deferral provisions in the Notes may also result in the market price of the Notes being more sensitive to adverse changes in the Issuer's financial condition in general.

Payments made under some junior or equally ranking instruments may not trigger an obligation for the Issuer to make payments on the Notes

The Issuer will only be obliged to pay interest and, subject to other conditions, Arrears of Interest upon the occurrence during the immediately preceding six-month period of a Compulsory Interest Payment Event, provided that no Mandatory Deferral Event has occurred and is continuing. A Compulsory Interest Payment Event means (a) any declaration, payment or making of a dividend or other distribution by the Issuer or the Guarantor to holders of any class of the Issuer's or the Guarantor's share capital, (b) any repurchase by the Issuer or the Guarantor of any class of the Issuer's or the Guarantor's share capital for cash, (c) any payment by the Issuer or the Guarantor or any other person which has issued Junior Securities in respect of such Junior Securities, save where the Issuer, the Guarantor or such other person is not able to defer, pass or eliminate or continue to eliminate a dividend or other distribution or any other payment in accordance with the terms and conditions of those securities or guarantees or (d) any redemption, repurchase, cancellation, reduction or acquisition of Junior Securities by the Issuer or the Guarantor or any other person which has issued Junior Securities, save for a redemption required to be effected under the terms of such securities.

Therefore, payments on any instruments ranking *pari passu* with the Notes or junior to the Notes, other than on the Issuer's share capital, may not trigger an obligation for the Issuer to pay interest or Arrears of Interest on the Notes.

Potential investors in the Notes should therefore realise that holders of instruments ranking junior to or *pari passu* with the Notes may receive payments from the Issuer in priority to the Noteholders, even though their claims rank junior to or *pari passu* with those of Noteholders. However, in the event of insolvency of the Issuer, the payment obligations of the Issuer under the Notes shall rank *pari passu* with all other subordinated obligations of the Issuer save for those preferred by mandatory provisions of law and those that rank or are expressed by their terms to rank junior to the Notes, and in priority to the claims of shareholders of the Issuer as more fully described above under "*Risks related to the particular structure of the Notes—The Issuer's obligations under the Notes are subordinated and set-off is restricted*".

The Notes are long-term securities with limited events of default

Unless previously redeemed or purchased and cancelled by the Issuer, the Issuer will only redeem the Notes on their Maturity Date, which falls in 2044, or even later, as further described in "*Risks related to the particular structure of the Notes—Redemption of the Notes is subject to conditions*" below. The Issuer is under no obligation to redeem the Notes prior to that date and the Noteholders have no right to call for their redemption. Noteholders may only declare Notes due and repayable before the Maturity Date in the case of the liquidation of the Guarantor. Liquidation may occur as a result of the winding-up (*ontbinding en vereffening*) or bankruptcy (*faillissement*) of the Guarantor or the emergency regulation (*noodregeling*) being applied to the Guarantor if that constitutes a liquidation.

Therefore prospective investors should be aware that they should be prepared to bear the financial risks of an investment in the Notes until the Maturity Date or even for an extended period of time as further described in "*Risks related to the particular structure of the Notes—Redemption of the Notes is subject to conditions*" below.

Redemption of the Notes is subject to conditions

Although the Notes are dated, so long as the Guarantor is subject to Capital Adequacy Regulations, any redemption (including, without limitation, on the Maturity Date) may only be made provided no Mandatory Deferral Event has occurred and is continuing at the time of such redemption, and any redemption of the Notes is subject to the prior consent of the Regulator if required of the Issuer or the Guarantor under the Capital Adequacy Regulations and subject to compliance with the Capital Adequacy Regulations. See Condition 5(h).

Therefore prospective investors should be aware that they may be required to bear the financial risks of an investment in the Notes for an extended period of time.

The Notes are subject to optional redemption by the Issuer

The Notes are redeemable at the option of the Issuer (subject to prior consent of the Regulator if required under the Capital Adequacy Regulations) on each Interest Payment Date from the First Call Date and upon the occurrence of a Tax Event, a Capital Disqualification Event or a Rating Methodology Event, at their principal amount together with any Arrears of Interest and any further interest accrued to (but excluding) the date of redemption in accordance with the Terms and Conditions. See also "*Risks related to the market generally—Reinvestment risk*" below.

A Tax Event will occur if the Issuer or the Guarantor has or will become obliged to pay additional amounts as provided or referred to in Condition 7 or if there is more than an insubstantial risk that the Issuer or the Guarantor, as applicable, will not obtain full or substantially full deductibility for the purposes of Dutch corporation tax for any payment of, or in respect of, interest, in each case as a result of a Tax Law Change, and the foregoing cannot be avoided by the Issuer or the Guarantor, as applicable, taking reasonable measures not prejudicial to the interests of the Noteholders available to it.

A Capital Disqualification Event will occur if, as a result of any replacement of or change to the Capital Adequacy Regulations (or change to the interpretation thereof by any court, the Regulator or any other authority entitled to do so), the Notes cease to be capable of counting for 100 per cent. of the principal amount of the Notes outstanding at such time, or in the circumstances where such capability derives only from transitional or grandfathering provisions under the Solvency II Directive, less than 100 per cent. of the principal amount of the Notes outstanding at such time are capable of counting for the regulatory capital resources of the Guarantor or (if no requirements as to the maintenance thereof apply to the Guarantor) of the group to which it belongs. As discussed in greater detail above in the risk factor "*Risks relating to regulatory and legal matters — Risks related to the implementation of the European Solvency II regulations*", the EU is introducing a full scale revision of the solvency framework and prudential regime applicable to

insurance and reinsurance companies and insurance groups known as Solvency II which, amongst other things, will set out features which any instrument (including subordinated notes) must have in order to qualify as regulatory capital. These features may be different and/or more onerous than those currently applicable to insurance companies in the Netherlands and contained in the Notes. The details of these features remain subject to change until the publication, in final form, of the Solvency II Level 2 implementing measures and Level 3 guidelines. The Solvency II Directive is expected to apply to insurers with effect from 1 January 2016. Accordingly, there is a risk that, after the issue of the Notes, a Capital Disqualification Event may occur which would entitle the Issuer, with the consent of the Regulator if then required of the Issuer or the Guarantor by the Capital Adequacy Regulations, to redeem the Notes early or to substitute the Notes or to vary their terms as set out hereafter. Given that a Capital Disqualification Event can also relate to the group to which the Guarantor belongs, redemption upon the occurrence of such event can also occur if no requirements as to the maintenance of regulatory capital resources apply to the Guarantor itself any longer and less than 100 per cent. of the principal amount of the Notes outstanding is capable of counting for the regulatory capital resources of the group to which the Guarantor belongs.

A Rating Methodology Event will occur upon a change in the methodology of a Rating Agency (or in the interpretation of such methodology) as a result of which the equity content previously assigned by such Rating Agency to the Notes is, as notified by such Rating Agency to the Issuer or the Guarantor or as published by the Rating Agency, materially reduced when compared with the equity content assigned by such Rating Agency on or around the Issue Date.

Substitution or variation of the Notes without Noteholder consent

Upon the occurrence of a Tax Event, a Capital Disqualification Event or a Rating Methodology Event, the Issuer may, at its option and without consent or approval of the Noteholders, elect to substitute the Notes for, or vary the terms of the Notes so that they remain or become, Qualifying Securities, as provided in Condition 5(f). In the case of a substitution or variation of the terms of the Notes, whilst the substituted or modified Notes must have terms which are not materially less favourable to an investor than the terms of the original Notes then prevailing, there can be no assurance that, due to the particular circumstances of each Noteholder, such substituted or modified Notes will be as favourable to each Noteholder in all respects.

No limitation on issuing debt

There is no restriction on the amount of debt which the Issuer may issue which ranks senior to the Notes or which the Guarantor may issue which ranks senior to the Guarantee, or on the amount of securities that the Issuer may issue which ranks *pari passu* with the Notes or that the Guarantor may issue which ranks *pari passu* with the Guarantee. The issue of any such debt or securities may reduce the amount recoverable by Noteholders on a winding-up (*faillissement* or *vereffening na ontbinding*) of the Issuer or the Guarantor and may increase the likelihood of a deferral of payments under the Notes or the Guarantee.

Solvency II Directive – Risk of adverse impact on Guarantor’s regulatory solvency condition

The Notes are expected to qualify as additional solvency margin for capital adequacy regulatory purposes pursuant to the Dutch Financial Supervision Act. The capital adequacy requirements for insurance companies are currently under a fundamental review. As also discussed above in “- *Risks relating to regulatory and legal matters – Risks related to the implementation of the European Solvency II regulations*”, Solvency II is the new European capital adequacy regime for insurance companies. It is currently expected that the Solvency II Directive will be implemented in the Dutch Financial Supervision Act on 31 January 2015 and apply to insurers by 1 January 2016. The Level 2 implementing measures and Level 3 guidelines, however, are still to be finalised and remain subject to change at this stage. The content of the Level 2 implementing measures and Level 3 guidelines may differ from what is currently expected and therefore could, when finalised, have an adverse effect on the Notes and as a consequence of which any such implementing measure or guideline could adversely affect the interests of the Noteholders. In particular, the implementing measures

or guidelines could result in a higher overall valuation of liabilities or capital requirement, or a lower overall recognition of own funds than is currently expected and could therefore result in the occurrence of a Capital Adequacy Event following which a Mandatory Deferral Event would occur. Principal, premium, interest or any other amount shall only be due and payable in respect of or arising from the Notes provided that no Mandatory Deferral Event has occurred and is continuing and the Issuer could make such payment without a Mandatory Deferral Event occurring.

The Issuer is a financing company with no operations and relies on companies belonging to the Atradius group to provide it with funds to meet its financial obligations

The Issuer is a financing company with no material, direct business operations. The principal assets of the Issuer are the claims against companies belonging to Atradius to which it has on-lent the proceeds of the Notes and of other financings it may raise. As a result, the Issuer is dependent on payments from such group companies to generate the funds necessary to meet its financial obligations, including the payment of principal and interest on the Notes. The ability of those group companies to make such payments depends on their earnings and may be subject to statutory, legal, regulatory or contractual limitations. See "*Risks relating to regulatory and legal matters — Risks related to current local regulations*" above.

The Guarantor is a holding company with no operations and relies on its operating subsidiaries to provide it with dividend payments and other funds to meet its financial obligations and to pay out dividends

The Guarantor is a holding company with no material, direct business operations. The principal assets of the Guarantor are the equity interests it directly or indirectly holds in its operating subsidiaries. As a result, the Guarantor is dependent on loans, dividends and other payments from its subsidiaries to generate the funds necessary to meet its financial obligations, including the payment of dividends and payments under the Guarantee. The ability of the Guarantor's subsidiaries to make such distributions and other payments depends on their earnings and may be subject to statutory, legal, regulatory or contractual limitations. See "*Risks relating to regulatory and legal matters — Risks related to current local regulations*" above.

As an equity investor in its subsidiaries, the Guarantor's right to receive assets upon their liquidation or reorganisation will be effectively subordinated to the claims of creditors of its subsidiaries. To the extent that the Guarantor is recognised as a creditor of such subsidiaries, the Guarantor's claims may still be subordinated to any security interest in, or other lien on, their assets and to any of their debt or other obligations that are senior to the Guarantor's claims.

2. Risks related to the Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

Modification, waivers and substitution

The Fiscal Agency Agreement contains provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

EU Savings Directive

Under EU Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent

upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland). In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

On 24 March 2014, the EC adopted an EU Council Directive amending and broadening the scope of the requirements described above. In particular, the changes expand the range of payments covered by the Directive to include certain additional types of income, and widen the range of recipients of payments covered by the Directive, to include certain other types of entities and legal arrangements. Member States are required to implement national legislation giving effect to these changes by 1 January 2016 (which national legislation must apply from 1 January 2017).

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

U.S. Foreign Account Tax Compliance Withholding

As discussed below under "*Taxation – Foreign Account Tax Compliance Act*", FATCA imposes a new reporting and withholding regime. Whilst the Notes are in global form and held within the clearing systems, in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the clearing systems. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. The Issuer's obligations under the Notes and the Guarantor's obligations under the Guarantee are discharged once it has paid the clearing systems, and the Issuer and the Guarantor have therefore no responsibility for any amount thereafter transmitted through the clearing systems and custodians or intermediaries. Prospective investors should refer to the section "*Taxation – Foreign Account Tax Compliance Act*".

Change of law

The Terms and Conditions are based on Dutch law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to Dutch law or administrative practice after the date of this Prospectus.

Dealings in the Notes may become subject to a Financial Transactions Tax

In February 2013, the EC published a proposed directive for a common financial transaction tax to be implemented in 11 participating Member States, being Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain, which would together constitute the "FTT-Zone". As at the date of this Prospectus, it has not been proposed that the Netherlands become a participating Member State. Under the proposed directive, the FTT would have a broad scope and could, *inter alia*, levy a tax on

transactions in financial instruments by financial institutions if at least one of the parties to the transaction is located in the "FTT-Zone". As such, the FTT could levy a tax on certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State. As of the date of this Prospectus, it is unclear when the FTT will come into force, if at all, and unclear what the content of the FTT would be. If the FTT were to come into force, there is a risk that dealings in the Notes may be subject to the FTT if at least one of the transacting parties is a qualifying financial institution, or if the Netherlands were to become a participating Member State.

Reliance on Euroclear and Clearstream, Luxembourg procedures

The Notes are represented by the Global Notes deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the Global Notes, investors will not be entitled to receive Notes in definitive form. Each of Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in the Global Notes held through it. While the Notes are represented by the Global Notes, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

While the Notes are represented by the Global Notes, the Issuer will discharge its payment obligation under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in the Global Notes must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

Integral multiples of less than EUR 100,000

The denomination of the Notes is EUR 100,000 and integral multiples of EUR 1,000 in excess thereof, up to and including EUR 199,000. Therefore, it is possible that the Notes may be traded in amounts in excess of EUR 100,000 that are not integral multiples of EUR 100,000. In such a case, a Noteholder who, as a result of trading such amounts, holds a principal amount of less than EUR 100,000 will not receive a definitive Note in respect of such holding (should definitive Notes be issued) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more denominations.

3. Risks related to the market generally

Set out below is a brief description of the principal market risks, including interest rate risk, reinvestment risk, liquidity risk, exchange rate risk and credit risk:

Interest rate risk during the Fixed Rate Period

From the Issue Date, the Notes will bear a fixed rate of interest of 5.250 per cent. per annum up to (but excluding) the First Call Date. As the rate of interest is fixed during this period there is a risk that changes in market interest rates during this period may adversely affect the value of the Notes.

The Notes will bear a floating interest rate as of the First Call Date

The Notes will bear a floating rate of interest of Euribor for three-month deposits in euro plus a margin of 5.031 per cent. per annum as of the First Call Date. As the rate of Euribor for three-month deposits in euro

which will be applicable at that time is not known to the Issuer at the date of this Prospectus, the Floating Rate of Interest applicable to the Notes following the First Call Date may be lower than the prevailing Fixed Rate of Interest prior to the First Call Date. As a consequence, there is a risk that the interest rate in respect of the Notes following the First Call Date may be less favourable than the prevailing interest rate in respect of the Notes prior to the First Call Date. Also, the spread may be less favourable than the spreads on comparable floating rate instruments tied to the same reference rate at the time.

Reinvestment risk

The Notes are redeemable at the option of the Issuer on each Interest Payment Date from and including the First Call Date and upon the occurrence of a Tax Event, a Capital Disqualification Event and a Rating Methodology Event. At the time of any such redemption by the Issuer, prevailing interest rates may be lower than the rate borne by the Notes. If that is the case, a Noteholder may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes and may only be able to do so at a significantly lower rate. In addition, the Issuer's ability to redeem the Notes at its option is likely to affect the market value of the Notes. In particular, during any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the redemption price because of the optional redemption feature. This may also be true prior to any redemption period. Potential investors should consider reinvestment risk in light of other investments available at that time.

The secondary market generally

The Notes will have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. The Notes are especially sensitive to interest rate, currency or market risks, designed for specific investment objectives or strategies structured to meet the investment requirements of limited categories of investors. As such, the Notes generally will have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the euro would decrease (a) the Investor's Currency-equivalent yield on the Notes, (b) the Investor's Currency-equivalent value of the principal payable on the Notes, and (c) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Credit ratings may not reflect all risks

Each of Moody's and A.M. Best is expected to assign a credit rating of Ba1 and bbb-, respectively, to the Notes. A rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (a) the Notes are legal investments for it, (b) the Notes can be used as collateral for various types of borrowing, and (c) other restrictions apply to its purchase or pledge of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

OVERVIEW OF PRINCIPAL FEATURES OF THE NOTES

The following overview refers to certain provisions of the Terms and Conditions and is qualified by the more detailed information contained elsewhere in this Prospectus. Capitalised terms which are defined in the Terms and Conditions have the same meaning when used in this overview. References to numbered Conditions are to the Terms and Conditions as set out under "*Terms and Conditions of the Notes*".

Issuer	Atradius Finance B.V.
Guarantor	Atradius N.V.
Issue	€250,000,000 Fixed to Floating Rate Guaranteed Subordinated Notes due 2044.
Issue Date	23 September 2014.
Maturity Date	23 September 2044, subject as set out below under Redemption at Maturity.
First Call Date	23 September 2024.
Risk Factors	<p>There are certain factors that may affect the Issuer's ability to fulfil its obligations under the Notes and the Guarantor's ability to fulfil its obligations under the Guarantee. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with the Notes and certain risks relating to the structure of the Notes. These are set out under "<i>Risk Factors</i>".</p>
Status, Guarantee and Subordination	<p>The Notes rank <i>pari passu</i> without any preference among themselves and constitute direct, unsecured and subordinated obligations of the Issuer, as further described in Condition 2.</p> <p>The Notes will be unconditionally and irrevocably guaranteed on a subordinated basis by the Guarantor, as further described in Condition 2.</p>
Interest	<p>From the Issue Date up to the First Call Date, the Notes bear a fixed rate of interest of 5.250 per cent. per annum, payable annually in arrear on 23 September in each year. If on the First Call Date the Notes have not been redeemed in full, the Notes will bear a floating rate of interest of Euribor for three-month deposits in euro plus a margin of 5.031 per cent. per annum payable quarterly in arrear on 23 March, 23 June, 23 September and 23 December in each year, for the first time on 23 December 2024.</p>
Deferral of Interest	<p>The Issuer may, in respect of any Optional Interest Payment Date, elect to defer payment of all (but not some only) of the interest accrued to that date and neither the Issuer nor the Guarantor shall have any obligation to make such payment on that date. Subject to Condition 4(b), such deferral may continue until the Maturity Date or any earlier date on which the Notes are redeemed in full.</p> <p>In addition, payments of interest on the Notes will be mandatorily deferred on each Mandatory Interest Deferral Date and neither the Issuer nor the Guarantor shall have any obligation to make such payment on that date.</p>

A **Mandatory Interest Deferral Date** means each Interest Payment Date in respect of which a Mandatory Deferral Event has occurred and is continuing.

A **Mandatory Deferral Event** means:

- (a) the Solvency Condition is not met; or
- (b) a Capital Adequacy Event has occurred and continues to exist and a deferral of interest and/or a suspension of payment of principal, as applicable, is required under the Capital Adequacy Regulations for the Notes to qualify for the purposes of determination of the solvency margin, capital adequacy ratio or comparable margins or ratios of the Guarantor, or, where this is subdivided in tiers, as tier 2 basic own funds (howsoever described at the time), on a consolidated basis.

Deferral of any payment of interest on an Optional Interest Payment Date or Mandatory Interest Deferral Date will not constitute a default by the Issuer or the Guarantor and will not give the Noteholders any right to accelerate the Notes or to take any enforcement action under the Notes or the Guarantee.

Arrears of Interest

Arrears of Interest, and any other amount, payment of which is optionally or mandatorily deferred may be paid in whole or in part at any time, provided that no Mandatory Deferral Event has occurred and is continuing and any notifications to the Regulator have been made or consent from the Regulator has been obtained, as the case may be, in either case if required of the Issuer or the Guarantor under the Capital Adequacy Regulations.

Arrears of Interest will bear interest and become immediately due and payable in whole (and not in part) upon the occurrence of certain events as described in Condition 4(b).

Conditions to redemption, substitution, variation and purchase

So long as the Guarantor is subject to Capital Adequacy Regulations

- (a) any redemption pursuant to Condition 5 may only be made provided no Mandatory Deferral Event has occurred and is continuing at the time of such redemption, and principal, premium, interest or any other amount shall only be due and payable in respect of or arising from the Notes, provided no Mandatory Deferral Event has occurred and is continuing and the Issuer could make such payment without a Mandatory Deferral Event occurring, except where Condition 2(b) applies, in which case this condition to redemption does not apply and the Noteholder shall have a subordinated claim as set out therein; and
- (b) any redemption, substitution, variation or purchase of the Notes is subject to (a) the prior consent of the Regulator if required of the Issuer or the Guarantor under the Capital Adequacy Regulations and (b) compliance with the Capital Adequacy Regulations.

Upon the Solvency II Directive becoming part of the Capital Adequacy

Regulations, a redemption or purchase of the Notes prior to 23 September 2019 shall also be subject to the condition that the Notes have been replaced by other at least equivalent regulatory capital (if such replacement condition is required in order for the Notes to be recognised in the determination of the own funds of the Guarantor at least as tier 2 capital under the Capital Adequacy Regulations (on the basis that the Notes are intended to qualify as tier 2 capital without the operation of any transitional or grandfathering provisions), or, in the case of a redemption following a Capital Disqualification Event, such replacement had been required immediately before such Capital Disqualification Event occurred).

Redemption at Maturity	Unless the Notes are previously redeemed or purchased and cancelled in full, the Issuer will redeem the Notes at their principal amount, together with all Arrears of Interest and further interest accrued on the Maturity Date.
Optional Early Redemption	The Issuer has the option to redeem all of the Notes in full on 23 September 2024 and each Interest Payment Date thereafter at their principal amount outstanding, together with any accrued and unpaid interest and any Arrears of Interest, subject to and in accordance with Condition 5(b).
Early Redemption for Tax Event, Capital Disqualification Event or Rating Methodology Event	The Issuer may redeem the Notes, in whole, but not in part, at their principal amount together with any Arrears of Interest and any further interest accrued to (but excluding) the date of redemption in the case of a Tax Event, a Capital Disqualification Event or, from 23 September 2019, a Rating Methodology Event, subject to and in accordance with Condition 5(c), 5(d) and 5(e), respectively.
Substitution for Tax Event, Capital Disqualification Event or Rating Methodology Event	In case of a Tax Event, a Capital Disqualification Event or a Rating Methodology Event, the Issuer may, in its sole discretion but subject to compliance with applicable Capital Adequacy Regulations, substitute the Notes in whole (but not in part) for Qualifying Securities as further described in Condition 5(f).
Purchase of Notes by the Issuer or the Guarantor	The Issuer and the Guarantor may at any time purchase Notes (provided that all unmatured Coupons appertaining to the Notes are purchased with the Notes) in the open market or otherwise at any price. Notes, together with all relative unmatured Coupons attached to the Notes or surrendered with the Notes, so purchased by the Issuer or the Guarantor may be held, resold or surrendered for cancellation.
Events of Default and substitution	<p>The Notes may be declared immediately due and repayable at their principal amount, together with interest accrued to the date of repayment (including Arrears of Interest) in the case of the liquidation of the Guarantor. Liquidation may occur as a result of the winding-up (<i>ontbinding en vereffening</i>) or bankruptcy (<i>faillissement</i>) of the Guarantor or the emergency regulation (<i>noodregeling</i>) being applied to the Guarantor if that constitutes a liquidation.</p> <p>If an Issuer Liquidation occurs at any time when a Guarantor Liquidation has not occurred or is not occurring, the Guarantor shall (i) assume the obligations of the Issuer under the Notes and the Coupons or (ii) procure</p>

the assumption of the obligations of the Issuer under the Notes and the Coupons by another subsidiary of the Guarantor with the Guarantor continuing to guarantee the Notes and the Coupons, as more fully described in Condition 9. By acceptance of the Notes and Coupons, each Noteholder and Couponholder will be deemed to have consented to any such substitution in advance.

For the avoidance of doubt, if an Issuer Liquidation occurs at any time when a Guarantor Liquidation has also occurred or is occurring, the Noteholders and Couponholders may claim or prove in both such liquidations.

Meetings of Noteholders	Condition 12 contains provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.
Form	The Notes will initially be represented by a Temporary Global Note, without interest coupons, which will be deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg. Interests in the Temporary Global Note will be exchangeable for interests in a Permanent Global Note upon certification as to non-US beneficial ownership. Interests in the Permanent Global Note will be exchangeable for definitive Notes only in certain limited circumstances. See " <i>Summary of Provisions relating to the Notes while in Global Form</i> ".
Denomination	The Notes will be issued in the denomination of €100,000 and integral multiples of €1,000 in excess thereof, up to and including €199,000.
Listing	Luxembourg Stock Exchange.
Ratings	<p>The Notes are expected to be assigned on issue a rating of Ba1 by Moody's and of bbb- by A.M. Best.</p> <p>A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. A suspension, reduction or withdrawal of a credit rating assigned to the Guarantor and/or the Notes may adversely affect the market price of the Notes.</p>
Governing Law	The Fiscal Agency Agreement, the Notes, the Coupons and the Guarantee and any non-contractual obligations arising out of or in connection with the Fiscal Agency Agreement, the Notes, the Coupons and the Guarantee are governed by and shall be construed in accordance with the laws of the Netherlands.
Use of Proceeds	The net proceeds of the issue of the Notes will be applied by the Issuer for general corporate purposes.
ISIN	XS1028942354.
Common code	102894235.

Selling Restrictions

There are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States, the United Kingdom and the EEA, see "*Subscription and Sale*".

IMPORTANT INFORMATION

Responsibility

Each of the Issuer and the Guarantor accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of each of the Issuer and the Guarantor (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person has been authorised to give any information or to make any representation other than those contained in this document in connection with the offering of the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, the Guarantor or the Managers (as defined under *Subscription and Sale* below). Neither the delivery of this document nor any sale made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer or the Guarantor since the date hereof.

The Managers expressly do not undertake to review the financial condition or affairs of the Issuer or the Guarantor during the life of the Notes or to advise any investor in the Notes of any information coming to their attention.

The Managers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Managers as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by the Issuer or the Guarantor in connection with the offering of the Notes. No Manager accepts any liability in relation to the information contained in this Prospectus or any other information provided by the Issuer or the Guarantor in connection with the offering of the Notes or their distribution.

Where information has been sourced from a third party, this information has been accurately reproduced and, as far as each of the Issuer and the Guarantor is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Offering Restrictions

This Prospectus should not be considered as a recommendation by the Issuer, the Guarantor or the Managers that any recipient of this Prospectus should purchase any of the Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Guarantor.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Guarantor and the Managers do not represent that this Prospectus may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Guarantor or the Managers which is intended to permit a public offering of the Notes or the distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the

distribution of this Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States and the United Kingdom, see *Subscription and Sale*.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the **Securities Act**) and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to U.S. persons. For a further description of certain restrictions on the offering and sale of the Notes and on distribution of this document, see *Subscription and Sale* below.

Miscellaneous

All references in this document to **euro**, **euros**, **EUR** and **€** refer to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty of Rome establishing the European Communities, as amended.

See *Terms and Conditions of the Notes* for capitalised terms used in this Prospectus which are not otherwise defined.

In connection with the issue of the Notes, J.P. Morgan Securities plc (the **Stabilising Manager**) (or any person acting on behalf of the Stabilising Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules.

The Notes are intended to be held in a manner which will allow Eurosystem eligibility. This simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published and have been filed with the CSSF shall be deemed to be incorporated in, and form part of, this Prospectus:

- (a) the publicly available audited consolidated financial statements of the Guarantor for the year ended 31 December 2013 as included in the Guarantor's Annual Report for the year ended 31 December 2013:

Audited consolidated financial statements for the year ended 31 December 2013	Page Reference Annual Report 2013
Consolidated statement of financial position	52
Consolidated income statement	53
Consolidated statement of comprehensive income	54
Consolidated statement of changes in equity	55
Consolidated statement of cash flows	56
Notes to the consolidated financial statements	57-140
Independent auditor's report	152

- (b) the publicly available audited consolidated financial statements of the Guarantor for the year ended 31 December 2012 as included in the Guarantor's Annual Report for the year ended 31 December 2012:

Audited consolidated financial statements for the year ended 31 December 2012	Page Reference Annual Report 2012
Consolidated statement of financial position	84
Consolidated income statement	85
Consolidated statement of comprehensive income	86
Consolidated statement of changes in equity	87
Consolidated statement of cash flows	88
Notes to the consolidated financial statements	89-181
Independent auditor's report	194-195

- (c) the publicly available audited company financial statements of the Issuer for the year ended 31 December 2013 as included in the Issuer's Annual Report for the year ended 31 December 2013:

Audited company financial statements for the year ended 31 December 2013	Page Reference Annual Report 2013
Company statement of financial position (after profit appropriation)	8
Company statement of comprehensive income	8
Company statement of changes in equity	9
Company statement of cash flows (direct method)	9
Notes to the financial statements	10-17
Independent auditor's report	20

- (d) the publicly available audited company financial statements of the Issuer for the year ended 31 December 2012 as included in the Issuer's Annual Report for the year ended 31 December 2012:

Audited company financial statements for the year ended 31 December 2012	Page Reference Annual Report 2012
Company statement of financial position (after profit appropriation)	8
Company statement of comprehensive income	8
Company statement of changes in equity	9
Company statement of cash flows (direct method)	9
Notes to the financial statements	10-17
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- (e) the Articles of Association of the Issuer and the Guarantor in their entirety.

The documents incorporated by reference in this Prospectus will be published on the website of the Luxembourg Stock Exchange, www.bourse.lu.

The information incorporated by reference that is not included in the cross-reference list, is considered additional information and is not required by the relevant schedules of Commission Regulation (EC) No. 809/2004 as amended (the **Prospectus Regulation**).

TERMS AND CONDITIONS OF THE NOTES

The following, subject to amendment, are the terms and conditions of the Notes substantially in the form in which they are endorsed on the definitive Notes. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions relating to the Notes while in Global Form" below. These terms and conditions are subject to the detailed provisions of the Fiscal Agency Agreement, for example, in respect of provisions in relation to meetings of Noteholders.

The issue of the €250,000,000 Fixed to Floating Rate Guaranteed Subordinated Notes due 2044 (the **Notes**) by Atradius Finance B.V. (the **Issuer**), guaranteed on a subordinated basis by Atradius N.V. (the **Guarantor**), has been duly authorised by the Management Board of the Issuer and the guarantee of the Notes has been duly authorised by the Management Board of the Guarantor.

The Notes are issued by the Issuer subject to, and with the benefit of, the terms and conditions (the **Conditions**) below and a Fiscal Agency Agreement dated 23 September 2014 (the **Fiscal Agency Agreement**, which expression shall be construed as a reference to that agreement as the same may be amended, supplemented and/or restated from time to time) and made between the Issuer, the Guarantor and Deutsche Bank AG, London Branch as fiscal agent (the **Fiscal Agent**) and paying agent (the **Paying Agent**, and together with the Fiscal Agent, the **Agents**). The Fiscal Agency Agreement includes the form of the Notes and the coupons relating to them (the **Coupons**). Copies of the Fiscal Agency Agreement are available for inspection during normal business hours at the specified offices of the Paying Agent. The holders of the Notes (the **Noteholders**) and the holders of the Coupons (whether or not attached to the relevant Notes) (the **Couponholders**) are entitled to the benefit of, are bound by all the provisions of, and are deemed to have notice of, all the provisions of the Fiscal Agency Agreement applicable to them. References in these Conditions to the Fiscal Agent and the Paying Agent shall include any successor appointed under the Fiscal Agency Agreement.

These Conditions may only be amended if the Issuer or the Guarantor has obtained the consent of the Regulator (as defined below) if required under the Capital Adequacy Regulations, in writing, and of the Noteholders and the Couponholders in accordance with the provisions for meetings of Noteholders scheduled to the Fiscal Agency Agreement.

1. Form, denomination and title

(a) *Form and denomination*

The Notes are in bearer form, serially numbered, in the denomination of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof, up to and including EUR 199,000, each with Coupons attached on issue.

(b) *Title*

Title to the Notes and to the Coupons will pass by delivery.

(c) *Holder absolute owner*

The Issuer, the Guarantor and any Paying Agent may (to the fullest extent permitted by applicable laws) deem and treat the bearer of any Note or Coupon as the absolute owner for all purposes (whether or not the Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing on the Note or Coupon or any notice of previous loss or theft of the Note or Coupon).

2. Guarantee and Status

- (a) The Guarantor has unconditionally and irrevocably guaranteed on a subordinated basis the due payment of all sums expressed to be payable by the Issuer under the Notes and the Coupons. Its obligations in that respect (the **Guarantee**) are set out on each of the Notes.
- (b) The Notes and the Coupons rank *pari passu* and without any preference among themselves and constitute direct, unsecured and subordinated obligations of the Issuer.
- (c) In the event of the insolvency (bankruptcy (*faillissement*) or moratorium (*surseance van betaling* or *noodregeling*, as applicable)), dissolution (*ontbinding*) or liquidation (*vereffening*) of the Issuer or the Guarantor, as the case may be, the payment obligations of the Issuer under the Notes and the Coupons and of the Guarantor under the Guarantee, as the case may be, shall rank in right of payment after unsubordinated and unsecured creditors of the Issuer or the Guarantor, as the case may be, but *pari passu* with all other subordinated obligations of the Issuer or the Guarantor, as the case may be, save for those preferred by mandatory provisions of law and those that rank or are expressed by their terms to rank junior to the Notes and Coupons or the Guarantee, as the case may be, and in priority to the claims of shareholders of the Issuer or the Guarantor, as the case may be.
- (d) By acceptance of the Notes and Coupons, each Noteholder and Couponholder will be deemed to have waived any right of set-off or counterclaim that such Noteholder or Couponholder might otherwise have against the Issuer in respect of or arising under the Notes or Coupons or against the Guarantor in respect of or arising under the Guarantee, as the case may be, whether prior to or in the insolvency, moratorium, dissolution or liquidation of the Issuer or the Guarantor, as the case may be. Notwithstanding the preceding sentence, if any of the rights and claims of any Noteholder in respect of or arising under the Notes or Coupons or the Guarantee, as the case may be, are discharged by set-off, such Noteholder or Couponholder will immediately pay an amount equal to the amount of such discharge to the Issuer or the Guarantor, as appropriate, or, if applicable, the liquidator or administrator of the Issuer or the Guarantor, as appropriate, and, until such time as payment is made, will hold a sum equal to such amount on behalf of the Issuer or the Guarantor, as appropriate, or, if applicable, the liquidator or administrator in the Issuer's (or, as the case may be, the Guarantor's) insolvency, moratorium, dissolution or liquidation. Accordingly, such discharge will be deemed not to have taken place.
- (e) Any payment made to a Noteholder or Couponholder by the Issuer or its liquidator or administrator shall reduce *pro tanto* the amount payable by the Guarantor under the Guarantee, and any payment made to a Noteholder or Couponholder by the Guarantor or its liquidator or administrator shall reduce *pro tanto* the amounts payable by the Issuer under the Notes or the Coupons.

3. Interest

- (a) The Notes bear interest from, and including, 23 September 2014 (the **Issue Date**) payable annually in arrear on 23 September in each year until and including 23 September 2024 (the **First Call Date**) (each a **Fixed Interest Payment Date**) and thereafter quarterly in arrear on 23 March, 23 June, 23 September and 23 December in each year, for the first time on 23 December 2024 (each a **Floating Interest Payment Date** and, together with each Fixed Interest Payment Date, an **Interest Payment Date**).
- (b) The Notes will cease to bear interest from the due date for redemption unless, upon due presentation, payment of the principal in respect thereof is improperly withheld or refused. In such event, interest will continue to accrue (after as well as before any judgment) up to, but excluding, the date on which, upon further presentation, payment in full of the principal thereof and all other sums due in respect of the Notes (including accrued interest) is made or (if earlier) the seventh day after notice is duly given to the holder of such Note in accordance with Condition 11 that upon

further presentation of such Note being duly made such payment will be made, provided that upon further presentation thereof being duly made such payment is in fact made.

- (c) Where interest is to be calculated up to and including the First Call Date, in respect of a period which is shorter than an Interest Period (as defined below), the day-count fraction used will be the actual number of days in the relevant period, from (and including) the date from which interest begins to accrue to (but excluding) the date on which it falls due, divided by the actual number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last). Where interest is to be calculated after the First Call Date in respect of a period which is shorter than an Interest Period, this will be done on the basis of the actual number of days elapsed in the relevant period, divided by 360 days.
- (d) The period beginning on the Issue Date and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date is called an **Interest Period**. Interest Periods up to the First Call Date are called **Fixed Rate Interest Periods**, thereafter **Floating Rate Interest Periods**.

The rate of interest for each Fixed Rate Interest Period shall be 5.250 per cent. per annum (the **Fixed Rate of Interest**). Thereafter, the interest payable from time to time in respect of the Notes for each Floating Rate Interest Period will accrue at a rate (the **Floating Rate of Interest**) equal to the sum of the Euro Interbank Offered Rate (**Euribor**) for three-month deposits in euros rounded, if necessary, to the fifth decimal place (with 0.000005 being rounded upwards) plus a margin of 5.031 per cent. per annum.

- (e) For the purpose of Condition 3(d) above Euribor will be determined as follows:
- (i) The Fiscal Agent will obtain for each Floating Rate Interest Period the Euribor rate for three-month deposits in euros. The Fiscal Agent shall use the Euribor rate as determined and published jointly by the European Banking Federation and ACI – The Financial Market Association and which appears for information purposes on the Reuters Screen EURIBOR01 (or, if not available, any other display page on any screen service maintained by any registered information vendor for the display of the Euribor rate selected by the Fiscal Agent) as at or about 11.00 a.m. (Central European Time (**CET**)) on the day that is two Business Days prior to the first day of each Floating Rate Interest Period (each an **Interest Determination Date**).
- (ii) If, on the relevant Interest Determination Date, such Euribor rate is not determined and published jointly by the European Banking Association and ACI – The Financial Market Association, or if it is not otherwise reasonably practicable to calculate the rate under (i) above, the Fiscal Agent will:
- (A) request the principal eurozone office of each of four major banks in the eurozone interbank market (the **Reference Banks**) to provide a quotation for the rate at which three-month euro deposits are offered by it in the eurozone interbank market at approximately 11.00 a.m. (CET) on the relevant Interest Determination Date to prime banks in the eurozone interbank market in an amount that is representative for a single transaction at that time, and determine the arithmetic mean (rounded, if necessary, to the fifth decimal place with 0.000005 being rounded upwards) of such quotation as is provided; and
- (B) if fewer than two such quotations are provided as requested, the Fiscal Agent will determine the arithmetic mean (rounded, if necessary, to the fifth decimal place with 0.000005 being rounded upwards) of the rates quoted by major banks, of which there shall be at least two in number, in the eurozone, selected by the Fiscal Agent, at approximately 11.00 a.m. (CET) on the relevant Interest Determination Date for three-month deposits to leading eurozone banks in an amount that is representative for a single transaction in that market at that time,

and Euribor for such Floating Rate Interest Period shall be the rate per annum equal to the euro interbank offered rate for euro deposits as determined in accordance with this paragraph (e), provided that if the Fiscal Agent is unable to determine Euribor in accordance with the above provisions in relation to any Floating Rate Interest Period, Euribor applicable to the relevant Notes during such Floating Rate Interest Period will be Euribor last determined in relation thereto.

(f) *Determination of Floating Rates of Interest and Calculation of Interest Amounts*

The Fiscal Agent will, as soon as practicable after 11.00 a.m. (CET) on each Interest Determination Date, determine the Floating Rate of Interest for the Notes and calculate the amount of interest payable on the Notes for the following Floating Rate Interest Period (the **Interest Amount**) by applying the relevant Floating Rate of Interest to the principal amount of the Notes on the first day of such Floating Rate Interest Period and multiplying such product by the actual number of days in the Floating Rate Interest Period concerned, divided by 360. The determination of the Floating Rate of Interest and of each Interest Amount by the Fiscal Agent shall (in the absence of manifest error) be final and binding on all parties.

(g) *Notification of Floating Rates of Interest and Interest Amounts*

The Fiscal Agent will cause the relevant Floating Rate of Interest and the relevant Interest Amounts to be notified to the Issuer, the Guarantor, the Fiscal Agent and to the Noteholders and Couponholders. As long as the Notes are admitted to listing, trading and/or quotation on the Luxembourg Stock Exchange or by any other competent authority, stock exchange and/or quotation system, notice shall also be published in such other place as may be required by the rules and regulations of such competent authority, stock exchange and/or quotation system, as soon as possible after the determination.

4. Deferral of interest payments and Arrears of Interest

(a) *Deferral of interest payments*

(i) **Optional Deferral of Interest Payments:** The Issuer may elect in respect of any Optional Interest Payment Date by notice to the Noteholders pursuant to Condition 4(c) below, to defer payment of all (but not some only) of the interest accrued to that date and neither the Issuer nor the Guarantor shall have any obligation to make such payment on that date.

Notwithstanding any other provision in these Conditions, the deferral of any payment of interest on an Optional Interest Payment Date in accordance with this Condition 4(a)(i) will not constitute a default by the Issuer or the Guarantor and will not give the Noteholders any right to accelerate the Notes or to take any enforcement action under the Notes or the Guarantee.

(ii) **Mandatory Deferral of Interest Payments:** In addition to the right of the Issuer to defer payment of interest in accordance with Condition 4(a)(i), payments of interest on the Notes will be mandatorily deferred on each Mandatory Interest Deferral Date and neither the Issuer nor the Guarantor shall have any obligation to make such payment on that date. The Issuer or the Guarantor shall notify the Noteholders of any Mandatory Interest Deferral Date in accordance with Condition 4(c).

Notwithstanding any other provision in these Conditions, the deferral of any payment of interest on a Mandatory Interest Deferral Date in accordance with this Condition 4(a)(ii) will not constitute a default by the Issuer or the Guarantor and will not give the Noteholders any right to accelerate the Notes or to take any enforcement action under the Notes or the Guarantee.

(b) *Arrears of Interest*

Any interest in respect of the Notes not paid on an Interest Payment Date, together with any other interest in respect thereof not paid on any earlier Interest Payment Date shall, so long as the same remains unpaid, constitute **Arrears of Interest**. Arrears of Interest shall bear interest (to the extent permitted by applicable law) at the applicable rate of interest from (and including) the date on which (but for such deferral) the deferred payment would otherwise have been due to be made to (but excluding) the relevant date on which the relevant deferred payment is in fact made.

Any Arrears of Interest and any other amount, payment of which is deferred in accordance with Conditions 4(a)(i) or 4(a)(ii), may be paid in whole or in part at any time upon the expiry of not less than 14 days' notice to such effect given by the Issuer or the Guarantor to the Noteholders in accordance with Condition 11, provided that the following conditions are met:

- (a) no Mandatory Deferral Event has occurred and is continuing; and
- (b) any notifications to the Regulator have been made or consent from the Regulator has been obtained, as the case may be, in either case if required of the Issuer or the Guarantor under the Capital Adequacy Regulations.

Arrears of Interest will become immediately due and payable in whole (and not in part) upon the earliest of the following dates:

- (i) the date fixed for any redemption, purchase or substitution, or variation of the terms, of the Notes by or on behalf of the Issuer pursuant to Condition 5 or Condition 9; or
- (ii) the date on which an order is made or a resolution is passed for the liquidation of the Guarantor (other than a solvent winding-up solely for the purpose of a reconstruction or amalgamation or the substitution in place of the Guarantor of a successor in business of the Guarantor, the terms of which reconstruction, amalgamation or substitution (A) have previously been approved in writing by an Extraordinary Resolution of the Noteholders and (B) do not provide that the Notes shall thereby become payable); or
- (iii) the date on which a Compulsory Interest Payment Event occurs, provided that no Mandatory Deferral Event has occurred and is continuing,

in the case of paragraph (i) and (iii) above, provided that any notifications to the Regulator have been made or consent from the Regulator has been obtained, as the case may be, in either case if required of the Issuer or the Guarantor under the Capital Adequacy Regulations.

Notwithstanding the foregoing, if notice is given by the Issuer of its intention to pay the whole or part of Arrears of Interest and any other amount in respect of or arising under the Notes, the Issuer shall be obliged to do so upon expiration of such notice, subject to no Mandatory Deferral Event having occurred and being continuing upon such expiration. Where Arrears of Interest are paid in part, each part payment shall be applied in payment of the Arrears of Interest accrued due in respect of the relative Interest Payment Date (or consecutive Interest Payment Dates) furthest from the date of payment.

(c) *Deferral Notice*

The Issuer or the Guarantor shall notify the Fiscal Agent and, in accordance with Condition 11, the Noteholders as soon as practicable and in any event not less than 14 days prior to an Interest Payment Date:

- (i) if that Interest Payment Date is an Optional Interest Payment Date in respect of which the Issuer elects to defer interest as provided in Condition 4(a)(i) above, and specifying the same; and

- (ii) if that Interest Payment Date is a Mandatory Interest Deferral Date and specifying that interest will not be paid because a Mandatory Deferral Event has occurred and is continuing, provided that if a Mandatory Deferral Event occurs less than 14 days prior to an Interest Payment Date, the Issuer or the Guarantor shall give notice of the interest deferral that is required pursuant to Condition 4(a)(ii) above in accordance with Condition 11 as soon as reasonably practicable following the occurrence of such event.

5. Redemption, Substitution, Variation and Purchase

(a) *Maturity Date*

Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes at their principal amount, together with all Arrears of Interest and further interest accrued, on 23 September 2044 (the **Maturity Date**), subject to Condition 5(h). The Issuer undertakes that, if as a result of Condition 5(h), the Notes may not be redeemed on the Maturity Date, the Issuer will redeem the Notes as soon as practicable after Condition 5(h) has ceased to be an impediment to such redemption, and the Issuer or the Guarantor will give notice to the Fiscal Agent and the Noteholders in accordance with Condition 11 stating the date fixed for redemption.

Except as provided under paragraph (b), (c), (d) or (e) of this Condition 5 or in the case of the occurrence of an Event of Default as provided in Condition 9, the Notes may not be redeemed before the Maturity Date.

(b) *Issuer call option*

The Issuer may, subject to Condition 5(h), on giving not less than 15 nor more than 30 days' notice to the Fiscal Agent and, in accordance with Condition 11, to the Noteholders (which notice shall be irrevocable, subject to such notice becoming void in accordance with Condition 5(h)), redeem, in accordance with this Condition, all, but not some only, of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their principal amount together with any Arrears of Interest and any further interest accrued to (but excluding) the date of redemption in accordance with these Conditions.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 5, subject to Condition 5(h).

(c) *Redemption for taxation purposes*

If, prior to the giving of the notice referred to below, a Tax Event has occurred and is continuing, then the Issuer may, subject to Condition 5(h), having given not less than 30 nor more than 60 days' notice to the Fiscal Agent and, in accordance with Condition 11, the Noteholders (which notice shall be irrevocable, subject to such notice becoming void in accordance with Condition 5(h)), redeem, in accordance with this Condition, all, but not some only, of the Notes at their principal amount together with any Arrears of Interest and any further interest accrued to (but excluding) the date of redemption in accordance with these Conditions.

Prior to the publication of any notice of redemption pursuant to this Condition 5(c) the Issuer shall deliver to the Fiscal Agent a certificate signed by the Guarantor, represented by two members of the Management Board, and an opinion from a recognised tax adviser of international standing, stating that a Tax Event has occurred and is continuing as at the date of the certificate or opinion.

(d) *Redemption for regulatory reasons*

If, prior to the giving of the notice referred to below, a Capital Disqualification Event has occurred and is continuing, then the Issuer may, subject to Condition 5(h), having given not less than 30 nor more than 60 days' notice to the Fiscal Agent and, in accordance with Condition 11, the Noteholders (which notice shall be irrevocable, subject to such notice becoming void in accordance with Condition 5(h)), redeem, in accordance with this Condition, all, but not some only, of the Notes at

their principal amount together with any Arrears of Interest and any further interest accrued to (but excluding) the date of redemption in accordance with these Conditions.

Prior to the publication of any notice of redemption pursuant to this Condition 5(d) the Issuer shall deliver to the Fiscal Agent a certificate signed by the Guarantor, represented by two members of the Management Board, stating that a Capital Disqualification Event has occurred and is continuing as at the date of the certificate.

(e) *Redemption for rating reasons*

If, prior to the giving of the notice referred to below, a Rating Methodology Event has occurred and is continuing with respect to the Notes, then the Issuer may, subject to Condition 5(h), having given not less than 30 nor more than 60 days' notice to the Fiscal Agent and, in accordance with Condition 11, the Noteholders (which notice shall be irrevocable, subject to such notice becoming void in accordance with Condition 5(h)), at any time on or after 23 September 2019, redeem, in accordance with this Condition, all, but not some only, of the Notes at their principal amount together with any Arrears of Interest and any further interest accrued to (but excluding) the date of redemption in accordance with these Conditions.

Prior to the publication of any notice of redemption under this Condition 5(e) the Issuer shall deliver to the Fiscal Agent a certificate signed by the Guarantor, represented by two members of the Management Board, stating that a Rating Methodology Event has occurred and is continuing as at the date of the certificate.

(f) *Substitution or variation*

If any of the events described in Condition 5(c), 5(d) or 5(e) has occurred and is continuing, then the Issuer may, subject to Condition 5(h), (without any requirement for the consent or approval of the Noteholders) and subject to the Issuer or the Guarantor having satisfied the Fiscal Agent immediately prior to the giving of such notice referred to herein that the provisions of this Condition 5(f) have been complied with and having given not less than seven days' written notice to the Fiscal Agent and, in accordance with Condition 11, the Noteholders (which notice shall be irrevocable), at any time either substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that they remain or, as appropriate, become, Qualifying Securities. In connection therewith, all Arrears of Interest (if any) will be paid as required by Condition 4(b) and as further set out below in this Condition 5(f).

Upon the expiry of such notice, the Issuer shall either vary the terms of, or substitute, the Notes in accordance with this Condition 5(f), as the case may be.

As used herein, **Qualifying Securities** means securities:

- (i) having terms (including terms providing for deferral of payment of interest and/or principal) that are not materially less favourable to an investor than the terms of the Notes (as reasonably determined by the Guarantor in consultation with an independent investment bank, consulting firm or comparable expert of international standing on the subject and provided that a certification to such effect of the Guarantor, represented by two members of the Management Board, shall have been delivered to the Fiscal Agent prior to the issue of the relevant securities or them otherwise becoming obligations of the Issuer);
- (ii) issued by or otherwise being obligations of the Issuer or another member of Atradius with (unless issued by the Guarantor itself) a guarantee by the Guarantor, such that investors have the same material rights and claims as under the Notes (as reasonably determined by the Guarantor, and provided that a certification to such effect of the Guarantor, represented by two members of the Management Board, shall have been delivered to the Fiscal Agent prior to the issue of the relevant securities or them otherwise becoming obligations of the Issuer);

- (iii) ranking at least equal to the Notes, provided that in the insolvency (bankruptcy (*faillissement*) or moratorium (*surseance van betaling* or *noodregeling*, as applicable)), dissolution (*ontbinding*) or liquidation (*vereffening*) of the relevant issuer, the payment obligations of such issuer shall rank in right of payment after unsubordinated and unsecured creditors of such issuer, but *pari passu* with all other subordinated obligations of such issuer save for those preferred by mandatory provisions of law and those that rank or are expressed by their terms to rank junior to such securities, and in priority to the claims of shareholders of such issuer, and featuring the same principal amount, interest rate (including applicable margins and step-up), interest payment dates and optional redemption dates as the Notes;
- (iv) containing terms which preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Notes, including (without limitation) as to the timing of, and amounts payable on, such redemption;
- (v) which do not contain any terms providing for loss absorption through principal write-down or conversion to shares;
- (vi) listed on a regulated market in the European Economic Area, if the Notes were listed prior to such substitution or variation; and
- (vii) admitted to, and traded in, the same clearing system or clearing systems as the Notes were.

In addition, any substitution or variation is subject to (A) all interest amounts, including Arrears of Interest, and any other amount payable under the Notes which in each case has accrued to Noteholders and has not been paid, being satisfied in full on or prior to the date thereof, (B) compliance with Condition 5(h), (C) the substitution or variation not itself giving rise to a negative change in any published rating of the Notes in effect at such time as confirmed in writing by any rating organisations that have given such published rating of the Notes previously, (D) the substitution or variation not triggering the right on the part of the Issuer to redeem the Notes pursuant to Condition 5(c), 5(d) or 5(e), and (E) certification by the Guarantor, represented by two members of the Management Board, that the securities in question are "Qualifying Securities" in accordance with the definition set out above and that the conditions set out above have been complied with, which certificate shall be delivered to the Fiscal Agent prior to the substitution or variation of the Notes and upon which certificate the Fiscal Agent shall be entitled to rely absolutely without liability to any person.

In connection with any substitution or variation as described above, the Issuer will comply with the rules of any stock exchange or other relevant authority on which the Notes are then listed or admitted to trading.

(g) *Purchases*

The Issuer and the Guarantor may, subject to Condition 5(h), at any time purchase Notes (provided that all unmatured Coupons appertaining to the Notes are purchased with the Notes) in the open market or otherwise at any price. Notes, together with all relative unmatured Coupons attached to the Notes or surrendered with the Notes, so purchased by the Issuer or the Guarantor may be held, resold or surrendered for cancellation.

(h) *Conditions to redemption, substitution, variation or purchase of Notes*

So long as the Guarantor is subject to Capital Adequacy Regulations:

- (i) any redemption pursuant to this Condition 5 may only be made provided no Mandatory Deferral Event has occurred and is continuing at the time of such redemption, and principal, premium, interest or any other amount shall only be due and payable in respect of or arising from the Notes provided no Mandatory Deferral Event has occurred and is continuing and the Issuer could make such payment without a Mandatory Deferral Event

occurring, except where Condition 2(c) applies, in which case this condition to redemption does not apply and the Noteholder shall have a subordinated claim as set out therein; and

- (ii) any redemption, substitution, variation or purchase of the Notes is subject to (A) the prior consent of the Regulator if required of the Issuer or the Guarantor under the Capital Adequacy Regulations and (B) compliance with the Capital Adequacy Regulations.

Should a Mandatory Deferral Event occur after a notice for redemption has been given to the Noteholders but prior to the date fixed for redemption, such redemption notice shall become void and notice thereof shall be given promptly by the Issuer or the Guarantor to the Fiscal Agent and, in accordance with Condition 11, the Noteholders.

Upon the Solvency II Directive becoming part of the Capital Adequacy Regulations, a redemption or purchase of the Notes prior to 23 September 2019 shall also be subject to the condition that the Notes have been replaced by other at least equivalent regulatory capital (if such replacement condition is required in order for the Notes to be recognised in the determination of the own funds of the Guarantor at least as tier 2 capital under the Capital Adequacy Regulations (on the basis that the Notes are intended to qualify as tier 2 capital without the operation of any transitional or grandfathering provisions), or, in the case of a redemption following a Capital Disqualification Event, such replacement had been required immediately before such Capital Disqualification Event occurred).

6. Payment

- (a) Payments of interest and principal in respect of the Notes will be made at the specified office of the Paying Agent outside the United States by transfer to a euro account maintained by the payee with a bank in a city in which banks have access to the TARGET System (as defined below).

If the due date for payment of any amount of principal or interest in respect of any Note is not a day on which the Trans-European Automated Real Time Gross-Settlement Express Transfer System 2 (the **TARGET System**) is operating (a **Business Day**), Noteholders shall not be entitled to payment of the amount due until the next following Business Day or to further interest or other payment in respect of such delay.

- (b) Payments of principal and interest in respect of each Note will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the Note, except that payments of interest due on an Interest Payment Date will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the relevant Coupon, in each case at the specified office of the Paying Agent outside the United States.
- (c) Each Note should be presented for redemption together with all unmatured Coupons relating to it, failing which the amount of any such missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal amount due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon not later than five years after the Relevant Date (as defined in Condition 7) for the relevant payment of principal.
- (d) All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives in any jurisdiction (whether by operation of law or agreement of the Issuer, the Guarantor or their respective Agents) and neither the Issuer nor the Guarantor will be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements but without prejudice to the provisions of Condition 7 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law

implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Noteholders in respect of such payments.

7. Taxation

All payments of principal and interest in respect of the Notes by the Issuer or under the Guarantee by the Guarantor will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Netherlands or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In such event, the Issuer or the Guarantor, as applicable, shall pay such additional amounts as shall result in receipt by the Noteholders or Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note or, as the case may be, Coupon:

- (a) presented for payment by or on behalf of a Noteholder or Couponholder thereof who is liable to such taxes or duties in respect of such Note or Coupon by reason of such Noteholder or Couponholder having some connection with the Netherlands, other than the mere holding of such Note or Coupon or the receipt of the relevant payment in respect thereof; or
- (b) presented for payment by or on behalf of a Noteholder or Couponholder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that a third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Note or Coupon is presented for payment; or
- (c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the Noteholder or Couponholder thereof would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of 30 days;
- (d) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to EU Council Directive 2003/48/EC on the taxation of savings income or any other EU Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (e) where such withholding or deduction is imposed on a payment pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

As used in these Conditions, **Relevant Date** in respect of any Note or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given to the Noteholders that, upon further presentation of the Note or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

8. Prescription

Claims against the Issuer for payment of the Notes and the Coupons and against the Guarantor under the Guarantee shall be prescribed and become void unless made within five years from the date on which the payment becomes due.

9. Events of Default and substitution

The holder of any Note may give written notice to the Issuer that such Note is, and such Note shall accordingly immediately become, due and repayable at its principal amount, together with interest accrued to the date of repayment (including Arrears of Interest) in the case of the liquidation of the Guarantor (an **Event of Default**). Liquidation may occur as a result of the winding-up (*ontbinding en vereffening*) or bankruptcy (*faillissement*) of the Guarantor or the emergency regulation (*noodregeling*) being applied to the Guarantor if that constitutes a liquidation.

If an Issuer Liquidation occurs at any time when a Guarantor Liquidation has not occurred or is not occurring, the Guarantor shall (i) assume the obligations of the Issuer under the Notes and the Coupons as if references in these Conditions, the Notes and the Coupons to the Issuer were to the Guarantor, provided that all the claims against the Guarantor in respect of all payment obligations under the Notes and the Coupons shall rank *pari passu* with the Guarantee, or (ii) procure the assumption of the obligations of the Issuer under the Notes and the Coupons by another subsidiary of the Guarantor as if references in these Conditions, the Notes and the Coupons to the Issuer were to such other subsidiary, with the Guarantor continuing under the Guarantee to unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer under the Notes and the Coupons. By acceptance of the Notes and Coupons, each Noteholder and Couponholder will be deemed to have consented to any such substitution in advance, and notice of any such substitution shall be given promptly by the Guarantor to the Fiscal Agent and, in accordance with Condition 11, the Noteholders.

For the avoidance of doubt, if an Issuer Liquidation occurs at any time when a Guarantor Liquidation has also occurred or is occurring, the Noteholders and Couponholders may claim or prove in both such liquidations.

10. Replacement of Notes or Coupons

Should a Note or Coupon be lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable law, at the specified office of the Issuer on payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity and otherwise as the Issuer may reasonably require. All costs arising in connection therewith may be charged to the claimant. The mutilated or defaced Note or Coupon must be surrendered before replacements will be issued.

11. Notices

- (a) Notices to Noteholders will be valid if published in the English language in a leading newspaper having general circulation in the Netherlands (which is expected to be *Het Financieele Dagblad*). The Issuer shall also ensure that notices are duly given or published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are, for the time being, listed. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the first date on which publication is made. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this Condition.
- (b) Any notice hereunder to the Issuer or the Guarantor shall be given by sending the same by registered mail or by delivering the same by hand to the Fiscal Agent. Any notice sent by registered mail shall be deemed to have been given, made or served at the time of delivery.

Any such notice to the Issuer or the Guarantor shall be delivered or despatched to the following address:

Deutsche Bank AG, London Branch
Winchester House

1 Great Winchester Street
London EC2N 2DB
United Kingdom
Fax no: +44(20)754-76149
Attention: Debt and Agency Services

or such other address as the Issuer or the Guarantor may notify to the Noteholders in accordance with this Condition 11.

12. Meetings of Noteholders and modification

- (a) The Fiscal Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of any of these Conditions or any of the provisions of the Fiscal Agency Agreement. Such a meeting may be convened by the Issuer (whether or not together with the Guarantor) or Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing more than 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons present whatever the principal amount of the Notes held or represented by him or them, except that at any meeting the business of which includes the modification of certain of these Conditions the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., of the principal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders will be binding on all Noteholders, whether or not they are present at the meeting, and on all Couponholders.
- (b) The Fiscal Agent may agree, without the consent of the Noteholders or Couponholders, to any modification of any of these Conditions or any of the provisions of the Fiscal Agency Agreement either (i) for the purpose of curing any ambiguity or which is of a formal, minor or technical nature or of curing, correcting or supplementing any manifest or proven error or any other defective provision contained herein or therein or (ii) in any other manner which is not materially prejudicial to the interests of the Noteholders.

Any modification shall be binding on the Noteholders and the Couponholders and, unless the Fiscal Agent agrees otherwise in respect of any modification to the Fiscal Agency Agreement, any modification shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 11.

13. Governing law and jurisdiction

The Fiscal Agency Agreement, the Notes, the Coupons and the Guarantee and any non-contractual obligations arising out of or in connection with the Fiscal Agency Agreement, the Notes, the Coupons and the Guarantee are governed by and shall be construed in accordance with the laws of the Netherlands.

The courts of the Netherlands are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Fiscal Agency Agreement, the Notes, the Coupons and the Guarantee, and accordingly any legal action or proceedings arising out of or in connection with the Fiscal Agency Agreement, the Notes, the Coupons and the Guarantee may be brought in such courts.

14. Definitions

In these Conditions, unless the context requires otherwise, the following defined terms shall have the meanings set out below:

Assets means the non-consolidated gross assets of the Guarantor as shown by the then latest published audited balance sheet of the Guarantor, but adjusted for contingencies and for subsequent events in such manner and to such extent as two members of the Management Board of the Guarantor, the auditors or, as the case may be, the liquidator may determine to be appropriate;

Atradius means the Guarantor and its subsidiaries;

Capital Adequacy Event means that the consolidated solvency margin, capital adequacy ratio or comparable margins or ratios of the Guarantor under the Capital Adequacy Regulations are, or as a result of a Payment would become, less than the relevant requirements as applied and enforced by the Regulator pursuant to the Capital Adequacy Regulations, as applicable to the Notes, which, following the implementation of the Solvency II Directive, includes the "Solvency Capital Requirement" (as referred to in the Solvency II Directive) applied to Atradius or any equivalent terminology employed by the then applicable Capital Adequacy Regulations;

Capital Adequacy Regulations means at any time the statutory regulations, requirements, guidelines, policies and decrees as applied and enforced by the Regulator with respect to the maintenance of minimum levels of solvency margins and/or capital adequacy ratios and/or comparable margins or ratios (howsoever described at the time) as well as with regard to the supervision thereof by any Regulator, including any new regulations ahead of or following the implementation of the Solvency II Directive;

A **Capital Disqualification Event** is deemed to have occurred if, as a result of any replacement of or change to the Capital Adequacy Regulations (or change to the interpretation thereof by any court, the Regulator or any other authority entitled to do so):

- (a) the Notes cease to be capable of counting for 100 per cent. of the principal amount of the Notes outstanding at such time; or
- (b) in the circumstances where such capability derives only from transitional or grandfathering provisions under the Solvency II Directive, less than 100 per cent. of the principal amount of the Notes outstanding at such time are capable of counting,

under the Capital Adequacy Regulations for the purposes of the determination of the solvency margin, capital adequacy ratio or comparable margins or ratios of the Guarantor or (if no requirements as to the maintenance thereof apply to the Guarantor) of the group to which it belongs, or, where this is subdivided in tiers, as tier 2 basic own funds (howsoever described at the time), on a consolidated basis, except where such non-qualification is only as a result of any applicable limitation on the amount of such capital other than a transitional or grandfathering provision as provided in (b) above;

Compulsory Interest Payment Date means any Interest Payment Date (a) in respect of which during the immediately preceding six-month period a Compulsory Interest Payment Event has occurred and (b) which is not a Mandatory Interest Deferral Date;

Compulsory Interest Payment Event means:

- (a) any declaration, payment or making of a dividend or other distribution by the Issuer or the Guarantor to holders of any class of the Issuer's or the Guarantor's share capital;
- (b) any repurchase by the Issuer or the Guarantor of any class of the Issuer's or the Guarantor's share capital for cash;
- (c) any payment by the Issuer or the Guarantor or any other person which has issued Junior Securities in respect of such Junior Securities, save where the Issuer, the Guarantor or such

other person is not able to defer, pass or eliminate or continue to eliminate a dividend or other distribution or any other payment in accordance with the terms and conditions of those securities or guarantees;

- (d) any redemption, repurchase, cancellation, reduction or acquisition of Junior Securities by the Issuer or the Guarantor or any other person which has issued Junior Securities, save for a redemption required to be effected under the terms of such securities;

Coupon Payment means, in respect of an Interest Payment Date, the aggregate coupon amounts for the Interest Period ending on such Interest Payment Date;

Extraordinary Resolution means a resolution of Noteholders duly passed by a majority of not less than three-fourths of the votes cast;

First Call Date has the meaning given thereto in Condition 3(a);

Guarantor Liquidation means any of the events described in Condition 9 occurring in relation to the Guarantor;

Issuer Liquidation means any of the events described in Condition 9 occurring in relation to the Issuer;

Junior Securities means, in relation to the Issuer, any securities of the Issuer ranking or expressed to rank junior to the Notes or any securities where the terms of those securities benefit from a guarantee or support agreement entered into by the Issuer which ranks or is expressed to rank junior to the Notes; and, in relation to the Guarantor, any securities of the Guarantor ranking or expressed to rank junior to the Guarantee or any securities where the terms of those securities benefit from a guarantee or support agreement entered into by the Guarantor which ranks or is expressed to rank junior to the Guarantee;

Liabilities means the non-consolidated gross liabilities of the Guarantor as shown by the then latest published audited balance sheet of the Guarantor, but adjusted for contingencies and for subsequent events in such manner and to such extent as two members of the Management Board of the Guarantor, the auditors or, as the case may be, the liquidator may determine to be appropriate;

Mandatory Deferral Event means:

- (a) the Solvency Condition is not met; or
- (b) a Capital Adequacy Event has occurred and continues to exist and a deferral of interest and/or a suspension of payment of principal, as applicable, is required under the Capital Adequacy Regulations for the Notes to qualify for the purposes of determination of the solvency margin, capital adequacy ratio or comparable margins or ratios of the Guarantor, or, where this is subdivided in tiers, as tier 2 basic own funds (howsoever described at the time), on a consolidated basis;

Mandatory Interest Deferral Date means each Interest Payment Date in respect of which a Mandatory Deferral Event has occurred and is continuing;

Optional Interest Payment Date means any Interest Payment Date other than a Compulsory Interest Payment Date or a Mandatory Interest Deferral Date;

Optional Redemption Date means the First Call Date and any Interest Payment Date thereafter;

Payment means any Coupon Payment or any Arrears of Interest or other accrued interest which is due and payable in respect of the Notes;

Rating Agency means Moody's Investors Service Ltd. or any successor;

A **Rating Methodology Event** will be deemed to occur upon a change in the methodology of a Rating Agency (or in the interpretation of such methodology) as a result of which the equity content previously assigned by such Rating Agency to the Notes is, as notified by such Rating Agency to the

Issuer or the Guarantor or as published by the Rating Agency, materially reduced when compared with the equity content assigned by such Rating Agency on or around the Issue Date;

Regulator means any existing or future regulator having supervisory authority with respect to the Guarantor in relation to the Notes; on the Issue Date, the Regulator is De Nederlandsche Bank N.V., exercising supplementary supervision over the Guarantor;

Solvency II Directive means Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 and the implementing measures by the EC thereunder, as amended;

the **Solvency Condition** is not satisfied if the Guarantor determines that it is not or, on the relevant date on which a payment would be made after taking into account amounts payable on that date on the Notes will not be, Solvent;

Solvent means that the Guarantor is (a) able to pay its debts to its unsubordinated and unsecured creditors as they fall due, and (b) has Assets that exceed its Liabilities (other than its Liabilities to persons who are not unsubordinated and unsecured creditors); and

A **Tax Event** will be deemed to occur if:

- (a) the Issuer or, if the Guarantee were called, the Guarantor has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of the Netherlands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, including any such change as a consequence of case law, which change or amendment becomes effective on or after the Issue Date (a **Tax Law Change**); or
- (b) as a result of a Tax Law Change, there is more than an insubstantial risk that the Issuer or the Guarantor, as applicable, will not obtain full or substantially full deductibility for the purposes of Dutch corporation tax for any payment of, or in respect of, interest,

and the foregoing cannot be avoided by the Issuer or the Guarantor, as applicable, taking reasonable measures not prejudicial to the interests of the Noteholders available to it.

OVERVIEW OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

The following is a summary of the provisions to be contained in the Global Notes which will apply to, and in some cases modify, the terms and conditions of the Notes while the Notes are represented by the Global Notes.

Exchange

The Notes will initially be issued in the form of a Temporary Global Note. On and after 2 November 2014 interests in such Temporary Global Note will be exchangeable (free of charge) for interests in a Permanent Global Note to the extent that certification generally to the effect that the beneficial owners of interests in the Temporary Global Note are not U.S. persons or persons who have purchased for resale to any U.S. person as required by U.S. tax rules has been received by Euroclear and Clearstream, Luxembourg, and Euroclear and Clearstream, Luxembourg have given a like certification (based on the certifications it has received) to the Issuer.

The Permanent Global Note will be exchangeable in whole but not in part (free of charge to the holder) for duly authenticated and completed definitive Notes:

- (a) if the Notes are held on behalf of Euroclear or Clearstream, Luxembourg or any other clearing system and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so;
- (b) if principal in respect of any Note is not paid when due; or
- (c) with the consent of the Issuer.

The Issuer will promptly give notice to Noteholders if one of the events listed above occurs. The holder of the Permanent Global Note, acting on the instructions of one or more of the Accountholders (as defined below), may give notice to the Issuer and the Fiscal Agent, in the case of (c) above only if prior written consent from the Issuer has been obtained of its intention to exchange the Permanent Global Note for definitive Notes on or after the Exchange Date (as defined below).

On or after the Exchange Date the holder of the Permanent Global Note may surrender the Permanent Global Note to or to the order of the Fiscal Agent. In exchange for the Permanent Global Note the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of definitive Notes (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Note), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in the Fiscal Agency Agreement. On exchange of the Permanent Global Note, the Issuer will procure that it is cancelled and, if the holder so requests, returned to the holder together with any relevant definitive Notes.

For these purposes, Exchange Date means a day specified in the notice requiring exchange falling not less than 30 days after that on which such notice is given, being a day on which banks are open for general business in the place in which the specified office of the Fiscal Agent is located and, except in the case of an exchange pursuant to (a) above, in the place in which the relevant clearing system is located.

Payments

On and after 2 November 2014, no payment will be made on the Temporary Global Note unless exchange for an interest in the Permanent Global Note is improperly withheld or refused. Payments of principal and interest in respect of Notes represented by a Global Note will, subject as set out below, be made to the bearer

of such Global Note and, if no further payment fails to be made in respect of the Notes, against surrender of such Global Note to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purposes. The Issuer shall procure that the amount so paid shall be entered pro rata in the records of Euroclear and Clearstream, Luxembourg and the nominal amount of the Notes recorded in the records of Euroclear and Clearstream, Luxembourg and represented by such Global Note will be reduced accordingly. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of Euroclear and Clearstream, Luxembourg shall not affect such discharge. Payments of interest on the Temporary Global Note (if permitted by the first sentence of this paragraph) will be made only upon certification as to non-U.S. beneficial ownership unless such certification has already been made.

Notices

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relative Accountholders (as defined below) rather than by publication as required by Condition 11. Any such notice shall be deemed to have been given to the Noteholders on the second day after the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

Whilst any of the Notes held by a Noteholder are represented by a Global Note, notices to be given by such Noteholder may be given by such Noteholder (where applicable) through Euroclear and/or Clearstream, Luxembourg and otherwise in such manner as the Fiscal Agent and Euroclear and Clearstream, Luxembourg may approve for this purpose.

Accountholders

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of Notes (each an **Accountholder**) (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes) shall be treated as the holder of that principal amount for all purposes (including but not limited to, for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Noteholders and giving notices to the Issuer pursuant to Condition 11) other than with respect to the payment of principal and interest on the principal amount of such Notes, the right to which shall be vested, as against the Issuer solely in the bearer of the relevant Global Note in accordance with and subject to its terms. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the bearer of the relevant Global Note.

Meetings

The Noteholder of the Global Note shall be treated at any meeting of Noteholders as having one vote in respect of each EUR 1,000 principal amount of Notes for which the Global Note may be exchanged.

Prescription

Claims for principal and premium (if any) in respect of the Global Note shall become void unless the Global Note is surrendered for payment within five years, and claims for interest shall become void unless made within five years, in each case as of the appropriate due date.

Cancellation

Cancellation of any Note will be effected by a reduction in the principal amount of the Global Note.

Euroclear and Clearstream, Luxembourg

Notes represented by a Global Note are transferable in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as appropriate.

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be applied by the Issuer for general corporate purposes.

GUARANTEE

This Guarantee is made on 23 September 2014 by Atradius N.V. (the **Guarantor**) in favour of the Holders (including the Accountholders).

Whereas:

- (A) Atradius Finance B.V. (the **Issuer**) proposes to issue €250,000,000 Fixed to Floating Rate Guaranteed Subordinated Notes due 2044 which will be guaranteed as to payment of principal and interest by the Guarantor (the **Notes**, which expression shall, if the context so admits, include the Global Notes (in temporary or permanent form) to be initially delivered in respect of the Notes) pursuant to an agency agreement, as amended or supplemented from time to time dated 23 September 2014 between, among others, the Issuer, the Guarantor and Deutsche Bank AG, London Branch as Fiscal Agent (the **Fiscal Agent**).
- (B) The Guarantor has agreed to guarantee the payment of all sums expressed to be payable from time to time by the Issuer in respect of the Notes and the Coupons to the holders of any Notes (the **Noteholders**) or Coupons (the **Couponholders**) and together with the Noteholders, the **Holders**, which expression shall, if the context so admits, include the Accountholders (the **Guarantee**).

This Deed Witnesses as follows:

1 Interpretation

- 1.1 Defined Terms:** In this Guarantee, unless otherwise defined herein, capitalised terms shall have the same meaning given to them in the Terms and Conditions of the Notes (the **Conditions**), the Global Notes and the Fiscal Agency Agreement.
- 1.2 Headings:** Headings shall be ignored in construing this Guarantee.
- 1.3 Contracts:** References in this Guarantee to this Guarantee or any other document are to this Guarantee or these documents as amended, supplemented or replaced from time to time in relation to the Notes and includes any document that amends, supplements or replaces them.

2 Guarantee and Indemnity

- 2.1 Guarantee:** The Guarantor unconditionally and irrevocably guarantees that if the Issuer does not pay any sum payable by it under the Notes or the Coupons by the time and on the date specified for such payment (whether on the normal due date, on acceleration or otherwise), the Guarantor shall pay that sum to each Holder before close of business on that date in the city to which payment is so to be made. All payments under this Guarantee by the Guarantor shall be made subject to the Conditions.
- 2.2 Guarantor as Principal Debtor:** As between the Guarantor and the Holders but without affecting the Issuer's obligations, the Guarantor shall be liable under this Guarantee as if it were the sole principal debtor and not merely a surety. Accordingly, its obligations shall not be discharged, nor shall its liability be affected, by anything that would not discharge it or affect its liability if it were the sole principal debtor, including (1) any time, indulgence, waiver or consent at any time given to the Issuer or any other person, (2) any amendment to any other provisions of this Guarantee or to the Conditions or to any security or other guarantee or indemnity, (3) the making or absence of any demand on the Issuer or any other person for payment, (4) the enforcement or absence of enforcement of this Guarantee, the Notes, the Coupons or of any security or other guarantee or indemnity, (5) the taking, existence or release of any security, guarantee or indemnity, (6) the dissolution, amalgamation, reconstruction or reorganisation of the Issuer or any other person or (7)

the illegality, invalidity or unenforceability of or any defect in any provision of this Guarantee, the Notes, the Coupons or any of the Issuer's obligations under any of them. The Guarantor hereby also: (1) for the avoidance of doubt, explicitly waives any and all privileges, defences and exceptions granted to sureties (*borgen*) by Dutch law (in particular, but without any limitation, the rights, privileges and defences granted in Sections 6:10, 6:12, 6:139, 6:154, 7:852, 7:853, 7:855 and 7:856 of the Dutch Civil Code (*Burgerlijk Wetboek*)) and (2) specifically waives, renounces and agrees not to exercise any defence, privilege, right or remedy which at any time may be available to it in respect of its obligations hereunder, or under any other document, including, but not limited to, any right of set-off or counter claim which it or the Issuer may have against the Holders.

- 2.3 Guarantor's Obligations Continuing:** The Guarantor's obligations under this Guarantee are and shall remain in full force and effect by way of continuing security until no sum remains payable under the Notes, the Coupons or this Guarantee. Furthermore, those obligations of the Guarantor are additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of any person, whether from the Guarantor or otherwise and may be enforced without first having recourse to the Issuer, any other person, any security or any other guarantee or indemnity. The Guarantor irrevocably waives all notices and demands of any kind.
- 2.4 Exercise of Guarantor's Rights:** So long as any sum remains payable under the Notes, the Coupons or this Guarantee, the Guarantor shall not exercise or enforce any right, by reason of the performance of any of its obligations under this Guarantee, to be indemnified by the Issuer or to take the benefit of or enforce any security or other guarantee or indemnity.
- 2.5 Avoidance of Payments:** The Guarantor shall on demand indemnify the relevant Holder, on an after tax basis, against any cost, loss, expense or liability sustained or incurred by it as a result of it being required for any reason (including any bankruptcy, insolvency, winding-up, dissolution or similar law of any jurisdiction) to refund all or part of any amount received or recovered by it in respect of any sum payable by the Issuer under the Notes or the Coupons and shall in any event pay to it on demand the amount as refunded by it.
- 2.6 Debts of Issuer:** If any moneys become payable by the Guarantor under this Guarantee, the Issuer shall not (except in the event of the liquidation of the Issuer) so long as any such moneys remain unpaid, pay any moneys for the time being due from the Issuer to the Guarantor.
- 2.7 Indemnity:** As separate, independent and alternative stipulations, the Guarantor unconditionally and irrevocably agrees: (1) that any sum that, although expressed to be payable by the Issuer under the Notes, the Coupons or this Guarantee, is for any reason (whether or not now existing and whether or not now known or becoming known to the Issuer, the Guarantor, a Holder) not recoverable from the Guarantor on the basis of a guarantee shall nevertheless be recoverable from it as if it were the sole principal debtor and shall be paid by it to the Holder on demand; and (2) as a primary obligation to indemnify each Holder against any loss suffered by it as a result of any sum expressed to be payable by the Issuer under the Notes, the Coupons or this Guarantee not being paid on the date and otherwise in the manner specified in this Guarantee or in the Conditions or any payment obligation of the Issuer under the Notes, the Coupons or this Guarantee being or becoming void, voidable or unenforceable for any reason (whether or not now existing and whether or not now known or becoming known to a Holder), the amount of that loss being the amount expressed to be payable by the Issuer in respect of the relevant sum.
- 2.8 Incorporation of Terms:** The Guarantor agrees that it will comply with and be bound by all such provisions contained in the Conditions which relate to it.
- 2.9 Subordination:** In the event of the insolvency (bankruptcy (*faillissement*) or moratorium (*surseance van betaling* or *noodregeling*, as applicable)), dissolution (*ontbinding*) or liquidation (*vereffening*) of

the Guarantor, the payment obligations of the Guarantor under the Guarantee shall rank in right of payment after unsubordinated and unsecured creditors of the Guarantor, but *pari passu* with all other subordinated obligations of the Guarantor, save for those preferred by mandatory provisions of law and those that rank or are expressed by their terms to rank junior to the Guarantee, and in priority to the claims of shareholders of the Guarantor.

- 2.10 No set-off:** By acceptance of the Notes and Coupons, each Noteholder and Couponholder will be deemed to have waived any right of set-off or counterclaim that such Noteholder or Couponholder might otherwise have against the Guarantor in respect of or arising under the Guarantee, whether prior to or in the insolvency, moratorium, dissolution or liquidation of the Guarantor. Notwithstanding the preceding sentence, if any of the rights and claims of any Noteholder in respect of or arising under the Guarantee are discharged by set-off, such Noteholder or Couponholder will immediately pay an amount equal to the amount of such discharge to the Guarantor or, if applicable, the liquidator or administrator of the Guarantor, and, until such time as payment is made, will hold a sum equal to such amount on behalf of the Guarantor or, if applicable, the liquidator or administrator in the Guarantor's insolvency, moratorium, dissolution or liquidation. Accordingly, such discharge will be deemed not to have taken place.
- 2.11 Pro tanto reduction:** Any payment made to a Noteholder or Couponholder by the Issuer or its liquidator or administrator shall reduce *pro tanto* the amount payable by the Guarantor under the Guarantee, and any payment made to a Noteholder or Couponholder by the Guarantor or its liquidator or administrator shall reduce *pro tanto* the amounts payable by the Issuer under the Notes or the Coupons.

3 Payments

- 3.1 Payments Free of Taxes:** All payments by the Guarantor under this Guarantee will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Netherlands or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In such event, the Guarantor shall pay such additional amounts as shall result in receipt by the Noteholders or Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note or, as the case may be, Coupon in the circumstances mentioned in Condition 7.

Defined terms used in this Clause 3.1 shall have the meanings given to them in the Conditions.

- 3.2 Stamp Duties:** The Guarantor covenants to and agrees with the Holders that it shall pay promptly, and in any event before any penalty becomes payable, any stamp, documentary, registration or similar duty or tax payable in the Netherlands, Belgium or Luxembourg, as the case may be, or in the country of any currency in which the Notes may be denominated or amounts may be payable in respect of the Notes or any political subdivision or taxing authority thereof or therein in connection with the entry into, performance, enforcement or admissibility in evidence of this Guarantee and/or any amendment of, supplement to or waiver in respect of this Guarantee, and shall indemnify each of the Holders, on an after tax basis, against any liability with respect to or resulting from any delay in paying or omission to pay any such tax.

4 Amendment and Termination

The Guarantor may not amend, vary, terminate or suspend this Guarantee or its obligations hereunder unless such amendment, variation, termination or suspension shall have been approved by an Extraordinary Resolution (as defined in the Fiscal Agency Agreement) to which the special quorum provisions specified in the Notes apply, save that nothing in this Clause shall prevent the

Guarantor from increasing or extending its obligations hereunder by way of supplement to this Guarantee at any time.

5 General

5.1 Benefit: This Guarantee shall enure for the benefit of the Holders.

5.2 Deposit of Guarantee: The Guarantor shall deposit this Guarantee with the Fiscal Agent, to be held by the Fiscal Agent until all the obligations of the Guarantor have been discharged in full. The Guarantor acknowledges the right of each Holder to the production of, and to obtain a copy of, this Guarantee.

6 Governing Law and Jurisdiction

6.1 Governing Law: This Guarantee and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with Dutch law.

6.2 Jurisdiction: The courts of the Netherlands are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with this Guarantee and accordingly any legal action or proceedings arising out of or in connection with this Guarantee (**Proceedings**) may be brought in such courts.

In witness whereof the Guarantor has caused this Guarantee to be duly executed on the date stated at the beginning.

ATRADIUS N.V.

By:

ATRADIUS N.V.

GENERAL

Atradius N.V. (the **Guarantor**) was incorporated on 21 October 2003. The Guarantor is a public company with limited liability (*naamloze vennootschap*) incorporated and operating under Dutch law. Its statutory seat is in Amsterdam, the Netherlands. The Guarantor is registered with the Dutch Chamber of Commerce under No. 34196963. The address of the Guarantor is David Ricardostraat 1, 1066 JS Amsterdam, the Netherlands, phone number +31 (0) 20 553 9111.

The objects and purposes of the Guarantor are described in article 3 of its articles of association. The objects of the Guarantor are, *inter alia*, to incorporate, to participate in any way whatsoever, to manage and to supervise businesses and companies, both Dutch and foreign, including but not limited to businesses and companies that are active in the field of insurance, reinsurance, financing, the management of accounts receivable and to provide services related to the aforementioned and the execution of connected commercial businesses, including services, as well as being and acting as a holding company; to finance businesses and companies and to conduct any sort of financial transaction; to supply advice and to render services to affiliates and to third parties; to borrow, to lend and to raise funds, including the issue of bonds, promissory notes, evidences of indebtedness or other securities as well as to enter into agreements in connection with the aforementioned; to render guarantees, to bind the company and to pledge its assets for obligations of the company and affiliates and on behalf of third parties; and to obtain, manage, develop and alienate registered property, intellectual property rights and items of property in general, as well as everything pertaining to the foregoing, relating thereto or conducive thereto, all in the widest sense of the word.

The authorised share capital of the Guarantor consists of 250,000,000 shares, with a nominal value of €1 each. The outstanding ordinary share capital of the Guarantor as at the date of this Prospectus amounts to €79,122,142 and is divided into 79,122,142 ordinary shares. All of the issued share capital of the Guarantor has been fully paid up. All outstanding shares in the capital of the Guarantor are held by Grupo Catalana Occidente, S.A. and Grupo Compañía Española de Crédito y Caución, S.L. The rights of the shareholders are described in the Guarantor's articles of association.

BUSINESS OVERVIEW

INTRODUCTION

As a leading global credit insurer, Atradius' aim is to support its customers' growth by strengthening their credit and cash management. Atradius does this through a wide range of credit management services. In addition to its core credit insurance products, these services include bonding, debt collection and reinsurance, all of which are supported by the expertise of Atradius' employees and a wealth of constantly updated financial data on over 100 million companies worldwide.

Atradius offers its products and services through different companies depending on the market and the business. The main Atradius companies are:

- Atradius Credit Insurance N.V. (**ACI**) in the Netherlands that through its branches offers credit insurance and bonding globally;
- Compañía Española de Seguros y Reaseguros de Crédito y Caución, S.A.U. (**Crédito y Caución**) in Spain that offers credit insurance and bonding in the Iberian region and credit insurance through its subsidiaries in Brazil;
- Atradius Reinsurance Ltd. (**Atradius Re**) in Ireland that offers credit insurance and bonding reinsurance globally;
- Atradius Trade Credit Insurance, Inc. (**ATCI**) in the United States that offers credit insurance;
- Atradius Seguros de Crédito, S.A. (**ASC**) in Mexico that offers credit insurance;

- Atradius Collections Holding B.V. (**Atradius Collections**) in the Netherlands that through its subsidiaries and branches offers collection services globally;
- Atradius Information Services B.V. (**AIS**) in the Netherlands that through its branches offers information services;
- Iberinform Internacional, S.A.U. (**Iberform**) in Spain that offer information services; and
- Atradius Dutch State Business N.V. (**ADSB**) that on behalf and for the account of the Dutch State issues credit insurance policies and guarantees to Dutch companies and banks financing Dutch exports.

From strategically located offices in six continents with 3,107 FTE's, Atradius aims to be close to its customers and to the markets in which they trade. With total income of EUR 1,613.5 million and a global market share of 22%, Atradius has earned its place as a leading global trade credit insurer.

Key figures

Key figures ¹ (in EUR million)	2013	2012	2011	2010	2009	2008	2007 ²
Financial information							
Insurance premium revenue	1,412.1	1,439.8	1,403.4	1,345.6	1,468.6	1,616.4	1,148.6
Service and other income	166.4	161.8	150.5	155.1	197.8	225.4	166.9
Total revenue	1,578.4	1,601.6	1,553.8	1,500.7	1,666.4	1,841.8	1,315.5
Net investment result	35.1	30.3	31.1	22.7	68.3	47.8	79.7
Total income	1,613.5	1,632.0	1,584.9	1,523.4	1,734.7	1,889.6	1,395.2
Result for the year	134.5	113.6	129.8	124.9	(113.3)	(193.4)	164.2
Balance sheet information							
Total assets	3,697.8	3,737.2	3,580.1	3,285.2	3,389.7	4,021.0	2,840.3
Equity	1,286.9	1,196.3	1,129.8	1,035.2	905.0	1,005.5	854.0
Subordinated bond (nominal)	120.0	120.0	120.0	120.0	120.0	120.0	120.0
Insurance contracts	1,486.3	1,592.8	1,549.3	1,311.8	1,508.1	2,166.9	1,232.1
Shareholders information							
Return on equity	10.8%	9.8%	12.0%	12.9%	-12.0%	-17.0%	21.4%
Dividend paid ³	43.5	43.5	25.3	0	0	25.3	0
Technical ratios (gross)							
Insurance claims ratio	45.6%	51.2%	49.7%	38.6%	85.2%	98.3%	39.4%
Insurance expense ratio	35.9%	35.0%	35.2%	35.4%	36.6%	34.1%	38.4%
Insurance combined ratio	81.5%	86.2%	84.9%	74.0%	121.8%	132.4%	77.8%
Employees							
Full-time equivalents, at year end	3,107	3,143	3,149	3,171	3,488	3,863	3,366
Credit ratings							
A.M Best	A						
Moody's	A3						

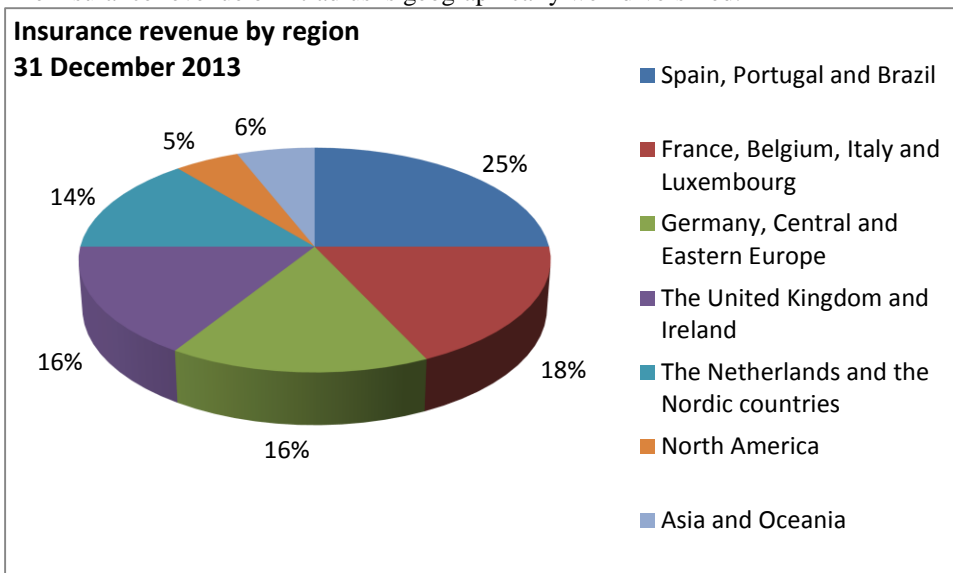
¹ See page 5 of the 2013 Atradius N.V. Annual Report

² All figures of 2007 in this and all following tables do not include Crédito y Caución as the business combination of Atradius and Crédito y Caución took place in 2008

³ Dividend relating to prior year results

Key figures ⁴ (in EUR million)	H1 2014 unaudited	H1 2013 unaudited
Financial information		
Insurance premium revenue	722.1	708.3
Service and other income	95.7	97.2
Total revenue	817.8	805.5
Net investment result	10.6	17.5
Total income	828.4	822.9
Result for the year	78.0	67.6
Dividend paid⁵	53.8	43.5
Balance sheet information		
Total assets	3,840.8	3,767.8
Equity	1,329.5	1,210.0
Subordinated bond (nominal)	120.0	120.0
Insurance contracts	1,561.4	1,612.3
Technical ratios (gross)		
Insurance claims ratio	37.1%	46.0%
Insurance expense ratio	35.8%	35.1%
Insurance combined ratio	72.9%	81.1%

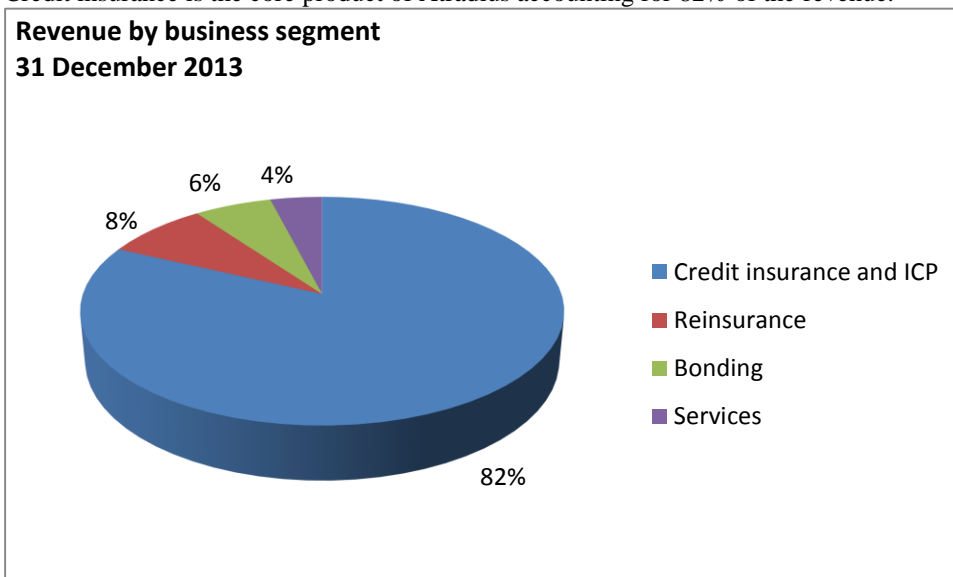
The insurance revenue of Atradius is geographically well diversified.



⁴ Unaudited figures

⁵ Dividend relating to prior year results

Credit insurance is the core product of Atradius accounting for 82% of the revenue.



Shareholder structure

Atradius is part of Grupo Catalana Occidente, S.A. (GCO) and is the international brand of GCO's credit insurance business.

The shareholder structure of Atradius as at 31 December 2013 is:

Shareholder structure ⁶	Percentage of shares
Grupo Catalana Occidente, S.A.	35.77%
Grupo Compañía Española de Crédito y Caución, S.L.	64.23%
Grupo Catalana Occidente, S.A.	73.84%
Consortio de Compensación de Seguros	9.88%
Nacional de Reaseguros, S.A.	7.78%
España, SA Compañía nacional de Seguros	5.00%
Ges Seguros y Reaseguros, S.A.	3.50%
Total	100.00%

GCO is the main shareholder of the Guarantor with an economic stake of 83.2% (35.77% directly and 47.43% indirectly through the holding Grupo Compañía Española de Crédito y Caución, S.L.).

The shares of GCO are listed on the Continuous Spanish Stock Exchange Market of Barcelona and Madrid and are part of the IBEX Medium Cap Index. Currently, 38% of its share capital is floating and the main shareholder is INOC, S.A., which holds 57.03% of GCO's share capital.

Key highlights of Grupo Catalana Occidente

- 150 years of history
- An insurer with a portfolio that includes a wide variety of traditional and credit insurance business lines
- Growing turnover to EUR 3.2 billion
- Recurrent results higher than EUR 221 million with a ROE of 13%
- Solid equity of EUR 2.6 billion at market value
- Funds under management of EUR 8.4 billion
- 5,600 employees in more than 45 countries

⁶ Source: the 2013 Atradius N.V. Annual Report

	Characteristics	Lines of Business
Traditional business	Focused on Spain	Multi-risk
	Families and enterprises	Automobile
	Professional agency network with more than 20,000 tied agents	Other non-life
	1,043 offices	Life and financial products
		Health
		Funeral
Credit insurance business	Service offered in more than 45 countries	Credit insurance
	Companies	Bonding
	Agents and Brokers	Credit insurance and bonding reinsurance
	110 offices	Debt collection

HISTORICAL REVIEW

Atradius was created through the business combinations of several credit insurance and bonding companies. The most significant combinations were of the Dutch insurance group Nederlandsche Credietverzekering Maatschappij (NCM) and the German insurance group Gerling-Konzern Speziale Kreditversicherung (GKS) in 2001 and of Atradius and the Spanish insurance group Crédito y Caución in 2008.

1925 NCM is founded in the Netherlands, with the aim of improving trading conditions for Dutch companies.

1929 In Spain, Crédito y Caución is founded. Since then it has grown organically to become the dominant credit insurance and surety company on the Iberian Peninsula.

1932 NCM partners with the Dutch government to provide export credit services to Dutch companies on behalf of the Dutch State. This relationship still exists today.

1954 In Germany, GKS is established as the credit insurance arm of the Gerling Group.

1962 GKS opens its first international branch office in Switzerland, and is the first private credit insurer to offer export credit protection.

1991 NCM acquires the short-term export credit arm of the UK's Export Credit Guarantee Department (ECGD), itself a longstanding credit insurer.

1993 NCM incorporates in the United States a joint venture credit insurance company, Maryland Netherlands Credit insurance Company (MNCIC), together with Fidelity and Deposits company of Maryland, a company owned by Swiss insurance group Zurich. The same year NCM acquired the Norwegian credit insurance and bonding company DnB Garanti og Kredittforsikring.

1994 GKS acquires the Belgian credit insurance company Assurances du Credit-Namur.

1996 GKS acquires the French credit insurance company Société d'Assistance en Crédit aux Entreprises, and the Norwegian credit insurance company, Uni Storebrand Kredittforsikring. The same year NCM acquires the credit insurance business of the Danish credit export agency, Eksportkreditradet.

1999 NCM acquires the remaining shares of MNCIC.

2000 GKS acquires the leading Mexican credit insurance company Compañía Mexicana de Seguros de Crédito and the French bonding company Étoile Commerciale.

2000 NCM acquires the Italian credit insurance and bonding company Societa Italiana Cauzioni.

2001 The paths of NCM and Gerling Credit meet and Gerling NCM is formed.

2003 Gerling NCM acquires the credit insurance business of the Australian export credit agency, Export Finance and Insurance Cooperation.

2004 Gerling NCM rebrands as Atradius.

2008 GCO becomes the major shareholder of Atradius. Crédito y Caución becomes a key part of Atradius.

2011 Atradius launches its Roadmap for Success: a strategy to enable its regional teams across the globe to be even more responsive to its customers' needs.

MARKET REVIEW

The trade credit insurance industry is dominated by three global players, Euler Hermes, Atradius and Coface, each specialising in trade credit insurance with additional activities in bonding and each having a global presence. These insurance groups hold a market share of 33%, 22% and 18% respectively.⁷ The remaining 27% market share is predominantly held by multinational non-life insurance groups or local trade credit insurance companies.

The trade credit insurance industry is characterised by high entry barriers. This characteristic arises mainly from two elements: (i) the need to collect financial information all over the globe, which means investment in information suppliers and IT technology, and (ii) the need to have a local presence in markets, in which the customer is trading. Only this presence ensures that next to financial and non-financial information the specific local market expertise is enhancing the credit limit decision. This local market expertise and the local understanding of the market dynamics and payment behaviours are key for the value proposition of an international credit insurer.

PRODUCT REVIEW

Credit insurance

In credit insurance, which constitutes 80.2% of its revenue earned in 2013, Atradius insures its customers against the risk of non-payment of trade receivables. The causes of loss covered differ by policy, but typically would include the commercial covered causes of loss 'insolvency', which varies in legal forms and per country, and 'protracted default', which is the failure of a buyer to pay the trade receivable to his supplier (i.e. the customer of Atradius) within – typically – six months after the originally agreed due date. Policies can also cover so-called 'political' causes of loss which include but are not limited to, the risk of non-payment due to payment transfer problems, cancellation of export/import licenses and contract frustration. Credit insurance does not cover non-payment of trade receivables due to commercial disputes. Each policy stipulates a maximum credit period that the policyholder can offer to its buyers without prior approval from Atradius. 'Buyers' are the customers of Atradius' insured customers, i.e., the parties that Atradius insures credit risk on. In order to mitigate the risk of adverse selection, the credit insurance products of Atradius usually cover only whole portfolios of buyers. For credit insurance, there are two underwriting processes: policy underwriting and buyer underwriting. Policy underwriting is the process by which Atradius decides which customers to accept as policyholders and the terms and conditions of cover that are offered. Buyer underwriting is the process by which Atradius sets risk limits for each buyer and issues credit limits, thus allowing it to manage risk on its portfolio of existing policies. Policy underwriting takes place in the Commercial units and buyer underwriting in the Risk Service units.

Policies are issued for a fixed period: most policies have a coverage period of one year and usually no longer than three years. Normally, customers retain some of the risk for their own account to protect Atradius from

⁷ Based on the 2013 figures from the International Credit Insurance and Surety Insurance Association

the risk of moral hazard. That self-retention can take the form of, amongst other things, an uninsured percentage, a deductible on each claim, an aggregate first loss amount or a combination of these. All policies stipulate Atradius' maximum liability. A customer is covered for the credit risk on a buyer only once a credit limit on the buyer has been established. Most policies however allow customers to establish credit limits themselves for smaller amounts, under conditions specified in the policies. Credit limits are an important risk management instrument for Atradius as they cap the amount that it would have to pay out to a customer in the event of a claim. Moreover, Atradius can, in principle, withdraw the credit limit on a buyer at any time if circumstances demand: for instance if Atradius is no longer comfortable with the aggregate exposure on a buyer, or if, in its judgement, the buyer will no longer be able or willing to make its trade payments. Credit limits may be subject to specific conditions and Atradius can also set conditions for cover on a country or withdraw cover on a country altogether. These are important tools for Atradius in managing its risk exposure.

Instalment Credit Protection

Instalment Credit Protection (ICP), which is a specific line of credit insurance, constitutes 1.7% of Atradius' revenue earned in 2013. ICP insures its customers against non-payment of scheduled instalment payments. Its exposure in 2013, which was less than 0.5% of Atradius' Total Potential Exposure, was approximately 56% retail and 44% corporate, where retail exposure originates from consumer credit extended by financial institutions. Corporate exposure typically relates to the leasing to corporations of equipment such as cars and to a lesser extent computer hardware and other equipment. In the corporate sector, no single risk exceeds EUR 7m. A small part of the portfolio consists of cover for corporate loans provided by banks. The retail exposure is by its nature highly diversified.

Bonding

Atradius issues surety bonds (6.2% of Atradius' revenue earned in 2013) for customers in Italy, France, Spain and the Nordic region (from 2014, bonding is also offered in Germany). Surety bonds insure beneficiaries against the risk of the Atradius customer not meeting contractual, legal, or tax obligations. Beneficiaries include national, regional or local governments, tax authorities and private companies.

While Atradius' customers may fail to meet their obligations, either because they are unable to perform to the agreed or required level or because they are insolvent, there is also the risk that the customer may intentionally and fraudulently fail to meet its obligations. Therefore, Atradius' assessment of both the customer's financial strength and its ability to perform play an important part in the underwriting process. Unlike credit insurance, exposure related to issued bonds cannot be unilaterally cancelled by Atradius. When a bond is called by the beneficiary, Atradius mediates to resolve conflicts by working with both customer and beneficiary.

If a payment is finally made as a result of non-performance, recovery action is taken against the customer. If Atradius does incur an irrecoverable loss it is almost always because of the customer's financial distress.

Bonds may be on first demand or conditional. Bonds or guarantees on first demand are payable when called; that is, Atradius cannot refuse payment if it has received a claim that is formally valid. In case of conditional bonds Atradius becomes liable upon proof of a breach of the terms of contract by the customer and the beneficiary sustaining loss as a result of such breach. Atradius' liability will therefore arise as a result of the customer's default.

Bonds normally have a pre-determined duration and an expiry date. This depends on the type of bond and the underlying contractual obligation. For example, a performance bond may be required for the entire performance period of a construction contract, which may be a matter of years rather than months, but only rarely in excess of five years.

Atradius can issue bonds on a one-off, single contract basis or have a more regular, portfolio relationship with the customer. The spread of customers over industry sectors varies by country as a result of differing legal and market environments.

Credit insurance and Bonding Reinsurance

Atradius underwrites reinsurance programmes for the credit insurance and bonding business written by primary insurers (8.1% of Atradius' revenue earned in 2013). This business is conducted by Atradius Re, domiciled and regulated in Ireland.

Atradius Re provides reinsurance capacity for primary insurance companies from both the developed and developing credit insurance and bonding markets. It currently assumes business from over 60 countries worldwide, maintaining a balanced diversity within the portfolio from each continent. The underlying business consists of around 60% credit insurance and 40% bonding, based on premium volume, although typically this varies from year to year.

The type of credit insurance and bonding products Atradius Re reinsures are similar to those issued directly and described above. Most reinsurance business is on a quota share basis, where there is a close relationship between the insurer and Atradius Re on monitoring and controlling the volume of business ceded within prescribed underwriting guidelines. The rest of the portfolio predominantly consists of excess of loss cover, which is only 6% of Atradius Re's revenue earned, typically connected to the quota share business. The number of stop-loss treaties is limited.

Atradius Re has reinsurance treaties with certain customers under the terms of which collateral has been provided, or could be required to be provided, in order to meet the security or local regulatory requirements of those customers.

Debt Collections

Atradius Collections (2.8% of Atradius' revenue earned in 2013) helps businesses - both credit insured and uninsured - to collect domestic and international trade debts while maintaining sound business relationships with their clients. It has built a strong reputation as a dedicated business-to-business collections specialist mainly for cross border operations, leveraging the strength of Atradius' credit insurance business, with its own integrated international network of collectors, lawyers and insolvency practitioners and its online capabilities. Its customers benefit from Atradius Collections' worldwide collections expertise 'on the ground', through its presence in 20 locations.

STRATEGIC REVIEW

Atradius' Corporate Strategy is aligned with that of its parent company, GCO. To mark the 150th anniversary, GCO has created a 'Strategic Plan', which aligns the strategies of all its subsidiaries.

The Strategic Plan sets out the Strategic Purpose of the different businesses, which for Atradius is 'To become global leaders in trade credit risk management'.

The Strategic Plan also sets out the Guiding Principles which is a summary of the commitments of GCO and Atradius to their stakeholders, including; customers, shareholders, employees, intermediaries and partners, the insurance industry and the community.

The Strategy is then based upon 3 pillars, 'Growth and Customer Orientation', 'Profitability' and 'Solvency'. The 'Growth and Customer Orientation' pillar sets out Atradius' strategy in terms of markets, products and services, distribution channels and its service excellence orientation towards its customers. Geographic expansion is very important so that Atradius is able to support its customers wherever they are doing business and an extensive international footprint is a critical success factor for an international credit insurer. Credit limits are at the heart of the service that Atradius provides and follows a strategy of being close to the risk in order to provide the best risk analysis possible. In terms of how Atradius approaches the market, its

distribution strategy is key with brokers being the dominant channel. Atradius' customer segment strategy is also important in delivering the right products and services to the wide range of customers that it serves.

The 'Profitability' pillar sets out Atradius' strategy for managing risk, organising the business and ensuring that its operations are efficient. The performance of Atradius is closely tied to its ability to manage risk – which it does on many levels (buyer, customer, country).

The 'Solvency' pillar sets out Atradius' strategy to maintain financial strengths while taking prudent risks and meeting solvency requirements.

The sections below detail some areas of the Corporate Strategy.

Credit insurance

Atradius' core product is trade credit insurance. Historically, credit insurance has evolved in Europe and is widely understood as a form of trade finance and a risk mitigation tool in this region – this is reflected in the figures with approximately 90% of the revenue coming from Europe. More recently, credit insurance has been also gaining in importance in North America, Asia and Latin America.

Atradius has followed a geographic expansion strategy with the aim of being able to offer credit insurance wherever its customers are doing business. This not only supports its customer's growth but also diversifies Atradius' footprint to keep pace with the changing pattern of global growth. Having an extensive international footprint is a critical success factor for a global credit insurer – with only 3 players competing on such a wide scale.

There are different ways of expanding into new markets depending on market and regulatory conditions. These include establishing an information or service company, obtaining a direct insurance license, working with a locally licensed co-operation partner, or reinsuring the business of a third party credit insurance company.

Atradius' historic geographic expansion activities include acquiring a shareholding in the Chilean surety and insurance group Compañía de Seguros de Crédito Continental S.A. (who are present in Chile, Argentina and Peru), expanding in Asia with an information consulting company in China and a co-operation agreement with China Continent Property & Casualty Insurance Co. and ACI branches in Japan, Hong Kong and Singapore. ACI also signed a co-operation agreement with a Taiwanese insurer with a pan-Asian footprint. Atradius is currently able to offer credit insurance in more than 45 countries worldwide. Furthermore, it has many initiatives underway or planned to further expand the geographic footprint and information / underwriting capabilities. These are mainly focused on Asia (particularly South East Asia) and Latin America, but also Eastern Europe and Africa.

Credit limits are the cornerstone of the service that Atradius provides and follows a 'Centres of Expertise' underwriting approach. This approach ensures that the underwriters are based locally to the risks they are underwriting which bring local language benefits, an understanding of the business culture and the ability to visit buyers.

Brokers are the most important channel for the distribution of credit insurance. Approximately 70% of Atradius' business comes via the broker channel, which includes a wide range of around 1,300 specialized and non-specialized brokers. As a result, there is continuous investment in developing relationships with brokers in the form of training, IT systems and additional services. Atradius also uses other channels such as agent networks which are dominant in Spain and Italy, direct sales operations in most main markets and other partnership channels such as information companies, trade associations or business networks which can target the SME customer segment.

Customers are segmented according to their turnover and location, with different product offerings and service models for the different segments. Multinationals are serviced according to the 'Global' concept,

Middle Market customers are serviced on a local basis with a flexible ‘Modula’ approach and SME customers are typically offered packaged products.

The Atradius ‘Global’ concept is a market leading proposition for the Multinational customer segment. This was first developed in 1997 by Atradius and provides underwriting and servicing tailored to the needs of multinationals in the countries where they are present. 17 years later, Atradius’ ‘Global’ concept is still leading the way.

In addition to underwriting whole turnover short-term credit insurance, Atradius also has a Special Products unit (established in 2005) that caters for non-standard credit insurance solutions, typically used by large customers or financial institutions. The kind of solutions offered include; non-cancellable limit cover, excess of loss structures, single buyer or single transaction cover and political risk cover.

Bonding

Atradius has a pan-European bonding strategy. From its core bonding country network represented by Italy, France, Spain and the Nordic countries, Atradius has extended its bonding activities to Germany in 2014. Atradius supports its customers in their multinational activities, issuing bonds directly in 6 additional European countries (Belgium, The Netherlands, Austria, Switzerland, the United Kingdom and Portugal) and relying on a network of correspondents all over the world. In tune with this development bonding is currently building a common state of the art IT platform. The enlarged geographical scope adds a further dimension of diversification to the bonding portfolio.

Credit insurance and bonding reinsurance

Atradius subscribes to credit insurance and bonding reinsurance treaties of third party credit insurance and bonding companies worldwide. This is done through its own reinsurance company Atradius Re. In addition to subscriptions, Atradius Re leverages on Atradius’ expertise in trade credit insurance and bonding to assist trade credit insurance and bonding companies with technical assistance and staff training. This additional offering creates long-standing relations between Atradius Re and its customers.

In 1994 Atradius– then GKS – acquired Namur Re in Luxembourg. Three years later, in 1997, Atradius– then NCM incorporated NCM Re. Both companies combined their businesses in 2005 and in the same year, a new company was incorporated in Dublin and rebranded to Atradius Re. As with trade credit insurance and bonding, Atradius Re traditionally earned its revenue in Europe. However, as the Asian and Latin American economies grow and develop, more Asian and Latin American credit insurance and bonding companies are being reinsured. In addition, Atradius Re also started reinsuring African and Middle Eastern credit insurance and bonding companies. At the end of 2013, Atradius Re earned 64% of its revenue outside Europe and North America. This creates a positive diversification for Atradius as the majority of Atradius Re’s exposures do not have a correlation risk with the other activities of Atradius.

Debt collection

Through Atradius Collections, Atradius provides business-to-business collections and recovery of trade receivables that is complementary to its trade credit insurance products, for the benefit of both the policyholders and Atradius itself. This service, which covers as well non-insured businesses or customers, shows its highest efficiency in cross border collection, on the basis of a fully integrated business model.

Atradius Collections progressively extended its direct presence and collection capability in Europe, Asia and the Americas up to 20 countries, with recent creations of subsidiaries in Mexico and Brazil. Furthermore, Atradius Collections has a global network of collection specialists, lawyers, and insolvency practitioners, enabling it to service more than 200 countries.

Atradius Collections runs all its activities on a global integrated IT platform, which it continues to optimize in order to improve the service it delivers to customers worldwide and to provide an effective and efficient debt collection service. All debt collections activities can be monitored 24/7 by customers in the online track and trace system Collect@net. After submission of a case in any country it will be handled within 24 hours

by the local collector at the location of the debt. The collectors are experts in the field of business-to-business debt collections and collect the debt following a collection strategy that takes account of the assigned case and the local legal and cultural environment.

FINANCIAL REVIEW

Financial performance

Overall performance

Financial performance ⁸ (in EUR million)	2013	2012	2011	2010	2009	2008	2007
Insurance premium	1,412.1	1,439.8	1,403.4	1,345.6	1,468.6	1,616.4	1,148.6
Information income and fees	110.4	107.5	101.3	104.1	120.7	157.6	112.6
Insurance revenue	1,522.5	1,547.3	1,504.6	1,449.7	1,589.3	1,774.0	1,261.2
Insurance claims expenses	(694.8)	(791.6)	(748.2)	(559.6)	(1,356.8)	(1,748.9)	(503.6)
Insurance operating expenses	(546.4)	(541.8)	(529.0)	(512.5)	(577.9)	(605.2)	(485.7)
Insurance result before reinsurance	281.3	213.9	227.4	377.6	(345.4)	(580.1)	271.9
Reinsurance result	(138.4)	(94.6)	(92.6)	(244.1)	134.3	268.2	(132.1)
Insurance result after reinsurance	143.0	119.3	134.8	133.4	(211.1)	(311.9)	139.8
<i>Service revenue</i>	60.0	59.3	53.2	56.7	84.2	74.3	61.8
<i>Service expenses</i>	(55.2)	(52.7)	(54.3)	(57.4)	(69.2)	(61.2)	(54.3)
Service result	4.9	6.6	(1.1)	(0.7)	15.1	13.1	7.5
Investment result	35.1	30.3	31.1	22.7	68.3	47.8	79.7
Finance result	(9.2)	(4.9)	(4.7)	(2.7)	(13.0)	21.0	1.5
Income tax expenses	(39.3)	(37.7)	(30.3)	(27.8)	27.5	36.6	(64.4)
Result	134.5	113.6	129.8	124.9	(113.3)	(193.4)	164.2
Insurance claims ratio	45.6%	51.2%	49.7%	38.6%	85.2%	98.3%	39.4%
Insurance expense ratio	35.9%	35.0%	35.2%	35.4%	36.6%	34.1%	38.4%
Insurance combined ratio	81.5%	86.2%	84.9%	74.0%	121.8%	132.4%	77.8%

Credit insurance is cyclical by nature, with the different cycle periods varying in tenor and intensity and driven by the economic environment to a large extent. This cycle is clearly demonstrated in the financial performance overview of the years 2007-2013, with the 2008 and 2009 results heavily impacted by the financial crisis and a return to a profitable result in the years after. Through products, such as bonding, collections and instalment credit protection that have different cycles, and geographic diversification Atradius improves its resistance against these cyclical movements. Next to that the consistent monitoring of market conditions and portfolio indicators support Atradius to more effectively steer the portfolio and manage the impact of the cycle.

⁸ Source: Annual Reports of Atradius N.V.

Insurance revenue by product

Financial performance by operating segment 2013 ⁹ (in EUR million)	Credit insurance ¹⁰	Bonding	Credit and bonding reinsurance	Insurance segment	Service segment	Group expenses	All segments
Insurance premium	1,186.5	97.6	128.1	1,412.1			1,412.1
Information income and fees	110.4	-	-	110.4			110.4
Insurance revenue	1,296.8	97.6	128.1	1522.5			1522.5
Insurance claims expenses	(571.7)	(59.0)	(64.0)	(694.8)			(694.8)
Insurance operating expenses	(453.8)	(31.2)	(51.4)	(536.4)		(10.0)	(546.4)
Insurance result before reinsurance	271.4	7.3	12.6	291.3			281.3
Reinsurance result	(128.1)	(5.7)	(4.5)	(138.4)			(138.4)
Insurance result after reinsurance	143.3	1.6	8.1	153.0			143.0
<i>Service revenue</i>					60.0		60.0
<i>Service expenses</i>					(55.2)		(55.2)
Service result					4.9		4.9
Investment result							35.1
Finance result							(9.2)
Income tax expenses							(39.3)
Result							134.5
Insurance claims ratio	44.1%	60.5%	50.0%				45.6%
Insurance expense ratio	35.0%	32.0%	40.1%				35.9%
Insurance combined ratio	79.1%	92.5%	90.1%				81.5%
Share of revenue	81.9%	6.2%	8.1%	96.2%	3.8%		100.0%

The core product of Atradius, trade credit insurance, constitutes 81.9% of the total revenue earned in 2013. This product is not only offered to local customers, but also to multinational companies through the Global unit. Atradius is the market leader in the multinational segment and Global reported a revenue growth of 5.2% in 2013. The market has shown an increasing demand for non-standard credit insurance products. The Special Products unit, that sells these non-standard credit insurance products, realised a 13.3% increase in revenue in 2013.

In addition to trade credit insurance, Atradius offers two other insurance products to the market, bonding and credit insurance and bonding reinsurance. Together these products contributed 14.3% of the 2013 total revenue. Atradius holds a leading position in the Italian, French, Nordic and Spanish non-banking bonding markets and has an international network of business partners that have access to a wide range of bonding facilities in other markets. As with credit insurance, bonding involves a credit assessment of companies and therefore there are synergies between these two segments. The 2013 bonding revenue increased 4.3% compared to 2012. Additionally, the bonding insurance result of 2013 has been impacted by unprecedented claims received in Denmark and Finland, which has led to higher insurance claims expenses. However, historical claims ratios for the Nordics have been below 25%. Including 2013, the average historical claims ratio between 2007 and 2013 of the Nordics remains at a comfortable 36%, while the average historical claims ratio of the whole bonding business has been 35% for the same period. Further, as a speciality credit insurance and bonding company, Atradius benefits from its expertise in those two segments by subscribing to credit insurance and bonding reinsurance treaties. Atradius Re in Ireland offers a wide range of reinsurance solutions for the credit insurance and bonding business of primary insurers around the world. In 2013 the underlying business of the reinsurance treaties consisted of around 60% credit insurance and 40% bonding business, based on premium volume. The reinsurance business also adds to the geographic diversification of Atradius, since 66% of the 2013 reinsurance revenue is generated outside Europe.

⁹ Source: the 2013 Atradius N.V. Annual Report

¹⁰ Including Instalment Credit Protection

Insurance revenue by regions and countries

Insurance revenue (in EUR million)	2013	2012	2011	2010	2009	2008	2007
Germany, Switzerland and Austria	200.4	195.3	189.8	183.7	187.0	232.7	237.1
The Netherlands and the Nordics	197.7	208.3	197.9	187.5	204.8	241.7	248.6
France, Belgium, Italy and Lux.	281.9	275.4	261.5	252.3	288.6	331.2	341.4
Spain and Portugal	378.5	417.7	442.0	457.0	541.4	549.5	19.2
UK and Ireland	245.8	248.7	236.6	212.5	224.4	264.2	273.5
Western Europe	1,304.3	1,345.4	1,327.8	1,293.0	1,446.1	1,619.3	1,119.8
Eastern Europe	46.5	40.6	38.7	36.2	27.7	34.7	30.2
The Americas	81.5	75.9	69.2	61.1	63.2	73.5	76.4
Africa	-	-	-	-	-	-	-
Asia and Oceania	90.2	85.4	68.9	59.4	52.3	46.5	34.0
Total	1,522.5	1,547.3	1,504.6	1,449.7	1,589.3	1,774.0	1,260.4

The goal of secure profits and reduced profit volatility is further achieved by product diversification. Atradius continues to expand its operations outside Western Europe. In 2013, regions outside Western Europe constituted 14.3% of insurance revenue earned. From 2009 to 2013 the insurance revenue developed particularly well in the regions of Asia and Oceania (14.3% average growth per year) and Eastern Europe (7.4% average growth per year). In contrast the insurance revenue in Western Europe decreased on average 2.1% per year in the same period. This was largely driven by the Southern European countries, where the financial crisis and the risk mitigating actions taken had a significant impact on the insurance revenue. Given the growth rate of the Eastern European, Latin American and Asian economies, in combination with their increased usage of trade credit insurance as a risk mitigating tool, Atradius expects a further increase of the insurance revenue share from these regions in the future. Positive to mention is that the insurance revenue in North America has returned to its pre-crisis level, whereas the Oceania insurance revenue has maintained its growth rate throughout the economic cycle.

Going forward the geographical diversification will further contribute to Atradius being less dependent on economic development in Western Europe in general.

Total Potential Exposure ¹¹ (in EUR billion) ¹²	2013	2012	2011	2010	2009	2008	2007
Germany, Switzerland and Austria	86.2	82.7	76.7	69.7	68.6	88.2	89.3
The Netherlands and the Nordics	48.8	50.9	49.8	47.4	50.5	67.5	71.5
France, Belgium, Italy and Lux.	91.5	90.8	88.1	84.2	84.2	121.2	130.7
Spain and Portugal	82.7	90.3	103.9	108.4	111.5	164.2	19.8
UK and Ireland	34.6	31.5	28.1	25.6	22.5	38.3	49.7
Western Europe	343.7	346.3	346.6	335.4	337.3	479.4	361.0
Eastern Europe	28.0	25.0	21.4	17.6	16.1	29.8	30.5
The Americas	48.8	40.8	34.2	28.8	22.1	40.8	39.6
Africa	4.2	4.0	3.5	3.6	3.2	4.9	4.0
Asia and Oceania	58.9	52.3	42.9	34.3	29.3	44.6	40.0
Total	483.6	468.4	448.7	419.7	408.0	599.6	475.2

Technical ratios ¹³	2013	2012	2011	2010	2009	2008	2007
Insurance claims ratio	45.6%	51.2%	49.7%	38.6%	85.4%	95.6%	39.4%
Insurance expense ratio	35.9%	35.0%	35.2%	35.4%	36.4%	34.1%	38.4%
Insurance combined ratio	81.5%	86.2%	84.9%	74.0%	121.8%	132.7%	77.8%

In response to the worsening market conditions in 2008, Atradius implemented risk mitigating measures in order to protect its customers from undesired risks and safeguard its strategic ambition for profitable growth.

¹¹ This table consists of the Total Potential Exposure of credit insurance, bonding and credit insurance and bonding reinsurance

¹² Based on the location of the buyers

¹³ Source: Annual Reports of Atradius N.V.

These actions included a review of the risk and buyer portfolio and a reassessment of the customer's risk exposure. Simultaneously, Atradius adjusted its pricing to better reflect the underlying risk. In combination with lower domestic and international trade, the measures resulted in Atradius insuring less trade and subsequently earning less insurance revenue. These measures were difficult, both for customers and Atradius itself, but they proved to be effective and showed Atradius' ability to successfully manage the impact of the financial crisis.

This is demonstrated by the fact that Atradius' claims ratio returned to pre-crisis levels and its profitability was restored in 2010, only 2 years after the worst crisis in recent history. This successful claims result has been maintained since then. Furthermore the overview of the credit limits underwritten also shows that the exposure on buyer countries is now more evenly spread over the various regions, with the exposure on Spain and Portugal decreasing from 27.4% in 2008 to 17.1% in 2013.

Reinsurance result

Through the reinsurance quota share programme, reinsurers share proportionally in the Atradius insurance revenue and claims costs. In return Atradius receives a variable reinsurance commission, depending on the quality (claims ratio) of the portfolio. The reinsurance result in the Atradius profit and loss accounts is counter-cyclical in the sense that in times of high claims expenses, the benefit of ceded claims and reinsurance commission outweighs the cost of ceded revenue (and vice versa). The positive development of the claims expenses in the past four years has brought an excellent result to Atradius' panel of reinsurers.

Service results

The service segment represents 3.8% of Atradius' revenue earned in 2013. This segment consists of debt collection and recovery services on behalf of insured customers and non-insured customers, commissions earned by issuing credit insurance policies and guarantees to Dutch companies on behalf and for the account of the Dutch State and credit assessment fees earned by providing credit information on companies located in Spain. The service revenue reduces profit volatility since it is free of insurance risk. Next to that the collection revenue tends to increase when the economic environment deteriorates, as there are more trade receivables to collect and recover.

Investment result

The investment result peaked in 2009 when interest rates were significantly higher. With the investment portfolio consisting in its majority of fixed income instruments in combination with the low interest rate environment ever since, the investment result over the last five years yielded less than the period before.

Results

Profitability ¹⁴ (in EUR million)	2013	2012	2011	2010	2009	2008	2007
Result for the year	134.5	113.6	129.8	124.9	(113.3)	(193.4)	164.2
Return on equity	10.8%	9.8%	12.0%	12.9%	-12.0%	-17.0%	21.4%

With a result of EUR 134.5 million, 2013 not only marked the 4th consecutive year of profits in excess of EUR 100 million for Atradius, but as well is notable for the solid recovery in the result for Spain. Looking back, Atradius' financial performance has shown a very robust development over the last four years, despite the continuing challenging economic environment. The annual return on equity averaged 11.4% per year and the annual result averaged EUR 125.7 million per year between 2010 and 2013 with insurance revenue picking up again and the insurance claims ratio performing at low levels (averaging 46.0% per year in this period) reflecting the strength and consistency of Atradius' risk underwriting during a period of continued high insolvencies.

¹⁴ Source: Annual Reports of Atradius N.V.

Financial position

Atradius has a solid financial position with insurance contract provisions (before reinsurance) of EUR 1,486.3 million and shareholders' equity of EUR 1,286.9 million at 31 December 2013. The investments and claims provision recoverable from reinsurers constitute the major parts of Atradius' assets. At 31 December 2013, these two assets constituted 70% of the total assets of EUR 3,697.8 million.

Key balance sheet ¹⁵ (in EUR million)	2013	2012	2011	2010	2009	2008	2007
Balance sheet information							
Total assets	3,697.8	3,737.2	3,580.1	3,285.2	3,389.7	4,021.0	2,840.3
Equity	1,286.9	1,196.3	1,129.8	1,035.2	905.0	1,005.5	854.0
Subordinated bond (nominal)	120.0	120.0	120.0	120.0	120.0	120.0	120.0
Insurance contracts	1,486.3	1,592.8	1,549.3	1,311.8	1,508.1	2,166.9	1,232.1

Financial flexibility is high as Atradius has very low financial leverage of 8.5% as of year-end 2013 and a high interest coverage ratio of 25.6x in 2013. The total outstanding debt since 2004 has remained stable with the (nominal) EUR 120 million guaranteed subordinated bonds issued on 3 September 2004 with an original maturity of 20 years and the first call date on 3 September 2014. The bonds have been redeemed on the first call date .

Financial flexibility (in EUR million)	2013	2012	2011	2010	2009	2008	2007
Interest expenses (nominal) (a)	(7.1)	(7.1)	(7.1)	(7.1)	(7.1)	(7.1)	(7.1)
Income tax expenses	(39.3)	(37.7)	(30.3)	(27.8)	27.5	36.6	(64.4)
Result	134.5	113.6	129.8	124.9	(113.3)	(193.4)	164.2
Result before interest and tax (b)	180.8	158.4	167.1	159.8	(133.7)	(222.9)	235.6
Interest coverage (c) = (b)/(a)	25.6x	22.5x	23.7x	22.7x	-19.0x	-31.6x	33.4x
Subordinated bond (IFRS) ¹⁶ (d)	119.5	118.8	118.1	117.4	116.6	115.9	115.2
Equity (e)	1,286.9	1,196.3	1,129.8	1,035.2	905.0	1,005.5	854.0
Financial Leverage (f)=(d)/[(d)+(e)]	8.5%	9.0%	9.5%	10.2%	11.4%	10.3%	11.9%

Investments

The investment strategy of Atradius has as basis an asset and liability management (ALM) study, of which the aim is to match the liabilities of Atradius with its investment portfolio through the use of a strategic asset allocation (SAA). In the ALM study, the quantitative SAA is initially modelled using current and projected results and balance sheets, expected macroeconomic developments, solvency parameters and credit rating parameters. This quantitative SAA is then adjusted to the final SAA through a qualitative assessment, which introduces more flexibility in risk mitigation in case the ALM assumptions do not materialize. As such, the investment portfolio of Atradius has the objective of both generating investment return and preserving Atradius' capital. Guided by these objectives, Atradius' investment portfolio within the SAA limits mainly holds fixed income instruments and investment cash. Furthermore, the investment portfolio is managed prudently with a strong focus on liquidity, i.e. virtually the full investment portfolio can be liquidated within four business days. The money market funds (part of investment cash; see table here below) can be liquidated with same day value, i.e. the proceeds will be received on the same day that the money market funds are sold. Prudent portfolio management is also reflected in government bond exposure management following the start of the Eurozone sovereign debt crisis. With concerns intensifying in early 2010, Atradius disposed all its direct government bond exposure to the Southern Eurozone countries, e.g. Greece, Portugal and Italy. More detailed information on Atradius' investments can be found in the next sections.

¹⁵ Source: Annual Reports of Atradius N.V.

¹⁶ The Bonds are measured at amortised cost for IFRS reporting purposes. Further information is included in the Atradius Consolidated Annual Report as of 31 December 2013.

The figures in the tables below are not the same as those presented in the IFRS consolidated financial statement of Atradius for several reasons, including the following. In managing its investment portfolio, Atradius uses categories of asset classes that differ in some respects from the presentation of those assets on its IFRS consolidated financial statement as certain IFRS balance sheet items are not in scope for the purposes of Atradius' investment management, e.g. loans and investment in associated companies. In addition, the tables as below reflect the actual underlying exposure of the asset classes unlike the representation in the IFRS consolidated financial statement, e.g. corporate bond funds are shown as corporate bonds as below, while in the IFRS consolidated financial statement these are shown as equity instruments.

2013 (in EUR million)	Fixed income (asset class group)	Non-Fixed income (asset class group)	Investment cash (asset class group)	2013
IFRS consolidated financial statements¹⁷				
Equity securities	127.3	190.4	220.7	538.4
Shares	-	2.1	-	2.1
Investment funds	127.3	188.3	220.7	536.3
<i>Active fixed income</i>	127.3	-	-	127.3
<i>Absolute return funds</i>	-	-	-	-
<i>Passive equities ETF's</i>	-	188.3	-	188.3
<i>Active money market funds</i>	-	-	220.7	220.7
Debt instruments	1,045.0	-	-	1,045.0
Government bonds	368.8	-	-	368.8
Corporate bonds	676.2	-	-	676.2
Cash held for investments	-	-	31.6	31.6
Total	1,172.3	190.4	252.3	1,615.0

2012 (in EUR million)	Fixed income (asset class group)	Non-Fixed income (asset class group)	Investment cash (asset class group)	2012
IFRS consolidated financial statements¹⁸				
Equity securities	352.8	152.0	340.5	845.3
Shares	-	2.8	-	2.8
Investment funds	352.8	149.2	340.5	842.5
<i>Active fixed income</i>	352.8	-	-	352.8
<i>Absolute return funds</i>	-	67.3	-	67.3
<i>Passive equities ETF's</i>	-	81.9	-	81.9
<i>Active money market funds</i>	-	-	340.5	340.5
Debt instruments	731.1	0.0	0.0	731.1
Government bonds	572.5	-	-	572.5
Corporate bonds	158.6	-	-	158.6
Cash held for investments	-	-	6.4	6.4
Total	1,083.9	152.0	346.9	1,582.8

¹⁷ See Note 4.3 of the 2013 Atradius N.V. Annual Report

¹⁸ See Note 4.3 of the 2013 Atradius N.V. Annual Report

Asset allocation by asset class (in EUR million)	2013 Market value	2013 %	2012 Market Value	2012 %
Fixed income	1,172.3	72.0%	1,089.4	68.0%
Government bonds	368.8	22.6%	572.5	35.7%
Corporate bonds	803.5	49.3%	516.9	32.3%
Non-Fixed income	204.1	12.5%	166.0	10.4%
Equities	190.4	11.7%	84.7	5.3%
Absolute return funds ¹⁹	0.0	0.0%	67.3	4.2%
Investment property	13.7	0.8%	14.0	0.9%
Investment cash	252.3	15.5%	346.9	21.6%
Money market funds	220.7	13.6%	340.5	21.2%
Cash ²⁰	31.6	1.9%	6.4	0.4%
Total investments	1,628.7	100.0%	1,602.7	100.0%

Fixed income

With 72.0%, the majority of Atradius' investments portfolio consists of fixed income instruments. The investment policy of Atradius is to hold a, principally Euro-centric, internationally diversified fixed income portfolio and to avoid large risk concentrations. From a Standard & Poor's rating scale or comparable perspective, the overall fixed income portfolio is almost completely invested in investment grade debt securities which are rated 'A-' or higher, although some exceptions exist. These exceptions mainly relate to situations where the solvency regulations of Atradius' insurance companies or branches that are located outside the Eurozone require these insurance companies or branches to invest in debt instruments issued by governments of the country of its incorporation. As these relate to Atradius' insurance companies or branches that are located outside the Eurozone, Atradius did not have any direct government bond exposure to Spain, Portugal, Ireland, Italy and Greece in 2013.

Credit rating exposure 2013 (in EUR million)	AAA	AA	A	BBB	BB or lower	Non-rated	Total
Fixed income	149.5	432.6	537.9	30.2	4.1	17.9	1,172.3

Credit rating exposure 2012 (in EUR million)	AAA	AA	A	BBB	BB or lower	Non-rated	Total
Fixed income	238.2	695.0	110.0	12.9	4.5	28.7	1,089.4

The fixed income portfolio is furthermore geographically-well diversified as is shown in the table below.

Debt instruments (in EUR million)	2013 Market value	2013 %	2012 Market Value	2012 %	Credit rating ²¹
Debt instruments issued by governments	368.8	100.0%	572.5	100.0%	
Germany	97.6	26.5%	154.3	27.0%	AAA
France	96.3	26.1%	155.8	27.2%	AA+
The United States	64.3	17.4%	74.4	13.0%	AA+
The Netherlands	27.3	7.4%	53.2	9.3%	AAA
Belgium	19.5	5.3%	37.0	6.5%	AA+
Australia	16.4	4.4%	24.7	4.3%	AAA
Mexico	13.3	3.6%	14.0	2.4%	BBB
Austria	11.9	3.2%	25.4	4.4%	AA+
Finland	4.2	1.1%	7.3	1.3%	AAA
Switzerland	3.3	0.9%	11.0	1.9%	AAA
Rest of the world	14.9	4.0%	15.5	2.7%	

¹⁹ The absolute return funds were sold in 2013 and replaced with equities. The absolute return funds invest in portfolio of financial instruments that aim to achieve positive returns in both positive and negative markets, independent of traditional performance benchmarks such as general indices.

²⁰ Cash held in custody accounts

²¹ 2013 year-end credit rating

Debt instruments issued by corporations	676.2	100.0%	164.1	100.0%
The Netherlands	175.2	25.9%	36.6	22.3%
France	124.9	18.5%	31.8	19.4%
The United States	66.5	9.8%	15.3	9.3%
Germany	47.3	7.0%	6.4	3.9%
Ireland	36.8	5.4%	16.5	10.0%
Australia	23.1	3.4%	5.1	3.1%
Belgium	12.0	1.8%	3.1	1.9%
Switzerland	8.9	1.3%	6.3	3.9%
Italy	5.8	0.9%	0.0	0.0%
Spain	3.8	0.6%	0.8	0.5%
Finland	1.0	0.1%	0.0	0.0%
Mexico	0.8	0.1%	0.0	0.0%
Rest of the world	170.2	25.2%	42.1	25.7%
Investment funds	127.3		352.8	
Total debt instruments	1,172.3		1,089.4	

In respect to risk concentration, the maximum concentration limit per issuer (per legal entity and at group level) is 5% of the market value of the financial investments of the legal entity or the group. The concentration per issuer is evaluated by aggregating the exposure to a single issuer through both debt investments and equity securities. The Group Investment Committee of Atradius monitors this limit and action is taken if a concentration limit is breached.

Investment cash

With 15.5%, investment cash consists almost completely of money market funds, which have daily liquidity and pricing and are assigned a minimum credit rating of ‘AAA’.

Non-Fixed income

The remaining 12.5% of the investment portfolio consists of equity instruments and investment properties. These assets represent higher investment risk. To mitigate some of the risk, Atradius only invests in equity instruments issued by passive exchange traded equity funds that replicate the Dow Jones EuroStoxx 50 Index. As for investment property, this asset class consists predominantly of buildings in Italy that are in the process of being divested and buildings in Spain that are rented out to the agents that exclusively work for Atradius’ Spanish subsidiary.

Claims provisions recoverable from reinsurers

For more information please see section on reinsurance protection.

Reinsurance assets²² (in EUR million)	AA	A	BBB	BB or lower	Non-rated	Total
Claims provisions recoverable from reinsurers	225.8	256.4	23.1	1.3	17.2	523.6
Receivables arising out of reinsurance operations	6.3	9.6	1.6	0.4	5.3	23.1
Total	232.1	265.9	24.7	1.7	22.4	546.8
Deposits received from reinsurers	(22.8)	(16.9)	(2.1)	(5.3)	(4.6)	(51.7)
Total	209.3	249.0	22.6	(3.6)	17.8	495.1

Capital Management

Introduction

Capital is managed both at group and subsidiary level, which takes into account credit rating, regulatory and economic capital requirements. The use of a branch structure helps Atradius to maintain capital fungibility across Atradius’ operating units with minimal regulatory restrictions.

²² See Note 4.3.2 of the 2013 Atradius N.V. Annual Report

Atradius seeks to maintain a strong capital position and to capitalise its operating entities efficiently in order to support the development of the business, withstand financial stress in adverse business and financial market developments, meet financial obligations in a sufficiently wide range of circumstances, and ultimately deliver shareholder value.

Capital management is guided by the following principles:

- To ensure that Atradius is sufficiently capitalised to have the ability to survive after meeting its financial obligations, i.e. available capital to remain positive;
- To meet the local regulatory capital requirements of all entities (branches and subsidiaries) of Atradius worldwide;
- To manage capital adequacy of Atradius and its entities taking into account the economic and accounting views along with the external rating agency and regulatory capital requirements;
- To optimise capital structure by allocating funds across the Atradius entities; and
- Minimising the overall cost of funding while preserving financial flexibility.

Reinsurance protection

Atradius purchases reinsurance contracts to, among others, reduce its capital requirements and its profit volatility. To reduce the various risks associated with these contracts, Atradius diversifies these risk by purchasing reinsurance contracts from multiple reinsurance companies and by structuring them into reinsurance treaties. All reinsurance companies subscribing to the reinsurance treaties need an assigned credit rating of at least 'A', although there are some minor exceptions. In situations where a reinsurance company is downgraded below the 'A' credit rating, the terms and conditions of the reinsurance treaties allow Atradius to cancel the reinsurer's subscription to the treaty or ask for collateral.

For underwriting year 2013, Atradius had three main reinsurance treaties, two quota share reinsurance treaties and one excess of loss reinsurance treaty. The main quota share treaty reinsures all credit insurance and bonding contracts underwritten worldwide, excluding Spain, Portugal and in most part of Brazilian business. The second quota share treaty reinsures credit insurance and bonding contracts underwritten in Spain, Portugal and of most Brazilian business. The main reinsurance treaty cedes 47.5% of Atradius' insurance premiums and insurance claims expenses to the reinsurers. The secondary cedes 45.0%. Likewise, the reinsurers reimburse the acquisition expenses incurred by Atradius by paying commission. This amount of commission depends on the loss ratio of the underwriting year in which the treaty applies. The excess of loss treaty reinsures all credit insurance and bonding contracts underwritten by Atradius. This treaty reinsures losses remaining with Atradius after coverage by the quota share treaties up to a maximum of EUR 315 million.

For underwriting year 2014, the quota share treaties have been aligned to a cession of 45%, by which Atradius is covered up to a maximum amount of EUR 573 million gross. The excess of loss treaty allows for reinstatements of coverage, automatically following a claim. However each time the excess of loss treaty is used, the maximum loss that is reinsured decreases. The second, third and fourth time, the excess of loss treaty is used the maximum loss that is reinsured is EUR 363.6 million, EUR 181.8 million and EUR 95.5 million respectively. In all these events Atradius is required to retain a loss of EUR 15.8 million.

Solvency assessment

Atradius consists of insurance companies incorporated in the Netherlands, Spain, Brazil, the United States and Mexico, as well as one reinsurance company incorporated in Ireland. The largest insurance company of Atradius, ACI has established branches in 26 countries. All these insurance companies and branches located outside the European Economic Area are regulated by the insurance regulator of their respective countries. Each of those countries has its own individual solvency regulations, and each insurance company or branch is required to maintain a minimum amount of solvency capital according to those regulations. Further, some regulators wield the discretionary right to impose additional solvency capital requirements above the minimum required solvency capital.

The solvency assessment of the European insurance companies is based on the current Solvency I directive. The amount of required solvency capital, according to this directive, is determined as a percentage of the annual amount of insurance premium or the average amount of insurance claims expenses for the past three financial years, whichever is higher.

Solvency assessment ²³ (in EUR million)	Atradius Credit Insurance	Crédito y Caución ²⁴	Atradius Re- insurance	Atradius Trade Credit Insurance	Atradius Seguros de Crédito	Total ²⁵
Solvency capital held	279.4	188.0	311.9	46.6	16.9	842.8
Solvency capital required	72.1	49.3	71.8	1.4	4.6	199.2
Excess solvency capital	207.3	138.7	240.1	45.2	12.3	643.6
Solvency ratio	387.5%	381.6%	434.7%	3258.5%	365.3%	423.2%

Credit ratings

The main insurance companies of Atradius are assigned an ‘A’ and ‘A3’ credit rating by the two credit rating agencies A.M. Best and Moody’s, respectively. Both credit ratings have a stable outlook.

A.M. Best states that the credit rating of Atradius reflects “its excellent risk-adjusted capitalisation, good, albeit volatile, technical performance and strong competitive position within the global credit insurance market”.

Moody’s states that the credit rating of Atradius reflects “its strong position in the credit insurance industry, the conservative investment portfolio, good capitalisation, substantial reinsurance protection and low financial leverage”.

Insurance Financial Strength Rating	Atradius Credit Insurance	Crédito y Caución	Atradius Re- insurance	Atradius Trade Credit Insurance
A.M. Best	A/Stable	A/Stable	A/Stable	A/Stable
Moody’s	A3/Stable	A3/Stable	A3/Stable	A3/Stable

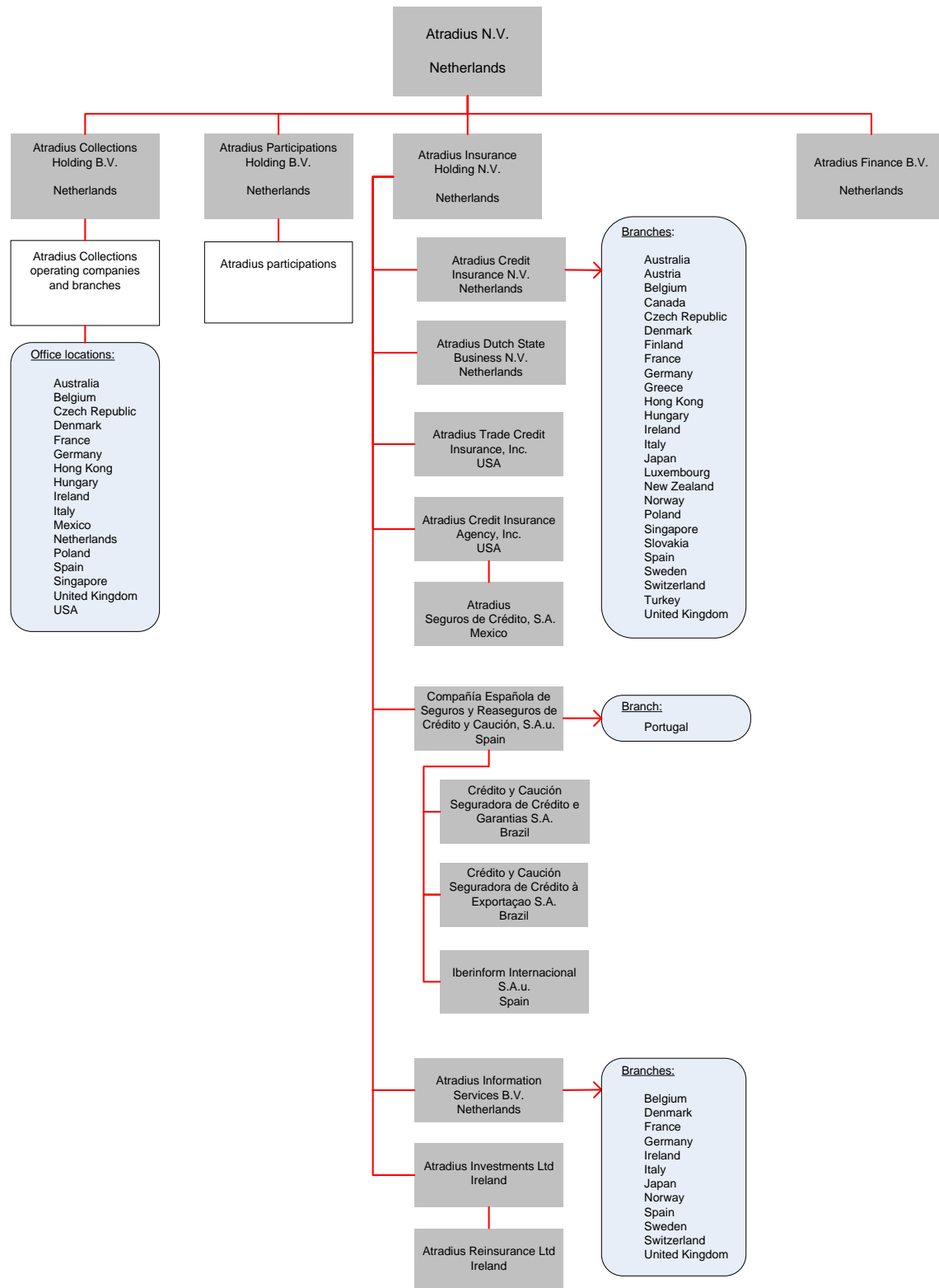
²³ See Note 4.5.4 of the 2013 Atradius N.V. Annual Report

²⁴ The solvency assessment of Crédito y Caución includes the Brazilian insurance companies as an investment

²⁵ The aggregate of the five insurance companies: ACI, Crédito y Caución, Atradius Re, ATCI and ASC

STRUCTURE OF ATRADIUS

Set out below is a general overview of Atradius as at 31 December 2013:



MATERIAL CONTRACTS

There are no material contracts that are not entered into in the ordinary course of business, which could result in the Guarantor being under an obligation or entitlement that is material to the Guarantor's ability to meet its obligations to Noteholders in respect of the Guarantee.

LITIGATION

In the normal course of business, the entities of Atradius are involved in proceedings of a judicial, administrative or arbitral nature. In such proceedings, large amounts (including damages) may be sought. While Atradius cannot predict or determine the ultimate outcome of any pending or threatened proceedings, Atradius is of the opinion that the proceedings set out below, if determined adversely to Atradius, may ultimately have a significant effect on Atradius' financial position or profitability.

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank International", New York Branch ("Rabobank") v. Atradius Credit Insurance N.V. ("ACI NV") and Chartis Insurance Company of Canada ("Chartis"), Supreme Court, New York County, Index No. 653665/2013

On 23 October 2013, Rabobank commenced an action against ACI NV and Chartis in the Supreme Court for the State of New York, County of New York relating to a trade credit insurance policy that ACI NV and Chartis, as co-insurers, provided to Agra Services of Canada, Inc. (**Agra**) and Rabobank as joint insureds. Rabobank's complaint alleges four claims premised upon defendants' alleged breach of an obligation owing to Rabobank to assess the creditworthiness of Agra's customers and the legitimacy of their receivables. The obligation to provide such services is alleged to arise from marketing statements made by the defendants. ACI NV denies the allegations and defends itself against these claims.

Proforma Capital Inc., Proforma Capital Asset-Backed Securities Inc., Proforma Capital Bond Corporation, Proforma Capital Asset-Backed Securities (II) Inc. and Proforma Capital Bond (II) Corporation (collectively, "Proforma") v. Atradius Credit Insurance N.V. ("ACI NV") and Canadian Financial Insurance Brokers Ltd. ("CFIB"), Court of Queen's Bench of Alberta, Calgary, Court File No. 1301-12926

On 31 October 2013, Proforma commenced proceedings in Alberta, Canada, against ACI NV and CFIB whereby two central allegations were made. First, that ACI NV is liable as principal for certain representations of CFIB (a broker and the other defendant) in connection with monies invested by Proforma in an entity managed by New Solutions Financial Corporation, which entity was an insured under a trade credit insurance policy issued by ACI NV. Second, that ACI NV has been unjustly enriched by premiums received for the credit insurance policy, in connection with which Proforma had certain rights as the insured's assignee. ACI NV denies the allegations and defends itself against these claims.

MANAGEMENT BOARD AND SUPERVISORY BOARD

The Guarantor has a two-tier board structure consisting of the Management Board and the Supervisory Board.

The Management Board is responsible for the management and the general affairs of the Guarantor and is supervised by the Supervisory Board. The Management Board determines the Guarantor's operational and financial objectives, and the strategy designed to achieve these objectives, taking into account the interests of the Guarantor and its stakeholders. The Management Board ensures that the Guarantor has in place an effective risk management system, internal control system and internal audit function.

The Supervisory Board supervises the Guarantor's general affairs and the policy pursued by the Management Board as well as the performance of the management duties by the members of the Management Board,

taking into account the interests of the Guarantor and the business connected with it. The Supervisory Board has set up two committees.

The Audit Committee supports the Supervisory Board in fulfilling its supervisory and monitoring duties with respect to the assurance of the integrity of the Guarantor's financial statements, the external auditor's qualifications, and the performance of internal and external auditors. The Audit Committee monitors, independently and objectively, the financial reporting process of the Guarantor and the system of internal controls.

The Remuneration, Selection and Appointment Committee supports the Supervisory Board in fulfilling its supervisory and monitoring duties with respect to proposals for the appointment of members of the Management Board and the Supervisory Board, the remuneration policy, the remuneration of senior management and other corporate governance matters.

Management Board

The members of the Management Board of the Guarantor are:

Isidoro Unda (1952, Spanish nationality)

Isidoro Unda was appointed Chairman of the Management Board and Chief Executive Officer (CEO) with effect from 4 July 2007.

As CEO, Isidoro Unda is responsible for the units Strategy and Corporate Development, Human Resources and Facilities, Legal and Compliance, Internal Audit and for the credit insurance operations in Spain, Portugal and Brazil. He is also a board member of Atradius Credit Insurance N.V., Crédito y Caución and Atradius Trade Credit Insurance, Inc. He has over 25 years of experience in the financial and insurance sector.

Dominique Charpentier (1950, French nationality)

Dominique Charpentier was appointed Chief Insurance Operations Officer (CIOO) with effect from 15 May 2013.

As CIOO, Dominique Charpentier is responsible for the units IT Services, Process and Project, Bonding, Collections, Atradius Reinsurance and Instalment Credit Protection. He is also a board member of among others Atradius Credit Insurance N.V., Atradius Collections Holding B.V. and Atradius Participations Holding B.V. He joined the credit insurance and factoring industry in 1995 and has worked for Atradius and its predecessor companies since 2002.

Claus Gramlich-Eicher (1965, German nationality)

Claus Gramlich-Eicher was appointed Chief Financial Officer (CFO) with effect from 15 May 2013.

As CFO, Claus Gramlich-Eicher is responsible for the units Finance, Financial Control and Corporate Finance. He is also a board member of Atradius Credit Insurance N.V., Crédito y Caución and Atradius Finance B.V. He has more than 20 years of experience in the financial services sector. Before his appointment as CFO, he worked for Allianz since 1993 in various senior financial management roles, most recently as Executive Director for Allianz Investment Management SE in Germany.

Christian van Lint (1960, Dutch nationality)

Christian van Lint was appointed Chief Risk Officer (CRO) with effect from 1 November 2012.

As CRO, Christian van Lint is responsible for the units Group Risk Management, Group Buyer Underwriting, Risk Services and Outward Reinsurance. He is also a board member of Atradius Credit Insurance N.V. He has worked for Atradius and its predecessor companies since 1983. From February 2006 to November 2012 he was Director of the unit Group Risk Management and before that he was Director of the unit Risk Services for the Netherlands and Nordics and held various positions in the areas of claims and recoveries, buyer underwriting and special risk management.

Andreas Tesch (1969, German nationality)

Andreas Tesch was appointed Chief Market Officer (CMO) with effect from 4 November 2011.

As CMO, Andreas Tesch is responsible for the credit insurance operations (excluding Spain, Portugal and Brazil) as well as the units Global and Oceania, Asia, Dutch State Business, Special Products and Group Communications and Commercial Development. He is also a board member of among others Atradius Credit Insurance N.V., Atradius Dutch State Business N.V., Atradius Trade Credit Insurance, Inc. and Atradius Participations Holding B.V. He has worked for Atradius and its predecessor companies since 2001. From January 2007 to October 2011 he was Director of the unit Global, Oceania and New Markets. He is currently President of the International Credit Insurance and Surety Association (ICISA).

Supervisory Board

The members of the Supervisory Board of the Guarantor are:

Ignacio Álvarez (Chairman) (1960, Spanish nationality)

Mr. Álvarez was initially appointed to the Supervisory Board on 4 October 2007.

Ignacio Álvarez has more than 20 years of experience in the insurance and financial sector. He is currently the CEO of Grupo Catalana Occidente S.A. He is also the CEO of Seguros Catalana Occidente and Seguros Bilbao. Other current positions include: Chairman of the Supervisory Board of Grupo Compañía Española de Crédito y Caucción S.L. and member of the Supervisory Board of Plus Ultra Seguros. Before joining Seguros Bilbao in 1991 he worked at Banesto, Banco de Vitoria and Arthur Andersen.

Francisco Arregui (Vice-Chairman) (1957, Spanish nationality)

Mr. Arregui was initially appointed to the Supervisory Board with effect from 1 October 2009.

Francisco Arregui has more than 25 years of experience in the insurance and financial sector. He is currently the General Manager of Grupo Catalana Occidente and member and secretary of the Board of Grupo Catalana Occidente and Seguros Catalana Occidente. Other current positions include: vice-chairman of the Board of Nortehispana de Seguros; board member of Bilbao Compañía Anónima de Seguros y Reaseguros, S.A., Fundación Jesús Serra, INOC S.A. and Corporación Catalana Occidente S.A.; legal representative of Grupo Catalana Occidente in the Board of Grupo Compañía Española de Crédito y Caucción, S.L.; and legal representative of Corporación Catalana Occidente, S.A. in the Board of Plus Ultra and Seguros Generales y Vida, S.A.

Xavier Freixes (1969, Spanish nationality)

Mr. Freixes was initially appointed to the Supervisory Board with effect from 1 September 2011.

Xavier Freixes started his career in 1995 as a practising lawyer at the law firm Cuatrecasas in Barcelona, of which he became a partner in March 2005. He moved to London in 2007 to become a senior Mergers and Acquisitions specialist at Deephaven Capital Management International Ltd. He is currently founder partner, General Counsel and Chief Executive Officer of Tyrus Capital SAM in Monaco.

Désirée van Gorp (1965, Dutch nationality)

Ms. Van Gorp was initially appointed to the Supervisory Board on 16 May 2013.

Désirée van Gorp joined Nyenrode Business Universiteit in 1999, where she currently holds the position of professor of International Business Strategy and associate dean of degree programs. She started her career working for the special rapporteur to the Centre for Human Rights of the United Nations. In 1991 she became director international affairs at MKB-Nederland. Other current positions include a membership of: the supervisory board of Missing Chapter Foundation, the boards of Humanity House and Cirion Foundation and the advisory boards of TEDxBinnenhof, the World Trade Organization Joint Program and ECP.NL.

Bernd H. Meyer (1946, German nationality)

Mr. Meyer was initially appointed to the Supervisory Board on 22 December 2003.

Bernd H. Meyer worked for 25 years in Gerling-Konzern in Germany where his main assignment for 22 years was credit insurance business. He is currently member of the Supervisory Board of Carl Spaeter GmbH.

José Ruiz (1946, Spanish nationality)

Mr. Ruiz was initially appointed to the Supervisory Board with effect from 1 May 2009.

José Ruiz has more than 35 years of experience in the reinsurance sector. He has been the CEO of Nacional de Reaseguros S.A. since 1988 and became the Chairman of this company in June 2009. Other current positions include: Vice-Chairman of the Board of MGS, Seguros y Reaseguros S.A., Chairman of Calculo S.A., Chairman of Audatex España, S.A. and member of the Board of Gesnorte S.A. and Corporación Europea de Inversiones S.A.

Hugo Serra (1975, Spanish nationality)

Mr. Serra was initially appointed to the Supervisory Board with effect from 1 September 2011.

Hugo Serra is currently Executive Director at Grupo Catalana Occidente S.A. and has been a member of the Board of Grupo Catalana Occidente S.A. and Seguros Catalana Occidente S.A. since 2006. Other current positions include: member of the Board and member of the Comisión Permanente of Grupo Compañía Española de Crédito y Caucción S.L., CEO of Co. Sociedad de Gestión y Participación S.L., member of the Board of Plus Ultra Seguros and INOC S.A. and trustee at Fundación Jesús Serra.

Dick Sluimers (1953, Dutch nationality)

Mr. Sluimers was initially appointed to the Supervisory Board on 22 December 2003.

Dick Sluimers has been Chairman of the Board of Directors of APG N.V. (formerly ABP Pension Fund) since 2007. He joined the Board of Directors of APG N.V. in 2003 as Chief Financial Officer. Before that he held various positions at the Ministry of Finance, ultimately as Director-General of the Budget. He is currently member of the Board of Trustees of the IFRS Foundation.

Miscellaneous

All members of the Management Board and Supervisory Board of the Guarantor have their business address at Atradius N.V., David Ricardostraat 1, 1066 JS Amsterdam, the Netherlands.

There are no potential or actual conflicts of interest between any duties owed by the members of the Management Board and the Supervisory Board of the Guarantor to the Guarantor and their private interests or other duties.

ATRADIUS FINANCE B.V.

General

Atradius Finance B.V. (the **Issuer**) was incorporated on 14 November 2003. The Issuer is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated and operating under Dutch law. Its statutory seat is in Amsterdam, the Netherlands. The Issuer is registered with the Dutch Chamber of Commerce under No. 34198113. The address of the Issuer is David Ricardostraat 1, 1066 JS Amsterdam, the Netherlands, phone number +31 (0)20 553 9111.

The objects and purposes of the Issuer are described in article 3 of its articles of association. The objects of the Issuer are, to incorporate, to participate in any way whatsoever, to manage and to supervise businesses and companies, as well as being and acting as a holding company; to finance businesses and companies and to conduct any sort of financial transaction; to supply advice and to render services to affiliates and to third parties; to borrow, to lend and to raise funds, including the issue of bonds, promissory notes, evidences of indebtedness or other securities as well as to enter into agreements in connection with the aforementioned; to render guarantees, to bind the company and to pledge its assets for obligations of the company and affiliates and on behalf of third parties; and to obtain, manage, develop and alienate registered property, intellectual property rights and items of property in general, as well as everything pertaining the foregoing, relating thereto or conducive thereto, all in the widest sense of the word.

Pursuant to its corporate purpose, the principal activity of the Issuer is to attract external financing which is used to lend on to companies which are part of Atradius.

The authorised share capital of the Issuer consists of 90,000 shares with a nominal value of €1,000 each. The outstanding share capital of the Issuer as at the date of this Prospectus amounts to €18,000 and is divided into 18 ordinary shares. All of the issued share capital of the Issuer has been fully paid up. All outstanding shares in the capital of the Issuer are held by Atradius N.V. The rights of the shareholders are described in the Issuer's articles of association.

Management Board

The members of the Management Board of the Issuer are:

Claus Gramlich-Eicher (1965, German nationality)

CFO of Atradius N.V., appointed as member of the Management Board of the Issuer with effect from 10 June 2013. He is also a board member of Atradius Credit Insurance N.V. and Compañía Española de Seguros y Reaseguros de Crédito y Caución, S.A.u.

June Doe Sung (1975, Dutch nationality)

Head of Corporate Finance of Atradius N.V., appointed as member of the Management Board of the Issuer with effect from 2 May 2011. He is also a board member of Atradius Insurance Holding N.V., Stichting Pensioenfonds Atradius Nederland and Atradius Pension Trust Germany e.V.

Dirk Hagener (1965, German nationality)

Head of Strategy and Corporate Development of Atradius N.V., appointed as member of the Management Board of the Issuer with effect from 1 April 2014. He is also a board member of Atradius Information Services B.V. and Atradius Participations Holding B.V.

The Issuer does not have a supervisory board.

All members of the Management Board of the Issuer have their business address at Atradius Finance B.V., David Ricardostraat 1, 1066 JS Amsterdam, the Netherlands.

There are no potential or actual conflicts of interest between any duties owed by the members of the Management Board of the Issuer to the Issuer and their private interests or other duties.

Material contracts

There are no material contracts that are not entered into in the ordinary course of business, which could result in the Issuer being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Noteholders in respect of the Notes.

TAXATION

Netherlands Taxation

General

The following summary outlines certain principal Dutch tax consequences of the acquisition, holding, settlement, redemption and disposal of the Notes, but does not purport to be a comprehensive description of all Dutch tax considerations that may be relevant. For the purposes of Dutch tax law, a Noteholder may include an individual or entity who does not have the legal title of these Notes, but to whom nevertheless the Notes or the income thereof is attributed based on specific statutory provisions or on the basis of such individual or entity having an interest in the Notes or the income thereof. This summary is intended as general information only and each prospective investor should consult a professional tax adviser about the tax consequences of the acquisition, holding, settlement, redemption and disposal of the Notes.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Prospectus, and does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Dutch tax consequences for:

- (1) investment institutions (*fiscale beleggingsinstellingen*);
- (2) pension funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other entities that are not subject to or exempt from Dutch corporate income tax;
- (3) holders of Notes holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Issuer and holders of Notes of whom a certain related person holds a substantial interest in the Issuer. Generally speaking, a substantial interest in the Issuer arises if a person, alone or, where such person is an individual, together with his or her partner (statutory defined term), directly or indirectly, holds or is deemed to hold: (i) an interest of 5% or more of the total issued capital of the Issuer or of 5% or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest, or (iii) certain profit-sharing rights in the Issuer;
- (4) persons to whom the Notes and the income from the Notes are attributed based on the separated private assets (*afgezonderd particulier vermogen*) provisions of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) and the Dutch Gift and Inheritance Tax Act 1956 (*Successiewet 1956*);
- (5) entities which are a resident of Aruba, Curacao or Saint Maarten that have an enterprise which is carried on through a permanent establishment or a permanent representative on Bonaire, Saint Eustatius or Saba and the Notes are attributable to such permanent establishment or permanent representative; and
- (6) individuals to whom Notes or the income therefrom are attributable to employment activities which are taxed as employment income in the Netherlands.

Where this summary refers to the Netherlands, such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

Withholding tax

All payments made by the Issuer under the Notes or by the Guarantor under the Guarantee may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

Corporate and individual income tax

Residents of the Netherlands

If a Noteholder is a resident of the Netherlands or deemed to be a resident of the Netherlands for Dutch corporate income tax purposes and is fully subject to Dutch corporate income tax or is only subject to Dutch corporate income tax in respect of an enterprise to which the Notes are attributable, income derived from the Notes and gains realised upon the redemption, settlement or disposal of the Notes are generally taxable in the Netherlands (at up to a maximum rate of 25%).

If an individual is a resident of the Netherlands or deemed to be a resident of the Netherlands for Dutch individual income tax purposes, or has opted to be treated as a resident of the Netherlands for individual income tax purposes income derived from the Notes and gains realised upon the redemption, settlement or disposal of the Notes are taxable at the progressive rates (at up to a maximum rate of 52%) under the Dutch Income Tax Act 2001, if:

- (1) the individual is an entrepreneur (*ondernemer*) and has an enterprise to which the Notes are attributable or the individual has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Notes are attributable; or
- (2) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which includes activities with respect to the Notes that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (1) nor condition (2) above applies, an individual that holds the Notes must determine taxable income with regard to the Notes on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return on income from savings and investments has been fixed at a rate of 4% of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year (1 January), insofar as the individual's yield basis exceeds a certain threshold (*heffingvrij vermogen*). The individual's yield basis is determined as the fair market value of certain qualifying assets held by the individual less the fair market value of certain qualifying liabilities on 1 January. The fair market value of the Notes will be included as an asset in the individual's yield basis. The 4% deemed return on income from savings and investments is taxed at a rate of 30%.

Non-residents of the Netherlands

If a person is not a resident of the Netherlands nor is deemed to be a resident of the Netherlands for Dutch corporate or individual income tax purposes, nor has opted to be treated as a resident of the Netherlands for individual income tax purposes, such person is not liable to Dutch income tax in respect of income derived from the Notes and gains realised upon the settlement, redemption or disposal of the Notes, unless:

- (1) the person is not an individual and such person: (i) has an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Notes are attributable, or (ii) is (other than by way of securities) entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands and to which enterprise the Notes are attributable;

This income is subject to Dutch corporate income tax at up to a maximum rate of 25%.

- (2) the person is an individual and such individual (i) has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Notes are attributable, or (ii) realises income or gains with respect to the Notes that qualify as income from miscellaneous activities in the Netherlands which includes activities with respect to the Notes that exceed regular, active portfolio management (normaal, actief vermogensbeheer), or (iii) is other than by way of securities entitled to a share in the profits of an enterprise which is effectively managed in the Netherlands and to which enterprise the Notes are attributable.

Income derived from the Notes as specified under (i) and (ii) is subject to individual income tax at progressive rates up to a maximum rate of 52%. Income derived from a share in the profits of an enterprise as specified under (iii) that is not already included under (i) or (ii) will be taxed on the basis of a deemed return on income from savings and investments (as described above under "—Residents of the Netherlands"). The fair market value of the share in the profits of the enterprise (which includes the Notes) will be part of the individual's Dutch yield basis.

Gift and inheritance tax

Dutch gift or inheritance taxes will not be levied on the occasion of the transfer of a Note by way of gift by, or on the death of, a holder of a Note, unless:

- (a) the holder of a Note is, or is deemed to be, resident in the Netherlands for the purpose of the relevant provisions; or
- (b) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in the Netherlands for the purpose of the relevant provisions.

Value added tax

In general, no value added tax will arise in respect of payments in consideration for the issue of the Notes or in respect of a cash payment made under the Notes, or in respect of a transfer of Notes.

Other taxes and duties

No registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Notes.

EU Savings Directive

Under Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal

arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

Foreign Account Tax Compliance Act

FATCA imposes a new reporting regime and potentially a 30% withholding tax with respect to certain payments to (a) any non-U.S. financial institution (a "**foreign financial institution**", or **FFI** (as defined by FATCA)) that does not become a Participating FFI by entering into an agreement with the U.S. Internal Revenue Service (IRS) and to provide the IRS with certain information in respect of its U.S. account holders and U.S. investors, or is not otherwise exempt from or in deemed compliance with FATCA, and (b) any person (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether such person is a U.S. person or should otherwise be treated as holding a "United States account" of the relevant Participating FFI (a **Recalcitrant Holder**). The Issuer expects not to classify as an FFI. A non-U.S. entity which does not qualify as an FFI will be classified a Non-Financial Foreign Entity (**NFFE**). An NFFE should generally be exempt from FATCA.

The new withholding regime will be phased in beginning 1 July 2014 for payments from sources within the United States and will apply to 'foreign passthru payments' (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of the Notes (a) if the Notes are characterised as debt for U.S. federal tax purposes and issued on or after the grandfathering date, which is the date that is six months after the date on which final U.S. Treasury regulations defining the term 'foreign passthru payment' are filed with the Federal Register, or if such Notes are materially modified on or after the grandfathering date, and (b) if the Notes are characterised as equity, whenever issued. The Issuer intends to treat the Notes as debt for U.S. federal income tax purposes. However, one possible alternative characterisation is that the IRS could assert that the Notes should be treated as equity for U.S. federal income tax purposes.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an **IGA**). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a Reporting FI not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction generally would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being **FATCA Withholding**) from payments it makes. The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on 'foreign passthru payments' and payments that it makes to Recalcitrant Holders. Each of the Model IGAs states that alternatives to achieve the policy objectives of 'foreign passthru payment' withholding could be addressed in the future. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and the Netherlands have signed an agreement based largely on the Model 1 IGA (the **U.S.-Netherlands IGA**).

The Issuer expects to be an NFFI under the U.S.-Netherlands IGA, though no assurance can be given that the Issuer will be an NFFI. Whilst the Notes are in global form and held within the clearing systems, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer, any paying agent and the common safekeeper, given that each of the entities in the payment chain between the Issuer and the participants, for the avoidance of doubt excluding the Issuer, in the clearing systems is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect such payments on the Notes. The documentation expressly contemplates the possibility that the Notes may go into definitive form and therefore that they may be taken out of the clearing systems. If this were to happen, then payment made on the Notes on behalf of the Issuer to non-FATCA compliant holders could be subject to FATCA Withholding. However, definitive Notes will only be printed in remote circumstances.

FATCA is particularly complex and its application to securities such as the Notes is uncertain. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.

TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER, (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN, AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

SUBSCRIPTION AND SALE

Each of ING Bank N.V. and J.P. Morgan Securities plc (together, the **Managers**) have, pursuant to a Subscription Agreement (the **Subscription Agreement**) dated 19 September 2014, jointly and severally agreed to subscribe or procure subscribers for the Notes at an issue price of the principal amount of Notes of 100 per cent. (the **Issue Price**), less a combined management and underwriting commission. The Issuer will reimburse the Managers in respect of certain of their expenses, and has agreed to indemnify the Managers against certain liabilities, incurred in connection with the issue of the Notes. The Subscription Agreement may be terminated in certain circumstances prior to payment of the Issuer. In such event, no Notes will be delivered to the Managers.

United States

The Notes have not been and will not be registered under the US Securities Act of 1933, as amended (the **Securities Act**) and may not be offered or sold within the United States or to, or for the account or benefit of, US persons except in certain transactions exempt from or not subject to the registration requirements of the Securities Act.

Each Manager has agreed that it will not offer, sell or deliver Notes (i) as part of their distribution at any time, and (ii) otherwise until 40 days after the completion of the distribution of the Notes, within the United States or to, or for the account or benefit of, US persons, and that it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, US persons. The terms used in the preceding paragraph and in this paragraph have the meaning assigned to them by Regulation S under the Securities Act.

The Notes are subject to US tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a US person, except in certain transactions permitted by US tax regulations. Terms used in this paragraph have the meanings assigned to them by the US Internal Revenue Code of 1986, as amended and the US Treasury regulations issued thereunder.

In addition, until 40 days after the completion of the distribution of all Notes, an offer or sale of Notes within the United States by any Manager (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

United Kingdom

Each Manager has represented and agreed that:

- (i) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (the **FSMA**) with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom; and
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer.

European Economic Area

In relation to each Member State of the EEA which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State it has not made and

will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State other than:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Managers for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression **an offer of Notes to the public** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State.

General

Each Manager has agreed that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers or sells the Notes or possesses or distributes this Prospectus.

None of the Issuer, the Guarantor or any of the Managers represents that the Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

Authorisation

The issue of the Notes was duly authorised by a resolution of the Management Board of the Guarantor dated 4 September 2014, a resolution of the Supervisory Board of the Guarantor dated 4 September 2014 and a resolution of the Management Board of the Issuer dated 4 September 2014.

Issue Date

The issue date of the Notes is expected to be 23 September 2014.

Listing

Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange from 23 September 2014. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive. The costs to the Issuer in connection with the listing of the Notes on the Official List of the Luxembourg Stock Exchange and admission to trading of the Notes on the Luxembourg Stock Exchange's regulated market will amount to approximately €14,600.

Clearing Systems

The Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records) with a Common Code of 102894235. The International Securities Identification Number (ISIN) for the Notes is XS1028942354.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg.

No significant change and material adverse change

There has been no significant change in the financial or trading position of the Issuer and the Guarantor and its consolidated subsidiaries since 31 December 2013. There has been no material adverse change in the prospects of the Issuer or the Guarantor since 31 December 2013.

Auditors

Deloitte Accountants B.V. independent auditors, have audited, and rendered unqualified audit reports on the Issuer's and the Guarantor's financial statements for each of the financial years ended 31 December 2012 and 2013. Deloitte Accountants B.V. have given, and have not withdrawn, their written consent to the inclusion of their report and the references to themselves herein in the form and context in which they are included.

The individual auditors of Deloitte Accountants B.V. are members of the Netherlands Institute of Chartered Accountants (**NBA**). The business address of Deloitte Accountants B.V. is Orlyplein 10, 1043 DP Amsterdam, the Netherlands.

Documents available

Copies of the following documents will be available free of charge, from the registered office of the Issuer and from the specified office of the Fiscal Agent for the time being as long as any of the Notes remains outstanding:

- (a) the Articles of Association (*statuten*) of the Issuer and the Guarantor;
- (b) the publicly available audited consolidated financial statements of the Guarantor for the two most recent financial years and the publicly available audited company financial statements of the Issuer for the two most recent financial years;
- (c) the Fiscal Agency Agreement (including provisions for meetings of Noteholders);
- (d) the Guarantee; and
- (e) this Prospectus.

Interest material to the offer

Save for the commissions and any fees payable to the Managers, no person involved in the issue of the Notes has an interest, including conflicting ones, material to the offer.

Website

Any website referred to in this Prospectus does not form part of this Prospectus.

Litigation

Save for the litigation as disclosed in this Prospectus on page 84, neither the Issuer nor the Guarantor is involved in, nor are there pending, or to the best of the knowledge and belief of the Issuer and the Guarantor, threatened against it, any litigation, arbitration or administrative proceedings which may have, or have had, in the twelve months preceding the date of this Prospectus, a significant effect on the Issuer, the Guarantor and/or Atradius' financial position or profitability.

Ratings

The Notes are expected to be assigned, on issue, a rating of Ba1 by Moody's and of bbb- by A.M. Best.

ISSUER

Atradius Finance B.V.

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The Netherlands

GUARANTOR

Atradius N.V.

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1066 JS Amsterdam
The Netherlands

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