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RISK ASSESSMENT - CREDIT INSURANCE - DEBT COLLECTION

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A company of Allianz  www.eulerhermes.com

Euler Hermes Activity and Result at December end 2007

February 15th, 2008

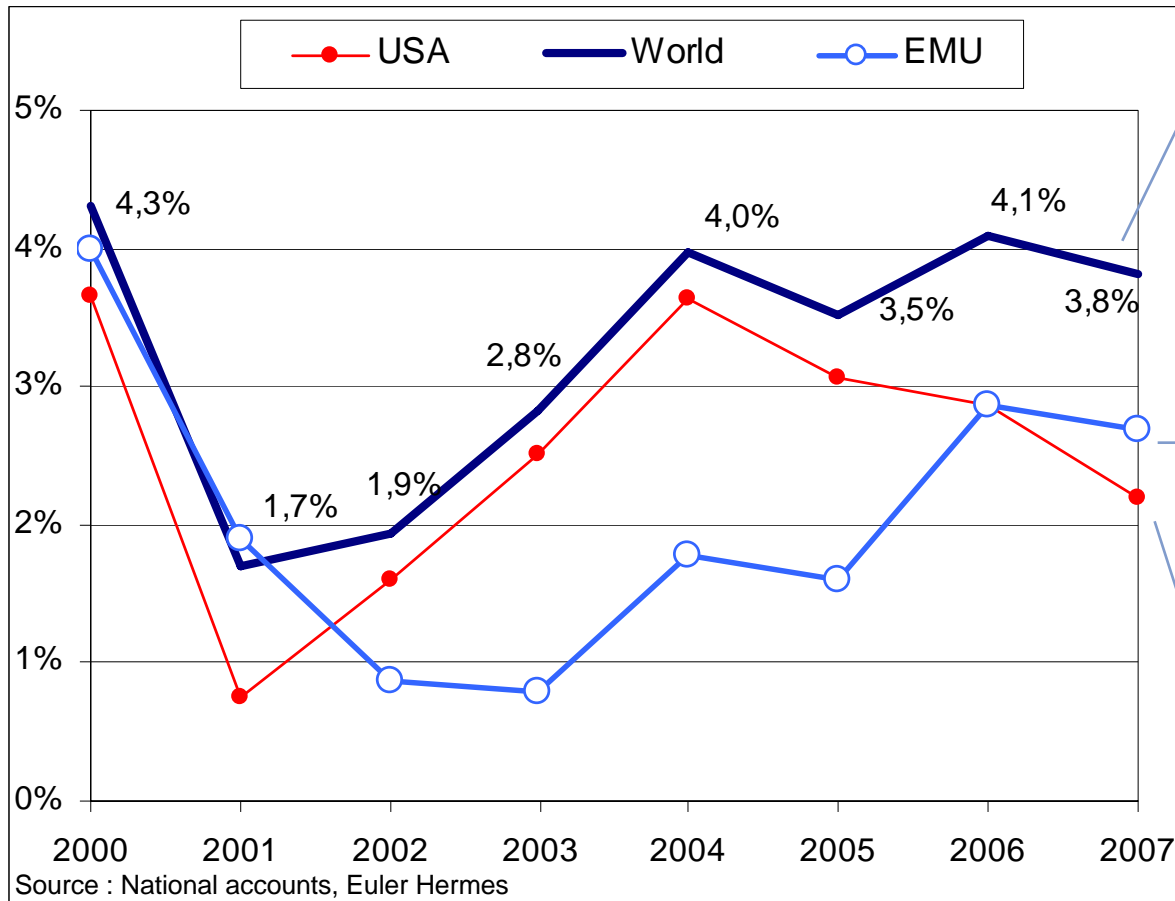
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2007 full year world GDP kept the momentum despite US slowdown



World GDP growth still above 3.5% yr/yr thanks to :

- strong Q1 and Q3 in almost all industrialized countries
- solid growth in emerging countries

Modest deceleration of the **Euro zone** economy, after a peak in 2006

Slowdown of **US** (30% of world GDP)
Main reason for lower growth in world economy

Emerging countries remain main drivers of world growth

GDP growth	Weights (%)	2004	2005	2006	2007
World	100,0	4,0%	3,5%	4,1%	3,8%
Central and Eastern Europe	5,0	7,4%	5,9%	6,8%	6,5%
Russia	1,8	7,2%	6,4%	6,7%	7,5%
Asia (excluding Japan)	13,9	8,4%	8,5%	9,1%	9,2%
China	5,2	10,1%	10,4%	11,1%	11,5%
India	1,7	7,9%	9,0%	9,2%	8,5%
Latin America	5,5	6,0%	4,5%	5,4%	5,4%
Brazil	1,9	5,7%	3,1%	3,8%	5,1%
Middle East and Africa	2,0	5,5%	5,4%	5,4%	5,2%

Sources : National accounts, Euler Hermes
 GDP 2005 weighting at current exchange rates

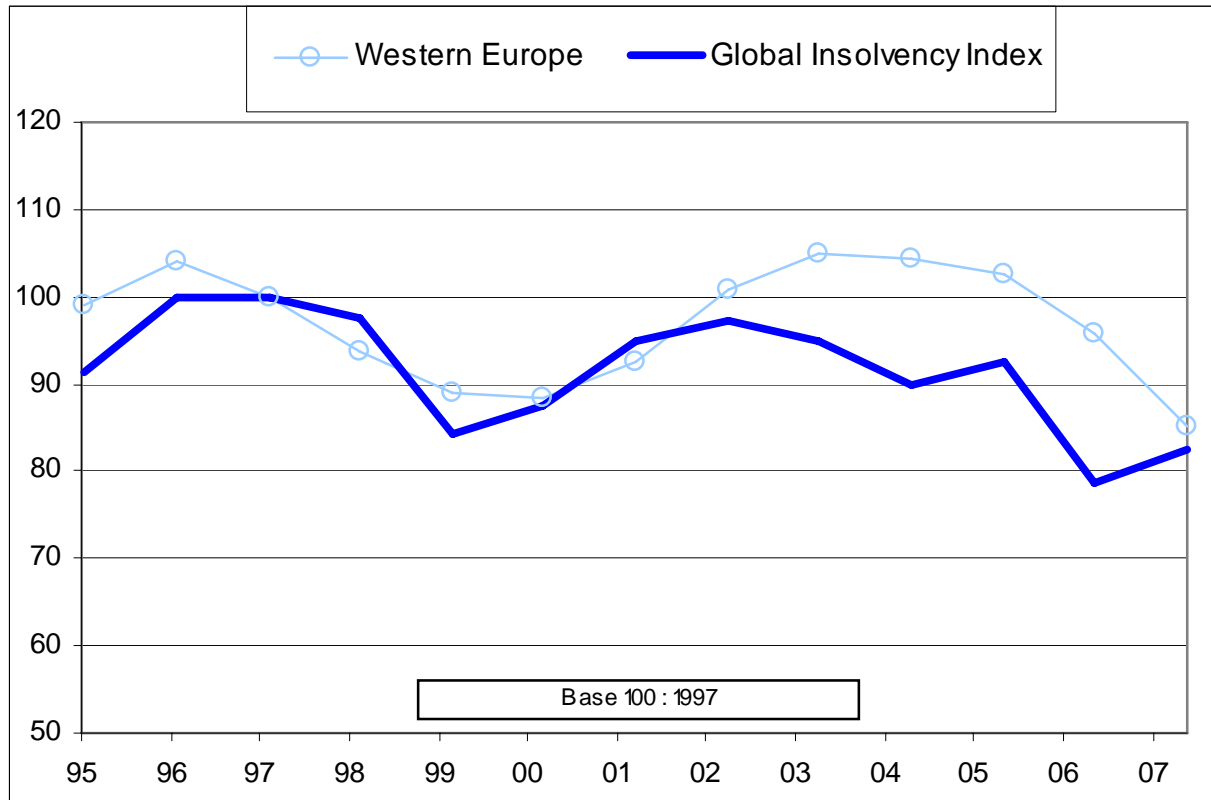
Russia fuelled by credit growth and commodity prices

Fifth successive year of double-digit growth in **China**, with threats of overheating and trade tensions

Stronger exports and investments in **India**, with a slowdown of domestic consumption

Brazil accelerated, but still lagging the other BRIC's

EH Global Insolvencies Index up again in 2007, mainly due to US



European insolvency declined again (as eurozone GDP remained above 2/2,5%)

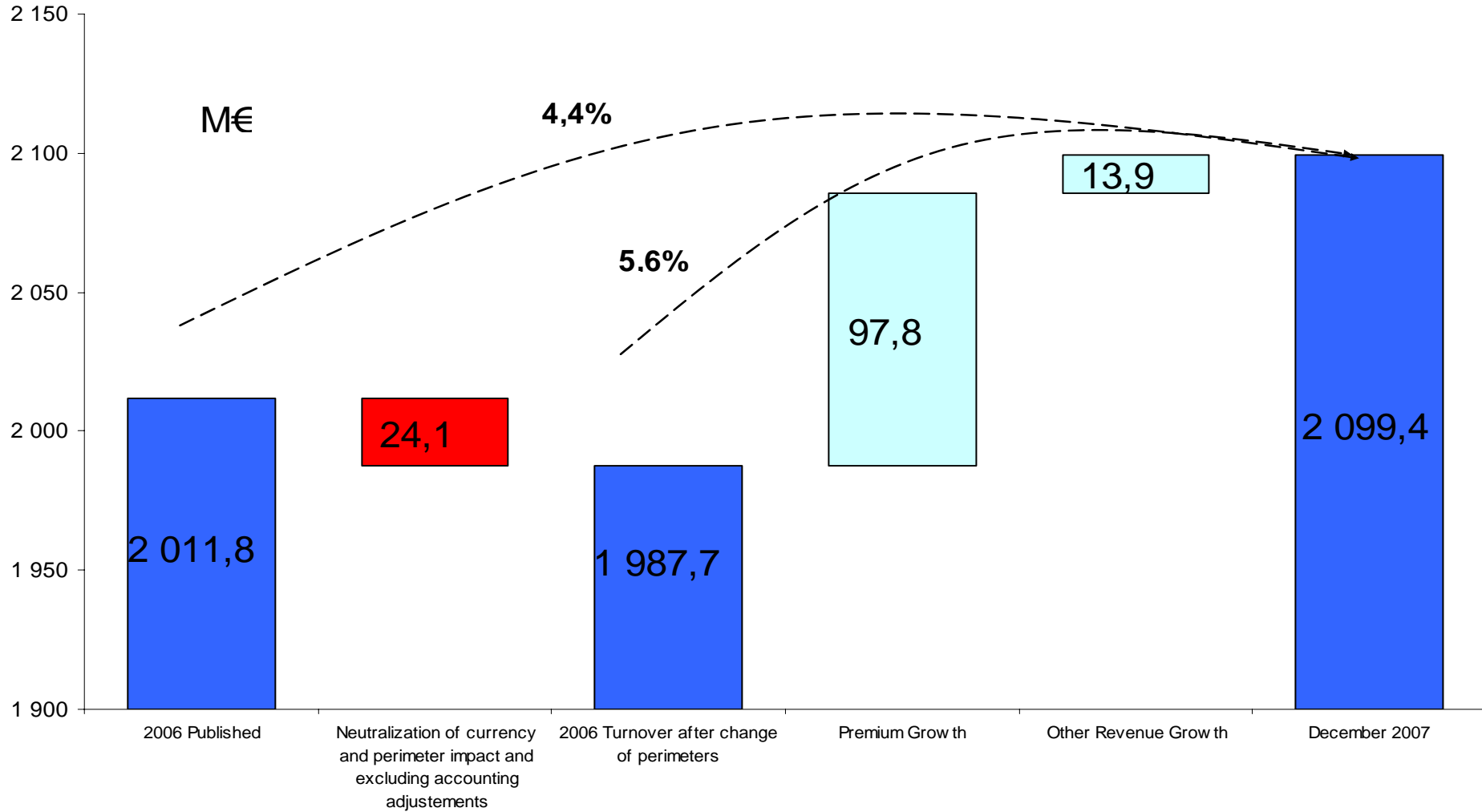
Sources : national data, Euler Hermes. Note: the EH Global Insolvency Index countries account for 85% of world GDP

90% of Euler Hermes activity is located in Europe where solvency environment is still positive.

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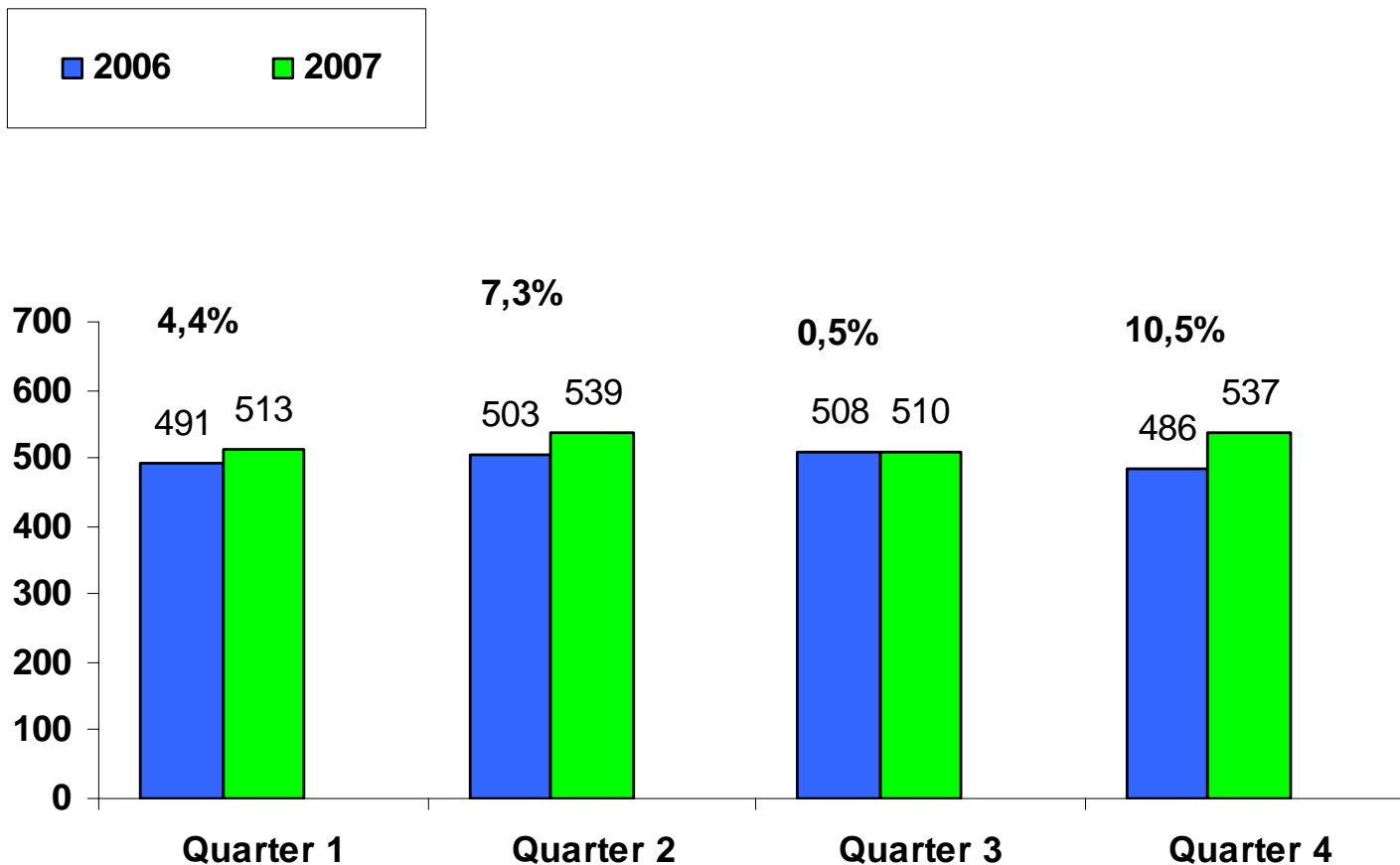
2007 Turnover evolution



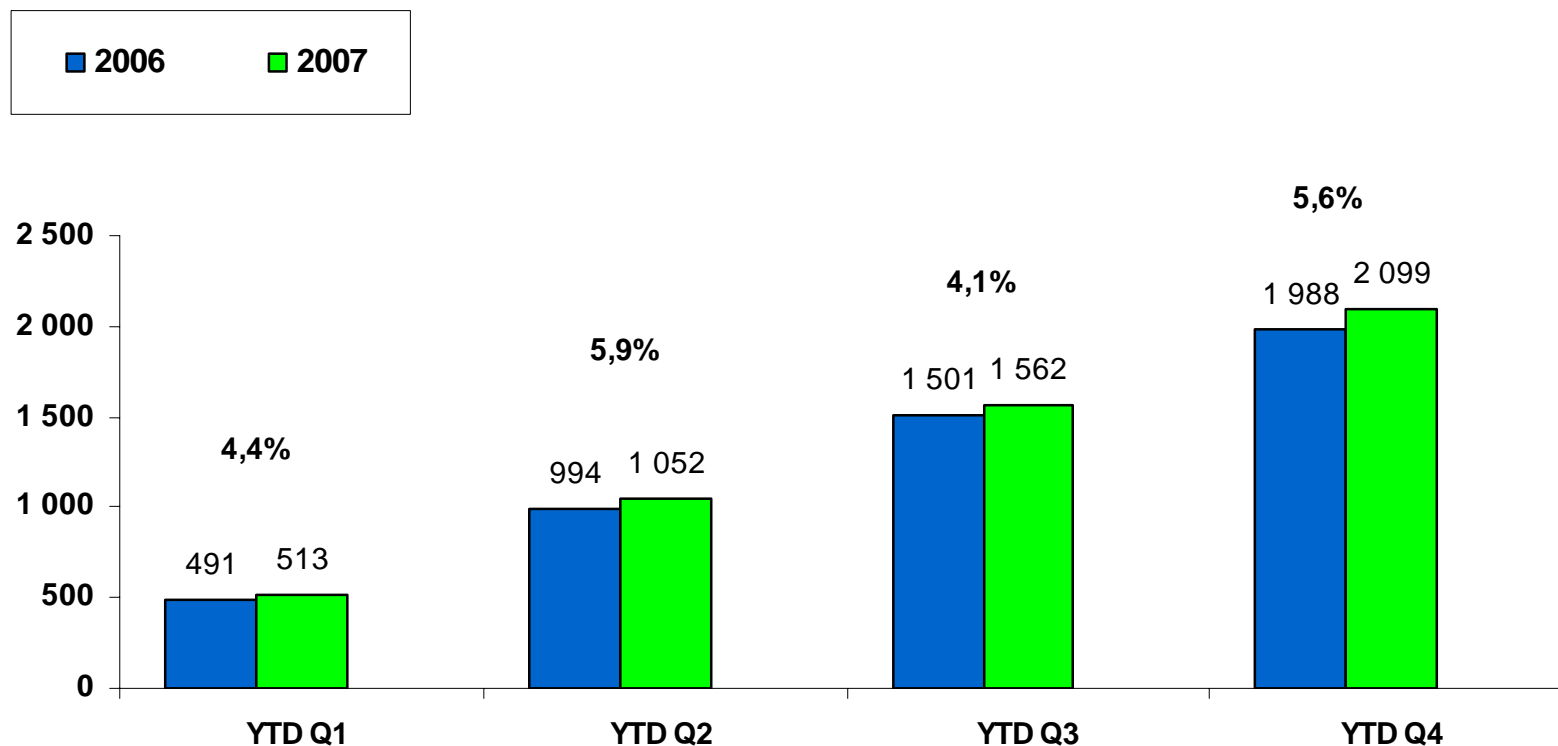
2007 Turnover evolution per quarter
(At constant exchange rate and perimeter and excluding accounting adjustments)



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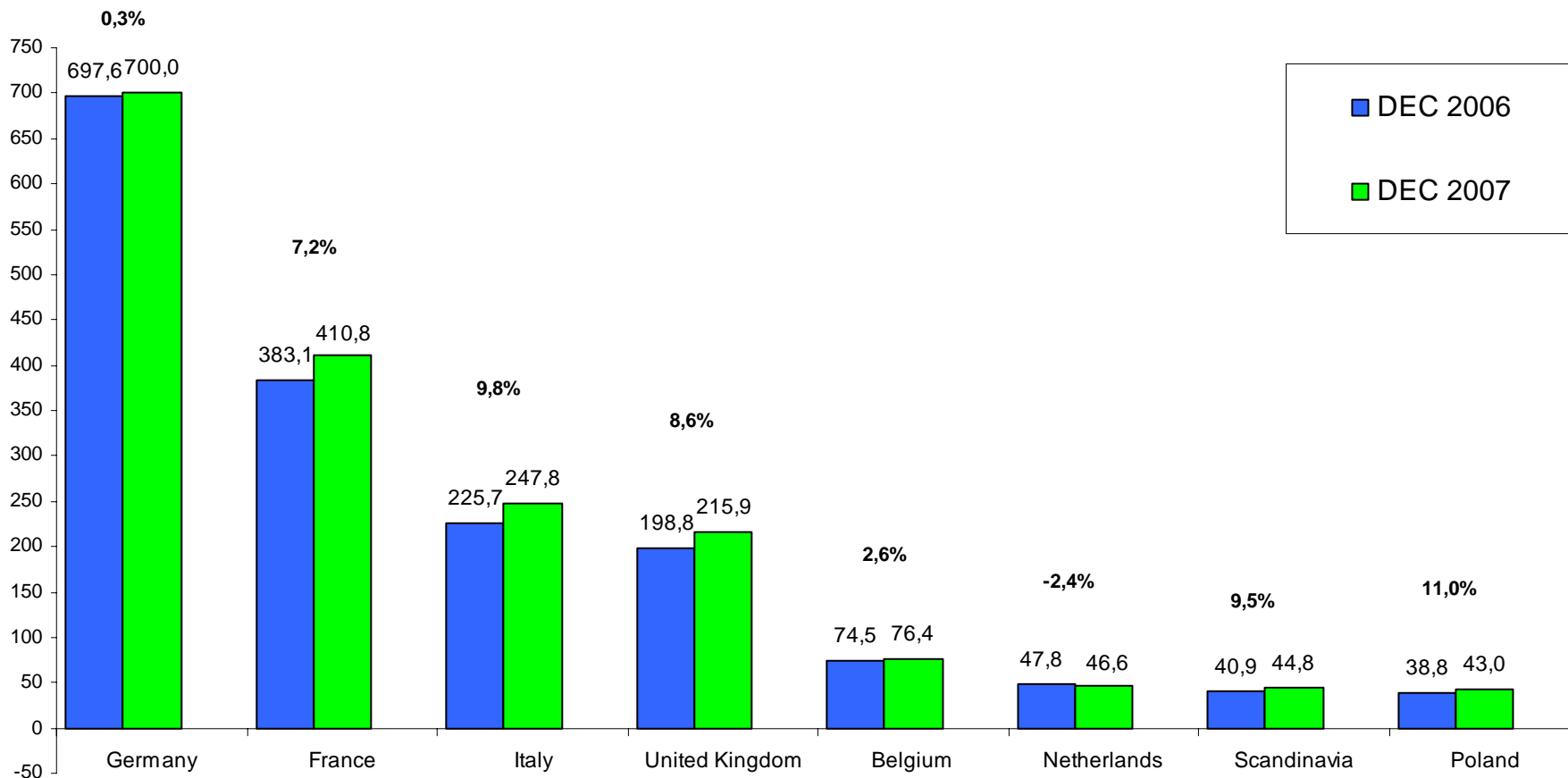
2007 Cumulative turnover evolution per quarter (At constant exchange rate and perimeter and excluding accounting adjustments)



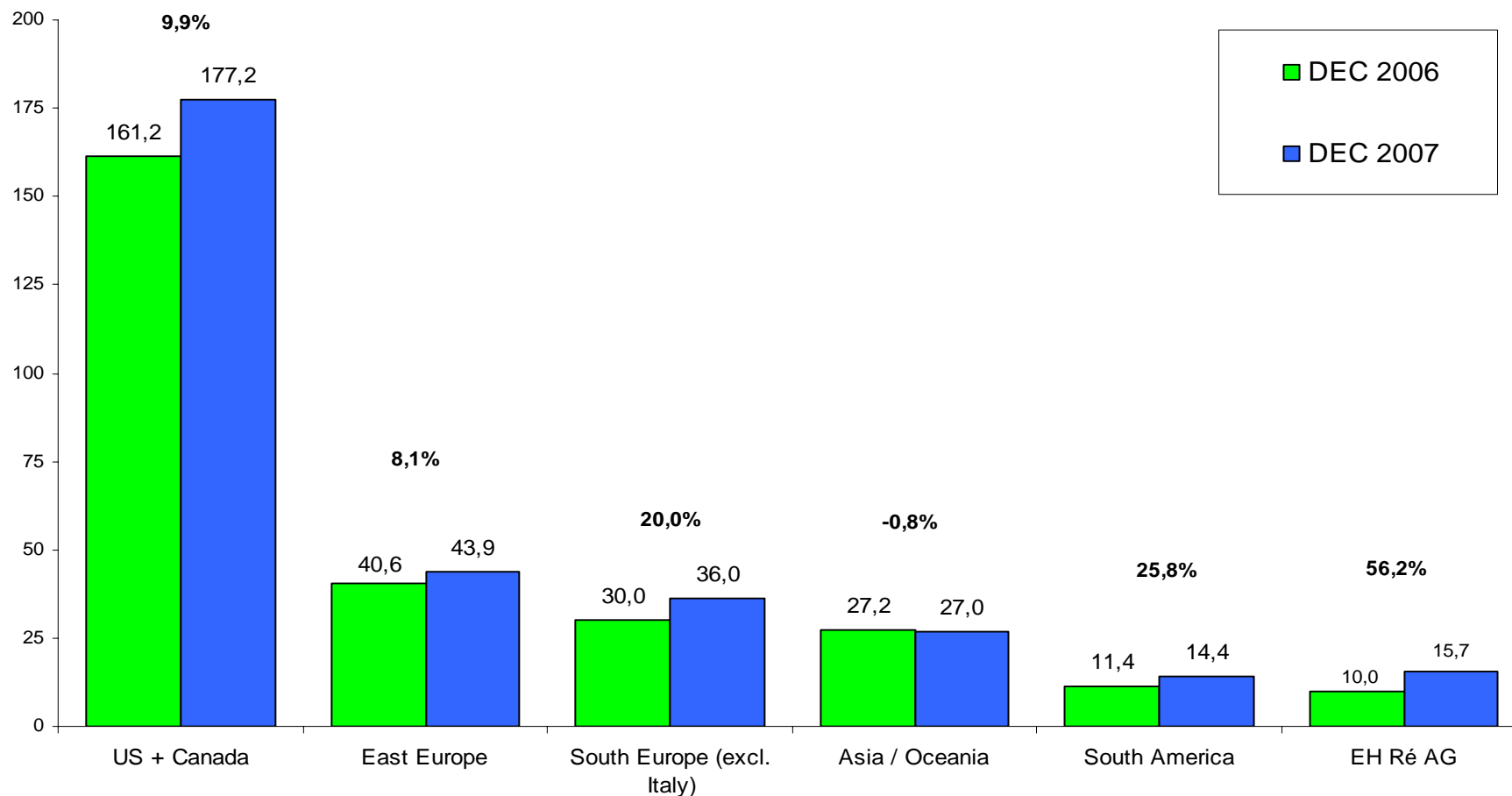
2007 Turnover evolution per geographic area (At constant exchange rate and perimeter and excluding accounting adjustments)



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2007 Turnover evolution per geographic area (At constant exchange rate and perimeter and excluding accounting adjustments)



2007 YTD Turnover evolution (historical figures)

in million of euros	Dec 2007 YTD	Dec 2006 YTD	Variation in amount	Variation in %
Premium	1 726,70	1 658,8	67,9	4,1%
Other Revenues	372,74	353,0	19,7	5,6%
Total Credit insurance turnover	2 099,4	2 011,8	87,6	4,4%

Detail of earned premiums

in million of euros	Dec 2007 YTD	Dec 2006 YTD	Variation %
Credit Insurance	1 517,5	1 452,4	4,5%
Bonding	110,4	106,6	3,5%
Fidelity	77,3	78,2	-1,2%
Retail	21,6	21,5	0,0%
EH Group turnover	1 726,7	1 658,8	4,1%

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Key drivers of 2007 net result in M€

Turnover	Dec 2006 YTD
	2 012
up	Dec 2007 YTD
88	2 099
4%	

Net Technical result	Dec 2006 YTD
	340
up	Dec 2007 YTD
52	393
15%	

Net financial result	Dec 2006 YTD
	150
up	Dec 2007 YTD
35	185
24%	

Net result	Dec 2006 YTD
	326
up	Dec 2007 YTD
81	407
25%	

Key figures YTD 2007 – Profit & Loss – part 1

<i>In thousand of Euros</i>	Dec 2007 YTD	Dec 2006 YTD	Variation %
Net earned premium	1 268 459	1 110 266	14,2%
Net claims cost	-609 856	-545 995	11,7%
Net technical & non-technical expenses	-364 525	-308 455	18,2%
Operating income from insurance activities	294 078	255 816	15,0%
Combined ratio from insurance activities FORMAT ALLIANZ	76,8%	77,0%	
Service revenues	372 745	353 045	5,6%
Service expenses	-274 293	-268 753	2,1%
Operating profit from service activities	98 452	84 293	16,8%
Total technical result	392 530	340 108	15,4%
Full technical combined ratio including service activities FORMAT EH/AGF⁽¹⁾	67,9%	67,3%	
Of which Loss Ratio	48,1%	49,2%	
Cost Ratio	19,9%	18,1%	

⁽¹⁾ Excluding net non technical expenses

YTD 2007 Net earned premium evolution

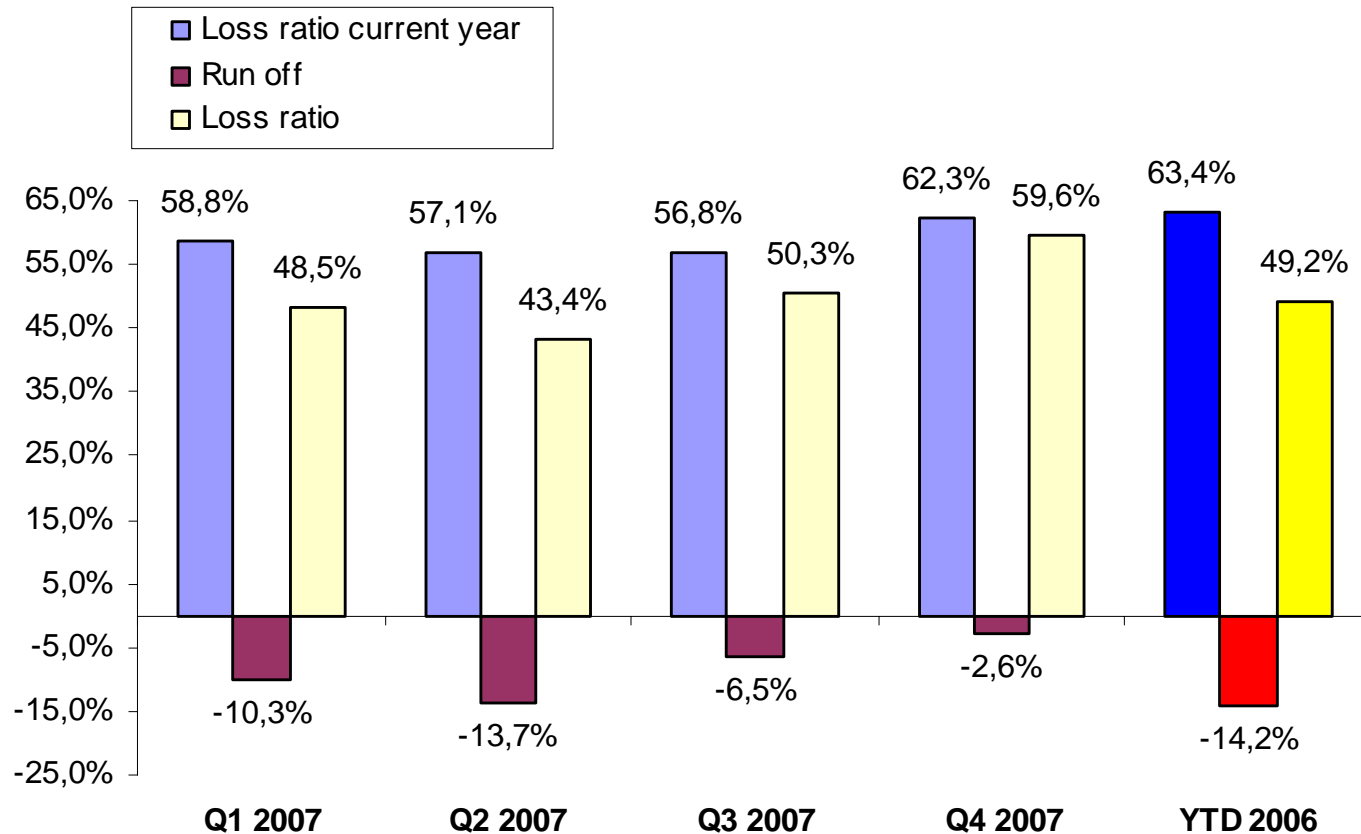
<i>In thousand of euros</i>	Dec 2007 YTD	Dec 2006 YTD	Variation %
Gross earned premiums	1 726 702	1 658 774	4,1%
Ceded premiums	-458 243	-548 509	-16,5%
Net earned premiums	1 268 459	1 110 266	14,2%
Cession rate	-26,5%	-33,1%	
Cession rate without XoL premium (assume XOL=3,3% retention)	-24,1%	-30,9%	

2007 Net claims costs evolution

In thousand of euros	Dec 2007 YTD	Dec 2006 YTD	Variation %
Gross claims costs current attachement year	-923 920	-924 665	-0,1%
Ceded claims costs current attachement year	196 381	220 865	-11,1%
Net claim costs current attachement year	-727 539	-703 800	3,4%
<i>Cession rate current attachement year</i>	<i>21%</i>	<i>24%</i>	
Gross claims costs previous attachement year	169 857	231 997	-26,8%
Ceded claims costs previous attachement year	-52 174	-74 190	-29,7%
Net claims costs previous attachement year	117 683	157 806	-25,4%
<i>Cession rate previous attachement year</i>	<i>31%</i>	<i>32%</i>	
Claims costs	-609 856	-545 994	11,7%
Net Claims ratio current attachement year	-57,4%	-63,4%	
Net Claims ratio attachement previous year	9,3%	14,2%	
Net Claims ratio	-48,1%	-49,2%	

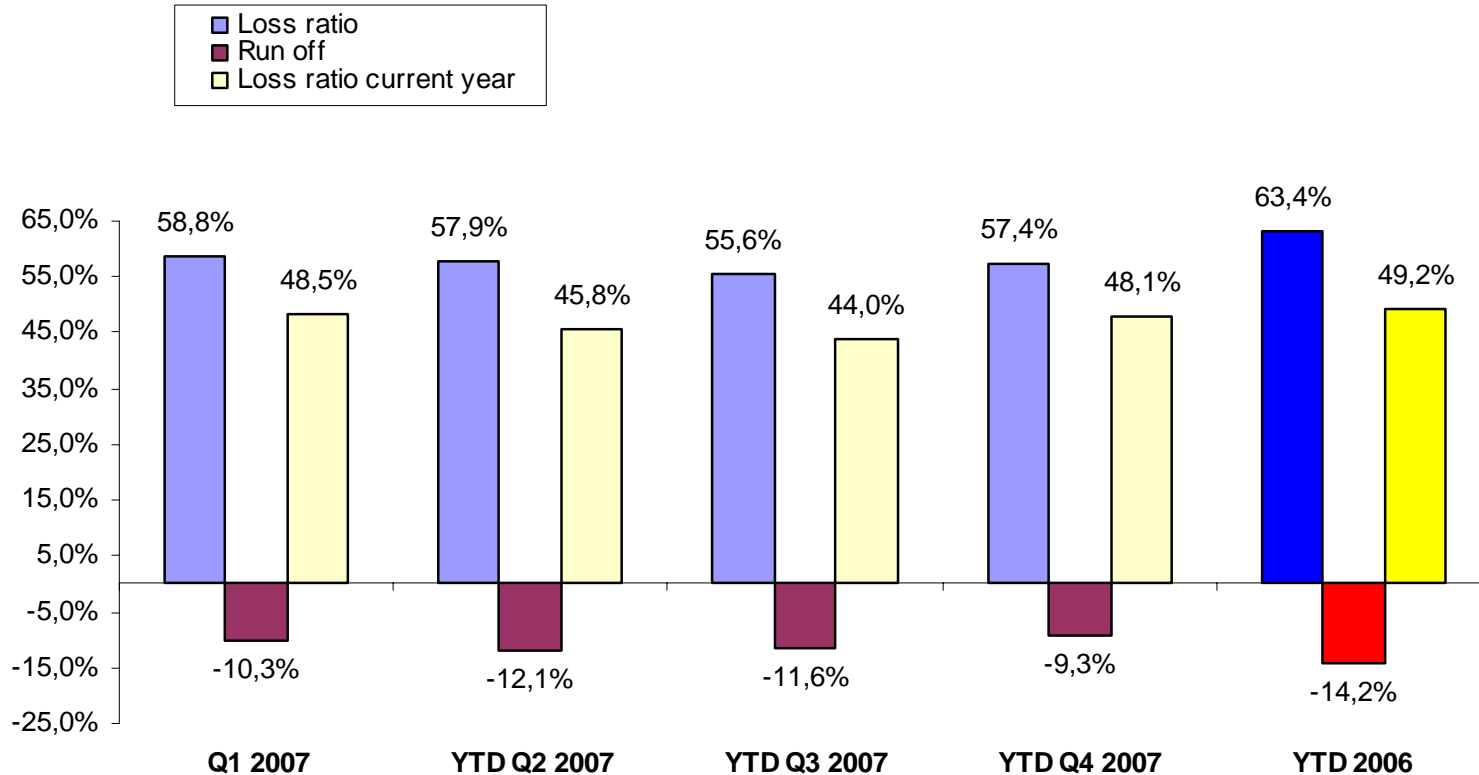


Detailed loss ratio evolution 2007 per quarter





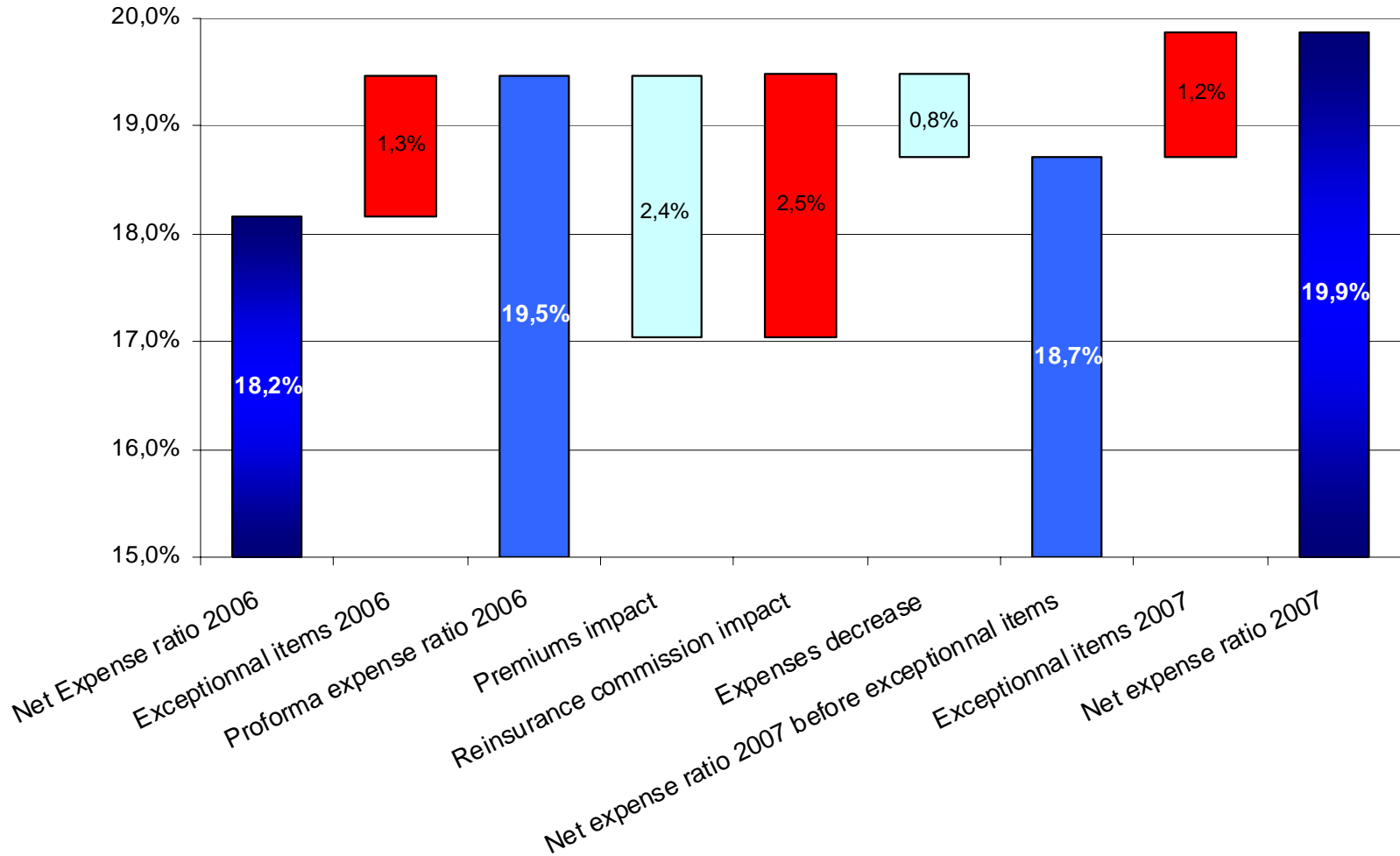
Detailed cumulative loss ratio evolution 2007 per quarter



2007 Gross Expenses Evolution

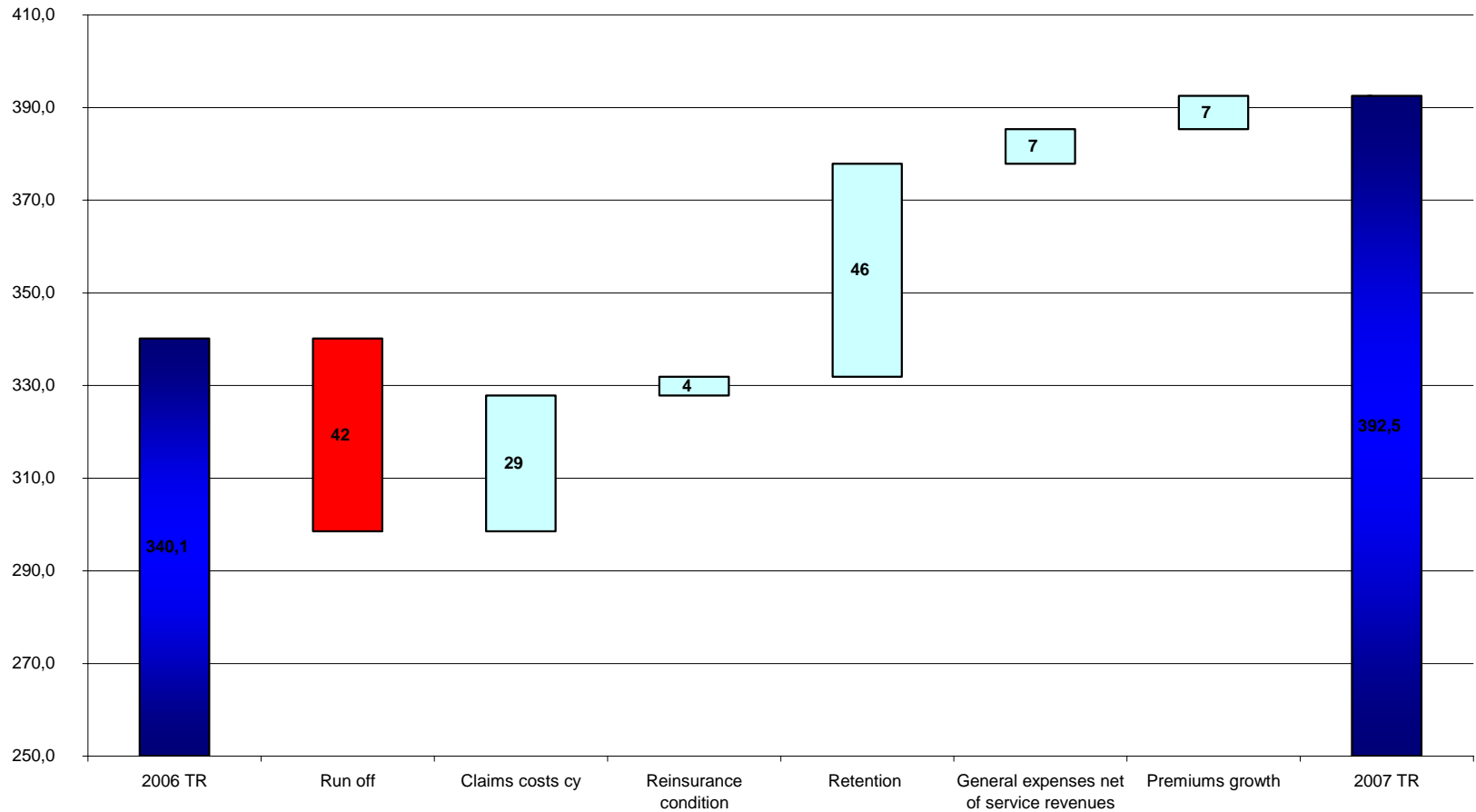
<i>In thousand of euros</i>	Dec 2007 YTD	Dec 2006 YTD	Variation %
Contract acquisition expenses	-302 514	-284 027	6,5%
Administration expenses	-244 936	-238 522	2,7%
Service expenses	-274 293	-268 753	2,1%
Total gross expenses	-821 743	-791 302	3,8%
Gross technical expense ratio	25,2%	25,0%	
Net technical expense ratio	19,9%	18,1%	
Reinsurance commission	182 924	214 093	-14,6%

2007 Net cost ratio evolution



2007 Technical result evolution

Key drivers of technical result improvement



2007 Net Financial income evolution

<i>In thousand of euros</i>	Dec 2007 YTD	Dec 2006 YTD	variation %
Income from investment property	7 460	9 626	-22,5%
Income from securities-Bonds	72 186	66 680	8,3%
Income from securities-equities	10 112	10 225	-1,1%
Income from securities	82 298	76 905	7,0%
Income from other financial investments	29 181	27 398	6,5%
Other financial income	6 022	2 733	120,4%
Other financial income	35 203	30 130	16,8%
Investments income	124 961	116 661	7,1%
Investment expenses	(12 330)	(16 784)	-26,5%
Net gains and losses on sales of investments less impairment and amortisation	72 528	49 925	45,3%
Net financial income (excluding financing expense)	185 159	149 802	23,6%

2007 Net Financial Portfolio evolution

In thousand of euros

	2007					2006				
	Amortised cost	Unrealised gain reserv	Net book value	Market value	unrealised gains and losses	Amortised cost	unrealised gain reserv	Net book value	Market value	unrealised gains and losses
- Shares :	297 844	128 498	426 342	426 342	-	443 806	179 341	623 147	623 147	-
- Bonds :	2 209 150	5 749	2 214 899	2 214 884	(15)	2 013 811	7 568	2 021 379	2 021 534	155
- Loans and other investments :	315 349	-	315 349	315 349	-	234 652	-	234 652	234 652	-
Total financial investments	2 822 343	134 247	2 956 590	2 956 575	(15)	2 692 269	186 909	2 879 178	2 879 333	155
Build third party use	-	-	86 247	162 931	76 684	-	-	88 654	134 724	46 070
Cash	-	-	378 103	378 103	-	-	-	334 964	334 964	-
Total			3 420 940	3 497 609	76 669			3 302 796	3 349 021	46 225

2007 key figures – Profit&Loss – part 2

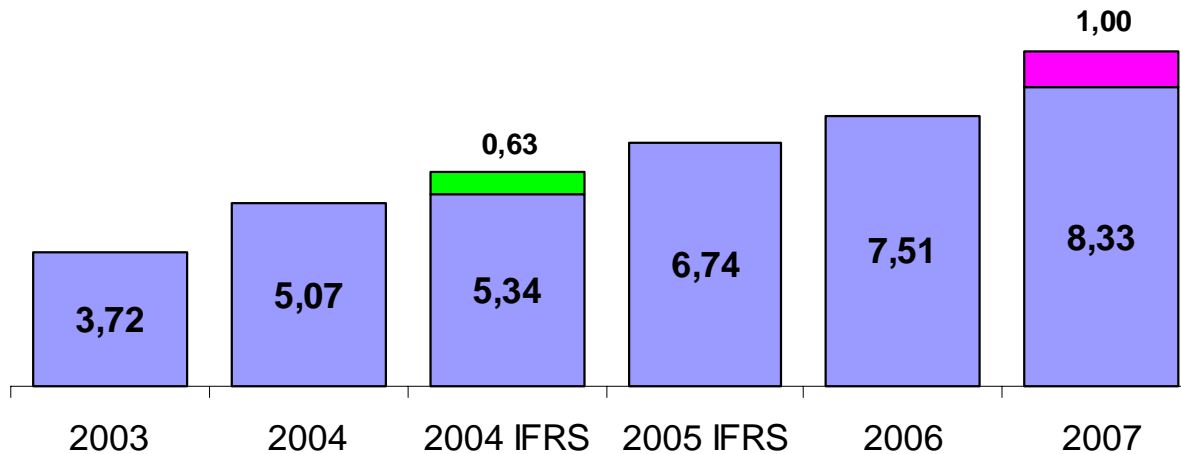
<i>In thousand of euros</i>	Dec 2007 YTD	Dec 2006 YTD	Variation %
Technical result	392 530	340 108	15,4%
Financial income net of expenses	185 159	149 802	23,6%
Ordinary operating income	577 689	489 911	17,9%
Financing expenses	-12 918	-11 489	12,4%
Income from companies accounted for by equity method	8 277	8 547	-3,2%
Corporation tax	-162 085	-156 734	3,4%
Minority interest	-4 006	-4 181	-4,2%
Consolidated net income	406 958	326 054	24,8%

Earnings per share since 2003

Net result per Euler Hermes share (in euros)

Annual growth rate 2003 - 2007: 25,8%

- Net result per share linked to positive effect on taxes in Germany
- Net income from Eurofactor cession
- Net result per share on recurrent activities



Payout ratio since 2004

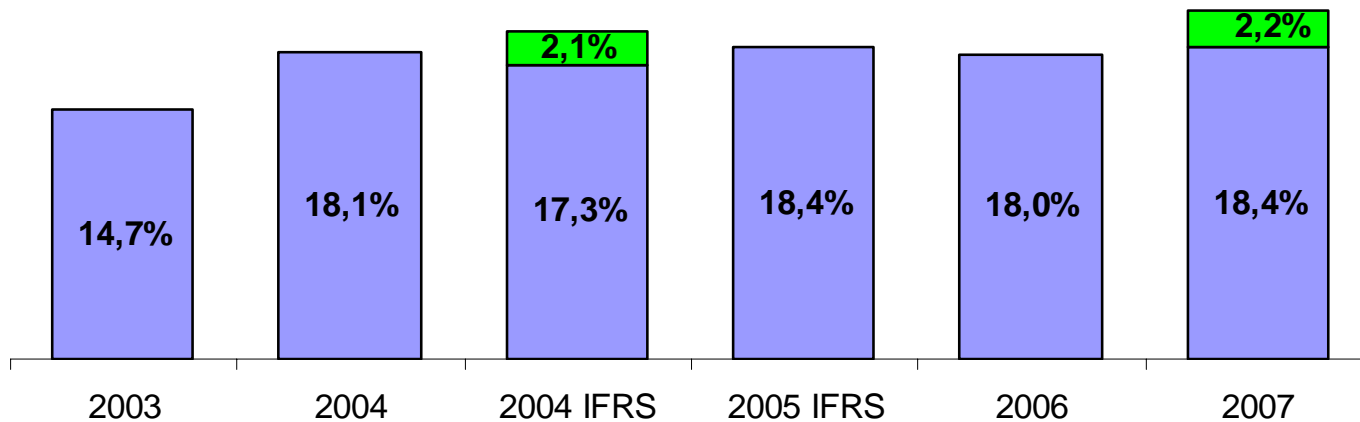
	2004	2005	2006	2007
Net result (in M€)	243,0	286,1	326,1	407,0
<i>Net result per share</i>	<i>5,97</i>	<i>6,74</i>	<i>7,51</i>	<i>9,33</i>
Dividend (in M€) ⁽¹⁾	103,6	151,8	174,2	218,4
<i>Dividend per share</i>	<i>2,5</i>	<i>3,5</i>	<i>4,0</i>	<i>5,0</i>
Payout rate	42,6%	53,1%	53,4%	53,7%

⁽¹⁾ dividend proposed except dividend on the own shares

Return on net equity since 2003

Return on equity (in %)

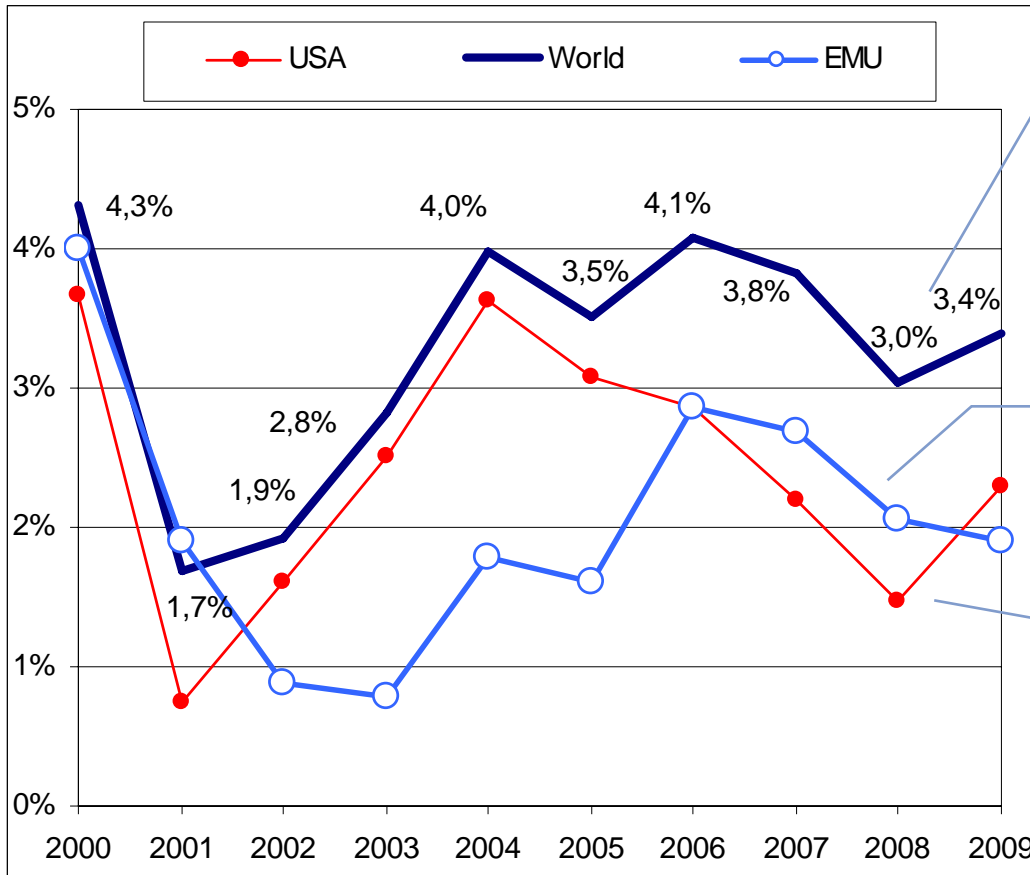
- Net income from exceptional items
- Return on equity without exceptional items



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At this point of time, the most likely scenario is a further deceleration of world economy, with a soft landing rather than a global recession in 2008



Sources : National accounts, Euler Hermes

Expect **world GDP growth** of around 3% in 2008 (3.8% in 2007), the lowest since 2003, and 3.4% in 2009, mainly in response to a small rebound in the US

Soft landing of **Eurozone** economy, back around its growth potential

Sharp slowdown in the **US** in H1 2008, driving GDP down to 1.5% for the year despite a small and gradual recovery in H2.

All zones expected to contribute to the global slowdown in 2008, mostly the developed economies

GDP growth	Weights (%)	2006	2007	2008	2009
World	100,0	4,1%	3,8%	3,0%	3,4%
USA	29,1	2,9%	2,2%	1,5%	2,3%
Japan	10,6	2,4%	1,9%	1,5%	1,9%
EMU	23,2	2,9%	2,7%	2,0%	1,9%
Central and Eastern Europe	5,0	6,8%	6,5%	5,3%	5,4%
Asia (excluding Japan)	13,9	9,1%	9,2%	8,0%	7,9%
Latin America	5,5	5,4%	5,4%	4,1%	4,3%
Middle East and Africa	2,0	5,4%	5,2%	4,5%	4,9%

US economy hit by the burst of housing market bubble, by high energy prices, despite a reactive monetary policy . So consumption is under big pressure.

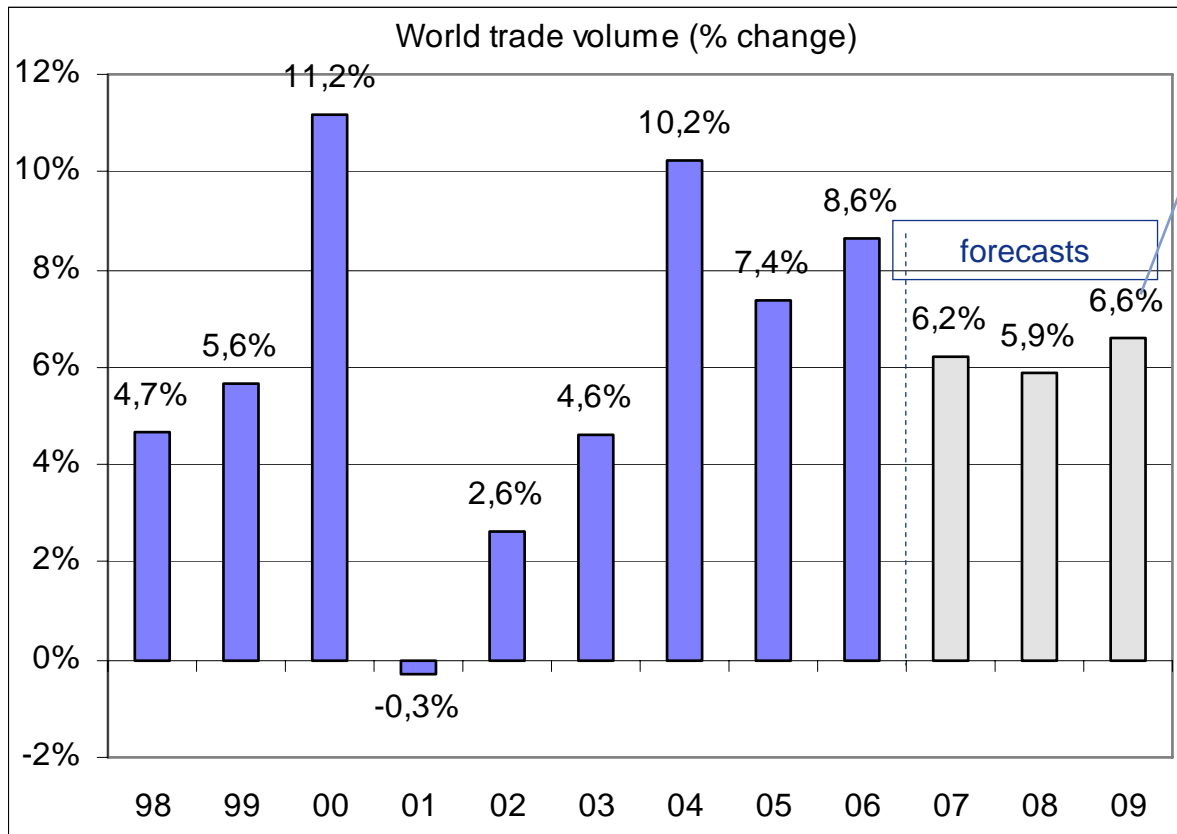
Japan slowdown to continue due to stronger yen and muted consumption fundamentals.

Eurozone growth to decline on lower exports to US and credit tightening for corporates and consumers.

Emerging countries expected to slowdown with decelerating world trade.

Sources : National accounts, Euler Hermes
GDP 2005 weighting at current exchange rates

More moderate trade growth into 2008



Sources : National accounts, Euler Hermes

Buoyant in 2004-2007 (yearly average 8.1%), world trade growth should be less than 6% in 2008

But the demand from the emerging countries should remain dynamic for:

- commodities
- energy products
- capital goods

Europe due to slow down into 2008-2009

Euro zone affected by higher interest rate (since dec. 2005), stronger euro (+50% since 2001) and lower world demand

Germany to loose momentum on a certain strain on export business and a too slow recovery of consumer demand

Italy and **France** affected by a loss of competitiveness (versus Germany), but French household demand more sustained by budget policy

Housing at risk, because of higher interest rates, in **Spain, Ireland** and **UK**

Sweden to remain strong thanks to consumer spending

Denmark, Norway and **Switzerland** to moderate pace

GDP growth	Weights (%)	2006	2007	2008	2009
World	100,0	4,1%	3,8%	3,0%	3,4%
EMU	23,2	2,9%	2,7%	2,0%	1,9%
Germany	6,5	3,1%	2,6%	1,8%	1,7%
France	4,8	2,2%	1,9%	1,8%	1,9%
Italy	4,1	1,9%	1,7%	1,3%	1,7%
Spain	2,6	3,9%	3,8%	2,7%	2,5%
Netherlands	1,5	3,0%	3,1%	2,1%	2,0%
Belgium	0,9	2,9%	2,7%	1,9%	2,2%
Austria	0,7	3,1%	3,4%	2,3%	2,2%
Finland	0,5	5,0%	4,2%	2,6%	2,5%
Greece	0,5	4,2%	3,9%	3,6%	3,8%
Ireland	0,5	5,7%	5,9%	2,8%	3,5%
Portugal	0,4	1,2%	1,8%	1,7%	2,0%
UK	5,2	2,9%	3,1%	1,9%	1,8%
Sweden	0,8	4,4%	2,7%	2,4%	2,4%
Denmark	0,6	3,9%	1,9%	1,7%	1,3%
Norway	0,7	2,1%	3,1%	2,7%	2,4%
Switzerland	0,9	3,2%	2,8%	2,2%	2,0%

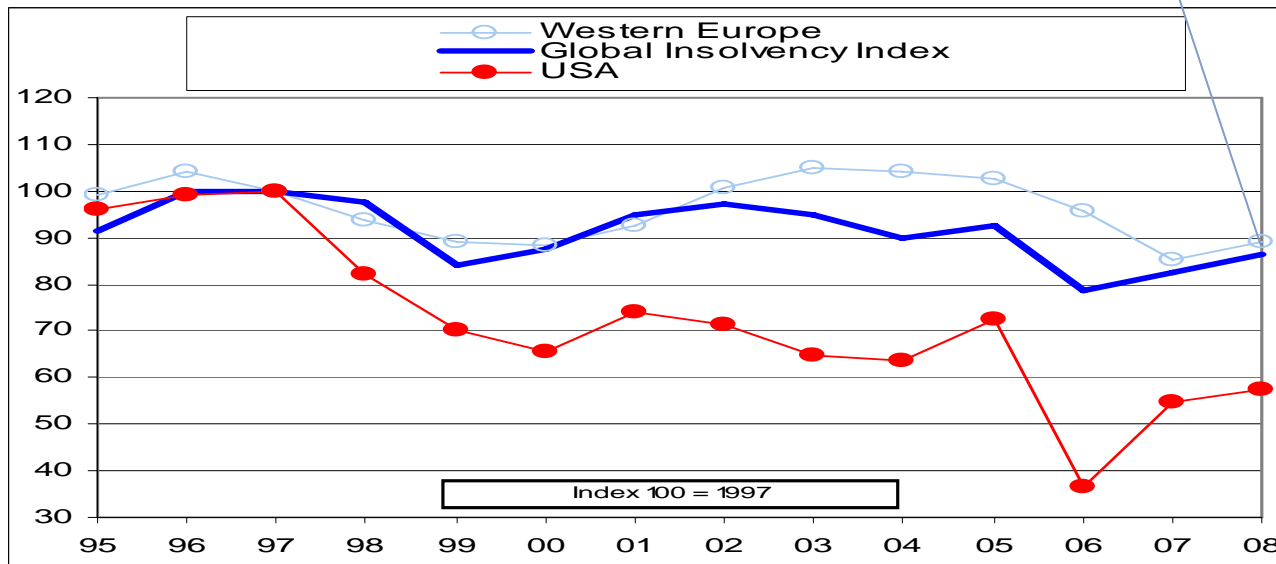
Sources : National accounts, Euler Hermes
GDP 2005 weighting at current exchange rates

But global risks are largely to the downside

- Hard-landing scenario in the US
- World credit crunch
- Inflationary pressures
- Bubbles: housing market (US, UK, Ireland, Spain...) and stock markets (emerging countries)
- Growing trade tensions (and influence of sovereign wealth funds)
- Geopolitical events (oil and other commodities)

EH Global Insolvencies Index likely to rise again in 2008

European insolvency to rebound by 5% as eurozone GDP to decelerate towards 2%



Sources : national data, Euler Hermes. Note: the EH Global Insolvency Index countries account for 85% of world GDP

Thank you for your attention.

Appendices.

December 2007 result compared to December 2006 result



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<i>(in million of euros)</i>	Dec 2007	Dec 2006	Variation in euros	Variation in %
<i>Premiums written</i>	1 829,7	1 739,5	90,1	5,2%
<i>Change in unearned premiums</i>	-28,2	0,5	-28,7	-5638,1%
<i>Rebates</i>	-74,8	-81,3	6,5	-8,0%
<i>Earned premiums</i>	1 726,7	1 658,8	67,9	4,1%
Premium-related income	372,7	353,0	19,7	5,6%
Turnover	2 099,4	2 011,8	87,6	4,4%
Investment income net of management charges	112,4	99,9	12,5	12,5%
Gains and losses on disposal of investments	78,9	52,6	26,3	50,0%
Change in investment impairment provisions	-6,1	-2,7	-3,5	130,0%
Financial income net of expenses (excluding financing costs)	185,2	149,8	35,4	23,6%
Total ordinary operating income	2 284,6	2 161,6	123,0	5,7%
Insurance service expenses	-754,1	-692,7	-61,4	8,9%
Net reinsurance income or expense	-131,1	-187,7	56,6	-30,2%
Contract acquisition expense	-302,5	-284,0	-18,5	6,5%
Administration expense	-214,3	-193,9	-20,4	10,5%
Other ordinary operating income and expense	-305,0	-313,4	8,4	-2,7%
Total other ordinary income and expenses	-1 706,9	-1 671,7	-35,2	2,1%
Ordinary operating income	577,7	489,9	87,8	17,9%
Other ordinary income and expense	0,0	0,0	0,0	N/A
Operating income	577,7	489,9	87,8	17,9%
Financing expenses	-12,9	-11,5	-1,4	12,4%
Income from companies accounted for by equity method	8,3	8,5	-0,3	-3,2%
Corporation tax	-162,1	-156,7	-5,4	3,4%
Consolidated net income	411,0	330,2	80,7	24,4%
Minority interests	-4,0	-4,2	0,2	-4,2%
Net income group share	407,0	326,1	80,9	24,8%

2007 key figures – balance sheet – Assets



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In thousand of euros

ASSETS	31/12/2007	31/12/2006
Goodwill	115 577	107 374
Other intangible assets	58 278	42 919
Intangible assets	173 855	150 293
Investment property	86 247	88 654
Financial investments	2 956 590	2 879 178
Derivatives	6 247	5 469
Investments - insurance businesses	3 049 084	2 973 301
Investments accounted for by equity method	52 206	36 801
Share of assignees and reinsurers in the technical reserves and financial liabilities	365 455	411 965
Property, plant and equipment	158 442	151 356
Acquisition costs capitalised	32 872	33 536
Deferred tax assets	14 559	20 912
Insurance and reinsurance receivables	495 156	496 227
Corporation tax receivables	24 165	22 813
Other assets	143 649	142 212
Other assets	868 843	867 056
Cash and cash equivalent	378 103	334 964
TOTAL ASSETS	4 887 546	4 774 380

2007 key figures – balance sheet – Liabilities and net equity

In thousand of euros

LIABILITIES	31/12/2007	31/12/2006
Capital stock	14 417	14 384
Additionnal paid-in capital	451 332	448 058
Consolidated reserves	1 125 415	968 088
Consolidated net income	406 959	326 054
Revaluation reserve	90 438	124 910
Other	(29 821)	10 892
Group shareholder's equity	2 058 740	1 892 386
Minority interests	19 179	19 153
Total shareholder's equity	2 077 919	1 911 539
Provision for risks and charges	127 174	99 715
Other borrowings	295 746	302 369
Borrowings	295 746	302 369
Technical reserves	1 426 141	1 413 342
Liabilities related to contracts	1 426 141	1 413 342
Deferred tax liabilities	365 948	389 251
Accepted insurance and reinsurance liabilities	164 805	190 065
Assigned reinsurance liabilities	92 016	117 306
Corporation tax payables	71 942	65 174
Other liabilities	265 855	285 619
Other liabilities	960 566	1 047 415
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES	4 887 546	4 774 380