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PRESS RELEASE

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EULER & HERMES LAUNCHES A CAPITAL INCREASE TO RAISE 171 MILLION EUROS

Paris, 17 June 2002 -- EULER & HERMES today announced the launch of a capital increase to be effected through a rights issue of 5,371,368 new shares, to raise 171 million euros. Plans for this capital increase were announced on 31st January 2002 at the time of the presentation of EULER's (as EULER & HERMES was known at the time) planned acquisition of HERMES Kreditversicherungs-AG.

This capital increase will provide part of the refinancing for EULER & HERMES' acquisition of HERMES, while the remainder will consist of a combination of senior and subordinated debt fully subscribed by AGF, as well as sale of part of EULER & HERMES's treasury shares.

Preferential subscription rights will ensure that EULER & HERMES' shareholders who subscribe for their full entitlement will not experience any dilution of their shareholding. Shareholders will be entitled to subscribe 2 new shares for every 13 existing shares held. The subscription price has been set at 32 euros per share. The subscription period will run from 24th June to 5th July 2002 inclusive, during which time the rights will be listed on Euronext Paris S.A.

AGF, who holds 63.2% of EULER & HERMES, has undertaken to participate in this issue with a subscription for the full amount of its preferential subscription rights, and to apply for additional shares up to the entire amount of the capital increase not subscribed by other persons.

The listing of the new shares is due to take place on 23rd July 2002. J.P. Morgan Securities Ltd. is acting as Global Coordinator.

Jean Lanier, EULER & HERMES CEO, commented: "EULER & HERMES holds leading positions in most developed and emerging markets in Europe, North America and in the high growth countries of Asia and South America. With sales of 2.1 billion euros (pro-forma 2001) and a global market share of over 36% in credit insurance (pro-forma 2000), EULER & HERMES is uniquely positioned to further leverage on its world-leading position in receivables risk management (e.g. credit insurance, factoring, bonding,...). This planned capital increase will not only enable EULER & HERMES to refinance part of the acquisition of HERMES, but also help EULER & HERMES further strengthen its balance sheet."

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The prospectus relating to this offering has received the visa from the COB #02-740 dated 13th June 2002. This prospectus includes the Document de Référence registered by the COB on 27th March 2002 #R.02-041 and a Note d'Opération. The legal notice will be published in the Bulletin des Annonces Légales Obligatoires on 17th June 2002.

***EULER & HERMES is the world leader in credit insurance, the leading European group in integrated factoring and one of the leaders in the bonding business. With more than 5,000 people in 29 countries, EULER & HERMES holds 36% of the world market in credit insurance and offers a complete range of services for credit management.
Listed on EURONEXT Paris "Premier Marché", EULER & HERMES and its principal credit insurance subsidiaries have been rated AA by Standard & Poor's.***

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