

Condensed Consolidated Financial Statements

For the 1st quarter ended March 31, 2012



EULER HERMES
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Contents

Consolidated statement of financial position.....	3
Consolidated income statement.....	4
Consolidated statement of other comprehensive income	5
Consolidated statement of cash flows	6
Consolidated statement of changes in equity	8
Notes to the consolidated financial statements.....	9
Note 1 Significant events.....	9
Note 2 IFRS accounting and valuation rules.....	9
Note 3 Goodwill	11
Note 4 Investment and operating property	12
Note 5 Financial investments	12
Note 6 Investments accounted for by the equity method	15
Note 7 Cash and cash equivalents.....	16
Note 8 Technical reserves.....	16
Note 9 Breakdown of operating income	17
Note 10 Earnings per share and dividend per share	17
Note 11 Segment data.....	18
Note 12 Related parties	20
Note 13 Commitments given and received.....	21
Note 14 Subsequent events	21

Consolidated statement of financial position

(in thousands)	Notes	March 31, 2012	December 31, 2011
Goodwill	3	108 809	109 407
Other intangible assets		72 043	69 712
Intangible assets		180 852	179 119
Investment property	4	3 639	4 019
Financial investments	5	3 624 668	3 558 317
Derivatives		5 690	5 458
Investments- insurance businesses		3 633 997	3 567 794
Investments accounted for by the equity method	6	106 930	105 196
Share of assignees and reinsurers in the technical reserves and financial liabilities	8	486 873	545 961
Operating property and other property, plant and equipment		157 894	149 277
Acquisition costs capitalised		64 686	51 919
Deferred tax assets		19 752	22 052
Inwards insurance and reinsurance receivables		567 205	495 312
Outwards reinsurance receivables		79 812	39 815
Corporation tax receivables		26 288	47 429
Other receivables		311 510	266 898
Other assets		1 227 147	1 072 702
Cash	7	480 310	347 338
TOTAL ASSETS		€6 116 109	€5 818 110
Capital stock		14 453	14 451
Additional paid-in capital		454 856	454 536
Reserves		1 812 966	1 471 500
Net income, group share		66 350	330 267
Revaluation reserve		62 511	32 666
Foreign exchange translation		(25 677)	(25 543)
Shareholders' equity, group share		€2 385 459	€2 277 877
Non controlling interests		18 872	18 002
Total shareholders' equity		€2 404 331	€2 295 879
Provisions for risks and charges		253 873	259 721
Bank borrowings		257 049	255 119
Other borrowings		139 611	138 234
Borrowings		396 660	393 353
Non-life technical reserves	8	1 873 023	1 899 265
Liabilities related to contracts		1 873 023	1 899 265
Deferred tax liabilities		324 586	330 133
Inwards insurance and reinsurance liabilities		240 412	217 012
Outwards reinsurance liabilities		269 808	104 541
Corporation tax payables		57 200	34 433
Other payables		296 216	283 773
Other liabilities		1 188 222	969 892
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		€6 116 109	€5 818 110

Consolidated income statement

(in thousands excepted for the earnings per share)

1st quarter ended March 31,

	Notes	2012	2011
Premiums written		620 311	565 550
Premiums refunded		(30 899)	(31 092)
Change in unearned premiums		(97 688)	(81 860)
Earned premiums		491 724	452 598
Services revenues		98 158	91 509
Turnover	9	€589 882	€544 107
Investment income		25 200	23 015
Investment management charges		(3 043)	(1 846)
Net gain (loss) on sales of investments less impairment and depreciation writebacks		4 701	13 383
Change in fair value of investments recognised at fair value through profit or loss		661	398
Change in investment impairment provisions		(991)	(116)
Net change in foreign currency		(2 258)	(1 932)
Net investment income		24 270	32 902
Insurance services expense		(217 127)	(189 830)
Outwards reinsurance income		(169 841)	(162 218)
Outwards reinsurance expense		118 327	101 642
Net outwards reinsurance income or expense	9	(51 514)	(60 576)
Contract acquisition expense		(89 987)	(89 225)
Administration expense		(59 711)	(52 262)
Other ordinary operating income		5 663	8 076
Other ordinary operating expense		(96 197)	(89 770)
CURRENT OPERATING INCOME		€105 279	€103 422
Other non ordinary operating expense		(3 562)	(5 342)
Other non ordinary operating income		4 163	4 109
OPERATING INCOME	9	€105 880	€102 189
Financing expense		(3 645)	(4 316)
Share of Income from companies accounted by the equity method	6	809	5 692
Corporation tax		(35 816)	(27 192)
CONSOLIDATED NET INCOME		67 228	76 373
<i>o/w</i>			
NET INCOME, GROUP SHARE		€66 350	€75 299
Non controlling interests		878	1 074
Earnings per share	10	€1,51	€1,72
Diluted earnings per share	10	€1,51	€1,71
Earnings per share of continuing activities		€1,51	€1,72
Diluted earnings per share of continuing activities		€1,51	€1,71

Consolidated statement of other comprehensive income

(en thousands)

1st quarter ended March 31,

	2012	2011
NET INCOME, GROUP SHARE	€66 350	€75 299
Non controlling interests	878	1 074
Other comprehensive income elements		
Change in fair market value of asset held for sale transferred through profits & losses (Gross amount)	(2 057)	(10 472)
Change in fair market value of asset held for sale transferred through profits & losses (Tax amount)	1 043	2 988
Change in fair market value of asset held for sale booked through equity (Gross amount)	41 798	(25 373)
Change in fair market value of asset held for sale booked through equity (Tax amount)	(11 189)	5 748
Change in fair market value of asset held for sale booked - minority interests share net of corporation tax	11	-
Other change in fair market value of asset held for sale booked through equity	420	-
Change in translation reserve (included impact on revaluation reserve) booked through equity (Gross amount)	(1 268)	(24 077)
Change in translation reserve (included impact on revaluation reserve) booked through equity (Tax amount)	945	7 922
Total other comprehensive income net of taxes	€29 703	€(43 264)
Total comprehensive income	€96 931	€33 109
Total comprehensive income, group share	96 042	32 035
Total comprehensive income, minority interests	889	1 074

Consolidated statement of cash flows

	Three months ended March 31,		
(In thousands)	Notes	2012	2011
Net income, group share		€66 350	€75 299
Corporation tax		35 816	27 915
Financing expense		3 645	4 628
Operating income before tax		105 811	107 843
Minority interests		878	1 074
Allocation to and writebacks of depreciation, amortisation and reserves		6 838	10 391
Change in technical reserves		40 797	97 762
Change in deferred acquisition costs		(12 655)	(7 041)
Change in fair value of financial instruments recognised at fair value through the income statement (excluding cash and cash equivalents)		(1 479)	(1 174)
Realised capital gains/(losses) net of writebacks		(2 219)	(13 400)
Unrealised foreign exchange gain (loss) in company accounts		3 399	934
Revenues and expenses linked to stock options and similar		0	-
Interest revenues received accrued		(5 033)	(19 522)
Adjustment for elements included in operating income that do not correspond to cash flows and reclassification of financing and investment flows		30 526	69 024
Income (loss) of companies accounted for by the equity method		(809)	(5 692)
Dividends received from companies accounted for by the equity method		-	932
Change in liabilities and receivables relating to insurance and reinsurance transactions		69 956	8 222
Change in operating receivables and liabilities		(19 920)	29 576
Change in other assets and liabilities		(23 371)	(2 751)
Corporation tax		(1 534)	(8 428)
Cash flow related to operating activities		24 322	21 859
Cash flow from operating activities		€160 659	€198 727
Acquisitions of subsidiaries and joint ventures, net of acquired cash		189	2 458
Disposals of subsidiaries and joint ventures, net of ceded cash		(64)	-
Acquisitions of equity interests in companies accounted for by the equity method		(0)	-
Disposals of equity method investments		-	-
Merger		124	270
Cash flow linked to changes in the consolidation scope		249	2 728
Disposals of AFS securities		194 866	236 750
Matured HTM securities		-	400
Disposals of investment properties		1 766	4 181
Disposals of securities held for trading		1 099	766
Cash flow linked to disposals and redemptions of investments		197 731	242 097
Acquisitions of AFS securities		(389 299)	(271 556)
Acquisitions of HTM securities		-	-
Acquisitions of investment and operating properties		-	(782)
Acquisitions of trading securities		(28)	(465)
Cash flow linked to acquisitions of investments		(389 327)	(272 803)

Consolidated statement of cash flows

Disposals of other investments and intangible assets	371 394	314 482
Acquisitions of other investments and intangible assets	(221 627)	(409 542)
Cash flow linked to acquisitions and disposals of other investments and intangible assets	149 767	(95 060)
Cash flow from investing activities	€(41 581)	€(123 039)
Increases and decreases in capital	474	863
<i>Increases in capital</i>	475	863
<i>Decreases in capital</i>	(1)	-
Change in treasury stock	11 179	(3 619)
Dividends paid	3	-
Cash flow linked to transactions with the shareholders	11 656	(2 756)
Change in non voting shares	-	-
Changes in loans and subordinated securities	429	(49)
<i>Issue</i>	445	447
<i>Repayment</i>	(16)	(496)
Interest paid	(339)	(606)
Cash flow from group financing	90	(655)
Cash flow from financing activities	€11 747	€(3 411)
Impact of foreign exchange differences on cash and cash equivalents	688	(4 606)
Reclassification	1 458	-
Other net changes in cash	€2 146	€(4 606)
Change in cash flows	132 972	67 670
Change in cash and cash equivalents	132 972	67 670
Cash and cash equivalents at beginning of period	7	€346 988
Cash and cash equivalents at end of period	7	€479 960

Consolidated statement of changes in equity

1st Quarter 2011

(in thousands)	Capital Stock	Additional paid-in-capital	Retained earnings	Revaluation reserve	Translation reserve	Treasury shares	Shareholders' equity, group share	Non Controlling interests	Total shareholders' equity
Opening Shareholders' equity	€14 433	€452 625	€1 724 455	€39 399	€(33 832)	€(66 659)	€2 130 421	€18 015	€2 148 436
Available-for-sale assets (AFS)	-	-	-	-	-	-	-	-	-
Measurement gain / (loss) taken to shareholders' equity	-	-	-	(19 625)	-	-	(19 625)	21	(19 604)
Impact of transferring realised gains and losses to income statement	-	-	-	(7 484)	-	-	(7 484)	-	(7 484)
Other movements	-	-	-	-	-	-	-	-	-
Cash flow hedges	-	-	-	-	-	-	-	-	-
Gain / (loss) taken to shareholders' equity	-	-	-	-	-	-	-	-	-
Impact of transferring realised profits and losses in the year to income statement	-	-	-	-	-	-	-	-	-
Impact of transfers on the initial amount of hedges	-	-	-	-	-	-	-	-	-
Impact of translation differences	-	-	-	(440)	(15 717)	-	(16 157)	-	(16 157)
Net income recognised in shareholders' equity	-	-	-	(27 549)	(15 717)	-	(43 266)	21	(43 245)
Net income for the year	-	-	75 299	-	-	-	75 299	1 074	76 373
Total revenues and losses recognised for the period	-	-	€75 299	€(27 549)	€(15 717)	-	€32 033	€1 095	€33 128
Capital movements	8	855	-	-	-	(3 619)	(2 756)	-	(2 756)
Dividend distributions	-	-	-	-	-	-	-	-	-
Shareholders' equity component of share-based payment plans	-	-	-	-	-	-	-	-	-
Cancellation of gains/losses on treasury shares	-	-	-	-	-	-	-	-	-
Other movements	-	-	(2)	-	-	-	(2)	(34)	(36)
Closing Shareholders' equity	€14 441	€453 480	€1 799 752	€11 850	€(49 549)	€(70 278)	€2 159 696	€19 076	€2 178 772

1st Quarter 2012

(in thousands)	Capital Stock	Additional paid-in-capital	Retained earnings	Revaluation reserve	Translation reserve	Treasury shares	Shareholders' equity, group share	Non controlling interests	Total shareholders' equity
Opening Shareholders' equity, group share	€14 451	€454 536	€1 879 323	€32 666	€(25 543)	€(77 556)	€2 277 877	€18 002	€2 295 879
Available-for-sale assets (AFS)	-	-	-	-	-	-	-	-	-
Measurement gain / (loss) taken to shareholders' equity	-	-	-	30 609	-	-	30 609	(1 297)	29 312
Impact of transferring realised gains and losses to income statement	-	-	-	(1 014)	-	-	(1 014)	1 308	294
Other changes	-	-	-	420	-	-	420	-	420
Cash flow hedges	-	-	-	-	-	-	-	-	-
Gain / (loss) taken to shareholders' equity	-	-	-	-	-	-	-	-	-
Impact of transferring realised profits and losses in the year to income statement	-	-	-	-	-	-	-	-	-
Impact of transfers on the initial amount of hedges	-	-	-	-	-	-	-	-	-
Impact of translation differences	-	-	-	(170)	(134)	-	(304)	(18)	(322)
Components of other comprehensive income net of tax	-	-	-	29 845	(134)	-	29 711	(7)	29 704
Net income for the year	-	-	66 350	-	-	-	66 350	878	67 228
Comprehensive income of the period	-	-	€66 350	€29 845	€(134)	-	€96 061	€871	€96 932
Capital movements	2	320	-	-	-	11 179	11 501	-	11 501
Dividend distributions	-	-	3	-	-	-	3	-	3
Shareholders' equity component of share-based payment plans	-	-	-	-	-	-	-	-	-
Cancellation of gains/losses on treasury shares	-	-	-	-	-	-	-	-	-
Other movements	-	-	17	-	-	-	17	(1)	16
Closing Shareholders' equity, group share	€14 453	€454 856	€1 945 693	€62 511	€(25 677)	€(66 377)	€2 385 459	€18 872	€2 404 331

Notes to the consolidated financial statements

Note 1 Significant events

The following significant events occurred in the first quarter 2012:

Changes in the share capital and in share ownership

As at March 31, 2012, the Allianz group owned 30,744,048 shares out of a total of 45,166,747 shares, corresponding to 68.07% of the share capital of Euler Hermes. Consequently, Euler Hermes is integrated into Allianz consolidation scope.

During the first quarter 2012, 7,270 new shares were created by the exercise of options. As at March 31, 2012, Euler Hermes' share capital was composed of 45,166,747 shares, including 1,265,644 shares held in treasury stock.

Follow-up on "Excellence" Project

In 2010, Euler Hermes initiated the Excellence Project for increased business efficiency. As of December 31, 2010, the impact on the accounts included a restructuring provision of €56.6 million and a restructuring expense of €15.9 million.

The project is on track and workers councils agreements have been reached in all countries in the course of 2011. As of December 31, 2011, the restructuring provision had been partially used and amounted to €45.9 million.

After further use in the first quarter 2012, the balance at March 31, 2012 amounted to €42.5 million.

Note 2 IFRS accounting and valuation rules

Euler Hermes SA is a company domiciled in France. The head quarter of Euler Hermes SA is located 1 rue Euler 75008 Paris. The consolidated financial statements as at March 31, 2012 include Euler Hermes SA and its subsidiaries (the whole designated as "the Group" and each subsidiary individually as "the entities of the Group") and the quota-share of the Group in its associated companies or joint ventures.

Euler Hermes SA is registered in RCS with the reference number 552 040 594.

The financial statements of the Euler Hermes group as at March 31, 2012 were approved by the Group Management Board of May 15, 2012 and presented to the Supervisory Board of May 16, 2012.

2.1. General Principles

In accordance with European regulation no. 1606/2002 of July 19, 2002, the interim consolidated financial statements published at March 31, 2012 were prepared in accordance with IAS 34 as adopted by the European Union. International accounting standards comprise IFRS (International Financial Reporting Standards) and IAS (International Accounting Standards), together with their interpretative texts.

The standards and interpretations applied stem essentially from:

- IAS/IFRS and their interpretative texts whose application is mandatory at March 31, 2012 as adopted by the European Union,
- Guidance provided in CNC recommendation no. 2009-R05 relating to the format of financial statements prepared by insurance firms under international accounting guidelines.

The financial statements are presented in euros, the functional currency, rounded to the nearest thousand. They have been prepared on a historical cost basis except for asset and liability items relating to insurance policies, which are measured in accordance with the methods already applied by the group and financial instruments measured at fair value (financial instruments at fair value through the consolidated income statement and available-for sale financial instruments). Non-current assets and groups of assets held with a view to being sold are measured at the lower of carrying amount and fair value less selling costs.

2.2. Consolidation scope

At the beginning of year 2012, Euler Hermes created an investment fund named PIMCO Funds Ireland which parts are owned by several entities of the Group.

The Group created during the 1st quarter 2012 a holding company in Luxembourg named Euler Hermes Luxembourg Holding S.a.r.l.

Notes to the consolidated financial statements

2.3. Use of estimates

The production of the consolidated financial statements of Euler Hermes is based on estimates for a part of assets and liabilities items. The management is susceptible to review these estimations in case of changes that can put into questions the circumstances on which they have been established or by the consideration of a new information or accrued experience.

The estimates concerning technical provisions are also detailed in the part Risk Management of the 2011 Registration Document.

The table below summarizes the methods of assessment of estimates for the main aggregates of the balance sheet:

Estimate		Communicated Information
Note 3	Impairment of goodwill	An impairment of goodwill is recognised when the higher of the Cash Generating Unit's value in use (present value of future cash flows) and fair value less any selling costs is less than its carrying amount (share of net assets and goodwill). The fair value of the Cash Generating Unit's is based on assumptions of capital costs, growth rate to infinity and loss ratio & standard retention rates used in the calculation of the final values.
Note 4	Fair value of real estate held for investments & for use	The fair value of buildings is estimated based on market prices, adjusted, where applicable, to take into account the nature, location or other specific features of the building concerned.
Note not published	Provisions for risks and charges	Provisions for risks and charges are measured in accordance with IAS 37 and are reviewed and adjusted at each balance sheet date to reflect the best estimate at this date.
Note 8	Earned but not recorded premiums reserves	This reserve is established based on the estimate of the amount of premiums expected on the period less the amount of premiums recorded on the period.
Note 8	Provisions for salvages & recoveries	This reserve represents the estimate of potential recoveries on settled claims by a statistical calculation based on the evolution of salvages & recoveries by year of attachment on previous exercises. They take into consideration a provision for administration charges determined in accordance with actual observed expenses.
Note 8	Bonus & profit commission reserve	This reserve is intended to cover the future cost corresponding to premium rebates to be granted to policyholders under the terms of policies giving policyholders a share in their technical positive results.
Note 8	Reserves for claims payable	This reserve corresponds to a statistical estimate of the cost of all outstanding claims, that is to say claims reported but not yet settled.
Note 8	IBNR reserve	In credit-insurance, the IBNR are calculated to cover: The claims which occurred before the closing and will be known only on the next period. The claims related to commercial receivables accounted before the closing and covered by a warranty which will occur and be known only on the next period. They are determined based on statistical models integrating historical data as well as future developments based on estimates.
Note not published	Employee benefits	The related commitments are measured in accordance with IAS 19 and are reviewed yearly by independent actuaries. The commitment is recognised in the balance sheet using the projected unit credit method, based on the group actuarial assumptions.
Note not published	Stock options plans	The fair value of the liabilities resulting from the SAR (Stock Appreciation Rights) and RSU (Restricted Stocks Units) plans is reassessed at each balance sheet date based on the Allianz share price, until expiry of the obligation, and is calculated using the Cox-Ross-Rubinstein binomial valuation model.

Notes to the consolidated financial statements

Note 3 Goodwill

In accordance with IFRS 3, goodwill are not amortized but are subject to impairment tests which are performed on a systematic annual basis and as soon as there is any indication of loss in value.

(in thousands)	March 31, 2012					December 31, 2011	
	Italy	United Kingdom	United States	Benelux countries	Other	Total	Total
Opening balance							
Gross value	6 229	65 836	32 768	8 242	8 613	121 688	118 720
Impairment losses	(409)	(11 872)	-	-	-	(12 281)	(11 007)
Carrying amount	€5 820	€53 964	€32 768	€8 242	€8 613	€109 407	€107 713
Change during the year							
Opening carrying amount	5 820	53 964	32 768	8 242	8 613	109 407	107 713
Changes in gross value	-	-	-	-	-	-	-
Outgoing entities & Held for sale transfer	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-
Changes in foreign currency translation adjustments	-	(10)	(929)	(10)	214	(598)	2 606
Impairment losses	-	-	-	-	-	-	(912)
Closing carrying amount	5 820	54 091	31 839	8 232	8 827	108 809	109 407
Closing Balance							
Gross value	6 229	65 973	31 838	8 232	8 828	121 100	121 688
Impairment losses	(409)	(11 882)	-	-	-	(12 291)	(12 281)
Carrying amount	€5 820	€54 091	€31 838	€8 232	€8 828	€108 809	€109 407

Notes to the consolidated financial statements

Note 4 Investment and operating property

(in thousands)	March 31, 2012		December 31, 2011	
	Investment property	Operating property	Investment property	Operating property
Balance as opening period				
Gross value	6 144	187 356	13 232	184 231
Depreciation	(2 125)	(56 627)	(3 909)	(50 234)
Impairment losses	-	(6 797)	-	(6 797)
Carrying amount	€4 019	€123 932	€9 323	€127 200
Change during the year				
Carrying amount as opening period	4 019	123 932	9 323	127 200
Acquisitions	-	-	-	3 000
Change in consolidation scope	-	-	-	-
Disposals	(368)	(323)	(5 188)	-
Reclassifications	-	-	-	-
Changes in foreign currency translation adjustments	-	(85)	-	108
Net depreciation	(12)	(2 043)	(117)	(6 376)
Net provisions for impairment	-	-	-	-
Other changes	-	-	-	-
Carrying amount at the end of the period	3 639	121 481	4 018	123 932
Balance at the end of the period				
Gross value	5 206	186 859	6 144	187 356
Depreciation	(1 567)	(58 581)	(2 125)	(56 627)
Impairment losses	-	(6 797)	-	(6 797)
Carrying amount	€3 639	€121 481	€4 019	€123 932
Fair value	€12 451	€228 023	€12 312	€229 162

Amounts recorded in the income statement	Three months ended March 31,	
Investment property	2012	2011
Rental revenues from investment property	201	310
Direct operating expenses relating to property	(32)	(59)

Note 5 Financial investments

Classification by accounting method

For an instrument that is listed on an active market, the fair value is the bid price on the valuation date for an asset held or a liability to be issued and the offer price for an asset intended to be purchased or a liability intended to be held. If such prices are not available, the fair value is estimated based on the most recent transaction price.

If there is no active market for a given financial instrument, the group estimates the fair value using a valuation technique. Valuation techniques include the use of recent transactions under normal competitive conditions between informed and consenting parties, where available, reference to the current fair value of another instrument that is identical in substance, the analysis of discounted cash flows and option valuation models.

Notes to the consolidated financial statements

Classification by investment category

(in thousands)	March 31, 2012						December 31, 2011					
	Historical value	Revaluation reserve	Net carrying amount	Fair value	Listed	Non listed	Historical value	Revaluation reserve	Net carrying amount	Fair value	Listed	Non listed
Held-to-maturity assets												
Bonds	491	-	491	491	300	191	491	-	491	491	300	191
Total held-to-maturity assets	€491	-	€491	€491	€300	€191	€491	-	€491	€491	€300	€191
Available-for-sale assets												
Equities	118 873	14 630	133 503	133 503	2 649 967	384 890	120 226	10 195	130 421	130 421	2 756 938	57 277
Bonds	2 826 237	75 117	2 901 354	2 901 354	-	-	2 639 057	44 737	2 683 794	2 683 794	-	-
Total Available-for-sale assets	€2 945 110	€89 747	€3 034 857	€3 034 857	€2 649 967	€384 890	€2 759 283	€54 932	€2 814 215	€2 814 215	€2 756 938	€57 277
Loans, deposits and other financial investments												
	589 320	-	589 320	589 320	-	-	743 611	-	743 611	743 611	-	-
Total loans, deposits and other financial investments	€589 320	-	€589 320	€589 320	-	-	€743 611	-	€743 611	€743 611	-	-
Total Financial investments (excluded investments in consolidated enterprise)	€3 534 921	€89 747	€3 624 668	€3 624 668	€2 650 267	€385 081	€3 503 385	€54 932	€3 558 317	€3 558 317	€2 757 238	€57 468

For unlisted investments, the group estimates the fair value using a valuation technique. Valuation techniques include the use of recent transactions under normal competitive conditions between informed and consenting parties, where available, reference to the current fair value of another instrument that is identical in substance, the analysis of discounted cash flows and option valuation models. The non listed investments are mainly German mortgage bonds (Pfandbriefe).

(in thousands)	March 31, 2012				December 31, 2011			
	Historical value	Revaluation reserve	Net carrying amount	Fair value	Historical value	Revaluation reserve	Net carrying amount	Fair value
- Equities:	118 873	14 630	133 503	133 503	120 226	10 195	130 421	130 421
- Bonds:	2 826 237	75 117	2 901 354	2 901 354	2 639 057	44 737	2 683 794	2 683 794
- Loans and other investments	589 320	-	589 320	589 320	743 611	-	743 611	743 611
Total Financial investments	€3 534 921	€89 747	€3 624 668	€3 624 668	€3 503 385	€54 932	€3 558 317	€3 558 317

EH Group didn't account any significant impairment as of March 31, 2012. EH Group doesn't hold any financial assets such as "dynamic treasury mutual funds" or "subprime investments".

Fair value hierarchy

Available-for-sale assets

(in thousands)	March 31, 2012		
	Level 1	Level 2	Level 3
Available-for-sale assets	2 813 996	166 284	54 577

The level 1 is mainly composed of listed bonds and stocks on an active market.

The level 2 is mainly composed of parts of Allianz 3 years bond (for an amount of €160 million), German mortgage bonds (Pfandbriefe).

The level 3 is mainly composed of participation in a Private Equity Funds, non consolidated shares and of Moroccan & Hungarian non listed government bond.

Other financial investments

The HTM bond, the loans and the other investments are valued at cost. As a consequence their hierarchical ranking is level 1.

Notes to the consolidated financial statements

Exposure of the Group to countries which have a restructuring plan of their sovereign debt (Greece, Ireland, Spain & Portugal)

Greece

The Group has no exposure to the Greek debt.

Portugal

Portuguese company COSEC, at equity method consolidated within Euler Hermes is exposed locally at the level of (in thousands):

Maturity	Total exposure	Market value	Unrealized gains or losses
2012	15 274	15 243	(31)
2013	3 446	3 181	(266)
2014	642	510	(132)
2015	916	667	(250)
	20 278	19 600	(678)

Ireland

The Group has no exposure to the Irish debt.

Spain

The Group has no more exposure to the Spanish debt.

Exposure of the Group to the sovereign debt of Italy:

The Euler Hermes group is exposed to the Italian sovereign debt for a nominal of €60,500 thousand and for a market value of €60,942 thousand (€38,483 thousand with a 2012 maturity and €22,459 thousand with a 2013 maturity).

Exposure of the Group to the sovereign debt of Hungary:

The Euler Hermes group is exposed to the Hungarian sovereign debt through its local subsidiary company for a nominal and for a market value of €337 thousand (maturity 1st half 2012).

All investments mentioned above are recorded at fair market value in investment available for sale (AFS).

Movements of the periods

(in thousands)	March 31, 2012			December 31, 2011	
	Held-to-maturity investments	Available-for-sale investments	Loans, deposits and other financial investments	Total	Total
Carrying amount as opening period	€491	€2 814 215	€743 611	€3 558 317	€3 438 756
Increase in gross value	-	840 873	279 769	1 120 642	2 479 332
Decrease in gross value	-	(651 467)	(430 456)	(1 081 923)	(2 331 877)
Revaluation	-	38 832	-	38 832	(12 186)
Impairment	-	1 619	-	1 619	(5 830)
Changes in foreign currency translation adjustments	-	(6 480)	394	(6 086)	8 115
Reclassifications	-	-	-	-	-
Other changes	-	(2 735)	(3 998)	(6 733)	(17 993)
Carrying amount as closing period	€491	€3 034 857	€589 320	€3 624 668	€3 558 317

The other variations of available for sale investments are mainly the amortizations of premiums / discounts of the bonds.

Notes to the consolidated financial statements

Note 6 Investments accounted for by the equity method

Information on equity-accounted investments

(in thousands)		March 31, 2012				
Company	Country	Assets ⁽¹⁾	Shareholders' equity ⁽²⁾	Turnover ⁽³⁾	Net income	% of capital held
OeKB Beteiligungs- und Management A.G.	Austria	198 096	132 194	20 930	(29)	49.00%
Graydon Holding N.V.	Netherlands	50 921	19 098	16 897	1 575	27.50%
Companhia de Seguro de Creditos SA (COSEC)	Portugal	108 083	47 484	9 956	(434)	50.00%
The Israeli Credit Insurance Company Ltd	Israel	74 662	37 060	6 961	1 821	33.33%
		€431 762	€235 836	€54 744	€2 933	

(1) Assets based on IFRS statements as at December 31, 2011.

(2) Shareholders' equity based on IFRS statements as at December 31, 2011 including goodwill.

(3) The turnover corresponds to the turnover in the IFRS statements as ¼ of 2011 year.

(in thousands)		December 31, 2011		March 31, 2011		
Company	Country	Assets	Shareholders' equity	Turnover	Net income	% of capital held
OeKB Beteiligungs- und Management A.G.	Austria	186 250	114 016	19 333	6 757	49.00%
Graydon Holding N.V.	Netherlands	54 918	7 095	17 973	3 745	27.50%
Companhia de Seguro de Creditos SA (COSEC)	Portugal	131 825	38 838	9 700	1 954	50.00%
The Israeli Credit Insurance Company Ltd	Israel	69 812	32 766	6 733	1 122	33.33%
		€442 805	€192 715	€53 739	€13 579	-

Movements during the period

(in thousands)	March 31, 2012	December 31, 2011
Opening carrying amount	€105 196	€98 066
Increases	-	-
Decreases	-	(997)
Reclassification	-	-
Share of income for the period	809	17 038
Dividends paid	-	(8 417)
Impairment	-	-
Foreign exchange differences	(12)	(210)
Other changes	937	(284)
Closing carrying amount	€106 930	€105 196

Contribution to shareholders' equity (without equity method income of 2012)

(in thousands)	March 31, 2012	December 31, 2011	
OeKB Beteiligungs- und Management A.G.	Austria	64 775	55 868
Graydon Holding N.V.	Netherlands	5 252	1 951
Companhia de Seguro de Creditos SA (COSEC)	Portugal	23 742	19 419
The Israeli Credit Insurance Company Ltd	Israel	12 352	10 921
Share of shareholders' equity	€106 121	€88 159	

Contribution to income

(in thousands)	Three months ended March 31,		
	2012	2011	
OeKB Beteiligungs- und Management A.G.	Austria	(14)	3 311
Graydon Holding N.V.	The Netherlands	433	1 030
Companhia de Seguro de Creditos SA (COSEC)	Portugal	(217)	977
The Israeli Credit Insurance Company Ltd	Israel	607	374
Share of total income	€809	€5 692	

Notes to the consolidated financial statements

Note 7 Cash and cash equivalents

(in thousands)	March 31, 2012	December 31, 2011
Cash in bank and at hand	388 332	317 077
Cash pooling	91 978	30 261
Total cash	€480 310	€347 338
Total cash per balance sheet	480 310	347 338
Cash equivalents reflected in the cash flow statement	-	-
Cash pooling creditor with Allianz	(350)	(350)
Total cash and cash equivalents	€479 960	€346 988

Note 8 Technical reserves

(in thousands)	December 31, 2011	Allowance net of writebacks	Foreign exchange differences	Other changes	March 31, 2012
Reserve for unearned premiums	311 752	97 662	116	2 907	412 437
Reserve for claims net of forecasts of recoveries	1 422 871	(122 913)	(1 568)	689	1 299 079
Reserve for no-claims bonuses and rebates	164 642	(3 312)	100	77	161 507
Gross technical reserves	1 899 265	(28 563)	(1 352)	3 673	1 873 023
Reserve for unearned premiums	53 418	43 258	1 099	2 636	100 411
Reserve for claims net of forecasts of recoveries	457 763	(104 811)	(730)	685	352 905
Reserve for no-claims bonuses and rebates	34 780	(1 234)	(40)	51	33 557
Reinsurers' share of technical reserves	545 961	(62 787)	329	3 372	486 873
Net technical reserves	€1 353 304	€34 224	€(1 681)	€301	€1 386 150

Claims reserves

(in thousands)	March 31, 2012			December 31, 2011		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
Claims reserves gross of recoveries	1 770 593	(598 145)	1 172 448	1 625 729	(509 643)	1 116 086
Current period	296 955	(80 723)	216 232	923 395	(278 818)	644 577
Prior periods	1 473 638	(517 422)	956 216	702 334	(230 825)	471 509
Recoveries to be received	(471 514)	245 240	(226 274)	(202 858)	51 880	(150 978)
Current period	(30 729)	7 279	(23 450)	(103 123)	26 861	(76 262)
Prior periods	(440 785)	237 961	(202 824)	(99 735)	25 019	(74 716)
Claims reserves	€1 299 079	€(352 905)	€946 174	€1 422 871	€(457 763)	€965 108

Breakdown by type of reserve

(in thousands)	March 31, 2012			December 31, 2011		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
Reserves for unearned premiums	412 437	(100 411)	312 026	311 752	(53 418)	258 334
Claims reserves	1 299 079	(352 905)	946 174	1 422 871	(457 763)	965 108
of which, reserves for known claims	1 117 575	(437 647)	679 928	995 738	(351 103)	644 635
of which, reserves for late claims	550 685	(149 374)	401 311	530 033	(147 027)	383 006
of which, reserves for claims handling expenses	101 559	(11 122)	90 437	97 273	(11 512)	85 761
of which, other technical reserves	774	(2)	772	2 685	(1)	2 684
of which, recoveries to be received	(471 514)	245 240	(226 274)	(202 858)	51 880	(150 978)
No-claims bonuses and rebates	161 507	(33 557)	127 950	164 642	(34 780)	129 862
Technical reserves	€1 873 023	€(486 873)	€1 386 150	€1 899 265	€(545 961)	€1 353 304

Notes to the consolidated financial statements

Note 9 Breakdown of operating income

(in thousands)	Three months ended March 31,					
	2012			2011		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
Premiums and commissions	620 311	(220 339)	399 972	565 550	(202 239)	363 311
Premiums refunded	(30 899)	7 522	(23 377)	(31 092)	9 133	(21 959)
Gross premiums written - credit insurance	589 412	(212 817)	376 595	534 458	(193 106)	341 352
Change in unearned premiums	(97 688)	42 976	(54 712)	(81 860)	30 888	(50 972)
Earned premiums	491 724	(169 841)	321 883	452 598	(162 218)	290 380
Service revenues	98 158	-	98 158	91 509	-	91 509
Turnover	€589 882	€(169 841)	€420 041	€544 107	€(162 218)	€381 889
Net investment income	24 270	-	24 270	32 902	-	32 902
Claims paid	(322 572)	158 170	(164 402)	(133 547)	44 755	(88 792)
Claims reserves expense	126 807	(104 207)	22 600	(29 969)	1 903	(28 066)
Claims handling expense	(21 362)	273	(21 089)	(26 314)	489	(25 825)
Insurance services expense	(217 127)	54 236	(162 891)	(189 830)	47 147	(142 683)
Brokerage commissions	(55 447)	-	(55 447)	(52 280)	-	(52 280)
Other acquisition costs	(48 078)	-	(48 078)	(42 905)	-	(42 905)
Change in acquisition costs capitalised	13 538	-	13 538	5 960	-	5 960
Contract acquisition expense	(89 987)	-	(89 987)	(89 225)	-	(89 225)
Impairment of portfolio securities and similar	-	-	-	-	-	-
Administration expense	(59 711)	-	(59 711)	(52 262)	-	(52 262)
Commissions received from reinsurers	-	64 091	64 091	-	54 495	54 495
Other ordinary operating income and expense	(90 534)	-	(90 534)	(81 694)	-	(81 694)
Current operating income	€156 793	€(51 514)	€105 279	€163 998	€(60 576)	€103 422

Cost of claims

(in thousands)	Three months ended March 31,					
	2012			2011		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
Cost of claims for the current period	313 452	(81 140)	232 312	269 632	(68 635)	200 997
of which, claims paid	10 385	(2 160)	8 225	6 826	(1 749)	5 077
of which, claims reserves	283 964	(77 937)	206 027	241 961	(65 935)	176 026
of which, claims handling expenses	19 103	(1 043)	18 060	20 845	(951)	19 894
Recoveries for the current period	(29 801)	7 369	(22 432)	(25 700)	6 590	(19 110)
Recoveries received	(216)	77	(139)	125	(1)	124
Change in reserves for recoveries	(29 585)	7 292	(22 293)	(25 825)	6 591	(19 234)
Cost of claims from prior periods	232 160	(201 821)	30 339	(53 960)	14 429	(39 531)
of which, claims paid	372 151	(191 361)	180 790	166 527	(50 848)	115 679
of which, claims reserves	(142 250)	(11 230)	(153 480)	(225 570)	64 815	(160 755)
of which, claims handling expenses	2 259	770	3 029	5 083	462	5 545
Recoveries from prior periods	(298 684)	221 356	(77 328)	(141)	468	327
Recoveries received	(59 748)	35 273	(24 475)	(39 979)	7 843	(32 136)
Change in reserves for recoveries	(238 936)	186 083	(52 853)	39 838	(7 375)	32 463
Cost of claims	€217 127	€(54 236)	€162 891	€189 831	€(47 148)	€142 683

Note 10 Earnings per share and dividend per share

Earnings per share

	1st quarter ended March 31,	
	2012	2011
Distributable net income (in thousands of euros)	66 350	75 299
Weighted average number of ordinary shares before dilution	43 808 949	43 837 378
Earnings per share (€)	€1.51	€1.72
Distributable net income (in thousands of euros)	66 350	75 299
Weighted average number of ordinary shares after dilution	43 830 612	43 931 529
Diluted earnings per share (€)	€1.51	€1.71

Notes to the consolidated financial statements

The dilution impact takes into account the exercise of options.

The average number of shares resulting from dilution is 21,663 in March 2012 (94,151 in March 2011). The group share of net income is used as the basis for this calculation.

Dividend per share

The Board of Management will propose to the Shareholder's Meeting of May 25, 2012 the payment of a dividend of €4.4 by share concerning the 2011 fiscal year.

Note 11 Segment data

Segment assets are operating assets that can be directly attributed or reasonably allocated to a given segment. Segment liabilities are liabilities arising from operations that can be directly attributed or reasonably allocated to a given segment.

Segment profit and loss comprises income and expense resulting from operating activities that are directly attributable to a given segment and the relevant portion of income and expense that can reasonably be assigned to the segment, notably income and expense relating to sales to external customers and income and expense relating to transactions with other segments of the same company.

For the Euler Hermes group the primary segment is the geographic segment as it corresponds to the information presented to the group's management bodies.

Profit & loss by segment

Further to the transfer of operating responsibility of the Persian Gulf credit insurance and service activities (named Gulf Cooperation Council or GCC), the Euler Hermes Board of Management has decided to report these activities in the segment data Med. Countries and Africa for the 1st quarter 2012.

These activities were previously reported in the segment data Asia Pacific. Pro-forma 2011 will be established from June 2011 closing on. These activities generate a turnover of €4.5 million and a net income of €0.6 million for the 1st quarter 2012.

(in thousands)		1st quarter ended March 31 2012									
	Germany, Austria, Switzerland	France	Northern Europe	Mediterranean Countries & Africa	Americas	Asia Pacific	Reinsurance group	Group services	Inter- segment eliminations	GROUP	
Premiums written	208 656	98 820	134 713	83 250	66 399	16 007	360 962	-	(348 496)	620 311	
Premiums refunded	(14 953)	(8 032)	(4 909)	(1 740)	(878)	(316)	(20 380)	-	20 309	(30 899)	
Change in unearned premiums	(38 916)	(3 120)	(20 729)	(18 925)	(11 708)	(2 058)	(29 565)	-	27 333	(97 688)	
Earned premiums	154 787	87 668	109 075	62 585	53 813	13 633	311 017	-	(300 854)	491 724	
Service revenues	42 112	18 955	17 633	15 838	8 878	3 900	-	9 524	(18 682)	98 158	
Turnover - Intra-sectoral	196 899	€106 623	€126 708	€78 423	€62 691	€17 533	€311 017	€9 524	€(319 536)	€589 882	
Investment income	9 282	6 720	2 349	1 135	2 133	(1 183)	4 523	575	(1 264)	24 270	
<i>Of which, dividends</i>	-	-	-	-	-	-	-	-	-	-	
Total ordinary income	206 181	113 343	129 057	79 558	64 824	16 350	315 540	10 099	(320 800)	614 152	
Insurance services expense	(73 657)	(38 135)	(42 540)	(23 723)	(16 530)	(19 540)	(155 091)	293	151 796	(217 127)	
Outwards reinsurance expense	(97 821)	(61 364)	(82 480)	(46 225)	(38 482)	(9 674)	(150 350)	-	316 555	(169 841)	
Outwards reinsurance income	83 968	51 612	57 717	33 553	27 187	18 896	107 907	-	(262 513)	118 327	
Other income and expense	(78 750)	(41 704)	(51 144)	(30 338)	(25 057)	(10 109)	(99 385)	(17 441)	113 696	(240 232)	
Total other income and expense	(166 260)	(89 591)	(118 447)	(66 733)	(52 882)	(20 427)	(296 919)	(17 148)	319 534	(508 873)	
Ordinary operating income	39 921	€23 752	€10 610	€12 825	€11 942	€(4 077)	€18 621	€(7 049)	€(1 266)	€105 279	
Other operating income and expense	749	195	(17)	(76)	-	-	-	(250)	-	601	
Operating income	40 670	€23 947	€10 593	€12 749	€11 942	€(4 077)	€18 621	€(7 299)	€(1 266)	€105 880	
Financing expense	(65)	(38)	(1)	(98)	(22)	(1)	(154)	(4 532)	1 266	(3 645)	
Income from companies accounted for by the equity method	419	390	-	-	-	-	-	-	-	809	
Corporation tax	(12 355)	(7 599)	(2 197)	(4 473)	(4 549)	777	(5 071)	(349)	-	(35 816)	
Consolidated net income	28 669	16 700	8 395	8 178	7 371	(3 301)	13 396	(12 180)	-	67 228	
<i>a/w</i>	-	-	-	-	-	-	-	-	-	-	
Net income, group share	27 881	€16 606	€8 395	€8 182	€7 371	€(3 301)	€13 396	€(12 180)	-	€66 350	
Non controlling interests	788	94	-	(4)	-	-	-	-	-	878	

Notes to the consolidated financial statements

(in thousands)										
1st quarter ended March 31 2011										
	Germany, Austria, Switzerland	France	Northern Europe	Mediterranean Countries & Africa	Americas	Asia Pacific	Reinsurance group	Group services	Inter-segment eliminations	GROUP
Premiums written	194 461	88 378	129 014	73 489	58 173	14 258	287 746	-	(279 969)	565 550
Premiums refunded	(15 746)	(8 162)	(4 179)	(1 521)	(905)	(446)	(16 850)	-	16 717	(31 092)
Change in unearned premiums	(30 659)	(3 656)	(19 740)	(17 929)	(10 631)	(104)	(19 307)	-	20 166	(81 860)
Earned premiums	148 056	76 560	105 095	54 039	46 637	13 708	251 589	-	(243 086)	452 598
Service revenues	39 810	18 549	17 453	13 934	7 490	4 256	-	5 646	(15 629)	91 509
Turnover - intra-sectoral	187 866	€95 109	€122 548	€67 973	€54 127	€17 964	€251 589	€5 646	€(258 715)	€544 107
Investment income	5 981	16 486	3 243	1 942	2 533	(2 717)	6 715	(84)	(1 197)	32 902
<i>Of which, dividends</i>	-	-	-	-	-	-	-	-	-	-
Total ordinary income	193 847	111 595	125 791	69 915	56 660	15 247	258 304	5 562	(259 912)	577 009
Insurance services expense	(53 730)	(34 193)	(44 745)	(21 406)	(23 997)	(8 402)	(100 439)	-	97 082	(189 830)
Outwards reinsurance expense	(84 190)	(42 918)	(70 084)	(37 727)	(32 059)	(8 382)	(129 944)	-	243 086	(162 218)
Outwards reinsurance income	55 836	30 131	48 141	26 709	24 717	7 824	72 668	-	(164 384)	101 642
Other income and expense	(77 829)	(37 637)	(46 693)	(29 230)	(22 733)	(9 575)	(68 271)	(14 143)	82 930	(223 181)
Total other income and expense	(159 913)	(84 617)	(113 381)	(61 654)	(54 072)	(18 535)	(225 986)	(14 143)	258 714	(473 587)
Ordinary operating income	33 934	€26 978	€12 410	€8 261	€2 588	€(3 288)	€32 318	€(8 581)	€(1 198)	€103 422
Other operating income and expense	-	-	(33)	-	-	-	-	(1 200)	-	(1 233)
Operating income	33 934	€26 978	€12 377	€8 261	€2 588	€(3 288)	€32 318	€(9 781)	€(1 198)	€102 189
Financing expense	(44)	(27)	(299)	(81)	(1)	(2)	(168)	(4 850)	1 156	(4 316)
Income from companies accounted for by the equity method	4 341	1 351	-	-	-	-	-	-	-	5 692
Corporation tax	(9 485)	(6 599)	(2 500)	(2 862)	(1 260)	389	(7 035)	2 160	-	(27 192)
Consolidated net income	28 746	21 703	9 578	5 318	1 327	(2 901)	25 115	(12 471)	(42)	76 373
<i>o/w</i>	-	-	-	-	-	-	-	-	-	-
Net income, group share	28 099	€21 594	€9 578	€5 000	€1 327	€(2 901)	€25 115	€(12 471)	€(42)	€75 299
Non controlling interests	647	109	-	318	-	-	-	-	-	1 074

Depreciation, amortisation and provisions by segment

(in thousands)										
1st quarter ended March 31 2012										
	Germany, Austria, Switzerland	France	Northern Europe	Mediterranean Countries & Africa	Americas	Asia Pacific	Reinsurance group	Group services	Inter-segment eliminations	GROUP
Provisions for loans and receivables	119	(964)	78	13	22	-	1	392	-	€(339)

(in thousands)										
1st quarter ended March 31 2011										
	Germany, Austria, Switzerland	France	Northern Europe	Mediterranean Countries & Africa	Americas	Asia Pacific	Reinsurance group	Group services	Inter-segment eliminations	GROUP
Provisions for loans and receivables	63	(108)	48	(9)	-	-	-	251	-	€245

Amortisation and impairment charges on non-current assets are now analysed by function. Consequently, the breakdown is no longer directly visible in the consolidated income statement in the 2011 and 2012 financial statements.

Balance sheet by segment

(in thousands)										
March 31, 2012										
	Germany, Austria, Switzerland	France	Northern Europe	Mediterranean Countries & Africa	Americas	Asia Pacific	Reinsurance group	Group services	Inter-segment eliminations	GROUP
Goodwill	-	-	65 934	7 803	31 838	3 234	-	-	-	108 809
Other intangible assets	35 210	13 668	5 548	4 741	2 719	985	1 456	10 608	(2 892)	72 043
Investments - insurance businesses	673 382	801 476	(46 734)	250 567	80 396	8 737	619 424	1 697 147	(450 398)	3 633 997
Investments accounted for by the equity method	70 446	36 484	-	-	-	-	-	-	-	106 930
Share of assignees and reinsurers in the technical reserves and financial liabilities	178 436	111 127	248 418	210 227	91 434	50 210	254 403	-	(657 382)	486 873
Insurance and reinsurance receivables	73 147	75 889	223 421	63 015	76 576	34 739	324 057	-	(223 827)	647 017
Other assets	348 108	195 492	293 066	107 937	93 954	(15 164)	75 834	202 438	(241 225)	1 060 440
Total assets	€1 378 729	€1 234 135	€789 654	€644 290	€376 917	€82 741	€1 275 174	€1 910 193	€(1 575 724)	€6 116 109
Technical reserves	424 444	271 968	478 077	360 027	238 990	74 116	690 154	-	(664 753)	1 873 023
Liabilities related to inwards insurance and reinsurance transactions	19 161	68 233	52 094	31 047	4 334	6 316	116 432	384	(57 589)	240 412
Liabilities related to outwards reinsurance transactions	58 821	20 968	69 044	54 382	24 391	572	209 435	-	(167 805)	269 808
Other liabilities	416 181	274 909	120 661	180 816	50 353	10 326	31 496	693 682	(449 889)	1 328 535
Total liabilities	€918 607	€636 078	€719 876	€626 272	€318 068	€91 330	€1 047 517	€964 066	€(1 340 036)	€3 711 778

Notes to the consolidated financial statements

(in thousands)

December 31, 2011

	Germany, Austria, Switzerland	France	Northern Europe	Mediterranean Countries & Africa	Americas	Asia Pacific	Reinsurance group	Group services	Inter-segment eliminations	GROUP
Goodwill	-	-	65 688	7 803	32 768	3 148	-	-	-	109 407
Other intangible assets	34 056	12 555	5 875	4 204	3 035	976	1 455	11 222	(3 666)	69 712
Investments - insurance businesses	632 647	752 388	75 153	136 698	90 359	8 689	443 066	1 693 376	(264 582)	3 567 794
Investments accounted for by the equity method	70 027	35 169	-	-	-	-	-	-	-	105 196
Share of assignees and reinsurers in the technical reserves and financial liabilities	274 010	103 386	231 048	180 572	90 164	32 708	315 231	-	(681 158)	545 961
Insurance and reinsurance receivables	73 340	75 449	187 148	63 703	64 052	26 636	214 896	-	(170 097)	535 127
Other assets	278 645	145 537	169 670	93 082	74 728	(10 724)	74 285	167 225	(107 535)	884 913
Total assets	€1 362 725	€1 124 484	€734 582	€486 062	€355 106	€61 433	€1 048 933	€1 871 823	€(1 227 038)	€5 818 110
Technical reserves	523 314	272 544	448 935	349 071	229 151	52 809	720 533	-	(697 092)	1 899 265
Liabilities related to inwards insurance and reinsurance transactions	17 171	67 631	45 990	23 904	4 184	4 333	109 034	1 370	(56 605)	217 012
Liabilities related to outwards reinsurance transactions	18 515	11 874	38 729	34 800	16 060	285	73 594	-	(89 316)	104 541
Other liabilities	426 832	262 720	110 810	79 323	50 603	9 808	23 629	653 649	(315 961)	1 301 413
Total liabilities	€985 832	€614 769	€644 464	€487 098	€299 998	€67 235	€926 790	€655 019	€(1 158 974)	€3 522 231

Note 12 Related parties

Euler Hermes is owned mainly by the Allianz France group, which in turn is 100%-owned by the Allianz group. The breakdown of the Euler Hermes group shareholding is as follows:

	Number of shares	%
Allianz SA	26 864 230	59.48%
Allianz Vie	3 879 818	8.59%
Treasury shares	1 265 644	2.80%
Sub-total	32 009 692	70.87%
Public (bearer securities)	13 157 055	29.13%
Total	45 166 747	100.00%

Transactions

(in thousands)

Three months ended March 31,

	2012				2011			
	Allianz SE	Allianz Belgium	Allianz France SA & International	Related companies and joint ventures	Allianz SE	Allianz Belgium	Allianz France SA	Related companies and joint ventures
Operating income	11 770	-	-	840	13 453	-	-	3 980
Insurance services expense	(5 531)	-	-	(1 097)	556	-	-	(3 054)
Net income or expense on reinsurance	(7 368)	-	-	54	(10 268)	-	-	(26)
Financing expense	-	(1 379)	-	-	-	(1 364)	(752)	-
Other financial net incomes	(1 011)	-	-	(616)	(842)	-	-	(672)

Receivables and liabilities

(in thousands)

March 31, 2012

December 31, 2011

	Allianz SE	Allianz Belgium	Allianz France SA & International	Related companies and joint ventures	Allianz SE	Allianz Belgium	Allianz France SA & International	Related companies and joint ventures
Financial Investments (Allianz SE bond)	160 000	-	-	-	160 000	-	-	-
Current accounts (accrued interests included)	1 769	-	(1 207)	1 861	(41 112)	-	(1 207)	1 817
Net operating receivables	4 209	21	-	621	2 525	-	-	763
Borrowings (accrued interests included)	-	139 257	-	-	-	137 879	-	-
Operating liabilities	(5 309)	-	-	232	(3 018)	-	-	274

The following entities invested in Allianz SE 3 years corporate bond for a total amount of €160 million:

- Euler Hermes Reinsurance A.G.;
- Euler Hermes Kreditversicherungs A.G.;
- Euler Hermes holdings UK Plc.;
- Euler Hermes SIAC spa;
- Euler Hermes SFAC S.A..

The current account with Allianz SE corresponds to part of the group's cash position, which is centralised by Allianz SE under a cash pooling arrangement.

Borrowings mainly correspond to a loan contracted in 2010 with Allianz Belgium for €135 million with a term planned on June 24, 2020, at an annual fixed rate of 4,04 %.

Notes to the consolidated financial statements

Note 13 Commitments given and received

(in thousands)	March 31, 2012	December 31, 2011
Commitments received	€9 348	€9 462
* Deposits, sureties and other guarantees	9 348	9 462
Commitments given	€105 051	€107 292
* Deposits, sureties and other guarantees	105 051	107 292
<i>o/w</i>		
- Commitments to Citibank	50 000	50 000
- Commitments to Société Générale	37 546	38 643
- Commitments associated with membership of an EIG	63	51
- Securities buyback agreement	-	-

The given commitment of €50 million is aimed to cover Citibank's customers having signed a credit insurance policy with an EH subsidiary in the event that the latter fails to meet its credit insurance policy obligations.

The €37.5 million commitment is a guarantee to Romanian bank, BRD, a subsidiary of Société Générale Group, in relation to the issuance of bond policy by Euler Hermes Kredietverzekering NV.

Note 14 Subsequent events

No subsequent events occurred since March 31, 2012 closing which would impact the hypothesis of the quarterly closing.