

3M 2016 Financial results

Financial analysts meeting

April 29th, 2016





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1Q 2016 Operational highlights

Risk & commercial action plans initiated in 2015 to restore profitability in non-mature markets are ongoing.

For the first time since 2009 exposure decreased.

Prices are increasing in the emerging markets and North America but still under pressure in Western Europe.

Euler Hermes has sold its stake in Bürgel, a German information provider, on February 26, 2016, posting a €24.3 million realized gain before tax (€2 million after tax).

1Q 2016 Financial highlights

Turnover reaches €660.3 million, up +0.7% at constant exchange rates and scope⁽¹⁾. The slowdown in premium growth is offset by dynamic growth in service revenues (+8.8% at constant Fx and scope).

Net loss ratio all attachment years is 53.9%, compared to 50.8% in 1Q last year. The increase is due to lower net run offs. But net loss ratio improves over 3Q 2015 and 4Q2015.

Net cost ratio at 25.4%, in line with last year.

Operating income amounts €127.2 million, including a €24.3 million realized gain on the sale of Bürgel in February.

Net income Group Share stands at €101.2 million, up 16%.

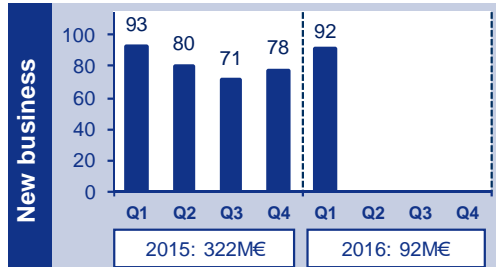
(1) For comparison purposes, published data 2015 has been restated excluding the service revenues from Bürgel (9.6m€ in 3M2015)



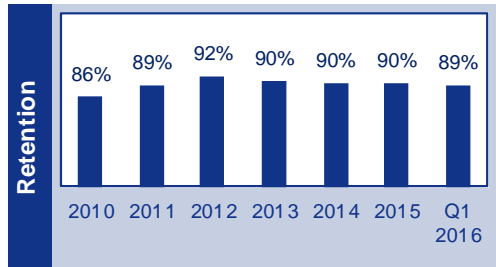
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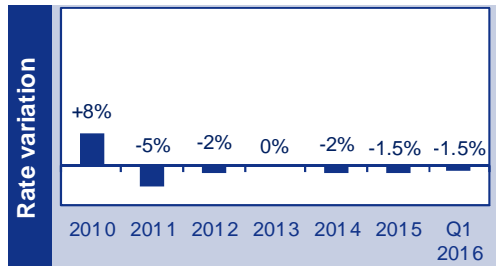
Commercial Overview – 1Q 2016



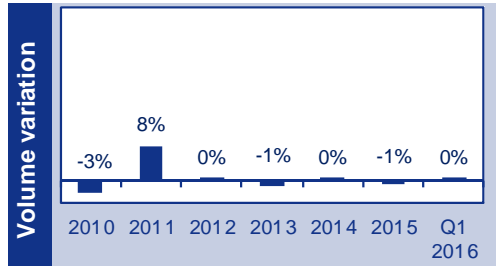
New business reached €92 million, the same level as 1Q last year, driven by strong new business from Italy, USA, new products and first signs of improvement in Germany.



At the end of 1Q 2016, the retention rate is slightly lower than previous years as a result of action plans initiated in non-mature markets and pricing initiatives in the multinational business.



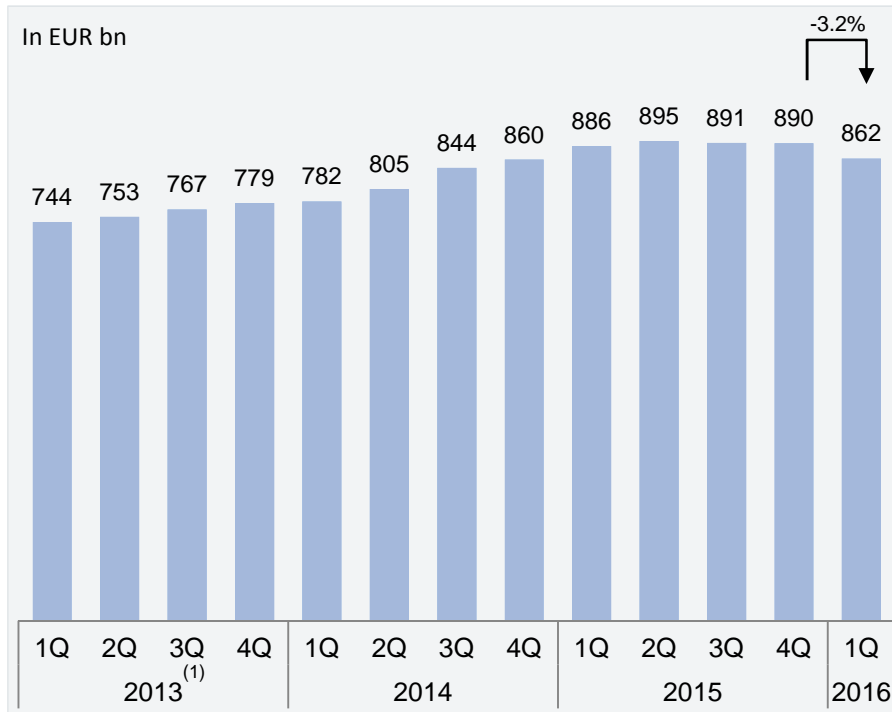
Renewal rate evolution is still negative globally due to continued pressure on profitable portfolios but rates increased in all emerging markets and in North America.



Contribution from customers' insured turnover is flat in total. Positive volume variation from Germany, France and multinational clients are offset by volume decreases in emerging markets.

Commercial data in this slide is credit insurance only (excludes bonding and fidelity) and do not include figures related to non-consolidated entities.

Action plans have a clear impact

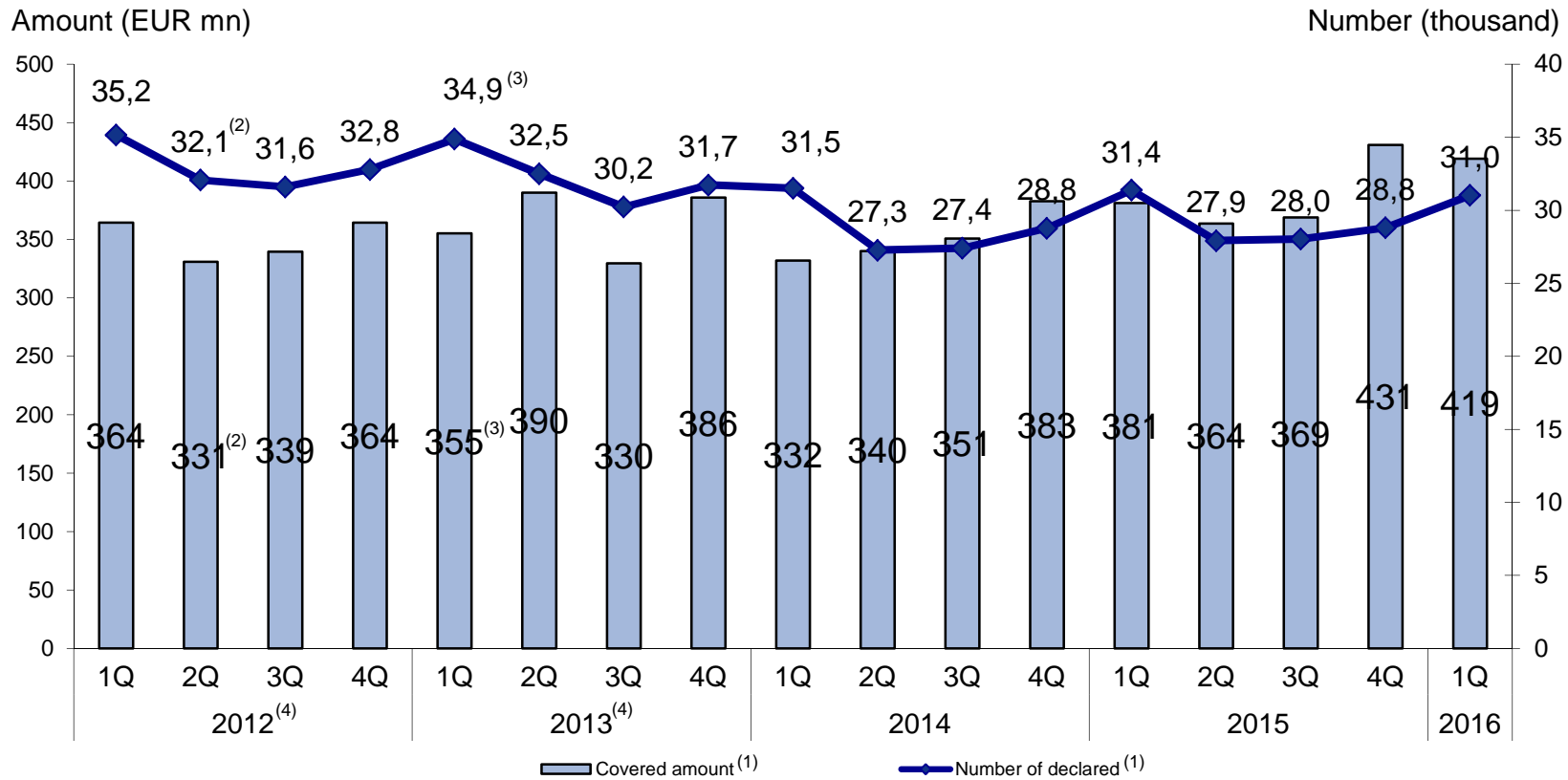


	4Q 2013 ⁽¹⁾	4Q 2014 ⁽¹⁾	4Q 2015	1Q 2016
Grade weight				
1-5	84.8%	85.4%	85.8%	86.0%
6-10	15.2%	14.6%	14.2%	14.0%

Exposure is decreasing for the first time since 2009 following risk action plans and the loss of large loss-making policies.

(1) 2013 proforma excluding Spain & Latin America
 Risk exposure data in this slide is credit insurance only (excludes bonding and fidelity)

New claims arrival above 1Q 2015 but under 4Q 2015



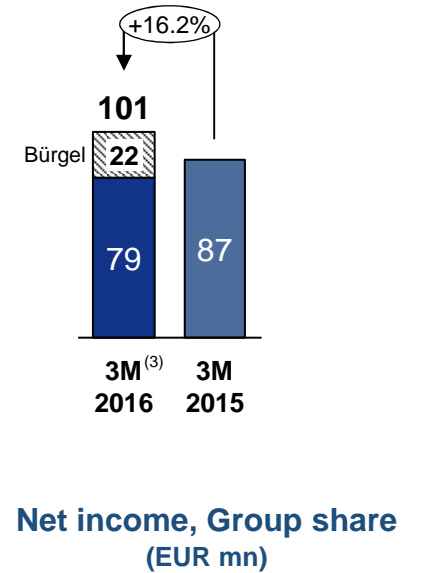
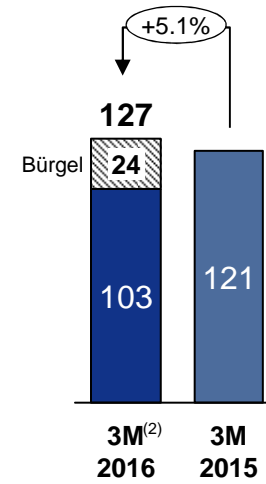
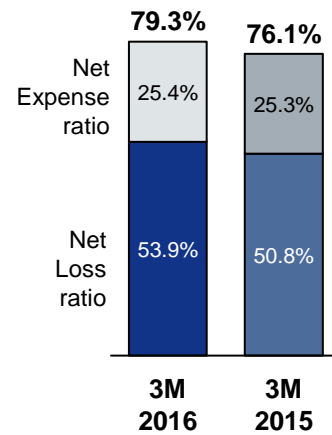
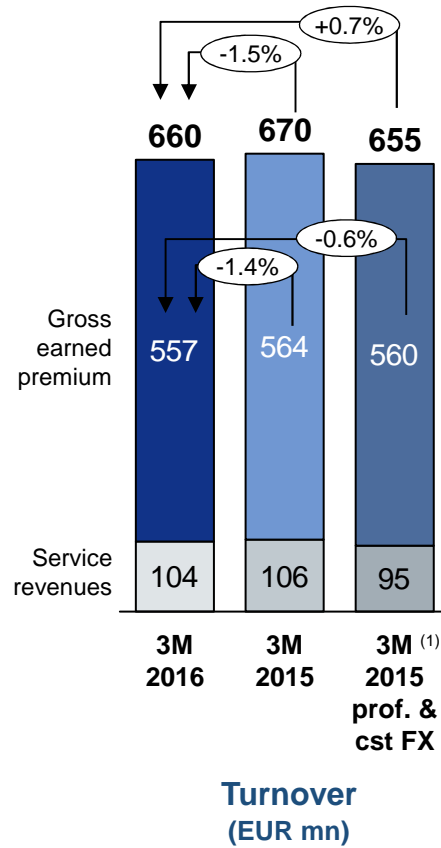
The trend in declared claims is still relatively high in 1Q 2016, although already lower than in 4Q 2015

(1) Credit insurance claims only (excludes bonding & fidelity)
 (2) Excluding Schlecker claim
 (3) Excluding Pescanova claim
 (4) 2012-2013 proforma excluding Spain & Latin America

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Net combined ratio is back below 80%



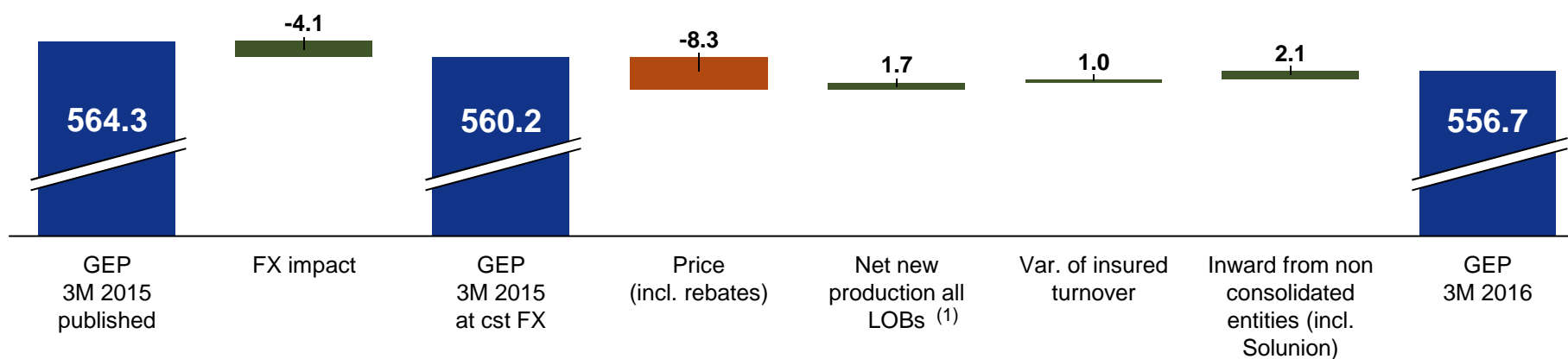
(1) 3M2015 proforma excluding service revenues from Bürgel (9.6m€ in 3M2015)
 (2) Of which 24.3m€ realised gain before tax from the Bürgel sale
 (3) Of which 22.4m€ realised gain net of tax from the Bürgel sale

Growth rates in emerging countries abated, impacted by risk and commercial action plans

EUR mn	3M 2016	3M 2015 Published	Δ %	3M 2015 Proforma & cst Fx	Δ %
DACH	181	189	-5%	181	0%
France	105	103	2%	103	2%
Northern Europe	137	143	-4%	142	-4%
Med. Countries, Middle East & Africa	90	88	3%	87	3%
Americas	85	82	4%	83	3%
Asia Pacific	39	35	10%	35	12%
Inward from non-consolidated OEs & Other ⁽¹⁾	24	31	-23%	24	0%
Turnover	660	670	-1.5%	655	0.7%

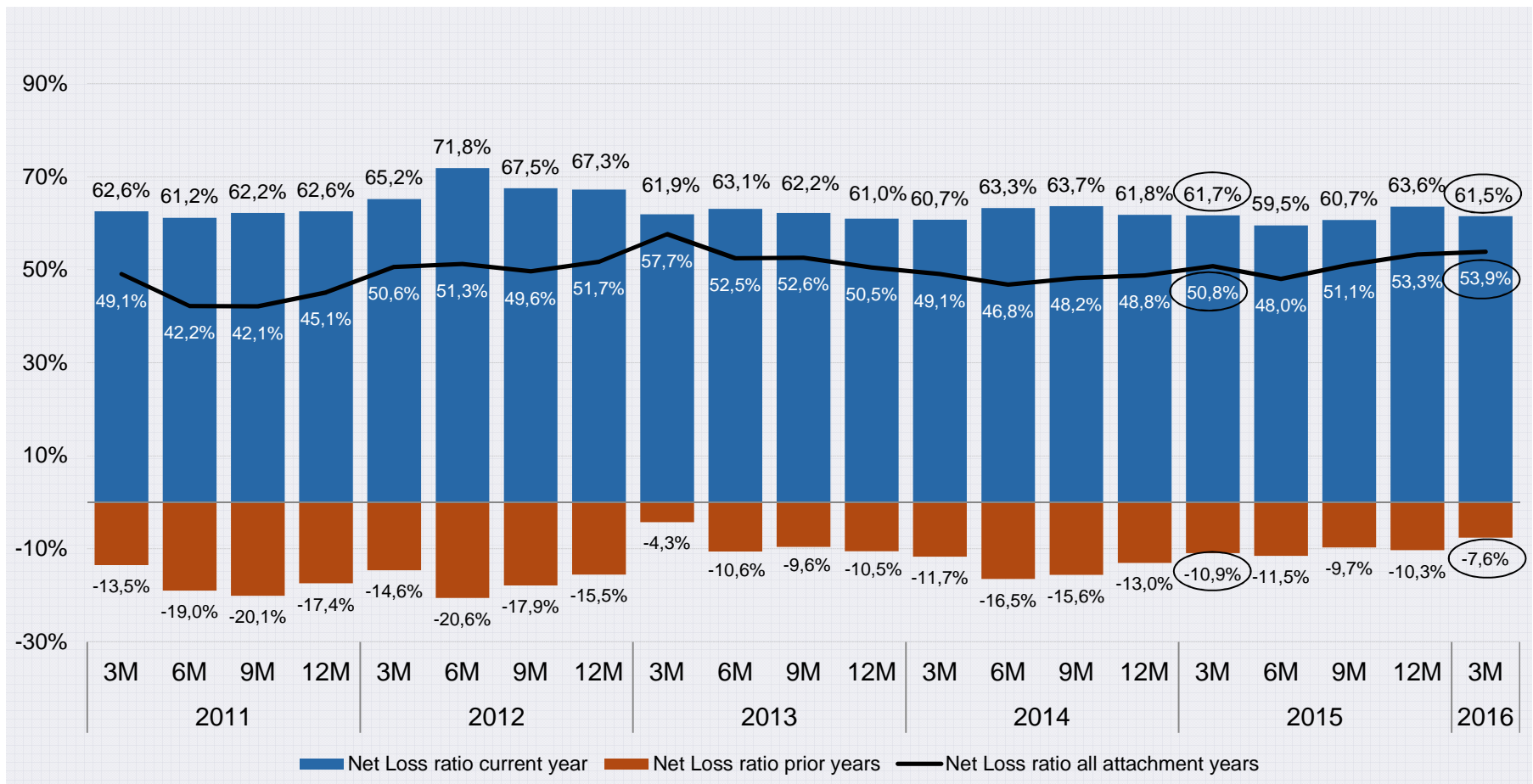
(1) Corporate entities + Inter-region elimination

Premium growth drivers (EUR mn)

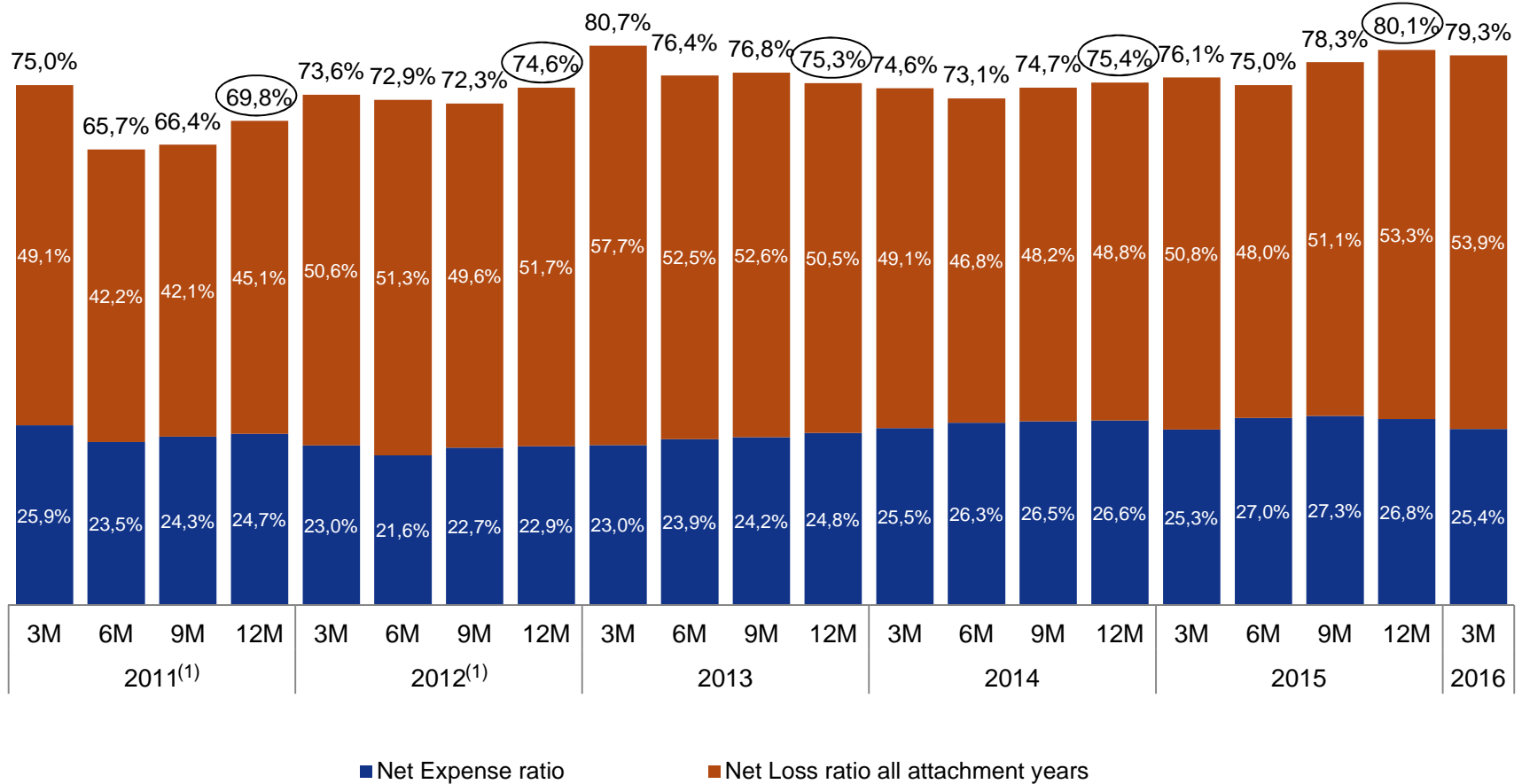


(1) New production net of wastages

Net loss ratio is at 53.9%, due to lower run-off than in first quarter last year. But 1Q 2016 net loss ratio improved versus 3Q 2015 and 4Q 2015.



Combined ratio is back below 80%



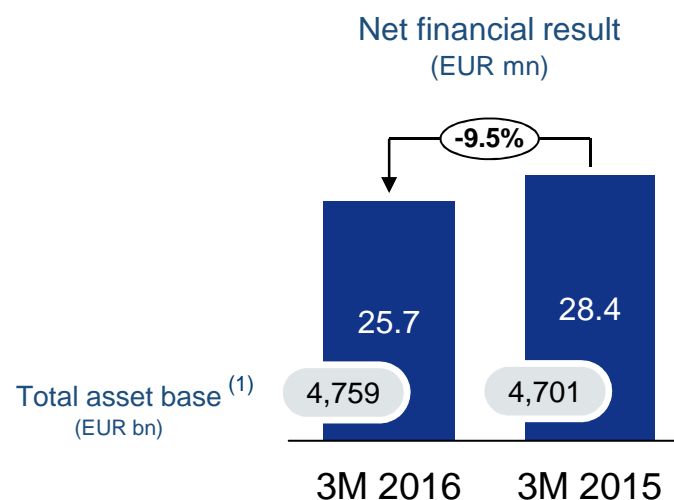
(1) IAS 19 restatement

Group reinsurance result evolution

EUR mn	3M 2016	3M 2015	Δ
Gross earned premium	557	564	-8
Ceded premium	-165	-161	-4
Net earned premium	392	403	-11
<i>Cession rate</i>	29.6%	28.5%	1.0 pt.
Gross claims costs	-273	-258	-15
Ceded claims costs	62	53	9
Net claims costs	-211	-205	-6
<i>Cession rate</i>	22.6%	20.6%	2.1 pt.
Reinsurance commission	60	61	0
<i>Reinsurance commission rate</i>	36.7%	37.5%	-0.8 pt.
Ceded technical result	-42	-47	5
Net technical result	78	94	-16
Net Claims ratio CY	61.5%	61.7%	-0.2 pts
Net Claims ratio PY	-7.6%	-10.9%	3.3 pt.
Net Claims ratio	53.9%	50.8%	3.1 pt.
Net Costs ratio	25.4%	25.3%	0.1 pt.
Net Combined ratio	79.3%	76.1%	3.2 pt.

Claims cession rate below yearly averages in both years linked to line of business mix in run-off

The net financial result is lower than last year, due to adverse Fx impact not fully compensated by higher realised gains



Current investment income	19.2	20.1
Investment management charges	-3.3	-2.5
Net change in foreign currency	-8.0	5.9
Net gain (loss) on sales of investments less impairment and depreciation write-backs	17.8	4.9
Net financial result before financing expense and before 'at equity' result ⁽²⁾	25.7	28.4

(1) Market value

(2) Share of income from companies accounted by the equity method

Operating income and net income are up 5% and 16% respectively, due to realised gain on the sale of Bürgel

EUR mn	3M 2016	3M 2015	Δ
Net technical result	78	94	-16
Net financial income	26	28	-3
Ordinary operating Income	104	122	-18
Other non ordinary operating income and expense	23	-1	25
Operating income	127	121	6
Financing expenses	-1	-3	1
Income from non-consolidated companies	3	3	
Profit before tax	129	121	8
Corporation tax	-27	(2) -33	6
Minority interest	0	0	1
Net income (Group share)	101	87 ⁽¹⁾	14
Tax rate	21.3%	27.6%	

(1) Net result not including the impacts from the sale of Bürgel

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- **Ceded Claims Costs**

Gross Claims Costs corresponding to business assigned to reinsurers

- **Ceded Premium**

Premium corresponding to business assigned to reinsurers

- **Cession Rate**

Ceded Premium divided by Gross Earned Premium

- **Combined Ratio**

Sum of the Cost ratio and the Loss ratio

- **Cost ratio (or Expense ratio)**

Overheads and service margin as a proportion of earned premiums

- **Credit insurance**

Insurance against the risks of non-payment of companies trade receivables

- **Gross Claims Costs**

Claims Costs before reinsurance

- **Gross Earned Premium**

Earned premium before reinsurance

- **Gross Technical Result**

Result from insurance activities (excluding reinsurance operations and including service income and expenses)

- **Loss**

Situation in which a risk is realized and which entitles the policyholder to indemnification, thus triggering application of the indemnification provided for in the credit insurance policy.

- **Loss ratio (or Claim ratio)**

Claims costs as a proportion of the earned premiums

- **Net Claims Costs**

Gross Claims Costs net of reinsurance

- **Net Earned Premium**

Gross Earned Premiums net of reinsurance

- **Net Technical Result**

Result from insurance activities (including reinsurance operations and service income and expenses)

- **Outward commission**

Remuneration paid by the reinsurer to the ceding insurer for the premiums ceded

- **Premium**

Amount paid by the policyholder to the insurance company in exchange for risk coverage. A distinction is made between:

- **Written premium**

Amount invoiced during the period for coverage against the risks stipulated in the policy

- **Earned premium**

Portion of the premium written during the period or earlier corresponding to the coverage of risks during the period concerned

- **Reinsurance**

An operation by which an insurer obtains cover from a third party (the reinsurer) for part of the risks that it has guaranteed, in exchange for the payment of a premium

- **Retention Rate**

Net Earned Premium divided by Gross Earned Premium

- **Run-off**

Claims reserves release related to previous years policies which risks are over

- **Services**

- **Information services**

Researches and analysis carried out to provide our policyholders with the required credit insurance cover, and monitoring of the solvency of their customers

- **Collection services**

Extra-judicial and/or judicial procedure conducted by Euler Hermes to secure payment of a receivable from the debtor

- **Turnover**

Turnover is composed of gross earned premiums and service revenues

Investors relations

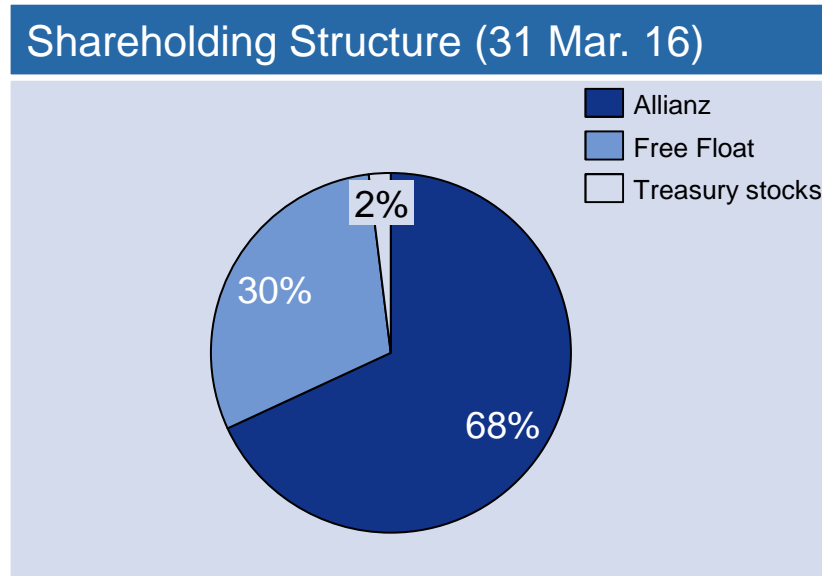
Next Events	Date
General Assembly	May 25 th , 2016
2Q 2016 Earnings (webcast)	Aug. 2 nd , 2016

Stock Market Data	As at 31 Mar. 16
Listing	Euronext Paris
Code	ELE.PA
Shares outstanding	45,342,177
Market cap. (€ mn)	3,611

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