

Condensed Consolidated Financial
Statements for the 1st half ended
June 30, 2008



A company of **Allianz** 

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CONSOLIDATED BALANCE SHEET

<i>(in thousands of euros)</i>	Notes	30/06/2008	31/12/2007
Goodwill	1	109 846	115 577
Other intangible assets		69 457	58 278
Intangible assets		179 303	173 855
Investment property	2	84 145	86 247
Financial investments	3	2 571 257	2 956 590
Derivatives		4 424	6 247
Investments- insurance businesses		2 659 826	3 049 084
Investments accounted for by the equity method	4	43 502	52 206
Share of assignees and reinsurers in the technical reserves and financial liabilities		389 585	365 455
Operating property and other property and equipment		161 037	158 442
Acquisition costs capitalised		55 017	32 872
Deferred tax assets		14 810	14 559
Inwards insurance and reinsurance receivables		619 518	429 507
Outwards reinsurance receivables		109 337	65 649
Corporation tax receivables		32 955	24 165
Other receivables		177 826	143 649
Other assets		1 170 500	868 843
Cash	5	571 967	378 103
TOTAL ASSETS		5 014 683	4 887 546
Capital stock		14 424	14 417
Additional paid-in capital		451 775	451 332
Reserves		1 308 794	1 125 417
Net income, group share		122 331	406 958
Revaluation reserve		(3 305)	90 438
Translation reserve		(47 080)	(29 821)
Shareholders' equity, group share		1 846 939	2 058 741
Minority interests		18 912	19 179
Total shareholders' equity		1 865 851	2 077 920
Provisions for risks and charges		111 972	127 174
Bank borrowings		2 315	-
Other borrowings		295 429	295 746
Borrowings		297 744	295 746
Gross non-life technical reserves	6	1 669 623	1 426 141
Liabilities related to contracts		1 669 623	1 426 141
Deferred tax liabilities		339 476	365 948
Inwards insurance and reinsurance liabilities		182 421	164 805
Outwards reinsurance liabilities		195 326	92 016
Corporation tax payables		65 153	71 942
Other		287 117	265 854
Other liabilities		1 069 493	960 565
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		5 014 683	4 887 546

CONSOLIDATED INCOME STATEMENT

<i>(in thousands of euros)</i>	Notes	30/06/2008	30/06/2007
Premiums written		1 023 265	969 054
Premiums refunded		(36 160)	(42 827)
Change in unearned premiums		(96 335)	(58 250)
Earned premiums		890 770	867 977
Premium-related revenues		192 850	183 989
Turnover	7	1 083 620	1 051 966
Investment income		72 266	69 912
Investment management charges		(12 667)	(8 900)
Net gain (loss) on sales of investments less impairment and depreciation writebacks		31 350	76 598
Change in fair value of investments recognised at fair value through profit or loss		(232)	1 467
Change in investment impairment provisions		(3 484)	(1 848)
Net investment income		87 233	137 229
Insurance services expense		(533 404)	(375 281)
Outwards reinsurance expense ⁽¹⁾		(215 175)	(249 616)
Outwards reinsurance income ⁽¹⁾		182 456	191 043
Net outwards reinsurance income or expense	7	(32 719)	(58 573)
Contract acquisition expense		(151 294)	(146 887)
Administration expense		(106 607)	(101 710)
Other ordinary operating income and expense		(145 360)	(147 453)
ORDINARY OPERATING INCOME		201 469	359 291
Other operating income and expense		-	-
OPERATING INCOME	7	201 469	359 291
Financing expense		(7 630)	(6 039)
Income from companies accounted for by the equity method	4	4 124	3 022
Corporation tax		(72 955)	(122 840)
CONSOLIDATED NET INCOME		125 008	233 434
Minority interests		(2 677)	(2 248)
NET INCOME, GROUP SHARE		122 331	231 186

⁽¹⁾ Following an in depth review of the chart of accounts, it was decided to reclassify amounts recorded under 'Outward reinsurance expenses' under 'Income from outward reinsurance'. At 30 June 2007, this reclassification would have a positive impact of €10.9 million to present:

- Outwards reinsurance expense: €238.7 million;
- Outwards reinsurance income: €180.1 million.

(in thousands of euros)

Three months ended June
30,

	2008	2007
<i>Premiums written</i>	476 852	458 096
<i>Premiums refunded</i>	(16 565)	(18 644)
<i>Change in unearned premiums</i>	(6 200)	5 520
Earned premiums	454 087	444 972
Premium-related revenues	102 397	94 211
Turnover	556 484	539 183
Investment income	40 510	42 630
Investment management charges	(3 724)	(5 325)
Net gain (loss) on sales of investments less impairment and depreciation writebacks	31 300	19 049
Change in fair value of investments recognised at fair value through profit or loss	137	2 018
Change in investment impairment provisions	(2 296)	(1 209)
Net investment income	65 927	57 163
Insurance services expense	(268 437)	(181 724)
Outwards reinsurance expense	(106 390)	(127 337)
Outwards reinsurance income	76 619	93 838
Net outwards reinsurance income or expense	(29 771)	(33 499)
Contract acquisition expense	(76 123)	(74 767)
Administration expense	(51 888)	(47 793)
Other ordinary operating income and expense	(69 163)	(77 181)
ORDINARY OPERATING INCOME	127 029	181 382
Other operating income and expense	-	-
OPERATING INCOME	127 029	181 382
Financing expense	(3 803)	(3 070)
Income from companies accounted for by the equity method	2 575	3 306
Corporation tax	(40 530)	(60 962)
CONSOLIDATED NET INCOME	85 271	120 656
Minority interests	(1 331)	(946)
NET INCOME, GROUP SHARE	83 940	119 710

CONSOLIDATED CASH FLOW STATEMENT

<i>(in thousands of euros)</i>	30/06/2008	30/06/2007
Net income, group share	122 331	231 186
Corporation tax	72 955	122 840
Financing expense	7 630	6 039
OPERATING INCOME BEFORE TAX	202 916	360 065
Minority interests	2 677	2 248
Allocation to and writebacks of depreciation, amortisation and reserves	41 065	21 374
Change in technical reserves	168 652	43 503
Change in deferred acquisition costs	(10 273)	(5 187)
Change in fair value of financial instruments recognised at fair value through the income statement (excluding cash and cash equivalents)	232	(1 467)
Realised capital gains/(losses) net of writebacks	(31 297)	(76 563)
Unrealised foreign exchange gain (loss) in company accounts	(1 898)	(3 657)
Revenues and expenses linked to stock options and similar	(403)	2 693
Interest revenues received	(55 792)	(49 838)
Interest revenues cashed	50 774	48 256
Adjustment for elements included in operating income that do not correspond to cash flows and reclassification of financing and investment flows	163 737	(18 638)
Income (loss) of companies accounted for by the equity method	(4 124)	(3 022)
Dividends received from companies accounted for by the equity method	5 870	837
Change in liabilities and receivables relating to insurance and reinsurance transactions	(33 658)	25 137
Variation des stocks	-	-
Change in operating receivables and liabilities	(6 254)	(12 398)
Change in other assets and liabilities	(9 032)	(4 753)
Corporation tax	(106 033)	(93 139)
Cash flow related to operating activities	(153 231)	(87 338)
Cash flow from operating activities	213 422	254 089
Acquisitions of subsidiaries and joint ventures, net of acquired cash	(1 219)	465
Cessions des filiales et co-entreprises, nettes de la trésorerie acquise	-	-
Acquisition of equity interests in companies accounted for by the equity method	-	(11 905)
Fusion	-	-
Others	-	-
Cash flow linked to changes in the consolidation scope	(1 219)	(11 440)
Disposals of AFS securities	959 784	565 000
Matured HTM securities	1 598	1 746
Disposals of investment properties	1 357	557
Disposals of securities held for trading	665	131
Cash flow linked to disposals and redemptions of investments	963 404	567 434
Acquisitions of AFS securities	(649 040)	(440 249)
Acquisitions of HTM securities	-	-
Acquisitions of investment properties	(118)	(12 621)
Acquisitions des titres de transaction (trading)	(1 492)	-
Cash flow linked to acquisitions of investments	(650 650)	(452 870)
Disposals of other investments and intangible assets	84 238	52 793
Acquisitions of other investments and intangible assets	(186 870)	(115 943)
Cash flow linked to acquisitions and disposals of other investments and intangible assets	(102 632)	(63 150)
Cash flow from investing activities	208 903	39 974

Increases and decreases in capital	656	1 260
<i>Increases in capital</i>	677	1 260
<i>Decreases in capital</i>	(21)	-
Change in treasury stock	(6 164)	8 580
Dividends paid	(220 882)	(177 070)
Cash flow linked to transactions with the shareholders	(226 390)	(167 230)
Changes in loans and subordinated securities	(747)	(431)
<i>Issue</i>	1 105	1 029
<i>Repayment</i>	(1 852)	(1 460)
Interest paid	(7 780)	(6 015)
Cash flow from group financing	(8 527)	(6 446)
Cash flow from financing activities	(234 917)	(173 676)
Impact of foreign exchange differences on cash and cash equivalents	4 844	(1 671)
Reclassification ⁽¹⁾	(10 174)	(58 487)
Other cash flows linked to restructuring operations	-	-
Other net changes in cash	(5 330)	(60 158)
Change in cash flows	182 078	60 229
Change in cash and cash equivalents	182 078	60 229
Cash and cash equivalents at start of period	388 421	402 418
Cash and cash equivalents at end of period	570 499	462 647

- (1) As at June 30, 2007, the reclassification of €58.5 million corresponds mainly to cash equivalents in available for sale securities not taken into account in the cash position as at December 31, 2006 for €1.4 million. The balance of + €2.9 million corresponds to the recognition under cash equivalents of short-term deposits not taken into account in the cash position at the start of the year.

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(in thousands of euros)	Capital stock	Additional paid-in capital	Retained earnings	Revaluation reserve	Other		Total other	Shareholders' equity, group share	Minority interests	Total shareholders' equity
					Translation reserve	Treasury shares				
Shareholders' equity at 31 December 2006, IFRS	14 384	448 058	1 368 855	124 910	10 892	(74 713)	(63 821)	1 892 386	19 153	1 911 539
Available-for-sale assets (AFS)										
Measurement gain / (loss) taken to shareholders' equity				(36 821)				(36 821)	(19)	(36 840)
Impact of transferring realised gains and losses to income statement										
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					(4 816)		(4 816)	(4 816)	14	(4 802)
Current and deferred tax taken directly to or transferred to shareholders' equity										
Net income recognised in shareholders' equity	-	-	-	(36 821)	(4 816)	-	(4 816)	(41 637)	(5)	(41 642)
Net income for the year			231 186					231 186	2 248	233 434
Total revenues and losses recognised for the period	-	-	231 186	(36 821)	(4 816)	-	(4 816)	189 549	2 243	191 792
Capital movements	7	755				4 177	4 177	4 939	-	4 939
Dividend distributions			(174 196)					(174 196)	(2 876)	(177 072)
Shareholders' equity component of share-based payment plans			1 326					1 326		1 326
Cancellation of gains/losses on treasury shares			4 403					4 403		4 403
Other movements			(84)			3 8	3 8	(46)	501	455
Shareholders' equity at 30 June 2007, IFRS	14 391	448 813	1 431 490	88 089	6 076	(70 498)	(64 422)	1 918 361	19 021	1 937 382

(in thousands of euros)	Capital stock	Additional paid-in capital	Retained earnings	Revaluation reserve	Other		Total other	Shareholders' equity, group share	Minority interests	Total shareholders' equity
					Translation reserve	Treasury shares				
Shareholders' equity as at December 31, 2007 - IFRS	14 417	451 332	1 607 947	90 438	(29 821)	(75 572)	(105 393)	2 058 741	19 179	2 077 920
Available-for-sale assets (AFS)										
Measurement gain / (loss) taken to shareholders' equity				(93 743)				(93 743)	(165)	(93 908)
Impact of transferring realised gains and losses to income statement										
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					(17 259)		(17 259)	(17 259)	122	(17 137)
Current and deferred tax taken directly to or transferred to shareholders' equity										
Net income recognised in shareholders' equity	-	-	-	(93 743)	(17 259)	-	(17 259)	(111 002)	(43)	(111 045)
Net income for the year			122 331					122 331	2 677	125 008
Total revenues and losses recognised for the period	-	-	122 331	(93 743)	(17 259)	-	(17 259)	11 329	2 634	13 963
Capital movements	7	443				(5 866)	(5 866)	(5 416)	-	(5 416)
Dividend distributions			(218 277)					(218 277)	(2 607)	(220 884)
Shareholders' equity component of share-based payment plans			858					858		858
Cancellation of gains/losses on treasury shares			(298)					(298)		(298)
Other movements			2					2	(294)	(292)
Shareholders' equity as at June 30, 2008 - IFRS	14 424	451 775	1 512 563	(3 305)	(47 080)	(81 438)	(128 518)	1 846 939	18 912	1 865 851

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Significant events

The following significant events occurred in the first half ended June 30, 2008:

Changes in the capital stock and share ownership

The Shareholders' General Meeting of May 15th, 2008 approved the payment of a dividend of €5.00 per share.

On June 30, 2008, the Allianz Group owned 30,744,048 shares out of a total of 45,073,963 i.e. 68.21% of the capital stock.

During the first half ended June 30, 2008, 21,450 new shares were created following the exercise of options under the 1998 and 2003 stock option plans. On June 30, 2008, Euler Hermes' capital stock was composed of 45,073,963 shares, including 1,464,444 treasury shares.

Ongoing international development

As at January 1, 2008, the Euler Hermes Chinese subsidiary Euler Hermes Information Consulting Co., Ltd opened in Shanghai. Euler Hermes Information Consulting Co., Ltd took over all activities from Euler Hermes Services Shanghai Representative Office, assessing and signing credit limits for Chinese risks.

As at February 26, 2008, Euler Hermes announced the opening of a subsidiary in Colombia located in Bogota. Euler Hermes Colombia will provide a host of accounts receivable management services to Colombian clients and give access to the Group's international network. In parallel, Euler Hermes clients worldwide will benefit from the new local risk underwriting presence in the region.

At the beginning of the 2nd quarter, Euler Hermes had strengthened its position in India with the creation of Euler Hermes Services India Private Limited. Euler Hermes began its activity in India in 2005 with a partnership signed with the local insurer Bajaj Allianz.

On April 7th, 2008 Euler Hermes announced the creation of Euler Hermes World Agency, a new subsidiary to serve multinational companies. Specifically created to meet the needs of multinational companies, Euler Hermes World Agency offers a dedicated team of experts and a unique portfolio of services to help them manage and secure their trade receivables.

On June 9th, 2008, Euler Hermes has signed a cooperation agreement with Qatar Insurance Company and its subsidiaries in Oman and Kuwait to provide credit insurance services in these three countries. Thanks to these cooperation and reinsurance agreements, companies based in Qatar, Oman and Kuwait now benefit from credit insurance, an efficient and flexible solution to mitigate trade credit risks. They can also rely on the expertise and knowledge of analysts who understand their local economic environment and culture to manage their trade receivables.

As at July 3rd, 2008, Euler Hermes and Rosno, both members of the Allianz group, have been co-operating in Russia since 2004. The two companies are now extending their partnership. Following the opening of a Euler Hermes Representative Office in Russia at Rosno's premises, the foundation of the company "OOO Euler Hermes Credit Management" represents a further step on the way to expanding private credit insurance cover both for Russian firms and for companies exporting to Russia.

Increase in the retention rate

The average group premium retention rate increased from 72% at end-June 2007 to 76% at end-June 2008. Net earned premiums on reinsurance grew by 7.36% between June 30, 2007 and June 30, 2008.

2 IFRS accounting and valuation rules

The financial statements of the Euler Hermes group as at June 30, 2008 were approved by the Board of Director's of July 28.

2.1 General principles

In accordance with European regulation no. 1606/2002 of July 19, 2002, the interim consolidated financial statements published at June 30, 2008 were prepared in accordance with IFRS 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 June 30, 2008 as adopted by the European Union,
- Guidance provided in CNC recommendation no. 2006-R01 relating to the format of financial statements prepared by insurance firms under international accounting guidelines.

As at June 30, 2008, Euler Hermes didn't anticipate the application of the following standards which will be mandatory applicable as of January 1, 2009:

- IAS 1 revised – Presentation of financial statements
- IAS 23 – Update related to the costs of borrowings
- IFRS 8 – Operational segments

The financial statements are presented in euros, 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 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. The balance sheet is presented in increasing order of liquidity.

2.2 Consolidation scope

The following changes in consolidation scope took place in the first half 2008:

Companies joining the group

The service companies Euler Hermes Information Consulting (Shanghai) Co., Ltd, Euler Hermes Colombia, Euler Hermes World Agency and Euler Hermes Services India Private Limited were fully consolidated with effect from January 1, 2008.

Companies leaving the group

In the period ended June 30, 2008, the equity method entity Lietuvos Draudimo Kreditu Draudimas has been sold out.

3 Notes to the financial statements

Note 1 Goodwill

In accordance with IFRS 3, goodwill is not amortized but instead is subject to annual impairment testing.

<i>(in thousands of euros)</i>							30/06/2008	31/12/2007
	France	Italy	United Kingdom	United States	Benelux countries	Other	Total	Total
Balance as of December 31, 2007								
Gross value	393	6 229	74 661	28 802	8 242	7 429	125 756	118 453
Impairment losses	-	(409)	(9 770)	-	-	-	(10 179)	(11 079)
Net carrying amount	393	5 820	64 891	28 802	8 242	7 429	115 577	107 374
Change during the year								
Net carrying amount as of December 31, 2007	393	5 820	64 891	28 802	8 242	7 429	115 577	107 374
Changes in gross value	-	-	505	-	-	-	505	9 457
Other changes	-	-	-	-	-	139	139	-
Reclassifications	-	-	-	-	-	-	-	7 549
Changes in foreign currency translation adjustments	-	-	(4 862)	(1 906)	-	394	(6 374)	(8 803)
Impairment losses	-	-	-	-	-	-	-	-
Net carrying amount as of March 31, 2008	393	5 820	60 533	26 896	8 242	7 962	109 846	115 577
Balance as of June 30, 2008								
Gross value	393	6 229	69 577	26 896	8 242	7 962	119 299	125 756
Impairment losses	-	(409)	(9 044)	-	-	-	(9 453)	(10 179)
Net carrying amount	393	5 820	60 533	26 896	8 242	7 962	109 846	115 577

Note 2 Investment and operating property

<i>(in thousands of euros)</i>	30/06/2008		31/12/2007	
	Investment property	Operating property	Investment property	Operating property
Balance as of December 31, 2007				
Gross value	105 915	194 273	105 196	180 908
Depreciation	(19 668)	(56 771)	(16 542)	(49 487)
Impairment losses	-	(10 014)	-	(10 014)
Net carrying amount	86 247	127 488	88 654	121 407
Change during the year				
Net carrying amount as of December 31, 2007	86 247	127 488	88 654	121 407
Acquisitions	-	118	-	12 988
Change in consolidation scope	-	-	-	1 450
Disposals	(783)	(11)	(139)	(965)
Reclassifications	(211)	197	617	-
Changes in foreign currency translation adjustments	32	(96)	241	(105)
Net depreciation	(1 140)	(1 742)	(3 127)	(7 287)
Net provisions for impairment	-	-	-	-
Other changes	-	-	-	-
Net carrying amount at the end of the period	84 145	125 954	86 246	127 488
	-	-	-	-
Balance at the end of the period				
Gross value	105 483	194 282	105 915	194 273
Depreciation	(21 338)	(58 315)	(19 668)	(56 771)
Impairment losses	-	(10 014)	-	(10 014)
Net carrying amount	84 145	125 953	86 247	127 488
Fair value	161 194	228 834	162 931	229 952

Amounts recorded in the income statement	Investment property	Operating property	Investment property	Operating property
Rental revenues from investment property	3 765	-	7 460	-
Direct operating expenses relating to property	(908)	-	(2 408)	-

Note 3 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.

	30/06/2008					31/12/2007				
	Amortized cost	Revaluation reserve	Net carrying amount	Fair value	Unrealized gain or loss	Amortized cost	Revaluation reserve	Net carrying amount	Fair value	Unrealized gain or loss
<i>(in thousands of euros)</i>										
Held-to-maturity assets										
Bonds:	14 445	-	14 445	14 445	-	15 977	-	15 977	15 962	(15)
<i>listed</i>				3 429					7 590	
<i>not listed</i>				11 016					8 372	
Total held-to-maturity assets	14 445	-	14 445	14 445	-	15 977	-	15 977	15 962	(15)
Available-for-sale assets										
Equities:	165 792	35 568	201 360	201 360	-	295 013	128 498	423 511	423 511	-
Bonds:	1 979 908	(32 062)	1 947 846	1 947 846	-	2 193 173	5 749	2 198 922	2 198 922	-
<i>listed</i>				2 011 717					2 477 305	
<i>not listed</i>				137 489					145 128	
Total available-for-sale assets	2 145 700	3 506	2 149 206	2 149 206	-	2 488 186	134 247	2 622 433	2 622 433	-
Trading assets										
Equities:	1 901	-	1 901	1 901	-	2 831	-	2 831	2 831	-
Bonds:	-	-	-	-	-	-	-	-	-	-
Total trading assets	1 901	-	1 901	1 901	-	2 831	-	2 831	2 831	-
Loans, deposits and other financial investments	405 705	-	405 705	405 705	-	315 349	-	315 349	315 349	-
Total loans, deposits and other financial investments	405 705	-	405 705	405 705	-	315 349	-	315 349	315 349	-
Total financial investments	2 567 751	3 506	2 571 257	2 571 257	-	2 822 343	134 247	2 956 590	2 956 575	(15)
<i>(in thousands of euros)</i>										
30/06/2008										
	Amortized cost	Revaluation reserve	Net carrying amount	Fair value	Unrealized gain or loss					
- Equities:	167 693	35 568	203 261	203 261	-	297 844	128 498	426 342	426 342	-
- Bonds:	1 994 353	(32 062)	1 962 291	1 962 291	-	2 209 150	5 749	2 214 899	2 214 884	(15)
- Loans and other investments	405 705	-	405 705	405 705	-	315 349	-	315 349	315 349	-
Total Financial Investments	2 567 751	3 506	2 571 257	2 571 257	-	2 822 343	134 247	2 956 590	2 956 575	(15)

Concerning the non listed 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 States bonds.

EH Group didn't account any impairment as of June 30, 2008. EH Group hadn't any financial assets such as "dynamic treasury mutual funds" or "subprime investments".

The loans and other investments are mainly composed of cash at hand waiting for investments.

Classification by investment category

<i>(in thousands of euros)</i>	30/06/2008					31/12/2007
	Held-to-maturity investments	Available-for-sale investments	Trading investments	Loans, deposits and other financial investments	Total	Total
Net carrying amount as of December 31, 2007	15 977	2 622 433	2 831	315 349	2 956 590	2 879 178
Increase in gross value	-	649 005	697	174 537	824 239	1 630 407
Decrease in gross value	(1 598)	(981 888)	(424)	(84 226)	(1 068 136)	(1 443 663)
Revaluation	-	(130 741)	-	-	(130 741)	(52 662)
Impairment	-	3 151	(291)	(342)	2 518	(1 344)
Changes in foreign currency translation adjustments	211	(24 605)	-	(721)	(25 115)	(38 200)
Reclassifications	-	4 736	(912)	3 314	7 138	(26 084)
Other changes	(145)	7 115	-	(2 206)	4 764	8 958
Net carrying amount as of March 31, 2008	14 445	2 149 206	1 901	405 705	2 571 257	2 956 590

The other movements in loans, deposits and other financial investments correspond to the reclassification of demand deposits under cash and cash equivalents on the balance sheet.

Note 4 Investments accounted for by the equity method

The equity method entity Lietuvos Draudimo Kreditu Draudimas has been sold out on the basis of an asset as at March 31th, 2008 of €2,529 thousand of which a loss of €506 thousand.

Information on equity-accounted investments

<i>(in thousands of euros)</i>	Company	Country	30/06/2008				% of capital held
			Assets ⁽¹⁾	Shareholders' equity ⁽²⁾	Turnover	Net income	
	Prisma Kreditversicherungs A.G.	Austria	49 955	23 224	22 166	(204)	49,00%
	Lietuvos Draudimo Kreditu Draudimas	Lithuania	2 289	-	1	351	0,00%
	Graydon Holding N.V.	The Netherlands	60 962	21 356	36 307	6 775	27,50%
	Companhia de Seguro de Creditos SA (COSEC)	Portugal	102 498	33 352	9 178	2 960	50,00%
	Israel Credit Insurance Company Ltd	Israel	41 497	28 722	7 211	2 106	33,33%
			257 201	106 654	74 863	11 988	

(1) Assets based on company financial statements as at March 31, 2008.

(2) Shareholders' equity based on company financial statements as at March 31, 2008 including goodwill.

<i>(in thousands of euros)</i>	Company	Country	31/12/2006			30/06/2007		% of capital held
			Assets	Shareholders' equity	Turnover	Net income		
	Prisma Kreditversicherungs A.G.	Austria	51 843	25 429	21 394	(741)	49,00%	
	Lietuvos Draudimo Kreditu Draudimas	Lithuania	4 376	4 608	4	392	51,00%	
	Graydon Holding N.V.	The Netherlands	54 800	23 582	35 580	9 065	27,50%	
	Companhia de Seguro de Creditos SA (COSEC)	Portugal	103 074	45 064	8 821	1 441	50,00%	
	Israel Credit Insurance Company Ltd	Israel	43 449	25 140	3 057	285	33,33%	
			257 542	123 823	68 856	10 442		

Movements during the period

<i>(in thousands of euros)</i>	30/06/2008	31/12/2007
Balance as of December 31, 2007	52 206	36 801
Increases	-	11 905
Decreases	(2 529)	-
Reclassification	-	-
Share of income for the period	4 124	8 277
Dividends paid	(5 870)	(5 452)
Impairment	-	-
Foreign exchange differences	492	-
Other changes	(4 921)	675
Net book value as of June 30, 2008	43 502	52 206

Contribution to shareholders' equity (without equity method income of 2008)

<i>(in thousands of euros)</i>	30/06/2008	31/12/2007
Prisma Kreditversicherungs A.G. Austria	11 480	10 851
Lietuvos Draudimo Kreditu Draudimas Lithuania	(179)	2 068
Graydon Holding N.V. The Netherlands	4 010	2 340
Companhia de Seguro de Creditos SA (COSEC) Portugal	15 196	21 007
Israel Credit Insurance Company Ltd Israel	8 871	7 663
Share of shareholders' equity	39 378	43 929

Contribution to income

<i>(in thousands of euros)</i>	30/06/2008	30/06/2007
Prisma Kreditversicherungs A.G. Austria	(100)	(363)
Lietuvos Draudimo Kreditu Draudimas Lithuania	179	200
Graydon Holding N.V. The Netherlands	1 863	2 493
Companhia de Seguro de Creditos SA (COSEC) Portugal	1 480	597
Israel Credit Insurance Company Ltd Israel	702	95
Share of total income	4 124	3 022

Note 5 Cash and cash equivalents

Balance Sheet

<i>(in thousands of euros)</i>	30/06/2008	31/12/2007
Cash in bank and at hand	395 502	303 732
Cash pooling	176 465	74 371
Total cash	571 967	378 103

Reconciliation with the cash flow statement

<i>(in thousands of euros)</i>	30/06/2008	31/12/2007
Total cash per balance sheet	571 967	378 103
Cash equivalents reflected in the cash flow statement	-	11 330
Cash pooling creditor with Allianz	(1 468)	(1 012)
Total cash and cash equivalents	570 499	388 421

At the end of 2007, the amounts taken into account in the cash position in the cash flow statement correspond to cash equivalents. These are short-term investments (less than three months) that are highly liquid and can readily be converted into a predetermined amount of cash and which are subject to a negligible risk of change in value.

As at June 30th, 2008, the subsidiaries booked their cash equivalents into the treasury account.

Note 6 Technical reserves

<i>(in thousands of euros)</i>	31/12/2007	Net provisions	Foreign exchange differences	Other changes	30/06/2008
Reserve for unearned premiums	260 291	95 177	(6 675)	43 689	392 482
Reserve for claims	1 045 565	126 453	(7 878)	368	1 164 508
Reserve for no-claims bonuses and refunds	120 285	(9 544)	(270)	2 162	112 633
Gross technical reserves	1 426 141	212 086	(14 823)	46 219	1 669 623
Reserve for unearned premiums	48 242	25 876	(746)	(9 002)	64 370
Reserve for claims	297 351	26 748	2 950	(17 883)	309 166
Reserve for no-claims bonuses and refunds	19 862	(4 871)	(56)	1 114	16 049
Reinsurers' share of technical reserves	365 455	47 753	2 148	(25 771)	389 585
Net technical reserves	1 060 686	164 333	(16 971)	71 990	1 280 038

The other variations are coming from an adjustment on the unearned premium reserves in counterpart of the written premiums in the United-Kingdom and Italy.

The rule is now to account a premium based on the contractual life duration and not a premium related to the insured invoicing. An unearned premium reserve is booked which correspond to the portion of written premiums covering the period after the balance sheet date.

This change of accounting presentation has no impact on the group turnover since it is communicated after integration of unearned premium reserves.

Cost of claims

<i>(in thousands of euros)</i>	30/06/2008			30/06/2007		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
Cost of claims for the current period	609 640	(118 011)	491 629	494 621	(103 417)	391 204
of which, claims paid	68 735	(14 867)	53 868	51 395	(14 152)	37 243
of which, claims reserves	504 776	(103 130)	401 646	410 366	(88 795)	321 571
of which, claims handling expenses	36 129	(14)	36 115	32 860	(470)	32 390
Recoveries for the current period	(56 585)	9 365	(47 220)	(33 940)	6 999	(26 941)
Recoveries received	(8 568)	1 715	(6 853)	(1 859)	1 112	(747)
Change in reserves for recoveries	(48 017)	7 650	(40 367)	(32 081)	5 887	(26 194)
Cost of claims from prior periods	19 160	6 734	25 894	(26 186)	1 687	(24 499)
of which, claims paid	388 451	(80 047)	308 404	382 102	(92 665)	289 437
of which, claims reserves	(364 087)	91 242	(272 845)	(402 995)	94 682	(308 313)
of which, claims handling expenses	(5 204)	(4 461)	(9 665)	(5 293)	(330)	(5 623)
Recoveries from prior periods	(38 811)	(882)	(39 693)	(59 214)	7 717	(51 497)
Recoveries received	(71 597)	7 573	(64 024)	(88 510)	15 641	(72 869)
Change in reserves for recoveries	32 786	(8 455)	24 331	29 296	(7 924)	21 372
Cost of claims	533 404	(102 794)	430 610	375 281	(87 014)	288 267

Claims reserves

	30/06/2008			31/12/2007		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
Claims reserves gross of recoveries	1 391 568	(350 150)	1 041 418	1 216 617	(336 310)	880 307
Current period	529 149	(106 305)	422 844	690 928	(151 787)	539 141
Prior periods	862 419	(243 845)	618 574	525 689	(184 523)	341 166
Recoveries to be received	(227 062)	40 984	(186 078)	(171 053)	38 959	(132 094)
Current period	(47 895)	7 656	(40 239)	(62 851)	11 050	(51 801)
Prior periods	(179 167)	33 328	(145 839)	(108 202)	27 909	(80 293)
Claims reserves	1 164 506	(309 166)	855 340	1 045 564	(297 351)	748 213

Breakdown by type of reserve

	30/06/2008			31/12/2007		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
Reserves for unearned premiums	392 482	(64 370)	328 112	260 291	(48 242)	212 049
Claims reserves	1 164 506	(309 166)	855 340	1 045 564	(297 351)	748 213
of which, reserves for known claims	920 886	(336 770)	584 116	816 736	(332 457)	484 279
of which, reserves for late claims	361 058	50	361 108	290 895	46	290 941
of which, reserves for claims handling expenses	108 497	(13 417)	95 080	107 251	(991)	106 260
of which, other technical reserves	1 127	(13)	1 114	1 734	(2 908)	(1 174)
of which, recoveries to be received	(227 062)	40 984	(186 078)	(171 052)	38 959	(132 093)
No-claims bonuses and rebates	112 635	(16 050)	96 585	120 286	(19 862)	100 424
Technical reserves	1 669 623	(389 586)	1 280 037	1 426 141	(365 455)	1 060 686

Note 7 Breakdown of income net of reinsurance

	30/06/2008			30/06/2007		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
<i>Premiums and commissions on direct business</i>	982 277	(235 047)	747 230	933 703	(242 783)	690 920
<i>Premiums on inwards reinsurance</i>	40 988	(16 003)	24 985	35 351	(27 431)	7 920
<i>Premiums refunded</i>	(36 160)	5 601	(30 559)	(42 827)	10 900	(31 927)
Gross premiums written - credit insurance	987 105	(245 449)	741 656	926 227	(259 314)	666 913
Change in unearned premiums	(96 335)	30 274	(66 061)	(58 250)	20 597	(37 653)
Earned premiums	890 770	(215 175)	675 595	867 977	(238 716)	629 260
Premium-related revenues	192 850	-	192 850	183 989	-	183 989
Turnover	1 083 620	(215 175)	868 445	1 051 966	(238 716)	813 249
Net investment income	87 233	-	87 233	137 229	-	137 229
<i>Claims paid</i>	(377 021)	85 626	(291 395)	(343 128)	90 064	(253 064)
<i>Claims reserves expense</i>	(125 458)	12 693	(112 765)	(4 586)	(3 850)	(8 436)
<i>Claims handling expense</i>	(30 925)	4 475	(26 450)	(27 567)	800	(26 767)
Insurance services expense	(533 404)	102 794	(430 610)	(375 281)	87 014	(288 267)
<i>Brokerage commissions</i>	(110 346)	-	(110 346)	(105 324)	-	(105 324)
<i>Other acquisition costs</i>	(57 378)	-	(57 378)	(48 958)	-	(48 958)
<i>Change in acquisition costs capitalised</i>	16 430	-	16 430	7 395	-	7 395
Contract acquisition expense	(151 294)	-	(151 294)	(146 887)	-	(146 887)
Impairment of portfolio securities and similar	-	-	-	-	-	-
Administration expense	(106 607)	-	(106 607)	(101 710)	-	(101 710)
Commissions received from reinsurers	-	79 662	79 662	-	93 129	93 129
Other ordinary operating income and expense	(145 360)	-	(145 360)	(147 453)	-	(147 453)
Ordinary operating income	234 188	(32 719)	201 469	417 864	(58 573)	359 291

As at June 30th, 2007, the reinsurance incomes & expenses took into account the transfer of €10.9 million (noticed in the income statement remark).

Note 8 Earnings per share and dividend per share

Earnings per share

	30/06/2008	30/06/2007
Distributable net income (<i>in thousands of euros</i>)	122 331	231 186
Weighted average number of ordinary shares before dilution	43 667 015	43 577 628
Earnings per share (€)	2,80	5,31

	30/06/2008	30/06/2007
Distributable net income (<i>in thousands of euros</i>)	122 331	231 186
Weighted average number of ordinary shares after dilution	43 731 624	43 846 304
Diluted earnings per share (€)	2,80	5,27

The dilution impact takes into account the exercise of options. The average number of shares resulting from dilution is 64,609 in 2008 (268,676 in 2007). The group share of net income is used as the basis for this calculation.

Dividend per share

A dividend of €218,180 thousand was approved by the Ordinary General Meeting of 2008.

Note 9 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.

The six main geographic segments correspond to the geographic regions covering the majority of the activity and which are therefore monitored in detail. These segments are Germany, France, Italy, the United Kingdom, the United States, the Netherlands and Belgium.

Primary segment data: geographic segments

Profit & loss by segment

30/06/2008											
(in thousands of euros)	Germany	France	Italy	United Kingdom	United States	Belgium	Netherlands	Other countries	Group services	Inter-segment eliminations	GROUP
Premiums written	373 938	178 526	121 608	116 866	83 082	38 679	21 251	366 731	-	(277 416)	1 023 265
Premiums refunded	(18 999)	(9 632)	29	(2 114)	-	(1 008)	(377)	(17 251)	-	13 192	(36 160)
Net premiums written	354 939	168 894	121 637	114 752	83 082	37 671	20 874	349 480	-	(264 224)	987 105
Change in unearned premiums	(30 821)	(2 486)	(15 942)	(18 186)	(7 668)	(4 585)	(422)	(27 497)	-	11 272	(96 335)
Earned premiums - non-group	324 118	166 408	105 695	96 566	75 414	33 086	20 453	321 982	-	(252 952)	890 770
Premium-related revenues - non-group	91 444	40 031	25 160	10 405	13 076	7 622	7 284	27 913	-	(30 085)	192 850
Turnover - intra-sectoral	415 562	206 439	130 855	106 971	88 490	40 708	27 737	349 895	-	(283 037)	1 083 620
Investment income	31 755	54 695	5 791	4 827	3 406	2 135	850	2 782	237 227	(256 235)	87 233
<i>Of which, dividends</i>	14 759	-	-	-	-	-	-	-	235 357	(250 116)	-
Total ordinary income	447 317	261 134	136 646	111 798	91 896	42 843	28 587	352 677	237 227	(539 272)	1 170 853
Insurance services expense	(159 470)	(83 851)	(98 614)	(51 686)	(61 229)	(22 985)	(9 016)	(209 762)	-	163 209	(533 404)
Outwards reinsurance expense	153 051	33 053	46 824	32 283	43 957	10 455	7 828	111 500	-	(256 495)	182 456
Outwards reinsurance income	(179 921)	(32 297)	(43 965)	(36 782)	(37 593)	(13 231)	(10 187)	(115 354)	-	254 155	(215 175)
Other income and expense	(154 563)	(78 324)	(54 673)	(41 628)	(32 677)	(12 918)	(12 815)	(128 281)	(6 110)	118 728	(403 261)
Total other income and expense	(340 903)	(161 419)	(150 428)	(97 813)	(87 542)	(38 679)	(24 190)	(341 897)	(6 110)	279 597	(969 384)
Ordinary operating income	106 414	99 715	(13 782)	13 985	4 354	4 164	4 397	10 780	231 117	(259 675)	201 469
Financing expense	(7)	-	(99)	-	(5)	(65)	-	(187)	(10 708)	3 441	(7 630)
Income from companies accounted for by the equity method	1 942	2 182	-	-	-	-	-	-	-	-	4 124
Corporation tax	(35 075)	(36 769)	2 652	(4 390)	(2 598)	(815)	(1 120)	4 668	4 692	-	(72 955)
Consolidated net income	73 274	65 128	(11 229)	9 595	1 751	3 284	3 277	11 061	225 101	(256 234)	125 008
Minority interests	(1 535)	(295)	-	-	-	-	-	(847)	-	-	(2 677)
Net income, group share	71 739	64 833	(11 229)	9 595	1 751	3 284	3 277	10 214	225 101	(256 234)	122 331

30/06/2007											
(in thousands of euros)	Germany	France	Italy	United Kingdom	United States	Belgium	Netherlands	Other countries	Group services	Inter-segment eliminations	GROUP
Premiums written	379 735	178 799	102 391	107 639	90 738	39 277	19 729	252 908	-	(202 162)	969 054
Premiums refunded	(24 376)	(9 575)	(799)	(2 229)	21	(1 544)	(377)	(12 284)	-	8 336	(42 827)
Net premiums written	355 359	169 224	101 592	105 410	90 759	37 733	19 352	240 624	-	(193 826)	926 227
Change in unearned premiums	(35 219)	(2 228)	2 531	(5 882)	(7 259)	(5 323)	(157)	(18 364)	-	13 651	(58 250)
Earned premiums - non-group	320 140	166 996	104 123	99 527	83 501	32 410	19 194	222 260	-	(180 174)	867 977
Premium-related revenues - non-group	83 462	38 858	22 886	12 009	15 222	7 116	5 551	23 875	-	(24 990)	183 989
Turnover - intra-sectoral	403 602	205 854	127 009	111 536	98 723	39 526	24 745	246 135	-	(205 164)	1 051 966
Investment income	64 848	53 506	12 751	15 824	9 752	8 994	2 554	10 253	171 368	(212 621)	137 229
<i>Of which, dividends</i>	13 174	-	-	-	-	-	-	-	145 247	(158 421)	-
Total ordinary income	468 450	259 360	139 760	127 360	108 475	48 520	27 299	256 388	171 368	(417 785)	1 189 195
Insurance services expense	(141 592)	(50 956)	(52 178)	(33 274)	(39 229)	(19 132)	(9 715)	(105 267)	-	76 062	(375 281)
Outwards reinsurance expense	154 560	27 430	32 115	29 049	35 343	8 819	8 198	30 793	-	(146 164)	180 143
Outwards reinsurance income	(185 278)	(31 560)	(43 412)	(41 155)	(42 006)	(13 136)	(10 059)	(51 381)	-	179 271	(238 716)
Other income and expense	(156 714)	(77 060)	(52 629)	(48 011)	(35 615)	(10 849)	(10 568)	(96 154)	(4 150)	95 700	(396 050)
Total other income and expense	(329 024)	(132 146)	(116 104)	(93 391)	(81 507)	(34 298)	(22 144)	(222 009)	(4 150)	204 869	(829 904)
Ordinary operating income	139 426	127 214	23 656	33 969	26 968	14 222	5 155	34 379	167 218	(212 916)	359 291
Financing expense	(16)	-	-	-	(22)	-	(50)	(199)	(6 565)	813	(6 039)
Income from companies accounted for by the equity method	2 330	692	-	-	-	-	-	-	-	-	3 022
Corporation tax	(35 665)	(43 735)	(10 901)	(9 380)	(8 995)	(4 145)	(1 061)	(6 660)	(2 298)	-	(122 840)
Consolidated net income	106 075	84 171	12 755	24 589	17 951	10 077	4 044	27 520	158 355	(212 103)	233 434
Minority interests	(1 238)	(219)	-	(175)	-	-	(35)	(581)	-	-	(2 248)
Net income, group share	104 837	83 952	12 755	24 414	17 951	10 077	4 009	26 939	158 355	(212 103)	231 186

Depreciation, amortisation and provisions by segment

30/06/2008											
(in thousands of euros)	Germany	France	Italy	United Kingdom	United States	Belgium	Netherlands	Other countries	Group services	Inter-segment eliminations	GROUP
Provisions for loans and receivables	-	(1 516)	-	-	-	(22)	-	-	(369)	-	(1 907)
	-	-	-	-	-	-	-	-	-	-	-

30/06/2007											
(in thousands of euros)	Germany	France	Italy	United Kingdom	United States	Belgium	Netherlands	Other countries	Group services	Inter-segment eliminations	GROUP
Provisions for loans and receivables	-	(1 323)	(16)	(644)	-	-	(202)	(19)	(719)	-	(2 923)

Amortisation and impairment charges on non-current assets are now analysed by function. Consequently, the breakdown is no longer directly visible in the income statement in the 2007 and 2008 financial statements.

Balance sheet by segment

30/06/2008											
(in thousands of euros)	Germany	France	Italy	United Kingdom	United States	Belgium	Netherlands	Other countries	Group services	Inter-segment eliminations	GROUP
Goodwill	146	393	5 820	60 533	26 897	3 893	4 349	7 815	-	-	109 846
Other intangible assets	28 261	9 974	4 214	8 422	1 548	2 130	1 481	2 496	10 931	-	69 457
Investments - insurance businesses	401 173	719 708	161 443	2 461	13 120	36 204	22 555	159 529	1 404 141	(260 508)	2 659 826
Investments accounted for by the equity method	17 253	26 311	-	-	-	-	-	-	-	(62)	43 502
Share of assignees and reinsurers in the technical reserves and financial liabilities	227 649	39 396	162 369	42 666	30 179	21 788	10 385	121 217	-	(266 064)	389 585
Insurance and reinsurance receivables	55 583	123 348	150 757	116 526	60 875	115 305	2 468	191 667	-	(87 674)	728 855
Other assets	399 304	197 911	113 930	58 492	72 570	39 862	22 699	121 747	78 280	(91 183)	1 013 612
Total assets	1 129 369	1 117 041	598 533	289 100	205 189	219 182	63 937	604 471	1 493 352	(705 491)	5 014 683
Technical reserves	466 278	268 081	370 394	191 496	122 625	105 113	24 167	385 815	-	(264 346)	1 669 623
Liabilities related to inwards insurance and reinsurance transaction	21 175	67 112	52 380	23 039	5 809	3 690	1 000	33 308	-	(25 092)	182 421
Liabilities related to outwards reinsurance transactions	58 167	38 036	90 801	13 561	35 601	17 213	2 421	60 071	-	(120 545)	195 326
Other liabilities	332 476	252 377	85 372	56 351	15 536	44 437	15 033	69 497	479 453	(249 070)	1 101 462
Total liabilities	878 096	625 606	598 947	284 447	179 571	170 453	42 621	548 691	479 453	(659 053)	3 148 832

31/12/2007											
(in thousands of euros)	Germany	France	Italy	United Kingdom	United States	Belgium	Netherlands	Other countries	Group services	Inter-segment eliminations	GROUP
Goodwill	16	393	5 820	64 890	28 803	3 893	4 349	7 413	-	-	115 577
Other intangible assets	23 673	7 688	6 147	7 046	960	2 221	1 642	1 826	7 075	-	58 278
Investments - insurance businesses	503 012	866 404	196 463	38 898	54 645	29 634	26 418	148 738	1 424 252	(239 380)	3 049 084
Investments accounted for by the equity method	21 295	30 973	-	-	-	-	-	-	-	(62)	52 206
Share of assignees and reinsurers in the technical reserves and financial liabilities	192 779	33 968	145 478	51 002	29 666	22 939	10 025	59 695	-	(180 097)	365 455
Insurance and reinsurance receivables	90 032	117 333	93 622	19 615	48 211	95 796	3 567	90 939	-	(63 959)	495 156
Other assets	261 491	174 591	66 709	53 714	39 203	36 267	25 241	115 828	69 127	(90 481)	751 790
Total assets	1 092 298	1 231 350	514 239	235 165	201 488	190 750	71 242	424 539	1 500 454	(573 979)	4 887 546
Technical reserves	414 431	255 045	316 438	130 850	116 029	91 514	23 697	262 482	-	(184 345)	1 426 141
Liabilities related to inwards insurance and reinsurance transaction	25 678	67 331	43 173	14 356	4 440	7 440	311	4 251	-	(2 175)	164 805
Liabilities related to outwards reinsurance transactions	24 628	34 946	53 207	8 974	22 918	18 024	3 654	35 703	-	(110 038)	92 016
Other liabilities	333 867	294 418	69 242	44 250	21 244	27 624	23 506	65 934	475 923	(229 344)	1 126 664
Total liabilities	798 604	651 740	482 060	198 430	164 631	144 602	51 168	368 370	475 923	(525 902)	2 809 626

Secondary segment data: business segments

The secondary segmentation is by business line, which comprises credit insurance and the other segments covering less significant businesses: bonding (financial guarantees), fidelity (insurance against malicious actions taken by employees), retail (personal loan reinsurance) and export guarantee management on behalf of the German State.

Turnover

(in thousands of euros)	30/06/2008	30/06/2007
Credit insurance	947 979	924 078
Other	135 641	127 888
Total	1 083 620	1 051 966

Total of assets

(in thousands of euros)	30/06/2008	31/12/2007
Credit insurance	3 507 697	3 337 459
Other	1 506 986	1 550 087
Total	5 014 683	4 887 546

Note 10 Related parties

Euler Hermes is owned mainly by the AGF group, which in turn is 100%-owned by the Allianz group.

The breakdown of the Euler Hermes group is as follows:

	Number of shares	%
AGF Holding	21 421 782	47,53%
Assurances Générales de France	5 442 444	12,07%
AGF Vie	3 879 818	8,61%
AGF-IART	4	0,00%
Treasury shares	1 464 444	3,25%
Divers	110 391	0,24%
Sub-total	32 318 883	71,70%
Public (bearer securities)	12 755 080	28,30%
Total	45 073 963	100,00%

Transactions

	30/06/2008			30/06/2007		
	Allianz SE	AGF SA	Related companies and joint ventures	Allianz SE	AGF SA	Related companies and joint ventures
Operating income	11 953	-	19 279	(379) -		11 227
Insurance services expense	-	-	(13 255)	-	-	109
Net income or expense on reinsurance	(7 285)	-	(125)	(21 833) -		(59)
Financing expense	-	(7 392)	-	-	(5 926) -	
Other financial net incomes	(79)	548	(6 668)	135	136	(4 149)

Receivables and liabilities

	30/06/2008			31/12/2007		
	Allianz SE	AGF SA	Related companies and joint ventures	Allianz SE	AGF SA	Related companies and joint ventures
Current accounts (accrued interests included)	173 901	-	638	75 137	-	472
Net operating receivables	41 502	-	8 336	4 742	-	2 544
Borrowings (accrued interests included)	-	292 351	-	-	292 379	-
Operating liabilities	-	-	-	(22 663)	-	141

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 correspond to three loans contracted with AGF SA:

- 2004 loan of €90 million maturing on 19 December 2008, at 3-month Euribor + 30 basis points
- 2005 loan of €135 million maturing on 24 June 2010, at 6-month Euribor + 20 basis points
- 2006 loan of €67 million maturing in December 2008, at 6-month Euribor + 6 basis points

Note 11 Commitments received and given

<i>(in thousands of euros)</i>	30/06/2008	31/12/2007
Commitments received	26 368	16 060
* Deposits, sureties and other guarantees	26 368	16 060
Commitments given	25 453	38 474
* Deposits, sureties and other guarantees	25 453	38 474
<i>o/w</i> - Commitments associated with membership of an EIG	7 536	7 841
- Securities buyback agreement	917	1 202

Note 12 Subsequent events

No subsequent events occurred since June 30, 2008 closing.