

H1 2013 Financial results

Financial analysts meeting

July 24th, 2013



Agenda

- 1** H1 2013 highlights
- 2** Commercial overview
- 3** Risk overview
- 4** Q2 financial results
- 5** H1 financial results
- 6** Appendices

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H1 2013 highlights

	H1 2013	H1 2013 vs H1 2012 ⁽¹⁾
Top line growth keeps pace with 2012 at 5%, still mainly driven by markets outside Europe and additional business coming from the JV with Mapfre	1,253 M€	+5%
Combined ratio stands at 76.4%, including 4 points on Pescanova	76.4%	+3.5 pts
Operating income is up 6% compared to last year boosted by gains realised on the contribution of entities to the new JV	253.4 M€	+6%
Net income follows the positive trend of the operating income	166.4 M€	+2%

(1) H1 2012 proforma with IAS 19 revised

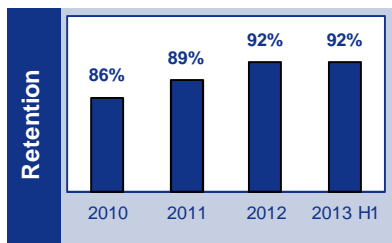
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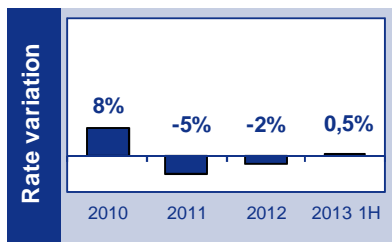
Commercial overview



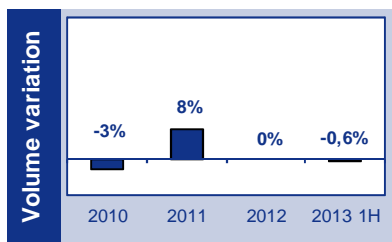
After an excellent Q1, new business is back to more standard levels in Q2 and first half of 2013 is 13M€ ahead of the prior year. Strong performances in Asia, Americas, Middle East and the multinational segment



Retention remains at the record level of 92%, a reflection of the strong service model implemented during the last two years and the increased risk awareness within the customer base.



Rates are overall flat. They have increased where technically necessary (Med. Countries, Northern Europe) but have been under pressure in growing markets and segments.



After a flat 2012, the contribution from customers' insured turnover was slightly negative which is directly linked to the sluggish GDP growth in European markets.

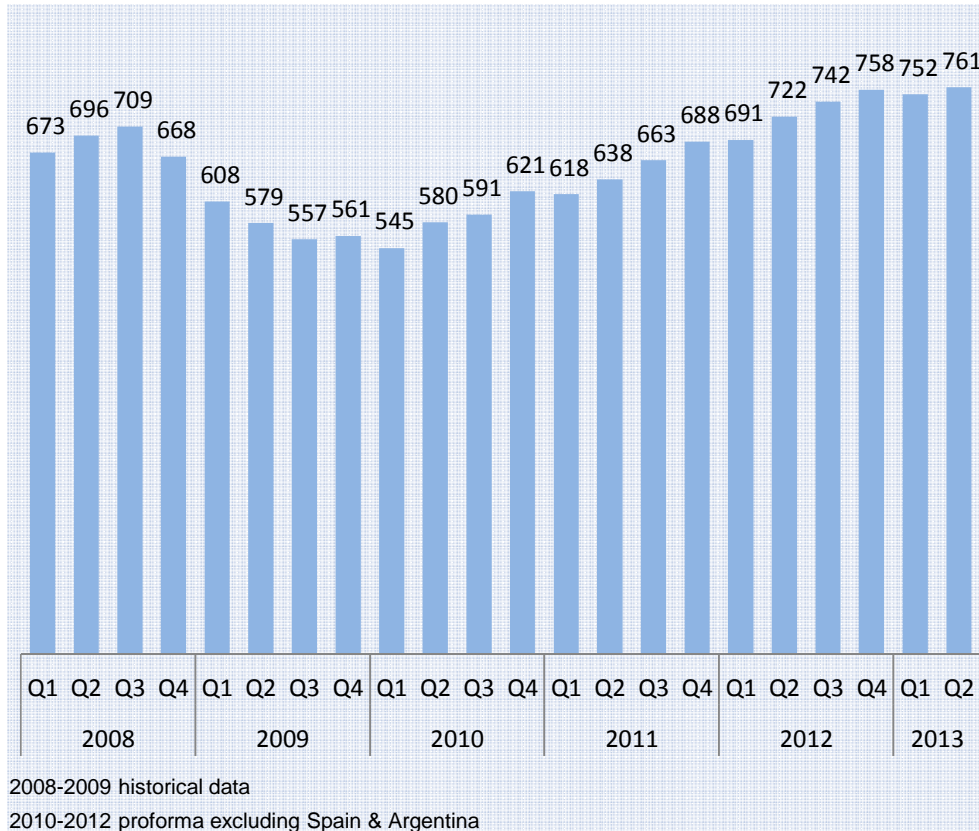
(1) 2012 pro forma excluding Spain & Latin Americas business units

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Risk overview

In billion euros

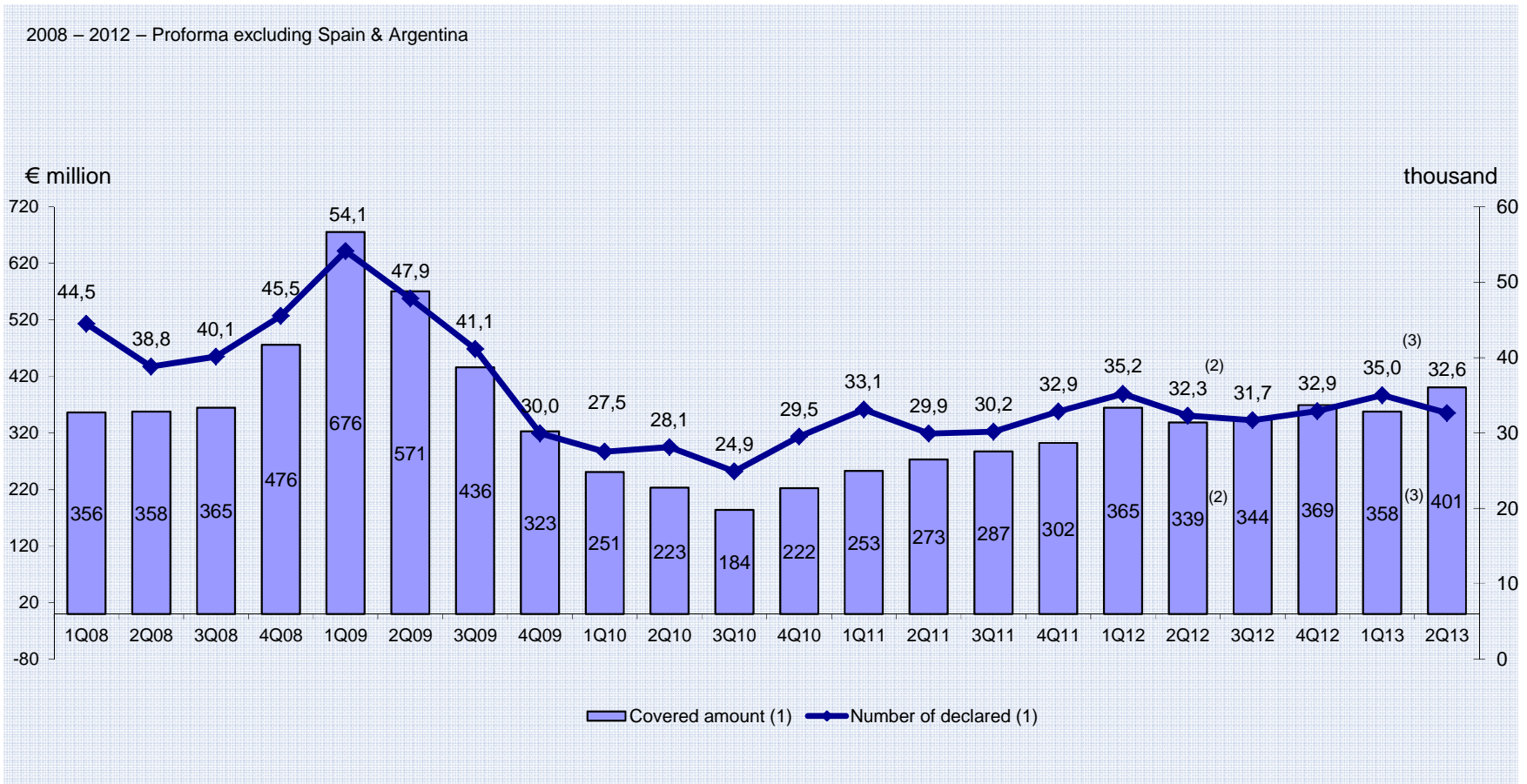


In billion euros

	Q1 2013	Q2 2013
Grade weight		
1-5	83.3%	83.8%
6-10	16.7%	16.2%

- Exposure is stabilising in the last 3 quarters while top line is growing at a 5% pace.

Claims development



- The number of declared claims remains stable.
- While the covered amount decreased by 2% in Q1, it is now increasing by 8%. As a result, further risk reduction measures have been taken in Q2.

(1) Credit insurance claims only (excludes bonding & fidelity)
 (2) Excluding Schlecker claim
 (3) Excluding Pescanova claim (from Solunion)

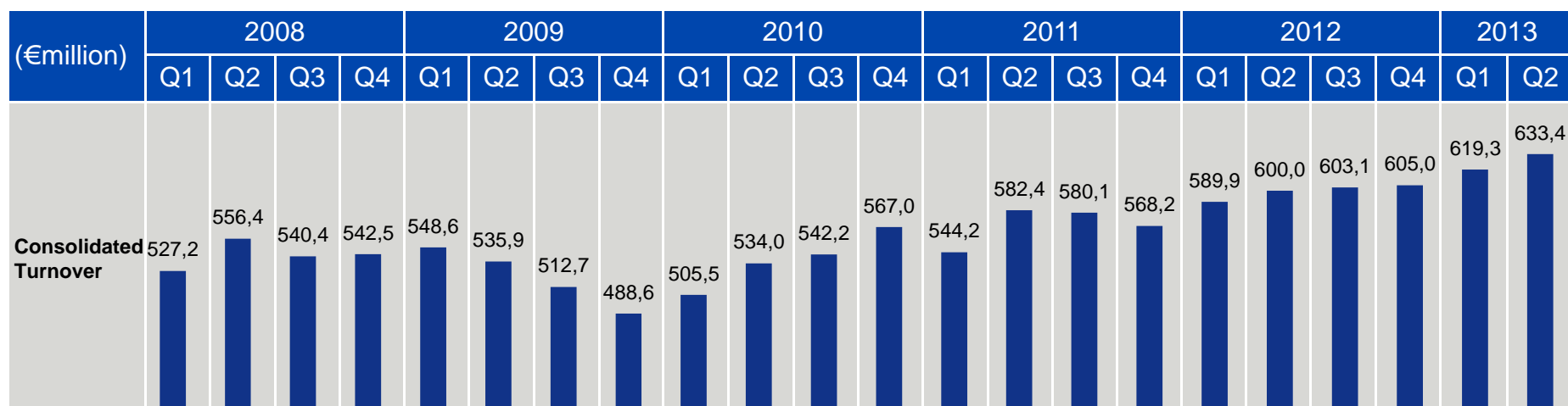
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Key figures

In million of euros	Actual YTD Q2 2013	Actual YTD Q2 2012	Variation in amount	Variation in %
Turnover	633.4	600.0 <i>IAS 19 proforma</i>	33.4	6%
Net technical result	102.3	92.4	9.9	11%
Net financial income (excluding financing expenses)	24.5	43.3	-18.8	-43%
Operating income	126.1	132.0	-5.9	-4%
Net income (Group share)	81.0	95.6	-14.5	-15%
Euler Hermes Net combined ratio	72.4%	72.1%		
Euler Hermes Net Loss Ratio	47.8%	51.9%		
Euler Hermes Net Cost Ratio (including service margin)	24.6%	20.2%		

Quarterly turnover evolution



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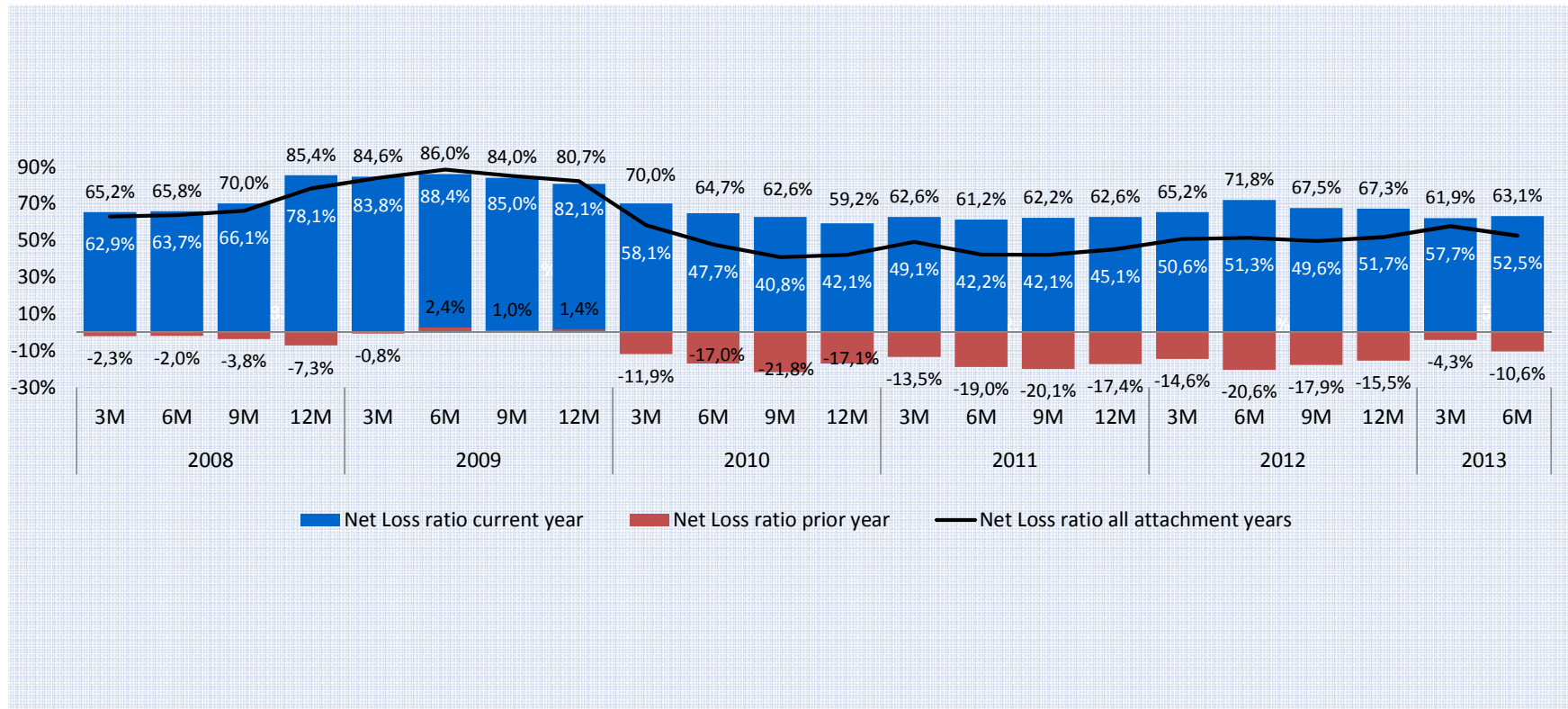
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Key figures

In million of euros	Actual YTD JUN 2013	Actual YTD JUN 2012	Variation in amount	Variation in %
Turnover	1,252.7	IAS 19 proforma 1,189.8	62.9	5%
Net technical result	166.9	174.2	-7.3	-4%
Net financial income (excluding financing expenses)	57.3	67.6	-10.2	-15%
Operating income	253.4	238.7	14.7	6%
Net income (Group share)	166.4	162.5	3.9	2%
Euler Hermes Net combined ratio	76.4%	72.9%		
Euler Hermes Net Loss Ratio	52.5%	51.3%		
Euler Hermes Net Cost Ratio (including service margin)	23.9%	21.6%		

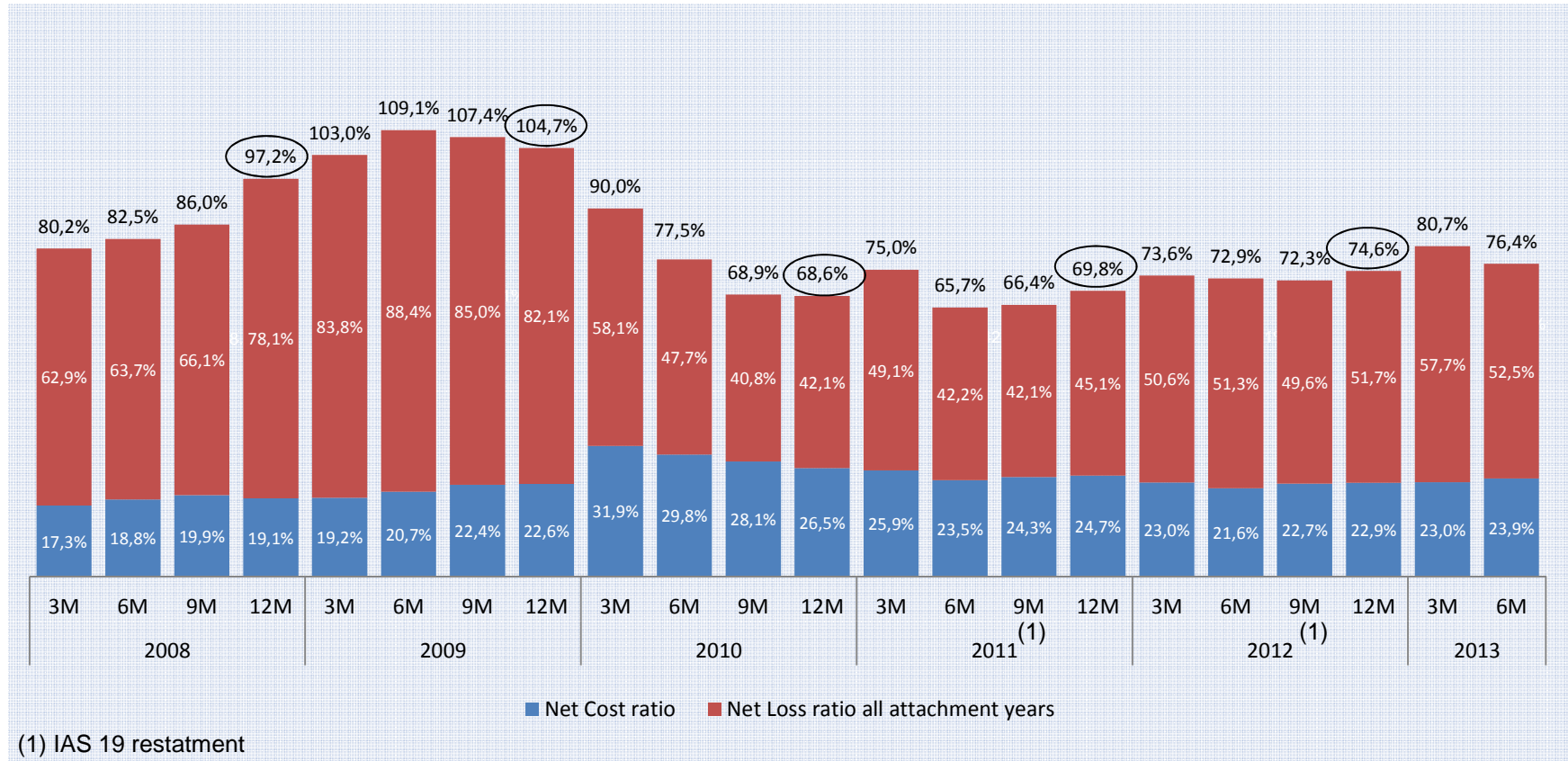
Net loss ratio evolution

Year-to-date ratio



Net combined ratio evolution

Year-to-date ratio



Reinsurance result evolution

In million of euros	Actual YTD JUN 2013	Actual YTD JUN 2012	Variation in amount	Variation in %
		IAS 19 proforma		
Gross earned premiums	1044.6	990.1	54.5	6%
Ceded premiums	-323.4	-328.6	5.2	2%
Net earned premiums	721.2	661.5	59.7	9%
<i>Cession rate</i>	31.0%	33.2%		-2.2 pts
Gross claims costs	-510.2	-518.9	8.7	2%
Ceded claims costs	131.5	179.8	-48.2	-27%
Net claims costs	-378.6	-339.1	-39.5	-12%
<i>Cession rate</i>	25.8%	34.6% ⁽¹⁾		-8.9 pts
Reinsurance commission	115.7	133.2	-17.5	-13%
<i>Reinsurance commission rate</i>	35.8%	40.5% ⁽²⁾		-4.8 pts
Net Claims ratio CY	63.1%	71.8%		-8.7 pts
Net Claims ratio PY	-10.6%	-20.6%		10.0 pts
Net Claims ratio	52.5%	51.3%		1.2 pts
Net Costs ratio	23.9%	21.6%		2.3 pts
Net Combined ratio	76.4%	72.8%		3.6 pts

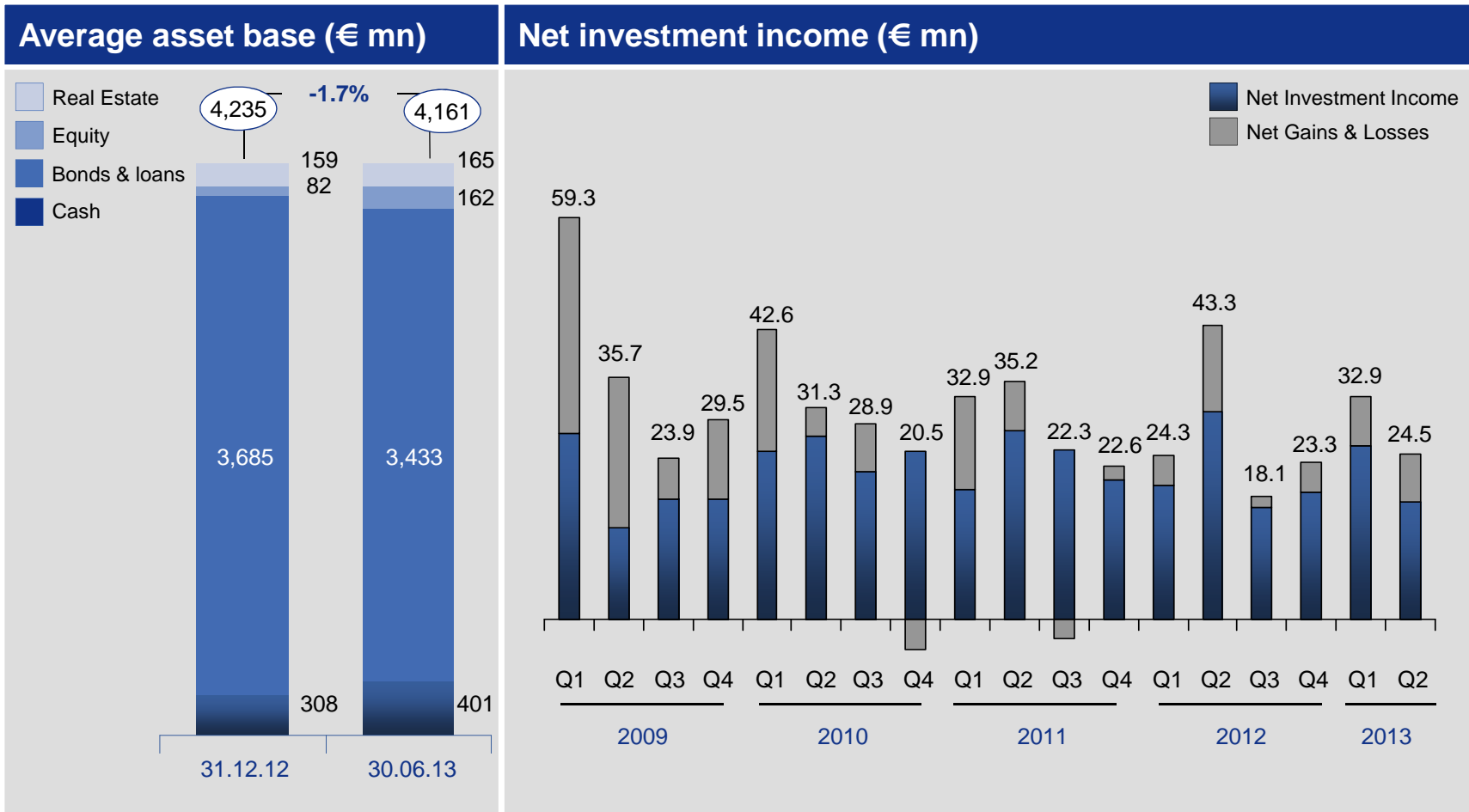
(1) 28.0% without Schlecker and 24.9% without Schlecker & Centrotherm

(2) 33.5% without the 23 m€ one-off reinsurance commission on prior years

Financial result evolution (excluding income from non-consolidated companies)

In million of euros	Actual YTD JUN 2013	Actual YTD JUN 2012	Variation in amount	Variation in %
Income from investment property	1.3	0.4	1.0	243%
Income from securities	32.8	38.8	-6.1	-16%
<i>Income from securities-Bonds</i>	30.5	36.0	-5.5	-15%
<i>Income from securities-equities</i>	2.2	2.8	-0.6	-22%
Other financial income	10.7	12.2	-1.5	-12%
<i>Income from other financial investments</i>	0.4	1.7	-1.4	-78%
<i>Other financial income</i>	10.3	10.4	-0.1	-1%
Current investment income	44.8	51.4	-6.6	-12.9%
Investment expenses	-3.7	-5.1	1.4	27.0%
Net Foreign Exchange result	2.1	4.4	-2.3	-51.5%
Net gains and losses on sales of investments less impairment and amortisation	14.2	16.8	-2.7	-15.9%
Net financial income (excluding financing expense)	57.3	67.6	-10.2	-15.1%

Investments



Key financials

In million of euros	Actual YTD JUN 2013	Actual YTD JUN 2012	Variation in amount	Variation in %
		IAS 19 proforma		
Ordinary operating Income	224.3	241.8	-17.5	-7.2%
Other non ordinary operating income and expense	29.1	-3.1	32.2	
Operating income	253.4	238.7	14.7	6.2%
Financing expenses	-5.7	-7.1	1.4	19.6%
Income from non-consolidated companies	2.3	6.0	-3.7	-61.1%
Profit before tax	250.1	237.6	12.4	5.2%
Corporation tax	-80.7	-72.8	-7.9	-10.9%
Minority interest	-2.9	-2.3	-0.6	-27.5%
Net income (Group share)	166.4	162.5	3.9	2.4%

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Glossary

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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)

Glossary

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- **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
Q3 2013 Earnings (webcast)	Nov. 5 th , 2013
Q4 2013 Earnings (webcast)	Feb. 13 th , 2014
Q1 2014 Earnings (webcast)	Apr. 30 th , 2014
General Assembly	May. 28 th , 2014

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Stock Market Data	As at 28 Jun. 13
Listing	Euronext Paris
Code	ELE.PA
Shares outstanding	45,342,177
Market cap. (€ mn)	3,512

