

Q1 2013 Financial results

Financial analysts meeting

April 25th, 2013

Agenda

- 1** Q1 2013 highlights
- 2** Commercial overview
- 3** Risk overview
- 4** Financial results
- 5** Appendices

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Q1 2013 highlights

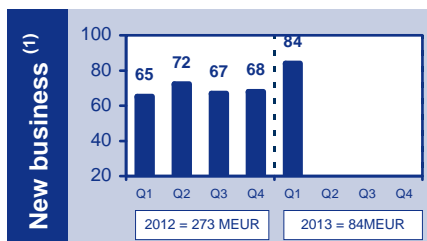
	Q1 2013	Q1 2013 vs Q1 2012 ⁽¹⁾
Same solid top line as in 2012, essentially from growth markets	619.3 M€	+5%
Net combined ratio is impacted by a single large claim (Pescanova), costing 4.9 pts	80.7%	+7.1 pts
But the operating income benefits from a one-shot gain of 31.7M€ on the contribution of entities to the JV with Mapfre	127.3 M€	+19%
Net income follows the positive trend of the operating income	85.3 M€	+28%

(1) Against Q1 2012 with revised IAS 19

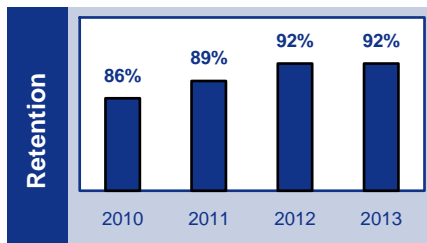
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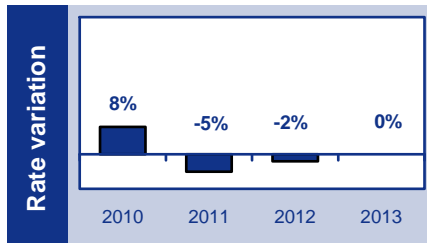
Commercial overview



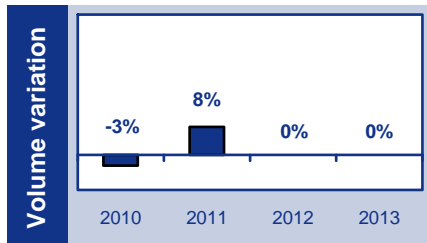
In Q1 2013, new business has reached a record level of 84 M€ which is 19 M€ above Q1 2012. The strong performance is driven by the growth markets (Americas, Asia, Middle East & Russia) and the multinational segment.



Retention is at 92%, at the same record level as in Q1 2012, driven by high demand for credit insurance in the complex economic environment and an effective service model.



Overall rate variation is flat : rates have increased where technically necessary (Med. Countries & Northern Europe) but have been under pressure in growing markets and segments.



As in 2012, there is no contribution from insured turnover volumes in the start of 2013.

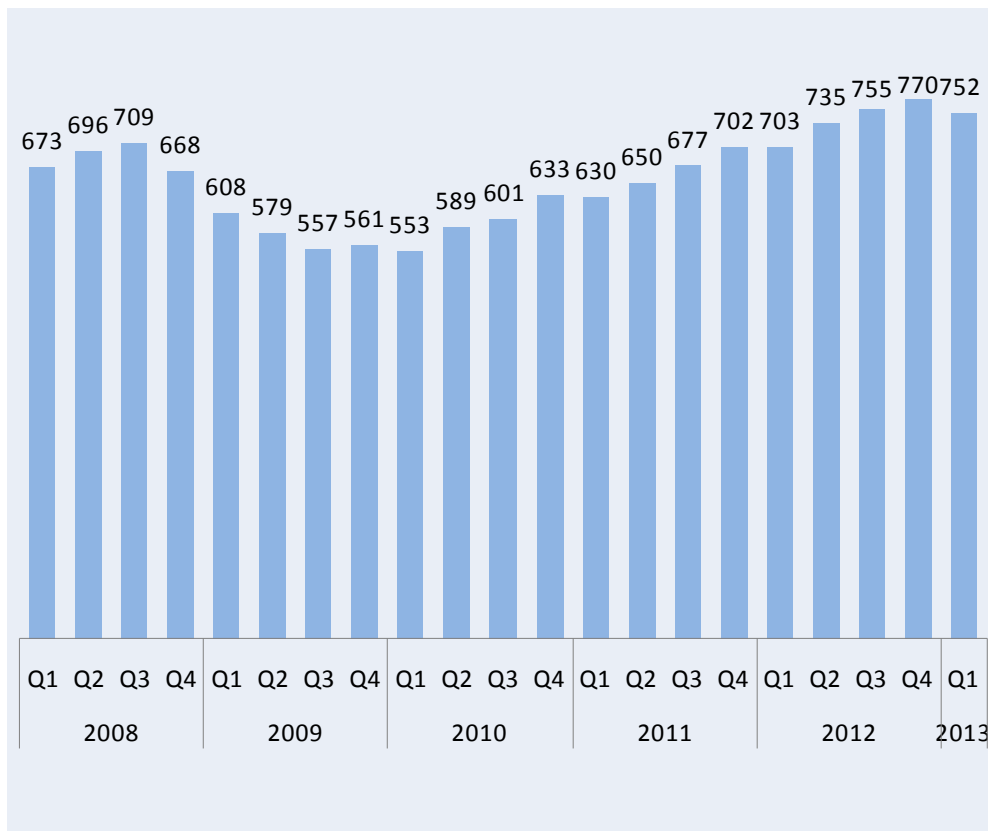
(1) 2012 pro forma excluding Spain & Latin America business units

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Risk overview

In billion euros



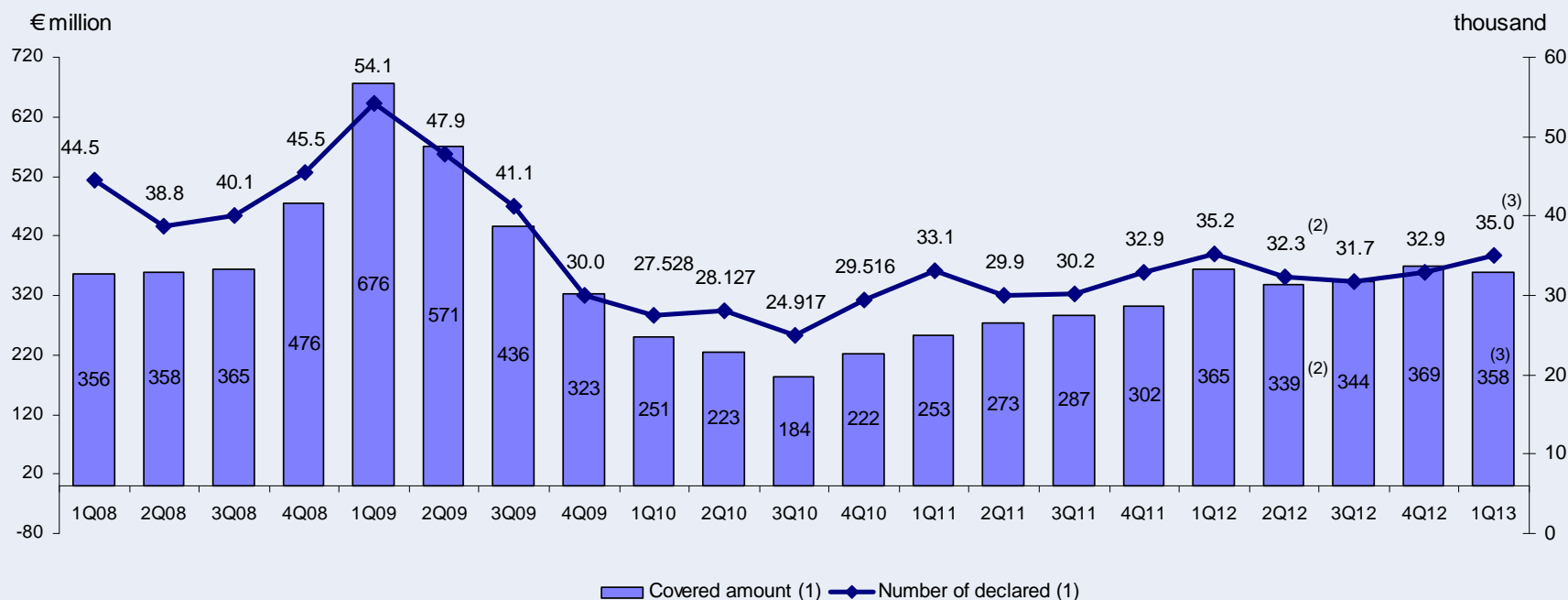
In billion euros

	Q4 2012	Q1 2013
Grade weight		
1-5	83.1%	83.3%
6-10	16.9%	16.7%

- Group exposure decreases beyond the impact of the transfer of the Spanish and Argentinean entities to Solunion, the JV with Mapfre (-12 bn€ out of a total of -18 bn€ decrease)

Claims development

2008 – 2012 – Proforma excluding Spain & Argentina



- Covered amounts are stable, excluding the large Pescanova claim, which is accounted for in Solunion
- The number of declared claims is back to the level of Q1 2012

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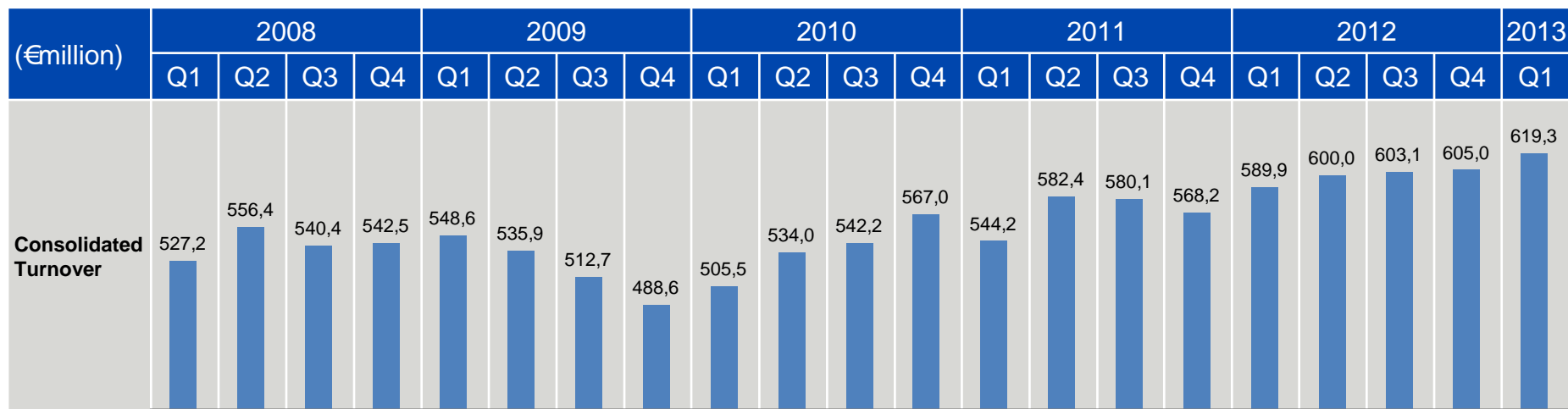
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Key figures

(€ mn)	Actual 3M 2013	Actual 3M 2012 ⁽¹⁾	Variation in amount	Variation in %
Turnover	619.3	589.9	29.5	+5.0%
Net technical result	64.6	81.8	-17.2	-21.0%
Net financial income (excluding financing costs)	32.9	24.3	8.6	35.5%
Operating income	127.3	106.7	20.6	19.4%
• of which non ordinary operating income	29.8	0.6	29.2	
• of which ordinary operating income	97.5	106.1	-8.6	
Net consolidated result (Group share)	85.3	66.9	18.4	27.5%
Euler Hermes Net combined ratio (including Service margin)	80.7%	73.6%		
• Euler Hermes Net loss ratio	57.7%	50.6%		
• Euler Hermes Net cost ratio	23.0%	23.0%		

(1) After IAS 19 restatement

Quarterly turnover evolution



Premiums evolution

Per region

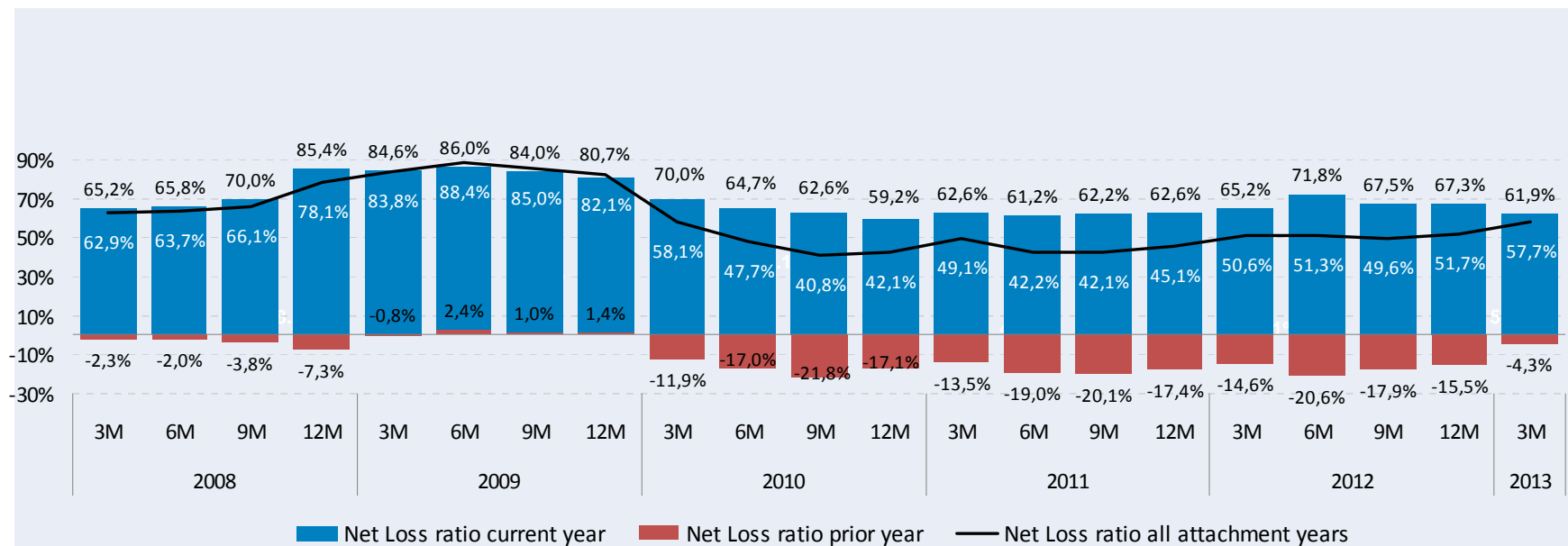
(€ mn)	Actual 3M 2013	Actual ⁽¹⁾ 3M 2012	Actual ⁽²⁾ 3M 2012	Variation vs 3M 2012 ⁽²⁾
DACH	157.0	154.8	154.6	+1%
France	85.1	87.7	87.7	-3%
Northern Europe	114.5	109.1	109.0	+5%
Med. Countries, Middle East & Africa	60.4	62.6	54.6	+11%
Americas	57.3	53.8	52.7	+9%
Asia & Pacific	17.7	13.6	13.5	+31%
Others (incl. EH Re & inter region elim.)	23.5	10.2	18.5	+27%
Total Gross Earned Premiums	515.5	491.7	490.8	+5%

(1) Published in Q1 2012

(2) At constant FX rate & proforma figures (Spain & Argentina 2012 in EH Re)

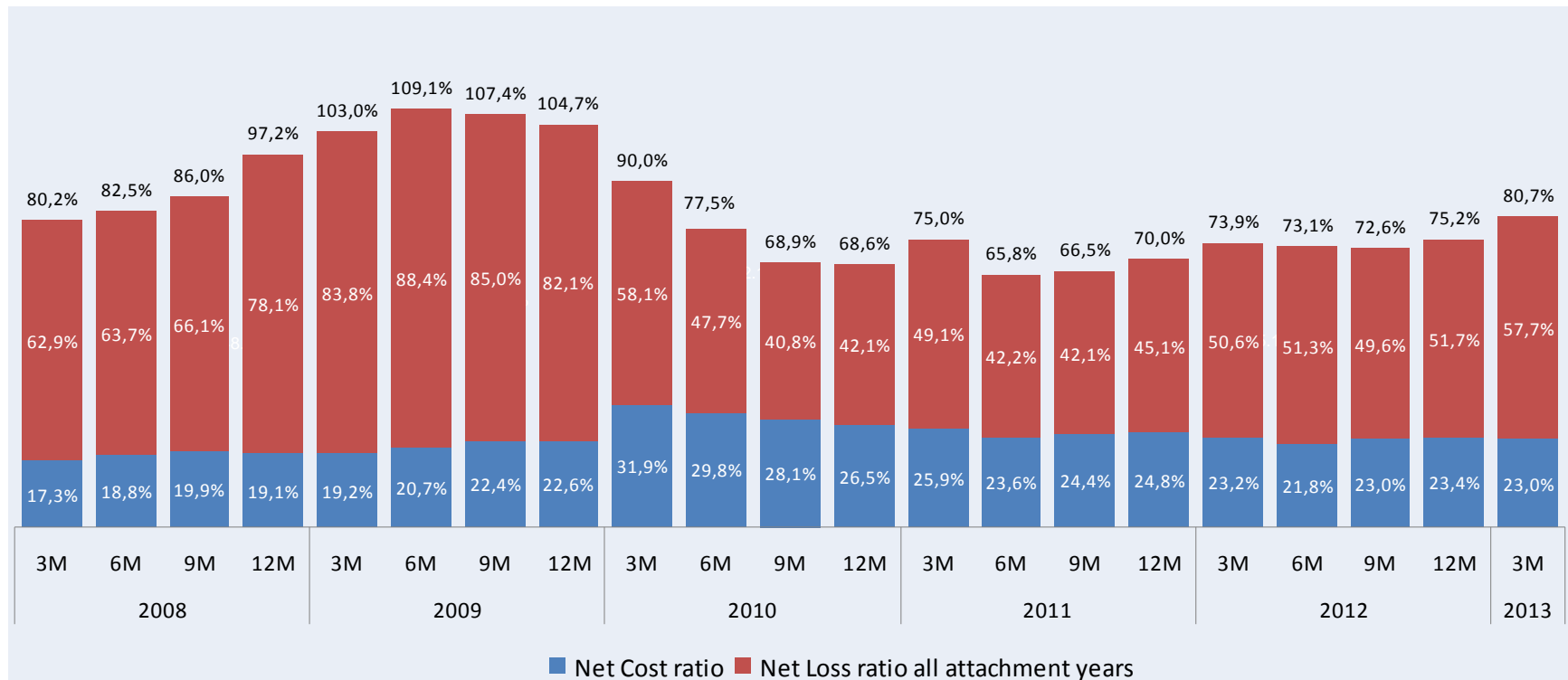
Net loss ratio evolution

Year-to-date ratio



Net combined ratio evolution

Year-to-date ratio



Historical figures (without IAS 19 restatement)

Reinsurance result evolution

(€ mn)	Actual 3M 2013	Actual 3M 2012 ⁽¹⁾	Variation in amount	Variation in %
Gross earned premiums	515.5	491.7	23.8	5%
Ceded premiums	-171.8	-169.8	-1.9	-1%
Net earned premiums	343.8	321.9	21.9	7%
<i>Cession rate</i>	33.3%	34.5%		-1.2 pts
Gross claims costs	-275.4	-217.1	-58.2	-27%
Ceded claims costs	77.1	54.2	22.9	42%
Net claims costs	-198.2	-162.9	-35.4	-22%
<i>Cession rate</i>	28.0%	25.0%		3.0 pts
Reinsurance commission	63.0	64.1	-1.0	-2%
<i>Reinsurance commission rate</i>	36.7%	37.7%		-1.0 pts
Total ceded result	-31.7	-51.5	19.9	-39%
Net claims ratio CY	61.9%	65.2%		-3.3 pts
Net claims ratio PY	-4.3%	-14.6%		10.3 pts
Net claims ratio	57.7%	50.6%		7.1 pts
Net cost ratio	23.0%	23.0%		0.0 pts
Net combined ratio	80.7%	73.6%		7.1 pts

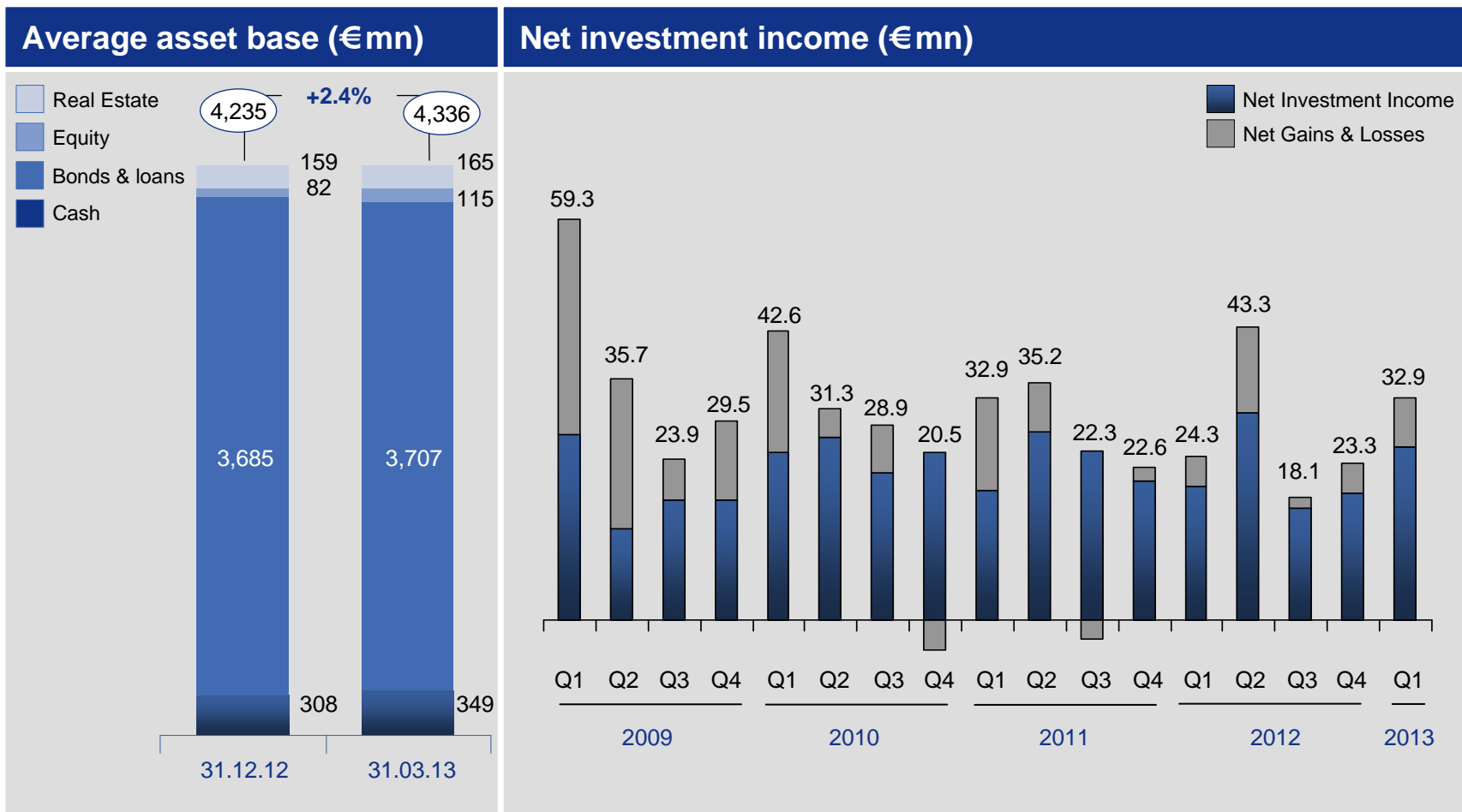
(1) After IAS 19 restatement

Financial result evolution

(excluding income from non-consolidated companies)

(€ mn)	Actual YTD 3M 2013	Actual YTD 3M 2012	Variation in amount	Variation in %
Income from investment property	0.8	0.2	0.6	x 3.8
Income from securities	15.8	18.6	-2.8	-15%
Other financial income	5.7	6.4	-0.7	-12%
Investment income	22.2	25.2	-3.0	-12%
Investment expenses	-1.4	-3.0	1.6	53%
Net Foreign Exchange result	4.9	-2.3	7.1	NA
Net gains and losses on sales of investments less impairment and amortization	7.2	4.4	2.8	64%
Net financial income (excluding financing expense)	32.9	24.3	8.6	36%

Investments



Key financials

(€ mn)	Actual 3M 2013	Actual 3M 2011 ⁽¹⁾	Variation in amount	Variation in %
Ordinary operating income	97.5	106.1	-8.6	-8%
Other non ordinary operating income & expenses	29.8	0.6	29.2	
Operating income	127.3	106.7	20.6	19%
Financing expenses	-2.8	-3.6	0.8	-23%
Income from non-consolidated companies	2.8	0.8	2.0	250%
Profit before tax	127.3	103.9	23.5	23%
Corporation tax	-40.5	-36.1	-4.4	12%
Minority interest	-1.5	-0.9	-0.7	74%
Consolidated net income	85.3	66.9	18.4	28%
Tax rate	31.8%	34.7%		

(1) After IAS 19 restatement

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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
General Assembly	May. 24 th , 2013
Q2 2013 Earnings (webcast)	Jul. 24 th , 2013
Q3 2013 Earnings (webcast)	Nov. 5 th , 2013

Stock Market Data	As at 28 Mar. 13
Listing	Euronext Paris
Code	ELE.PA
Shares outstanding	45,229,777
Market cap. (€ mn)	3,251

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Shareholding Structure (31 Dec. 12)

■ Allianz ■ Free Float ■ Treasury stocks

