



Press Release

Euler Hermes opens South Africa business to help leading companies and exporters

Presents new research on South Africa's growth opportunities in 2015/16 including:

- *ZAR26 billion in additional goods exports by South Africa in 2015*
- *US and China will drive South African export growth in 2015*

JOHANNESBURG – 21 MAY 2015 – [Euler Hermes](#), the worldwide leader in trade credit insurance, officially launched today its local operations and services for the South African market at Saxon Hotel, Johannesburg. Based in Johannesburg, Euler Hermes operations include a re-insurance agreement with [Allianz Global Corporate & Specialty](#) (AGCS) South Africa Limited. The collaboration combines Euler Hermes' global market presence and trade credit expertise with AGCS's existing South African business relationships and in-depth knowledge of the local business community.

During his opening comments, Gregory Nosworthy, Euler Hermes South Africa country manager, said: "As the global market leader, Euler Hermes is well-positioned to play a prominent role in helping leading South African, and in time broader African companies and exporters grow their businesses, which in turn can only benefit Africans. Our proprietary intelligence network tracks and analyses daily changes in corporate solvency of over 40 million businesses globally. This means that we cover more than 200 countries representing over 92% of the global GDP, and we are now making that knowledge available here."

During the event, Euler Hermes presented its study "*South Africa: Rainbow – after or before the rain?*" providing a detailed focus on growth opportunities in 2015/16.

"As we forecast South African GDP will rise to 2% this year and 3% in 2016, South Africa could unleash its growth and jobs potential by bridging its infrastructure and manufacturing gaps," said Wilfried Verstraete, chairman of the Board of Management of Euler Hermes. "However, South Africa also has key strengths such as advanced service platforms enabling companies to act as connectors between continents, and especially to untapped African markets."

"The business climate for South African companies has improved: payment terms are relatively low and stable (50 days in 2014) and insolvencies posted a fifth consecutive year of decrease (-13%) in 2014," added Ludovic Subran, chief economist at Euler Hermes. "This declining trend has clearly softened in recent months. We now expect the overall number of insolvencies to decline by 3% in 2015 to roughly 2,000 cases and plateau (0% y/y) around this level in 2016."

The drop in oil prices benefits South Africa's trade balance, in contrast to the decline in gold prices. Euler Hermes estimates that USD68 billion is needed in the next 15 years to fill the infrastructure gap.

"In the medium term, good demographics and firmer commodity demand globally could continue to create opportunities for South African businesses," stated Subran.

Export opportunities for South African companies

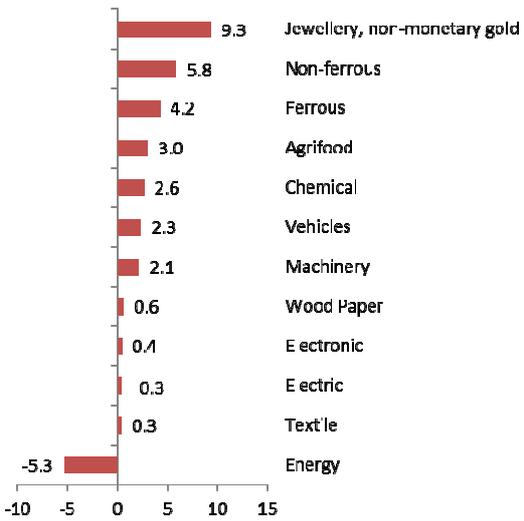
Euler Hermes expects ZAR26 billion in additional goods exports in 2015, to a total of ZAR1,025 billion. Jewellery (ZAR9.3 billion) and non-ferrous metals (ZAR 5.8 billion) are the highest potential winners. Exports of food and beverages are also on the rise (estimated ZAR3 billion in 2015). The U.S. (ZAR8.5 billion) and China (ZAR 7.3 billion) should drive export growth in 2015, with 61% of additional demand generated by these two countries.

Intra-Africa trade flows will remain strong and South Africa, with its comparatively better transport infrastructure and links with the global economy, will be pivotal in maintaining the momentum that has seen intra-sub-Saharan flows almost double since 2007. While Europe and North America remain

important trade partners, Euler Hermes expects more commercial transactions across the Indian Ocean, particularly with India which currently accounts for 6% of South Africa exports and an anticipated additional ZAR 2.3 billion worth of exports.

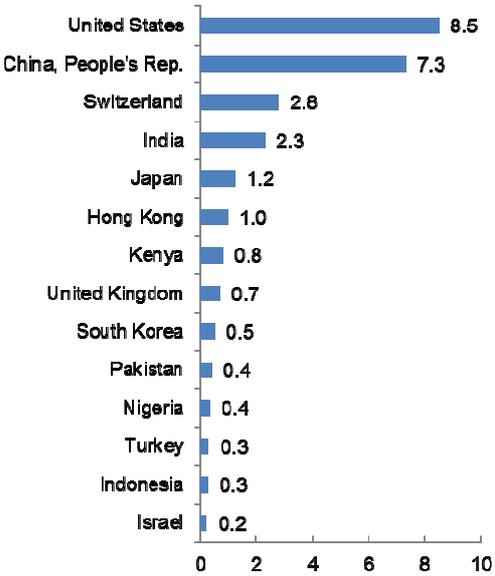
Additional Export for South African Companies by Sectors/Countries

Top-12 sectors: Export gains In 2015
(in ZAR bn)



Sources: IHS, Euler Hermes

Top-14 countries: Export gains In 2015
(in ZAR bn)



Sources: IHS, Euler Hermes

Annex:

A reinsurance agreement is in place between Allianz Global Corporate & Specialty (AGCS) South Africa Limited and Euler Hermes to develop the business of credit insurance in South Africa. Both companies are part of the Allianz group. All trade credit insurance in South Africa will be provided by AGCS South Africa (FSP No 16722). AGCS South Africa, with Euler Hermes's world market knowledge and risk services expertise supplied via Euler Hermes Services South Africa Pty Limited, will collaborate to provide clients with world class credit insurance solutions.

#

Media contacts:

Cohn&Wolfe Africa
Mildred Thabane - +27 84 689 8173
mildred.thabane@cohnwolfeafrika.co.za

Euler Hermes MMEA
Guglielmo Santella - +39 3358496775
guglielmo.santella@eulerhermes.com

Cohn&Wolfe Africa
Karl Haechler - +27 84 887 7792
karl.haechler@cohnwolfeafrika.co.za

Allianz Global Corporate & Specialty
Hugo Kidston +44 203 451 3891
hugo.kidston@allianz.com

Euler Hermes Group
Remi Calvet - +33(0)1 84 11 61 41
remi.calvet@eulerhermes.com

Euler Hermes is the global leader in trade credit insurance and a recognized specialist in the areas of bonding, guarantees and collections. With more than 100 years of experience, the company offers business-to-business (B2B) clients financial services to support cash and trade receivables management. Its proprietary intelligence network tracks and analyzes daily changes in corporate solvency among small, medium and multinational companies active in markets representing 92% of global GDP. Headquartered in Paris, the company is present in over 50 countries with 6,000+ employees. Euler Hermes is a subsidiary of Allianz, listed on Euronext Paris (ELE.PA) and rated AA- by Standard & Poor's and Dagong Europe. The company posted a consolidated turnover of € 2.5 billion in 2014 and insured global business transactions for €860 billion in exposure at the end of 2014. Further information: www.eulerhermes.com, [LinkedIn](#) or Twitter [@eulerhermes](#).

About Allianz Global Corporate & Specialty

Allianz Global Corporate & Specialty (AGCS) is the Allianz Group's dedicated carrier for corporate and specialty insurance business. AGCS provides insurance and risk consultancy across the whole spectrum of specialty, alternative risk transfer and corporate business: Marine, Aviation (incl. Space), Energy, Engineering, Entertainment, Financial Lines (incl. D&O), Liability Mid-Corporate and Property insurance (incl. International Insurance Programs). Worldwide, AGCS operates in 29 countries with own units and in more than 160 countries through the Allianz Group network and partners. It employs more than 3,500 people and provides insurance solutions to more than half of the Fortune Global 500 companies, writing a total of €5.4 billion gross premium worldwide annually (2014). AGCS is rated AA by Standard & Poor's and A+ by A.M.Best. For more information please visit www.agcs.allianz.com or follow us on [Twitter @AGCS_Insurance](#) and [LinkedIn](#).

Cautionary note regarding forward-looking statements: The statements contained herein may include statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements which are forward-looking by reason of context, the words "may", "will", "should", "expects", "plans", "intends", "anticipates", "believes", "estimates", "predicts", "potential", or "continue" and similar expressions identify forward-looking statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (i) general economic conditions, including in particular economic conditions in the Euler Hermes Group's core business and core markets, (ii) performance of financial markets, including emerging markets, and including market volatility, liquidity and credit events (iii) the frequency and severity of insured loss events, including from natural catastrophes and including the development of loss expenses, (iv) persistency levels, (v) the extent of credit defaults, (vi) interest rate levels, (vii) currency exchange rates including the Euro/U.S. Dollar exchange rate, (viii) changing levels of competition, (ix) changes in laws and regulations, including monetary convergence and the European Monetary Union, (x) changes in the policies of central banks and/or foreign governments, (xi) the impact of acquisitions, including related integration issues, (xii) reorganization measures, and (xiii) general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences. The company assumes no obligation to update any forward-looking statement.