

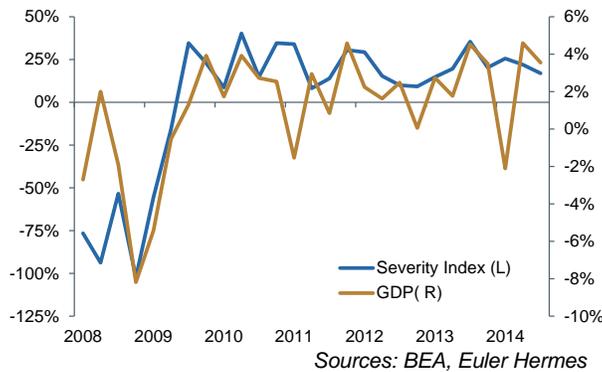
**Euler Hermes reports 2 percent increase in US late payment amounts;
no improvement in late payment quantity**

Report also indicates slowing GDP and mixed outlook for key industries

BALTIMORE, MD. – 19 NOVEMBER 2014 – Euler Hermes, the world’s leading provider of trade credit insurance, announced in a report released today that there has been no year-to-date improvement in the number of past due payments to U.S. businesses. At the same time, the average dollar amount of past due payments has increased about 2 percent during the first three quarters of 2014 compared to the same period in 2013. Euler Hermes therefore projects that Q3 2014’s healthy 3.5 percent GDP growth is likely to slow to about 3 percent in Q4 due to the strong correlation between payment behavior and GDP activity.

“While the dollar amount of past due payments has improved by 60 percent since 2008, the current figures suggest that we can expect to see slower GDP growth for the balance of the year,” said Dan North, lead economist for Euler Hermes North America. “We have found a strong correlation between payment behavior and GDP, including an increase in past due payments in 2007 as the recession approached and a decrease before the recovery began in 2009.”

Past Due Payment Amounts vs. GDP



The insights on past due payment behavior also predict a mixed outlook for individual industries. For example, retail industry payment behavior strengthened 8 percent from Q2 to Q3, suggesting retailers are likely to see stronger activity in Q4. Similarly, the auto and energy industries experienced payment improvements and are expected to have better fourth quarters.

Industry	Activity forecast for 4Q vs. 3Q
Auto	Stronger
Chemicals	Weaker
Commodities	Weaker
Electronics	Weaker
Energy	Stronger
Food	Weaker
Metals	Weaker
Retail	Stronger

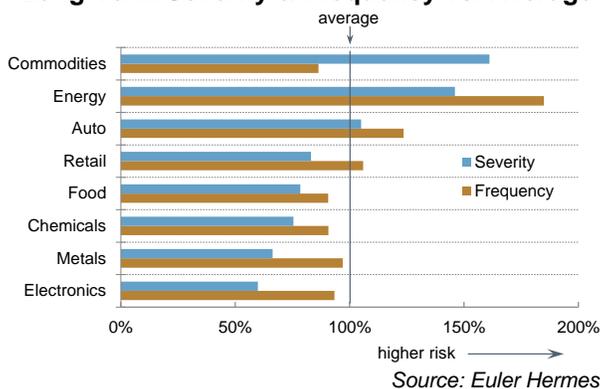
Source: Euler Hermes



In contrast, payment behavior in the metals industry deteriorated 8 percent in Q3. This suggests that the recent high performance of companies buying metals, such as equipment manufacturers, may cool in Q4. In addition, past due payments have become more frequent in the chemicals, commodities, electronics and food industries, indicating activity will slow in Q4.

Businesses can also further gauge the riskiness of their industry by comparing the long-term frequency and severity of past due payments to an economy-wide average. For example, long-term data suggests that the commodities industry is riskier than others, since past dues occur unexpectedly (frequency), but each loss is larger than average (severity). By contrast, the past due payments of the electronics industry appears to be more predictable and of smaller amounts -- a less risky combination.

Long-Term Severity & Frequency vs. Average



“Euler Hermes’ research and data provide valuable proprietary insights, helping businesses better assess trends in payment patterns, which in turn can be indicative of the risks associated with their industries,” said North. “The U.S. business payment experiences which form the basis for this data show high correlations with broad macroeconomic and industry indicators, often signaling new developments in those indicators.”

For more information, please refer to Euler Hermes’ report on past dues and payment behavior trends.

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Euler Hermes North America Insurance Company

Euler Hermes' regional headquarters for the United States, Canada and Brazil is located in Owings Mills, Md. Founded in 1893, Euler Hermes is North America's largest and longest-established provider of trade credit insurance and accounts receivable management solutions. The company protects and insures around \$150 billion of regional trade transactions annually, serving small, medium and multinational clients across a range of sectors. The company employs 430 people regionally and serves clients from more than 50 locations in North America and Brazil.

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 2013 and insured global business transactions for €789 billion in exposure at the end of 2013. Further information: www.eulerhermes.com, [LinkedIn](#) or Twitter [@eulerhermes](#).

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The company assumes no obligation to update any forward-looking statement.