

Euler Hermes opens Sofia, Bulgaria office; forecasts +2% GDP growth in 2015

SOFIA - 3 FEBRUARY 2015 - Euler Hermes, the worldwide leader in trade credit insurance has opened a new office – Euler Hermes Bulgaria – in Sofia to provide trade credit insurance services to Bulgarian clients. The office will also contribute local business intelligence and underwriting skills to the Group's international network.

"Our global objective is to grow and protect our clients in their domestic and export markets," said Ludovic Senecaut, CEO of Euler Hermes Northern Europe Region. "To achieve this goal, Euler Hermes seeks economies like that of Bulgaria that demonstrate domestic growth potential and export opportunities. Growth markets in Eastern Europe are an increasing focus for our European clients and the Sofia office adds to our ability to provide them with local market business intelligence for safe, sustainable growth."

Euler Hermes forecasts a continued positive short-term evolution of the Bulgarian economy. Following a rebound in domestic demand, economic growth rose from +1.1% in 2013 to an estimated +1.6% in 2014, while external demand weakened against the background of sluggish Eurozone performance and Russian events.

"We expect private Bulgarian consumption and investment to remain robust in 2015 and exports to recover, supported by both lower oil prices and a weaker lev pegged to the euro," said Ludovic Subran, group chief economist at Euler Hermes. "As a result, the gradual economic uptrend should continue and economic sentiment improve. Euler Hermes forecasts real GDP growth in Bulgaria of +2% in 2015, followed by +2.5% in 2016."

Strengthening its presence in traditional markets and investing in growth markets is central to Euler Hermes' geographic strategy. Its strong global footprint in more than 50 countries is supported by a proprietary business intelligence network that tracks and analyzes daily changes in corporate solvency among small, medium and multinational companies. The network and data enable Euler Hermes to navigate turbulent times, and offer long-term continuity to its clients.

"The new office in Bulgaria represents an important strategic step for Euler Hermes in the Northern Europe Region. We believe Bulgaria offers many business opportunities that will strengthen our position and growth in the coming years," concluded Ludovic Senecaut.

Bulgaria is part of Euler Hermes Northern Europe Region, which includes 14 other countries: Belgium, the Czech Republic, Denmark, Finland, Hungary, Luxemburg, the Netherlands, Norway, Poland, Romania, Russia, Slovakia, Sweden and the United Kingdom.

Annex: How credit insurance works

Credit insurance covers the risk of non-payment when a business offers trade credit to a corporate customer. The basic concept behind credit insurance is that, through B2B credit, businesses are the leading source of financing for other businesses. In times of economic uncertainty and market volatility, the confidence and stability gained by businesses over many years can be quickly erased and be replaced by non-payment of invoices or insolvency. Trade credit insurance offers valuable reassurance to companies as they navigate domestic growth and export opportunities, or weather unexpected events and volatility: risk prevention, recovery of unpaid debts and compensation for uncollected receivables.

Credit insurance policies are designed for companies that trade on credit, no matter their size, sector or country. Euler Hermes analyzes a company that wants to sell on credit to another company and sets a maximum credit limit. The creditor can secure this "loan" granted to its client against an insurance premium. In case of default by the debtor, the creditor collects its approved receivables from Euler



Hermes, and the insurer follows up to recover the debt. Credit limit calculations are based on several factors, including country risk, market information, economic sectorial analysis or payment history. In many cases, Euler Hermes covers 85-90% of the total value of a contract. The insurance premium is calculated as a percent of the estimated insurable turnover and can vary between 0.2%-1.0%.

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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](#).

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.