

Condensed Consolidated Financial  
Statements for the 1<sup>st</sup> quarter ended  
March 31, 2009



A company of **Allianz** 

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## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(in thousands of euros)</i>	Notes	2009.03	2008.12
Goodwill	1	105 268	102 678
Other intangible assets		91 069	83 235
<b>Intangible assets</b>		<b>196 337</b>	<b>185 913</b>
Investment property	2	58 703	71 834
Financial investments	3	2 440 732	2 590 986
Derivatives		2 486	3 052
<b>Investments- insurance businesses</b>		<b>2 501 921</b>	<b>2 665 872</b>
<b>Investments accounted for by the equity method</b>	4	<b>91 959</b>	<b>93 550</b>
<b>Share of assignees and reinsurers in the technical reserves and financial liabilities</b>	6	<b>501 517</b>	<b>417 978</b>
Operating property and other property and equipment		161 920	162 426
Acquisition costs capitalised		58 144	46 798
Deferred tax assets		38 382	31 942
Inwards insurance and reinsurance receivables		553 560	498 208
Outwards reinsurance receivables		13 452	96 225
Corporation tax receivables		47 939	94 890
Other receivables		189 916	149 386
<b>Other assets</b>		<b>1 063 313</b>	<b>1 079 875</b>
<b>Cash</b>	5	<b>894 146</b>	<b>613 907</b>
<b>TOTAL ASSETS</b>		<b>5 249 193</b>	<b>5 057 095</b>
Capital stock		14 426	14 426
Additional paid-in capital		451 924	451 924
Reserves		1 391 658	1 307 927
Net income, group share		16 535	83 592
Revaluation reserve		30 888	50 279
Translation reserve		(65 348)	(73 191)
<b>Shareholders' equity, group share</b>		<b>1 840 083</b>	<b>1 834 957</b>
Minority interests		20 949	20 328
<b>Total shareholders' equity</b>		<b>1 861 032</b>	<b>1 855 285</b>
<b>Provisions for risks and charges</b>		<b>163 508</b>	<b>141 648</b>
Bank borrowings		1 267	2 313
Other borrowings		298 445	295 433
<b>Borrowings</b>		<b>299 712</b>	<b>297 746</b>
Gross non-life technical reserves	6	2 007 860	1 853 698
<b>Liabilities related to contracts</b>		<b>2 007 860</b>	<b>1 853 698</b>
Deferred tax liabilities		349 983	354 367
Inwards insurance and reinsurance liabilities		205 681	195 172
Outwards reinsurance liabilities		94 630	96 697
Corporation tax payables		27 754	30 222
Other		239 033	232 260
<b>Other liabilities</b>		<b>917 081</b>	<b>908 718</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>5 249 193</b>	<b>5 057 095</b>

## CONSOLIDATED INCOME STATEMENT

<i>(in thousands of euros)</i>	Notes	2009.03	2008.03
<i>Premiums written</i>		546 949	546 413
<i>Premiums refunded</i>		(15 176)	(19 595)
<i>Change in unearned premiums</i>		(83 474)	(90 135)
Earned premiums		448 299	436 683
Premium-related revenues		100 242	90 453
<b>Turnover</b>		<b>548 541</b>	<b>527 136</b>
Investment income		25 091	31 756
Investment management charges		(2 687)	(8 943)
Net gain (loss) on sales of investments less impairment and depreciation writebacks		33 715	50
Change in fair value of investments recognised at fair value through profit or loss		(509)	(369)
Change in investment impairment provisions		(1 373)	(1 188)
<b>Net investment income</b>		<b>54 237</b>	<b>21 306</b>
<b>Insurance services expense</b>		<b>(350 935)</b>	<b>(264 967)</b>
Outwards reinsurance income		(135 649)	(108 785)
Outwards reinsurance expense		132 199	105 837
<b>Net outwards reinsurance income or expense</b>		<b>(3 450)</b>	<b>(2 948)</b>
<b>Contract acquisition expense</b>		<b>(85 195)</b>	<b>(84 671)</b>
<b>Administration expense</b>		<b>(45 108)</b>	<b>(45 219)</b>
<b>Other ordinary operating income and expense</b>		<b>(74 979)</b>	<b>(76 197)</b>
<b>ORDINARY OPERATING INCOME</b>		<b>43 111</b>	<b>74 440</b>
<b>Other operating income and expense</b>		<b>-</b>	<b>-</b>
<b>OPERATING INCOME</b>		<b>43 111</b>	<b>74 440</b>
Financing expense		(3 260)	(3 827)
Income from companies accounted for by the equity method		2 076	1 549
Corporation tax		(24 510)	(32 425)
<b>CONSOLIDATED NET INCOME</b>		<b>17 417</b>	<b>39 737</b>
<i>o/w</i>			
<b>NET INCOME, GROUP SHARE</b>		<b>16 535</b>	<b>38 391</b>
Minority interests		882	1 346
<b>Earnings per share (€)</b>		<b>0,37</b>	<b>0,88</b>
<b>Diluted earnings per share (€)</b>		<b>0,37</b>	<b>0,88</b>
<b>Earnings per share of continuing activities (€)</b>		<b>0,37</b>	<b>0,88</b>
<b>Diluted earnings per share of continuing activities (€)</b>		<b>0,37</b>	<b>0,88</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

<i>(in thousands of euros)</i>	2009.03	2008.03
<b>Net income, group share</b>	<b>16 535</b>	<b>38 391</b>
Corporation tax	25 287	32 425
Financing expense	3 414	3 827
<b>OPERATING INCOME BEFORE TAX</b>	<b>45 236</b>	<b>74 643</b>
Minority interests	882	1 346
Allocation to and writebacks of depreciation, amortisation and reserves	15 917	11 748
Change in technical reserves	69 595	154 969
Change in deferred acquisition costs	(5 389)	(3 935)
Change in fair value of financial instruments recognised at fair value through the income statement (excluding cash and cash equivalents)	510	369
Realised capital gains/(losses) net of writebacks	(33 389)	99
Unrealised foreign exchange gain (loss) in company accounts	1 393	2 303
Revenues and expenses linked to stock options and similar	111	(808)
Interest revenues received accrued	4 531	5 601
<b>Adjustment for elements included in operating income that do not correspond to cash flows and reclassification of financing and investment flows</b>	<b>54 162</b>	<b>171 692</b>
Income (loss) of companies accounted for by the equity method	(2 077)	(1 549)
Dividends received from companies accounted for by the equity method	3 438	-
Change in liabilities and receivables relating to insurance and reinsurance transactions	21 267	(123 071)
Change in operating receivables and liabilities	(2 720)	45 428
Change in other assets and liabilities	(24 658)	(4 719)
Corporation tax	30 436	(48 367)
<b>Cash flow related to operating activities</b>	<b>25 685</b>	<b>(132 278)</b>
<b>Cash flow from operating activities</b>	<b>125 083</b>	<b>114 057</b>
Acquisitions of subsidiaries and joint ventures, net of acquired cash	-	134
Disposals of subsidiaries and joint ventures, net of acquired cash	-	-
Acquisitions of equity interests in companies accounted for by the equity method	-	-
Merger	-	-
Others	-	-
<b>Cash flow linked to changes in the consolidation scope</b>	<b>-</b>	<b>134</b>
Disposals of AFS securities	629 326	393 747
Matured HTM securities	1 911	156
Disposals of investment properties	19 456	-
Disposals of securities held for trading	56	188
<b>Cash flow linked to disposals and redemptions of investments</b>	<b>650 749</b>	<b>394 091</b>
Acquisitions of AFS securities	(513 154)	(230 180)
Acquisitions of HTM securities	-	-
Acquisitions of investment properties	(73)	(74)
Acquisitions of trading securities	-	-
<b>Cash flow linked to acquisitions of investments</b>	<b>(513 227)</b>	<b>(230 254)</b>
Disposals of other investments and intangible assets	42 837	1 406
Acquisitions of other investments and intangible assets	(22 879)	(88 413)
<b>Cash flow linked to acquisitions and disposals of other investments and intangible assets</b>	<b>19 957</b>	<b>(87 007)</b>
<b>Cash flow from investing activities</b>	<b>157 480</b>	<b>76 964</b>

Increases and decreases in capital	-	104
<i>Increases in capital</i>	(1 040)	104
<i>Decreases in capital</i>	1 040	-
Change in treasury stock	(529)	(1 830)
Dividends paid	-	(74)
<b>Cash flow linked to transactions with the shareholders</b>	<b>(529)</b>	<b>(1 800)</b>
Change in non voting shares	-	-
Changes in loans and subordinated securities	(2 439)	(61)
<i>Issue</i>	300	372
<i>Repayment</i>	(2 739)	(433)
Interest paid	(410)	(1 440)
<b>Cash flow from group financing</b>	<b>(2 850)</b>	<b>(1 501)</b>
<b>Cash flow from financing activities</b>	<b>(3 379)</b>	<b>(3 301)</b>
Impact of foreign exchange differences on cash and cash equivalents	3 336	6 876
Reclassification <sup>(1)</sup>	(710)	5
<b>Other net changes in cash</b>	<b>2 626</b>	<b>6 881</b>
<b>Change in cash flows</b>	<b>281 810</b>	<b>194 601</b>
<b>Change in cash and cash equivalents</b>	<b>281 810</b>	<b>194 601</b>
<b>Cash and cash equivalents at start of period</b>	<b>Note 5</b>	<b>612 323</b>
<b>Cash and cash equivalents at end of period</b>	<b>Note 5</b>	<b>894 133</b>
		<b>583 022</b>

- <sup>(1)</sup> As at March 31, 2009, the reclassification of €(710) thousand corresponds mainly to cash wrongly booked in the opening for €(675) thousand by the Romanian subsidiary.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 1<sup>st</sup> Quarter 2008

(in thousands of euros)	Capital stock	Additional paid-in capital	Retained earnings	Revaluation reserve	Translation reserve	Other Treasury shares	Total other	Shareholders' equity, group share	Minority interests	Total shareholders' equity
<b>Shareholders' equity as at December 31, 2007 - IFRS</b>	14 417	451 332	1 607 947	90 438	(29 821)	(75 572)	(105 393)	2 058 741	19 179	2 077 920
Available-for-sale assets (AFS)							-	-		-
Measurement gain / (loss) taken to shareholders' equity				(33 017)			-	(33 017)	(65)	(33 082)
Impact of transferring realised gains and losses to income statement							-	-		-
Cash flow hedges							-	-		-
Gain / (loss) taken to shareholders' equity							-	-		-
Impact of transferring realised profits and losses in the year to income statement							-	-		-
Impact of transfers on the initial amount of hedges							-	-		-
Impact of translation differences					(20 126)		(20 126)	(20 126)	(84)	(20 210)
Current and deferred tax taken directly to or transferred to shareholders' equity										
<b>Net income recognised in shareholders' equity</b>	-	-	-	(33 017)	(20 126)	-	(20 126)	(53 143)	(149)	(53 292)
Net income for the year			38 391				-	38 391	1 346	39 737
<b>Total revenues and losses recognised for the period</b>	-	-	38 391	(33 017)	(20 126)	-	(20 126)	(14 752)	1 197	(13 555)
Capital movements	-	96				(1 557)	(1 557)	(1 461)	-	(1 461)
Dividend distributions			-				-	-	(75)	(75)
Shareholders' equity component of share-based payment plans			429				-	429		429
Cancellation of gains/losses on treasury shares			(273)				-	(273)		(273)
Other movements			(99)				-	(99)	16	(83)
<b>Shareholders' equity as at March 31, 2008 - IFRS</b>	14 417	451 428	1 646 395	57 421	(49 947)	(77 129)	(127 076)	2 042 585	20 317	2 062 902

## 1<sup>st</sup> Quarter 2009

(in thousands of euros)	Capital stock	Additional paid-in capital	Retained earnings	Revaluation reserve	Translation reserve	Other Treasury shares	Total other	Shareholders' equity, group share	Minority interests	Total shareholders' equity
<b>Opening Shareholders' equity</b>	14 426	451 924	1 476 216	50 279	(73 191)	(84 697)	(157 888)	1 834 957	20 328	1 855 285
Available-for-sale assets (AFS)	-	-	-	-	-	-	-	-	-	-
Measurement gain / (loss) taken to shareholders' equity	-	-	-	(1 684)	-	-	-	(1 684)	(25)	(1 709)
Impact of transferring realised gains and losses to income statement	-	-	-17706,52755	-	-	-	-	(17 707)	-	(17 707)
Cash flow hedges	-	-	-	-	-	-	-	-	-	-
Gain / (loss) taken to shareholders' equity	-	-	-	-	-	-	-	-	-	-
Impact of transferring realised profits and losses in the year to income statement	-	-	-	-	-	-	-	-	-	-
Impact of transfers on the initial amount of hedges	-	-	-	-	-	-	-	-	-	-
Impact of translation differences	-	-	-	-	7 843	-	7 843	7 843	(271)	7 572
Current and deferred tax taken directly to or transferred to shareholders' equity	-	-	-	-	-	-	-	-	-	-
<b>Net income recognised in shareholders' equity</b>	-	-	-	(19 391)	7 843	-	7 843	(11 548)	(296)	(11 844)
Net income for the year	-	-	16 535	-	-	-	-	16 535	882	17 417
<b>Total revenues and losses recognised for the period</b>	-	-	16 535	(19 391)	7 843	-	7 843	4 987	586	5 573
Capital movements	-	-	-	-	-	(529)	(529)	(529)	-	(529)
Dividend distributions	-	-	-	-	-	-	-	-	-	-
Shareholders' equity component of share-based payment plans	-	-	111	-	-	-	-	111	-	111
Cancellation of gains/losses on treasury shares	-	-	-	-	-	-	-	-	-	-
Other movements	-	-	557	-	-	-	-	557	35	592
<b>Closing Shareholders' equity</b>	14 426	451 924	1 493 419	30 888	(65 348)	(85 226)	(150 574)	1 840 083	20 949	1 861 032

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 1 Significant events

The following significant events occurred in the first quarter 2009:

### Changes in the share capital and in share ownership

At 31 March 2009, the Allianz group owned 30,744,048 shares out of a total of 45,082,230 shares, corresponding to 68.20% of the share capital of Euler Hermes.

During the first quarter 2009, no new share was created by the exercise of options. At 31 March 2009, Euler Hermes' share capital was composed of 45,082,230 shares, including 1,560,624 shares held in treasury stock.

### Increased retention rate

The premium retention rate is the ratio of premiums after reinsurance to premiums before reinsurance. This rate decrease from 75% at end-March 2008 to 70% at end-March 2009. Earned premiums net of reinsurance decreased by 4.65% quarter on quarter.

## 2 IFRS accounting and valuation rules

The financial statements of the Euler Hermes group as at March 31, 2009 were approved by the Board of Director's of May 6, 2009.

### 2.1 General principles

In accordance with European regulation no. 1606/2002 of July 19, 2002, the interim consolidated financial statements published at March 31, 2009 were prepared in accordance with IFRS as adopted by the European Union. International accounting standards comprise IFRS (International Financial Reporting Standards) and IAS (International Accounting Standards), together with their interpretative texts.

The standards and interpretations applied stem essentially from:

- IAS/IFRS and their interpretative texts whose application is mandatory at March 31, 2009 as adopted by the European Union,
- Guidance provided in CNC recommendation no. 2006-R01 relating to the format of financial statements prepared by insurance firms under international accounting guidelines.

Euler Hermes didn't apply, by anticipation in 2008, IAS 19 – IFRIC 14 related to the Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (Voluntary prepaid contributions under a minimum funding requirement). The application of IFRIC 14 didn't impact the consolidated financial statements.

The Group didn't choose the options related to the reclassification of financial assets (published by IASB on October 13th, 2008 and applicable on July 1st, 2008) linked to the update of IAS 39 - Financial instruments: recognition and measurement and IFRS 7 - Financial instruments: disclosures.

As at March 31, 2009, Euler Hermes didn't apply the following standards published by IASB that are not mandatory as at January 1<sup>st</sup>, 2009:

- IAS 1 revised – Presentation of financial statements;
- IFRS 2 update – Vesting conditions and cancellations;
- IAS 39 – Financial instruments – Hedge accounting recognition ;



Euler Hermes group applied as at January 1<sup>st</sup>, 2009 the following standards and updates:

- IFRS 8 – Operational segments – The geographical areas detailed in note 9 exactly reflected the internal communication done by the Management. Moreover, the information by activity is not still published.

The following updates of IFRS standards didn't impact the consolidated financial statements of the Euler Hermes:

- IAS 23 – Update related to the costs of borrowings;
- IFRS 1 and IAS 27 update – Cost of a investment in a subsidiary, jointly controlled entity or associate;
- IAS 32 and IAS 1 update – Puttable financial instruments and obligations arising on liquidation;
- IFRS 3 and IAS 27 update – Business combination;

The following interpretations of IFRS standards didn't impact the consolidated financial statements of the Euler Hermes:

- IFRIC 12 – Service concession arrangements;
- IFRIC 13 – Customer Loyalty Programmes;
- IFRIC 15 – Agreements for the Construction of Real Estate;
- IFRIC 16 – Hedges of a Net Investment in a Foreign Operation;
- IFRIC 17 – Distribution to the stakeholders of non-monetary assets;
- IFRIC 18 – Transfers of Assets from Customers.

The financial statements are presented in euros, the functional currency, rounded to the nearest thousand. They have been prepared on a historical cost basis except for asset and liability items relating to insurance policies, which are measured in accordance with the methods already applied by the group and financial instruments measured at fair value (financial instruments at fair value through the income statement and available-for sale financial instruments). Non-current assets and groups of assets held with a view to being sold are measured at the lower of carrying amount and fair value less selling costs. The balance sheet is presented in increasing order of liquidity.

## **2.2 Consolidation scope**

The consolidation scope didn't change during the first quarter 2009.

### 3 Notes to the financial statements

#### Note 1 Goodwill

In accordance with IFRS 3, goodwill is not amortized but instead is subject to annual impairment testing.

<i>(in thousands of euros)</i>							2009.03	2008.12
	France	Italy	United Kingdom	United States	Benelux countries	Other	Total	Total
<b>Opening balance</b>								
Gross value	393	6 229	57 735	30 466	8 242	7 544	110 609	125 756
Impairment losses	-	(409)	(7 522)	-	-	-	(7 931)	(10 179)
Net carrying amount	393	5 820	50 213	30 466	8 242	7 544	102 678	-
<b>Change during the year</b>								
Openning net carrying amount	393	5 820	50 213	30 466	8 242	7 544	102 678	-
Changes in gross value	-	-	-	-	-	-	-	327
Outgoing entities & Held for sale transfer	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	139
Reclassifications	-	-	-	-	-	-	-	-
Changes in foreign currency translation adjustments	-	-	1 172	1 395	-	26	2 593	(13 365)
Impairment losses	-	-	-	-	-	-	-	-
Closing net carrying amount	393	5 820	51 385	31 861	8 242	7 570	105 271	102 678
<b>Closing Balance</b>								
Gross value	391	6 229	59 082	31 861	8 242	7 570	113 375	110 609
Impairment losses	-	(409)	(7 698)	-	-	-	(8 107)	(7 931)
Net carrying amount	391	5 820	51 384	31 861	8 242	7 570	105 268	102 678

## Note 2 Investment and operating property

(in thousands of euros)		2009.03		2008.12	
		Investment property	Operating property	Investment property	Operating property
<b>Balance as opening period</b>					
Gross value		91 071	195 192	105 915	194 273
Depreciation		(19 237)	(61 878)	(19 668)	(56 771)
Impairment losses		-	(554)	-	(10 014)
Net carrying amount		71 834	132 760	86 247	127 488
<b>Change during the year</b>					
Net carrying amount as opening period		71 834	132 760	86 247	127 488
Acquisitions		-	73	-	922
Change in consolidation scope		-	-	-	-
Disposals		(12 610)	-	(15 276)	-
Reclassifications		-	-	(80)	80
Changes in foreign currency translation adjustments		-	73	-	87
Net depreciation		(521)	(973)	943	(5 277)
Net provisions for impairment		-	-	-	9 460
Other changes		-	-	-	-
Net carrying amount at the end of the period		58 703	131 933	71 834	132 760
<b>Balance at the end of the period</b>					
Gross value		76 086	195 340	91 071	195 192
Depreciation		(17 383)	(62 854)	(19 237)	(61 878)
Impairment losses		-	(554)	-	(554)
Net carrying amount		58 703	131 933	71 834	132 760
<b>Fair value</b>					
		114 683	231 416	134 139	231 460

The disposals of investment property concerned Euler Hermes SFAC for the whole amount. The realized gains accounted are €6,846 thousand.

Amounts recorded in the income statement	Investment property	Investment property
Rental revenues from investment property	1 561	7 159
Direct operating expenses relating to property	(424)	(2 506)

## Note 3 Financial investments

### Classification by accounting method

For an instrument that is listed on an active market, the fair value is the bid price on the valuation date for an asset held or a liability to be issued and the offer price for an asset intended to be purchased or a liability intended to be held. If such prices are not available, the fair value is estimated based on the most recent transaction price.

If there is no active market for a given financial instrument, the group estimates the fair value using a valuation technique. Valuation techniques include the use of recent transactions under normal competitive conditions between informed and consenting parties, where available, reference to the current fair value of another instrument that is identical in substance, the analysis of discounted cash flows and option valuation models.

(in thousands of euros)	2009.03						2008.12					
	Amortized cost	Revaluation reserve	Net carrying amount	Fair value	Listed	Non listed	Amortized cost	Revaluation reserve	Net carrying amount	Fair value	Listed	Non listed
<b>Held-to-maturity assets</b>												
Bonds	5 029	-	5 029	5 029	2 369	2 660	6 941	-	6 941	6 995	2 863	4 132
<b>Total held-to-maturity assets</b>	<b>5 029</b>	<b>-</b>	<b>5 029</b>	<b>5 029</b>	<b>2 369</b>	<b>2 660</b>	<b>6 941</b>	<b>-</b>	<b>6 941</b>	<b>6 995</b>	<b>2 863</b>	<b>4 132</b>
<b>Available-for-sale assets</b>												
Equities	118 971	2 577	121 780	121 552	1 822 260	87 627	136 083	16 064	152 147	152 147	1 911 193	108 862
Bonds	1 736 513	51 824	1 788 337	1 788 335	-	-	1 805 324	62 584	1 867 908	1 867 908	-	-
<b>Total Available-for-sale assets</b>	<b>1 855 484</b>	<b>54 401</b>	<b>1 910 117</b>	<b>1 909 887</b>	<b>1 822 260</b>	<b>87 627</b>	<b>1 941 407</b>	<b>78 648</b>	<b>2 020 055</b>	<b>2 020 055</b>	<b>1 911 193</b>	<b>108 862</b>
<b>Loans, deposits and other financial investments</b>	<b>525 586</b>	<b>-</b>	<b>525 586</b>	<b>525 586</b>	<b>-</b>	<b>-</b>	<b>563 990</b>	<b>-</b>	<b>563 990</b>	<b>563 990</b>	<b>-</b>	<b>-</b>
<b>Total loans, deposits and other financial investments</b>	<b>525 586</b>	<b>-</b>	<b>525 586</b>	<b>525 586</b>	<b>-</b>	<b>-</b>	<b>563 990</b>	<b>-</b>	<b>563 990</b>	<b>563 990</b>	<b>-</b>	<b>-</b>
<b>Total Financial investments (excluded investments in consolidated enterprise)</b>	<b>2 386 099</b>	<b>54 401</b>	<b>2 440 732</b>	<b>2 440 502</b>	<b>1 824 629</b>	<b>90 287</b>	<b>2 512 338</b>	<b>78 648</b>	<b>2 590 986</b>	<b>2 591 040</b>	<b>1 914 056</b>	<b>112 994</b>

Concerning the non listed investments, the group estimates the fair value using a valuation technique. Valuation techniques include the use of recent transactions under normal competitive conditions between informed and consenting parties, where available, reference to the current fair value of another instrument that is identical in substance, the analysis of discounted cash flows and option valuation models. The non listed investments are mainly German States bonds.

(in thousands of euros)	2009.03				2008.12			
	Amortized cost	Revaluation reserve	Net carrying amount	Fair value	Amortized cost	Revaluation reserve	Net carrying amount	Fair value
- Equities:	118 971	2 577	121 780	121 552	136 083	16 064	152 147	152 147
- Bonds:	1 741 542	51 824	1 793 366	1 793 364	1 812 265	62 584	1 874 849	1 874 903
- Loans and other investments	525 586	-	525 586	525 586	563 990	-	563 990	563 990
<b>Total Financial investments</b>	<b>2 386 099</b>	<b>54 401</b>	<b>2 440 732</b>	<b>2 440 502</b>	<b>2 512 338</b>	<b>78 648</b>	<b>2 590 986</b>	<b>2 591 040</b>

EH Group didn't account any impairment as of March 31, 2009. EH Group hadn't any financial assets such as "dynamic treasury mutual funds" or "subprime investments".

The loans and other investments are mainly composed of cash at hand waiting for investments.

## Classification by investment category

(in thousands of euros)					2009.03	2008.12
	Held-to-maturity investments	Available-for-sale investments	Loans, deposits and other financial investments	Total		Total
<b>Net carrying amount as opening period</b>	<b>6 941</b>	<b>2 020 055</b>	<b>563 990</b>	<b>2 590 986</b>		<b>2 956 590</b>
Increase in gross value	-	513 154	10 969	524 123		1 446 873
Decrease in gross value	(1 911)	(606 773)	(42 790)	(651 474)		(1 693 922)
Revaluation	-	(24 247)	-	(24 247)		(55 599)
Impairment	(2)	(963)	-	(965)		(44 854)
Changes in foreign currency translation adjustments	(14)	11 097	(3 443)	7 640		(48 707)
Reclassifications	-	(43)	688	645		2 984
Other changes	15	(2 162)	(3 829)	(5 976)		27 621
<b>Net carrying amount as closing period</b>	<b>5 029</b>	<b>1 910 118</b>	<b>525 585</b>	<b>2 440 732</b>		<b>2 590 986</b>

The other movements in loans, deposits and other financial investments correspond to the reclassification of demand deposits under cash and cash equivalents on the balance sheet.

## Note 4 Investments accounted for by the equity method

### Information on equity-accounted investments

(in thousands of euros)							2009.03
Company	Country	Assets <sup>(1)</sup>	Shareholders' equity <sup>(2)</sup>	Turnover	Net income	% of capital held	
Prisma Kreditversicherungs A.G.	Austria	-	-	-	-	49,00%	
OeKB Beteiligungs- und Management A.G.	Austria	195 365	117 447	14 393	1 353	49,00%	
Lietuvos Draudimo Kreditu Draudimas	Lithuania	-	-	-	-	0,00%	
Graydon Holding N.V.	Netherlands	64 230	11 451	17 720	4 720	27,50%	
Companhia de Seguro de Creditos SA (COSEC)	Portugal	97 359	39 704	8 894	(186)	50,00%	
Israel Credit Insurance Company Ltd	Israel	51 719	28 002	4 248	627	33,33%	
		<b>408 673</b>	<b>196 604</b>	<b>45 254</b>	<b>6 514</b>		

<sup>(1)</sup> Assets based on company financial statements as at December 31, 2008.

<sup>(2)</sup> Shareholders' equity based on company financial statements as at December 31, 2008 including goodwill.

(in thousands of euros)							2009.03	2008.12
Company	Country	Assets	Shareholders' equity	Turnover	Net income	% of capital held		
Prisma Kreditversicherungs A.G.	Austria	-	-	10 978	(2 639)	49,00%		
OeKB Beteiligungs- und Management A.G.	Austria	149 367	117 447	-	-	0,00%		
Lietuvos Draudimo Kreditu Draudimas	Lithuania	-	-	1	543	51,00%		
Graydon Holding N.V.	Netherlands	56 120	23 949	17 770	4 004	27,50%		
Companhia de Seguro de Creditos SA (COSEC)	Portugal	98 657	39 606	4 283	2 242	50,00%		
Israel Credit Insurance Company Ltd	Israel	52 467	28 839	3 543	1 029	33,33%		
		<b>356 611</b>	<b>209 841</b>	<b>36 575</b>	<b>5 179</b>	-		

### Movements during the period

<i>(in thousands of euros)</i>	<b>2009.03</b>	<b>2009.03</b>
<b>Balance as opening period</b>	<b>93 550</b>	<b>52 206</b>
Increases	-	32 980
Decreases	-	(2 529)
Reclassification	-	-
Share of income for the period	2 077	7 875
Dividends paid	(3 438)	(6 970)
Impairment	-	-
Foreign exchange differences	(273)	226
Other changes	43	9 762
<b>Net book value as closing period</b>	<b>91 959</b>	<b>93 550</b>

### Contribution to shareholders' equity (without equity method income of 2008)

<i>(in thousands of euros)</i>		<b>2009.03</b>	<b>2009.03</b>
Prisma Kreditversicherungs A.G.	Austria	-	(488)
OeKB Beteiligungs- und Management A.G.	Austria	57 549	56 233
Lietuvos Draudimo Kreditu Draudimas	Lithuania	-	(179)
Graydon Holding N.V.	Netherlands	3 149	2 911
Companhia de Seguro de Creditos SA (COSEC)	Portugal	19 852	18 594
Israel Credit Insurance Company Ltd	Israel	9 333	8 605
<b>Share of shareholders' equity</b>		<b>89 883</b>	<b>85 676</b>

### Contribution to income

<i>(in thousands of euros)</i>		<b>2009.03</b>	<b>2008.03</b>
Prisma Kreditversicherungs A.G.	Austria	-	(1 293)
OeKB Beteiligungs- und Management A.G.	Austria	663	-
Lietuvos Draudimo Kreditu Draudimas	Lithuania	-	277
Graydon Holding N.V.	The Netherlands	1 298	1 101
Companhia de Seguro de Creditos SA (COSEC)	Portugal	(93)	1 121
Israel Credit Insurance Company Ltd <sup>(3)</sup>	Israel	209	343
<b>Share of total income</b>		<b>2 077</b>	<b>1 549</b>

## Note 5 Cash and cash equivalents

### Balance Sheet

<i>(in thousands of euros)</i>	2009.03	2008.12
Cash in bank and at hand	801 467	494 859
Cash pooling	92 679	119 048
<b>Total cash</b>	<b>894 146</b>	<b>613 907</b>

### Reconciliation with the cash flow statement

<i>(in thousands of euros)</i>	2009.03	2008.12
<b>Total cash per balance sheet</b>	894 146	613 907
Cash equivalents reflected in the cash flow statement	-	-
Cash pooling creditor with Allianz	(13)	(1 584)
<b>Total cash and cash equivalents</b>	<b>894 133</b>	<b>612 323</b>

## Note 6 Technical reserves

<i>(in thousands of euros)</i>	2008.12	Net provisions	Foreign exchange differences	Other changes	2009.03
Reserve for unearned premiums	314 691	81 813	2 546	1 289	400 339
Reserve for claims	1 422 610	68 031	4 671	2 197	1 497 509
Reserve for no-claims bonuses and refunds	116 397	(6 261)	(214)	90	110 012
<b>Gross technical reserves</b>	<b>1 853 698</b>	<b>143 583</b>	<b>7 003</b>	<b>3 576</b>	<b>2 007 860</b>
Reserve for unearned premiums	47 853	53 436	(1 452)	559	100 396
Reserve for claims	353 186	30 430	(185)	2 351	385 782
Reserve for no-claims bonuses and refunds	16 939	(1 739)	67	72	15 339
<b>Reinsurers' share of technical reserves</b>	<b>417 978</b>	<b>82 127</b>	<b>(1 570)</b>	<b>2 982</b>	<b>501 517</b>
<b>Net technical reserves</b>	<b>1 435 720</b>	<b>61 456</b>	<b>8 573</b>	<b>594</b>	<b>1 506 343</b>

### Cost of claims

<i>(in thousands of euros)</i>	2009.03			2008.03		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
<b>Cost of claims for the current period</b>	<b>387 764</b>	<b>(97 984)</b>	<b>289 780</b>	<b>288 796</b>	<b>(55 666)</b>	<b>233 130</b>
of which, claims paid	33 815	(15 367)	18 448	13 246	(14 545)	(1 299)
of which, claims reserves	335 053	(81 669)	253 384	257 452	(40 133)	217 319
of which, claims handling expenses	18 896	(948)	17 948	18 098	(988)	17 110
<b>Recoveries for the current period</b>	<b>(33 374)</b>	<b>8 196</b>	<b>(25 178)</b>	<b>(22 286)</b>	<b>2 827</b>	<b>(19 459)</b>
Recoveries received	(211)	642	431	38	1 093	1 131
Change in reserves for recoveries	(33 163)	7 554	(25 609)	(22 324)	1 734	(20 590)
<b>Cost of claims from prior periods</b>	<b>19 219</b>	<b>91</b>	<b>19 310</b>	<b>19 247</b>	<b>(7 901)</b>	<b>11 346</b>
of which, claims paid	272 120	(47 269)	224 851	202 612	(40 609)	162 003
of which, claims reserves	(253 442)	48 172	(205 270)	(183 699)	40 519	(143 180)
of which, claims handling expenses	541	(812)	(271)	334	(7 811)	(7 477)
<b>Recoveries from prior periods</b>	<b>(22 674)</b>	<b>772</b>	<b>(21 902)</b>	<b>(20 790)</b>	<b>1 894</b>	<b>(18 896)</b>
Recoveries received	(40 898)	6 296	(34 602)	(37 645)	6 495	(31 150)
Change in reserves for recoveries	18 224	(5 524)	12 700	16 855	(4 601)	12 254
<b>Cost of claims</b>	<b>350 935</b>	<b>(88 925)</b>	<b>262 010</b>	<b>264 967</b>	<b>(58 846)</b>	<b>206 121</b>

## Claims reserves

<i>(in thousands of euros)</i>							
2009.03				2008.03			
	Gross	Reinsurance	Net	Gross	Reinsurance	Net	
<b>Claims reserves gross of recoveries</b>	<b>1 752 391</b>	<b>(433 081)</b>	<b>1 319 310</b>	<b>1 332 759</b>	<b>(320 667)</b>	<b>1 012 092</b>	
Current period	374 993	(91 255)	283 738	283 202	(49 252)	233 950	
Prior periods	1 377 398	(341 826)	1 035 572	1 049 557	(271 415)	778 142	
<b>Recoveries to be received</b>	<b>(254 882)</b>	<b>47 298</b>	<b>(207 584)</b>	<b>(254 178)</b>	<b>35 249</b>	<b>(218 929)</b>	
Current period	(35 670)	7 984	(27 686)	(22 316)	1 533	(20 783)	
Prior periods	(219 212)	39 314	(179 898)	(231 862)	33 716	(198 146)	
<b>Claims reserves</b>	<b>1 497 509</b>	<b>(385 783)</b>	<b>1 111 726</b>	<b>1 078 581</b>	<b>(285 418)</b>	<b>793 163</b>	

## Breakdown by type of reserve

<i>(in thousands of euros)</i>							
2009.03				2008.03			
	Gross	Reinsurance	Net	Gross	Reinsurance	Net	
<b>Reserves for unearned premiums</b>	<b>400 339</b>	<b>(100 396)</b>	<b>299 943</b>	<b>391 310</b>	<b>(95 858)</b>	<b>295 452</b>	
<b>Claims reserves</b>	<b>1 497 509</b>	<b>(385 783)</b>	<b>1 111 726</b>	<b>1 078 581</b>	<b>(285 418)</b>	<b>793 163</b>	
of which, reserves for known claims	1 277 737	(308 201)	969 536	906 009	(311 461)	594 548	
of which, reserves for late claims	359 312	(118 510)	240 802	318 053	45	318 098	
of which, reserves for claims handling expenses	114 476	(6 371)	108 105	107 766	(9 251)	98 515	
of which, other technical reserves	865	-	865	930	-	930	
of which, recoveries to be received	(254 881)	47 299	(207 582)	(254 177)	35 249	(218 928)	
<b>No-claims bonuses and rebates</b>	<b>110 012</b>	<b>(15 338)</b>	<b>94 674</b>	<b>120 573</b>	<b>(16 430)</b>	<b>104 143</b>	
<b>Technical reserves</b>	<b>2 007 860</b>	<b>(501 517)</b>	<b>1 506 343</b>	<b>1 590 464</b>	<b>(397 706)</b>	<b>1 192 758</b>	

## Note 7 Breakdown of income net of reinsurance

<i>(in thousands of euros)</i>							
2009.03				2008.03			
	Gross	Reinsurance	Net	Gross	Reinsurance	Net	
<i>Premiums and commissions</i>	<i>546 949</i>	<i>(194 665)</i>	<i>352 284</i>	<i>546 413</i>	<i>(138 321)</i>	<i>408 092</i>	
<i>Premiums refunded</i>	<i>(15 176)</i>	<i>3 878</i>	<i>(11 298)</i>	<i>(19 595)</i>	<i>(711)</i>	<i>(20 306)</i>	
Gross premiums written - credit insurance	531 773	(190 787)	340 986	526 818	(139 032)	387 786	
Change in unearned premiums	(83 474)	55 138	(28 336)	(90 135)	30 247	(59 888)	
Earned premiums	448 299	(135 649)	312 650	436 683	(108 785)	327 898	
Premium-related revenues	100 242	-	100 242	90 453	-	90 453	
<b>Turnover</b>	<b>548 541</b>	<b>(135 649)</b>	<b>412 892</b>	<b>527 136</b>	<b>(108 785)</b>	<b>418 351</b>	
<b>Net investment income</b>	<b>54 237</b>	<b>-</b>	<b>54 237</b>	<b>21 306</b>	<b>-</b>	<b>21 306</b>	
<i>Claims paid</i>	<i>(264 825)</i>	<i>55 698</i>	<i>(209 127)</i>	<i>(178 251)</i>	<i>47 566</i>	<i>(130 685)</i>	
<i>Claims reserves expense</i>	<i>(66 672)</i>	<i>31 467</i>	<i>(35 205)</i>	<i>(68 284)</i>	<i>2 481</i>	<i>(65 803)</i>	
<i>Claims handling expense</i>	<i>(19 438)</i>	<i>1 760</i>	<i>(17 678)</i>	<i>(18 432)</i>	<i>8 799</i>	<i>(9 633)</i>	
<b>Insurance services expense</b>	<b>(350 935)</b>	<b>88 925</b>	<b>(262 010)</b>	<b>(264 967)</b>	<b>58 846</b>	<b>(206 121)</b>	
<i>Brokerage commissions</i>	<i>(52 167)</i>	<i>-</i>	<i>(52 167)</i>	<i>(54 260)</i>	<i>-</i>	<i>(54 260)</i>	
<i>Other acquisition costs</i>	<i>(41 175)</i>	<i>-</i>	<i>(41 175)</i>	<i>(34 914)</i>	<i>-</i>	<i>(34 914)</i>	
<i>Change in acquisition costs capitalised</i>	<i>8 147</i>	<i>-</i>	<i>8 147</i>	<i>4 503</i>	<i>-</i>	<i>4 503</i>	
<b>Contract acquisition expense</b>	<b>(85 195)</b>	<b>-</b>	<b>(85 195)</b>	<b>(84 671)</b>	<b>-</b>	<b>(84 671)</b>	
<b>Impairment of portfolio securities and similar</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Administration expense</b>	<b>(45 108)</b>	<b>-</b>	<b>(45 108)</b>	<b>(45 219)</b>	<b>-</b>	<b>(45 219)</b>	
<b>Commissions received from reinsurers</b>	<b>-</b>	<b>43 274</b>	<b>43 274</b>	<b>-</b>	<b>46 991</b>	<b>46 991</b>	
<b>Other ordinary operating income and expense</b>	<b>(74 979)</b>	<b>-</b>	<b>(74 979)</b>	<b>(76 197)</b>	<b>-</b>	<b>(76 197)</b>	
<b>Ordinary operating income</b>	<b>46 561</b>	<b>(3 450)</b>	<b>43 111</b>	<b>77 388</b>	<b>(2 948)</b>	<b>74 440</b>	



## Note 8 Earnings per share and dividend per share

### Earnings per share

	2009.03	2008.03
Distributable net income ( <i>in thousands of euros</i> )	16 535	38 391
Weighted average number of ordinary shares before dilution	44 703 739	43 674 223
<b>Earnings per share (€)</b>	<b>0,37</b>	<b>0,88</b>

	2009.03	2008.03
Distributable net income ( <i>in thousands of euros</i> )	16 535	38 391
Weighted average number of ordinary shares after dilution	44 706 907	43 725 262
<b>Diluted earnings per share (€)</b>	<b>0,37</b>	<b>0,88</b>

The dilution impact takes into account the exercise of options. The average number of shares resulting from dilution is 3,168 in 2009 (51,039 in 2008). The group share of net income is used as the basis for this calculation.

## Note 9 Segment data

Segment assets are operating assets that can be directly attributed or reasonably allocated to a given segment. Segment liabilities are liabilities arising from operations that can be directly attributed or reasonably allocated to a given segment.

Segment profit and loss comprises income and expense resulting from operating activities that are directly attributable to a given segment and the relevant portion of income and expense that can reasonably be assigned to the segment, notably income and expense relating to sales to external customers and income and expense relating to transactions with other segments of the same company.

For the Euler Hermes group the primary segment is the geographic segment as it corresponds to the information presented to the group's management bodies.

The ten main geographic segments correspond to the geographic regions covering the majority of the activity and which are therefore monitored in detail. These segments are Germany, the European IDC of Germany, the Asian IDC of Germany, France & its IDC, Italy, the United Kingdom, North & South America, the Netherlands, Belgium and the Group reinsurance.

## Primary segment data: geographic segments

### Profit & loss by segment

2009.03													
(in thousands of euros)													
	Germany	IDC Germany Europe	IDC Germany Asia	France & IDC	Italy	United Kingdom	North & South America	Belgium	Netherlands	Group Reinsurance	Group services	Inter-segment eliminations	GROUP
Premiums written	185 215	38 925	9 631	107 037	58 803	57 506	54 000	16 014	11 124	197 622	-	(188 928)	546 949
Premiums refunded	(6 846)	(997)	(96)	(5 520)	1 206	(1 483)	-	(550)	(146)	(7 054)	-	6 310	(15 176)
Net premiums written	178 369	37 928	9 535	101 517	60 009	56 023	54 000	15 464	10 978	190 568	-	(182 618)	531 773
Change in unearned premiums	(31 663)	(8 725)	(307)	(9 983)	(11 019)	(11 589)	(8 325)	(579)	(727)	(11 803)	-	11 246	(83 474)
Earned premiums - non-group	146 706	29 203	9 228	91 534	48 990	44 434	45 675	14 885	10 251	178 765	-	(171 372)	448 299
Premium-related revenues - non-group	41 801	15 448	3 921	24 004	9 841	5 631	7 342	5 371	4 280	-	-	(17 397)	100 242
Turnover - intra-sectoral	188 507	44 651	13 149	115 538	58 831	50 065	53 017	20 256	14 531	178 765	-	(188 769)	548 541
Investment income	10 757	612	(53)	30 861	5 225	3 766	4 415	1 548	718	1 457	(1 994)	(3 075)	54 237
Of which, dividends	-	-	-	917	-	-	-	-	-	336	-	(1 253)	-
Total ordinary income	199 264	45 263	13 096	146 399	64 056	53 831	57 432	21 804	15 249	180 222	(1 994)	(191 844)	602 778
Insurance services expense	(78 877)	(44 802)	(23 708)	(59 112)	(32 436)	(41 804)	(41 636)	(20 478)	(6 054)	(148 902)	-	146 874	(350 935)
Outwards reinsurance expense	(76 909)	(20 642)	(4 863)	(24 612)	(20 702)	(18 965)	(22 685)	(5 885)	(5 376)	(108 667)	-	173 657	(135 649)
Outwards reinsurance income	62 815	35 423	15 246	20 494	21 150	21 280	26 933	11 039	4 458	115 241	-	(201 880)	132 199
Other income and expense	(77 981)	(17 169)	(3 904)	(44 941)	(25 614)	(18 481)	(20 882)	(6 801)	(6 766)	(54 055)	704	70 608	(205 282)
Total other income and expense	(170 952)	(47 190)	(17 229)	(108 171)	(57 602)	(57 970)	(58 270)	(22 125)	(13 738)	(196 383)	704	189 259	(559 667)
Ordinary operating income	28 312	(1 927)	(4 133)	38 228	6 454	(4 139)	(838)	(321)	1 511	(16 161)	(1 290)	(2 585)	43 111
Financing expense	(4)	(1)	(4)	(92)	(46)	-	(105)	6	-	-	(5 042)	2 028	(3 260)
Income from companies accounted for by the equity method	1 960	-	-	116	-	-	-	-	-	-	-	-	2 076
Corporation tax	(7 363)	(1 761)	(108)	(13 771)	(2 246)	1 454	(64)	325	(385)	2 780	(2 527)	(844)	(24 510)
Consolidated net income	22 905	(3 689)	(4 245)	24 481	4 162	(2 685)	(1 007)	10	1 126	(13 381)	(8 859)	(1 401)	17 417
o/w													
Net income, group share	22 188	(3 640)	(4 245)	24 267	4 162	(2 685)	(1 007)	10	1 126	(13 381)	(8 859)	(1 401)	16 535
Minority interests	717	(49)	-	214	-	-	-	-	-	-	-	-	882

In 2008, the follow up by the management didn't include the German branches split by geographical areas (Europe & Asia). This modification was done in the first quarter 2009.

To face the two income statements with a perfect comparison, the following income statement has the same geographical split like the one publish in 2008.

31/12/2007													
(in thousands of euros)													
	Germany	IDC Germany Europe	IDC Germany Asia	France & IDC	Italy	United Kingdom	North & South America	Belgium	Netherlands	Group Reinsurance	Group services	Inter-segment eliminations	GROUP
Premiums written	203 373	30 398	-	107 037	58 803	57 506	54 000	16 014	11 124	197 622	-	(188 928)	546 949
Premiums refunded	(6 947)	(992)	-	(5 520)	1 206	(1 483)	-	(550)	(146)	(7 054)	-	6 310	(15 176)
Net premiums written	196 426	29 406	-	101 517	60 009	56 023	54 000	15 464	10 978	190 568	-	(182 618)	531 773
Change in unearned premiums	(33 491)	(7 204)	-	(9 983)	(11 019)	(11 589)	(8 325)	(579)	(727)	(11 803)	-	11 246	(83 474)
Earned premiums - non-group	162 935	22 202	-	91 534	48 990	44 434	45 675	14 885	10 251	178 765	-	(171 372)	448 299
Premium-related revenues - non-group	41 805	15 444	3 921	24 004	9 841	5 631	7 342	5 371	4 280	-	-	(17 397)	100 242
<b>Turnover - intra-sectoral</b>	<b>204 740</b>	<b>37 646</b>	<b>3 921</b>	<b>115 538</b>	<b>58 831</b>	<b>50 065</b>	<b>53 017</b>	<b>20 256</b>	<b>14 531</b>	<b>178 765</b>	-	<b>(188 769)</b>	<b>548 541</b>
Investment income	9 780	598	(5)	30 861	5 225	3 766	4 415	1 548	718	1 457	(1 994)	(2 132)	54 237
Of which, dividends	-	-	-	917	-	-	-	-	-	336	-	(1 253)	-
<b>Total ordinary income</b>	<b>214 520</b>	<b>38 244</b>	<b>3 916</b>	<b>146 399</b>	<b>64 056</b>	<b>53 831</b>	<b>57 432</b>	<b>21 804</b>	<b>15 249</b>	<b>180 222</b>	<b>(1 994)</b>	<b>(190 901)</b>	<b>602 778</b>
Insurance services expense	(123 483)	(23 904)	-	(59 112)	(32 436)	(41 804)	(41 636)	(20 478)	(6 054)	(148 902)	-	146 874	(350 935)
Outwards reinsurance expense	(85 918)	(16 496)	-	(24 612)	(20 702)	(18 965)	(22 685)	(5 885)	(5 376)	(108 667)	-	173 657	(135 649)
Outwards reinsurance income	86 953	24 647	1 884	20 494	21 150	21 280	26 933	11 039	4 458	115 241	-	(201 880)	132 199
Other income and expense	(79 500)	(16 608)	(2 946)	(44 941)	(25 614)	(18 481)	(20 882)	(6 801)	(6 766)	(54 055)	704	70 607	(205 283)
<b>Total other income and expense</b>	<b>(201 948)</b>	<b>(32 361)</b>	<b>(1 062)</b>	<b>(108 171)</b>	<b>(57 602)</b>	<b>(57 970)</b>	<b>(58 270)</b>	<b>(22 125)</b>	<b>(13 738)</b>	<b>(196 383)</b>	<b>704</b>	<b>189 258</b>	<b>(559 668)</b>
<b>Ordinary operating income</b>	<b>12 572</b>	<b>5 883</b>	<b>2 854</b>	<b>38 228</b>	<b>6 454</b>	<b>(4 139)</b>	<b>(838)</b>	<b>(321)</b>	<b>1 511</b>	<b>(16 161)</b>	<b>(1 290)</b>	<b>(1 643)</b>	<b>43 110</b>
Financing expense	(4)	(1)	(4)	(92)	(46)	-	(105)	6	-	-	(5 042)	2 028	(3 260)
Income from companies accounted for by the equity method	1 960	-	-	116	-	-	-	-	-	-	-	-	2 076
Corporation tax	(7 443)	(1 681)	(108)	(13 771)	(2 246)	1 454	(64)	325	(385)	2 780	(2 527)	(844)	(24 510)
<b>Consolidated net income</b>	<b>7 085</b>	<b>4 201</b>	<b>2 742</b>	<b>24 481</b>	<b>4 162</b>	<b>(2 685)</b>	<b>(1 007)</b>	<b>10</b>	<b>1 126</b>	<b>(13 381)</b>	<b>(8 859)</b>	<b>(459)</b>	<b>17 416</b>
o/w													
Net income, group share	6 368	4 250	2 742	24 267	4 162	(2 685)	(1 007)	10	1 126	(13 381)	(8 859)	(459)	16 534
Minority interests	717	(49)	-	214	-	-	-	-	-	-	-	-	882

(in thousands of euros)	2008.03													
	Germany	IDC Germany Europe	IDC Germany Asia	France & IDC	Italy	United Kingdom	North & South America	Belgium	Netherlands	Group Reinsurance	Group services	Inter-segment eliminations	GROUP	
Premiums written	202 891	28 584	-	107 113	62 079	65 428	46 385	22 412	10 595	136 381	-	(135 455)	546 413	
Premiums refunded	(9 810)	(1 292)	-	(6 549)	(815)	(885)	-	(644)	(266)	(8 112)	-	8 778	(19 595)	
Net premiums written	193 081	27 292	-	100 564	61 264	64 543	46 385	21 768	10 329	128 269	-	(126 677)	526 818	
Change in unearned premiums	(33 224)	(2 747)	-	(11 604)	(12 255)	(16 446)	(7 639)	(4 712)	(175)	(8 756)	-	7 423	(90 135)	
Earned premiums - non-group	159 857	24 545	-	88 960	49 009	48 097	38 746	17 056	10 154	119 513	-	(119 254)	436 683	
Premium-related revenues - non-group	38 747	10 302	1 744	23 934	11 021	5 455	6 809	3 397	3 394	-	-	(14 350)	90 453	
<b>Turnover - intra-sectoral</b>	<b>198 604</b>	<b>34 847</b>	<b>1 744</b>	<b>112 894</b>	<b>60 030</b>	<b>53 552</b>	<b>45 555</b>	<b>20 453</b>	<b>13 548</b>	<b>119 513</b>	-	<b>(133 604)</b>	<b>527 136</b>	
Investment income	8 571	845	-	11 490	2 467	2 646	1 813	716	432	(5 625)	22 694	(24 743)	21 306	
Of which, dividends	-	-	-	-	-	-	-	-	-	-	23 280	(23 280)	-	
<b>Total ordinary income</b>	<b>207 175</b>	<b>35 692</b>	<b>1 744</b>	<b>124 384</b>	<b>62 497</b>	<b>56 198</b>	<b>47 368</b>	<b>21 169</b>	<b>13 980</b>	<b>113 888</b>	<b>22 694</b>	<b>(158 347)</b>	<b>548 442</b>	
Insurance services expense	(96 787)	(14 619)	-	(49 051)	(41 525)	(22 029)	(35 665)	(10 484)	(4 486)	(78 154)	-	87 833	(264 967)	
Outwards reinsurance expense	97 376	11 365	-	24 611	23 741	14 554	25 229	3 680	3 924	36 195	-	(134 838)	105 837	
Outwards reinsurance income	(93 339)	(8 609)	-	(19 367)	(20 047)	(17 920)	(19 479)	(6 385)	(5 297)	(40 605)	-	122 263	(108 785)	
Other income and expense	(78 195)	(14 967)	(1 863)	(44 921)	(27 504)	(22 624)	(17 571)	(5 750)	(6 192)	(32 830)	(5 026)	51 356	(206 087)	
<b>Total other income and expense</b>	<b>(170 945)</b>	<b>(26 830)</b>	<b>(1 863)</b>	<b>(88 728)</b>	<b>(65 335)</b>	<b>(48 019)</b>	<b>(47 486)</b>	<b>(18 939)</b>	<b>(12 051)</b>	<b>(115 394)</b>	<b>(5 026)</b>	<b>126 614</b>	<b>(474 002)</b>	
<b>Ordinary operating income</b>	<b>36 230</b>	<b>8 862</b>	<b>(119)</b>	<b>35 656</b>	<b>(2 838)</b>	<b>8 179</b>	<b>(118)</b>	<b>2 230</b>	<b>1 929</b>	<b>(1 506)</b>	<b>17 668</b>	<b>(31 733)</b>	<b>74 440</b>	
Financing expense	(12)	-	-	(100)	(30)	-	(3)	(36)	-	-	(5 323)	1 677	(3 827)	
Income from companies accounted for by the equity method	85	-	-	1 464	-	-	-	-	-	-	-	-	1 549	
Corporation tax	(12 949)	(1 960)	(106)	(13 821)	171	(2 691)	(836)	(728)	(504)	2 515	(1 516)	-	(32 425)	
<b>Consolidated net income</b>	<b>23 354</b>	<b>6 902</b>	<b>(225)</b>	<b>23 199</b>	<b>(2 697)</b>	<b>5 488</b>	<b>(957)</b>	<b>1 466</b>	<b>1 425</b>	<b>1 009</b>	<b>10 829</b>	<b>(30 056)</b>	<b>39 737</b>	
<i>o/w</i>														
<b>Net income, group share</b>	<b>22 692</b>	<b>6 718</b>	<b>(225)</b>	<b>22 719</b>	<b>(2 697)</b>	<b>5 468</b>	<b>(957)</b>	<b>1 466</b>	<b>1 425</b>	<b>1 009</b>	<b>10 829</b>	<b>(30 056)</b>	<b>38 391</b>	
Minority interests	662	184	-	480	-	20	-	-	-	-	-	-	1 346	

## Depreciation, amortisation and provisions by segment

2009.03													
(in thousands of euros)													
	Germany	IDC Germany Europe	IDC Germany Asia	France & IDC	Italy	United Kingdom	North & South America	Belgium	Netherlands	Group Reinsurance	Group services	Inter-segment eliminations	GROUP
Provisions for loans and receivables	(206)	-	-	(1 225)	(9)	1	-	(11)	(6)	-	(947)	-	(2 403)
31/12/2007													
(in thousands of euros)													
	Germany	France	Italy	United Kingdom	United States	Belgium	Netherlands	Other countries	Group services	Inter-segment eliminations		GROUP	
Provisions for loans and receivables	-	(663)	-	-	-	(11)	(5)	-	(369)	-		(1 048)	

Amortisation and impairment charges on non-current assets are now analysed by function. Consequently, the breakdown is no longer directly visible in the income statement in the 2008 and 2009 financial statements.

## Balance sheet by segment

2009.03													
(in thousands of euros)													
	Germany	IDC Germany Europe	IDC Germany Asia	France & IDC	Italy	United Kingdom	North & South America	Belgium	Netherlands	Group Reinsurance	Group services	Inter-segment eliminations	GROUP
Goodwill	-	3 278	2 308	2 375	5 820	51 384	31 861	3 893	4 349	-	-	-	105 268
Other intangible assets	35 355	1 172	781	12 218	5 435	6 479	2 575	6 760	2 658	1 607	16 029	-	91 069
Investments - insurance businesses	495 067	30 325	(3 766)	593 080	132 974	(24 841)	82 416	21 106	26 309	56 187	1 396 484	(303 420)	2 501 921
Investments accounted for by the equity method	62 659	-	-	29 300	-	-	-	-	-	-	-	-	91 959
Share of assignees and reinsurers in the technical reserves and financial liabilities	232 625	75 128	36 579	89 791	187 424	78 304	58 040	31 714	13 412	226 359	6 859	(534 718)	501 517
Insurance and reinsurance receivables	79 322	54 354	17 005	108 170	78 124	80 856	67 719	110 912	6 921	196 838	(47)	(233 162)	567 012
Other assets	323 216	73 874	5 625	401 984	142 518	51 832	98 500	25 717	22 775	253 818	93 397	(102 809)	1 390 447
Total assets	1 228 244	238 131	58 532	1 236 918	552 295	244 014	341 111	200 102	76 424	734 809	1 512 722	(1 174 109)	5 249 193
Technical reserves	493 262	114 917	69 454	348 113	414 984	228 997	190 099	122 549	30 716	545 771	(12 093)	(538 909)	2 007 860
Liabilities related to inwards insurance and reinsurance transactions	52 679	3 388	5 260	84 218	25 619	20 894	4 643	5 147	2 043	198 195	(5)	(196 400)	205 681
Liabilities related to outwards reinsurance transactions	11 971	33 279	265	5 511	39 220	19 714	65 542	3 785	3 740	46 713	43	(135 153)	94 630
Other liabilities	333 306	35 019	5 862	257 921	73 998	16 397	24 707	21 014	15 341	19 294	532 774	(255 643)	1 079 990
Total liabilities	891 218	186 603	80 841	695 763	553 821	286 002	284 991	152 495	51 840	809 973	520 719	(1 126 105)	3 388 161

31/12/2008													
(in thousands of euros)													
	Germany	IDC Germany Europe	IDC Germany Asia	France & IDC	Italy	United Kingdom	North & South America	Belgium	Netherlands	Group Reinsurance	Group services	Inter-segment eliminations	GROUP
Goodwill	-	3 340	2 221	2 376	5 820	50 213	30 466	3 893	4 349	-	-	-	102 678
Other intangible assets	29 324	1 606	-	11 454	5 795	6 608	2 252	6 104	2 774	1 537	15 781	-	83 235
Investments - insurance businesses	464 765	14 913	(12 421)	685 547	144 064	(31 213)	56 774	37 244	27 487	143 371	1 401 061	(265 720)	2 665 872
Investments accounted for by the equity method	64 135	-	-	29 477	-	-	-	-	-	-	-	(62)	93 550
Share of assignees and reinsurers in the technical reserves and financial liabilities	253 674	56 030	-	87 001	176 396	62 972	46 352	28 020	11 991	169 566	-	(474 024)	417 978
Insurance and reinsurance receivables	93 345	37 798	-	133 605	80 912	76 349	52 734	104 566	3 041	111 201	-	(99 118)	594 433
Other assets	322 036	48 973	21 196	287 845	107 158	56 182	101 132	23 878	16 708	121 430	101 894	(109 083)	1 099 349
Total assets	1 227 279	162 660	10 996	1 237 305	520 145	221 111	289 710	203 705	66 350	547 105	1 518 736	(948 007)	5 057 095
Technical reserves	519 928	73 537	-	344 021	396 467	206 605	158 481	114 874	27 893	490 550	-	(478 658)	1 853 698
Liabilities related to inwards insurance and reinsurance transactions	53 092	82	-	90 199	26 456	17 972	3 445	2 385	383	29 289	-	(28 131)	195 172
Liabilities related to outwards reinsurance transactions	8 204	32 209	-	16 885	36 914	13 257	51 795	9 190	2 264	67 021	-	(141 042)	96 697
Other liabilities	316 039	20 334	15 475	258 569	62 996	24 131	26 916	26 067	12 188	19 798	527 541	(253 811)	1 056 243
Total liabilities	897 263	126 162	15 475	709 674	522 833	261 965	240 637	152 516	42 728	606 658	527 541	(901 642)	3 201 810

## Note 10 Related parties

Euler Hermes is owned mainly by the AGF group, which in turn is 100%-owned by the Allianz group.

The breakdown of the Euler Hermes group is as follows:

	Number of shares	%
AGF Holding	21 421 782	47,52%
Assurances Générales de France	5 442 444	12,07%
AGF Vie	3 879 818	8,61%
AGF-IART	4	0,00%
Treasury shares	1 560 624	3,46%
<b>Sub-total</b>	<b>32 304 672</b>	<b>71,66%</b>
Public (bearer securities)	12 777 558	28,34%
<b>Total</b>	<b>45 082 230</b>	<b>100,00%</b>

### Transactions

(in thousand of euros)				2008.03		
	Allianz SE	AGF SA	Related companies and joint ventures	Allianz SE	AGF SA	Related companies and joint ventures
Operating income	3 738	-	12 516	5 827	-	7 623
Insurance services expense	(4 377)	-	(10 004)	-	-	(5 961)
Net income or expense on reinsurance	(53 832)	-	(114)	(18 925)	-	(99)
Financing expense	(4)	(3 013)	-	-	(3 715)	-
Other financial net incomes	(3 049)	-	(4 417)	(2 067)	-	(3 001)

### Receivables and liabilities

(in thousand of euros)				2008.12		
	Allianz SE	AGF SA	Related companies and joint ventures	Allianz SE	AGF SA	Related companies and joint ventures
Current accounts (accrued interests included)	21	-	990	74 314	-	1 825
Net operating receivables	20 027	-	1 493	5 565	-	12 195
Borrowings (accrued interests included)	-	295 334	-	-	292 321	-
Operating liabilities	383	-	361	15 576	-	2 099

The current account with Allianz SE corresponds to part of the group's cash position, which is centralised by Allianz SE under a cash pooling arrangement.

Borrowings correspond to three loans contracted with AGF SA:

- 2004 loan of €90 million maturing in June 2009, at 6-month Euribor + 146.5 basis points
- 2005 loan of €135 million maturing in September 2010, at 6-month Euribor + 20 basis points
- 2006 loan of €67 million maturing in June 2009, at 6-month Euribor + 144.3 basis points

## Note 11 Commitments received and given

<i>(in thousands of euros)</i>	<b>2009.03</b>	<b>2008.12</b>
<b>Commitments received</b>	<b>14 966</b>	<b>15 913</b>
* Deposits, sureties and other guarantees	14 966	15 913
<b>Commitments given</b>	<b>21 635</b>	<b>22 753</b>
* Deposits, sureties and other guarantees	21 635	22 753
o/w    - <i>Commitments associated with membership of an EIG</i>	8 512	9 743
- <i>Securities buyback agreement</i>	811	798

## Note 12 Subsequent events

No subsequent events occurred since March 31, 2009 closing which would impact the hypothesis of the annual closing.