

9M 2013 Financial results

Financial analysts meeting

November 5th, 2013



Agenda

- 1** 9M 2013 highlights
- 2** Commercial overview
- 3** Risk overview
- 4** Q3 financial results
- 5** 9M financial results
- 6** Appendices

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9M 2013 highlights

	9M 2013	9M 2013 vs 9M 2012	At constant FX rate
Despite headwinds due to FX, top line growth remains solid, still mostly driven by markets outside Europe	1,861 M€	+4%	+5%
Combined ratio stands at 76.8%, including 2.5 points on one single case	76.8%	+4.4 pts	
Operating income is lower than last year mainly due to lower financial income	334.4 M€	-6%	

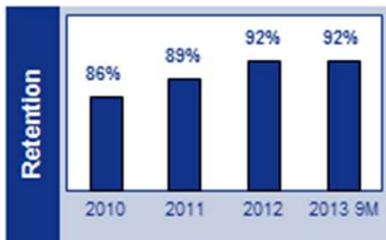
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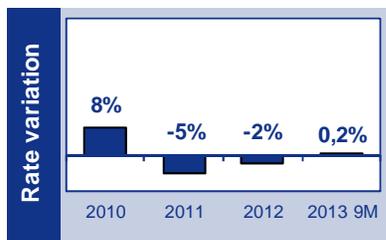
Commercial overview



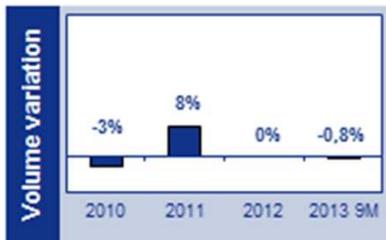
At the end of September 2013, new business is 16 M€ ahead of the prior year. Strong performances in APAC, Middle East and the multinational segment.



Retention remains at the record level of 92%.



Rates are overall flat. They have increased in Northern and Southern Europe but have been under pressure in growing markets and segments.



After a flat 2012, the contribution from customers' insured turnover was negative due to recession in most countries in Europe.

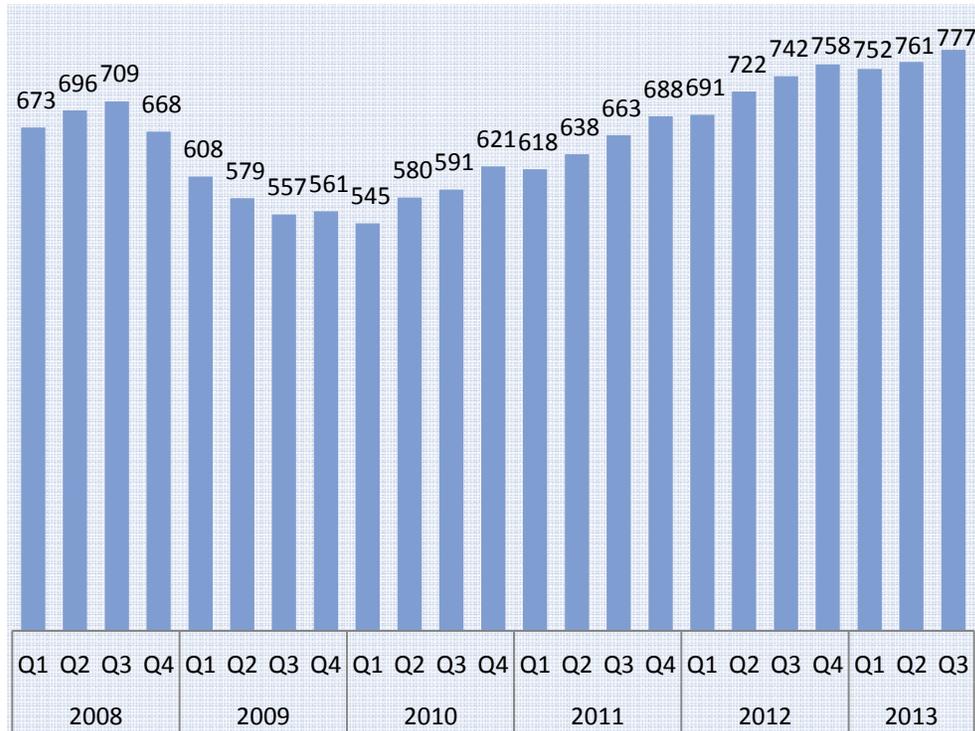
(1) 2012 pro forma excluding Spain, Portugal & Latin Americas business units

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Risk overview

In billion euros



2008-2009 historical data

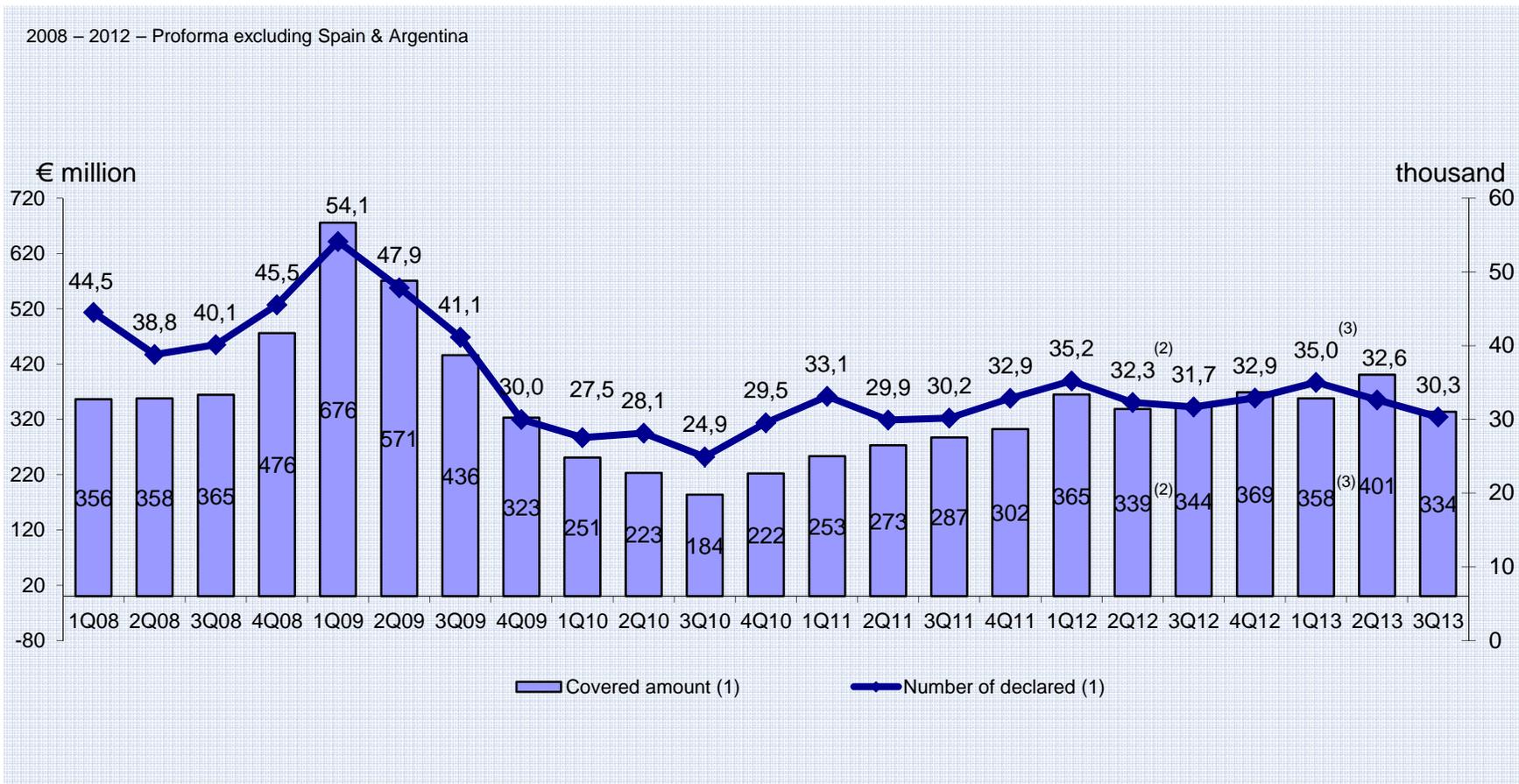
2010-2012 proforma excluding Spain & Argentina

In billion euros

	Q4 2012	Q3 2013
Grade weight		
1-5	83.1%	84.5%
6-10	16.9%	15.5%

- Since the end of 2012, the total exposure increased by 2.5% only and the grade mix continues to improve

Claims development



- Q3 2013 was the lowest quarter since beginning 2012 in terms of covered amount. The decrease versus Q2 2013 is significant (-17%) as a result of risk mitigation plans undertaken in Northern and Southern Europe
- The number of declared claims also reached the lowest quarterly level in the last two years

(1) Credit insurance claims only (excludes bonding & fidelity)
 (2) Excluding Schlecker claim
 (3) Excluding Pescanova claim

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Key figures

In million of euros	Actual YTD Q3 2013	Actual YTD Q3 2012	Variation in amount	Variation in %
Turnover	608.2	603.1	5.1	1%
Net technical result	75.1	96.0	-20.9	-22%
Net financial income (excluding financing expenses)	13.3	18.1	-4.8	-26%
Operating income	81.1	117.9	-36.8	-31%
Net income (Group share)	55.0	87.3	-32.3	-37%
Euler Hermes Net combined ratio	77.6%	71.5%		
Euler Hermes Net Loss Ratio	52.8%	46.5%		
Euler Hermes Net Cost Ratio (including service margin)	24.9%	25.0%		

Q1 2012: 50.6%
 Q2 2012: 51.9%
Q3 2012: 46.5%
 Q4 2012: 57.9%

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Key figures

In million of euros	Actual YTD SEP 2013	Actual YTD SEP 2012	Variation in amount	Variation in %
Turnover	1 860,9	IAS 19 proforma 1 792,9	68,0	4%
Net technical result	242,0	270,2	-28,2	-10%
Net financial income (excluding financing expenses)	70,7	85,7	-15,0	-18%
Operating income	334,4	356,6	-22,2	-6%
Net income (Group share)	221,4	249,8	-28,4	-11%
Euler Hermes Gross combined ratio	77,9%	78,4%		
Euler Hermes Net combined ratio	76,8%	72,4%		
Euler Hermes Net Loss Ratio	52,6%	49,6%		
Euler Hermes Net Cost Ratio (including service margin)	24,2%	22,7%		

Premiums evolution

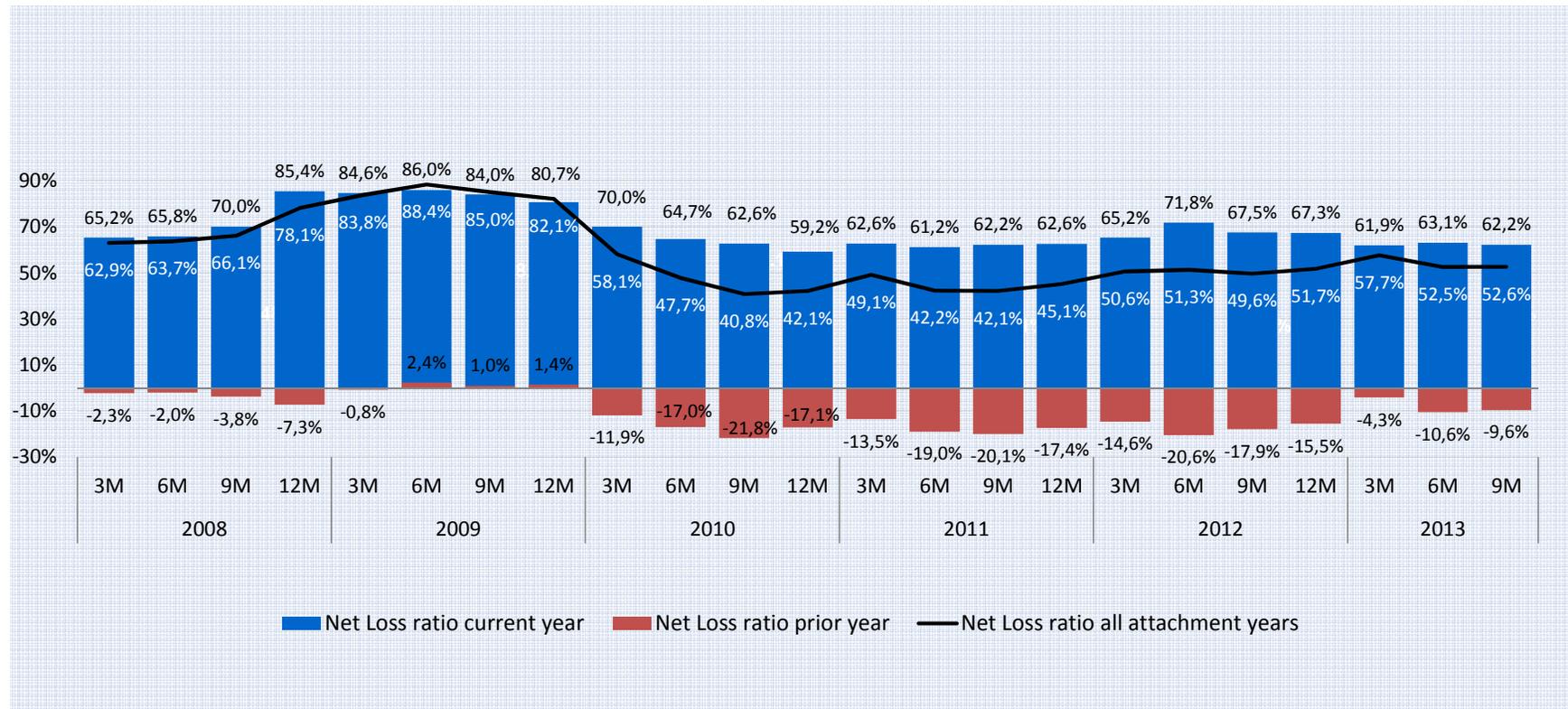
Per region

In million of euros	Actual YTD SEP 2013	Actual YTD SEP 2012	Variation in amount	Var. in %	(1) Actual YTD SEP 2012	Variation in amount	Var. in %
		PRO FORMA			PRO FORMA AT CST FX RATES		
DACH	462,8	450,3	12,5	3%	449,7	13,1	3%
France	250,7	256,3	-5,6	-2%	256,3	-5,6	-2%
Northern Europe	343,1	338,3	4,8	1%	332,1	11,0	3%
Med. Countries, Middle East & Africa	185,3	171,5	13,8	8%	171,1	14,2	8%
Americas	175,0	168,8	6,2	4%	164,1	10,9	7%
Asia Pacific	53,3	46,4	6,9	15%	44,3	9,0	20%
Others (incl. EH Re & Inter region elim.)	83,2	60,3	22,9	38%	60,3	23,0	38%
Total Gross Earned Premiums	1553,4	1491,9	61,5	4%	1477,9	75,5	5%

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

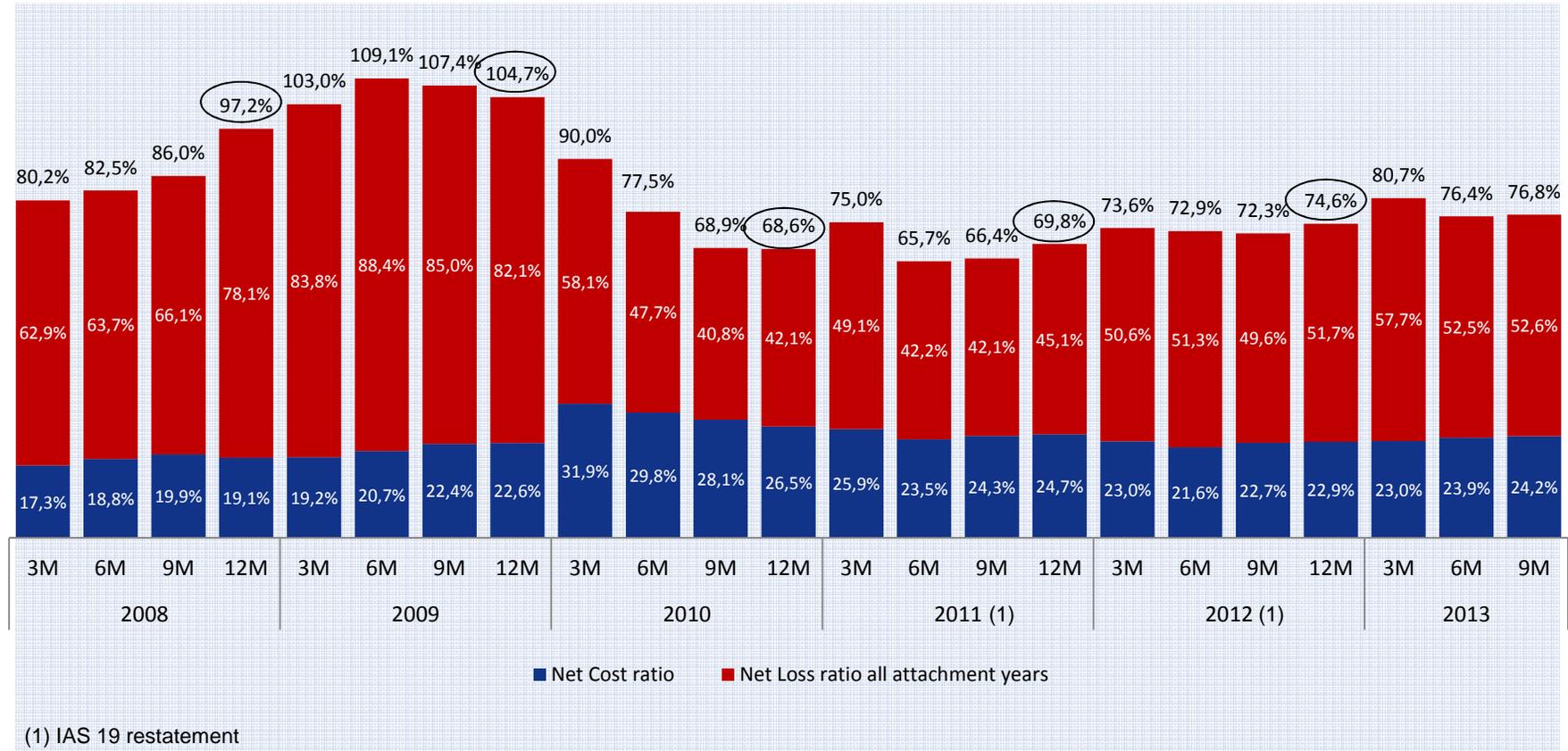
Net loss ratio evolution

Year-to-date ratio



Net combined ratio evolution

Year-to-date ratio



Reinsurance result evolution

In million of euros	Actual YTD SEP 2013	Actual YTD SEP 2012	Variation in amount	Variation in %
		IAS 19 proforma		
Gross earned premiums	1553.4	1491.9	61.5	4%
Ceded premiums	-480.6	-487.6	7.0	1%
Net earned premiums	1072.8	1004.3	68.5	7%
<i>Cession rate</i>	30.9%	32.7%		-1.7 pts
Gross claims costs	-783.0	-755.3	-27.7	-4%
Ceded claims costs	218.9	256.7	-37.8	-15%
Net claims costs	-564.2	-498.6	-65.6	-13%
<i>Cession rate</i>	27.9%	34.0%⁽¹⁾		-6.0 pts
Reinsurance commission	167.9	186.7	-18.8	-10%
<i>Reinsurance commission rate</i>	34.9%	38.3%⁽²⁾		-3.3 pts
Net Claims ratio CY	62.2%	67.5%		-5.3 pts
Net Claims ratio PY	-9.6%	-17.9%		8.3 pts
Net Claims ratio	52.6%	49.6%		3.0 pts
Net Costs ratio	24.2%	22.7%		1.5 pts
Net Combined ratio	76.8%	72.4%		4.4 pts

(1) 29.5% without Schlecker and 27.6% without Schlecker & Centrotherm

(2) 33.0% without the 26 m€ one-off reinsurance commission on prior years

Financial result evolution (excluding income from non-consolidated companies)

In million of euros	Actual YTD SEP 2013	Actual YTD SEP 2012	Variation in amount	Variation in %
Income from investment property	2,0	0,5	1,5	292%
Income from securities	49,0	55,4	-6,4	-12%
<i>Income from securities-Bonds</i>	45,9	52,1	-6,2	-12%
<i>Income from securities-equities</i>	3,1	3,3	-0,2	-7%
Other financial income	16,7	18,1	-1,4	-8%
Current investment income	67,8	74,1	-6,3	-8,5%
Investment expenses	-6,5	-8,2	1,8	21,7%
Net Foreign Exchange result	-2,0	1,4	-3,5	-242,3%
Net gains and losses on sales of investments less impairment and amortisation	11,4	18,4	-7,0	-38,0%
Net financial income (excluding financing expense)	70,7	85,7	-15,0	-17,5%

Key financials

In million of euros	Actual YTD SEP 2013	Actual YTD SEP 2012	Variation in amount	Variation in %
		IAS 19 proforma		
Ordinary operating Income	312.7	355.9	-43.3	-12.2%
Other non ordinary operating income and expense	21.8	0.6	21.2	
Operating income	334.4	356.6	-22.2	-6.2%
Financing expenses	-8.6	-10.0	1.4	14.5%
Income from non-consolidated companies	4.6	10.2	-5.5	-54.6%
Profit before tax	330.5	356.7	-26.2	-7.3%
Corporation tax	-105.2	-103.7		
Minority interest	-3.9	-3.2		
Net income (Group share)	221.4	249.8	-28.4	-11.3%

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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
Q4 2013 Earnings (webcast)	Feb. 13 th , 2014
Q1 2014 Earnings (webcast)	Apr. 30 th , 2014
General Assembly	May. 28 th , 2014

Stock Market Data	As at 30 Sep. 13
Listing	Euronext Paris
Code	ELE.PA
Shares outstanding	45,342,177
Market cap. (€ mn)	4,093

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Shareholding Structure (30 Sep. 13)

■ Allianz ■ Free Float ■ Treasury stocks

