

Condensed consolidated Financial Statements

As at June 30th, 2013



EULER HERMES
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Consolidated statement of financial position

(in € thousand)	Notes	June 30, 2013	December 31, 2012
Goodwill	3	99 856	104 347
Other intangible assets		80 557	76 566
Intangible assets		180 413	180 913
Investment property	4	55 464	53 663
Financial investments	5	3 594 657	3 767 514
Derivatives		11 929	9 526
Investments- insurance businesses		3 662 050	3 830 703
Investments accounted for by the equity method	6	172 197	115 500
Share of assignees and reinsurers in the technical reserves and financial liabilities	8	528 239	498 950
Operating property and other property, plant and equipment		140 071	142 688
Acquisition costs capitalised		66 868	60 969
Deferred tax assets		26 569	67 451
Inwards insurance and reinsurance receivables		628 876	507 877
Outwards reinsurance receivables		4 786	95 077
Corporation tax receivables		21 197	25 581
Other receivables		235 100	242 992
Other assets		1 123 467	1 142 635
Cash	7	401 264	308 380
TOTAL ASSETS		6 067 630	6 077 081
Capital stock		14 510	14 468
Additional paid-in capital		465 008	456 883
Reserves		1 627 942	1 497 434
Net income, group share		166 372	305 500
Revaluation reserve		56 534	92 777
Foreign exchange translation		(34 525)	(21 821)
Shareholders' equity, Group share		2 295 841	2 345 241
Non controlling interests		70 776	68 261
Total shareholders' equity		2 366 617	2 413 502
Provisions for risks and charges		399 973	388 056
Bank borrowings		251 306	251 506
Other borrowings		135 457	138 230
Borrowings		386 763	389 736
Non-life technical reserves	8	2 034 547	1 930 646
Liabilities related to contracts		2 034 547	1 930 646
Deferred tax liabilities		253 892	312 262
Inwards insurance and reinsurance liabilities		187 754	183 909
Outwards reinsurance liabilities		134 650	148 097
Corporation tax payables		20 664	20 363
Other payables		282 770	290 510
Other liabilities		879 730	955 141
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		6 067 630	6 077 082

Consolidated income statement

(in € thousand excepted for the earnings per share)

	Notes	June 30,		2d Quarter ended June 30	
		2013	2012	2013	2012
Premiums written		1 194 327	1 152 867	564 620	532 556
Premiums refunded		(59 077)	(60 815)	(28 140)	(29 917)
Change in unearned premiums		(90 696)	(101 976)	(7 471)	(4 288)
Earned premiums		1 044 554	990 076	529 009	498 351
Premium - related revenues		208 188	199 764	104 392	101 606
Turnover	9	1 252 742	1 189 840	633 401	599 957
Investment income		44 780	51 417	22 534	26 217
Investment management charges		(3 730)	(5 109)	(2 288)	(2 066)
Net gain (loss) on sales of investments less impairment and depreciation writebacks		15 780	18 510	8 345	13 809
Change in fair value of investments recognised at fair value through profit or loss		(1 564)	(685)	(1 314)	(1 346)
Change in investment impairment provisions		(63)	(992)	(63)	(1)
Net change in foreign currency		2 141	4 417	(2 747)	6 675
Net investment income		57 344	67 558	24 467	43 288
Insurance services expenses		(510 172)	(518 878)	(234 821)	(301 751)
Outwards reinsurance income		247 255	312 971	107 106	194 644
Outwards reinsurance expenses		(323 373)	(328 612)	(151 596)	(158 770)
Net outwards reinsurance income or expenses	9	(76 118)	(15 641)	(44 490)	35 874
Contract acquisition expenses		(215 024)	(182 825)	(111 279)	(92 838)
Administration expenses		(107 576)	(121 132)	(55 089)	(62 216)
Other ordinary operating income		11 129	6 685	4 885	1 022
Other ordinary operating expenses		(188 059)	(183 832)	(90 322)	(87 651)
CURRENT OPERATING INCOME		224 266	241 775	126 752	135 685
Other non ordinary operating expenses		(3 963)	(9 566)	194	(6 004)
Other non ordinary operating income		33 091	6 461	(888)	2 298
OPERATING INCOME	9	253 394	238 670	126 058	131 979
Financing expenses		(5 683)	(7 071)	(2 866)	(3 428)
Share of Income from companies accounted by the equity method	6	2 342	6 022	(488)	5 213
Corporation tax		(80 736)	(72 819)	(40 244)	(36 752)
CONSOLIDATED NET INCOME		169 317	164 802	82 460	97 012
o/w					
NET INCOME, GROUP SHARE		166 372	162 493	81 044	95 581
Non controlling interests		2 945	2 309	1 416	1 431
Earnings per share (in euros)	10	3,78	3,71		
Diluted earnings per share (in euros)	10	3,78	3,70		
Earnings per share of continuing activities (in euros)		3,78	3,71		
Diluted earnings per share of continuing activities (in euros)		3,78	3,70		

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(in € thousand)

	June 30,		2d Quarter ended June 30	
	2013	2012	2013	2012
NET INCOME, GROUP SHARE	166 372	162 493	81 044	95 581
Non controlling interests	2 945	2 309	1 416	1 431
Other comprehensive income elements				
Change in fair market value of asset held for sale transferred through profits & losses (Gross amount)	(12 841)	(13 555)	(5 696)	(11 498)
Change in fair market value of asset held for sale transferred through profits & losses (Tax amount)	3 941	3 969	1 798	2 926
Change in fair market value of asset held for sale booked through equity (Gross amount)	(36 884)	51 529	(33 724)	9 731
Change in fair market value of asset held for sale booked through equity (Tax amount)	9 561	(11 655)	8 680	(466)
Other change in fair market value of asset held for sale booked through equity	42	431	42	11
Impact of IAS 19 amendment	(3 550)	7 958	(3 550)	(1 233)
Change in translation reserve (included impact on revaluation reserve) booked through equity (Gross amount)	(14 990)	4 898	(11 471)	6 166
Change in translation reserve (included impact on revaluation reserve) booked through equity (Tax amount)	4 014	(1 312)	3 348	(2 258)
Other comprehensive income - minority interests share net of corporation tax	(56)	36	(57)	25
Total other comprehensive income net of taxes	(50 763)	42 299	(40 630)	3 404
Total comprehensive income	118 554	207 101	41 830	100 416
Total comprehensive income, Group share	115 665	204 756	40 471	98 960
Total comprehensive income, minority interests	2 889	2 345	1 359	1 456

Consolidated statement of cash flows

June 30,

(in € thousand)	Notes	2013	2012
Net income, Group share		166 372	162 493
Corporation tax		80 736	72 318
Financing expense		5 683	7 073
Operating income before tax		252 791	241 884
Minority interests		2 945	2 309
Allocation to and writebacks of depreciation, amortisation and reserves		15 623	25 674
Change in technical reserves		95 255	93 277
Change in deferred acquisition costs		(7 399)	(13 095)
Change in fair value of financial instruments recognised at fair value through the income statement (excluding cash and cash equivalents)		(915)	141
Realised capital gains/(losses) net of writebacks		(49 832)	(18 624)
Unrealised foreign exchange gain (loss) in company accounts		(4 503)	4 606
Revenues and expenses linked to stock options and similar		-	0
Interest revenues received accrued		3 752	4 617
Adjustment for elements included in operating income that do not correspond to cash flows and reclassification of financing and investment flows		54 926	98 907
Income (loss) of companies accounted for by the equity method		(2 342)	(6 022)
Dividends received from companies accounted for by the equity method		19 127	6 245
Change in liabilities and receivables relating to insurance and reinsurance transactions		(49 256)	(24 857)
Change in operating receivables and liabilities		865	(6 754)
Change in other assets and liabilities		(4 522)	(33 581)
Corporation tax		(54 494)	(74 756)
Cash flow related to operating activities		(90 621)	(139 726)
Cash flow from operating activities		217 096	201 065
Acquisitions of subsidiaries and joint ventures, net of acquired cash		(0)	(1 396)
Disposals of subsidiaries and joint ventures, net of ceded cash		38 412	1 789
Acquisitions of equity interests in companies accounted for by the equity method		(73 467)	(0)
Disposals of equity method investments		-	-
Merger		(10)	-
Cash flow linked to changes in the consolidation scope		(35 066)	393
Disposals of AFS securities		492 427	837 773
Matured HTM securities		-	-
Disposals of investment properties		409	5 398
Disposals of securities held for trading		2 158	1 318
Cash flow linked to disposals and redemptions of investments		494 995	844 490
Acquisitions of AFS securities		(503 417)	(699 074)
Acquisitions of HTM securities		-	-
Acquisitions of investment and operating properties		(2 951)	-
Acquisitions of trading securities		(3 643)	(3 629)
Cash flow linked to acquisitions of investments		(510 011)	(702 703)
Disposals of other investments and intangible assets ⁽¹⁾		1 880 923	624 456
Acquisitions of other investments and intangible assets ⁽¹⁾		(1 792 152)	(507 881)
Cash flow linked to acquisitions and disposals of other investments and intangible assets		88 771	116 574
Cash flow from investing activities		38 690	258 754

(1) These amounts are mainly composed of short-term cash operations.

Consolidated statement of cash flows

(in € thousand)	Notes	2013	2012
Increases and decreases in capital		8 166	1 896
<i>Increases in capital</i>		8 167	1 936
<i>Decreases in capital</i>		(1)	(39)
Change in treasury stock		2 984	8 315
Dividends paid		(176 393)	(195 050)
Cash flow linked to transactions with the shareholders		(165 243)	(184 839)
Change in non voting shares		-	-
Changes in loans and subordinated securities		986	862
<i>Issue</i>		4 490	882
<i>Repayment</i>		(3 504)	(20)
Interest paid		(9 675)	(13 854)
Cash flow from Group financing		(8 689)	(12 992)
Cash flow from financing activities		(173 932)	(197 831)
Impact of foreign exchange differences on cash and cash equivalents		(283)	(2 120)
Reclassification		11 300	(16)
Other net changes in cash		€ 11 017	€ (2 137)
Change in cash flows		92 870	259 851
Change in cash and cash equivalents		92 870	259 852
Cash and cash equivalents at beginning of period	7	308 030	346 988
Cash and cash equivalents at end of period (*)	7	400 900	606 840

Notes to the consolidated financial statements

For the 1st Half 2013

(in € thousand)	Capital Stock	Additional paid-in-capital	Retained earnings	Revaluation reserve	Pension provision reserve	Translation reserve	Treasury shares	Shareholders' equity, group share	Non controlling interests	Total shareholders' equity
Opening Shareholders' equity, Group share	14 468	456 883	1 986 367	92 777	(121 498)	(21 821)	(61 935)	2 345 241	68 261	2 413 502
Available-for-sale assets (AFS)	-	-	-	-	-	-	-	-	-	-
Measurement gain / (loss) taken to shareholders' equity	-	-	-	(27 323)	-	-	-	(27 323)	(25)	(27 348)
Impact of transferring realised gains and losses to income statement	-	-	-	(8 900)	-	-	-	(8 900)	-	(8 900)
Other changes	-	-	-	10	32	-	-	42	(17)	25
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	-	-	-	-	-	-	-	-	-	-
IAS19 revised impact	-	-	-	-	(3 550)	-	-	(3 550)	(26)	(3 576)
Impact of translation differences	-	-	-	(30)	1 846	(12 792)	-	(10 976)	12	(10 964)
Components of other comprehensive income net of tax	-	-	-	(36 243)	(1 672)	(12 792)	-	(50 707)	(56)	(50 763)
Net income for the year	-	-	166 372	-	-	-	-	166 372	2 945	169 317
Comprehensive income of the period	-	-	166 372	(36 243)	(1 672)	(12 792)	-	115 665	2 889	118 554
Capital movements	42	8 125	-	-	-	-	2 808	10 975	-	10 975
Dividend distributions	-	-	(176 004)	-	-	-	-	(176 004)	(388)	(176 392)
Shareholders' equity component of share-based payment plans	-	-	-	-	-	-	-	-	-	-
Cancellation of gains/losses on treasury shares	-	-	-	-	-	-	176	176	-	176
Other movements	-	-	(300)	-	-	88	-	(212)	14	(198)
Closing Shareholders' equity, Group share	14 510	465 008	1 976 435	56 534	(123 170)	(34 525)	(59 951)	2 295 841	70 776	2 366 617

For the 1st Half 2012

(in € thousand)	Capital Stock	Additional paid-in-capital	Retained earnings	Revaluation reserve	Pension provision reserve	Translation reserve	Treasury shares	Shareholders' equity, group share	Non controlling interests	Total shareholders' equity
Opening Shareholders' equity, Group share	14 451	454 536	1 879 323	32 666	(59 517)	(25 543)	(77 556)	2 218 360	17 991	2 236 351
Available-for-sale assets (AFS)	-	-	-	-	-	-	-	-	-	-
Measurement gain / (loss) taken to shareholders' equity	-	-	-	39 874	-	-	-	39 874	(252)	39 622
Impact of transferring realised gains and losses to income statement	-	-	-	(9 586)	-	-	-	(9 586)	273	(9 313)
Other changes	-	-	-	431	-	-	-	431	-	431
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	-	-	-	-	-	-	-	-	-	-
IAS19 revised impact	-	-	-	-	(7 947)	-	-	(7 947)	(11)	(7 958)
Impact of translation differences	-	-	-	65	-	3 521	-	3 586	15	3 601
Components of other comprehensive income net of tax	-	-	-	30 784	(7 947)	3 521	-	26 358	26	26 384
Net income for the year	-	-	161 375	-	1 118	-	-	162 493	2 309	164 802
Comprehensive income of the period	-	-	161 375	30 784	(6 829)	3 521	-	188 851	2 335	191 186
Capital movements	14	1 909	-	-	-	-	8 315	10 238	-	10 238
Dividend distributions	-	-	(193 054)	-	-	-	-	(193 054)	(1 896)	(195 050)
Shareholders' equity component of share-based payment plans	-	-	-	-	-	-	-	-	-	-
Cancellation of gains/losses on treasury shares	-	-	-	-	-	-	-	-	-	-
Other movements	-	-	(206)	-	-	-	-	(206)	2	(204)
Closing Shareholders' equity, Group share	14 465	456 445	1 847 438	63 450	(66 347)	(22 022)	(69 241)	2 224 188	18 332	2 242 521

As of January 1st, 2013, the Group has applied retrospectively the revised IAS 19 standard. Therefore, opening balance has been displayed as if the standard has always been applied.

The impact of the new standard on the main aggregates of balance sheet as of December 31st, 2012 is as follows:

Shareholders' equity decreased by 121,466 thousand euros, including 5,255 thousand euros impact on earnings in 2012. In return, the pension provisions increased by 132,022 thousand euros, and other receivables decreased by 41,131 thousand euros. On the other hand, the deferred tax assets increased to 54,055 thousand euros and deferred tax liabilities for 2,400 thousand euros.

The impact of the new standard on the main items of the comparative results to June 30th, 2013 is analyzed as follows:

The net result as of June 30th, 2012 increased by 1,118 thousand euros. This improvement comprises on the one hand a decrease of administrative expenses and on the other ordinary operating expenses, respectively, for 1,589 thousand euros and 31 thousand euros. Furthermore the income tax expense increased by 502 thousand euros.

The impact of the new standard on the main items of the income statement at December 31st, 2012 is as follows:

This is a positive impact of 5,255 thousand euros which comprises a decrease of administrative expenses for 1,565 thousand euros and other ordinary operating expenses for 5,611 thousand euros on the one hand and increase of income tax expenses for 1,921 thousand euros on the other hand.

Notes to the consolidated financial statements

Note 1 Significant events

The following significant events occurred in the first quarter 2013:

Changes in the share capital and in share ownership

As at June 30th, 2013, the Allianz Group owned 30,744,048 shares out of a total of 45,342,177 shares, corresponding to 68% of the share capital of Euler Hermes. Consequently, Euler Hermes is integrated into the Allianz consolidation scope.

During the year 2013, 129,450 new shares have been created by the exercise of options. As at June 30th, 2013, Euler Hermes' share capital was composed of 45,342,177 shares, including 1,208,500 shares held in treasury stock.

Solunion official launch

Solunion Seguros de Crédito, Compañía Internacional de Seguros y Reaseguros S.A. became an official entity on January 28th, 2013, with the signing of the shareholders' agreement and official nomination of the Board of Management members. Solunion, jointly created by Euler Hermes and MAPFRE to offer trade credit insurance solutions in Spain and Latin America, began operations in Spain and Argentina. The company expects to launch operations in Chile, Colombia and Mexico end of September. Solunion offers comprehensive trade-related credit insurance solutions and services for companies of all sizes in a wide range of trade sectors.

Follow-up on "Excellence" Project

Euler Hermes initiated the Excellence Project, introduced in 2010, to increase business efficiency. At the end of December 2012, restructuring provision balance reached € 30.1 million. At the end of June 2013, restructuring provision balance reached € 21 million.

Euler Hermes increases shareholding in Israeli credit insurer ICIC to 50 percent

In the second quarter of 2013, Euler Hermes increased its participation in Israel's leading credit insurer ICIC from the original 33% acquired in 2007 to 50%. The remaining 50% of shares are held by Euler Hermes' local partner Harel Insurance Investment & Financial Services Ltd.

Euler Hermes increases shareholding in its Greek subsidiary Euler Hermes Hellas SA

On June 14th 2013, Euler Hermes has increased from 60% to 80.31% its stake in its Greek subsidiary Euler Hermes Hellas SA.

Creation of Euler Hermes Services South Africa

On January 1st, 2013 Euler Hermes has created the company Euler Hermes Services South Africa, a company located in South Africa which has not started its activity during the first half of 2013.

Cooperation agreement between Euler Hermes and Allianz General Insurance Company (Malaysia) Berhad

On May 6th 2013, Malaysian businesses which are active in domestic and export markets can now access Euler Hermes trade credit insurance products and services more easily, following a cooperation agreement signed between Euler Hermes and Allianz General Insurance Company (Malaysia) Berhad, who will act as a distributor throughout the country.

Note 2 IFRS accounting and valuation rules

Euler Hermes SA is a company domiciled in France. The Headquarters of Euler Hermes SA are located 1, Place des Saisons 92048 Paris - La Défense Cedex. The consolidated financial statements as at June 30th, 2013 include Euler Hermes SA and its subsidiaries (the whole designated as "the Group" and each subsidiary individually as "the entities of the Group") and the quota-share of the Group in its associated companies or joint ventures.

Euler Hermes SA is registered in RCS with the reference number 552 040 594.

Notes to the consolidated financial statements

The financial statements of the Euler Hermes Group as at June 30th, 2013 were approved by the Group Management Board of July 22nd, 2013 and presented to the Supervisory Board of July 24th, 2013.

2.1. General principles

In accordance with European regulation no. 1606/2002 of July 19th, 2002, the consolidated financial statements published as at June 30th, 2013 were prepared in accordance with IAS 34 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. These interim financial statements should be read in conjunction with the consolidated financial statements of the group as at December 31, 2012, prepared in accordance with IFRS standards as adopted by the European Union.

The standards and interpretations applied stem essentially from:

- IAS/IFRS and their interpretative texts whose application is mandatory at June 30th, 2013 as adopted by the European Union;
- guidance provided in CNC recommendation no. 2009-R05 relating to the format of financial statements prepared by insurance firms under international accounting guidelines.

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 consolidated 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.

2.2. Consolidation scope

Following the start of Solunion Seguros de Crédito, Euler Hermes Crédito Sucursal en Espana of EH France SA, Euler Hermes Servicios de Credito SL and Euler Hermes SA Argentina were deconsolidated with effective date of January 1st, 2013. The company Solunion Seguros de Crédito is integrated at equity method for 50% in the consolidated statements of Euler Hermes group at the end of June 2013.

In addition, Euler Hermes created Euler Hermes North America Holding which has been consolidated since January 1st 2013.

During the 1st quarter 2013, Euro Gestion Fund was liquidated.

During the 2nd quarter 2013 Euler Hermes has increased from 60% to 80.31% its participation in its consolidated Greek subsidiary Euler Hermes Hellas SA and from 33% to 50% its participation in Israel's credit insurer ICIC integrated at equity method.

2.3. Use of estimates

The production of the consolidated financial statements of Euler Hermes is based on estimates for a part of assets and liabilities items. The management is susceptible to review these estimations in case of changes that can call into questions the circumstances on which they have been established or by the consideration of a new information or accrued experience.

The estimates concerning technical provisions are also detailed in the part Risk Management of the 2012 Registration Document.

The table below summarizes the methods of assessment of estimates for the main aggregates of the balance sheet:

Notes to the consolidated financial statements

	Estimate	Communicated Information
Note 3	Impairment of goodwill	An impairment of goodwill is recognised when the higher of the Cash Generating Unit's value in use (present value of future cash flows) and fair value less any selling costs is less than its carrying amount (share of net assets and goodwill). The fair value of the Cash Generating Unit's is based on assumptions of capital costs, growth rate to infinity and loss ratio & standard retention rates used in the calculation of the final values.
Note 4	Fair value of real estate held for investments & for use	The fair value of buildings is estimated based on market prices, adjusted, where applicable, to take into account the nature, location or other specific features of the building concerned.
Note non published	Contingent liabilities	Contingent liabilities are measured in accordance with IAS 37 and are reviewed and adjusted at each balance sheet date to reflect the best estimate at this date.
Note 8	Earned but not recorded premiums reserves	This reserve is established based on the estimate of the amount of premiums expected on the period less the amount of premiums recorded on the period.
Note 8	Provisions for salvages & recoveries	This reserve represents the estimate of potential recoveries on settled claims by a statistical calculation based on the evolution of salvages & recoveries by year of attachment on previous exercises. They take into consideration a provision for administration charges determined in accordance with actual observed expenses.
Note 8	Bonus & profit commission reserve	This reserve is intended to cover the future cost corresponding to premium rebates to be granted to policyholders under the terms of policies giving policyholders a share in their technical positive results.
Note 8	Reserves for claims payable	This reserve corresponds to a statistical estimate of the cost of all outstanding claims, that is to say claims reported but not yet settled.
Note 8	IBNR reserve	In credit-insurance, the IBNR are calculated to cover: The claims which occurred before the closing and will be known only on the next period. The claims related to commercial receivables accounted before the closing and covered by a warranty which will occur and be known only on the next period They are determined based on statistical models integrating historical data as well as future developments based on estimates. Considering the current economic crisis and the methods of assessment of credit-insurance, the IBNR might be different from the ones calculated on statistical basis. Indeed, non anticipated assessments might occur and modify the assumptions previously retained for the determination of IBNR.
Note not published	Employee benefits	The related commitments are measured in accordance with revised IAS 19 and are reviewed yearly by independent actuaries. The commitment is recognized in the balance sheet using the projected unit credit method, based on the group actuarial assumptions.
Note not published	Stock options plans	The fair value of the liabilities resulting from the Allianz and Euler Hermes SAR (Stock Appreciation Rights) and RSU (Restricted Stocks Units) plans is reassessed at each balance sheet date based on the Allianz share price and Euler Hermes share price, until expiry of the obligation. The fair value from SAR and RSU is calculated using the Cox-Ross-Rubinstein binomial valuation model.

Note 3 Goodwill

In accordance with IFRS 3, goodwill is not amortized but is subject to impairment tests which are performed on a systematic annual basis and as soon as there is any indication of loss in value.

(in € thousand)	June 30, 2013						December 31, 2012
	Italy	United Kingdom	United States	Benelux countries	Other	Total	Total
Opening balance							
Gross value	6 229	64 796	32 160	8 242	8 847	120 274	121 688
Impairment losses	(409)	(12 256)	(3 262)	-	-	(15 927)	(12 281)
Carrying amount	5 820	52 540	28 898	8 242	8 847	104 347	109 407
Change during the year							
Opening carrying amount	5 820	52 540	28 898	8 242	8 847	104 347	109 407
Changes in gross value	-	-	-	-	-	-	-
Outgoing entities & Held for sale transfer	-	-	-	-	(1 867)	(1 867)	-
Other changes	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	(2 917)
Changes in foreign currency translation adjustments	-	(2 759)	412	-	(277)	(2 624)	1 202
Impairment losses	-	-	-	-	-	-	(3 345)
Closing carrying amount	5 820	49 781	29 310	8 242	6 703	99 856	104 347
Closing Balance							
Gross value	6 229	58 190	32 618	8 242	6 703	111 982	120 274
Impairment losses	(409)	(8 409)	(3 308)	-	-	(12 126)	(15 927)
Carrying amount	5 820	49 781	29 310	8 242	6 703	99 856	104 347

Notes to the consolidated financial statements

Note 4 Investment and operating property

(in € thousand)	June 30, 2013		December 31, 2012	
	Investment property	Operating property	Investment property	Operating property
Balance at opening period				
Gross value	69 526	138 526	6 144	187 356
Depreciation	(15 863)	(39 476)	(2 125)	(56 627)
Impairment losses	-	(6 797)	-	(6 797)
Carrying amount	53 663	92 253	4 019	123 932
Change during the year				
Carrying amount as opening period	53 663	92 253	4 019	123 932
Acquisitions	2 691	260	35 908	200
Change in consolidation scope	-	-	-	-
Disposals	(185)	-	(1 817)	(11 479)
Reclassifications	(13)	-	16 090	(16 090)
Changes in foreign currency translation adjustments	(142)	39	-	(53)
Net depreciation	(550)	(1 421)	(311)	(4 257)
Net provisions for impairment	-	-	-	-
Other changes	-	-	(226)	-
Carrying amount at the end of the period	55 464	91 131	53 663	92 253
Balance at the end of the period				
Gross value	71 825	138 833	69 526	138 526
Depreciation	(16 361)	(40 905)	(15 863)	(39 476)
Impairment losses	-	(6 797)	-	(6 797)
Carrying amount	55 464	91 131	53 663	92 253
Fair value	165 397	118 493	158 836	118 711

Amounts recorded in the income statement	June 30,	
	2013	2012
Investment property		
Rental revenues from investment property	1 345	392
Direct operating expenses relating to property	(30)	(35)

Note 5 Financial investments

Classification by accounting method

For an instrument that is listed on an active market, the fair value is the transaction 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 not any active market for a given financial instrument, the Group estimates the fair value by using a valuation method. Valuation methods 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.

Classification by investment category

Notes to the consolidated financial statements

(in € thousand)	June 30, 2013						December 31, 2012					
	Historical value	Revaluation reserve	Net carrying amount	Fair value	Listed	Non listed	Historical value	Revaluation reserve	Net carrying amount	Fair value	Listed	Non listed
Held-to-maturity assets												
Bonds	491	-	491	491	-	491	491	-	491	491	-	491
Total held-to-maturity assets	491	-	491	491	0	491	491	-	491	491	0	491
Available-for-sale assets												
Equities	154 449	7 331	161 780	161 780	2 794 534	96 796	69 446	12 704	82 150	82 150	2 924 224	34 058
Bonds	2 656 626	72 924	2 729 550	2 729 550	-	-	2 758 684	117 448	2 876 132	2 876 132	-	-
Total Available-for-sale assets	2 811 075	80 255	2 891 330	2 891 330	2 794 534	96 796	2 828 130	130 152	2 958 282	2 958 282	2 924 224	34 058
Loans, deposits and other financial investments	702 836	-	702 836	702 836	-	-	808 741	-	808 741	808 741	-	-
Total loans, deposits and other financial investments	702 836	-	702 836	702 836	-	-	808 741	-	808 741	808 741	-	-
Total Financial Investments (excluding investments in consolidated enterprise)	3 514 402	80 255	3 594 657	3 594 657	2 794 534	97 287	3 637 362	130 152	3 767 514	3 767 514	2 924 224	34 549

(in € thousand)	December 31, 2011					
	Historical value	Revaluation reserve	Net carrying amount	Fair value	Listed	Non listed
Held-to-maturity assets						
Bonds	491	-	491	491	300	191
Total held-to-maturity assets	491	-	491	491	300	191
Available-for-sale assets						
Equities	120 226	10 195	130 421	130 421	2 756 938	57 277
Bonds	2 639 057	44 737	2 683 794	2 683 794	-	-
Total Available-for-sale assets	2 759 283	54 932	2 814 215	2 814 215	2 756 938	57 277
Loans, deposits and other financial investments	743 611	-	743 611	743 611	-	-
Total loans, deposits and other financial investments	743 611	-	743 611	743 611	-	-
Total Financial Investments (excluded investments in consolidated enterprise)	3 503 385	54 932	3 558 317	3 558 317	2 757 238	57 468

Concerning the non listed investments, the Group estimates the fair value by using a valuation method. Valuation methods 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 mortgage bonds (Pfandbriefe).

(in € thousand)	June 30, 2013				December 31, 2012			
	Historical value	Revaluation reserve	Net carrying amount	Fair value	Historical value	Revaluation reserve	Net carrying amount	Fair value
- Equities:	154 449	7 331	161 780	161 780	69 446	12 704	82 150	82 150
- Bonds:	2 657 117	72 924	2 730 041	2 730 041	2 759 175	117 448	2 876 623	2 876 623
- Loans and other investments	702 836	-	702 836	702 836	808 741	-	808 741	808 741
Total Financial Investments	3 514 402	80 255	3 594 657	3 594 657	3 637 362	130 152	3 767 514	3 767 514

(in € thousand)	December 31, 2011			
	Historical value	Revaluation reserve	Net carrying amount	Fair value
- Equities:	120 226	10 195	130 421	130 421
- Bonds:	2 639 548	44 737	2 684 285	2 684 285
- Loans and other investments	743 611	-	743 611	743 611
Total Financial Investments	3 503 385	54 932	3 558 317	3 558 317

There was no significant impact of impairment on Euler Hermes Group portfolio as of June 30th, 2013. Euler Hermes Group does not hold any financial assets such as "dynamic treasury mutual funds" or "subprime investments".

Fair value hierarchy

- Available-for-sale assets

Notes to the consolidated financial statements

(in € thousand)	June 30, 2013		
	Level 1	Level 2	Level 3
Available-for-sale assets	2 698 636	160 000	32 694

(in € thousand)	December 31, 2012		
	Level 1	Level 2	Level 3
Available-for-sale assets	2 768 123	160 173	29 986

(in € thousand)	December 31, 2011		
	Level 1	Level 2	Level 3
Available-for-sale assets	2 599 346	177 703	37 166

The level 1 is mainly composed of listed bonds and stocks on an active market.

The level 2 is composed of Allianz 3-year bond for an amount of €160 million reaching maturity during the 2012 year. This Allianz 3-year matured bond was renewed for one year for € 160 million.

The level 3 is mainly composed of participation in a private equity funds, non-consolidated shares and of Moroccan non-listed government bonds.

- Other financial investments

The HTM bonds, loans and other investments are valued at amortised cost. As a consequence their hierarchical ranking is level 1.

Exposure of the Group to the European sovereign debt

The Euler Hermes Group does not have any more exposure to the sovereign debts in the following countries: Greece, Ireland, Spain, Hungary and Italy.

Portugal

The Portuguese company COSEC, consolidated at equity method within Euler Hermes, has the following exposure to local government debt (in € thousand):

COUNTRY	MATURITY	EXPOSURE	MARKET VALUE	UNREALIZED GAIN or LOSS
Portugal	2 013	3 402	3 401	(1)
Portugal	2 014	641	641	(0)
Portugal	2 015	915	896	(19)
Portugal	2 016	2 916	2 852	(64)
TOTAL:		7 874	7 790	(84)

All investments mentioned above are recorded at fair value in investments available for sale (AFS).

Notes to the consolidated financial statements

Movements in the periods

(in € thousand)	June 30, 2013				December 31, 2012
	Held-to-maturity investments	Available-for-sale investments	Loans, deposits and other financial investments	Total	Total
Carrying amount as opening period	491	2 958 282	808 741	3 767 514	3 558 317
Increase in gross value	-	503 337	1 777 227	2 280 564	3 260 520
Decrease in gross value	-	(495 996)	(1 868 780)	(2 364 776)	(3 110 909)
Revaluation	-	(50 478)	-	(50 478)	86 561
Impairment	-	(60)	-	(60)	(1 062)
Changes in foreign currency translation adjustments	-	(11 568)	(2 179)	(13 747)	2 648
Reclassifications	-	-	(11 793)	(11 793)	955
Other changes	-	(12 187)	(380)	(12 567)	(29 516)
Carrying amount as closing period	491	2 891 330	702 836	3 594 657	3 767 514

(in € thousand)	December 31, 2012			
	Held-to-maturity investments	Available-for-sale investments	Loans, deposits and other financial investments	Total
Opening carrying amount	491	2 814 215	743 611	3 558 317
Increase in gross value	-	1 359 272	1 901 248	3 260 520
Decrease in gross value	-	(1 282 598)	(1 828 311)	(3 110 909)
Revaluation	-	86 561	-	86 561
Impairment	-	(1 062)	-	(1 062)
Changes in foreign currency translation adjustments	-	822	1 826	2 648
Reclassifications	-	969	(14)	955
Other changes	-	(19 897)	(9 619)	(29 516)
Closing carrying amount	491	2 958 282	808 741	3 767 514

(in € thousand)	December 31, 2011			
	Held-to-maturity investments	Available-for-sale investments	Loans, deposits and other financial investments	Total
Carrying amount as opening period	1 071	2 605 856	831 829	3 438 756
Increase in gross value	-	1 215 044	1 264 288	2 479 332
Decrease in gross value	(580)	(980 326)	(1 350 971)	(2 331 877)
Revaluation	-	(12 186)	-	(12 186)
Impairment	-	(5 830)	-	(5 830)
Changes in foreign currency translation adjustments	-	9 016	(901)	8 115
Reclassifications	-	-	-	-
Other changes	-	(17 359)	(634)	(17 993)
Carrying amount as closing period	491	2 814 215	743 611	3 558 317

The other changes of available for sale investments are mainly composed of the amortisations of premiums / discounts of the bonds.

Notes to the consolidated financial statements

Note 6 Investments accounted for by the equity method

Information on equity-accounted investments

(in € thousand)		June 30, 2013		
Société	Assets (1)	Shareholders' equity (2)	Turnover (3)	Net income
Credit Insurance contributors	834 232	334 780	151 966	1 414
Other than Credit insurance contributors	57 758	13 640	33 417	6 131
	891 990	348 420	185 383	7 545

(1) Assets based on IFRS statements as at March 31, 2013, except for Solunion Seguros de Crédito, Compañía Internacional de Seguros y Reaseguros SA for which the asset are IFRS statements as at June 30, 2013.

(2) Equity is determined on the basis of IFRS statements as at March 31st, 2013 including goodwill, except for Solunion Seguros de Crédito, Compañía Internacional de Seguros y Reaseguros SA for which equity is determined on the basis of IFRS statements as at June 30, 2013.

(3) The turnover corresponds to the turnover in the IFRS statements as at March 31 2013 plus ¼ of 2012 total turnover, except for Solunion Seguros de Crédito, Compañía Internacional de Seguros y Reaseguros SA for which turnover is as at June 30, 2013.

(in € thousand)		December 31, 2012	June 30, 2012	
Société	Assets (4)	Shareholders' equity (5)	Turnover (6)	Net income
Credit Insurance contributors	381 376	209 555	75 708	10 735
Other than Credit insurance contributors	48 997	15 098	34 347	4 811
	430 373	224 653	110 055	15 546

(4) Assets based on IFRS statements as at September 30, 2012.

(5) Shareholders' equity based on IFRS statements as at September 30, 2012 including goodwill.

(6) The turnover corresponds to the turnover in the IFRS statements as at March 31, 2012 plus ¼ of total turnover of 2011.

Movements during the period

(in € thousand)	June 30, 2013	December 31, 2012
Opening carrying amount	115 500	105 196
Increases	73 467	-
Decreases	-	-
Reclassifications	-	-
Share of income for the period	2 342	14 038
Dividends paid	(19 127)	(6 245)
Impairment	-	-
Foreign exchange differences	(710)	18
Other changes	725	2 493
Closing carrying amount	172 197	115 500

The increase of 73,467 thousand euros of the post " Investments accounted for by the equity method" corresponds, on one hand in the participation of Euler Hermes Luxembourg Holding on Solunion for 60,903 thousand euros, and on the other hand by the increase of 16, 67 % of the participation of Euler Hermes France on the company ICIC during the second quarter 2013 for an amount of 12,564 thousand euros.

Notes to the consolidated financial statements

Contribution to shareholders' equity (without equity method income of 2013)

(in € thousand)	June 30, 2013	December 31, 2012
Credit Insurance contributors	166 104	97 310
Other than Credit insurance contributors	3 751	4 152
Share of shareholders' equity	169 855	101 462

Contribution to income

(in € thousand)	1st half ended June 30,	
	2013	2012
Credit Insurance contributors	656	4 699
Other than Credit insurance contributors	1 686	1 323
Share of total income	2 342	6 022

Note 7 Cash and cash equivalents

(in € thousand)	June 30, 2013	December 31, 2012
Cash in bank and at hand	349 810	274 451
Cash pooling	51 454	33 929
Total cash	401 264	308 380
Total cash in balance sheet	401 264	308 380
Cash equivalents reflected in the cash flow statement	-	-
Cash pooling creditor with Allianz	(364)	(350)
Total cash and cash equivalents	400 900	308 030

Note 8 Technical reserves

(in € thousand)	December 31, 2012	Allowance net of writebacks	Foreign exchange differences	Other changes	June 30, 2013
Reserve for unearned premiums	356 495	90 685	(5 159)	(6 744)	435 277
Reserve for claims net of forecasts of recoveries	1 403 193	39 762	(8 568)	(2 472)	1 431 915
Reserve for no-claims bonuses and rebates	170 958	(2 800)	(481)	(322)	167 355
Gross technical reserves	1 930 646	127 647	(14 208)	(9 538)	2 034 547
Reserve for unearned premiums	69 569	24 015	(1 085)	130	92 629
Reserve for claims net of forecasts of recoveries	393 219	7 081	(1 651)	1 149	399 798
Reserve for no-claims bonuses and rebates	36 162	(552)	112	90	35 812
Reinsurers' share of technical reserves	498 950	30 544	(2 624)	1 369	528 239
Net technical reserves	1 431 696	97 103	(11 584)	(10 907)	1 506 308

Claims reserves

(in € thousand)	June 30, 2013			December 31, 2012		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
Claims reserves gross of recoveries	1 780 165	(549 381)	1 230 784	1 757 031	(560 522)	1 196 509
Current period	596 106	(164 034)	432 072	1 016 286	(319 301)	696 985
Prior periods	1 184 059	(385 347)	798 712	740 745	(241 221)	499 524
Recoveries to be received	(348 250)	149 583	(198 667)	(353 838)	167 303	(186 535)
Current period	(62 797)	22 305	(40 492)	(214 763)	128 147	(86 616)
Prior periods	(285 453)	127 278	(158 175)	(139 075)	39 156	(99 919)
Claims reserves	1 431 915	(399 798)	1 032 117	1 403 193	(393 219)	1 009 974

Breakdown by type of reserve

Notes to the consolidated financial statements

(in thousand)	June 30, 2013			December 31, 2012		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
Reserves for unearned premiums	435 277	(92 629)	342 648	356 495	(69 569)	286 926
Claims reserves	1 431 915	(399 798)	1 032 117	1 403 193	(393 219)	1 009 974
of which, reserves for known claims	1 152 578	(383 180)	769 398	1 125 604	(386 961)	738 643
of which, reserves for late claims	528 732	(153 299)	375 433	536 732	(161 720)	375 012
of which, reserves for claims handling expenses	98 153	(12 901)	85 252	94 902	(11 840)	83 062
of which, other technical reserves	702	(1)	701	(207)	(1)	(208)
of which, recoveries to be received	(348 250)	149 583	(198 667)	(353 838)	167 303	(186 535)
No-claims bonuses and rebates	167 355	(35 812)	131 543	170 958	(36 162)	134 796
Technical reserves	2 034 547	(528 239)	1 506 308	1 930 646	(498 950)	1 431 696

Note 9 Breakdown of operating income

(in € thousand)	June 30,					
	2013			2012		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
Premiums and commissions	1 194 327	(361 986)	832 341	1 152 867	(387 554)	765 313
Premiums refunded	(59 077)	14 330	(44 747)	(60 815)	15 469	(45 346)
Gross premiums written - credit insurance	1 135 250	(347 656)	787 594	1 092 052	(372 085)	719 967
Change in unearned premiums	(90 696)	24 283	(66 413)	(101 976)	43 473	(58 503)
Earned premiums	1 044 554	(323 373)	721 181	990 076	(328 612)	661 464
Premium-Related	208 188	-	208 188	199 764	-	199 764
Turnover	1 252 742	(323 373)	929 369	1 189 840	(328 612)	861 228
Net investment income	57 344	-	57 344	67 558	-	67 558
Claims paid	(429 057)	123 437	(305 620)	(568 911)	308 932	(259 979)
Claims reserves expenses	(35 896)	6 020	(29 876)	91 609	(129 420)	(37 811)
Claims handling expenses	(45 219)	2 081	(43 138)	(41 576)	241	(41 335)
Insurance services expenses	(510 172)	131 538	(378 634)	(518 878)	179 753	(339 125)
Brokerage commissions	(104 660)	-	(104 660)	(104 075)	-	(104 075)
Other acquisition costs	(119 496)	-	(119 496)	(93 360)	-	(93 360)
Change in acquisition costs capitalised	9 132	-	9 132	14 610	-	14 610
Contract acquisition expenses	(215 024)	-	(215 024)	(182 825)	-	(182 825)
Impairment of portfolio securities and similar	-	-	-	-	-	-
Administration expenses	(107 576)	-	(107 576)	(121 132)	-	(121 132)
Commissions received from reinsurers	-	115 717	115 717	-	133 218	133 218
Other ordinary operating income and expenses	(176 930)	-	(176 930)	(177 147)	-	(177 147)
Current operating income	300 384	(76 118)	224 266	257 416	(15 641)	241 775

Due to the retrospective application of IAS 19 revised, items of the income statement at the end of June 2012 have been modified as follows: administration expenses decreased by 1,589 thousand euros and other ordinary operating income and expenses by 31 thousand euros, totalising a net impact on current operating profit of 1,620 thousand euros.

Notes to the consolidated financial statements

Cost of claims

(in € thousand)

June 30,

	2013			2012		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
Cost of claims for the current period	674 417	(177 953)	496 464	959 774	(441 393)	518 381
of which, claims paid	57 753	(13 862)	43 891	308 667	(245 437)	63 230
of which, claims reserves	571 797	(161 880)	409 917	610 774	(193 886)	416 888
of which, claims handling expenses	44 867	(2 211)	42 656	40 333	(2 070)	38 263
Recoveries for the current period	(64 001)	22 798	(41 203)	(267 048)	223 916	(43 132)
Recoveries received	(1 073)	252	(821)	(51 837)	51 792	(45)
Change in reserves for recoveries	(62 928)	22 546	(40 382)	(215 211)	172 124	(43 087)
Cost of claims from prior periods	(97 857)	36 904	(60 953)	(134 060)	29 569	(104 491)
of which, claims paid	441 222	(136 756)	304 466	374 084	(129 802)	244 282
of which, claims reserves	(539 431)	173 530	(365 901)	(509 387)	157 542	(351 845)
of which, claims handling expenses	352	130	482	1 243	1 829	3 072
Recoveries from prior periods	(2 387)	(13 287)	(15 674)	(39 788)	8 155	(31 633)
Recoveries received	(68 845)	26 929	(41 916)	(62 002)	14 515	(47 487)
Change in reserves for recoveries	66 458	(40 216)	26 242	22 214	(6 360)	15 854
Cost of claims	510 172	(131 538)	378 634	518 878	(179 753)	339 125

Note 10 Earnings per share and dividend per share

Earnings per share

June 30,

	June 30,	
	2013	2012
Distributable net income (in thousand of euros)	166 372	162 493
Weighted average number of ordinary shares before dilution	43 990 596	43 856 077
Earnings per share (in euros)	3,78	3,71
Distributable net income (in thousand of euros)	166 372	162 493
Weighted average number of ordinary shares after dilution	44 061 203	43 866 416
Diluted earnings per share (in euros)	3,78	3,70

The dilution impact takes into account the exercise of options.

The average number of shares resulting from dilution is 70,608 in June 2013 (10,339 in June 2012).

The Group share of net income is used as the basis for this calculation.

Dividend per share

The Shareholder's Meeting approved on May 24th, 2013 the payment of a dividend of € 4 by share concerning the 2012 fiscal year.

Notes to the consolidated financial statements

Note 11 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 geographical segment as it corresponds to the information presented to the Group's management.

Profit & loss by segment

(in € thousand)											1st half ended June 30, 2013
	Germany, Austria, Switzerland	France	Northern Europe	Mediterranean Countries & Africa	Americas	Asia Pacific	Group reinsurance	Group services	Inter-segment eliminations	Group	
Premiums written	365 528	185 898	261 132	138 183	143 476	37 494	773 103	-	(710 487)	1 194 327	
Premiums refunded	(29 861)	(15 164)	(9 493)	500	(2 093)	(707)	(38 807)	-	36 548	(59 077)	
Change in unearned premiums	(26 397)	(1 739)	(22 725)	(16 464)	(22 366)	(202)	(41 068)	-	40 265	(90 696)	
Earned premiums - non-Group	309 270	168 995	228 914	122 219	119 017	36 585	693 228	-	(633 674)	1 044 554	
Premium - related revenues - non-Group	90 241	37 540	44 732	29 749	20 022	10 871	-	82 238	(107 205)	208 188	
Turnover - intra-sectoral	399 511	206 535	273 646	151 968	139 039	47 456	693 228	82 238	(740 879)	1 252 742	
Investment income	16 764	19 350	8 810	3 024	2 772	(64)	13 659	244 920	(251 891)	57 345	
<i>Of which, dividends</i>	(2 874)	(739)	(62)	-	-	-	(863)	(246 268)	250 806	-	
Total ordinary income	416 275	225 885	282 456	154 992	141 811	47 392	706 887	327 158	(992 770)	1 310 087	
Insurance services expenses	(142 965)	(59 804)	(132 172)	(64 160)	(23 223)	(16 478)	(338 333)	200	266 763	(510 172)	
Outwards reinsurance expense	(202 552)	(113 568)	(163 862)	(87 256)	(87 138)	(26 905)	(275 769)	-	633 677	(323 373)	
Outwards reinsurance income	148 621	81 220	142 921	70 893	46 202	19 503	205 475	-	(467 580)	247 255	
Other income and expenses	(155 676)	(79 235)	(110 990)	(59 171)	(61 322)	(26 456)	(220 004)	(94 697)	308 021	(499 530)	
Total other income and expenses	(352 572)	(171 387)	(264 103)	(139 694)	(125 481)	(50 336)	(628 631)	(94 497)	740 881	(1 085 820)	
Ordinary operating income	63 703	54 498	18 353	15 298	16 330	(2 944)	78 256	232 661	(251 889)	224 266	
Other operating income and expenses	654	24 726	(32)	(143)	4 932	-	-	(1 009)	-	29 128	
Operating income	64 357	79 224	18 321	15 155	21 262	(2 944)	78 256	231 652	(251 889)	253 394	
Financing expenses	(83)	(82)	(56)	(77)	(6)	-	(244)	(6 771)	1 636	(5 683)	
Income from companies accounted for by the equity method	4 162	(1 821)	-	-	(406)	-	292	-	115	2 342	
Corporation tax	(19 280)	(28 861)	(2 986)	(5 568)	(7 691)	(1 159)	(15 058)	(132)	(1)	(80 736)	
Consolidated net income	49 156	48 460	15 279	9 510	13 159	(4 103)	63 246	224 749	(250 139)	169 317	
<i>o/w</i>	-	-	-	-	-	-	-	-	-	-	
Net income, Group share	47 305	48 092	15 280	8 784	13 159	(4 103)	63 246	224 749	(250 139)	166 372	
Non controlling interests	1 851	368	-	726	-	-	-	-	-	2 945	

(in € thousand)											1st half ended June 30, 2012
	Germany, Austria, Switzerland	France	Northern Europe	Mediterranean Countries & Africa	Americas	Asia Pacific	Group reinsurance	Group services	Inter-segment eliminations	Group	
Premiums written	360 605	193 202	257 247	158 443	124 887	33 277	709 372	-	(684 166)	1 152 867	
Premiums refunded	(29 680)	(15 665)	(10 672)	(1 332)	(2 059)	(660)	(42 375)	-	41 628	(60 815)	
Change in unearned premiums	(30 957)	(3 386)	(23 024)	(27 326)	(13 537)	(2 232)	(31 921)	-	30 407	(101 976)	
Earned premiums - non-Group	299 968	174 151	223 551	129 785	109 291	30 385	635 076	-	(612 131)	990 076	
Premium - related revenues - non-Group	87 268	37 948	35 007	31 652	18 106	7 844	-	18 267	(36 328)	199 764	
Turnover - intra-sectoral	387 236	212 099	258 558	161 437	127 397	38 229	635 076	18 267	(648 459)	1 189 840	
Investment income	21 032	18 853	5 612	3 352	6 213	1 632	12 038	229 307	(230 481)	67 558	
<i>Of which, dividends</i>	(581)	(575)	(48)	-	-	-	(671)	(228 654)	230 529	-	
Total ordinary income	408 268	230 952	264 170	164 789	133 610	39 861	647 114	247 574	(878 940)	1 257 398	
Insurance services expenses	(223 584)	(76 170)	(98 773)	(54 738)	(28 696)	(32 258)	(351 623)	-	346 964	(518 878)	
Outwards reinsurance expense	(194 411)	(118 999)	(163 386)	(94 976)	(79 031)	(22 340)	(283 302)	-	627 833	(328 612)	
Outwards reinsurance income	229 656	99 022	127 218	72 603	55 388	34 112	268 798	(4 000)	(569 826)	312 971	
Other income and expenses	(150 874)	(81 258)	(105 227)	(63 285)	(51 794)	(20 336)	(214 652)	(37 165)	243 487	(481 104)	
Total other income and expenses	(339 213)	(177 405)	(240 168)	(140 396)	(104 133)	(40 822)	(580 779)	(41 165)	648 458	(1 015 623)	
Ordinary operating income	69 055	53 547	24 002	24 393	29 477	(961)	66 335	206 409	(230 482)	241 775	
Other operating income and expenses	(2 387)	219	(301)	(136)	-	-	-	(500)	-	(3 105)	
Operating income	66 668	53 766	23 701	24 257	29 477	(961)	66 335	205 909	(230 482)	238 670	
Financing expenses	(115)	(69)	(1)	(175)	(2)	(3)	(306)	(8 789)	2 389	(7 071)	
Income from companies accounted for by the equity method	4 067	1 955	-	-	-	-	-	-	-	6 022	
Corporation tax	(21 439)	(20 546)	(6 632)	(8 154)	(9 977)	1 008	(14 170)	7 116	(25)	(72 819)	
Consolidated net income	49 181	35 106	17 068	15 928	19 498	44	51 859	204 236	(228 118)	164 802	
<i>o/w</i>	0	0	0	0	0	0	0	0	0	0	
Net income, Group share	47 536	34 756	17 068	15 614	19 498	44	51 859	204 236	(228 118)	162 493	
Non controlling interests	1 645	350	-	314	-	-	-	-	-	2 309	

Notes to the consolidated financial statements

Depreciation, amortisation and provisions by segment

(in € thousand)

1st half ended June 30, 2013

	Germany, Austria, Switzerland	France	Northern Europe	Mediterranean Countries & Africa	Americas	Asia Pacific	Group reinsurance	Group services	Inter-segment eliminations	Group
Provisions for loans and receivables	45	(209)	(384)	(3)	7	5	5	(1 643)	-	(2 177)

(in € thousand)

1st half ended June 30, 2012

	Germany, Austria, Switzerland	France	Northern Europe	Mediterranean Countries & Africa	Americas	Asia Pacific	Group reinsurance	Group services	Inter-segment eliminations	Group
Provisions for loans and receivables	46	(1 795)	(123)	3	8	(23)	1	151	-	€ (1 732)

Balance sheet by segment

(in € thousand)

June 30, 2013

	Germany, Austria, Switzerland	France	Northern Europe	Mediterranean Countries & Africa	Americas	Asia Pacific	Group reinsurance	Group services	Inter-segment eliminations	Group
Goodwill	-	-	61 480	5 936	29 310	3 133	-	-	(3)	99 856
Other intangible assets	41 669	16 864	7 476	5 997	1 335	1 327	762	7 161	(2 034)	80 557
Investments - insurance businesses	537 320	749 924	160 633	46 179	64 944	39 971	671 156	1 657 566	(265 643)	3 662 050
Investments accounted for by the equity method	70 942	56 725	-	-	1 132	-	17 564	43 398	(17 564)	172 197
Share of assignees and reinsurers in the technical reserves and financial liabilities	260 451	119 459	265 424	190 147	85 107	58 186	276 463	110	(727 108)	528 239
Insurance and reinsurance receivables	52 411	66 904	239 531	49 667	110 997	35 475	342 374	(45)	(263 652)	633 662
Other assets	345 282	136 834	240 068	263 220	84 394	(42 491)	74 350	205 373	(415 961)	891 069
Total assets	1 308 075	1 146 710	974 612	561 146	377 219	95 601	1 382 669	1 913 563	(1 691 965)	6 067 630
Technical reserves	554 949	244 695	493 918	310 299	242 438	85 860	832 237	48	(729 897)	2 034 547
Liabilities related to inward insurance and reinsurance transactions	20 407	64 896	48 230	22 780	9 391	9 212	86 774	1 351	(75 287)	187 754
Liabilities related to outward reinsurance transactions	47 299	14 721	81 611	45 892	26 613	925	111 600	43	(194 054)	134 650
Other liabilities	486 554	259 539	269 855	163 756	49 769	11 557	43 995	646 914	(587 877)	1 344 062
Total liabilities	1 109 209	583 851	893 614	542 727	328 211	107 554	1 074 606	648 356	(1 587 115)	3 701 013

(in € thousand)

December 31, 2012

	Germany, Austria, Switzerland	France	Northern Europe	Mediterranean Countries & Africa	Americas	Asia Pacific	Group reinsurance	Group services	Inter-segment eliminations	Group
Goodwill	-	-	64 360	7 803	28 898	3 288	-	(2)	-	104 347
Other intangible assets	38 141	15 991	8 596	6 840	1 648	1 072	919	7 028	(3 669)	76 566
Investments - insurance businesses	622 449	831 376	188 533	49 215	84 557	36 060	740 944	1 722 514	(444 945)	3 830 703
Investments accounted for by the equity method	76 001	39 500	-	-	-	-	17 564	(1)	(17 564)	115 500
Share of assignees and reinsurers in the technical reserves and financial liabilities	225 261	131 553	252 847	194 339	96 734	50 814	241 249	110	(693 957)	498 950
Insurance and reinsurance receivables	58 751	70 307	234 324	71 454	72 982	17 801	285 725	(39)	(208 351)	602 954
Other assets	343 097	151 192	234 814	257 106	80 547	(31 729)	58 225	126 534	(371 723)	848 064
Total assets	1 363 700	1 239 918	983 474	586 757	365 366	77 306	1 344 627	1 856 144	(1 740 209)	6 077 081
Technical reserves	507 113	270 543	476 228	345 946	236 501	71 384	722 857	48	(699 974)	1 930 646
Liabilities related to inward insurance and reinsurance transactions	11 319	66 927	53 271	23 426	7 172	3 361	82 665	1 772	(66 004)	183 909
Liabilities related to outward reinsurance transactions	25 276	7 882	70 362	36 626	21 795	450	131 123	-	(145 417)	148 097
Other liabilities	508 645	267 889	283 216	156 435	44 512	9 154	36 374	637 500	(542 798)	1 400 933
Total liabilities	1 052 353	613 241	883 077	562 433	309 980	84 349	973 019	639 320	(1 454 193)	3 663 582

Notes to the consolidated financial statements

Note 12 Related parties

Euler Hermes is owned mainly by the Allianz SA Group, which in turn is 100%-owned by the Allianz Group. The breakdown of the Euler Hermes Group shareholding is as follows:

	Number of shares	%
Allianz SA	26 864 230	59,25%
Allianz Vie	3 879 818	8,56%
Treasury shares	1 208 500	2,67%
Sub-total	31 952 548	70,47%
Public (bearer securities)	13 389 629	29,53%
Total	45 342 177	100,00%

Transactions

(in € thousand)	June 30,				2012			
	Allianz SE & other Allianz companies	Allianz Belgium	Allianz France SA	Related companies and joint ventures	Allianz SE & other Allianz companies	Allianz Belgium	Allianz France SA	Related companies and joint ventures
Operating income	24 983	-	-	33 518	28 187	-	-	8 210
Insurance services expenses	(11 332)	-	-	(70 709)	(11 565)	-	-	(7 005)
Net income or expense on reinsurance	(31 383)	-	-	(535)	(13 422)	-	-	6
Financing expenses	-	(2 742)	-	-	-	(2 757)	-	-
Other financial net incomes	(7 333)	-	-	(7 831)	(5 261)	-	-	(2 842)

Receivables and liabilities

(in € thousand)	June 30, 2013				December 31, 2012			
	Allianz SE & other Allianz companies	Allianz Belgium	Allianz France SA	Related companies and joint ventures	Allianz SE & other Allianz companies	Allianz Belgium	Allianz France SA	Related companies and joint ventures
Financial Investments (Allianz SE bond)	160 000	-	-	-	160 000	-	-	-
Current accounts (accrued interests included)	51 151	-	-	4	33 930	-	-	3
Net operating receivables	4 602	-	-	4 909	841	-	-	669
Borrowings (accrued interests included)	-	135 091	-	-	-	137 879	-	-
Operating liabilities	(4 348)	-	-	2 820	(6 552)	-	(218)	355

The following entities invested in Allianz SE 14-month corporate bonds for a total amount of €160 million:

- Euler Hermes Reinsurance AG;
- Euler Hermes Deutschland AG;
- Euler Hermes France.

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 mainly correspond to a loan contracted in 2010 with Allianz Belgium for €135 million with maturity planned for June 24th, 2020, at a fixed annual interest rate of 4,04 %.

Note 13 Commitments given and received

(in € thousand)	June 30, 2013	December 31, 2012
Commitments received	9 254	8 825
* Deposits, sureties and other guarantees	9 254	8 825
Commitments given	103 014	102 810
* Deposits, sureties and other guarantees	103 014	102 810
<i>o/w</i>		
- Commitments to Citibank	50 000	50 000
- Commitments to Société Générale	38 466	37 925
- Commitments to InvestitionsBank Landes Brandenburg	1 857	1 857
- Commitments associated with membership of an EIG	159	180
- Securities buyback agreement	-	-

Notes to the consolidated financial statements

The given commitment of € 50 million is aimed to cover Citibank's customers having signed a credit insurance policy with an Euler Hermes subsidiary in the event that the latter fails to meet its credit insurance policy obligations.

The € 38.5 million commitment is a guarantee to Romanian bank, BRD, a subsidiary of Société Générale Group, in relation to the issuance of bond policies by Euler Hermes Europe S.A. Nederland.

Within the framework agreement, Euler Hermes and MAPFRE gave and receive to each other a commitment.

Note 14 Subsequent events as at June 30th, 2013

No significant change in the financial or trading position of the Group which could impact the assumption of the half closing has occurred since June 30th, 2013.