

Condensed consolidated financial statements

As at September 30, 2015



EULER HERMES
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Condensed consolidated financial statements

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Consolidated balance sheet

(in € thousand)	Notes	September 30, 2015	December 31, 2014
Goodwill	3	113 613	108 389
Other intangible assets		121 991	112 502
Intangible assets		235 604	220 891
Investment property	4	78 180	75 369
Financial investments	5	3 770 543	3 894 626
Derivatives		13 332	19 011
Investments		3 862 055	3 989 006
Investments accounted for at the equity method	6	197 779	199 428
Share of assignees and reinsurers in the technical reserves and financial liabilities	8	604 269	564 279
Operating property and other property, plant and equipment		45 402	48 602
Acquisition costs capitalised		83 553	67 753
Deferred tax assets		24 945	23 653
Inwards insurance and reinsurance receivables		692 405	592 788
Outwards reinsurance receivables		23 572	12 082
Corporation tax receivables		25 635	19 811
Other receivables		227 559	228 100
Asset classified as Held for sale		2 150	60 670
Other assets		1 125 221	1 053 459
Cash	7	517 197	332 624
TOTAL ASSETS		6 542 125	6 359 687
Capital stock		14 510	14 510
Additional paid-in capital		465 007	465 007
Reserves		1 854 669	1 712 679
Net income, group share		226 764	302 060
Revaluation reserve		71 838	99 242
Foreign exchange translation		11 463	(12 973)
Shareholders' equity, Group share		2 644 251	2 580 525
Non controlling interests		62 079	62 142
Total shareholders' equity		2 706 330	2 642 667
Provisions for risks and charges		363 433	383 651
Bank borrowings		252 578	284 159
Other borrowings		-	-
Borrowings		252 578	284 159
Non-life technical reserves	8	2 336 608	2 177 246
Liabilities related to contracts		2 336 608	2 177 246
Deferred tax liabilities		151 043	163 063
Inwards insurance and reinsurance liabilities		242 806	226 992
Outwards reinsurance liabilities		156 656	131 477
Corporation tax payables		23 909	60 658
Other payables		308 762	289 774
Other liabilities		883 176	871 964
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		6 542 125	6 359 687

Consolidated income statement

(in € thousand excepted for the earnings per share)

September 30,

	Notes	2015	2014
Premiums written		1 850 263	1 751 826
Premiums refunded		(98 737)	(80 079)
Change in unearned premiums		(91 385)	(83 179)
Earned premiums		1 660 141	1 588 568
Service revenues		324 817	305 032
Turnover	9	1 984 958	1 893 600
Investment income		62 335	61 736
Investment management charges		(8 342)	(6 373)
Net gain (loss) on sales of investments less impairment and depreciation writebacks		21 166	19 193
Change in fair value of investments recognised at fair value through profit or loss		(2 988)	300
Change in investment impairment provisions		(43)	(2 984)
Net change in foreign currency		7 236	(5 889)
Net investment income		79 364	65 983
Insurance services expenses		(785 482)	(741 722)
Outwards reinsurance income		355 269	371 116
Outwards reinsurance expenses		(485 860)	(478 876)
Net outwards reinsurance income or expenses	9	(130 591)	(107 760)
Contract acquisition expenses		(354 026)	(339 480)
Administration expenses		(161 416)	(147 257)
Other ordinary operating income		12 997	17 169
Other ordinary operating expenses		(319 120)	(303 577)
CURRENT OPERATING INCOME	9	326 684	336 956
Other non ordinary operating expenses		(3 808)	(22 127)
Other non ordinary operating income		2 443	384
OPERATING INCOME		325 319	315 213
Financing expenses		(6 662)	(5 861)
Share of Income from companies accounted for at the equity method	6	8 434	12 285
Corporation tax		(99 236)	(87 501)
CONSOLIDATED NET INCOME		227 855	234 136
o/w			
NET INCOME, GROUP SHARE		226 764	232 527
Non controlling interests		1 091	1 609
Earnings per share (in euros)	10	5,13	5,28
Diluted earnings per share (in euros)	10	5,13	5,28
Earnings per share of continuing activities (in euros)		5,13	5,28
Diluted earnings per share of continuing activities (in euros)		5,13	5,28

Consolidated statement of other comprehensive income

(in € thousand)

	September 30th,	
	2015	2014
NET INCOME, GROUP SHARE	226 764	232 527
Net income, Non controlling interests	1 091	1 609
Actuarial gains and losses on defined benefit plans net of tax	17 943	(58 917)
Other comprehensive income - Items that may never be reclassified to profit and loss	17 943	(58 917)
Available-for-sale investments - reclassification to net income	(19 985)	(18 484)
Tax impact	6 063	4 720
Available-for-sale investments - changes arising during the period	(29 363)	57 326
Tax impact	10 991	(14 453)
Available-for-sale investments - miscellaneous	-	-
Foreign currency translation adjustments	29 326	30 966
Other comprehensive income - Items that may be reclassified to profit and loss in future periods	(2 968)	60 075
Other comprehensive income - non controlling interests share net of tax	28	76
Total comprehensive income	242 858	235 370
Total comprehensive income, Group share	241 739	233 685
Total comprehensive income, Non controlling interests	1 119	1 685

Consolidated statement of cash flows

September 30,

(in € thousand)	Notes	2015	2014
Net income, Group share		226 764	232 527
Corporation tax		99 236	87 501
Financing expense		6 662	5 861
Minority interests		1 091	1 609
Income (loss) of companies accounted for at the equity method	6	(8 434)	(12 285)
Operating income before tax		325 319	315 213
Allocation to and writebacks of depreciation, amortization and reserves		41 118	66 258
Change in technical reserves		73 116	54 819
Change in deferred acquisition costs		(12 995)	(11 362)
Change in fair value of financial instruments recognised at fair value through the income statement (excluding cash and cash equivalents)		(763)	(263)
Realised capital gains/(losses) net of writebacks		(21 698)	(19 149)
Unrealised foreign exchange gain (loss) in company accounts		11 504	8 419
Revenues and expenses linked to stock options and similar		-	-
Interest revenues received accrued		7 775	5 554
Adjustment for elements included in operating income that do not correspond to cash flows and reclassification of financing and investment flows		98 057	104 276
Dividends received from companies accounted for at the equity method	6	7 773	10 414
Change in liabilities and receivables relating to insurance and reinsurance transactions		(50 824)	23 873
Change in operating receivables and liabilities		(6 889)	19 128
Change in other assets and liabilities		967	(9 241)
Corporation tax		(136 211)	(108 159)
Cash flow related to operating activities		(185 184)	(63 985)
CASH FLOW FROM OPERATING ACTIVITIES		238 192	355 504
Acquisitions of subsidiaries and joint ventures, net of acquired cash		-	(1 241)
Disposals of subsidiaries and joint ventures, net of ceded cash		-	-
Acquisitions of equity interests in companies accounted for at the equity method	6	-	-
Disposals of equity method investments		-	-
Merger		-	-
Cash flow linked to changes in the consolidation scope		-	(1 241)
Disposals of AFS securities		730 449	899 234
Matured HTM securities		-	-
Disposals of investment properties		-	159
Disposals of securities held for trading		8 586	1 636
Cash flow linked to disposals and redemptions of investments		739 035	901 029
Acquisitions of AFS securities		(681 959)	(977 719)
Acquisitions of HTM securities		-	-
Acquisitions of investment and operating properties	4	(4 767)	(8 892)
Acquisitions of trading securities		(2 231)	(5 805)
Cash flow linked to acquisitions of investments		(688 957)	(992 416)
Disposals of other investments and intangible assets ⁽¹⁾		2 038 654	1 942 659
Acquisitions of other investments and intangible assets ⁽¹⁾		(1 986 837)	(2 016 425)
Cash flow linked to acquisitions and disposals of other investments and intangible assets		51 817	(73 766)
Disposal of Assets classified as Held for Sale		61 120	-
Acquisition of Assets classified as Held for Sale		(2 027)	-
Cash flow linked to acquisitions and disposals of Assets classified as Held for Sale		59 093	-
CASH FLOW FROM INVESTING ACTIVITIES		160 988	(166 394)

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

Consolidated statement of cash flows

September 30,			
(in € thousand)	Notes	2015	2014
Increases and decreases in capital		-	-
Change in treasury stock		16 560	(16 816)
Dividends paid		(195 730)	(187 960)
Cash flow linked to transactions with the shareholders		(179 170)	(204 776)
Change in non voting shares		-	-
Changes in loans and subordinated securities		(30 367)	12 029
<i>Issue</i>		105 972	8 786
<i>Repayment</i>		(136 339)	3 243
Interest paid		(7 952)	(5 813)
Cash flow from Group financing		(38 319)	6 216
CASH FLOW FROM FINANCING ACTIVITIES		(217 489)	(198 560)
Impact of foreign exchange differences on cash and cash equivalents		2 874	1 867
Reclassification		8	-
Other cash flows linked to restructuring operations		-	(1 261)
OTHER NET CHANGES IN CASH		2 882	606
Change in cash flows		184 573	(8 844)
Change in cash and cash equivalents		184 573	(8 844)
Cash and cash equivalents at beginning of period	7	332 624	301 840
Cash and cash equivalents at end of period	7	517 197	292 996

During the first nine months of 2015, the cash position increased by €184,573 thousand.

- Cash flow from operating activities decreased by €117.3 million, from €355.5 million at the end of September 2014 to €238.2 million at the end of September 2015, mainly due to deterioration of flows related to insurance and reinsurance operations for €-74.7 million and of flows related to corporate tax paid for €-28.0 million.
- Investment activities contributed to cash inflows up to €160.9 million at the end of September 2015, against €-166.4 million at the end of September 2014, mainly due to net disposals in AFS securities for €48.5 million at the end of September 2015 against €-78.5 million at the end of September 2014, due to net disposals of short-term securities for €51.8 million at the end of September 2015 against €-73.8 million at the end of September 2014, and the disposal of Assets held for sale for €59.1 million.
- Cash outflows from the financing activities decreased from €-198.6 million at the end of September 2014 to €-217.5 million at the end of September 2015, mainly due to the payment of the dividends and of a net payment of loan for €30.3 million.

Consolidated statement of changes in equity

As at September 30, 2015

(in € thousand)	Capital Stock	Additional paid-in-capital	Consolidation reserve and Retained earnings	Revaluation reserve	Translation reserve	Treasury shares	Shareholders' equity, group share	Non controlling interests	Total shareholders' equity
Opening Shareholders' equity	14 510	465 007	2 092 254	99 242	(12 973)	(77 515)	2 580 525	62 142	2 642 667
Available-for-sale assets (AFS)	-	-	-	-	-	-	-	-	-
Measurement gain / (loss) taken to shareholders' equity	-	-	-	(18 372)	-	-	(18 372)	-	(18 372)
Impact of transferring realised gains and losses to income statement	-	-	-	(13 922)	-	-	(13 922)	-	(13 922)
Actuarial gain / (loss) on defined benefit plans	-	-	17 943	-	-	-	17 943	-	17 943
Impact of translation differences	-	-	-	4 890	24 436	-	29 326	28	29 354
Components of other comprehensive income net of tax	-	-	17 943	(27 404)	24 436	-	14 975	28	15 003
Net income for the year	-	-	226 764	-	-	-	226 764	1 091	227 855
Comprehensive income of the period	-	-	244 707	(27 404)	24 436	-	241 739	1 119	242 858
Capital movements	-	-	-	-	-	16 121	16 121	-	16 121
Dividend distributions	-	-	(194 548)	-	-	-	(194 548)	(1 182)	(195 730)
Cancellation of gains/losses on treasury shares	-	-	-	-	-	439	439	-	439
Other movements	-	-	(26)	-	-	1	(25)	-	(25)
Closing Shareholders' equity	14 510	465 007	2 142 387	71 838	11 463	(60 954)	2 644 251	62 079	2 706 330

As at September 30, 2014

(in € thousand)	Capital Stock	Additional paid-in-capital	Consolidation reserve and Retained earnings	Revaluation reserve	Translation reserve	Treasury shares	Shareholders' equity, group share	Non controlling interests	Total shareholders' equity
Opening Shareholders' equity	14 510	465 007	2 024 004	63 566	(45 743)	(59 474)	2 461 870	66 582	2 528 452
Available-for-sale assets (AFS)	-	-	-	-	-	-	-	-	-
Measurement gain / (loss) taken to shareholders' equity	-	-	-	42 873	-	-	42 873	-	42 873
Impact of transferring realised gains and losses to income statement	-	-	-	(13 764)	-	-	(13 764)	-	(13 764)
Actuarial gain / (loss) on defined benefit plans	-	-	(58 917)	-	-	-	(58 917)	-	(58 917)
Impact of translation differences	-	-	-	685	30 281	-	30 966	76	31 042
Components of other comprehensive income net of tax	-	-	(58 917)	29 794	30 281	-	1 158	76	1 234
Net income for the year	-	-	232 527	-	-	-	232 527	1 609	234 136
Comprehensive income of the period	-	-	173 610	29 794	30 281	-	233 685	1 685	235 370
Capital movements	-	-	-	-	-	(16 592)	(16 592)	-	(16 592)
Dividend distributions	-	-	(184 826)	-	-	-	(184 826)	(3 134)	(187 960)
Cancellation of gains/losses on treasury shares	-	-	-	-	-	(224)	(224)	-	(224)
Transaction between shareholders	-	-	797	(19)	-	-	778	(2 003)	(1 225)
Other movements	-	-	(9)	-	-	-	(9)	-	(9)
Closing Shareholders' equity	14 510	465 007	2 013 576	93 341	(15 462)	(76 290)	2 494 682	63 130	2 557 812

As at September 30, 2015, the share capital of Euler Hermes Group consisted of 45,342,177 fully paid-up shares. At the same date Euler Hermes Group holds 1,161,487 treasury shares.

In accordance with IAS 39, available-for-sale (AFS) investments were revaluated at market value with the resulting gain or loss being taken directly to the revaluation reserve with no impact on the consolidated income statement. During the year, the decrease in the revaluation reserve totalled €18,372 thousand net of taxes.

The increase in translation reserves by €24,436 thousand during the exercise relates mainly to the US dollar for an impact of €13,568 thousand, the pound sterling for €9,962 thousand, the Hong Kong dollar for €2,521 thousand.

The non-controlling interests are down by €63 thousand. This is mainly due to dividend distributions for €1,182 thousand and the net result for the period for €1,091 thousand.

Notes to the consolidated financial statements

Note 1 Significant events

The following significant events occurred in the first nine months of 2015:

Changes in the share capital and in share ownership

As at September 30, 2015, the Allianz group owned 30,744,048 shares out of a total of 45,342,177 shares, corresponding to 67.8% of the share capital of Euler Hermes Group. Consequently, Euler Hermes Group is integrated into the Allianz consolidation scope.

As at September 30, 2015, Euler Hermes Group's share capital was composed of 45,342,177 shares, including 1,161,487 shares held in treasury stock.

Euler Hermes launches South Africa operations

Euler Hermes, is launching services for the South African market, strengthening its presence on the African continent as well as growth markets overall.

Based in Johannesburg, Euler Hermes operations include a re-insurance agreement with Allianz Global Corporate & Specialty (AGCS) South Africa Limited. The collaboration combines Euler Hermes global market presence and trade credit expertise with AGCS's existing South African business relationships and in-depth knowledge of the local business community.

Euler Hermes France launches "EH Fraud Cover": a new insurance policy against company fraud risk

With expertise in credit insurance, collection and bonding, Euler Hermes decided to complement its line of products and services by providing companies with insurance against the risk of fraud and cyberfraud. This move is backed by the more than 30 years' experience and success of this business line in Germany, where Euler Hermes already has a portfolio of more than 7,000 policies. The Group therefore expects a rapid start-up of this activity in France, which will consolidate its position as the fraud insurance leader in Europe.

Distribution agreement between Arkéa Banque Entreprises et Institutionnels and Euler Hermes to secure company cash flow

On June 2015, Arkéa Banque Entreprises et Institutionnels, a subsidiary of Crédit Mutuel Arkéa, and Euler Hermes announced a distribution agreement to offer French companies a comprehensive line of services to address financing challenges and guarantee receivables in France and abroad. Through this new partnership, customers will benefit from an easier access to a complementary service that helps them to secure their cash flow and support their export growth.

Solunion, a Euler Hermes and MAPFRE JV, launches operations in Panama

Solunion, the trade credit insurance joint venture created by Euler Hermes and MAPFRE, has formally launched operations in Panama. It is the seventh Latin American country in which Solunion operates, following launches in Uruguay and Peru earlier this year. Solunion offers, Panamanian businesses services and solutions to develop their trade safely both in the domestic market and internationally.

Notes to the consolidated financial statements

Note 2 IFRS accounting and valuation rules

Euler Hermes Group SA is a company domiciled in France. The Headquarters of Euler Hermes Group SA are located 1, Place des Saisons 92048 Paris – La Défense Cedex. The consolidated financial statements as at September 30, 2015 include Euler Hermes Group SA and its subsidiaries (the whole designated as “the Group” and each subsidiary individually as “the entity of the Group”) and the quota-share of the Group in its associated companies or joint ventures.

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

The financial statements of the Euler Hermes group as at September 30, 2015 were approved by the Group Management Board of October 28, 2015 and presented to the Supervisory Board of October 29, 2015.

2.1. General Principles

In accordance with European regulation no. 1606/2002 of July 19th, 2002, the consolidated financial statements published as at September 30th, 2015 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 31st, 2014, 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 September 30, 2015 as adopted by the European Union;
- Guidance provided in CNC recommendation no. 2013-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 for 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. Changes in the accounting framework applicable to the Group in 2015

Standards, amendments and interpretations for which application is mandatory from January 1st, 2015 are the following ones:

- IFRIC 21, Levies

IFRIC 21, Levies was published on May 20, 2013 and were adopted by the European Union on June 13, 2014, with mandatory retrospective application from January 1st, 2015 at the latest.

With a view to the first-time application of this standard, the Group undertook an inventory of the levies imposed by the government or government bodies and the trigger event of its exigibility. The procedures performed did not identify any material impact of the first-time application of this standard.

No other new standard, amendment or interpretation with significant impact on the financial statements of the Group, is mandatory for the Group from January 1st, 2015.

Early application of standards

The Group has not early adopted standards and interpretations that are not yet mandatorily effective as of January 1st, 2015.

Notes to the consolidated financial statements

2.3. Consolidation scope

As part of a universal transfer of assets, the shares of Euler Hermes Tech were sold by Euler Hermes Services to Euler Hermes Group S.A. before being eliminated as part of a merger on 1 April 2015.

2.4. Use of estimates

The production of the consolidated financial statements of the Group is based on estimates for a part of assets and liabilities items. The management is called upon to review these estimates in the event of changes that may alter the basis on which they have been established or due to the consideration of new information or accrued experience.

The estimates concerning technical provisions are also detailed in the section 4 "Major risk factors and their management within the Group" of the 2014 Registration Document.

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

	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 not published	Provisions for risks and charges	Provisions for risks and charges 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 not published	Employee benefits	The related commitments are measured in accordance with IAS 19 Revised 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 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	IBNR reserves are established to recognize the estimated cost of losses that have occurred but where the Group has not yet been notified. The Group relies on its past experience, adjusted for current trends and any other relevant factors to estimate IBNR reserves. IBNR are estimates based on actuarial and statistical projections of the expected cost of ultimate settlement and administration of claims. The analyses are based on facts and circumstances known at the time, predictions of future events, and other economic
Note not published	Stock option plans	The fair value of the liabilities resulting from the Allianz and Euler Hermes Group 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 Group share price, until expiry of the obligation. The fair value from SAR and RSU is calculated using the Cox-Ross-Rubinstein binomial valuation model.

Notes to the consolidated financial statements

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)		September 30, 2015					December 31, 2014
	Italy	United Kingdom	United States	Benelux countries	Other	Total	Total
Opening balance							
Gross value	6 229	64 141	35 039	9 459	6 757	121 625	111 695
Impairment losses	(409)	(9 274)	(3 554)	-	-	(13 236)	(12 206)
Carrying amount	5 820	54 867	31 485	9 459	6 757	108 389	99 489
Change during the year							
Opening carrying amount	5 820	54 867	31 485	9 459	6 757	108 389	99 489
Changes in gross value	-	-	-	-	-	-	-
Outgoing entities & Held for sale transfer	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	1 217
Reclassifications	-	-	-	-	-	-	-
Changes in foreign currency translation adjustments	-	2 861	2 646	-	(282)	5 224	7 682
Impairment losses	-	-	-	-	-	-	-
Closing carrying amount	5 820	57 728	34 131	9 459	6 475	113 613	108 389
Closing Balance							
Gross value	6 229	67 474	37 983	9 459	6 475	127 620	121 625
Impairment losses	(409)	(9 746)	(3 852)	-	-	(14 007)	(13 236)
Carrying amount	5 820	57 728	34 131	9 459	6 475	113 613	108 389

As at September, 30th 2015, changes in goodwill are due to the appreciation of US Dollar and British Pound against Euro.

At year-end 2014, following the purchase of shares held by minority shareholders of NV Interpolis Kredietverzekeringen, a goodwill has been recognized for €1,217 thousand.

Notes to the consolidated financial statements

Note 4 Investment and operating property

(in € thousand)	September 30, 2015		December 31, 2014	
	Investment property	Operating property	Investment property	Operating property
Balance at opening period				
Gross value	97 015	27 230	78 531	141 336
Depreciation	(21 646)	(17 651)	(18 300)	(44 855)
Impairment losses	-	-	-	(6 797)
Carrying amount	75 369	9 579	60 231	89 684
Change during the year				
Opening carrying amount	75 369	9 579	60 231	89 684
Acquisitions	4 767	-	16 676	156
Change in consolidation scope	-	-	-	-
Disposals	-	-	(367)	(66)
Reclassifications	-	-	(167)	(78 099)
Changes in foreign currency translation adjustments	-	5	-	104
Net depreciation	(1 957)	(122)	(1 004)	(2 200)
Net provisions for impairment	-	-	-	-
Other changes	1	-	-	-
Closing carrying amount	78 180	9 462	75 369	9 579
Balance at the end of the period				
Gross value	101 782	27 238	97 015	27 230
Depreciation	(23 602)	(17 776)	(21 646)	(17 651)
Impairment losses	-	-	-	-
Carrying amount	78 180	9 462	75 369	9 579
Fair value	224 350	22 436	209 650	24 652
Amounts recorded in the income statement				
Investment property	Sept 30, 2015	Dec 31, 2015		
Rental revenues from investment property	2 932	2 645		
Direct operating expenses relating to property	1	(157)		

The acquisitions of investment property consist of renovations costs of the former headquarter owned by Euler Hermes Real Estate. As at September 30, 2015, these costs amounted to €4.8 million compared to €16.7 million as at December 31, 2014.

Notes to the consolidated financial statements

Note 5 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 not any active market for a given financial instrument, the Group estimates the fair value by 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.

Classification by investment category

(in € thousand)	September 30, 2015						December 31, 2014					
	Historical value	Revaluation reserve	Net carrying amount	Fair value	Listed	Non listed	Historical value	Revaluation reserve	Net carrying amount	Fair value	Listed	Non listed
<u>Held-to-maturity assets</u>												
Bonds	191	-	191	191	-	191	191	-	191	191	191	-
Total Held-to-maturity assets	191	-	191	191	0	191	191	-	191	191	191	-
<u>Available-for-sale assets</u>												
Equities	228 688	17 965	246 653	246 653	2 915 934	86 001	220 224	25 320	245 544	245 544	2 973 382	87 827
Bonds	2 682 172	73 110	2 755 282	2 755 282	-	-	2 708 754	106 911	2 815 665	2 815 665	-	-
Total Available-for-sale assets	2 910 860	91 075	3 001 935	3 001 935	2 915 934	86 001	2 928 978	132 231	3 061 209	3 061 209	2 973 382	87 827
<u>Loans, deposits and other financial investments</u>	768 417	-	768 417	832 039	-	-	833 226	-	833 226	854 230	-	-
Total Loans, deposits and other financial investments	768 417	-	768 417	832 039	-	-	833 226	-	833 226	854 230	-	-
Total Financial investments (excluding investments in consolidated enterprise)	3 679 468	91 075	3 770 543	3 834 165	2 915 934	86 192	3 762 395	132 231	3 894 626	3 915 630	2 973 573	87 827

(in € thousand)	December 31, 2013					
	Historical value	Revaluation reserve	Net carrying amount	Fair value	Listed	Non listed
<u>Held-to-maturity assets</u>						
Bonds	191	-	191	191	191	-
Total Held-to-maturity assets	191	-	191	191	191	-
<u>Available-for-sale assets</u>						
Equities	154 054	27 007	181 061	181 061	2 775 856	61 913
Bonds	2 596 674	60 033	2 656 707	2 656 707	-	-
Total Available-for-sale assets	2 750 728	87 040	2 837 768	2 837 768	2 775 856	61 913
<u>Loans, deposits and other financial investments</u>	837 917	-	837 917	837 917	-	-
Total Loans, deposits and other financial investments	837 917	-	837 917	837 917	-	-
Total Financial investments (excluding investments in consolidated enterprise)	3 588 836	87 040	3 675 876	3 675 876	2 776 047	61 913

Concerning the non-listed investments, the Group estimates the fair value by 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 mortgage bonds (*Pfandbriefe*).

There was no significant impact of impairment on the Group portfolio as of September 30, 2015. The Group does not hold any financial assets such as "dynamic treasury mutual funds" or "subprime investments".

Notes to the consolidated financial statements

Fair value hierarchy

– Available-for-sale assets

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

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

(in € thousand)		September 30, 2015		
	Level 1	Level 2	Level 3	
Available-for-sale assets	2 946 928	-	55 007	

(in € thousand)		December 31, 2014		
	Level 1	Level 2	Level 3	
Available-for-sale assets	3 012 930	-	48 279	

(in € thousand)		December 31, 2013		
	Level 1	Level 2	Level 3	
Available-for-sale assets	2 797 634	-	40 134	

– Other financial investments

The HTM bonds, loans and other investments are valued at amortized cost. Their hierarchical ranking is mainly level 3 except for the non-listed German mortgage bonds (*Pfandbriefe*) classified in level 2 for €294 million.

Classification by geographical zone

September 30, 2015

Net carrying amount (in € thousand)			
	France	Other Countries	Group
Held-to-maturity assets			
Bonds	191	-	191
Total held-to-maturity assets	191	-	191
Available-for-sale assets			
Equities	56 801	189 852	246 653
Bonds	419 137	2 336 145	2 755 282
Total Available-for-sale assets	475 938	2 525 997	3 001 935
Loans, deposits and other financial investments	121 730	646 687	768 417
Total loans, deposits and other financial investments	121 730	646 687	768 417
Total Financial investments	597 859	3 172 684	3 770 543

Notes to the consolidated financial statements

December 31, 2014

Net carrying amount (in € thousand)

	France	Other Countries	Group
Held-to-maturity assets			
Bonds	191	-	191
Total held-to-maturity assets	191	-	191
Available-for-sale assets			
Equities	96 763	148 781	245 544
Bonds	501 769	2 313 896	2 815 665
Total Available-for-sale assets	598 532	2 462 677	3 061 209
Loans, deposits and other financial inve	109 599	723 627	833 226
Total loans, deposits and other financi.	109 599	723 627	833 226
Total Financial investments	708 322	3 186 304	3 894 626

December 31, 2013

Net carrying amount (in € thousand)

	France	Other Countries	Group
Held-to-maturity assets			
Bonds	191	-	191
Total held-to-maturity assets	191	-	191
Available-for-sale assets			
Equities	84 024	97 037	181 061
Bonds	489 308	2 167 399	2 656 707
Total Available-for-sale assets	573 332	2 264 435	2 837 768
Loans, deposits and other financial inve	112 116	725 801	837 917
Total loans, deposits and other financi.	112 116	725 801	837 917
Total Financial investments	685 639	2 990 236	3 675 876

Movements in the periods

(in € thousand)

	September 30, 2015			December 31, 2014
	Held-to-maturity investments	Available-for-sale investments	Loans, deposits and other financial investments	Total
Opening carrying amount	191	3 061 209	833 226	3 894 626
Increase in gross value	-	681 959	1 963 805	2 645 764
Decrease in gross value	-	(710 080)	(2 037 102)	(3 770 416)
Change in consolidation scope	-	-	-	5 264
Revaluation	-	(46 038)	-	(46 038)
Impairment	-	(50)	-	(2 984)
Changes in foreign currency translation adjustments	-	33 571	7 419	54 236
Reclassifications	-	41	-	41
Other changes	-	(18 677)	1 069	(23 281)
Closing carrying amount	191	3 001 935	768 417	3 894 626

As at September 30th, 2015, the other changes of assets available for sale investments are mainly explained by the amortization of premiums and discounts of bonds. The changes in foreign currency translations are mainly due to the appreciation of the US dollar and pound sterling against euro.

Notes to the consolidated financial statements

(in € thousand)

December 31, 2014

December 31,
2013

	Held-to-maturity investments	Available-for-sale investments	Loans, deposits and other financial investments	Total	Total
Opening carrying amount	191	2 837 768	837 917	3 675 876	3 767 514
Increase in gross value	-	1 197 437	2 714 827	3 912 264	3 971 280
Decrease in gross value	-	(1 042 669)	(2 727 747)	(3 770 416)	(3 932 849)
Change in consolidation scope	-	5 264	-	5 264	(27 729)
Revaluation	-	43 667	-	43 667	(44 398)
Impairment	-	(2 984)	-	(2 984)	(1 158)
Changes in foreign currency translation adjustments	-	48 517	5 719	54 236	(32 209)
Reclassifications	-	-	-	-	-
Other changes	-	(25 791)	2 510	(23 281)	(24 575)
Closing carrying amount	191	3 061 209	833 226	3 894 626	3 675 876

In 2014, the change in consolidation scope mainly concerns the full integration of Interpolis Kredietverzekeringen NV's investments as at December 31st, 2014. The other changes of assets available for sale investments are mainly explained by the amortization of premiums and discounts of bonds. The changes in foreign currency translations are mainly due to the appreciation of the US dollar and the pound sterling against euro.

Exposure of the Group to European sovereign debt

- The Group does not have exposure to the sovereign debts in the following countries anymore: Greece, Ireland, Hungary, and Turkey. The Group (without joint-ventures) has a limited exposure to the Spanish sovereign debt:

Country	Maturity	Acquisition value	Market value	Unrealized Gains or Losses
<i>(in € thousand)</i>				
Spain	2016	14 798	14 463	-335
Spain	2017	10 144	10 096	-48
Spain	2018	29 993	30 416	423
Spain	2019	21 143	22 698	1 555
Spain	2020	20 477	20 638	161
Total		96 555	98 311	1 756

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

- Portugal

The Portuguese joint-venture COSEC, accounted for at the equity method within Euler Hermes, has the following exposure to the sovereign debt of peripheral European countries:

Country	Maturity	Acquisition value	Market value	Unrealized Gains or Losses
<i>(in € thousand)</i>				
Spain	2018	2 910	2 997	87
Spain	2019	2 423	2 445	22
Spain	2024	2 519	2 572	53
Italy	2018	979	1 016	37
Italy	2024	2 499	2 607	108
Portugal	2015	912	915	3
Portugal	2016	8 798	8 863	65
Portugal	2018	3 122	3 319	197
Total		24 162	24 734	572

Notes to the consolidated financial statements

– Spain

The Spanish joint-venture Solunion, accounted for at the equity method within the Group, has the following exposure to local government debt:

Country	Maturity	Acquisition value	Market value	Unrealized Gains or Losses
<i>(in € thousand)</i>				
Spain	2016	6 363	6 417	54
Spain	2017	3 612	3 641	29
Spain	2018	3 022	3 295	273
Spain	2019	1 129	1 186	57
Spain	2024	2 938	2 950	12
Total		17 064	17 489	425

Note 6 Investments accounted for at equity method

The companies accounted for at equity method are the following ones:

Présentation des entreprises associées :

Associated entities	Country	% of capital held
OeKB Beteiligungs- und Management A.G.	Austria	49,00%
Graydon Holding N.V.	Netherlands	27,50%
Companhia de Seguro de Creditos SA (COSEC)	Portugal	50,00%
Israel Credit Insurance Company Ltd	Israel	50,00%
Solunion Seguros de Crédito, Compañía Internacional de Seguros y Reaseguros SA	Spain	50,00%

Information on equity-accounted investments

<i>(in € thousand)</i>	September 30, 2015			
	Assets (1)	Shareholders' equity (2)	Turnover (3)	Net income
Credit insurance companies	809 431	371 688	229 419	26 629
Other companies	44 036	3 069	39 629	(3 069)
	853 467	374 757	269 048	23 560

(1) Assets based on IFRS statements as at June 30, 2015, except for Solunion Seguros de Crédito, Compañía Internacional de Seguros y Reaseguros SA for which the assets are based on IFRS statements as at September 30, 2015, and for Graydon Holding N.V. for which the assets are based on IFRS statements as at September 30, 2014.

(2) Equity is determined on the basis of IFRS statements as at June 30, 2015, 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 September 30, 2015.

(3) The turnover corresponds to the turnover in the IFRS statements as at June 30, 2015 plus ¼ of 2014 total turnover, except for Solunion Seguros de Crédito, Compañía Internacional de Seguros y Reaseguros SA for which turnover is as at September 30, 2015.

<i>(in € thousand)</i>	December 31, 2014	September 30, 2014		
	Assets (4)	Shareholders' equity (5)	Turnover (6)	Net income
Credit insurance companies	777 693	358 855	238 981	25 770
Other companies	44 036	19 233	43 506	(1 822)
	821 729	378 088	282 487	23 949

Notes to the consolidated financial statements

- (4) Assets based on IFRS statements as at September 30, 2014, except for Solunion Seguros de Crédito, Compañía Internacional de Seguros y Reaseguros SA for which the assets are based on IFRS statements as at December 31, 2014.
- (5) Equity is determined on the basis of IFRS statements as at September 30, 2014, 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 December 31, 2014.
- (6) The turnover corresponds to the turnover in the IFRS statements as at June 30, 2014 plus to ¼ of 2013 total turnover, except for Solunion Seguros de Crédito, Compañía Internacional de Seguros y Reaseguros SA for which turnover is as at September 30, 2014.

Movements during the period

(in € thousand)	September 30, 2015	December 31, 2014
Opening carrying amount	199 428	193 853
Increases	-	4 716
Decreases	-	(4 490)
Reclassifications	-	-
Share of income for the period	12 381	15 718
Dividends paid	(7 773)	(10 414)
Impairment	(3 946)	-
Foreign exchange differences	1 000	137
Other changes	(3 311)	(92)
Closing carrying amount	197 779	199 428

Dividends paid correspond to dividends from OeKB EH Beteiligungs - und Management A.G. for €4.8 million and from Solunion Seguros de Crédito, Compañía Internacional de Seguros y Reaseguros SA for €3.0 million.

The at-equity investments on Graydon Holding N.V. have been impaired for €3.9 million. The impairment loss has been presented in the consolidated income statement under the line "Share of Income from companies accounted for at the equity method".

The other changes are mainly due to the change of the revaluation reserves of the investments accounted for at the equity method.

Contribution to shareholders' equity (without income)

(in € thousand)	September 30, 2015	December 31, 2014
Credit insurance companies	184 554	178 421
Other companies	844	5 289
Share of shareholders' equity	185 398	183 710

Contribution to income

(in € thousand)	September 30, 2015	September 30, 2014
Credit insurance companies	13 225	12 786
Other companies	(844)	(501)
Share of total income	12 381	12 285

Notes to the consolidated financial statements

Note 7 Cash and cash equivalents

(in € thousand)	September 30, 2015	December 31, 2014
Cash in bank and at hand	450 244	274 014
Cash pooling	66 953	58 610
Total cash	517 197	332 624
Total cash in balance sheet	517 197	332 624
Cash equivalents reflected in the cash flow statement	-	-
Cash pooling creditor with Allianz	-	-
Total cash and cash equivalents	517 197	332 624

Note 8 Technical reserves

(in € thousand)	December 31, 2014	Allowance net of writebacks	Foreign exchange differences	Changes in consolidation scope	Other changes	September 30, 2015
Reserve for unearned premiums	396 221	91 388	11 888	-	(263)	499 234
Reserve for claims net of forecasts of recoveries	1 615 531	35 799	19 659	-	(6)	1 670 983
Reserve for no-claims bonuses and rebates	165 494	(862)	1 762	-	(3)	166 391
Gross technical reserves	2 177 246	126 325	33 309	-	(272)	2 336 608
Reserve for unearned premiums	62 695	28 159	931	-	-	91 785
Reserve for claims net of forecasts of recoveries	466 801	7 347	2 255	-	(5)	476 398
Reserve for no-claims bonuses and rebates	34 783	928	373	-	2	36 086
Reinsurers' share of technical reserves	564 279	36 434	3 559	-	(3)	604 269
Net technical reserves	1 612 967	89 891	29 750	-	(269)	1 732 339

Claims reserves

(in € thousand)	September 30, 2015			December 31, 2014		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
Claims reserves gross of recoveries	1 946 896	(567 060)	1 379 836	1 906 065	(565 768)	1 340 297
Current period	877 775	(228 640)	649 135	1 010 239	(253 783)	756 456
Prior periods	1 069 121	(338 420)	730 701	895 826	(311 985)	583 841
Recoveries to be received	(275 913)	90 662	(185 251)	(290 534)	98 967	(191 567)
Current period	(87 252)	18 880	(68 372)	(107 544)	23 585	(83 959)
Prior periods	(188 661)	71 782	(116 879)	(182 990)	75 382	(107 608)
Claims reserves	1 670 983	(476 398)	1 194 585	1 615 531	(466 801)	1 148 730

Breakdown by type of reserve

(in thousand)	September 30, 2015			December 31, 2014		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
Reserves for unearned premiums	499 234	(91 785)	407 449	396 221	(62 695)	333 526
Claims reserves	1 670 983	(476 398)	1 194 585	1 615 531	(466 801)	1 148 730
of which, reserves for known claims	1 204 074	(380 574)	823 500	1 130 972	(359 647)	771 325
of which, reserves for late claims	655 555	(175 962)	479 593	679 393	(194 256)	485 137
of which, reserves for claims handling expenses	87 816	(10 524)	77 292	95 688	(11 865)	83 823
of which, other technical reserves	(549)	-	(549)	13	-	13
of which, recoveries to be received	(275 913)	90 662	(185 251)	(290 535)	98 967	(191 568)
No-claims bonuses and rebates	166 391	(36 086)	130 305	165 494	(34 783)	130 711
Technical reserves	2 336 608	(604 269)	1 732 339	2 177 246	(564 279)	1 612 967

Notes to the consolidated financial statements

Note 9 Breakdown of operating income

(in € thousand)						
September 30,						
	2015			2014		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
Premiums and commissions	1 850 263	(536 956)	1 313 307	1 751 826	(519 533)	1 232 293
Premiums refunded	(98 737)	23 259	(75 478)	(80 079)	19 818	(60 261)
Gross premiums written - credit insurance	1 751 526	(513 697)	1 237 829	1 671 747	(499 715)	1 172 032
Change in unearned premiums	(91 385)	27 837	(63 548)	(83 179)	20 839	(62 340)
Earned premiums	1 660 141	(485 860)	1 174 281	1 588 568	(478 876)	1 109 692
Service revenues	324 817	-	324 817	305 032	-	305 032
Turnover	1 984 958	(485 860)	1 499 098	1 893 600	(478 876)	1 414 724
Net investment income	79 364	-	79 364	65 983	-	65 983
Claims paid	(670 692)	176 255	(494 437)	(628 529)	179 815	(448 714)
Claims reserves expenses	(44 142)	8 696	(35 446)	(37 992)	26 436	(11 556)
Claims handling expenses	(70 648)	988	(69 660)	(75 201)	1 133	(74 068)
Insurance services expenses	(785 482)	185 939	(599 543)	(741 722)	207 384	(534 338)
Brokerage commissions	(173 945)	-	(173 945)	(154 644)	-	(154 644)
Other acquisition costs	(195 361)	-	(195 361)	(193 405)	-	(193 405)
Change in acquisition costs capitalised	15 280	-	15 280	8 569	-	8 569
Contract acquisition expenses	(354 026)	-	(354 026)	(339 480)	-	(339 480)
Impairment of portfolio securities and similar	-	-	-	-	-	-
Administration expenses	(161 416)	-	(161 416)	(147 257)	-	(147 257)
Commissions received from reinsurers	-	169 329	169 329	-	163 732	163 732
Other ordinary operating income and expenses	(306 123)	-	(306 123)	(286 407)	-	(286 407)
Current operating income	457 275	(130 592)	326 683	444 716	(107 760)	336 956

Cost of claims

(in € thousand)						
September 30,						
	2015			2014		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
Cost of claims for the current period	1 045 730	(260 394)	785 336	1 027 443	(250 769)	776 674
of which, claims paid	121 921	(29 961)	91 960	147 322	(40 168)	107 154
of which, claims reserves	852 223	(227 425)	624 798	807 559	(207 673)	599 886
of which, claims handling expenses	71 586	(3 008)	68 578	72 562	(2 928)	69 634
Recoveries for the current period	(92 771)	20 824	(71 947)	(89 190)	19 927	(69 263)
Recoveries received	(5 382)	1 897	(3 485)	(2 610)	571	(2 039)
Change in reserves for recoveries	(87 389)	18 927	(68 462)	(86 580)	19 356	(67 224)
Cost of claims from prior periods	(178 134)	54 027	(124 107)	(243 307)	35 780	(207 527)
of which, claims paid	647 753	(175 547)	472 206	600 163	(195 585)	404 578
of which, claims reserves	(824 949)	227 554	(597 395)	(846 109)	229 570	(616 539)
of which, claims handling expenses	(938)	2 020	1 082	2 639	1 795	4 434
Recoveries from prior periods	10 657	(396)	10 261	46 776	(12 322)	34 454
Recoveries received	(93 600)	27 356	(66 244)	(116 346)	55 368	(60 978)
Change in reserves for recoveries	104 257	(27 752)	76 505	163 122	(67 690)	95 432
Cost of claims	785 482	(185 939)	599 543	741 722	(207 384)	534 338

Notes to the consolidated financial statements

Note 10 Earnings per share and dividend per share

Earnings per share

	September 30,	
	2015	2014
Distributable net income (in thousand of euros)	226 764	232 527
Weighted average number of ordinary shares before dilution	44 175 839	44 043 152
Earnings per share (in euros)	5,13	5,28
Distributable net income (in thousand of euros)	226 764	232 527
Weighted average number of ordinary shares after dilution	44 175 839	44 047 885
Diluted earnings per share (in euros)	5,13	5,28

The dilution impact takes into account the exercise of options.

The average number of shares resulting from dilution is zero in 2015 (4,733 in 2014).

The net income, Group Share, is used as the basis for this calculation.

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 Group the primary segment is the geographical segment as it corresponds to the information presented to the Group's management bodies.

A balance sheet by segment pro-forma as at 31 December 2014 has been performed to take into account that France and Germany have become Branches of Euler Hermes SA (NV) retroactively as at 1st of January 2014.

Profit & loss by segment – Nine months ended September 2015

(in € thousand)										
Nine months ended September 30, 2015										
	Germany, Austria, Switzerland	France	Northern Europe	Mediterranean Countries, Middle East & Africa	Americas	Asia Pacific	Group reinsurance	Group services	Inter-segment eliminations	Group
Premiums written	484 926	269 632	407 638	228 915	228 081	100 071	1 314 552	-	(1 183 552)	1 850 263
Premiums refunded	(44 206)	(24 609)	(19 743)	(2 613)	(3 504)	(1 180)	(70 652)	-	67 770	(98 737)
Change in unearned premiums	(12 919)	(5 930)	(29 375)	(16 595)	(6 686)	(13 909)	(75 679)	-	69 708	(91 385)
Earned premiums - non-Group	427 801	239 093	358 520	209 707	217 891	84 982	1 168 221	-	(1 046 074)	1 660 141
Services revenues - non-Group	134 955	56 474	64 071	48 990	27 812	22 222	-	106 571	(136 278)	324 817
Turnover - intra-sectoral	562 756	295 567	422 591	258 697	245 703	107 204	1 168 221	106 571	(1 182 352)	1 984 958
Investment income	18 251	24 157	2 809	2 846	6 654	1 049	26 932	227 116	(230 450)	79 364
Of which, dividends	(158)	-	(1)	1	-	-	-	(228 040)	228 198	-
Total ordinary income	581 007	319 724	425 400	261 543	252 357	108 253	1 195 153	333 687	(1 412 802)	2 064 322
Insurance services expenses	(128 425)	(104 440)	(180 148)	(143 621)	(122 136)	(55 764)	(542 069)	(1 961)	493 082	(785 482)
Outwards reinsurance income	186 349	125 468	209 978	137 148	142 471	56 858	346 198	-	(849 201)	355 269
Outwards reinsurance expenses	(280 082)	(162 365)	(253 898)	(150 284)	(157 705)	(63 636)	(463 966)	-	1 046 075	(485 861)
Net outwards reinsurance income or expenses	(93 733)	(36 897)	(43 920)	(13 136)	(15 234)	(6 778)	(117 768)	-	196 874	(130 592)
Other income and expenses	(240 064)	(116 594)	(171 974)	(101 451)	(91 192)	(59 443)	(406 857)	(126 386)	492 396	(821 565)
Total other income and expenses	(462 222)	(257 931)	(396 042)	(258 206)	(228 562)	(121 985)	(1 066 694)	(128 347)	1 182 352	(1 737 639)
CURRENT OPERATING INCOME	118 785	61 793	29 358	3 335	23 795	(13 732)	128 459	205 340	(230 450)	325 683
Other non ordinary operating expenses	(2 371)	-	(1 352)	-	-	-	-	(85)	-	(3 808)
Other non ordinary operating income	998	-	574	-	-	-	-	871	-	2 443
Other non ordinary operating expenses and income	(1 373)	-	(778)	-	-	-	-	786	-	(1 365)
OPERATING INCOME	117 412	61 793	28 580	3 335	23 795	(13 732)	128 459	206 126	(230 450)	325 318
Financing expenses	(213)	(2 721)	(102)	(146)	(39)	-	(579)	(5 115)	2 253	(6 662)
Share of income from companies accounted by the equity method	(408)	5 039	-	-	-	-	-	3 804	(1)	8 434
Corporation tax	(36 686)	(23 628)	(5 863)	(1 419)	(9 637)	2 392	(23 093)	(1 417)	16	(99 235)
CONSOLIDATED NET INCOME	40 205	40 483	22 615	1 770	14 119	(11 340)	104 787	203 398	(228 182)	227 855
NET INCOME, GROUP SHARE	79 618	41 004	22 615	767	14 119	(11 340)	104 787	203 376	(228 182)	226 764
Non controlling interests	587	(521)	-	1 003	-	-	-	22	-	1 091

Notes to the consolidated financial statements

Profit & loss by segment – Nine months ended September 2014

(in € thousand)										
Nine months ended September 30, 2014										
	Germany, Austria, Switzerland	France	Northern Europe	Mediterranean Countries, Middle East & Africa	Americas	Asia Pacific	Group reinsurance	Group services	Inter-segment eliminations	Group
Premiums written	484 475	275 531	390 841	208 470	190 232	84 542	1 212 597	-	(1 094 862)	1 751 826
Premiums refunded	(39 479)	(21 577)	(15 295)	5 378	(3 623)	(1 979)	(56 835)	-	53 331	(80 079)
Change in unearned premiums	(9 281)	(5 443)	(24 588)	(13 492)	(11 589)	(21 933)	(68 491)	-	71 638	(83 179)
Earned premiums - non-Group	435 715	248 511	350 958	200 356	175 020	60 630	1 087 271	-	(969 893)	1 588 568
Services revenues - non-Group	134 618	53 964	62 184	45 583	20 951	15 522	-	98 726	(126 516)	305 032
Turnover - intra-sectoral	570 333	302 475	413 142	245 939	195 971	76 152	1 087 271	98 726	(1 096 409)	1 893 600
Investment income	19 908	20 862	5 351	5 389	3 710	1 161	17 556	241 202	(249 246)	65 983
Of which, dividends	(4 165)	(1 281)	-	-	-	-	-	(240 647)	246 091	(2)
Total ordinary income	590 241	323 337	418 493	251 328	199 681	77 313	1 104 827	340 018	(1 345 655)	1 959 583
Insurance services expenses	(185 158)	(97 499)	(197 148)	(106 905)	(66 598)	(33 274)	(473 495)	(2 547)	420 902	(741 722)
Outwards reinsurance income	194 643	126 900	221 342	113 669	94 779	40 432	331 087	-	(751 736)	371 116
Outwards reinsurance expenses	(285 690)	(166 802)	(248 887)	(143 052)	(126 631)	(47 457)	(430 251)	-	969 894	(478 876)
Net outwards reinsurance income or expenses	(91 047)	(39 902)	(27 545)	(29 383)	(31 852)	(7 025)	(99 164)	-	218 158	(107 760)
Other income and expenses	(230 206)	(118 966)	(164 381)	(93 348)	(74 340)	(44 246)	(377 763)	(127 243)	457 347	(773 145)
Total other income and expenses	(506 411)	(256 367)	(389 074)	(229 036)	(172 790)	(84 544)	(950 422)	(129 790)	1 096 407	(1 622 627)
CURRENT OPERATING INCOME	83 830	66 970	29 419	21 692	26 891	(7 231)	154 405	210 228	(249 246)	336 956
Other non ordinary operating expenses	(17 898)	-	(993)	(10)	-	-	-	(3 226)	-	(22 127)
Other non ordinary operating income	3 042	93	887	10	-	-	-	(854)	(2 794)	384
Other non ordinary operating expenses and income	(14 856)	93	(106)	-	-	-	-	(4 080)	(2 794)	(21 743)
OPERATING INCOME	68 974	67 063	29 313	21 692	26 891	(7 231)	154 405	206 148	(252 042)	315 213
Financing expenses	(144)	(1 634)	39	(131)	(9)	-	(381)	(6 755)	3 154	(5 861)
Share of Income from companies accounted by the equity method	4 117	6 111	45	-	-	-	2 012	-	-	12 285
Corporation tax	(23 813)	(23 108)	(5 182)	(6 914)	(9 975)	(3 528)	(25 861)	10 880	-	(87 501)
CONSOLIDATED NET INCOME	49 134	48 432	24 215	14 647	16 907	(10 759)	128 163	212 285	(248 888)	234 136
NET INCOME, GROUP SHARE	48 200	48 719	24 215	13 944	16 907	(10 759)	128 163	212 026	(248 888)	232 527
Non controlling interests	934	(287)	-	703	-	-	-	259	-	1 609

Depreciation, amortization and provisions by segment

(in € thousand)										
Nine months ended September 30, 2015										
	Germany, Austria, Switzerland	France	Northern Europe	Mediterranean Countries, Middle East & Africa	Americas	Asia Pacific	Group reinsurance	Group services	Inter-segment eliminations	Group
Provisions for loans and receivables	(210)	(1 413)	(866)	(27)	(272)	6	(194)	(2 011)	-	(4 987)

(in € thousand)										
Nine months ended September 30, 2014										
	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	(99)	(3 005)	(709)	(129)	(27)	(24)	29	523	-	(3 441)

Balance sheet by segment – Nine months ended September 2015

(in € thousand)										
September 30, 2015										
	Germany, Austria, Switzerland	France	Northern Europe	Mediterranean Countries, Middle East & Africa	Americas	Asia Pacific	Group reinsurance	Group services	Inter-segment eliminations	Group
Goodwill	-	-	70 491	5 936	30 284	3 057	-	3 845	-	113 613
Other intangible assets	53 480	23 792	28 875	13 080	1 539	2 494	204	-	(3 829)	121 991
Investments - insurance businesses	857 345	777 369	772 124	59 993	240 122	88 891	1 330 486	72 654	(336 909)	3 862 055
Investments accounted for by the equity method	67 589	55 941	-	-	-	-	-	74 249	-	197 779
Share of assignees and reinsurers in the technical reserves and financial liabilities	292 968	129 775	332 743	241 385	91 417	98 642	431 516	110	(1 014 287)	604 269
Insurance and reinsurance receivables	42 731	71 452	177 839	107 312	108 239	67 489	356 409	(47)	(215 447)	715 977
Other assets	480 511	197 880	285 960	244 423	86 811	62 082	138 499	133 237	(702 962)	926 441
Total assets	1 794 624	1 256 209	1 668 032	672 129	558 412	322 655	2 257 094	286 404	(2 273 434)	6 542 125
Technical reserves	541 603	246 513	593 474	387 219	259 823	161 387	1 167 375	48	(1 020 834)	2 336 608
Liabilities related to inward insurance and reinsurance transactions	22 240	64 215	59 521	40 466	11 204	18 656	98 512	1 491	(73 499)	242 806
Liabilities related to outward reinsurance transactions	20 620	23 607	62 316	31 643	36 291	19 982	107 119	43	(144 965)	156 656
Other liabilities	448 579	193 210	624 649	67 619	57 490	63 562	45 805	626 417	(1 027 605)	1 099 726
Total liabilities	1 033 042	527 545	1 339 960	526 947	364 808	263 587	1 418 811	627 999	(2 266 903)	3 835 796

Notes to the consolidated financial statements

Balance sheet by segment – year end December 2014 – Pro forma

(in € thousand)

December 31, 2014

	Germany, Austria, Switzerland	France	Northern Europe	Mediterranean Countries, Middle East & Africa	Americas	Asia Pacific	Group reinsurance	Group services	Inter-segment eliminations	Group
Goodwill	-	-	67 566	5 936	27 937	3 403	-	3 547	-	108 389
Other intangible assets	53 566	20 245	23 895	10 708	1 197	2 250	344	4 125	(3 828)	112 502
Investments - insurance businesses	998 804	884 534	609 456	57 030	241 695	75 383	1 399 708	84 543	(362 147)	3 989 006
Investments accounted for by the equity method	72 797	54 063	-	-	-	-	-	72 568	-	199 428
Share of assignees and reinsurers in the technical reserves and financial liabilities	271 666	123 214	272 370	256 990	116 781	22 105	372 018	110	(870 975)	564 279
Insurance and reinsurance receivables	55 401	69 650	174 215	79 979	90 734	55 680	260 298	(47)	(181 040)	604 870
Other assets	287 843	115 301	164 560	277 400	73 713	19 403	62 222	155 038	(374 267)	781 213
Total assets	1 740 077	1 267 007	1 312 062	688 043	552 057	178 224	2 094 590	319 884	(1 792 257)	6 359 687
Technical reserves	543 804	241 963	515 131	274 185	274 847	197 275	1 004 720	48	(874 727)	2 177 246
Liabilities related to inward insurance and reinsurance transactions	24 836	69 740	49 332	39 702	7 431	15 163	94 716	1 439	(75 367)	226 992
Liabilities related to outward reinsurance transactions	35 288	12 349	52 539	25 880	38 672	2 268	94 360	43	(129 922)	131 477
Other liabilities	435 425	243 043	329 400	64 333	45 270	30 563	55 731	683 242	(705 702)	1 181 305
Total liabilities	1 039 353	567 095	946 402	404 100	366 220	245 269	1 249 527	684 772	(1 785 718)	3 717 020

Balance sheet by segment – Year end December 2014 – Published

(in € thousand)

December 31, 2014

	Germany, Austria, Switzerland	France	Northern Europe	Mediterranean Countries, Middle East & Africa	Americas	Asia Pacific	Group reinsurance	Group services	Inter-segment eliminations	Group
Goodwill	-	-	67 566	5 936	27 937	3 403	-	3 547	-	108 389
Other intangible assets	53 566	20 245	23 895	10 708	1 197	2 250	344	4 125	(3 827)	112 503
Investments - insurance businesses	899 321	962 499	(378 434)	34 286	140 304	61 670	1 029 851	1 691 692	(452 183)	3 989 006
Investments accounted for by the equity method	72 797	54 063	-	-	-	-	-	72 568	-	199 428
Share of assignees and reinsurers in the technical reserves and financial liabilities	271 666	123 214	272 370	256 990	116 781	22 105	372 018	110	(870 975)	564 279
Insurance and reinsurance receivables	55 401	69 650	174 215	79 979	90 734	55 680	260 298	(47)	(181 040)	604 870
Other assets	287 843	115 301	1 604 984	277 400	73 713	19 403	62 222	155 038	(1 814 692)	781 212
Total assets	1 640 594	1 344 972	1 764 596	665 299	450 666	164 511	1 724 733	1 927 033	(3 322 717)	6 359 687
Technical reserves	543 804	241 963	515 131	274 185	274 847	197 275	1 004 720	48	(874 727)	2 177 246
Liabilities related to inward insurance and reinsurance transactions	24 836	69 740	49 332	39 702	7 431	15 163	94 716	1 439	(75 367)	226 992
Liabilities related to outward reinsurance transactions	35 288	12 349	52 539	25 880	38 672	2 268	94 360	43	(129 922)	131 477
Other liabilities	1 088 401	878 603	329 400	165 086	45 270	81 697	55 731	683 242	(2 146 125)	1 181 305
Total liabilities	1 692 329	1 202 655	946 402	504 853	366 220	296 403	1 249 527	684 772	(3 226 141)	3 717 020

Notes to the consolidated financial statements

Note 12 Related parties

Euler Hermes Group is mainly owned by Allianz France SA, 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 France SA	26 864 230	59,25%
Allianz Vie	3 879 818	8,56%
Treasury shares	1 161 487	2,56%
Sub-total	31 905 535	70,37%
Public (bearer securities)	13 436 642	29,63%
Total	45 342 177	100,00%

Transactions

(in € thousand)	September 30,							
	2015				2014			
	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 revenues	39 744	-	-	101 779	41 769	-	-	109 260
Insurance services expenses	(50 398)	-	-	(37 265)	(10 849)	-	-	(45 725)
Net outward reinsurance income or expenses	(55 240)	-	-	(1 025)	(46 238)	-	-	(4 432)
Financing expenses	(6)	-	-	-	-	-	-	-
Other net income/(expenses)	(12 978)	-	-	(40 728)	(13 985)	-	-	(39 915)

Receivables and liabilities

(in € thousand)		September 30, 2015				September 30, 2014			
	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
Current accounts (accrued interests included)	66 823	-	-	-		62 720	-	-	-
Net operating receivables	7 301	-	153	2 882		7 287	-	153	5 612
Operating liabilities	(3 554)	-	(224)	(763)		(1 344)	-	-	(2 435)

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.

Notes to the consolidated financial statements

Note 13 Commitments given and received

(in € thousand)	September 30, 2015	September 30, 2014
Commitments received	5 308	6 409
Deposits, sureties and other guarantees	5 308	6 409
Commitments given	24 811	54 568
Deposits, sureties and other guarantees	24 811	54 568
- Commitments to Société Générale	-	39 580
- Commitments to invest in a logistics fund	8 948	-
- Commitments to invest in Risk Mutual Fund	5 505	6 312
- Independent guarantee CACIB	3 125	3 125
- Commitments related to offices and cars lease contracts	3 792	1 729
- Commitments to InvestitionsBank Landes Brandenburg	1 857	1 857
- Commitments to Danskebank	201	202
- Commitments associated with membership of an EIG	120	111
- Commitments associated with brokers	1 263	1 652

In 2013, a guarantee of € 36.5 million has been granted to the Romanian Bank of Development, BRD, which is a subsidiary of Société Générale Group, in relation to the issuance of bond policies by the Nederland Branch of Euler Hermes SA (NV). This commitment was terminated during the last quarter of 2014.

Euler Hermes SA (NV) and Euler Hermes Reinsurance A.G. are committed to investing in a logistics fund. The commitment of each company accounts for €4,474 thousand as at 30th of September 2015.

Euler Hermes France is committed to investing directly or through co-investment in Risk Mutual Fund. The commitment totals €5,505 thousand in September 2015 against €6,312 thousand in September 2014.

A commitment amounting to €3,125 thousand has been given since 2012 in the form of autonomous first demand guarantee in favor of the CACIB Company as a security deposit for rental of First Tower in *La Défense*.

A commitment has been given by the Group to Cardif to guarantee additional cash contribution to the defined benefits pension funds due to index revaluation.

Within the framework agreement relating to the Spanish joint-venture Solunion, the Group and MAPFRE have a mutual liability guarantee commitment.

Note 14 Subsequent events

No subsequent events occurred since September 30, 2015 closing which would impact the assumptions of the quarterly closing.