

H1 2015 Financial results

Financial analysts meeting

July 28th, 2015



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- 2 Commercial & Risk overview
- 3 Quarterly results
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Greek crisis culminated during Q2. EH carried on its risk action plan to reduce exposure.

On-going pressure on rates in every region. Soft market with declining prices linked to the low claims environment in the last two years.

Risk exposure growing at a slower pace in Q2.

On-going success of new products – trade finance and excess of loss.

Geographical extension: Solunion continues Latin American expansion and launches operations in Peru and Uruguay.

Turnover reaches €1,337.7 million, up 5.4% (+1.3% at constant exchange rates), supported by Americas, Asian and Middle East markets and the multinational segment.

Net loss ratio all attachment years is 48.0%, higher than last year by +1.2 pt., due to a reinsurance mix impact but gross loss ratio is improving over 2014.

Net combined ratio at 75% .

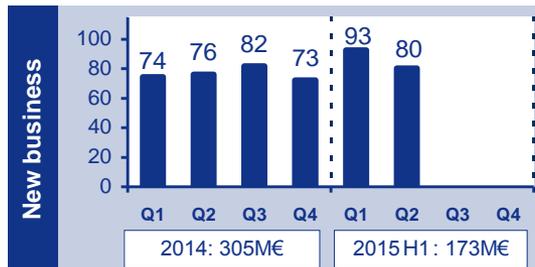
Operating income is solid at €251.4 million, up 3.6% year on year

Net income Group Share stable at €172.4 million

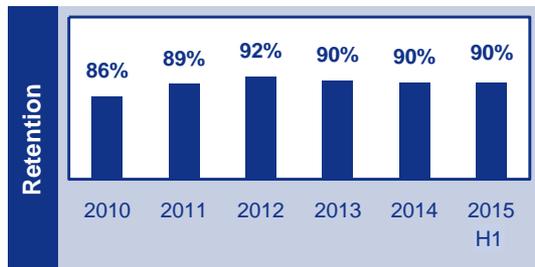
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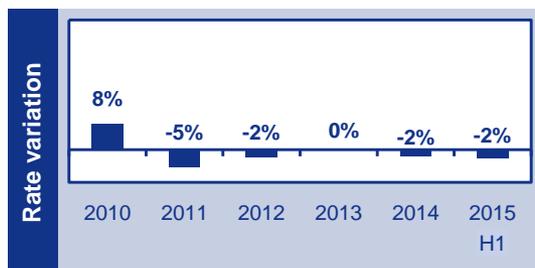
Commercial overview – 1H 2015



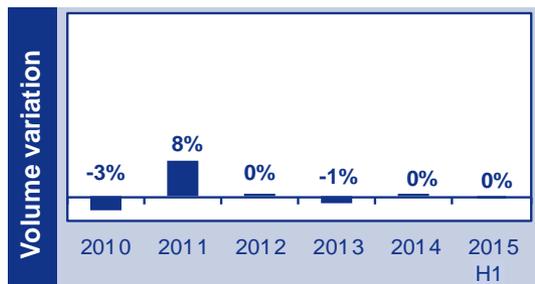
New business stands at a record level of €173m driven by FX but also strong underlying new business (€165m) supported by growing markets (Americas, Asia and MMEA) and the multinational segment.



The H1 retention rate stands at 90% in line with previous years.



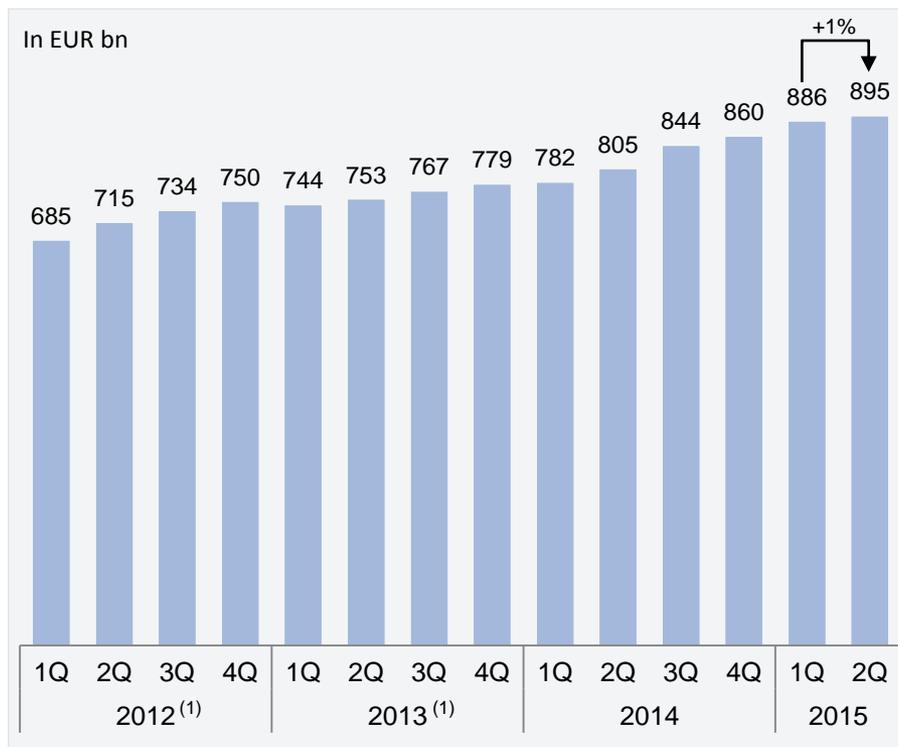
Renewal rates evolution is still negative (-2%) due to the benign claims environment.



Contribution from customers' insured turnover is flat overall.

Commercial data in this slide include core business only (STCI+WP+TCU+XoL) and do not include figures related to non-consolidated entities.

Risk exposure

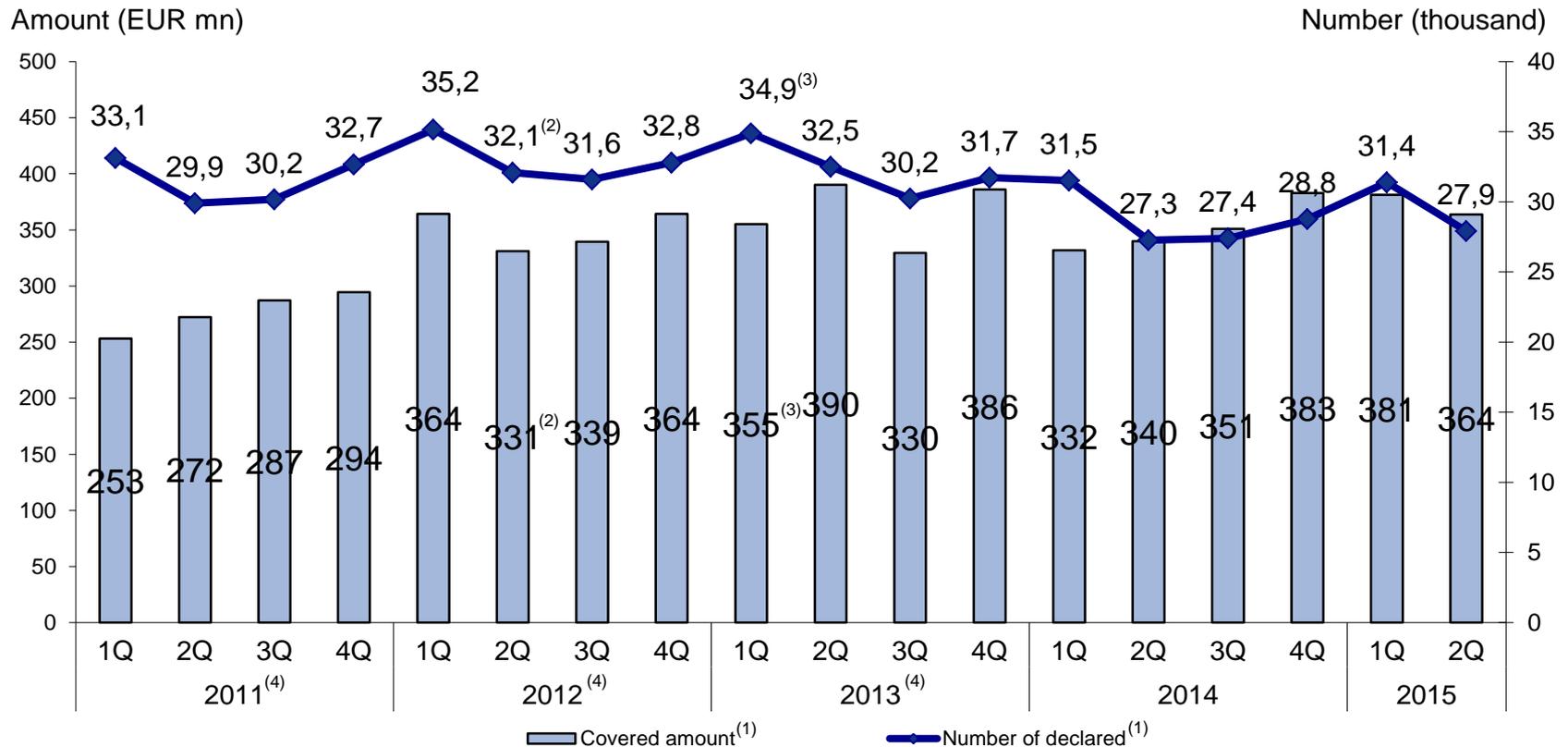


	4Q 2012 ⁽¹⁾	4Q 2013 ⁽¹⁾	4Q 2014	2Q 2015
Grade weight				
1-5	83.1%	84.8%	85.4%	85.7%
6-10	16.9%	15.2%	14.6%	14.3%

The increase in exposure is flattening compared to previous quarters.
The grade mix continues to improve.

(1) 2012-2013 proforma excluding Spain & Latin America

Covered amounts and number of claims decreased in 2Q 2015 compared to previous quarters



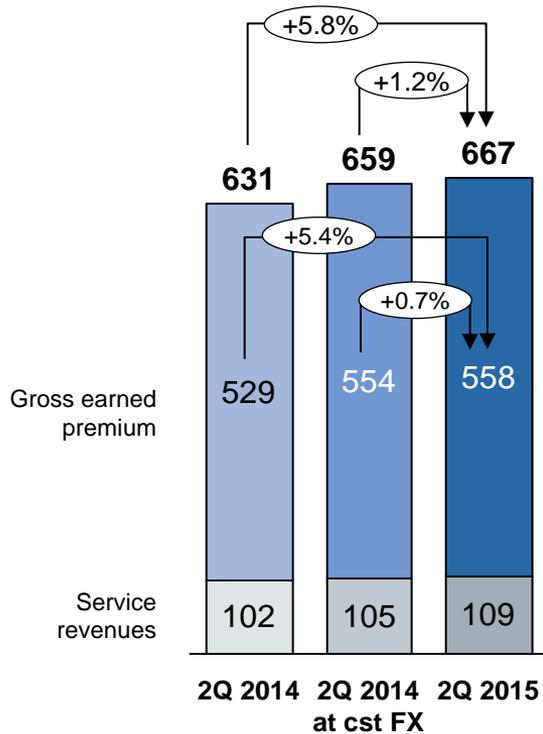
- No large or mid-size claims during Q2 2015.
- Frequency is back to previous quarter levels.

(1) Credit insurance claims only (excludes bonding & fidelity)
 (2) Excluding Schlecker claim
 (3) Excluding Pescanova claim
 (4) 2011-2013 proforma excluding Spain & Latin America

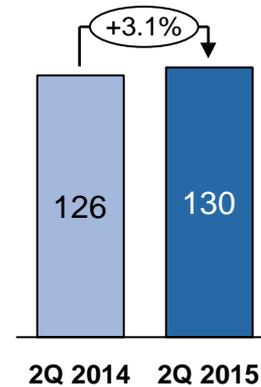
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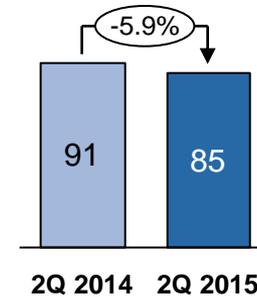
2Q: Positive trend on top line and OP. Net income hit by a one-off and a temporary spike in tax rate



Turnover
(EUR mn)



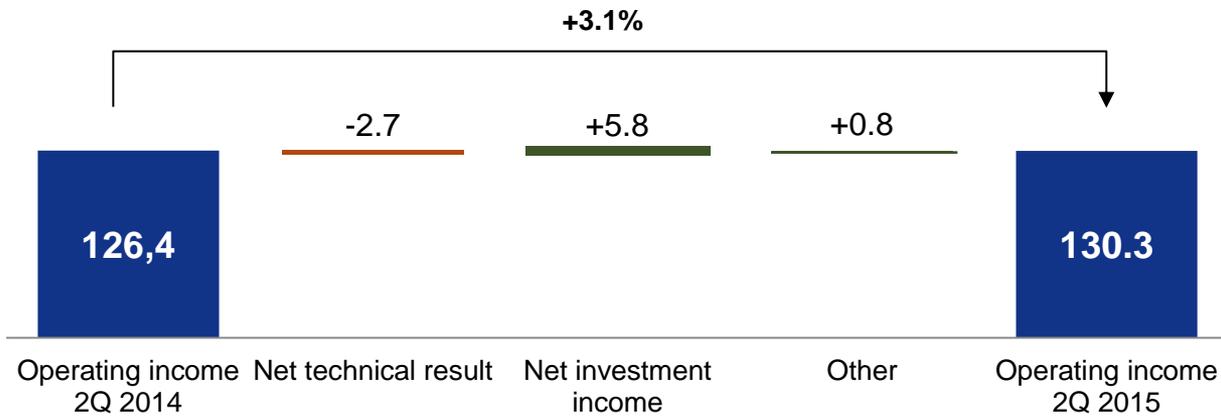
Operating income
(EUR mn)



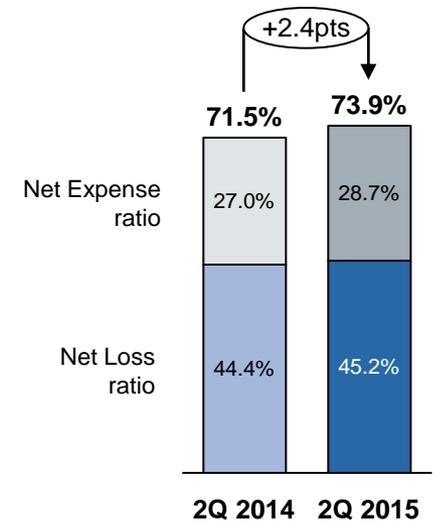
Net income, Group share
(EUR mn)

Operating income at €130.3 million, 3.1% above last year

Operating income drivers vs 2Q 2014



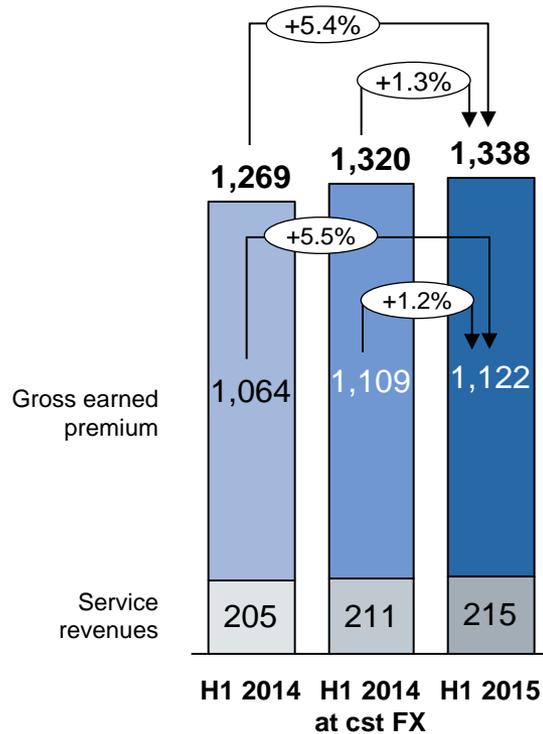
Net Combined ratio (in %)



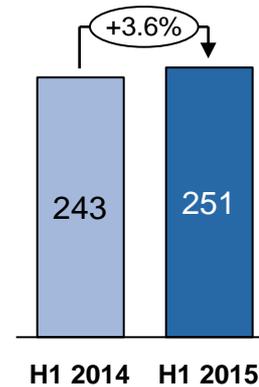
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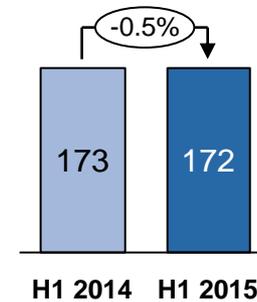
H1: Positive trend on turnover and OP, net income hit by a one-off and a temporary spike in tax rate



Turnover
(EUR mn)



Operating income
(EUR mn)



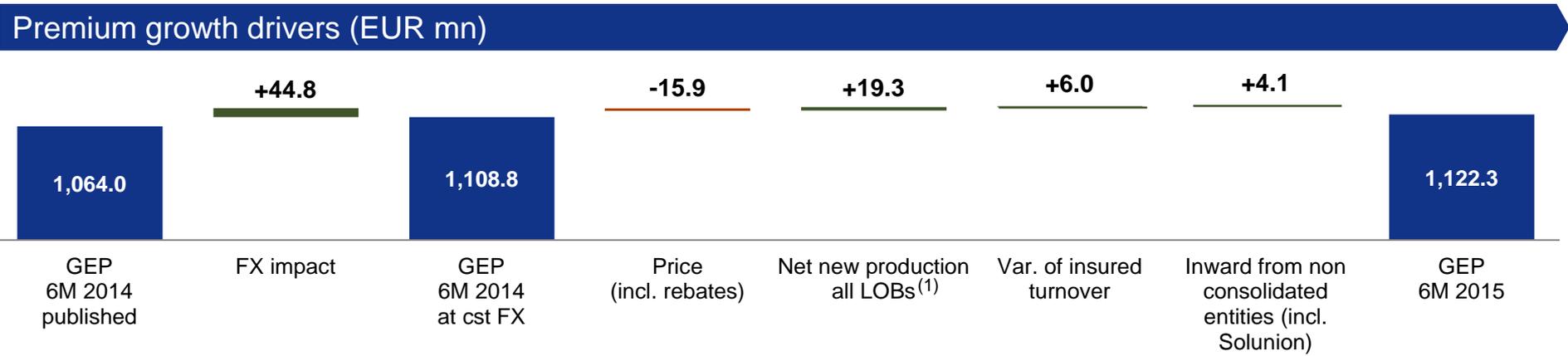
Net income, Group share
(EUR mn)

Turnover growth is +5.4% (+1.3% at constant FX rates)

EUR mn	H1 2015	H1 2014 Published	Δ %	H1 2014 cst FX	Δ %
DACH	376	383	-2%	387	-3%
France	201	205	-2%	205	-2%
Northern Europe	286	277	3%	288	-1%
Med. Countries, Middle East & Africa	174	164	6%	167	4%
Americas	164	125	31%	150	10%
Asia Pacific	71	51	40%	59	20%
Inward from non-consolidated OEs & Other ⁽¹⁾	65	63	4%	64	2%
Turnover	1,338	1,269	5.4%	1,320	1.3%

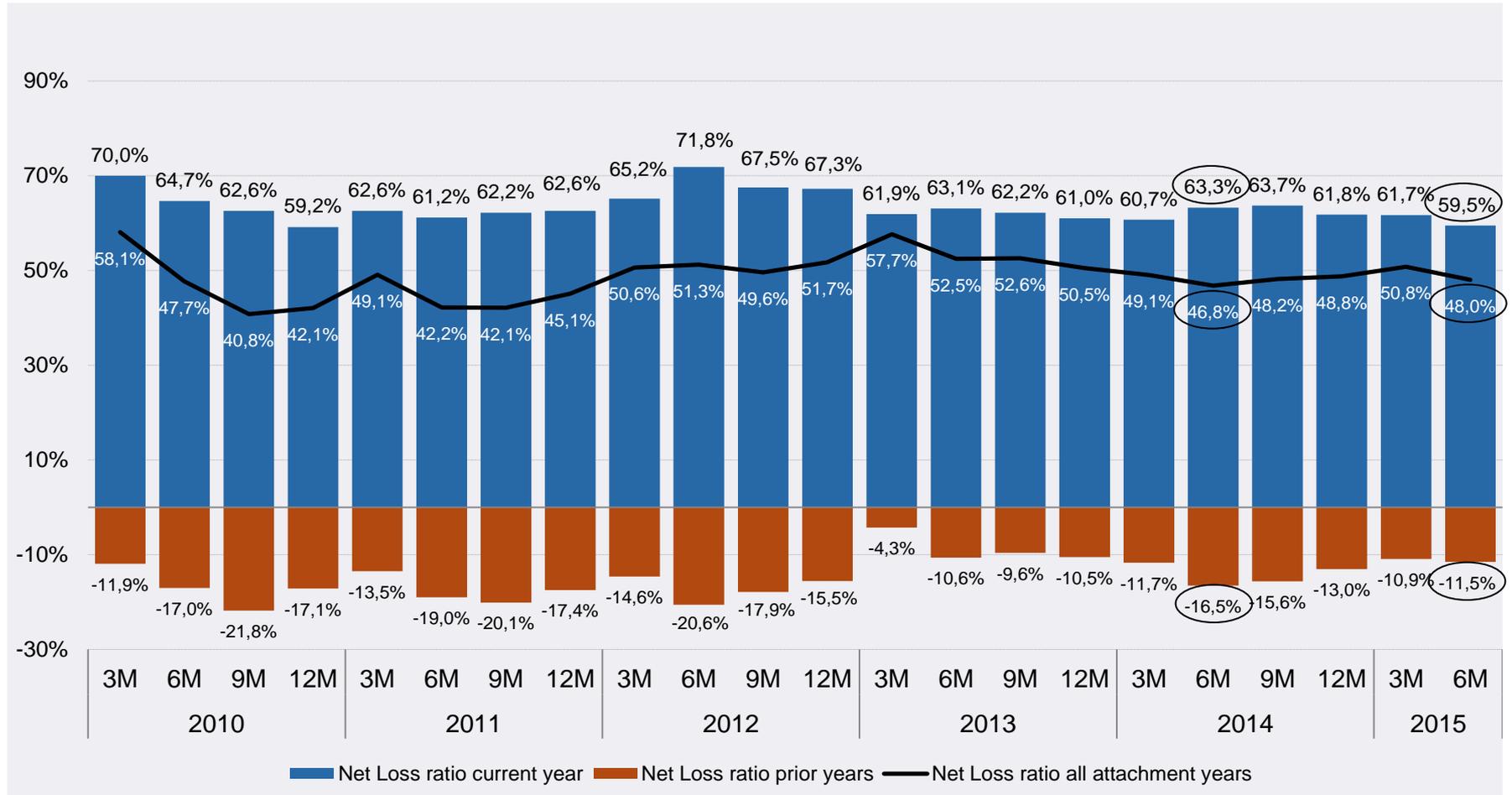
(1) Corporate entities + inter-region eliminations

Growth driven by strong currency markets

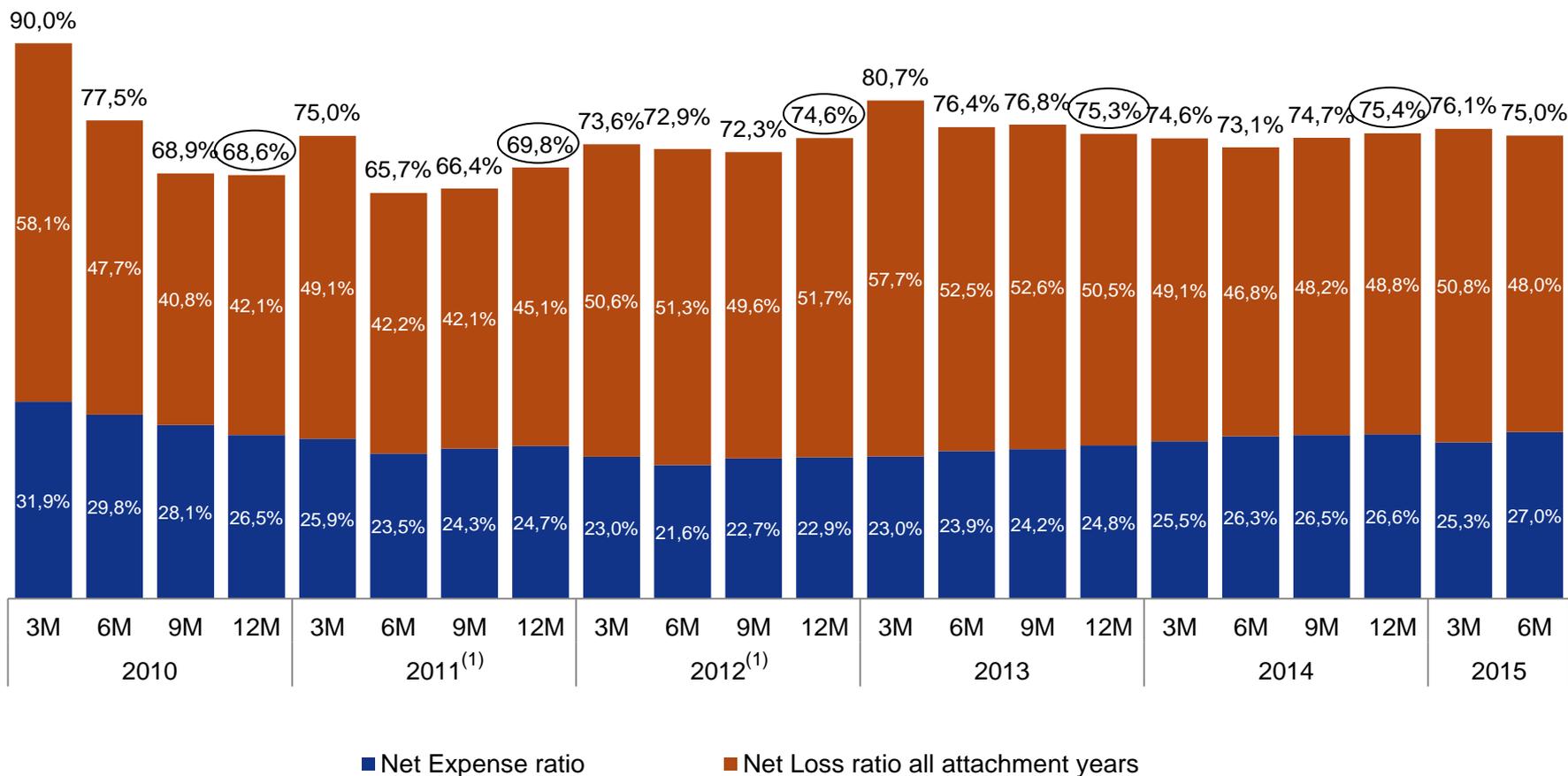


(1) New production net of wastage

Net loss ratio in line with previous quarters



Combined ratio is stable compared to previous quarters at 75%

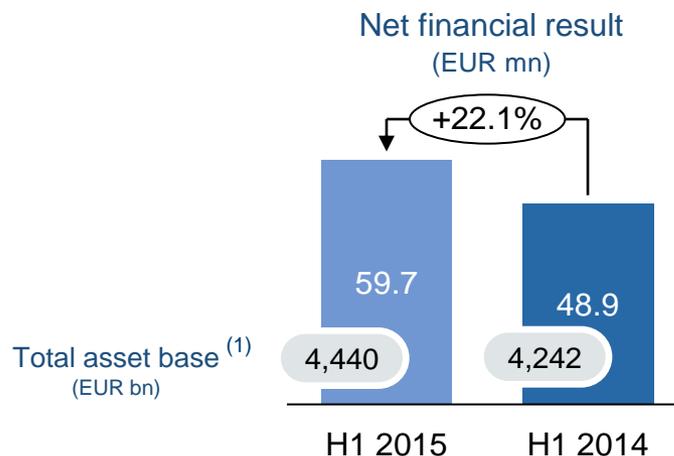


(1) IAS 19 restatement

Reinsurance result evolution

EUR mn	H1 2015	H1 2014	Δ
Gross earned premium	1,122	1,064	58
Ceded premium	-329	-320	-9
Net earned premium	793	744	49
<i>Cession rate</i>	29.3%	30.1%	-0.8 pt.
Gross claims costs	-491	-494	2
Ceded claims costs	111	146	-35
Net claims costs	-381	-348	-33
<i>Cession rate</i>	22.5%	29.5%	-7.0 pt.
Reinsurance commission	115	108	7
<i>Reinsurance commission rate</i>	35.0%	33.7%	1.3 pt.
Ceded technical result	-103	-67	-36
Net Claims ratio CY	59.5%	63.3%	-3.7 pt.
Net Claims ratio PY	-11.5%	-16.5%	5.0 pt.
Net Claims ratio	48.0%	46.8%	1.2 pt.
Net Costs ratio	27.0%	26.3%	0.7 pt.
Net Combined ratio	75.0%	73.1%	2.0 pt.

Strong improvement in the net financial result



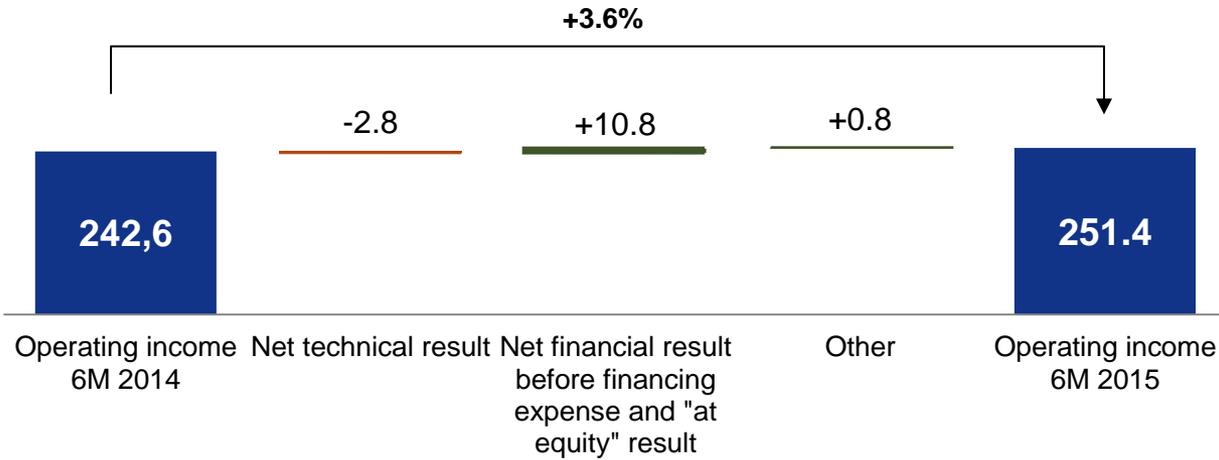
Current investment income	41.7	41.9
Investment management charges	-5.3	-4.2
Net change in foreign currency	6.7	-0.9
Net gain (loss) on sales of investments less impairment and depreciation write-backs	16.5	12.0
Net financial result before financing expense and before 'at equity' result ⁽²⁾	59.7	48.9

(1) Market value

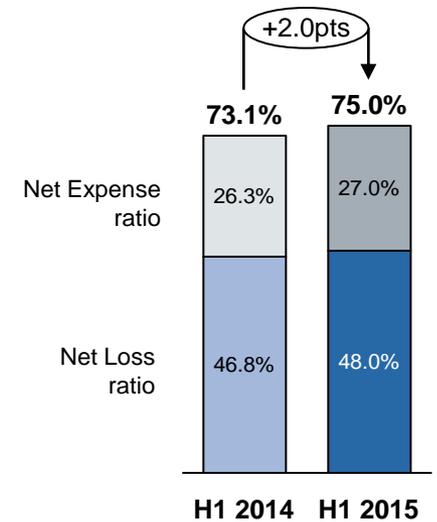
(2) Share of income from companies accounted by the equity method

Operating income at €251.4million, up 3.6% versus last year driven by good financial result

Operating income drivers vs H1 2014



Net Combined ratio (in %)



Net income stable, impacted by an impairment on a company consolidated at equity and a less favorable tax rate

EUR mn	H1 2015	H1 2014	Δ
Ordinary operating Income	252.7	244.7	8.0
Other non ordinary operating income and expense	-1.4	-2.0	0.7
Operating income	251.4	242.6	8.7
Financing expenses	-4.8	-3.7	-1.1
Income from non-consolidated companies	4.0	8.1	-4.0
Profit before tax	250.6	247.1	3.5
Corporation tax	-77.7	-72.3	-5.4
Minority interest	-0.5	-1.6	1.1
Net income (Group share)	172.4	173.2	-0.9
Tax rate	31.0%	29.3%	

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- **Ceded Claims Costs**

Gross Claims Costs corresponding to business assigned to reinsurers

- **Ceded Premium**

Premium corresponding to business assigned to reinsurers

- **Cession Rate**

Ceded Premium divided by Gross Earned Premium

- **Combined Ratio**

Sum of the Cost ratio and the Loss ratio

- **Cost ratio (or Expense ratio)**

Overheads and service margin as a proportion of earned premiums

- **Credit insurance**

Insurance against the risks of non-payment of companies trade receivables

- **Gross Claims Costs**

Claims Costs before reinsurance

- **Gross Earned Premium**

Earned premium before reinsurance

- **Gross Technical Result**

Result from insurance activities (excluding reinsurance operations and including service income and expenses)

- **Loss**

Situation in which a risk is realized and which entitles the policyholder to indemnification, thus triggering application of the indemnification provided for in the credit insurance policy.

- **Loss ratio (or Claim ratio)**

Claims costs as a proportion of the earned premiums

- **Net Claims Costs**

Gross Claims Costs net of reinsurance

- **Net Earned Premium**

Gross Earned Premiums net of reinsurance

- **Net Technical Result**

Result from insurance activities (including reinsurance operations and service income and expenses)

- **Outward commission**

Remuneration paid by the reinsurer to the ceding insurer for the premiums ceded

- **Premium**

Amount paid by the policyholder to the insurance company in exchange for risk coverage. A distinction is made between:

- **Written premium**

Amount invoiced during the period for coverage against the risks stipulated in the policy

- **Earned premium**

Portion of the premium written during the period or earlier corresponding to the coverage of risks during the period concerned

- **Reinsurance**

An operation by which an insurer obtains cover from a third party (the reinsurer) for part of the risks that it has guaranteed, in exchange for the payment of a premium

- **Retention Rate**

Net Earned Premium divided by Gross Earned Premium

- **Run-off**

Claims reserves release related to previous years policies which risks are over

- **Services**

- **Information services**

Researches and analysis carried out to provide our policyholders with the required credit insurance cover, and monitoring of the solvency of their customers

- **Collection services**

Extra-judicial and/or judicial procedure conducted by Euler Hermes to secure payment of a receivable from the debtor

- **Turnover**

Turnover is composed of gross earned premiums and service revenues

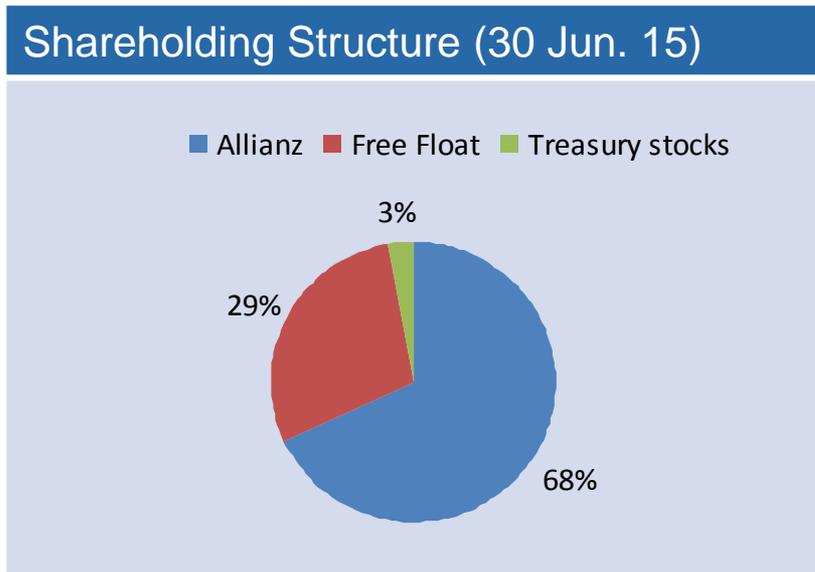
Next Events	Date
3Q 2015 Earnings (webcast)	Oct. 29 th , 2015

Stock Market Data	As at 30 Jun. 15
Listing	Euronext Paris
Code	ELE.PA
Shares outstanding	45,342,177
Market cap. (€ mn)	4,100

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(vii) currency exchange rates including the Euro/U.S. Dollar exchange rate, (viii) changing levels of competition, (ix) changes in laws and regulations, including monetary convergence and the European Monetary Union, (x) changes in the policies of central banks and/or foreign governments, (xi) the impact of acquisitions, including related integration issues, (xii) reorganization measures, and (xiii) general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences.

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