

Euler Hermes 2019 full year results: all regions and lines of business growing, transformation delivering tangible results

- 2019 revenues¹ at €2,913 million, up 7% at constant exchange rates
- Net combined ratio² improved by 1.2 point to 79.9%
- Operating profit at €475 million, up 10%
- Launch of MyEH, an innovative customer platform
- Euler Hermes Datalab at full speed with 33 employees
- The Open Data Portal opens new doors to millions of exclusive data
- First credit insurer to incorporate ESG risks into its country ratings

“We can be very proud of our achievements in the past year: not only our 2019 full year results are excellent, but also we clearly accelerated on the commercial and innovation sides. Our transformation is on the right track, with a large variety of initiatives in our various geographies. Thanks to our investments and to the daily commitment of our employees all over the world, we are the most innovative B2B trade credit insurer and hence redefining trade finance. Whilst driving this transformation, we must also keep a close watch on the growing complexity of the challenges faced by our clients: slower growth, political and trade tensions, the worrying trend of rising insolvencies, and now, the economic impact of the Covid-19 epidemic. This implies higher export risks for businesses combined with high uncertainty. More than ever, business leaders must apply a very selective and preventive credit management”, said **Wilfried Verstraete, Chairman of the Euler Hermes Board of Management**.

PARIS, 27 February 2020 – In a context of sluggish global growth, Euler Hermes showed very strong performance in 2019: all regions and lines of business are growing. Revenues reached €2,913 million, up 7% at constant exchange rates, with North America and Asia-Pacific as the fastest growing regions. **Net combined ratio¹ improved by 1.2 point to 79.9%** driven by better prior year development and a lower expense ratio. **Operating profit reached a record high** this year: €475 million, up 10%, positioning Euler Hermes as one of the main profit contributors to the Allianz’ P&C segment. This is mainly due to higher premiums and a better combined ratio, coupled with higher current investment income.

Solvency II ratio for Euler Hermes Group is at 159% at the end of 2019 improving by 4 points compared to end of 2018.

These strong results illustrate how Euler Hermes, in less than two years, translated its 2021 strategy **“Confidence to be bold”** into record financial achievements, **while the digitalization and the innovation announced as part of our transformation strategy materializes** according to plans.

¹ Revenues are defined as Gross Earned Premium + Service Revenues

² Combined ratio excluding services activities

Our strategy based on diversification in terms of products and geographies is paying off: for the second year in a row, Euler Hermes achieved the highest level of new business in its history, and reached an excellent retention rate of 91%. Euler Hermes also confirmed its rank as #1 brand recommended for trade credit insurance for customers for the third year in a row.

In an effort to constantly challenge and improve customer experience, Euler Hermes recently released its new customer platform: **MyEH**. Built and designed in collaboration with its customers, MyEH illustrates Euler Hermes' strategy as an industry leader reinventing the credit insurance customer experience. A world class leader thanks to an innovative UX design, MyEH is built out of market insights and developed with a fully customer-centric approach: it already counts 6,500 users and should reach 65,000 users by the end of the year. **MyEH is a sparring partner for customers to achieve their business targets**: it is efficient for both small companies looking for quick and easy solutions, and for larger ones who have more credit risk expertise and need advanced solutions.

“Single Invoice Cover”, a new offer launched in 2018 and available through a single API, continued to be integrated in 2019 by new partners such as Fundbox in the US or Moment in France. This allows fintech startups to grow by benefiting from the guarantee of Euler Hermes, a pledge of confidence for their customers and prospects.

Euler Hermes also accelerated on the innovation side with a strong focus on data: The **Datalab**, founded in October 2016 with 2 data scientists in Paris, reached 33 employees this year. Its first product, a Machine Learning asset, enhances its in-house grading system. It has improved prediction capabilities, delivering a positive impact in terms of claims avoided and new business acquired.

Last March, **Euler Hermes launched its [open data portal](#)**, granting public access to millions of exclusive data for anyone to access, use and share valuable data on international B2B trade.

Finally, Euler Hermes also launched last month **[Trade Match](#)**, a **free data visualization tool** allowing access to Euler Hermes proprietary data and expert analysis in just a couple of clicks. Combining country risk ratings and forecasts for export gains and trade growth, Trade Match reveals the risks and opportunities for exporters across 17 sectors and 70 countries.

IT-wise, **Euler Hermes is moving forward on its API journey, through the introduction of new products at a marginal cost** by recombining APIs. These APIs are now everywhere in the company, connecting back-end apps with the front end and giving clients easy access to Euler Hermes portals. Already 17% of the policies are now managed through APIs.

Lastly, the recent inclusion of Environmental, Social and Governance (ESG) criteria to our country risk ratings marks a tipping point symbolic of companies and investors belief that ESG-related risks are going to drive everything they care about most: growth, market share, profitability. Moreover, the correlation between non-payments and severe climate-related events (supply chain interruptions), or between insolvencies and social unrests (looting, profit loss) are increasing over time. That is why **Euler Hermes decided to include ESG-related risks of non-payments by companies, especially environmental vulnerabilities and rising societal risks, in its country risk rating methodology**.

P&L information	31 Dec. 2019	31 Dec. 2018	Variation vs. 31 Dec. 2018	
€ million				
Earned premiums	2 477,1	2 276,8	200,3	8,8%
Service revenues	435,8	428,2	7,6	1,8%
Turnover	2 912,9	2 705,0	207,9	7,7%
Net technical result	395,4	359,5	35,9	10,0%
Net investment income	79,7	71,2	8,5	12,0%
Operating Profit	475,1	430,6	44,4	10,3%
Net claims ratio	50,9%	51,1%	-0,2 pt	
Net expense ratio	29,0%	30,0%	-1,0 pt.	
Net combined ratio	79,9%	81,1%	-1,2 pt.	

Balance sheet information	31 Dec. 2019	31 Dec. 2018	Variation vs. 31 Dec. 2018	
€ million				
Total assets	7 294,9	6 804,5	490,3	7,2%
Shareholders' equity, Group share	2 869,9	2 752,1	117,8	4,3%

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Euler Hermes is the global leader in trade credit insurance and a recognized specialist in the areas of surety, collections, structured trade credit and political risk. Our proprietary intelligence network analyses daily changes in corporate solvency representing 92% of global GDP. We give companies the confidence to trade, and be paid. We compensate your company in the event of a bad debt, but more importantly, we help you avoid bad debt in the first place. Whenever we provide trade credit insurance or other finance solutions, our priority is predictive protection. But, when the unexpected arrives, our AA credit rating means we have the resources, backed by Allianz to provide compensation to maintain your business. Headquartered in Paris, Euler Hermes is present in 50+ countries with 5,800 employees. In 2019, our consolidated turnover was €2.9 billion and insured global business transactions represented €950 billion in exposure.

For more information, please visit: [eulerhermes.com](https://www.eulerhermes.com)

We predict trade and credit risk today, so companies can have confidence in tomorrow.



Cautionary note regarding forward-looking statements: The statements contained herein may include prospects, statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those expressed or implied in such forward-looking statements. Such deviations may arise due to, without limitation, (i) changes of the general economic conditions and competitive situation, particularly in the Allianz Group's core business and core markets, (ii) performance of financial markets (particularly market volatility, liquidity and credit events), (iii) frequency and severity of insured loss events, including from natural catastrophes, and the development of loss expenses, (iv) mortality and morbidity levels and trends, (v) persistency levels, (vi) particularly in the banking business, the extent of credit defaults, (vii) interest rate levels, (viii) currency exchange rates including the euro/US-dollar exchange rate, (ix) changes in laws and regulations, including tax regulations, (x) the impact of acquisitions, including related integration issues, and reorganization measures, and (xi) 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.