



Euler Hermes – the world leader in credit insurance

RISK ASSESSMENT | CREDIT INSURANCE | DEBT COLLECTION

A company of Allianz 

 **EULER HERMES**
Business insured. Success ensured.

Agenda

- 1 The Euler Hermes group**
- 2 Our business
- 3 Our products and solutions
- 4 Our added value

Our Promise

We secure companies' business growth around the world



- We protect companies' business transactions



- We offer customized solutions to manage trade receivables



- We provide superior business intelligence to develop your business safely

Euler Hermes at a Glance

Our 2011 Key Figures

- ▶ Global leader in credit insurance with **34%** market share
- ▶ **2,148 million** euros consolidated turnover in 2010
- ▶ **52,000** clients worldwide
- ▶ Presence in over **50** countries on 5 continents
- ▶ **6,000+** staff worldwide
- ▶ **633 billion** euros of global exposure
- ▶ **1,600** claims indemnified per week
- ▶ **40 million** companies monitored in our risk database
- ▶ **20,000** credit limit requests received per day
- ▶ **81%** of credit limit requests processed in less than 48h
- ▶ **200,000** debt collections handled in 130 countries
- ▶ **AA-** financial rating by Standard & Poor's (July 2010)

Our Key Financial Data

Euler Hermes Group Results (at 31 Dec. 2010)	
	FY 2010 Euro mn
Total revenues	2,147.7
Technical result	348.6
Net financial income	123.2
Operating income	471.9
Net consolidated result	294.5
Net combined ratio	68.7%

Euler Hermes Board of Management



Wilfried Verstraete

Chairman – Internal Audit,
Communications, HR



Nicolas Hein

Finance, Compliance,
Legal & Tax



Gerd-Uwe Baden

Risk, Information &
Claims



Dirk Oevermann

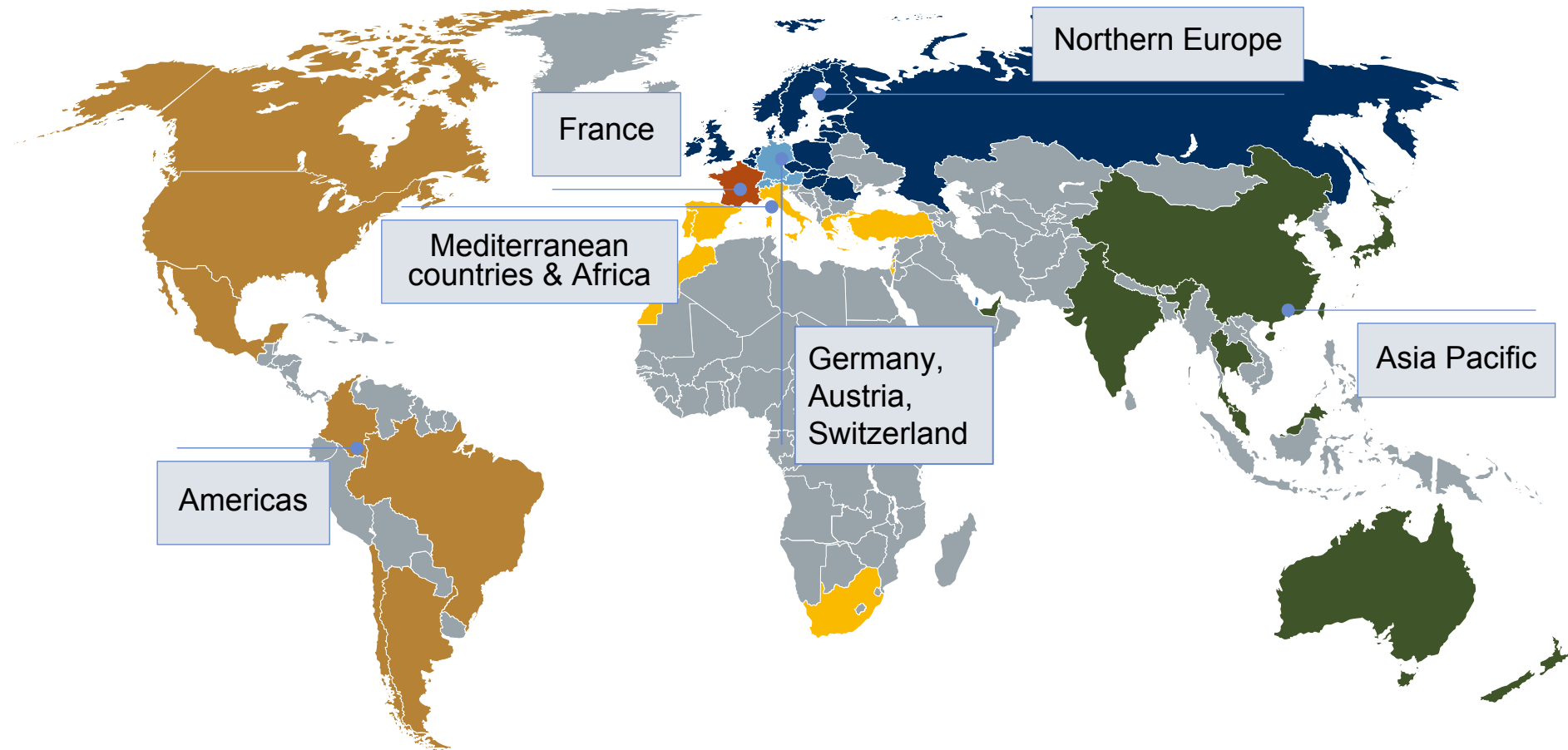
Operations & IT,
Collections



Frédéric Bizière

Market Management,
Commercial & Distribution

Six Balanced Regions for Efficient Steering



▶ A global network spanning over 50 countries

Your Global Financial Solutions Provider for Trade Receivables

Our main lines of business

- Credit insurance
- Trade debt collection
- Bonding & guarantees



Additional services

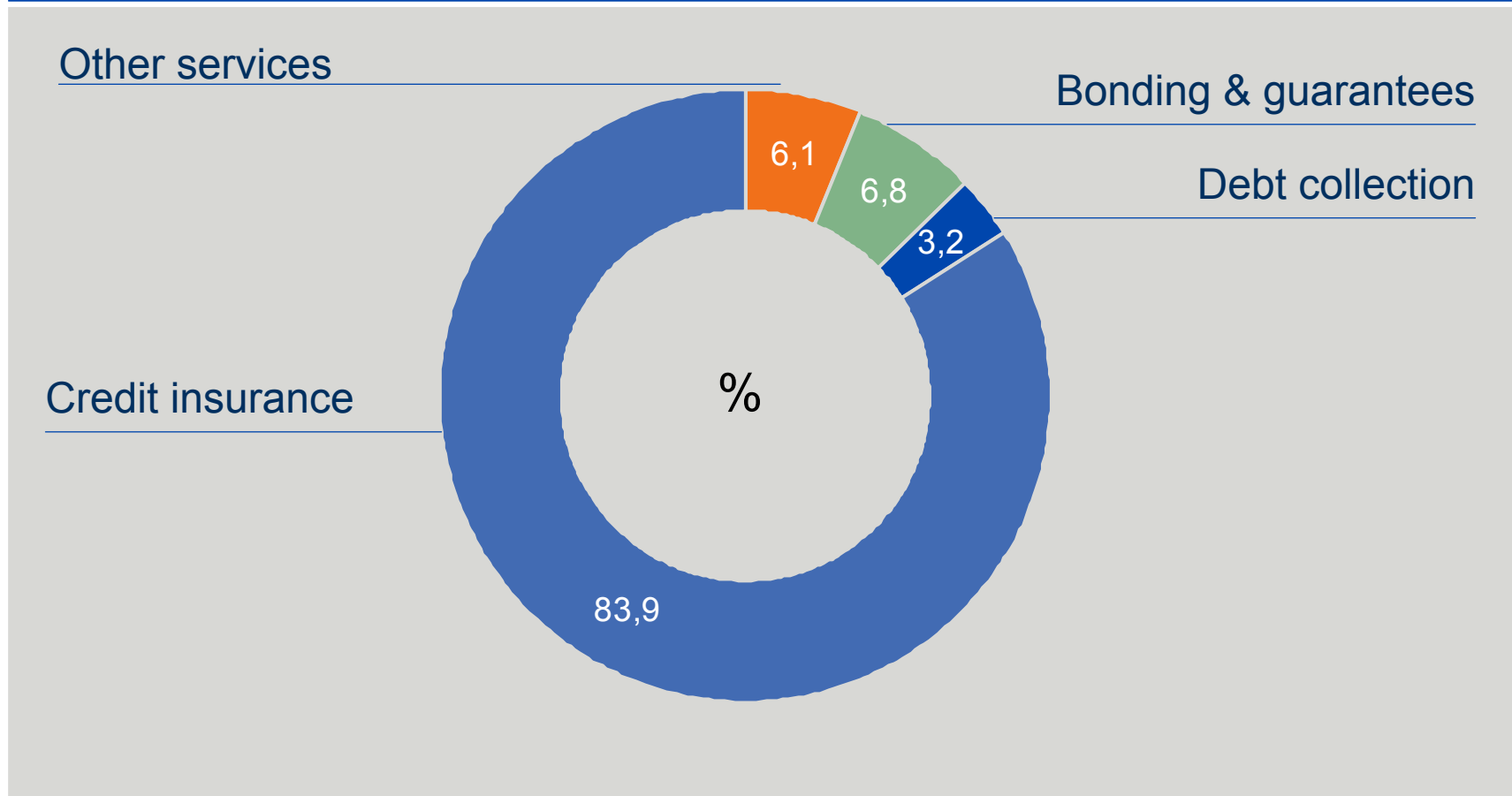
- Insurance against fraud “Fidelity”
- Financing of trade receivables
- Export guarantees on behalf of the German government



▶ We help businesses manage trade risks and opportunities

Our Business Lines

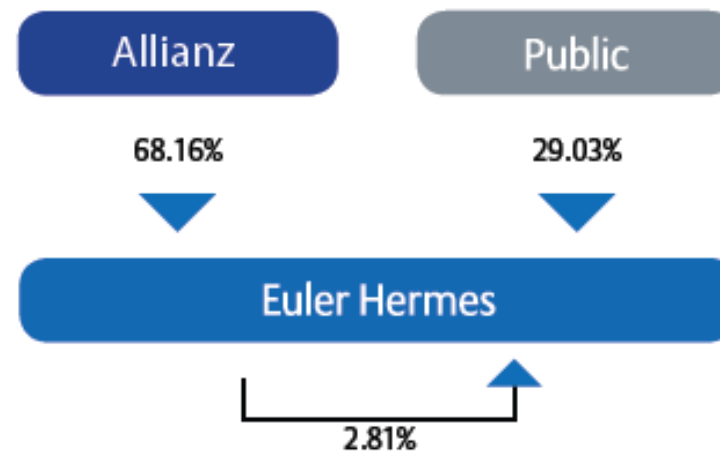
Turnover by business line (%)



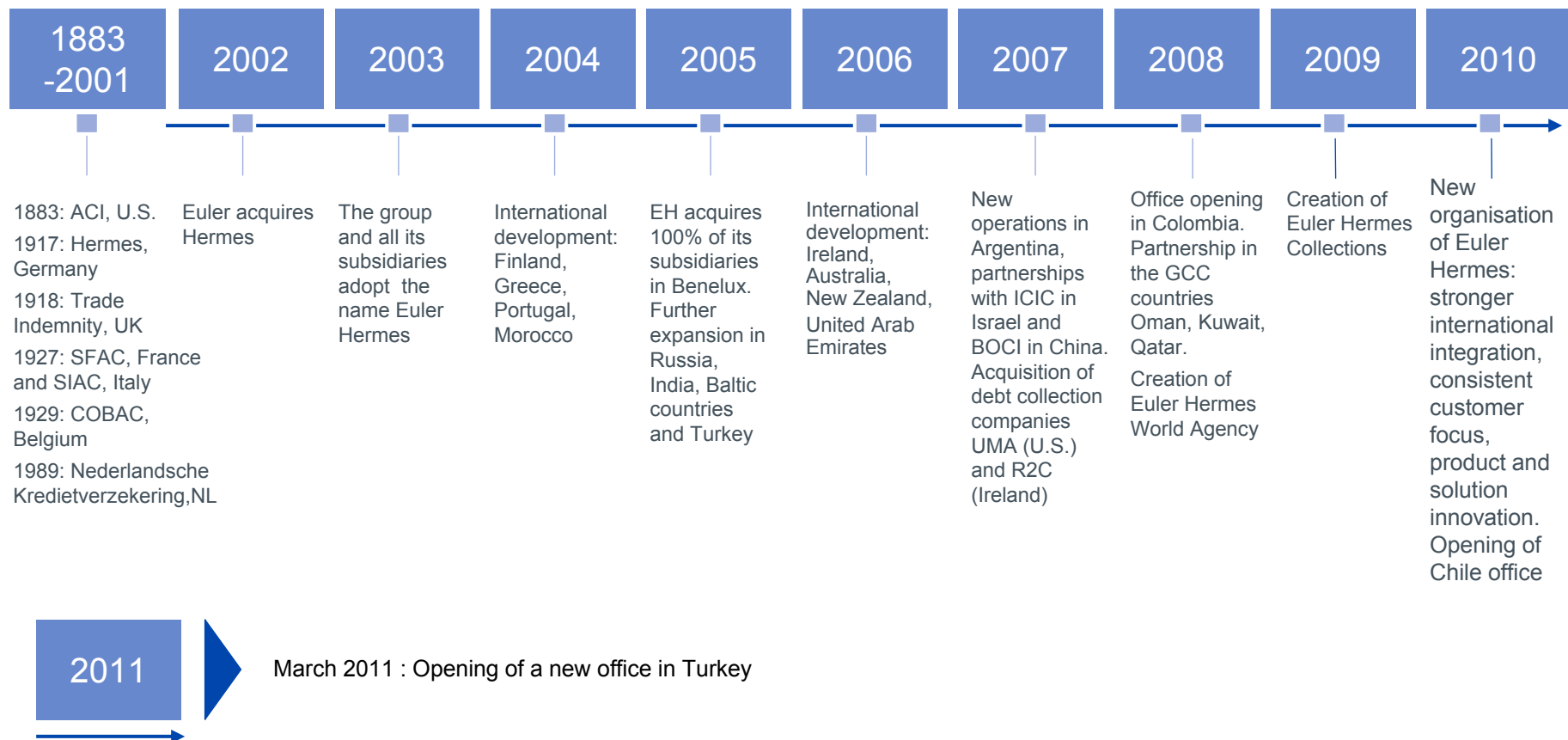
Euler Hermes Shareholding Structure (at 31 Dec. 2010)

Euler Hermes is listed on the Paris Stock Exchange since April 2000 (ELE.PA)

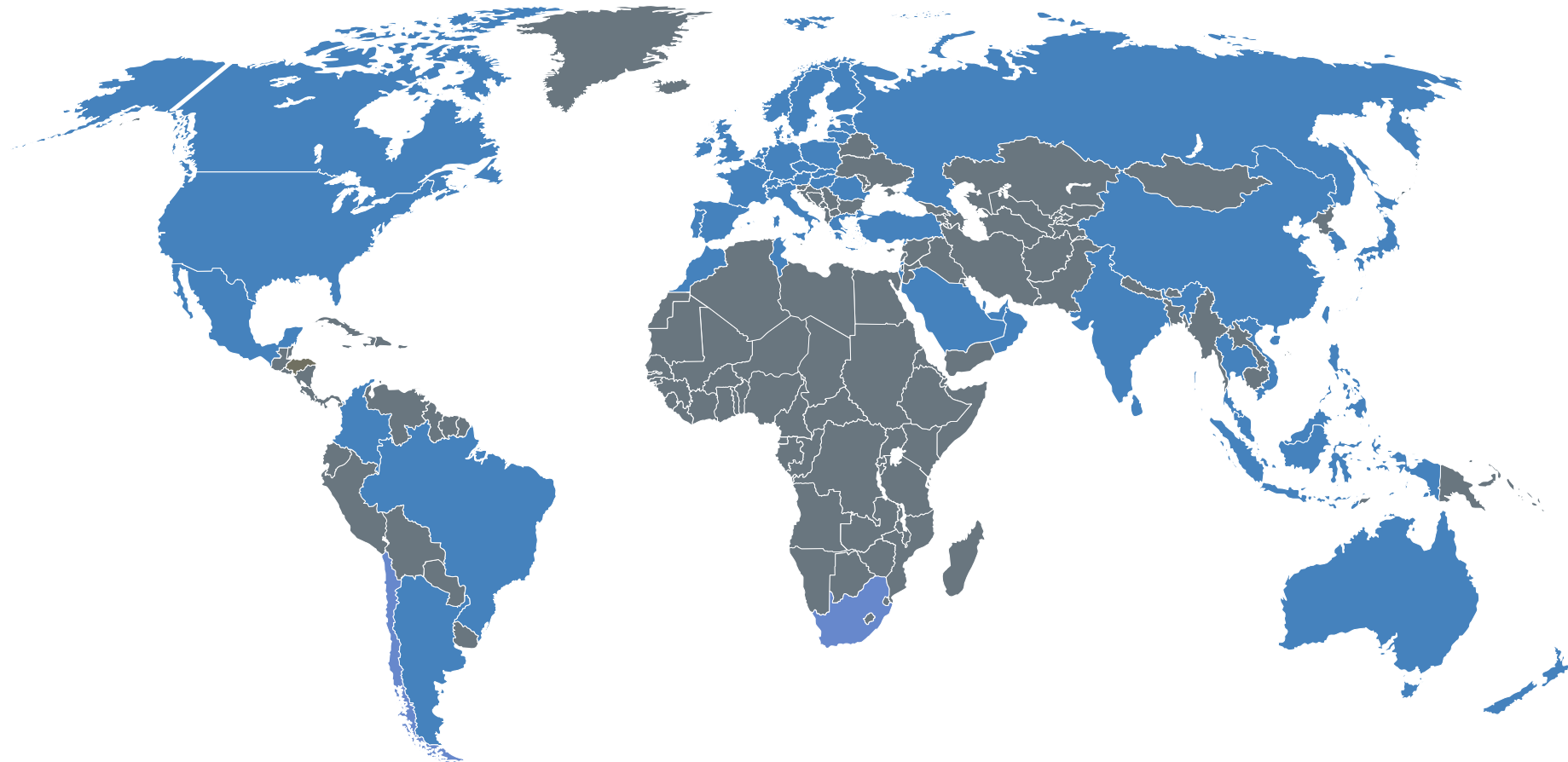
Shareholding structure as of 01 January 2011



Milestones in Euler Hermes' History



Our Global Network -1



 Euler Hermes presence in 2011

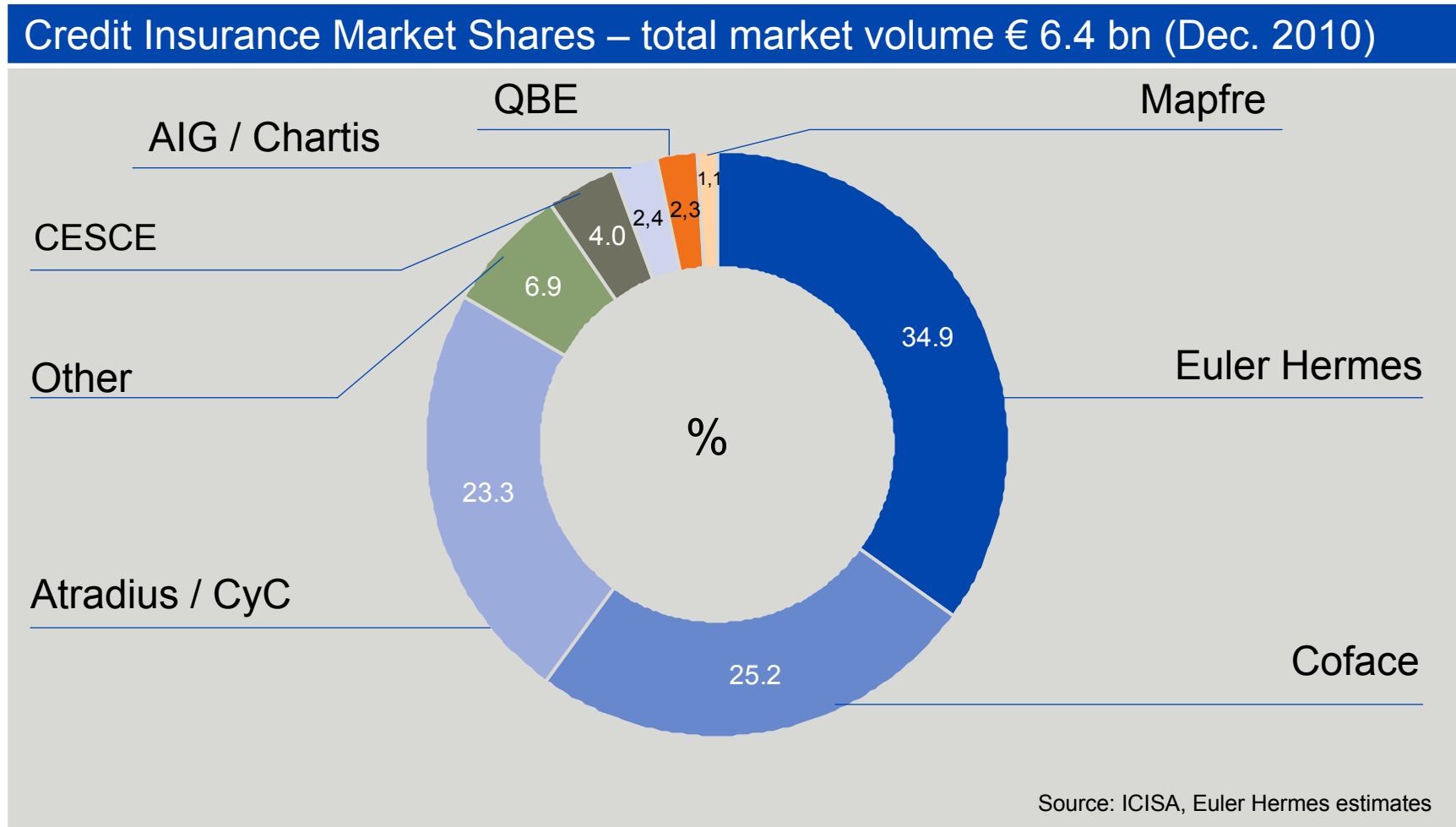
Our Global Network -2

Presence in over 50 countries across five continents

Argentina	Germany	Morocco	Slovakia
Australia	Greece	Netherlands	South Africa
Austria	Hungary	New Zealand	South Korea
Bahrain	India	Norway	Spain
Belgium	Indonesia	Oman	Sweden
Brazil	Ireland	Philippines	Switzerland
Canada	Israel	Poland	Taiwan
China	Italy	Portugal	Thailand
Chile	Japan	Qatar	Tunisia
Colombia	Kuwait	Romania	Turkey
Czech Republic	Luxembourg	Russia	United Arab Emirates
Denmark	Malaysia	Saudi Arabia	United Kingdom
Finland	Mexico	Singapore	United States
France			Vietnam

▶ Your trade receivables management partner, wherever you do business

Global Credit Insurance Market



Agenda

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Credit Insurance: The Solution for Your Company's Business Development

Questions	Facts
<ul style="list-style-type: none"> ▪ Have you ever experienced bad-debt losses? ▪ Have any of your customers ever become insolvent? ▪ Do you regularly sell to new customers & markets? ▪ Do you need help in assessing the financial solidity of your buyers? ▪ Do you need to improve your cash flow? 	<ul style="list-style-type: none"> ▪ 1.38% of a company's annual turnover can be saved by subscribing a credit insurance policy ▪ 49% of credit insured companies manage to obtain a bank loan compared to 34% of non insured companies ▪ Trade receivables represent around 35% of a company's assets ▪ Most business insolvencies are caused by late payments
<p>▶ With any of the above questions, we can help</p>	

Risk Management – Credit Insurance – Debt Collection

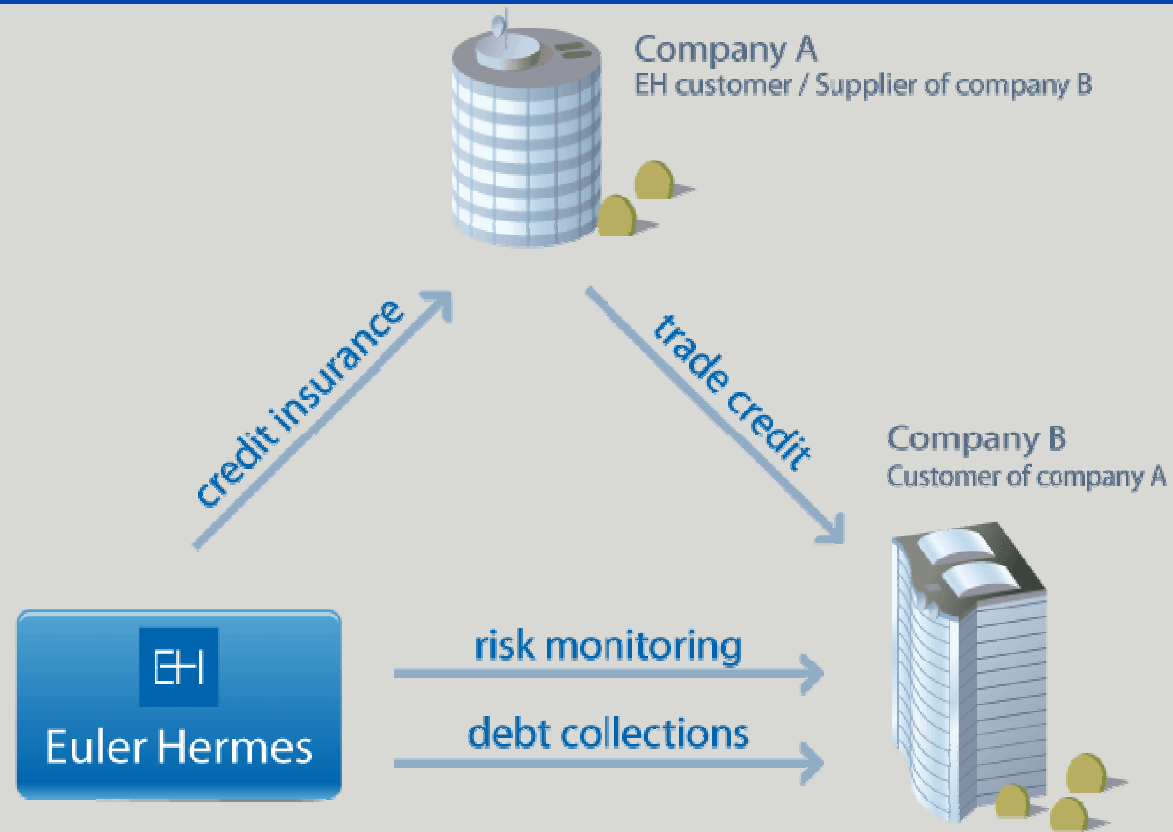
- We insure the payment of trade receivables
- We help businesses select the right customers and move safely into new markets
- We offer an insurance policy including three services:
 - ✓ Risk prevention
 - ✓ Debt collection
 - ✓ Claims indemnification



▶ Euler Hermes protects companies' assets: trade receivables represent an average 35% of a business' assets

Our Core Business: Credit Insurance

How credit insurance works



▶ Credit insurance secures trade, domestically and around the globe

Our Key Expertise: Risk Assessment - 1

1,400 risk analysts and underwriters...

- Monitor and grade 40 million companies around the world
- Share a single, global risk database
- Share a group wide, efficient risk business model where credit limit decisions are always taken close to the risk
- Receive constant support from Euler Hermes' economic research teams
- Are trained across borders to ensure customers receive the same levels of high quality service anywhere in the world

Our Key Expertise: Risk Assessment - 2

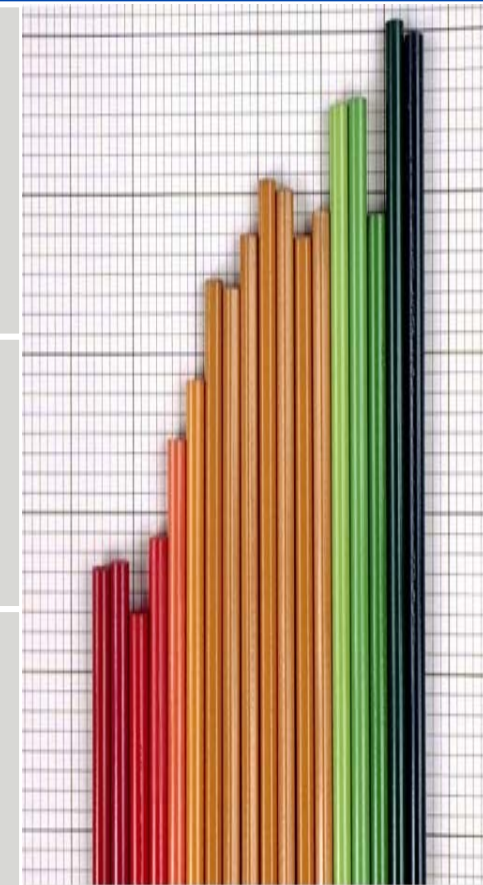
Our research teams in Baltimore, Hamburg, London, Paris...

- Produce analyses of economic, commercial and political risks for business dealings in 170 countries
- Provide macro-economic, industry and market forecasts for Euler Hermes' risk analysts and underwriters
- Participate in risk monitoring and produce tailored risk assessment for our international customers
- Provide input for financial and budget decisions
- Support the quality of service delivered to clients
 - analyses and forecasts shared by all Euler Hermes companies

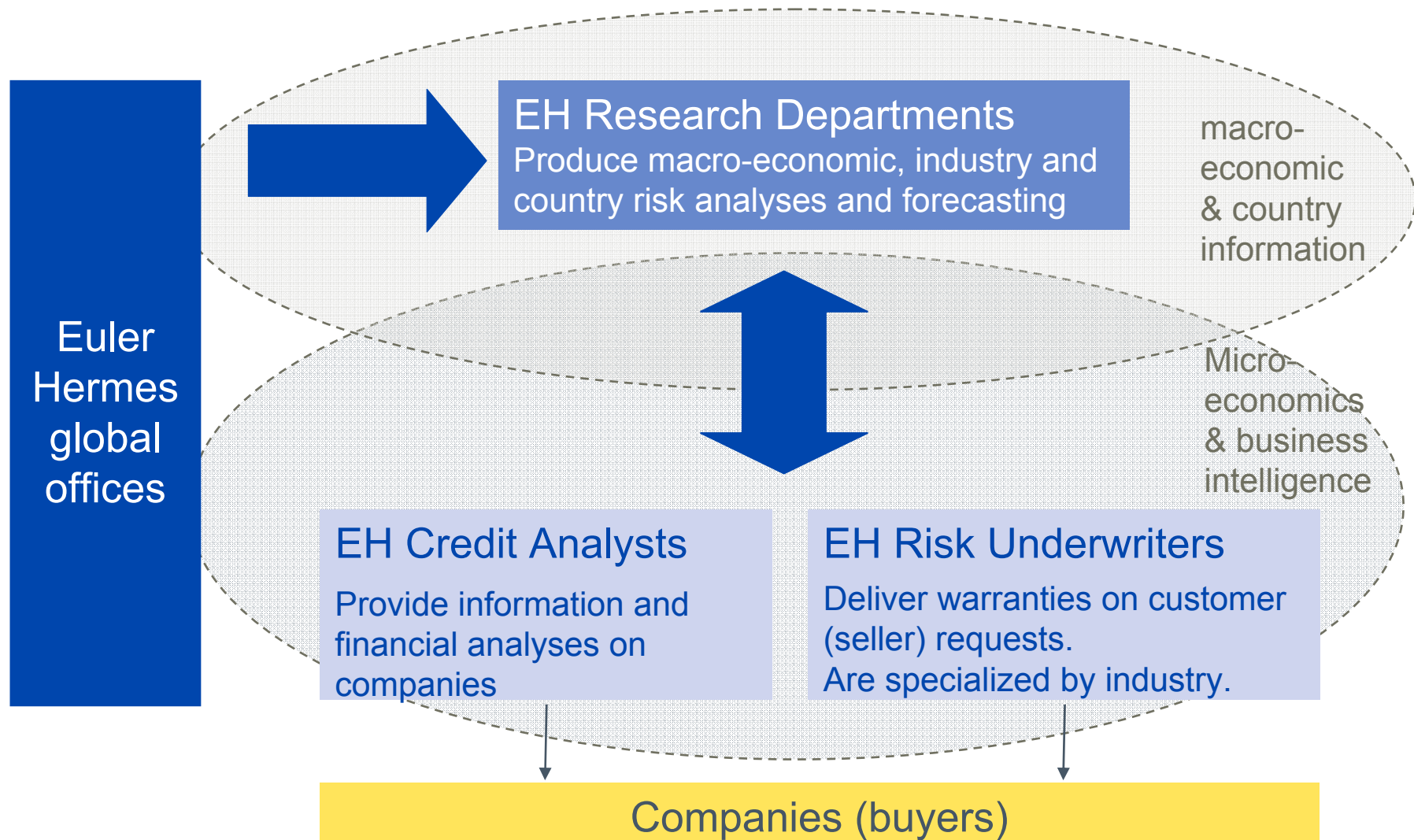
Euler Hermes Research

Reports and publications

- Economic Outlook
 - Insolvency Outlook
 - Industry / trade sector outlooks
 - Country risk reports and weekly bulletin
- White papers on UK and US economies and sectors
 - Quarterly surveys of Italian economy and sectors
- Annual study on white collar crime in Germany
 - Companies payment behaviour in the Netherlands
 - Monthly credit management indices in UK, US

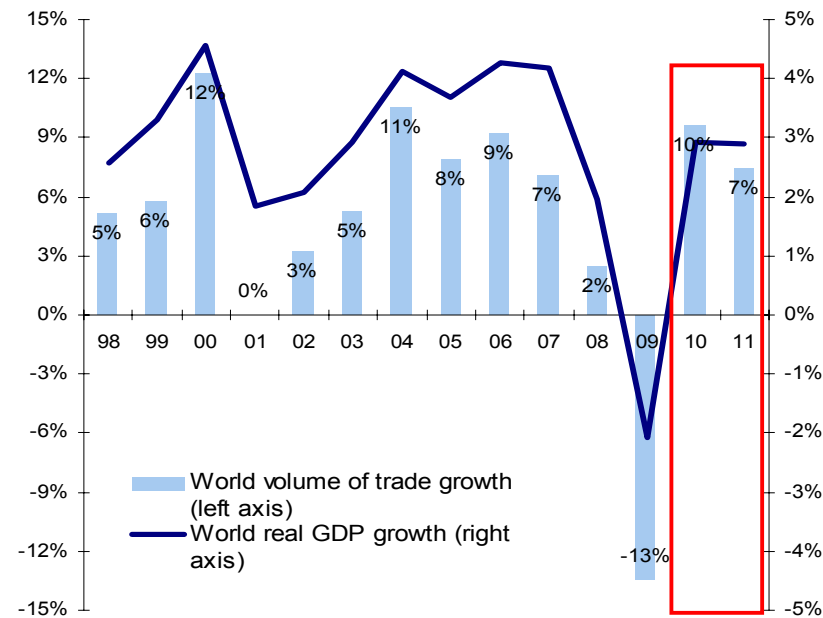


Euler Hermes Economic Research

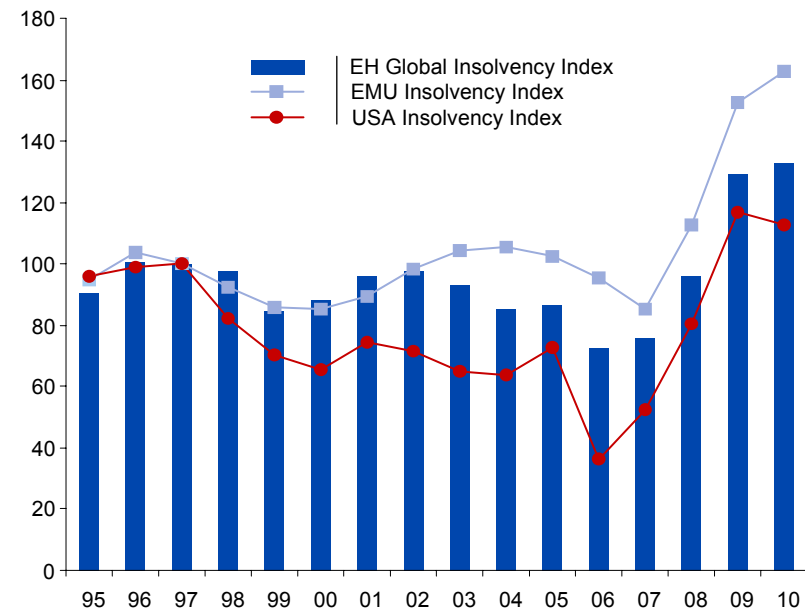


2010 Economic Outlook: Slow Recovery

World GDP and trade growth



Business insolvencies remain high



Sources: National figures, IHS Global Insight, Euler Hermes forecasts (April 2010)

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Our Product and Solutions Offering

Expert trade receivables management solutions

- Credit insurance
- Trade debt collection
- Bonding
- Trade receivables financing
- Other trade receivables management services



▶ Euler Hermes: Business insured. Success ensured.

Our Offering – 1

Trade Credit Insurance

Why get credit insured with Euler Hermes?

- Partner with the world leader in credit insurance, rated AA- by S&P
- Secure your companies business development:
 - Insurance against late payment, payment default, political risk
 - Speedy indemnification if outstanding payments cannot be collected
- Optimise your company's trade receivables management
- Manage your policies online via our EOLIS extranet

▶ Euler Hermes insured worldwide business transactions totalling € 633 billion exposure end of December 2010.

Our Offering - 1

Trade Credit Insurance: Case Study

Company A

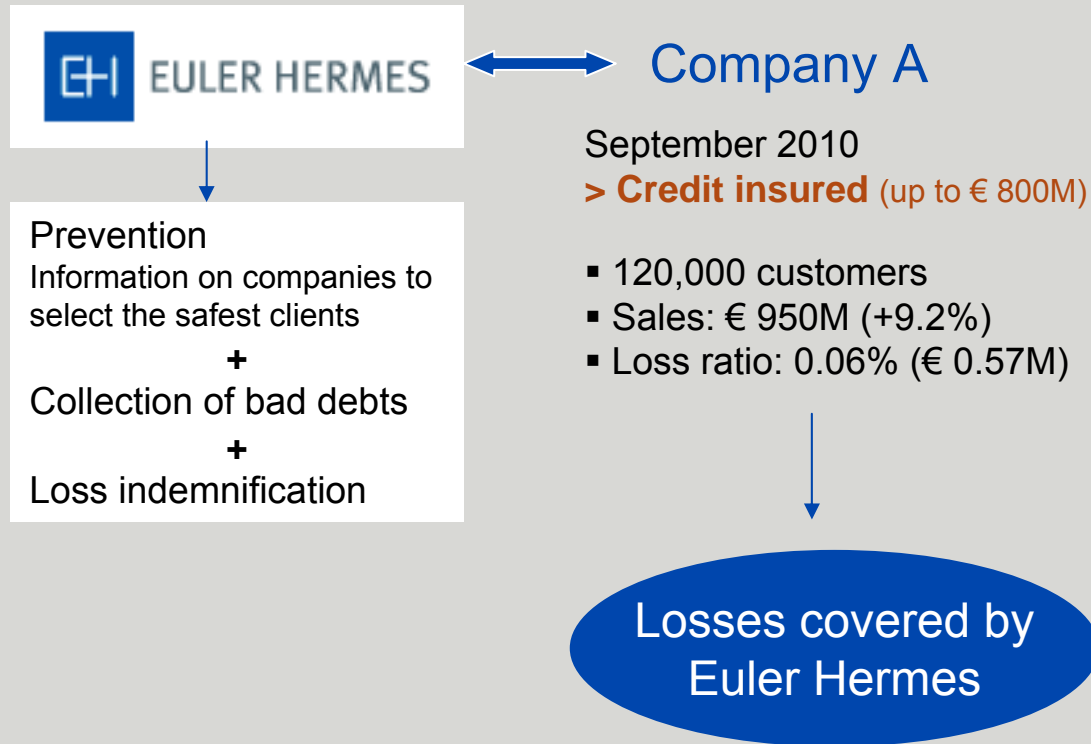
September 2009
> **Not credit insured**

- 100,000 customers
- Sales: € 870M
- Loss ratio: 0.5%



Buyer 1	loss = € 1.45M
Buyer 2	loss = € 0.98M
Buyer 3	loss = € 0.50M
Buyer 4	loss = € 0.82M
Buyer 5	loss = € 0.57M
Total = €4.32 M	

Had Company A been credit insured, it could have avoided all losses apart from Buyer 5.



▶ Loss ratio prior to credit insurance **0.5%** > 1 year later, loss ratio **0.06%**

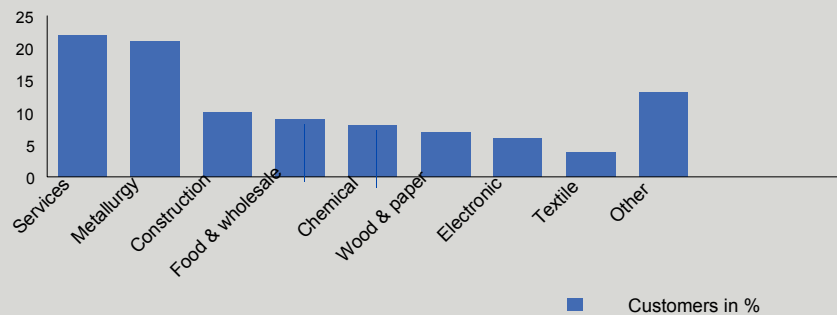
Our Offering - 1

Trade Credit Insurance: for Companies of all Sizes and Sectors

52,000 customers

- Multinationals
- Medium-sized to large companies
- SMEs
- Micro-companies

Euler Hermes customers by industry



Our Offering - 1

Trade Credit Insurance

Solutions for companies of all sizes

- **World Program**
Customised solutions for international groups
- **Excess of loss**
Customised policy for larger corporations with integrated credit management department; only large risks are underwritten
- **Policies for medium-sized to large companies**
Customised policies covering domestic and export business
- **Policies for SMEs**
A simple policy, easy to manage

Our Offering - 1

Trade Credit Insurance: Euler Hermes World Agency

A dedicated entity servicing multinational companies

- A centralised program and service organisation to cover the risks of multinational groups
- A single contractual agreement between the multinational parent company and Euler Hermes World Agency
- Additional services provided to a group's subsidiaries at local level

Our Offering – 2

Trade Debt Collection

Collection services for policy holders and non-insured companies

- Integrated solutions for disputes and debt collection
- A sophisticated international debt collection business model
- A common IT platform
- Strong expertise in international collections
 - Euler Hermes presence in over 50 countries
 - In-depth knowledge of local legal environments
- 200,000 debt collections handled in 2010

Our Offering – 3

Bonding & Guarantees

The European market leader in bonding & guarantees

- We offer a wide range of domestic and export guarantees and bonds
 - Performance bonds
 - Advanced payment bonds
 - Maintenance bonds
 - Custom bonds
 - Other
- Euler Hermes bonds are a financing alternative to bank bonds and allow companies to free up liquidity to continue to develop their business
- In 2010 Euler Hermes provided facilities worth € 22 billion to 7,000 clients

Our Offering – 4 Other Trade Receivables Management Solutions

Additional services offered by Euler Hermes

- Trade debt financing
 - Securitisation of trade receivables
 - Partnership with factoring companies
 - Participation in the structuring of financing operations

- Products built on Euler Hermes' rating system
 - Portfolio rating

- Fidelity
 - Insurance against employee fraud

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Added Value for Our Customers



- **Quality account service**
Customised solutions for your company
Credit decisions are made in the country closest to your buyer



- **In-depth knowledge of trade mechanisms and corporate risks throughout the world**
Exclusive information on buyers gathered locally and shared in a common and continuously updated database



- **Technological capacity for managing large flows of information globally**
Worldwide deployment of common IT applications, customised locally

Our Online Service EOLIS

With the EOLIS extranet customers can:

- Manage their credit insurance policies
- Manage outstanding customer receivables and credit limits
- Receive on-line approval of credit limits
- Report overdue accounts and give order to collect a payment
- Report claims
- View debtor information and collection files in progress
- Issue reports to monitor and optimise their accounts receivable



▶ **93.4%** of customers are very satisfied or satisfied with EOLIS

A New, More Integrated Organisation to Better Serve Our Customers

We help our clients capture the upswing of the cycle...

- Increased cover and competitive premium rates
- Innovative products and solutions for managing trade receivables from A-Z
- Highest level customer service



... and benefit from our credit management expertise

- International B2B trade debt collection services
- Customized service for multinational companies via Euler Hermes World Agency
- Increased presence in Asia Pacific and Latin America to accompany our clients in growth markets



A Reliable Partner for Our Stakeholders



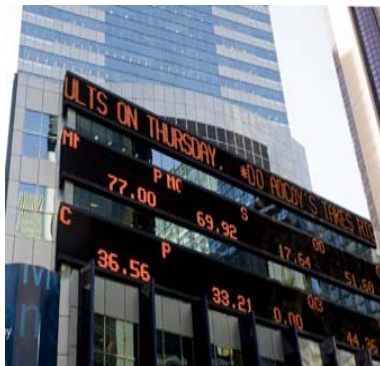
Consistent customer focus

- Proactiveness and responsiveness
- Product innovation
- Transparent communication
- Consistent high quality service around the world



Employer of choice

- Opportunities for professional development
- International mobility
- Diversity



A sound investment for our shareholders

- Solid AA- credit rating (S&P July 2010), best among peers
- Robust business model
- Sustainable returns on equity
- Member of the Allianz group

Thank you
for your attention.

www.eulerhermes.com