

Euler Hermes

2009 H1 financial results

Supervisory Board – 28 July 2009

A company of Allianz 



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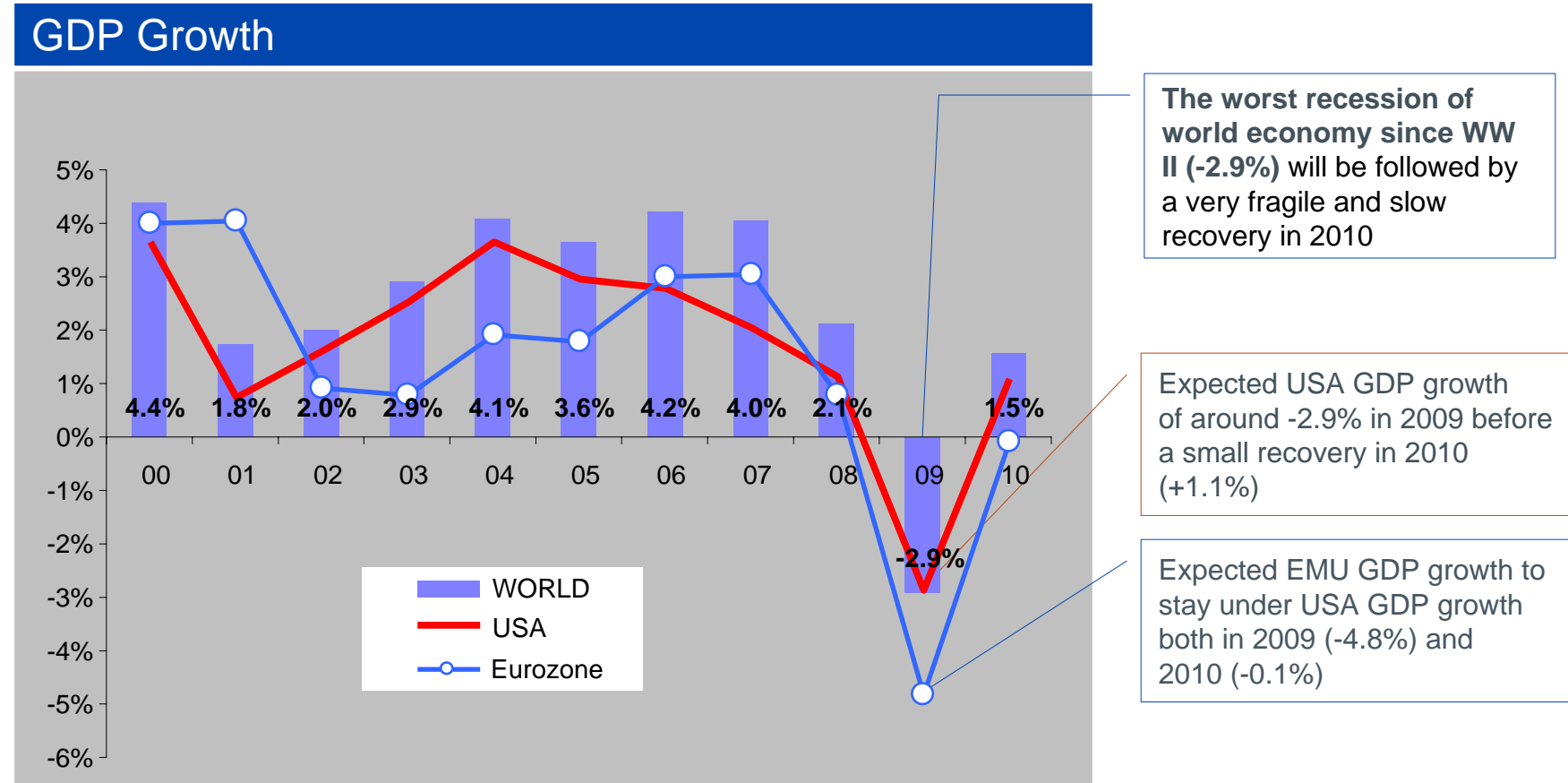
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The 2009 Recession

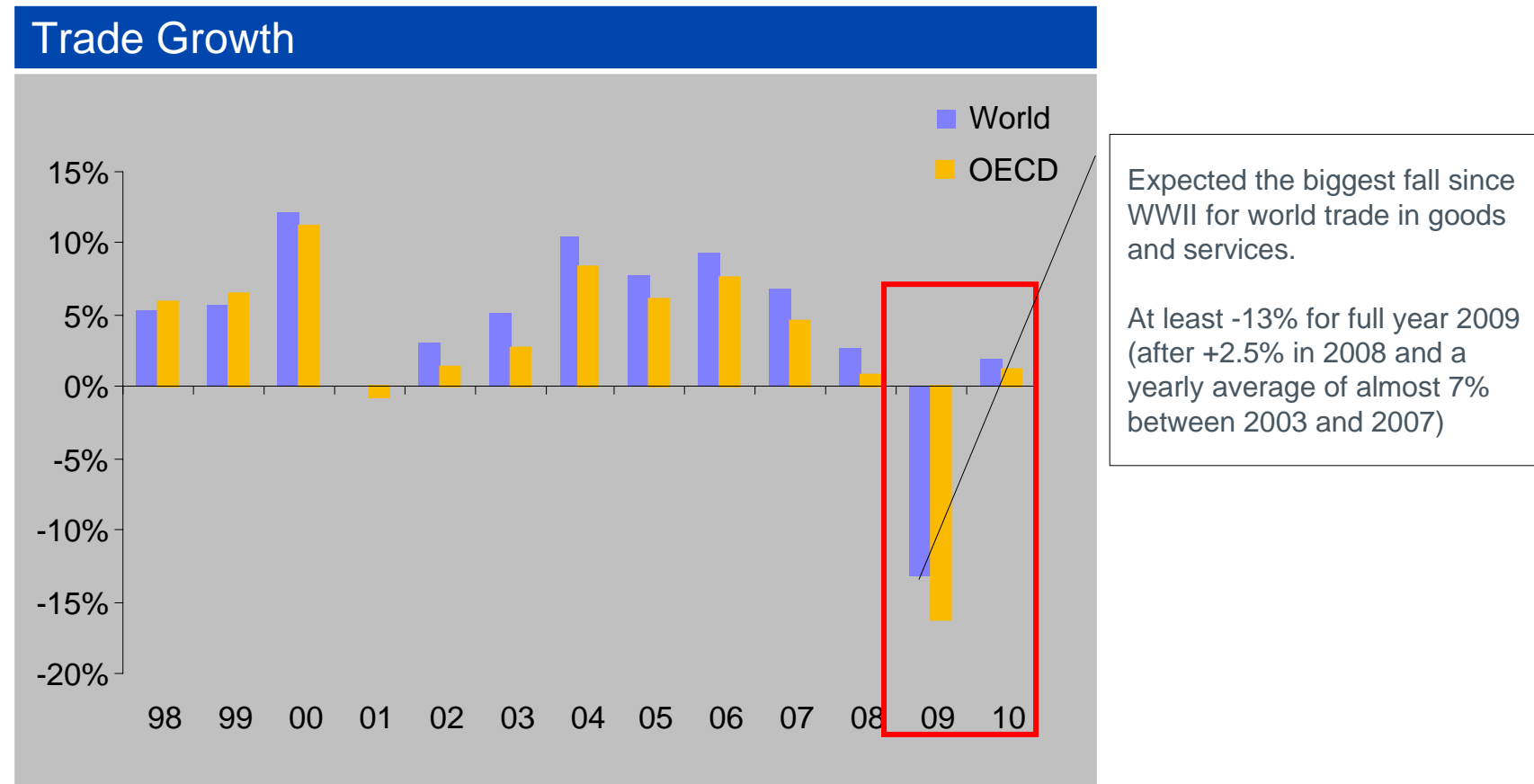
The world economy sank dangerously into crisis in 2009, the crisis is even deeper than expected some months ago and the recovery in 2010 will be slow and fragile



Sources: IHS Global Insight, Euler Hermes calculation and forecasts published end of March 2009 in the EH Economic outlook 2009 #2 (GDP 2007 weighting at current exchange rates)

The Deepest Trade Recession Since 50 Years

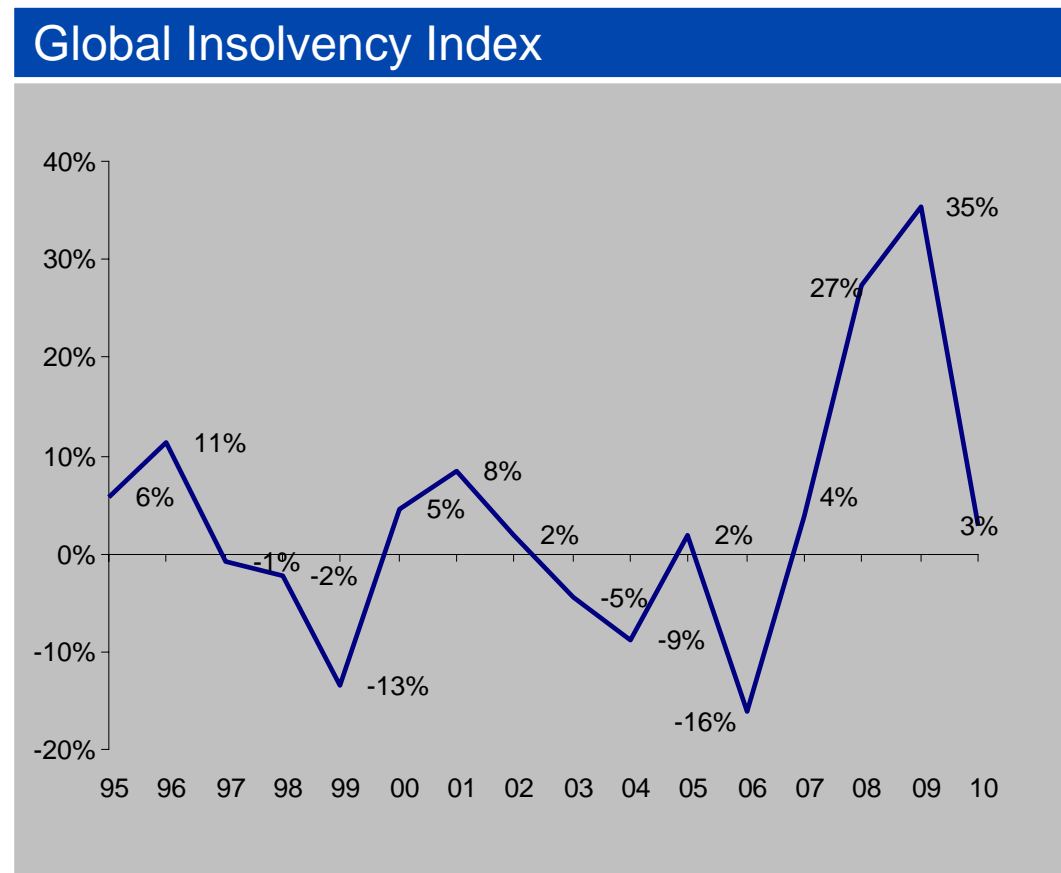
After the collapse, the world trade is just beginning to stabilize mid-2009 at a low level; OECD trade has decreased even deeper than world trade



Sources: IHS Global Insight, Euler Hermes calculation and forecasts published end of March 2009 in the EH Economic outlook 2009 #2 (GDP 2007 weighting at current exchange rates)

Business Insolvencies on a Historical Rise Trend

EH Global Insolvency Index up by +27% in 2008 (after +4% in 2007). The rebound should be 35% in 2009 and still rising in 2010



Sources: IHS Global Insight, Euler Hermes calculation and forecasts, **Index 100 = 1997**, GDP 2007 weighting at current exchange rates

Note: the EH Global Insolvency Index countries account for 85% of world GDP

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Continuation of Risk Action Plan

Severity

- Review of all largest exposure regardless of buyer's grade by end of 2009 H1 (41% of total EH exposure).
- Crisis Committee at group level focusing on sensitive cases

Frequency

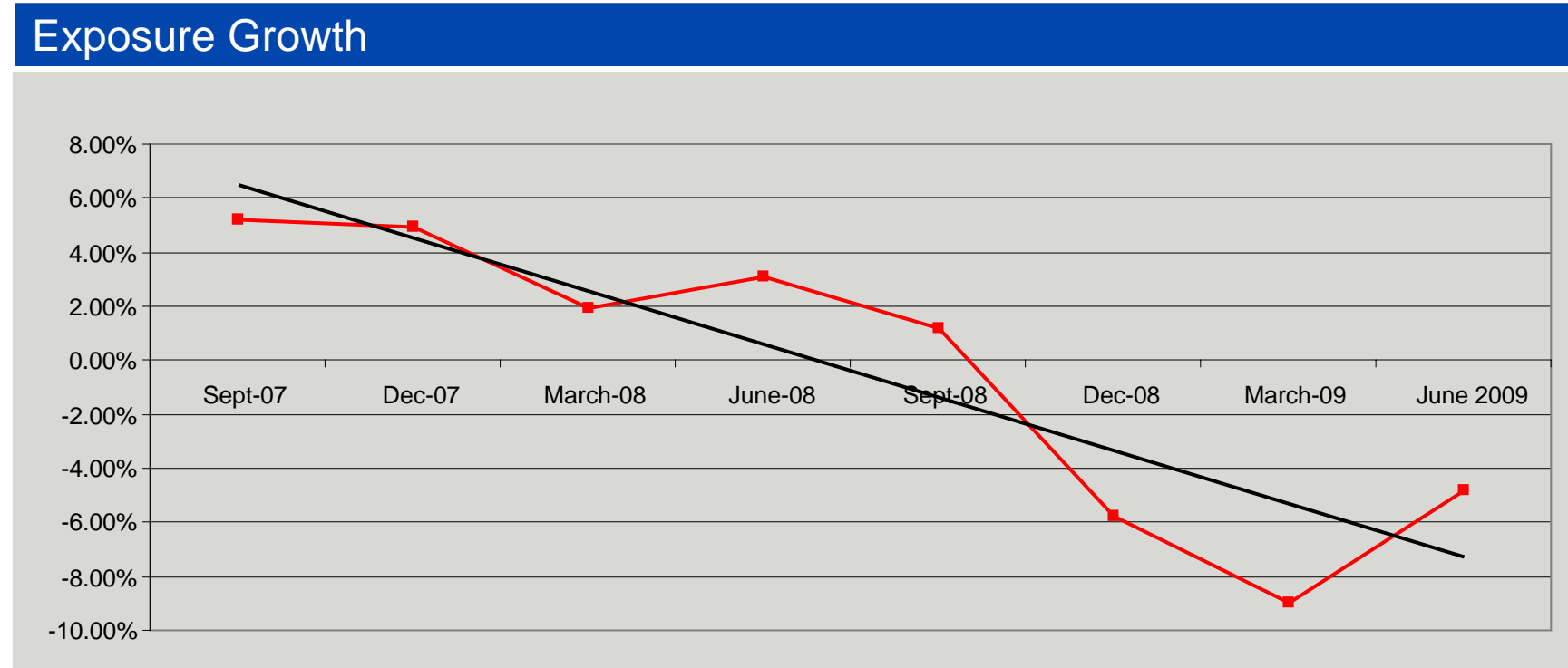
- Net exposure reduction by 13% through 2009 H1
- Expected loss net reduction by 17% through 2009 H1
- Launching of new quality standards for automatic grading

Risk Action Plan

Country Risk

- Major exposure reductions on large countries rated C&D, for instance:
 - Latvia: reduction by 83%
 - Lithuania: reduction by 77%
 - Argentina: reduction by 70%
 - Russia: reduction by 62%
 - Turkey: reduction by 57%

Evolution of Exposure Growth (in percentage quarter per quarter)

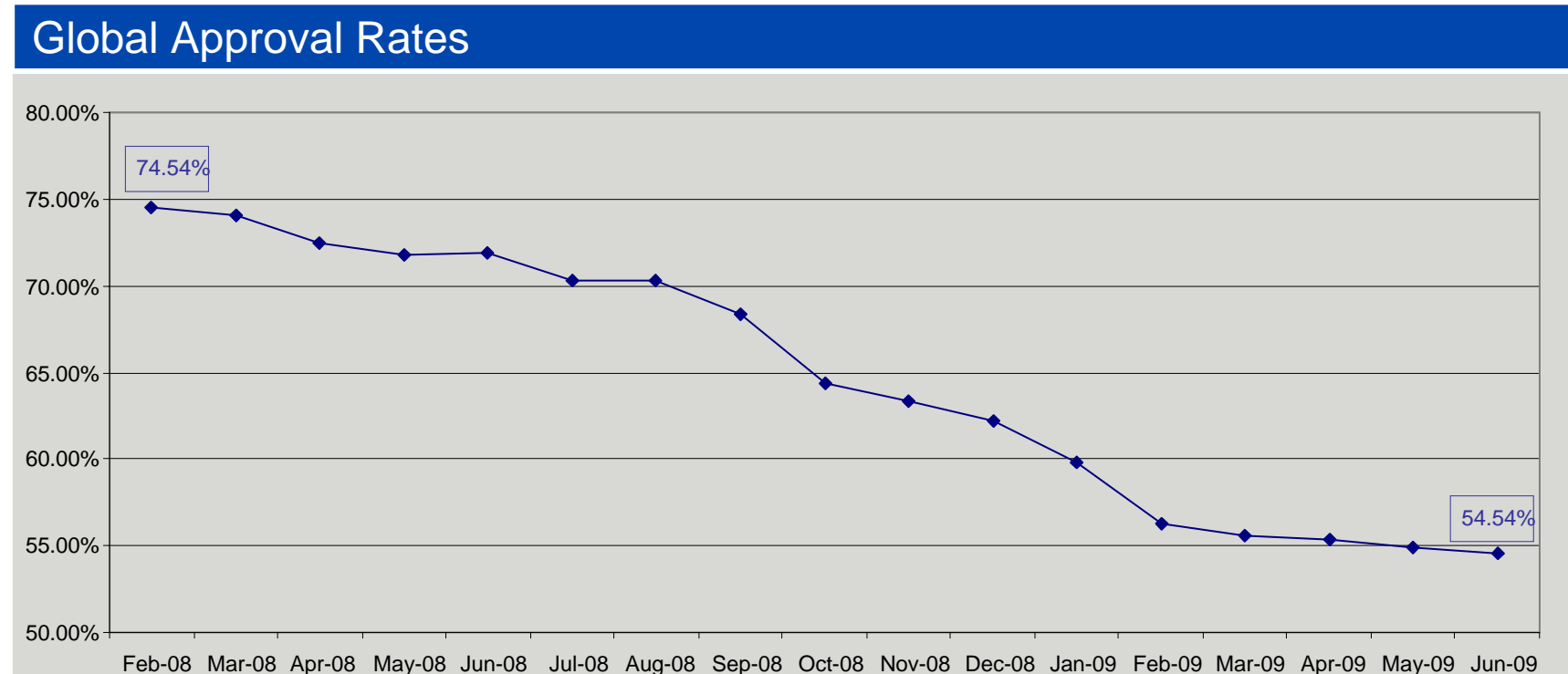


Portfolio by Risk Grade (end of 2009 H1)

In €Bn	June 2009		December 2008		
	Grade	Exposure	%	Exposure	%
	Grade 1	13 622	2.35%	18 291	2.74%
	Grade 2	52 176	9.02%	72 474	10.85%
	Grade 3	105 371	18.21%	123 258	18.46%
	Grade 4	145 666	25.17%	153 879	23.04%
	Grade 5	171 381	29.61%	179 537	26.88%
	Grade 6	83 761	14.47%	102 534	15.35%
	Grade 7	5 910	1.02%	15 933	2.39%
	Grade 8	704	0.12%	1 714	0.26%
	Grade 9	111	0.02%	175	0.03%
	Grade 10	19	0.00%	26	0%
	Total EH Exposure	578 721		667 822	

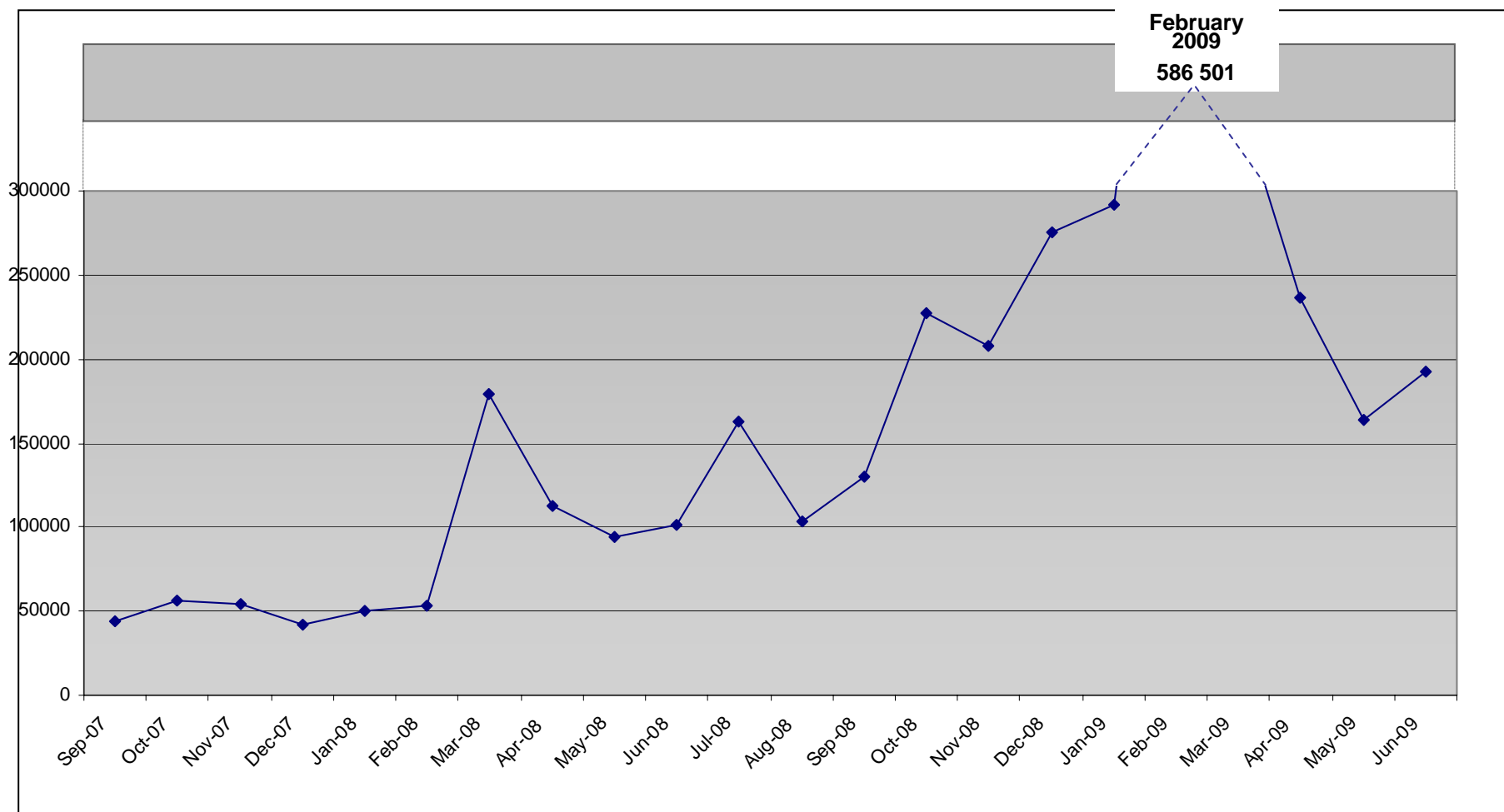
- Net reduction of total exposure during 2009 H1: € 89 bn (- 13%)
- Significant decrease of involvement on worst grades despite large downgrades due to deterioration of economic context
- Weighted average grade at 4.18

Risk Acceptance on New Credit Limit Requests

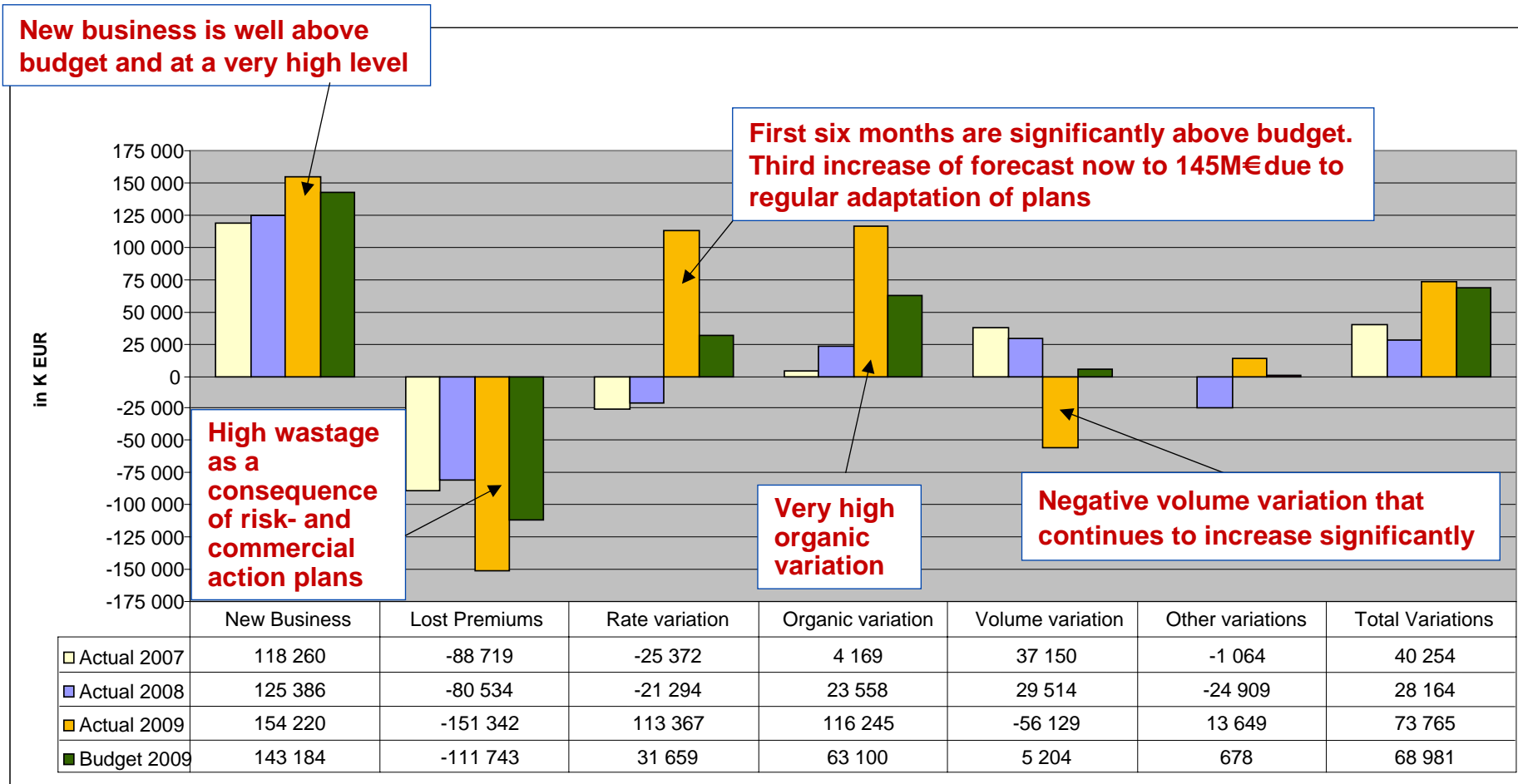


$$\text{Global Approval Rate} = \frac{\text{Total amounts granted to policyholders}}{\text{Total amounts requested by policyholders}}$$

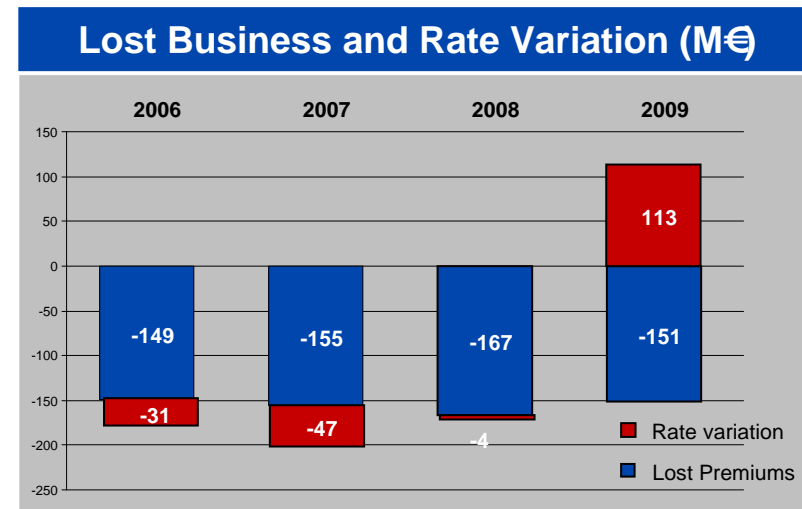
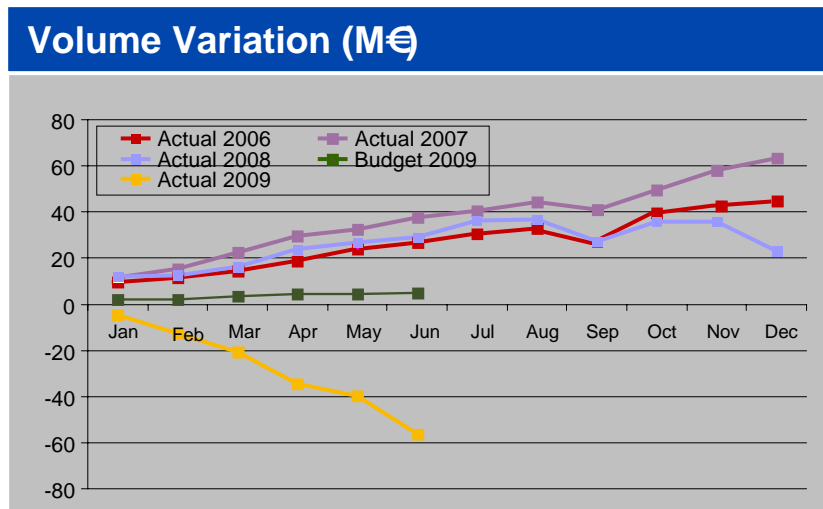
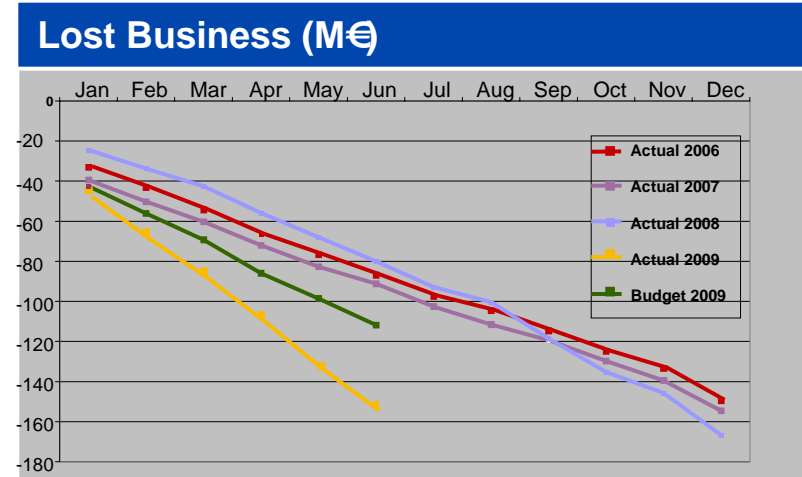
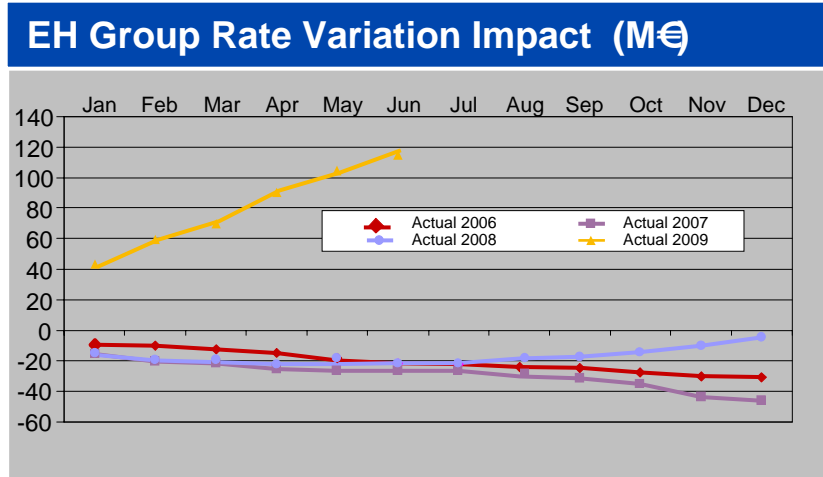
Risk Withdrawals (in number of limits)



Global Overview of Portfolio Value Evolution (06/09)



Overview of Commercial Recession Action Plan in 06/2009



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2Q 2009 Earned Premium Evolution per geographic area

in million €	Q2 2009 (1)	Q2 2008 (2)	Variation (1)/(2)	Q2 2008 (3)	Variation (1)/(3)
Germany	135.0	145.1	-6.9%	145.1	-6.9%
France	77.9	86.5	-10.0%	86.5	-10.0%
Italy	41.3	56.2	-26.6%	56.2	-26.6%
United Kingdom	44.1	47.6	-7.5%	43.0	2.4%
USA	32.5	27.6	18.0%	31.0	4.9%
Belgium	15.2	15.8	-4.0%	15.8	-4.0%
Netherlands	10.0	10.2	-2.1%	10.2	-2.1%
Scandinavia	10.3	10.0	3.0%	8.7	17.7%
Poland	10.2	9.7	4.7%	7.4	37.0%
Sub-Total Large BU's	376.5	408.8	-7.9%	404.1	-6.8%
- of which euro zone	279.4	313.9	-11.0%	313.9	-11.0%
Sub-total New markets	56.7	45.3	25.1%	45.3	25.0%
Euler Hermes	433.1	454.1	-4.6%	449.4	-3.6%

(1) Credit-Insurance Earned Premium with geographical reclassification

(2) Credit-Insurance Earned Premium with geographical reclassification pro forma

(3) Credit-Insurance Earned Premium with geographical reclassification pro forma at constant exchange rate

2Q 2009 Turnover Evolution per geographic area

in million €	Q2 2009 (1)	Q2 2008 (2)	Variation (1)/(2)	Q2 2008 (3)	Variation (1)/(3)
Germany	178.1	190.8	-6.1%	188.3	-5.4%
France	97.4	104.8	-7.1%	105.4	-7.6%
Italy	52.8	69.5	-24.1%	69.5	-24.1%
United Kingdom	48.1	50.3	-4.4%	45.5	5.8%
USA	37.7	32.5	16.0%	36.6	3.1%
Belgium	19.4	19.4	-0.1%	19.4	-0.1%
Netherlands	13.3	13.6	-1.6%	13.6	-1.6%
Scandinavia	13.0	11.3	15.1%	9.9	31.4%
Poland	14.1	13.2	7.1%	10.1	40.2%
Sub-Total Large BU's	473.9	505.5	-6.2%	498.3	-4.9%
- of which euro zone	360.9	398.2	-9.3%	396.2	-8.9%
Sub-total New markets	62.1	51.0	21.7%	53.0	17.2%
Euler Hermes	536.0	556.5	-3.7%	551.2	-2.8%

(1) Credit-Insurance turnover with geographical reclassification

(2) Credit-Insurance turnover with geographical reclassification pro forma

(3) Credit-Insurance turnover with geographical reclassification pro forma at constant exchange rate

Key Figures 2Q 2009 – Profit & Loss (part 1)

in thousand €	Q2 (Only) 2009	Q2 (Only) 2008	Variation %
Net earned premium	290 705	347 697	-16.4%
Net claims cost	-271 370	-224 489	20.9%
Net technical & non-technical expenses	-73 499	-82 634	-11.1%
Operating income from insurance activities	-54 164	40 575	-233.5%
<i>Combined ratio from insurance activities FORMAT ALLIANZ</i>	118.6%	88.3%	
Service revenues	102 830	102 397	0.4%
Service expenses	-93 340	-81 872	14.0%
Operating profit from service activities	9 490	20 525	-53.8%
Total Technical Result	-44 673	61 099	-173.1%
<i>Full technical combined ratio including service activities FORMAT EH/AGF</i>	114.5%	81.9%	
<i>Of which Loss Ratio</i>	93.3%	64.6%	
<i>Cost Ratio</i>	21.1%	17.3%	

Key Figures 2Q 2009 – Profit & Loss (part 2)

in thousand €	Q2 (Only) 2009	Q2 (Only) 2008	Variation %
Technical result	-44 673	61 100	-173.1%
Financial income net of expenses	36 972	65 928	-43.9%
Ordinary operating income	-7 701	127 028	-106.1%
Other non ordinary income and expense	-7 480	0	n/a
Financing expenses	-2 764	-3 802	-27.3%
Income from companies accounted for by equity method	-579	2 575	-122.5%
Corporation tax	3 614	-40 530	-108.9%
Minority interest	-907	-1 330	-31.8%
Consolidated net income	-15 818	83 940	-118.8%
Tax rate	-19.5%	-32.2%	

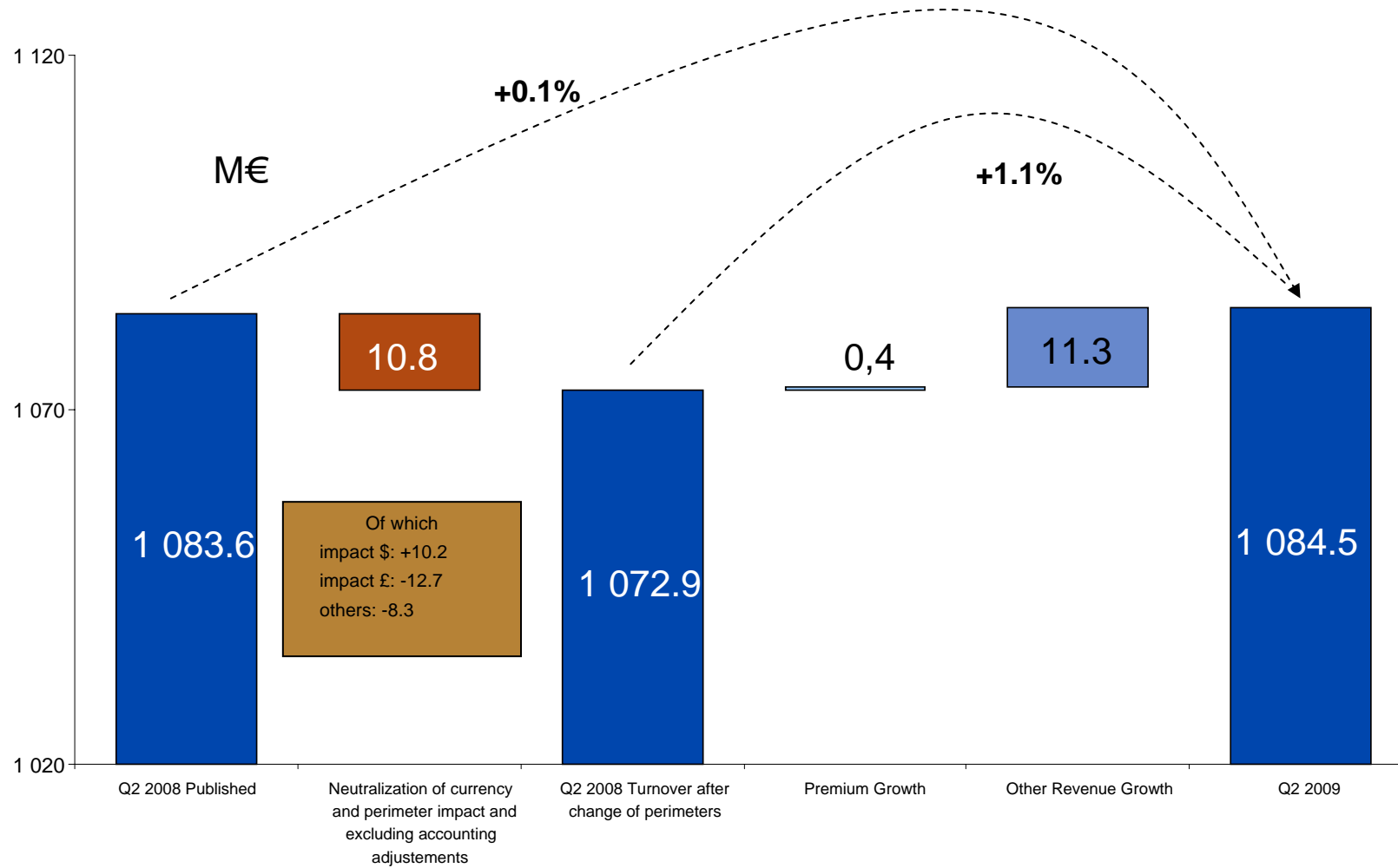
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Key Figures YTD 2009

in million €	S1 2009 YTD	S1 2008 YTD	Variation in amount	Variation in %
Turnover	1 084.5	1 083.6	0.9	0.1%
Technical result	-59.5	114.2	-173.7	-152.1%
Net financial income (excluding financing costs)	95.0	87.2	7.7	8.8%
Operating income	35.4	201.5	-166.0	-82.4%
<i>Of which realised gains and losses</i>	55.1	31.4	23.8	75.8%
<i>Net of realised gains and losses</i>	-19.7	170.1	-189.8	-111.6%
Net consolidated result	0.7	122.3	-121.6	-99.4%
AZ Net combined ratio	116.8%	91.7%		
Euler Hermes Net combined ratio (including Service margin)	109.1%	82.5%		

2009 YTD Turnover Evolution



2009 YTD GWP Evolution per geographic area

in million €	30/06/2009 (1)	30/06/2008 (2)	Variation (1)/(2)	30/06/2008 (3)	Variation (1)/(3)
Germany	302.2	319.0	-5.3%	319.0	-5.3%
France	161.3	169.4	-4.8%	169.4	-4.8%
Italy	104.2	121.4	-14.1%	121.4	-14.1%
United Kingdom	95.2	113.9	-16.4%	99.8	-4.6%
USA	69.5	61.4	13.2%	70.9	-2.0%
Belgium	31.3	37.5	-16.4%	37.5	-16.4%
Netherlands	21.5	20.8	3.6%	20.8	3.6%
Scandinavia	23.0	21.4	7.5%	18.6	24.2%
Poland	27.6	20.0	37.7%	15.4	79.5%
Sub-Total Large BU's	835.9	884.9	-5.5%	872.7	-4.2%
<i>- of which euro zone</i>	<i>620.6</i>	<i>668.1</i>	<i>-7.1%</i>	<i>668.1</i>	<i>-7.1%</i>
Sub-total New markets	117.9	102.2	15.3%	102.7	14.8%
Euler Hermes	953.8	987.1	-3.4%	975.4	-2.2%

(1) Credit-Insurance GWP with geographical reclassification

(2) Credit-Insurance GWP with geographical reclassification pro forma

(3) Credit-Insurance GWP with geographical reclassification pro forma at constant exchange rate

2009 YTD Earned Premium Evolution per geographic area

in million €	30/06/2009 (1)	30/06/2008 (2)	Variation (1)/(2)	30/06/2008 (3)	Variation (1)/(3)
Germany	277.5	287.7	-3.5%	287.7	-3.5%
France	159.2	167.1	-4.7%	167.1	-4.7%
Italy	90.1	104.9	-14.1%	104.9	-14.1%
United Kingdom	88.2	95.5	-7.6%	83.6	5.5%
USA	68.8	55.9	23.1%	64.5	6.6%
Belgium	30.0	32.9	-8.6%	32.9	-8.6%
Netherlands	20.2	20.4	-0.6%	20.4	-0.6%
Scandinavia	20.9	20.3	2.6%	17.6	18.5%
Poland	18.1	18.7	-3.3%	14.3	26.0%
Sub-Total Large BU's	773.2	803.3	-3.8%	793.0	-2.5%
- of which euro zone	577.2	612.8	-5.8%	612.8	-5.8%
Sub-total New markets	108.3	87.5	23.8%	88.0	23.0%
Euler Hermes	881.4	890.8	-1.0%	881.1	0.0%

(1) Credit-Insurance Earned Premium with geographical reclassification

(2) Credit-Insurance Earned Premium with geographical reclassification pro forma

(3) Credit-Insurance Earned Premium with geographical reclassification pro forma at constant exchange rate

2009 YTD Turnover Evolution per geographic area

in million €	30/06/2009 (1)	30/06/2008 (2)	Variation (1)/(2)	30/06/2008 (3)	Variation (1)/(3)
Germany	359.9	369.1	-2.5%	366.6	-1.8%
France	198.2	203.9	-2.8%	204.6	-3.1%
Italy	110.6	128.3	-13.9%	128.3	-13.9%
United Kingdom	95.7	102.2	-6.4%	89.5	6.9%
USA	79.6	66.0	20.6%	76.2	4.5%
Belgium	38.7	39.3	-1.5%	39.3	-1.5%
Netherlands	27.1	26.3	2.9%	26.3	2.9%
Scandinavia	25.7	23.2	10.8%	20.1	27.9%
Poland	26.0	25.8	0.9%	19.8	31.4%
Sub-Total Large BU's	961.4	984.3	-2.3%	970.7	-1.0%
- of which euro zone	734.4	767.0	-4.3%	765.1	-4.0%
Sub-total New markets	123.1	99.4	23.9%	102.2	20.5%
Euler Hermes	1 084.5	1 083.6	0.1%	1 072.9	1.1%

(1) Credit-Insurance turnover with geographical reclassification

(2) Credit-Insurance turnover with geographical reclassification pro forma

(3) Credit-Insurance turnover with geographical reclassification pro forma at constant exchange rate

2009 YTD Turnover Evolution

in million €	S1 2009 YTD	S1 2008 YTD	Variation in amount	Variation in %
Premium	881.4	890.8	-9.3	-1.0%
Other Revenues	203.1	192.8	10.2	5.3%
Total Credit insurance turnover	1 084.5	1 083.6	0.9	0.1%

Earned premiums by activities

in million €	S1 2009 YTD	S1 2008 YTD	Variation in %
Credit Insurance	772.6	777.5	-0.6%
Bonding	60.2	62.6	-3.9%
Fidelity	38.5	40.4	-4.7%
Retail	10.1	10.2	-1.0%
Earned premiums	881.4	890.8	-1.0%

Key figures YTD 2009 – Profit & Loss (part 1)

in thousand €	S1 2009 YTD	S1 2008 YTD	Variation %
Net earned premium	603 354	675 595	-10.7%
Net claims cost	-533 381	-430 610	23.9%
Net technical & non-technical expenses	-171 169	-178 134	-3.9%
Operating income from insurance activities	-101 196	66 852	-251.4%
<i>Combined ratio from insurance activities FORMAT ALLIANZ</i>	116.8%	90.1%	
Service revenues	203 072	192 850	5.3%
Service expenses	-161 390	-145 467	10.9%
Operating profit from service activities	41 682	47 383	-12.0%
Total Technical Result	-59 514	114 235	-152.1%
<i>Full technical combined ratio including service activities FORMAT EH/AGF</i>	109.1%	82.5%	
<i>Of which Loss Ratio</i>	88.4%	63.7%	
<i>Cost Ratio</i>	20.7%	18.8%	

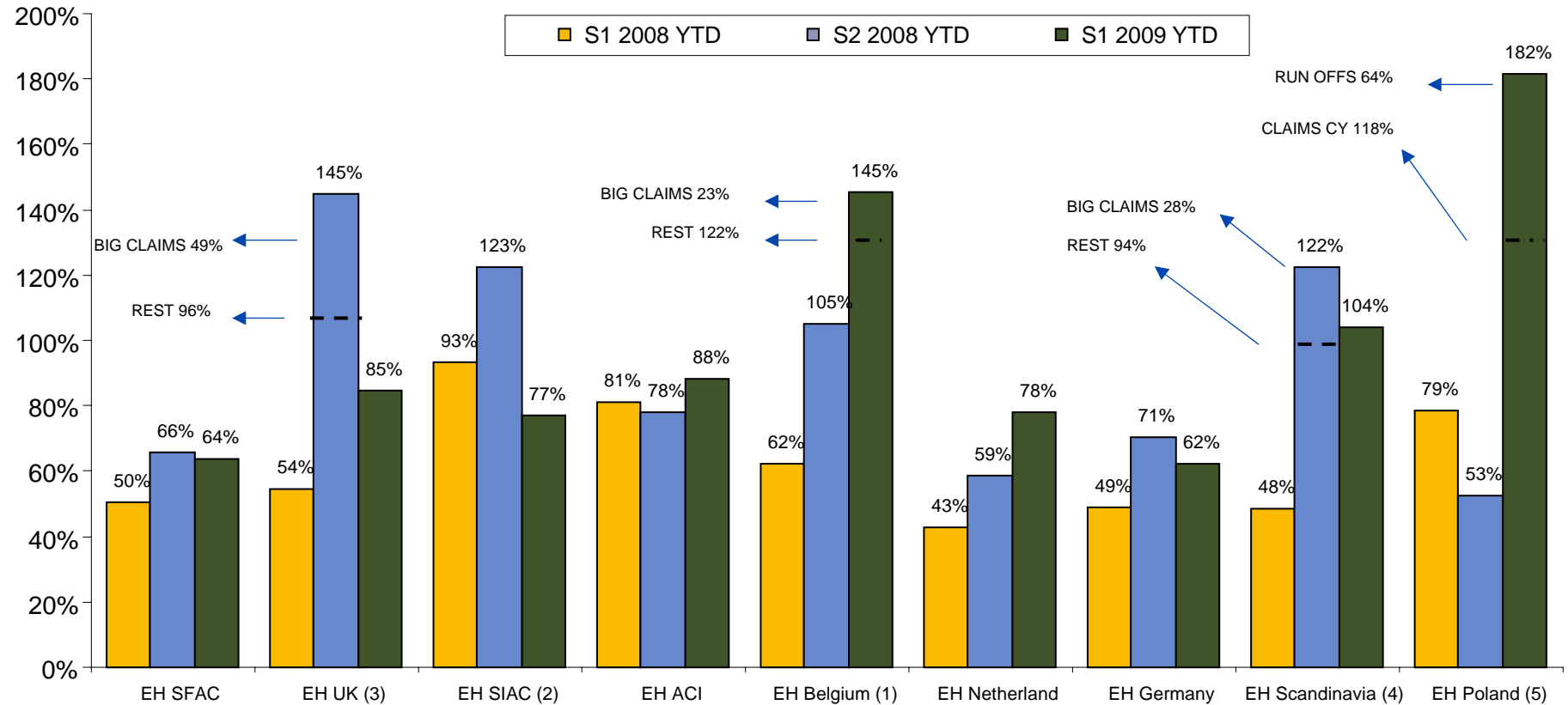
2009 YTD Net Earned Premium Evolution

in thousand €	S1 2009 YTD	S1 2008 YTD	Variation %
Gross earned premiums	881 429	890 770	-1.0%
Ceded premiums	-278 075	-215 175	29.2%
Net earned premiums	603 354	675 595	-10.7%
Cession rate	-31.5%	-24.2%	
Cession rate without XoL premium (assumed XOL=1.6% retention in 2008) (assumed XOL=2.5% retention in 2009)	-29.1%	-22.6%	

2009 YTD Net Claims Costs Evolution

in thousand €	S1 2009 YTD	S1 2008 YTD	Variation %
Gross claims costs current attachement years	-725 455	-553 055	31.2%
Ceded claims costs current attachement years	206 340	108 646	89.9%
Net claim costs current attachement years	-519 114	-444 410	16.8%
<i>Cession rate current attachement years</i>	<i>28%</i>	<i>20%</i>	
Gross claims costs previous attachement years	14 656	19 652	-25.4%
Ceded claims costs previous attachement years	-28 923	-5 851	394.3%
Net claims costs previous attachement years	-14 267	13 801	-203.4%
<i>Cession rate previous attachement year</i>	<i>197%</i>	<i>30%</i>	
Claims costs	-533 381	-430 609	23.9%
Gross Claims ratio current attachement year	-82.3%	-62.1%	
Gross Claims ratio attachement previous year	1.7%	2.2%	
Gross Claims ratio	-80.6%	-59.9%	
Net Claims ratio current attachement year	-86.0%	-65.8%	
Net Claims ratio attachement previous year	-2.4%	2.0%	
Net Claims ratio	-88.4%	-63.7%	

2009 YTD Gross loss ratio per operating entity



(1) Operational figures from commercial credit insurance activity only. The Big Claims (3) amounts -5.48 mn euros.

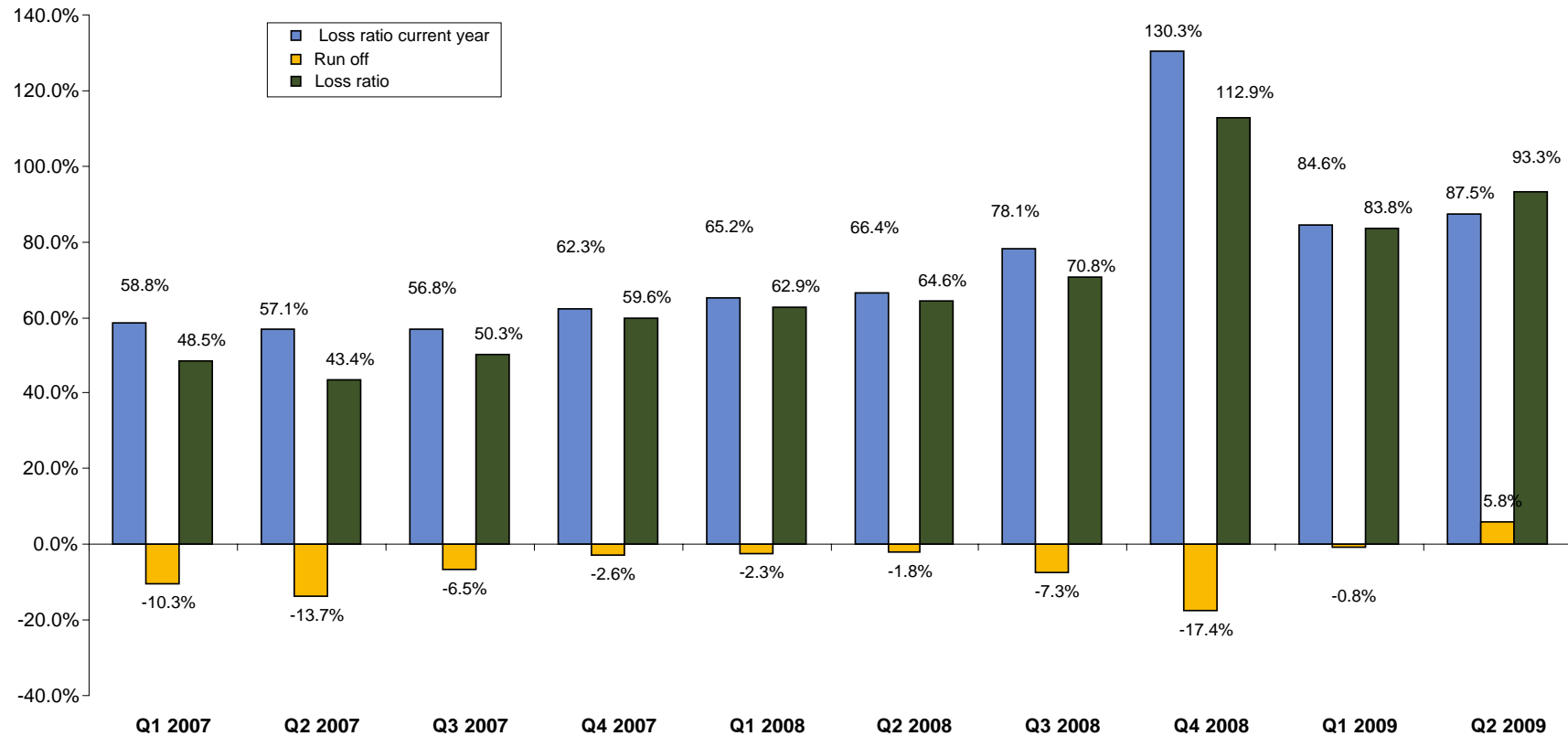
(2) SIAC does not include positive PARMALAT run off of +20.8 mn euros (-23%)

(3) Big Claim « Woolworths » amounts -41.1 mn euros.

(4) Big Claim « Prometheus » amounts -5.6 mn euros.

(5) Poland run offs amounts -11.5 mn euros.

EH Group Net Loss Ratio Evolution



2009 YTD Gross Expenses Evolution

in thousand €	S1 2009 YTD	S1 2008 YTD	Variation %
Contract acquisition expenses	-171 834	-166 458	3.2%
Administration & Other ordinary income and expenses	-89 409	-95 412	-6.3%
Service expenses	-159 979	-147 087	8.8%
Total recurrent expenses	-421 221	-408 957	3.0%
Total non recurrent expenses	-1 411	5 695	-124.8%
Total gross expenses	-422 632	-403 262	4.8%
of which non technical expenses	-4 758	-3 940	
Total gross Technical expenses	-417 874	-399 322	4.6%
Gross technical expense ratio	24.4%	23.2%	
Net technical expense ratio	20.7%	18.8%	

2009 YTD Net Expenses Evolution

in thousand €	S1 2009 YTD	S1 2008 YTD	Variation %
Total gross technical expenses	-417 874	-399 322	4.6%
Service fees	203 072	192 850	5.3%
Expenses net of fees	-214 802	-206 472	4.0%
Gross earned premium	881 429	890 770	-1.0%
Reinsurance commission	90 073	79 666	13.1%
Ceded premiums	-278 075	-215 175	29.2%
Net technical expenses	-124 729	-126 807	-1.6%
Net premium	603 354	675 595	-10.7%
Gross technical expense ratio	24.4%	23.2%	
Net technical expense ratio	20.7%	18.8%	

2009 YTD Net Financial Income Evolution

in thousand €	S1 2009 YTD	S1 2008 YTD	variation %
Income from investment property	3 815	3 765	1.3%
Income from securities-Bonds	34 724	38 526	-9.9%
Income from securities-equities	1 829	5 754	-68.2%
Income from securities	36 553	44 280	-17.4%
Other financial income	10 060	17 861	-43.7%
Investments income	50 428	65 906	-23.5%
Investment expenses	(3 694)	(4 669)	-20.9%
Net Fx result	(5 654)	(1 638)	245.3%
Net gains and losses on sales of investments less impairment and amortisation	53 872	27 634	94.9%
Net financial income (excluding financing expense)	94 952	87 233	8.8%

2009 YTD Net Financial Portfolio Evolution

in thousand €	2009.06					2008.12				
	Amortized cost	Revaluation reserve	Net carrying amount	Fair value	Unrealized gains and losses	Amortized cost	Revaluation reserve	Net carrying amount	Fair value	Unrealized gains and losses
- Equities:	123 754	573	124 560	124 562	2	136 083	16 064	152 147	152 147	-
- Bonds:	1 853 720	36 651	1 890 373	1 890 370	(3)	1 812 265	62 584	1 874 849	1 874 903	54
- Loans and other investments	530 476	-	530 476	530 476	-	563 990	-	563 990	563 990	-
Total Financial investments	2 507 950	37 224	2 545 409	2 545 408	(1)	2 512 338	78 648	2 590 986	2 591 040	54
Building third party use	-	-	47 397	96 103	48 706	-	-	71 834	134 139	62 305
Cash	-	-	688 601	688 601	-	-	-	613 907	613 907	-
Total			3 281 407	3 330 112	48 705			3 276 727	3 339 086	62 359

Key figures 2Q 2009 – Profit & Loss (part 2)

in thousand €	S1 2009 YTD	S1 2008 YTD	Variation %
Technical result	-59 514	114 236	-152.1%
Financial income net of expenses	94 952	87 233	8.8%
Ordinary operating income	35 438	201 469	-82.4%
Other non ordinary income and expense	-7 507	0	n/a
Financing expenses	-6 025	-7 630	-21.0%
Income from companies accounted for by equity method	1 497	4 124	-63.7%
Corporation tax	-20 896	-72 955	-71.4%
Minority interest	-1 790	-2 677	-33.1%
Consolidated net income	717	122 331	-99.4%
Tax rate	-89.3%	-36.9%	

2009 Change in Shareholder's Equity

in thousand €	Capital stock	Additional paid-in capital	Retained earnings	Revaluation reserve	Other		Shareholders' equity, group share	Minority interests	Total shareholders' equity	
					Translation reserve	Treasury shares				Total other
Opening Shareholders' equity	14 426	451 924	1 476 216	50 279	(73 191)	(84 697)	(157 888)	1 834 957	20 328	1 855 285
Available-for-sale assets (AFS)	-	-	-	-	-	-	-	-	-	-
Measurement gain / (loss) taken to shareholders' equity	-	-	-	3 498	-	-	-	3 498	36	3 534
Impact of transferring realised gains and losses to income statement	-	-	-	(28 052)	-	-	-	(28 052)	-	(28 052)
Cash flow hedges	-	-	-	-	-	-	-	-	-	-
Gain / (loss) taken to shareholders' equity	-	-	-	-	-	-	-	-	-	-
Impact of transferring realised profits and losses in the year to income statement	-	-	-	-	-	-	-	-	-	-
Impact of transfers on the initial amount of hedges	-	-	-	-	-	-	-	-	-	-
Impact of translation differences	-	-	-	701	18 865	-	18 865	19 566	(45)	19 521
Current and deferred tax taken directly to or transferred to shareholders' equity	-	-	-	-	-	-	-	-	-	-
Net income recognised in shareholders' equity	-	-	-	(23 853)	18 865	-	18 865	(4 988)	(9)	(4 997)
Net income for the year	-	-	717	-	-	-	-	717	1 790	2 507
Total revenues and losses recognised for the period	-	-	717	(23 853)	18 865	-	18 865	(4 271)	1 781	(2 490)
Capital movements	-	-	-	-	-	(711)	(711)	(711)	-	(711)
Dividend distributions	-	-	(65 278)	-	-	-	-	(65 278)	(1 660)	(66 938)
Shareholders' equity component of share-based payment plans	-	-	222	-	-	-	-	222	-	222
Cancellation of gains/losses on treasury shares	-	-	-	-	-	-	-	-	-	-
Other movements	-	-	433	-	-	-	-	433	32	465
Closing Shareholders' equity	14 426	451 924	1 412 310	26 426	(54 326)	(85 408)	(139 734)	1 765 352	20 481	1 785 833

Thank you
for your attention.

Appendices

YTD June 09 result vs YTD June 08 result

<i>(en milliers d'euros)</i>	Notes	2009.06	2008.06
<i>Primes émises</i>		986 028	1 023 265
<i>Ristournes de primes</i>		(32 241)	(36 160)
<i>Variation des primes non acquises</i>		(72 358)	(96 335)
Primes acquises		881 429	890 770
Accessoires de primes		203 072	192 850
Chiffre d'affaires	7	1 084 501	1 083 620
Produits des placements		111 215	72 266
Charges des placements		(70 135)	(12 667)
Plus et moins-values de cession des placements nettes des reprises de dépréciation et d'amor		55 488	31 350
Variation de juste valeur des placements comptabilisés à la juste valeur par résultat		(341)	(232)
Variation des dépréciations sur placements		(1 275)	(3 484)
Produits des placements nets de charges		94 952	87 233
Charges des prestations d'assurance		(710 798)	(533 404)
Produits des cessions en réassurance		(278 075)	(215 175)
Charges des cessions en réassurance		267 490	182 456
Charges ou produits nets des cessions en réassurance	7	(10 585)	(32 719)
Frais d'acquisition des contrats		(171 834)	(166 458)
Frais d'administration		(88 886)	(80 443)
Autres produits et charges opérationnels courants		(161 912)	(156 360)
RESULTAT OPERATIONNEL COURANT		35 438	201 469
Autres produits et charges opérationnels non courants		(7 507)	-
RESULTAT OPERATIONNEL	7	27 931	201 469
Charges de financement		(6 025)	(7 630)
Quote-part dans les résultats des entreprises associées	4	1 497	4 124
Impôts sur les résultats		(20 896)	(72 955)
RESULTAT NET DE L'ENSEMBLE CONSOLIDE		2 507	125 008
Dont			
RESULTAT NET, PART DU GROUPE		717	122 331
Part revenant aux actionnaires minoritaires		1 790	2 677

Balance sheet - Assets

<i>(in thousands of euros)</i>	2009.06	2008.12
Goodwill	108 493	102 678
Other intangible assets	91 284	83 235
Intangible assets	199 777	185 913
Investment property	47 397	71 834
Financial investments	2 545 408	2 590 986
Derivatives	3 169	3 052
Investments- insurance businesses	2 595 974	2 665 872
Investments accounted for by the equity method	87 859	93 550
Share of assignees and reinsurers in the technical reserves and financial liabilities	521 596	417 978
Operating property and other property and equipment	161 842	162 426
Acquisition costs capitalised	51 913	46 798
Deferred tax assets	40 824	31 942
Inwards insurance and reinsurance receivables	569 998	498 208
Outwards reinsurance receivables	13 892	96 225
Corporation tax receivables	44 622	94 890
Other receivables	199 300	149 386
Other assets	1 082 391	1 079 875
Cash	688 601	613 907
TOTAL ASSETS	5 176 198	5 057 095

Balance sheet - Liabilities

<i>(in thousands of euros)</i>	2009.06	2008.12
Capital stock	14 426	14 426
Additional paid-in capital	451 924	451 924
Reserves	1 326 185	1 307 927
Net income, group share	717	83 592
Revaluation reserve	26 426	50 279
Translation reserve	(54 326)	(73 191)
Shareholders' equity, group share	1 765 352	1 834 957
Minority interests	20 481	20 328
Total shareholders' equity	1 785 833	1 855 285
Provisions for risks and charges	173 642	141 648
Bank borrowings	1 272	2 313
Other borrowings	297 095	295 433
Borrowings	298 367	297 746
Gross non-life technical reserves	2 036 301	1 853 698
Liabilities related to contracts	2 036 301	1 853 698
Deferred tax liabilities	321 854	354 367
Inwards insurance and reinsurance liabilities	186 052	195 172
Outwards reinsurance liabilities	103 857	96 697
Corporation tax payables	43 129	30 222
Other payables	227 163	232 260
Other liabilities	882 055	908 718
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	5 176 198	5 057 095

June 2009 YTD Claims evolution: Technical Reserves

<i>(in thousands of euros)</i>	2008.12	Net provisions	Foreign exchange differences	Other changes	2009.06
Reserve for unearned premiums	314 691	70 707	6 636	2 057	394 091
Reserve for claims	1 422 610	92 185	16 723	3 735	1 535 253
Reserve for no-claims bonuses and refunds	116 397	(9 962)	607	(85)	106 957
Gross technical reserves	1 853 698	152 930	23 966	5 707	2 036 301
Reserve for unearned premiums	47 853	43 474	59	3 510	94 896
Reserve for claims	353 186	52 099	1 545	3 381	410 211
Reserve for no-claims bonuses and refunds	16 939	(1 027)	566	11	16 489
Reinsurers' share of technical reserves	417 978	94 546	2 170	6 902	521 596
Net technical reserves	1 435 720	58 384	21 796	(1 195)	1 514 705

June 2009 YTD Claims evolution

Claims reserves

<i>(in thousands of euros)</i>	2009.06			2008.06		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
Claims reserves gross of recoveries	1 823 370	(468 171)	1 355 199	1 391 568	(350 150)	1 041 418
Current period	686 842	(193 258)	493 584	529 149	(106 305)	422 844
Prior periods	1 136 528	(274 913)	861 615	862 419	(243 845)	618 574
Recoveries to be received	(288 118)	57 959	(230 159)	(227 062)	40 984	(186 078)
Current period	(80 815)	19 980	(60 835)	(47 895)	7 656	(40 239)
Prior periods	(207 303)	37 979	(169 324)	(179 167)	33 328	(145 839)
Claims reserves	1 535 252	(410 212)	1 125 040	1 164 506	(309 166)	855 340

Breakdown by type of reserve

<i>(in thousands of euros)</i>	2009.06			2008.06		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
Reserves for unearned premiums	394 091	(94 896)	299 195	392 482	(64 370)	328 112
Claims reserves	1 535 252	(410 212)	1 125 040	1 164 506	(309 166)	855 340
of which, reserves for known claims	1 319 728	(422 515)	897 213	920 886	(336 770)	584 116
of which, reserves for late claims	392 939	(38 841)	354 098	361 058	50	361 108
of which, reserves for claims handling expenses	109 813	(6 815)	102 998	108 497	(13 417)	95 080
of which, other technical reserves	890	-	890	1 127	(13)	1 114
of which, recoveries to be received	(288 118)	57 959	(230 159)	(227 062)	40 984	(186 078)
No-claims bonuses and rebates	106 958	(16 488)	90 470	112 635	(16 050)	96 585
Technical reserves	2 036 301	(521 596)	1 514 705	1 669 623	(389 586)	1 280 037

Credit insurance government schemes

Along with the economic crisis appears a requirement from some governments to reinforce private Credit Insurance for the local economy aiming to compensate the trend for lower cover.

Principles for Euler Hermes

- No group initiative.
- Each discussion should stay local, country by country and not at European level.
- No State intervention in our risk policy, as we need to keep control of risk decisions.
- Temporary solutions with a limited timeframe.
- We are not looking for Reinsurance from each State of our business, as it could jeopardize our freedom of actions.
- We recommend Risk sharing mechanism, based on our decisions.

Main initiatives in countries (1/2)

Germany	In discussion : top up cover covering all fields (Dom/Exp, reduced and refused risks).
France	<p>Implemented : “CAP” , top up solution on reduced or partially accepted domestic risks</p> <p>Implemented : “CAP +” , State cover on grades 7 and 8 on top of refusal or cancellation from credit insurer, limited to domestic risk.</p> <p><u>More than 3600 policies signed, more than 13000 active limits for about 3000M€ covered on CAP and 200M€ covered on CAP+.</u></p> <p>In discussion : solution for export, scheduled for 09/09.</p> <p>Additional measures in place : information portal for the buyer on its own entity.</p>
UK / Ireland	<p>Implemented in UK : “TCITS” top up solution on <u>reduced (only)</u> domestic risks starting retroactively on 10/08.</p> <p>In discussion in Ireland</p>
Italy	<p>In discussion : top up solution on reduced or partially accepted domestic risks.</p> <p>(situation of Sace to be monitored with care)</p>
Belgium	In discussion : “BELGACAP” top up on reduced or partially accepted domestic and export risks, has been announced by the Belgian Government but is not yet effective and agreed by all parties.
Netherlands	In discussion : top up on reduced or partially accepted domestic and export risks.
Spain	EH Refused to participate to the “pure reinsurance” agreement proposed by the Spanish State (CCS).
Canada	Implemented : top up cover on reduced or partially accepted domestic risks.

Main initiatives in countries (2/2)

Portugal	<p>Implemented : Top up on reduced or partially accepted domestic and export risks (OECD I), and solution for cancelled risks linked with the grade (OECD II). New political risk lines outside OECD through ECA activity.</p> <p><u>About 250 policies signed, more than 5000 active limits for about 80M€ covered on OECD I and 50M€ covered on OECD II.</u></p>
Hungary	<p>Implemented : temporary transfer of export business to Hungarian Export Insurer (MEHIB) after agreement of the private insurer.</p>
Denmark	<p>Implemented : top up cover for Danish exporters all non-OECD countries. In addition EKF have applied the EU-Commission for permission to include certain OECD/EU countries in the scheme. A positive answer to this is expected soon.</p>
Hong Kong	<p>In discussion : domestic SME business support possibly with the support of some Banks.</p>
Singapore	<p>In discussion : top up cover for SME managed by AON (intermediary) and SG Government.</p>
New Zealand	<p>Close to agreement : State to act as the insurer of an excess layer of cover above a (reduced or partially approved) EH limit.</p>
Finland	<p>In discussion: same solution as in Denmark.</p>
Switzerland	<p>In discussion for a top up on export risks.</p>