

## Euler Hermes 2015 nine-month results

### PARIS – 29 OCTOBER 2015

- Revenues at €1,985 million, up 4.8% for the first nine months year-on-year at actual exchange rates (+1.0% at constant exchange rates)
- Operating income increased by 3.2%, at €325.3 million
- Net income at €226.8 million, down by 2.5%

“Euler Hermes continues to grow at nearly 5% year-on-year. The third quarter of 2015 was characterized by increasing claims activity in some of the emerging markets”, commented Wilfried Verstraete, Chairman of the Euler Hermes Board of Management. “As usual we have adapted our underwriting accordingly whilst preserving our unrivaled service to our clients.”

### I. Results for the first nine months of 2015

#### A. Key figures\*

<b>P&amp;L information</b> € million	<b>30 September 2015</b>	<b>30 September 2014</b>	<b>Variation vs. 30 September 2014</b>	
Gross Earned premiums	1,660.1	1,588.6	71.6	4.5%
Service revenues	324.8	305.0	19.8	6.5%
<b>Turnover</b>	<b>1,985.0</b>	<b>1,893.6</b>	91.4	4.8%
Net technical result	247.3	271.0	-23.7	-8.7%
Net investment income	79.4	66.0	13.4	20.3%
<b>Current operating income</b>	<b>326.7</b>	<b>337.0</b>	-10.3	-3.0%
Non-ordinary operating income & expenses	-1.4	-21.7	20.3	-93.7%
<b>Operating income</b>	<b>325.3</b>	<b>315.2</b>	10.1	3.2%
<b>Net income, Group share</b>	<b>226.8</b>	<b>232.5</b>	-5.8	-2.5%
Net claims ratio	51.1%	48.2%	2.9 pt.	
Net expense ratio	27.3%	26.5%	0.7 pt	
Net combined ratio	78.3%	74.7%	3.6 pt.	

<b>Balance sheet information</b> € million	<b>30 September 2015</b>	<b>31 December 2014</b>	<b>Variation vs. 31 December 2014</b>	
Total assets	6,542.1	6,359.7	182.4	2.9%
Shareholders' equity, Group share	2,644.3	2,580.5	63.8	2.5%
Total financial liabilities	252.6	284.2	-31.6	-11.1%

\*not audited

Shareholders' equity Group share is up by €63.8 million compared to year-end 2014, driven mainly by the net positive result, partially offset by the dividend paid in June 2015.

## B. Turnover

Revenues rise by 4.8% (1.0% at constant exchange rate). Progression is driven by our strategic markets and by improved revenue services.

Turnover € million	30 September 2015	30 September 2014 (published)	Variation %	30 September 2014 (1)	Variation % (1)
<b>Regions</b>					
Germany, Austria, Switzerland	562.8	570.3	-1.3%	574.9	-2.1%
France	295.6	302.5	-2.3%	302.5	-2.3%
Northern Europe	422.6	413.1	2.3%	427.7	-1.2%
Mediterranean Countries, Middle East & Africa	258.7	245.9	5.2%	251.6	2.8%
Americas	245.7	196.0	25.4%	230.5	6.6%
Asia-Pacific	107.2	76.2	40.8%	86.8	23.5%
Inward from non-conso. OE's and other (2)	92.4	89.6	N/A	91.1	N/A
<b>Euler Hermes Group</b>	<b>1,985.0</b>	<b>1,893.6</b>	<b>4.8%</b>	<b>1,965.1</b>	<b>1.0%</b>

Area contribution : After intra-region eliminations & before inter-region eliminations

(1) At constant exchange rates

(2) Corporate entities + inter-region eliminations

Premiums alone increase by 4.5% driven by good growth in hard currency markets.

A solid new business level combined with an overall stable retention compensates the soft insured turnover evolution and declining prices in mature European markets.

France continues to suffer from low insured turnover volumes whilst Germany has begun to reverse the negative trend of previous quarters.

## C. Operating income

Net combined ratio stands at 78.3% against 74.7% at the end of September last year, due to an increase in claims.

The net claims ratio stands at 51.1%, 2.9 points higher than last year. It includes a 9.7% net run-off ratio, compared to 15.6% at the end of September 2014. The lower run-off ratio is linked to a strengthening of reserves in emerging markets and a few mid-size claims in the Middle-East and Russia.

The net expense ratio stands at 27.3%, compared to 26.5% for the same period last year. The net expense ratio evolution is mainly linked to an adverse foreign exchange impact. Effectively, Euler Hermes' cost mix is unfavourably affected by increases in US dollar linked currencies.

Net financial income reaches €79.4 million against €66 million in 2014, linked to a positive foreign exchange result of €7.2 million and higher realized gains on bonds and equity markets.

The operating income stands at €325.3 million at the end of September 2015 compared to €315.2 million for the same period last year, which was impacted by a €17.2 million impairment of the German headquarters booked during the third quarter 2014.

## D. Investment portfolio

At the end of September 2015, the market value of Euler Hermes' investment portfolio stands at €4,575.7 million. The €117.8 million increase compared to year-end 2014 is linked to positive operating cash flows partly offset by the dividend paid in June.

## E. Net income

Net income is down by 2.5% compared to September 2014 and amounts to €226.8 million. This decrease is mainly due to a higher average tax rate and a €3.9 million impairment on an information company consolidated at equity method.

## F. Outlook

Our expectations for the global economy have been conservative since the beginning of the year. Since the summer, mature markets have remained reasonably stable, whereas we have seen clear signs of deterioration in emerging economies.

Adapting and adjusting to such situations is the bedrock of our profession. We have taken steps, and will continue to take them, in order to ensure greater than ever discipline on both pricing and underwriting.

Euler Hermes has proven its agility and resilience many times. We are confident that, despite temporary obstacles in some areas, our Group will continue to deliver quality to our customers and profitability for our shareholders.

## II. Results for the third quarter of 2015

P&L € million	3Q 2015	2Q 2015	1Q 2015	4Q 2014	3Q 2014	Variation vs. 3Q 2014	
Gross Earned premiums	537.8	558.0	564.3	537.3	524.5	13.3	2.5%
Service revenues	109.4	109.4	106.0	96.1	100.4	9.0	8.9%
<b>Turnover</b>	<b>647.2</b>	<b>667.4</b>	<b>670.3</b>	<b>633.4</b>	<b>625.0</b>	<b>22.3</b>	<b>3.6%</b>
Net technical result	54.3	99.2	93.8	80.1	75.1	-20.9	-27.8%
Net investment income	19.7	31.2	28.4	19.1	17.1	2.6	15.0%
<b>Ordinary operating income</b>	<b>74.0</b>	<b>130.5</b>	<b>122.2</b>	<b>99.2</b>	<b>92.3</b>	<b>-18.3</b>	<b>-19.8%</b>
Non-ordinary operating income & expenses	0.0	-0.2	-1.2	-1.3	-19.7	19.7	
<b>Operating income</b>	<b>74.0</b>	<b>130.3</b>	<b>121.1</b>	<b>97.9</b>	<b>72.6</b>	<b>1.4</b>	<b>1.9%</b>
<b>Net income, Group share</b>	<b>54.4</b>	<b>85.2</b>	<b>87.1</b>	<b>69.5</b>	<b>59.3</b>	<b>-4.9</b>	<b>-8.3%</b>
Net claims ratio	57.3%	45.2%	50.8%	50.6%	50.9%	6.4 pts	
Net expense ratio	27.8%	28.7%	25.3%	26.9%	27.1%	0.7 pt	
Net combined ratio	85.2%	73.9%	76.1%	77.5%	78.0%	7.2 pts	

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Financial and regulated information are available on Euler Hermes' website

<http://www.eulerhermes.com/finance/>

The financial documentation section includes the press release, the consolidated financial statements and the presentation of the first nine months results to analysts.

On Thursday, 29 October 2015, the Group Management Board of Euler Hermes (ELE.PA), a worldwide leader in credit insurance and in the areas of bonding and collections, presented its consolidated results as of 30 September 2015 to the Euler Hermes Supervisory Board. The results have been reviewed by the Audit Committee.

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Cautionary note regarding forward-looking statements: The statements contained herein may include 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 that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements which are forward-looking by reason of context, the words "may", "will", "should", "expects", "plans", "intends", "anticipates", "believes", "estimates", "predicts", "potential", or "continue" and similar expressions identify forward-looking statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (i) general economic conditions, including in particular economic conditions in the Euler Hermes Group's core business and core markets, (ii) performance of financial markets, including emerging markets, and including market volatility, liquidity and credit events (iii) the frequency and severity of insured loss events, including from natural catastrophes and including the development of loss expenses, (iv) persistency levels, (v) the extent of credit defaults, (vi) interest rate levels, (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.

The company assumes no obligation to update any forward-looking statement.