




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 Ambition

Secure companies' business growth all over the world



- Euler Hermes protects your company's business transactions and growth



- Euler Hermes, your services provider for the management of trade receivables



- Euler Hermes, your partner for business intelligence and information sharing

Euler Hermes at a Glance

Our key figures 2008

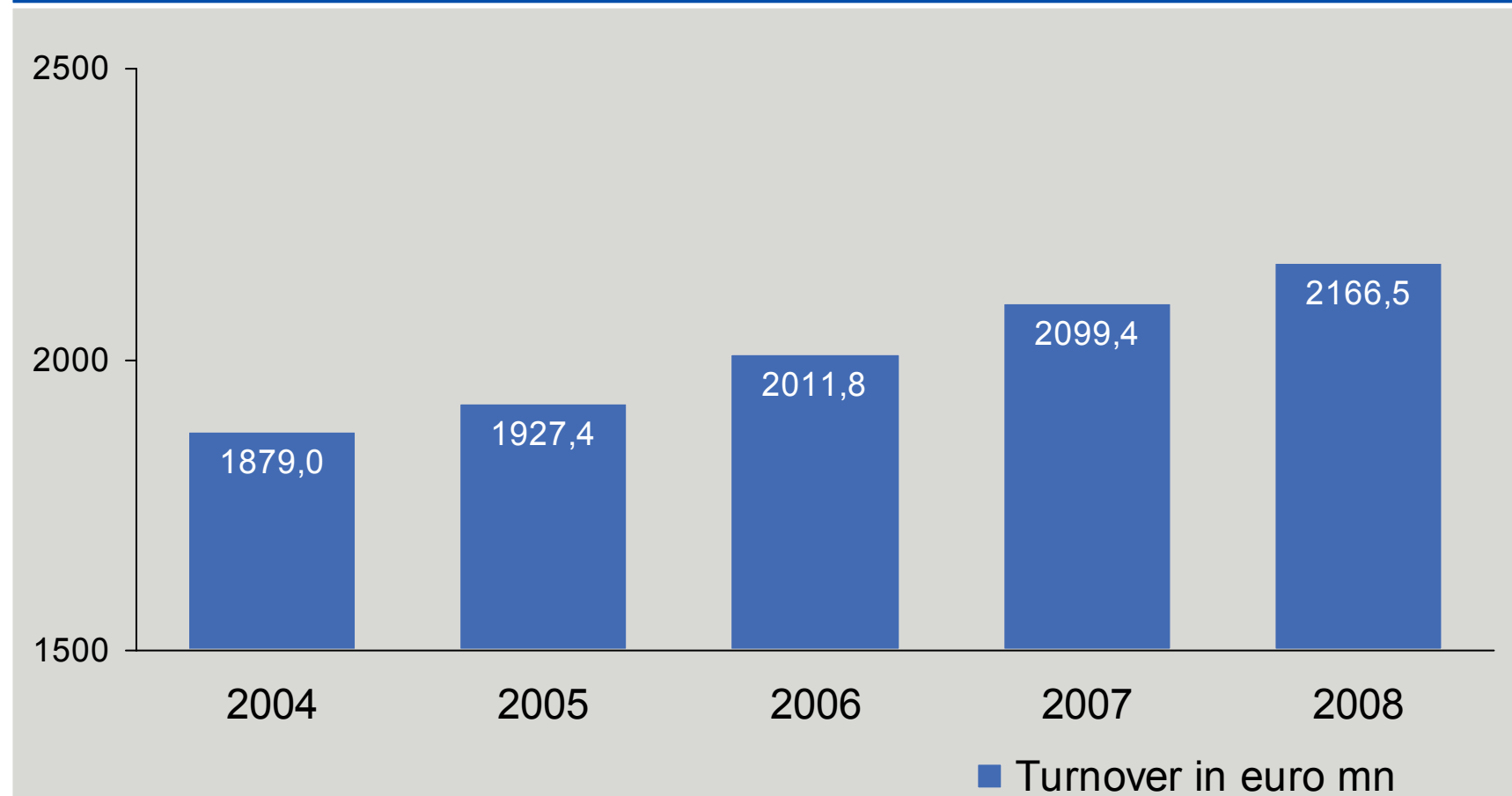
- Global leader in credit insurance with **36%** market share
- **2,17 billion euros** consolidated turnover
- **57,000** clients worldwide
- Presence in **over 50** countries on 5 continents
- **6,182** staff worldwide
- **800 billion euros** of business transactions protected worldwide
- **40 million** companies monitored in our risk database
- **25,000** credit limit requests received per day
- **82%** of credit limit requests processed in less than 48h
- **190,000** debt collections handled in 2008
- **AA-** financial rating by Standard & Poor's (July 2008)

Our Key Financial Data 2008

Euler Hermes Group	
	FY 2008
	Euro mn
Total revenues	2,166.5
Technical result	35.6
Net financial income	132.9
Operating income	168.5
Net consolidated result	83.6
Net combined ratio	97.2%

Euler Hermes Consolidated Turnover

Turnover evolution 2004-2008



Your Global Financial Solutions Provider for Trade Receivables

Our lines of business

- Credit insurance
- Trade debt collection
- Bonding & guarantees



Additional services

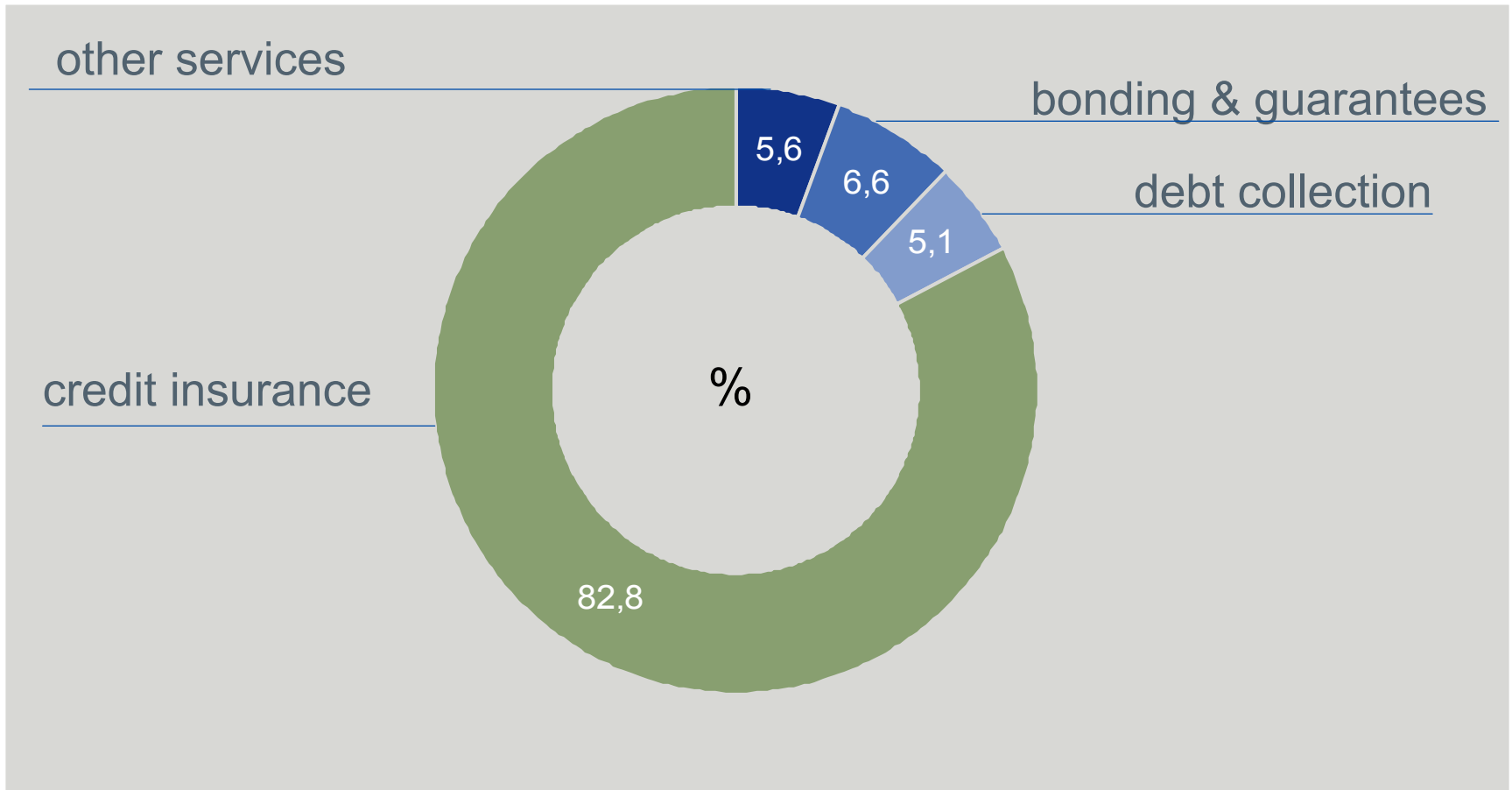
- Financing of trade receivables
- Insurance against fraud
- Export guarantee on behalf of the German government



 The world leader in credit insurance with a **36%** market share

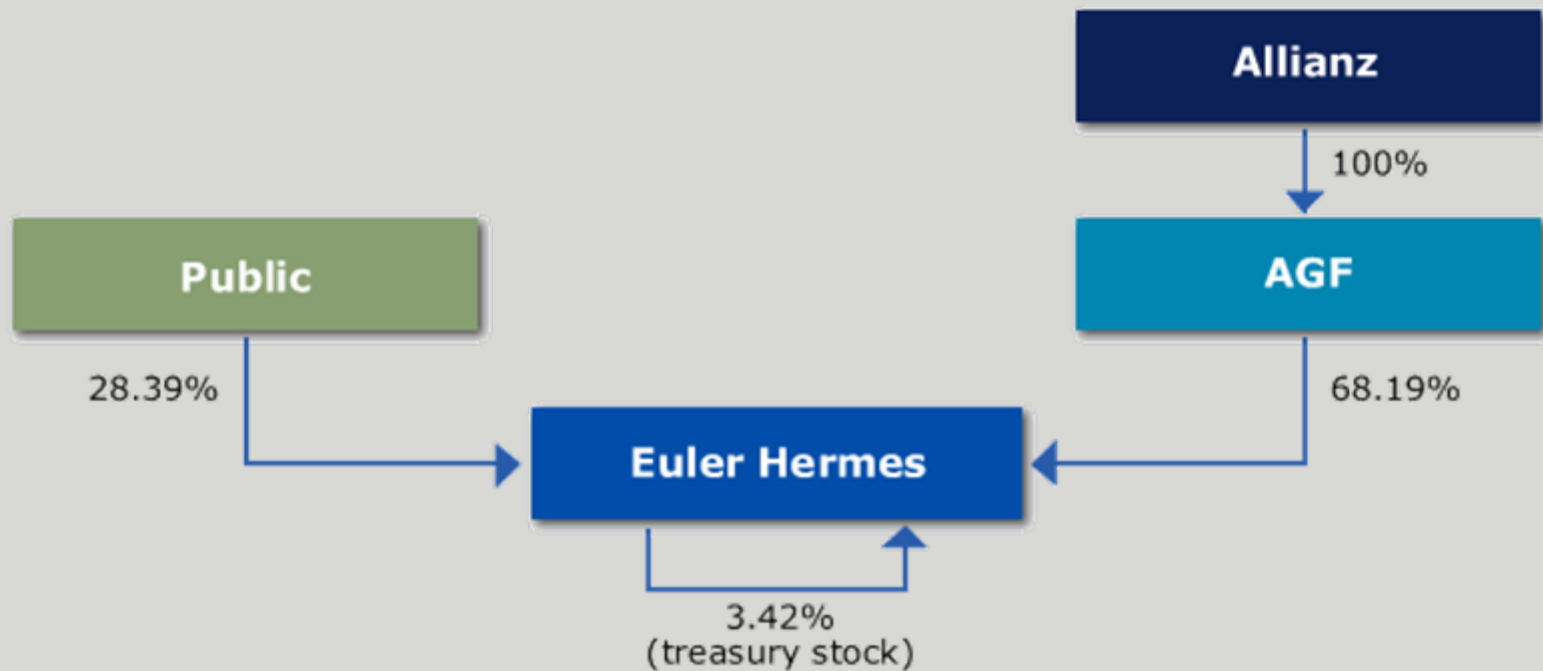
Our Business Lines

By turnover in %

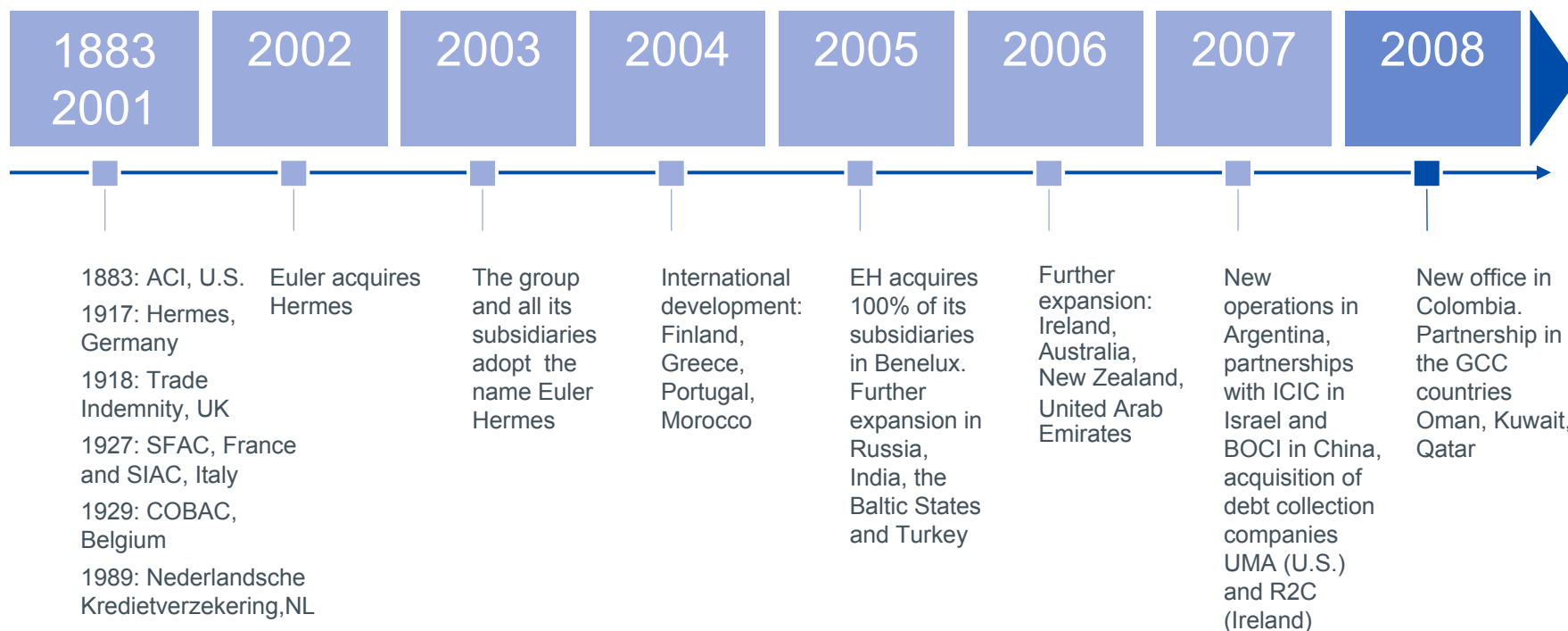


Our Shareholding Structure

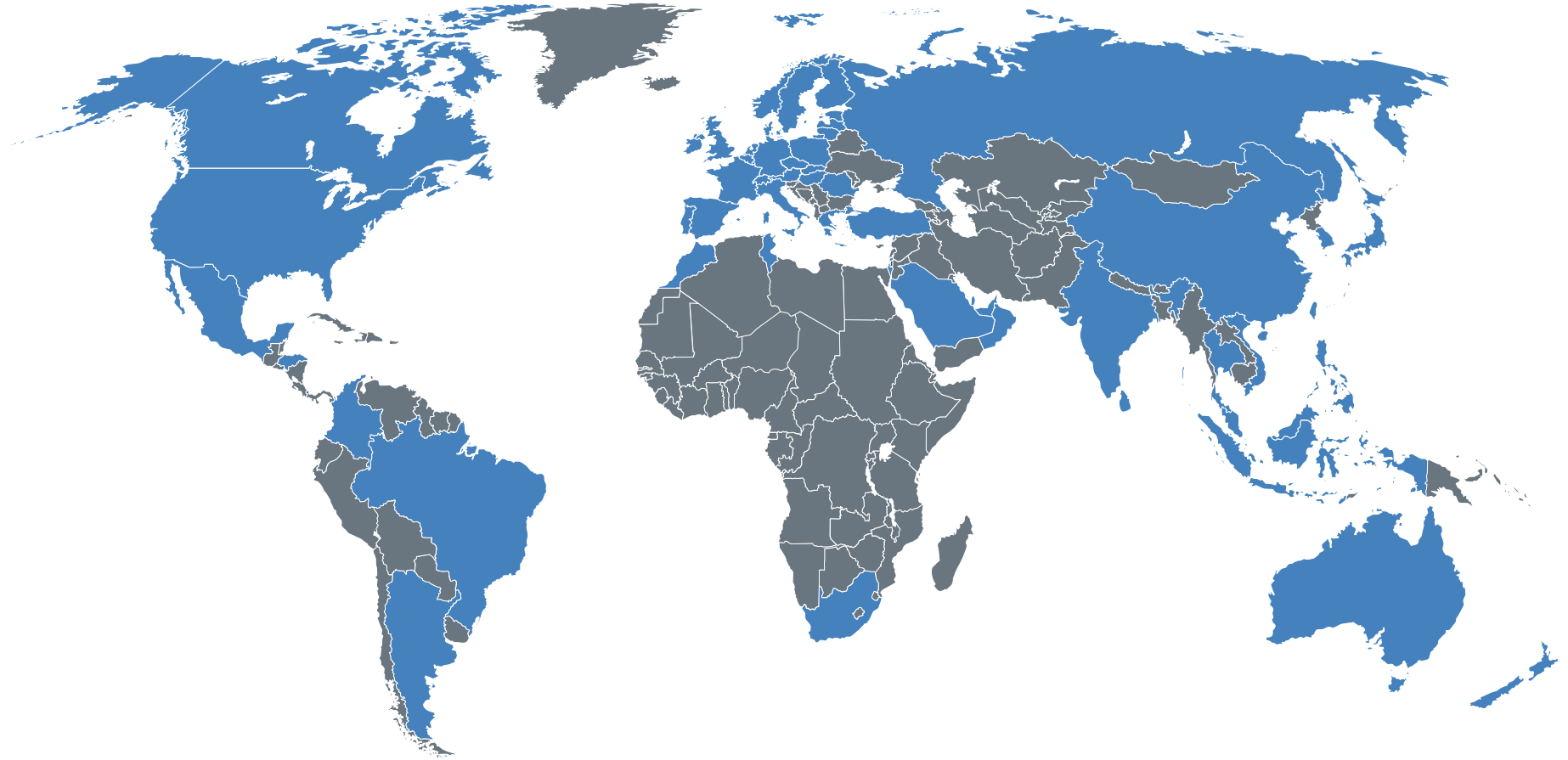
As of 31 Dec. 2008



Milestones in Euler Hermes' History



Our Global Network – 1 Euler Hermes Presence



Our Global Network - 2

Presence in over 50 countries across five continents

Argentina

Australia

Austria

Bahrain

Belgium

Brazil

Canada

China

Colombia

Czech Republic

Denmark

Estonia

Finland

France

Germany

Greece

Hungary

India

Indonesia

Ireland

Israel

Italy

Japan

Kuwait

Latvia

Lithuania

Luxembourg

Malaysia

Mexico

Morocco

Netherlands

New Zealand

Norway

Oman

Philippines

Poland

Portugal

Qatar

Romania

Russia

Saudi Arabia

Singapore

Slovakia

South Korea

Spain

Sweden

Switzerland

Taiwan

Thailand

Tunisia

Turkey

United Arab Emirates

United Kingdom

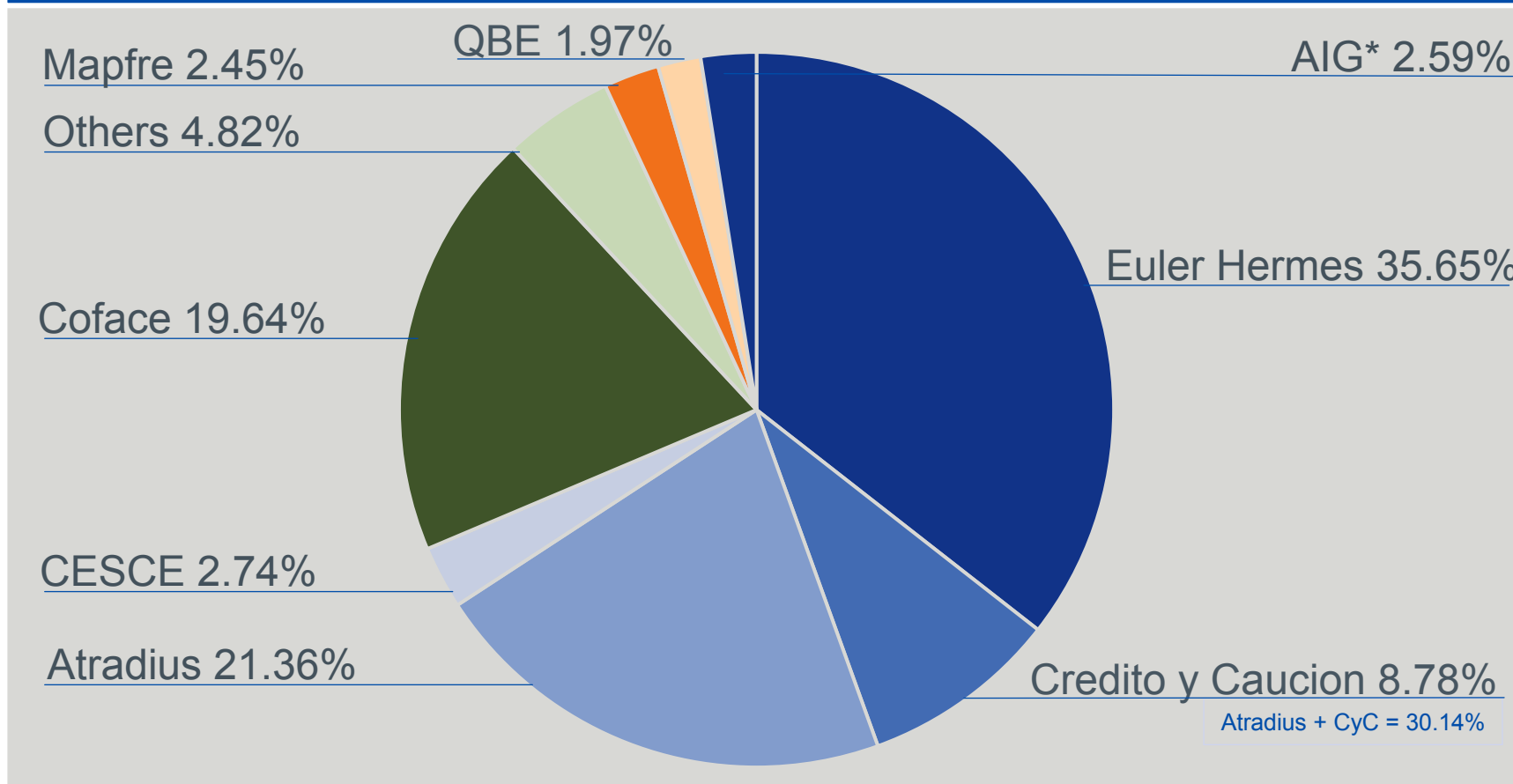
United States

Vietnam

▶ Your trade receivables management partner, wherever you do business

Global Credit Insurance Market

Market shares – ICISA members



Total market volume € 4,608 bn

Source : ICISA, Euler Hermes – 2008

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

Questions

- 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**?

Facts

- **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 businesses
- Trade receivables represent around **35%** of a company's assets
- Business insolvencies are mainly due to late payments

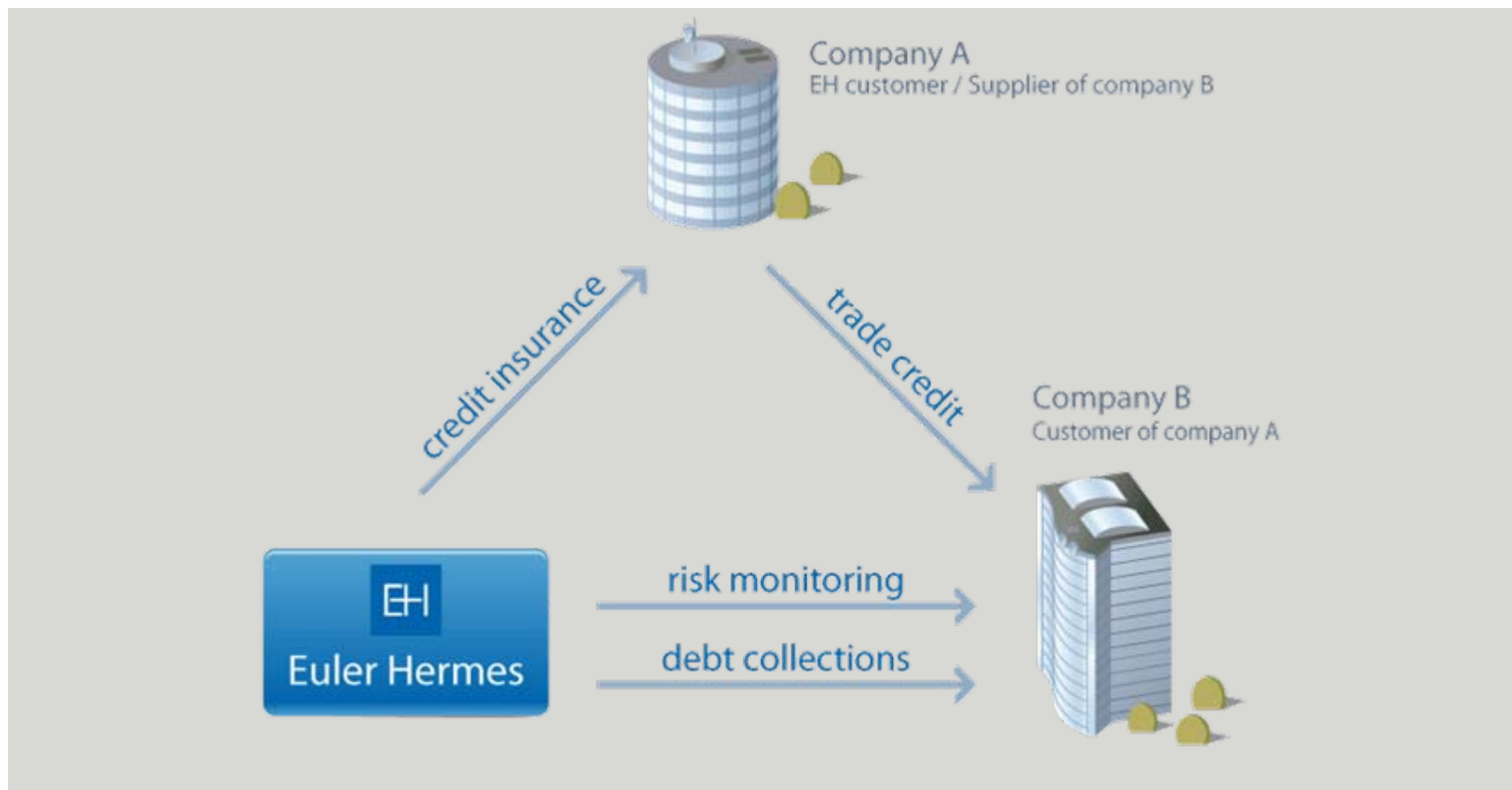
▶ With any of the above questions, we can help

Risk Management – Credit Insurance – Debt Collection

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



Our Core Business: Credit Insurance



▶ Credit insurance secures trade, domestically and around the globe

Our Key Expertise: Risk Assessment - 1

1,000 risk analysts and underwriters...

- Monitor and grade 45 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 support from Euler Hermes research teams
- Are trained across borders to ensure customers receive the same quality of service anywhere in the world

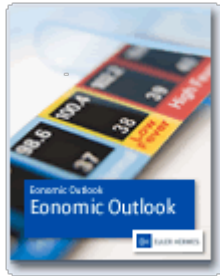
Our Key Expertise: Risk Assessment - 2

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

- Produce textual and numerical analysis 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

Studies and publications



COUNTRY RISK WEEKLY BULLETIN

4 January 2006

London David Johnson +44 (0)20 7862 3037, Andrew Johnson +44 (0)20 7862 3037, Heidelberg Manfred Bacher +49 (0)61 8534 3037

THE WORLD IN 2006

WORLD
Rolling along

Expect world GDP growth in 2006 of 2.9%, after 2.2% in 2005—driving a reduction of tighter monetary policy—with growth in the US of 2.7% (1.5% 2005), Japan 1.8% (2.2% in 2005), and Europe 1.9% (1.4% 2005). Stable or modestly lower commodity prices, including oil, and no major monetary policy shocks should ensure that inflation remains under control. However, supply shocks, particularly in energy, remain a downside risk. Africa looking disquieting for the WTO. China could avoid and focus more authorities in their programs, expectations remain low. In any event, expect bilateral trade pressure to remain favourable. In world trade growth in 2006 should be near zero. Politically, expect Iraq and the Middle East, including nuclear issues, to remain to continue to dominate the US agenda, which could divert attention from elsewhere. The growing global savings imbalance is a key threat to our recovery energy balance case.

ASIA
Maintaining momentum

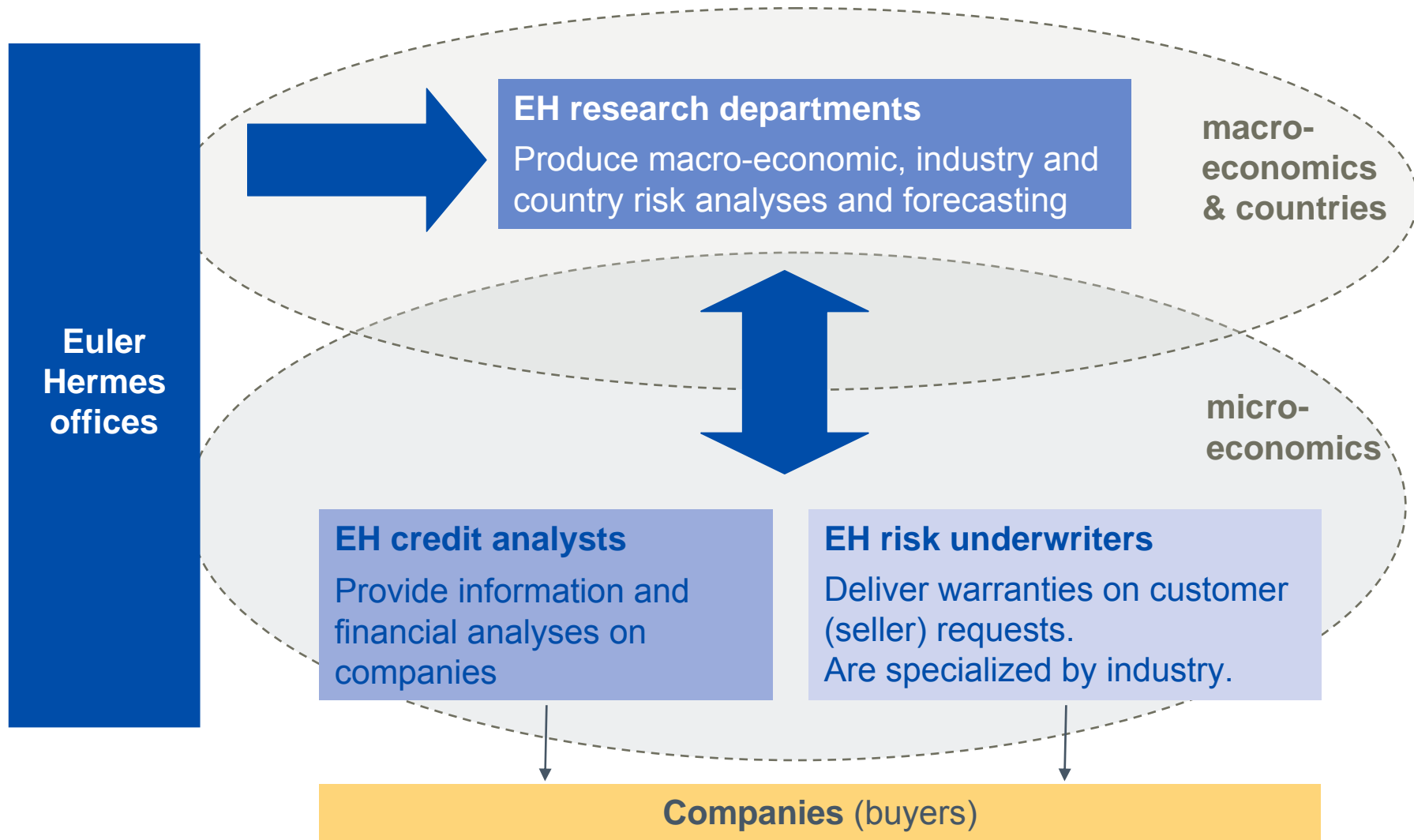
Expect regional growth of 6.8% after 7.4% in 2005, with China down to 6.5% from 7.5% in 2005 as the authorities continue their efforts to stem the economy towards better balance. Expect only slow movement on the exchange rate front, however. Hong Kong should continue modest, steady, measured growth, even though Taiwan may only reach the 3.5% of 2005. Expect India the second Asian giant to record another year of 7% growth and maintain the fiscal adjustment with Pakistan. Sri Lanka and Nepal continue to provide security concerns. Growth in South Korea will continue to around 4% while ASEAN growth should remain around 5%. However, the Philippines—having suffered political crisis in 2005—and Indonesia will both need to make increased effort in stemming their oil prices. Security problems continue in southern Thailand and have re-emerged in Indonesia.

- Economic Outlook, industry sector outlooks
- Insolvency Outlook
- Country risk reports

- White papers on UK and US economies and sectors
- Quarterly surveys of Italian economy and sectors

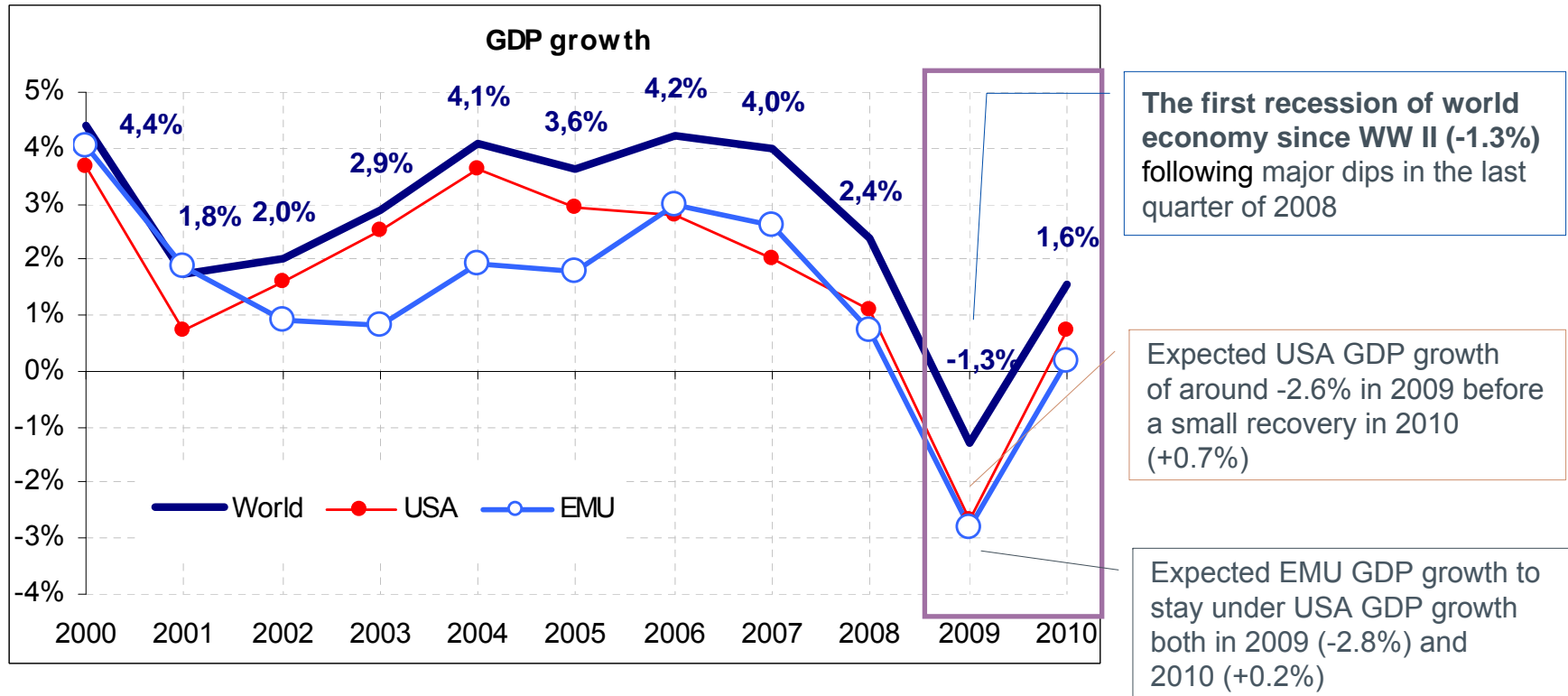
- Annual study on white collar crime in Germany
- Companies payment behaviour in the Netherlands
- Monthly credit management indices in UK, US

Euler Hermes Economic Research - 2



2009 Economic Outlook - 1

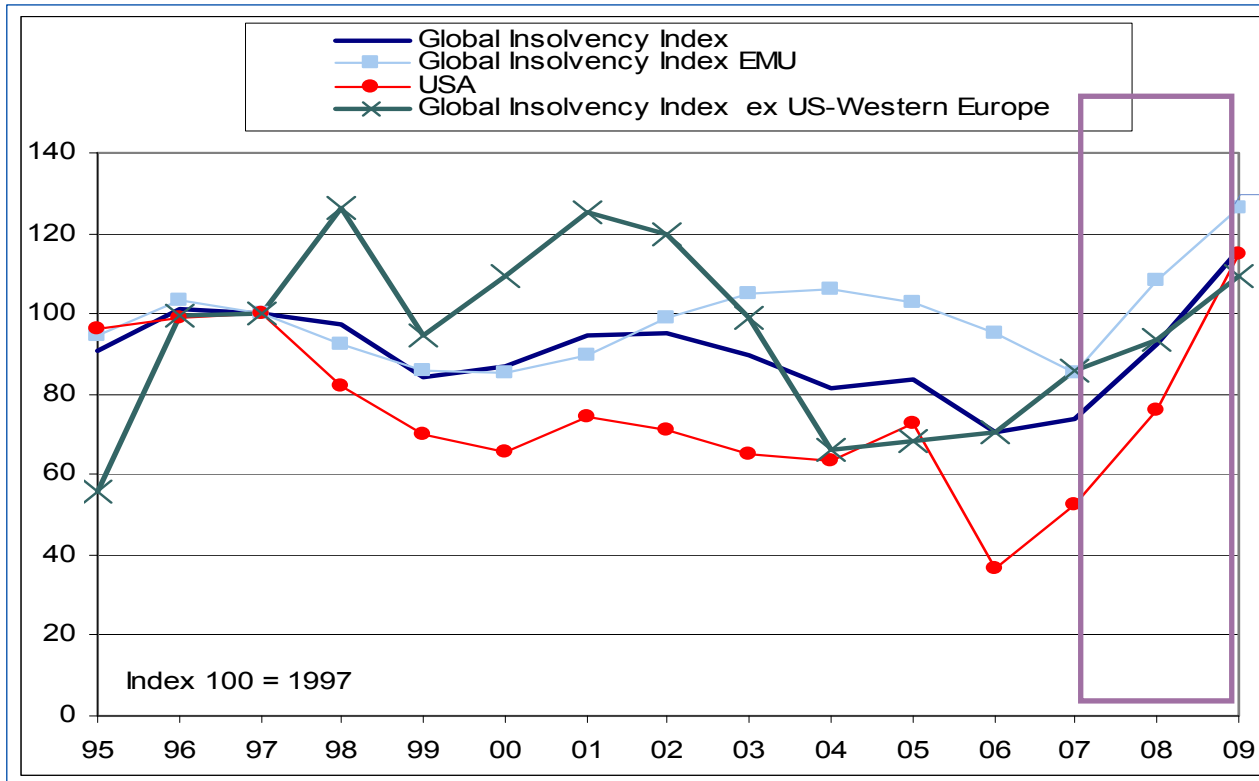
Global recession



Sources : IHS Global Insight, Euler Hermes SFAC calculation and forecasts ; GDP 2007 weighting at current exchange rates

2009 Global Insolvencies Index - 1

Business insolvencies on the rise



EH Global Insolvency Index to rebound **by +25% in 2009** after +25% in 2008 and +5% in 2007

Sources : EH Insolvency outlook 2008 # 2 (November 2008) 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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Our Product and Solutions Offering

We offer expert solutions in:

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



Our Offering - 1

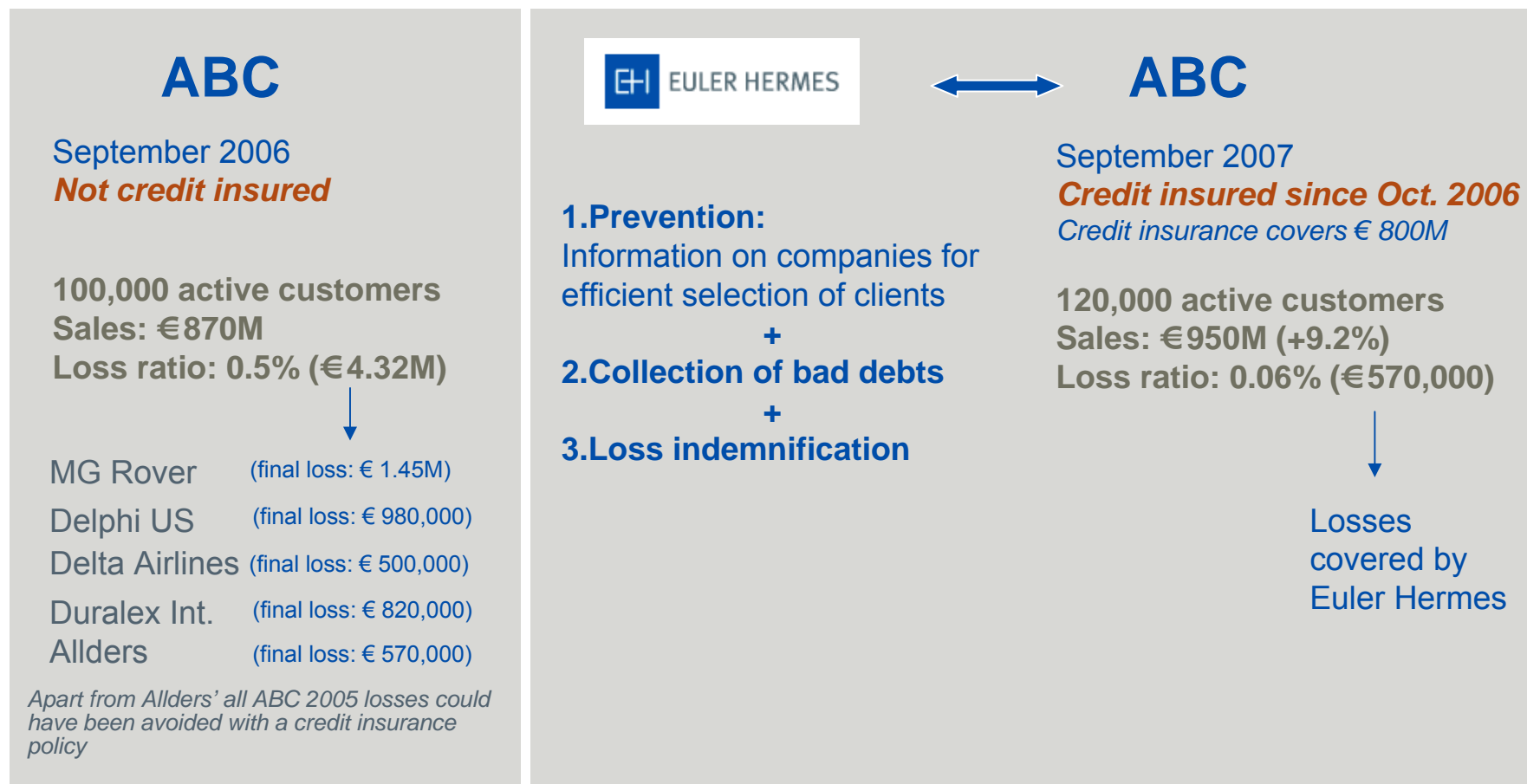
Trade credit insurance

World leader in credit insurance

- 800 billion euro of transactions covered in 2008
- Securing companies business development:
 - Insurance against late payment, payment default, political risk
 - Speedy indemnification if outstanding payments cannot be collected
- Optimising companies' trade receivables management
- Customers manage their policies online via our EOLIS extranet

Our Offering - 1

Trade Credit Insurance: Case Study



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

Our Offering - 1

Trade Credit Insurance: Solutions for Companies of all Sizes

57,000 customers

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



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

Solutions for 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 your subsidiaries at a 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
- Strong expertise in international collections
 - Euler Hermes presence in over 50 countries
 - In-depth knowledge of local legal environments
- 190,000 debt collections handled in 2008

Our Offering - 3

Bonding & guarantees

The European market leader in bonding & guarantees

- A wide range of domestic and export guarantees and bonds
- More than 150,000 bonds and guarantees in over 130 countries
- A Euler Hermes bond enables companies to free up cash so they can continue to develop their business
- A financing alternative to bank loans

Our Offering - 4

Other trade receivables management solutions

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

Additional products

- Insurance against internal 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

The EOLIS extranet allows you to:

- Manage your 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 your accounts receivable



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

At Euler Hermes, We Think Customer First

- We identify 'businessable' partners for you based on our reliable risk information
- In a difficult economic environment, credit insurance is even more important as it protects you against higher payment default risk
- We will save you time by collecting outstanding payments, monitoring buyer risk etc.
- With a credit insurance policy, you will gain financial credibility with your partners
- A comprehensive range of services of consistent high quality all over the world
- A strong partner you can rely on:
 - Euler Hermes rated AA- by Standard & Poor's
 - member of the Allianz Group

 Euler Hermes: Business insured. Success ensured.

Thank you
for your attention.

www.eulerhermes.com

A company of Allianz 



EULER HERMES
Business insured. Success ensured.