



# Euler Hermes

Helping companies to safely develop their business



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



A company of Allianz 

**“At Euler Hermes, we put the customer at the very heart of our operations. Thanks to our integrated global organisation, clients benefit from the highest standards in terms of credit management expertise and services, wherever they operate.”**

**Wilfried Verstraete**  
Chairman of the Board of Management, Euler Hermes  
in charge of Market Management, Marketing,  
Commercial and Distribution



**Gerd-Uwe Baden**  
Board member in charge  
of Risk, Information  
and Claims



**Nicolas Hein**  
Board member in charge  
of Finance, Legal, Tax  
and Compliance



**Dirk Oevermann**  
Board member in charge  
of Operations and  
Information Technology

## Securing business growth for companies around the globe

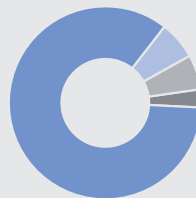
Euler Hermes, the leading credit insurer, helps companies around the world expand their business safely by protecting them against the risk of customer payment default. Every company has the ambition to grow and be more competitive. Thanks to Euler Hermes' optimised credit management, worldwide development can be achieved.

With its global network and local presence, Euler Hermes is in the unique position to examine the risk of trading partners at a local level. Its 6,000 + experts in over 50 countries provide companies with strategic insight for their business.

### EULER HERMES KEY FACTS

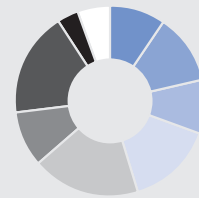
- 52,000** clients worldwide
- €633 billion** global exposure
- AA-** financial rating by Standard & Poor's (July 2010)
- €2.148 billion** consolidated turnover
- €294 million** net income
- 6,000 + staff** worldwide in over 50 countries

### EULER HERMES BUSINESS BY % OF TURNOVER



- **83.9%** Credit Insurance
- **6.8%** Bonding & Guarantees
- **6.1%** Other services
- **3.2%** Debt Collection

### EULER HERMES BUSINESS TURNOVER SPLIT



- Chemical
- Metallurgy
- Construction
- Other
- Electronic
- Services
- Foods and Wholesales
- Textile
- Wood and Paper

# Unrivalled expertise at customers' service

Euler Hermes helps companies around the world to safely develop their business by protecting them against the risk of customer payment default. Through its global presence and local offices in many countries, the Group is in the unique position to examine the local risk of companies trading partners.

## ABOUT EULER HERMES



Euler Hermes' 6,000+ associates in over 50 countries provide 52,000 customers of all sizes and industry sectors with strategic insight for their business.

Supported by the Group's credit intelligence network which analyses the financial stability of 40 million businesses across the globe, they help companies to make informed domestic and international credit management decisions.

The Group offers a complete range of services for the management of B-to-B trade receivables such as credit management solutions in credit insurance, bonding and guarantees and trade debt collection.

Euler Hermes has the financial solidity to provide long term support to its customers. It has the benefit of a stable AA- Standard & Poor's rating and is part of the Allianz group.

**6,000+**  
associates in over 50 countries

# Partnering with customers

Euler Hermes is a one-stop shop for all credit management solutions. The Group uses its extensive market knowledge to customise solutions for clients within the various markets. Euler Hermes works as a partner with its customers. As part of this partnership, the Group helps them cover risks incurred in their commercial activity. Euler Hermes offers protection, information and collection. Ultimately if they experience customers' payment default, the Group will be there to protect its clients' balance sheets and cash flow and provide them with peace of mind.



CUSTOMISED  
SOLUTIONS

## Euler Hermes added value for customers

Euler Hermes offers:

- Benefit from best-in-class risk analysis to trade safely and select safe business partners
- Improved cash flow management
- Protection against delays in payment
- Protection against buyers' insolvency
- Speedy claims handling
- Better financing conditions with banks
- Protection of customers' assets
- Local presence throughout the world

52,000  
customers worldwide

# Credit insurance: Euler Hermes' core expertise

As a trade credit insurer Euler Hermes protects the largest asset class on a company's balance sheet: trade receivables. A major customer going bankrupt with outstanding invoices could lead to disastrous consequences. Taking out credit insurance is responsible business management as it protects the cash flow and net profit of companies.

## CREDIT INSURANCE



## Cover for the unexpected

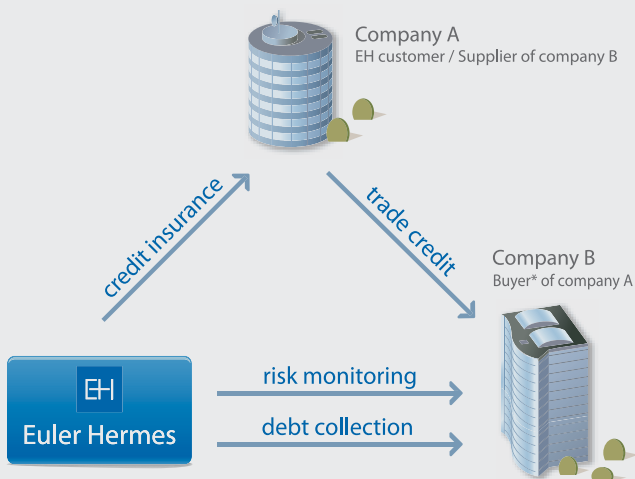
Globalisation and trading in unfamiliar and difficult economic environments expose companies to trade credit risks they may not be in a position to handle. These can be "commercial" risks, such as buyer\* payment default, or "political" risks, such as an unstable political system in the buyer's country, a sudden embargo or rising indebtedness. Euler Hermes offers protection against such risks. Essentially, credit insurance will cover a business' entire turnover. However, credit insurance also covers key accounts and exceptional losses. As the world's largest credit insurer, Euler Hermes offers companies the ultimate in commercial protection. It doesn't matter what industry they are in, how big or small their business is or where they

trade. Euler Hermes provides cover for every size and type of organisation - from multinationals to sole traders. In certain circumstances, the Group will even write a bespoke policy to cover specific risks linked to specific sectors. At any time, customers can manage their policy online, see their latest credit limit requests and monitor recent claims with EOLIS, Euler Hermes' online policy tool.

## A unique risk analysis capacity

Providing credit insurance cover requires first analysing the risk represented by the buyer. Euler Hermes has built a uniquely comprehensive and precise risk analysis capacity. As well as monitoring the solvency of 40 million businesses

## HOW DOES CREDIT INSURANCE WORK ?



worldwide, its local risk teams around the world assess daily the financial position of the buyers of our policy holders and analyse political and sector-specific economic risk. Euler Hermes shares that insight with its clients, helping them make sound trading decisions and giving them time to take any steps necessary to reduce their exposure. It also gives the Group a strong basis to judge each request for cover on its individual merits. If its customers incur a claim, Euler Hermes does its utmost to pay quickly. What's more, the Group will continue to accompany them following a claim. So, if they suffer bad debt arising from insolvency, Euler Hermes will assist its customers in their dealings with the insolvency practitioner.

\* Buyer: customer of the credit insured company.

**40** million  
businesses monitored  
in Euler Hermes' risk database

# Euler Hermes World Agency: a one-stop shop for multinationals

To meet multinational companies' needs, Euler Hermes has established a fully dedicated team, Euler Hermes World Agency, to support these very special customers in their worldwide development. This team ensures that the multinationals will get the highest level of service irrespective of location.

FOCUS ON EULER HERMES  
WORLD AGENCY



## Highest quality

Euler Hermes World Agency provides global companies with a whole range of products and services tailored to their needs. An expert team and a unique portfolio of services help them to manage and secure their trade receivables.

Euler Hermes World Agency offers multinationals a centralised decision-making operation. Risk and commercial underwriting as well as all operational processes, are supervised in a streamlined way throughout the world.

Local needs are further enhanced by regional staff with excellent underwriting and management skills, acquired in the industries and countries in which Euler Hermes' customers operate.

Euler Hermes World Agency offers its clients credit management services of the highest quality and state-of-the-art management tools. It applies processes and procedures developed with the Allianz Operational Excellence methodology (OPEX).



## “Euler Hermes made a strong effort to understand our business.”

Nigel Fields, Director of Credit Management for Fox European entities

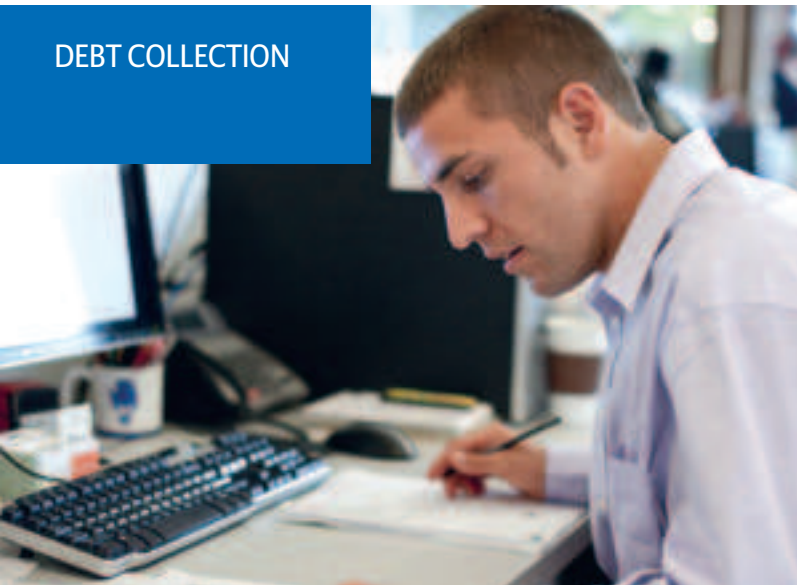
“Credit insurers employ many analysts whose job is to gather information on our customers. They develop strong expertise in a local economy and in a specific sector. They know how to monitor our risks. It saves us a lot of time, energy and resources. Outsourcing this task to a credit insurer helps you make the right decision, based on updated information and an expert analysis. I think it is essential for secure business development. We chose Euler Hermes World Agency because we needed to have one solution covering all our business units in

Europe. So when our brokers informed me of the creation of Euler Hermes World Agency, I was really interested in this one-stop shop service, which gives much better weight for negotiation. I’m satisfied with Euler Hermes World Agency’s services. Euler Hermes made a strong effort to understand our business and they have adapted their services to offer a policy that fits our needs. The film industry is really different from other sectors with tangible goods and specific regulations. I would definitely recommend Euler Hermes to other companies.”

# Experts in trade debt collection

Late payments are an unavoidable fact of business life. To help companies deal with them, Euler Hermes has set a dedicated team and offer.

DEBT COLLECTION



# 200,000

debt collections handled in 130 countries

## Unparalleled reach

Euler Hermes Collection offers services in 130 countries. It gathers 600 specialists in pre-legal and legal trade debt collection for any type of company, from the smallest SME to the largest multinational – whether it is a Euler Hermes policyholder or not. They have experience in recognition of customers' needs, not only to secure full payment as quickly as possible, but also to maintain a good relationship with clients. Regular and transparent information on debt collection files status is available any time on EOLIS, Euler Hermes' customer online service.

## Best people, unmatched resources

Euler Hermes Collection specialists have what it takes to recover their clients' money, but without risking their all-important trading relationships. They only collect late payments from businesses. This is where they focus their expertise, and where they have unrivalled experience. As members of the Euler Hermes Group, they enjoy unlimited access to the very best available business intelligence. This means that, in the pursuit of what their customers are owed, they can often locate key information, or even key individuals, that other collection agencies would be unable to trace. Euler Hermes Collections plays an active part in domestic and international trade associations for collection agencies. They are acknowledged for the high standards they set in terms of procedures and professionalism – standards that are now the benchmark for good practice within the industry.

# We give you security

Euler Hermes' expertise and experienced underwriting skills enable the Group to issue bonds on behalf of its clients throughout the world, for almost all sectors of industry and commerce.



BONDING  
& GUARANTEES



By arranging a facility with Euler Hermes, companies have the advantage of being able to tender for a contract knowing that a bond will be available within the agreed underwriting criteria and that credit lines with their bank are not affected. This means that borrowing facilities and working capital are safeguarded. This enables Euler Hermes' clients to plan ahead in the confident knowledge that they have the capability to carry out the contract and provide the bond. Euler Hermes has 90 years experience in the bonding business and is European leader in this market. It offers this service in Austria, Denmark, Finland, France, Germany, Great Britain, Ireland, the Netherlands, Norway, Poland, Portugal, Sweden and Switzerland. In 2010 the Group provided facilities worth €22.5 billion to 6,800 clients.

## The Gotthard Tunnel: twofold support by Euler Hermes

Allianz is one of the leading insurers in the construction of Gotthard Base Tunnel, the world's longest tunnel upon completion. The group provides construction and liability insurance amounting to €3.9 billion out of a total of €7.1 billion.

Euler Hermes is involved with two credit engagements. On one hand, the Group acts as a surety company for the four tunnelling machines. On the other hand, it provides guarantees for the consortium of four building companies from Switzerland, Italy, Austria and Germany. The engagement for this consortium amounts to more than €100 million.

# Extended solutions for safe business

To meet companies' expectations on specific cover needs, Euler Hermes offers a range of additional solutions.

## OTHER SOLUTIONS



### A specific unit for major exporters

With a view to providing major export companies and specialised SMEs with all the solutions they need to secure their trade, Euler Hermes has established a Transactional Cover unit dedicated to tailored credit insurance solutions for major exporters and bank trade related financing. This unit offers a full range of cover against interruption of trade, debtor insolvency and abusive exercise of bonds, as well as confiscation, expropriation and nationalisation. The insurance offer is particularly flexible so as to adapt to clients' needs and business trends, with a cover duration of up to seven years.

### Fidelity insurance: against employees fraud

Companies suffer losses running into the billions every year from this risk – and the trend is rising. Euler Hermes offers the right solution for companies' internal control systems. With its fidelity insurance solution, all employees from insured companies and those working for them are covered, whether they are employed full time, temporarily or even short term. Euler Hermes protects companies in the event of it suffering financial losses as a result of willful unlawful acts such as theft, embezzlement or fraud. Direct losses due to computer sabotage or divulgence of companies' trade secrets are also covered.



### Best export agency in Germany

Together with PriceWaterhouseCoopers, Euler Hermes manages the official export credit guarantee scheme, widely known as "Hermes Cover", on behalf of the German government. Export Credit Guarantees are the most important instrument of state foreign trade support in Germany. The British magazine Trade Finance elected Euler Hermes and its partner PricewaterhouseCoopers "Best Export Credit Agency" for the sixth time in 2010.

# Closest to the customer and its buyers

The Euler Hermes business model is based on the idea of customer centricity and close proximity to risk. It is used by all its associates throughout the world and ensures consistent high quality service and quick transparent information for customers.

## An organisation designed around customers' needs

Euler Hermes' organisation, processes and tools are designed around customers and their needs to maximise interaction with them. The Group supports its clients in their business by providing trade receivables management solutions but also by being extremely proactive to their needs, by adapting its actions and product offers. Through a global approach towards its policyholders based on a global client segmentation, a global service model and a global Customer Relationship Management (CRM), Euler Hermes aims at ensuring a high level and consistent quality everywhere in the world and in all its operations.

## A global integrated risk platform

Euler Hermes' flexible risk business model is unique, in the sense that every risk is assessed by the Group's entity in the country where the business is located, the local unit being closest to the buyer concerned and to the legal and political environment in that country. The Group has established risk offices in each market, country, region, which collect information via local business partners and direct contacts. Buyers are on permanent monitoring.

If the Group's customer is located in a different country from the buyer, the assessment or risk decision must reach him in the shortest



BUSINESS MODEL

possible time. Here, Euler Hermes' advantage is its globally integrated, worldwide risk platform (IRP), on which every risk accepted or limit agreed, anywhere, is instantly visible to Euler Hermes subsidiaries worldwide.

This unique risk platform allows Euler Hermes to group and link operations and to offer a truly unique global perspective. As important, it allows the Group to focus on its customers' most strategic decisions and improve turnaround time so they can quickly get on with their business.

Euler Hermes' risk business model is based on a common grading system. The Euler Hermes grade follows a Group standard and reflects individual market conditions. It validates and monitors buyers' ability to meet their obligations and provides a sound base for portfolio management.

# Blending in-depth local insight and global overview

In order to build its overall risk-prevention strategy, Euler Hermes' economists constantly analyse global political and economic trends. They fine-tune on a daily basis their assessment of potential risks according to the economic conditions and outlook. This global approach to risk means that Euler Hermes can react instantly to major economic fluctuations.

## ECONOMIC RESEARCH



## From “macro”...

In fact, the Group carries out three levels of macroeconomic analysis: global, per country/region and per sector. Its international network of central research departments based in France, the UK, Germany and the US, combined with its local business units and risk offices constitutes a unique powerful resource for this vital function. In assessing the risk represented by an individual country, Euler Hermes examines economic indicators such as foreign exchange rates, external trade balance, growth and currency reserves. It also monitors political stability, local stock-market

stability and foreign investment in the country. The Group assigns each country a risk rating on a scale of AA to D, publishing its assessments in a weekly bulletin. Any change in a country's risk instantly triggers a review.

## ... to “micro”

On a microeconomic level, Euler Hermes analyses the trends in key industry sectors – such as automobile, steel, energy, chemical, pharmaceutical, retail, telecommunications, aeronautics, construction... Honing in even closer, Euler Hermes analyses on a daily basis the credit status of innumerable businesses and has built a growing and constantly-updated solvency database of some 40 million companies around the world.



## Sharing knowledge with clients and partners

Euler Hermes publishes its research and analysis in numerous publications:

- *Global Macroeconomic Review*: quarterly. Economic analysis and forecasts.
- *Business Insolvency Worldwide*: half-yearly. Global survey of business failures.
- *Global Sectors Review*: half-yearly. Review and forecast for industry sectors.
- *Country Risk Review*: regular updates based on market trends.
- *Euler Hermes "dossier"*: Economic analysis and forecasts on special topics.
- *Weekly Export Risk Outlook*: online publication of a summary of country risk analyses for a selection of countries chosen according to specific political and economic events.
- *Weekly Economic indicators*: online publication of a summary of short term economic indicators for a selection of countries.

# Employer of choice

At Euler Hermes, we believe that a high level of employee engagement and motivation leads to superior business results and customer satisfaction.

## HUMAN RESOURCES



## Mobility and diversity

The global dimension of the Euler Hermes group opens up opportunities for employees who can enjoy geographical and functional mobility within the organisation. Being part of functional communities, they can also benefit from experience and best practice sharing.

Euler Hermes is committed to nurturing diversity within the Group, combining local and Group initiatives, and giving people the chance to proactively manage their own careers.

## Talent management

The Euler Hermes global talent management programme benefits all employees. It focuses especially on identifying high-potential employees and those with specific technical skills, to develop them for future roles. A mentoring programme has also been set up, for leaders in a first step. It is currently being enlarged to the whole Group.

Having adopted the Operational Excellence (OPEX) methodology, the Group has a dedicated team to support process optimisation throughout the organisation and train associates in the OPEX process.



## Performance culture

At Euler Hermes, we make continuous efforts to ensure that our compensation is in line with the market to attract the right talent. The incentive programmes are driven by performance and merit. They focus on management by objectives based on the performance of the individual and the company. Performance Management is facilitated by using an online tool which enables users to record objectives and keep track of progress throughout the year.

## Shared values

Euler Hermes' associates act as one team and strive to achieve the same goals: increase customer satisfaction and extend the Group's leadership. They share common values and are proud to be part of Euler Hermes.

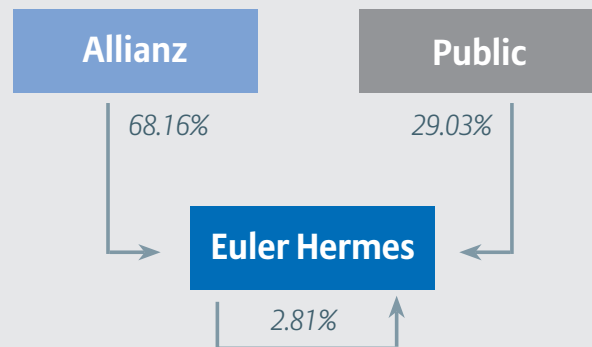
# Euler Hermes'key facts

Euler Hermes is the global leader in credit insurance. It is a member of Allianz and is listed on Euronext Paris.

## FACTS AND FIGURES

### SHAREHOLDING STRUCTURE

As of 1 January 2011



**52,000 clients** worldwide

**€633 billion** global exposure

**1,600 claims** paid per week

**40 million** companies monitored in risk database

**20,000 credit limit requests** received per day

**81% of credit limit requests** processed in less than 48 hours

**200,000 debt collections**

handled in 130 countries

**AA-** financial rating by Standard & Poor's (July 2010)

**€2.148 billion** consolidated turnover

**6,000 +** staff worldwide

Presence in over **50 countries** on 5 continents



## Global Presence

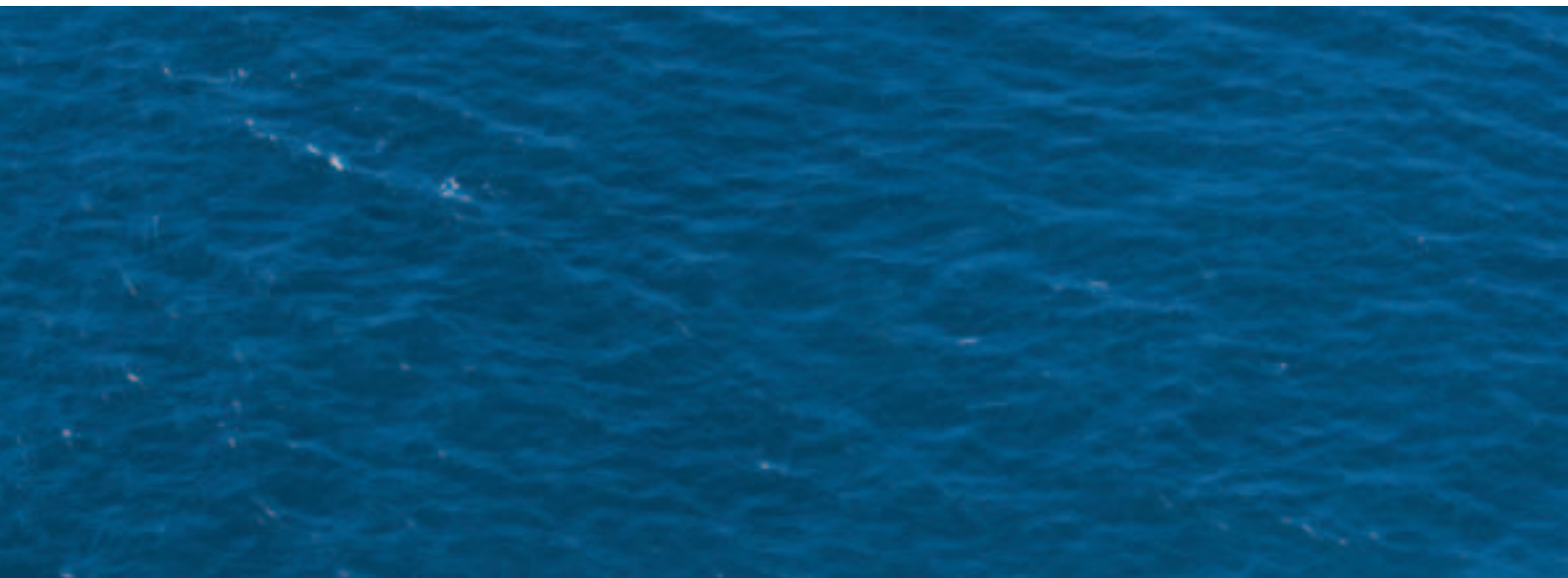
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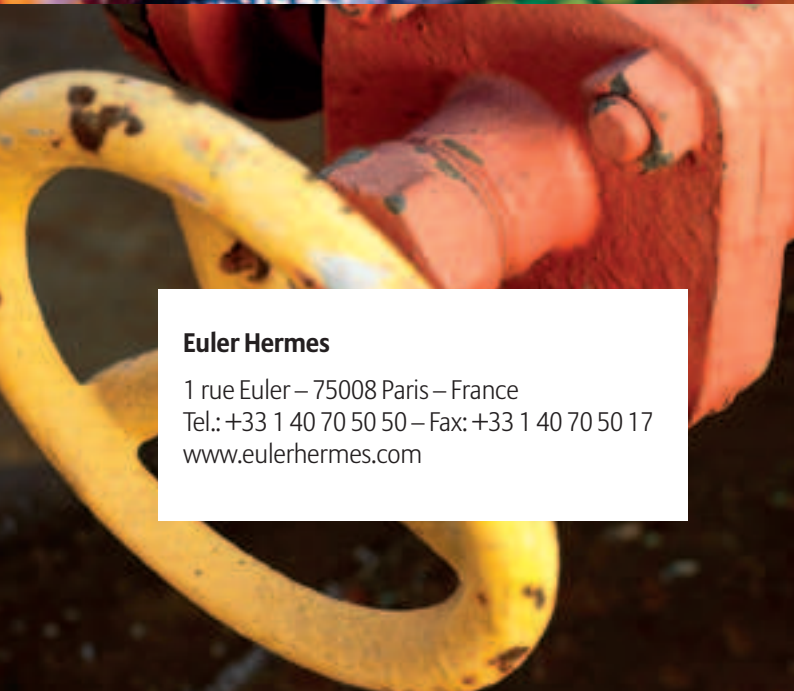
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South Korea

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Switzerland  
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