

# Insolvency Forecast 2011

- Germany -

Study closed in May 2010  
Hamburg, 17 June 2010

Ein Unternehmen der **Allianz** 

 **EULER HERMES**  
Kreditversicherung

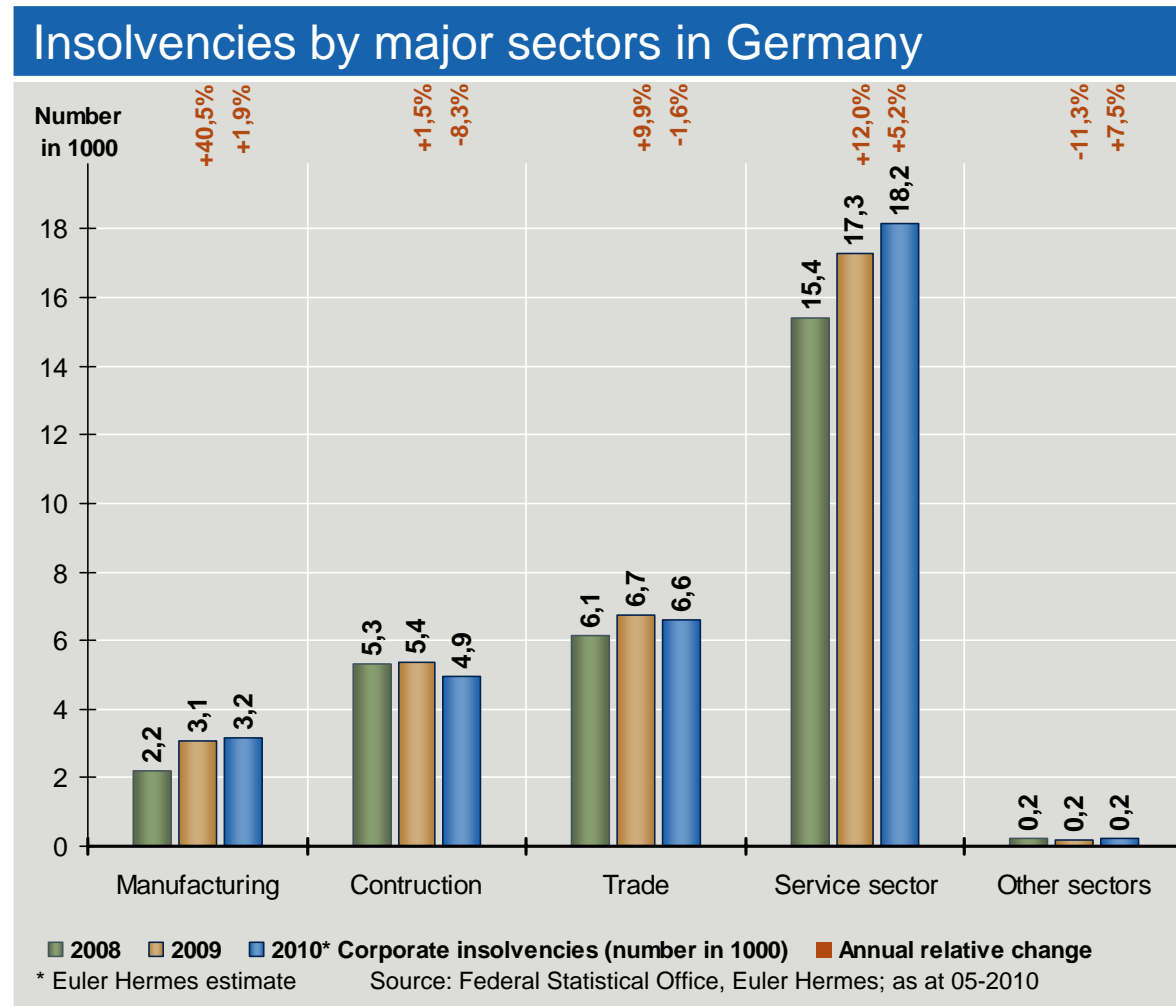
## Germany: continuing but decelerating insolvency uptrend in 2010. Trend reversal in the offing in 2011.

- **Insolvency** trend is likely to peak in 2010, with a 1.3 % rise to reach 33.100. Trend reversal in the offing in 2011 (- 5.4 % to 31,300 cases).
- **Financial losses** down 62.8 % in 2010 however still 23.3 % above the value recorded in 2008, following the drastic jump in 2009.



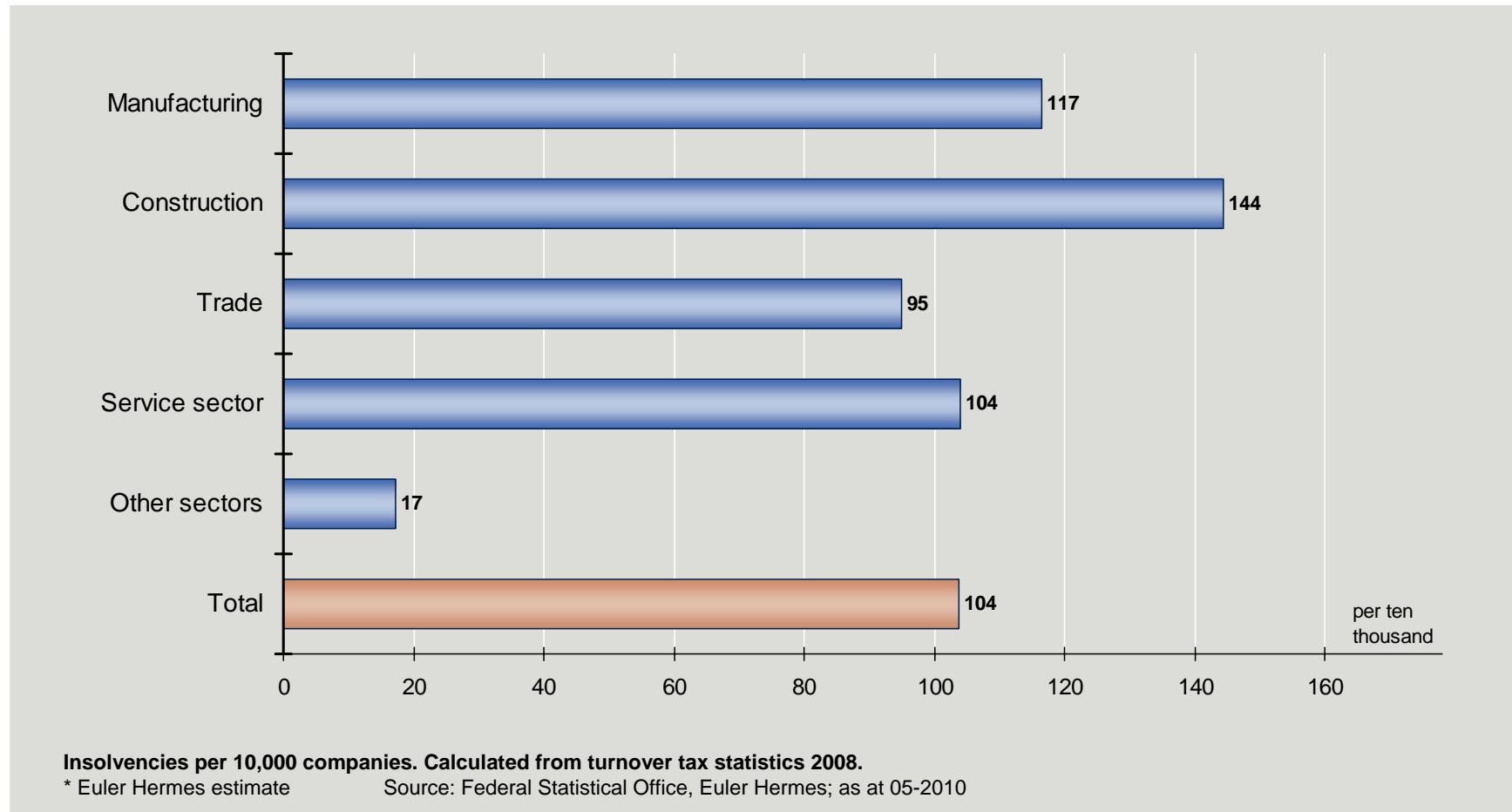
## Major sectors: differing insolvency trends in 2010

- Continuing but decelerating uptrend in **manufacturing** and the **service sector** in 2010.
- In contrast a decline in **trade** and **construction**.



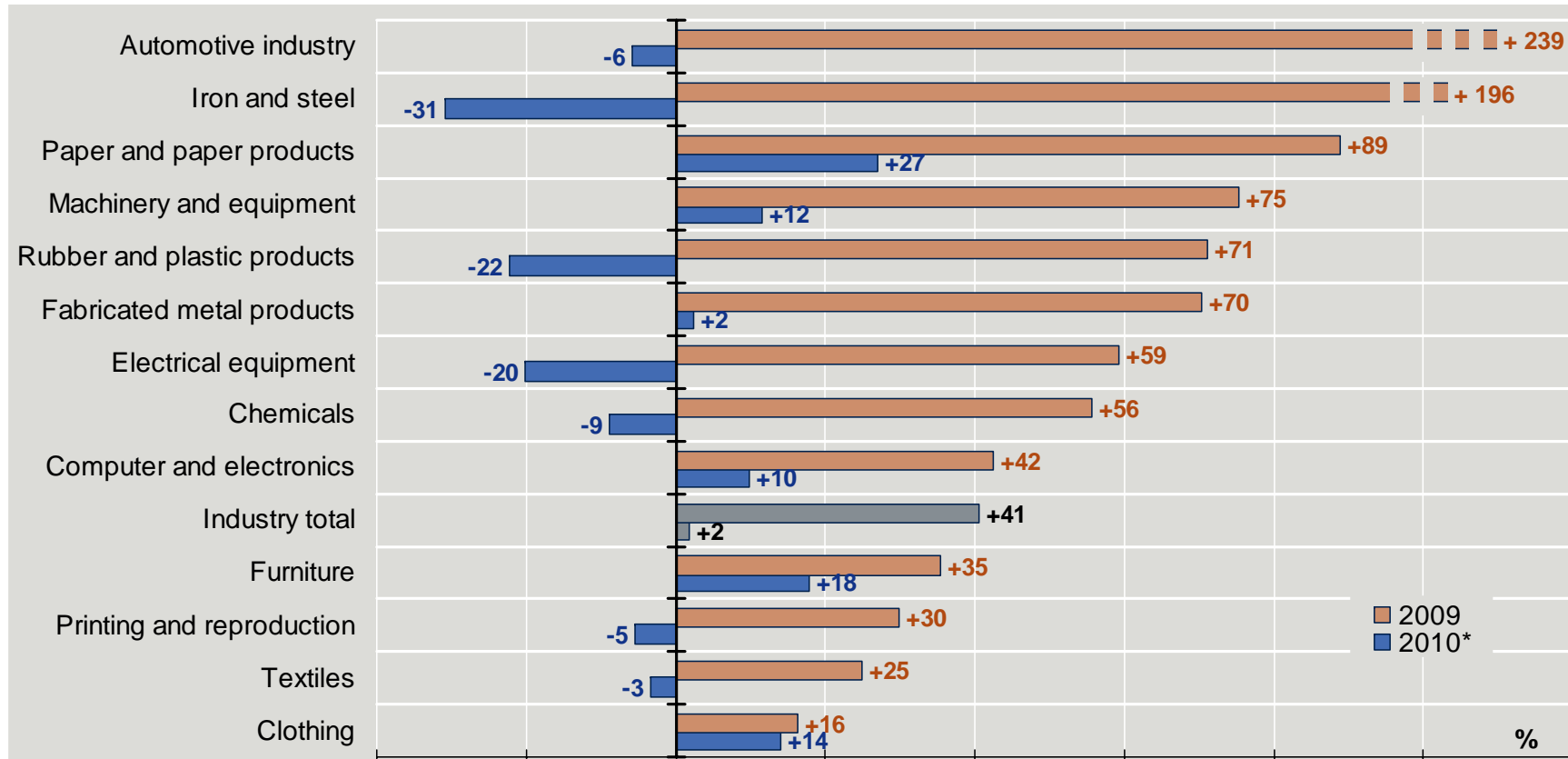
## Major sectors: construction sector still with the highest insolvency rate in 2010

Insolvency rates in the major sectors in Germany 2010\*



# Manufacturing: a non-uniform easing in 2010, following the unparalleled tidal wave of insolvencies 2009

## Growth rates of insolvencies in industrial sectors of Germany 2009 and 2010\*



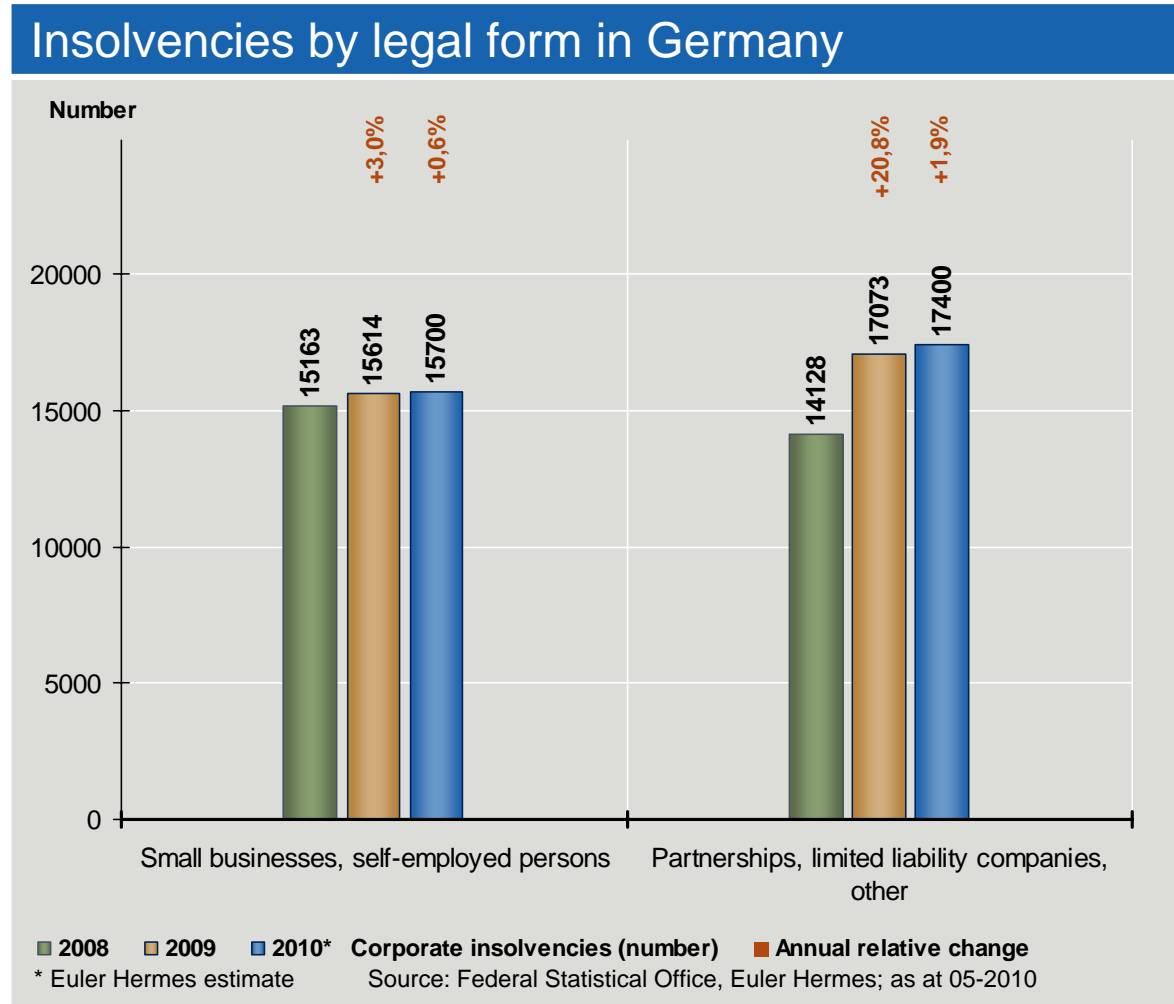
**Annual percentage change of corporate insolvencies**

\* Euler Hermes estimate

Source: Federal Statistical Office, Euler Hermes; as at 05-2010

## Legal forms: only a modest increase in all legal forms in 2010

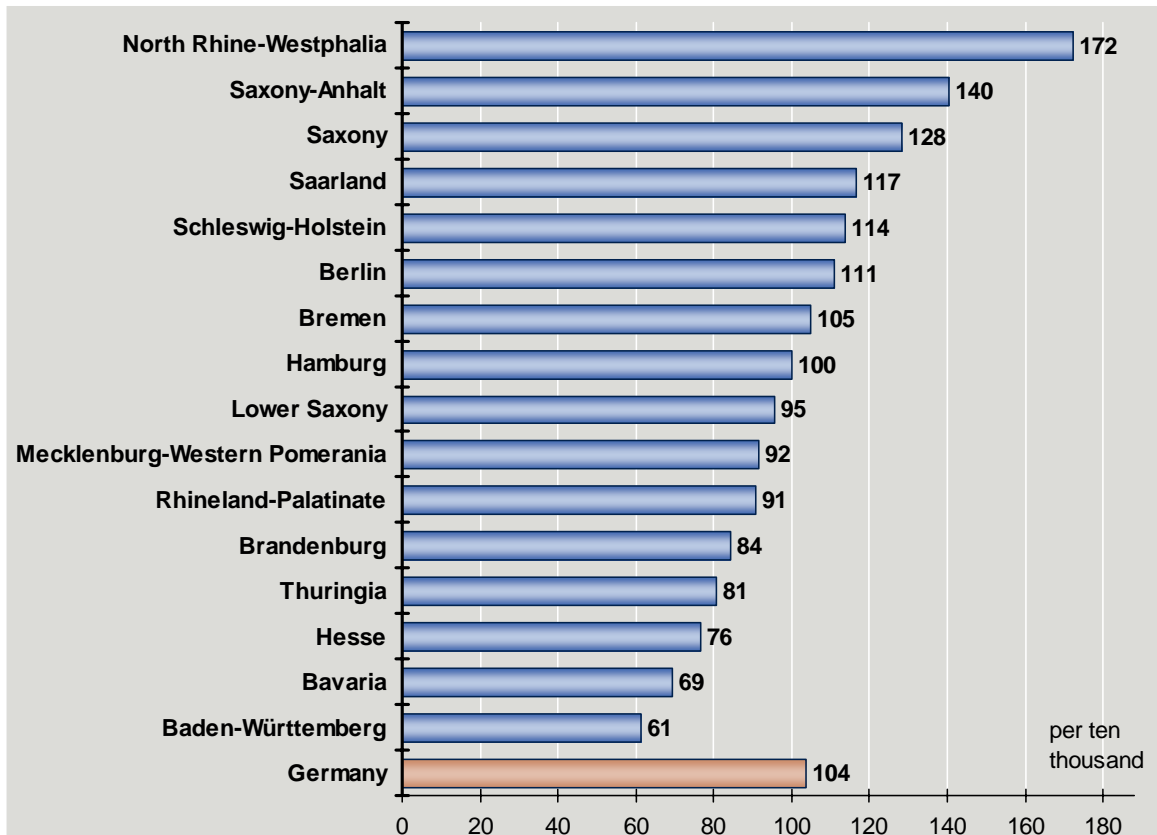
- Insolvency uptrend of **small businesses** still below average at + 0.6 % in 2010.
- Partnerships and limited liability companies** up 1.9 %, following the 20.8 % rise seen in 2009.



## Regions: leveling of the insolvency rates

- Still a higher rate in the **East** (109) than in the **West** (103).
- **Highest rate** in North Rhine-Westphalia (172), lowest in Baden-Württemberg (61).
- **Hamburg** (100) records a middle position in comparison.

### Insolvency rates by Länder 2010\*



Insolvencies per 10,000 companies. Calculated from turnover tax statistics 2008.

\* Euler Hermes estimate Source: Federal Statistical Office, Euler Hermes; as at 05-2010

**These assessments are, as always, subject to the disclaimer provided below.**

Cautionary Note Regarding Forward-Looking Statements: Certain of the statements contained herein may be 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 Allianz SE's core business and core markets, (ii) performance of financial markets, including emerging markets, (iii) the frequency and severity of insured loss events, (iv) mortality and morbidity levels and trends, (v) persistency levels, (vi) the extent of credit defaults (vii) interest rate levels, (viii) currency exchange rates including the Euro-U.S. Dollar exchange rate, (ix) changing levels of competition, (x) changes in laws and regulations, including monetary convergence and the European Monetary Union, (xi) changes in the policies of central banks and/or foreign governments, (xii) the impact of acquisitions, including related integration issues, (xiii) reorganization measures and (xiv) 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 matters discussed herein may also involve risks and uncertainties described from time to time in Allianz SE's filings with the U.S. Securities and Exchange Commission. The Group assumes no obligation to update any forward-looking information contained herein.

**Thank you for your attention.**

**Ein Unternehmen der Allianz** 

