

# OVERVIEW OF COFACE /

The Coface Group is a global leader in credit insurance and a recognised expert in commercial risk management.

It provides businesses worldwide with solutions to protect them against the risk of client insolvency on their domestic and export markets.

**4,578**

employees <sup>(1)</sup>

**40,000**

companies using Coface's services and cover

**100**

countries in which we operate either directly or indirectly

**€1 490 M**

in revenue

**€192 M**

in operating income

**€126 M**

net income unchanged since 2014

**Ratings AA-, outlook stable by Fitch Ratings et A2, outlook stable by Moody's**

<sup>(1)</sup> Global scope Registered (active and inactive) employees under an open-ended or fixed term contract (excluding interns, work-study placements, temporary workers, or sub-contractors).

(in thousands of euros)	AS OF DECEMBER 31		
	2015	2014 *	2013
<b>Revenue</b>	<b>1,489,530</b>	<b>1,440,536</b>	<b>1,440,330</b>
Gross written premiums	1,269,082	1,242,676	1,206,690
Policyholders' bonuses and rebates	-81,497	-98,309	-75,564
Net change in unearned premium provisions	-1,650	-11,640	-2,583
<b>Gross earned premiums</b>	<b>1,185,935</b>	<b>1,132,727</b>	<b>1,128,543</b>
Fees and commission income	125,550	124,756	123,410
Net banking income, net of cost of risk	65,903	68,577	66,678
Revenue or income from other activities	107,446	112,431	119,167
Investment income, net of management expenses (excluding finance costs)	53,091	42,769	67,516
<b>TOTAL REVENUE AND INCOME FROM ORDINARY ACTIVITIES</b>	<b>1,537,925</b>	<b>1,481,259</b>	<b>1,505,313</b>
Claims expenses	-605,344	-538,721	-576,263
Expenses from banking activities, excluding cost of risk	-14,094	-11,066	-11,884
Expenses from other activities	-44,892	-47,338	-51,884
Income and expenses from ceded reinsurance	-51,410	-68,660	-66,202
Policy acquisition costs	-274,048	-262,880	-256,867
Administrative costs	-269,956	-269,119	-263,891
Other current operating expenses	-81,652	-74,509	-83,112
<b>TOTAL CURRENT INCOME AND EXPENSES</b>	<b>-1,341,396</b>	<b>-1,272,299</b>	<b>-1,310,104</b>
Other operating income and expenses	-4,232	-9,937	1,721
<b>OPERATING INCOME</b>	<b>192,297</b>	<b>199,023</b>	<b>196,931</b>
Finance costs	-18,491	-14,975	-3,035
Share in net income of associates	2,157	2,136	1,493
Income tax	-48,836	-60,335	-67,380
<b>NET INCOME FROM CONTINUING OPERATIONS</b>	<b>127,127</b>	<b>125,849</b>	<b>128,008</b>
Net income/(loss) from discontinued operations	0	0	0
<b>CONSOLIDATED NET INCOME/(LOSS) BEFORE NON-CONTROLLING INTERESTS</b>	<b>127,127</b>	<b>125,849</b>	<b>128,008</b>
Non-controlling interests	-888	-825	-569
<b>NET ATTRIBUTABLE INCOME FOR THE YEAR</b>	<b>126,239</b>	<b>125,025</b>	<b>127,439</b>

\* The published 2014 results were restated to reflect the impacts linked to the application of IFRIC 21. 2014 annual results including IFRIC 21 are equivalent to those published in 2014.

## SIMPLIFIED CONSOLIDATED BALANCE SHEET

(in thousands of euros)	AS OF DECEMBER 31		
	2015	2014 *	2013
<b>Assets</b>			
Intangible assets	224,307	231,968	240,441
Insurance business investments	2,648,119	2,677,731	2,208,633
Receivables arising from banking and other activities	2,370,902	2,244,262	2,120,516
Investments in associates	20,258	19,001	17,621
Reinsurers' share of insurance liabilities	327,986	329,163	347,221
Other assets	894,121	806,282	784,667
Cash and cash equivalents	396,837	278,624	273,920
<b>TOTAL ASSETS</b>	<b>6,882,530</b>	<b>6,587,031</b>	<b>5,993,019</b>

\* The published 2014 results were restated to reflect the impacts linked to the application of IFRIC 21. 2014 annual results including IFRIC 21 are equivalent to those published in 2014.

(in thousands of euros)	AS OF DECEMBER 31		
	2015	2014 *	2013
<b>Equity and liabilities</b>			
Equity attributable to owners of the parent	1,760,954	1,717,797	1,780,238
Non-controlling interests	6,073	6,737	13,089
Total equity	1,767,027	1,724,534	1,793,327
Provisions for liabilities and charges	114,234	117,792	112,056
Financing liabilities	392,594	395,123	15,133
Liabilities relating to insurance contracts	1,514,862	1,472,180	1,450,499
Payables arising from banking sector activities	2,369,662	2,217,782	2,109,297
Other liabilities	724,151	659,620	512,708
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,882,530</b>	<b>6,587,031</b>	<b>5,993,019</b>

\* The published 2014 results were restated to reflect the impacts linked to the application of IFRIC 21. 2014 annual results including IFRIC 21 are equivalent to those published in 2014.

## KEY FIGURES

### REVENUE BY BUSINESS LINE AS OF DECEMBER 31, 2015

(in thousands of euros)	2015	2014	2013
<b>Credit insurance and related services</b>	<b>1,331</b>	<b>1,275</b>	<b>1,269</b>
Credit insurance – gross earned premiums excluding premiums	1,135	1,078	1,071
Related Services	136	134	133
Public procedures management	60	63	66
<b>Additional Services</b>	<b>159</b>	<b>166</b>	<b>171</b>
Net income from banking activities	71	71	69
Surety bonds – Gross earned premiums net of cancellation	51	54	58
Services	37	41	44
<b>TOTAL</b>	<b>1,490</b>	<b>1,441</b>	<b>1,440</b>

## REVENUE BY REGION AS OF DECEMBER 31, 2015\* \*\*

(in thousands of euros)	2015	2014	2013
Northern Europe	335	352	367
Western Europe	457	462	469
Central Europe	115	113	110
Mediterranean and Africa	246	227	217
North America	131	114	102
Latin America	84	76	81
Asia-Pacific	121	97	95
<b>TOTAL</b>	<b>1,490</b>	<b>1,441</b>	<b>1,440</b>

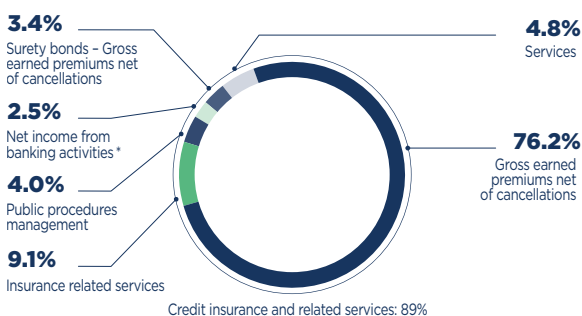
\* See details in Note 25.

\*\* The composition of the regions was modified on April 11, 2016 and led to certain adjustments.

Portugal and Spain, which were initially included in Western European, were transferred to the Mediterranean and Africa.

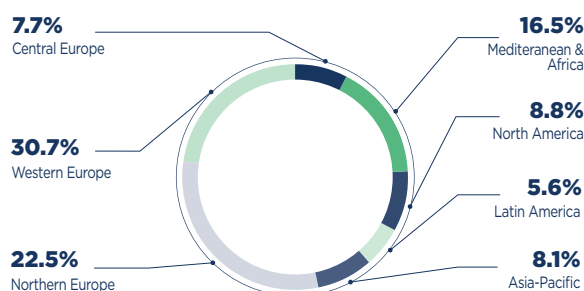
Russia, initially included in Northern Europe, was transferred to Central Europe.

## BREAKDOWN OF REVENUE BY BUSINESS LINE 2015



\* Factoring business in Germany and Poland.

## BREAKDOWN OF REVENUE BY REGION 2015



## MAIN RATINGS OF THE COFACE GROUP AT MARCH 8, 2016

The Company and some of its subsidiaries are valued by well-known ratings agencies. The Company rating can vary from agency to agency.

At March 8, 2016, the main ratings for the Company and its principal operational subsidiary were as follows:

INSURER FINANCIAL STRENGTH RATING	AGENCY	RATING	OUTLOOK
Compagnie française d'assurance pour le commerce extérieur and its branches	Fitch Moody's	AA- A2	Stable
RATING FOR THE COFACE SA DEBT			
Long-term counterparty risk rating	Fitch Moody's	A+ Baa2	Stable
Subordinated hybrid debt	Fitch Moody's	A- Baa1	Stable
Short-term counterparty risk rating (commercial paper)	Fitch Moody's	F1 P-2	Stable

The ratings shown above can be subject to revision or be withdrawn at any moment by the ratings agencies awarding them. None of these ratings represent an indication of past or future performance of COFACE shares or debt issued by the Company and should not be used as part of an investment decision. The Company is not responsible for the accuracy and reliability of these ratings.

## MARKET PROFILE

	2015
Trading	Euronext Paris (compartment A), eligible for deferred settlement service (SRD)
ISIN code	FR0010667147
Reuters code	COFA.PA
Bloomberg code	COFA FP
Stock Market Indexes <sup>(2)</sup>	SBF 120, CAC Mid 60, CAC Mid and Small, CAC All-tradable, CAC Financials, Next 150, MSCI Global Small Cap
Capital	€786,241,160
Number of shares	157,248,232
Market capitalization (retained price as of December 31, 2015: €9.336)	€1,468,069,494
Earnings per share	€0.80
Dividend per share <sup>(1)</sup>	€0.48
Pay-out ratio	60%
Highest price	€11.91
Lowest price	€7.36

(1) Special dividend deducted from "issue premium," subject to the approval of the Annual General Shareholders' Meeting on May 19, 2016.

(2) On March 10, 2016, Euronext announced the withdrawal of Coface from the SBF 120 and CAC Mid 60 indexes and its introduction into the CAC Small index. This change took effect on March 21, 2016.

## AVAILABILITY OF THE COFACE GROUP CREDIT INSURANCE OFFER WORLDWIDE



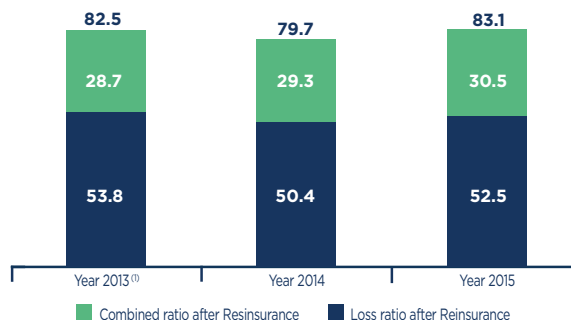
- **Direct:** Coface has a portfolio of licences which allows it to directly issue credit insurance contracts.
- **Freedom of Services:** Coface issue contracts from another European country where it has a licence thanks to the EU principle of free movement of services.
- **Offshore:** Coface occasionally issues contracts from abroad, and according to the conditions of the country concerned.
- **Coface Partner:** Coface may use an insurer that has a licence in the country concerned, which issues the contract and retrocedes all or part of the Coface Group's risks, according to the principle of "fronting".

## PERFORMANCE INDICATORS

### COMBINED RATIO BEFORE REINSURANCE (as a %)



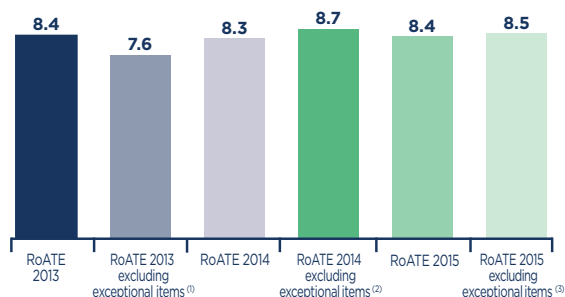
### COMBINED RATIO AFTER REINSURANCE (as a %)



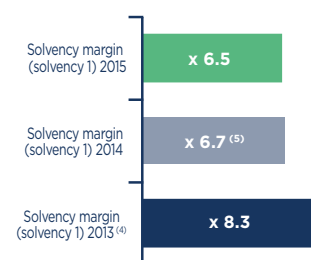
(1) Excluding the Company's relocation costs (-€8.3 million).

These operating ratios and the methodology for calculating them are defined in paragraph 3.3.2 "General presentation - Operating indicators".

### ROATE (as %)



### SOLVENCY MARGIN 1



(1) Net income (Group share) for 2013 restated for relocation costs and gains realised on disposals of financial assets from the establishment of the centralised investment management platform (€115 million).

(2) Net income (Group share) for 2014, restated for "IPO costs" (initial public offer) and other exceptional items (€132 million).

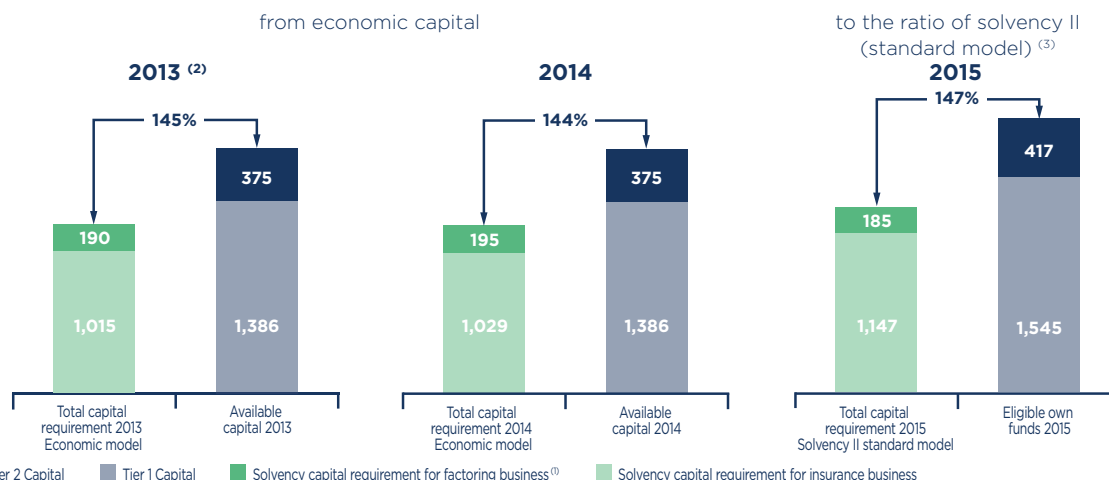
(3) Net income (Group share) restated for other exceptional items (€129 million).

(4) 2013 Solvency margin (Solvency I) not restated for the hybrid debt.

(5) At the publication of the 2014 registration document, the indicated solvency margin (solvency I) was 7.1. Restated for the own funds of credit and financial institutions, the coverage ratio would be 6.7 times (see Chapter 3 paragraph 3.5.2 "Solvency of the Group").

Return on average tangible equity (RoATE) computed as: Net income (Group share) (N)/Average Tangible IFRS Equity net of goodwill and intangible (N-1).

### SOLVENCY MARGIN II

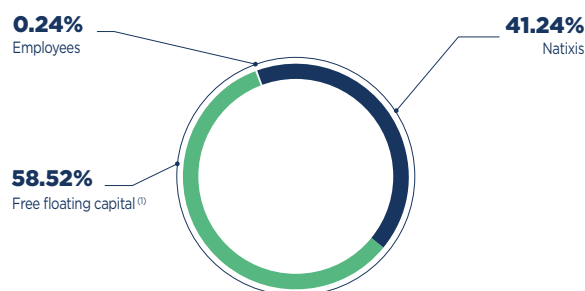


(1) Calculated according to the RWA methodology used by Natixis;

(2) Pro forma of issuance of hybrid debt and special dividends.

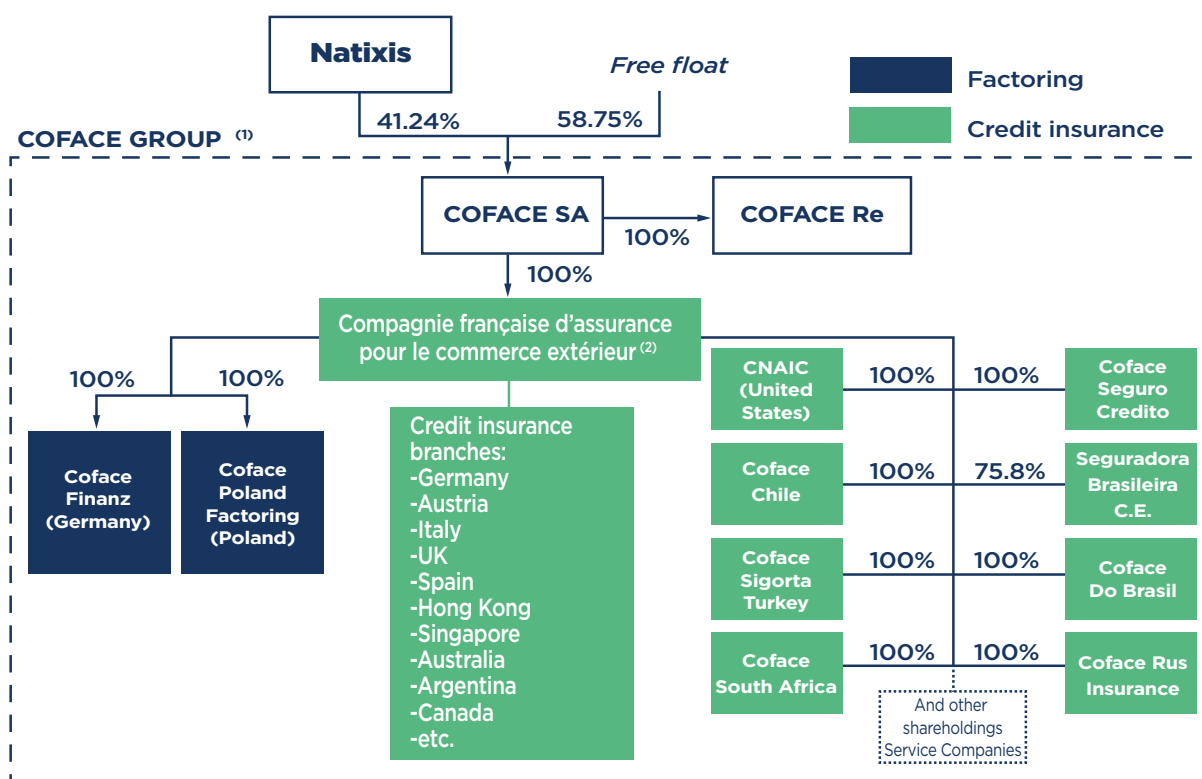
(3) Preliminary calculation. Coface's interpretation of Solvency II.

## SHAREHOLDING STRUCTURE AS OF DECEMBER 31, 2015



(1) Including 296,591 shares held in treasury under the share buyback programme, i.e. 0.19% of the capital (of which 0.04% of the liquidity agreement and 0.15% of transactions involving treasury shares).

## SIMPLIFIED ORGANISATIONAL CHART



(1) The company COFACE SA, is also called the "Company" in this registration document. Unless otherwise stated, references in this document to the "Group" or the "Coface Group" are references to the Company and its subsidiaries, branches and holdings. COFACE SA is the holding company of the Coface Group. As a decision-making and management body, the Company is a non-operational holding company and plays a vital financial role in the Coface Group, performing management, financing and advisory activities for its subsidiaries; it also manages operating activities.

The chief operating subsidiary of the Coface Group is Compagnie française d'assurance pour le commerce extérieur hereinafter referred to as "La Compagnie", with a net income of €79.1 million for the year ended December 31, 2015. This subsidiary, which is 100% owned by the Company, is a French société anonyme, with a share capital of €137,052,417.05, and registered with the Nanterre Trade and Companies Registry under company number 552 069 791.

La Compagnie is therefore the principal operating company and the principal insurance company of the Coface Group. It also manages public procedures on behalf of and with the guarantee of the French State (see Section 1.2.1.2 "Public Procedures Management"). It also owns the two Coface Group companies authorised to engage in factoring activities: Coface Finanz in Germany and Coface Factoring Poland in Poland (see the list of significant subsidiaries -pages 144-150 and Note 3, Chapter 4).

(2) The relationship between the patent company and subsidiaries is presented in detail in Note 44.