4.1 Consolidated financial statements

4.1.1 CONSOLIDATED BALANCE SHEET

Assets

(in thousands of euros)	NOTES	DEC. 31, 2015	DEC. 31, 2014 *
Intangible assets		**224,307**	**231,968**
Goodwill	5	155,467	154,515
Other intangible assets	6	68,840	77,453
Insurance business investments	7	**2,648,119**	**2,677,731**
Investment property	7	800	923
Held-to-maturity securities	7	3,721	6,872
Available-for-sale securities	7	2,512,526	2,324,682
Trading securities	7	55,468	30,864
Derivatives	7	6,123	2,834
Loans and receivables	7	69,481	311,556
Receivables arising from banking and other activities	8	**2,370,902**	**2,244,262**
Investments in associates	9	**20,258**	**19,001**
Reinsurers' share of insurance liabilities	20	**327,986**	**329,163**
Other assets		**894,121**	**806,282**
Buildings used in the business and other property, plant and equipment	10	65,107	67,708
Deferred acquisition costs	12	44,043	43,171
Deferred tax assets	22	57,538	33,939
Receivables arising from insurance and reinsurance operations	11	518,970	453,415
Trade receivables arising from other activities	12	14,238	17,762
Current tax receivables	12	68,937	43,238
Other receivables	12	125,288	147,049
Cash and cash equivalents	13	**396,837**	**278,624**
TOTAL ASSETS		**6,882,530**	**6,587,031**

* *The Group applied IFRIC 21 "Levies" retrospectively from January 1, 2014. Consequently, 2014 comparative financial statements have been restated (see Note 1 "Reconciliation of the published"and IFRIC 21 restated financial statement December 31, 2014).*

Equity and liabilities

(in thousands of euros)	NOTES	DEC. 31, 2015	DEC. 31, 2014 *
Equity attributable to owners of the parent		**1,760,954**	**1,717,797**
Share capital	14	786,241	786,241
Additional paid-in capital		347,371	422,831
Retained earnings		442,231	318,498
Other comprehensive income		58,872	65,201
Consolidated net income for the year		126,239	125,026
Non-controlling interests		**6,073**	**6,737**
Total equity		**1,767,027**	**1,724,534**
Provisions for liabilities and charges	17	**114,234**	**117,792**
Financing liabilities	19	**392,594**	**395,123**
Liabilities relating to insurance contracts	20	**1,514,862**	**1,472,180**
Payables arising from banking sector activities	21	**2,369,662**	**2,217,782**
Amounts due to banking sector companies	21	352,379	300,706
Amounts due to customers of banking sector companies	21	404,218	379,016
Debt securities	21	1,613,065	1,538,060
Other liabilities		**724,151**	**659,620**
Deferred tax liabilities	22	144,266	128,463
Payables arising from insurance and reinsurance operations	23	241,339	176,628
Current taxes payable	24	111,527	97,058
Derivative instruments with a negative fair value	24	6,752	16,037
Other payables	24	220,267	241,434
TOTAL EQUITY AND LIABILITIES		**6,882,530**	**6,587,031**

* *Restated pursuant to IFRIC 21 (see Note 1 "Reconciliation of the published"and IFRIC 21 restated financial statement December 31, 2014).*

4.1.2 CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	NOTES	DEC. 31, 2015	DEC. 31, 2014 *
Revenue	25	**1,489,530**	**1,440,536**
Gross written premiums		1,269,082	1,242,676
Premium refunds		-81,497	-98,309
Net change in unearned premium provisions		-1,650	-11,640
Earned premiums	25	**1,185,935**	**1,132,727**
Fee and commission income	25	**125,550**	**124,756**
Net income from banking activities	25	**70,599**	**70,623**
Cost of risk	27	-4,696	-2,046
Revenue or income from other activities	25	**107,446**	**112,431**
Investment income, net of management expenses	*30*	*50,245*	*35,397*
Gains and losses on disposals of investments	*30*	*2,846*	*7,372*
Investment income, net of management expenses (excluding finance costs)	30	53,091	42,769
TOTAL REVENUE AND INCOME FROM ORDINARY ACTIVITIES		**1,537,925**	**1,481,259**
Claims expenses	26	-605,344	-538,727
Expenses from banking activities, excluding cost of risk	27	-14,094	-11,066
Expenses from other activities		-44,892	-47,338
Income from ceded reinsurance	*29*	*214,300*	*198,013*
Expenses from ceded reinsurance	*29*	*-265,710*	*-266,673*
Income and expenses from ceded reinsurance	29	-51,410	-68,660
Policy acquisition costs	28	-274,048	-262,880
Administrative costs	28	-269,956	-269,119
Other current operating expenses	28	-81,652	-74,509
TOTAL CURRENT INCOME AND EXPENSES		**-1,341,396**	**-1,272,299**
CURRENT OPERATING INCOME		**196,529**	**208,961**
Other operating expenses	31	-5,490	-11,809
Other operating income	31	1,258	1,872
OPERATING INCOME		**192,297**	**199,023**
Finance costs		-18,491	-14,975
Share in net income of associates	33	2,157	2,136
Income tax expense	32	-48,836	-60,335
CONSOLIDATED NET INCOME BEFORE NON-CONTROLLING INTERESTS		**127,127**	**125,849**
Non-controlling interests		-888	-825
NET INCOME FOR THE YEAR		**126,239**	**125,024**
Earnings per share *(in €)*	35	0.80	0.80
Diluted earnings per share *(in €)*	35	0.80	0.80

* *Restated pursuant to IFRIC 21 (see Note 1 "Reconciliation of the published"and IFRIC 21 restated financial statement December 31, 2014).*

4.1.3 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(en milliers d'euros)	NOTES	DEC. 31, 2015	DEC. 31, 2014*
Net income for the period		**126,239**	**125,026**
Non-controlling interests		888	825
Other comprehensive income			
Currency translation differences reclassifiable to income		**2,328**	**13,284**
Reclassified to income		*0*	
Recognised in equity		*2,328*	*13,284*
Fair value adjustments on available-for-sale financial assets	7; 16; 22	**-13,901**	**30,220**
Reclassified to income – gross		*-4,490*	*-7,834*
Reclassified to income – tax effect		*1,525*	*2,485*
Recognised in equity – reclassifiable to income – gross		*-9,465*	*48,086*
Recognised in equity – reclassifiable to income – tax effect		*-1,471*	*-12,517*
Fair value adjustments on employee benefit obligations	16; 18; 22	**3,978**	**-6,132**
Recognised in equity – not reclassifi able to income – gross		*5,890*	*-8,763*
Recognised in equity – not reclassifi able to income – tax effect		*-1,912*	*2,631*
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**-7,595**	**37,371**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**119,532**	**163,222**
■ attributable to owners of the parent		119,910	163,428
■ attributable to non-controlling interests		-378	-206

* *Restated pursuant to IFRIC 21 (See Note 1 – Reconciliation of the published and IFRIC 21 restated financial statement at December 31, 2014).*

4.1.4 STATEMENT OF CHANGES IN EQUITY

(in thousands of euros)	NOTES	SHARE CAPITAL	CONSOLIDATED RESERVES	TREASURY SHARES
EQUITY AT DECEMBER 31, 2013		**784,207**	**841,834**	
EQUITY AT JANUARY 1, 2014 RESTATED IFRIC 21		**784,207**	**842,271**	
Capital increase		2,034	1,352	
2013 net income to be appropriated			127,439	
Special dividend paid to Natixis (issue premium)			-226,983	
Payment of 2013 dividends in 2014			-1,868	
Total transactions with owners		**2,034**	**-100,060**	
2014 net income restated IFRIC 21				
Fair value adjustments on available-for-sale financial assets recognized in equity				
Fair value adjustments on available-for-sale financial assets reclassified to income				
Change in actuarial gains and losses (IAS 19R)				
Currency translation differences				
Treasury shares elimination				-709
Other movements			-172	
EQUITY AT DECEMBER 31, 2014 RESTATED IFRIC 21		**786,241**	**742,039**	**-709**
2014 net income to be appropriated			125,025	
Payment of 2014 dividends in 2015			-75,460	
Total transactions with owners			**49,565**	
December 31, 2015 net income				
Fair value adjustments on available-for-sale financial assets recognized in equity	7; 16			
Fair value adjustments on available-for-sale financial assets reclassified to income	7; 16; 22			
Change in actuarial gains and losses (IAS 19R)	18; 22			
Currency translation differences				
Treasury shares elimination				-1,934
Free share plans expenses			641	
Transactions with shareholders				
EQUITY AT DECEMBER 31, 2015		**786,241**	**792,245**	**-2,643**

OTHER COMPREHENSIVE INCOME						
FOREIGN CURRENCY TRANSLATION RESERVE	RECLASSIFIABLE REVALUATION RESERVES	NON-RECLASSIFIABLE REVALUATION RESERVES	NET INCOME FOR THE PERIOD	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	NON-CONTROLLING INTERESTS	TOTAL EQUITY
-33,962	**75,930**	**-15,211**	**127,439**	**1,780,239**	**13,089**	**1,793,327**
-33,962	**75,930**	**-15,211**	**127,439**	**1,780,676**	**13,089**	**1,793,764**
				3,386		3,386
			-127,439			
				-226,983		-226,983
				-1,868	-760	-2,628
			-127,439	**-225,465**	**-760**	**-226 ,225**
			125,025	125,025	825	125,850
	36,499			36,499	-930	35,569
	-5,349			-5,349		-5,349
		-6,132		-6,132		-6,132
13,281				13,281	3	13,284
				-709		-709
	184	-39		-28	-5,490	-5,518
-20,681	**107,264**	**-21,382**	**125,025**	**1 717 797**	**6,737**	**1,724,534**
			-125,025			
				-75,460	-697	-76,157
			-125,025	**-75,460**	**-697**	**-76,157**
			126,239	126,239	888	127,127
	-10,164			-10,164	-771	-10,935
	-2,822			-2,822	-144	-2,966
		3,978		3,978		3 978
2,679				2,679	-351	2,328
				-1,934		-1,934
				641		641
					411	411
-18,002	**94,278**	**-17,404**	**126,239**	**1,760,954**	**6,073**	**1,767,027**

4.1.5 CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of euros)	NOTES	DEC. 31, 2015	DEC. 31, 2014
Net income for the period	35	**126,239**	**125,092**
Income tax expense		48,837	60,367
Finance costs		18,491	14,975
Operating income before tax (A)		**193,567**	**200,434**
Non-controlling interests		888	825
+/- Depreciation, amortization and impairment losses	6; 7.1; 10; 17	21,030	21,179
+/- Net additions to/reversals from technical provisions	20	23,452	-10,502
+/- Share in net income of associates	9	-2,157	-2,136
+ Dividends received from associates	9	900	756
+/- Fair value adjustments on financial instruments recognized at fair value through income		41,095	42,948
+/- Non-cash items		37,840	-53,926
Total non-cash items (B)		***123,047***	***-856***
Gross cash flows from operations (C) = (A) + (B)		***316,614***	***199,577***
Change in operating receivables and payables		12,616	16,941
Net taxes paid		-73,228	14,495
Net cash related to operating activities (D)		***-60,612***	***31,436***
Increase (decrease) in receivables arising from factoring operations		-127,615	-123,997
Increase (decrease) in payables arising from factoring operations		100,207	214,538
Increase (decrease) in factoring liabilities		52,281	-62,245
Net cash generated from banking and factoring operations (E)	8; 21	***24,873***	***28,295***
NET CASH GENERATED FROM OPERATING ACTIVITIES (F) = (C+D+E)		**280,875**	**259,308**
Acquisitions of investments	7	-2,027,373	-3,286,721
Disposals of investments	7	1,976,835	2,891,605
Net cash used in movements in investments (G)		***-50,538***	***-395,116***
Acquisitions of consolidated subsidiaries, net of cash acquired			
Disposals of consolidated companies, net of cash transferred			
Net cash used in changes in scope of consolidation (H)			
Disposals of property, plant and equipment and intangible assets	6; 10	-7,931	-8,920
Acquisitions of property, plant and equipment and intangible assets	6; 10	2,253	4,334
Net cash generated from (used in) acquisitions and disposals of property, plant and equipment and intangible assets (I)		***-5,678***	***-4,586***

(in thousands of euros)	NOTES	DEC. 31, 2015	DEC. 31, 2014
NET CASH USED IN INVESTING ACTIVITIES (J) = (G+H+I)		**-56,216**	**-399,702**
Proceeds from the issue of equity instruments			3,386
Special dividend paid to Natixis - issue premium payment			-226,983
Treasury share transactions		-1,781	-657
Dividends paid to owners of the parent		-75,460	-1,867
Dividends paid to non-controlling interests		-697	-760
Relution (Coface SA repurchase Compagnie Française d'Assurance pour le Commerce Extérieur from Natixis)		-	-4,169
Cash flows related to transactions with owners		***-77,938***	***-231,050***
Proceeds from the issue of debt instruments	19		388,846
Cash used in the redemption of debt instruments	19	-2,759	-10,457
Interests paid *		-18,048	
Cash flows related to the financing of Group operations		***-20,807***	***378,389***
NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES (K)		**-98,745**	**147,339**
IMPACT OF CHANGES IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS (L)		**-7,702**	**-2,242**
NET INCREASE IN CASH AND CASH EQUIVALENTS (F+J+K+L)		**+118,213**	**+4,704**
Net cash generated from operating activities (F)		280,875	259,308
Net cash used in investing activities (J)		-56,216	-399,702
Net cash generated from (used in) financing activities (K)		-98,745	147,339
Impact of changes in exchange rates on cash and cash equivalents (L)		-7,702	-2,242
Cash and cash equivalents at beginning of period	13	**278,624**	**273,920**
Cash and cash equivalents at end of period	13	**396,837**	**278,624**
NET CHANGE IN CASH AND CASH EQUIVALENTS		**+118,213**	**+4,704**

* *The item "Interests paid" includes interest on Coface SA hybrid securities for €15,675 thousand.*

4.2 Notes to the consolidated financial statement

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BASIS OF PREPARATION

These IFRS consolidated financial statements of the Coface Group as at December 31, 2015 are established in accordance with the International Financial Reporting Standards (IFRS) as published by the IASB and as adopted by the European Union [1]. They are detailed in the Note 4 "Applicable Accounting Standards" of the present consolidated financial statements as at December 31, 2015.

They are the same as those used for the year ended December 31, 2014, except the IFRIC 21 interpretation applicable as of January 1, 2015 (see Note 1 "Reconciliation of the published and restated financial statements").

In accordance with IAS 1, the consolidated financial statements of the Coface Group as of December 31, 2015 include:

- the balance sheet;
- the income statement;
- the consolidated statement of comprehensive income;
- the statement of changes in equity;
- the statement of cash flows;
- the notes to the financial statements.

They are presented with comparative financial information at December 31, 2014.

These IFRS consolidated financial statements for the year ended December 31, 2015 were reviewed by the Coface Group's Board of Directors on February 9, 2016.

/ NOTE 1 / Reconciliation of the published and IFRIC 21 restated financial statement December 31, 2014

IFRIC Interpretation 21 "Levies", which was adopted by the European Commission on June 13, 2014, and which becomes mandatory on January 1, 2015, is intended to clarify the accounting date to be used for liabilities related to levies resulting in a net outflow of resources and imposed by governments (including government agencies and similar bodies whether local, national or international).

The following are within the scope of the Interpretation:

- levies whose timing and amount are certain;
- levies that are within the scope of IAS 37.

The interpretation does not cover:

- taxes and levies that are within the scope of other standards such as IAS 12 "Income Taxes", IAS 19 R "Employee Benefits" and IFRS 2 "Share-based Payment";
- fines and other penalties imposed for breaches of applicable laws and regulations.

According to the interpretation, the event giving rise to the recognition of the liability, or "obligating event" is the activity that triggers the payment of the levy in accordance with applicable laws and regulations. Based on current practice, two discrepancies emerge from the application of this principle:

- for annual financial statements, under IFRIC, levies calculated on the basis of the current period's activity, but whose payment is legally triggered in the subsequent period, may not be recognized in the period in which the corresponding revenue is generated;
- for interim financial statements, the obligating event may occur over time or at a particular point in time. Thus, in some instances the Interpretation requires the related provision to be recognized in full at the time the obligating event occurs, *i.e.,* in a single nine-month period or quarter *versus* the current progressive recognition.

The first application of IFRIC 21 retrospectively at January 1, 2014, generates a positive impact on shareholders' equity amounting to €370,000 of "Contribution sociale de solidarité des sociétés (C3S)" restated.

The impact on the operating income at December 31, 2014 amounted to an expense of €99,000 in restated C3S.

(1) *The standards adopted by the European Union can be consulted on the website of the European Commission at: http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm.*

RESTATEMENTS ON ASSETS – ASSETS

(in thousands of euros)	NOTES	DEC. 31, 2014 PUBLISHED	IFRIC 21 IMPACTS	DEC. 31, 2014 RESTATED
Intangible assets		**231,968**		**231,968**
Goodwill	5	154,515		154,515
Other intangible assets	6	77,453		77,453
Insurance business investments	7	**2,677,731**		**2,677,731**
Investment property	7	923		923
Held-to-maturity securities	7	6,872		6,872
Available-for-sale securities	7	2,324,682		2,324,682
Trading securities	7	30,864		30,864
Derivatives	7	2,834		2,834
Loans and receivables	7	311,556		311,556
Receivables arising from banking and other activities	8	**2,244,262**		**2,244,262**
Investments in associates	9	**19,001**		**19,001**
Reinsurers' share of insurance liabilities	20	**329,163**		**329,163**
Other assets		**806,468**	**-186**	**806,282**
Buildings used in the business and other property, plant and equipment	10	67,708		67,708
Deferred acquisition costs	12	43,171		43,171
Deferred tax assets	23	34,125	-186	33,939
Receivables arising from insurance and reinsurance operations	11	453,415		453,415
Trade receivables arising from other activities	12	17,762		17,762
Current tax receivables	12	43,238		43,238
Other receivables	12	147,049		147,049
Cash and cash equivalents	13	**278,624**		**278,624**
TOTAL ASSETS		**6,587,217**	**-186**	**6,587,031**

RESTATEMENTS ON LIABILITIES – EQUITY AND LIABILITIES

(in thousands of euros)	NOTES	DEC. 31, 2014 PUBLISHED	IFRIC 21 IMPACTS	DEC. 31, 2014 RESTATED
Equity attributable to owners of the parent		**1,717,427**	**370**	**1,717,797**
Share capital	14	786,241		786,241
Additional paid-in capital		422,831		422,831
Retained earnings		318,062	437	318,499
Other comprehensive income		65,201		65,201
Consolidated net income for the year		125,092	-67	125,025
Non-controlling interests		**6,737**		**6,737**
Total equity		**1,724,164**	**370**	**1,724,534**
Provisions for liabilities and charges	17	**117,792**		**117,792**
Financing liabilities	19	**395,123**		**395,123**
Liabilities relating to insurance contracts	20	**1,472,180**		**1,472,180**
Payables arising from banking sector activities	21	**2,217,782**		**2,217,782**
Amounts due to banking sector companies	21	300,706		300,706
Amounts due to customers of banking sector companies	21	379,016		379,016
Debt securities	21	1,538,060		1,538,060
Other liabilities		**660,176**	**-556**	**659,620**
Deferred tax liabilities	22	128,463		128,463
Payables arising from insurance and reinsurance operations	23	176,628		176,628
Current taxes payable	24	97,614	-556	97,058
Derivative instruments with a negative fair value	24	16,037		16,037
Other payables	24	241,434		241,434
TOTAL EQUITY AND LIABILITIES		**6,587,217**	**-186**	**6,587,031**

RESTATMENTS ON P&L

(in thousands of euros)	NOTES	DEC. 31, 2014 PUBLISHED	IFRIC 21 IMPACTS	DEC. 31, 2014 RESTATED
Revenue	25	**1,440,536**		**1,440,536**
Gross written premiums		1,242,676		1,242,676
Premium refunds		-98,309		-98,309
Net change in unearned premium provisions		-11,640		-11,640
Earned premiums	25	**1,132,727**		**1,132,727**
Fee and commission income	25	**124,756**		**124,756**
Net income from banking activities	25	**70,623**		**70,623**
Cost of risk	27	-2,046		-2,046
Revenue or income from other activities	25	**112,431**		**112,431**
Investment income, net of management expenses	*30*	*35,397*		*35,397*
Gains and losses on disposals of investments	*30*	*7,372*		*7,372*
Investment income, net of management expenses excluding finance costs	30	42,769		42,769
Total revenue and income from ordinary activities		**1,481,259**		**1,481,259**
Claims expenses	26	-538,721	-6	-538,727
Expenses from banking activities, excluding cost of risk	27	-11,066		-11,066
Expenses from other activities		-47,338		-47,338
Income from ceded reinsurance	*29*	*198,013*		*198,013*
Expenses from ceded reinsurance	*29*	*-266,673*		*-266,673*
Income and expenses from ceded reinsurance	29	-68,660		-68,660
Policy acquisition costs	28	-262,854	-26	-262,880
Administrative costs	28	-269,106	-13	-269,119
Other current operating expenses	28	-74,455	-54	-74,509
TOTAL CURRENT INCOME AND EXPENSES		**-1,272,200**	**-99**	**-1,272,299**
CURRENT OPERATING INCOME		**209,060**	**-99**	**208,960**
Other operating expenses	31	-11,809		-11,809
Other operating income	31	1,872		1,872
OPERATING INCOME		**199,122**	**-99**	**199,023**
Finance costs		-14,975		-14,975
Share in net income of associates	33	2,136		2,136
Income tax expense	32	-60,367	32	-60,335
CONSOLIDATED NET INCOME BEFORE NON-CONTROLLING INTERESTS		**125,916**	**-67**	**125,849**
Non-controlling interests		-825		-825
NET INCOME FOR THE YEAR		**125,092**	**-67**	**125,024**
Earnings per share *(in €)*	35	0.80		0.80
Diluted earnings per share *(in €)*	35	0.80		0.80

/ NOTE 2 / Significant events

Modernisation of the flagship offering, renamed TradeLiner

Coface has modernised its flagship offering and announced on June 15 the launch of TradeLiner, designed to address the changing needs of mid-market companies. This decision is an integral part of the Coface Group's decision to revamp its strategy and tailor its credit insurance offering to specific market segments. This new product is currently in the process of being rolled out in all countries in which the Group operates.

Geographical development

Continuing its efforts of expansion in new markets, Coface obtained in January 2015 a licence in Israel allowing it to sell credit insurance policies through its own sales forces. The Group also opened a new sales representation office in Kazakhstan (January 2015).

Management of State export credit guarantees

The French government announced on February 23, 2015 that it was examining the possibility of transferring the French State public guarantees activity, currently carried out by Coface, to the Bpifrance group.

Having studied and discussed the project with Coface, the French government announced on July 29, 2015, its decision to implement the project, in line with its aim to consolidate under one establishment the support it offers to SME and larger companies.

Coface and the French government reached an agreement, signed on July 29, 2015, as to the financial terms of such a transfer. These consist in compensation [1] of €89.7 million before tax.

This compensation will allow Coface to absorb immediate depreciation charges (estimated at €16.3 million before tax) and contribute to absorbing the loss of margin (€12.6 million) and fixed costs (€20.3 million) remaining at Coface's expense (amounts before tax on a full-year 2015 basis).

The transfer is subject to modification of the applicable legislative and regulatory framework, which will come into effect by decree [2]. It will result in the transfer to Bpifrance of the autonomous branch of activity consisting in the management of state guarantees, composed of dedicated teams and resources (IT systems, contracts, etc.), in addition to the corresponding assets and liabilities.

Finalization of the financial autonomy project and evolution of the refinancing program

Introduction of the bilateral facility lines

In the context of disengagement from Natixis, the Coface Group has put in place an alternative refinancing solution to the liquidity line of €500 million granted by Natixis, as shareholder, for the Group's factoring companies in Germany and Poland (for an amount of €200 million and €300 million respectively). Therefore, eight multicurrency revolving facilities have been put in place with five banking partners for a total amount of €500 million split equally between Coface Finanz and Coface Factoring Poland.

The credit lines are backed by a guarantee granted by COFACE SA to insure the lenders against failure by the borrower to comply with its obligations.

This shift has led the Group to reinforce the diversification of banking partners and to achieve complete financial autonomy for the global refinancing needs while extending the average maturity of the refinancing sources (the maturity of the new lines varies between 15 months and three years).

Extension of the commercial paper program

In October 2015, the Coface Group proceeded to an extension of its commercial paper program dedicated to the refinancing of the factoring business of Coface Finanz.

As a reminder, bilateral credit lines (backup lines) support the program in case of market disruption, which is a requirement of the rating agencies.

This year the renewal of the program has led to:

- a lengthening of maturities (four of the six lines have a maturity of two years);
- an increase of the amount (from €500 million to €600 million) and;
- a significant financial gain (a decrease in average price of the lines by approximatively 10 bps).

The extension of the size of the program with a lengthening of the maturity is part of the strategy defined by the Group at the beginning of this year. It allowed to take advantage of favorable market conditions and to secure them for a larger amount and for a longer term.

Renewal of the securitization program

In March 2012 the Coface Group put in place a securitization program as an alternative refinancing solution to the liquidity line granted by Natixis to support the Group's factoring business in Germany. The initial program for a global amount of €1,100 million has evolved to reach €1,195 million in July 2014.

The special purpose vehicle (French *fonds commun de titrisation*), called VEGA, acquires the receivables at their nominal value less a discount determined on the basis of the portfolio's past losses and refinancing costs. To obtain refinancing, the fund issues (i) senior units subscribed by the conduits (one conduit per bank) which in turn issue ABCP (asset-backed commercial paper) on the market and (ii) junior units subscribed by Coface Factoring Poland.

(1) The compensation of €89.7 million before tax is composed of a €77.2 million cash payment and depreciation charges estimated at €12.5 million at end 2015.

(2) Finance Law No. 2015-1786, Article 103, from December 29, 2015.

In December 2015, the securitization program for factoring receivables of Coface Finanz has been renewed in advance for a maximum amount maintained at €1,195 million. Within this framework, the Coface Group entered into an agreement with the banks in charge of financing to renew funding with maturities of one year and three years at a 23% and 77% respectively of the global maximum amount.

◆ Financial strength affirmed by rating agencies

Fitch and Moody's reaffirmed the financial strength ratings (IFS) of the Group, A2 and AA- respectively (stable outlook), on September 17 and October 13, 2015.

◆ Governance evolution

Executive Committee

The Executive Committee is composed by the members of: i) the Group Direction Committee, which is the strategic and operational management body of the Group; and, ii) the heads of the seven geographic regions. The said committee has evolved to support the development of the Group.

Carole Lytton was appointed as Group Corporate Secretary as of July 3, 2015. She manages the Group legal, compliance, facility management functions and CSR (corporate social responsibility), a new function which is intended to include corporate governance issues on the sustainable development of Coface.

Juan Saborido was appointed as director of the North America region, and has integrated the Executive Committee April 15, 2015.

By decision of November 2, 2015 the Board of Directors appointed Carine Pichon as effective manager of the Group, as part of the Solvency II Regulations. The Group now has two effective directors, the CEO and Carine Pichon, Chief Financial Officer of the Group.

Following the resignation of Richard Burton, Pierre Hamille was appointed Group Audit Director on November 30, 2015. Therefore and due to the incompatibility between this new function with that of being a member of the Executive Committee, Pierre Hamille has left the Executive Committee.

Since November 30, 2015, the Risk Management Group is hierarchically attached to Carine Pichon, Chief Financial Officer of the Group.

Board of Directors

COFACE SA Board of Directors proceeded to co-opt two new directors during the meeting of May 5, 2015: Linda Jackson, Managing Director of Citroën and member of the Executive Committee of PSA Peugeot Citroën; and, Odillard Martine, Chief Executive Officer of Chargers Group.

These two new members are considered independent. The Board will benefit from their vast experience gained over the years by working in international companies in diversified sectors.

Clara-Cristina Streit left the Board of Directors on May 1, 2015.

As at December 31, 2015, the composition of COFACE SA Board of Directors is as follows: Laurent Mignon (Chairman of the Board), BPCE (represented by Marguerite Berard-Andrieu), John Arundel, Jean-Paul Dumortier, Eric Hemar, Linda Jackson, Pascal Marchetti, Sharon MacBeath, Martine Odillard, Laurent Roubin, and Olivier Zarrouati.

/ NOTE 3 / Scope of consolidation

Change in the scope of consolidation in 2015

First-time consolidation

Fonds Lausanne was first-time consolidated by full integration method during the third quarter 2015. This entity was created in order to allow to Coface Ré to subcribe to parts in mutual funds (*fonds communs de placement* or FCP). It integrates two French funds, Lausanne n°2 and Lausanne n°3.

Exit from consolidation scope

Coface Deutschland Vertriebs was merged with Cofacerating holding.

The invetment fund Fonds Colombes n°1 was liquidated during the second quarter of 2015.

Special purpose entities

SPEs used for the credit insurance business

Coface's credit enhancement operations consist of insuring, via a special purpose entity (SPE), receivables securitised by a third party through investors, for losses in excess of a predefined amount. In this type of operation, Coface has no role whatsoever in determining the SPE's activity or its operational management. The premium received on the insurance policy represents a small sum compared to all the benefits generated by the SPE, the bulk of which flow to the investors.

Coface does not sponsor securitisation arrangements. It plays the role of mere service provider to the special purpose entity by signing a contract with the SPE. In fact, Coface holds no power over the relevant activities of the SPEs involved in these arrangements (selection of receivables in the portfolio, receivables management, etc.). No credit insurance SPEs were consolidated within the financial statements at December 31, 2015.

SPEs used for financing operations

Since 2012, Coface has put in place an alternative refinancing solution to the liquidity line granted by Natixis for the Group's factoring business in Germany and Poland (SPEs used for financing operations).

Under this solution, every month, Coface Finanz – a Group factoring company – sells its factored receivables to a French SPV (special purpose vehicle), the FCT Vega securitisation fund. The sold receivables are covered by credit insurance provided by Coface Deutschland (formerly Coface Kreditversicherung AG).

The securitisation fund acquires the receivables at their nominal value less a discount (determined on the basis of the portfolio's past losses and refinancing costs). To obtain refinancing, the fund issues (i) senior units to the conduits (one conduit per bank) which in turn issue ABCP (asset-backed commercial paper) on the market, and (ii) subordinated units to Coface Factoring Poland. The Coface Group holds control over the relevant activities of the FCT.

The FCT Vega securitisation fund is consolidated in the Group financial statements.

SPEs used for investing operations

The "Colombes" mutual funds were set up in 2013 to centralise the management of the Coface Group's investments. The administrative management of these funds has been entrusted to Amundi, and Caceis has been selected as custodian and asset servicing provider.

Coface Group entities (and only Coface Group entities) now subscribe to units in these funds, *via* Compagnie française d'assurance pour le commerce extérieur, instead of having their own respective investment portfolios, which have been liquidated. Once a year the entities concerned receive a share of the comprehensive income generated by the funds in proportion to their net contribution to the management platform.

Fonds Lausanne was created in order to allow to Coface Ré to subcribe to parts in investment funds, the management is delegated to Amundi, the custodian is Caceis Switzerland and the asset servicing provider is Caceis.

The three criteria established by IFRS 10 for consolidation of the FCP Colombes and FCP Lausanne funds are met. Units in dedicated mutual funds (UCITS) have been included in the scope of consolidation and are fully consolidated. They are wholly-controlled by the Group.

◆ Scope of consolidation

All of Coface entities are consolidated by full integration method, except Cofacredit consolidated by equity method.

			PERCENTAGE			
COUNTRY	ENTITY	CONSOLIDATION METHOD	CONTROL DEC. 31, 2015	INTEREST DEC. 31, 2015	CONTROL DEC. 31, 2014	INTEREST DEC. 31, 2014
Northern Europe						
Germany	Coface Deutschland (ex-Coface Kreditversicherung) Isaac – Fulda – Allee 1 55124 Mainz	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Germany	Coface Finanz GmbH Isaac – Fulda – Allee 1 55124 Mainz	Full	100.00%	100.00%	100.00%	100.00%
Germany	Coface Debitorenmanagement GmbH Isaac – Fulda – Allee 5 55124 Mainz	Full	100.00%	100.00%	100.00%	100.00%
Germany	Coface Rating Holding Isaac – Fulda – Allee 1 55124 Mainz	Full	100.00%	100.00%	100.00%	100.00%
Germany	Coface Deutschland Vertriebs Isaac – Fulda – Allee 1 55124 Mainz	Merged	NA	NA	100.00%	100.00%
Germany	Coface Rating Gmbh Isaac – Fulda – Allee 1 55124 Mainz	Full	100.00%	100.00%	100.00%	100.00%
Germany	Kisselberg Hauptstr. 131-137 65260 Eschborn	Full	100.00%	100.00%	100.00%	100.00%
Germany	Fct Vega (fonds de titrisation) 41, rue Délizy 93500 Pantin	Full	100.00%	100.00%	100.00%	100.00%
Netherlands	Coface Nederland Services Claudius Prinsenlaan 126 Postbus 3377 4800 DJ Breda	Full	100.00%	100.00%	100.00%	100.00%

COUNTRY	ENTITY	CONSOLIDATION METHOD	PERCENTAGE CONTROL DEC. 31, 2015	PERCENTAGE INTEREST DEC. 31, 2015	PERCENTAGE CONTROL DEC. 31, 2014	PERCENTAGE INTEREST DEC. 31, 2014
Netherlands	Coface Nederland Claudius Prinsenlaan 126 P.O. Box 3377 4800 DJ Breda	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Denmark	Coface Danmark Nygade 111 7430 Ikast	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Sweden	Coface Sverige Kungsgatan 33 111 56 Stockholm	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Russia	Coface Russia Insurance Company Parus Business Centre, 23/1 1st Tverskaya-Yamskaya Str. 125047 Moscow	Full	100.00%	100.00%	100.00%	100.00%
Western Europe						
France	COFACE SA (Ex-Coface Holding) 1, place Costes et Bellonte 92270 Bois-Colombes	Parent company	100.00%	100.00%	100.00%	100.00%
France	Compagnie française d'assurance pour le commerce extérieur (ex- COFACE SA) 1, place Costes et Bellonte 92270 Bois-Colombes	Full	100.00%	100.00%	100.00%	100.00%
France	Cofacredit Tour facto 18, rue Hoche 92988 Puteaux	Equity method	36.00%	36.00%	36.00%	36.00%
France	Cofinpar 1, place Costes et Bellonte 92270 Bois-Colombes	Full	100.00%	100.00%	100.00%	100.00%
France	Cogeri 1, place Costes et Bellonte 92270 Bois-Colombes	Full	100.00%	100.00%	100.00%	100.00%
France	Fimipar 1, place Costes et Bellonte 92270 Bois-Colombes	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 1 90, boulevard Pasteur 75015 Paris	NA	NA	NA	100.00%	100.00%
France	Fonds Colombes 2 90, boulevard Pasteur 75015 Paris	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 2 bis 90, boulevard Pasteur 75015 Paris	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 3 90, boulevard Pasteur 75015 Paris	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 3 bis 90, boulevard Pasteur 75015 Paris	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 3 ter 90, boulevard Pasteur 75015 Paris	Full	100.00%	100.00%	100.00%	100.00%

COUNTRY	ENTITY	CONSOLIDATION METHOD	PERCENTAGE			
			CONTROL DEC. 31, 2015	INTEREST DEC. 31, 2015	CONTROL DEC. 31, 2014	INTEREST DEC. 31, 2014
France	Fonds Colombes 4 90, boulevard Pasteur 75015 Paris	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 4 bis 90, boulevard Pasteur 75015 Paris	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 5 90, boulevard Pasteur 75015 Paris	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 5 bis 90, boulevard Pasteur 75015 Paris	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 6 90, boulevard Pasteur 75015 Paris	Full	100.00%	100.00%	100.00%	100.00%
France	Fonds Colombes 6 bis 90, boulevard Pasteur 75015 Paris	Full	100.00%	100.00%	100.00%	100.00%
Belgium	Coface Belgium Services Holding 100 boulevard du Souverain 1170 Bruxelles	Full	100.00%	100.00%	100.00%	100.00%
Belgium	Coface Belgium 100, boulevard du Souverain B-1170 Bruxelles (Watermael-Boitsfort)	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Luxembourg	Coface Luxembourg 2, route d'Arlon L-8399 Windhof (Koerich) Luxembourg	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Switzerland	Coface Switzerland Rue Belle-Fontaine 18; CP 431 1001 Lausanne	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Switzerland	Coface Ré Rue Belle-Fontaine 18; CP 431 1001 Lausanne	Full	100.00%	100.00%	100.00%	100.00%
Switzerland	Fonds Lausanne 2 90, boulevard Pasteur 75015 Paris	Full	100.00%	100.00%	NA	NA
Switzerland	Fonds Lausanne 3 90, boulevard Pasteur 75015 Paris	Full	100.00%	100.00%	NA	NA
Spain	Coface Servicios España, SL Calle Aravaca, 22 28040 Madrid	Full	100.00%	100.00%	100.00%	100.00%
Spain	Coface Iberica C/Aravaca 22 28040 Madrid	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Portugal	Coface Portugal Av. José Malhoa, 16B – 7º Piso, Fracção B.1 Edifício Europa 1070 159 Lisboa	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
UK	Coface UK Holding 180 St Albans Rd, Watford Hertfordshire WD17 1RP	Full	100.00%	100.00%	100.00%	100.00%

COUNTRY	ENTITY	CONSOLIDATION METHOD	PERCENTAGE			
			CONTROL DEC. 31, 2015	INTEREST DEC. 31, 2015	CONTROL DEC. 31, 2014	INTEREST DEC. 31, 2014
UK	Coface UK Services 180 St Albans Rd, Watford Hertfordshire WD17 1RP	Full	100.00%	100.00%	100.00%	100.00%
UK	Coface UK Egale 1, 80 St Albans Road Watford, Hertfordshire WD17 1RP	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Ireland	Coface Irlande 67 B Upper George's Street Dun Laoghaire Co Dublin	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Central Europe						
Austria	Coface Austria Services Stubenring 24 1011 Vienna	Full	100.00%	100.00%	100.00%	100.00%
Austria	Coface Central Europ Holding Stubenring 24-2 A 1010 Vienna	Full	74.99%	74.99%	74.99%	74.99%
Austria	Coface Austria (ex- Coface Austria Holding AG) Stubenring 24 1011 Vienna	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Hungary	Coface Hungary Insurance Tűzoltó u. 57, H-1094 Budapest	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Poland	Coface Poland CMS Al.Jerozolimskie 136 PL-02-305/Warszaw	Full	100.00%	74.99%	100.00%	74.99%
Poland	Coface Poland Factoring Al.Jerozolimskie 136 PL-02-305/Warszaw	Full	100.00%	100.00%	100.00%	100.00%
Poland	Coface Poland Insurance Al. Jerozolimskie 136, PL-02-305 Warszaw	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Czech Republic	Coface Czech Insurance I.P. Pavlova 5 120 00 Praha 2	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Romania	Coface Romania CMS Calea Floreasca 39, Et. 3 Sect.1 Bucharest	Full	100.00%	74.99%	100.00%	74.99%
Romania	Coface Romania Insurance Calea Floreasca 39, Et. 3 Sect.1, 014453, Bucuresti	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Slovakia	Coface Slovakia Insurance Šoltésovej 14 811 08 Bratislava	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Lithuanie	LEID (Lithuania) Vilniaus str. 23 01402 Vilnius	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Latvia	Coface Latvia Insurance Berzaunes iela 11a LV-1039 Riga	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Bulgaria	Coface Bulgaria Insurance 85/87, T. Alexandrov blvd 1303 Sofia	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	

COUNTRY	ENTITY	CONSOLIDATION METHOD	PERCENTAGE CONTROL DEC. 31, 2015	PERCENTAGE INTEREST DEC. 31, 2015	PERCENTAGE CONTROL DEC. 31, 2014	PERCENTAGE INTEREST DEC. 31, 2014
Mediterranean & Africa						
Italy	Coface Italy (Succursale) Via Giovanni Spadolini 4 20141 Milan	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Italy	Coface ITALIA Via Giovanni Spadolini 4 20141 Milan	Full	100.00%	100.00%	100.00%	100.00%
Israel	Coface ISRAEL 11 Ben Gurion st, Bnei Brak 51260 Bnei Brak	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Israel	Coface Holding Israel 11 Ben Gurion st, Bnei Brak 51260 Bnei Brak	Full	100.00%	100.00%	100.00%	100.00%
Israel	Business Data Information Coface (BDI Coface) 11 Ben Gurion st, Bnei Brak 51260 Bnei Brak	Full	100.00%	100.00%	100.00%	100.00%
South Africa	Coface South Africa Nyanga Office Park Inyanga Close, Suninghill	Full	100.00%	100.00%	100.00%	100.00%
South Africa	Coface South Africa Services Nyanga Office Park Inyanga Close, Suninghill	Full	100.00%	100.00%	100.00%	100.00%
Turkey	Coface Sigorta Buyukdere Caddesi, Yapi Kredi Plaza, B-Blok Kat:6 Levent 34 330 Istanbul	Full	100.00%	100.00%	100.00%	100.00%
North America						
United States	Coface North America Holding Company Windsor Corporate Park 50, Millstone Road, Building 100 Suite 360, East Windsor New-Jersey 08520	Full	100.00%	100.00%	100.00%	100.00%
United States	Coface North America Windsor Corporate Park 50, Millstone Road, Building 100 Suite 360, East Windsor New-Jersey 08520	Full	100.00%	100.00%	100.00%	100.00%
United States	Coface Services North America 900 Chapel Street New Haven, CT 06510	Full	100.00%	100.00%	100.00%	100.00%
United States	Coface North America Insurance Company Windsor Corporate Park 50, Millstone Road, Building 100 Suite 360, East Windsor New-Jersey 08520	Full	100.00%	100.00%	100.00%	100.00%
United States	Coface Canada 251 Consumer Road Suite 910 Toronto – On M2J 1R3	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	

COUNTRY	ENTITY	CONSOLIDATION METHOD	PERCENTAGE CONTROL DEC. 31, 2015	PERCENTAGE INTEREST DEC. 31, 2015	PERCENTAGE CONTROL DEC. 31, 2014	PERCENTAGE INTEREST DEC. 31, 2014
Latin America						
Mexico	Coface Seguro De Credito Mexico Av. Insurgentes Sur #1787 Piso 10, Col. Guadalupe Inn, Delegación: Alvaro Obregon 01020 Mexico City, D.F	Full	100.00%	100.00%	100.00%	100.00%
Mexico	Coface Holding America Latina Av. Insurgentes Sur #1787 Piso 10, Col. Guadalupe Inn, Delegación: Alvaro Obregon 01020 México City, D.F	Full	100.00%	100.00%	100.00%	100.00%
Brazil	Coface Do Brasil Seguros De Credito Interno SA 34, João Duran Alonso Square Brooklin Novo District Saõ Paulo 12 floor	Full	100.00%	100.00%	100.00%	100.00%
Brazil	Seguradora Brasileira De Credito Interno SA (SBCE) Pça. João Duran Alonso, 34 – 12º Andar Brooklin Novo – Sao Paulo, CEP: 04571-070	Full	75.82%	75.82%	75.82%	75.82%
Chile	Coface Chile Nueva Tajamar 555. P17. Las Condes. Santiago	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Chile	Coface Chile SA Nueva Tajamar 555. Torre Costanera	Full	100.00%	100.00%	100.00%	100.00%
Argentina	Coface Argentina Ricardo Rojas 401 – 7 Floor CP 1001 Buenos Aires – Argentina	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Ecuador	Coface Ecuador Irlanda E10-16 y República del Salvador Edificio Siglo XXI, PH	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Asia-Pacific						
Australia	Coface Australia Level 10, 68 York Street Sydney NSW 2000 GPO Box 129 Sydney NSW 2001	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Hong-Kong	Coface Hong Kong 29th Floor, No.169 Electric Road North Point, Hong Kong	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Japan	Coface Japon Atago Green Hills MORI Tower 38F, 2-5-1 Atago, Minato-ku Tokyo 105-6238	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Singapore	Coface Singapour 16 Collyer Quay #15-00 Singapore 049318	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	
Taiwan	Coface Taiwan Room A5, 6F, N°16, Section 4, Nanjing East Road, Taipei 10553	-	Branch of Compagnie française d'assurance pour le commerce extérieur		Branch of Compagnie française d'assurance pour le commerce extérieur	

/ NOTE 4 / Accounting principles

4.1 Applicable accounting standards

The consolidated financial statements of the Coface Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union [1]. The same accounting principles and policies have been used for the financial statements of the year ended December 31, 2014 – apart from the following amendments applicable for the first time on or after January 1, 2015:

Legislation applicable since January 1, 2015

- the interpretation of IFRIC 21 "Levies" published by the IASB on May 20, 2013 and adopted by the European Commission on June 13, 2014 and of mandatory application on or after January 1, 2015. This interpretation seeks to clarify the date to be used for the recognition of levies in the financial statements of the entity paying such levy in application of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". The first application of IFRIC 21 retrospectively at January 1, 2014, generates a positive impact on shareholders' equity amounting to €370,000 (including tax effect) of "Contribution sociale de solidarité des sociétés (C3S)" restatement;
- the amendment "Annual Improvements to IFRS 2011 – 2013 Cycle", adopted by the European Commission on December 18, 2014 and of mandatory application on or after January 1, 2015 in the financial statements of Coface. This amendment pertains to the annual improvement process aimed at simplifying and clarifying the international reporting standards. The following standards have been amended: IFRS 3 "Business Combinations", IFRS 13 "Fair value measurement", IAS 40 "Investment property", IFRS 1 "First-time adoption of IFRS". These amendments had no impact on Coface's financial statement.

Coface did not proceed to the early application of the texts adopted by the European Union at December 31, 2015 but not yet in force on that date. These include:

- the amendment to IAS 19 "Employee Benefits" entitled "Defined Benefit Plans: Employee Contributions" adopted by the European Commission on January 9, 2015 and of mandatory application on or after January 1, 2016 in the financial statements of Coface. This amendment applies to the contributions paid by staff members or by third parties to defined benefit plans. The goal is to clarify and simplify the recognition of contributions that are independent of the employee's years of service (*e.g.:* the contributions of staff members that are calculated by a fixed percentage of wages) which can be recognized;
- the amendment "Annual Improvements to IFRS 2010 – 2012 Cycle", adopted by the European Commission on December 17, 2014 and of mandatory application on or after January 1, 2016 in the financial statements of Coface. This amendment pertains to the annual improvement process aimed at simplifying and clarifying the international reporting standards. The following standards have been amended: IFRS 2 "Share-based Payment", IFRS 3 "Business Combinations", IFRS 8 "Operating Segments", IAS 16 "Property, plant and equipment", IAS 38 "Intangible Assets" and IAS 24 "Related-Party Disclosures";
- the amendment to IFRS 11 "Joint Arrangements" entitled "Accounting for acquisitions of interests in joint operation" adopted by the European Commission on November 24, 2015 and of mandatory application on or after January 1, 2016 in the financial statements of Coface. This amendment clarifies on how to account for the acquisition of an interest in a joint operation that constitute a business as defined under IFRS 3 "Business combinaison". IFRS 3 should be applied proportionate to the interest acquired;
- the amendment to IAS 16 "Buildings used in the business" and IAS 38 "Intangible assets" entitled "Clarification of acceptable methods of depreciation and amortization" adopted by the European Commission on December 2, 2015 and of mandatory application on or after January 1, 2016 in the financial statements of Coface. This amendment clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate;
- the amendment "Annual Improvements to IFRS 2012 – 2014 Cycle", adopted by the European Commission on December 15, 2015 and of mandatory application on or after January 1, 2016 in the financial statements of Coface. This amendment pertains to the annual improvement process aimed at simplifying and clarifying the international reporting standards. The following standards have been amended: IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", IFRS 7 "Financial Instruments: Disclosures", IAS 19 "Employee Benefits" and IAS 34 "Interim Financial Reporting";
- the amendment to IAS 1 "Presentation of Financial Statements" entitled "Initiative to improve presentation and disclosure in financial reports" adopted by the European Commission on December 18, 2015 and of mandatory application on or after January 1, 2016 in the financial statements of Coface. This amendement is designed to further encourage companies to apply professional judgement in determining what information to disclose in their financial statements;
- the amendment to IAS 27 "Consolidated and Separate Financial Statements" entitled "Equity method in separate financial statements" adopted by the European Commission on December 18, 2015 and of mandatory application on or after January 1, 2016 in the financial statements of Coface. This amendment reinstate the equity method, described in IAS 28 "Investments in Associates", as an accounting option for investments in subsidiaries, joint ventures and associate's in an entity's separate financial statements.

(1) *The standards adopted by the European Union can be consulted on the website of the European Commission at: http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm*

IASB published, in July 2014, the complete and final version of IFRS 9 "Financial Instruments", replacing IAS 39, of mandatory application on or after January 1, 2018. This new standard includes:

- for financial assets, a new approach of classification based on the type of instrument (debt or equity instrument). For debt instrument, the standard revises the distinction Amortized Cost/Fair Value using a logical approach driven by cash flow characteristics and the business model in which an asset is held. Thus, only simple or standardized characteristic instruments are admissible under the amortized cost category (if the financial assets are held under a business model that is "hold to collect") or fair value through other comprehensive income category (if the financial assets are held under a business model that is "hold to collect and sell");
- for financial liabilities at fair value through P&L category, the variation of fair value related to own credit risk has to be recognized through other comprehensive income, unless it creates or increases an accounting mismatch on the net income in the P&L;
- a single model of impairment, prospective, based on an expected-loss model calculed on financial assets recognized under amortized cost category and fair value through other comprehensive income category;
- reformed model for hedge accounting, with enhanced disclosures about risk management activity.

Although the European Commission has not adopted IFRS 9 yet, Coface, considering the significance of changes, participates in diagnostic tasks of the standards and of operational impacts since the first half of 2015. This project continues in 2016.

4.2 Consolidation methods used

In accordance with IAS 1 "Presentation of Financial Statements", IFRS 10 and IFRS 3 on business combinations, certain interests that are not material in relation to the Coface Group's consolidated financial statements were excluded from the scope of consolidation.

The consolidation methods applied are as follows:

- companies over which the Coface Group exercises exclusive control are fully consolidated;
- companies over which the Coface Group exercises significant influence are accounted for by the equity method.

All the entities of the Coface Group scope are fully consolidated except Cofacrédit, which is consolidated at equity method.

IFRS 10 supersedes IAS 27 "Consolidated and Separate Financial Statements" in relation to consolidated financial statements as well as SIC-12 on special purpose entities. The control of an entity must now be analysed through three aggregate criteria: the power on the relevant activities of the entity, exposure to the variable returns of the entity and the investor's ability to affect the variable returns through its power over the entity.

Intercompany transactions

Material intercompany transactions are eliminated on the balance sheet and on the income statement.

4.3 Non-current assets held for sale and discontinued operations

In accordance with IFRS 5, a non-current asset (or disposal group) is classified as held for sale if its carrying amount will be recovered principally through a sale transaction. For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition and it must be highly probable that the sale will take place within 12 months.

A sale is deemed to be highly probable if:

- management is committed to a plan to sell the asset (or disposal group);
- a non-binding offer has been submitted by at least one potential buyer;
- it is unlikely that significant changes will be made to the plan or that it will be withdrawn.

Once assets meet these criteria, they are classified under "Non-current assets held for sale" in the balance sheet at the subsequent reporting date, and cease to be depreciated/amortised as from the date of this classification. An impairment loss is recognised if their carrying amount exceeds their fair value less costs to sell. Liabilities related to assets held for sale are presented in a separate line on the liabilities side of the balance sheet.

If the disposal does not take place within 12 months of an asset being classified as "Non-current assets held for sale", the asset ceases to be classified as held for sale, except in specific circumstances that are beyond Coface's control.

A discontinued operation is a clearly identifiable component of an entity that either has been disposed of, or is classified as held for sale, and:

- the component represents a separate major line of business or geographical area of operations;
- without representing a separate major line of business or geographical area of business, the component is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- the component is a subsidiary acquired exclusively with a view to resale.

The income from these operations is presented on a separate line of the income statement for the period during which the criteria are met and for all comparative periods presented. The amount recorded in this income statement line includes (i) the net income from discontinued operations until they are sold, and (ii) the post -tax net income recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal group(s) constituting the discontinued operation.

As of December 31, 2015, none of these activities were present in the Group's consolidated financial statements.

4.4 Year-end and accounting period

All consolidated companies have a December 31 year-end and an accounting period of 12 months.

4.5 Foreign currency translation

Translation of foreign currency transactions

In accordance with IAS 21, transactions carried out in foreign currencies (*i.e.,* currencies other than the functional currency) are translated into the functional currency of the entity concerned using the exchange rates prevailing at the dates of the transactions. The Group's entities generally use the closing rate for the month preceding the transaction date, which is considered as approximating the transaction-date exchange rate provided there are no significant fluctuations in rates.

Translation of the financial statements of subsidiaries and foreign branches

Coface's consolidated financial statements are presented in euros.

The balance sheets of foreign subsidiaries whose functional currency is not the euro are translated into euros at the year-end exchange rate, except for capital and reserves, which are translated at the historical exchange rate. All resulting foreign currency translation differences are recognised in the consolidated statement of comprehensive income.

Income statement items are translated using the average exchange rate for the year, which is considered as approximating the transaction-date exchange rate provided there are no significant fluctuations in rates (see IAS 21.40). All exchange differences arising on translation of these items are also recognised in other comprehensive income.

4.6 General principles

The insurance business

An analysis of all of Coface's credit insurance policies shows that they fall within the scope of IFRS 4, which permits insurers to continue to use the recognition and measurement rules applicable under local GAAP when accounting for insurance contracts.

Coface has therefore used French GAAP for the recognition of its insurance contracts.

However, IFRS 4:

- prohibits the use of equalisation and natural disaster provisions;
- and requires insurers to carry out liability adequacy tests.

The services business

- Companies engaged in the sale of business information and debt collection services fall within the scope of IAS 18 "Revenue".
- In accordance with IAS 18, revenue is recognised when the entity has transferred to the buyer the significant risks and rewards of ownership of the goods, it is probable that the economic benefits associated with the transaction will flow to the entity and the amount of revenue and costs incurred or to be incurred in respect of the transaction can be measured reliably.

The factoring business

Companies engaged in the factoring business are directly impacted by IAS 39 "Financial Instruments: Recognition and Measurement": a financial instrument is a contract that gives rise to a financial asset of one entity (contractual right to receive cash or another financial asset from another entity) and a financial liability or equity instrument of another entity (contractual obligation to deliver cash or another financial asset to another entity).

In application of IAS 39, Application Guidance 26, trade receivables are classified within the "Loans and receivables" category. After initial recognition at fair value, these receivables are measured at amortised cost using the effective interest method (EIM). The financing fee is recorded over the term of the factoring transactions, which is equivalent to it being included in the EIM in view of the short-term nature of the transactions concerned.

◆ Classification of income and expenses for the Group's different businesses

Breakdown by function of insurance company expenses

The expenses of French and international insurance subsidiaries are initially accounted for by nature and are then analysed by function in income statement items using appropriate cost allocation keys. Investment management expenses are included under investment expenses. Claims handling expenses are included under claims expenses. Policy acquisition costs, administrative costs and other current operating expenses are shown separately in the income statement.

Public credit insurance procedures management

Compagnie française d'assurance pour le commerce extérieur manages the public credit insurance procedures for the French government. Although these services solely correspond to management on behalf of a third party, they nevertheless qualify as insurance business. Consequently, the compensation received from the French government is reported under "Revenue or income from other activities". The corresponding costs are analysed by function and are therefore included under the same income statement headings as the expenses incurred by Compagnie française d'assurance pour le commerce extérieur in connection with its private market insurance activities.

Until June 30, 2014, SBCE, a Brazilian insurance company, performed the same type of activity for the Brazilian government. This agreement which was entered into by the government of Brazil and SBCE was not renewed as at June 30, 2014. Since July 1, 2014, SBCE continues its export credit risk insurance business for short-term operations.

Factoring companies

Operating income and expenses of companies involved in the factoring business are reported as "Income from banking activities" and "Expenses from banking activities" respectively.

Other companies outside the insurance business and factoring business

Operating income and expenses of companies not involved in the insurance or factoring businesses are reported under "Revenue or income from other activities" and "Expenses from other activities", respectively.

◆ Revenue

Consolidated revenue includes:

- for the insurance business, earned premiums, net of cancellation, and premium refunds for direct business and inward reinsurance transactions, as well as fees for insurance-related services. This latter category covers fee and commission income for policies issued as well as fees for other services offered by insurance companies;
- the compensation received by Compagnie française d'assurance pour le commerce extérieur from the French government for its management of public credit insurance procedures. The terms and procedures applicable to the compensation paid by the French government are set out in the "Financial Agreement" signed between the French government and Compagnie française d'assurance pour le commerce extérieur. The most recent version of this agreement was signed on February 24, 2012 and covers the four-year period from 2012 to 2015; this is in the process of being renewed for the corrent period up until the transfer date (see Note 2 "Significant events");
- sales of services, corresponding to the revenue generated by Group companies in the areas of business information, receivables management and marketing information. These services consist primarily of providing customer access to credit and marketing information and debt collection services;
- factoring fees for receivables management and collection services, financing fees corresponding to the gross revenue collected from factoring customers net of financing costs (interest margin), and dispute management fees.

Consolidated revenue is analysed by business line and country of invoicing (in the case of direct business, the country of invoicing is that in which the issuer of the invoice is located and for inward reinsurance, the country of invoicing is that in which the ceding insurer is located).

◆ Insurance operations

Premiums

Gross premiums correspond to written premiums, excluding tax and net of premium cancellations. They include an estimate of pipeline premiums and premiums to be cancelled after the reporting date.

The estimate of pipeline premiums includes premiums negotiated but not yet invoiced as well as premium adjustments corresponding to the difference between minimum and final premiums. It also includes a provision for future economic risks that may impact end-of-year premiums.

Premiums invoiced are primarily based on policyholders' revenue or trade receivables balances, which vary according to changes in revenue. Premium income therefore depends directly on the volume of sales made in the countries where the Group is present, especially French exports and German domestic and export sales.

The Group also receives fee and commission income, corresponding mainly to the cost of monitoring the credit status of insured buyers, which is billed to customers and partners.

Premium refunds include policyholders' bonuses and rebates, gains and no claims bonus, mechanisms designed to return a part of the premium to a policyholder according to contract profitability. They also include the penalties, taking the form of an additional premium invoiced to policyholders with the loss attributed to the policy.

The "premium refunds" item includes provisions established through an estimation of rebates to be paid.

Reserves for unearned premiums

Reserves for unearned premiums are calculated separately for each policy, on an accruals basis. The amount charged to the provision corresponds to the fraction of written premiums relating to the period between the year-end and the next premium payment date.

Deferred acquisition costs

Policy acquisition costs, including commissions and internal expenses related to contract preparation, are deferred over the life of the contracts concerned according to the same rules as unearned premium provisions.

The amount deferred corresponds to policy acquisition costs related to the period between the year-end and the next premium payment date. Deferred acquisition costs are included in the balance sheet under "Other assets".

Changes in deferred acquisition costs are included under "Policy acquisition costs" in the income statement.

Paid claims

Paid claims correspond to insurance settlements net of recoveries, plus claims handling expenses.

Claims provisions

Claims provisions include provisions to cover the estimated total cost of reported claims not settled at the year-end. In accordance with the applicable French regulations, separate provisions are set aside for claims and recoveries. Claims provisions also include provisions for claims incurred but not yet reported, determined by reference to the final amount of paid claims.

The provisions also include a provision for collection costs and claims handling expenses.

Specific provisions are also recorded for major claims based on the probability of default and level of risk exposure, estimated on a case-by-case basis.

In the guarantee business, local methods are applied. Provisions are only recorded for claims of which the Company concerned has been notified by the year-end. However, an additional provision is recorded when the risk that the guarantee will be called on is higher due to the principal (guaranteed) becoming insolvent, even if no related bonds have been called on. This additional provision is calculated based on the probability of default and the level of risk exposure.

Subrogation and salvage

Subrogation and salvage represent estimated recoveries determined on the basis of the total amount expected to be recovered in respect of all open underwriting periods.

The subrogation and salvage includes a provision for debt collection costs.

Subrogation and salvage are covered in a separate provision, in accordance with French regulations.

Reinsurance operations

All of the Group's inward and ceded reinsurance operations involve transfers of risks.

Inward reinsurance

Inward reinsurance is accounted for on a contract-by-contract basis using data provided by the ceding insurers.

Technical provisions are determined based on amounts reported by ceding insurers, adjusted upwards by Coface where appropriate.

Commissions paid to ceding insurers are deferred and recognised in the income statement on the same basis as reserves for unearned premiums. Where these commissions vary depending on the level of losses accepted, they are estimated at each period-end.

Ceded reinsurance

Ceded reinsurance is accounted for in accordance with the terms and conditions of the related treaties.

Reinsurers' share of technical provisions is determined on the basis of technical provisions recorded under liabilities.

Cash deposits received from reinsurers are reported under liabilities.

Commissions received from reinsurers are calculated by reference to written premiums. They are deferred and recognised in the income statement on the same basis as ceded reserves for unearned premiums.

Other operating income and expenses

In accordance with Recommendation No. 2013-03 issued by the ANC (the French accounting standards setter), "Other operating income" and "Other operating expenses" should only be used to reflect a major event arising during the reporting period that could distort the understanding of the Company's performance. Accordingly, limited use is made of this caption for unusual, abnormal and infrequent income and expenses of a material amount which Coface has decided to present separately in the income statement so that readers can better understand its recurring operating performance and to make a meaningful comparison between accounting periods, in accordance with the relevance principle set out in the IFRS Conceptual Framework.

Other operating income and expenses are therefore limited, clearly identified, non-recurring items which are material to the performance of the Group as a whole.

Goodwill

In accordance with the revised version of IFRS 3, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the amount of any non-controlling interest in the acquiree; and
- in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree; less
- the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed (generally measured at fair value).

In the case of a bargain purchase, the resulting gain is recognised in net income on the acquisition date.

If new information comes to light within the 12 months following the initial consolidation of a newly-acquired company and that new information affects the initial fair values attributed to the assets acquired and liabilities assumed at the acquisition date, the fair values are adjusted with a corresponding increase or decrease in the gross value of goodwill.

Goodwill is allocated, at the acquisition date, to the cash-generating unit (CGU) or group of CGUs that is expected to derive benefits from the acquisition. In accordance with paragraph 10 of IAS 36, goodwill is not amortised but is tested for impairment at least once a year or whenever events or circumstances indicate that impairment losses may occur. Impairment testing consists of comparing the carrying amount of the CGU or group of CGUs (including allocated goodwill) with its recoverable amount, which corresponds to the higher of value in use and fair value less costs to sell. Value in use is determined using the discounted cash flow method.

Impairment tests on goodwill and intangible assets

In accordance with IAS 36, for the purpose of impairment testing the strategic entities included in the Group's scope of consolidation are allocated to groups of CGUs.

A group of CGUs is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other groups of assets (other CGUs). Paragraph 80 of IAS 36 stipulates that goodwill acquired in a business combination must, from the acquisition date, be allocated to each of the acquirer's groups of CGUs that is expected to benefit from the synergies of the combination.

Coface has identified groups of CGUs, based on its internal organisation as used by management for making operating decisions.

The seven groups of CGUs are as follows:

- Northern Europe;
- Western Europe;
- Central Europe;
- Mediterranean & Africa;
- North America;
- Latin America;
- Asia-Pacific.

Measuring groups of CGUs and performing goodwill impairment tests

Existing goodwill is allocated to a group of CGUs for the purpose of impairment testing. Goodwill is tested for impairment at least once a year or whenever there is an objective indication that it may be impaired.

Goodwill impairment tests are performed by testing the group of CGUs to which the goodwill has been allocated.

If the recoverable amount of the group of CGUs is less than its carrying amount, an impairment loss is recognised and allocated to reduce the carrying amount of the assets of the group of CGUs, in the following order:

- first, by reducing the carrying amount of any goodwill allocated to the group of CGUs (which may not be subsequently reversed); and
- then, the other assets of the group of CGUs pro rata to the carrying amount of each asset in the Group.

The recoverable amount represents the higher of value in use (determined using the discounted cash flow method) and fair value less costs to sell (determined using multiples data from comparable listed companies as well as comparable recent transactions).

Method used for measuring the value of Coface entities

Value in use: discounted cash flow method

Cash flow projections were derived from the three-year business plans drawn up by the Group's operating entities as part of the budget process and approved by Coface Group management.

These projections are based on the past performance of each entity and take into account assumptions relating to Coface's business line development. Coface draws up cash flow projections beyond the period covered in its business plans by extrapolating the cash flows over two additional years.

The assumptions used for growth rates, margins, cost ratios and claims ratios are based on the entity's maturity, business history, market prospects, and geographic region.

Under the discounted cash flow method, Coface applies a discount rate to insurance companies and a perpetuity growth rate to measure the value of its companies.

Fair value

Under this approach, Coface values its companies by applying multiples of (i) revenue (for services companies), revalued net assets (for insurance companies) or net banking income (for factoring companies), and (ii) net income. The benchmark multiples are based on stock market comparables or recent transactions in order to correctly reflect the market values of the assets concerned.

The multiples-based valuation of an entity is determined by calculating the average valuation obtained using net income multiples and that obtained using multiples of revenue (in the case of services companies), revalued net assets (insurance companies) or net banking income (factoring companies).

◆ Intangible assets

Coface capitalises IT development costs and amortises them over their estimated useful lives when it can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the current and future availability of adequate resources to complete the development; and
- its ability to reliably measure the expenditure attributable to the intangible asset during its development.

Internally generated software is amortised over its useful life, which is capped at 15 years.

◆ Property, plant and equipment

Property, plant and equipment are measured using the amortised cost model. Coface applies this model to measure its property, plant and equipment, including buildings used in the business. IFRS requires the breakdown of these buildings into components where the economic benefits provided by one or more components of a building reflect a pattern that differs from that of the building as a whole. These components are depreciated over their own useful life.

Coface has identified the following components of property assets:

LAND	NOT DEPRECIATED
Enclosed/covered structure	Depreciated over 30 years
Technical equipment	Depreciated over 15 years
Interior fixtures and fittings	Depreciated over 10 years

Properties acquired under finance leases are included in assets and an obligation in the same amount is recorded under liabilities.

A lease is classified as a finance lease if it transfers to the lessee substantially all the risks and rewards incidental to ownership.

An impairment loss is recognised if the carrying amount of a building exceeds its market value.

Financial assets

The Group classifies its financial assets into the following five categories: available-for-sale financial assets, financial assets held for trading, held-to-maturity investments, financial assets at fair value through income, and loans and receivables.

The date used by Coface for initially recognising a financial asset in its balance sheet corresponds to the asset's trade date.

Available-for-sale financial assets (AFS)

Available-for-sale financial assets are carried at fair value plus transaction costs that are directly attributable to the acquisition (hereafter referred to as the purchase price). The difference between the fair value of the securities at year-end and their purchase price (less actuarial amortisation for debt instruments) is recorded under "Available-for-sale financial assets" with a corresponding adjustment to revaluation reserves (no impact on net income). Investments in non-consolidated companies are included in this category.

Financial assets held for trading

Financial assets held for trading are recorded at the fair value of the securities at year-end. Changes in fair value of securities held for trading during the accounting period are taken to the income statement.

Held-to-maturity investments (HTM)

Held-to-maturity investments are carried at amortised cost. Premiums and discounts are included in the calculation of amortised cost and are recognised over the useful life of the financial asset using the yield-to-maturity method.

Financial assets at fair value through profit or loss

Financial assets at fair value through income are accounted for in the same way as securities held for trading.

Loans and receivables

The "Loans and receivables" category includes cash deposits held by ceding insurers lodged as collateral for underwriting commitments. The amounts recognised in relation to these deposits corresponds to the cash amount actually deposited.

Non-derivative financial assets with fixed or determinable payments that are not quoted on an active market are also included in this caption. These assets are recognised amortised cost using the effective interest method.

Loans and receivables also include short-term deposits whose maturity at the date of purchase or deposit is more than three months but less than 12 months.

Fair value

The fair value of listed securities is their market price at the measurement date. For unlisted securities fair value is determined using the discounted cash flow method.

Impairment test

Available-for-sale financial assets are tested for impairment at each period-end. When there is objective evidence that such an asset is impaired and a decline in the fair value of that asset has previously been recognised directly in equity, the cumulative loss is reclassified from equity to income through "Investment income, net of management expenses".

A multi-criteria analysis is used to assess whether there is any objective indication of impairment. An independent expert is used for these analyses, particularly in the case of debt instruments.

Impairment indicators include the following:

- for debt instruments: default on the payment of interest or principal, the existence of a mediation, alert or insolvency procedure, bankruptcy of a counterparty or any other indicator that reveals a significant decline in the counterparty's financial position (such as evidence of losses to completion based on stress tests or projections of recoverable amounts using the discounted cash flow method);
- for equity instruments (excluding investments in unlisted companies): indicators showing that the entity will be unable to recover all or part of its initial investment. In addition, an impairment test is systematically performed on securities that represent unrealised losses of over 30% or which have represented unrealised losses for a period of more than six consecutive months. This test consists of carrying out a qualitative analysis based on various factors such as an analysis of the equity instrument's market price over a given period, or information relating to the issuer's financial position. Where appropriate, an impairment loss is recognised based on the instrument's market price at the period-end. Independently of this analysis, an impairment loss is systematically recognised when an instrument represents an unrealised loss of over 50% at the period-end, or has represented an unrealised loss for more than 24 months;
- for investments in unlisted companies: an unrealised loss of over 20% over a period of more than 18 months, or the occurrence of significant changes in the technological, market, economic or legal environment that have an adverse effect on the issuer and indicate that the amount of the investment in the equity instrument will not be recovered.

If the fair value of an instrument classified as available-for-sale increases in a subsequent period, and the increase can be objectively related to an event occurring after the impairment loss was recognised in income:

- the impairment loss is reversed, with the amount of the reversal recognised in equity, for equity instruments;
- income, for debt instruments, in an amount corresponding to the previously-recognised impairment loss.

In accordance with IFRIC 10, impairment losses recognised on equity instruments in an interim reporting period are not reversed from income until the securities concerned are divested.

Derivatives and hedging transactions

A derivative is a financial instrument (IAS 39):

- whose value changes in response to the change in the interest rate or price of a product (known as the "underlying");
- that requires no or a very low initial net investment; and
- that is settled at a future date.

A derivative is a contract between two parties – a buyer and a seller – under which future cash flows between the parties are based on the changes in the value of the underlying asset.

In accordance with IAS 39, derivatives are measured at fair value through income, except in the case of effective hedges, for which gains and losses are recognised depending on the underlying hedging relationship.

Derivatives that qualify for hedge accounting are derivatives which, from their inception and throughout the hedging relationship, meet the criteria set out in IAS 39. These notably include a requirement for entities to formally document and designate the hedging relationship, including information demonstrating that the hedging relationship is effective, based on prospective and retrospective tests. A hedge is deemed to be effective when changes in the actual value of the hedge fall within a range of 80% and 125% of the change in value of the hedged item.

- For fair value hedges, gains or losses from remeasuring the hedging instrument at fair value are systematically recognised in income. These amounts are partially offset by symmetrical gains or losses on changes in the fair value of the hedged items, which are also recognised in income. The net impact on the income statement therefore solely corresponds to the ineffective portion of the hedge.
- For cash flow hedges, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity and the ineffective portion of the gain or loss on the hedging instrument is recognised in income.

Coface's derivatives were used for hedging purposes, notably to hedge currency risks, interest rate risks and changes in fair value of equities in the portfolios of the "Colombes" funds. Coface does not carry out any hedging transactions within the meaning of IAS 39. The financial instruments that it does use are recognised at fair value through income.

Financing liabilities

This item mainly includes the subordinated debt and liabilities relating to financing agreements (finance leases).

Financial liabilities are initially recognised at fair value after taking account of directly-attributable transaction costs.

They are subsequently measured at amortised cost using the effective interest method. Amortised cost corresponds to:

- the measurement of the financial liability on initial recognition; minus
- repayments of principal; plus or minus
- cumulative amortisation (calculated using the effective interest rate) and any discounts or premiums between the initial amount and the maturity amount.

Premiums and discounts are not included in the initial cost of the financial liability. However, they are included in the calculation of amortised cost and are recognised over the life of the financial liability using the yield-to-maturity method. As and when they are amortised, premiums and discounts impact the amortised cost of the financial liability.

Accounting treatment of debt issuance costs

Transaction costs directly attributable to the issuance of financial liabilities are included in the initial fair value of the liability. Transaction costs are defined as incremental costs directly attributable to the issuance of the financial liability, *i.e.* that would not have been incurred if the Group had not acquired, issued or disposed of the financial instrument.

Transaction costs include:

- fees and commissions paid to agents, advisers, brokers and other intermediaries;
- levies by regulatory agencies and securities exchanges;
- and transfer taxes and duties.

Transaction costs do not include:

- debt premiums or discounts;
- financing costs;
- internal administrative or holding costs.

Payables arising from banking sector activities

This item includes:

- amounts due to banking sector companies: corresponds to bank credit lines. They represent the refinancing of the credit extended to factoring clients;
- amounts due to customers of banking sector companies, corresponding to payables arising from factoring operations. They include:
  - amounts credited to factoring clients' current accounts that have not been paid out in advance by the factor, and
  - factoring contract guarantee deposits;
- debt securities. This item includes subordinated borrowings and non-subordinated bond issues. These borrowings are classified as "Payables arising from banking sector activities" as they are used for financing the factoring business line.

All borrowings are initially recognised at fair value less any directly attributable transaction costs. After initial recognition, they are measured at amortised cost using the effective interest method.

Receivables arising from factoring operations

Receivables arising from factoring operations represent total receivables not recovered at the reporting date. They are stated at nominal value, corresponding to the amount of factored invoices, including tax. When it appears probable that all or part of the amount receivable will not be collected, a provision is recorded by way of a charge to the income statement (under "Cost of risk"). The receivables shown in the balance sheet are stated net of provisions.

The net carrying amount of receivables arising from factoring operations is included in the consolidated balance sheet under "Receivables arising from banking and other activities".

Cash and cash equivalents

Cash includes cash in hand and demand deposits. Cash equivalents include units in money-market funds (SICAV) with maturities of less than three months.

Provisions for liabilities and charges

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", a provision is recorded at the reporting date if a present obligation towards a third party resulting from a past event exists at that date and it is probable or certain, as of the date when the financial statements are drawn up, that an outflow of resources embodying economic benefits to that third party will be required to settle the obligation and that a reliable estimate can be made of the amount of the obligation.

Provisions are discounted when the effect of the time value of money is material.

Employee benefits

In certain countries in which Coface operates, employees are awarded short-term benefits (such as paid leave), long-term benefits (including "long-service awards") and post-employment benefits, such as statutory retirement benefits.

Short-term benefits are recognised as a liability in the accounts of the Coface companies that grant such benefits.

Other benefits, including long-term and post-employment benefits are subject to different coverage and are classified as follows:

- defined contribution plans: consequently, the Company's legal or constructive obligation is limited to the amount that it agrees to pay to the fund, whichh will pay due amounts to the employees. These plans are generally state pension plans, which is the case in France;
- defined benefit plans, under which the employer has a legal or constructive obligation to provide agreed benefits to employees.

In accordance with IAS 19, Coface records a provision to cover its liability, regarding primarily:

- statutory retirement benefits and termination benefits;
- early retirement and supplementary pension payments;
- employer contributions to post-employment health insurance schemes;
- long-service awards.

Based on the regulations specific to the plan and country concerned, independent actuaries calculate:

- the actuarial value of future benefits, corresponding to the present value of all benefits to be paid. The measurement of this present value is essentially based on:
  - demographic assumptions,
  - future benefit levels (statutory retirement benefits, long service awards, etc.),
  - the probability that the specified event will occur,
  - an evaluation of each of the factors included in the calculation of the benefits, such as future salary increases,
  - the interest rate used to discount future benefits at the measurement date;
- the actuarial value of benefits related to service cost (including the impact of future salary increases), determined using the projected unit credit method which spreads the actuarial value of benefits evenly over the expected average remaining working lives of the employees participating in the plan.

Stock options

In accordance with IFRS 2 "Share-based Payment", which defines the recognition and measurement rules concerning stock options, the options are measured at the grant date. The Group uses the Black and Scholes option pricing model for measuring stock options. Changes in fair value subsequent to the grant date do not impact their initial measurement.

The fair value of options takes into account their expected life, which the Group considers as corresponding to their compulsory holding period for tax purposes. This value is recorded in personnel costs on a straight-line basis from the grant date and over the vesting period of the options, with a corresponding adjustment directly in equity.

In connection with its stock market listing, the Coface Group awarded to certain beneficiaries (employees of COFACE SA subsidiaries) bonus shares (cf. Note 15).

In accordance with the IFRS 2 rules, only stock options granted under plans set up after November 7, 2002 and which had not vested at January 1, 2005 have been measured at fair value and recognised in personnel costs.

Income tax

Income tax expense includes both current taxes and deferred taxes.

The tax expense is calculated on the basis of the latest known tax rules in force in each country where the results are taxable.

On January 1, 2015, COFACE SA opted for the tax integration regime by integrating French subsidiaries held directly or indirectly by more than 95% (Compagnie française d'assurance pour le commerce extérieure, Cofinpar, Cogeri and Fimipar).

Temporal differences between the values of assets and liabilities in the consolidated accounts, and those used to determine the taxable income, give rise to the recording of deferred taxes.

Deferred tax assets and liabilities are calculated based on the tax rate that will be in force when the differences are expected to reverse, if this is known, or, failing that, at the tax rate in force at the period-end.

Deferred tax assets are recorded only when it is probable that sufficient taxable profits against which the asset can be utilised will be available within a reasonable time frame.

Coface therefore regularly draws up tax business plans based on growth assumptions used in the medium-term business plans drawn up by its various business lines.

Receivables and payables denominated in foreign currencies

Receivables and payables denominated in foreign currencies are translated into euros at the year-end exchange rate.

Unrealised exchange gains and losses on receivables and payables denominated in foreign currencies are recorded in the consolidated income statement, except for those related to the technical provisions carried in the accounts of the subsidiaries of Compagnie française d'assurance pour le commerce extérieur (formerly COFACE SA) and those concerning consolidated companies' long-term receivables and payables whose settlement is neither planned nor likely to occur in the foreseeable future.

Exchange differences concerning receivables and payables denominated in a foreign currency and relating to a consolidated company are treated as part of Coface's net investment in that company. In accordance with IAS 21, these exchange differences are recorded in other comprehensive income until the disposal of the net investment.

Segment information

Coface applies IFRS 8 for segment information reporting, which requires an entity's operating segments to be based on its internal organisation as used by management for the allocation of resources and the measurement of performance.

The segment information used by management corresponds to the following geographic regions:

- Northern Europe;
- Western Europe;
- Central Europe;
- Mediterranean & Africa;
- North America;
- Latin America;
- Asia-Pacific.

No operating segments have been aggregated for the purposes of published segment information.

The Group's geographic industry sector segmentation is based on the country of invoicing.

Related parties

A related party is a person or entity that is related to the entity preparing its financial statements (referred to in IAS 24 as "the reporting entity").

Estimates

The main balance sheet items for which management is required to make estimates are presented in the table below:

ESTIMATES	NOTES	TYPE OF INFORMATION REQUIRED
Goodwill impairment	5	Impairment is recognised when the recoverable amount of goodwill, defined as the higher of value in use and fair value, is below its carrying amount. The value in use of cash-generating units is calculated based on cost of capital, long-term growth rate and loss *ratio* assumptions.
Provision for earned premiums not yet written	20	This provision is calculated based on the estimated amount of premiums expected in the period less premiums recognised.
Provision for premium refunds	20; 25	This provision is calculated based on the estimated amount of rebates and bonuses payable to policyholders in accordance with the terms and conditions of the policies written.
Provision for subrogation and salvage	20; 26	This provision is calculated based on the estimated amount potentially recovered on settled claims.
Claims reserves	20; 26; 42	It includes an estimate of the total cost of claims reported but not settled at year end.
IBNR provision	20; 26; 42	The IBNR provision is calculated on a statistical basis using an estimate of the final amount of claims that will be settled after the risk has been extinguished and after any action taken to recover amounts paid out.
Pension benefit obligations	18	Pension benefit obligations are measured in acordance with IAS 19 and annually reviewed by actuaries according to the Group's actuarial assumptions.

The policies managed by the Coface Group's insurance subsidiaries meet the definition of insurance contracts set out in IFRS 4. In accordance with this standard, these contracts give rise to the recognition of technical provisions on the liabilities side of the balance sheet, which are measured based on local GAAP pending the publication of an IFRS that deals with insurance liabilities.

The recognition of technical provisions requires the Group to carry out estimates, which are primarily based on assumptions concerning changes in events and circumstances related to the insured and their debtors as well as to their economic, financial, social, regulatory and political environment. These assumptions may differ from actual events and circumstances, particularly if they simultaneously affect the Group's main portfolios. The use of assumptions requires a high degree of judgement on the part of the Group, which may affect the level of provisions recognised and therefore have a material adverse effect on the Group's financial position, results, and solvency margin.

For certain financial assets held by the Group there is no active market, there are no observable inputs, or the observable inputs available are not representative. In such cases the assets' fair value is measured using valuation techniques which include methods or models that are based on assumptions or assessments requiring a high degree of judgement. The Group cannot guarantee that the fair value estimates obtained using these valuation techniques represent the price at which a security will ultimately be sold, or at which it could be sold at a given moment. The valuations and estimates are revised when circumstances change or when new information becomes available. Using this information, and respecting the objective principles and methods described in the consolidated and combined financial statements, the Group's management bodies regularly analyse, assess and discuss the reasons for any decline in the estimated fair value of securities, the likelihood of their value recovering in the short term, and the amount of any ensuing impairment losses that should be recognised. It cannot be guaranteed that any impairment losses or additional provisions recognised will not have a material adverse effect on the Group's results, financial position and solvency margin.

NOTE TO THE CONSOLIDATION BALANCE SHEET

In the following notes, all amounts are stated (in thousands of euros) unless specified otherwise.

/ NOTE 5 / Goodwill

In accordance with IAS 36, goodwill is not amortised but is systematically tested for impairment at the year-end or whenever there is an impairment indicator.

Breakdown of goodwill by region:

(in thousands of euros)	DEC. 31, 2015	DEC. 31, 2014
Northern Europe	112,603	112,603
Western Europe	5,068	5,068
Central Europe	8,402	8,401
Mediterranean & Africa	22,050	21,435
North America	6,407	5,752
South America	939	1,256
TOTAL	**155,467**	**154,515**

The change in goodwill amounted to €952 thousand in 2015, due to the fluctuation of the exchange rate.

◆ Impairment testing methods

In compliance with IAS 36 "Impairment of Assets", goodwill and other non-financial assets were tested for impairment losses at December 31, 2015. Coface performed the tests by comparing the value in use of the groups of CGUs to which goodwill was allocated with their carrying amounts.

Value in use corresponds to the present value of the future cash flows expected to be derived from an asset or a CGU. This value is determined using the discounted cash flow method, based on the three-year business plan drawn up by the subsidiaries and validated by Management. The cash flows are extrapolated for an additional two years using normalised loss ratios and target cost ratios. Beyond this five-year period, the terminal value is calculated by projecting to infinity the cash flows for the last year.

The main assumptions used to determine the value in use of the groups of CGUs were a long-term growth rate of 1.5% for all entities and the weighted average cost of capital.

The assumptions used for goodwill impairment testing were as follows by group of CGUs at December 31, 2015:

(in thousands of euros)	NORTHERN EUROPE	WESTERN EUROPE	CENTRAL EUROPE	MEDITERRANEAN AND AFRICA	NORTH AMERICA	LATIN AMERICA	ASIA-PACIFIC
Cost of capital	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
Perpetual growth rate	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Contribution to consolidated net assets	480.8	861.7	158.2	75.8	55.9	54.0	129.3

The assumptions used in 2014 were as follows:

(in thousands of euros)	NORTHERN EUROPE	WESTERN EUROPE	CENTRAL EUROPE	MEDITERRANEAN AND AFRICA	NORTH AMERICA	LATIN AMERICA
Cost of capital	10.6%	10.6%	10.7%	10.6%	10.6%	10.6%
Perpetual growth rate	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Contribution to consolidated net assets	490.3	785.9	153.0	50.5	51.0	70.6

◆ Sensitivity of impairment tests

Sensitivity analyses were performed for the impairment tests, based on the following sensitivity factors:

- long-term growth rate sensitivity: the impairment tests were tested for sensitivity based on a 0.5-point decrease in the perpetual growth rate applied. The analysis showed that such a 0.5-point increase would not have a significant impact on the outcome of the impairment tests or therefore on the Group's consolidated financial statements for the year ended December 31, 2015;
- cost of capital sensitivity: the impairment tests were tested for sensitivity based on a 0.5-point increase in the cost of capital applied. The analysis showed that such a 0.5-point increase would not have a significant impact on the outcome of the impairment tests or therefore on the Group's consolidated financial statements for the year ended December 31, 2015;
- loss *ratio* and the cost ratio sensitivity for the last two years of the business plan (2019 and 2020): additional impairment tests were performed based on a 2-point increase in the loss ratio and a 1-point increase in the cost ratio. The sensitivity analysis showed that such increases in the assumptions used would not have a significant impact on the outcome of the original impairment tests or therefore on the Group's consolidated financial statements for the year ended December 31, 2015.

For the Group's main goodwill items, the sensitivity of enterprise values to the assumptions used is shown in the following table:

◆ Outcome of impairment tests

(in thousands of euros)	NORTHERN EUROPE	WESTERN EUROPE	CENTRAL EUROPE	MEDITERRANEAN AND AFRICA	NORTH AMERICA	LATIN AMERICA	ASIA-PACIFIC
Contribution to consolidated net assets	480.8	861.7	158.2	75.8	55.9	54.0	129.3
Sensitivity: Long-term growth rate -0.5 point	478.6	923.9	238.5	124.2	166.8	78.5	59.2
Sensitivity: WACC +0.5 point	469.3	915.5	234.0	120.9	162.5	76.5	59.2
Sensitivity: Loss *Ratio* 2020 +1 point	484.5	881.7	239.8	122.0	170.4	78.1	60.0
Sensitivity: Loss *Ratio* 2020 +2 points	472.1	828.4	230.0	112.1	164.9	72.2	54.6
Sensitivity: Cost *Ratio* 2020 +1 point	484.4	834.1	239.8	118.6	165.9	77.4	55.5
Sensitivity: Cost *Ratio* 2020 +2 points	471.8	733.3	230.0	105.2	155.8	70.8	45.5

The amounts presented in the table above represent the total amount after changes in assumptions.

/ NOTE 6 / Other intangible assets

(in thousands of euros)	DEC. 31, 2015 NET VALUE	DEC. 31, 2014 NET VALUE
Development costs and software	65,270	74,078
Purchased goodwill	2,980	3,018
Other intangible assets	590	357
TOTAL	**68,840**	**77,453**

(in thousands of euros)	DEC. 31, 2015		
	COST	ACCUMULATED AMORTISATION AND IMPAIRMENT	NET VALUE
Development costs and software	184,790	-119,520	65,270
Purchased goodwill	8,367	-5,387	2,980
Other intangible assets	3,191	-2,601	590
TOTAL	**196,348**	**-127,508**	**68,840**

(in thousands of euros)	DEC. 31, 2014		
	COST	ACCUMULATED AMORTISATION AND IMPAIRMENT	NET VALUE
Development costs and software	194,762	-120,684	74,078
Purchased goodwill	7,717	-4,700	3,018
Other intangible assets	2,754	-2,397	357
TOTAL	**205,233**	**-127,780**	**77,453**

◆ Change in the gross amount of intangible assets

(in thousands of euros)	DEC. 31, 2014	INCREASES	DECREASES	EXCHANGE RATE AND OTHER EFFECTS	DEC. 31, 2015
Development costs and software	194,762	3,950	-15,337	1,415	184,790
Purchased goodwill	7,717			650	8,367
Other intangible assets	2,754	353	-25	109	3,191
TOTAL	**205,233**	**4,303**	**-15,362**	**2,174**	**196,348**

(in thousands of euros)	DEC. 31, 2013	INCREASES	DECREASES	EXCHANGE RATE AND OTHER EFFECTS	DEC. 31, 2014
Development costs and software	195,704	5,503	-8,938	2,494	194,762
Purchased goodwill	7,057			660	7,717
Other intangible assets	2,796	359		-401	2,754
TOTAL	**205,556**	**5,862**	**-8,938**	**2,753**	**205,233**

Change in accumulated amortisation and impairment of intangible assets

(in thousands of euros)	DEC. 31, 2014	ADDITIONS	REVERSALS	EXCHANGE RATE AND OTHER EFFECTS	DEC. 31, 2015
Accumulated amortisation – development costs and software	-120,424	-10,856	13,289	-1,316	-119,307
Accumulated impairment – development costs and software	-260	-21		68	-213
Total amortisation and impairment – development costs and software	**-120,684**	**-10,877**	**13,289**	**-1,248**	**-119,520**
Accumulated amortisation – purchased goodwill	-4,700	-312		-375	-5,387
Accumulated impairment – purchased goodwill					
Total amortisation and impairment – purchased goodwill	**-4,700**	**-312**		**-375**	**-5,387**
Accumulated amortisation – other intangible assets	-2,377	-89		-115	-2,581
Accumulated impairment – other intangible assets	-20				-20
Total amortisation and impairment – other intangible assets	**-2,397**	**-89**		**-115**	**-2,601**
TOTAL	**-127,780**	**-11,278**	**13,289**	**-1,738**	**-127,508**

/ NOTE 7 / Insurance business investments

7.1 Analysis by category

At December 31, 2015, the carrying amount of held-to maturity (HTM) securities was €3,721 thousand, available-for-sale (AFS) securities totaled €2,512,526 thousand and securities held for trading ("trading securities") came to €55,468 thousand.

As an insurance group, Coface's investment allocation is heavily weighted towards fixed-income instruments.

At December 31, 2015, 20% of the Group's total bond portfolio was rated "AAA", 32% "AA" and "A", 33% "BBB". The portion of the bond portfolio rated "BB" and below represents 15% of the total portfolio.

(in thousands of euros)	DEC. 31, 2015					DEC. 31, 2014				
	AMORTIZED COST	REVALUA-TION	NET VALUE	FAIR VALUE	UNREALIZED GAINS AND LOSSES	UNREALIZED GAINS AND LOSSES	AMOR-TIZED COST	REVALUA-TION	FAIR VALUE	UNREALIZED GAINS AND LOSSES
AFS securities	**2,406,577**	**105,948**	**2,512,526**	**2,512,526**		**2,203,306**	**121,376**	**2,324,682**	**2,324,682**	
Equities and other variable-income securities	236,296	104,373	340,669	340,669		211,173	98,537	309,710	309,710	
Bonds and government securities	2,059,275	1,659	2,060,934	2,060,934		1,962,132	22,838	1,984,971	1,984,971	
o/w direct investments in securities	*1,675,626*	*4,595*	*1,680,221*	*1,680,221*		*1,752,367*	*27,757*	*1,780,124*	*1,780,124*	
o/w investments in UCITS	*383,649*	*-2,936*	*380,714*	*380,714*		*209,765*	*-4,919*	*204,847*	*204,847*	
Shares in non-trading property companies	111,006	-84	110,922	110,922		30,001		30,001	30,001	
HTM securities	**3,721**		**3 721**	**4 374**	**653**	**6 872**		**6 872**	**7 703**	**831**
Bonds	3,721		3,721	4,374	653	6,872		6,872	7,703	831
Fair value through income – trading securities	**55 468**		**55 468**	**55 468**		**30,864**		**30,864**	**30,864**	
Money market funds (UCITS)	55,468		55,468	55,468		30,864		30,864	30,864	
Derivatives (positive fair value)		**6,123**	**6,123**	**6,123**			**2,834**	**2,834**	**2,834**	
(derivatives negative fair value for information)		*-6,752*	*-6,752*	*-6,752*			*-16,037*	*-16,037*	*-16,037*	
Loans and receivables	**69,481**		**69,481**	**69,481**		**311,556**		**311,556**	**311,556**	
Investment property	**716**	**84**	**800**	**800**		**707**	**216**	**923**	**923**	
TOTAL	**2,535,964**	**112,155**	**2,648,119**	**2,648,772**	**653**	**2,553,305**	**124,426**	**2,677,731**	**2,678,562**	**831**

(in thousands of euros)	GROSS DEC. 31, 2015	IMPAIRMENT	NET DEC. 31, 2015	NET DEC. 31, 2014
AFS securities	**2,542,222**	**-29,696**	**2,512,526**	**2,324,682**
Equities and other variable-income securities	370,358	-29,688	340,669	309,710
Bonds and government securities	2,060,934		2,060,934	1,984,971
o/w direct investments in securities	*1,680,221*		*1,680,221*	*1,780,124*
o/w investments in UCITS	*380,714*		*380,714*	*204,847*
Shares in non-trading property companies	110,930	-8	110,922	30,001
HTM securities	**3,721**		**3,721**	**6,872**
Bond	3,721		3,721	6,872
Fair value through income – trading securities	**55,468**		**55,468**	**30,864**
Money market funds (UCITS)	55,468		55,468	30,864
Derivatives (positive fair value)	**6,123**		**6,123**	**2,834**
(for information, derivatives with a negative fair value)	*-6,752*		*-6,752*	*-16,037*
Loans and receivables	**69,481**		**69,481**	**311,556**
Investment property	**800**		**800**	**923**
TOTAL INVESTMENTS	**2,677,815**	**-29,696**	**2,648,119**	**2,677,731**

Gross value corresponds to the amount before the impairement.

Impairments

(in thousands of euros)	DEC. 31, 2014	ADDITIONS	REVERSALS	EXCHANGE RATE EFFECTS AND OTHER	DEC. 31, 2015
AFS securities	**30,141**	**921**	**-1,526**	**160**	**29,696**
Equities and other variable-income securities	30,133	921	-1,526	160	29,688
Shares in non-trading property companies	8				8
TOTAL IMPAIRMENT	**30,141**	**921**	**-1,526**	**160**	**29,696**

(in thousands of euros)	DEC. 31, 2013	ADDITIONS	REVERSALS	EXCHANGE RATE EFFECTS AND OTHER	DEC. 31, 2014
AFS securities	**30,661**	**1,624**	**-2,283**	**139**	**30,141**
Equities and other variable-income securities	30,653	1,624	-2,283	139	30,133
Shares in non-trading property companies	8				8
TOTAL IMPAIRMENT	**30,661**	**1,624**	**-2,283**	**139**	**30,141**

Reversals were only related to the disposal of AFS securities.

Change in investments by category

(in thousands of euros)	DEC. 31, 2015						
	CARRYING AMOUNT JANUARY 1	INCREASES	DECREASES	REVALUATION	IMPAIRMENT	OTHER MOVEMENTS	CARRYING AMOUNT DECEMBER 31
AFS securities	**2,324,682**	**1,094,493**	**-899,387**	**-13,956**	**596**	**6,097**	**2,512,526**
Equities and other variable-income securities	309,710	114,144	-89,540	7,020	605	-1,269	340,669
Bonds and government securities	1,984,971	899,174	-809,847	-20,891	-9	7,537	2,060,934
Shares in non-trading property companies	30,001	81,176		-84		-171	110,922
HTM securities	**6,872**	**72**	**-3,223**				**3,721**
Bonds	6,872	72	-3,223				3,721
Fair value through income – trading securities	**30,864**	**823,676**	**-799,072**				**55,468**
Loans, receivables and other financial investments	**315,313**	**83,684**	**-287,245**	**-41,227**		**5,871**	**76,404**
TOTAL INVESTMENTS	**2,677,731**	**2,001,925**	**-1,988,928**	**-55,183**	**605**	**11,968**	**2,648,119**

Derivatives (within the Colombes funds)

The structural use of derivatives is strictly limited to hedging. The notional amounts of the hedges therefore do not exceed the amounts of the underlying assets in the portfolio.

During 2015, the majority of the derivative transactions carried out by the Group concerned the systematic hedging of currency risks via swaps or currency futures for primarily USD-denominated bonds held in the investment portfolio that covers all of Coface's European entities (whose currency risks are systematically hedged).

Investments in equities were partially hedged through purchases of index options (which were out of the money). The hedging strategy applied by the Group is aimed at protecting the portfolio against a sharp drop in the equities market in the eurozone.

Several one-off interest rate hedges were also set up during the year for money-market securities.

None of these transactions qualified for hedge accounting under IFRS as they were mainly currency transactions and partial market hedges.

7.2 Financial instruments recognized at fair value

The fair values of financial instruments recorded in the balance sheet are measured according to a hierarchy that categorizes into three levels the inputs used to measure fair value. These levels are as follows:

Level 1: Quoted prices in active markets for an identical financial instrument.

Securities classified as level 1 represent 81% of the Group's portfolio. They correspond to:

- equities, bonds and government securities listed on organized markets, as well as units in dedicated mutual funds whose net asset value is calculated and published on a very regular basis and is readily available (AFS securities);
- government bonds and bonds indexed to variable interest rates (HTM securities);
- French units money-market funds, SICAV (trading securities).

Level 2: Use of inputs, other than quoted prices for an identical instrument that are directly or indirectly observable in the market (inputs corroborated by the market such as yield curves, swap rates, multiples method, etc.).

Securities classified as level 2 represent 10% of the Group's portfolio. This level is used for the following instruments:

- unlisted equities;
- loans and receivables due from banks or clients and whose fair value is determined using the historical cost method.

Level 3: Valuation techniques based on unobservable inputs such as projections or internal data.

Securities classified as level 3 represent 9% of the Group's portfolio. This level corresponds to unlisted equities, investment securities and units in dedicated mutual funds, as well as investment property.

Breakdown of financial instrument fair value measurements as at December 31, 2015 by level in the fair value hierarchy

(in thousands of euros)	CARRYING AMOUNT	FAIR VALUE	LEVEL 1 FAIR VALUE DETERMINED BASED ON QUOTED PRICES IN ACTIVE MARKETS	LEVEL 2 FAIR VALUE DETERMINED BASED ON VALUATION TECHNIQUES THAT USE OBSERVABLE INPUTS	LEVEL 3 FAIR VALUE DETERMINED BASED ON VALUATION TECHNIQUES THAT USE UNOBSERVABLE INPUTS
AFS securities	**2,512,526**	**2,512,526**	**2,096,980**	**175,326**	**240,219**
Equities and other variable-income securities	340,669	340,669	211,349	23	129,297
Bonds and government securities	2,060,934	2,060,934	1,885,631	175,303	
Shares in non-trading property companies	110,922	110,922			110,922
HTM securities	**3,721**	**4,374**	**4,374**		
Bonds	3,721	4,374	4,374		
Fair value through income – trading securities	**55,468**	**55,468**	**55,468**		
Money market funds (UCITS)	55,468	55,468	55,468		
Derivatives	**6,123**	**6,123**		**6,123**	
Loans and receivables	**69,481**	**69,481**		**69,481**	
Investment property	**800**	**800**			**800**
TOTAL	**2,648,119**	**2,648,772**	**2,156,822**	**250,930**	**241,019**

Movements in level 3 securities as at December 31, 2015

(in thousands of euros)	AT DEC. 31, 2014	GAINS AND LOSSES RECOGNIZED IN THE PERIOD: IN INCOME	GAINS AND LOSSES RECOGNIZED IN THE PERIOD: DIRECTLY IN EQUITY	TRANSACTIONS FOR THE PERIOD: PURCHASES/ ISSUES	TRANSACTIONS FOR THE PERIOD: SALES/ REDEMPTIONS	EXCHANGE RATE EFFECTS	AT DEC. 31, 2015
AFS securities	**155,470**	**1,526**	**806**	**83,894**		**-1,478**	**240,219**
Equities and other variable-income securities	125,469	1,526	890	2,718		-1,307	129,297
Shares in non-trading property companies	30,001		-84	81,176		-171	110,922
Investment property	**923**	**-123**					**800**
TOTAL	**156,393**	**1,403**	**806**	**83,894**		**-1,478**	**241,019**

Breakdown of financial instrument fair value measurements as at December 31, 2014 by level in the fair value hierarchy

(in thousands of euros)	CARRYING AMOUNT	FAIR VALUE	LEVEL 1 FAIR VALUE DETERMINED BASED ON QUOTED PRICES IN ACTIVE MARKETS	LEVEL 2 FAIR VALUE DETERMINED BASED ON VALUATION TECHNIQUES THAT USE OBSERVABLE INPUTS	LEVEL 3 FAIR VALUE DETERMINED BASED ON VALUATION TECHNIQUES THAT USE UNOBSERVABLE INPUTS
AFS securities	**2,324,682**	**2,324,682**	**2,015,225**	**153,987**	**155,470**
Equities and other variable-income securities	309,710	309,710	177,611	6,630	125,469
Bonds and government securities	1,984,971	1,984,971	1,837,614	147,357	
Shares in non-trading property companies	30,001	30,001			30,001
HTM securities	**6,872**	**7,703**	**7,703**		
Bonds	6,872	7,703	7,703		
Fair value through income – trading securities	**30,864**	**30,864**	**30,864**		
Money market funds (UCITS)	30,864	30,864	30,864		
Derivatives	**2,834**	**2,834**		**2,834**	
Loans and receivables	**311,556**	**311,556**		**311,556**	
Investment property	**923**	**923**			**923**
TOTAL	**2,677,731**	**2,678,562**	**2,053,792**	**468,377**	**156,393**

Movements in level 3 securities as at December 31, 2014

(in thousands of euros)	AT DEC. 31, 2013	GAINS AND LOSSES RECOGNIZED IN THE PERIOD: IN INCOME	GAINS AND LOSSES RECOGNIZED IN THE PERIOD: DIRECTLY IN EQUITY	TRANSACTIONS FOR THE PERIOD: PURCHASES/ ISSUES	TRANSACTIONS FOR THE PERIOD: SALES/ REDEMPTIONS	EXCHANGE RATE EFFECTS	AT DEC. 31, 2014
AFS securities	**107,825**	**15**	**11,290**	**36,268**		**71**	**155,470**
Equities and other variable-income securities	107,824	15	11,290	6,268		71	125,469
Shares in non-trading property companies	1			30,000			30,001
Investment property	**1,271**	**-348**					**923**
TOTAL	**109,096**	**-333**	**11,290**	**36,268**	**0**	**71**	**156,393**

/ NOTE 8 / Receivables arising from banking and other activities

Breakdown by nature

(in thousands of euros)	DEC. 31, 2015	DEC. 31, 2014
Receivables arising from banking and other activities	2,312,352	2,181,560
Non-performing receivables arising from banking and other activities	78,961	79,840
Allowances for receivables arising from banking and other activities	-20,411	-17,138
TOTAL	**2,370,902**	**2,244,262**

Breakdown by age

Receivables arising from banking and other activities represent receivables acquired within the scope of factoring agreements.

They are recognised at cost within assets. Factoring receivables include both receivables whose future recovery is guaranteed by Coface and receivables for which the risk of future recovery is borne by the customer.

Where applicable, the Group recognises a valuation allowance against receivables to take account of any potential difficulties in their future recovery, it being specified that the receivables are also covered by a credit insurance agreement. Accordingly, the related risks are covered by claims provisions. Claims provisions recorded to hedge receivables arising from factoring operations amounted to €52,731 thousand at December 31, 2015.

	DEC. 31, 2015					
		DUE				
(in thousands of euros)	NOT DUE	-3 MONTHS	3 MONTHS TO 1 YEAR	1 TO 5 YEARS	+5 YEARS	TOTAL
Receivables arising from banking and other activities	1,781,588	530,764				2,312,352
Non-performing receivables arising from banking and other activities			5,004	57,350	16,607	78,961
Allowances for receivables arising from banking and other activities			-2,069	-10,645	-7,697	-20,411
Total receivables arising from banking and other activities	**1,781,588**	**530,764**	**2,935**	**46,705**	**8,910**	**2,370,902**
Claims reserves to cover factoring receivables			-1,732	-43,329	-7,670	-52,731
TOTAL RECEIVABLES ARISING FROM BANKING AND OTHER ACTIVITIES AFTER CLAIMS RESERVES	**1,781,588**	**530,764**	**1,203**	**3,376**	**1,240**	**2,318,171**

The breakdown by age method had been reviewed in 2015.

	DEC. 31, 2014					
		DUE				
(in thousands of euros)	NOT DUE	-3 MONTHS	3 MONTHS TO 1 YEAR	1 TO 5 YEARS	+5 YEARS	TOTAL
Receivables arising from banking and other activities	1,770,696	410,864				**2,181,560**
Non-performing receivables arising from banking and other activities			78,952	888		**79,840**
Allowances for receivables arising from banking and other activities			-16,250	-888		**-17,138**
Total receivables arising from banking and other activities	**1,770,696**	**410,864**	**62,702**			**2,244,262**
Claims reserves to cover factoring receivables			-36,358			**-36,358**
TOTAL RECEIVABLES ARISING FROM BANKING AND OTHER ACTIVITIES AFTER CLAIMS RESERVES	**1,770,696**	**410,864**	**26,344**			**2,207,904**

/ NOTE 9 / Investments in associates

(in thousands of euros)	DEC. 31, 2015	DEC. 31, 2014
Investments in associates at January 1	19,001	17,621
Dividends paid	-900	-756
Share in net income of associates	2,157	2,136
TOTAL INVESTMENTS IN ASSOCIATES	**20,258**	**19,001**

The Company accounted for by the equity method is Cofacrédit.

/ NOTE 10 / Tangible assets

(in thousands of euros)	DEC. 31, 2015 NET VALUE	DEC. 31, 2014 NET VALUE
Buildings used in the business	40,756	43,014
Other property, plant and equipment	24,351	24,694
TOTAL	**65,107**	**67,708**

The buildings used in the bunisess are the head offices of Coface Deutschland and Coface Italia. The head offices of Coface Deutschland was acquired under a finance lease.

(in thousands of euros)	DEC. 31, 2015		
	COST	ACCUMULATED AMORTISATION AND IMPAIRMENT	NET VALUE
Buildings used in the business	108,988	-68,232	40,756
Other property, plant and equipment	59,377	-35,026	24,351
TOTAL	**168,365**	**-103,258**	**65,107**

(in thousands of euros)	DEC. 31, 2014		
	COST	ACCUMULATED AMORTISATION AND IMPAIRMENT	NET VALUE
Buildings used in the business	109,167	-66,153	43,014
Other property, plant and equipment	63,980	-39,286	24,694
TOTAL	**173,147**	**-105,439**	**67,708**

◆ Change in the gross amount of property, plant and equipment

(in thousands of euros)	DEC. 31, 2014	INCREASES	DECREASES	EXCHANGE RATE AND OTHER EFFECTS	DEC. 31, 2015
Land used in the business	14,010				14,010
Buildings used in the business	95,157		-1	-178	94,978
Total buildings used in the business	**109,167**		**-1**	**-178**	**108,988**
Operating guarantees and deposits	5,319	37	-256	102	5,202
Other property, plant and equipment	58,661	3,595	-9,154	1,073	54,175
Total other property, plant and equipment	**63,980**	**3,632**	**-9,410**	**1,175**	**59,377**
TOTAL	**173,147**	**3,632**	**-9,411**	**997**	**168,365**

(in thousands of euros)	DEC. 31, 2013	INCREASES	DECREASES	EXCHANGE RATE AND OTHER EFFECTS	DEC. 31, 2014
Land used in the business	14,010				14,010
Buildings used in the business	77,205		-196	18,148	95,157
Total buildings used in the business	**91,215**		**-196**	**18,148**	**109,167**
Operating guarantees and deposits	8,732	360	-3,826	52	5,319
Other property, plant and equipment	58,753	2,605	-3,008	311	58,661
Total other property, plant and equipment	**67,485**	**2,966**	**-6,834**	**363**	**63,980**
TOTAL	**158,700**	**2,966**	**-7,030**	**18,511**	**173,147**

Change in accumulated depreciation and impairment of property, plant and equipment

(in thousands of euros)	DEC. 31, 2014	ADDITIONS	REVERSALS	EXCHANGE RATE AND OTHER EFFECTS	DEC. 31, 2015
Accumulated depreciation – Building used in the business	-66,153	-2,250		171	-68,232
Accumulated impairment – Buildings used in the business					
Buildings used in the business	**-66,153**	**-2,250**		**171**	**-68,232**
Accumulated depreciation other property, plant & equipment	-36,553	-3,870	9,226	-3,661	-34,858
Accumulated impairment other property, plant & equipment	-2,733	-20		2,585	-168
Other property, plant and equipment	**-39,286**	**-3,890**	**9,226**	**-1,076**	**-35,026**
TOTAL	**-105,439**	**-6,140**	**9,226**	**-905**	**-103,258**

(in thousands of euros)	DEC. 31, 2013	ADDITIONS	REVERSALS	EXCHANGE RATE AND OTHER EFFECTS	DEC. 31, 2014
Accumulated depreciation – Building used in the business	-45,297	-2,803	94	-18,148	-66,153
Accumulated impairment – Buildings used in the business					
Buildings used in the business	**-45,297**	**-2,803**	**94**	**-18,148**	**-66,153**
Accumulated depreciation other property, plant & equipment	-34,992	-4,015	2,693	-239	-36,553
Accumulated impairment other property, plant & equipment	-2,682	-40		-11	-2,733
Other property, plant and equipment	**-37,674**	**-4,056**	**2,693**	**-250**	**-39,286**
TOTAL	**-82,970**	**-6,859**	**2,787**	**-18,397**	**-105,439**

Market value of buildings used in the business

(in thousands of euros)	DEC. 31, 2015	DEC. 31, 2014
Carrying amount	40,756	43,014
Market value	73,095	69,918
UNREALISED GAIN	**32,339**	**26,904**

The buildings held by the Coface Group do not represent any unrealised losses; no impairment is therefore recorded at December 31, 2015.

/ NOTE 11 / Receivables arising from insurance and reinsurance operations

Breakdown by nature

(in thousands of euros)	DEC. 31, 2015 GROSS	DEC. 31, 2015 PROVISION	DEC. 31, 2015 NET	DEC. 31, 2014 GROSS	DEC. 31, 2014 PROVISION	DEC. 31, 2014 NET
Receivables from policyholders and agents	312,999	-30,298	282,701	303,437	-29,191	274,246
Earned premiums not written	123,003		123,003	125,178		125,178
Receivables arising from reinsurance operations, net	113,548	-282	113,266	54,273	-282	53,991
TOTAL	**549,550**	**-30,580**	**518,970**	**482,888**	**-29,473**	**453,415**

Breakdown by age

(in thousands of euros)	DEC. 31, 2015					
		DUE				
	NOT DUE	-3 MONTHS	3 MONTHS TO 1 YEAR	1 TO 5 YEARS	+5 YEARS	TOTAL
TOTAL RECEIVABLES ARISING FROM INSURANCE AND REINSURANCE OPERATIONS	**376,754**	**81,856**	**44,345**	**10,857**	**5,158**	**518,970**

(in thousands of euros)	DEC. 31, 2014					
		DUE				
	NOT DUE	-3 MONTHS	3 MONTHS TO 1 YEAR	1 TO 5 YEARS	+5 YEARS	TOTAL
TOTAL RECEIVABLES ARISING FROM INSURANCE AND REINSURANCE OPERATIONS	**289,462**	**81,695**	**57,647**	**24,610**	**0**	**453,415**

The insurance business operates on a reverse production cycle: premiums are earned before claims are paid out. Furthermore, Coface primarily bills its clients on a monthly or quarterly basis, which allows it to recognise its receivables with a short-term maturity of less than or equal to three months.

Consequently, the risk of liquidity linked to insurance receivables is considered to be marginal.

/ NOTE 12 / Other assets

(in thousands of euros)	DEC. 31, 2015	DEC. 31, 2014
Deferred acquisition costs	44,043	43,171
Trade receivables arising from other activities	14,238	17,762
Current tax receivbales	68,937	43,238
Other receivables	125,288	147,049
TOTAL	**252,506**	**251,220**

/ NOTE 13 / Cash and cash equivalents

(in thousands of euros)	DEC. 31, 2015	DEC. 31, 2014
Cash at bank and in hand	358,326	248,656
Cash equivalents	38,511	29,968
TOTAL	**396,837**	**278,624**

The €118,213 thousand increase is primarily explained by:

- deferred investments in several countries due to local market conditions;
- cash-flow discrepancies at the very end of 2015.

/ NOTE 14 / Share capital

ORDINARY SHARES	NUMBER OF SHARES	PAR VALUE	SHARE CAPITAL (in €)
At December 31, 2014	157,248,232	5	786,241,160
Capital increase			
At December 31, 2015	**157,248,232**	**5**	**786,241,160**
Treasury shares deducted	-296,591	5	-1,482,955
AT DECEMBER 31, 2015 (EXCLUDING TREASURY SHARES)	**156,951,641**	**5**	**784,758,205**

SHAREHOLDERS	DEC. 31, 2015		DEC. 31, 2014	
	NUMBER OF SHARES	%	NUMBER OF SHARES	%
Natixis	64,853,870	41.32	64,853,869	41.26
Public	92,097,771	58.68	92,313,544	58.74
TOTAL EXCLUDING TREASURY SHARES	**156,951,641**	**100.00**	**157,167,413**	**100.00**

The parent company of the Coface Group is Natixis, which in turn is owned by BPCE, the central body of Banques Populaires and Caisses d'Épargne, established in July 2009.

Natixis holds 41.32% of Coface Group's shares excluding treasury shares, and 41.24% including treasury shares.

/ NOTE 15 / Share-based payments

◆ Ongoing free share plans

In connection with its stock market listing in 2014, and again in 2015, the Coface Group awarded free shares to certain beneficiaries (employees of COFACE SA subsidiaries):

PLAN	ALLOCATION DATE	NUMBER OF SHARES GRANTED	ACQUISITION PERIOD	ACQUISITION DATE	AVAILABILITY DATE	FAIR VALUE OF THE SHARE AT THE ALLOCATION DATE	NET EXPENSE FOR THE YEAR (in €k)
Allotment of exceptional free shares	June 26, 2014	43,269	2 years	July 1, 2016	July 1, 2018	10.4	205
Long-term Incentive Plan 2014	June 26, 2014	78,842	3 years	July 1, 2017	July 1, 2019	10.4	221
Long-term Incentive Plan 2015	Feb. 17, 2015	106,800	3 years	Feb. 18, 2018	Feb. 18, 2020	11.8	318

Change in the number of free shares

PLAN	NUMBER OF FREE SHARES AT DEC. 31, 2014	NUMBER OF NEW FREE SHARE GRANTS IN 2015	NUMBER OF FREE SHARES CANCELLED IN 2015	NUMBER OF SHARES TO BE ACQUIRED AT DEC. 31, 2015
Allotment of exceptional free shares	43,269		-	43,269
Long-term Incentive Plan 2014	78,842		-	78,842
Long-term Incentive Plan 2015		106,800	-	106,800

The total number of shares awarded under the Long term Incentive Plan 2015 amounts to 113,109 shares; only 106,800 shares were awarded to beneficiaries on a nominative basis.

The settlement of the exceptional bonus shares is contingent on a presence requirement (except for cases of involuntary departure).

The vesting of free shares under the long-term incentive plans is contingent on a presence requirement and achieving of annual objectives based on financial indicators.

Measurement of free shares

In accordance with IFRS 2 relating to "Share-based payments", the award of free shares to employees results in the recognition of an expense corresponding to the fair value of shares granted on the award date adjusted for unpaid dividends during the rights vesting period and transfer restrictions during the holding period, as well as the probability of the materialisation of the performance conditions.

The plans were measured on the assumptions below:

- discount rate corresponding to a risk-free rate on the plans' duration;
- income distribution rate set at 60%;
- the lock-in value, which is calculated in consideration of a risk-free interest rate and a two-year borrowing rate.

Based on these assumptions, a total of €744,000 was expensed under the implemented plans at December 31, 2015.

/ NOTE 16 / Revaluation reserves

(in thousands of euros)	INVESTMENT INSTRUMENTS	RESERVES – GAINS AND LOSSES NOT RECLASSIFIABLE TO INCOME (IAS 19R)	INCOME TAX	REVALUATION RESERVES ATTRIBUTABLE TO OWNERS OF THE PARENT	NON-CONTROLLING INTERESTS	REVALUATION RESERVES
At January 1, 2015	**120,329**	**-31,184**	**-3,409**	**85,736**	**3,924**	**89,660**
Fair value adjustments on available-for-sale financial assets reclassified to income	-4,347		1,525	-2,822	-144	-2,966
Fair value adjustments on available-for-sale financial assets recognised in equity	-8,693		-1,471	-10,164	-771	-10,935
Change in reserves – gains and losses not reclassificable to income (IAS 19R)		5,890	-1,912	3,978		3,978
Transactions with shareholders	146			146		146
AT DECEMBER 31, 2015	**107,435**	**-25,294**	**-5,267**	**76,874**	**3,009**	**79,883**

(in thousands of euros)	INVESTMENT INSTRUMENTS	RESERVES – GAINS AND LOSSES NOT RECLASSIFIABLE TO INCOME (IAS 19R)	INCOME TAX	REVALUATION RESERVES ATTRIBUTABLE TO OWNERS OF THE PARENT	NON-CONTROLLING INTERESTS	REVALUATION RESERVES
At January 1, 2014	**79,148**	**-22,421**	**3,991**	**60,719**	**4,852**	**65,571**
Fair value adjustments on available-for-sale financial assets reclassified to income	-7,834		2,485	-5,349		-5,349
Fair value adjustments on available-for-sale financial assets recognised in equity	49,015		-12,517	36,498	-928	35,570
Change in reserves – gains and losses not reclassificable to income (IAS 19R)		-8,763	2,631	-6,132		-6,132
AT DECEMBER 31, 2014	**120,329**	**-31,184**	**-3,409**	**85,736**	**3,924**	**89,660**

/ NOTE 17 / Provisions for liabilities and charges

(in thousands of euros)	DEC. 31, 2015	DEC. 31, 2014
Provisions for disputes	10,966	7,624
Provisions for pension and other post-employment benefit obligations	84,855	93,752
Other provisions for liabilities and charges	18,413	16,416
TOTAL	**114,234**	**117,792**

(in thousands of euros)	DEC. 31, 2014	ADDITIONS	REVERSALS (UTILISED)	REVERSALS (SURPLUS)	RECLASSIFICA-TIONS	CHANGES IN OCI	EXCHANGE RATE EFFECTS	DEC. 31, 2015
Provisions for technical								
Provisions for tax disputes	361	3,200					-36	3,525
Provisions for employee	5,225	2,345	-483	-1,348	-10		-46	5,683
Provisions for other disputes	2,038	200			1		-481	1,758
Provisions for disputes	**7,624**	**5,745**	**-483**	**-1,348**	**-9**		**-563**	**10,966**
Provisions for pension	**93,752**	**6,169**	**-3,783**	**-1,034**	**-4,528**	**-5,893**	**172**	**84,855**
Provisions for liabilities	13,724	549		-1,248			974	13,999
Provisions for restructuring	1,263	236	-76	-535				888
Other provisions for liabilities	1,429	1,523		-3,625	4,202		-3	3,526
Other provisions for liabilities and charges	**16,416**	**2,308**	**-76**	**-5,408**	**4,202**		**971**	**18,413**
TOTAL	**117,792**	**14,222**	**-4,342**	**-7,790**	**-335**	**-5,893**	**580**	**114,234**

(in thousands of euros)	DEC. 31, 2013	ADDITIONS	REVERSALS (UTILISED)	REVERSALS (SURPLUS)	RECLASSIFICA-TIONS	CHANGES IN OCI	EXCHANGE RATE EFFECTS	DEC. 31, 2014
Provisions for technical								
Provisions for tax disputes	349	3					8	361
Provisions for employee	4,246	2,444	-897	-570			2	5,225
Provisions for other disputes	2,461	-445		-29			52	2,038
Provisions for disputes	**7,056**	**2,002**	**-897**	**-599**			**62**	**7,624**
Provisions for pension	**86,130**	**5,278**	**-6,077**	**-359**	**16**	**8,762**	**2**	**93,752**
Provisions for liabilities	14,347	2,028	-647	-1,634			-370	13,724
Provisions for restructuring	2,760	529	-233	-1,793				1,263
Other provisions for liabilities	1,763	5		-339				1,429
Other provisions for liabilities and charges	**18,870**	**2,562**	**-880**	**-3,766**			**-370**	**16,416**
TOTAL	**112,056**	**9,842**	**-7,854**	**-4,724**	**16**	**8,762**	**-306**	**117,792**

Provisions for liabilities and charges mainly consist of provisions for pensions and other post-employment benefit obligations.

/ NOTE 18 / Employee benefits

(in thousands of euros)	DEC. 31, 2015	DEC. 31, 2014
Present value of benefit obligation at January 1	***95,449***	***87,765***
Current service cost	5,280	-501
Interest cost	1,442	2,474
Actuarial (gains)/losses	-6,862	12,464
Benefits paid	-4,974	-6,706
Other	-3,551	-49
PRESENT VALUE OF BENEFIT OBLIGATION AT DECEMBER 31	**86,784**	**95,449**
Change in plan assets		
Fair value of plan assets at January 1	***1,696***	***1,635***
Revaluation adjustments – Return on plan assets	42	71
Employer contributions	118	111
Benefits paid	-158	-124
Other	231	4
FAIR VALUE OF PLAN ASSETS AT DECEMBER 31	**1,929**	**1,696**
Reconciliation		
Present value of benefit obligation at December 31	***86,784***	***95,449***
Fair value of plan assets	1,929	1,696
(LIABILITY)/ASSET RECOGNISED IN THE BALANCE SHEET AT DECEMBER	**-84,855**	**-93,752**
Income statement		
Current service cost	5,480	4,907
Past service cost	-198	-5,407
Benefits paid including amounts paid in respect of settlements		-333
Interest cost	1,303	2,474
Interest income	-32	-54
Revaluation adjustments on other long-term benefits	-980	3,687
Other	598	6
EXPENSE/(INCOME) RECORDED IN THE INCOME STATEMENT	**6,171**	**5,279**
Changes recognised directly in equity not reclassifiable to income		
Revaluation adjustments arising in the year	-5,890	8,762
REVALUATION ADJUSTMENTS RECOGNISED IN EQUITY NOT RECLASSIFIABLE TO INCOME	**-5,890**	**8,762**

(in thousands of euros)	DEC. 31, 2015					
	FRANCE	GERMANY	AUSTRIA	ITALY	OTHER	TOTAL
Present value of benefit obligation at January 1	***41,652***	***25,443***	***19,913***	***6,361***	***2,080***	***95,449***
Current service cost	1,736	2,151	309	649	435	**5,280**
Interest cost	620	440	347	35		**1,442**
Actuarial (gains)/losses	-4,429	-1,252	-786	-395		**-6,862**
Benefits paid	-1,355	-1,694	-1,236	-586	-103	**-4,974**
Other	-16	23	-89	-3,628	159	**-3,551**
PRESENT VALUE OF BENEFIT OBLIGATION AT DECEMBER 31	**38,208**	**25,111**	**18,458**	**2,436**	**2,571**	**86,784**
Change in plan assets						
Fair value of plan assets at January 1		***861***	***1,016***		***-181***	***1,696***
Revaluation adjustments – Return on plan assets		11	31			**42**
Employer contributions		26	92			**118**
Benefits paid		-34	-124			**-158**
Other		337	-106			**231**
FAIR VALUE OF PLAN ASSETS AT DECEMBER 31		**1,201**	**909**		**-181**	**1,929**
Reconciliation						
Present value of benefit obligation at December 31	***38,208***	***25,111***	***18,458***	***2,436***	***2,571***	***86,784***
Fair value of plan assets		1,201	909		-181	**1,929**
(LIABILITY)/ASSET RECOGNISED IN THE BALANCE SHEET AT DECEMBER	**-38,208**	**-23,910**	**-17,549**	**-2,436**	**-2,752**	**-84,855**
Income statement						
Current service cost	1,736	2,354	290	665	435	**5,480**
Past service cost		-202	20	-16		**-198**
Benefits paid including amounts paid in respect of settlements						
Interest cost	620	433	215	35		**1,303**
Interest income		-15	-17			**-32**
Revaluation adjustments on other long-term benefits	-110	-858	-12			**-980**
Other	4	11	9	574		**598**
EXPENSE/(INCOME) RECORDED IN THE INCOME STATEMENT	**2,250**	**1,723**	**505**	**1,258**	**435**	**6,171**
Changes recognised directly in equity not reclassifiable to income						
Revaluation adjustments arising in the year	-4,317	-394	-784	-395		**-5,890**
REVALUATION ADJUSTMENTS RECOGNISED IN EQUITY NOT RECLASSIFIABLE TO INCOME	**-4,317**	**-394**	**-784**	**-395**		**-5,890**

(in thousands of euros)	DEC. 31, 2014					
	FRANCE	GERMANY	AUSTRIA	ITALY	OTHER	TOTAL
Present value of benefit obligation at January 1	***43,680***	***19,588***	***17,205***	***5,379***	***1,914***	***87,765***
Current service cost	-3,737	1,694	274	854	414	-501
Interest cost	1,193	592	523	167		2,474
Actuarial (gains)/losses	2,562	5,199	3,012	1,690		12,464
Benefits paid	-2,046	-1,631	-1,106	-1,729	-194	-6,706
Other			6		-54	-49
PRESENT VALUE OF BENEFIT OBLIGATION AT DECEMBER 31	**41,652**	**25,442**	**19,913**	**6,361**	**2,080**	**95,449**
Change in plan assets						
Fair value of plan assets at January 1		***837***	***978***		***-181***	***1,635***
Revaluation adjustments – Return on plan assets		30	41			71
Employer contributions		11	100			111
Benefits paid		-21	-103			-124
Other		4				4
FAIR VALUE OF PLAN ASSETS AT DECEMBER 31		**861**	**1,016**		**-181**	**1,696**
Reconciliation						
Present value of benefit obligation at December 31	***41,652***	***25,442***	***19,913***	***6,361***	***2,080***	***95,449***
Fair value of plan assets		861	1,016		-181	1,696
(LIABILITY)/ASSET RECOGNISED IN THE BALANCE SHEET AT DECEMBER	**-41,652**	**-24,581**	**-18,897**	**-6,361**	**-2,261**	**-93,752**
Income statement						
Current service cost	1,670	1,694	274	854	414	4,907
Past service cost	-5,407					-5,407
Benefits paid including amounts paid in respect of settlements				-333		-333
Interest cost	1,193	592	523	167		2,474
Interest income		-25	-29			-54
Revaluation adjustments on other long-term benefits	-267	2,668	15	1,272		3,687
Other			6			6
EXPENSE/(INCOME) RECORDED IN THE INCOME STATEMENT	**-2,812**	**4,929**	**788**	**1,959**	**414**	**5,279**
Changes recognised directly in equity not reclassifiable to income						
Revaluation adjustments arising in the year	2,830	2,527	2,987	419		8,762
REVALUATION ADJUSTMENTS RECOGNISED IN EQUITY NOT RECLASSIFIABLE TO INCOME	**2,830**	**2,527**	**2,987**	**419**		**8,762**

Actuarial assumptions

The discount rate applied to the Group's employee benefit obligations is based on the Bloomberg Corporate AA curve for French entities and on a basket of international AA-rated corporate bonds for foreign entities.

	DEC. 31, 2015			
	FRANCE	GERMANY	AUSTRIA	ITALY
Inflation rate	1.70%	1.90%	1.90%	1.90%
Discount rate				
Supplementary retirement and other plans	*0.45%*	*1.90%*	*1.90%*	*1.90%*
Statutory retirement benefits	*1.40%*	*N/A*	*1.90%*	*1.90%*
Long-service awards	*1.00%*	*1.90%*	*1.90%*	*N/A*
Other benefits	*2.15%*	*1.90%*	*N/A*	*1.90%*
Rate of salary increases (including inflation)	2.00%	2.40%	3.00%	1.70%
Rate of increase in medical costs (including inflation)	4.20%	N/A	N/A	4.40%
Average remaining working life until retirement				
Supplementary retirement and other plans	*0.00*	*5.40*	*8.72*	*11.37*
Statutory retirement benefits	*15.60*	*N/A*	*9.97*	*13.37*
Long-service awards	*8.14*	*19.33*	*15.48*	*14.70*
Other benefits	*15.60*	*2.92*	*N/A*	*20.15*
Term (years)				
Supplementary retirement and other plans	*28.59*	*11.15*	*12.02*	*18.00*
Statutory retirement benefits	*10.64*	*N/A*	*8.79*	*9.88*
Long-service awards	*7.69*	*11.57*	*6.65*	*10.93*
Other benefits	*N/A*	*1.95*	*N/A*	*0.00*

	DEC. 31, 2014			
	FRANCE	GERMANY	AUSTRIA	ITALY
Inflation rate	1.80%	1.80%	1.80%	1.80%
Discount rate				
Supplementary retirement and other plans	*0.50%*	*1.80%*	*1.80%*	*1.80%*
Statutory retirement benefits	*1.20%*	*N/A*	*1.80%*	*1.80%*
Long-service awards	*0.80%*	*1.80%*	*1.80%*	*-*
Other benefits	*1.80%*	*1.80%*	*N/A*	*1.80%*
Rate of salary increases (including inflation)	2.10%	2.30%	3.00%	3.00%
Rate of increase in medical costs (including inflation)	4.30%	N/A	N/A	4.50%
Average remaining working life until retirement				
Supplementary retirement and other plans	*0.00*	*4.61*	*9.49*	*6.88*
Statutory retirement benefits	*15.55*	*N/A*	*10.81*	*13.68*
Long-service awards	*15.52*	*22.39*	*14.71*	*N/A*
Other benefits	*15.55*	*2.21*	*N/A*	*20.15*
Term (years)				
Supplementary retirement and other plans	*29.26*	*12.51*	*12.25*	*25.05*
Statutory retirement benefits	*10.59*	*N/A*	*9.67*	*10.48*
Long-service awards	*7.92*	*12.40*	*6.79*	*N/A*
Other benefits	*0.00*	*1.97*	*N/A*	*22.33*

Sensitivity tests on the defined benefit obligation

	DEC. 31, 2015			
	POST-EMPLOYMENT DEFINED BENEFIT OBLIGATIONS		OTHER LONG-TERM BENEFITS	
	SUPPLEMENTARY RETIREMENT AND OTHER PLANS	STATUTORY RETIREMENT BENEFITS	LONG-SERVICE AWARDS	OTHER BENEFITS
1% increase in the discount rate	-16.18%	-8.98%	-9.01%	-1.66%
-1% increase in the discount rate	21.76%	10.60%	10.59%	1.71%
1% increase in the inflation rate	2.08%	10.37%	10.98%	1.16%
-1% increase in the inflation rate	-1.92%	-8.96%	-9.58%	-1.15%
1% increase in rate of increase in medical costs	17.61%	8.22%	0.00%	1.16%
-1% increase in rate of increase in medical costs	-12.97%	-7.09%	0.00%	-1.15%
1% decrease in rate of salary increase (including inflation)	32.44%	0.00%	0.00%	15.12%
-1% decrease in rate of salary increase (including inflation)	-23.17%	0.00%	0.00%	-11.90%

	DEC. 31, 2014			
	POST-EMPLOYMENT DEFINED BENEFIT OBLIGATIONS		OTHER LONG-TERM BENEFITS	
	SUPPLEMENTARY RETIREMENT AND OTHER PLANS	STATUTORY RETIREMENT BENEFITS	LONG-SERVICE AWARDS	OTHER BENEFITS
1% increase in the discount rate	-16.93%	-9.43%	-9.16%	-12.52%
-1% increase in the discount rate	22.85%	11.09%	10.63%	16.13%
1% increase in the inflation rate	18.78%	8.64%	0.00%	2.00%
-1% increase in the inflation rate	-13.76%	-7.45%	0.00%	-1.93%
1% increase in rate of increase in medical costs	34.08%	0.00%	0.00%	0.00%
-1% increase in rate of increase in medical costs	-24.17%	0.00%	0.00%	0.00%
1% decrease in rate of salary increase (including inflation)	2.26%	10.83%	8.29%	15.12%
-1% decrease in rate of salary increase (including inflation)	-2.08%	-9.35%	-7.40%	-11.90%

/ NOTE 19 / Financing liabilities

(in thousands of euros)	DEC. 31, 2015	DEC. 31, 2014
Subordinated debt	387,292	386,850
Obligations under finance leases	5,202	7,955
Bank overdrafts and other borrowings	100	318
TOTAL	**392,594**	**395,123**

Due dates of financing liabilities

(in thousands of euros)	DEC. 31,2015	DEC. 31,2014
Due within one year		
Obligations under finance leases	3,010	2,754
Bank overdrafts and other borrowings	-	318
TOTAL	**3,010**	**3,072**
Due between one and five years		
Obligations under finance leases	2,292	5,201
TOTAL	**2,292**	**5,201**
Due beyond five years		
Subordinated debt	387,292	386,850
TOTAL	**387,292**	**386,850**
TOTAL	**392,594**	**395,123**

On March 27, 2014, COFACE SA completed the issue of subordinated debt in the form of bonds for a nominal amount of €380 million (corresponding to 3,800 bonds with a nominal unit value of €100,000), maturing on March 27, 2024 (10 years), with an annual interest rate of 4.125%.

The per-unit bond issue price was €99,493.80, and the net amount received by COFACE SA was €376.7 million, net of placement fees and directly-attributable transaction costs.

These securities are irrevocably and unconditionally guaranteed on a subordinated basis by Compagnie française d'assurance pour le commerce extérieur, the Coface Group's main operating entity.

On March 25, 2014, a joint guarantee was issued by Compagnie française d'assurance pour le commerce extérieur for €380 million, in favour of the investors in COFACE SA's subordinated bonds, applicable until the extinction of all liabilities in respect of said investors. The annual interest rate applicable is 0.2% on the basis of the total amount (due by COFACE SA).

On March 27, 2014, COFACE SA granted a subordinated intra-group loan to Compagnie française d'assurance pour le commerce extérieur in the amount of €314 million, maturing on March 26, 2024 (10 years) and bearing annual interest at 4.125%, payable at the anniversary date each year.

As at December 31, 2015, the debt presented on the line "Subordinated borrowings" of the balance sheet, amounted to €387,292 thousand, is composed of:

- nominal amount of bonds: €380,000 thousand;
- reduced by the debt issuance costs for €3,301 thousand;
- reduced by the issue premium for €1,924 thousand;
- increased by interest accrued of €12,517 thousand.

The impact on consolidated income statement income as at December 31, 2015 mainly includes the interest related to the period for €16,117 thousand.

/ NOTE 20 / Liabilities relating to insurance contracts

(in thousands of euros)	DEC. 31, 2015	DEC. 31, 2014
Provisions for unearned premiums	285,410	286,336
Claims reserves	1,122,211	1,091,668
Provisions for premium refunds	107,241	94,176
Liabilities relating to insurance contracts	**1,514,862**	**1,472,180**
Provisions for unearned premiums	-57,558	-57,403
Claims reserves	-247,147	-249,010
Provisions for premium refunds	-23,281	-22,750
Reinsurers' share of technical insurance liabilities	**-327,986**	**-329,163**
Net technical provisions	**1,186,876**	**1,143,017**

Through its activities, the Coface Group is exposed to a "technical" (underwriting) risk, which is the risk of losses arising from its portfolio of credit insurance policies. Tools aimed at managing this risk have been put in place to ensure that it remains within reasonable limits.

The liquidation term for insurance technical provisions is less than three years, and the total of these provisions is covered by liquid assets.

Consequently, the risk of liquidity linked to insurance technical provisions is considered to be marginal.

/ NOTE 21 / Payables arising from banking sector activities

(in thousands of euros)	DEC. 31, 2015	DEC. 31, 2014
Amounts due to banking sector companies	352,379	300,706
Amounts due to customers of banking sector companies	404,217	379,016
Debt securities	1,613,065	1,538,060
TOTAL	**2,369,661**	**2,217,782**

The lines "Amounts due to banking sector companies" and "Borrowings" correspond to sources of refinancing for the Group's factoring entities – Coface Finanz (Germany) and Coface Factoring Poland.

Amounts due to customers and baning sector companies correspond to the unavailable factoring liabilities, of which €365 million of the Guarantee Fund for members at Coface Finanz.

Debt securities comprised:

- €1,195 million in senior units issued by the FCT Vega fund as part of the securitisation programme set up for Coface Finanz's factoring receivables;
- €418 million in commercial paper issued by COFACE SA to finance Coface Finanz's operations.

Amounts due to banking sector companies corresponded to drawdowns on the bilateral credit lines set up with various banking partners of Coface Finanz and Coface Factoring Poland (including Natixis).

/ NOTE 22 / Deferred Tax

(in thousands of euros)	DEC. 31, 2015	DEC. 31, 2014 *
Deferred tax assets	57,538	33,939
Deferred tax liabilities	144,266	128,463
NET DEFERRED TAX – LIABILITIES	**86,728**	**94,524**
Temporary differences	38,562	13,208
Provisions for pensions and other employment benefit obligations	17,367	20,731
Tax loss carry forwards	1,609	
TOTAL DEFERRED TAX ASSETS	**57,538**	**33,939**
Temporary differences	51,857	22,551
Cancellation of the claims equalization provision	92,409	105,912
TOTAL DEFERRED TAX LIABILITIES	**144,266**	**128,463**

* *Restated pursuant to IFRIC 21 (see Note 1 "Reconciliation of the published and IFRIC 21 restated financial statement December 31, 2014").*

The deferred tax rate retained is the one in force in each country. It is of 34.43% for French entities.

Each entity is compensating deferred tax assets and liabilities whenever it is legaly authorized to compensate due tax assets and liabilities.

Changes in deferred tax balances by region

Deferred tax with positive signs are deferred tax liabilities. On the other hand, those with negative signs are deferred tax assets.

(in thousands of euros)	DEC. 31, 2014 *	CHANGE THROUGH INCOME	REVALUATION ADJUSTMENT ON AFS INVESTMENTS	CHANGE IN CURRENCY IMPACT	OTHER MOVEMENTS	DEC. 31, 2015
Northern Europe	113,008	3,862	-2,358	216	124	114,852
Western Europe	2,189	-7,337	-5,320	369	1,298	-8,801
Central Europe	-360	-253		-19	197	-435
Mediterranean & Africa	-8,954	-4,192		59	108	-12,979
North America	225	739	-155	93		902
Latin America	-6,679	-1,229	7,787	924		803
Asia-Pacific	-4,905	-2,170	-11	-528		-7,614
TOTAL	**94,524**	**-10,580**	**-57**	**1,114**	**1,727**	**86,728**

* *Restated pursuant to IFRIC 21 (see Note 1 "Reconciliation of the published and IFRIC 21 restated financial statement December 31, 2014").*

(in thousands of euros)	DEC. 31, 2013	CHANGE THROUGH INCOME	REVALUATION ADJUSTMENT ON AFS INVESTMENTS	CHANGE IN CURRENCY IMPACT	OTHER MOVEMENTS	DEC. 31, 2014 *
Northern Europe	123,996	-8,826	-755	-620	-788	113,008
Western Europe	-54,916	47,123	10,707	72	-798	2,189
Central Europe	835	-579	109	30	-756	-360
Mediterranean & Africa	-5,544	-3,292		-4	-114	-8,954
North America	218	29	-66	44		225
Latin America	-5,116	-1,288	34	25	-333	-6,679
Asia-Pacific	-2,505	-2,433	4	30		-4,905
TOTAL	**56,968**	**30,734**	**10,033**	**-422**	**-2,790**	**94,524**

* *Restated pursuant to IFRIC 21 (see Note 1 "Reconciliation of the published and IFRIC 21 restated financial statement December 31, 2014").*

The "Other movements" column mainly includes deferred taxes on changes in retirement benefits recognised as equity reclassifiable to income.

/ NOTE 23 / Liabilities relating to insurance and reinsurance

(in thousands of euros)	DEC. 31, 2015	DEC. 31, 2014
Guarantee deposits received from policyholders and other	3,376	3,034
Amounts due to policyholders and agents	125,008	98,798
Payables arising from insurance and inward reinsurance operations	**128,384**	**101,832**
Amounts due to reinsurers	94,065	64,157
Deposits received from reinsurers	18,890	10,640
Payable arising from ceded reinsurance operations	**112,955**	**74,797**
TOTAL	**241,339**	**176,628**

/ NOTE 24 / Other liabilities

(in thousands of euros)	DEC. 31, 2015	DEC. 31, 2014 *
Current tax payables	**111,527**	**97,058**
Derivatives and related liabilities	**6,752**	**16,037**
Accrued personnel costs	57,190	58,015
Sundry payables	135,550	163,291
Deferred income	7,740	7,190
Other accruals	19,787	12,938
Other payables	**220,267**	**241,434**
TOTAL	**338,546**	**354,529**

* *Restated pursuant to IFRIC 21 (see Note 1 "Reconciliation of the published and IFRIC 21 restated financial statement December 31, 2014").*

NOTE TO THE CONSOLIDATION PROFIT AND LOSS

/ NOTE 25 / Consolidated revenue

(in thousands of euros)	DEC. 31, 2015	DEC. 31, 2014
a) By business line		
Premiums – direct business	1,178,162	1,179,321
Premiums – inward reinsurance	90,920	63,355
Premium Refunds	-81,497	-98,309
Provisions for unearned premiums	-1,650	-11,640
EARNED PREMIUMS NET OF CANCELLATIONS C)	**1,185,935**	**1,132,727**
FEES AND COMMISSION INCOME	**125,550**	**124,755**
NET INCOME FROM BANKING ACTIVITIES D)	**70,599**	**70,623**
Other insurance-related services	10,129	9,259
Remuneration of public procedures management services	59,969	62,541
Business information and other services	25,262	25,264
Receivables management	12,086	15,367
REVENUE OR INCOME FROM OTHER ACTIVITIES	**107,446**	**112,431**
CONSOLIDATED REVENUE	**1,489,530**	**1,440,536**

(in thousands of euros)	DEC. 31, 2015	DEC. 31, 2014
b) By region of invoicing		
Northern Europe	334,896	352,007
Western Europe	457,219	461,729
Central Europe	114,898	113,276
Mediterranean & Africa	246,376	226,539
North America	131,317	113,750
Latin America	83,484	76,149
Asia-Pacific	121,340	97,086
CONSOLIDATED REVENUE	**1,489,530**	**1,440,536**

Geographic segmentation by billing location does not necessarily match the debtor's location.

(in thousands of euros)	DEC. 31, 2015	DEC. 31, 2014
c) Insurance revenue by type of insurance		
Credit insurance	1,103,152	1,046,699
Guarantees	50,668	54,415
Single risk	32,115	31,613
TOTAL INSURANCE REVENUE	**1,185,935**	**1,132,727**

(in thousands of euros)	DEC. 31, 2015	DEC. 31, 2014
d) Net income from banking activities		
Financing fees	34,153	34,832
Factoring fees	36,831	35,029
Other	-385	762
TOTAL NET INCOME FROM BANKING ACTIVITIES	**70,599**	**70,623**

/ NOTE 26 / Claim expenses

(in thousands of euros)	DEC. 31, 2015	DEC. 31, 2014 *
Paid claims, net of recoveries	-548,609	-558,953
Claims handling expenses	-26,460	-25,744
Change in claims reserves	-30,275	45,970
TOTAL	**-605,344**	**-538,727**

* *Restated pursuant to IFRIC 21 (see Note 1 "Reconciliation of the published and IFRIC 21 restated financial statement December 31, 2014").*

◆ Claims expenses by period of occurence

	DEC. 31, 2015			DEC. 31, 2014 *		
(in thousands of euros)	GROSS	OUTWARD REINSURANCE AND RETROCES-SIONS	NET	GROSS	OUTWARD REINSURANCE AND RETROCES-SIONS	NET
Claims expenses – current year	-814,974	165,188	-649,786	-787,122	164,324	-622,798
Claims expenses – prior years	209,630	-43,387	166,243	248,395	-60,765	187,630
TOTAL	**-605,344**	**121,801**	**-483,543**	**-538,727**	**103,559**	**-435,168**

* *Restated pursuant to IFRIC 21 (see Note 1 "Reconciliation of the published and IFRIC 21 restated financial statement December 31, 2014").*

/ NOTE 27 / Expenses from banking activities

(in thousands of euros)	DEC. 31, 2015	DEC. 31, 2014
Charges to allowances for receivables	-1,845	-744
Reversal of allowances for receivables	4,700	3,198
Losses on receivables not covered by allowances	-2,851	-1,347
Losses on receivables covered by allowances	-4,700	-3,153
Cost of risk	**-4,696**	**-2,046**
Operating expenses	**-14,094**	**-11,066**
TOTAL EXPENSES FROM BANKING ACTIVITIES	**-18,790**	**-13,112**

"Cost of risk" corresponds to the risk-related expense on credit insurance operations conducted by factoring companies, which includes net additions to provisions, receivables written off during the year, and recoveries of amortised receivables.

/ NOTE 28 / Overheads by function

(in thousands of euros)	DEC. 31, 2015	DEC. 31, 2014 *
Commissions	-162,016	-141,887
Other acquisition costs	-112,032	-120,993
TOTAL ACQUISITION COSTS	**-274,048**	**-262,880**
Administrative costs	**-269,956**	**-269,119**
Other current operating expenses	**-81,652**	**-74,509**
Investment management expenses	**-2,124**	**-2,039**
Claims handling expenses	**-26,460**	**-25,744**
TOTAL	**-654,240**	**-634,290**
of which employee profit-sharing	*-7,439*	*-7,497*

(in thousands of euros)	DEC. 31, 2015	DEC. 31, 2014 *
Acquisition, administration costs and other current operating expenses	-654,240	-634,290
Expenses from banking activities, excluding cost of risk	-14,094	-11,066
Expenses from other activities	-44,892	-47,338
TOTAL	**-713,226**	**-692,694**

* *Restated pursuant to IFRIC 21 (see Note 1 "Reconciliation of the published and IFRIC 21 restated financial statement December 31, 2014").*

Total overheads includes general insurance expenses (by function), expenses from other activities and expenses from banking activities. It came out at €713,226 thousand for the year-end closing 2015 *versus* €692,694 thousand for the year-end closing 2014 with IFRIC 21 adjustments.

In the income statement, claims handling expenses are included in "Claims expenses" and investment management expenses are shown in "Investment income, net of management expenses (excluding finance costs)".

/ NOTE 29 / Income and expenses from ceded reinsurance

(in thousands of euros)	DEC. 31,2015	DEC. 31,2014
Ceded premiums	-267,863	-260,233
Change in unearned premiums provisions	2,153	-6,440
Expenses from ceded reinsurance	**-265,710**	**-266,673**
Ceded claims	123,389	143,055
Change in claims provisions net of recoveries	-1,588	-40,558
Commissions paid by reinsurers	92,499	95,515
Income from ceded reinsurance	**214,300**	**198,013**
TOTAL	**-51,410**	**-68,660**

/ NOTE 30 / Investment income, net of management expenses (excluding finance costs)

Investment income by category

(in thousands of euros)	DEC. 31, 2015	DEC. 31, 2014
Investment income	51,421	38,950
Change in financial instruments at fair value though income	-41,095	-42,949
o/w hedged by currency derivatives on "Colombes" mutual funds (1)	*-40,158*	*-42,941*
Net gains on disposals	2,846	7,372
o/w hedged by currency derivatives on "Colombes" mutual funds (1)	*-417*	*-1,181*
Additions to/(reversals from) impairment	54	-1,435
Net foreign exchange gains	42,569	43,714
o/w hedged by currency derivatives on "Colombes" mutual funds (2)	*39,830*	*44,695*
Investment management expenses	-2,704	-2,883
TOTAL	**53,091**	**42,769**

(1) At December 31, 2015, the significant change of the euro-dollar caused significant impacts on the accounts, which were almost entirely hedged by foreign exchange derivatives. The residual impact was -€1,161 thousand.

(2) The €39,830 thousand foreign exchange gains from the Colombes funds consisted of €35,757 thousand in realised gains and €4,073 thousand of unrealised gains.

Investment income by class

(in thousands of euros)	DEC. 31, 2015	DEC. 31, 2014
Property	2,265	1
Equities	14,240	10,041
Fixed income	33,435	35,431
Derivatives	-43,730	-47,082
Sub-total	**6,210**	**-1,609**
Management expenses	-2,704	-2,883
Net foreign exchange gains/(losses)	42,569	43,714
Dividends	4,887	2,933
Additions to provisions for investments in non-consolidated companies	975	264
Net gains/(losses) on investments in non-consolidated companies	1,154	349
TOTAL	**53,091**	**42,769**

/ NOTE 31 / Other operating income and expenses

(in thousands of euros)	DEC. 31, 2015	DEC. 31, 2014
Other operating expenses	-3,275	-11,809
Stamp duty – Coface Re	-326	
Compensation for American agent	-1,889	
Total other operating expenses	**-5,490**	**-11,809**
Other operating income	1,258	1,872
Total other operating income	**1,258**	**1,872**
TOTAL	**-4,232**	**-9,937**

At December 31, 2015, other operating expenses concern mainly compensations paid to sales representatives within the framework of the plan of restructuration and densification of the distribution network led in the United States.

At December 31, 2014, an exceptional expense of €7,962 thousand has been recorded in other operating expenses as fees linked to the IPO, commissions and fees paid to Natixis Interépargne, as well as the contribution paid to the employees having acquired shares.

/ NOTE 32 / Income tax expense

(in thousands of euros)	DEC. 31, 2015	DEC. 31, 2014 *
Income tax	-59,762	-29,715
Deferred tax	10,926	-30,652
TOTAL	**-48,836**	**-60,367**

* *Restated pursuant to IFRIC 21 (see Note 1 "Reconciliation of the published and IFRIC 21 restated financial statement December 31, 2014").*

◆ Tax proof

(in thousands of euros)	DEC. 31, 2015		DEC. 31, 2014 *	
Net income for the year	**126,239**		**125,024**	
Non-controlling interests	888		825	
Income tax expense for the year	48,836		-60,335	
Share of net income of associates	2,157		2,136	
Pre-tax income for the year and share in net income of associates	**173,806**		**184,048**	
Tax rate		34.43%		34.43%
Theoretical tax	-59,841		-63,368	
Income tax expense for the year	-48,836	28.10%	-60,335	32.78%
Difference	**-11,005**	**6.33%**	**-3,033**	**1.65%**
Impact of differences between Group tax rates and local tax rates	11,601	6.67%	12,584	6.83%
Specific local taxes	-3,882	-2.23%	-5,654	-3.07%
o/w French corporate value added tax (CVAE)	*-1,996*	*-1.15%*	*-2,145*	*-1.16%*
Tax reassessments	0	0.00%	-78	-0.04%
Tax losses for which no deferred tax assets have been recognised	-5,028	-2.89%	-3,944	-2.14%
Utilisation of previously unrecognised tax loss carryforwards	2,493	1.43%	3,290	1.79%
Dividends paid in France non deductible for tax purposes (5%)	-1,488	-0.86%	-460	-0.25%
Other differences	7,309	4.21%	-2,705	-1.47%

* *Restated pursuant to IFRIC 21 (see Note 1 "Reconciliation of the published and IFRIC 21 restated financial statement December 31, 2014").*

The tax losses for which no deferred tax assets have been recognised are coming mainly from the Hong Kong entity.

The other differences include a correction of tax expenses in Italy for €7 million.

/ NOTE 33 / Share in net income of associates

(in thousands of euros)	DEC. 31, 2015	DEC. 31, 2014
Cofacrédit	2,157	2,136
TOTAL	**2,157**	**2,136**

OTHER INFORMATION

/ NOTE 34 / Breakdown of net income by segment

Premiums, claims and commissions are monitored by country of invoicing. In the case of direct business, the country of invoicing is that in which the issuer of the invoice is located and for inward reinsurance, the country of invoicing is that in which the ceding insurer is located.

Geographic segmentation by billing location does not necessarily match the debtor's location.

Reinsurance income, which is calculated and recognised for the whole Group at the level of Compagnie française d'assurance pour le commerce extérieur, has been reallocated at the level of each region.

Income taxes by segment have been calculated based on this monitoring framework.

◆ Analysis of 2015 net income by segment

(in thousands of euros)	NORTHERN EUROPE	WESTERN EUROPE	CENTRAL EUROPE
Revenue	**330,275**	**461,188**	**120,205**
o/w Earned Premium	*223,021*	*348,497*	*89,099*
o/w Factoring	*62,163*	*0*	*8,436*
o/w Other insurance-related services	*45,091*	*112,691*	*22,669*
Claims-related expenses (including claims handling costs)	-106,223	-81,526	-35,554
Cost of risk	-4,480	0	-216
Commissions	-22,735	-50,168	-4,736
Other internal general expenses	-123,890	-164,914	-38,163
UNDERWRITING INCOME BEFORE REINSURANCE*	**72,947**	**164,580**	**41,535**
Income/(loss) on ceded reinsurance	-3,289	-39,476	-4,753
Other operating income and expenses	-24	-2,397	-239
Net financial income excluding finance costs	16,887	11,288	5,632
Finance costs	-653	1,591	-60
OPERATING INCOME INCLUDING FINANCE COSTS	**85,869**	**135,585**	**42,115**
Share in net income of associates	0	2,157	0
NET INCOME BEFORE TAX	**85,869**	**137,742**	**42,115**
Income tax expense	-27,925	-39,978	-8,448
CONSOLIDATED NET INCOME BEFORE NON-CONTROLLING INTERESTS	**57,945**	**97,765**	**33,667**
Non-controlling interests	-2	-2	-832
NET INCOME FOR THE PERIOD	**57,942**	**97,763**	**32,835**

* *Underwriting income before reinsurance is a key financial indicator used by the Coface Group to analyse the performance of its businesses. Underwriting income before reinsurance corresponds to the sum of revenue, claims expenses, expenses from banking activities, cost of risk, policy acquisition costs, administrative costs, and other current operating expenses, and expenses from other activities*

MEDITER-RANEAN & AFRICA	NORTH AMERICA	LATIN AMERICA	ASIA-PACIFIC	GROUP REINSURANCE	COGERI	HOLDING COMPANY COSTS	INTER-ZONE	GROUP TOTAL
248,162	**131,317**	**83,481**	**121,130**	**738,935**	**27,877**	**0**	**-773,038**	**1,489,531**
209,682	*116,915*	*80,210*	*118,643*	*738,935*	*0*	*0*	*-739,067*	*1,185,936*
0	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*70,599*
38,479	*14,402*	*3,270*	*2,487*	*0*	*27,877*	*0*	*-33,970*	*232,997*
-101,965	-65,800	-90,996	-119,341	-514,081	0	-3,779	513,920	-605,344
0	0	0	0	0	0	0	0	-4,696
-26,982	-28,943	-9,256	-24,473	-196,509	0	0	201,788	-162,016
-77,952	-29,736	-22,965	-30,828	0	-27,343	-36,476	29,640	-522,627
41,263	**6,838**	**-39,736**	**-53,512**	**28,344**	**534**	**-40,255**	**-27,690**	**194,848**
-4,277	19	4,749	3,874	-36,601	0	0	28,344	-51,410
-68	-1,886	558	9	0	-36	0	-149	-4,232
9,823	2,225	13,130	-6,883	0	1,453	-1,148	682	53,091
-421	-846	-212	-313	0	-273	-16,117	-1,187	-18,491
46,320	**6,350**	**-21,511**	**-56,824**	**-8,256**	**1,678**	**-57,520**	**0**	**173,806**
0	0	0	0	0	0	0	0	2,157
46,320	**6,350**	**-21,511**	**-56,824**	**-8,256**	**1,678**	**-57,520**	**0**	**175,963**
-7,143	-1,991	3,815	4,675	2,843	-578	19,804	6,090	-48,837
39,177	**4,359**	**-17,697**	**-52,149**	**-5,414**	**1,100**	**-37,716**	**6,090**	**127,127**
-2	0	-51	2	0	0	0	0	-888
39,175	**4,359**	**-17,748**	**-52,147**	**-5,414**	**1,100**	**-37,716**	**6,090**	**126,239**

* *Underwriting income before reinsurance is a key financial indicator used by the Coface Group to analyse the performance of its businesses. Underwriting income before reinsurance corresponds to the sum of revenue, claims expenses, expenses from banking activities, cost of risk, policy acquisition costs, administrative costs, and other current operating expenses, and expenses from other activities*

Analysis of December 31, 2014 – IFRIC 21 restated net income by segment

(in thousands of euros)	NORTHERN EUROPE	WESTERN EUROPE	CENTRAL EUROPE
Revenue	**345,519**	**468,142**	**118,317**
o/w Earned Premium	*235,951*	*354,673*	*84,753*
o/w Factoring	*61,535*	*0*	*9,088*
o/wOther insurance-related services	*48,033*	*113,469*	*24,476*
Claims-related expenses (including claims handling costs)	-123,244	-123,493	-57,425
Cost of risk	-1,661	0	-430
Commissions	-21,544	-43,979	-4,149
Other internal general expenses	-136,832	-168,040	-38,063
UNDERWRITING INCOME BEFORE REINSURANCE*	**62,237**	**132,630**	**18,250**
Income/(loss) on ceded reinsurance	-11,035	-44,702	423
Other operating income and expenses	-1,350	-1,835	-184
Net financial income excluding finance costs	12,464	18,642	4,262
Finance costs	-1,234	-833	-14
OPERATING INCOME INCLUDING FINANCE COSTS	**61,082**	**103,901**	**22,736**
Share in net income of associates	0	2,136	0
NET INCOME BEFORE TAX	**61,082**	**106,037**	**22,736**
Income tax expense	-18,600	-38,313	-4,477
CONSOLIDATED NET INCOME BEFORE NON-CONTROLLING INTERESTS	**42,482**	**67,725**	**18,259**
Non-controlling interests	-2	-1	-767
NET INCOME FOR THE PERIOD	**42,480**	**67,723**	**17,492**

* *Underwriting income before reinsurance is a key financial indicator used by the Coface Group to analyse the performance of its businesses. Underwriting income before reinsurance corresponds to the sum of revenue, claims expenses, expenses from banking activities, cost of risk, policy acquisition costs, administrative costs, and other current operating expenses, and expenses from other activities*

MEDITER-RANEAN & AFRICA	NORTH AMERICA	LATIN AMERICA	ASIA-PACIFIC	GROUP REINSURANCE	COGERI	HOLDING COMPANY COSTS	INTER-ZONE	GROUP TOTAL
228,445	**113,135**	**76,164**	**97,027**	**312,178**	**27,711**	**0**	**-346,102**	**1,440,536**
191,079	*100,617*	*70,525*	*95,175*	*312,178*	*0*	*0*	*-312,223*	*1,132,727*
0	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*70,623*
37,366	*12,519*	*5,639*	*1,853*	*0*	*27,711*	*0*	*-33,879*	*237,186*
-114,221	-24,295	-42,268	-48,899	-187,699	0	-3,645	186,463	-538,727
0	0	0	0	0	0	0	46	-2,046
-22,537	-25,737	-8,953	-19,865	-77,378	0	0	82,256	-141,886
-73,018	-25,372	-24,152	-28,735	0	-27,412	-32,301	30,901	-523,024
18,669	**37,731**	**791**	**-471**	**47,101**	**299**	**-35,946**	**-46,437**	**234,853**
-1,996	-7,362	-2,257	-4,020	-44,812	0	0	47,101	-68,661
1,274	-62	-1,079	-29	0	0	-6,664	-8	-9,937
3,135	-1,399	7,344	838	0	-463	-722	-1,332	42,769
-364	-794	-144	-24	0	-169	-12,075	675	-14,975
20,718	**28,114**	**4,655**	**-3,706**	**2,289**	**-333**	**-55,407**	**0**	**184,049**
0	0	0	0	0	0	0	0	2,136
20,718	**28,114**	**4,655**	**-3,706**	**2,289**	**-333**	**-55,407**	**0**	**186,185**
-12,146	-8,891	-143	39	-788	85	19,077	3,823	-60,335
8,572	**19,223**	**4,512**	**-3,667**	**1,501**	**-248**	**-36,330**	**3,823**	**125,850**
-1	-1	-52	0	0	0	0	0	-825
8,571	**19,222**	**4,460**	**-3,667**	**1,501**	**-248**	**-36,330**	**3,823**	**125,025**

* *Underwriting income before reinsurance is a key financial indicator used by the Coface Group to analyse the performance of its businesses. Underwriting income before reinsurance corresponds to the sum of revenue, claims expenses, expenses from banking activities, cost of risk, policy acquisition costs, administrative costs, and other current operating expenses, and expenses from other activities*

/ NOTE 35 / Earnings per share

	DEC. 31, 2015		
	AVERAGE NUMBER OF SHARES	NET INCOME FOR THE PERIOD *(in thousands of euros)*	EARNINGS PER SHARE *(in thousands of euros)*
Basic earnings per share	157,059,527	126,238	0.80
Dilutive instruments	0	0	0
DILUTED EARNINGS PER SHARE	**157,059,527**	**126,238**	**0.80**

	DEC. 31, 2014 *		
	AVERAGE NUMBER OF SHARES	NET INCOME FOR THE PERIOD (IN €K)	EARNINGS PER SHARE *(in €)*
Basic earnings per share	157,004,360	125,025	0.80
Dilutive instruments	0	0	0
DILUTED EARNINGS PER SHARE	**157,004,360**	**125,025**	**0.80**

* *Restated pursuant to IFRIC 21 (see Note 1 "Reconciliation of the published and IFRIC 21 restated financial statement December 31, 2014").*

/ NOTE 36 / Group's headcount

(in full time equivalent)	DEC. 31, 2015	DEC. 31, 2014
Northern Europe	740	747
Western Europe	1,354	1,373
Central Europe	458	458
Mediterranean & Africa	397	392
North America	116	120
Latin America	229	216
Asia-Pacific	117	117
TOTAL	**3,410**	**3,424**

At December 31, 2015, the number of employees of fully consolidated companies was 3,410 full-time equivalents *versus* 3,424 at December 31, 2014, down -0.40% (-14 FTEs) year-on-year, mainly in Western Europe.

/ NOTE 37 / Off-balance sheet commitments

(in thousands of euros)	DEC. 31, 2015	DEC. 31, 2014
Commitments given	**924,417**	**419,655**
Endorsements and letters of credit	909,853	410,100
Property guarantees	7,500	7,500
Financial commitments in respect of equity interests	5,569	282
Obligations under finance leases	1,495	1,773
Commitments received	**1,228,810**	**1,086,961**
Endorsements and letters of credit	121,146	115,737
Guarantees	145,989	134,724
Credit lines linked to commercial paper	600,000	500,000
Credit lines linked to factoring	358,900	334,000
Financial commitments in respect of equity interests	2,776	2,500
Guarantees received	**409,216**	**305,323**
Securities lodged as collateral by reinsurers	409,216	305,323
Financial market transactions	**55,699**	**36,829**

The Endorsements and letters of credit amounting to €909,853 thousand for the year ended December 31, 2015 correspond mainly to:

- a joint guarantee of €380,000 thousand in favor of COFACE SA subordinated notes' investors (10 year maturity);
- a joint guarantee of €500,000 thousand given to banks financing the factoring business.

The securities lodged as collateral by reinsurers are concerning Coface Ré for €104,639 thousand and Compagnie française pour le commerce extérieur for €304,577 thousand.

/ NOTE 38 / Operations carried out on behalf of the French government

Some Coface operations are covered by a government guarantee pursuant to Article L.432-2 of the French Insurance Code *(Code des assurances)*.

This essentially concerns the following activities, which are aimed at supporting and developing French export trade:

- credit insurance, providing coverage for an exporter or its bank against the risk of non-repayment of an export loan;
- foreign investment insurance, protecting against political risk, ownership risk and inability to collect the income generated by investments abroad;
- foreign exchange insurance, against the risk of depreciation in export billing currencies;
- prospecting insurance, which protects SMEs against the risk of their prospecting activities in foreign markets failing to produce results;
- exporter risk insurance, which protects banks against the insolvency of an exporter for which they have issued guarantees (such as for the reimbursement of advance payments) or to which they have granted a prefinancing loan.

The risks associated with these operations are fully and irrevocably covered by the French government.

Consequently:

- these operations do not have to be recognised in Coface's balance sheet or income statement: only the related management fees received are recognised in the income statement based on the volume of business and the quality of the services provided to both policyholders and the French government;
- Coface keeps separate accounting records for these operations, as provided for in Article 37 of the 1997 Amended French Finance Act. An agreement between Coface and the French government sets out the terms and conditions applicable for keeping these accounting records and for their audit and certification by one or more Statutory Auditors;
- without prejudice to the rights of holders of receivables arising from government-guaranteed operations, no creditor of Coface other than the French government can claim any rights whatsoever over the assets and entitlements included in these specific accounting records, even under Act 85-98 of January 25, 1985 relating to the court-ordered receivership and liquidation of companies, Act 84-148 of March 1, 1984 relating to the prevention and out-of-court settlement of companies' financial difficulties, or Articles L.310-25 and L.326-2 to L.327-6 of the French Insurance Code.

The French government announced on July 29th, its decision of transferring the French State public guarantees activity to the Bpifrance group (see Note 2 "Significant events").

/ NOTE 39 / Related parties

Natixis holds 41.32% of the Coface Group's shares excluding treasury shares, and 41.24% including treasury shares.

	NUMBER OF SHARES	%
Natixis	64,853,870	41.32%
Public	92,097,771	58.68%
TOTAL	**156,951,641**	**100.00%**

Relations betwwen the Group's consolidated entities and related parties

The Coface Group's main transactions with related parties concern Natixis and its subsidiaries.

The main related-party transactions are as follows:

- financing of a portion of the factoring activity by Natixis SA;
- financial investments with the BPCE and Natixis groups;
- Coface's credit insurance coverage made available to entities related to Coface;
- recovery of insurance receivables carried out by entities related to Coface on behalf of Coface;
- rebilling of general and administrative expenses, including overheads, personnel expenses, etc.

These transactions are broken down below:

CURRENT OPERATING INCOME	DEC. 31, 2015			
(in thousands of euros)	NATIXIS GROUP (EXCL. DISCONTINUED OPERATIONS)	NATIXIS FACTOR	ELLISPHÈRE (EX-COFACE SERVICES)	ALTUS GTS INC. (EX-COFACE COLLECTIONS NORTH AMERICA, INC.)
TOTAL REVENUE AND INCOME FROM ORDINARY ACTIVITIES	**-2,511**	**1**	**-2**	
Revenue (net banking income, after cost of risk)	-2,510			
Investment income/(loss), net of management expenses	-1	1	-2	
TOTAL CURRENT INCOME AND EXPENSES	**-183**	**96**	**-430**	**79**
Claims expenses	-11	6	-16	-31
Expenses from other activities			-137	-4
Policy acquisition costs	-90	48	-125	
Administrative costs	-53	27	-112	114
Other current operating income and expenses	-29	15	-40	
CURRENT OPERATING INCOME/(LOSS)	**-2,694**	**97**	**-432**	**79**

RELATED-PARTY RECEIVABLES AND PAYABLES	DEC. 31, 2015					
(in thousands of euros)	BPCE GROUP	NATIXIS GROUP (EXCL. DISCONTINUED OPERATIONS)	NATIXIS FACTOR	ELLISPHERE	KOMPASS INTERNATIONAL	ALTUS GTS INC. (EX-COFACE COLLECTIONS NORTH AMERICA, INC.)
Financial investments	**34,757**	**20,576**				
Other assets			**56**		**175**	**82**
Other receivables			56		175	82
Cash and cash equivalents		**668**				
Liabilities relating to insurance contracts						**85**
Payables arising from banking sector activities		**119,869**				
Amounts due to banking sector companies		119,869				
Other liabilities		**60**		**93**		
Other payables		60		93		

The €119,869 thousand in financing liabilities due to banking sector companies corresponds to borrowings taken out with Natixis to finance the factoring business in 2015 year-end closing.

CURRENT OPERATING INCOME	DEC. 31, 2014				
(in thousands of euros)	NATIXIS GROUP (EXCL. DISCONTINUED ENTITIES)	NATIXIS FACTOR (EX FACTOREM)	ELLISPHERE (FORMERLY COFACE SERVICES)	KOMPASS INTERNATIONAL	ALTUS GTS INC. (FORMERLY COFACE COLLECTIONS NORTH)
TOTAL REVENUE AND INCOME FROM ORDINARY ACTIVITIES	**-4,081**		**-223**	**-1**	**6**
Revenue (net banking income, after cost of risk)	-4,219				
Revenue or income from other activities			-204		6
Earned premiums			-16		
Fees and commission income					
Investment income/(loss), net of management expenses	138		-3	-1	
TOTAL CURRENT INCOME AND EXPENSES	**-499**		**-522**	**-124**	**-97**
Claims expenses	-32		-21	-8	-166
Expenses from other activities			-123		-26
Policy acquisition costs	-274		-170	-68	
Administrative costs	-118		-162	-29	95
Other current operating income and expenses	-75		-46	-19	
CURRENT OPERATING INCOME/(LOSS)	**-4,580**		**-745**	**-125**	**-91**

RELATED-PARTY RECEVABLES AND PAYABLES	DEC. 31, 2014					
(in thousands of euros)	BPCE GROUP	NATIXIS GROUP (EXCL. DISCONTINUED OPERATIONS)	NATIXIS FACTOR (EX FACTOREM)	ELLISPHERE (FORMERLY COFACE SERVICES)	KOMPASS INTERNATIONAL	ALTUS GTS INC. (FORMERLY COFACE COLLECTIONS NORTH AMERICA, INC.)
Financial investments	**15,006**	**10,443**				
Other assets			**91**	**138**	**175**	**63**
Receivables arising from insurance and reinsurance operations			2			
Other receivables			89	138	175	63
Cash and cash equivalents		**4,685**				
Liabilities relating to insurance contracts						**76**
Payables arising from banking sector activities		**164,835**				
Amounts due to banking sector companies		164,835				
Other liabilities		**1,993**	**6**	**385**		
Current taxes		1,880				
Other payables		113	6	385		

The €164,835 thousand in financing liabilities due to banking sector companies corresponds to borrowings taken out with Natixis to finance the factoring business in 2014 year-end closing.

◆ Off balance sheet commitments – related parties

(in thousands of euros)	DEC. 31, 2015 NATIXIS GROUP (WITHOUT ABANDONNED ENTITIES)	DEC. 31, 2014 NATIXIS GROUP (WITHOUT ABANDONNED ENTITIES)
Commitments given	**151,753**	
Endorsements and letters of credit	151,753	
Commitments received	**203,119**	**349,585**
Endorsements and letters of credit	55,507	49,585
Credit lines linked to commercial paper	147,612	300,000

/ NOTE 40 / Key management compensation

(in thousands of euros)	DEC. 31, 2015	DEC. 31, 2014
Short-term benefits	3,041	2,366
(Gross salaries and wages, incentives, benefits in kind and annual bonus)	-	-
Post-employment benefits	-	-
Other long-term benefits	735	940
Statutory termination benefits	-	-
Share-based payment	-	-
TOTAL	**3,776**	**3,306**

The Group Management Committee is composed of seven members at December 31, 2015 and eight members at December 31, 2014. One member of the Group Management Committee changed of position at December 1, 2015. The line "Short-term benefits" is calculated on a pro-rata basis.

The line "Other long-term benefits" corresponds to the free share distribution to the eight members of the Group Management Committee at the allocation date (no pro-rata calculation).

A total of €212.3 thousand was paid out in directors' fees to the members of the Board of Directors in 2015.

/ NOTE 41 / Breakdown of audit fees

	KPMG				DELOITTE				TOTAL			
(in thousands of euros)	2015	%	2014	%	2015	%	2014	%	2015	%	2014	%
Auditor services												
■ COFACE SA	239	18	159	8	239	14	159	7	478	16	318	7
■ Subsidiaries	980	74	905	46	1,137	67	1,389	58	2,117	70	2,294	53
Services directly related to the Statutory Auditors' assignment												
■ COFACE SA	38	3	764	39			763	32	38	1	1,527	35
■ Subsidiaries	20	2	8		314	19	11		334	11	19	
TOTAL AUDIT FEES	**1,277**	**96**	**1,836**	**94**	**1,690**	**100**	**2,322**	**97**	**2,967**	**98**	**4,158**	**96**
Legal, tax, social advice												
■ COFACE SA												
■ Subsidiaries	17	1	54	3			65	3	17	1	119	3
Other services												
■ COFACE SA												
■ Subsidiaries	32	2	69	4					32	1	69	2
TOTAL OTHER SERVICES AND ADVICE	**49**	**4**	**123**	**6**			**65**	**3**	**49**	**2**	**188**	**4**
TOTAL	**1,326**	**100**	**1,959**	**100**	**1,690**	**100**	**2,387**	**100**	**3,016**	**100**	**4,346**	**100**

Services directly related to the Statutory Auditor's assignment in 2015 are mainly related to the independent review of the internal model for Solvency 2.

The important amount of services directly related to the Statutory Auditor's assignment in 2014 are due to the fees on the IPO (Initial Public Offering).

/ NOTE 42 / Events after the reporting period

Coface's Board of Directors held a meeting on January 15, 2016, under the chairmanship of Laurent Mignon, and appointed Xavier Durand as new Chief Executive Officer (CEO). This appointment takes effect after the Board's meeting of February 9, 2016, which validates the financial statements for the year-end 2015. Mr. Jean-Marc Pillu will stay as Coface's CEO until that date.

This announcement does not impact the financial statements of the Group as at December 31, 2015.

The severance payment of Mr. Jean-Marc Pillu, granted by the Board of Directors of January 15, 2016, amounts to €1,979 thousand and it will be recorded on the financial statements of the year-end 2016.

/ NOTE 43 / Risk management

The sections forming an integral part of the Group's financial statements that relate to risk management are presented in the sections in Chapter 2, in paragraph 2.4.3.

/ NOTE 44 / Relationship between parent company and subsidiaries

The main operational subsidiary of the Coface Group is the Compagnie française d'assurance pour le commerce extérieur (*la Compagnie*). This subsidiary, which is wholly owned by the Company, is a public limited company *(société anonyme)* under French law, with share capital of €137,052,417.05, registered with the Nanterre Trade and Companies Registry under number 552 069 791.

The main flows between Coface SA, the listed parent company, and *la Compagnie* are as follows:

- Financing:
  - Coface SA and *la Compagnie* have granted each other two ten-year loans;
  - In net terms, Coface SA finances *la Compagnie*;
  - *la Compagnie* stands as surety for the bond issue floated by Coface SA;
  - A two-way cash flow agreement exists between COFACE SA and *la Compagnie*;
  - COFACE SA delegates to *la Compagnie* management of its commercial paper programme and of its cash management.
- Dividends:

  la Compagnie pays dividends to Coface SA.
- Tax consolidation:

  la Compagnie forms part of the tax consolidation group headed by Coface SA.

The table below summarises the interim balance of *la Compagnie* and its principal financial flows:

(in thousands of euros)	LISTED COMPANY	COMPAGNIE FRANÇAISE POUR LE COMMERCE EXTÉRIEUR (INCLUDING BRANCHES)	OTHER ENTITIES	ELIMINATIONS	TOTAL
Revenue	2,901	1,486,737	788,717	-788,825	1,489,530
Total current income and expenses	13,987	183,287	71,329	-72,074	196,529
Net income	-2,889	79,152	49,976		126,239
Fixed assets	1,820,791	4,531,489	718,665	-4 133,412	2 937,533
Indebtedness outside the group	387,392	-	5,202		392,594
Cash and cash equivalent	80	210,085	186,672		396,837
Dividends paid to the quoted company	-	80,008	-		80,008