



Unaudited interim consolidated financial statements  
(free translation)

Three months ending March 31, 2016

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## CONSOLIDATED FINANCIAL STATEMENTS

### Consolidated balance sheet

(in thousands of euros)

ASSETS	Notes	March 31, 2016	Dec. 31, 2015
<b>Intangible assets</b>		<b>222,264</b>	<b>224,307</b>
Goodwill	2	155,153	155,467
Other intangible assets	3	67,111	68,840
<b>Insurance business investments</b>	<b>4</b>	<b>2,617,425</b>	<b>2,648,119</b>
Investment property	4	800	800
Held-to-maturity securities	4	3,762	3,721
Available-for-sale securities	4	2,497,330	2,512,526
Trading securities	4	30,305	55,468
Derivatives	4	17,853	6,123
Loans and receivables	4	67,375	69,481
<b>Receivables arising from banking and other activities</b>	<b>5</b>	<b>2,334,309</b>	<b>2,370,902</b>
<b>Investments in associates</b>	<b>6</b>	<b>20,649</b>	<b>20,258</b>
<b>Reinsurers' share of insurance liabilities</b>	<b>11</b>	<b>323,758</b>	<b>327,986</b>
<b>Other assets</b>		<b>947,397</b>	<b>894,121</b>
Buildings used in the business and other property, plant and equipment		63,775	65,107
Deferred acquisition costs		46,525	44,043
Deferred tax assets		62,272	57,538
Receivables arising from insurance and reinsurance operations		583,470	518,970
Trade receivables arising from other activities		17,253	14,238
Current tax receivables		72,445	68,937
Other receivables		101,657	125,288
<b>Cash and cash equivalents</b>	<b>7</b>	<b>416,054</b>	<b>396,837</b>
<b>TOTAL ASSETS</b>		<b>6,881,856</b>	<b>6,882,530</b>

(in thousands of euros)

<b>EQUITY AND LIABILITIES</b>	<b>Notes</b>	<b>March 31, 2016</b>	<b>Dec. 31, 2015</b>
<b>Equity attributable to owners of the parent</b>		<b>1,791,232</b>	<b>1,760,954</b>
Share capital	<b>8</b>	786,241	786,241
Additional paid-in capital		347,371	347,371
Retained earnings		567,313	442,231
Other comprehensive income		68,001	58,872
Consolidated net income for the year		22,306	126,239
<b>Non-controlling interests</b>		<b>6,526</b>	<b>6,073</b>
<b>Total equity</b>		<b>1,797,758</b>	<b>1,767,027</b>
<b>Provisions for liabilities and charges</b>	<b>9</b>	<b>116,031</b>	<b>114,234</b>
<b>Financing liabilities</b>	<b>10</b>	<b>380,138</b>	<b>392,594</b>
<b>Liabilities relating to insurance contracts</b>	<b>11</b>	<b>1,520,969</b>	<b>1,514,862</b>
<b>Payables arising from banking sector activities</b>	<b>12</b>	<b>2,310,520</b>	<b>2,369,662</b>
Amounts due to banking sector companies	<b>12</b>	305,522	352,379
Amounts due to customers of banking sector companies	<b>12</b>	336,469	404,218
Debt securities	<b>12</b>	1,668,529	1,613,065
<b>Other liabilities</b>		<b>756,440</b>	<b>724,151</b>
Deferred tax liabilities		145,985	144,266
Payables arising from insurance and reinsurance operations		215,741	241,339
Current taxes payable		118,040	111,527
Derivative instruments with a negative fair value		578	6,752
Other payables		276,096	220,267
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,881,856</b>	<b>6,882,530</b>

## Consolidated income statement

(in thousands of euros)

	Notes	March 31, 2016	March 31, 2015
<b>Revenue</b>	<b>13</b>	<b>365,026</b>	<b>389,585</b>
Gross written premiums		352,104	368,004
Premium refunds		(23,438)	(19,119)
Net change in unearned premium provisions		(40,126)	(41,950)
<b>Earned premiums</b>	<b>13</b>	<b>288,540</b>	<b>306,935</b>
<b>Fee and commission income</b>	<b>13</b>	<b>36,324</b>	<b>36,717</b>
<b>Net income from banking activities</b>	<b>13</b>	<b>17,356</b>	<b>18,234</b>
Cost of risk		(951)	(630)
<b>Revenue or income from other activities</b>	<b>13</b>	<b>22,806</b>	<b>27,699</b>
<i>Investment income, net of management expenses</i>	<b>17</b>	13,603	9,562
<i>Gains and losses on disposals of investments</i>	<b>17</b>	(2,837)	3,398
Investment income, net of management expenses (excluding finance costs)	<b>17</b>	<b>10,766</b>	<b>12,960</b>
<b>Total revenue and income from ordinary activities</b>		<b>374,841</b>	<b>401,915</b>
Claims expenses	<b>14</b>	(155,738)	(152,746)
Expenses from banking activities, excluding cost of risk	<b>15</b>	(3,512)	(3,328)
Expenses from other activities	<b>15</b>	(14,118)	(11,532)
<i>Income from ceded reinsurance</i>	<b>16</b>	57,400	54,959
<i>Expenses from ceded reinsurance</i>	<b>16</b>	(68,849)	(68,082)
Income and expenses from ceded reinsurance	<b>16</b>	(11,449)	(13,123)
Policy acquisition costs	<b>15</b>	(62,727)	(74,918)
Administrative costs	<b>15</b>	(65,764)	(63,404)
Other current operating expenses	<b>15</b>	(24,269)	(20,241)
<b>Total current income and expenses</b>		<b>(337,577)</b>	<b>(339,292)</b>
<b>CURRENT OPERATING INCOME</b>		<b>37,264</b>	<b>62,623</b>
Other operating expenses	<b>18</b>	(1,520)	(2,131)
Other operating income	<b>18</b>	517	16
<b>OPERATING INCOME</b>		<b>36,261</b>	<b>60,508</b>
Finance costs		(4,933)	(4,664)
Share in net income of associates		391	222
Income tax expense		(9,414)	(15,656)
<b>CONSOLIDATED NET INCOME BEFORE NON-CONTROLLING INTERESTS</b>		<b>22,305</b>	<b>40,410</b>
Non-controlling interests		1	(99)
<b>NET INCOME FOR THE YEAR</b>		<b>22,306</b>	<b>40,311</b>
Earnings per share (€)	<b>20</b>	0,14	0,26
Diluted earnings per share (€)	<b>20</b>	0,14	0,26

## Consolidated statement of comprehensive income

(in thousands of euros)	Notes	March 31, 2016	March 31, 2015
<b>Net income for the period</b>		<b>22,306</b>	<b>40,311</b>
Non-controlling interests		(1)	99
<b>Other comprehensive income</b>			
<b>Currency translation differences reclassifiable to income</b>		<b>(2,960)</b>	<b>26,912</b>
<i>Reclassified to income</i>		(0)	(0)
<i>Recognised in equity</i>		(2,960)	26,912
<b>Fair value adjustments on available-for-sale financial assets</b>	<b>4</b>	<b>12,148</b>	<b>26,916</b>
<i>Reclassified to income – gross</i>		2,617	(4,201)
<i>Reclassified to income – tax effect</i>		(908)	521
<i>Recognised in equity – reclassifiable to income – gross</i>		14,970	45,107
<i>Recognised in equity – reclassifiable to income – tax effect</i>		(4,531)	(14,511)
<b>Fair value adjustments on employee benefit obligations</b>		<b>15</b>	<b>0</b>
<i>Recognised in equity – not reclassifiable to income – gross</i>		15	(0)
<i>Recognised in equity – not reclassifiable to income – tax effect</i>		(0)	(0)
<b>Other comprehensive income for the period, net of tax</b>		<b>9,203</b>	<b>53,828</b>
<b>Total comprehensive income for the period</b>		<b>31,508</b>	<b>94,238</b>
- attributable to owners of the parent		31,435	94,184
- attributable to non-controlling interests		73	54

## Statement of changes in equity

(in thousands of euros)	Notes	Share capital	Consolidated reserves	Treasury shares	Other comprehensive income			Net income for the period	Equity attributable to owners of the parent	Non-controlling interests	Total equity
					Foreign currency translation reserve	Reclassifiable revaluation reserves	Non-reclassifiable revaluation reserves				
<b>Equity at December 31, 2014 restated IFRIC 21</b>		<b>786,241</b>	<b>742,039</b>	<b>(709)</b>	<b>(20,681)</b>	<b>107,264</b>	<b>(21,382)</b>	<b>125,025</b>	<b>1,717,797</b>	<b>6,737</b>	<b>1,724,534</b>
2014 net income to be appropriated			125,025					(125,025)			
Payment of 2014 dividends in 2015			(75,460)						(75,460)	(697)	(76,157)
<b>Total transactions with owners</b>		<b>0</b>	<b>49,565</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(125,025)</b>	<b>(75,460)</b>	<b>(697)</b>	<b>(76,157)</b>
December 31, 2015 net income								126,239	126,239	888	127,127
Fair value adjustments on available-for-sale financial assets recognized in equity	4					(10,164)			(10,164)	(771)	(10,935)
Fair value adjustments on available-for-sale financial assets reclassified to income	4					(2,822)			(2,822)	(144)	(2,966)
Change in actuarial gains and losses (IAS 19R)							3,978		3,978	0	3,978
Currency translation differences					2,679				2,679	(351)	2,328
Treasury shares elimination				(1,934)					(1,934)		(1,934)
Free share plans expenses			641						641		641
Other movements											
Transactions with shareholders										411	411
<b>Equity at December 31, 2015</b>		<b>786,241</b>	<b>792,245</b>	<b>(2,643)</b>	<b>(18,002)</b>	<b>94,278</b>	<b>(17,404)</b>	<b>126,239</b>	<b>1,760,954</b>	<b>6,073</b>	<b>1,767,027</b>
2015 net income to be appropriated			126,239					(126,239)			
<b>Total transactions with owners</b>		<b>0</b>	<b>126,239</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(126,239)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>
March 31, 2016 net income								22,306	22,306	(1)	22,305
Fair value adjustments on available-for-sale financial assets recognized in equity	4					10,438			10,438	1	10,439
Fair value adjustments on available-for-sale financial assets reclassified to income	4					1,709			1,709		1,709
Change in actuarial gains and losses (IAS 19R)							15		15		15
Currency translation differences					(3,033)				(3,033)	73	(2,960)
Treasury shares elimination				(1,318)					(1,318)		(1,318)
Free share plans expenses			161						161		161
Transactions with shareholders										380	380
<b>Equity at March 31, 2016</b>		<b>786,241</b>	<b>918,645</b>	<b>(3,961)</b>	<b>(21,035)</b>	<b>106,425</b>	<b>(17,389)</b>	<b>22,306</b>	<b>1,791,232</b>	<b>6,526</b>	<b>1,797,758</b>

## Consolidated statement of cash flows

(in thousands of euros)	Notes	March 31, 2016	March 31, 2015
<b>Net income for the period</b>	<b>20</b>	<b>22,306</b>	<b>40,311</b>
Income tax expense		9,414	15,656
Finance costs		4,932	4,664
<b>Operating income before tax (A)</b>		<b>36,652</b>	<b>60,631</b>
Non-controlling interests		(1)	99
+/- Depreciation, amortization and impairment losses	<b>3 - 4</b>	6,032	6,182
+/- Net additions to/reversals from technical provisions	<b>11</b>	19,977	27,682
+/- Share in net income of associates	<b>6</b>	(391)	(222)
+ Dividends received from associates	<b>6</b>	(0)	(0)
+/- Fair value adjustments on financial instruments recognized at fair value through income		(14,603)	1,251
+/- Non-cash items		12,562	349
<b>Total non-cash items (B)</b>		<b>23,577</b>	<b>35,341</b>
<b>Gross cash flows from operations (C) = (A) + (B)</b>		<b>60,229</b>	<b>95,972</b>
Change in operating receivables and payables		(1,760)	11,986
Net taxes paid		(38,526)	(5,552)
<b>Net cash related to operating activities (D)</b>		<b>(40,285)</b>	<b>6,434</b>
Increase (decrease) in receivables arising from factoring operations		39,497	(114,895)
Increase (decrease) in payables arising from factoring operations		(12,285)	57,132
Increase (decrease) in factoring liabilities		(49,533)	50,796
<b>Net cash generated from banking and factoring operations (E)</b>	<b>5 - 12</b>	<b>(22,321)</b>	<b>(6,967)</b>
<b>Net cash generated from operating activities (F) = (C+D+E)</b>		<b>(2,377)</b>	<b>95,439</b>
Acquisitions of investments	<b>4</b>	(281,185)	(846,696)
Disposals of investments	<b>4</b>	300,198	825,976
<b>Net cash used in movements in investments (G)</b>		<b>19,013</b>	<b>(20,720)</b>
Acquisitions of consolidated subsidiaries, net of cash acquired		(0)	(0)
Disposals of consolidated companies, net of cash transferred		(0)	(0)
<b>Net cash used in changes in scope of consolidation (H)</b>		<b>(0)</b>	<b>(0)</b>
Disposals of property, plant and equipment and intangible assets	<b>3</b>	(1,498)	(2,071)
Acquisitions of property, plant and equipment and intangible assets	<b>3</b>	97	205
<b>Net cash generated from (used in) acquisitions and disposals of property, plant and equipment and intangible assets (I)</b>		<b>(1,401)</b>	<b>(1,866)</b>
<b>Net cash used in investing activities (J) = (G+H+I)</b>		<b>17,612</b>	<b>(22,586)</b>
Proceeds from the issue of equity instruments		(0)	(0)
Special dividend paid to Natixis - issue premium payment		(0)	(0)
Treasury share transactions		(1,318)	568
Dividends paid to owners of the parent		(0)	(0)
Dividends paid to non-controlling interests		(0)	(0)
Relution (Coface SA repurchase Compagnie Française d'Assurance pour le Commerce Extérieur from Natixis)		0	0
<b>Cash flows related to transactions with owners</b>		<b>(1,318)</b>	<b>568</b>
Proceeds from the issue of debt instruments	<b>10</b>	(0)	1,681
Cash used in the redemption of debt instruments	<b>10</b>	(714)	(1,534)
Interests paid (1)		(16,574)	(15,895)
<b>Cash flows related to the financing of Group operations</b>		<b>(17,288)</b>	<b>(15,748)</b>
<b>Net cash generated from (used in) financing activities (K)</b>		<b>(18,606)</b>	<b>(15,180)</b>
<b>Impact of changes in exchange rates on cash and cash equivalents (L)</b>		<b>22,588</b>	<b>18,960</b>
<b>Net increase in cash and cash equivalents (F+J+K+L)</b>		<b>19,217</b>	<b>76,633</b>
Net cash generated from operating activities (F)		(2,377)	95,439
Net cash used in investing activities (J)		17,612	(22,586)
Net cash generated from (used in) financing activities (K)		(18,606)	(15,180)
Impact of changes in exchange rates on cash and cash equivalents (L)		22,588	18,960
<b>Cash and cash equivalents at beginning of period</b>	<b>7</b>	<b>396,837</b>	<b>278,624</b>
<b>Cash and cash equivalents at end of period</b>	<b>7</b>	<b>416,054</b>	<b>355,257</b>
<b>Net change in cash and cash equivalents</b>		<b>19,217</b>	<b>76,633</b>

(1) The item "Interests paid" is mostly due to the paid interests on COFACE SA hybrid securities for €15,675 thousand.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

### Basis of preparation

These IFRS condensed interim financial statements of the Coface Group as at March 31, 2016 are established in accordance with IAS 34 – Interim Financial Reporting, as adopted by the European Union.

The interim financial statements 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, 2015 for balance sheet items, and for the 3 months ended March 31, 2015 for income statement items.

The notes to the interim financial statements do not contain all of the disclosures required for a complete set of annual financial statements. They should be read in conjunction with the consolidated financial statements for the year ended December 31, 2015.

The accounting principles and policies used for the interim financial statements as at March 31, 2016 are the same as the ones used for the year ended December 31, 2015. They are prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union<sup>1</sup>. They are detailed in the note 4 “Applicable Accounting Standards” of the consolidated financial statements for the year ended December 31, 2015.

The condensed consolidated financial statements were reviewed by the Coface Group’s Board of Directors on May 4, 2016.

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<sup>1</sup> 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](http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm)

## **Note 1. Significant events**

### **Governance evolution**

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

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

### **New organization in Europe**

Coface Group's Exec team decided to adjust the regional structure in Europe in order to rebalancing the regions and giving them greater geographic coherence.

The regional structure of Coface Group is adjusted as follows:

- Spain and Portugal, previously included in WER will transfer to MAR
- Russia, previously included in NER will transfer to CER

### **Contingent capital**

Coface established with BNP Paribas Arbitrage, on February 9<sup>th</sup>, 2016, a contingent capital line of €100 million, for a period of three years (that can be reduced to two years at the discretion of COFACE), available in one tranche and that can be exercised in the event of the occurrence of certain extreme events.

This contingent capital line supplements the existing capital management and solvency tools by offering an effective and competitive solution in terms of costs (annual commission of 0.50 %). It is part of a conservative capital management strategy in connection with pillar 2 of Solvency II and allows the Group to strengthen its financial robustness to protect its business against extreme risks.

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

## Note 2. Goodwill

At March 31, 2016, the change in goodwill amounted to €314 thousand, due to the fluctuation of the exchange rate.

## Note 3. Other intangible assets

At March 31, 2016, the change in other intangible assets amounted to a negative €1,729 thousand. This change is mainly explained by a provision for depreciation and amortisation of around €2,000 thousand.

## Note 4. Insurance business investments

### 7.1 – Analysis by category

At March 31, 2016, the carrying amount of held-to maturity (HTM) securities was €3,762 thousand, available-for-sale (AFS) securities totaled €2,497,330 thousand and securities held for trading (“trading securities”) came to €30,305 thousand.

As an insurance group, Coface's investment allocation is heavily weighted towards fixed-income instruments. The distribution of the bonds portfolio by rating at March 31, 2016 was as follows:

- Bonds rated “AAA” 19%;
- Bonds rated “AA” and “A” 33%;
- Bonds rated “BBB” 33% ;
- Bonds rated “BB” and lower 15%.

(in thousands of euros)	March 31, 2016					Dec. 31, 2015			
	Amortized cost	Revaluation	Net value	Fair value	Unrealized gains and losses	Amortized cost	Revaluation	Net value	Fair value
<b>AFS securities</b>	<b>2,374,741</b>	<b>122,589</b>	<b>2,497,330</b>	<b>2,497,330</b>		<b>2,406,577</b>	<b>105,948</b>	<b>2,512,526</b>	<b>2,512,526</b>
Equities and other variable-income securities	237,897	92,347	330,244	330,244		236,296	104,373	340,669	340,669
Bonds and government securities	2,017,784	30,182	2,047,966	2,047,966		2,059,275	1,659	2,060,934	2,060,934
<i>o/w direct investments in securities</i>	<i>1,606,675</i>	<i>30,667</i>	<i>1,637,342</i>	<i>1,637,342</i>		<i>1,675,626</i>	<i>4,595</i>	<i>1,680,221</i>	<i>1,680,221</i>
<i>o/w investments in UCITS</i>	<i>411,109</i>	<i>(485)</i>	<i>410,624</i>	<i>410,624</i>		<i>383,649</i>	<i>(2,936)</i>	<i>380,714</i>	<i>380,714</i>
Shares in non-trading property companies	119,061	59	119,120	119,120		111,006	(84)	110,922	110,922
<b>HTM securities</b>									
Bonds	3,762		3,762	4,520	758	3,721		3,721	4,374
<b>Fair value through income – trading securities</b>									
Money market funds (UCITS)	30,305		30,305	30,305		55,468		55,468	55,468
<b>Derivatives (positive fair value)</b>		17,853	17,853	17,853			6,123	6,123	6,123
<i>(derivatives negative fair value for information)</i>		<i>(578)</i>	<i>(578)</i>	<i>(578)</i>			<i>(6,752)</i>	<i>(6,752)</i>	<i>(6,752)</i>
<b>Loans and receivables</b>	67,375		67,375	67,375		69,481		69,481	69,481
<b>Investment property</b>	716	84	800	800		716	84	800	800
<b>Total</b>	<b>2,476,899</b>	<b>140,526</b>	<b>2,617,425</b>	<b>2,618,183</b>	<b>758</b>	<b>2,535,964</b>	<b>112,155</b>	<b>2,648,119</b>	<b>2,648,772</b>

(in thousands of euros)	Gross March 31, 2016	Impairment	Net March 31, 2016	Net Dec. 31, 2015
<b>AFS securities</b>	<b>2,526,495</b>	<b>(29,165)</b>	<b>2,497,330</b>	<b>2,512,526</b>
Equities and other variable-income securities	359,401	(29,157)	330,244	340,669
Bonds and government securities	2,047,966		2,047,966	2,060,934
<i>o/w direct investments in securities</i>	1,637,342		1,637,342	1,680,221
<i>o/w investments in UCITS</i>	410,624		410,624	380,714
Shares in non-trading property companies	119,128	(8)	119,120	110,922
<b>HTM securities</b>				
Bond	3,762		3,762	3,721
<b>Fair value through income – trading securities</b>				
Money market funds (UCITS)	30,305		30,305	55,468
<b>Derivatives (positive fair value)</b>	<b>17,853</b>		17,853	<b>6,123</b>
<i>(for information, derivatives with a negative fair value)</i>	<i>(578)</i>		<i>(578)</i>	<i>(6,752)</i>
<b>Loans and receivables</b>	<b>67,375</b>		67,375	<b>69,481</b>
<b>Investment property</b>	<b>800</b>		800	<b>800</b>
<b>Total</b>	<b>2,646,589</b>	<b>(29,165)</b>	<b>2,617,425</b>	<b>2,648,119</b>

## Impairments

(in thousands of euros)	Dec. 31, 2015	Additions	Reversals	Exchange rate effects and other	March 31, 2016
<b>AFS securities</b>	<b>29,696</b>	<b>(0)</b>	<b>(443)</b>	<b>(89)</b>	<b>29,165</b>
Equities and other variable-income securities	29,688	(0)	(443)	(89)	29,157
Shares in non-trading property companies	8				8
<b>Total</b>	<b>29,696</b>	<b>(0)</b>	<b>(443)</b>	<b>(89)</b>	<b>29,165</b>

Reversals are related to the disposal of AFS securities.

## Change in investments by category

(in thousands of euros)	Dec. 31, 2015						March 31, 2016
	Carrying amount	Increases	Decreases	Revaluation	Impairment	Other movements	Carrying amount
<b>AFS securities</b>	<b>2,512,526</b>	<b>170,575</b>	<b>(174,310)</b>	<b>17,587</b>	<b>443</b>	<b>(29,491)</b>	<b>2,497,330</b>
Equities and other variable-income securities	340,669	22,476	(21,223)	(11,127)	443	(995)	330,244
Bonds and government securities	2,060,934	138,994	(153,087)	28,571		(27,446)	2,047,966
Shares in non-trading property companies	110,922	9,105		143		(1,050)	119,120
<b>HTM securities</b>							
Bonds	3,721	41					3,762
<b>Fair value through income – trading securities</b>	<b>55,468</b>	<b>95,503</b>	<b>(120,666)</b>				<b>30,305</b>
<b>Loans, receivables and other financial investments</b>	<b>76,404</b>	<b>13,057</b>	<b>(16,181)</b>	<b>14,603</b>		<b>(1,855)</b>	<b>86,028</b>
<b>Total</b>	<b>2,648,119</b>	<b>279,175</b>	<b>(311,157)</b>	<b>32,190</b>	<b>443</b>	<b>(31,346)</b>	<b>2,617,425</b>

## Derivatives

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 2016, 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.

Derivatives also includes, from the first quarter of 2016, the fair value of the contingent capital instrument. This fair value corresponds to the fees due. This asset is shown in level 3.

### 4.2 – 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 80% 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 10% 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 March 31, 2016 by level in the fair value hierarchy

(in thousands of euros)	Carrying amount	Fair value	Level 1	Level 2	Level 3
			Fair value determined based on quoted prices in active markets	Fair value determined based on valuation techniques that use observable inputs	Fair value determined based on valuation techniques that use unobservable inputs
<b>AFS securities</b>	<b>2,497,330</b>	<b>2,497,330</b>	<b>2,066,949</b>	<b>182,961</b>	<b>247,420</b>
Equities and other variable-income securities	330,244	330,244	201,921	23	128,300
Bonds and government securities	2,047,966	2,047,966	1,865,028	182,938	
Shares in non-trading property companies	119,120	119,120			119,120
<b>HTM securities</b>					
Bonds	3,762	4,520	4,520		
<b>Fair value through income – trading securities</b>					
Money market funds (UCITS)	30,305	30,305	30,305		
<b>Derivatives</b>	17,853	17,853		16,369	1,484
<b>Loans and receivables</b>	67,375	67,375		67,375	
<b>Investment property</b>	800	800			800
<b>TOTAL</b>	<b>2,617,425</b>	<b>2,618,183</b>	<b>2,101,774</b>	<b>266,705</b>	<b>249,704</b>

## Movements in Level 3 securities as at March 31, 2016

(in thousands of euros)	Gains and losses recognized in the period			Transactions for the period		Exchange rate effects	At March 31, 2016
	At Dec. 31, 2015	In income	Directly in equity	Purchases/ Issues	Sales/ Redemptions		
<b>AFS securities</b>	<b>240,219</b>		<b>119</b>	<b>9,119</b>		<b>(2,037)</b>	<b>247,420</b>
Equities and other variable-income securities	129,297		(24)	14		(987)	128,300
Shares in non-trading property companies	110,922		143	9,105		(1,050)	119,120
<b>Derivatives</b>				<b>1,484</b>			<b>1,484</b>
<b>Investment property</b>	<b>800</b>						<b>800</b>
<b>TOTAL</b>	<b>241,019</b>		<b>119</b>	<b>10,603</b>		<b>(2,037)</b>	<b>249,704</b>

## 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	Level 2	Level 3
			Fair value determined based on quoted prices in active markets	Fair value determined based on valuation techniques that use observable inputs	Fair value determined based on valuation techniques that use unobservable inputs
<b>AFS securities</b>	<b>2,512,526</b>	<b>2,512,526</b>	<b>2,096,980</b>	<b>175,326</b>	<b>240,219</b>
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	(0)
Shares in non-trading property companies	110,922	110,922			110,922
<b>HTM securities</b>					
Bonds	3,721	4,374	4,374		
<b>Fair value through income – trading securities</b>					
Money market funds (UCITS)	55,468	55,468	55,468		
<b>Derivatives</b>	6,123	6,123		6,123	
<b>Loans and receivables</b>	69,481	69,481		69,481	
<b>Investment property</b>	800	800			800
<b>TOTAL</b>	<b>2,648,119</b>	<b>2,648,772</b>	<b>2,156,822</b>	<b>250,930</b>	<b>241,019</b>

## 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		Transactions for the period		Exchange rate effects	At Dec. 31, 2015
		In income	Directly in equity	Purchases/ Issues	Sales/ Redemptions		
<b>AFS securities</b>	<b>155,470</b>	<b>1,526</b>	<b>806</b>	<b>83,894</b>	<b>(0)</b>	<b>(1,478)</b>	<b>240,219</b>
Equities and other variable-income securities	125,469	1,526	890	2,718	(0)	(1,307)	129,297
Shares in non-trading property companies	30,001		(84)	81,176	(0)	(171)	110,922
<b>Investment property</b>	<b>923</b>	<b>(123)</b>					<b>800</b>
<b>TOTAL</b>	<b>156,393</b>	<b>1,403</b>	<b>806</b>	<b>83,894</b>	<b>(0)</b>	<b>(1,478)</b>	<b>241,019</b>

## Note 5. Receivables arising from banking and other activities

(in thousands of euros)	March 31, 2016	Dec. 31, 2015
Receivables arising from banking and other activities	2,277,868	2,312,352
Non-performing receivables arising from banking and other activities	77,145	78,961
Allowances for receivables arising from banking and other activities	(20,704)	(20,411)
<b>Total</b>	<b>2,334,309</b>	<b>2,370,902</b>

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.

## Note 6. Investments in associates

The company accounted for by the equity method is Cofacredit. At March 31, 2016, the change in investments in associates amounted to €391 thousand.

## Note 7. Cash and cash equivalents

(in thousands of euros)	March 31, 2016	Dec. 31, 2015
Cash at bank and in hand	378,883	358,326
Cash equivalents	37,171	38,511
<b>Total</b>	<b>416,054</b>	<b>396,837</b>

## Note 8. Share capital

Ordinary shares	Number of shares	Par value	Share capital (in €)
At December 31, 2015	157,248,232	5	786,241,160
Capital increase	0		0
<b>At March 31, 2016</b>	<b>157,248,232</b>	<b>5</b>	<b>786,241,160</b>
Treasury shares deducted	(457,526)	5	(2,287,630)
<b>At March 31, 2016 (excluding treasury shares)</b>	<b>156,790,706</b>	<b>5</b>	<b>783,953,530</b>

	March 31, 2016		Dec. 31, 2015	
Shareholders	Number of shares	%	Number of shares	%
Natixis	64,853,876	41.36%	64,853,870	41.32%
Public	91,936,830	58.64%	92,097,771	58.68%
<b>Total excluding treasury shares</b>	<b>156,790,706</b>	<b>100.00%</b>	<b>156,951,641</b>	<b>100.00%</b>

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.

Natixis holds, at the end of March 2016, 41.36% of the Coface Group's shares excluding treasury shares, and 41.24% including treasury shares.



## Note 9. Provisions for liabilities and charges

(in thousands of euros)	March 31, 2016	Dec. 31, 2015
Provisions for disputes	8,795	10,966
Provisions for pension and other post-employment benefit obligations	85,085	84,855
Other provisions for liabilities and charges	22,151	18,413
<b>Total</b>	<b>116,031</b>	<b>114,234</b>

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

## Note 10. Financing liabilities

(in thousands of euros)	March 31, 2016	Dec. 31, 2015
Subordinated debt	375,650	387,292
Obligations under finance leases	4,488	5,202
Bank overdrafts and other borrowings	0	100
<b>Total</b>	<b>380,138</b>	<b>392,594</b>

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 March 31, 2016, the debt presented on the line "Subordinated borrowings" of the balance sheet, amounted to €375,650 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 €874 thousand.

The impact on consolidated income statement income as at December 31, 2016 mainly includes the interest related to the period for €4,032 thousand.

## Note 11. Liabilities relating to insurance contracts

(in thousands of euros)	March 31, 2016	Dec. 31, 2015
Provisions for unearned premiums	317,044	285,410
Claims reserves	1,093,478	1,122,211
Provisions for premium refunds	110,447	107,241
<b>Liabilities relating to insurance contracts</b>	<b>1,520,969</b>	<b>1,514,862</b>
Provisions for unearned premiums	(63,598)	(57,558)
Claims reserves	(236,355)	(247,147)
Provisions for premium refunds	(23,805)	(23,281)
<b>Reinsurers' share of technical insurance liabilities</b>	<b>(323,758)</b>	<b>(327,986)</b>
<b>Net technical provisions</b>	<b>1,197,211</b>	<b>1,186,876</b>

## Note 12. Payables arising from banking sector activities

(in thousands of euros)	March 31, 2016	Dec. 31, 2015
Amounts due to banking sector companies	305,522	352,379
Amounts due to customers of banking sector companies	336,469	404,218
Debt securities	1,668,529	1,613,065
<b>TOTAL</b>	<b>2,310,520</b>	<b>2,369,662</b>

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 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 13. Consolidated revenue

(in thousands of euros)

a) By business line	March 31, 2016	March 31, 2015
Premiums – direct business	330,449	344,252
Premiums – inward reinsurance	21,655	23,752
Premium Refunds	(23,438)	(19,119)
Provisions for unearned premiums	(40,126)	(41,950)
<b>Earned premiums net of cancellations c)</b>	<b>288,540</b>	<b>306,935</b>
<b>Fees and commission income</b>	<b>36,324</b>	<b>36,717</b>
<b>Net income from banking activities d)</b>	<b>17,356</b>	<b>18,234</b>
Other insurance-related services	1,416	2,587
Remuneration of public procedures management services	11,997	14,944
Business information and other services	5,783	6,340
Receivables management	3,610	3,828
<b>Revenue or income from other activities</b>	<b>22,806</b>	<b>27,699</b>
<b>Consolidated revenue</b>	<b>365,026</b>	<b>389,585</b>

(in thousands of euros)

b) By region of invoicing	March 31, 2016	March 31, 2015*
Northern Europe	83,421	
Western Europe	84,413	95,683
Central Europe	30,918	31,151
Mediterranean & Africa	84,623	90,086
North America	36,261	33,831
Latin America	18,441	22,192
Asia-Pacific	26,949	28,085
<b>Consolidated revenue</b>	<b>365,026</b>	<b>389,585</b>

\* The consolidated turnover at March 31, 2015 has been restated according to the new regional organization (see Note 1 – Significant events).

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

(in thousands of euros)

	March 31, 2016	March 31, 2015
<b>c) Insurance revenue by type of insurance</b>		
Credit insurance	266,791	282,880
Guarantees	12,611	12,607
Single risk	9,138	11,448
<b>Total insurance revenue</b>	<b>288,540</b>	<b>306,935</b>

(in thousands of euros)

	March 31, 2016	March 31, 2015
<b>d) Net income from banking activities</b>		
Financing fees	7,956	8,142
Factoring fees	8,892	9,631
Other	508	460
<b>Total net income from banking activities</b>	<b>17,356</b>	<b>18,234</b>

## Note 14. Claim expenses

(in thousands of euros)	March 31, 2016	March 31, 2015
Paid claims, net of recoveries	(163,367)	(111,463)
Claims handling expenses	(7,031)	(7,350)
Change in claims reserves	14,660	(33,933)
<b>Total</b>	<b>(155,738)</b>	<b>(152,746)</b>

### Claims expenses by period of occurrence

(in thousands of euros)	March 31, 2016			March 31, 2015		
	Gross	Outward reinsurance and retrocessions	Net	Gross	Outward reinsurance and retrocessions	Net
Claims expenses – current year	(200,386)	36,543	(163,843)	(221,866)	23,637	(198,229)
Claims expenses – prior years	44,648	(1,542)	43,106	69,120	10,065	79,185
<b>Claims expenses</b>	<b>(155,738)</b>	<b>35,001</b>	<b>(120,737)</b>	<b>(152,746)</b>	<b>33,702</b>	<b>(119,044)</b>

## Note 15. Overheads by function

(in thousands of euros)	March 31, 2016	March 31, 2015
<i>Commissions</i>	(39,020)	(38,741)
<i>Other acquisition costs</i>	(23,707)	(36,177)
Total acquisition costs	(62,727)	(74,918)
Administrative costs	(65,764)	(63,404)
Other current operating expenses	(24,269)	(20,241)
Investment management expenses	(528)	(618)
Claims handling expenses	(7,031)	(7,350)
<b>Total</b>	<b>(160,319)</b>	<b>(166,531)</b>
<i>of which employee profit-sharing</i>	<i>(1,203)</i>	<i>(3,387)</i>

(in thousands of euros)	March 31, 2016	March 31, 2015
Acquisition, administration costs and other current operating expenses	(160,319)	(166,531)
Expenses from banking activities, excluding cost of risk	(3,512)	(3,328)
Expenses from other activities	(14,118)	(11,532)
<b>Total</b>	<b>(177,949)</b>	<b>(181,391)</b>

Total overheads includes general insurance expenses (by function), expenses from other activities and expenses from banking activities. It came out at €177,949 thousand at March 31, 2016 versus €181,391 thousand at December 31, 2015.

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 16. Income and expenses from ceded reinsurance

(in thousands of euros)	March 31, 2016	March 31, 2015
Ceded premiums	(76,752)	(81,446)
Change in unearned premiums provisions	7,903	13,364
<b>Expenses from ceded reinsurance</b>	<b>(68,849)</b>	<b>(68,082)</b>
Ceded claims	34,727	26,229
Change in claims provisions net of recoveries	274	7,473
Commissions paid by reinsurers	22,399	21,257
<b>Income from ceded reinsurance</b>	<b>57,400</b>	<b>54,959</b>
<b>Total</b>	<b>(11,449)</b>	<b>(13,123)</b>

## Note 17. Investment income, net of management expenses (excluding finance costs)

(in thousands of euros)	March 31, 2016	March 31, 2015*
Investment income	9,375	10,526
Change in financial instruments at fair value through income	14,603	(45,942)
<i>o/w hedged by currency derivatives on "Colombes" mutual funds<sup>(1)</sup></i>	<i>11,879</i>	<i>(44,214)</i>
Net gains on disposals	(2,837)	3,398
<i>o/w hedged by currency derivatives on "Colombes" mutual funds<sup>(1)</sup></i>	<i>(83)</i>	<i>(410)</i>
Additions to/(reversals from) impairment	(387)	
Net foreign exchange gains	(9,253)	46,029
<i>o/w hedged by currency derivatives on "Colombes" mutual funds<sup>(2)</sup></i>	<i>(13,265)</i>	<i>44,691</i>
Investment management expenses	(735)	(1,051)
<b>Total</b>	<b>10,766</b>	<b>12,960</b>

\* The column March 31, 2016 had been amended. Investment expenses related to the derivative amounting to € 52 thousand had been reclassified from investment management expenses to investment income.

1) The change of the EUR / USD and the EUR / GBP caused significant impacts on the accounts, despite the hedge of investments by foreign exchange derivatives. The net impact after hedge was + € 5,425 thousand.

2) The - € 13,265 thousand foreign exchange gains from the Colombes funds consisted of € 5,115 thousand in realised gains and € -18,380 thousand of unrealised gains.

## Note 18. Other operating income and expenses

(in thousands of euros)	March 31, 2016	March 31, 2015
Other operating expenses	(1,520)	(2,131)
Other operating income	517	16
<b>Net</b>	<b>(1,003)</b>	<b>(2,115)</b>

At March 31, 2016, other operating expenses concern mainly restructuring fees. The previous year, the other operating income and expenses concerned mainly the compensations paid to sales representatives within the framework of the plan of restructuring and densification of the distribution network led in the United States.

## **Note 19. 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 March 31, 2016 net income by segment

(in thousands of euros)	Northern Europe	Western Europe	Central Europe	Mediterranean & Africa	North America	Latin America	Asia - Pacific	Group reinsurance	Cogeri	Holding company costs	Inter-zone	Group total
<b>REVENUE</b>	<b>81,810</b>	<b>86,453</b>	<b>31,584</b>	<b>85,021</b>	<b>36,261</b>	<b>18,441</b>	<b>26,949</b>	<b>235,989</b>	<b>7,155</b>		<b>(244,637)</b>	<b>365,026</b>
<i>o/w Earned Premium</i>	53,069	63,016	24,597	71,357	32,489	17,696	26,316	235,989			(235,989)	288,540
<i>o/w Factoring</i>	15,435		1,921									17,356
<i>o/w Other insurance-related services</i>	13,306	23,437	5,066	13,664	3,772	745	633		7,155		(8,648)	59,130
Claims-related expenses (including claims handling costs)	(31,722)	(7,111)	(7,664)	(22,977)	(24,466)	(14,728)	(45,620)	(115,511)		(887)	114,947	(155,738)
Cost of risk	(851)		(100)									(951)
Commissions	(5,877)	(9,458)	(1,356)	(8,691)	(7,885)	(2,004)	(5,297)	(73,216)			74,764	(39,020)
Other internal general expenses	(32,053)	(35,972)	(10,032)	(23,046)	(7,140)	(4,906)	(8,224)		(6,952)	(10,823)	7,778	(131,370)
<b>UNDERWRITING INCOME BEFORE REINSURANCE*</b>	<b>11,307</b>	<b>33,912</b>	<b>12,432</b>	<b>30,307</b>	<b>(3,230)</b>	<b>(3,196)</b>	<b>(32,192)</b>	<b>47,262</b>	<b>204</b>	<b>(11,710)</b>	<b>(47,148)</b>	<b>37,948</b>
Income/(loss) on ceded reinsurance	(5,218)	(17,963)	(682)	2,875	683	(834)	4,526	(42,098)			47,262	(11,449)
Other operating income and expenses		(1,002)		504		(487)	(19)					(1,004)
Net financial income excluding finance costs	722	5,008	378	(99)	1,196	2,934	1,221		(74)	(273)	(247)	10,766
Finance costs	(129)	3	(14)	(119)	(235)	(166)	(301)		(72)	(4,032)	133	(4,932)
<b>OPERATING INCOME including finance costs</b>	<b>6,682</b>	<b>19,958</b>	<b>12,113</b>	<b>33,468</b>	<b>(1,585)</b>	<b>(1,749)</b>	<b>(26,765)</b>	<b>5,164</b>	<b>58</b>	<b>(16,015)</b>		<b>31,329</b>
Share in net income of associates		391										391
<b>NET INCOME BEFORE TAX</b>	<b>6,682</b>	<b>20,349</b>	<b>12,113</b>	<b>33,468</b>	<b>(1,585)</b>	<b>(1,749)</b>	<b>(26,765)</b>	<b>5,164</b>	<b>58</b>	<b>(16,015)</b>		<b>31,720</b>
Income tax expense	(2,376)	(3,532)	(2,687)	(10,514)	174	178	3,034	(1,778)	(20)	5,514	2,593	(9,414)
<b>CONSOLIDATED NET INCOME BEFORE NON-CONTROLLING INTERESTS</b>	<b>4,307</b>	<b>16,817</b>	<b>9,426</b>	<b>22,954</b>	<b>(1,411)</b>	<b>(1,571)</b>	<b>(23,731)</b>	<b>3,386</b>	<b>38</b>	<b>(10,501)</b>	<b>2,593</b>	<b>22,305</b>
Non-controlling interests			(110)	(1)		111	1					1
<b>NET INCOME FOR THE PERIOD</b>	<b>4,305</b>	<b>16,817</b>	<b>9,315</b>	<b>22,954</b>	<b>(1,411)</b>	<b>(1,460)</b>	<b>(23,730)</b>	<b>3,386</b>	<b>38</b>	<b>(10,501)</b>	<b>2,593</b>	<b>22,306</b>

\* 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 March 31, 2015 net income by segment restated according to the new regional organization

(in thousands of euros)	Northern Europe	Western Europe	Central Europe	Mediterranean & Africa	North America	Latin America	Asia-Pacific	Group reinsurance	Cogeri	Holding company costs	Inter-zone	Group total
<b>REVENUE</b>	<b>85,230</b>	<b>98,642</b>	<b>32,024</b>	<b>90,586</b>	<b>33,831</b>	<b>22,192</b>	<b>28,085</b>	<b>160,321</b>	<b>7,202</b>		<b>(168,528)</b>	<b>389,585</b>
<i>o/w Earned Premium</i>	56,998	70,915	24,300	75,737	30,049	21,354	27,582	160,321			(160,321)	306,935
<i>o/w Factoring</i>	16,205		2,029									18,234
<i>o/w Other insurance-related services</i>	12,027	27,729	5,694	14,849	3,782	838	503		7,202		(8,207)	64,416
Claims-related expenses (including claims handling costs)	(17,578)	(26,231)	(29,469)	(35,850)	(15,187)	(16,052)	(11,109)	(120,982)		(1,026)	120,737	(152,746)
Cost of risk	(630)											(630)
Commissions	(4,696)	(9,453)	(1,277)	(8,895)	(7,059)	(2,340)	(5,958)	(41,672)			42,608	(38,741)
Other internal general expenses	(32,438)	(37,856)	(10,033)	(24,994)	(6,814)	(5,582)	(7,667)		(7,222)	(9,893)	7,817	(134,682)
<b>UNDERWRITING INCOME BEFORE REINSURANCE*</b>	<b>29,888</b>	<b>25,103</b>	<b>(8,756)</b>	<b>20,848</b>	<b>4,771</b>	<b>(1,782)</b>	<b>3,351</b>	<b>(2,333)</b>	<b>(20)</b>	<b>(10,919)</b>	<b>2,635</b>	<b>62,786</b>
Income/(loss) on ceded reinsurance	(3,102)	(12,612)	1,694	1,920	(1,032)	2,902	485	(1,045)			(2,333)	(13,123)
Other operating income and expenses		(145)	(81)		(1,889)							(2,115)
Net financial income excluding finance costs	3,641	1,975	1,297	4,190	223	1,769	(235)		429	(122)	(208)	12,960
Finance costs	(161)	64	(37)	(131)	(199)	(26)	(11)		(41)	(4,027)	(94)	(4,664)
<b>OPERATING INCOME including finance costs</b>	<b>30,266</b>	<b>14,384</b>	<b>(5,883)</b>	<b>26,827</b>	<b>1,874</b>	<b>2,863</b>	<b>3,589</b>	<b>(3,378)</b>	<b>368</b>	<b>(15,068)</b>		<b>55,843</b>
Share in net income of associates		222										222
<b>NET INCOME BEFORE TAX</b>	<b>30,266</b>	<b>14,606</b>	<b>(5,883)</b>	<b>26,827</b>	<b>1,874</b>	<b>2,863</b>	<b>3,589</b>	<b>(3,378)</b>	<b>368</b>	<b>(15,068)</b>		<b>56,066</b>
Income tax expense	(9,327)	(6,516)	511	(5,713)	(230)	(695)	(1,104)	1,163	(127)	5,188	1,193	(15,656)
<b>CONSOLIDATED NET INCOME BEFORE NON-CONTROLLING INTERESTS</b>	<b>20,940</b>	<b>8,091</b>	<b>(5,372)</b>	<b>21,114</b>	<b>1,644</b>	<b>2,168</b>	<b>2,485</b>	<b>(2,215)</b>	<b>241</b>	<b>(9,880)</b>	<b>1,193</b>	<b>40,410</b>
Non-controlling interests	(1)		(126)	(1)		28						(99)
<b>NET INCOME FOR THE PERIOD</b>	<b>20,939</b>	<b>8,091</b>	<b>(5,498)</b>	<b>21,114</b>	<b>1,644</b>	<b>2,196</b>	<b>2,485</b>	<b>(2,215)</b>	<b>241</b>	<b>(9,880)</b>	<b>1,193</b>	<b>40,311</b>

## Note 20. Earnings per share

		March 31, 2016		
		Average number of shares	Net income for the period (in €k)	Earnings per share (in euros)
Consolidated scope	Basic earnings per share	156,871,174	22,306	0,14
	Dilutive instruments	0	0	0
	<b>Diluted earnings per share</b>	<b>156,871,174</b>	<b>22,306</b>	<b>0,14</b>

		March 31, 2015		
		Average number of shares	Net income for the period (in €k)	Earnings per share (in euros)
Consolidated scope	Basic earnings per share	157,185,689	40,311	0.26
	Dilutive instruments	0	0	0
	<b>Diluted earnings per share</b>	<b>157,185,689</b>	<b>40,311</b>	<b>0.26</b>

## Note 21. Off-balance sheet commitments

(in thousands of euros)	March 31, 2016			
	TOTAL	Related to scope of entities	Related to financing	Related to activity
<b>Commitments given</b>	<b>934,586</b>	<b>5 569</b>	<b>921 517</b>	<b>7 500</b>
Endorsements and letters of credit	921,517		921 517	
Property guarantees	7,500			7 500
Financial commitments in respect of equity interests	5,569	5 569		
Obligations under finance leases				
<b>Commitments received</b>	<b>1,261,124</b>		<b>991 122</b>	<b>270 002</b>
Endorsements and letters of credit	121,780			121 780
Guarantees	148,222			148 222
Credit lines linked to commercial paper	600,000		600 000	
Credit lines linked to factoring	391,122		391 122	
Financial commitments in respect of equity interests				
<b>Guarantees received</b>	<b>282,037</b>			<b>282 037</b>
Securities lodged as collateral by reinsurers	282,037			282 037
<b>Financial market transactions</b>	<b>69,637</b>			<b>69 637</b>

The Endorsements and letters of credit amounting to € 917 016 thousand euros for the period ended March 31, 2016 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 euros given to banks financing the Factoring business.

The securities lodged as collateral by reinsurers are concerning Coface Ré for €104,639 thousand euros and Compagnie française pour le commerce extérieur for €177,398 thousand euros.

(in thousands of euros)	Dec. 31, 2015			
	TOTAL	Related to scope of entities	Related to financing	Related to activity
<b>Commitments given</b>	<b>924,417</b>	<b>5,569</b>	<b>911,348</b>	<b>7,500</b>
Endorsements and letters of credit	909,853		909,853	
Property guarantees	7,500			7,500
Financial commitments in respect of equity interests	5,569	5,569		
Obligations under finance leases	1,495		1,495	
<b>Commitments received</b>	<b>1,228,810</b>	<b>2,776</b>	<b>958,900</b>	<b>267,134</b>
Endorsements and letters of credit	121,146			121,146
Guarantees	145,989			145,989
Credit lines linked to commercial paper	600,000		600,000	
Credit lines linked to factoring	358,900		358,900	
Financial commitments in respect of equity interests	2,776	2,776		
<b>Guarantees received</b>	<b>409,216</b>			<b>409,216</b>
Securities lodged as collateral by reinsurers	409,216			409,216
<b>Financial market transactions</b>	<b>55,699</b>			<b>55,699</b>

## Note 22. Related parties

Natixis holds, at the end of March 2016, 41.36% of the Coface Group's shares excluding treasury shares, and 41.24% including treasury shares.

	Number of shares	%
Natixis	64,853,876	41,36%
Public	91,936,830	58,64%
<b>Total</b>	<b>156,790,706</b>	<b>100.00%</b>

### Relations between 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:

<b>Current operating income</b> (in thousands of euros)	<b>March 31, 2016</b>			
	Groupe Natixis (hors entités abandonnées)	NATIXIS FACTOR	ELLISPHERE (ex- Coface Services)	Altus GTS Inc. (Ex Coface Collections North America, Inc.)
<b>Total revenue and income from ordinary activities</b>	<b>(528)</b>	<b>1</b>		
Revenue (net banking income, after cost of risk)	(528)			
Revenue or income from other activities				
Earned premiums				
Fees and commission income				
Investment income/(loss), net of management expenses		1		
<b>Total current income and expenses</b>	<b>5</b>	<b>(7)</b>	<b>(33)</b>	<b>(14)</b>
Claims expenses		4		(14)
Expenses from other activities		(56)	(33)	
Policy acquisition costs	1	11		
Administrative costs	2	19		
Other current operating income and expenses	2	15		
<b>Current operating income/(loss)</b>	<b>(523)</b>	<b>(6)</b>	<b>(33)</b>	<b>(14)</b>

<b>Related-party receivables and payables</b> (in thousands of euros)	<b>March 31, 2016</b>					
	BPCE group	Natixis group (excl. discontinued operations)	Natixis Factor	Ellisphere	Kompass International	Altus GTS Inc. (Ex Coface Collections North America, Inc.)
<b>Financial investments</b>	<b>15,006</b>	<b>10,443</b>				
<b>Other assets</b>		<b>2,754</b>	<b>56</b>		<b>175</b>	<b>72</b>
Receivables arising from insurance and reinsurance operations						
Current tax receivables						
Deferred tax assets						
Other receivables			56		175	72
<b>Cash and cash equivalents</b>		<b>2,198</b>				
<b>Financing liabilities due to banking sector companies</b>						
<b>Liabilities relating to insurance contracts</b>						<b>81</b>
<b>Payables arising from banking sector activities</b>		<b>131,256</b>				
Amounts due to banking sector companies		131,256				
<b>Other liabilities</b>		<b>60</b>	<b>1</b>	<b>7</b>		<b>0</b>
Current tax liabilities						
Other payables		60	1	7		0

The €131,256 thousand in financing liabilities due to banking sector companies, at the end of March 2016, corresponds to borrowings taken out with Natixis to finance the factoring business.

<b>Current operating income</b> (in thousands of euros)	<b>March 31, 2015</b>		
	Groupe Natixis (hors entités abandonnées)	ELLISPHERE (ex- Coface Services)	Altus GTS Inc. (Ex Coface Collections North America, Inc.)
<b>Total revenue and income from ordinary activities</b>	<b>(835)</b>	<b>(1)</b>	
Revenue (net banking income, after cost of risk)	(832)		
Revenue or income from other activities			
Earned premiums			
Fees and commission income			
Investment income/(loss), net of management expenses	(3)	(1)	
<b>Total current income and expenses</b>	<b>(176)</b>	<b>(35)</b>	<b>(4)</b>
Claims expenses	(12)	(2)	
Expenses from other activities			(4)
Policy acquisition costs	(108)	(21)	
Administrative costs	(32)	(8)	
Other current operating income and expenses	(24)	(4)	
<b>Current operating income/(loss)</b>	<b>(1,011)</b>	<b>(36)</b>	<b>(4)</b>

<b>Related-party receivables and payables</b> (in thousands of euros)	<b>Dec. 31, 2015</b>					
	BPCE group	Natixis group (excl. discontinued operations)	Natixis Factor	Ellisphere	Kompass International	Altus GTS Inc. (Ex Coface Collections North America, Inc.)
<b>Financial investments</b>	<b>34,757</b>	<b>20,576</b>				
<b>Other assets</b>			<b>56</b>		<b>175</b>	<b>82</b>
Other receivables			56		175	82
<b>Cash and cash equivalents</b>		<b>668</b>				
<b>Liabilities relating to insurance contracts</b>						<b>85</b>
<b>Payables arising from banking sector activities</b>		<b>119,869</b>				
Amounts due to banking sector companies		119,869				
<b>Other liabilities</b>		<b>60</b>		<b>93</b>		<b>0</b>
Other payables		60		93		0

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.

### **Note 23. Events after the reporting period**

In line with the protocol agreed with the French state on 29 July 2015, Coface and Bpifrance signed, on April the 18<sup>th</sup>, an agreement under which management of public export guarantees will be transferred from Coface to Bpifrance.

The transfer of all employees and IT systems dedicated to this activity will take place before the end of 2016, at a date to be stipulated by decree.

Up until the transfer, Coface will continue to manage public guarantees and to be remunerated for this service by the French state. The reduction in costs linked to managing the public guarantees activity has led to a reduction in remuneration of €2.7 million for fiscal year 2015: This adjustment is accounted for on 31 March 2016.

The transfer of the public guarantees activity will result mechanically in a reduction of 1.4 points in RoATE (on a full year basis). According to the protocol signed on 29 July 2015, the amount due to the Group on the activity's transfer is €89.7 million before tax. The exceptional profit, after immediate depreciation charges (estimated at €16.3 million euros before tax as at 31 December 2015) will be recorded when the decree is published.

## Appendix: Calculation of operating ratios

In the course of its business, and in addition to the financial information published in accordance with IFRS, the Coface Group tracks certain key operating ratios that provide an understanding of its performance and profitability of its products (loss ratio, cost ratio and combined ratio).

### Calculation of ratios

(in thousands of euros)	As at March 31		
	Note	2016	2013
Earned premiums excluding policyholders' bonuses and rebates	13	311,978	326,054
Policyholders' bonuses and rebates	13	(23,438)	(19,119)
<b>Earned premiums</b>	<b>13</b>	<b>288,540</b>	<b>306,935</b>
Fee and commission income	13	37,740	39,304
<i>of which Fees and commission income</i>	13	36,324	36,717
<i>of which Other insurance-related services</i>	13	1,416	2,587
Remuneration of public procedures	13	11,997	14,944
Services	13	9,393	10,168
<i>of which Business information and other services</i>	13	5,783	6,340
<i>of which Receivables management</i>	13	3,610	3,828
Net income from banking activities (Factoring)	13	17,356	18,234
<b>Consolidated revenue</b>	<b>13</b>	<b>365,026</b>	<b>389,585</b>
<b>Claims expenses</b>	<b>14</b>	<b>(155,738)</b>	<b>(152,746)</b>
<b>Income from ceded reinsurance</b>	<b>16</b>	<b>57,400</b>	<b>54,959</b>
<i>of which Ceded claims</i>	16	35,001	33,702
<i>of which Commissions paid by reinsurers</i>	16	22,399	21,257
<b>Expenses from ceded reinsurance</b>	<b>16</b>	<b>(68,849)</b>	<b>(68,082)</b>
<i>of which Ceded premiums</i>	16	(74,840)	(72,400)
<i>of which Ceded policyholders' bonuses and rebates</i>	16	5,991	4,318
Policy acquisition costs	15	(62,727)	(74,918)
Administrative costs	15	(65,764)	(63,404)
Other current operating expenses	15	(24,269)	(20,241)
Investment management expenses	15	(528)	(618)
<i>of which Insurance</i>	15	(528)	(618)
Claims handling expenses	15	(7,031)	(7,350)
Expenses from banking activities, excluding cost of risk	15	(3,512)	(3,328)
Expenses from other activities		(14,118)	(11,532)
<b>Overheads including expenses from other activities</b>		<b>(177,949)</b>	<b>(181,391)</b>
<i>of which employee profit-sharing</i>	15	(1,203)	(3,387)

**Ratios relating to credit insurance and surety bonds gross earned premium net of cancellation**

	As at March 31	
	<b>2016</b>	<b>2015</b>
Loss ratio before Reinsurance	54,0%	49,8%
Loss ratio after Reinsurance	55,0%	49,8%
Cost ratio before Reinsurance	32,1%	28,5%
Cost ratio after Reinsurance	32,0%	27,7%
Combined ratio before Reinsurance	86,1%	78,2%
Combined ratio after Reinsurance	87,0%	77,5%