4.1 Consolidated financial statements

4.1.1 CONSOLIDATED BALANCE SHEET

Assets

(in thousands of euros)	NOTES	DEC. 31, 2014	DEC. 31, 2013
Intangible assets		**231,968**	**240,441**
Goodwill	4	154,515	153,727
Other intangible assets	5	77,453	86,715
Insurance business investments	7	**2,677,731**	**2,208,633**
Investment property	7	923	1,271
Held-to-maturity securities	7	6,872	9,403
Available-for-sale securities	7	2,324,682	1,891,204
Trading securities	7	30,864	52,271
Derivatives	7	2,834	1,386
Loans and receivables	7	311,556	253,098
Receivables arising from banking and other activities	8	**2,244,262**	**2,120,516**
Investments in associates	9	**19,001**	**17,621**
Reinsurers' share of insurance liabilities	16	**329,163**	**347,221**
Other assets		**806,468**	**784,667**
Buildings used in the business and other property, plant and equipment	6	67,708	75,730
Deferred acquisition costs	11	43,171	39,547
Deferred tax assets	19	34,125	81,122
Receivables arising from insurance and reinsurance operations	10	453,415	420,557
Trade receivables arising from other activities	11	17,762	20,292
Current tax receivables	11	43,238	52,073
Other receivables	11	147,049	95,346
Cash and cash equivalents	12	**278,624**	**273,920**
TOTAL ASSETS		**6,587,217**	**5,993,019**

Equity and liabilities

(in thousands of euros)	NOTES	DEC. 31, 2014	DEC. 31, 2013
Equity attributable to owners of the parent		**1,717,427**	**1,780,238**
Share capital	13	786,241	784,207
Additional paid-in capital		422,831	648,462
Retained earnings		318,062	193,371
Other comprehensive income		65,201	26,758
Consolidated net income for the year		125,092	127,439
Non-controlling interests		**6,737**	**13,089**
Total equity		**1,724,164**	**1,793,327**
Provisions for liabilities and charges	17	**117,792**	**112,056**
Financing liabilities	20	**395,123**	**15,133**
Financing liabilities due to banking sector companies		395,123	15,133
Liabilities relating to insurance contracts	16	**1,472,180**	**1,450,499**
Payables arising from banking sector activities	21	**2,217,782**	**2,109,297**
Amounts due to banking sector companies	21	300,706	406,759
Amounts due to customers of banking sector companies	21	379,016	353,751
Debt securities	21	1,538,060	1,348,787
Other liabilities		**660,175**	**512,708**
Deferred tax liabilities	19	128,463	138,091
Payables arising from insurance and reinsurance operations	22	176,628	125,547
Current taxes payable	23	97,614	51,470
Derivative instruments with a negative fair value	23	16,037	2,527
Other payables	23	241,434	195,073
TOTAL EQUITY AND LIABILITIES		**6,587,217**	**5,993,019**

4.1.2 CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	NOTES	DEC. 31, 2014	DEC. 31, 2013
Revenue	24	**1,440,536**	**1,440,330**
Gross written premiums	24	1,242,676	1,206,690
Premium refunds	24	-98,309	-75,564
Net change in unearned premium provisions	24	-11,640	-2,583
Earned premiums	24	**1,132,727**	**1,128,543**
Fee and commission income	24	124,756	123,410
Net income from banking activities	24	70,623	69,210
Cost of risk	26	-2,046	-2,533
Revenue or income from other activities	24	112,431	119,167
Investment income, net of management expenses	29; 30	*35,397*	*32,116*
Gains and losses on disposals of investments	29; 30	*7,372*	*35,400*
Investment income, net of management expenses (excluding finance costs)	29; 30	42,769	67,516
TOTAL REVENUE AND INCOME FROM ORDINARY ACTIVITIES		**1,481,259**	**1,505,313**
Claims expenses	25	-538,721	-576,263
Expenses from banking activities, excluding cost of risk	26	-11,066	-11,884
Expenses from other activities		-47,338	-51,884
Income from ceded reinsurance	28	*198,013*	*249,652*
Expenses from ceded reinsurance	28	*-266,673*	*-315,855*
Income and expenses from ceded reinsurance	28	-68,660	-66,202
Policy acquisition costs	27	-262,854	-256,867
Administrative costs	27	-269,106	-263,891
Other current operating expenses	27	-74,455	-83,112
TOTAL CURRENT INCOME AND EXPENSES		**-1,272,200**	**-1,310,104**
CURRENT OPERATING INCOME		**209,060**	**195,210**
Other operating expenses	31	-11,809	-2,590
Other operating income	31	1,872	4,311
OPERATING INCOME		**199,122**	**196,931**
Finance costs		-14,975	-3,035
Share in net income of associates	33	2,136	1,493
Income tax expense	32	-60,367	-67,380
CONSOLIDATED NET INCOME BEFORE NON-CONTROLLING INTERESTS		**125,916**	**128,008**
Non-controlling interests		-825	-569
NET INCOME FOR THE YEAR	**34**	**125,092**	**127,439**
Earnings per share *(€)*	35	0.80	0.81
Diluted earnings per share *(€)*	35	0.80	0.81

4.1.3 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euros)	NOTES	DEC. 31, 2014	DEC. 31, 2013
Net income for the year		**125,092**	**127,439**
Non-controlling interests		825	569
Other comprehensive income (expense)			
Currency translation differences		**13,284**	**-29,909**
Reclassified to income			
Recognised in equity		*13,284*	*-29,909*
Fair value adjustments on available-for-sale financial assets	7; 15; 19	**30,220**	**-10,994**
Reclassified to income – gross		*-7,834*	*-27,795*
Reclassified to income – tax effect		*2,485*	*7,943*
Recognised in equity – reclassifiable to income – gross		*48,086*	*6,200*
Recognised in equity – reclassifiable to income – tax effect		*-12,517*	*2,658*
Fair value adjustments on employee benefit obligations	15; 18; 19	**-6,132**	**1,080**
Recognised in equity – not reclassifiable to income – gross		*-8,763*	*1,548*
Recognised in equity – not reclassifiable to income – tax effect		*2,631*	*-468*
OTHER COMPREHENSIVE INCOME (EXPENSE) FOR THE YEAR, NET OF TAX		**37,371**	**-39,823**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**163,288**	**88,186**
■ attributable to owners of the parent		163,390	87,695
■ attributable to non-controlling interests		-102	491

The €2,658 thousand in deferred taxes arising on the fair value adjustments on available-for-sale financial assets in 2013 was mainly due to the fact that in certain countries gains on the sale of securities invested are either not taxed or are taxed at very low rates.

4.1.4 STATEMENT OF CHANGES IN EQUITY

(in thousands of euros)	NOTES	SHARE CAPITAL	CONSOLIDATED RESERVES	TREASURY SHARES
EQUITY AT DECEMBER 31, 2012 RESTATED FOR IAS 19R		**784,207**	**787,752**	**0**
Appropriation of 2012 net income			124,087	
2013 interim dividend			-65,082	
Total transactions with owners		**0**	**59,005**	**0**
2013 net income				
Fair value adjustments on available-for-sale financial assets recognised 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				
Other movements			-4,923	
EQUITY AT DECEMBER 31, 2013		**784,207**	**841,834**	**0**
Capital increase	14	2,034	1,352	
Appropriation of 2013 net income		0	127,439	
Non-recurring dividend for Natixis paid through an issue premium		0	-226,983	
2014 distribution for 2013		0	-1,868	
Total transactions with owners		**2,034**	**-100,060**	**0**
2014 net income				
Fair value adjustments on available-for-sale financial assets recognised in equity	7; 15			
Fair value adjustments on available-for-sale financial assets reclassified to income	7; 15; 19			
Change in actuarial gains and losses (IAS 19R)	18; 19			
Currency translation differences		0		
Elimination of treasury shares		0		-709
Transactions with shareholders		0	-172	0
EQUITY AT DECEMBER 31, 2014		**786,241**	**741,602**	**-709**

OTHER COMPREHENSIVE INCOME						
FOREIGN CURRENCY TRANSLATION RESERVE	**RECLASSIFIABLE REVALUATION RESERVES**	**NON-RECLASSIFIABLE REVALUATION RESERVES**	**NET INCOME FOR THE YEAR**	**EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT**	**NON-CONTROLLING INTERESTS**	**TOTAL EQUITY**
-4,491	**87,325**	**-16,288**	**124,087**	**1,762,593**	**13,648**	**1,776,241**
			-124,087			
				-65,082	-1,089	-66,171
0	**0**	**0**	**-124,087**	**-65,082**	**-1,089**	**-66,171**
			127,439	127,439	569	128,008
	8,141			8,141	452	8,593
	-19,800			-19,800	-52	-19,852
		1,076		1,076	4	1,080
-29,206				-29,206	-438	-29,644
-265	265			-4,923	-6	-4,929
-33,962	**75,930**	**-15,211**	**127,439**	**1,780,239**	**13,089**	**1,793,327**
				3,386		3,386
			-127,439			0
			0	-226,983		-226,983
			0	-1,868	-760	-2,628
0	**0**	**0**	**-127,439**	**-225,465**	**-760**	**-226,225**
			125,092	125,092	825	125,916
	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
0	184	-39	0	-28	-5,490	-5,518
-20,681	**107,264**	**-21,382**	**125,092**	**1,717,427**	**6,737**	**1,724,164**

4.1.5 CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of euros)	NOTES	2014.12	2013.12
Net income for the yesr	35	**125,092**	**127,439**
Income tax expense	32	60,367	67,380
Finance costs		14,975	3,035
Operating income before tax (A) (1)		**200,434**	**197,854**
Non-controlling interests		825	569
+/- Depreciation, amortisation and impairment losses	5; 6; 7.1; 17	21,179	10,415
+/- Net additions to/reversals from technical provisions	15	-10,502	12,768
+/- Share in net income of associates	9	-2,136	-1,493
+ Dividends received from associates	9	756	684
+/- Fair value adjustments on financial instruments recognised at fair value through income		42,948	88
+/- Unrealised foreign exchange income covered by financial instruments at fair value through income		-39,879	
+/- Recognised but unpaid interest expenses (2)		-13,016	-498
+/- Other non-cash items (3)		-1,031	-14,405
Total non-cash items (B)		***-856***	***8,127***
Gross cash flows from operations (C) = (A) + (B)		***199,577***	***205,981***
Change in operating receivables and payables		16,941	-5,357
Net taxes paid (4)		14,495	-54,051
Net cash related to operating activities (D)		***31,436***	***-59,408***
Increase (decrease) in receivables arising from factoring operations		-123,997	-14,497
Increase (decrease) in payables arising from factoring operations		214,538	184,620
Increase (decrease) in factoring liabilities		-62,245	-152,254
Net cash generated from banking and factoring operations (E)	8; 21	***28,295***	***17,869***
NET CASH GENERATED FROM OPERATING ACTIVITIES (F) = (C+D+E)		**259,308**	**164,443**
Acquisitions of investments	7	-3,286,721	-2,719,755
Disposals of investments	7	2,891,605	2,637,150
Net cash used in movements in investments (G)		***-395,116***	***-82,604***
Acquisitions of consolidated subsidiaries, net of cash acquired			6,623
Disposals of consolidated companies, net of cash transferred			
Net cash used in changes in scope of consolidation (H)			***6,623***
Disposals of property, plant and equipment and intangible assets	5; 6	-8,920	-25,590
Acquisitions of property, plant and equipment and intangible assets	5; 6	4,334	2,054
Net cash generated from (used in) acquisitions and disposals of property, plant and equipment and intangible assets (I)		***-4,586***	***-23,536***

(in thousands of euros)	NOTES	2014.12	2013.12
NET CASH USED IN INVESTING ACTIVITIES (J) = (G+H+I)		**-399,702**	**-99,518**
Proceeds from the issue of equity instruments		3,386	
Special dividend paid to Natixis – issue premium payment		-226,983	
Treasury share transactions		-657	
Dividends paid to owners of the parent		-1,867	-65,082
Dividends paid to non-controlling interests		-760	-1,089
Relution (COFACE SA repurchase Compagnie française d'assurance pour le commerce extérieur from Natixis)		-4,169	
Cash flows related to transactions with owners		***-231,050***	***-66,171***
Proceeds from the issue of debt instruments	20	388,846	4,509
Cash used in the redemption of debt instruments [(5)]	20	-10,457	-3,277
Cash flows related to the financing of Group operations		***378,389***	***1,232***
NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES (K)		**147,339**	**-64,940**
IMPACT OF CHANGES IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS (L)		**-2,242**	**16,925**
NET INCREASE IN CASH AND CASH EQUIVALENTS (F+J+K+L)		**+4,704**	**+16,910**
Net cash generated from operating activities (F)		259,308	164,443
Net cash used in investing activities (J)		-399,702	-99,518
Net cash generated from (used in) financing activities (K)		147,339	-64,940
Impact of changes in exchange rates on cash and cash equivalents (L)		-2,242	16,925
Cash and cash equivalents at beginning of year	12	**273,920**	**257,010**
Cash and cash equivalents at end of year	12	**278,624**	**273,920**
NET CHANGE IN CASH AND CASH EQUIVALENTS		**+4,704**	**+16,910**

(1) Received dividends and interests and gains and losses on disposals of investments are included in the operational cash.
(2) The item "Recognised but unpaid interest expenses" is mostly due to the unpaid interests on the hybrid securities for €12,075 thousand.
(3) The other non cash items are due to unpaid dividends from non consolidates entities for €476 thousand and accrued interests on fixed term deposits for €555 thousand at December 31, 2014.
(4) The item "Net taxes paid" at December 31, 2014 is primarily due to the payment made by Natixis to Coface to offset the loss of its tax losses.
(5) The item "Cash used in the redemption of debt instruments" at December 31, 2014 includes €1,959 thousand of interests paid.

4.2 Notes to the consolidated financial statements

BASIS OF PREPARATION

These IFRS consolidated financial statements of the Coface Group as at December 31, 2014 are established in accordance with the International Financial Reporting Standards (IFRS) as published by the IASB and as adopted by the European Union [1] and described in Note 1 "Applicable Accounting Standards" of the 2014 consolidated financial statements and notes to those statements.

In accordance with IAS 1, the consolidated financial statements of the Coface Group as of December 31, 2014 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, 2013. The financial statements presented for comparison are those published by Coface in the core registration document filed and recorded with the French Financial Markets Authority (AMF) on May 6, 2014 under number I.14-029.

Pursuant to European Regulation 809/2004 on information contained in the prospectus, the Group's consolidated financial statements for the year ended December 31, 2012 published in the core registration document filed with the AMF on May 6, 2014 under number I.14-029 are included by reference in this registration document.

These IFRS consolidated financial statements for the year ended December 31, 2014 were reviewed by the Coface Group's Board of Directors on February 17, 2015.

/ NOTE 1 / Significant events

◆ Stock market listing

Since 2011, the Coface Group has refocused on its core business of credit insurance, and has undertaken a series of structural reorganisations that have restored the Group's profitable growth. In this context, on June 27, 2014 the Group entered a new stage of its development with its successful stock market listing on compartment A of the Euronext Paris regulated market.

The listing was well received by the markets, with strong demand from French and international institutional investors resulting in a diversified ownership structure that reflects the multinational dimension of Coface.

The favourable reception from the markets led Natixis, acting as stabilising agent in the name and on behalf of the financial institutions that accompanied Coface throughout its stock market listing, to exercise the over-allotment option in full just four days after the initial listing.

Following the exercise of the full over-allotment option, the total number of Coface shares offered in connection with the stock market listing amounted to 91,987,426 shares, representing 58.65% of COFACE SA's capital and voting rights. Following the listing, Coface's market capitalisation stood at €1,631 million.

A concurrent employee offering was also launched in 19 countries, covering 80% of the Group's headcount. It was warmly welcomed by employees, as illustrated by the nearly 50% take-up rate. At December 31, 2014 and following the recognition of the capital increase reserved for employees, Natixis held 41.24% of the capital of Coface.

On December 22, 2014, the Coface Group share was listed on the SBF 120 market index.

The costs linked to this transaction amounted to €8 million and are recorded under "other operating expenses".

◆ Implementation of a liquidity agreement

With effect from July 7, 2014, the Coface Group appointed Natixis to implement a liquidity agreement for COFACE SA shares traded on Euronext Paris, in accordance with the Charter of Ethics of the French financial markets association (Association française des marchés financiers – AMAFI) dated March 8, 2011 and approved by the AMF on March 21, 2011.

The Group allocated €5 million to the liquidity account for the purposes of the agreement, which is for a period of 12 months subject to tacit renewal. 80,819 COFACE SA shares or €4,147,971.71 appeared on the liquidity account on the settlement date of December 31, 2014.

With its decision dated June 26, 2014, the Board of Directors decided to implement the programme to buy back shares of COFACE SA, to specify their terms and decide on their procedures. This decision was further to the authorisation that was given to the Combined General Shareholders' Meeting of June 2, 2014, delegating all of the powers needed for that purpose to it.

◆ Subordinated debt issuance

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

The issue allowed the Coface Group to optimise its capital structure, which had previously been characterised by an

(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*

extremely low debt ratio (less than 1% at end-2013), and to strengthen its regulatory equity.

The leverage effect of borrowings thus amounted to about 19%. The ratio is obtained by dividing the subordinated debt by the sum of equity and subordinated debt.

The issue was welcomed by a diversified and international base of investors and was 10 times oversubscribed. This level of demand demonstrates the confidence in the profitable growth model put in place by Coface over the last three years based on bolstered operating and financial fundamentals.

Finance costs linked to this debt totalled €12.1 million at December 31, 2014.

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).

This subordinated guarantee is recorded in off-balance sheet items. Since it is classified as an intra-group transaction, it is eliminated in consolidation and is not disclosed in the notes to the consolidated financial statements.

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.

Financial strength confirmed

In March and then December 2014, rating agencies Fitch and Moody's confirmed the Group's Insurer Financial Strength (IFS) Ratings at AA- and A2 (outlook stable,) respectively, taking into account both the subordinated note issue and the €227 million special dividend paid to Natixis during the period.

Changes in the scope of consolidation

At the end of September 2014, the Coface Group created a new subsidiary in Lausanne, Switzerland, which joined the consolidation scope. At the end of December 2014, this company, known as Coface Re, obtained from the Swiss Regulator a licence to practice reinsurance, subject to compliance with the different conditions laid down by the regulator. From 2015 onwards, Coface Re will be the interface between the external reinsurance market and the Group's entities and as such will replace Compagnie française d'assurance pour le commerce extérieur. By creating this company, the Group will be isolating its reinsurance business in a dedicated entity, and continuing the streamlining of coverage solutions for entities and partners of the Coface Group while expanding the range of services offered to its international customers.

Coface is already established in Israel through its BDI subsidiary. It has created another branch of Compagnie française d'assurance pour le commerce extérieur which is also included in the scope of consolidation.

During the second quarter of 2014, COFACE SA purchased the 0.26% minority interest in Compagnie française d'assurance pour le commerce extérieur that it did not already own, which had been previously held by Natixis. Compagnie française d'assurance pour le commerce extérieur is now wholly-owned by COFACE SA. As of late December 2014, the purchase had resulted in a €4 million change in non-controlling interests.

The Company has not acquired interests or control in the French companies.

Cessation of the public procedures management business line in Brazil

The insurance subsidiary SBCE used to manage, on behalf of, and with the guarantee of, the Brazilian State, coverage on risks that are uninsurable by the private market. The agreement binding the Brazilian State and SBCE was not renewed on June 30, 2014 and this activity was transferred to the Brazilian State on July 1, 2014. This activity generated revenue of €5.6 million at December 31, 2013 and €2.6 million at June 30, 2014. The activity was terminated on that date.

Since July 1, 2014, SBCE continues its export credit risk insurance business for short-term operations.

Exit from the Natixis tax consolidation group

Coface left the Natixis tax consolidation group with effect from January 1, 2014. In accordance with the tax consolidation agreement, Natixis paid Coface an amount of €50 million with respect to deferred tax assets recognised on tax loss carryforwards.

/ NOTE 2 / Scope of consolidation

◆ Changes in the scope of consolidation

2.1 Changes in the scope of consolidation in 2014

Changes in the scope of consolidation in 2014 were as follows:

First-time consolidations

Coface includes Coface Re, a company created in Switzerland in Q3 2014 and which operates the Group's external reassurance since 2015. The main impacts of this consolidation in 2014 are the creation costs of €1,777 reported under the item "other non-recurring operating income and expenses".

Furthermore, Coface Israel, a branch of Compagnie française d'assurance pour le commerce extérieur, was created and immediately included in the consolidation scope.

Change in ownership interests

During the second quarter of 2014, COFACE SA purchased the 0.26% outstanding interest in Compagnie française d'assurance pour le commerce extérieur that it did not already own, which was held by Natixis. Compagnie française d'assurance pour le commerce extérieur is now wholly-owned by COFACE SA. As of late December 2014, the purchase had resulted in a €4 million change in non-controlling interests.

2.2 Changes in the scope of consolidation in 2013

Changes in the scope of consolidation in 2013 were as follows:

First-time consolidations

12 newly-created Colombes mutual funds:

- Colombes 1 fund: Money market investments;
- Colombes 2 fund: 3-5 year government bonds;
- Colombes 2 bis fund: 3-5 year government bonds;
- Colombes 3 fund: Euro-denominated private sector bonds;
- Colombes 3 bis fund: Euro-denominated private sector bonds;
- Colombes 3 ter fund: Euro-denominated private sector bonds;
- Colombes 4 fund: High-yield very short-term international bonds;
- Colombes 4 bis fund: High-yield very short-term international bonds;
- Colombes 5 fund: Emerging market bonds;
- Colombes 5 bis fund: Emerging market bonds;
- Colombes 6 fund: eurozone equities;
- Colombes 6 bis fund: eurozone equities.

Coface includes Coface Rus Insurance Company in the consolidation scope. The Company was consolidated on January 1, 2013 inside the Northern Europe region.

◆ Scope of consolidation

Coface Vertriebs was consolidated with effect from January 1, 2013.

			PERCENTAGE			
COUNTRY		CONSOLIDATION METHOD	CONTROL DEC. 31, 2014	INTEREST DEC. 31, 2014	CONTROL DEC. 31, 2013	INTEREST DEC. 31, 2013
NORTHERN EUROPE						
Germany	Coface Deutschland (formerly 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%	99.74%
Germany	COFACE DEBITORENMANAGEMENT GmbH Isaac – Fulda – Allee 5 55124 Mainz	Full	100.00%	100.00%	100.00%	99.74%
Germany	COFACE RATING HOLDING Isaac – Fulda – Allee 1 55124 Mainz	Full	100.00%	100.00%	100.00%	99.74%
Germany	Coface Deutschland Vertriebs Isaac – Fulda – Allee 1 55124 Mainz	Full	100.00%	100.00%	100.00%	99.74%

COUNTRY		CONSOLIDATION METHOD	PERCENTAGE CONTROL DEC. 31, 2014	INTEREST DEC. 31, 2014	CONTROL DEC. 31, 2013	INTEREST DEC. 31, 2013
Germany	COFACE RATING GmbH Isaac – Fulda – Allee 1 55124 Mainz	Full	100.00%	100.00%	100.00%	99.74%
Germany	Kisselberg Hauptstr. 131-137 65260 Eschborn	Full	100.00%	100.00%	100.00%	99.74%
Germany	FCT VEGA (Fonds de titrisation) 41 rue Délizy 93500 Pantin	Full	100.00%	100.00%	100.00%	99.74%
Netherlands	COFACE NEDERLAND SERVICES Claudius Prinsenlaan 126 Postbus 3377 4800 DJ Breda	Full	100.00%	100.00%	100.00%	99.74%
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%	99.74%
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 FRANCAISE D'ASSURANCE POUR LE COMMERCE EXTERIEUR 1, place Costes et Bellonte 92270 Bois-Colombes	Full	100.00%	100.00%	99.74%	99.74%
France	COFACREDIT Tour facto – 18, rue Hoche 92988 Puteaux	Equity method	36.00%	36.00%	36.00%	35.91%
France	COFINPAR 1, place Costes et Bellonte 92270 Bois-Colombes	Full	100.00%	100.00%	100.00%	99.74%
France	COGERI 1, place Costes et Bellonte 92270 Bois-Colombes	Full	100.00%	100.00%	100.00%	99.74%
France	FIMIPAR 1, place Costes et Bellonte 92270 Bois-Colombes	Full	100.00%	100.00%	100.00%	99.74%
France	FONDS COLOMBES 1 90, boulevard Pasteur – 75015 Paris	Full	100.00%	100.00%	100.00%	99.74%
France	FONDS COLOMBES 2 90, boulevard Pasteur – 75015 Paris	Full	100.00%	100.00%	100.00%	99.74%
France	FONDS COLOMBES 2 bis 90, boulevard Pasteur – 75015 Paris	Full	100.00%	100.00%	100.00%	99.74%
France	FONDS COLOMBES 3 90, boulevard Pasteur – 75015 Paris	Full	100.00%	100.00%	100.00%	99.74%
France	FONDS COLOMBES 3 bis 90, boulevard Pasteur – 75015 Paris	Full	100.00%	100.00%	100.00%	99.74%

COUNTRY		CONSOLIDATION METHOD	PERCENTAGE CONTROL DEC. 31, 2014	PERCENTAGE INTEREST DEC. 31, 2014	PERCENTAGE CONTROL DEC. 31, 2013	PERCENTAGE INTEREST DEC. 31, 2013
France	FONDS COLOMBES 3 ter 90, boulevard Pasteur – 75015 Paris	Full	100.00%	100.00%	100.00%	99.74%
France	FONDS COLOMBES 4 90, boulevard Pasteur – 75015 Paris	Full	100.00%	100.00%	100.00%	99.74%
France	FONDS COLOMBES 4 bis 90, boulevard Pasteur – 75015 Paris	Full	100.00%	100.00%	100.00%	99.74%
France	FONDS COLOMBES 5 90, boulevard Pasteur – 75015 Paris	Full	100.00%	100.00%	100.00%	99.74%
France	FONDS COLOMBES 5 bis 90, boulevard Pasteur – 75015 Paris	Full	100.00%	100.00%	100.00%	99.74%
France	FONDS COLOMBES 6 90, boulevard Pasteur – 75015 Paris	Full	100.00%	100.00%	100.00%	99.74%
France	FONDS COLOMBES 6 bis 90, boulevard Pasteur – 75015 Paris	Full	100.00%	100.00%	100.00%	99.74%
Belgium	COFACE BELGIUM SERVICES HOLDING 100 boulevard du Souverain 1170 Brussels	Full	100.00%	100.00%	100.00%	99.74%
Belgium	Coface Belgium 100, boulevard du Souverain B-1170 Brussels (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 exterieur		Branch of Compagnie française d'assurance pour le commerce exterieur	
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 Re Rue Belle-Fontaine 18; CP 431 1001 Lausanne	Full	100.00%	100.00%	-	0.00%
Spain	COFACE SERVICIOS ESPAÑA, SL Calle Aravaca, 22 28040 Madrid	Full	100.00%	100.00%	100.00%	99.74%
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%	99.74%
UK	COFACE UK SERVICES 180 St Albans Rd, Watford Hertfordshire WD17 1RP	Full	100.00%	100.00%	100.00%	99.74%
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 Ireland 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%	99.74%
Austria	COFACE CENTRAL EUROPE HOLDING Stubenring 24-2 A – 1010 Vienna	Full	74.99%	74.99%	74.99%	74.80%

COUNTRY		CONSOLIDATION METHOD	PERCENTAGE CONTROL DEC. 31, 2014	INTEREST DEC. 31, 2014	CONTROL DEC. 31, 2013	INTEREST DEC. 31, 2013
Austria	Coface Austria (formerly- 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%	74.80%
Poland	COFACE POLAND FACTORING Al.Jerozolimskie 136 PL-02-305 / Warszaw	Full	100.00%	100.00%	100.00%	99.74%
Poland	Coface Poland Insurance Al. Jerozolimskie 136, 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%	74,80%
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	
Lithuania	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	
MEDITERRANEAN & AFRICA						
Italy	Coface Italy (Branch) 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%	99.74%
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%	99.74%
Israel	BUSINESS DATA INFORMATION COFACE (BDI COFACE) 11 Ben Gurion st, Bnei Brak 51260 Bnei Brak	Full	100.00%	100.00%	100.00%	99.74%
South Africa	COFACE SOUTH AFRICA Nyanga Office Park Inyanga Close, Suninghill	Full	100.00%	100.00%	100.00%	99.74%

COUNTRY		CONSOLIDATION METHOD	PERCENTAGE CONTROL DEC. 31, 2014	INTEREST DEC. 31, 2014	CONTROL DEC. 31, 2013	INTEREST DEC. 31, 2013
South Africa	COFACE SOUTH AFRICA SERVICES Nyanga Office Park Inyanga Close, Suninghill	Full	100.00%	100.00%	100.00%	99.74%
Turkey	COFACE SIGORTA Buyukdere Caddesi, Yapi Kredi Plaza, B-Blok Kat:6 Levent 34 330 Istanbul	Full	100.00%	100.00%	100.00%	99.74%
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%	99.74%
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%	99.74%
United States	COFACE SERVICES NORTH AMERICA 900 Chapel Street New Haven, CT 06510	Full	100.00%	100.00%	100.00%	99.74%
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%	99.74%
United States	Coface Canada 251 Consumer Roadn 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	
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%	99.74%
Mexico	COFACE HOLDING AMERICA LATINA Av. Insurgentes Sur #1787 Piso 10, Col. Guadalupe Inn, Delegación: Alvaro Obregon – 01020 Mexico City, D.F	Full	100.00%	100.00%	100.00%	99.74%
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%	99.74%
Brazil	SEGURADORA BRASILEIRA DE CREDITO INTERNO SA (SBCE) Pça. João Duran Alonso, 34 – 12th Floor – Brooklin Novo – Sao Paulo, CEP: 04571-070	Full	75.82%	75.82%	75.82%	75.63%
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%	99.74%

COUNTRY		CONSOLIDATION METHOD	PERCENTAGE CONTROL DEC. 31, 2014	INTEREST DEC. 31, 2014	CONTROL DEC. 31, 2013	INTEREST DEC. 31, 2013
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 Japan 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 Singapore 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, No.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 3 / Accounting principles

3.1 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, 2013 – apart from the following amendments applicable for the first time on or after January 1, 2014:

- the amendment to IAS 32 "Financial instruments: Presentation – Offsetting Financial Assets and Financial Liabilities". This amendment clarifies the requirements for offsetting financial assets and financial liabilities in the balance sheet. The application of this amendment did not have a significant impact on Coface's consolidated financial statements;
- the new standards on consolidation: IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", and IFRS 12 "Disclosure of Interests in Other Entities", published by the IASB on May 12, 2011 and adopted by the European Commission on December 11, 2012.

  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. It establishes a single control model that applies to all entities, including structured 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 those returns through its power over the entity. The application of this amendment did not have a significant impact on Coface's scope of consolidation.

  IFRS 11 supersedes IAS 31 "Interests in Joint Ventures", and SIC-13, "Jointly Controlled Entities – Non-Monetary Contributions by Venturers". The accounting treatment for partnerships is based on their economic substance, and therefore requires analysis of the rights and obligations of the parties arising from the joint arrangement. The application of this amendment did not have a significant impact on Coface's scope of consolidation.

  IFRS 12 combines and enhances the disclosure requirements for subsidiaries, partnerships, associates and structured entities. The application of this amendment did not have a significant impact on disclosures made by Coface.

(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*

As a result of these new standards, the IASB also published revised versions of IAS 27 "Separate Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures", which were adopted by the European Commission on December 11, 2012;

- amendments to IFRS 10, IFRS 11 and IFRS 12 published by the IASB on June 28, 2012 and adopted by the European Commission on April 4, 2013. The amendment to IFRS 10 clarifies the transitional provisions and provides relief as to the comparative disclosures by limiting the restatements to the previous period. In addition, for disclosures related to unconsolidated structured entities, the amendments remove the requirement to present comparative information for periods before IFRS 12 is first applied;
- the amendment to IAS 36 "Impairment of Assets", published by the IASB on May 29, 2013 and adopted by the European Commission on December 19, 2013. This amendment limits the scope of disclosures about the recoverable value of impaired assets to the recoverable amount of the impaired assets where this amount is based on the fair value less the cost of selling the assets. The amendment had no impact on Coface's financial statements at December 31, 2014;
- the amendment "Novation to Derivatives and Continuation of Hedge Accounting" to IAS 39 "Financial Instruments: Recognition and Measurement", published by the IASB on June 27, 2013 and adopted by the European Commission on December 19, 2013. This amendment allows the continuation of hedge accounting in cases where a derivative designated as hedging instrument is transferred through novation from one counterparty to a central counterparty as a consequence of laws or regulations. The amendment had no impact on Coface's financial statements at December 31, 2014;
- amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in Other Entities" and IAS 27 "Separate Financial Statements" published by the IASB on October 31, 2012 and adopted by the European Commission on November 20, 2013. IFRS 10 has been amended to define the economic model of investment entities and requires the latter to measure their investment in their subsidiaries (barring exception) at fair value through income, rather than through consolidation. IFRS 12 was amended to introduce specific reporting obligations in the notes on the subsidiaries of investment entities. Lastly, the amendment to IAS 27 cancels the possibility, for investment entities, to measure their investment in certain subsidiaries either at cost, or at fair value in their separate financial statements. These amendments had no impact on Coface's financial statements at December 31, 2014.

Coface did not proceed to the early application of the texts adopted by the European Union at December 31, 2014 but not yet in force on that date. These include:

- 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". At the current stage of the Group's analyses, Coface has not identified any significant impacts on its consolidated financial statements that may arise from the application of IFRIC 21;
- the amendment to IAS 19 "Employee Benefits" entitled "Defined Benefit Plans: Employee Contributions" 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 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 recognised as a reduction in the service cost in the period in which the related service is rendered, instead of being attributed to periods of service;
- 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".

3.2 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.

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.

Cofacrédit is the only company that is accounted for by the equity method.

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.

Intercompany transactions

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

3.3 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, 2014.

SPEs used for financing operations

Since 2011, 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.

The three criteria established by IFRS 10 for consolidation of the FCP Colombes 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.

3.4 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, 2014, none of these activities were present in the Group's consolidated financial statements.

3.5 Year-end and accounting period

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

3.6 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.

3.7 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: (i) the entity has transferred to the buyer the significant risks and rewards of ownership of the goods; (ii) it is probable that the economic benefits associated with the transaction will flow to the entity; and (iii) 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 (formerly COFACE SA) 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 (formerly COFACE SA) 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 inward reinsurance rebates, 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 (formerly COFACE SA) 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 Coface. The most recent version of this agreement was signed on February 24, 2012 and covers the four-year period from 2012 to 2015;
- 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.

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, *i.e.,* a business combination in which the amount in (b) above exceeds the aggregate of the amounts specified in (a), 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).

At December 31, 2014, the impairment tests carried out did not give rise to the recognition of any goodwill impairment losses (see Note 4 – Goodwill).

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: IT development costs

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 assets

Buildings used in the business (IAS 16)

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. At December 31, 2014, the main property acquired under a finance lease was the head office of Coface Deutschland (formerly Coface Kreditversicherung).

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 at 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.

At December 31, 2014, 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.

Borrowings

Financing liabilities

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

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).

This subordinated guarantee is recorded in off-balance sheet items. Since it is classified as an intra-group transaction, it is eliminated in consolidation and is not disclosed in the notes to the consolidated financial statements.

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.

Borrowings 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.

As at December 31, 2014, the debt presented on the line "Subordinated borrowings" of the balance sheet, amounted to €386,850 thousand, (cf. Note 20) 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 €12,075 thousand.

The impact on income as at December 31, 2014 mainly includes the interest related to the period for €12,075 thousand.

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.

Payables arising from factoring operations are analysed in Note 21 to the financial statements.

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.

Provisions for liabilities and charges mainly consist of provisions for pensions and other post-employment benefit obligations (see Note 18 "Employee benefits").

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 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. 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 current and former 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, Coface's 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 14).

In accordance with the provisions of IFRS 2, 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, where justified by the tax position of the companies concerned, deferred taxes resulting from temporary differences and consolidation adjustments.

The tax expense is calculated on the basis of the latest known tax rate in force in each country.

Deferred taxes are recorded by the liability method for temporary differences between the carrying amount of assets and liabilities at each period-end and their tax base.

Deferred tax assets and liabilities are calculated for all temporary differences, 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.

For reasons of prudence, Coface only recognises a net deferred tax asset when it is probable that sufficient taxable profits against which the asset can be utilised will be available within a reasonable time frame, even though tax losses can be carried forward for very long periods (*e.g.*, 20 years in the United States) or indefinitely in France and the United Kingdom.

Coface therefore draws up tax business plans on a rolling basis, beginning from the last tax reporting date and extrapolated based on growth assumptions used in the medium-term business plans drawn up by its various business lines.

Where appropriate, adjustments are made to these tax plans in order to reflect specific tax regimes.

At December 31, 2013, deferred tax assets relating to the tax losses of COFACE SA scope amounted to €51.7 million. It corresponded to the tax losses of the subsidiary Compagnie française d'assurance pour le commerce extérieur (formerly COFACE SA).

Following the departure of Coface from the Natixis tax consolidation group, Natixis paid compensation to Coface in Q3 2014 to offset the loss of tax losses. This compensation was recognised in the accounts as a tax expense of €50.4 million. At the same time, the deferred tax assets related to the tax loss carryforwards were released in an amount of €50.5 million through deferred taxes.

At December 31, 2014, the deferred tax assets relating to tax losses were entirely reversed.

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

Coface applies IAS 24 with respect to related-party disclosures.

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").

The Coface Group's main transactions with related parties are presented in Note 39.

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	4	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	16	This provision is calculated based on the estimated amount of premiums expected in the period less premiums recognised.
Provision for premium refunds	16; 24	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	16; 25	This provision is calculated based on the estimated amount potentially recovered on settled claims.
Claims reserves	16; 25; 42	It includes an estimate of the total cost of claims reported but not settled at year end.
IBNR provision	16; 25; 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. Phase 2 of IFRS 4 is expected to be published during the first half of 2015, with an application date envisaged three years after the publication date. In accordance with IFRS 4, insurance provisions ("technical provisions") are calculated using the methods prescribed in local GAAP (French GAAP in Coface's case).

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.

NOTES TO THE CONSOLIDATED BALANCE SHEET

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

/ NOTE 4 / 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.

At December 31, 2014, movements in goodwill were primarily due to the impact of foreign currency translation differences.

Breakdown of goodwill by region:

(in thousands of euros)	DEC. 31, 2014	DEC. 31, 2013
Northern Europe	112,603	112,603
Western Europe	5,068	5,068
Central Europe	8,401	8,430
Mediterranean & Africa	21,435	21,334
North America	5,752	5,050
South America	1,256	1,241
NET VALUE	**154,515**	**153,727**

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, 2014. 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, 2014:

DEC. 2014	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

The assumptions used in 2013 were as follows:

DEC. 2013	NORTHERN EUROPE	WESTERN EUROPE	CENTRAL EUROPE	MEDITERRANEAN AND AFRICA	NORTH AMERICA	LATIN AMERICA
Cost of capital	10.6%	10.9%	10.7%	11.0%	11.1%	11.2%
Perpetual growth rate	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Contribution to consolidated net assets	491.1	662.5	141.5	62.2	40.9	61.1

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, 2014;
- 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, 2014;
- loss ratio and the cost ratio sensitivity for the last two years of the business plan (2018 and 2019): 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, 2014.

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 MILLIONS OF EUROS)	NORTHERN EUROPE	WESTERN EUROPE	CENTRAL EUROPE	MEDITERRANEAN AND AFRICA	NORTH AMERICA	LATIN AMERICA
Contribution to consolidated net assets	490.3	785.9	153.0	50.5	51.0	70.6
Sensitivity: Long-term growth rate -0.5 points	550.2	839.2	251.3	142.3	161.5	86.0
Sensitivity: WACC +0.5 points	540.0	822.6	246.5	138.8	157.5	84.0
Sensitivity: Loss ratio 2018 +2 points	568.8	864.0	259.4	147.9	168.1	90.1
Sensitivity: Loss ratio 2019 +2 points	555.3	759.5	250.6	137.5	158.9	83.7
Sensitivity: Cost ratio 2018 +1 point	568.4	862.3	259.3	147.5	167.9	90.0
Sensitivity: Cost ratio 2019 +1 point	551.3	742.1	248.1	132.9	156.0	83.0

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

/ NOTE 5 / Other intangible assets

	DEC. 31, 2014	DEC. 31, 2013
(in thousands of euros)	NET VALUE	NET VALUE
Development costs and software	74,078	83,086
Purchased goodwill	3,018	3,072
Other	357	557
TOTAL	**77,453**	**86,715**

	DEC. 31, 2014		
(in thousands of euros)	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	2,754	-2,397	357
TOTAL	**205,233**	**-127,780**	**77,453**

	DEC. 31, 2013		
(in thousands of euros)	COST	ACCUMULATED AMORTISATION AND IMPAIRMENT	NET VALUE
Development costs and software	195,704	-112,618	83,086
Purchased goodwill	7,057	-3,985	3,072
Other	2,796	-2,239	557
TOTAL	**205,556**	**-118,842**	**86,715**

Change in the gross amount of intangible assets

(in thousands of euros)	DEC. 31, 2013	INCREASES	DECREASES	CHANGES IN SCOPE OF CONSOLIDATION	EXCHANGE RATE EFFECT AND OTHER	DEC. 31, 2014
Development costs and software	195,704	5,503	-8,938	0	2,494	194,762
Other intangible assets	2,796	359	0	0	-401	2,754
Purchased goodwill	7,057	0	0	0	660	7,717
TOTAL	**205,556**	**5,862**	**-8,938**	**0**	**2,753**	**205,233**

(in thousands of euros)	DEC. 31, 2012	INCREASES	DECREASES	CHANGES IN SCOPE OF CONSOLIDATION	EXCHANGE RATE EFFECT AND OTHER	DEC. 31, 2013
Development costs and software	193,137	5,748	-2,835	2	-349	195,704
Other intangible assets	2,849	-9	73	0	-117	2,796
Purchased goodwill	12,274	0	-4,773	0	-444	7,057
TOTAL	**208,259**	**5,739**	**-7,535**	**2**	**-910**	**205,556**

Change in accumulated amortisation and impairment of intangible assets

(in thousands of euros)	DEC. 31, 2013	ADDITIONS	REVERSALS	CHANGES IN SCOPE OF CONSOLIDATION	EXCHANGE RATE EFFECT AND OTHER	DEC. 31, 2014
Accumulated amortisation – development costs and software	-112,372	-15,047	8,939	0	-1,944	-120,424
Accumulated impairment – development costs and software	-246	-27	0	0	13	-260
Total accumulated amortisation and impairment – development costs and software	**-112,618**	**-15,074**	**8,939**	**0**	**-1,931**	**-120,684**
Accumulated amortisation – other intangible assets	-2,222	-95	0	0	-60	-2,377
Accumulated impairment – other intangible assets	-17	-3	0	0	0	-20
Total accumulated amortisation and impairment – other intangible assets	**-2,239**	**-98**	**0**	**0**	**-60**	**-2,397**
Accumulated amortisation – purchased goodwill	-3,985	-261	0	0	-453	-4,700
Total accumulated amortisation and impairment – purchased goodwill	**-3,985**	**-261**	**0**	**0**	**-453**	**-4,700**
TOTAL	**-118,842**	**-15,433**	**8,939**	**0**	**-2,444**	**-127,780**

/ NOTE 6 / Property, plant and equipment

(in thousands of euros)	DEC. 31, 2014 NET VALUE	DEC. 31, 2013 NET VALUE
Buildings used in the business	43,014	45,919
Other property, plant and equipment	24,694	29,811
TOTAL	**67,708**	**75,730**

(in thousands of euros)	DEC. 31, 2014		
	COST	ACCUMULATED DEPRECIATION 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**

(in thousands of euros)	DEC. 31, 2013		
	COST	ACCUMULATED DEPRECIATION AND IMPAIRMENT	NET VALUE
Buildings used in the business	91,215	-45,297	45,919
Other property, plant and equipment	67,485	-37,674	29,811
TOTAL	**158,700**	**-82,970**	**75,730**

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

(in thousands of euros)	DEC. 31, 2013	INCREASES	DECREASES	CHANGES IN SCOPE OF CONSOLIDATION	EXCHANGE RATE EFFECTS AND OTHER	DEC. 31, 2014
Land used in the business	14,010	0	0	0	0	14,010
Buildings used in the business	77,205	0	-196	0	18,148	95,157
Total buildings used in the business	**91,215**	**0**	**-196**	**0**	**18,148**	**109,167**
Operating guarantees and deposits	8,732	360	-3,826	0	52	5,319
Other property, plant and equipment	58,753	2,605	-3,008	0	311	58,661
Total other property, plant and equipment	**67,485**	**2,966**	**-6,834**	**0**	**363**	**63,980**
TOTAL	**158,700**	**2,966**	**-7,030**	**0**	**18,511**	**173,147**

(in thousands of euros)	DEC. 31, 2012	INCREASES	DECREASES	CHANGES IN SCOPE OF CONSOLIDATION	EXCHANGE RATE EFFECTS AND OTHER	DEC. 31, 2013
Land used in the business	14,010	0	0	0	0	14,010
Buildings used in the business	75,839	1,362	0	0	5	77,205
Total buildings used in the business	**89,849**	**1,362**	**0**	**0**	**5**	**91,215**
Operating guarantees and deposits	6,729	3,758	-1,564	0	-191	8,732
Other property, plant and equipment	57,703	14,740	-12,582	83	-1,191	58,753
Total other property, plant and equipment	**64,432**	**18,498**	**-14,146**	**83**	**-1,382**	**67,485**
TOTAL	**154,280**	**19,860**	**-14,146**	**83**	**-1,377**	**158,700**

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

(in thousands of euros)	DEC. 31, 2013	ADDITIONS	REVERSALS	CHANGES IN SCOPE OF CONSOLIDATION	EXCHANGE RATE EFFECTS AND OTHER	DEC. 31, 2014
Accumulated depreciation – Building used in the business	-45,297	-2,803	94	0	-18,148	-66,153
Accumulated impairment – Buildings used in the business	0	0	0	0	0	0
Buildings used in the business	**-45,297**	**-2,803**	**94**	**0**	**-18,148**	**-66,153**
Accumulated depreciation other property, plant & equipment	-34,992	-4,015	2,693	0	-239	-36,553
Accumulated impairment other property, plant & equipment	-2,682	-40	0	0	-11	-2,733
Other property, plant and equipment	**-37,674**	**-4,056**	**2,693**	**0**	**-250**	**-39,286**
TOTAL	**-82,970**	**-6,859**	**2,787**	**0**	**-18,397**	**-105,439**

(in thousands of euros)	DEC. 31, 2012	ADDITIONS	REVERSALS	CHANGES IN SCOPE OF CONSOLIDATION	EXCHANGE RATE EFFECTS AND OTHER	DEC. 31, 2013
Accumulated depreciation – Building used in the business	-42,650	-2,643	0	0	-4	-45,297
Accumulated impairment – Buildings used in the business	0	0	0	0	0	0
Buildings used in the business	**-42,650**	**-2,643**	**0**	**0**	**-4**	**-45,297**
Accumulated depreciation other property, plant & equipment	-43,025	-4,676	12,073	-33	668	-34,992
Accumulated impairment other property, plant & equipment	-2,802	-34	1	0	153	-2,682
Other property, plant and equipment	**-45,826**	**-4,710**	**12,074**	**-33**	**821**	**-37,674**
TOTAL	**-88,476**	**-7,353**	**12,074**	**-33**	**817**	**-82,970**

BUILDINGS USED IN THE BUSINESS *(in thousands of euros)*	DEC. 31, 2014	DEC. 31, 2013
Carrying amount	43,014	45,919
Market value	69,918	72,973
UNREALISED GAIN	**26,904**	**27,054**

/ NOTE 7 / Investments

7.1 Analysis by category

At December 31, 2014, the carrying amount of held-to-maturity (HTM) securities was €6,872 thousand; available-for-sale (AFS) securities totalled €2,324,682 thousand; and trading securities came to €30,864 thousand.

As an insurance group, Coface's investment allocation is heavily weighted towards fixed-income products which provide it with recurring and stable revenues.

At December 31, 2014, 13% of the Group's total bond portfolio was rated "AAA", 36% "AA" and "A", 32% "BBB" and 19% below "BB" of the Group's total bond portfolio.

	DEC. 31, 2014					DEC. 31, 2013				
(in thousands of euros)	AMORTISED COST	REVALUATION	NET VALUE	FAIR VALUE	UNREALISED GAIN AND LOSS	AMORTISED COST	REVALUATION	NET VALUE	FAIR VALUE	UNREALISED GAIN AND LOSS
AFS securities	**2,203,306**	**121,376**	**2,324,682**	**2,324,682**	**0**	**1,810,511**	**80,693**	**1,891,204**	**1,891,204**	**0**
Equities and other variable-income securities	211,173	98,537	309,710	309,710	0	109,981	92,486	202,467	202,467	0
Bonds and government securities	1,962,132	22,838	1,984,971	1,984,971	0	1,700,529	-11,793	1,688,736	1,688,736	0
o/w direct investments in securities	*1,752,367*	*27,757*	*1,780,124*	*1,780,124*	*0*	*1,338,281*	*-4,448*	*1,333,833*	*1,333,833*	*0*
o/w investments in UCITS	*209,765*	*-4,919*	*204,847*	*204,847*	*0*	*362,248*	*-7,345*	*354,903*	*354,903*	*0*
Shares in non-trading property companies	30,001	0	30,001	30,001	0	1	0	1	1	0
HTM securities										
Bonds and government securities	6,872		6,872	7,703	831	9,403	0	9,403	10,170	767
Fair value through income – *trading securities*	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Money-market funds UCITS	30,864	0	30,864	30,864	0	52,271	0	52,271	52,271	0
Derivatives (positive fair value)	**0**	**2,834**	**2,834**	**2,834**	**0**	**0**	**1,386**	**1,386**	**1,386**	**0**
(For information, derivatives with a negative fair value)	*0*	*-16,037*	*-16,037*	*-16,037*	*0*	*0*	*2,527*	*2,527*	*2,527*	*0*
Loans and receivables	**311,556**	**0**	**311,556**	**311,556**	**0**	**253,098**	**0**	**253,098**	**253,098**	**0**
Investment property	**707**	**216**	**923**	**923**	**0**	**1,055**	**216**	**1,271**	**1,271**	**0**
TOTAL	**2,553,305**	**124,426**	**2,677,731**	**2,678,562**	**831**	**2,126,338**	**82,294**	**2,208,633**	**2,209,400**	**767**

(in thousands of euros)	GROSS (1) DEC. 31, 2014	IMPAIRMENTS	IFRS DEC. 31, 2014	IFRS DEC. 31, 2013
AFS securities	**2,354,823**	**-30,141**	**2,324,682**	**1,891,204**
Equities and other variable-income securities	339,843	-30,133	309,710	202,467
Bonds and government securities	1,984,971	0	1,984,971	1,688,736
o/w direct investments in securities	*1,780,124*	*0*	*1,780,124*	*1,333,833*
o/w investments in UCITS	*204,847*	*0*	*204,847*	*354,903*
Shares in non-trading property companies	30,009	-8	30,001	1
HTM securities				
Bonds and government securities	6,872	0	6,872	9,403
Fair value through income – trading securities				
Money-market funds UCITS	30,864	0	30,864	52,271
Derivatives (positive fair value)	**2,834**	**0**	**2,834**	**1,386**
(for information, derivatives with a negative fair value)	*-16,037*	*0*	*-16,037*	*-2,527*
Loans and receivables	**311,556**	**0**	**311,556**	**253,098**
Investment property	**923**	**0**	**923**	**1,271**
TOTAL INVESTMENTS	**2,707,872**	**-30,141**	**2,677,731**	**2,208,633**

(1) The gross amount is before impairment

impairment

(in thousands of euros)	DEC. 31, 2013	ADDITIONS	REVERSALS(1)	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
Loans and receivables	**0**	**0**	**0**	**0**	**0**
TOTAL IMPAIRMENTS	**30,661**	**1,624**	**-2,283**	**139**	**30,141**

(1) Reversals relate only to shares sold.

(in thousands of euros)	DEC. 31, 2012	ADDITIONS	REVERSALS	EXCHANGE RATE EFFECTS AND OTHER	DEC. 31, 2013
AFS securities	**38,593**	**1,576**	**-11,985**	**2,478**	**30,661**
Equities and other variable-income securities	38,585	1,576	-11,985	2,478	30,653
Shares in non-trading property companies	8	0	0	0	8
Loans and receivables	**2,282**	**0**	**-2,282**	**0**	**0**
TOTAL IMPAIRMENT	**40,875**	**1,576**	**-14,267**	**2,478**	**30,661**

Change in investments by category

(in thousands of euros)	DEC. 31, 2014						
	CARRYING AMOUNT AT JANUARY 1	INCREASES	DECREASES	REVALUA-TIONS	DEPRECIATION & IMPAIR-MENTS	OTHER MOVE-MENTS	CARRYING AMOUNT AT DECEMBER 31
AFS securities	**1,891,204**	**1,583,476**	**-1,242,660**	**40,246**	**659**	**51,757**	**2,324,682**
Equities and other variable-income securities	202,467	150,964	-50,502	5,800	659	322	309,710
Bonds and government securities	1,688,736	1,402,512	-1,192,159	34,447		51,435	1,984,971
Shares in non-trading property companies	1	30,000					30,001
HTM securities							
Bonds	9,403	-51	-2,480				6,872
Fair value through income – trading securities	**52,271**	**1,546,923**	**-1,567,833**	**-180**		**-317**	**30,864**
Loans, receivables and other financial investments	**255,755**	**170,437**	**-80,915**	**-42,769**		**12,804**	**315,313**
Derivatives (positive fair value)	*1,386*	*45,780*	*-1,558*	*-42,769*		*-5*	*2,834*
Loans and receivables	*253,098*	*124,658*	*-79,009*			*12,809*	*311,556*
Investment property	*1,271*		*-348*				*923*
TOTAL	**2,208,633**	**3,300,786**	**-2,893,888**	**-2,703**	**659**	**64,244**	**2,677,731**

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 2014, 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 during 2013 through purchases of index options (which were out of the money) in the second half of the year. 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 with short maturities.

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

7.2 Financial instruments recognised at fair value

The fair values of financial instruments recorded in the balance sheet are measured according to a hierarchy that categorises 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 77% of the Group's portfolio. They correspond to:

- equities, bonds and government securities listed on organised markets, as well as units in 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 UCIT money-market funds (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 17% 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 6% of the Group's portfolio.

This level corresponds to unlisted equities, investment securities and mutual fund units (UCITS), as well as investment property.

Breakdown of financial instrument fair value measurements in 2014 by level in the fair value hierarchy

			LEVEL 1	LEVEL 2	LEVEL 3
(in thousands of euros)	CARRYING AMOUNT	FAIR VALUE	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
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	0
Shares in non-trading property companies	30,001	30,001	0	0	30,001
HTM securities					
Bonds and government securities	6,872	7,703	7,703	0	0
Fair value through income – trading securities					
Money-market UCITS	30,864	30,864	30,864	0	0
Derivatives (positive fair value)	2,834	2,834	0	2,834	0
Loans and receivables	311,556	311,556	0	311,556	0
Investment property	923	923	0	0	923
TOTAL	**2,677,731**	**2,678,562**	**2,053,792**	**468,377**	**156,393**

Movements in Level 3 securities in 2014

	LEVEL 3	GAINS AND LOSSES RECOGNISED IN THE PERIOD		TRANSACTIONS FOR THE PERIOD		RECLASSIFICATION FOR THE PERIOD			LEVEL 3
(in thousands of euros)	JANUARY 1	IN INCOME	DIRECTLY IN EQUITY	PURCHASES / ISSUES	SALES/ REDEMPTIONS	INTO LEVEL 3	CHANGES INSCOPE OF CONSOLIDATION	EXCHANGE RATE EFFECTS	DECEMBER 31
AFS securities	**107,825**	**15**	**11,290**	**36,268**	**0**	**0**	**0**	**71**	**155,470**
Equities and other variable-income revenue	107,824	15	11,290	6,268	0	0	0	71	125,469
Shares in non-trading property companies	1	0	0	30,000	0	0	0	0	30,001
Investment property	**1,271**	**-348**	**0**	**0**	**0**	**0**	**0**	**0**	**923**
TOTAL	**109,096**	**-333**	**11,290**	**36,268**	**0**	**0**	**0**	**71**	**156,393**

Breakdown of financial instrument fair value measurements in 2013 by level in the fair valuehierarchy

(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	**1,891,204**	**1,891,204**	**1,637,022**	**146,357**	**107,825**
Equities and other variable-income securities	202,467	202,467	79,972	14,671	107,824
Bonds and government securities	1,688,736	1,688,736	1,557,050	131,686	0
Shares in non-trading property companies	1	1	0	0	1
HTM securities					
Bonds	9,403	10,170	10,170	0	0
Fair value through income – trading securities	**52,271**	**52,271**	**52,271**	**0**	**0**
Derivatives	**1,386**	**1,386**	**0**	**1,386**	**0**
Investment property	**1,271**	**1,271**	**0**	**0**	**1,271**
Loans and receivables	**253,098**	**253,098**	**0**	**253,098**	**0**
TOTAL	**2,208,633**	**2,209,400**	**1,699,462**	**400,842**	**109,096**

Movements in Level 3 securities in 2013

(in thousands of euros)	LEVEL 3 JANUARY 1	GAINS AND LOSSES RECOGNISED IN THE PERIOD IN INCOME	 DIRECTLY IN EQUITY	TRANSACTIONS FOR THE PERIOD PURCHASES / ISSUES	 SALES/ REDEMPTIONS	RECLASSIFICATION FOR THE PERIOD INTO LEVEL 3	CHANGES IN SCOPE OF CONSOLIDATION	EXCHANGE RATE EFFECTS	LEVEL 3 DECEMBER 31
AFS securities	**117,991**	**5,341**	**13,679**	**5,299**	**-30,734**	**371**	**-3,872**	**-250**	**107,825**
Equities	117,984	5,341	13,679	5,299	-30,728	371	-3,872	-250	107,824
Shares in non-trading property companies	7	0	0	0	-6	0	0	0	1
Investment property	**1,456**	**0**	**0**	**0**	**-185**	**0**	**0**	**0**	**1,271**
Loans and receivables	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL	**119,447**	**5,341**	**13,679**	**5,299**	**-30,919**	**371**	**-3,872**	**-250**	**109,096**

/ NOTE 8 / Receivables arising from banking and other activities

Breakdown by nature

(in thousands of euros)	DEC. 31, 2014	DEC. 31, 2013
Receivables arising from banking and other activities	2,181,560	2,094,074
Non-performing receivables arising from banking and other activities	79,840	46,163
Allowances for receivables arising from banking and other activities	-17,138	-19,721
TOTAL RECEIVABLES ARISING FROM BANKING AND OTHER ACTIVITIES	**2,244,262**	**2,120,516**

Breakdown by maturity

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 €36,358 thousand at December 31, 2014.

	DEC. 31, 2014					
		DUE				
(in thousands of euros)	NOT DUE	-3 MONTHS	3 MONTH TO 1 YEAR	1 TO 5 YEARS	+5 YEARS	TOTAL
Receivables arising from banking and other activities	1,770,696	410,864	0	0	0	**2,181,560**
Non-performing receivables arising from banking and other activities	0	0	78,952	888	0	**79,840**
Allowances for receivables arising from banking and other activities	0	0	-16,250	-888	0	**-17,138**
Total receivables arising from banking and other activities	**1,770,696**	**410,864**	**62,702**	**0**	**0**	**2,244,262**
Claims reserves as hedge for factoring receivables	0	0	-36,358	0	0	**-36,358**
TOTAL RECEIVABLES ARISING FROM BANKING AND OTHER ACTIVITIES AFTER CLAIMS RESERVES	**1,770,696**	**410,864**	**26,344**	**0**	**0**	**2,207,904**

/ NOTE 9 / Investments in associates

(in thousands of euros)	DEC. 31, 2014	DEC. 31, 2013
Investments in associates at January 1	17,621	16,812
Dividends paid	-756	-684
Share in net income of associates	2,136	1,493
TOTAL INVESTMENTS IN ASSOCIATES	**19,001**	**17,621**

The Company accounted for by the equity method is Cofacrédit.

/ NOTE 10 / Receivables arising from insurance and reinsurance operations

◆ Breakdown by nature

	DEC. 31, 2014			DEC. 31, 2013		
(in thousands of euros)	GROSS	PROVISION	NET	GROSS	PROVISION	NET
Receivables from policyholders and agents	303,437	-29,191	274,246	290,110	-27,684	262,426
Pipeline premiums	125,178	0	125,178	117,445	0	117,445
Receivables arising from reinsurance operations, net	54,273	-282	53,991	40,968	-282	40,686
TOTAL INSURANCE RECEIVABLES	**482,888**	**-29,473**	**453,415**	**448,523**	**-27,966**	**420,557**

◆ Breakdown by maturity

	DEC. 31, 2014					
		DUE				
(in thousands of euros)	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 3 months.

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

/ NOTE 11 / Other assets

(in thousands of euros)	DEC. 31, 2014	DEC. 31, 2013
Deferred acquisition costs	43,171	39,547
Trade receivables arising from other activities	17,762	20,292
Current tax receivables	43,238	52,073
Other receivables	147,049	95,346
TOTAL	**251,220**	**207,258**

/ NOTE 12 / Cash and cash equivalents

(in thousands of euros)	DEC. 31, 2014	DEC. 31, 2013
Cash at bank and in hand	248,656	260,866
Cash equivalents	29,968	13,054
TOTAL	**278,624**	**273,920**

/ NOTE 13 / Share capital

ORDINARY SHARES	NUMBER OF SHARES	PAR VALUE	SHARE CAPITAL (IN €)
Value on January 1	156,841,307	5	784,206,535
Capital increase	406,925	5	2,034,625
Value on December 31	**157,248,232**	**5**	**786,241,160**
Treasury shares	-80,819	5	-404,095
VALUE ON DECEMBER 31 (EXCLUDING TREASURY SHARES)	**157,167,413**	**5**	**785,837,065**

SHAREHOLDERS	NUMBER OF SHARES AT JANUARY 1	% ON JANUARY 1	NUMBER OF SHARES AT DECEMBER 31	% AT DECEMBER 31
Natixis	156,841,307	100%	64,853,869	41.26%
Public	0	0%	92,313,544	58.74%
TOTAL (EXCLUDING TREASURY SHARES)	**156,841,307**	**100%**	**157,167,413**	**100.00%**

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Natixis holds 41.24% of Coface corresponding to securities and treasury shares.

/ NOTE 14 / Share-based payments

◆ Ongoing free share plans

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

PLAN	ALLOCATION DATE	NUMBER OF SHARES ALLOCATED	ACQUISITION PERIOD	ACQUISITION DATE	AVAILABILITY DATE	FAIR VALUE OF THE SHARE AT THE ALLOCATION DATE	NET EXPENSE FOR THE YEAR *(in thousands of euros)*
Chief Executive Officer (CEO) Plan	Jun. 12, 2014	43,269	2 years	Jun. 12, 2016	Jun. 12, 2016	10.4	108
Long Term Incentive Plan	Jun. 26, 2014	78,842	3 years	Jun. 26, 2017	Jun. 26, 2019	10.4	124

The settlement of the Chief Executive Officer (CEO) plan is contingent on a presence requirement.

The vesting of free shares under the long-term incentive plan 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 €232 thousand was expense under the implemented plans at December 31, 2014.

Capital increase for employees only

On June 12, the Group gave its employees the opportunity of subscribing to a reserved capital increase at a preferential price of €8.32, 20% less than the Company's share price under the stock market listing and the international offering. 255,347 shares were subscribed, corresponding to a capital increase of €2,124 thousand.

The employee shareholders are bound by a mandatory holding period of five years, barring early release circumstances defined by law. Employees are not required to stay in the Company once they become shareholders.

The IFRS 2 expense measuring the benefit granted to employees is measured at fair value taking into account the cost of non-transferability, as recommended by the ANC (the French accounting standards-setter). The cost of non-transferability is measured through a two-stage strategy entailing the future sale of the non-transferable shares after five years, and using a loan to finance the acquisition of the same number of shares in cash (shares that can be transferred at any time). This strategy represents the cost incurred for release from the risk incurred during the inaccessible term.

The Coface Group decided not to recognise the IFRS expense under the discount given that based on the measurement assumptions, the cost of non-transferability exceeds the discount expense.

	(in %)	VALUE
Plan details		
Maturity *(in years)*		5
Reference price *(in euros)*		10.4
Subscription price *(in euros)*		8.32
Face discount	20	
Amount subscrbed by the employees *(in euros)*		2,124,491
Total number of shares subscribed		255,347
Valuation assumptions		
Risk-free interest rate at five years	0.84	
Annual borrowing rate for securities (repo)	0.16	
Borrowing rate for a market participant	5.47	
(a) Discount value *(value in euros)*	20	531,123
(b) Lock-in value *(value in euros)*	21.30	565,589
OVERALL COST FOR COFACE (IN EUROS) (A) - (B)		**0**
Sensitivity		
Fall of 0.5% in borrowing rate for market participant		
Overall cost for Coface (in euros)		*18,443*

The Group made matching contributions to the amounts subscribed by employees or beneficiaries (foreign employee) in accordance with the conditions determined at the Board meeting of June 12, 2014 (France employee savings plan and International employee savings plan). The costs of the Group's matching contributions (€1,298 thousand) were recognised in "other operating expenses".

/ NOTE 15 / 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, 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	0	2,485	-5,349	0	-5,349
Fair value adjustments on available-for-sale financial assets recognised in equity	49,015	0	-12,517	36,498	-928	35,570
Change in reserves – gains and losses not reclassifiable to income (IAS 19R)	0	-8,763	2,631	-6,132	0	-6,132
AT DECEMBER 31, 2014	**120,329**	**-31,184**	**-3,409**	**85,736**	**3,924**	**89,660**

(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, 2013	**101,116**	**-23,965**	**-6,114**	**71,037**	**4,448**	**75,485**
Fair value adjustments on available-for-sale financial assets reclassified to income	-27,722	0	7,929	-19,793	-60	-19,852
Fair value adjustments on available-for-sale financial assets recognised in equity	5,754	0	2,644	8,398	460	8,858
Change in reserves – gains and losses not reclassifiable to income (IAS 19R)	0	1,544	-468	1,076	4	1,080
AT DECEMBER 31, 2013	**79,148**	**-22,421**	**3,991**	**60,719**	**4,852**	**65,571**

/ NOTE 16 / Liabilities relating to insurance contracts

(in thousands of euros)	DEC. 31, 2014	DEC. 31, 2013
Provisions for unearned premiums	286,336	267,023
Claims reserves	1,091,668	1,120,922
Provisions for premium refunds	94,176	62,554
Liabilities relating to insurance contracts	**1,472,180**	**1,450,499**
Provisions for unearned premiums	-57,403	-41,674
Claims reserves	-249,010	-289,294
Provisions for premium refunds	-22,750	-16,254
Reinsurers' share of technical insurance liabilities	**-329,163**	**-347,221**
NET TECHNICAL PROVISIONS	**1,143,017**	**1,103,278**

Through its activities, Coface 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 17 / Provisions for liabilities and charges

(in thousands of euros)	DEC. 31, 2014	DEC. 31, 2013
Provisions for disputes	7,624	7,056
Provisions for pension and other post-employment benefit obligations	93,752	86,130
Other provisions for liabilities and charges	16,416	18,870
TOTAL	**117,792**	**112,056**

(in thousands of euros)	DEC. 31, 2013	ADDITIONS	REVERSALS (UTILISED)	REVERSALS (SURPLUS)	RECLASSIFICATIONS	CHANGES IN OCI	MERGERS AND PARTIAL ASSET TRANSFERS	EXCHANGE RATE EFFECTS	DEC. 31, 2014
Provisions for disputes	**7,056**	**2,002**	**-897**	**-599**	**0**	**0**	**0**	**62**	**7,624**
Provisions for technical disputes	0	0	0	0	0	0	0	0	0
Provisions for tax disputes	349	3	0	0	0	0	0	8	361
Provisions for employee disputes	4,246	2,444	-897	-570	0	0	0	2	5,225
Provisions for other disputes	2,461	-445	0	-29	0	0	0	52	2,038
Provisions for pension and other post-employment benefit obligations	**86,130**	**5,278**	**-6,077**	**-359**	**16**	**8,762**	**0**	**2**	**93,752**
Other provisions for liabilities and charges	**18,870**	**2,562**	**-880**	**-3,766**	**0**	**0**	**0**	**-370**	**16,416**
Provisions for liabilities relating to subsidiaries	14,347	2,028	-647	-1,634	0	0	0	-370	13,724
Provisions for restructuring costs	2,760	529	-233	-1,793	0	0	0	0	1,263
Other provisions for liabilities	1,763	5	0	-339	0	0	0	0	1,429
TOTAL	**112,056**	**9,842**	**-7,854**	**-4,724**	**16**	**8,762**	**0**	**-306**	**117,792**

(in thousands of euros)	DEC. 31, 2012	ADDITIONS	REVERSALS (UTILISED)	REVERSALS (SURPLUS)	RECLASSI-FICATIONS	CHANGES IN OCI	MERGERS AND PAR-TIAL ASSET TRANSFERS	EXCHANGE RATE EFFECTS	DEC. 31, 2013
Provisions for disputes	**4,934**	**4,444**	**-910**	**-52**	**-1,111**	**0**	**0**	**-248**	**7,056**
Provisions for technical disputes	841	0	0	0	-841	0	0	0	0
Provisions for tax disputes	288	103	0	0	0	0	0	-42	349
Provisions for employee disputes	3,085	1,969	-770	0	0	0	0	-37	4,246
Provisions for other disputes	720	2,372	-140	-52	-270	0	0	-169	2,461
Provisions for pension and other post-employment benefit obligations	**85,342**	**7,798**	**-4,931**	**-127**	**17**	**-1,568**	**0**	**-402**	**86,130**
Other provisions for liabilities and charges	**26,960**	**4,194**	**-3,050**	**-7,069**	**-2,462**	**0**	**340**	**-43**	**18,870**
Provisions for liabilities relating to subsidiaries	21,528	3,152	0	-6,792	-3,839	0	340	-42	14,347
Provisions for restructuring costs	3,096	1,002	-1,101	-186	-50	0	0	-1	2,760
Other provisions for liabilities	2,375	40	-1,949	-91	1,427	0	0	0	1,763
TOTAL	**117,236**	**16,436**	**-8,891**	**-7,248**	**-3,556**	**-1,568**	**340**	**-693**	**112,056**

/ NOTE 18 / Employee benefits

(in thousands of euros)	DEC. 31, 2014	DEC. 31, 2013
Present value of benefit obligation at January 1	***87,765***	***86,892***
Acquisitions/mergers/deconsolidations	0	0
Current service cost	-501	4,087
Interest cost	2,474	2,450
Actuarial (gains)/losses	12,464	110
Benefits paid	-6,706	-5,417
Other	-49	-356
PRESENT VALUE OF BENEFIT OBLIGATION AT DECEMBER 31	**95,449**	**87,765**
Change in plan assets		
Fair value of plan assets at January 1	***1,635***	***1,551***
Revaluation adjustments – Return on plan assets	71	93
Acquisitions/mergers/deconsolidations	0	0
Employee contributions	0	0
Employer contributions	111	405
Benefits paid	-124	-412
Other	4	0
FAIR VALUE OF PLAN ASSETS AT DECEMBER 31	**1,696**	**1,635**
Reconciliation		
Present value of benefit obligation at December 31	***95,449***	***87,765***
Fair value of plan assets	1,696	1,635
(LIABILITY)/ASSET RECOGNISED IN THE BALANCE SHEET AT DECEMBER	**-93,752**	**-86,130**
Income statement		
Current service cost	4,907	4,019
Past service cost	-5,407	68
Benefits paid including amounts paid in respect of settlements	-333	-341
Interest cost	2,474	2,450
Interest income	-54	-52
Revaluation adjustments on other long-term benefits	3,687	1,654
Other	6	6
EXPENSE/(INCOME) RECORDED IN THE INCOME STATEMENT	**5,279**	**7,803**
Changes recognised directly in equity not reclassifiable to income		
Revaluation adjustments arising in the year	8,762	-1,548
REVALUATION ADJUSTMENTS RECOGNISED IN EQUITY NOT RECLASSIFIABLE TO INCOME	**8,762**	**-1,548**

◆ 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, 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*

	DEC. 31, 2013			
	FRANCE	GERMANY	AUSTRIA	ITALY
Inflation rate	1.90%	1.90%	1.90%	1.90%
Discount rate				
Supplementary retirement and other plans	*1.40%*	*3.15%*	*3.15%*	*3.15%*
Statutory retirement benefits	*2.60%*	*N/A*	*3.15%*	*3.15%*
Long-service awards	*2.10%*	*3.15%*	*3.15%*	-
Other benefits	*3.00%*	*3.15%*	*N/A*	*3.15%*
Rate of salary increases (including inflation)	2.30%	2.50%	3.00%	3.00%
Rate of increase in medical costs (including inflation)	4.40%	N/A	N/A	4.50%
Average remaining working life until retirement				
Supplementary retirement and other plans	*1.00*	*7.79*	*10.15*	*13.68*
Statutory retirement benefits	*17.78*	*N/A*	*11.53*	*13.68*
Long-service awards	*17.78*	*23.25*	*14.93*	*N/A*
Other benefits	*17.78*	*3.85*	*N/A*	*20.15*
Term *(years)*				
Supplementary retirement and other plans	*26.08*	*12.66*	*12.15*	*24.98*
Statutory retirement benefits	*11.61*	*N/A*	*10.15*	*10.72*
Long-service awards	*7.85*	*12.13*	*6.79*	*N/A*
Other benefits	*0.00*	*1.19*	*N/A*	*20.72*

	DEC. 31, 2014					
(in thousands of euros)	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***
Acquisitions/mergers/deconsolidations	0	0	0	0	0	0
Current service cost	-3,737	1,694	274	854	414	-501
Interest cost	1,193	592	523	167	0	2,474
Actuarial (gains)/losses	2,562	5,199	3,012	1,690	0	12,464
Benefits paid	-2,046	-1,631	-1,106	-1,729	-194	-6,706
Other	0	0	6	0	-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	***0***	***837***	***978***	***0***	***-181***	***1,635***
Revaluation adjustments – Return on plan assets	0	30	41	0	0	71
Acquisitions/mergers/deconsolidations	0	0	0	0	0	0
Employee contributions	0	0	0	0	0	0
Employer contributions	0	11	100	0	0	111
Benefits paid	0	-21	-103	0	0	-124
Other	0	4	0	0	0	4
FAIR VALUE OF PLAN ASSETS AT DECEMBER 31	**0**	**861**	**1,016**	**0**	**-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	0	861	1,016	0	-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	0	0	0	0	-5,407
Benefits paid including amounts paid in respect of settlements	0	0	0	-333	0	-333
Interest cost	1,193	592	523	167	0	2,474
Interest income	0	-25	-29	0	0	-54
Revaluation adjustments on other long-term benefits	-267	2,668	15	1,272	0	3,687
Other	0	0	6	0	0	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	0	8,762
REVALUATION ADJUSTMENTS RECOGNISED IN EQUITY NOT RECLASSIFIABLE TO INCOME	**2,830**	**2,527**	**2,987**	**419**	**0**	**8,762**

(in thousands of euros)	DEC. 31, 2013					
	FRANCE	GERMANY	AUSTRIA	ITALY	OTHER	TOTAL
Present value of benefit obligation at January 1	***43,243***	***18,839***	***18,272***	***4,446***	***2,093***	***86,892***
Acquisitions/mergers/deconsolidations	0	0	0	0	0	0
Current service cost	1,700	1,215	455	284	432	4,087
Interest cost	1,195	565	554	136	0	2,450
Actuarial (gains)/losses	-902	918	-419	512	0	110
Benefits paid	-1,556	-1,950	-1,663	0	-250	-5,417
Other	0	0	6	0	-362	-356
PRESENT VALUE OF BENEFIT OBLIGATION AT DECEMBER 31	**43,680**	**19,588**	**17,205**	**5,379**	**1,914**	**87,765**
Change in plan assets						
Fair value of plan assets at January 1	***0***	***811***	***918***	***0***	***-179***	***1,551***
Revaluation adjustments – Return on plan assets	0	29	64	0	0	93
Acquisitions/mergers/deconsolidations	0	0	0	0	0	0
Employee contributions	0	0	0	0	0	0
Employer contributions	-139	372	242	-70	0	405
Benefits paid	139	-374	-247	70	0	-412
Other	0	0	0	0	0	0
FAIR VALUE OF PLAN ASSETS AT DECEMBER 31	**0**	**837**	**977**	**0**	**-179**	**1,635**
Reconciliation						
Present value of benefit obligation at December 31	***43,680***	***19,588***	***17,205***	***5,379***	***1,914***	***87,765***
Fair value of plan assets	0	837	977	0	-179	1,635
(LIABILITY)/ASSET RECOGNISED IN THE BALANCE SHEET AT DECEMBER	**-43,680**	**-18,750**	**-16,228**	**-5,379**	**-2,093**	**-86,130**
Income statement						
Current service cost	1,700	1,070	533	284	432	4,019
Past service cost	0	145	-78	0	0	68
Benefits paid including amounts paid in respect of settlements	0	-284	-57	0	0	-341
Interest cost	1,195	565	554	136	0	2,450
Interest income	0	-25	-27	0	0	-52
Revaluation adjustments on other long-term benefits	12	1,117	-6	531	0	1,654
Other	0	0	6	0	0	6
EXPENSE/(INCOME) RECORDED IN THE INCOME STATEMENT	**2,907**	**2,588**	**925**	**951**	**432**	**7,803**
Changes recognised directly in equity not reclassifiable to income						
Revaluation adjustments arising in the year	-916	-202	-450	20	0	-1,548
REVALUATION ADJUSTMENTS RECOGNISED IN EQUITY NOT RECLASSIFIABLE TO INCOME	**-916**	**-202**	**-450**	**20**	**0**	**-1,548**

Sensitivity tests on the defined benefit obligation

	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%

	DEC. 31, 2013			
	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	-16.47%	-9.46%	-8.51%	-14.44%
-1% increase in the discount rate	21.35%	11.16%	9.93%	18.70%
1% increase in the inflation rate	16.99%	10.36%	0.00%	0.00%
-1% increase in the inflation rate	-13.21%	-8.98%	0.00%	0.00%
1% increase in rate of increase in medical costs	14.63%	0.00%	0.00%	0.00%
-1% increase in rate of increase in medical costs	-11.18%	0.00%	0.00%	0.00%
1% decrease in rate of salary increase (including inflation)	0.92%	12.67%	0.59%	18.58%
-1% decrease in rate of salary increase (including inflation)	-0.83%	-10.98%	-0.54%	-14.53%

/ NOTE 19 / Deferred taxes

(in thousands of euros)	DEC. 31, 2014	DEC. 31, 2013
Deferred tax assets	34,125	81,122
Deferred tax liabilities	128,463	138,091
NET DEFERRED TAX LIABILITY (1)	**94,338**	**56,968**
Deferred tax assets:		
Temporary differences	13,394	9,165
Provisions for pension and other employment benefit obligations	20,731	20,262
Tax loss carryforwards (2)	0	51,695
TOTAL DEFERRED TAX ASSETS	**34,125**	**81,122**
Deferred tax liabilities:		
Temporary differences (3)	22,551	-26,459
Cancellation of the claims equalisation provision	105,912	164,550
TOTAL DEFERRED TAX LIABILITIES	**128,463**	**138,091**

(1) Deferred tax assets for the French entities have been calculated at the rate of 34.43% for expected recovery dates after 2014. The rate used for branches is the local tax rate.

(2) Deferred tax assets in 2013 concerning the carryforward of unused tax losses related to Compagnie française d'assurance pour le commerce extérieur. They corresponded to a receivable owed to Natixis when Compagnie française d'assurance pour le commerce extérieur was a member of the Natixis tax group. This receivable was repaid in 2014.

(3) In accordance with IAS 12, an entity must offset its deferred tax assets and liabilities if, and only if, it has a legally enforceable right to offset current tax assets against current tax liabilities.
This requirement was met by the Group, which explains why it is possible for negative amounts to be recorded under temporary differences for deferred tax assets or liabilities.

◆ Changes in deferred tax balances by region

(in thousands of euros)	DEC. 31, 2012	CHANGE THROUGH INCOME	REVALUATION ADJUSTMENT ON AFS INVESTMENTS	CHANGE IN CURRENCY IMPACT	OTHER MOVEMENTS	DEC. 31, 2013
Northern Europe	112,236	11,257	-336	-75	914	123,996
Western Europe	-50,785	3,218	-7,584	-78	314	-54,916
Central Europe	3,090	-935	-1,429	5	104	835
Mediterranean & Africa	-4,375	702	-1,183	-30	-658	-5,544
North America	116	-94	191	6	0	218
Latin America	-5,112	-616	-288	876	23	-5,116
Asia-Pacific	-2,486	-741	28	693	0	-2,505
TOTAL DEFERRED TAX BY REGION	**52,684**	**12,791**	**-10,601**	**1,397**	**697**	**56,968**

(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	-984	2,003
Central Europe	835	-579	109	30	-756	-361
Mediterranean & Africa	-5,544	-3,292	0	-4	-114	-8,954
North America	218	29	-66	44	0	225
Latin America	-5,116	-1,288	34	25	-333	-6,679
Asia-Pacific	-2,505	-2,433	4	30	0	-4,905
TOTAL DEFERRED TAX BY REGION	**56,968**	**30,734**	**10,033**	**-422**	**-2,976**	**94,338**

Positive figures correspond to deferred tax liabilities. Conversely, negative figures correspond to deferred tax assets.

/ NOTE 20 / Financing liabilities

(in thousands of euros)	DEC. 31, 2014	DEC. 31, 2013
Subordinated debt	386,850	-
Obligations under finance leases	7,955	10,565
Bank overdrafts and other borrowings	318	4,568
TOTAL	**395,123**	**15,133**

(in thousands of euros)	DEC. 31, 2014	DEC. 31, 2013
Due within one year:		
■ Obligations under finance leases	2,754	2,609
■ Bank overdrafts and other borrowings	318	4,568
TOTAL	**3,072**	**7,177**
Due between one and five years:		
■ Obligations under finance leases	5,201	7,956
TOTAL	**5,201**	**7,956**
Due beyond five years:		
■ Subordinated debt	386,850	0
TOTAL	**386,850**	**0**
TOTAL	**395,123**	**15,133**

/ NOTE 21 / Payables arising from banking sector activities

(in thousands of euros)	DEC. 31, 2014	DEC. 31, 2013
Amounts due to banking sector companies	300,706	406,759
Amounts due to customers of banking sector companies	379,016	353,751
Debt securities	1,538,060	1,348,787
TOTAL	**2,217,782**	**2,109,297**

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.

Debt securities comprised:

- €1,186 million in senior units issued by the FCT Vega fund as part of the securitisation programme set up for Coface Finanz's factoring receivables;
- €352 million in commercial paper issued by COFACE SA to finance Coface Finanz's operations, with an average maturity of around 2.5 months at December 31, 2014.

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 / Payables arising from insurance and reinsurance operations

(in thousands of euros)	DEC. 31, 2014	DEC. 31, 2013
Guarantee deposits received from policyholders and other	3,034	2,257
Amounts due to policyholders and agents	98,798	67,226
PAYABLES ARISING FROM INSURANCE AND INWARD REINSURANCE OPERATIONS	**101,832**	**69,482**
Amounts due to reinsurers	64,157	49,590
Deposits received from reinsurers	10,640	6,475
PAYABLES ARISING FROM CEDED REINSURANCE OPERATIONS	**74,797**	**56,065**
TOTAL PAYABLES ARISING FROM INSURANCE AND REINSURANCE OPERATIONS	**176,628**	**125,547**

/ NOTE 23 / Other liabilities

(in thousands of euros)	DEC. 31, 2014	DEC. 31, 2013
Current tax payables	**97,614**	**51,470**
Derivatives and related liabilities	**16,037**	**2,527**
Accrued personnel costs	58,015	28,129
Sundry payables	163,291	150,510
Deferred income	7,190	7,194
Other accruals	12,938	9,240
Other payables	**241,434**	**195,073**
TOTAL OTHER LIABILITIES	**355,084**	**249,070**

ANALYSIS OF THE MAIN INCOME STATEMENT ITEMS

/ NOTE 24 / Consolidated revenue

24.1 By business line

(in thousands of euros)	DEC. 31, 2014	DEC. 31, 2013
Premiums – direct business	1,179,321	1,145,144
Premiums – inward reinsurance	63,355	61,546
Premium refunds	-98,309	-75,564
Provisions for unearned premiums	-11,640	-2,583
EARNED PREMIUMS NET OF CANCELLATIONS	**1,132,727**	**1,128,543**
FEE AND COMMISSION INCOME	**124,755**	**123,410**
NET INCOME FROM BANKING ACTIVITIES	**70,623**	**69,210**
Other insurance-related services	9,259	9,710
Remuneration of public procedures	62,541	65,577
Business information and other services	25,264	25,194
Receivables management	15,367	18,685
REVENUE OR INCOME FROM OTHER ACTIVITIES	**112,431**	**119,167**
CONSOLIDATED REVENUE	**1,440,536**	**1,440,330**

24.2 By country of invoicing

(in thousands of euros)	DEC. 31, 2014	DEC. 31, 2013
Northern Europe	352,007	366,782
Western Europe	461,729	469,245
Central Europe	113,276	109,977
Mediterranean & Africa	226,539	216,651
North America	113,750	101,687
Latin America	76,149	81,209
Asia-Pacific	97,086	94,780
CONSOLIDATED REVENUE	**1,440,536**	**1,440,330**

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

24.3 Insurance revenue by type of insurance

(in thousands of euros)	DEC. 31, 2014	DEC. 31, 2013
Credit insurance		
Export	456,228	458,141
Domestic	587,177	574,982
Other	3,294	5,365
TOTAL CREDIT	**1,046,699**	**1,038,488**
Guarantees	54,415	57,883
Single risk	31,613	32,172
TOTAL GUARANTEES AND OTHER	**86,028**	**90,055**
TOTAL INSURANCE REVENUE	**1,132,727**	**1,128,543**

24.4 Net income from banking activities

(in thousands of euros)	DEC. 31, 2014	DEC. 31, 2013
Financing fees	34,832	34,249
Factoring fees	35,029	39,508
Other	762	-4,547
TOTAL NET INCOME FROM BANKING ACTIVITIES	**70,623**	**69,210**

/ NOTE 25 / Claims expenses

(in thousands of euros)	DEC. 31, 2014	DEC. 31, 2013
Paid claims, net of recoveries	-558,953	-544,701
Claims handling expenses	-25,738	-29,787
Change in claims reserves	45,970	-1,774
TOTAL	**-538,721**	**-576,263**

◆ Claims expenses by period of occurrence

	DEC. 31, 2014			DEC. 31, 2013		
(in thousands of euros)	GROSS	OUTWARD REINSURANCE AND RETROCESSIONS	NET	GROSS	OUTWARD REINSURANCE AND RETROCESSIONS	NET
Claims expenses – current year	-787,116	164,324	-622,792	-812,490	203,162	-609,328
Claims expenses – prior years	248,395	-60,765	187,630	236,227	-61,511	174,716
CLAIMS EXPENSES	**-538,721**	**103,559**	**-435,162**	**-576,263**	**141,651**	**-434,612**

/ NOTE 26 / Expenses from banking activities

(in thousands of euros)	DEC. 31, 2014	DEC. 31, 2013
Charges to allowances for receivables	-744	-1,895
Reversal of allowances for receivables	3,198	1,980
Losses on receivables not covered by allowances	-1,347	-877
Losses on receivables covered by allowances	-3,153	-1,741
Cost of risk	**-2,046**	**-2,533**
Operating expenses	**-11,066**	**-11,884**
TOTAL EXPENSES FROM BANKING ACTIVITIES	**-13,112**	**-14,417**

"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 27 / General expenses by function

(in thousands of euros)	DEC. 31, 2014	DEC. 31, 2013
Commissions	-141,887	-134,939
Other acquisition costs	-120,967	-121,928
TOTAL ACQUISITION COSTS	**-262,854**	**-256,867**
Administrative costs	**-269,106**	**-263,891**
Other current operating expenses	**-74,455**	**-83,112**
Investment management expenses	**-2,039**	**-5,025**
o/w insurance investment management expenses	*-2,039*	*-2,848*
Claims handling expenses	**-25,738**	**-29,787**
o/w insurance claims handling expenses	*-25,738*	*-29,787*
TOTAL	**-634,191**	**-638,683**
of which employee profit-sharing	*-7,497*	*-5,819*

The Coface Group's total general expenses including general insurance expenses (by function), expenses from other activities and expenses from banking activities amounted to a total of €692,595 thousand in 2014 *versus* €702,451 thousand in 2013.

At December 31, 2013, total general expenses included €8,345 thousand related to the relocation of Coface's head office.

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 28 / Reinsurance result

(in thousands of euros)	DEC. 31, 2014	DEC. 31, 2013
Ceded premiums	-260,233	-314,762
Change in unearned premiums provisions	-6,440	-1,093
Expenses from ceded reinsurance	**-266,673**	**-315,855**
Ceded claims	143,055	143,067
Change in claims provisions net of recoveries	-40,558	-1,415
Commissions paid by reinsurers	95,515	108,001
Income from ceded reinsurance	**198,013**	**249,652**
REINSURANCE RESULT	**-68,660**	**-66,202**

/ NOTE 29 / Investment income by category

(in thousands of euros)	DEC. 31, 2014	DEC. 31, 2013
Investment income (exclunding net gains/(losses) on assets and liabilities held for trading)	40,695	37,553
Fair value adjustments on financial instruments recognised at fair value through income	-42,949	-797
of which amount hedged by exchange rate derivatives on Fonds Colombes	*-42,941*	*-709*
Net gains/(losses) on disposals	7,372	35,400
of which amount hedged by exchange rate derivatives on Fonds Colombes	*-1,181*	*4,202*
Change in provisions:	-1,435	4,970
— AFS equities	*-1,623*	*-302*
— Other loans and receivables	*-76*	*2,906*
— AFS investments in non-consolidated companies	*0*	*-1,274*
— Liabilities and charges on AFS investments in non- consolidated companies	*264*	*3,640*
Net foreign exchange gains/(losses)	43,714	-2,583
of which amount hedged by exchange rate derivatives on Fonds Colombes	*44,695*	*-2,994*
Investment management expenses	-4,628	-7,027
TOTAL INVESTMENT INCOME, NET OF MANAGEMENT EXPENSES (EXCLUDING FINANCE COSTS)	**42,769**	**67,516**

At December 31, 2014, 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 +€765 thousand.

The €44,695 thousand foreign exchange gains from the Colombes funds consisted of €39,879 thousand in unrealised gains (cf. Statement of cash flows) and €4,816 thousand of realised gains.

At December 31, 2013, as part of the operation to centralise investments, a large part of the investments were sold to be reinvested in the Colombes funds, generating a capital gain of €27 million.

/ NOTE 30 / Investment income by class

(in thousands of euros)	DEC. 31, 2014	DEC. 31, 2013
Property	1	257
Equities	10,041	-778
Fixed income	34,487	68,802
Derivatives	-44,393	317
Sub-total	**136**	**68,598**
Management expenses	-4,628	-7,027
Net foreign exchange gains/(losses)	43,714	-2,583
Dividends	2,933	1,389
Additions to provisions for investments in non-consolidated companies	264	2,366
Net gains/(losses) on investments in non-consolidated companies	349	4,772
TOTAL FINANCIAL INCOME BY CATEGORY	**42,769**	**67,516**

/ NOTE 31 / Other operating income/other operating expenses

(in thousands of euros)	DEC. 31, 2014	DEC. 31, 2013
Other operating expenses	-11,809	-2,590
Other operating income	1,872	4,311
NET	**-9,937**	**1,721**

(in thousands of euros)	DEC. 31, 2014	DEC. 31, 2013
IPO costs	-7,962	0
Charges linked to IPO	*-6,664*	*0*
Matching contribution paid to employees who purchased shares	*-1,298*	*0*
Restructuring costs	-1,957	0
Set-up costs	-1,777	0
Provisions for Greek securities	0	0
Other operating expenses	-113	-2,590
Total other operating expenses	**-11,809**	**-2,590**
Income linked to restructuring	1,534	0
Other operating income	338	4,311
Total other operating income	**1,872**	**1,721**
NET	**-9,937**	**1,721**

/ NOTE 32 / Income tax expense

(in thousands of euros)	DEC. 31, 2014	DEC. 31, 2013
Current taxes	-29,715	-54,589
Deferred taxes	-30,652	-12,792
TOTAL	**-60,367**	**-67,380**

Tax proof

(in thousands of euros)	DEC. 31, 2014		DEC. 31, 2013	
Net income for the year	**125,092**		**127,439**	
Non-controlling interests	825		569	
Income tax expense for the year	-60,367		-67,380	
Share of net income of associates	2,136		1,493	
Pre-tax income for the year and share in net income of associates	**184,147**		**193,895**	
Tax rate		34.43%		34.43%
Theoretical tax	-63,402		-66,758	
Tax expense presented in the consolidated income statement	-60,367	32.78%	-67,380	34.75%
Difference	**-3,035**	**1.65%**	**622**	**-0.32%**

(in thousands of euros)	DEC. 31, 2014		DEC. 31, 2013	
Impact of differences between Group tax rates and local tax rates	12,584	6.83%	13,623	-7.03%
o/w United Kingdom – 21%	*1,513*	*0.82%*	*3,547*	*-1.83%*
o/w Italy – 27.5%	*2,685*	*1.46%*		
o/w Poland – 19%	*1,455*	*0.79%*	*1,637*	*-0.84%*
o/w Germany – 31.23%	*1,460*	*0.79%*	*1,939*	*-1.00%*
o/w Austria – 25%	*690*	*0.37%*	*972*	*-0.50%*
o/w Netherlands – 25%	*856*	*0.47%*	*1,105*	*-0.57%*
o/w Hong Kong – 16.5%	*669*	*0.36%*		
o/w Singapore – 10%	*-57*	*-0.03%*	*1,710*	*-0.88%*
o/w Russia – 20%	*846*	*0.46%*		
o/w other Group subsidiaries	*2,467*	*1.34%*	*2,713*	*-1.40%*
Specific local taxes	-5,654	-3.07%	-4,095	2.11%
o/w French Corporate value added tax (CVAE)	*-2,145*	*-1.16%*	*-4,095*	*2.11%*
Tax reassessments	-78	-0.04%	-11,306	5.83%
Tax losses for which no deferred tax assets have been recognised	-2,632	-1.43%	-6,164	3.18%
Conservatively-limited deferred tax other	-1,312	-0.71%		
Utilisation of previously unrecognised tax loss carryforwards – United Kingdom branch	1,008	0.55%	7,155	-3.69%
Utilisation of previously unrecognised tax loss carryforwards – Australia branch			2,086	-1.08%
Utilisation of previously unrecognised tax loss carryforwards – Other subsidiaries and branches	2,282	1.24%	1,364	-0.70%
Dividends paid in France non-deductible for tax purposes (5%)	-460	-0.25%	-1,502	0.77%
Provisions for investments in non-consolidated companies	-24	-0.01%		
Non-deductible interests	-299	-0.16%		
Provisions for trade receivables	-1,000	-0.54%		
Impact of derecognition of German funds			-2,674	1.38%
Impact of first-time consolidation of Russia			552	-0.28%
Other differences	-1,378	-0.75%	339	-0.17%

At December 31, 2014, unrecognised tax loss carryforwards (base) amounted to €40,567 thousand. This primarily concerns Spain, Belgium, Sweden, Hungary and Austria. Their expiration dates vary depending on the country concerned. Out of prudence, Coface has not recorded deferred tax assets in view of allocating these losses to taxable profits in the future.

/ NOTE 33 / Share in net income of associates

(in thousands of euros)	DEC. 31, 2014	DEC. 31, 2013
Cofacrédit	2,136	1,493
TOTAL	**2,136**	**1,493**

ADDITIONAL 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 2014 net income by segment

(in thousands of euros)	NORTHERN EUROPE	WESTERN EUROPE	CENTRAL EUROPE
REVENUE	**345,519**	**468,142**	**118,317**
o/w revenue from Insurance	*235,951*	*354,673*	*84,753*
o/w revenue from Factoring	*61,535*	*0*	*9,088*
o/w revenue from Other services and related services	*48,033*	*113,469*	*24,476*
Claims expense (o/w management costs)	-123,244	-123,487	-57,425
Cost of risk	-1,661	0	-430
Commissions	-21,544	-43,979	-4,149
Internal general expenses	-136,832	-167,948	-38,063
UNDERWRITING INCOME/(LOSS) BEFORE REINSURANCE*	**62,237**	**132,728**	**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/(loss) excluding finance costs	12,464	18,642	4,262
Finance costs	-1,234	-833	-14
OPERATING INCOME/(LOSS) INCLUDING FINANCE COSTS	**61,082**	**103,999**	**22,736**
Share in net income of associates	0	2,136	0
NET INCOME BEFORE TAX	**61,082**	**106,135**	**22,736**
Income tax expense	-18,600	-38,345	-4,477
CONSOLIDATED NET INCOME/(LOSS) BEFORE NON- CONTROLLING INTERESTS	**42,482**	**67,791**	**18,259**
Non-controlling interests	-2	-1	-767
NET INCOME/(LOSS) FOR THE YEAR	**42,480**	**67,789**	**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.*

MEDITERRANEAN & AFRICA	NORTH AMERICA	SOUTH AMERICA	ASIA-PACIFIC	GROUP REINSURANCE	COGERI	HOLDING COMPANY COSTS	INTER-ZONE	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	-538,721
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	-522,932
18,669	**37,731**	**791**	**-471**	**47,101**	**299**	**-35,946**	**-46,437**	**234,951**
-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**	**184,147**
0	0	0	0	0	0	0	0	2,136
20,718	**28,114**	**4,655**	**-3,706**	**2,289**	**-333**	**-55,407**	**0**	**186,283**
-12,146	-8,891	-143	39	-788	85	19,077	3,823	-60,367
8,572	**19,223**	**4,512**	**-3,667**	**1,501**	**-248**	**-36,330**	**3,823**	**125,916**
-1	-1	-52	0	0	0	0	0	-825
8,571	**19,222**	**4,460**	**-3,667**	**1,501**	**-248**	**-36,330**	**3,823**	**125,092**

Analysis of 2013 income by segment

(in thousands of euros)	NORTHERN EUROPE	WESTERN EUROPE	CENTRAL EUROPE
REVENUE	**360,899**	**474,535**	**115,854**
o/w revenue from Insurance	*251,028*	*358,679*	*82,348*
o/w revenue from Factoring	*61,522*	*221*	*9,378*
o/w revenue from Other services and related services	*48,350*	*115,635*	*24,127*
Claims expense (o/w management costs)	-124,303	-150,792	-54,791
Cost of risk	-2,728	0	194
Commissions	-21,102	-45,097	-3,987
Internal general expenses	-140,557	-171,451	-38,227
UNDERWRITING INCOME/(LOSS) BEFORE REINSURANCE	**72,209**	**107,196**	**19,044**
Income/(loss) on ceded reinsurance	-16,756	-31,314	1,816
Other operating income and expenses	2,810	-628	-166
Net financial income/(loss) excluding finance costs	13,454	23,250	11,909
Finance costs	-668	-3,551	-148
OPERATING INCOME/(LOSS) INCLUDING FINANCE COSTS	**71,049**	**94,953**	**32,455**
Share in net income of associates	0	1,493	0
NET INCOME BEFORE TAX	**71,049**	**96,446**	**32,455**
Income tax expense	-36,216	-24,560	-6,708
CONSOLIDATED NET INCOME/(LOSS) BEFORE NON- CONTROLLING INTERESTS	**34,833**	**71,886**	**25,747**
Non-controlling interests	-83	-141	-469
NET INCOME/(LOSS) FOR THE YEAR	**34,750**	**71,745**	**25,278**

	MEDITERRANEAN & AFRICA	NORTH AMERICA	SOUTH AMERICA	ASIA-PACIFIC	GROUP REINSURANCE	COGERI	HOLDING COMPANY COSTS	INTER-ZONE	GROUP TOTAL
	219,784	**101,667**	**81,132**	**94,780**	**129,675**	**28,315**	**0**	**-166,310**	**1,440,330**
	181,139	*89,594*	*72,401*	*93,277*	*129,675*	*0*	*0*	*-129,597*	*1,128,543*
	0	*0*	*0*	*0*	*0*	*0*	*0*	*-1,911*	*69,210*
	38,645	*12,073*	*8,731*	*1,503*	*0*	*28,315*	*0*	*-34,802*	*242,577*
	-127,169	-17,336	-76,164	-24,208	-65,007	0	0	63,508	-576,263
	0	0	0	0	0	0	0	0	-2,534
	-18,577	-23,500	-8,569	-19,073	-26,756	0	0	31,720	-134,939
	-71,250	-25,014	-27,416	-26,168	0	-27,821	-39,213	34,416	-532,700
	2,789	**35,818**	**-31,017**	**25,331**	**37,912**	**494**	**-39,213**	**-36,667**	**193,895**
	2,539	-13,281	1,615	-13,828	-34,905	0	0	37,913	-66,202
	-42	0	-1	0	0	0	0	-253	1,721
	12,262	1,640	7,241	2,321	0	-67	0	-4,493	67,516
	-1,033	-814	-76	-14	0	-231	0	3,501	-3,035
	16,514	**23,363**	**-22,238**	**13,810**	**3,007**	**196**	**-39,213**	**0**	**193,895**
	0	0	0	0	0	0	0	0	1,493
	16,514	**23,363**	**-22,238**	**13,810**	**3,007**	**196**	**-39,213**	**0**	**195,388**
	-10,805	-8,346	-94	-966	-1,035	-26	13,501	7,876	-67,380
	5,709	**15,016**	**-22,331**	**12,843**	**1,971**	**170**	**-25,712**	**7,876**	**128,008**
	19	-29	187	-53	0	-1	0	0	-569
	5,729	**14,987**	**-22,145**	**12,791**	**1,971**	**169**	**-25,712**	**7,876**	**127,439**

/ NOTE 35 / Earnings per share

REPORTING PERIOD	2014		
	AVERAGE NUMBER OF SHARES	NET INCOME FOR THE PERIOD *(in euros)*	EARNINGS PER SHARE *(in euros)*
Basic earnings per share	157,004,360	125,092	0.80
Dilutive instruments	0		
DILUTED EARNINGS PER SHARE	**157,004,360**	**125,092**	**0.80**

REPORTING PERIOD	2013		
	AVERAGE NUMBER OF SHARES	NET INCOME FOR THE PERIOD *(in euros)*	EARNINGS PER SHARE *(in euros)*
Basic earnings per share	156,841,307	127,439	0.81
Dilutive instruments	0		
DILUTED EARNINGS PER SHARE	**156,841,307**	**127,439**	**0.81**

/ NOTE 36 / Group's headcount

	DEC. 31, 2014	DEC. 31, 2013
Northern Europe	747	790
Western Europe	1,373	1,375
Central Europe	458	448
Mediterranean & Africa	392	395
North America	120	119
Latin America	216	256
Asia-Pacific	117	106
TOTAL	**3,424**	**3,489**

At December 31, 2014, the number of employees of fully consolidated companies was 3,424 full-time equivalents *versus* 3,489 at December 31, 2013, down -1.9% (-65 FTEs) year-on-year, mainly in Northern Europe (down -43 FTEs) and Western Europe (down -40 FTEs).

/ NOTE 37 / Off-balance sheet commitments

(in thousands of euros)	AS OF DEC. 31, 2014	AS OF DEC. 31, 2013
Commitments given	**419,655**	**38,600**
Guarantees and letters of credit	410,100	29,000
Property guarantees	7,500	7,500
Financial commitments in respect of equity interests	282	210
including consolidated companies		
Obligations under finance leases	1,773	1,890
Commitments received	**1,086,961**	**626,780**
Guarantees and letters of credit	115 ,737	116,828
Guarantees	134,724	0
Credit lines linked to commercial paper	500,000	500,000
Credit lines linked to factoring	334,000	
Financial commitments in respect of equity interests	2,500	9,952
including consolidated companies		
Reciprocal commitments		
Buying and selling of currency futures		
Guarantees received	**305,323**	**349,488**
Securities lodged as collateral by reinsurers	305,323	349,488
FINANCIAL MARKET TRANSACTIONS	**36,829**	**237,133**

Financial market transactions in the amount of €410,100 thousand for the year ended December 31, 2014, correspond mainly to a joint guarantee of €380,000 thousand in favor of Coface SA subordinated notes' investors (10 year maturity).

Credit lines correspond mostly to liquidity lines related to commercial paper issues for €500,000 thousand. The other lines represents unused bilateral credit lines with Natixis related to the Factoring business.

/ 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 (i) Act 85-98 of January 25, 1985 relating to the court-ordered receivership and liquidation of companies, (ii) Act 84-148 of March 1, 1984 relating to the prevention and out-of-court settlement of companies' financial difficulties, or (iii) Articles L.310-25 and L.326-2 to L.327-6 of the French Insurance Code.

/ NOTE 39 / Related parties

Natixis holds 41.26% of the Coface Group's shares including 41.24% of treasury shares.

	NUMBER OF SHARES	%
Natixis	64,853,869	41.26%
Public	92,313,544	58.74%
TOTAL	**157,167,413**	**100.00%**

Relations with the Group's consolidated entities

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;
- income tax payables and receivables within the Natixis tax consolidation group;
- 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.

TRANSACTIONS	DEC. 31, 2014					
(in thousands of euros)	NATIXIS GROUP (EXCLUDING DISCONTINUED ENTITIES)	NATIXIS FACTOR (EX FACTOREM)	ELLISPHERE (FORMERLY COFACE SERVICES)	KOMPASS INTERNATIONAL	MIDT FACTORING (FORMERLY COFACE A/S FINANS DANMARK)	ALTUS GTS INC. (FORMERLY COFACE COLLECTIONS NORTH)
Total revenue and income from ordinary activities	**-4,081**	**0**	**-223**	**-1**	**17**	**6**
Revenue (net banking income, after cost of risk)	-4,219	0	0	0	0	0
Revenue or income from other activities	0	0	-204	0	17	6
Earned premiums	0	0	-16	0	0	0
Fee and commission income	0	0	0	0	0	0
Investment income, net of management expenses	138	0	-3	-1	0	0
Total current income and expenses	**-499**	**0**	**-522**	**-124**	**-1**	**-97**
Claims expenses	-32	0	-21	-8	0	-166
Expenses from other activities	0	0	-123	0	0	-26
Policy acquisition costs	-274	0	-170	-68	0	0
Administrative costs	-118	0	-162	-29	-1	95
Other current operating income and expenses	-75	0	-46	-19	0	0
Current operating income	**-4,580**	**0**	**-745**	**-125**	**16**	**-91**

RECEIVABLES AND PAYABLES	DEC. 31, 2014						
(in thousands of euros)	BPCE GROUP	NATIXIS GROUP (EXCL. DISCONTINUED OPERATIONS)	NATIXIS FACTOR (FORMERLY FACTOREM)	ELLISPHERE (FORMERLY COFACE SERVICES)	KOMPASS INTERNATIONAL	MIDT FACTORING (FORMERLY COFACE A/S FINANS DENMARK)	ALTUS GTS INC. (FORMERLY COFACE COLLECTIONS NORTH AMERICA, INC.)
Financial investments	**15,006**	**10,443**	**0**	**0**	**0**	**0**	**0**
Other assets			**91**	**138**	**175**	**0**	**63**
Receivables arising from insurance and reinsurance operations	0		2				
Current tax receivables	0						
Deferred tax assets	0	0	0	0	0	0	0
Other receivables	0		89	138	175	0	63
Cash and cash equivalents	**0**	**4,685**					
Financing liabilities due to banking sector companies							
Debt securities	0						
Liabilities relating to insurance contracts	**0**					0	**76**
Payables arising from banking sector activities	**0**	**164,835**					
Amounts due to banking sector companies	0	164,835					
Amounts due to customers of banking sector companies	0						
Debt securities	0						
Other liabilities	**0**	**1,993**	**6**	**385**			
Current tax payables	0	1,880					
Other payables	0	113	6	385			

The €164,835 thousand in amounts due to banking sector companies corresponds to borrowings taken out with Natixis to finance the factoring business (cf. Note 21).

TRANSACTIONS *(in thousands of euros)*	DEC. 31, 2013 NATIXIS GROUP (EXCL. DISCONTINUED OPERATIONS)	NATIXIS FACTOR (FORMERLY FACTOREM)	ELLISPHERE (FORMERLY COFACE SERVICES)	COFACE FINANS DENMARK	KOMPASS INTERNATIONAL	COFACE SERVICES BELGIUM	KOMPASS BELGIQUE	IGNIOS	COFACE COLLECTIONS NORTH AMERICA
TOTAL REVENUE AND INCOME FROM ORDINARY ACTIVITIES	**-6,649**	**7**	**67**	**0**	**27**	**126**	**0**	**7**	**10**
Revenue (net banking income, after cost of risk)	-7,077	0	0	0	0	0	0	0	0
Revenue or income from other activities	0	0	107	0	0	126	0	5	10
Gross earned premiums	0	0	26	0	0	0	0	0	0
Fee and commission income	0	6	5	0	0	0	0	0	0
Investment income, net of management expenses	428	1	-71	0	27	0	0	2	0
TOTAL CURRENT INCOME AND EXPENSES	**-1,307**	**-42**	**-6,077**	**7**	**1,387**	**-51**	**0**	**-264**	**-41**
Claims expenses	-96	4	-1,339	0	102	1	0	7	-108
Expenses from other activities	0	0	-243	0	0	0	0	-94	-33
Policy acquisition costs	-650	24	-1,799	0	691	6	0	49	-6
Administrative costs	-347	-78	-2,102	7	366	-61	0	20	108
Other current operating income and expenses	-214	8	-594	0	228	3	0	-246	-2
CURRENT OPERATING INCOME	**-7,956**	**-35**	**-6,010**	**7**	**1,414**	**75**	**0**	**-257**	**-31**

RECEIVABLES AND PAYABLES	DEC. 31, 2013									
(in thousands of euros)	BPCE GROUP	NATIXIS GROUP (EXCL. DISCONTINUED OPERATIONS)	NATIXIS FACTOR (FORMERLY FACTOREM)	ELLISPHERE (FORMERLY COFACE SERVICES)	COFACE FINANS DENMARK	KOMPASS INTERNATIONAL	COFACE SERVICES BELGIUM	KOMPASS BELGIQUE	IGNIOS	COFACE COLLECTIONS NORTH AMERICA
Financial investments	**23,317**	**214,207**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Other assets	**0**	**55,643**	**87**	**1,236**	**0**	**1,657**	**101**	**0**	**52**	**24**
Receivables arising from insurance and reinsurance operations	0	0	2	16	0	0	0	0	0	0
Current tax receivables	0	4,710	0	0	0	0	0	0	0	0
Deferred tax assets	0	50,933	0	0	0	0	0	0	0	0
Other receivables	0	0	85	1,220	0	1,657	101	0	52	24
Cash and cash equivalents	**0**	**-11,859**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Financing liabilities due to banking sector companies	**0**	**27,555**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Liabilities relating to insurance contracts	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**67**
Payables arising from banking sector activities	**0**	**261,304**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Amounts due to banking sector companies	0	261,304	0	0	0	0	0	0	0	0
Amounts due to customers of banking sector companies	0	0	0	0	0	0	0	0	0	0
Other liabilities	**0**	**2,314**	**45**	**2,282**	**0**	**0**	**14**	**0**	**0**	**0**
Current tax payables	0	2,211	0	0	0	0	0	0	0	0
Other payables	0	103	45	2,282	0	0	14	0	0	0

Financial investments at December 31, 2013 represent investments issued and managed by Natixis and BPCE. Financial investments managed by Natixis and BPCE amounted to €50,366,000.

OFF-BALANCE SHEET COMMITMENTS *(in thousands of euros)*	DEC. 31, 2014 NATIXIS GROUP (EXCLUDING DISCONTINUED ENTITIES)	DEC. 31, 2013 NATIXIS GROUP (EXCLUDING DISCONTINUED ENTITIES)
Commitments given	**0**	**300**
Endorsements and letters of credit	0	300
Commitments received	**349,585**	**143,537**
Endorsements and letters of credit	49,585	43,537
Credit lines	300,000	100,000

Key management compensation

(in thousands of euros)	DEC. 31, 2014	DEC. 31, 2013
Short-term benefits	2,366	1,646
(gross salaries and wages, incentives, benefits in kind and annual bonus)	-	-
Post-employment benefits	-	-
Other long-term benefits	940	-
Statutory termination benefits	-	-
Share-based payment	-	-
TOTAL	**3,306**	**1,646**

In 2014, the introduction of long-term benefits was seen in the form of free share allocations, distributed as part of the Company's stock market listing.

The development of short-term employee benefits corresponds to a change in scope of the Group Management Committee, which grew from seven members at December 31, 2013 to eight members at December 31, 2014.

A total of €215,5 thousand was paid out in directors' fees to the members of the Board of Directors in 2014.

/ NOTE 40 / Events after the reporting period

No significant events that are likely to affect the financial statements occurred between the year-end and the date on which they were prepared.

/ NOTE 41 / Fees paid by Coface to the Statutory Auditors and members of their networks

	KPMG S.A.				DELOITTE & ASSOCIÉS				TOTAL			
(in thousands of euros)	2013	%	2014	%	2013	%	2014	%	2013	%	2014	%
Auditor services												
- COFACE SA	150	11	159	8	150	10	159	7	300	11	318	7
- Subsidiaries	1,064	77	905	46	1,264	86	1,389	58	2,328	82	2,295	53
Services directly related to the Statutory Auditors' assignment												
- COFACE SA	3	0	764	39	3	0	763	32	6	0	1,527	35
- Subsidiaries	0	0	8	0	35	2	11	0	35	1	19	0
TOTAL AUDIT FEES	**1,217**	**88**	**1,837**	**94**	**1,452**	**99**	**2,322**	**97**	**2,669**	**94**	**4,159**	**96**
Tax advice												
- COFACE SA	0	0	0	0	0	0	0	0	0	0	0	0
- Subsidiaries	132	10	54	3	21	1	65	3	153	5	119	3
Other services												
- COFACE SA	0	0	0	0	0	0	0	0	0	0	0	0
- Subsidiaries	30	2	69	4	0	0	0	0	30	1	69	2
TOTAL OTHER SERVICES & TAX ADVICE	**162**	**12**	**123**	**6**	**21**	**1**	**65**	**3**	**183**	**6**	**188**	**4**
TOTAL FEES	**1,379**	**100**	**1,960**	**100**	**1,473**	**100**	**2,387**	**100**	**2,852**	**100**	**4,347**	**100**
- COFACE SA	153	11	923	47	153	10	922	39	306	11	1,845	42
- Subsidiaries	1,226	89	1,037	53	1,320	90	1,465	61	2,546	89	2,502	58

The increase in the Other assignments and procedures item is linked to the fees cost for the stock market listing.

/ NOTE 42. / 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 paragraphs 2.4.3.1 to 2.4.3.6.

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