

4.3 Parent company financial statements

4.3.1 BALANCE SHEET

◆ Assets

(in euros)	DEC. 31, 2014	DEC. 31, 2013
Fixed Assets		
Intangible assets	5,209,299	
Interests in related companies	1,447,744,457	1,333,560,572
Loans to affiliates and subsidiaries	324,038,188	
Certificates of Deposit		160,199,778
	1,776,991,944	1,493,760,350
Current Assets		
French government and other authorities	939,615	
Ct Coface Finanz	353,822,746	311,152,118
Sundry payables	6,682,939	493,275
Investment securities	343,541	11,536,910
Treasury shares	861,258	
Cash at bank and in hand	171,593	102,841
Prepaid expenses	4,889	137,500
	362,826,581	323,422,644
Deferred charge	2,971,155	
Loan reimbursement premiums	1,731,204	
	4,702,359	
TOTAL ASSETS	2,144,520,884	1,817,182,994

◆ **Equity and liabilities**

(in euros)	DEC. 31, 2014	DEC. 31, 2013
Equity		
Capital	786,241,160	784,206,535
Share capital premiums	422,830,623	648,461,965
Other reserves (RL+RAN)	70,703,079	68,881,142
Income for the year	-2,779,036	68,779,474
Interim dividend		-65,089,142
	1,276,995,826	1,505,239,974
Provisions for liabilities and charges		
Provision for charges	1,340,779	
	1,340,779	
Debts		
Bank borrowings and debts	351,952,226	310,946,953
Other bond issues	391,756,250	
Sundry borrowings and debts	121,075,172	
Trade notes and accounts payables	876,165	156,727
Tax and social liabilities	115,240	368,505
Other payables	409,226	470,836
	866,184,280	311,943,020
TOTAL EQUITY AND LIABILITIES	2,144,520,884	1,817,182,994

4.3.2 INCOME STATEMENT

(in euros)	DEC. 31, 2014	DEC. 31, 2013 ⁽¹⁾
Operating income	5,943,605	192,675
Operating expenses	7,917,255	741,019
Other purchases and external expenses	5,400,703	624,504
Income tax, taxes and similar payments	-2,866	60,515
Other expenses	1,610,479	56,000
Depreciations and amortisations	908,939	
INCOME FROM OPERATIONS	-1,973,651	-548,344
Financial income	14,849,342	72,159,958
Investments income	0	69,940,268
Other financial income	14,783,506	2,172,261
Income from SICAV sales	65,836	47,429
Financial expenses	15,663,964	1,655,535
Interest and similar expenses	15,471,608	1,655,535
Depreciations and amortisations	192,356	
FINANCIAL RESULT	-814,622	70,504,423
NON-RECURRING INCOME	9,237	0
Income tax	0	1,176,604
NET INCOME FOR THE YEAR	-2,779,036	68,779,474

4.3.3 RECONCILIATION OF THE PUBLISHED AND RESTATED FINANCIAL STATEMENTS FOR 2013

A portion of the costs of structuring the commercial paper corresponding to commissions for non-use of lines of credit was reclassified under financial income. This reclassification had no impact on the income statement or equity.

(in euros)	AS OF DEC. 31, 2013 ⁽¹⁾	COMMISSION RECLASSIFICATION	DEC. 31, 2013
Operating income	192,675	-1,188,000	1,380,675
Operating expenses	741,019		741,019
Other purchases and external expenses	624,504		624,504
Income tax, taxes and similar payments	60,515		60,515
Other expenses	56,000		56,000
Depreciations and amortisations			
INCOME FROM OPERATIONS	-548,344	-1,188,000	639,656
Financial income	72,159,958	1,188,000	70,971,958
Investments income	69,940,268		69,940,268
Other financial income	2,172,261	1,188,000	984,261
Income from SICAV sales	47,429		47,429
Financial expenses	1,655,535		1,655,535
Interest and similar expenses	1,655,535		1,655,535
Depreciations and amortisations			
FINANCIAL INCOME	70,504,423	1,188,000	69,316,423
NON-RECURRING INCOME	0		0
Income tax	1,176,604		1,176,604
NET INCOME FOR THE YEAR	68,779,474	0	68,779,474

4.4 Notes to the parent company financial statements

/ NOTE 1 / Significant events

◆ Stock market listing

On June 27, the Coface Group, which holds 100% of Compagnie française d'assurance pour le commerce extérieur, was listed on the stock market in Compartment A of the Euronext Paris regulated market.

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, the Coface Group'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.

◆ 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 (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.

◆ 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.

The liquidity agreement is part of the share buyback programme decided by the Board of Directors' meeting of June 26, 2014.

◆ Coface Ré

COFACE SA includes Coface Ré, a company formed in Switzerland during the 3rd quarter of 2014, which will operate the Group's external reinsurance as of 2015.

◆ Buyback of minority interests

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.

◆ Exit from Natixis' integrated tax scope

COFACE SA, which was included in Natixis' integrated scope of taxation in 2007, exited the tax group in 2014 following the stock market listing.

◆ Issue of commercial paper and rating

Following an agreement with Banque de France on November 6, 2012, COFACE SA issued commercial paper totalling €250 million (maturing in one to three months) on November 13, 2012. This plan, which was intended to partially refinance the factoring portfolio in Germany, was rated F1 and P2 by the Fitch and Moody's rating agencies.

The amount raised was entirely loaned to Coface Finanz through a cash agreement, and all of the costs incurred were recharged.

In October 2014, this programme, managed by Société Générale and through the intermediary of seven banks, totalled €500 million.

As of December 31, 2014, €352 million were used.

After the subordinated note issue, rating agencies Fitch and Moody's confirmed the Group's Insurer Financial Strength ratings at AA- and A2 respectively.

◆ Significant events since the close of the year

No significant events have arisen since the close of the year.

/ NOTE 2 / Accounting principles, rules and policies

◆ Accounting principles and policies

The financial statements for 2014 have been prepared in accordance with generally accepted gaap and the French chart of accounts.

(Regulation 99-03 of April 29, 1999 of the Accounting Regulation Committee), in accordance with the principles of prudence and business continuity.

Financial assets

Investment securities are reported in the balance sheet at cost. A depreciation is recorded when the realisable value (determined according to the restated equity, income, future outlook and value in use for the Company) is less than the acquisition value.

Certificates of deposit are recorded at their acquisition price.

Receivables and payables

Receivables and payables are valued at their face value. They are depreciated through a provision in an effort to account for potential collection difficulties.

Investment Securities

Units in money-market funds (SICAV) are recorded at their acquisition price according to the FIFO (First-in First-out) method. Unrealised losses or gains resulting from

an evaluation of the portfolio at the close of the financial year are reintegrated (or deducted) for calculating the tax income.

Start-up costs

According to Article 432-1 of the general accounting plan, the stock market listing costs incurred by the Company may be recorded as start-up costs.

These costs are amortised over five years, with the first and last year amortised pro rata temporis in accordance with the general accounting plan (PCG) instructions (Article 361-3).

Issuing charges

According to the general accounting plan (Article 361-2,) the costs linked to the hybrid debt issued must be in principle distributed according to the characteristics of the loan. These costs were recorded in deferred charges and amortised on a straight-line basis for the term of the loan, *i.e.* 10 years.

◆ Permanent nature of methods

The financial statements for the year are comparable to those of the previous year (consistency of accounting methods and time period principle).

The balance sheet, income statement and notes are expressed in euros.

/ NOTE 3 / Other disclosures

Consolidating entity

COFACE SA has been fully consolidated since 2007 by Natixis whose head office is located at

30, Avenue Pierre Mendes France 75013 Paris.

Staff and managers

COFACE SA has no staff on its payroll and has no pension commitment.

Off-balance sheet commitments

■ Commitments received:

This entails six credit lines unused as at December 31, 2014 linked to the issue of commercial paper for an amount of €500 million.

Natixis, Société Générale and BNP Paribas in the amount of €100 million each, CACIB in the amount of €110 million, BRED in the amount of €50 million and HSBC in the amount of €40 million.

On 25 March 2014, Compagnie française d'assurance pour le commerce extérieur issued a joint guarantee for the subordinated bond investors of COFACE SA in the amount of €380 million.

■ Commitments given:

On March 19, 2012, COFACE SA issued a joint surety bond in favour of Coface Finanz, a company held indirectly by COFACE SA, for the sums that will be due by Coface Factoring Poland as reimbursement for the loan granted to the latter, for a maximum amount of €350 million.

This joint surety bond did not have to be exercised in 2012, 2013 or 2014.

/ **NOTE 4** / Analyses on the main balance sheet items *(in euros)*◆ **Assets****4.1.1 Intangible assets**

	GROSS 2014	AMORTISATION	NET 2014
Set-up costs	5,788,110	578,811	5,209,299

4.1.2 Interests in related companies and companies with capital ties

RELATED COMPANY	JAN. 1, 2014	ACQUISITIONS	DISPOSALS	DEC. 31, 2014
Compagnie française d'assurance pour le commerce extérieur	1,333,560,572	4,158,728		1,337,719,300
Coface Ré		110,025,157		110,025,157
	1,333,560,572	114,183,885		1,447,744,457

4.1.3 Certificates of deposit

Certificates of deposits were paid in 2014.

4.1.4 Loans to affiliates and subsidiaries

COFACE SA granted an intra-group subordinated loan to Compagnie française d'assurance pour le commerce extérieur for €314 million.

RELATED COMPANY	AMOUNT	INTERESTS	TOTAL
Compagnie française d'assurance pour le commerce extérieur	314,000,000	10,038,188	324,038,188
	314,000,000	10,038,188	324,038,188

4.1.5 Other receivables

	DEC. 31, 2014	UP TO ONE YEAR	1-5 YEARS	DEC. 31, 2013
Ct Coface Finanz: cash advance	352,000,000	352,000,000		311,037,772
Interests accrued CF at Dec. 31, 14	84,764	84,764		114,346
Commercial paper structuring costs	119,785	119,785		493,275
Coface Finanz guarantee	1,618,198	1,618,198		
French government and other authorities	939,615	939,615		
Natixis liquidity agreement	4,147,979	4,147,979		
Other receivables	2,534,961	2,534,961		
	361,445,300	361,445,300		311,645,393

The item "other receivables" primarily consists of income receivable that is related to the recharging of costs incurred at the time of the stock market listing in the amount of €2,217,259, €876,480 of which were charges linked to the employee offering, and €1,340,779 of which were charges linked to the allocation of bonus shares.

4.1.6 Investment securities

	PURCH. VAL.	MARKET VAL. 12/2014	UNREALISED CG
3 OPCVM Nat.Cash Eonia Part IC FCP 3D	343,541	343,547	7

4.1.7 Treasury shares

	PURCH. VAL.	MARKET VAL. 12/2014	UNREALISED CG
80,819 shares	861,258	887,393	26,134

4.1.8 Cash at bank and in hand

	DEC. 31, 2014	DEC. 31, 2013
Natixis	171,378	102,841
HSBC	215	
	171,593	102,841

4.1.9 Prepaid expenses

	DEC. 31, 2014	DEC. 31, 2013
CACIB: fees	4,889	34,000
Moody's: issuer rating	0	103,500
	4,889	137,500

4.1.10 Loan reimbursement premiums

	GROSS 2014	AMORTISATION	NET 2014
Premium linked to subordinated debt	1,923,560	192,356	1,731,204

◆ Liabilities

4.2.1 Changes in equity

	DEC. 31, 2013	ALLOCATION OF INCOME	DIVIDEND PAYMENTS	INCREASE	DEC. 31, 2014
Share capital	784,206,535			2,034,625	786,241,160
Number of shares	156,841,307			406,925	157,248,232
Additional paid-in capital	648,461,965		-226,982,333	1,350,991	422,830,623
Legal reserves	67,264,105	3,438,974			70,703,079
Retained earnings	1,617,036	-1,599,369	-17,667		
Interim dividend 2013	-65,089,142	66,939,870	-1,850,728		
Income for the year	68,779,474	-68,779,474		-2,779,036	-2,779,036
TOTAL	1,505,239,974	0	-228,850,728	606,580	1,276,995,826

4.2.2 Composition of capital

	DEC. 31, 2014		INCREASE/ DECREASE	DEC. 31, 2013	
Number of shares	157,248,232			156,841,307	
Nominal value (in €)	5			5	
Shareholders: Financial market and other	58.46%	91,922,573	91,922,313		
Natixis	41.24%	64,853,869	-91,987,426	100%	156,841,295
Group Employee funds	0.25%	390,959	390,959		
Treasury shares	0.05%	80,819	80,819		
Directors' loaned shares:		12			12
<i>BPCE</i>		1			1
<i>Individuals</i>		11			11

4.2.3 Debts

	UP TO ONE YEAR	1-5 YEARS	BEYOND 5 YEARS	DEC. 31, 2014	DEC. 31, 2013
Bank borrowings and debts	351,952,226			351,952,226	310,946,953
26 - Commercial paper: discounted fixed rate	351,867,462			351,867,462	310,832,607
CP accrued interests	84,764			84,764	114,346
Other bond issues	11,756,250	380,000,000		391,756,250	
Subordinated bonds		380,000,000		380,000,000	
Accrued interests	11,756,250			11,756,250	
Sundry borrowings and debts	11,075,172	110,000,000		121,075,172	
Borrowing Cie française d'assurance pour le commerce extérieur		110,000,000		110,000,000	
Borrowing accrued interests	147,583			147,583	
Cash advance Cie Française and accrued interest	10,927,589			10,927,589	
Trade notes and accounts payables	876,165			876,165	156,727
AL - fees	192,936			192,936	92,789
AL - Expenses linked to CP program	36,000			36,000	63,938
AL - Expenses linked to stock market listing	647,229			647,229	
Tax and social liabilities	115,240			115,240	368,505
2013 IT (tax consolidation)					331,257
CVAE: Accrued liabilities					37,248
French government and other authorities	115,240			115,240	
Other debts	409,226			409,226	470,836
AL - commissions for not using CP credit line	393,680			393,680	414,620
AL - commissions HSBC discounting					215
AL - Expenses linked to subordinated debt	15,547			15,547	
AL - directors' fees					56,000
	376,184,280	490,000,000		866,184,280	311,943,020

/ NOTE 5 / Analyses on the main balance sheet items *(in euros)*

◆ **Operating income**

	AS OF DEC. 31, 2014	AS OF DEC. 31, 2013*
Operating income	5,943,605	192,675
Commercial paper structuring costs	425,063	192,675
Transfer of expenses	3,301,283	
Other income	2,217,259	
Operating expenses	7,917,255	741,019
Other purchases and external expenses	5,400,703	624,504
Statutory Auditors' fees	318,157	306,615
Fees and Commissions linked to CP program	232,500	157,140
Sundry fees	4,589	7,468
Coface Europe fees: 8 management mandates	105,108	143,241
Legal advertising costs	2,084	3,507
Natixis charges and commissions	7,674	6,534
Charges linked to the offer reserved for employees	876,480	
Charges linked to stock market listing	549,785	
Charges linked to the issue of subordinated debt	3,301,283	
Costs of sundry travels	3,042	
Income tax, taxes and similar payments	-2,866	60,515
Other expenses	1,610,479	56,000
Expenses linked to the allocation of free shares	1,340,779	
Social charges on directors' fees	54,200	
Directors' fees	215,500	56,000
Depreciations and amortisations	908,939	
Amortization of set-up costs	578,811	
Amortization of costs linked to subordinated debt	330,128	
	-1,973,651	-548,344

The entry "Commercial paper structuring costs" in the amount of €425,063 corresponds to the recharging of the costs of managing this commercial paper.

The entry "Transfer of expenses" in the amount of €3,301,283 corresponds to the transfers of expenses linked to the subordinated debt. According to Article 361-3 of the general accounting plan, these costs were recorded under "Other purchases and external expenses" and then transferred

to the entry "Deferred charges" by crediting "Transfer of operating expenses".

The item "Other income" in the amount of €2,217,259 corresponds to the recharging of €876,840 in expenses linked to the employee offering under the stock market listing and to the amount of €1,340,779 for expenses linked to the allocation of bonus shares. This amount was estimated based on the number of shares allocated, valued at the market price at year-end, i.e. €10.98.

◆ **Financial income**

	DEC. 31, 2014	DEC. 31, 2013
Financial income	14,849,342	72,159,958
Dividend		69,940,268
Sundry interests	142,303	454,087
Interests linked to the CP program	2,984,817	1 718 174
Income on guarantees	1,618,198	
Loan interests	10,038,188	
Income from SICAV sales	65,836	47,429
<i>of which related companies</i>	<i>13,165,203</i>	<i>72,112,529</i>

	DEC. 31, 2014	DEC. 31, 2013
Financial expenses	15,663,964	1,655,535
Fees and Commissions linked to CP program	2,957,102	1,655,535
Interests on bond loan	11,756,250	
Interests on borrowings	147,583	
Interests on cash advance	28,006	
Guarantees costs	582,667	
Reimbursement premium amortization of which related companies	192,356 1,051,590	129,601
	-814,622	70,504,423

Financial income primarily consists of interest on the loan in the amount of €314 million granted to Compagnie française d'assurance pour le commerce d'extérieur.

The financial expenses primarily consist of interest on the bond loan in the amount of €380 million.

◆ Non-recurring result

	DEC. 31, 2014	DEC. 31, 2013
Non-recurring expenses	9,237	
Gains on treasury share sales	9,237	
	9,237	

The non-recurring result consists of income on disposals of treasury shares managed under the liquidity agreement.

◆ Income tax

	DEC. 31, 2014	DEC. 31, 2013
Accounting income before CT	-2,779,036	69,956,078
Deductions	-1,349,849	-69,971,990
Reintegrations	1,340,785	3,506,084
Taxable income	-2,788,100	3,490,172
Corporate tax (rates 33 1/3%) France		1,163,391
Additional contributions		13,213
CORPORATE TAX	0	1,176,604

/ NOTE 6 / Subsidiaries and Interests

AT DEC. 31, 2014	CURRENCY	CAPITAL	RESERVES AND RETAINED EARNINGS	SHARE OF CAPITAL HELD %	VALUE OF SECURITIES HELD			FISCAL YEAR 2014		
					GROSS	NET	OUTSTANDING LOANS AND ADVANCES GRANTED BY THE COMPANY	REVENUE	NET EARNINGS OR LOSS	DIVIDENDS RECEIVED OR RECOGNISED BY THE COMPANY
Compagnie Française pour le Commerce Extérieur 1, Place Costes et Bellonte 92270 Bois-Colombes	EUR	137,052,417	945,646,243	99.995	1,337,719,299.94	1,337,719,299.94	121,075,172.15	1,267,886,214	119,609,075	-
Coface Ré SA Rue Bellefontaine 18 1003 Lausanne - SWITZERLAND	CHF	10,000,000	122,154,000	100	110,025,157.42	110,025,157.42	-	-	-	-