State guarantees management activity transfer

Presentation to financial analysts

January 2\textsuperscript{nd}, 2017
Management of State export credit guarantees transferred to Bpifrance as from January ‘17

Scope of the transfer

- State guarantees management activity performed on behalf of the French State

- Service activity representing 4% of consolidated revenues in ‘15

- Teams (~ 250 FTEs) and IT systems transferred to Bpifrance as from Jan. 2nd 2017

Financial impacts

- Indemnity estimated at €75m before tax, to be booked in Q4-16 and to be fully taxed in France

- Top line will decrease mechanically €57.3m remuneration in ‘15

- Expenses will go down by 3.7% €26.0m transferrable costs

Continuing to develop in core business, trade credit insurance
Impact on recurring numbers

The cessation of this activity as of 2017 will impact the Group’s financials:

- Recurring €30m gross margin shortfall\(^2\), driven by:
  - the decrease in consolidated revenues
  - the scale reduction

- Scissor effect pushes the cost ratio by +3.7ppt on 2015 numbers

- RoATE declines by 1.4pt

Offsetting cost-cutting is phased-in, investments have started

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*State guarantees management activity

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1. €57.3m remuneration from French State export guarantees is net of the €(2.7)m adjustment for FY2015 accounted for in Q1 2016
2. Total shortfall before tax as at 31/12/2015: €10m lost margin (incl. remuneration adjustment mentioned above) and €20m retained fixed costs

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**Income statement items - in €m**

<table>
<thead>
<tr>
<th></th>
<th>FY-2015 excl. DGP*</th>
<th>FY-2015 excl. DGP*</th>
<th>DGP* impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated revenues(^1) of which gross earned premiums</td>
<td>1,489.5</td>
<td>1,432.3</td>
<td>(57.3)</td>
</tr>
<tr>
<td>Total general expenses including expenses from other activities</td>
<td>(713.2)</td>
<td>(687.2)</td>
<td>+26.0</td>
</tr>
<tr>
<td>Net result (group share)</td>
<td>126.2</td>
<td>104.9</td>
<td>(21.3)</td>
</tr>
</tbody>
</table>

**Key ratios - in %**

<table>
<thead>
<tr>
<th></th>
<th>FY-2015</th>
<th>FY-2015</th>
<th>DGP* impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss ratio net of reinsurance</td>
<td>52.5%</td>
<td>52.5%</td>
<td>-</td>
</tr>
<tr>
<td>Cost ratio net of reinsurance</td>
<td>30.5%</td>
<td>34.2%</td>
<td>+3.7pt</td>
</tr>
<tr>
<td>Combined ratio net of reinsurance</td>
<td>83.1%</td>
<td>86.8%</td>
<td>+3.7pt</td>
</tr>
<tr>
<td>RoATE</td>
<td>8.5%</td>
<td>7.1%</td>
<td>(1.4)pt</td>
</tr>
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With Fit to Win 3-year plan, Coface aims at delivering above 9% RoATE through the cycle

1 Position Coface as the most agile, global trade credit partner in the industry

A Strengthen Risk Management & Information

B Improve Operational Efficiency & Client Service

C Implement Differentiated Growth Strategies

2 Steer business towards more efficient capital model

- Expect full pay-off after 2 years
- Re-invest the €75m gain on State Guarantees transfer
- Offset the €30m shortfall in ’18
- Progressive as per business cycle
- Leverage reinsurance as a tool of risk & capital management, with effects from ‘18 to ’20
- Special dividends or buyback to address excess capital

Drive cultural transformation to support execution

* Excluding State Guarantees management activity

1 Total shortfall before tax as at 31/12/2015: €10m lost margin (incl. €2.7m remuneration adjustment for FY2015 accounted for in Q1 2016) and €20m retained fixed costs
# Financial calendar & Investor Relations contacts

## Calendar

<table>
<thead>
<tr>
<th>Next Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY-2016 Results</td>
<td>8 February 2017, after market close</td>
</tr>
<tr>
<td>Q1-2017 Results</td>
<td>26 April 2017, after market close</td>
</tr>
<tr>
<td>AGM</td>
<td>17 May 2017</td>
</tr>
<tr>
<td>Q2-2017 Results</td>
<td>28 July 2017, before market opening</td>
</tr>
<tr>
<td>Q3-2017 Results</td>
<td>25 October 2017, after market close</td>
</tr>
</tbody>
</table>

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## Coface is scheduled to attend the following investor conferences

<table>
<thead>
<tr>
<th>Next Event</th>
<th>Date</th>
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<tbody>
<tr>
<td>Oddo Forum, Lyon</td>
<td>5&amp;6 January 2017</td>
</tr>
<tr>
<td>Natixis Insurance Conference, Paris</td>
<td>9 January 2017</td>
</tr>
</tbody>
</table>
Important legal information

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