



9M-2019 RESULTS

**—
PRESENTATION TO FINANCIAL ANALYSTS**

23 OCTOBER 2019

9M-2019 Results:

Net income at €117.3m; RoATE stands at 9.5%

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PART 1
9M-2019 HIGHLIGHTS

Coface reports another strong quarter

Turnover reached €1,103.4m y-t-d, up 5.6% at constant FX and perimeter, Q3-2019 up 3.8% y-o-y

- All regions continue to contribute to growth
- New production is improving, retention remains high
- Lower client activity growth reflects slowing global economy

9M-2019 net loss ratio stable at 45.1%; Net combined ratio improved by 2.3 ppts. at 76.8%

- Q3-2019 net loss ratio at 47.1%, improved by 1.4 ppt. despite riskier economy
- 9M-2019 net cost ratio improved by 2.3 ppts. at 31.7% vs 34.0% in 9M-2018, reflects continued cost controls and business growth
- Net combined ratio at 78.1% for Q3-2019

Net income (group share) at €117.3m, of which €38.8m in Q3-2019

- 9M-2019 net profit up 19% y-o-y; Q3-2019 net profit up 27% vs Q3-2018 adjusted for €5m FX gain

Annualised RoATE¹ stands at 9.5%

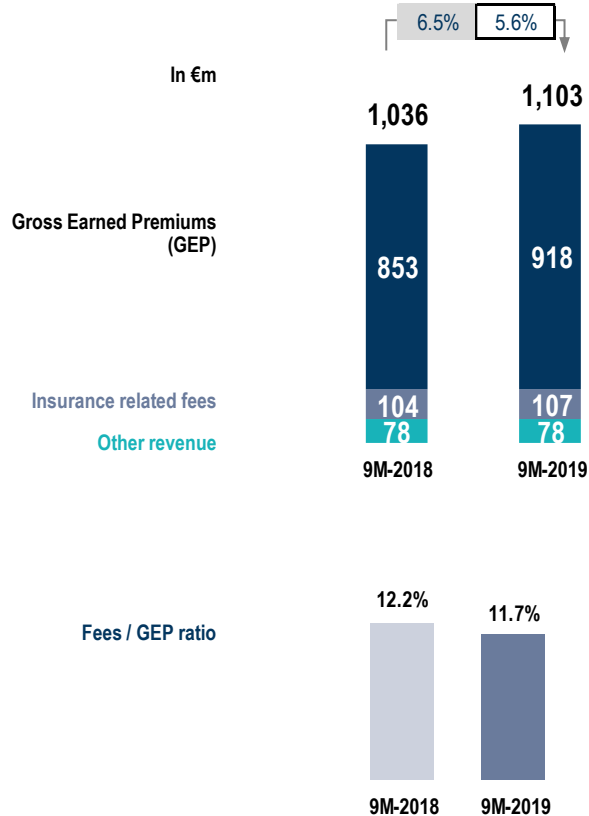
Fit to Win strategic plan coming to completion

- Focus is on continuing execution in slowing environment
- Awaiting regulatory response on Partial Internal Model
- Preparing next plan actively

¹RoATE = Average return on equity

PART 2
9M-2019 RESULTS

Turnover growth at 5.6% driven by credit insurance premiums



Total revenue up 5.6% vs 9M-2018 at constant FX and perimeter

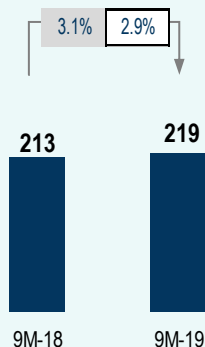
- ▶ Trade credit insurance¹ growing 6.7% at constant FX and perimeter. Q3-2019 (+5.0%) slowing down vs previous quarters on slowing trade backdrop
- ▶ Growth driven by record retention and past client activity
- ▶ Pricing remains under control
- ▶ Other revenue² flat vs 9M-2018, driven by factoring portfolio repositioning (2.5%)

¹ Including Bonding and Single Risk | ² Other revenue includes Factoring and Services

V% | V% ex. FX

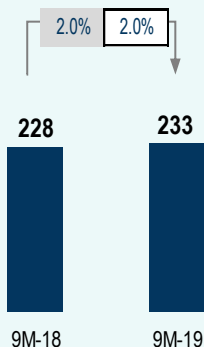
All regions contributing positively to growth

Western Europe



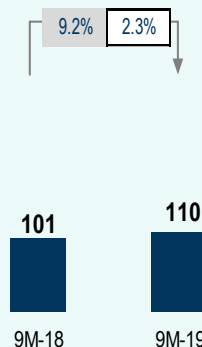
Growth driven by new business, retention and higher single risk

Northern Europe



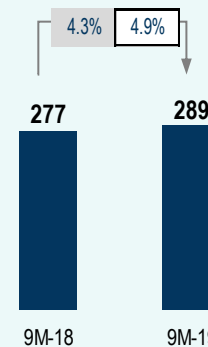
Growing new sales and retention.
Lower price pressure
Insurance revenues up 3.0%

Central Europe



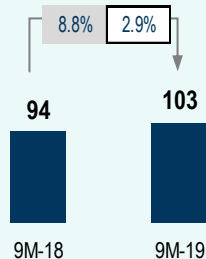
Growth at constant scope driven by trade credit.
Coface PKZ integrated in Q2-19

Mediterranean & Africa



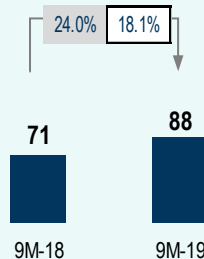
New business and activity remain high

North America



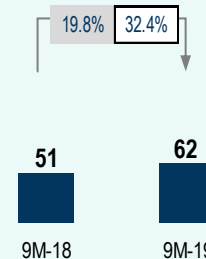
Higher revenues driven by higher retention and new business.
Large single risk policy cancellation one-off

Asia Pacific



Net production growing. Growth at 8.2% excluding 9M-18 one-off

Latin America

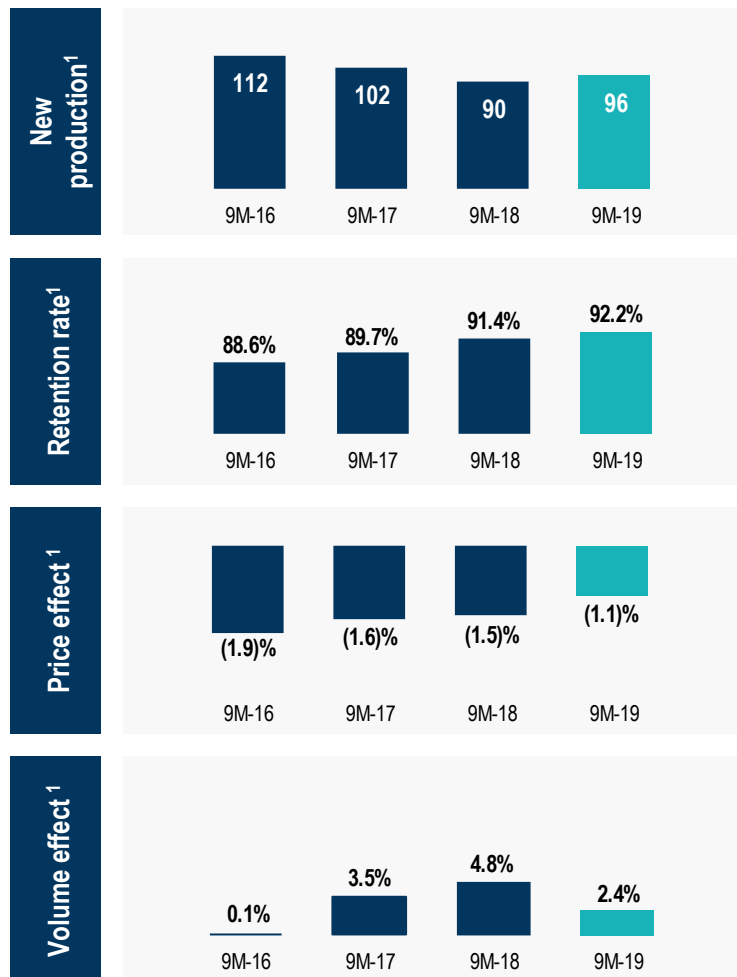


Large global contracts driving growth (+25.9% excluding FX)

V% V% ex. FX

Total revenue by region, in €m

Growing new business, record high retention, slowing activity



Confirmed new business recovery while keeping selective growth strategy



Record high retention



Lower pricing decline in a re-risking economy

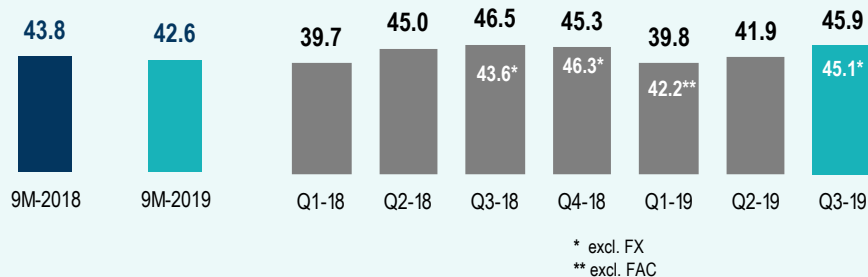


Continuous decline of client activity (Q3-2019 at +0.3%)

¹ Portfolio as of 30 September 2019; and at constant FX and perimeter. New production: in €m

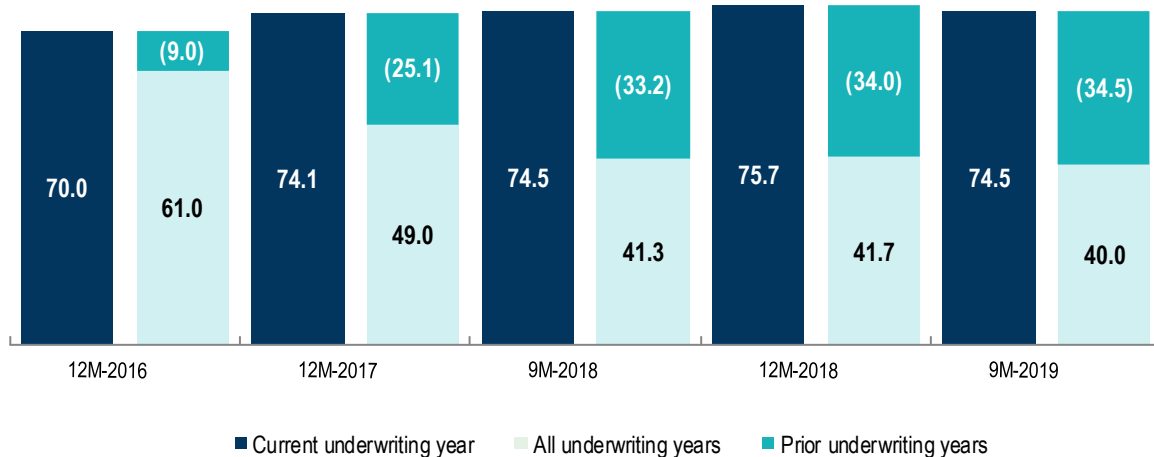
Gross loss ratio remains strong in more complex environment

Loss ratio before reinsurance and including claims handling expenses, in %



- ▶ YTD gross loss ratio still down by 1.2 ppt. y-o-y
- ▶ Claims activity increasing slightly in riskier environment

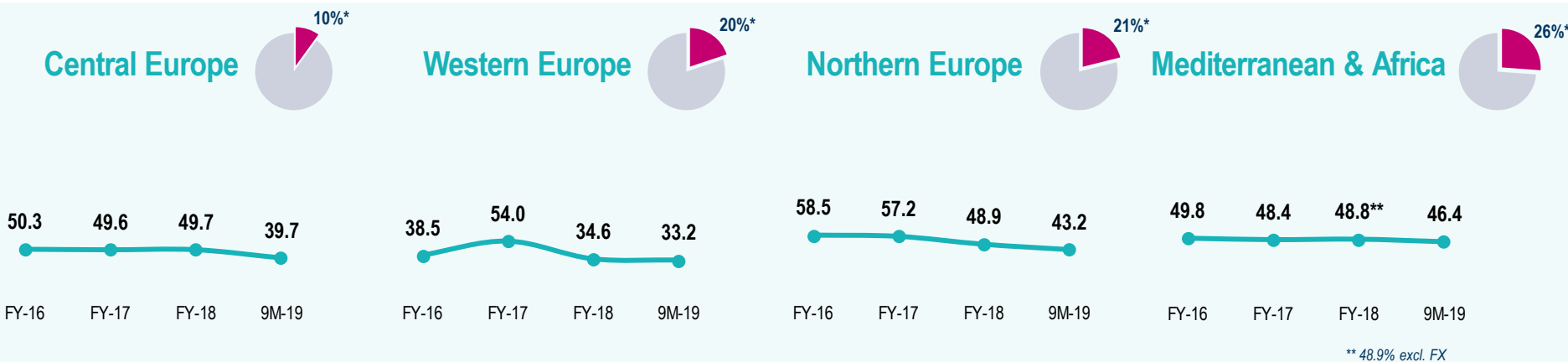
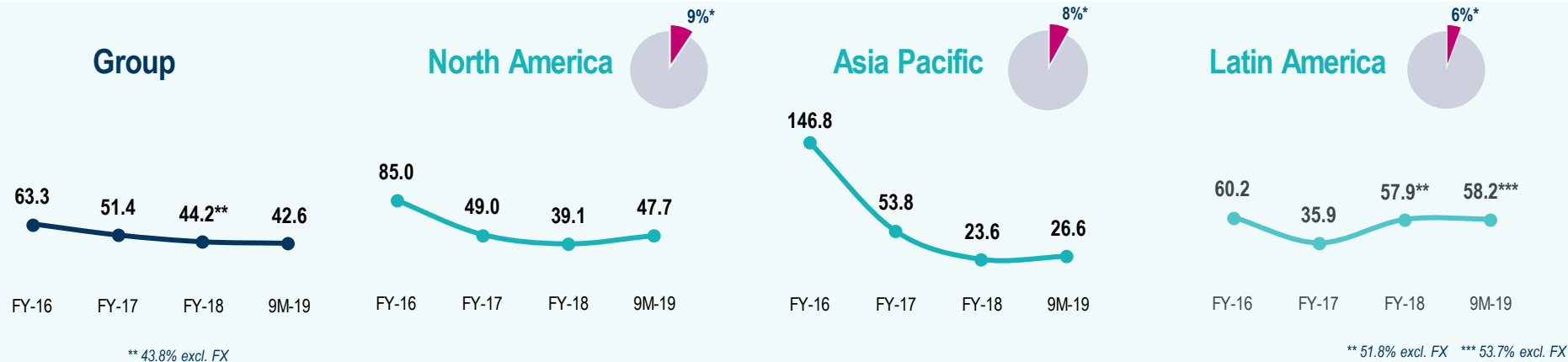
Loss ratio before reinsurance and excluding claims handling expenses, in %



- ▶ Unchanged reserving policy
- ▶ Frequency slightly increasing overall but still record high recovery rate

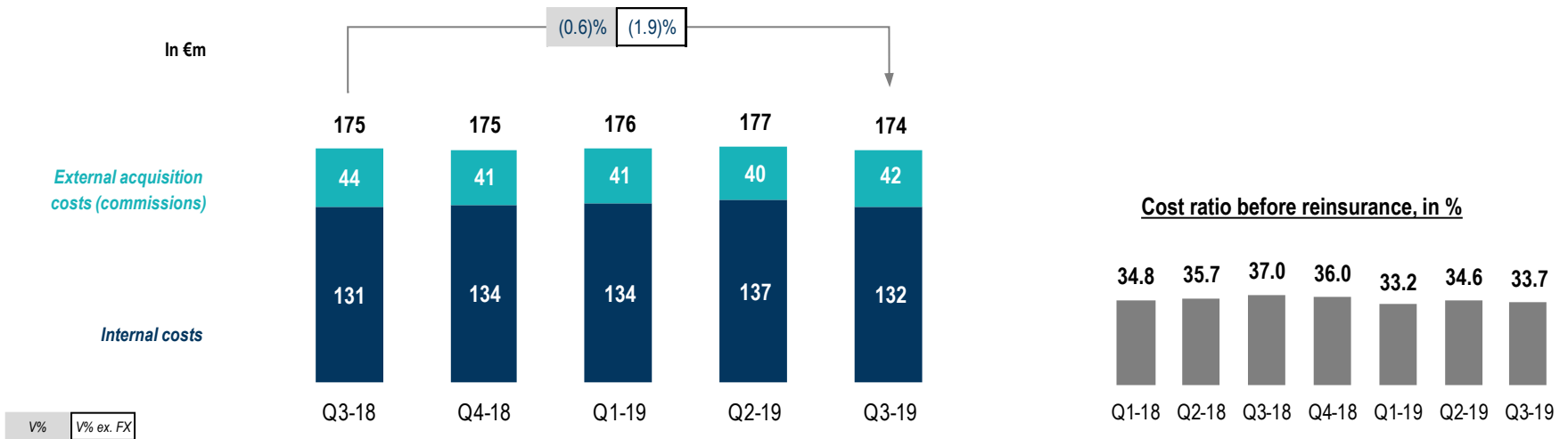
Loss ratio stable at a low level in most regions

Loss ratio before reinsurance, including claims handling expenses – in %

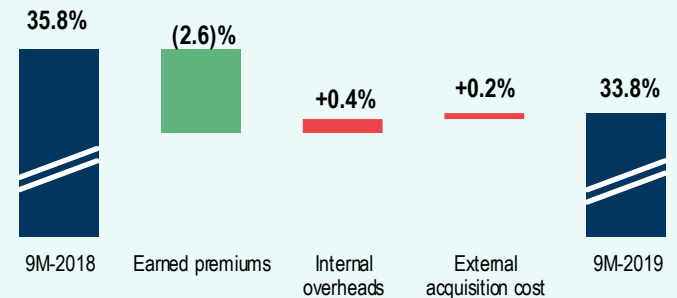


* % of Total revenue by region

Operational leverage and one-offs driving 2ppts cost ratio improvement



- ▶ 9M-2019 gross cost ratio at 33.8%; 33.7% on Q3-2019 including €2m one-off savings
- ▶ Achieved €36m Fit to Win savings y-t-d



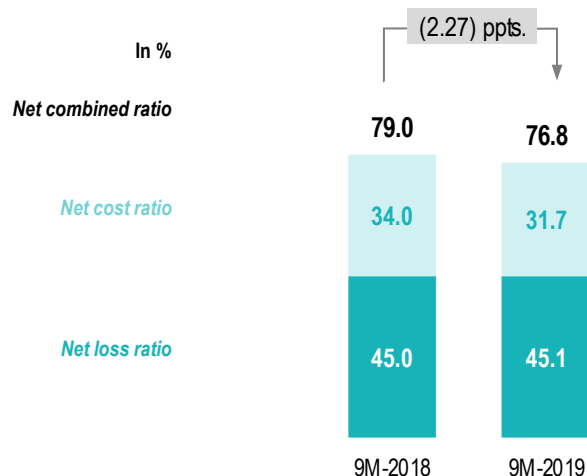
Reinsurance results reflect low loss ratio and stabilizing accounting cession rate

- ▶ Premiums cession rate stabilized
- ▶ Slightly higher claims cession rate on old years recoveries

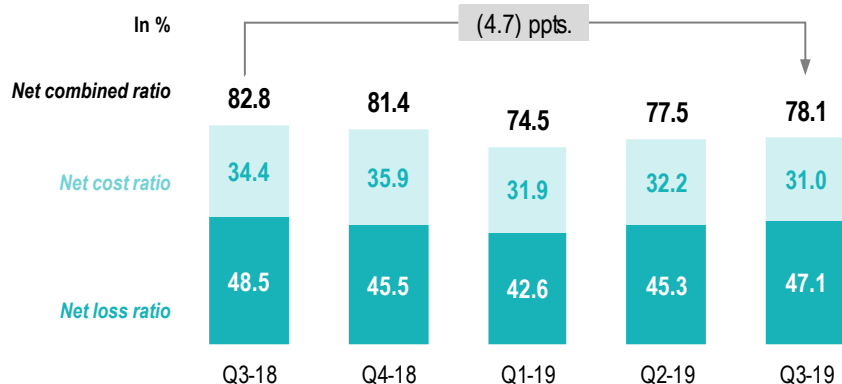
| | 9M-18 | 9M-19 |
|-----------------------------|--------------|--------------|
| Gross earned premiums | 852.9 | 917.9 |
| Net earned premiums | 606.4 | 652.8 |
| Premium cession rate | 28.9% | 28.9% |
| Gross claims expenses | 373.3 | 390.8 |
| Net claims expenses | 272.9 | 294.2 |
| Claims cession rate | 26.9% | 24.7% |

| | 9M-18 | 9M-19 | V% |
|---|--------------|--------------|-------------|
| Underwriting income before reinsurance | 169.5 | 210.5 | +24% |
| <i>Reinsurance result</i> | (46.7) | (64.8) | N.S. |
| Underwriting income after reinsurance | 122.8 | 145.7 | +19% |

Net combined ratio at 76.8%; below through the cycle average

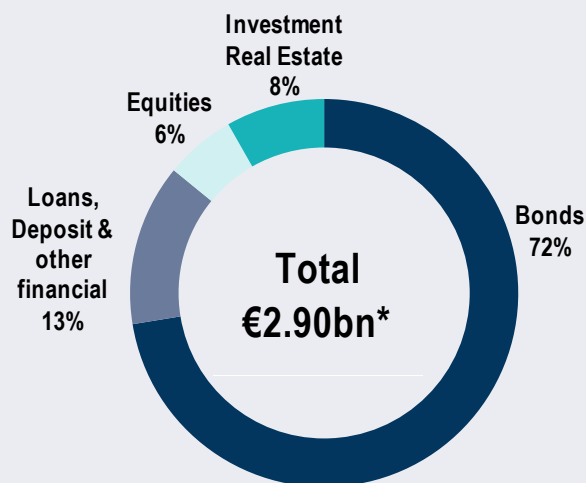


- ▶ Net combined ratio improved to 76.8% (vs 79.0% in 9M-18)
- ▶ Cost ratio improved by 2.3 ppts. thanks to positive operating leverage and one-off savings
- ▶ Loss ratio stable in a riskier environment



- ▶ Q3-2019 combined ratio is down (4.7) ppts. y-o-y
- ▶ Adjusted for FX movements, loss ratio is up 1.9ppts. (46.3% in Q3-2019 vs 44.4% in Q3-2018)
- ▶ Avoided most major market losses

Financial portfolio: yield almost stable despite low rates



Keeping a diversified strategy

* Excludes investments in non-consolidated subsidiaries

| €m | 9M-18 | 9M-19 |
|---|-------------|-------------|
| Income from investment portfolio without gains on sales** | 32.7 | 32.6 |
| Gains on sales and impairment / impairments release | 6.4 | 7.3 |
| FX effect | 9.5 | 4.0 |
| Other | (6.2) | (15.5) |
| Net investment income | 42.5 | 28.4 |
| Accounting yield on average investment portfolio | 1.4% | 1.4% |
| Accounting yield average investment portfolio excl. gains on sales & depreciations / release depreciations | 1.2% | 1.2% |

** Excludes investments in non-consolidated subsidiaries, FX and investment management charges

- ▶ Stable accounting yield in a lower interest rates and riskier environment
- ▶ Some negative one-off following decision to divest Peru and impairments on some other non consolidated entities

9M-2019 net income up 19% at €117.3m, of which €38.8m in Q3-2019

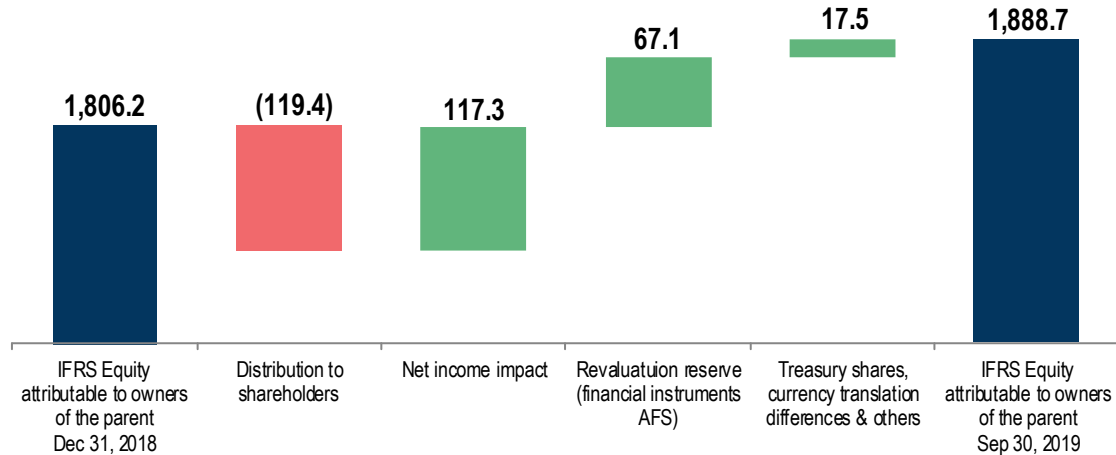
| <i>Income statement items - in €m</i> | 9M-18 | 9M-19 |
|---|--------------|--------------|
| Current operating income | 165.3 | 174.1 |
| Fit to Win investments & restructuring expenses | (4.2) | (2.3) |
| Other operating income and expenses | 2.4 | 2.4 |
| Operating income | 163.4 | 174.2 |
| Finance costs | (13.5) | (15.8) |
| Share in net income of associates | 0.6 | 0.0 |
| Badwill/Goodwill | 0.0 | 3.0 |
| Income tax | (52.2) | (44.1) |
| <i>Tax rate</i> | <i>35%</i> | <i>28%</i> |
| Non-controlling interests | (0.1) | 0.0 |
| Net income (group share) | 98.2 | 117.3 |

- ▶ Strong operating performance in 9M-2019
- ▶ Limited restructuring charges
- ▶ Operating income at €174.2m; of which €57.0m in Q3-2019
- ▶ Tax rate improved to 28% (35% in 9M-2018)
- ▶ 9M-2019 net income at €117.3m
- ▶ Q3-2019 net income up by 27% vs Q3-2018 excluding Q3-2018 FX gain for €5m

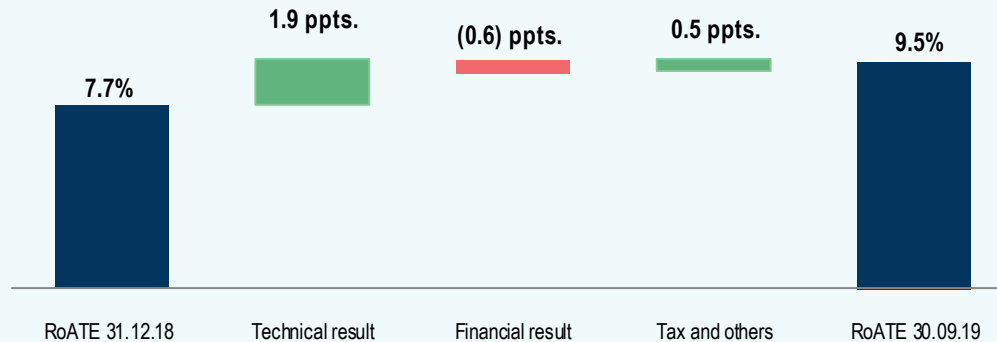
RoATE stands at 9.5% for 9M-2019

Change in equity

In €m



Return on average tangible equity (RoATE)¹



¹ Annualised RoATE

PART 3
KEY TAKE-AWAYS
& OUTLOOK

Key take-aways & outlook

Another strong quarter in a slowing economy

- Slower economic growth starting to be visible in Coface's numbers (clients activity growing at a slower pace and pressure on financial portfolio return)
- Loss frequency is increasing but Coface has avoided most major market losses
- Net combined ratio at 76.8% (9M-2019) with stable loss ratio of 45.1% and improving cost ratio
- Net income (group share) at €117.3m, of which €38.8m in Q3-2019 ; Annualised RoATE stands at 9.5%

Fit to Win strategic plan coming to completion

- Focus is on continued execution in slowing environment
- Awaiting regulatory response on Partial Internal Model
- Preparing next plan actively

¹ Including Bonding and Single Risk.

PART 4
APPENDICES

Key figures (1/2)

Quarterly and cumulated figures

| Income statement items in €m | Q1-18 | Q2-18 | Q3-18 | Q4-18 | Q1-19 | Q2-19 | Q3-19 | % | % ex. FX* |
|--|--------------|--------------|----------------|----------------|--------------|--------------|----------------|---------------------|----------------|
| Quarterly figures | | | | | | | | | |
| Gross earned premiums | 278.4 | 282.3 | 292.2 | 289.7 | 299.0 | 306.3 | 312.6 | +7.0% | +5.0% |
| Services revenue | 65.6 | 58.7 | 58.5 | 59.3 | 66.4 | 60.8 | 58.3 | (0.5)% | (2.1)% |
| REVENUE | 344.0 | 340.9 | 350.7 | 349.1 | 365.5 | 367.1 | 370.9 | +5.7% | +3.8% |
| UNDERWRITING INCOME(LOSS) AFTER REINSURANCE | 52.4 | 35.9 | 34.5 | 35.0 | 52.0 | 47.4 | 46.3 | +34.1% | +29.8% |
| Investment income, net of management expenses | 8.3 | 4.6 | 29.6 | 8.6 | 5.1 | 11.5 | 11.8 | (60.2)% | (55.7)% |
| CURRENT OPERATING INCOME | 60.7 | 40.5 | 64.1 | 43.6 | 57.2 | 58.9 | 58.0 | (9.4)% | (9.5)% |
| Other operating income / expenses | (2.3) | 1.5 | (1.0) | (3.2) | (0.2) | 1.3 | (1.0) | N.A | N.A |
| OPERATING INCOME | 58.4 | 42.0 | 63.1 | 40.5 | 56.9 | 60.3 | 57.0 | (9.5)% | (12.2)% |
| NET INCOME | 35.5 | 27.3 | 35.4 | 24.1 | 36.4 | 42.2 | 38.8 | +9.5% | +9.1% |
| <i>Income tax rate</i> | 35.3% | 26.4% | 39.7% | 32.8% | 29.4% | 28.9% | 25.0% | <i>(14.8) ppts.</i> | |
| Income statement items in €m | | | | | | | | | |
| Cumulated figures | | | | | | | | | |
| Gross earned premiums | 278.4 | 560.7 | 852.9 | 1,142.6 | 299.0 | 605.3 | 917.9 | +7.6% | +6.7% |
| Services revenue | 65.6 | 124.3 | 182.8 | 242.1 | 66.4 | 127.3 | 185.6 | +1.5% | +0.8% |
| REVENUE | 344.0 | 685.0 | 1,035.7 | 1,384.7 | 365.5 | 732.6 | 1,103.4 | +6.5% | +5.6% |
| UNDERWRITING INCOME(LOSS) AFTER REINSURANCE | 52.4 | 88.3 | 122.8 | 157.8 | 52.0 | 99.5 | 145.7 | +18.7% | +16.0% |
| Investment income, net of management expenses | 8.3 | 12.9 | 42.5 | 51.1 | 5.1 | 16.6 | 28.4 | (33.1)% | (25.4)% |
| CURRENT OPERATING INCOME | 60.7 | 101.2 | 165.3 | 208.9 | 57.2 | 116.1 | 174.1 | +5.4% | +5.4% |
| Other operating income / expenses | (2.3) | (0.8) | (1.8) | (5.0) | (0.2) | 1.1 | 0.1 | N.A | N.A |
| OPERATING INCOME | 58.4 | 100.4 | 163.4 | 203.9 | 56.9 | 117.2 | 174.2 | +6.6% | +5.5% |
| NET INCOME | 35.5 | 62.8 | 98.2 | 122.3 | 36.4 | 78.5 | 117.3 | +19.4% | +19.5% |
| <i>Income tax rate</i> | 35.3% | 31.7% | 34.8% | 34.4% | 29.4% | 29.2% | 27.8% | <i>(7) ppts.</i> | |

* Also excludes scope impact

Key figures (2/2)

Revenue by region: quarterly and cumulated figures

| Total revenue by quarter - in €m | Q1-18 | Q2-18 | Q3-18 | Q4-18 | Q1-19 | Q2-19 | Q3-19 | % ex. FX* |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Northern Europe | 79.0 | 73.2 | 76.2 | 74.7 | 80.2 | 75.9 | 76.7 | +0.2% |
| Western Europe | 74.8 | 68.4 | 69.6 | 71.2 | 74.9 | 72.6 | 71.9 | +3.3% |
| Central Europe | 33.6 | 33.5 | 33.7 | 33.0 | 33.7 | 37.9 | 38.6 | +2.9% |
| Mediterranean & Africa | 91.8 | 92.7 | 92.2 | 93.6 | 96.8 | 94.1 | 97.8 | +5.3% |
| North America | 27.4 | 30.7 | 36.3 | 32.1 | 31.5 | 36.6 | 34.6 | (8.6)% |
| Latin America | 16.2 | 17.7 | 17.6 | 20.1 | 21.1 | 18.7 | 21.8 | +29.7% |
| Asia Pacific | 21.3 | 24.6 | 25.1 | 24.3 | 27.3 | 31.3 | 29.5 | +12.4% |
| Total revenue | 344.0 | 340.9 | 350.7 | 349.1 | 365.5 | 367.1 | 370.9 | +3.8% |

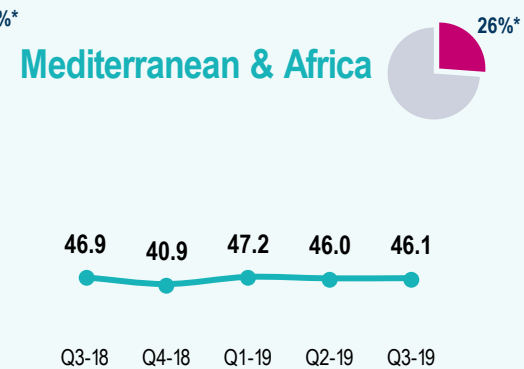
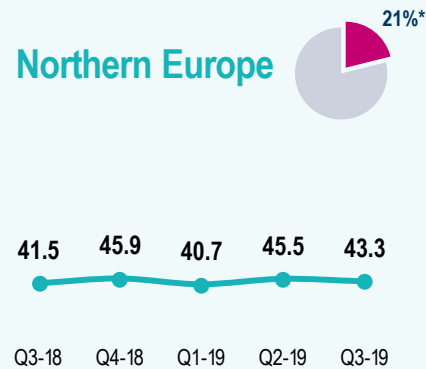
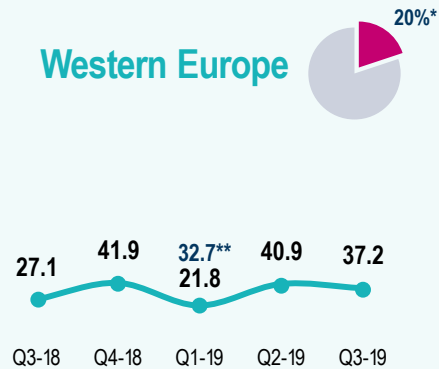
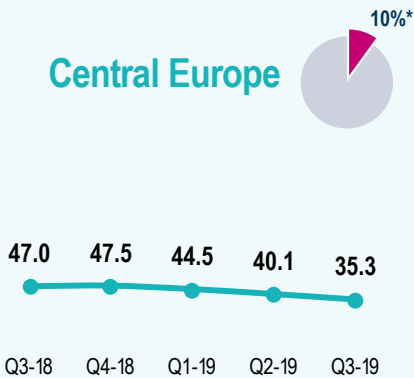
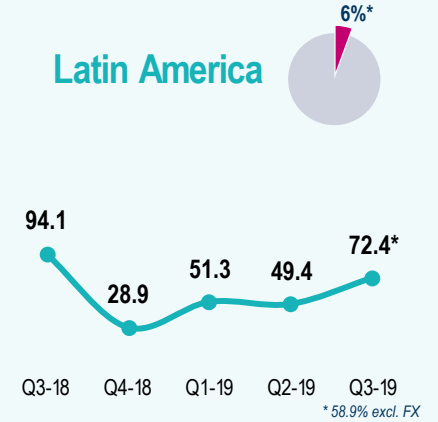
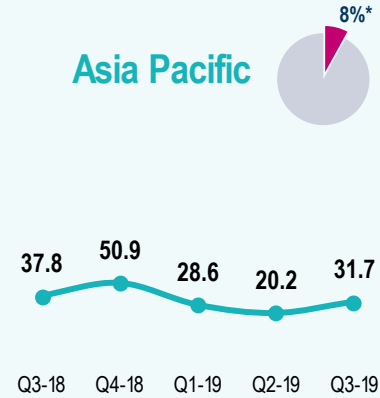
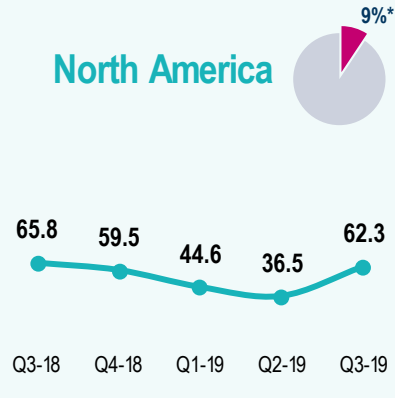
| Total revenue cumulated - in €m | Q1-18 | H1-18 | 9M-18 | FY-18 | Q1-19 | H1-19 | 9M-19 | % ex. FX* |
|---------------------------------|--------------|--------------|----------------|----------------|--------------|--------------|----------------|--------------|
| Northern Europe | 79.0 | 152.2 | 228.3 | 303.1 | 80.2 | 156.1 | 232.8 | +2.0% |
| Western Europe | 74.8 | 143.2 | 212.8 | 284.0 | 74.9 | 147.5 | 219.4 | +2.9% |
| Central Europe | 33.6 | 67.1 | 100.8 | 133.8 | 33.7 | 71.5 | 110.1 | +2.3% |
| Mediterranean & Africa | 91.8 | 184.6 | 276.8 | 370.4 | 96.8 | 190.9 | 288.7 | +4.9% |
| North America | 27.4 | 58.1 | 94.4 | 126.5 | 31.5 | 68.1 | 102.7 | +2.9% |
| Latin America | 16.2 | 33.8 | 51.5 | 71.5 | 21.1 | 39.8 | 61.6 | +32.4% |
| Asia Pacific | 21.3 | 46.0 | 71.1 | 95.4 | 27.3 | 58.7 | 88.2 | +18.1% |
| Total Group | 344.0 | 685.0 | 1,035.7 | 1,384.7 | 365.5 | 732.6 | 1,103.4 | +5.6% |

* Also excludes scope impact

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Loss ratio of the quarter at 45.9%

Loss ratio before reinsurance, including claims handling expenses – in %



* % of Total revenue by region

Combined ratio calculation

▶ Combined ratio before reinsurance

$$\text{loss ratio before reinsurance } \frac{(B)}{(A)} + \text{cost ratio before reinsurance } \frac{(C)}{(A)}$$

▶ Combined ratio after reinsurance

$$\text{loss ratio after reinsurance } \frac{(E)}{(D)} + \text{cost ratio after reinsurance } \frac{(F)}{(D)}$$

| Ratios | 9M-2018 | 9M-2019 |
|---|--------------|--------------|
| Loss ratio before reinsurance | 43.8% | 42.6% |
| Loss ratio after reinsurance | 45.0% | 45.1% |
| Cost ratio before reinsurance | 35.8% | 33.8% |
| Cost ratio after reinsurance | 34.0% | 31.7% |
| Combined ratio before reinsurance | 79.6% | 76.4% |
| Combined ratio after reinsurance | 79.0% | 76.8% |

| In €k | 9M-2018 | 9M-2019 |
|---|------------------|------------------|
| Earned Premiums | | |
| Gross earned premiums [A] | 852,876 | 917,895 |
| Ceded premiums | (246,482) | (265,069) |
| Net earned premiums [D] | 606,394 | 652,825 |
| Claims expenses | | |
| Claims expenses [B] | (373,265) | (390,774) |
| Ceded claims | 94,882 | 90,429 |
| Change in claims provisions | 5,482 | 6,151 |
| Net claims expenses [E] | (272,901) | (294,194) |
| Technical expenses | | |
| Operating expenses | (491,423) | (500,060) |
| Employee profit sharing and incentive plans | 2,975 | 3,942 |
| Other revenue | 182,797 | 185,553 |
| Operating expenses, net of revenues from other services before reinsurance [C] | (305,652) | (310,565) |
| Commissions received from reinsurers | 99,369 | 103,686 |
| Operating expenses, net of revenues from other services after reinsurance [F] | (206,283) | (206,879) |

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Q3-19 results vs consensus

| in M€ | # of replies | Consensus | Q3-2019 | Spread | Comment |
|--|--------------|-----------|---------|------------|--|
| Total revenue | | 366 | 371 | +5 | |
| Gross Earned Premiums | | 305 | 313 | +8 | Growing revenues driven by growing new production, past client activity and high retention |
| Net Earned Premiums | | 216 | 223 | +7 | |
| NEP/GEP | | 71.2% | 71.2% | +0.0 ppt | Cession rate now fully stabilized |
| Net underwriting income | | 43 | 46 | 3 | Better cost ratio |
| Net Investment Income | | 13 | 12 | (1) | FX gains offset by neg. hedging contribution |
| Current operating income | | 55 | 58 | 3 | Better underwriting |
| Other operating & Restructuring charges (Fit to Win) | | (1) | (1) | +0 | - |
| Operating Income | | 54 | 57 | 3 | Good combined ratio |
| Net income | | 35 | 39 | 4 | Better tax rate |
| Net Loss Ratio (%) | | 46.7% | 47.1% | +0.4 pts | Rising frequency, still high recoveries |
| Net Cost Ratio (%) | | 33.2% | 31.0% | (2.2) pts. | Op. leverage and 2M one-off savings |
| Net Combined Ratio (%) | | 79.9% | 78.1% | (1.8) pts | Better cost ratio |

Financial Calendar & investor relations contacts

| Calendar | |
|-----------------------------|------------------------------------|
| Next Event | Date |
| FY-2019 Results | 5 February 2020 after market close |
| Q1-2020 Results | 23 April 2020 after market close |
| Annual shareholders meeting | 14 May 2020 after market close |
| H1-2020 Results | 29 July 2020 after market close |
| 9M-2020 Results | 29 October 2020 after market close |

Coface is scheduled to attend the following investor conferences

| Next Event | Date |
|----------------------|-------------------|
| ODDO BHF Forum, Lyon | 9-10 January 2020 |

| Own shares transactions | | | | | | |
|-------------------------|---------------------|-----------|-------------------------|-------------------------|---------------------|---------------|
| Date | Liquidity Agreement | LTIP | Buy-back (cancellation) | Own shares transactions | | |
| | | | | TOTAL (in shares) | % Total of # Shares | Voting rights |
| 30/09/2019 | 96,557 | 1,164,868 | 0 | 1,261,425 | 0.83% | 150,770,524 |

Note: After the Board's decision of 24 April 2019, 1,867,312 were cancelled on 29 July 2019. The new Company's share capital amount to €304,063,898 divided into 152,031,949 shares (€2 nominal value).

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Important legal information

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Participants should read the interim financial report for the first half, the financial statements for the period ending 30 June 2019 and complete this information with the Registration Document for the year 2018. The Registration Document for 2018 was registered by the *Autorité des marchés financiers* ("AMF") on 3 April 2019 under the number D.19-0261. These documents all together present a detailed description of the Coface Group, its business, strategy, financial condition, results of operations and risk factors.

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