coface
FOR SAFER TRADE

Interim financial report, First-half 2015

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This document is a free translation of the Coface Group's Financial Report ("*Rapport Financier, Premier semestre 2015*"). The financial report, in its original French version, is publicly available at www.coface.com. This free translation is provided for the convenience of English-speaking readers only.

NOTE

COFACE SA (hereinafter, the “Company”) is a *société anonyme* (joint-stock corporation), with a Board of Directors (*conseil d’administration*) incorporated under the laws of France, and is governed by the provisions of Volume II of the French Commercial Code (*Code de Commerce*). The Company is registered with the Nanterre Trade and Companies Register (Registre du Commerce et des Sociétés) under number 432 413 599. The Company’s head office is at 1 Place Costes et Bellonte, 92270 Bois Colombes, France. Unless otherwise stated, references in this document to the “Group” or the “Coface Group” are references to the Company and its subsidiaries, branches and holdings.

At the date of June 30, 2015, the Company’s share capital amounts to €786,241,160, divided into 157,248,232 shares, all of the same class, and all of which are fully paid up and subscribed.

Presentation of financial and other information

This report includes free English language translations of the audited consolidated financial statements of COFACE SA as of and for the year ended December 31, 2014 and of the audited interim condensed consolidated financial statements of COFACE SA as of and for the six months ended June 30, 2014 and 2015. The annual consolidated financial statements were prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”). The audited interim condensed consolidated financial statements were prepared in accordance with International Accounting Standard (“IAS”) 34, the IFRS standard as adopted by the European Union applicable to interim financial statements. COFACE SA publishes its consolidated financial statements in euros. Sum of aggregates and totals may not match due to rounding.

COFACE SA presents certain figures on both an actual historical basis and, in some instances, on a “constant scope of consolidation” or “constant exchange rate” basis. In this report, where figures are presented at a constant scope of consolidation, the previous year’s figures (N-1) are adjusted to reflect the entities that enter or leave the scope of consolidation during the most recent year (N). COFACE SA believes providing figures on a constant exchange rate and constant scope of consolidation basis is helpful in permitting investors to analyse and understand the effect of exchange rate fluctuations and changes in the scope of consolidation on its financial results. However, figures provided on this basis are not measurements of performance under IFRS and should not be considered in isolation from or as a substitute for the IFRS figures.

Forward-Looking Statements

This report includes forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes,” “estimates,” “anticipates,” “expects,” “intends,” “may,” “will” or “should” or, in each case, their negative, or other variations or other comparable terminology. These forward-looking statements relate to all matters that are not historical facts and should not be interpreted as a guarantee of future performance. They appear in a number of places throughout this report and include statements regarding COFACE SA’s intentions, beliefs or current expectations concerning, among other things, COFACE SA’s results of operations, financial position, liquidity, prospects, growth, strategies and the industries in which the Coface Group operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. In addition, even if COFACE SA’s financial position, results of operations and cash flows, and the development of the industry in which it operates, are consistent with the forward-looking statements contained in this report, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that could cause those differences include, but are not limited to the risks described in paragraph “Risk factors” below and in chapter 5 “Main risk factors and their management within the Group” of the registration document filed by the French Financial Markets Authority (Autorité des Marchés Financiers) on April 13, 2015 under the number R.15-019.

Risk Factors

You are strongly encouraged to carefully consider the Risk Factors described in the registration document filed by the French Financial Markets Authority (Autorité des Marchés Financiers)on April 13, 2015 under the number R.15-019.

The Risk Factors of the said documents describe all risks which are likely to have a material adverse effect on the business, financial position and/or operating results of the Coface Group. Additional risks that are not known at the date of this report, or that the Coface Group currently considers immaterial based on the information available to it, may have a material adverse effect on the Coface Group, its business, financial position, operating results or growth prospects as well as on the market price of COFACE SA’s shares listed on Euronext Paris (**ISIN: FR0010667147**).

All this information is available on the websites of the Company (www.coface.com/Investors) and the AMF (www.amf-france.org)

I. Half-year business review

I. Half-year business review

a. Economic environment for the first half-year

As each quarter, the Coface Group economic research team reviewed its global growth forecasts for 2015 in June; it also presented its first growth forecasts for 2016. Coface observed a continuing rally of European economies, although the magnitude of the recovery remains fairly weak. Moreover, the slowdown of major emerging economies was confirmed.

According to these Coface Group's forecasts, global growth should only be around 2.9% this year, after 2.7% in 2014, still much lower than the pre-2008 crisis levels (between 4 and 4.5% in 2006 and 2007). This low growth can be explained by the still relatively positive growth outlook in the United States of America and the turnaround in the Eurozone (+1.5% expected in 2015), which presents contrasting situations and remains modest and below its historical average.

Spain reported the strongest growth in the Eurozone (2.9% expected in 2015) while activity remained on the right track in Germany (growth forecast of 1.9% for 2015), driven by dynamic household consumption. Elsewhere in Europe, the United Kingdom reported relatively vigorous growth this year (+2.3% expected by Coface). Meanwhile, the signs of an upturn remain tenuous in France and Italy, where corporate and household investment is still struggling to take off. Against this background of gradual and limited-scope recovery, Coface revised upwards two country assessments in June (country assessments measure the credit risk of companies in a given country): the Czech Republic in A3 and Portugal in A4.

The US continued to report steady, vibrant growth buoyed by the improvement on the employment market. Nevertheless, given the disappointing growth figure in Q1 2015, Coface adjusted its forecasts down from the previous 2.9% to 2.4%. GDP growth in Japan is expected to be modest (1.7% expected in 2015).

Furthermore, the Coface Group also expects a slight slowdown in growth in emerging economies in 2015. This can be explained by the dim growth outlook for the BRICS, as several countries are still in recession, e.g., Russia (-3.0% in 2015) and Brazil (-1.0% this year). The Chinese economy continues to slow down (7% expected for 2015) and South Africa reported weak growth (1.8%). Accordingly, Coface revised downwards the first into A4 and placed the second under negative watch in June. Brazil had already been placed under negative outlook in March.

A continue declining in commodities prices had an adverse impact on commodity high-dependent countries particularly in Latin America, Africa and in the Middle East. In this context, Coface placed several countries adversely impacted by lower oil prices under supervision in June, including Algeria, Bahrain, Canada and Gabon.

b. Significant events of the period

Modernisation of the flagship offer, renamed TradeLiner

Coface has modernised its flagship offer and announced on June 15 the launch of TradeLiner, designed to address the changing needs of mid-market companies. This decision is part of the upgrading initiative of the Coface Group: renovation and specialization by market in the insurance offer. The new product will be rolled out in all Coface countries.

Geographic expansion

In line with its strategy to expand into new markets, Coface obtained in January 2015 the licence to operate as an insurer in Israel. The Group also opened a new sales representation office in Kazakhstan (January 2015).

Management of public procedure guarantee schemes for export

The French State indicated on February 23, that it was studying the possibility of transferring the management of the public guarantees granted by Coface to the BpiFrance group.

Changes in governance

Executive Committee

The Executive Committee, which includes members of the Group Management Board, the Group's strategy and operational control body, and managers from the seven geographical regions, has changed to better support the Group's development.

Carole Lytton was appointed Group Corporate Secretary on July 3, 2015. She combines, in addition to the legal, compliance and general procurement departments, the CSR (corporate social responsibility), a department with the responsibility of ensuring sustainable development as a business-critical issue for Coface.

Juan Saborido was appointed Director of the North America region and accordingly became a member of the executive committee on April 15, 2015.

Board of Directors

At its meeting of May 5, 2015, the Board of Directors of COFACE SA decided to co-opt two new board members. Linda Jackson, Chief Executive Officer of Citroën, member of the Executive Committee of PSA Peugeot Citroën and Martine Odillard, Chief Executive Officer of Chargeurs group.

The Board now has two new independent members. The Board will be enriched by the vast experience acquired by these members from their previous positions in international companies operating in a variety of innovative sectors.

At June 30, 2015, the Board of Directors of COFACE SA had the following members: Laurent Mignon (Chairman of the Board of Directors), BPCE, represented by Marguerite Berard-Andrieu, Jean Arondel, Jean-Paul Dumortier, Eric Hémar, Linda Jackson, Pascal Marchetti, Sharon MacBeath, Martine Odillard, Laurent Roubin, and Olivier Zarrouati.

c. Events after June 30, 2015

Transfer of French State public guarantees activity[1]

The French government announced in February 2015 that it was examining the possibility of transferring the French State public guarantees activity, currently carried out by Coface, to the Bpifrance group. Having studied and discussed the project with Coface, the French government announced today, July 29th, its decision to implement the project, in line with its aim to consolidate under one establishment the support it offers to SME and larger companies.

Coface and the French government have agreed the financial terms of such a transfer[1]. These consist of a principle of payment of €77.2M, corresponding to a valuation of approximately €89.7M before tax, net of estimated liabilities of €12.5M as at end-December 2014.

The transfer[1] is scheduled to take place in the course of 2016. It will take the form of a cession to Bpifrance of the standalone State public guarantees activity, composed of teams and dedicated systems (IT, contracts,…), as well as corresponding assets and liabilities.

[1]: This transfer will be subject to a modification of the legislative and regulatory framework applicable to State public guarantees activity.

This payment[2] will allow Coface to absorb immediate depreciation charges[2] (estimated at €17.3M before tax) and contribute to absorbing the margin loss (€11.7M) and fixed costs remaining (€20.8M) at Coface's charge (amounts before tax on a full-year basis).

The loss of this activity will mechanically lead to a 1.4 percentage point decrease in RoATE (on a full-year basis). Coface intends to limit these effects and is studying the implementation of an operational efficiency programme.

d. Key figures of the Group

i. Revenue

Coface Group's consolidated revenue increased by 5.1%, from €723.6 million at June 30, 2014 to €760.3 million at June 30, 2015. At a constant exchange rate, the consolidated revenue was up 1.7%, primarily due to revaluations of the US dollar, the Hong Kong dollar and the British pound, and 2.1% like-for-like[3].

On a like-for-like basis, all of the Coface Group's activities (insurance and factoring) contributed to the growth reported in H1-2015.

The table below shows the changes in the Coface Group's consolidated revenue by business line for H1-2014 and H1-2015:

Consolidated revenue by business line (in millions of euros)	**At June 30**		**Change**		
	2015	**2014**	**in €m**	**%**	**% (Like-for-like)**
Insurance	724.7	689.7	35.0	5.1%	1.9%
Gross earned premiums	*603.0*	*564.8*	*38.3*	*6.8%*	*2.8%*
*Services**	*121.6*	*124.9*	*-3.3*	*-2.6%*	*-2.4%*
Factoring	*35.6*	*33.9*	1.7	5.1%	5.0%
Consolidated revenue	**760.3**	**723.6**	**36.7**	**5.1%**	**2.1%**

*Sum of revenue from services related to credit insurance ("Fees and commission income" and "Compensation for public procedures management services") and services provided to customers without credit insurance (access to information on corporate solvency and marketing information ("Information and other services") and debt collection services ("Receivables management")).

Insurance

Revenue for the insurance business (including surety bonds and single risk insurance products) rose by 5.1% (+1.9% like-for-like) from €689.7 million in H1-2014 to €724.7 million in H1-2015.

Gross earned premiums were up 2.8% on a like-for-like basis.

The increase in earned gross premiums is due to the sales stimulus plan launched in 2013 and whose effects are mainly reflected in emerging zones. Production of new contracts, which reached to €76 million (in annual value) in H1-2015, fell by 12% compared to H1-2014 (€87 million), a period during which the production of new contracts had been particularly robust. The contract retention rate (ratio between the annual value of policies renewed in the half year and the annual value of policies to be renewed in the same half year) remained high at 89.1% for H1-2015, versus 90.6% for H1-2014. The volume of activity of customers rose by 1.9% for the half-year ended June 30, 2015, versus 1.6% as at June 30, 2014 (on a non-annualised basis). The negative price effect

[2]: The valuation of €89.7M before tax and depreciation charges will be registered in our financial statements once the legislative and regulatory framework applicable to State public guarantees activity will be modified.

[3] Like-for-like means at comparable exchange rates and perimeter

of credit insurance policies fell -2.5% for the half-year ended June 30, 2015 compared to -1.0% for the same prior-year period (on an annualised basis), in a context of improved profitability and strong competitive pressure.

Revenue from the Coface Group's Services business dropped 2.6% (down -2.4% like-for-like), from €124.9 million for the half-year ended June 30, 2014 to €121.6 million at half-year ended June 30, 2015, due primarily to the improved solvency of Western Europe companies.

Factoring

Revenue generated by the Coface Group's factoring business (now carried out exclusively in Germany and Poland) grew for the second consecutive year, climbing 5.1% (up +5.0% like-for-like) from €33.9 million for the half-year ended June 30, 2014 to €35.6 million at June 30, 2015.

Changes in revenue by region

The table below shows the changes in consolidated revenue (net of intra-group flows) within the Group's seven geographic regions for first-half 2014 and 2015:

Change in consolidated revenue by region of invoicing (in millions of euros)	**At June 30**		**Change**			
	2015	**2014**	**in €m**	**%**	**% (constant exchange rate basis)**	**% (like-for-like)**
Western Europe	236.1	238.5	-2.4	-1.0%	-2.8%	-2.8%
Northern Europe	171.5	182.1	-10.6	-5.8%	-4.7%	-4.7%
Mediterranean & Africa	130.3	110.6	19.7	17.8%	16.3%	16.3%
North America	66.3	53.1	13.2	24.7%	4.0%	4.0%
Central Europe	56.6	56.1	0.5	0.9%	0.6%	0.6%
Asia-Pacific	56.7	45.2	11.5	25.4%	8.0%	8.0%
Latin America	42.9	38.0	4.9	12.8%	8.8%	16.9%
Consolidated revenue	**760.3**	**723.6**	**36.7**	**5.1%**	**1.7%**	**2.1%**

Coface continues to roll out its sales force structure by distribution channels and keeps improving its sales monitoring. In more mature markets, such as France, Germany, and Austria, these developments constitute significant changes, for which the progressive results are slower to materialise.

This fact is illustrated by the evolution in revenue in Western and Northern Europe, regions for which the main contributors are France and Germany respectively, posted revenue that had fallen by 2.8% and 4.7%, on a like-for-like basis.

Emerging countries, in Latin America, Asia-Pacific and Mediterranean-Africa reported significant growth in revenue.

In Northern Europe, revenue was down 5.8% (-4.7% on a like-for-like basis). Germany, the main contributor in the region, began a significant reorganization of its commercial network on January 1, 2015. Factoring grew steadily at +2.3% and insurance fell by -7.8%. Service activities (in particular debt collection services) fell, as a result of businesses becoming more solvent.

In Central Europe, revenue was up 0.9% (0.6% like-for-like), driven by the robust performance in Q2 2015 of countries such as Poland and Romania.

Revenue for the Mediterranean & Africa region grew by 17.8% (16.3% like-for-like), reflecting the highly vibrant trading environment in Italy, Turkey and in the United Arab Emirates.

Revenue for North America climbed 24.7% on a reported exchange rate basis. On a like-for-like basis, revenue was up by 4%.

In Latin America, we observed a 12.8% increase in revenue. Reassessments of the Brazilian real and the Argentinian peso represent 4 percentage points of growth. The loss linked to the cessation of public credit insurance procedures activity since June 2014 represents 8 percentage points of growth. Like-for-like, growth was very buoyant at 16.9%, with Argentina posting a brilliant performance.

Asia-Pacific reported a significant increase in revenue by 25.4% and 8% like-for-like, primarily due to revaluations of the Hong Kong dollar. Growth was driven by the improvement in the sales portfolio in many countries. Also, we observed a recovery in China after the adaptation of our offer to a market that showed low financing requirements.

ii. Underwriting income

Underwriting income before reinsurance

Underwriting income before reinsurance shrank by -€19.7 million, dropping from €123.0 million in H1-2014 to €103.3 million in H1-2015, explained by the higher claims level (up €38.2 million, i.e., +3.3 percentage points). The combined ratio before reinsurance therefore totaled 81.6% compared to 77.0% in H1-2014.

Loss experience

Loss experience	**At June 30**		**Change**	
(in millions of euros and %)	**2015**	**2014**	**in €m**	**%**
Claims expenses incl. claims handling costs	309.1	271.0	38.2	14.1%
Loss ratio before reinsurance	51.3%	48.0%	-	3.3 ppts

In a weak and limited-scope macro-economic recovery, the loss ratio before reinsurance increased by 3.3 percentage points, moving from 48.0% in H1-2014 to 51.3% in H1-2015 due to the change in the loss frequency, especially in Asia.

In Western Europe, the loss ratio continued on its downward trend, and fell to 32.8% (down -5.9 percentage points).

In Northern Europe, the loss ratio was contained at 53.8%, in spite of an increase in the loss ratio observed in Russia.

The loss ratio in the Mediterranean & Africa region, at 54.6%, is still high in spite of an improvement observed in this half year (-2.6 percentage points), explained by the loss ratio in Italy and Turkey, which has been improving since early 2015.

The loss ratio in North America was contained at 56%, in spite of average losses reported in H1-2015.

Loss ratio improved significantly in Central Europe (down -14.7 percentage points), especially in Poland where the risk monitoring undertaken in 2014 yielded positive results, as illustrated by the 55.3% loss ratio.

In Asia Pacific, the excessive capacity in certain business sectors generated a rash of losses, especially in China and caused the region's loss ratio to rise from 48.6% at June 30, 2014 to 72.2% June 30, 2015.

In Latin America, the loss ratio stood at 70.7%, as a result of the deterioration of Brazil's solvency, but also that of Chile and Mexico.

Change in loss by region of invoicing (in %)	At June 30		Change (% points)
	2015	**2014**	
Western Europe	32.8%	38.6%	-5.9 ppts
Northern Europe	53.8%	52.0%	1.9 ppts
Mediterranean & Africa	54.6%	57.3%	-2.6 ppts
North America	56.0%	20.3%	35.7 ppts
Central Europe	55.3%	70.0%	-14.7 ppts
Asia-Pacific	72.2%	48.6%	23.6 ppts
Latin America	70.7%	61.2%	9.5 ppts
Loss ratio before reinsurance	**51.3%**	**48.0%**	**3.3 ppts**

Overheads

(in thousands of euros)	At June 30, 2015	At June 30, 2014
Internal overheads	266,755	259,549
Claims handling expenses	13,854	12,894
Internal investment management expenses	1,102	1,363
Commissions	79,221	68,010
Total Overheads	**360,932**	**341,815**

Total overheads including claims handling expenses and internal investment management expenses rose 5.6% (up 3.0% like-for-like) from €341.8 million for the half-year ended June 30, 2014 to €360.9 million at June 30, 2015.

Policy acquisition commissions were up 16.5% (9.8% like-for-like), from €68.0 million for the half-year ended June 30, 2014, to €79.2 million for the half-year ended June 30, 2015, reflecting the growth of earned premiums, especially in countries with a highly-developed brokerage structure with fronter partnerships.

Overheads including claims handling expenses and internal investment management expenses rose 2.9% (up 1.3% like-for-like) from €273.8 million for H1-2014 to €281.7 million for H1-2015 and 2.8% (up 1.2% like-for-like) excluding creation costs of Coface Re (staff costs, location costs and others). On a like-for-like basis, they grew at a slower rate than premiums by 2.8%.

Payroll expenses were up 4.2% (2.9% like-for-like). IT costs were down 0.4% (down 0.8% like-for-like). Other expenses (indirect taxes on insurance policies, information purchases, rents, etc.) were slightly up, 0.1% as reported and fell by 2.2% like-for-like.

In Western Europe, overheads excluding claims handling and internal investment management expenses were up 3% at a constant exchange rate.

In Northern Europe, overheads were down 5.2% like-for-like. Germany continued to reorganise its commercial structure and optimise its operations.

In Mediterranean & Africa, total overheads excluding claims handling and internal investment management expenses were up 9.2% (+7.2% like-for-like), mainly due to the consolidation of Coface Israel Insurance Company since 2015 and the positive trend of revenue in a region with a highly-developed brokerage structure.

In North America, overheads excluding claims handling and internal investment management expenses were up 29.7%, primarily due to the revaluation of the US dollar. On a like-for-like basis, total overheads rose 7.7%.

In Central Europe, overheads were up 7.4% compared with H1-2014, in the framework of the commercial investment and operational reinforcement in that zone.

Asia Pacific reported a hike in its total overheads excluding claims handling and internal investment management expenses by 20.8% as reported and 4.9% like-for-like, with reinforced commercial effort in the emerging zone.

In Latin America, overheads excluding claims handling and internal investment management expenses were up 13.1% at a constant exchange rate in comparison with H1-2014, primarily due to average inflation in that zone.

Underwriting income after reinsurance

Reinsurance cost plunged to 28.0%, down -€10 million from €35.7 million in H1-2014 to €25.7 million in H1-2015.

Underwriting income after reinsurance dropped €9.7 million, from €87.3 million in H1-2014 to €77.6 million in H1-2015, reflecting the decrease in underwriting income before reinsurance (down -€19.7 million).

iii. Investment income, net of management expenses (excluding finance costs)

Financial markets

In the Eurozone, the recovery continued in the first half of the year, even with some signs of acceleration. The European Central Bank’s action (the launch of its Quantitative Easing purchase plan in March), the reversal of austerity policies, lower oil prices and the depreciation of the euro were all significant positive factors that helped to limit the risk of deflation. Political risk continues to be present and is particularly sensitive with the negotiations on Greece.

In this background, European rates, which continued to fall at the beginning of the year, rise quite sharply, particularly due to the various profit takings on rates at their historical lowest level in April, the higher anticipations of inflation and growth and growing political tensions fuelled by the Greek crisis. In particular, the German 10-year sovereign rate rose from around 0.55% to 0.75%, the French 10-year sovereign rate from around 0.8% to 1.2% and the Italian 10-year sovereign rate from around 1.89% to 2.3%. The stock markets were boosted by these good news and in spite of tensions at the end of the half-year, reported a performance of 9% for the first six months of 2015.

After a very disappointing first quarter, mainly due to the weight of the oil prices drop on the energy sector and of a deteriorated international trade, the US economy showed clear signs of improving in the second quarter. Consumption rallied, thanks in particular to the sharp fall in unemployment, higher wages and lower fuel prices. Profit taking and anticipation of interest rate hikes by the FED by year-end 2015, have slightly pushed up the 10-year sovereign rate, from around 2.17% to 2.35%.

Lastly, although business remained generally sluggish on emerging markets, the contexts were very different in the various countries. Low oil prices had an adverse impact on large oil-exporting countries. Although currencies posted very different trends, they represented the main reason of performance on the debt markets of these countries.

Financial income

In this global economic environment, the Coface Group, as part of its defined strategic allocation policy, and with a concern for diversification, continued to gradually raise its exposure to European unlisted real estate, to short-term *investment grade* credit bonds and to non-Eurozone sovereign fixed-income bonds.

All these investments were made within a strictly-defined risk framework; the quality of issuers, sensitivity of issues, dispersal of issuer positions and geographic areas are governed by strict rules defined in the different management mandates granted to the Coface Group's dedicated managers.

The overall value of the portfolio decreased by €95 million over the period, under differentcombined effect such as the dividend payment at the end of May.

The following table shows the financial portfolio by main asset class:

Market value (in millions of euros)	**June 30, 2015**	**Dec. 31, 2014**
Listed shares	189	178
Unlisted shares	12	12
Bonds	1,655	1,788
Loans, deposits and Units in dedicated mutual funds	535	550
Total investment portfolio	**2,391**	**2,527**
Investment property	69	31
Non-consolidated subsidiaries	124	121
Total	**2,584**	**2,679**

In the first half of 2015, marked by a sharp positive trend on stock markets with interest rates historically low in absolute terms and the quest for higher return by institutional investors, the investment portfolio delivered income of €32.6 million, i.e. an accounting yield rate of 1.3% at June 30, 2015, compared with a result of €20.1 million, i.e. 0.9% at June 30, 2014. The positive trend on the Eurozone equities market helped to externalize in particular €7.6 million in capital gain in H1-2015 versus €3 million in H1-2014.

Investment income (in millions of euros)	**At June 30**	
	2015	**2014**
Equities	10.8	6
Fixed-income instruments	21.1	14.1
Investment property	0.7	0
Total investment portfolio	**32.6**	**20.1**
Non-consolidated subsidiaries	1.8	2.2
Foreign exchange gains and losses and derivatives	-4.6	1.9
Finance costs and investment expenses	-1.5	-1.9
Total	**28.2**	**22.3**

After income from investments in companies, foreign exchange gains and losses and derivatives, financial expense and investment costs, financial income for H1-2015 came off at €28.2 million versus €22.3 million in H1-2014.

The financial assets economic rate of return for H1-2015 is 1.0%[4] versus 2.7% for H1-2014. The lower economic rate of return can be explained by the rise in European rates in June which penalized our main exposures. However, the portfolio was still significantly boosted by the robust performance of stock markets in this first half-year.

[4] Economic rate of return = (investment income year N + (revaluation reserve year N - revaluation reserves year N-1))/ average receivables year (N, N-1)).

iv. Operating income

(in millions of euros)	At June 30			Change		
	2015 (A)	**2014 (B)**	**2014 restated for IFRIC 21 (C)**	**in €m**	**% (A/C)**	**% (like-for-like)**
Operating income including finance costs	**92.4**	**98.9**	**98.3**	**-5.9**	**-6.0%**	**-9.7%**
Other operating income and expenses	-3.2	-6.5	-6.5	3.3	-51%	-49%
Operating income including finance costs and excluding other operating income and expenses	**95.5**	**105.4**	**104.8**	**-9.3**	**-8.8%**	**-11.7%**
Interests costs	-8.1	-4.0	-4.0			
Operating income including finance costs and excluding interests costs	**103.6**	**109.4**	**108.8**	**-5.2**	**-4.8%**	**-7.6%**

Operating income, including finance costs and excluding restated items, fell by €5.2 million (-4.8%), from €108.8 million (restated for IFRIC 21) for H1-2014 to €103.6 million in H1-2015. The net combined ratio is down 3.9 percentage points, by 78.0% in H1-2014 to 81.9% in H1-2015.

The €3.3 million drop in operating income and expenses can be mainly explained by the non-recurring exceptional cost of the stock market listing in the first half of 2014.

First half 2015 includes €8.1 million of interest costs on the hybrid debt. It amounted to €4.0 million in H1-2014.

v. Net income, attributable to owners of the parent

The Coface Group's effective tax rate for the six months ended June 30, 2015, came off at 29.4%, i.e., 1.1 percentage points lower than the rate of the half-year ended June 30, 2014 (30.5%).

Net income, attributable to owners of the parent dropped 4.2% as reported (6.0% like-for-like), from €69.0 million for the half-year ended June 30, 2014 to €66.1 million at June 30, 2015.

Net income, attributable to owners of the parent fell 4.0% like-for-like, from €76.3 million for the half-year ended June 30, 2014 *(Restated to reflect items linked to the issuance of the hybrid debt (interest costs), exceptional and non-recurring items (stock market listing costs in H1-2014))*, to €74.0 million at June 30, 2015.

e. Balance sheet items

Equity

Equity under IFRS attributable to owners of the parent totalled €1,720 million at June 30, 2015, stable compared with the €1,718 million reported at December 31, 2014.

The +€2 million difference proceeded mainly from the €75 million distribution to shareholders, the net income for the period of €66 million, the change in foreign currency reserve of +€17.7 million and the decline in unrealised gains on available for sale securities for -€6.1 million.

Goodwill

Goodwill, amounting to €155.7 million is slightly up compared with the financial year ended December 31, 2014 (+€1.1 million).

Indebtedness

The Group's consolidated debt, excluding current operating debts, consists of the financial debt and the operating debt linked to the refinancing of factoring.

Factoring financing amounted to €1,996 million at June 30, 2015, versus €1,839 million at December 31, 2014 (i.e. +€157 million), following the development of the factoring business.

Gross financial debt, excluding financing for the factoring business, amounted to €386 million at June 30, 2015, versus €395 million at December 31, 2014. The -€8.7 million difference can be mainly explained by the adjustment linked to the amount of the accrued coupon (payment on March 27, 2015). The Coface Group's gross debt-to-equity ratio stood at 22% at June 30, 2015 compared with 23% at December 31, 2014.

Return on Equity

The return on equity ratio allows to measure the profitability of Coface Group capital. The equity profitability ratio, net of intangible assets (Return on Average Tangible Equity, or RoATE) corresponds to the ratio between the net income attributable to owners of the parent and the average of reported equity attributable to owners of the parent restated for intangible asset value.

The table below presents the elements for calculating the Coface Group RoATE for the period December 2014 – June 2015:

(in millions of euros)	**At Jun. 30, 2015**	**At Dec. 31, 2014**
Reported equity attributable to owners of the parent – A	1,720	1,718
Intangible assets – B	230	232
Equity net of intangible assets – C (A – B) *At June 30, 2015 the equity net of intangible assets is restated including the annualised income – C (A-B+E)*	1,556	1,486
Average equity, net of intangible assets – D ($[C_n+C_{n-1}]/2$)	1,521	1,513
Net income attributable to owners of the parent - E	66	125
RoATE – E/D *At June 30, 2015 the net income is annualised – E x2/ D*	8.7%	8.3%

f. Risk Factors

The main risk factors to which the Group is exposed are described in detail in section 5 “Main Risk factors and their management within the Group” of the Coface Group Registration Document registered with the AMF on April 13, 2015 under the number R.15-019. This description remains valid, since the Group did not detect any material risk factor or uncertainty in the first six months of 2015 or likely to affect the Group by the end of the financial period.

g. Future risks and uncertainties

The upcoming changes to US monetary policy and any incorrect anticipation could trigger strong volatility on financial markets, especially emerging markets. Countries experiencing an economic slowdown and deteriorating external accounts in recent years (such as Turkey, South Africa, Brazil or Russia) have the highest exposure to this risk. The highly volatile Chinese equity market against a background of sluggish activity also needs to be monitored, in the same way as the risks of contagion of the Greek crisis to the rest of the Eurozone.

II. Consolidated financial statements

II. Consolidated financial statements

Consolidated balance sheet

(in thousands of euros)

ASSETS	Notes	June 30, 2015	Dec. 31, 2014*
Intangible assets		**230,209**	**231,968**
Goodwill	**3**	155,656	154,515
Other intangible assets	**4**	74,553	77,453
Insurance business investments	**5**	**2,583,695**	**2,677,731**
Investment property	**5**	1,195	923
Held-to-maturity securities	**5**	6,906	6,872
Available-for-sale securities	**5**	2,404,826	2,324,682
Trading securities	**5**	28,214	30,864
Derivatives	**5**	8,714	2,834
Loans and receivables	**5**	133,840	311,556
Receivables arising from banking and other activities	**6**	**2,381,484**	**2,244,262**
Investments in associates	**7**	**19,357**	**19,001**
Reinsurers' share of insurance liabilities	**9**	**348,901**	**329,163**
Other assets		**934,203**	**806,282**
Buildings used in the business and other property, plant and equipment		67,989	67,708
Deferred acquisition costs		52,147	43,171
Deferred tax assets		46,959	33,939
Receivables arising from insurance and reinsurance operations		574,385	453,415
Trade receivables arising from other activities		20,197	17,762
Current tax receivables		54,949	43,238
Other receivables		117,577	147,049
Cash and cash equivalents	**8**	**463,902**	**278,624**
TOTAL ASSETS		**6,961,751**	**6,587,031**

** The Group applied IFRIC 21 "Levies" retrospectively at the January 1, 2014. Consequently, 2014 comparative financial statements have been restated (Cf. Note 1 – Reconciliation of the published and IFRIC 21 restated financial statement June 30, 2014 and December 31, 2014)*

(in thousands of euros)

EQUITY AND LIABILITIES	Notes	June 30, 2015	Dec. 31, 2014*
Equity attributable to owners of the parent		**1,720,101**	**1,717,797**
Share capital	**10**	786,241	786,241
Additional paid-in capital		347,371	422,831
Retained earnings		443,594	318,498
Other comprehensive income		76,778	65,201
Consolidated net income for the year		66,117	125,026
Non-controlling interests		**6,677**	**6,737**
Total equity		**1,726,778**	**1,724,534**
Provisions for liabilities and charges	**11**	**116,351**	**117,792**
Financing liabilities		**386,400**	**395,123**
Financing liabilities due to banking sector companies	**12**	386,400	395,123
Liabilities relating to insurance contracts	**9**	**1,592,816**	**1,472,180**
Payables arising from banking sector activities	**13**	**2,338,945**	**2,217,782**
Amounts due to banking sector companies		436,793	300,706
Amounts due to customers of banking sector companies		343,294	379,016
Debt securities		1,558,858	1,538,060
Other liabilities		**800,461**	**659,620**
Deferred tax liabilities		136,844	128,463
Payables arising from insurance and reinsurance operations		250,801	176,628
Current taxes payable		126,984	97,058
Derivative instruments with a negative fair value		3,685	16,037
Other payables		282,147	241,434
TOTAL EQUITY AND LIABILITIES		**6,961,751**	**6,587,031**

** see Note 1 – Reconciliation of the published and IFRIC 21 restated financial statement June 30, 2014 and December 31, 2014*

Consolidated income statement

(in thousands of euros)

	Notes	June 30, 2015	June 30, 2014*
Revenue	**14**	**760,317**	**723,620**
Gross written premiums		675,445	654,162
Premium refunds		(37,292)	(52,507)
Net change in unearned premium provisions		(35,116)	(36,873)
Earned premiums	**14**	**603,037**	**564,782**
Fee and commission income	**14**	**66,602**	**65,210**
Net income from banking activities	**14**	**35,630**	**33,912**
Cost of risk		(1,902)	(2,044)
Revenue or income from other activities	**14**	**55,048**	**59,716**
Investment income, net of management expenses		22,913	21,034
Gains and losses on disposals of investments		5,283	1,299
Investment income, net of management expenses (excluding finance costs)	**18**	**28,196**	**22,333**
Total revenue and income from ordinary activities		**786,611**	**743,909**
Claims expenses	**15**	(309,149)	(270,993)
Expenses from banking activities, excluding cost of risk		(6,734)	(5,686)
Expenses from other activities		(23,808)	(27,997)
Income from ceded reinsurance	**17**	107,790	102,960
Expenses from ceded reinsurance	**17**	(133,524)	(138,708)
Income and expenses from ceded reinsurance	**17**	(25,734)	(35,748)
Policy acquisition costs	**16**	(139,083)	(130,075)
Administrative costs	**16**	(135,292)	(129,561)
Other current operating expenses	**16**	(41,059)	(34,240)
Total current income and expenses		**(680,859)**	**(634,300)**
CURRENT OPERATING INCOME		**105,752**	**109,609**
Other operating expenses	**19**	(3,753)	(8,232)
Other operating income	**19**	600	1,731
OPERATING INCOME		**102,599**	**103,108**
Finance costs		(10,226)	(4,819)
Share in net income of associates		1,256	947
Income tax expense		(27,166)	(29,936)
CONSOLIDATED NET INCOME BEFORE NON-CONTROLLING INTERESTS		**66,463**	**69,300**
Non-controlling interests		(346)	(259)
NET INCOME FOR THE YEAR		**66,117**	**69,041**
Earnings per share (€)	**21**	0,42	0,44
Diluted earnings per share (€)	**21**	0,42	0,44

** see Note 1 – Reconciliation of the published and IFRIC 21 restated financial statement June 30, 2014 and December 31, 2014*

Consolidated statement of comprehensive income

(in thousands of euros)

	Notes	June 30, 2015	June 30, 2014*
Net income for the period		**66,117**	**69,041**
Non-controlling interests		346	259
Other comprehensive income			
Currency translation differences reclassifiable to income		**17,606**	**7,595**
Reclassified to income		(0)	(0)
Recognised in equity		17,606	7,595
Fair value adjustments on available-for-sale financial assets	**5**	**(5,852)**	**29,032**
Reclassified to income – gross		(7,626)	(3,217)
Reclassified to income – tax effect		2,438	1,123
Recognised in equity – reclassifiable to income – gross		5,470	43,705
Recognised in equity – reclassifiable to income – tax effect		(6,135)	(12,578)
Fair value adjustments on employee benefit obligations		**0**	**0**
Other comprehensive income for the period, net of tax		**11,754**	**36,627**
Total comprehensive income for the period		**78,217**	**105,928**
- attributable to owners of the parent		77,694	105,958
- attributable to non-controlling interests		523	(30)

**see Note 1 – Reconciliation of the published and IFRIC 21 restated financial statement June 30, 2014 and December 31, 2014*

Consolidated statement of changes in equity

(in thousands of euros)

	Notes	Share capital	Consolidated reserves	Treasury shares	Other comprehensive income: Foreign currency translation reserve	Other comprehensive income: Reclassifiable revaluation reserves	Other comprehensive income: Non-reclassifiable revaluation reserves	Net income for the period	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Equity at December 31, 2013		**784,207**	**841,834**		**(33,962)**	**75,930**	**(15,211)**	**127,439**	**1,780,239**	**13,089**	**1,793,327**
Equity at January 1, 2014 restated IFRIC 21		**784,207**	**842,271**		**(33,962)**	**75,930**	**(15,211)**	**127,439**	**1,780,676**	**13,089**	**1,793,764**
Capital increase		2,034	1,352						3,386		3,386
2013 net income to be appropriated			127,439					(127,439)			0
Special dividend paid to Natixis (issue premium)			(226,983)						(226,983)		(226,983)
Payment of 2013 dividends in 2014			(1,868)						(1,868)	(760)	(2,628)
Total transactions with owners		**2,034**	**(100,060)**	**0**	**0**	**0**	**0**	**(127,439)**	**(225,465)**	**(760)**	**(226,225)**
2014 net income restated IFRIC 21								125,025	125,025	825	125,850
Fair value adjustments on available-for-sale financial assets recognized in equity	5					36,499			36,499	(930)	35,569
Fair value adjustments on available-for-sale financial assets reclassified to income	5					(5,349)			(5,349)		(5,349)
Change in actuarial gains and losses (IAS 19R)							(6,132)		(6,132)		(6,132)
Currency translation differences					13,281				13,281	3	13,284
Treasury shares elimination				(709)					(709)		(709)
Other movements			(172)			184	(39)		(28)	(5,490)	(5,518)
Equity at December 31, 2014 restated IFRIC 21		**786,241**	**742,039**	**(709)**	**(20,681)**	**107,264**	**(21,382)**	**125,025**	**1,717,797**	**6,737**	**1,724,534**
2014 net income to be appropriated			125,025					(125,025)			
Payment of 2014 dividends in 2015			(75,460)						(75,460)	(697)	(76,157)
Total transactions with owners		**0**	**49,565**	**0**	**0**	**0**	**0**	**(125,025)**	**(75,460)**	**(697)**	**(76,157)**
June 30, 2015 net income								66,117	66,117	346	66,464
Fair value adjustments on available-for-sale financial assets recognized in equity	5					(922)			(922)	257	(665)
Fair value adjustments on available-for-sale financial assets reclassified to income	5					(5,188)			(5,188)		(5,188)
Currency translation differences					17,687				17,687	(80)	17,607
Treasury shares elimination				70					70		70
Transactions with shareholders										114	114
Equity at June 30, 2015		**786,241**	**791,604**	**(639)**	**(2,994)**	**101,154**	**(21,382)**	**66,117**	**1,720,101**	**6,677**	**1,726,778**

Consolidated statement of cash flows

(in thousands of euros)	Notes	June. 30, 2015	June. 30, 2014*
Net income for the period	**20**	**66,117**	**69,041**
Income tax expense		27,166	29,939
Finance costs		10,226	4,819
Operating income before tax (A) (1)		**103,509**	**103,799**
Non-controlling interests		346	260
+/- Depreciation, amortization and impairment losses	4 - 5	7,529	8,207
+/- Net additions to/reversals from technical provisions	9	77,024	30,792
+/- Share in net income of associates	7	(1,256)	(947)
+ Dividends received from associates	7	900	756
+/- Fair value adjustments on financial instruments recognized at fair value through income		33,712	(555)
+/- Unrealized foreign exchange income covered by financial instruments at fair value through income		(33,776)	
+/- Non-cash items (2)		370	568
Total non-cash items (B)		***84,849***	***39,081***
Gross cash flows from operations (C) = (A) + (B)		***188,358***	***142,880***
Change in operating receivables and payables		21,184	(36,528)
Net taxes paid		(20,005)	(11,548)
Net cash related to operating activities (D)		***1,179***	***(48,076)***
Increase (decrease) in receivables arising from factoring operations		(133,062)	(1,164)
Increase (decrease) in payables arising from factoring operations		(14,924)	(120,791)
Increase (decrease) in factoring liabilities		131,904	143,465
Net cash generated from banking and factoring operations (E)	*6 - 12*	***(16,082)***	***21,510***
Net cash generated from operating activities (F) = (C+D+E)		**173,455**	**116,313**
Acquisitions of investments	5	(1,272,905)	(2,381,284)
Disposals of investments	5	1,355,946	2,171,223
Net cash used in movements in investments (G)		***83,041***	***(210,062)***
Acquisitions of consolidated subsidiaries, net of cash acquired			
Disposals of consolidated companies, net of cash transferred			
Net cash used in changes in scope of consolidation (H)			
Disposals of property, plant and equipment and intangible assets	4	(5,490)	(4,343)
Acquisitions of property, plant and equipment and intangible assets	4	(198)	3,982
Net cash generated from (used in) acquisitions and disposals of property, plant and equipment and intangible assets (I)		***(5,687)***	***(361)***
Net cash used in investing activities (J) = (G+H+I)		**77,354**	**(210,423)**
Proceeds from the issue of equity instruments			4,060
Special dividend paid to Natixis - issue premium payment			(226,983)
Treasury share transactions		70	(2,936)
Dividends paid to owners of the parent		(75,460)	(1,868)
Dividends paid to non-controlling interests		(697)	(712)
Relution (COFACE SA repurchase Compagnie Française d'Assurance pour le Commerce Extérieur from Natixis)			(4,158)
Cash flows related to transactions with owners		***(76,087)***	***(232,597)***
Proceeds from the issue of debt instruments			379,951
Cash used in the redemption of debt instruments		(1,385)	(10,727)
Interests paid (3)		(15,675)	
Cash flows related to the financing of Group operations		***(17,060)***	***369,225***
Net cash generated from (used in) financing activities (K)		**(93,147)**	**136,628**
Impact of changes in exchange rates on cash and cash equivalents (L)		**27,616**	**4,295**
Net increase in cash and cash equivalents (F+J+K+L)		**+185 278**	**+46 813**
Net cash generated from operating activities (F)		173,455	116,313
Net cash used in investing activities (J)		77,354	(210,423)
Net cash generated from (used in) financing activities (K)		(93,147)	136,628
Impact of changes in exchange rates on cash and cash equivalents (L)		27,616	4,295
Cash and cash equivalents at beginning of period	**8**	278,624	273,920
Cash and cash equivalents at end of period	**8**	463,902	320,733
Net change in cash and cash equivalents		**+185 278**	**+46 813**

**See Note 1 – Reconciliation of the published and IFRIC 21 restated financial statement June 30, 2014 and December 31, 2014*

(1) Received dividends and interests and gains and losses on disposals of investments are included in the operational cash.

(2) The item "Non cashed items" is mostly due to the €370 thousand expense of IFRIC 21 restatement,

(3) The item "Interests paid" at June 30, 2015 corresponds to the interests paid on the hybrid loan.

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III. Notes to the condensed interim consolidated financial statements

III. Notes to the condensed interim consolidated financial statements

Basis of preparation

These IFRS condensed interim consolidated financial statements of the Coface Group as at June 30, 2015 are established in accordance with IAS 34 – Interim Financial Reporting, as adopted by the European Union.

These condensed interim financial statements comprise:

- a balance sheet;
- an income statement;
- a statement of comprehensive income;
- a statement of changes in equity;
- a statement of cash flows;
- and selected notes to the financial statements.

They are presented with comparative financial information at December 31, 2014 for balance sheet items, and for the six months ended June 30, 2014 for income statement items.

The notes to the financial statements do not contain all of the disclosures required for a complete set of annual financial statements and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2014.

The condensed consolidated financial statements of the Coface Group as at June 30, 2015 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 consolidated financial statements for the six months ended June 30, 2015 as for the year ended December 31, 2014 – as described in Note 1, "Basis of preparation" of the 2014 consolidated financial statements, except the IFRIC21 interpretation as of January 1, 2015 (cf. note 1 Reconciliation of the published and restated financial statements).

These condensed consolidated financial statements were examined by the Board of Directors on July 28, 2015.

[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_en.htm

Note 1. Reconciliation of the published and IFRIC 21 restated financial statements June 30, 2014 and December 31, 2014

IFRIC Interpretation 21 “Levies”, which was adopted by the European Commission on June 13, 2014, and which becomes mandatory on January 1, 2015, is intended to clarify the accounting date to be used for liabilities related to levies resulting in a net outflow of resources and imposed by governments (including government agencies and similar bodies whether local, national or international).

At this stage, pending the proposals of the Autorité des Normes Comptables (France’s accounting standards body), the interpretation relates solely to consolidated financial statements prepared in accordance with IFRS.

The following are within the scope of the Interpretation:

- Levies whose timing and amount are certain;
- Levies that are within the scope of IAS 37.

The interpretation does not cover:

- Taxes and levies that are within the scope of other standards such as IAS 12 Income Taxes, IAS 19 R Employee Benefits and IFRS 2 Share-based Payment.
- Fines and other penalties imposed for breaches of applicable laws and regulations.

According to the interpretation, the event giving rise to the recognition of the liability, or “obligating event” is the activity that triggers the payment of the levy in accordance with applicable laws and regulations. Based on current practice, two discrepancies emerge from the application of this principle, leading to differences between accounts prepared according to French GAAP and IFRS:

- For annual financial statements, under IFRIC, levies calculated on the basis of the current period’s activity, but whose payment is legally triggered in the subsequent period, may not be recognized in the period in which the corresponding revenue is generated;

- For interim financial statements, the obligating event may occur over time or at a particular point in time. Thus, in some instances the Interpretation requires the related provision to be recognized in full at the time the obligating event occurs, i.e., in a single six-month period or quarter versus the current progressive recognition.

The first application of IFRIC 21 retrospectively at January 1, 2014, generates a positive impact on shareholders' equity at this date amounting to €436 thousand of “Contribution sociale de solidarité des societes (C3S)” restatement. The impact on the operating income on pro forma accounts at June 30, 2014 amounted to an expense of €572 thousand including €322 thousand of C3S restatement and €250 thousand cancellation of property tax and other taxes spreading over 2014.

Restatements on assets

(in thousands of euros)

ASSETS	Notes	Dec 31, 2014 published	IFRIC 21 Impacts	Dec 31, 2014 restated
Intangible assets		**231,968**		**231,968**
Goodwill	**3**	154,515		154,515
Other intangible assets	**4**	77,453		77,453
Insurance business investments	**5**	**2,677,731**		**2,677,731**
Investment property	**5**	923		923
Held-to-maturity securities	**5**	6,872		6,872
Available-for-sale securities	**5**	2,324,682		2,324,682
Trading securities	**5**	30,864		30,864
Derivatives	**5**	2,834		2,834
Loans and receivables	**5**	311,556		311,556
Receivables arising from banking and other activities	**6**	**2,244,262**		**2,244,262**
Investments in associates	**7**	**19,001**		**19,001**
Reinsurers' share of insurance liabilities		**329,163**		**329,163**
Other assets		**806,468**	**(186)**	**806,282**
Buildings used in the business and other property, plant and equipment		67,708		67,708
Deferred acquisition costs		43,171		43,171
Deferred tax assets		34,125	(186)	33,939
Receivables arising from insurance and reinsurance operations		453,415		453,415
Trade receivables arising from other activities		17,762		17,762
Current tax receivables		43,238		43,238
Other receivables		147,049		147,049
Cash and cash equivalents	**8**	**278,624**		**278,624**
TOTAL ASSETS		**6,587,217**	**(186)**	**6,587,031**

Restatement on liabilities

(in thousands of euros)

EQUITY AND LIABILITIES	Notes	Dec 31, 2014 published	IFRIC 21 Impacts	Dec 31, 2014 restated
Equity attributable to owners of the parent		**1,717,427**	**370**	**1,717,797**
Share capital	**10**	786,241		786,241
Additional paid-in capital		422,831		422,831
Retained earnings		318,062	437	318,499
Other comprehensive income		65,201		65,201
Consolidated net income for the year		125,092	(67)	125,025
Non-controlling interests		**6,737**		**6,737**
Total equity		**1,724,164**		**1,724,534**
Provisions for liabilities and charges	**11**	**117,792**		**117,792**
Financing liabilities		**395,123**		**395,123**
Financing liabilities due to banking sector companies	**12**	395,123		395,123
Liabilities relating to insurance contracts	**9**	**1,472,180**		**1,472,180**
Payables arising from banking sector activities	**13**	**2,217,782**		**2,217,782**
Amounts due to banking sector companies		300,706		300,706
Amounts due to customers of banking sector companies		379,016		379,016
Debt securities		1,538,060		1,538,060
Other liabilities		**660,176**	**(556)**	**659,620**
Deferred tax liabilities		128,463		128,463
Payables arising from insurance and reinsurance operations		176,628		176,628
Current taxes payable		97,614	(556)	97,058
Derivative instruments with a negative fair value		16,037		16,037
Other payables		241,434		241,434
TOTAL EQUITY AND LIABILITIES		**6,587,217**	**(186)**	**6,587,031**

Restatement on income statement

(in thousands of euros)

	Notes	June 30, 2014 published	IFRIC 21 Impacts	June 30, 2014 restated
Revenue	**14**	**723,620**		**723,620**
Gross written premiums		654,162		654,162
Premium refunds		(52,507)		(52,507)
Net change in unearned premium provisions		(36,873)		(36,873)
Earned premiums	**14**	**564,782**		**564,782**
Fee and commission income	**14**	**65,210**		**65,210**
Net income from banking activities	**14**	**33,912**		**33,912**
Cost of risk		(2,044)		(2,044)
Revenue or income from other activities	**14**	**59,716**		**59,716**
Investment income, net of management expenses		21,034		21,034
Gains and losses on disposals of investments		1,299		1,299
Investment income, net of management expenses (excluding finance costs)	**18**	**22,333**		**22,333**
Total revenue and income from ordinary activities		**743,909**		**743,909**
Claims expenses	**15**	(270,966)	(27)	(270,993)
Expenses from banking activities, excluding cost of risk		(5,686)		(5,686)
Expenses from other activities		(27,997)		(27,997)
Income from ceded reinsurance	**17**	102,960		102,960
Expenses from ceded reinsurance	**17**	(138,708)		(138,708)
Income and expenses from ceded reinsurance	**17**	(35,748)		(35,748)
Policy acquisition costs	**16**	(129,948)	(127)	(130,075)
Administrative costs	**16**	(129,374)	(187)	(129,561)
Other current operating expenses	**16**	(34,009)	(231)	(34,240)
Total current income and expenses		**(633,728)**	**(572)**	**(634,300)**
CURRENT OPERATING INCOME		**110,181**	**(572)**	**109,609**
Other operating expenses	**19**	(8,232)		(8,232)
Other operating income	**19**	1,731		1,731
OPERATING INCOME		**103,680**	**(572)**	**103,108**
Finance costs		(4,819)		(4,819)
Share in net income of associates		947		947
Income tax expense		(30,151)	216	(29,936)
CONSOLIDATED NET INCOME BEFORE NON-CONTROLLING INTERESTS		**69,657**	**(356)**	**69,300**
Non-controlling interests		(260)		(259)
NET INCOME FOR THE YEAR		**69,397**	**(356)**	**69,041**
Earnings per share (€)	**21**	0.44		0.44
Diluted earnings per share (€)	**21**	0.44		0.44

Note 2. Significant events

Geographical development

Continuing its efforts of expansion in new markets, Coface obtained in January 2015 a licence in Israel allowing it to sell credit insurance policies through its own sales forces. The Group also opened a new sales representation office in Kazakhstan (January 2015).

Modernisation of the flagship offering, renamed TradeLiner

Coface has modernised its flagship offering and announced on June 15 the launch of TradeLiner, designed to address the changing needs of mid-market companies. This decision is an integral part of the Coface Group's decision to revamp its strategy and tailor its credit insurance offering to specific market segments.

Management of State export credit guarantees

In a statement dated February 23, the French government indicated that it is studying the possibility of transferring the management of public guarantees in France (currently managed by Coface) to Bpifrance group.

Note 3. Goodwill

At June 30, 2015, the change in goodwill amounted to €1,141 thousand; due to the fluctuation of the exchange rate.

Note 4. Other intangible assets

At June 30, 2015, the change in other intangible assets amounted to a negative €2,900 thousand. This change is mainly explained by an increase in the gross value of around €2,500 thousand and a provision for depreciation and amortisation of around €5,800 thousand. The remainder of the change comes from the fluctuations in the exchange rates.

Note 5. Investments

5.1 – Analysis by category

At June 30, 2015, the carrying amount of held-to maturity (HTM) securities was €6,906 thousand, available-for-sale (AFS) securities totaled €2,404,826 thousand and securities held for trading ("trading securities") came to €28,214 thousand.

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

As an insurance group, Coface's investment allocation is heavily weighted towards fixed-income instruments.

At June 30, 2015, 15% of the Group's total bond portfolio was rated "AAA", 34% "AA" and "A", 33% "BBB" . The portion of the bond portfolio rated "BB+" and below represents 18% of the total portfolio.

At June 30, 2015, bonds represented 64% of the total investment portfolio.

	June 30, 2015					Dec. 31, 2014				
(in thousands of euros)	Amortized cost	Revaluation	Net value	Fair value	Unrealized gains and losses	Amortized cost	Revaluation	Net value	Fair value	Unrealized gains and losses
AFS securities	**2,285,047**	**119,779**	**2,404,826**	**2,404,826**		**2,203,306**	**121,376**	**2,324,682**	**2,324,682**	
Equities and other variable-income securities	213,548	111,763	**325,311**	325,311		211,173	98,537	**309,710**	309,710	
Bonds and government securities	2,001,598	9,945	**2,011,543**	2,011,543		1,962,132	22,838	**1,984,971**	1,984,971	
o/w direct investments in securities	*1,634,903*	*12,560*	***1,647,463***	*1,647,463*		*1,752,367*	*27,757*	***1,780,124***	*1,780,124*	
o/w investments in UCITS	*366,695*	*(2,615)*	***364,080***	*364,080*		*209,765*	*(4,919)*	***204,847***	*204,847*	
Shares in non-trading property companies	69,900	(1,928)	**67,972**	67,972		30,001		**30,001**	30,001	
HTM securities										
Bonds	6,906		**6,906**	7,591	685	6,872		**6,872**	7,703	831
Fair value through income – trading securities										
Money market funds (UCITS)	28,214		**28,214**	28,214		30,864		**30,864**	30,864	
Derivatives (positive fair value)		8,714	**8,714**	8,714			2,834	**2,834**	2,834	
(derivatives negative fair value for information)		*(3,685)*	***(3,685)***	*(3,685)*			*(16,037)*	***(16,037)***	*(16,037)*	
Loans and receivables	133,840		**133,840**	133,840		311,556		**311,556**	311,556	
Investment property	707	488	**1,195**	1,195		707	216	**923**	923	
Total	**2,454,714**	**128,981**	**2,583,695**	**2,584,380**	**685**	**2,553,305**	**124,426**	**2,677,731**	**2,678,562**	**831**

(in thousands of euros)	Gross June 30, 2015	Impairment	Net June 30, 2015	Net Dec. 31, 2014
AFS securities	**2,435,029**	**(30,202)**	**2,404,826**	**2,324,682**
Equities and other variable-income securities	355,506	(30,194)	325,311	309,710
Bonds and government securities	2,011,543		2,011,543	1,984,971
o/w direct investments in securities	*1,647,463*		*1,647,463*	*1,780,124*
o/w investments in UCITS	*364,080*		*364,080*	*204,847*
Shares in non-trading property companies	67,980	(8)	67,972	30,001
HTM securities				
Bond	6,906		6,906	6,872
Fair value through income – trading securities				
Money market funds (UCITS)	28,214		28,214	30,864
Derivatives (positive fair value)	8,714		8,714	2,834
(for information, derivatives with a negative fair value)	*(3,685)*		*(3,685)*	*(16,037)*
Loans and receivables	133,840		133,840	311,556
Investment property	1,195		1,195	923
Total investments	**2,613,898**	**(30,202)**	**2,583,695**	**2,677,731**

(in thousands of euros)	Dec. 31, 2014	Additions	Reversals	Exchange rate effects and other	June 30, 2015
AFS securities	**30,141**	**921**	**(1,000)**	**140**	**30,202**
Equities and other variable-income securitie	30,133	921	(1,000)	140	30,194
Shares in non-trading property companies	8				8
Total impairment	**30,141**	**921**	**(1,000)**	**140**	**30,202**

At June 30, 2015, Cofinpar reversed an impairment loss in respect of Coface Factoring España further to its liquidation. Since this was the matching entry to the liquidation loss, it had no impact on income.

Change in investments by category

		June 30, 2015					
(in thousands of euros)	Dec. 31, 2014 Carrying amount	Increases	Decreases	Revaluation	Impairment	Other movements	June 30, 2015 Carrying amount
AFS securities	**2,324,682**	**689,641**	**(633,796)**	**(2,150)**	**70**	**26,379**	**2,404,826**
Equities and other variable-income securities	309,710	62,537	(60,382)	12,765	79	602	325,311
Bonds and government securities	1,984,971	587,636	(573,414)	(12,987)	(9)	25,346	2,011,543
Shares in non-trading property companies	30,001	39,468		(1,928)		431	67,972
HTM securities							
Bonds	6,872	34					6,906
Fair value through income – trading securities	30,864	558,947	(561,597)			(0)	28,214
Loans, receivables and other financial investments	315,313	11,967	(161,674)	(33,626)		11,769	143,749
Total investments	**2,677,731**	**1,260,589**	**(1,357,067)**	**(35,776)**	**70**	**38,148**	**2,583,695**

Equities and other variable-income securities amounted to €325,311 thousand at June 30, 2015, versus €309,710 thousand at December 31, 2014. The €15,601 thousand change in this item chiefly reflects the performance of the first semester of 2015 of securities held by Coface Europe and Fonds Colombes.

Bonds and Government securities amounted to €2,011,543 thousand at June 30, 2015, versus €1,984,971 thousand at December 31, 2014. The €26,572 thousand increase in this item is mainly attributable to various transactions realized by Coface Europe and Coface Singapore and by the increase in exchange rates differences.

Held-to maturity (HTM) securities amounted to €6,906 thousand at June 30, 2015, nearly at the same level as at December 31, 2014 which amounted to €6,872.

Loans, receivables and other investments amount to €143,749 thousand at June 30, 2015, versus €315,313 thousand at December 31, 2014. The decrease of €171,564 is mainly due to the forward arrival of certificates of deposit and term deposits held by Coface Ré, Coface Hong Kong and Coface Singapore.

5.2 – Financial instruments recognized at fair value

The fair values of financial instruments recorded in the balance sheet are measured according to a hierarchy that categorizes into three levels the inputs used to measure fair value. These levels are as follows:

Level 1: Quoted prices in active markets for an identical financial instrument.

Securities classified as level 1 represent 76% of the Group's portfolio. They correspond to:

- equities, bonds and government securities listed on organized markets, as well as units in dedicated mutual funds whose net asset value is calculated and published on a very regular basis and is readily available (AFS securities);
- government bonds and bonds indexed to variable interest rates (HTM securities);
- French units money-market funds, SICAV (trading securities).

Level 2: Use of inputs, other than quoted prices for an identical instrument that are directly or indirectly observable in the market (inputs corroborated by the market such as yield curves, swap rates, multiples method, etc.).

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. This level corresponds to unlisted equities, investment securities and units in dedicated mutual funds, as well as investment property.

Breakdown of financial instrument fair value measurements as at June 30, 2015 by level in the fair value hierarchy

(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	**2,404,826**	**2,404,826**	**1,937,054**	**267,976**	**199,796**
Equities and other variable-income securities	325,311	325,311	193,464	23	131,824
Bonds and government securities	2,011,543	2,011,543	1,743,590	267,953	
Shares in non-trading property companies	67,972	67,972			67,972
HTM securities					
Bonds	6,906	7,591	7,591		
Fair value through income – trading securities					
Money market funds (UCITS)	28,214	28,214	28,214		
Derivatives	8,714	8,714		8,714	
Loans and receivables	133,840	133,840		133,840	
Investment property	1,195	1,195			1,195
TOTAL	**2,583,695**	**2,584,380**	**1,972,859**	**410,530**	**200,991**

Movements in Level 3 securities as at June 30, 2015

(in thousands of euros)		Gains and losses recognized in the period		Transactions for the period		Exchange rate effects	
	At Dec. 31, 2014	In income	Directly in equity	Purchases/ Issues	Sales/ Redemptions		At June 30, 2015
AFS securities	**155,470**	**1,000**	**(254)**	**42,653**		**927**	**199,796**
Equities and other variable-income securities	125,469	1,000	1,674	3,185		496	131,824
Shares in non-trading property companies	30,001		(1,928)	39,468		431	67,972
Investment property	**923**	**272**					**1,195**
TOTAL	**156,393**	**1,272**	**(254)**	**42,653**		**927**	**200,991**

Breakdown of financial instrument fair value measurements as at December 31, 2014 by level in the fair value hierarchy

(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	**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	
Shares in non-trading property companies	**30,001**	30,001			30,001
HTM securities					
Bonds	**6,872**	7,703	7,703		
Fair value through income – trading securities					
Money market funds (UCITS)	**30,864**	30,864	30,864		
Derivatives	**2,834**	2,834		2,834	
Loans and receivables	**311,556**	311,556		311,556	
Investment property	**923**	923			923
TOTAL	**2,677,731**	**2,678,562**	**2,053,792**	**468,377**	**156,393**

Movements in Level 3 securities as at December 31, 2014

(in thousands of euros)	At Dec. 31, 2013	Gains and losses recognized in the period: In income	Gains and losses recognized in the period: Directly in equity	Transactions for the period: Purchases/ Issues	Transactions for the period: Sales/ Redemptions	Exchange rate effects	At Dec. 31, 2014
AFS securities	**107,825**	**15**	**11,290**	**36,268**		**71**	**155,470**
Equities and other variable-income securities	107,824	15	11,290	6,268		71	125,469
Shares in non-trading property companies	1			30,000			30,001
Investment property	**1,271**	**(348)**					**923**
TOTAL	**109,096**	**(333)**	**11,290**	**36,268**		**71**	**156,393**

Note 6. Receivables arising from banking and other activities

(in thousands of euros)	June 30, 2015	Dec. 31, 2014
Receivables arising from banking and other activities	2,329,190	2,181,560
Non-performing receivables arising from banking and other activities	69,408	79,840
Allowances for receivables arising from banking and other activities	(17,114)	(17,138)
Total receivables arising from banking and other activities	**2,381,484**	**2,244,262**

Receivables arising from banking and other activities represent receivables acquired within the scope of factoring agreements.

They are recognized at their acquisition amount 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 recognizes a valuation allowance against receivables to take account of any potential difficulties in their future recovery, it is being specified that the receivables are also covered by a credit insurance contract. Accordingly, the related risks are covered by claims provisions.

Note 7. Investments in associates

At June 30, 2015, the change in investments in associates amounted to €356 thousand.

Note 8. Cash and cash equivalents

(in thousands of euros)	June 30, 2015	Dec. 31, 2014
Cash at bank and in hand	423,188	248,656
Cash equivalents	40,714	29,968
Total	**463,902**	**278,624**

Note 9. Liabilities relating to insurance contracts

in thousands of euros	June 30, 2015	Dec. 31, 2014
Provisions for unearned premiums	330,504	286,336
Claims reserves	1,165,060	1,091,668
Provisions for premium refunds	97,252	94,176
Liabilities relating to insurance contracts	**1,592,816**	**1,472,180**
Provisions for unearned premiums	(68,613)	(57,403)
Claims reserves	(257,826)	(249,010)
Provisions for premium refunds	(22,462)	(22,750)
Reinsurers' share of technical insurance liabilities	**(348,901)**	**(329,163)**
Net technical provisions	**1,243,915**	**1,143,017**

Note 10. Share capital

Ordinary shares	Number of shares	Par value	Share capital (in €)
At December 31, 2014	157,248,232	5	786,241,160
Capital increase			
At June 30, 2015	**157,248,232**	**5**	**786,241,160**
Treasury shares deducted	(96,100)	5	(480,500)
At June 30, 2015 (excluding treasury shares)	**157,152,132**	**0**	**785,760,660**

	June 30, 2015		Dec. 31, 2014	
Shareholders	**Number of shares**	**%**	**Number of shares**	**%**
Natixis	64,853,869	41,27%	64,853,869	41.26%
Public	92,298,263	58,73%	92,313,544	58.74%
Total excluding treasury shares	**157,152,132**	**100%**	**157,167,413**	**100%**

Natixis holds 41.27% of Coface securities excluding treasury shares, and 41.24% including treasury shares.

Note 11. Provisions for liabilities and charges

(In thousands of euros)	June 30, 2015	Dec. 31, 2014
Provisions for disputes	7,400	7,624
Provisions for pension and other post-employment benefit obligations	91,014	93,752
Other provisions for liabilities and charges	17,937	16,416
TOTAL	**116,351**	**117,792**

Other provisions for liabilities and charges chiefly include provisions for risks relating to investments in the amount of €14,425 thousand at June 30, 2015, versus €13,724 thousand at December 31, 2014, corresponding to the Group's share in the negative net financial position.

Note 12. Financing Liabities

in thousands of euros	June 30, 2015	Dec. 31, 2014
Subordinated debt	379,232	386,850
Obligations under finance leases	6,599	7,955
Bank overdrafts and other borrowings	569	318
Total	**386,400**	**395,123**

The change in subordinated debt is due to the variation of accrued interest not yet due.

Note 13. Payables arising from banking sector activities

in thousands of euros	June 30, 2015	Dec. 31, 2014
Amounts due to banking sector companies	436,793	300,706
Amounts due to customers of banking sector companies	343,294	379,016
Debt securities	1,558,858	1,538,060
TOTAL	**2,338,945**	**2,217,782**

The lines "Amounts due to banking sector companies" and "Debt securities" correspond to sources of refinancing for the Group's factoring entities – Coface Finanz (Germany) and Coface Factoring Poland.

Note 14. Consolidated revenue

in thousands of euros

a) By business line	June 30, 2015	June 30, 2014
Premiums – direct business	625,206	622,064
Premiums – inward reinsurance	50,240	32,098
Premium Refunds	(37,292)	(52,507)
Provisions for unearned premiums	(35,116)	(36,873)
Earned premiums net of cancellations c)	**603,037**	**564,782**
Fees and commission income	**66,602**	**65,210**
Net income from banking activities d)	**35,630**	**33,912**
Other insurance-related services	5,022	4,878
Remuneration of public procedures management services	29,901	32,757
Business information and other services	12,881	12,787
Receivables management	7,244	9,294
Revenue or income from other activities	**55,048**	**59,716**
Consolidated revenue	**760,317**	**723,620**

in thousands of euros

b) By region of invoicing	June 30, 2015	June 30, 2014
Northern Europe	171,473	182,050
Western Europe	236,063	238,488
Central Europe	56,628	56,128
Mediterranean & Africa	130,309	110,634
North America	66,288	53,137
Latin America	42,860	37,987
Asia-Pacific	56,696	45,196
Consolidated revenue	**760,317**	**723,620**

in thousands of euros

c) Insurance revenue by type of insurance	June 30, 2015	June 30, 2014
Credit insurance	560,128	524,645
Guarantees	25,472	26,243
Single risk	17,437	13,894
Total insurance revenue	**603,037**	**564,782**

in thousands of euros

d) Net income from banking activities	June 30, 2015	June 30, 2014
Financing fees	16,930	(7,346)
Factoring fees	18,838	42,149
Other	(137)	(891)
Total net income from banking activities	**35,630**	**33,912**

Note 15. Claims expenses

in thousands of euros	June 30, 2015	June 30, 2014*
Paid claims, net of recoveries	(245,646)	(285,666)
Claims handling expenses	(13,854)	(12,894)
Change in claims reserves	(49,649)	27,567
Total	**(309,149)**	**(270,993)**

**see Note 1 – Reconciliation of the published and IFRIC 21 restated financial statement June 30, 2014 and December 31, 2014*

Claims expenses by period of occurrence

in thousands of euros	June 30, 2015			June 30, 2014*		
	Gross	Outward reinsurance and retrocessions	Net	Gross	Outward reinsurance and retrocessions	Net
Claims expenses – current year	(431,434)	85,257	(346,177)	(408,879)	84,420	(324,459)
Claims expenses – prior years	122,285	(20,438)	101,847	137,886	(30,377)	107,508
Claims expenses	**(309,149)**	**64,819**	**(244,330)**	**(270,993)**	**54,042**	**(216,951)**

**see Note 1 – Reconciliation of the published and IFRIC 21 restated financial statement June 30, 2014 and December 31, 2014*

Note 16. Overheads by function

(in thousands of euros)	June 30, 2015	June 30, 2014*
Commissions	(79,221)	(68,010)
Other acquisition costs	(59,862)	(62,065)
Total acquisition costs	**(139,083)**	**(130,075)**
Administrative costs	**(135,292)**	**(129,561)**
Other current operating expenses	**(41,059)**	**(34,240)**
Investment management expenses	**(1,102)**	**(1,363)**
o/w insurance investment management expenses	(1,102)	(1,363)
Claims handling expenses	**(13,854)**	**(12,894)**
o/w insurance claims handling expenses	(13,854)	(12,894)
TOTAL	**(330,391)**	**(308,133)**
of which employee profit-sharing	(5,602)	(4,629)

**see Note 1 – Reconciliation of the published and IFRIC 21 restated financial statement June 30, 2014 and December 31, 2014*

(in thousands of euros)	June 30, 2015	June 30, 2014*
Acquisition, administration costs and other current operating expenses	(330,391)	(308,133)
Expenses from banking activities, excluding cost of risk	(6,734)	(5,686)
Expenses from other activities	(23,808)	(27,997)
Total administrative costs	**(360,932)**	**(341,815)**

**see Note 1 – Reconciliation of the published and IFRIC 21 restated financial statement June 30, 2014 and December 31, 2014*

Total overheads including general insurance expenses (by function), expenses from other activities and expenses from banking activities came out at €360,932 thousand in the six months ended June 30, 2015 versus €341,815 thousand on June 30, 2014 with IFRIC21 adjustments.

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 17. Reinsurance result

in thousands of euros	June 30, 2015	June 30, 2014
Ceded claims	56,404	78,406
Change in claims provisions net of recoveries	8,415	(24,363)
Commissions paid by reinsurers	42,971	48,918
Income from ceded reinsurance	**107,790**	**102,960**
Ceded premiums	(144,840)	(142,696)
Change in unearned premiums provisions	11,316	3,988
Expenses from ceded reinsurance	**(133,524)**	**(138,708)**
Reinsurance result	**(25,734)**	**(35,748)**

Note 18. Investment income by category

(in thousands of euros)	June 30, 2015	June 30, 2014*
Investment income	27,152	18,428
Change in financial instruments at fair value though income	(33,712)	555
o/w hedged by currency derivatives on "Colombes" mutual funds (1)	*(33,898)*	*381*
Net gains on disposals	5,283	1,299
o/w hedged by currency derivatives on "Colombes" mutual funds (1)	*(394)*	*(2,202)*
Additions to/(reversals from) impairment	(592)	(497)
Net foreign exchange gains	31,571	4,408
o/w hedged by currency derivatives on "Colombes" mutual funds (1)	*33,776*	*1,927*
Investment management expenses	(1,506)	(1,860)
Total investment income, net of management expenses (excluding finance costs)	**28,196**	**22,333**

(1). As at June 30, 2015, the significant variation of the dollar against the euro generated a significant impact in the financial statements, almost completely offset by the currency derivatives. The residual impact amounts to €122 thousand.

** The column June 30,2014 has been amended: Investment expenses related to the derivatives amounting to €1.5 million have been reclassified from Investment management expenses to Investment Income.*

Note 19. Other operating income and expenses

in thousands of euros	June 30, 2015	June 30, 2014
Other operating expenses	(1,481)	(8,232)
Stamp duty - Coface Re	(383)	
Compensation for American agent	(1,889)	
Total other operating expenses	**(3,753)**	**(8,232)**
Other operating income	600	1 731
Total other operating income	**600**	**1 731**
Net	**(3,153)**	**(6,501)**

At June 30, 2015, other operating expenses concern mainly compensations paid to sales representatives within the framework of the plan of restructuration and densification of the distribution network led in the United States.

In the six months ended June 30, 2014, a non-recurring expense of €6,926 thousand was recognized in other operating expenses in respect of fees in connection with the stock market listing (communications agency, lawyers, Statutory Auditors, consultants, etc.), expenses and fees paid to Natixis Interépargne and the matching contribution for employees having acquired shares in the company.

Note 20. Breakdown of net income by segment

Segment reporting is representative of the data monitored for management purposes, and is presented by geographic 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 company is located.

Reinsurance result – which is calculated and recognized for the whole Group at the level of Compagnie française d'assurance pour le commerce extérieur (formerly COFACE SA) and Coface Re – has been reallocated at the level of each region.

Income taxes by segment have been calculated based on this monitoring framework.

Analysis of June 30, 2015 net income by segment

(in thousands of euros)	Northern Europe	Western Europe	Central Europe	Mediter-ranean & Africa	North America	Latin America	Asia-Pacific	Group reinsurance	Cogeri	Holding company costs	Inter-zone	Group total
REVENUE	**167,698**	**239,960**	**58,289**	**131,143**	**66,276**	**42,857**	**56,691**	**337,802**	**14,426**		**(354,825)**	**760,317**
o/w Insurance	*113,471*	*180,217*	*43,016*	*110,709*	*58,942*	*41,257*	*55,568*	*337,802*			*(337,945)*	*603,037*
o/w Factoring	*31,487*		*4,143*									*35,630*
o/w Other insurance-related services	*22,741*	*59,742*	*11,130*	*20,434*	*7,334*	*1,599*	*1,123*		*14,426*		*(16,880)*	*121,650*
Claims-related expenses (including claims handling costs)	(61,086)	(59,037)	(23,772)	(60,493)	(32,981)	(29,177)	(40,130)	(251,756)		(1,903)	251,186	(309,149)
Cost of risk	(1,817)		(85)									(1,902)
Commissions	(9,901)	(24,660)	(2,291)	(14,449)	(13,747)	(5,122)	(11,333)	(87,620)			89,902	(79,221)
Other internal general expenses	(66,379)	(86,400)	(19,287)	(36,731)	(15,676)	(10,420)	(15,278)		(14,387)	(17,806)	15,608	(266,755)
UNDERWRITING INCOME BEFORE REINSURANCE*	**28,516**	**69,863**	**12,854**	**19,471**	**3,872**	**(1,863)**	**(10,050)**	**(1,574)**	**39**	**(19,709)**	**1,872**	**103,290**
Income/(loss) on ceded reinsurance	(5,161)	(25,648)	(968)	2,305	44	3,370	5,815	(3,917)			(1,574)	(25,734)
Other operating income and expenses	(48)	(1,061)	(92)	(10)	(1,889)	(17)			6		(43)	(3,153)
Net financial income excluding finance costs	9,943	6,192	2,959	6,699	694	3,446	(1,781)		1,149	(322)	(782)	28,197
Finance costs	(313)	(1,172)	(113)	(212)	(425)	(84)	(213)		(166)	(8,056)	527	(10,226)
OPERATING INCOME including finance costs	**32,936**	**48,174**	**14,641**	**28,253**	**2,296**	**4,852**	**(6,229)**	**(5,491)**	**1,028**	**(28,087)**		**92,373**
Share in net income of associates		1,256										1,256
NET INCOME BEFORE TAX	**32,936**	**49,430**	**14,641**	**28,253**	**2,296**	**4,852**	**(6,229)**	**(5,491)**	**1,028**	**(28,087)**		**93,629**
Income tax expense	(11,734)	(14,717)	(3,587)	(8,520)	(621)	(2,879)	491	1,891	(427)	9,670	3,265	(27,166)
CONSOLIDATED NET INCOME BEFORE NON-CONTROLLING INTERESTS	**21,203**	**34,714**	**11,054**	**19,734**	**1,675**	**1,974**	**(5,738)**	**(3,600)**	**601**	**(18,417)**	**3,265**	**66,463**
Non-controlling interests	(1)	(1)	(362)	(1)		19						(346)
NET INCOME FOR THE PERIOD	**21,201**	**34,713**	**10,691**	**19,733**	**1,675**	**1,992**	**(5,738)**	**(3,600)**	**601**	**(18,417)**	**3,265**	**66,117**

* Underwriting income before reinsurance is a key financial indicator used by the Coface Group to analyze the performance of its businesses. Underwriting income before reinsurance corresponds to the sum of revenue, claims expenses, expenses from banking activities, cost of risk, policy acquisition costs, administrative costs, and other current operating expenses, and expenses from other activities.

Analysis of June 30, 2014 IFRIC 21 restated net income by segment

(in thousands of euros)	Northern Europe	Western Europe	Central Europe	Mediter-ranean & Africa	North America	Latin America	Asia-Pacific	Group reinsurance	Cogeri	Holding company costs	Inter-zone	Group total
REVENUE	**177,166**	**240,563**	**59,794**	**111,185**	**53,142**	**37,987**	**45,195**	**123,639**	**14,499**		**(139,551)**	**723,620**
o/w Insurance	*123,047*	*183,495*	*41,692*	*91,624*	*46,564*	*33,906*	*44,452*	*123,639*			*(123,636)*	*564,782*
o/w Factoring	*30,773*		*4,651*								*(1,512)*	*33,912*
o/w Other insurance-related services	*23,346*	*57,068*	*13,451*	*19,561*	*6,579*	*4,081*	*743*		*14,499*		*(14,402)*	*124,926*
Claims-related expenses (including claims handling costs)	(63,934)	(70,888)	(29,169)	(52,470)	(9,444)	(20,750)	(21,619)	(71,318)		(1,758)	70,358	(270,993)
Cost of risk	(1,795)		(249)									(2,044)
Commissions	(10,028)	(22,358)	(2,179)	(10,587)	(10,669)	(4,358)	(9,480)	(32,416)			34,066	(68,010)
Other internal general expenses	(71,028)	(83,885)	(17,859)	(36,295)	(12,010)	(11,227)	(12,540)		(14,302)	(15,872)	15,470	(259,549)
UNDERWRITING INCOME BEFORE REINSURANCE*	**30,381**	**63,431**	**10,337**	**11,832**	**21,019**	**1,651**	**1,556**	**19,905**	**197**	**(17,630)**	**(19,656)**	**123,024**
Income/(loss) on ceded reinsurance	(8,149)	(15,671)	139	(417)	(5,254)	(4,142)	(1,942)	(20,213)			19,902	(35,748)
Other operating income and expenses	(313)	(6,207)	(152)	1,323	(51)	(1,067)	(34)					(6,501)
Net financial income excluding finance costs	5,852	16,864	2,274	1,406	1,240	3,927	941		97	(384)	(9,885)	22,333
Finance costs	(283)	(13,563)	(14)	(173)	(279)	(76)	(6)		(64)		9,639	(4,819)
OPERATING INCOME including finance costs	**27,488**	**48,874**	**12,584**	**13,972**	**16,675**	**292**	**515**	**(308)**	**230**	**(22,033)**		**98,289**
Share in net income of associates		947										947
NET INCOME BEFORE TAX	**27,488**	**49,821**	**12,584**	**13,972**	**16,675**	**292**	**515**	**(308)**	**230**	**(22,033)**		**99,236**
Income tax expense	(7,827)	(15,148)	(3,810)	(6,697)	(5,452)	1,947	(235)	106	(146)	6,202	1,122	(29,936)
CONSOLIDATED NET INCOME BEFORE NON-CONTROLLING INTERESTS	**19,658**	**33,247**	**8,758**	**7,270**	**11,227**	**2,237**	**590**	**(202)**	**95**	**(14,447)**	**867**	**69,300**
Non-controlling interests	(1)	(1)	(511)		(1)	255						(259)
NET INCOME FOR THE PERIOD	**19,657**	**33,246**	**8,247**	**7,270**	**11,226**	**2,492**	**590**	**(202)**	**95**	**(14,447)**	**867**	**69,041**

* Underwriting income before reinsurance is a key financial indicator used by the Coface Group to analyze 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.

Note 21. Earnings per share

June 30, 2015				
		Average number of shares	Net income for the period (in €k)	Earnings per share (in euros)
Consolidated scope	Basic earnings per share	157,159,773	66,117	0.42
	Dilutive instruments	0	0	0
	Diluted earnings per share	**157,159,773**	**66,117**	**0.42**

June 30, 2014*				
		Average number of shares	Net income for the period (in €k)	Earnings per share (in euros)
Consolidated scope	Basic earnings per share	156,841,307	69,041	0.44
	Dilutive instruments	0	0	0
	Diluted earnings per share	**156,841,307**	**69,041**	**0.44**

** see Note 1 – Restatements due to IFRIC21*

Note 22. Off-balance sheet commitments

(in thousands of euros)

Off-balance sheet commitments	June 30, 2015	December 31, 2014
Commitments given	**442,032**	**419,655**
Endorsements and letters of credit	408,100	410,100
Property guarantees	7,500	7,500
Financial commitments in respect of equity interests	24,815	282
Obligations under finance leases	1,617	1,773
Commitments received	**798,770**	**1,086,961**
Endorsements and letters of credit	118,953	115,737
Guarantees	127,317	134,724
Credit lines linked to commercial paper	500,000	500,000
Credit lines linked to factoring	50,000	334,000
Financial commitments in respect of equity interests	2,500	2,500
Guarantees received	**305,323**	**305,323**
Securities lodged as collateral by reinsurers	305,323	305,323
Financial market transactions	**24,412**	**36,829**

Credit lines correspond to liquidity lines related to commercial paper issues in the amount of €500,000 thousand.

The financial commitments in respect of equity interests increased by €24,533 thousand since December 31, 2014. The increase mainly corresponds to the investments of Compagnie française d'assurance pour le commerce extérieur (formerly COFACE SA) in funds of CBRE Global and Aberdeen property for €19,246 thousand.

Note 23. Related parties

Natixis holds 41.27% of the Coface Group's shares excluding treasury shares, and 41.24% including treasury shares.

	Number of shares	%
Natixis	64,853,869	41,27%
Public	92,298,263	58,73%
Total	**157,152,132**	**100.00%**

RELATIONS WITH 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;
- tax payables and receivables within the Natixis tax consolidation group (Coface belonged to the Natixis tax consolidation group until 2013);
- Coface's credit insurance coverage made available to entities related to Coface;
- recovery of insurance receivables carried out by entities related to Coface on behalf of Coface;
- rebilling of general and administrative expenses, including overheads, personnel expenses, etc.

These transactions are broken down below:

Current operating income	June 30, 2015			
(in thousands of euros)	Natixis group (excl. discontinued operations)	Natixis Factor	Ellisphère (ex-Coface Services)	Altus GTS Inc. (Ex Coface Collections North America, Inc.)
Total revenue and income from ordinary activities	**(1,493)**	**1**	**(1)**	
Revenue (net banking income, after cost of risk)	(1,492)			
Investment income/(loss), net of management expenses	(1)	1	(1)	
Total current income and expenses	**(180)**	**97**	**(195)**	**50**
Claims expenses	(11)	6	(11)	
Expenses from other activities				(4)
Policy acquisition costs	(93)	50	(99)	
Administrative costs	(48)	26	(55)	54
Other current operating income and expenses	(28)	15	(30)	
Current operating income/(loss)	**(1,673)**	**98**	**(196)**	**50**

Related-party receivables and payables	June 30, 2015					
(in thousands of euros)	BPCE group	Natixis group (excl. discontinued operations)	Natixis Factor	Ellisphere	Kompass International	Altus GTS Inc. (Ex Coface Collections North America, Inc.)
Financial investments	**15,006**	**10,443**				
Other assets			**64**	**142**	**175**	**123**
Other receivables			64	142	175	123
Cash and cash equivalents		**1,417**				
Liabilities relating to insurance contracts						**83**
Payables arising from banking sector activities		**142,582**				
Amounts due to banking sector companies		142,582				
Other liabilities		**84**	**6**	**307**		
Other payables		84	6	307		

The €142,582 thousand in financing liabilities due to banking sector companies corresponds to borrowings taken out with Natixis to finance the factoring business (see Note 13).

Current operating income	June 30, 2014				
(in thousands of euros)	Natixis group (excl. discontinued operations)	Natixis Factor	Ellisphere	Kompass International	Coface Collections North America
Total revenue and income from ordinary activities	**(2,222)**		**(12)**	**1**	
Revenue (net banking income, after cost of risk)	(2,356)				
Revenue or income from other activities			2		
Earned premiums			(13)		
Fees and commission income			1		
Investment income/(loss), net of management expenses	134		(2)	1	
Total current income and expenses	**(839)**	**(1)**	**(230)**	**95**	**32**
Claims expenses	(55)		(13)	6	
Expenses from other activities			(35)		(12)
Policy acquisition costs	(460)		(98)	53	
Administrative costs	(201)	(1)	(58)	22	44
Other current operating income and expenses	(123)		(26)	14	
Current operating income/(loss)	**(3,061)**	**(1)**	**(242)**	**96**	**32**

Related-party receivables and payables	Dec. 31, 2014					
(in thousands of euros)	BPCE group	Natixis group (excl. discontinued operations)	Natixis Factor	Ellisphère (ex-Coface Services	Kompass International	Altus GTS Inc. (Ex Coface Collections North America, Inc.)
Financial investments	**15,006**	**10,443**				
Other assets			**91**	**138**	**175**	**63**
Receivables arising from insurance and reinsurance operations			2			
Other receivables			89	138	175	63
Cash and cash equivalents		4,685				
Liabilities relating to insurance contracts						76
Payables arising from banking sector activities		**164,835**				
Amounts due to banking sector companies		164,835				
Other liabilities		**1,993**	**6**	**385**		
Current taxes		1,880				
Other payables		113	6	385		

Note 24. Events after the reporting period

Transfer of French State public guarantees activity[5]

The French government announced in February 2015 that it was examining the possibility of transferring the French State public guarantees activity, currently carried out by Coface, to the Bpifrance group. Having studied and discussed the project with Coface, the French government announced today, July 29th, its decision to implement the project, in line with its aim to consolidate under one establishment the support it offers to SME and larger companies.

Coface and the French government have agreed the financial terms of such a transfer[1]. These consist of a principle of payment of €77.2M, corresponding to a valuation of approximately €89.7M before tax, net of estimated liabilities of €12.5M as at end-December 2014.

The transfer[1] is scheduled to take place in the course of 2016. It will take the form of a cession to Bpifrance of the standalone State public guarantees activity, composed of teams and dedicated systems (IT, contracts,…), as well as corresponding assets and liabilities.

This payment[6] will allow Coface to absorb immediate depreciation charges[2] (estimated at €17.3M before tax) and contribute to absorbing the margin loss (€11.7M) and fixed costs remaining (€20.8M) at Coface's charge (amounts before tax on a full-year basis).

5: This transfer will be subject to a modification of the legislative and regulatory framework applicable to State public guarantees activity.

6: The valuation of €89.7M before tax and depreciation charges will be registered in our financial statements once the legislative and regulatory framework applicable to State public guarantees activity will be modified.

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IV. Statutory auditors’ review report on the half-yearly consolidated financial statements

IV. Statutory auditors' review report on the half-yearly consolidated financial statements

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

For the period from January 1 to June 30, 2015

To the Shareholders,

In compliance with the assignment entrusted to us by your General Meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying half-yearly condensed consolidated financial statements of COFACE S.A., for the period from January, 1st to June, 30th 2015,
- the verification of the information presented in the half-yearly management report.

These half-yearly condensed consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I- Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying half-yearly condensed consolidated financial statements do not give a true and fair view of the assets and liabilities and of the financial position of the Group as at June 30th, 2015 and of the results of its operations for the period then ended in accordance with IAS 34 - the standard of the IFRS as adopted by the European Union applicable to interim financial statements.

Without qualifying our conclusion, we draw your attention to the two following matters:

- Note 1. « Reconciliation of the published and IFRIC 21 restated financial statements June 30, 2014 and December 31, 2014 » of the condensed interim consolidated financial statements, presents the impacts with regard to the first application of IFRIC 21 intended to clarify the accounting date to be used for liabilities related to levies.

- Note 24. « Events after the reporting period » of the condensed interim consolidated financial statements exposes the agreement in principle reached on July 29, 2015 with the French State on the transfer of the management of the public guarantees activity from COFACE to the Bpifrance group.

II- Specific verification

We have also verified the information presented in the half-yearly management report on the half-yearly condensed consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the half-yearly condensed consolidated financial statements.

The Statutory Auditors

Paris La Défense, on the 29 July 2015

KPMG Audit
Department of KPMG S.A.

Francine Morelli
Partner

Neuilly-sur-Seine, on the 29 July 2015

Deloitte & Associés

Damien Leurent
Partner

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V. Statement of the person responsible for the financial statements

V. Statement of the person responsible for the financial statements

"I hereby declare, after having taken every reasonable measure for such purpose, that the information contained in this registration document, to my knowledge, is true to fact and that no material aspects of such information have been omitted.

I certify that, to the best of my knowledge, the interim condensed consolidated financial statements of the period under review have been prepared in accordance with applicable accounting standards and give a true and fair view of assets, financial position and income of the consolidated scope of the Group, and that the interim business review, in paragraph I. of this document, includes a fair review of the important events occurring during the first half of the financial year and their impact on the financial statements, the main transactions between related parties and a description of the main risks and uncertainties for the remaining six months of the year.

The limited review report for the interim consolidated financial statements for the six-month period ended June 30, 2015 is reproduced above, in paragraph IV."

On July 22, 2015

Jean-Marc PILLU

Chief Executive Officer of COFACE SA

VI. Appendix: Calculation of financial ratios

VI. Calculation of financial ratios

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

Loss Ratio

This ratio allows the Coface Group to measure the underwriting profitability of insurance contracts during the financial year. By analysing this ratio, it is also possible to price policies effectively by taking into account the amount of claims made by policyholders.

Loss Ratio before Reinsurance

The loss ratio before reinsurance is the ratio of claim expenses (as defined below) to gross earned premiums (the sum of the gross written premiums and unearned premium provisions), net of premium rebates. Premium rebates are reimbursements made to policyholders of part of the premiums paid by them when claims under their insurance policies do not exceed a certain threshold (low claims bonus) or when there are no claims (no-claims bonus).

Loss Ratio after Reinsurance

The loss ratio after reinsurance corresponds to the ratio of claims expenses (net of claims expenses ceded to reinsurers under reinsurance treaties entered into by the Coface Group) to the gross earned premiums (net of premiums ceded to reinsurers).

Cost Ratio

Cost Ratio before Reinsurance

The cost ratio before reinsurance is the ratio of overheads (as defined below) to gross earned premiums (as described above).

The cost ratio before reinsurance is used by the Coface Group to measure all the costs related to the acquisition and management of its portfolio of contracts in a given financial year. The Coface Group's credit insurance business is supported by services activities such as corporate information and recovery of receivables. These services are inherent to the traditional credit insurance activity (related services) and the related expenses are included in the overheads of the Coface Group. The overheads are also increased by complementary activities such as factoring (in Germany and Poland) and management of public procedures on behalf of the French and Brazilian States. However, in order for the cost ratio calculated by the Coface Group to be comparable to the cost ratio calculated by other main market players, revenue generated by the additional businesses (non-insurance) described above is deducted from overheads.

Cost Ratio after Reinsurance

The cost ratio after reinsurance is the ratio of general expenses (after deduction of reinsurance premiums paid by reinsurers) to gross earned premiums (net of premiums ceded to reinsurers).

Overheads

Overheads accounted for in the cost ratio are the sum of:

- policy acquisition costs (consisting of the external costs of acquisition of contracts, corresponding to commissions paid to business contributor intermediaries (brokers or other intermediaries) and internal contract acquisition costs corresponding to the cost of maintaining distribution networks and the costs relating to drafting services in charge of writing contracts);
- administrative costs (including Coface Group operating costs, payroll costs, IT costs, etc. excluding profit-sharing and incentive schemes);
- other current operating expenses (expenses that cannot be allocated to any of the purposes defined by the accounting plan, in particular including management expenses);
- expenses from banking activities (general operating expenses, such as payroll costs, IT costs, etc., relating to the factoring business); and
- expenses from other activities (overheads related exclusively to information and recovery for customers without credit insurance) minus revenue related to:
    - fees and commission income (ancillary fees charged under insurance contracts for the provision of credit insurance related services, such as debtor information, fees for monitoring credit limits of customers of policyholders and receivables management and recovery of receivables),
    - other related benefits and services (ancillary services, such as administrative fees for managing claims and reinvoiced receivables recovery fees),
    - information and other services (fees charged for access to information on corporate solvency and marketing information) provided to customers without credit insurance,
    - receivables management (fees charged for receivables recovery services) provided to customers without credit insurance,
    - the net banking income relating to the factoring activities, and
    - compensation for public procedures management services.

Combined Ratio

The combined ratio measures the overall profitability of the Coface Group's activities and its technical margin.

The combined ratio is the sum of the loss ratio and the cost ratio. It is tracked by the Coface Group both before and after reinsurance (claims expenses net of those ceded to reinsurers under reinsurance treaties entered into by the Coface Group and overheads, less reinsurance commissions paid by the reinsurers over total gross earned premiums net of premiums ceded to reinsurers).

Details of the calculation of ratios relating to gross earned premiums net of cancellation

(in thousands of euros)	At June 30		
	2015	**2014** restated IFRIC 21	**2014**
Earned premiums excluding policyholders' bonuses and rebates	640,328	617,289	617,289
Policyholders' bonuses and rebates	-37,292	-52,507	-52,507
Earned premiums	**603,036**	**564,782**	**564,782**
Fee and commission income	71,624	70,088	70,088
of which Fees and commission income	*66,602*	*65,210*	*65,210*
of which Other insurance-related services	*5,022*	*4,878*	*4,878*
Remuneration of public procedures	29,901	32,757	32,757
Services	20,125	22,081	22,081
of which Business information and other services	*12,881*	*12,787*	*12,787*
of which Receivables management	*7,244*	*9,294*	*9,294*
Net income from banking activities (Factoring)	35,630	33,912	33,912
Consolidated revenue	**760,317**	**723,620**	**723,620**
Claims expenses	**-309,149**	**-270,993**	**-270,966**
Income from ceded reinsurance	**107,790**	**102,960**	**102,960**
of which Ceded claims	*64,819*	*54,042*	*54,042*
of which Commissions paid by reinsurers	*42,971*	*48,918*	*48,918*
Expenses from ceded reinsurance	**-133,524**	**-138,708**	**-138,708**
of which Ceded premiums	*-143,270*	*-146,060*	*-146,060*
of which Ceded policyholders' bonuses and rebates	*9,746*	*7,352*	*7,352*
Policy acquisition costs	-139,083	-130,075	-129,948
Administrative costs	-135,292	-129,561	-129,374
Other current operating expenses	-41,059	-34,240	-34,009
Investment management expenses	-1,102	-1,363	-1,363
of which Insurance	*-1,102*	*-1,363*	*-1,363*
Claims handling expenses	-13,854	-12,867	-12,867
Expenses from banking activities, excluding cost of risk	-6,734	-5,686	-5,686
Expenses from other activities	-23,808	-27,997	-27,997
Overheads including expenses from other activities	**-360,932**	**-341,788**	**-341,243**
of which employee profit-sharing	*-5,602*	*-4,629*	*-4,629*

	At June 30		
	2015	**2014** restated IFRIC 21	**2014**
Loss ratio before Reinsurance	51,3%	48,0%	48,0%
Loss ratio after Reinsurance	52,0%	50,9%	50,9%
Cost ratio before Reinsurance	30,4%	29,1%	29,0%
Cost ratio after Reinsurance	29,8%	27,0%	26,9%
Combined ratio before Reinsurance	81,6%	77,0%	76,9%
Combined ratio after Reinsurance	81,9%	78,0%	77,8%