



Unaudited interim consolidated financial statements
(free translation)
Nine months ending September 30th, 2015

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CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

(in thousands of euros)

ASSETS	Notes	Sept. 30, 2015	Dec. 31, 2014*
Intangible assets		227,157	231,968
Goodwill	3	155,069	154,515
Other intangible assets	4	72,088	77,453
Insurance business investments	5	2,561,969	2,677,731
Investment property	5	800	923
Held-to-maturity securities	5	3,728	6,872
Available-for-sale securities	5	2,436,514	2,324,682
Trading securities	5	68,278	30,864
Derivatives	5	5,486	2,834
Loans and receivables	5	47,163	311,556
Receivables arising from banking and other activities	6	2,371,022	2,244,262
Investments in associates	7	19,709	19,001
Reinsurers' share of insurance liabilities	12	342,694	329,163
Other assets		930,302	806,282
Buildings used in the business and other property, plant and equipment		65,304	67,708
Deferred acquisition costs		48,175	43,171
Deferred tax assets		50,863	33,939
Receivables arising from insurance and reinsurance operations		556,508	453,415
Trade receivables arising from other activities		20,789	17,762
Current tax receivables		52,318	43,238
Other receivables		136,345	147,049
Cash and cash equivalents	8	433,630	278,624
TOTAL ASSETS		6,886,483	6,587,031

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

(in thousands of euros)

EQUITY AND LIABILITIES	Notes	Sept. 30, 2015	Dec. 31, 2014*
Equity attributable to owners of the parent		1,714,907	1,717,797
Share capital	9	786,241	786,241
Additional paid-in capital		347,371	422,831
Retained earnings		439,244	318,498
Other comprehensive income		43,775	65,201
Consolidated net income for the year		98,276	125,026
Non-controlling interests		6,930	6,737
Total equity		1,721,837	1,724,534
Provisions for liabilities and charges	10	115,517	117,792
Financing liabilities		389,671	395,123
Financing liabilities due to banking sector companies	11	389,671	395,123
Liabilities relating to insurance contracts	12	1,569,824	1,472,180
Payables arising from banking sector activities	13	2,320,887	2,217,782
Amounts due to banking sector companies		341,673	300,706
Amounts due to customers of banking sector companies		373,709	379,016
Debt securities		1,605,505	1,538,060
Other liabilities		768,747	659,620
Deferred tax liabilities		128,853	128,463
Payables arising from insurance and reinsurance operations		233,917	176,628
Current taxes payable		133,096	97,058
Derivative instruments with a negative fair value		2,744	16,037
Other payables		270,137	241,434
TOTAL EQUITY AND LIABILITIES		6,886,483	6,587,031

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

Consolidated income statement

(in thousands of euros)

	Notes	Sept. 30, 2015	Sept 30, 2014*
Revenue	14	1,126,348	1,071,975
Gross written premiums		979,118	957,367
Premium refunds		(60,376)	(86,956)
Net change in unearned premium provisions		(24,633)	(33,743)
Earned premiums	14	894,109	836,668
Fee and commission income	14	97,572	95,582
Cost of risk		(2,861)	(2,899)
Revenue or income from other activities	14	81,209	86,658
<i>Investment income, net of management expenses</i>		39,332	27,003
<i>Gains and losses on disposals of investments</i>		1,146	4,568
Investment income, net of management expenses (excluding finance costs)	18	40,478	31,571
Total revenue and income from ordinary activities		1,163,965	1,100,647
Claims expenses	15	(455,384)	(393,947)
Expenses from banking activities, excluding cost of risk		(10,098)	(8,587)
Expenses from other activities		(34,740)	(42,241)
<i>Income from ceded reinsurance</i>	17	163,150	149,322
<i>Expenses from ceded reinsurance</i>	17	(201,747)	(200,863)
Income and expenses from ceded reinsurance	17	(38,597)	(51,541)
Policy acquisition costs	16	(207,789)	(194,695)
Administrative costs	16	(202,736)	(194,347)
Other current operating expenses	16	(58,095)	(50,200)
Total current income and expenses		(1,007,439)	(935,557)
CURRENT OPERATING INCOME		156,526	165,090
Other operating expenses	19	(4,513)	(9,663)
Other operating income	19	490	2,242
OPERATING INCOME		152,503	157,669
Finance costs		(13,785)	(9,408)
Share in net income of associates		1,608	1,359
Income tax expense		(41,433)	(46,022)
CONSOLIDATED NET INCOME BEFORE NON-CONTROLLING INTERESTS		98,893	103,598
Non-controlling interests		(617)	(769)
NET INCOME FOR THE YEAR		98,276	102,829
Earnings per share (€)	21	0,63	0,66
Diluted earnings per share (€)	21	0,63	0,66

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

Consolidated statement of comprehensive income

(in thousands of euros)

	Notes	Sept. 30, 2015	Sept 30, 2014*
Net income for the period		98,276	102,829
Non-controlling interests		617	769
Other comprehensive income			
Currency translation differences reclassifiable to income		(1,407)	17,876
<i>Reclassified to income</i>		(0)	(0)
<i>Recognised in equity</i>		(1,407)	17,876
Fair value adjustments on available-for-sale financial assets	5	(20,136)	27,155
<i>Reclassified to income – gross</i>		(3,711)	(5,580)
<i>Reclassified to income – tax effect</i>		812	1,772
<i>Recognised in equity – reclassifiable to income – gross</i>		(20,988)	43,123
<i>Recognised in equity – reclassifiable to income – tax effect</i>		3,751	(12,160)
Fair value adjustments on employee benefit obligations		0	0
Other comprehensive income for the period, net of tax		(21,543)	45,032
Total comprehensive income for the period		77,350	148,630
- attributable to owners of the parent		76,849	148,197
- attributable to non-controlling interests		500	433

* see Note 1 – Reconciliation of the published and IFRIC 21 restated financial statement September 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			Net income for the period	Equity attributable to owners of the parent	Non-controlling interests	Total equity
					Foreign currency translation reserve	Reclassifiable revaluation reserves	Non-reclassifiable revaluation reserves				
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)
September 30, 2015 net income								98,276	98,276	617	98,893
Fair value adjustments on available-for-sale financial assets recognized in equity	5					(17,493)			(17,493)	256	(17,237)
Fair value adjustments on available-for-sale financial assets reclassified to income	5					(2,899)			(2,899)		(2,899)
Currency translation differences					(1,034)				(1,034)	(374)	(1,408)
Treasury shares elimination				(4,785)					(4,785)		(4,785)
Free share plans expenses			505						505		505
Transactions with shareholders										391	391
Equity at September 30, 2015		786,241	792,109	(5,494)	(21,715)	86,872	(21,382)	98,276	1,714,907	6,930	1,721,837

Consolidated statement of cash flows

(in thousands of euros)	Notes	Sept. 30, 2015	Sept 30, 2014
Net income for the period	20	98,275	103,087
Income tax expense		41,433	46,209
Finance costs		13,785	9,408
Operating income before tax (A)		153,493	158,704
Non-controlling interests		617	769
+/- Depreciation, amortization and impairment losses	4 - 5	12,696	14,658
+/- Net additions to/reversals from technical provisions	9	62,660	6,450
+/- Share in net income of associates	7	(1,608)	(1,359)
+ Dividends received from associates	7	900	756
+/- Fair value adjustments on financial instruments recognized at fair value through income		32,429	28,875
+/- Non-cash items			
Total non-cash items (B)		137,123	50,149
Gross cash flows from operations (C) = (A) + (B)		290,616	208,853
Change in operating receivables and payables		2,724	(54,337)
Net taxes paid		(34,445)	32,288
Net cash related to operating activities (D)		(31,720)	(22,049)
Increase (decrease) in receivables arising from factoring operations		(125,662)	(50,646)
Increase (decrease) in payables arising from factoring operations		62,138	36,463
Increase (decrease) in factoring liabilities		39,662	71,602
Net cash generated from banking and factoring operations (E)	6 - 11	(23,862)	57,419
Net cash generated from operating activities (F) = (C+D+E)		235,034	244,222
Acquisitions of investments	5	(1,682,824)	(2,581,163)
Disposals of investments	5	1,710,169	2,269,226
Net cash used in movements in investments (G)		27,345	(311,937)
Acquisitions of consolidated subsidiaries, net of cash acquired		(0)	(0)
Disposals of consolidated companies, net of cash transferred			
Net cash used in changes in scope of consolidation (H)		(0)	(0)
Disposals of property, plant and equipment and intangible assets	4	(5,478)	(6,226)
Acquisitions of property, plant and equipment and intangible assets	4	(0)	4,164
Net cash generated from (used in) acquisitions and disposals of property, plant and equipment and intangible assets (I)		(5,478)	(2,062)
Net cash used in investing activities (J) = (G+H+I)		21,867	(313,999)
Proceeds from the issue of equity instruments		(0)	3,386
Special dividend paid to Natixis - issue premium payment		(0)	(226,983)
Treasury share transactions		(4,630)	(2,341)
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)		0	(4,146)
Cash flows related to transactions with owners		(80,787)	(232,664)
Proceeds from the issue of debt instruments		(0)	388,818
Cash used in the redemption of debt instruments		(2,122)	(21,122)
Interests paid (1)		(17,373)	(0)
Cash flows related to the financing of Group operations		(19,495)	367,696
Net cash generated from (used in) financing activities (K)		(100,282)	135,032
Impact of changes in exchange rates on cash and cash equivalents (L)		(1,612)	4,723
Net increase in cash and cash equivalents (F+J+K+L)		155,006	69,978
Net cash generated from operating activities (F)		235,034	244,222
Net cash used in investing activities (J)		21,867	(313,999)
Net cash generated from (used in) financing activities (K)		(100,282)	135,032
Impact of changes in exchange rates on cash and cash equivalents (L)		(1,612)	4,723
Cash and cash equivalents at beginning of period	8	278,624	273,920
Cash and cash equivalents at end of period	8	433,630	343,898
Net change in cash and cash equivalents		155,006	69,978

(1) The item "Interests paid" at September 30, 2015 includes €15,675 thousands of interests paid on the hybrid loan.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Basis of preparation

These IFRS condensed interim consolidated financial statements of the Coface Group as at September 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 nine months ended September 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 September 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 nine months ended September 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 November 2, 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 September 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 nine-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 sociétés (C3S)” restatement.

The impact on the operating income on pro forma accounts at September 30, 2014 amounted to an expense of €445 thousand including €271 thousand of C3S restatement and €174 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	12	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	9	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	10	117,792		117,792
Financing liabilities	11	395,123		395,123
Liabilities relating to insurance contracts	12	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	Sept 30, 2014 published	IFRIC 21 Impacts	Sept 30, 2014 restated
Revenue	14	1,071,975		1,071,975
Gross written premiums		957,367		957,067
Premium refunds		(86,956)		(86,656)
Net change in unearned premium provisions		(33,743)		(33,743)
Earned premiums	14	836,668		836,668
Fee and commission income	14	95,582		95,582
Net income from banking activities	14	53,067		53,067
Cost of risk		(2,899)		(2,899)
Revenue or income from other activities	14	86,658		86,658
<i>Investment income, net of management expenses</i>		27,003		27,003
<i>Gains and losses on disposals of investments</i>		4,568		4,568
Investment income, net of management expenses (excluding finance costs)	18	31,571		31,571
Total revenue and income from ordinary activities		1,100,647		1,100,647
Claims expenses	15	(393,928)	(19)	(393,947)
Expenses from banking activities, excluding cost of risk		(8,587)		(8,587)
Expenses from other activities		(42,241)		(42,241)
<i>Income from ceded reinsurance</i>	17	149,322		149,322
<i>Expenses from ceded reinsurance</i>	17	(200,863)		(200,863)
Income and expenses from ceded reinsurance	17	(51,541)		(51,541)
Policy acquisition costs	16	(194,597)	(98)	(194,695)
Administrative costs	16	(194,177)	(170)	(194,347)
Other current operating expenses	16	(50,042)	(158)	(50,200)
Total current income and expenses		(935,111)	(445)	(935,556)
CURRENT OPERATING INCOME		165,536	(445)	165,091
Other operating expenses	19	(9,663)		(9,663)
Other operating income	19	2,242		2,242
OPERATING INCOME		158,114	(445)	157,669
Finance costs		(9,408)		(9,408)
Share in net income of associates		1,359		1,359
Income tax expense		(46,209)	188	(46,022)
CONSOLIDATED NET INCOME BEFORE NON-CONTROLLING INTERESTS		103,856	(258)	103,598
Non-controlling interests		(769)		(769)
NET INCOME FOR THE YEAR		103,087	(258)	102,829
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

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 on 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 transfer¹. 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 transfer¹ 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 payment² will allow Coface to absorb immediate depreciation charges² (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).

Announcement of operational efficiency plan: "Optimize cost"

Last July, Coface announced studying the implementation of an operational efficiency programme aiming at reducing its cost structure. Conception phase is ongoing.

This initiative is a continuation of Strong Commitment I & II and involves all countries and all Group functions. Coface study, through this project, every possible practice of cost optimization.

Financial strength affirmed by rating agencies

Fitch and Moody's reaffirmed the financial strength ratings (IFS) of the Group, A2 and AA- respectively (stable outlook), on September 17th and October 13th 2015.

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

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

Explanatory notes

Note 3. Goodwill

At September 30, 2015, the change in goodwill amounted to €554 thousand; due to the fluctuation of the exchange rate.
1: 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.

Note 4. Other intangible assets

At September 30, 2015, the change in other intangible assets amounted to a negative €5,400 thousand. This change is mainly explained by an increase in the gross value of around €3,100 thousand and a provision for depreciation and amortisation of around €8,800 thousand. The remainder of the change comes from the fluctuations in the exchange rates.

Note 5. Investments

5.1 – Analysis by category

At September 30, 2015, the carrying amount of held-to maturity (HTM) securities was €3,728 thousand, available-for-sale (AFS) securities totaled €2,436,514 thousand and securities held for trading (“trading securities”) came to €68,278 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 September 30, 2015, 13% of the Group's total bond portfolio was rated “AAA”, 39% “AA” and “A”, 32% “BBB” . The portion of the bond portfolio rated “BB+” and below represents 16% of the total portfolio.

At September 30, 2015, bonds represented 63% of the total investment portfolio.

(in thousands of euros)	Sept. 30, 2015					Dec. 31, 2014			
	Amortized cost	Revaluation	Net value	Fair value	Unrealized gains and losses	Amortized cost	Revaluation	Net value	Fair value
AFS securities	2,341,109	95,405	2,436,514	2,436,514		2,203,306	121,376	2,324,682	2,324,682
Equities and other variable-income securities	227,295	95,132	322,427	322,427		211,173	98,537	309,710	309,710
Bonds and government securities	2,024,455	(328)	2,024,127	2,024,127		1,962,132	22,838	1,984,971	1,984,971
<i>o/w direct investments in securities</i>	1,604,134	6,050	1,610,184	1,610,184		1,752,367	27,757	1,780,124	1,780,124
<i>o/w investments in UCITS</i>	420,321	(6,378)	413,944	413,944		209,765	(4,919)	204,847	204,847
Shares in non-trading property companies	89,359	601	89,960	89,960		30,001		30,001	30,001
HTM securities									
Bonds	3,728		3,728	4,329	601	6,872		6,872	7,703
Fair value through income – trading securities									
Money market funds (UCITS)	68,278		68,278	68,278		30,864		30,864	30,864
Derivatives (positive fair value)		5,486	5,486	5,486			2,834	2,834	2,834
<i>(derivatives negative fair value for information)</i>		(2,744)	(2,744)	(2,744)			(16,037)	(16,037)	(16,037)
Loans and receivables	47,163		47,163	47,163		311,556		311,556	311,556
Investment property	321	479	800	800		707	216	923	923
Total	2,460,599	101,370	2,561,969	2,562,570	601	2,553,305	124,426	2,677,731	2,678,562

(in thousands of euros)	Gross Sept. 30, 2015	Impairment	Net Sept. 30, 2015	Net Dec. 31, 2014
AFS securities	2,466,675	(30,160)	2,436,514	2,324,682
Equities and other variable-income securities	352,580	(30,152)	322,427	309,710
Bonds and government securities	2,024,127		2,024,127	1,984,971
<i>o/w direct investments in securities</i>	1,610,184		1,610,184	1,780,124
<i>o/w investments in UCITS</i>	413,944		413,944	204,847
Shares in non-trading property companies	89,968	(8)	89,960	30,001
HTM securities				
Bond	3,728		3,728	6,872
Fair value through income – trading securities				
Money market funds (UCITS)	68,278		68,278	30,864
Derivatives (positive fair value)	5,486		5,486	2,834
<i>(for information, derivatives with a negative fair value)</i>	(2,744)		(2,744)	(16,037)
Loans and receivables	47,163		47,163	311,556
Investment property	800		800	923
Total investments	2,592,129	(30,160)	2,561,969	2,677,731

(in thousands of euros)	Dec. 31, 2014	Additions	Reversals	Exchange rate effects and other	Sept. 30, 2015
AFS securities	30,141	921	(1,000)	98	30,160
Equities and other variable-income securities	30,133	921	(1,000)	98	30,152
Shares in non-trading property companies	8				8
Total impairment	30,141	921	(1,000)	98	30,160

At September 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

(in thousands of euros)	Sept. 30, 2015						Sept. 30, 2015 Carrying amount
	Dec. 31, 2014 Carrying amount	Increases	Decreases	Revaluation	Impairment	Other movements	
AFS securities	2,324,682	895,554	(755,190)	(24,699)	70	(3,902)	2,436,514
Equities and other variable-income securities	309,710	98,838	(82,697)	(2,150)	79	(1,353)	322,427
Bonds and government securities	1,984,971	737,189	(672,493)	(23,150)	(9)	(2,381)	2,024,127
Shares in non-trading property companies	30,001	59,526		601		(168)	89,960
HTM securities							
Bonds	6,872	78	(3,222)				3,728
Fair value through income – trading securities	30,864	717,334	(679,920)				68,278
Loans, receivables and other financial investments	315,313	41,216	(280,234)	(32,166)	9	9,311	53,449
Total investments	2,677,731	1,654,182	(1,718,566)	(56,865)	79	5,408	2,561,969

Equities and other variable-income securities amounted to €322,427 thousand at September 30, 2015, versus €309,710 thousand at December 31, 2014. The €12,717 thousand change in this item is mainly due to the purchase for 12 millions euros of listed securities by Coface Ré.

Bonds and Government securities amounted to €2,024,127 thousand at September 30, 2015, versus €1,984,971 thousand at December 31, 2014. The €39,156 thousand increase in this item is mainly attributable to various transactions realized by Coface Europe, Fonds Colombes, Coface Singapore and Coface Ré.

Held-to-maturity (HTM) securities amounted to €3,728 thousand at September 30, 2015, versus €6,872 as at December 31, 2014. The decrease of €3,222 thousand is due to the maturity of a part of securities held by Coface Europe.

Loans, receivables and other investments amount to €53,449 thousand at September 30, 2015, versus €315,313 thousand at December 31, 2014. The decrease of €261,864 thousand is mainly due to the forward arrival of certificates of deposit and term deposits held by Coface Ré, Coface Hong Kong and Coface Singapore mostly reinvested in bonds.

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 82% 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 September 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	2,436,514	2,436,514	2,024,396	192,193	219,926
Equities and other variable-income securities	322,427	322,427	192,438	23	129,966
Bonds and government securities	2,024,127	2,024,127	1,831,957	192,170	
Shares in non-trading property companies	89,960	89,960			89,960
HTM securities					
Bonds	3,728	4,329	4,329		
Fair value through income – trading securities					
Money market funds (UCITS)	68,278	68,278	68,278		
Derivatives	5,486	5,486		5,486	
Loans and receivables	47,163	47,163		47,163	
Investment property	800	800			800
TOTAL	2,561,969	2,562,570	2,097,003	244,841	220,726

Movements in Level 3 securities as at September 30, 2015

(in thousands of euros)	Gains and losses recognized in the period			Transactions for the period		Exchange rate effects	At Sept. 30, 2015
	At Dec. 31, 2014	In income	Directly in equity	Purchases/ Issues	Sales/ Redemptions		
AFS securities	155,470	1,000	2,286	62,714		(1,544)	219,926
Equities and other variable-income securities	125,469	1,000	1,685	3,188		(1,376)	129,966
Shares in non-trading property companies	30,001		601	59,526		(168)	89,960
Investment property	923	272				(395)	800
TOTAL	156,393	1,272	2,286	62,714		(395)	220,726

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	Level 2	Level 3
			Fair value determined based on quoted prices in active markets	Fair value determined based on valuation techniques that use observable inputs	Fair value determined based on valuation techniques that use unobservable inputs
AFS securities	2,324,682	2,324,682	2,015,225	153,987	155,470
Equities and other variable-income securities	309,710	309,710	177,611	6,630	125,469
Bonds and government securities	1,984,971	1,984,971	1,837,614	147,357	
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		Transactions for the period		Exchange rate effects	At Dec. 31, 2014
		In income	Directly in equity	Purchases/ Issues	Sales/ Redemptions		
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)	Sept. 30, 2015	Dec. 31, 2014
Receivables arising from banking and other activities	2,322,842	2,181,560
Non-performing receivables arising from banking and other activities	65,395	79,840
Allowances for receivables arising from banking and other activities	(17,215)	(17,138)
Total receivables arising from banking and other activities	2,371,022	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 September 30, 2015, the change in investments in associates amounted to €708 thousand.

Note 8. Cash and cash equivalents

(in thousands of euros)	Sept. 30, 2015	Dec. 31, 2014
Cash at bank and in hand	397,439	248,656
Cash equivalents	36,191	29,968
Total	433,630	278,624

Note 9. 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 September 30, 2015	157,248,232	5	786,241,160
Treasury shares deducted	(624,997)	5	(3,124,985)
At September 30, 2015 (excluding treasury shares)	156,623,235	0	783,116,175

Shareholders	Sept. 30, 2015		Dec. 31, 2014	
	Number of shares	%	Number of shares	%
Natixis	64,853,869	41,41%	64,853,869	41.26%
Public	91,769,366	58,59%	92,313,544	58.74%
Total excluding treasury shares	156,623,235	100%	157,167,413	100%

Natixis holds 41.41% of Coface securities excluding treasury shares, and 41.24% including treasury shares.

Note 10. Provisions for liabilities and charges

in thousands of euros	Sept. 30, 2015	Dec. 31, 2014
Provisions for disputes	7,173	7,624
Provisions for pension and other post-employment benefit obligations	91,495	93,752
Other provisions for liabilities and charges	16,849	16,416
TOTAL	115,517	117,792

Other provisions for liabilities and charges chiefly include provisions for risks relating to investments in the amount of €14,060 thousand at September 30, 2015, versus €13,724 thousand at December 31, 2014, corresponding to the Group's share in the negative net financial position.

Note 11. Financing liabilities

in thousands of euros	Sept. 30, 2015	Dec. 31, 2014
Subordinated debt	383,261	386,850
Obligations under finance leases	5,905	7,955
Bank overdrafts and other borrowings	505	318
Total	389,671	395,123

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

Note 12. Liabilities relating to insurance contracts

in thousands of euros	Sept. 30, 2015	Dec. 31, 2014
Provisions for unearned premiums	311,228	286,336
Claims reserves	1,152,264	1,091,668
Provisions for premium refunds	106,332	94,176
Liabilities relating to insurance contracts	1,569,824	1,472,180
Provisions for unearned premiums	(62,073)	(57,403)
Claims reserves	(257,624)	(249,010)
Provisions for premium refunds	(22,997)	(22,750)
Reinsurers' share of technical insurance liabilities	(342,694)	(329,163)
Net technical provisions	1,227,130	1,143,017

Note 13. Payables arising from banking sector activities

in thousands of euros	Sept. 30, 2015	Dec. 31, 2014
Amounts due to banking sector companies	341,673	300,706
Amounts due to customers of banking sector companies	373,709	379,016
Debt securities	1,605,505	1,538,060
TOTAL	2,320,887	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 Poland Factoring (Poland).

Note 14. Consolidated revenue

in thousands of euros

a) By business line	Sept.30, 2015	Sept. 30, 2014
Premiums – direct business	912,392	910,150
Premiums – inward reinsurance	66,726	47,217
Premium Refunds	(60,376)	(86,956)
Provisions for unearned premiums	(24,633)	(33,743)
Earned premiums net of cancellations c)	894,109	836,668
Fees and commission income	97,572	95,582
Net income from banking activities d)	53,458	53,067
Other insurance-related services	7,906	7,582
Remuneration of public procedures management services	44,854	47,721
Business information and other services	18,383	18,816
Receivables management	10,066	12,539
Revenue or income from other activities	81,209	86,658
Consolidated revenue	1,126,348	1,071,975

in thousands of euros

b) By region of invoicing	Sept.30, 2015	Sept. 30, 2014
Northern Europe	256,039	267,601
Western Europe	351,108	347,396
Central Europe	85,777	84,078
Mediterranean & Africa	183,392	162,379
North America	99,441	83,508
Latin America	63,810	57,340
Asia-Pacific	86,781	69,673
Consolidated revenue	1,126,348	1,071,975

in thousands of euros

c) Insurance revenue by type of insurance	Sept.30, 2015	Sept. 30, 2014
Credit insurance	829,136	775,750
Guarantees	37,893	38,947
Single risk	27,080	21,971
Total insurance revenue	894,109	836,668

in thousands of euros

	Sept.30, 2015	Sept. 30, 2014
d) Net income from banking activities		
Financing fees	25,572	(10,852)
Factoring fees	27,933	65,280
Other	(47)	(1,361)
Total net income from banking activities	53,458	53,067

Note 15. Claims expenses

in thousands of euros	Sept. 30, 2015	Sept. 30, 2014*
Paid claims, net of recoveries	(371,798)	(435,480)
Claims handling expenses	(20,509)	(17,844)
Change in claims reserves	(63,077)	59,378
Total	(455,384)	(393,947)

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

Claims expenses by period of occurrence

in thousands of euros	Sept. 30, 2015			Sept. 30, 2014*		
	Gross	Outward reinsurance and retrocessions	Net	Gross	Outward reinsurance and retrocessions	Net
Claims expenses – current year	(629,945)	118,900	(511,045)	(592,843)	122,308	(470,535)
Claims expenses – prior years	174,561	(27,173)	147,387	198,895	(44,639)	154,256
Claims expenses	(455,384)	91,727	(363,657)	(393,947)	77,669	(316,279)

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

Note 16. Overheads by function

(in thousands of euros)	Sept. 30, 2015	Sept. 30, 2014*
Commissions	(119,190)	(102,282)
Other acquisition costs	(88,599)	(92,413)
Total acquisition costs	(207,789)	(194,695)
Administrative costs	(202,736)	(194,347)
Other current operating expenses	(58,095)	(50,200)
Investment management expenses	(1,544)	(1,883)
<i>o/w insurance investment management expenses</i>	(1,544)	(1,883)
Claims handling expenses	(20,509)	(17,844)
<i>o/w insurance claims handling expenses</i>	(20,509)	(17,844)
TOTAL	(490,675)	(458,969)
<i>of which employee profit-sharing</i>	(7,132)	(7,057)

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

(in thousands of euros)	Sept. 30, 2015	Sept. 30, 2014*
Acquisition, administration costs and other current operating expenses	(490,675)	(458,969)
Expenses from banking activities, excluding cost of risk	(10,098)	(8,587)
Expenses from other activities	(34,740)	(42,241)
Total administrative costs	(535,512)	(509,797)

* see Note 1 – Reconciliation of the published and IFRIC 21 restated financial statement September 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 €535,512 thousand in the nine months ended September 30, 2015 versus €509,797 thousand on September 30, 2014 with IFRIC 21 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	Sept.30, 2015	Sept. 30, 2014
Ceded claims	82,671	115,163
Change in claims provisions net of recoveries	9,056	(37,494)
Commissions paid by reinsurers	71,422	71,652
Income from ceded reinsurance	163,150	149,322
Ceded premiums	(206,886)	(202,076)
Change in unearned premiums provisions	5,139	1,213
Expenses from ceded reinsurance	(201,747)	(200,863)
Reinsurance result	(38,597)	(51,541)

Note 18. Investment income by category

(in thousands of euros)	Sept. 30, 2015	Sept. 30, 2014*
Investment income	39,811	27,766
Change in financial instruments at fair value through income	(30,805)	(28,875)
<i>o/w hedged by currency derivatives on "Colombes" mutual funds ⁽¹⁾</i>	(32,429)	(28,872)
Net gains on disposals	1,146	4,568
Additions to/(reversals from) impairment	(583)	(953)
Net foreign exchange gains	33,113	31,697
<i>o/w hedged by currency derivatives on "Colombes" mutual funds ⁽¹⁾</i>	32,005	30,200
Investment management expenses	(2,205)	(2,632)
Total investment income, net of management expenses (excluding finance costs)	40,478	31,572

(1). As at September 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 column September 30, 2014 has been amended: Investment expenses related to the derivatives amounting to €1.6 million have been reclassified from Investment management expenses to Investment Income.

Note 19. Other operating income and expenses

in thousands of euros	Sept.30, 2015	Sept.30, 2014
Other operating expenses	(2,241)	(9,663)
Stamp duty - Coface Re	(383)	
Compensation for American agent	(1,889)	
Total other operating expenses	(4,513)	(9,663)
Other operating income	490	2 242
Total other operating income	490	2 242
Net	(4,023)	(7,422)

At September 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 September 30, 2014, a non-recurring expense of €6,759 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 September 30, 2015 net income by segment

(in thousands of euros)	Northern Europe	Western Europe	Central Europe	Mediterranean & Africa	North America	Latin America	Asia-Pacific	Group reinsurance	Cogeri	Holding company costs	Inter-zone	Group total
REVENUE	249,776	354,735	90,292	184,643	99,441	63,809	86,838	538,378	21,665		(563,229)	1,126,348
<i>o/w Earned Premium</i>	169,922	267,090	65,846	156,799	88,148	61,399	85,022	538,378			(538,493)	894,110
<i>o/w Factoring</i>	47,041		6,417									53,458
<i>o/w Other insurance-related services</i>	32,813	87,646	18,030	27,844	11,293	2,411	1,816		21,665		(24,736)	178,781
Claims-related expenses (including claims handling costs)	(76,744)	(82,402)	(31,025)	(85,740)	(50,828)	(63,492)	(61,363)	(361,427)		(2,854)	360,489	(455,384)
Cost of risk	(2,716)		(145)									(2,861)
Commissions	(15,125)	(37,085)	(3,814)	(20,115)	(21,156)	(7,351)	(17,215)	(141,931)			144,603	(119,190)
Other internal general expenses	(97,877)	(127,141)	(28,675)	(54,578)	(22,992)	(17,193)	(21,907)		(21,374)	(26,113)	23,581	(394,269)
UNDERWRITING INCOME BEFORE REINSURANCE*	57,314	108,108	26,634	24,210	4,465	(24,226)	(13,647)	35,020	291	(28,967)	(34,557)	154,644
Income/(loss) on ceded reinsurance	(5,565)	(36,220)	(2,344)	485	(873)	4,845	5,348	(39,294)			35,020	(38,598)
Other operating income and expenses	(48)	(1,837)	(94)	(49)	(1,889)	(2)	9				(113)	(4,022)
Net financial income excluding finance costs	12,500	8,096	4,323	8,416	1,045	13,056	(6,000)		813	(466)	(1,304)	40,478
Finance costs	(470)	(496)	(66)	(314)	(655)	(120)	(283)		(249)	(12,086)	955	(13,785)
OPERATING INCOME including finance costs	63,731	77,650	28,452	32,748	2,093	(6,447)	(14,572)	(4,275)	855	(41,519)		138,717
Share in net income of associates		1,608										1,608
NET INCOME BEFORE TAX	63,731	79,258	28,452	32,748	2,093	(6,447)	(14,572)	(4,275)	855	(41,519)		140,324
Income tax expense	(22,614)	(22,749)	(6,004)	(9,320)	(210)	16	253	1,472	(425)	14,295	3,852	(41,433)
CONSOLIDATED NET INCOME BEFORE NON-CONTROLLING INTERESTS	41,117	56,509	22,448	23,428	1,883	(6,430)	(14,318)	(2,803)	430	(27,224)	3,852	98,892
Non-controlling interests	(2)	(1)	(508)	(1)		(105)	1					(617)
NET INCOME FOR THE PERIOD	41,116	56,508	21,940	23,427	1,883	(6,536)	(14,318)	(2,803)	430	(27,224)	3,852	98,275

* 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 September 30, 2014 IFRIC 21 restated net income by segment

(in thousands of euros)	Northern Europe	Western Europe	Central Europe	Mediterranean & Africa	North America	Latin America	Asia-Pacific	Group reinsurance	Cogeri	Holding company costs	Inter-zone	Group total
REVENUE	260,964	350,086	89,342	163,035	83,507	57,340	69,718	204,309	21,821		(228,147)	1,071,975
<i>o/w Earned Premium</i>	177,728	265,748	62,915	135,944	73,538	52,365	68,426	204,309			(204,305)	836,668
<i>o/w Factoring</i>	45,993		7,074									53,067
<i>o/w Other insurance-related services</i>	37,243	84,338	19,352	27,091	9,970	4,975	1,292		21,821		(23,842)	182,240
Claims-related expenses (including claims handling costs)	(88,851)	(99,384)	(41,541)	(82,441)	(19,751)	(30,137)	(27,858)	(124,081)		(2,782)	122,879	(393,947)
Cost of risk	(2,531)		(368)									(2,899)
Commissions	(15,274)	(33,730)	(3,427)	(14,570)	(16,547)	(6,616)	(14,506)	(51,799)			54,186	(102,282)
Other internal general expenses	(103,558)	(126,648)	(28,169)	(52,643)	(18,288)	(16,720)	(19,045)		(21,712)	(24,138)	23,134	(387,787)
UNDERWRITING INCOME BEFORE REINSURANCE*	50,750	90,324	15,837	13,382	28,921	3,867	8,309	28,429	109	(26,920)	(27,947)	185,060
Income/(loss) on ceded reinsurance	(14,786)	(23,402)	(2,896)	(15)	(6,653)	(1,084)	(3,336)	(27,795)			28,426	(51,541)
Other operating income and expenses	(283)	(7,157)	(154)	1,323	(53)	(1,067)	(34)				3	(7,422)
Net financial income excluding finance costs	9,057	25,535	3,094	2,632	322	6,184	267		50	(587)	(14,985)	31,571
Finance costs	(418)	(22,344)	(30)	(271)	(410)	(354)	134		(217)		14,504	(9,408)
OPERATING INCOME including finance costs	44,320	62,955	15,851	17,051	22,128	7,546	5,340	635	(58)	(27,507)		148,261
Share in net income of associates		1,359										1,359
NET INCOME BEFORE TAX	44,320	64,314	15,851	17,051	22,128	7,546	5,340	635	(58)	(27,507)		149,619
Income tax expense	(12,389)	(25,433)	(2,942)	(9,255)	(7,267)	(496)	(1,706)	(218)	5	9,471	4,211	(46,022)
CONSOLIDATED NET INCOME BEFORE NON-CONTROLLING INTERESTS	31,931	38,881	12,909	7,796	14,861	7,049	3,634	416	(53)	(18,036)	4,211	103,598
Non-controlling interests	(2)	(1)	(569)	(1)	(1)	(196)						(769)
NET INCOME FOR THE PERIOD	31,929	38,880	12,339	7,795	14,860	6,854	3,633	416	(53)	(18,036)	4,211	102,829

Note 21. Earnings per share

Sept. 30, 2015				
		Average number of shares	Net income for the period (in €k)	Earnings per share (in euros)
Consolidated scope	Basic earnings per share	156,895,324	98,276	0.63
	Dilutive instruments	0	0	0
	Diluted earnings per share	156,895,324	98,276	0.63

Sept.30, 2014*				
		Average number of shares	Net income for the period (in €k)	Earnings per share (in euros)
Consolidated scope	Basic earnings per share	156,930,866	102,829	0.66
	Dilutive instruments	0	0	0
	Diluted earnings per share	156,930,866	102,829	0.66

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

Note 22. Off-balance sheet commitments

(in thousands of euros)

Off-balance sheet commitments	Sept. 30, 2015	Dec. 31, 2014
Commitments given	441,381	419,655
Endorsements and letters of credit	409,853	410,100
Property guarantees	7,500	7,500
Financial commitments in respect of equity interests	22,569	282
Obligations under finance leases	1,459	1,773
Commitments received	1,104,090	1,086,961
Endorsements and letters of credit	53,737	115,737
Guarantees	47,577	134,724
Credit lines linked to commercial paper	500,000	500,000
Credit lines linked to factoring	500,000	334,000
Financial commitments in respect of equity interests	2,776	2,500
Guarantees received	305,323	305,323
Securities lodged as collateral by reinsurers	305,323	305,323
Financial market transactions	3,372	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 €22,287 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 Fructifonds Immobilier for €5,287 thousand, Aberdeen Property Nordic Fund for €7,000 thousand and Bouwinvest St Office Fund for €10,000 thousand.

Note 23. Related parties

Natixis holds 41.41% of the Coface Group's shares excluding treasury shares, and 41.24% including treasury shares.

	Number of shares	%
Natixis	64,853,869	41,41%
Public	91,769,366	58,59%
Total	156,623,235	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;
- 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	Sept. 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	(2,050)	1	(3)	
Revenue (net banking income, after cost of risk)	(2,049)			
Investment income/(loss), net of management expenses	(1)	1	(3)	
Total current income and expenses	(178)	96	(357)	69
Claims expenses	(11)	6	(20)	(8)
Expenses from other activities				(4)
Policy acquisition costs	(89)	49	(167)	
Administrative costs	(50)	26	(118)	81
Other current operating income and expenses	(28)	15	(52)	
Current operating income/(loss)	(2,228)	97	(360)	69

Related-party receivables and payables	Sept. 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	10,820	11,447				
Other assets			61		175	40
Other receivables			61		175	40
Cash and cash equivalents		21,316				
Liabilities relating to insurance contracts						82
Payables arising from banking sector activities		132,100				
Amounts due to banking sector companies		132,100				
Other liabilities		101		76		0
Other payables		101		76		0

The €132,100 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	Sept. 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	(4,051)		(2)	(1)	
Revenue (net banking income, after cost of risk)	(4,189)				
Investment income/(loss), net of management expenses	138		(2)	(1)	
Total current income and expenses	(497)	(1)	(323)	(160)	(24)
Claims expenses	(32)		(15)	(10)	(73)
Expenses from other activities			(79)		(17)
Policy acquisition costs	(274)		(122)	(88)	
Administrative costs	(117)	(1)	(70)	(38)	66
Other current operating income and expenses	(74)		(37)	(24)	
Current operating income/(loss)	(4,548)	(1)	(325)	(161)	(24)

Related-party receivables and payables	Dec. 31, 2014					
(in thousands of euros)	BPCE group	Natixis group (excl. discontinued operations)	Natixis Factor	Ellisphere (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

No event after the reporting period.

Appendix: Calculation of operating ratios

In the course of its business, 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).

Calculation of ratios as at September 30th

(in thousands of euros)	Sept. 30th			
	Note	2015	2014 restated IFRIC 21	2014
Earned premiums excluding policyholders' bonuses and rebates	14	954 486	923 624	923 624
Policyholders' bonuses and rebates	14	-60 376	-86 956	-86 956
Earned premiums	14	894 110	836 668	836 668
Fee and commission income	14	105 478	103 164	103 164
<i>of which Fees and commission income</i>	14	97 572	95 582	95 582
<i>of which Other insurance-related services</i>	14	7 906	7 582	7 582
Remuneration of public procedures	14	44 854	47 721	47 721
Services	14	28 449	31 356	31 356
<i>of which Business information and other services</i>	14	18 383	18 816	18 816
<i>of which Receivables management</i>	14	10 066	12 539	12 539
Net income from banking activities (Factoring)	14	53 458	53 067	53 067
Consolidated revenue	14	1 126 348	1 071 975	1 071 975
Claims expenses	15	-455 384	-393 947	-393 928
Income from ceded reinsurance	17	163 150	149 322	149 322
<i>of which Ceded claims</i>	17	91 727	77 669	77 669
<i>of which Commissions paid by reinsurers</i>	17	71 422	71 652	71 652
Expenses from ceded reinsurance	17	-201 747	-200 863	-200 863
<i>of which Ceded premiums</i>	17	-215 221	-217 754	-217 754
<i>of which Ceded policyholders' bonuses and rebates</i>	17	13 474	16 891	16 891
Policy acquisition costs	16	-207 789	-194 695	-194 597
Administrative costs	16	-202 736	-194 347	-194 177
Other current operating expenses	16	-58 095	-50 200	-50 042
Investment management expenses	16	-1 544	-1 883	-1 883
<i>of which Insurance</i>	16	-1 544	-1 883	-1 883
Claims handling expenses	16	-20 509	-17 844	-17 825
Expenses from banking activities, excluding cost of risk		-10 098	-8 587	-8 587
Expenses from other activities		-34 740	-42 241	-42 241
Overheads including expenses from other activities		-535 512	-509 797	-509 352
<i>of which employee profit-sharing</i>	16	-7 132	-7 057	-7 057

Ratios relating to credit insurance and surety bonds gross earned premium net of cancellation

	Sept. 30th		
	2015	2014 restated IFRIC 21	2014
Loss ratio before Reinsurance	50,9%	47,1%	47,1%
Loss ratio after Reinsurance	52,5%	49,7%	49,7%
Cost ratio before Reinsurance	30,7%	29,6%	29,6%
Cost ratio after Reinsurance	29,3%	27,7%	27,6%
Combined ratio before Reinsurance	81,6%	76,7%	76,6%
Combined ratio after Reinsurance	81,8%	77,4%	77,4%