PRESS RELEASE

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2013 Annual results

Good commercial dynamics and improvement in loss ratio

- Strong commercial growth dynamic: new production up +29%
- Increased retention rate: up 2 points at 88%, prices stable
- Premiums stable at €1,129 million (-0.9%[1]) despite difficult economic conditions, in particular in the Eurozone, and 6.3%[1] increase in the 4th quarter
- Effective risk management: further improvement in loss ratio, down 0.4 points to 51.1%, and at 45.7% in the 4th quarter
- Costs reduced[2]: down 1% during the financial year, at €559 million
- Net income (group share) €127 million, up +2.7%
- Strong financial structure (€1.8 billion consolidated shareholder's equity)
- Financial strength ratings (IFS[3]), confirmed by rating agencies : AA- (Fitch), and A2 (Moody's), both with stable outlook

Jean-Marc Pillu, CEO of Coface, commented:

"Coface achieved good results in 2013, with a robust technical performance highlighting the quality of our risk management in a still very fragile economic environment. This performance also shows the success of our strong operational and financial management over the last three years.

Our commercial growth dynamic is strong, with new business generation up 29% in 2013, a positive factor for the current financial year. Growth is more than ever at the core of our strategy, and will be driven by innovation and a multichannel distribution approach aimed at seizing profitable growth opportunities throughout the world.

With a solid operational and financial profile, our group looks forward with confidence and enthusiasm to the proposed initial public offering envisaged in the first half of this year, subject to market conditions."

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[1] On constant consolidation and exchange rates.
[2] Excluding relocation costs (regrouping of Parisian premises) to new headquarters in Bois-Colombes (8.3 M€).
[3] Insurer Financial Strength.

1. Key figures as at 31 December

Income statement items – in € Millions	2012	**2013**	%	**% like-for-like comparison[4]**
Consolidated revenues[5]	1,487	**1,440**	-3.1%	-1.6%
of which earned premiums	*1,160*	***1,129***	*-2.7%*	*-0.9%*
Net investment income[6]	37	**68**	+82.6%	
Operating income	197	**197**	-	
Operating income (excluding relocation costs)	197	**205**	+4.3%	
Net income (group share)	124	**127**	+2.7%	
Key ratios[7]	2012	**2013**		
Gross loss ratio	51.5%	**51.1%**	- 0.4 pt	
Gross cost ratio	29.4%	**30.5%**	+ 1.1 pt	
Gross combined ratio	80.9%	**81.5%**	+0.6 pt	
Net combined ratio	80.2%	**82.5%**	+2.3 pt	
Balance sheet elements €M	2012	**2013**		
Shareholders' equity	1,763	**1,780**	+1.0%	
Gross financial leverage ratio	*0.7%*	***0.8%***		

2. Consolidated revenues resilient, upswing in commercial activity

New production of contracts in the financial year increased strongly (+29%) to €157M compared with a 13% decrease in 2012, resulting from the priority given to the strict risk management actions decided in 2011.

The retention rate increased by two points at 88%, highlighting clients' loyalty to Coface and prices were stable after two years of falling prices.

Despite the difficult global economic climate and its impact on the volume of business generated by its clients, **Coface maintained the level of its earned premiums in 2013** (-0.9% on a constant consolidation and exchange rate basis) and recorded slightly decreased consolidated revenues of -1.6% (on a constant consolidation and exchange rate basis).

The commercial upswing was felt in all geographical regions in 2013, although the impact on earned premiums took place at different times in the financial year. **In the fourth quarter, growth thus reached +6.3%[1], on a constant consolidation scope and exchange rate basis** compared with the fourth quarter of 2012.

[4] Variations in like for like comparisons are calculated at constant perimeter and exchange rate.

[5] Insurance premiums are now recorded net of rebates. Revenues and ratios were accordingly recalculated for 2012 and 2013.

[6] Including capital gains of € 28 million, resulting from changes in financial assets management.

[7] Excluding income from discontinued operations in 2012 and relocation costs in 2013.

Turnover evolution – in € Millions	2012	2013	Variation	Variation In like-for-like comparison[1]	Q4 2013	Variation In like-for-like comparison[1]
Western Europe	505	**469**	-7.1%	-6.5%	**115**	-3.9%
Northern Europe	347	**367**	+5.6%	+4.6%	**94**	+17.8%
Mediterranean & Africa	213	**217**	+ 1.6%	+ 3.9%	**57**	+18.1%
Central Europe	111	**110**	-0.6%	-0.3%	**29**	+7.3%
North America	113	**102**	-9.6%	-6.0%	**24**	-4.9%
Asia - Pacific	113	**95**	-16%	-8.9%	**23**	-9.4%
Latin America	85	**81**	-4.2%	+5.8%	**21**	+29.4%
Consolidated revenue	1,487	**1,440**	-3.1%	- 1.6%	**364**	+6.3%

3. Strong profitability despite the economic environment

In 2013, Coface continued to implement the risk monitoring policy it initiated in mid-2011. **The flow of reported claims thus declined by 5.1%** while the economic environment remained fragile.

In parallel, Coface reduced its cost base by streamlining processes.

In 2013, Coface thus recorded:

- **a further reduction of 0.4 points in its gross loss ratio to 51.1%** for 2013 (45.7% for the 4th quarter of 2013);
- **cost reduction of -1%, excluding relocation costs**;
- **a virtually stable gross combined ratio[2] of 81.5% (+0.6 points)**;
- **a net combined ratio[2] of 82.5%[8]**, due to the implementation of better protection against major risks and political risks.

The group's financial assets management was unified and centralized during the year, leading to a reallocation of assets and resulting in capital gains of €28 million. As a result, net investment income increased by +83% to reach €68 million.

Globally, before relocation costs, **the 2013 operating income excluding relocation costs was €205 million, up by +4.3%** compared to 2012. Consolidated net income amounted to €127 million, up by + 2.7%.

4. Strong and stable financial position

The 1.0% growth of the group's shareholders' equity to €1.78 billion (group share) is due to net income of €127 million, reduced to take into account an interim dividend (€65 million), a reduction of currency translation reserves (€29 million), and the adverse effects of the revaluation of our portfolio due to a rise in interest rates.

The group's financial position remains strong with a net financing rate below 1% at the end of 2013, thus allowing Coface scope to consider solutions to optimise its capital structure.

[8] In 2012, the Group recorded a positive adjustment on its reinsurance commissions paid during previous years.

Coface's ratings[9] from **Moody's (A2 with a stable outlook)** and **Fitch (AA- with a stable outlook)** were confirmed in December and November 2013, respectively.

5. Main strategic axes for 2014

Based on the recovery of the Eurozone, the acceleration of growth in the United States and on the maintenance of dynamic growth in emerging countries, Coface anticipates a slight increase in global growth in 2014 (an increase of 3.1% compared to the 2.5% recorded in 2013).

Benefitting from an efficient operating organization and a solid financial structure, **Coface is concentrating its efforts on innovation and rolling out its offer to generate profitable growth throughout the world**.

In 2014, the main axes of Coface's growth strategy are:

- **innovation, with a ramping-up of the new products launched in 2012** (Top Liner, for instance, generated growth of 0.8 point in premiums in 2013) and **the launching of new offers** (in particular for SMEs) to respond to ever-changing client needs and to increase the penetration of credit insurance globally;

- **the rolling out of a multi-channel distribution network** (by reinforcing existing channels and through new partnerships), supported by a strengthened sales force organisation;

- **expansion into new countries**, modelled on Coface's outreach into Colombia (for which a license was obtained at the beginning of 2014). Within five years, Coface aims to have created a presence in 10 new countries and obtained 7 new licenses); and

- **the maintenance of a rigorous risk management policy together with the optimisation of the costs of such risks**.

This strategy will be pursued in light of Coface's constant concern to accompany businesses in their development and secure their commercial transactions, the breakdown of the know-how and expertise of Coface employees worldwide.

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About Coface

The Coface Group, a worldwide leader in credit insurance, offers companies around the globe solutions to protect them against the risk of financial default of their clients, both on the domestic market and for export. In 2013, the Group recorded consolidated revenues of €1.440 billion. Its 4,400 staff in 66 countries provides a local service worldwide. Each quarter, Coface publishes its assessments of country risk for 160 countries, based on its unique knowledge of companies' payment behaviour and on the expertise of its 350 risk underwriters closely located to clients and their debtors.
In France, Coface manages export public guarantees on behalf of the French State.
Coface is a subsidiary of Natixis, corporate, investment management and specialized financial services banking arm of the BPCE Group.

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[9] IFS (Insurer Financial Strength).