

Paris, October 25th 2017 – 5.35pm

**Coface 9M-2017 Results:
Net income at €55.0m driven by loss ratio improvement,
in line with new guidance**

- **Turnover: €1,021.2m down (0.3)% at constant perimeter¹ and exchange rates**
 - Q3-2017 turnover up +0.2% on a comparable basis²
 - Mature markets continue to grow (+2.2%) ; trends in emerging markets remain unchanged
 - Favourable economic environment drives client activity; but with higher premium refunds
- **Net loss ratio 54.4%, net combined ratio 89.8% in 9M-2017**
 - Loss ratio at 46.3% shows improvement in Q3-2017, driven by Asia & North America
 - Net cost ratio at 35.4% (34.5% ex. fiscal one-off charge in Italy in Q2-2017)
- **Net income (group share) at €55.0m, of which €34.8m in Q3**
- **Effects of *Fit to Win* actions now visible; confirming strategic targets**
 - Improved net loss ratio guidance for H2-2017: confirmed to below 50%
 - Achieved €11.8m cost savings, ahead of schedule; confirming €30m goal in 2018
 - Confirming €30m total investment for the 2017 – 2019 period :
 - Expecting lower restructuring expenses than planned
 - Investing to accelerate digital transformation

Unless otherwise stated, changes are in comparison with 9M-2016

¹ Constant perimeter = excluding State Export Guarantees Management (€40.1m revenue in 9M-2016).
Coface ceded this activity as of January 1st 2017; 2016 figures impacted by this activity have been restated so as to be comparable to 2017

² Comparable basis = at constat perimeter and exchange rates

Xavier Durand, CEO of Coface, commented:

“We now see the full impact of the measures taken in the previous quarters within the Fit to Win strategic plan to drive down the loss ratio, in what is a still favourable economic environment. The net profit for the quarter, at €35m, shows significant progress compared to previous quarters. These improved results provide a strong base to build on for the future. Going forward, Coface will continue to drive quality of service, a cornerstone of long term value creation, and invest in its digital capabilities. This will be underpinned by the ongoing transformation of the company’s culture around its core values: client focus, expertise, collaboration, courage & accountability.”

Key figures as at 30 September 2017

The Board of Directors of COFACE SA examined the summary consolidated financial statements for the first nine months 2017 during its meeting on October 25th 2017. They were subject to review by the Audit Committee.

Income statements items in €m	9M-2016 published	9M-2016 ex. SEGM*	9M-2017	%	% ex. FX
Gross earned premiums	841.5	841.5	837.2	(0.5)%	(0.4)%
Services revenue	223.9	183.8	184.0	+0.1%	(0.1)%
REVENUE	1,065.4	1,025.3	1,021.2	(0.4)%	(0.3)%
UNDERWRITING INCOME/LOSS AFTER REINSURANCE	15.4	(4.8)	55.8	N.S.	
Investment income, net of management expenses	43.1	43.1	44.7	+3.8%	
CURRENT OPERATING INCOME	58.5	38.3	100.5	x2.6	
Other operating income / expenses	(2.2)	(2.2)	(2.3)	+2.7%	
OPERATING INCOME	56.3	36.1	98.2	x2.7	
NET INCOME	14.4	1.2	55.0	N.S.	N.S.

Key ratios	9M-2016 published	9M-2016 ex. SEGM*	9M-2017	%	% ex. FX
Loss ratio net of reinsurance	64.6%	64.6%	54.4%	(10.2)	ppts.
Cost ratio net of reinsurance	31.9%	35.2%	35.4%	+0.3	ppts.
COMBINED RATIO NET OF REINSURANCE	96.6%	99.8%	89.8%	(10.0)	ppts.

Balance sheet items in €m	2016 published	9M-2017	%	% ex. FX
Total Equity (group share)	1,755.2	1,784.5	+1.7%	

*% 9M-2017 vs. 9M-2016 excluding State Export Guarantees Management (ex. SEGM). Coface ceded this activity as from January 1st 2017. 2016 figures impacted by this activity have been restated so as to be comparable to 2017.

1. Turnover

At 30 September 2017, the total turnover for the Coface Group reached €1,021.2m, down (0.3)% at constant FX and perimeter¹ vs. 9M-2016. These figures have been adjusted for the transfer of the French State Export Guarantees Management which took place at the end of 2016.

Revenue up +0.2% at constant FX and perimeter¹ in Q3-2017 was helped by increasing client activity in all markets and growth from other activities (Factoring and Services).

In Western Europe turnover grew by +1.8% and by +3.2% at constant FX¹ compared with 9M-2016, thanks to improved new business trends, with a positive contribution from both Single Risk and Trade Credit Insurance.

In North America turnover was down by (11.3)% and by (11.8)% at constant FX, as the previous year benefited from several non-repeated deals. The Group also cancelled unprofitable contracts in Canada.

In Central and Eastern Europe turnover was up +2.7% and +0.8% at constant FX. Growth in the region was offset by one-time prior year premium adjustments in Poland and renewed price decline in Austria.

In the Mediterranean & Africa region, turnover grew by +5.3% and by +5.6% % at constant FX thanks to the continued good commercial momentum, driven by Italy and Spain.

Trends in emerging markets remained unchanged, with varying performances. In Latin America, turnover grew by +4.0% (and by +2.7% at constant FX), driven by a good performance in Argentina, offset by higher attrition in Brazil and Mexico. Asia continued to suffer from the effects of risk action plans and declined (10.0)% and (10.1)% at constant FX.

Total revenue - in €m	9M-2016 published	9M-2016 ex. SEGM [*]	9M-2017	% [*]	% ex. FX [*]
Northern Europe	235.0	235.0	229.7	(2.3)%	(2.3)%
Western Europe	247.5	207.3	211.0	+1.8%	+3.2%
Central Europe	91.3	91.3	93.7	+2.7%	+0.8%
Mediterranean & Africa	246.6	246.6	259.6	+5.3%	+5.6%
North America	104.3	104.3	92.4	(11.3)%	(11.8)%
Latin America	57.4	57.4	59.7	+4.0%	+2.7%
Asia Pacific	83.4	83.4	75.1	(10.0)%	(10.1)%
Total Group	1,065.4	1,025.3	1021.2	(0.4)%	(0.3)%

^{*} 9M-2017 vs.9M-2016 excluding State Export Guarantees Management (ex. SEGM). Coface ceded this activity as from January 1st 2017. 2016 figures impacted by this activity have been restated so as to be comparable to 2017.

¹ Constant perimeter = excluding State Export Guarantees Management (€40.1m revenue in 9M-2016). Coface ceded this activity as of January 1st 2017; 2016 figures impacted by this activity have been restated so as to be comparable to 2017.

Key commercial performance indicators followed the trend seen in previous periods. Premium volumes for the first nine months remained supportive and benefited from an upturn in client activity of +3.3%. The client retention rate rose to 90.3% (vs. 88.6% in 9M-2016), while price evolution remained negative at (1.4)%, but was slightly better in comparison with previous periods.

Finally, new business production for 9M-2017, at €98m, was down €14m compared with 9M-2016. In Emerging Markets, new production is still impacted by risk action plans e.g. Mexico and Turkey. In Mature Markets, new business remained flat.

2. Results

– Combined ratio

The Group's net combined ratio stood at 89.8% for 9M-2017 (down 10 points vs. 9M-2016²) and at 81.7% in Q3-2017.

(i) Loss ratio

In Q3-2017, the loss ratio before reinsurance was 43.0%, showing an improvement of 11.2 points compared with Q2-2017. This sharp improvement was driven mainly by Asia and North America. Asia registered its lowest gross loss ratio for the past year at 38.7% in Q3-2017. North America registered a gross loss ratio of 15.9% this quarter, benefiting from prior year reserves. This was partially offset by the normalization of the loss ratio in Western Europe, which nonetheless stands at a very good level of 44.4% in Q3-2017.

The Group's net loss ratio for 9M-2017, at 54.4%, was down 10.2 points compared with 9M-2016. This is due to higher than expected recoveries on prior underwriting years, a decrease in both average costs and frequency of claims, and an overall supportive economic environment.

(ii) Cost ratio

Coface continues to execute its operational efficiency programme. Cost savings achieved over 9M-2017 amounted to €11.8m, ahead of schedule. These savings offset the €10.8m long-term strategic investments made over the 9M-2017 period. The evolution in internal costs is mainly driven by inflation and a one-off fiscal charge of €6m (Italy) registered in the course of Q2-2017.

The Group's cost ratio after reinsurance stood at 35.4% for 9M-2017.

– Financial income

The net financial income stood at €44.7m as of 30 september 2017.

Portfolio management generated net capital gains of €8.6m in 9M-2017. As in H1-2017, the FX impact includes the compensation for the one incurred in the technical result. Cumulatively over 9M-2017 the contribution of FX (net foreign exchange gains/losses) was positive by €5.8m vs. a €(2.2)m negative contribution three months ago.

² Constant perimeter = excluding State Export Guarantees Management (€40.1m revenue and €(19.9)m expenses in in 9M-2016). Coface ceded this activity as of January 1st 2017; 2016 figures impacted by this activity have been restated so as to be comparable to 2017.

The environment remains characterised by historically low interest rates. In this context, Coface limited the decline in its portfolio yield, which stood at €30.8m for the period (versus €31.9m in 9M-2016). The accounting yield³, excluding capital gains, was 1.2% for 9M-2017 vs. 1.3% for 9M-2016.

– Operating income and net income

Operating income stood at €98.2m for 9M-2017, up €62.1m compared to €36.1m for 9M-2016 at constant scope⁴. This was mainly driven by the improvement in loss ratio.

Net income (group share) was €55.0m, of which €34.8m in Q3-2017. The effective tax rate for the first nine months decreased slightly to 37%, vs. 49% in 9M-2016.

3. Equity

At 30 September 2017, IFRS shareholders' equity (group share) was €1,784.5m, up 1.7% compared with 31 December 2016 (€1,755.2m). The increase of €29m was mainly the result of positive net income of €55.0m (of which €34.8m in Q3-2017), offset by the dividend payment of €20.4m in Q2-2017.

The Group's RoATE reached 4.7% yeartodate as a consequence of the improvement in the technical result.

4. Outlook

Coface's strategic plan, *Fit to Win*, is progressing well and the impact of its initiatives are now visible. Guidance for the H2-2017 net loss ratio was recently improved to below 50%. Results for Q3-2017 fully support this target. The ~83% combined ratio across the cycle target is confirmed.

The Group has already achieved €11.8m cost savings, ahead of schedule. This enables the Group to anticipate reaching €15m cost savings in 2017 and to affirm its target of €30m for 2018.

Coface confirms the €30m investment for the period 2017-2019. Restructuring expenses will be lower than previously anticipated, allowing to accelerate its digital transformation.

³ Accounting profitability ratio calculated on average investment portfolio.

⁴ Constant perimeter = excluding State Export Guarantees Management (€40.1m revenue and €(19.9)m expenses in 9M-2016). Coface ceded this activity as of January 1st 2017; 2016 figures impacted by this activity have been restated so as to be comparable to 2017.



P R E S S R E L E A S E

Conference call with financial analysts

A conference call to discuss Coface 9M-2017 results with financial analysts will be held on October 25th 2017 at 6.00pm Paris time. Dial in numbers: **+33(0)1 72 00 15 10** (France), **+44 (0)203 043 2440** (UK), **+1 646 722 4907** (US). The participants Pin code for the conference is as follows: **77957151#**

The presentation will be available at the following address: <http://www.coface.com/Investors/Financial-reporting>

Appendix

Quarterly results

Income statements items in €m – 2016 figures ex. SEGM*	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	%	% ex. FX
Gross earned premiums	288.5	277.2	275.8	273.6	282.2	283.4	271.6	(1.5)%	+0.3%
Services revenue	64.5	60.8	58.5	59.0	66.1	60.0	57.9	(1.1)%	(0.6)%
REVENUE	353.0	338.0	334.3	332.7	348.3	343.4	329.4	(1.4)%	+0.2%
UNDERWRITING INCOME/LOSS AFTER REINSURANCE	20.8	(4.1)	(21.5)	(8.5)	14.5	7.0	34.2	N.S.	
Investment income, net of management expenses	10.8	13.8	18.5	4.9	5.6	20.2	18.9	+2.0%	
CURRENT OPERATING INCOME	31.6	9.7	(3.0)	(3.5)	20.1	27.3	53.1	N.S.	
Other operating income / expenses	(1.0)	(0.8)	(0.5)	55.7	-1.0	0.0	(1.3)	N.S.	
OPERATING INCOME	30.6	9.0	(3.4)	52.2	19.2	27.3	51.7	N.S.	
NET INCOME	18.6	-1.0	(16.4)	23.3	7.3	12.9	34.8	N.S.	N.S.

* excluding State export guarantees management (ex. SEGM). Coface ceded this activity as from January 1st 2017.

Income statements items in €m – 2016 published	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	%	% ex. FX
Gross earned premiums	288.5	277.2	275.8	273.6	282.2	283.4	271.6	(1.5)%	+0.3%
Services revenue	76.5	74.5	72.9	72.3	66.1	60.0	57.9	(21)%	(20)%
REVENUE	365.0	351.7	348.7	345.9	348.3	343.4	329.4	(5.5)%	(4.0)%
UNDERWRITING INCOME/LOSS AFTER REINSURANCE	26.5	2.4	(13.5)	(2.6)	14.5	7.0	34.2	N.S.	
Investment income, net of management expenses	10.8	13.8	18.5	4.9	5.6	20.2	18.9	+2.0%	
CURRENT OPERATING INCOME	37.3	16.3	5.0	2.4	20.1	27.3	53.1	N.S.	
Other operating income / expenses	(1.0)	(0.8)	(0.5)	55.7	(1.0)	0.0	(1.3)	N.S.	
OPERATING INCOME	36.3	15.5	4.5	58.1	19.2	27.3	51.7	N.S.	
NET INCOME	22.3	3.3	(11.2)	27.1	7.3	12.9	34.8	N.S.	N.S.

Cumulated results

Income statements items in €m – 2016 figures ex. SEGM*	Q1 2016	H1 2016	9M 2016	FY 2016	Q1 2017	H1 2017	9M2017	%	% ex. FX
Gross earned premiums	288.5	565.7	841.5	1,115.1	282.2	565.6	837.2	(0.5)%	(0.4)%
Services revenue	64.5	125.2	183.8	242.8	66.1	126.2	184.0	+0.1%	(0.1)%
REVENUE	353.0	691.0	1,025.3	1,357.9	348.3	691.7	1,021.2	(0.4)%	(0.3)%
UNDERWRITING INCOME/LOSS AFTER REINSURANCE	20.8	16.7	(4.8)	(13.2)	14.5	21.5	55.8	N.S.	
Investment income, net of management expenses	10.8	24.6	43.1	48.0	5.6	25.9	44.7	+3.8%	
CURRENT OPERATING INCOME	31.6	41.3	38.3	34.8	20.1	47.4	100.5	N.S.	
Other operating income / expenses	(1.0)	(1.8)	(2.2)	53.5	(1.0)	(0.9)	(2.3)	+2.7%	
OPERATING INCOME	30.6	39.5	36.1	88.3	19.2	46.5	98.2	N.S.	
NET INCOME	18.6	17.6	1.2	24.4	7.3	20.2	55.0	N.S.	N.S.

* excluding State export guarantees management (ex. SEGM). Coface ceded this activity as from January 1st 2017.

Income statements items in €m – 2016 published	Q1 2016	H1 2016	9M 2016	FY 2016	Q1 2017	H1 2017	9M 2017	%	% ex. FX
Gross earned premiums	288.5	565.7	841.5	1,115.1	282.2	565.6	837.2	(0.5)%	(0.4)%
Services revenue	76.5	151.0	223.9	296.2	66.1	126.2	184.0	(18)%	(18)%
REVENUE	365.0	716.7	1,065.4	1,411.3	348.3	691.7	1,021.2	(4.1)%	(4.1)%
UNDERWRITING INCOME/LOSS AFTER REINSURANCE	26.5	28.9	15.4	12.9	14.5	21.5	55.8	N.S.	
Investment income, net of management expenses	10.8	24.6	43.1	48.0	5.6	25.9	44.7	+3.8%	
CURRENT OPERATING INCOME	37.3	53.5	58.5	60.9	20.1	47.4	100.5	+72%	
Other operating income / expenses	(1.0)	(1.8)	(2.2)	53.5	(1.0)	(0.9)	(2.3)	+2.7%	
OPERATING INCOME	36.3	51.8	56.3	114.4	19.2	46.5	98.2	+74%	
NET INCOME	22.3	25.6	14.4	41.5	7.3	20.2	55.0	N.S.	N.S.

CONTACTS

MEDIA

Monica COULL
T. +33 (0)1 49 02 25 01
monica.coull@coface.com

Maria KRELLENSTEIN
T. +33 (0)1 49 02 16 29
maria.krellenstein@coface.com

ANALYSTS / INVESTORS

Thomas JACQUET
T. +33 (0)1 49 02 12 58
thomas.jacquet@coface.com

Cécile COMBEAU
T. +33 (0)1 49 02 18 03
cecile.combeau@coface.com

FINANCIAL CALENDAR 2018 (subject to change)

FY-2017 results: February 12th 2018, after market close
3M-2018 results: April 24th 2018, after market close
Annual Shareholder's General Meeting 2017: May 16th 2018
H1-2018 results: July 26th 2018, before market opening
9M-2018 results: October 24th 2018, after market close

FINANCIAL INFORMATION

This press release, as well as COFACE SA's integral regulatory information, can be found on the Group's website:

<http://www.coface.com/Investors>

For regulated information on Alternative Performance Measures (APM), please refer to our Interim Financial Report for S1-2017 and our 2016 Registration Document.

About Coface

Coface, a world-leading credit insurer, offers 50,000 companies around the globe solutions to protect them against the risk of financial default of their clients, both on their domestic and export markets. The Group, which aims to be the most agile global credit insurer in the industry, is present in 100 countries, employs 4,300 people, and posted consolidated turnover of €1.411 billion in 2016. Coface publishes quarterly country and sector risk assessments based on its unique knowledge of companies' payment behavior and on the expertise of its 660 underwriters and credit analysts located close to clients and their debtors.

www.coface.com

COFACE SA. is listed on Euronext Paris – Compartment B
ISIN: FR0010667147 / Ticker: COFA



DISCLAIMER - Certain declarations featured in this press release may contain forecasts that notably relate to future events, trends, projects or targets. By nature, these forecasts include identified or unidentified risks and uncertainties, and may be affected by many factors likely to give rise to a significant discrepancy between the real results and those stated in these declarations. Please refer to the section 2.4 "Report from the Chairman of the Board of Directors on corporate governance, internal control and risk management procedures" as well as chapter 5 "Main risk factors and their management within the Group" of the Coface Group's 2016 Registration Document filed with AMF on 12 April 2017 under the number No. R.17-016 in order to obtain a description of certain major factors, risks and uncertainties likely to influence the Coface Group's businesses. The Coface Group disclaims any intention or obligation to publish an update of these forecasts, or provide new information on future events or any other circumstance.