PRESS RELEASE

Paris, 9 February 2016

COFACE SA implements contingent equity line of up to €100M

COFACE SA (« COFACE ») implements today a 3-year contingent equity line (with a termination option after 2 years at the sole discretion of Coface) of €100 million with BNP Paribas Arbitrage, available in one tranche and exercisable upon occurrence of extreme events described below.

This contingent equity line is an efficient and cost-competitive solution (annual commission of 0.50%) to complete existing capital and solvency management tools. It contributes to prudent capital management in the framework of Solvency II's pillar 2 and protects the group from extreme risks by enhancing its financial strength.

For such purpose, COFACE and BNP Paribas Arbitrage have entered into a warrant issuance agreement (*bons d'émission d'actions*), pursuant to which COFACE will issue on 10 February 2016, 15,724,823 warrants to BNP Paribas Arbitrage.

The warrants issuance was decided by the CEO of COFACE on 9 February 2016, pursuant to the delegation granted by the company's Board of Directors on 15 December 2015 and on 9 February 2016, within the framework of the 12th and 13th resolutions of the General Meeting of Shareholders of COFACE held on 2 June 2014.

The maximum amount of the consecutive capital increase is €100 million (issuance premium included), an amount for which COFACE has received a firm commitment from BNP Paribas Arbitrage to subscribe for shares, in view of their private placement in accordance with the provisions of article 411-2 II of the French monetary and financial code.

The share issuance will be triggered automatically upon the occurrence of certain extreme events described below during the 3-year risk coverage period beginning on 1 January 2016 and ending 31 December 2018 (inclusive). The warrants will remain exercisable until 30 June 2019 at the latest.

In the absence of the occurrence of extreme trigger events, the estimated probability of occurrence of which is very low, no share will be issued under this programme, which would then reach its terms without having any dilutive effect on shareholders.

Characteristics of the contingent equity line

The operation will consist in the issuance by COFACE of 15,724,823 warrants (*bons d'émission d'actions*) to BNP Paribas Arbitrage. Each warrant will oblige BNP Paribas Arbitrage to subscribe to a new COFACE share in view of its private placement according to the terms of article 411-2 II of the French monetary and financial code.

Under this agreement, COFACE has committed to drawdown the line in case one of the events described below occurs and BNP Paribas Arbitrage has committed to exercise the number of warrants necessary to subscribe to new shares for a maximum amount of €100 million and within the limit of corporate authorisations. In accordance with the 13th resolution of the general meeting of shareholders dated 2 June 2014, the amount of the capital increase which could be carried out in accordance with the terms described herein shall not in any case exceed 10% of the share capital over the 12 months preceding the day on which the price of the share issuance is determined.

The line will only be exercisable if one of these events occurs: (i) the estimated ultimate net loss ratio[1] of the COFACE

[1] The estimated ultimate net loss ratio corresponds to the estimated gross ultimate loss ratio for credit insurance activity (but excluding "*caution*" and single risks), after taking into account reinsurance contracts (proportional and in excess of loss).

group for the preceding financial year is superior or equal to 110% or (ii) the eligible capital of the COFACE group are below 105% of the Solvency Capital Requirement (SCR) (as these terms are defined by the regulatory framework of Solvency II).

The new shares, if any, will be subscribed by BNP Paribas Arbitrage at a price corresponding to 93% of the average of the volume-weighted average share prices for COFACE shares on Euronext Paris over the three trading days preceding the exercise of the warrants. In addition, COFACE and BNP Paribas Arbitrage have concluded a profit-sharing agreement which stipulates that 50% of the profit, if any, will be paid to COFACE. If the sale of the new shares occurs immediately after the exercise of warrants in an off-market transaction, the part of the profit due to COFACE will be paid by reducing the number of shares to be issued by COFACE upon exercise of the warrants, in order to limit the dilutive effect of the transaction for COFACE's shareholders. If the shares are not resold immediately, the part of the profit due to COFACE will be paid in cash.

Under current market conditions (i.e. an issuance price of €6.77 based on a 7% discount on an average of the volume-weighted average share price over 3 days of €7.28[2] per share), the maximum size of the operation in case of a drawdown of the line would represent 9.40% of COFACE's share capital[3].

Should the share price decrease by 10%, the maximum size of the operation in case of a drawdown of the line would represent 10% of COFACE's share capital based on an average of the volume weighted average share price over 3 days of €6.55 per share (that is to say an issuance price of €6.09 per share after application of a 7% discount).

BNP Paribas Arbitrage does not intend to become a long-term shareholder of COFACE and will do its best efforts to sell the shares as quickly as possible upon exercise of the warrants, through a private placement.

The implementation of this contingent equity line and the potential issuance of new shares in case of drawdown will not be subject to publication of a prospectus submitted to a visa of the French *Autorité des marchés financiers* (AMF). COFACE will communicate relevant information to the market in compliance with applicable regulations at the time new shares are issued.

Potential dilutive effect for COFACE's shareholders

The potential dilutive effect of the contingent equity line arranged with BNP Paribas depends on the probability of occurrence of the extreme trigger events described above and on COFACE's share price at the time of their occurrence.

By way of illustration, the following table summarises the potential dilutive impact of the operation under different scenarios for a shareholder who holds 1% of the share capital prior to the operation (calculated on the basis of the number of shares comprised in the share capital as at 31 December 2015).

Share issuance price	Scenario	Number of new shares issued	Percentage interest of the shareholder	
			Non-diluted basis	Diluted basis(1)
Average of the volume weighted average share price over 3 days preceding exercise of the warrants of €7,2767 (issuance price = €6.7673)(2)	No trigger	0	1.000%	1.000 %
	Trigger event	14 776 942	1.000 %	0.914 %

(1) Based on the dilution of share capital as of 31 December 2015 which would result from the exercise of all existing stock options, exercisable or not (including all out-of-the-money options at the date of this press release) and final acquisition of all the outstanding shares granted free of charge.
(2) In the event of a share issuance on the day of the warrants issuance.

The estimated gross loss ratio corresponds to the relation between (i) and (ii) with (i) the ultimate cumulated gross charges for claims for the financial year N such as estimated at 31/12 of the year N before taking into account reinsurance disposals and after taking into account claims management charges and corresponding to the volume of premiums in the denominator, that is to say (ii) acquired insurance premiums, net of premium refunds, and attached to the on-going financial year N and such as estimated at 31/12/N, before taking into account reinsurance contracts and after taking into account premium refunds.

2 From 03/02 2016 to 05/02 2016.

3 On the basis of the current share capital of COFACE composed of 157 248 232 shares as at 31 December 2015.

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FINANCIAL CALENDAR 2016

February 9 2016: publication of 2015 results
May 4 2016: publication of Q1-2016 results
May 19 2016: general shareholders' meeting
July 27 2016: publication of H1-2016 results
November 3 2016: publication of 9M-2016 results

FINANCIAL INFORMATION

This press release, as well as Coface SA's integral regulatory information, consolidated accounts and Q1 analyst presentation, can be found on the Group's website: http://www.coface.com/Investors

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 2015, the Group, supported by its 4,500 staff, posted a consolidated turnover of €1.490 billion. Present directly or indirectly in 99 countries, it secures transactions of 40,000 companies in more than 200 countries. 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 340 underwriters located close to clients and their debtors.
In France, Coface manages export public guarantees on behalf of the French State.

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