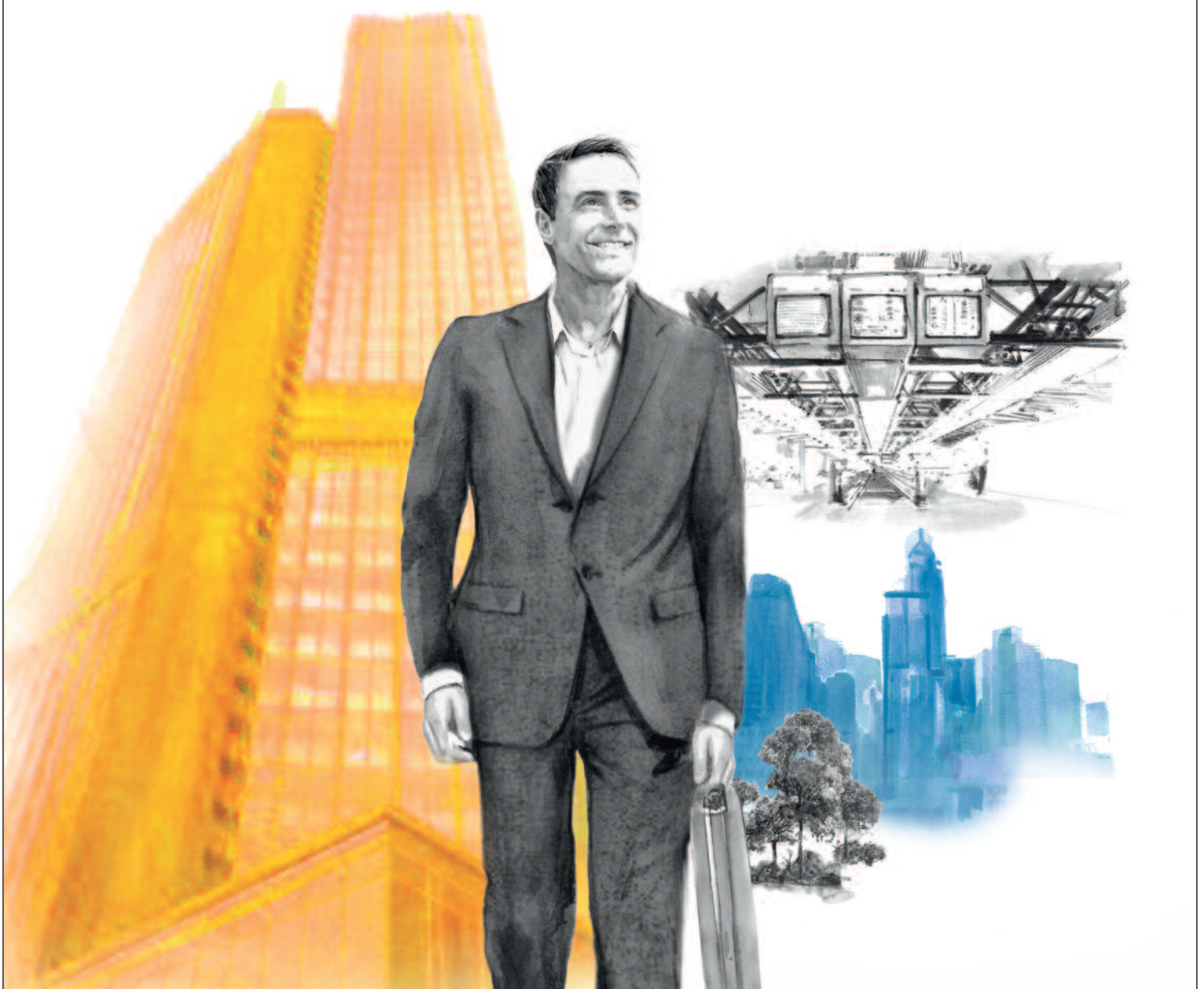


Coface in 2007

Financial report



coface **HOLDING** 

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Comments on the consolidated results

2007 was another year of growth for Coface, with consolidated turnover up 6.7% on 2006. On a like-for-like basis⁽¹⁾ the increase was 7.1%. This performance outmatched that of our main competitors but was slightly below our initial forecast of 8.4%. Three quarters of the shortfall stemmed from a sharp drop in turnover in the United Kingdom following the business recovery plan launched in late 2006.

OVERVIEW

Consolidated turnover climbed to €1,432.6 million, a 6.7% rise on a reported basis, compared with 10.2% in 2006. Like-for-like growth was 7.1%, versus the 2006 figure of 9.8%.

Total insurance turnover came in at €1,111.2 million, up 3.9% on a reported basis and 6.3% based on a constant Group structure.

Turnover for all service lines combined jumped 9.4% on a constant structure basis to €321.4 million from €293.8 million in 2006. Performance was boosted by the Group's recent acquisitions in the company information and receivables management segments, as well as by a robust 34% rise in factoring turnover, but was adversely affected by the deconsolidation of subsidiaries, which had a negative €14 million impact.

At €160.7 million, the **insurance business's operating profit before reinsurance** remained very high in 2007, slightly topping the figure for the previous year. The loss ratio stood at 49%, unchanged from 2006. **After reinsurance, operating profit for the insurance business** inched up to €109.4 million.

Operating profit for the service lines rose to €47 million from €43 million in the previous year.

Net financial income including finance costs increased 39% to €44.1 million as a result of favourable market conditions in the first half of the year.

Operating profit (*) for the Group as a whole advanced 12.5% to €200.5 million and **net profit for the year** surged 42.7% to €163.5 million, compared with annual forecasts of €178 million and €117 million respectively.

Overall, the Group's results for 2007 were either in line with or higher than targets (except for turnover which came in 1.6% below forecasts), reflecting the combined impact of the service lines outperforming objectives and lower-than-expected results from the insurance business. The loss ratio did not come in higher than in 2006, as was anticipated, but remained stable at 49%, 3 points below the forecast. This positive factor drove the €22 million outperformance achieved for operating profit(*) and the €163 million recorded for net profit versus the initial forecast of €117 million. Net profit for the year also included a €17 million deferred tax benefit as a result of a reduction in Germany's corporate income tax rate.

SIGNIFICANT EVENTS OF 2007

During 2007 Coface continued to implement its 2005-2007 strategic plan aimed at rolling out its four core businesses to all key geographic markets. By the end of the year our company and marketing information business was operating in 58 countries, receivables management in 40 countries, credit insurance in 52 countries and factoring in 15 countries. The main achievements under the 2005-2007 strategic plan were as follows:

- At 9% our average turnover growth was more than double that of our main competitors. Organic growth accounted for 6.5 points of this increase and acquisitions contributed 2.5 points.
- Return on equity stood at 15.4% at end-2007.
- The Group's total headcount increased from 4,619 to 6,687, including 4,625 full-time equivalent employees in consolidated companies.
- We implemented a significant capital spending program for information systems, setting up a target architecture based on the creation of EasyNumber and carrying out four projects (Magellan, Atlas, Iris and Dcon) for our four core businesses.

The strategic plan drawn up for 2008 to 2010 concerns Coface Holding which corresponds to both Coface and Natixis Factor. The plan contains seven objectives, including (i) consolidating our leadership position in France; (ii) extending our presence to 82 countries; and (iii) enhancing our customer service by investing in both information systems and organisational aspects with a view to facilitating the distribution of our four core businesses.

1. CREATION OF COFACE HOLDING

As part of the Natixis Group's internal reorganisation, in 2007 the shares held by Natixis in Coface SA and Natixis Factor were transferred to a wholly-owned subsidiary of Natixis which was subsequently renamed Coface Holding. This new organisational structure will strengthen the visibility of the Credit Management Division (grouping Coface and Natixis Factor) and will ultimately enable Coface to separate its holding activities from its insurance business.

2. ACQUISITION OF KOMPASS COMPANIES

In the first quarter of 2007, through its subsidiary Coface Services, the Group acquired Kompass France and Kompass Belgium as well as their respective branches in Spain and Luxembourg. With an already well-established presence in this market through its subsidiary Kompass International and franchises held in 15 different countries in the Americas, Asia, Europe and the Middle East, Coface now accounts for 56% of the total turnover of Kompass, the world's leading system providing information on companies working in B2B environments. Thanks to these acquisitions Coface has bolstered its overall positioning in the marketing information sector.

(1) After adjustments to reflect the impact of (i) acquisitions and deconsolidations in 2006 and 2007 and (ii) fluctuations in exchange rates.

* Including finance costs.

Comments on the consolidated results

3. ACQUISITION OF MIDT FACTORING

In December 2007, Coface Holding AG acquired a 10% interest in the Danish factoring company Midt Factoring along with an option to purchase an additional 65% stake in 2008. Through the acquisition of this company – which recorded turnover of €14 million in 2007 – Coface has strengthened its position in Denmark, where its four core businesses now hold a 9.7% market share.

4. ACQUISITION OF FIANI & PARTNERS

In January 2008, Coface acquired the assets of Fiani & Partners, a company based in Egypt that specializes in company and marketing information and which holds the Kompass franchise in that country. Through this acquisition, Egypt has become the sixty-fifth country where Coface has a direct presence.

5. CREATION OF COFACE HOLDING AUSTRIA

During the year Coface continued to reorganise its geographic structure by creating Coface Holding Austria to hold the Group's insurance, services and factoring entities in Austria and Eastern European countries.

6. DECONSOLIDATED SUBSIDIARIES

Following a review carried out by Natixis concerning its consolidation thresholds and their application within the Coface Group, 42 Coface entities have been deconsolidated since 31 December 2006, primarily in Eastern Europe and South America. These deconsolidations had a €27.6 million negative impact on 2007 turnover and a €4 million effect on consolidated shareholders' funds.

7. COFACE APPROVED AS A RATING AGENCY FOR BANKS

Thanks to its Score @rating service, Coface has been approved by the French Banking Commission as an External Credit Assessment Institution (ECAI) for its ratings business in France. Score @rating supplies default risk data for measuring credit risk to financial institutions using the standard approach under the Basel II regulations for determining capital requirements.

8. SUCCESS FOR EASYNUMBER

EasyNumber is a universal identification system for companies throughout the world based on a unique ID number. The system was developed by Coface and jointly rolled out under a cooperative agreement

with CreditReform, the leading player in Germany's company information sector. With some 40 million companies in more than 100 countries already listed, the aim is to reach 50 million by 2008.

9. FINANCIAL STRENGTH RATING

On 21 November 2007, Moody's confirmed the "Aa3" (stable outlook) financial strength rating issued to Coface and its main operating subsidiaries in Germany, Italy, Austria and the United States. On 30 November 2007 Fitch Ratings downgraded Coface and its subsidiaries from "AA+" to "AA". In addition, on 7 December 2007 Standard & Poor's revised the outlook attributed to Coface from "AA" (stable outlook) to "AA" (negative outlook) as a result of its revised outlook for the Group's parent company, Natixis.

REVIEW OF THE 2007 CONSOLIDATED FINANCIAL STATEMENTS

1. PROFIT AND LOSS ACCOUNT

1.1. TURNOVER

Coface's consolidated turnover came to €1,432.6 million in 2007, 6.7% higher than in 2006 on a reported basis. The Group's scope of consolidation changed significantly during the year as a result of (i) the deconsolidation of certain non-material subsidiaries; and (ii) the impact of the acquisitions carried out by Coface in late 2006 (Newton in the United States) and early 2007 (Kompass France and Belgium). The combined effect of these changes was only minimal, however.

Company deconsolidations had a negative €27.7 million impact and adjusted for this effect turnover would have grown 8.9%. Conversely, the November 2006 acquisition of Newton in the United States and the March 2007 purchase of the Kompass companies had an aggregate positive impact of €34.4 million. Lastly, 2007 was marked by a €12.4 million negative exchange rate impact as a result of the strong euro.

On a like-for-like basis, i.e. after adjusting reported consolidated turnover for all of the above factors, turnover growth stood at 7.1% in 2007.

1.1.1. Turnover by business segment

Turnover breaks down as follows by business segment:

<i>In millions of euros</i>	<i>2006</i>	<i>2007</i>	<i>Change (reported)</i>	<i>2006 Pro forma</i>	<i>2007 Pro forma*</i>	<i>Change (like-for-like)</i>
Insurance	1,069.4	1,111.2	3.9%	1,055.7	1,122.1	6.3%
Premiums	958.5	1,001.2	4.5%	949.0	1,011.7	6.6%
Insurance-related services	110.9	110.0	-0.8%	106.7	110.4	3.5%
Company and marketing information	124.9	145.0	16.0%	140.0	145.2	3.7%
Receivables management	36.4	44.0	21.0%	41.8	45.2	8.0%
Factoring	53.7	71.8	33.7%	53.7	71.9	33.9%
Public procedures management	58.3	60.7	4.1%	58.3	60.7	4.1%
Consolidated turnover	1,342.7	1,432.6	6.7%	1,349.5	1,445.0	7.1%

* Pro forma data used in this report

Data for 2006 have been adjusted for the impact of changes in the Group's scope of consolidation, i.e. including acquisitions and excluding deconsolidations. 2007 data have been adjusted to exclude the impact of exchange rate changes between 31 December 2006 and 31 December 2007.

Comments on the consolidated results

1.1.1.1. Insurance

At €1,111.3 million turnover reported by the insurance business (including policy fees) increased 3.9% in 2007. This business experienced the following negative impacts during the year: (i) €13.8 million due to changes in Group structure as the effect of company deconsolidations was not offset by acquisitions; (ii) €10.9 million resulting from fluctuations in exchange rates; and (iii) heightened price pressure as a result of competition.

<i>In millions of euros</i>	<i>2006</i>	<i>2007</i>	<i>Change (reported)</i>	<i>2006 Pro forma</i>	<i>2007 Pro forma</i>	<i>Change (like-for-like)</i>
Export credit insurance	445.6	478.7	7.4%	442.9	483.2	9.1%
Domestic credit insurance	457.1	462.0	1.1%	450.3	467.5	3.8%
Guarantees and other	55.8	60.5	8.4%	55.8	61.0	9.3%
Consolidated premiums	958.5	1,001.2	4.5%	949.0	1,011.7	6.6%

Export credit insurance turnover amounted to €478.7 million, up 9.1% on a like-for-like basis. This sharp increase was fuelled by a combination of the following factors:

- Robust exports in Germany and Austria.
- Strong momentum in the Asian market, buoyed by the expansion of the export credit insurance business launched in Japan in 2006.
- Sustained growth in export business for Single Risk Unistrat Coface.
- A solid performance delivered by the export credit insurance business in Italy.

Turnover generated by domestic credit insurance rose by a modest 3.8% like-for-like, with the overall increase masking mixed performances across the business's different geographic segments. Turnover was negatively affected by the following two factors:

- Significant measures implemented in the United Kingdom to improve the quality of the insurance book which had an adverse effect of almost €10 million.
- Strong price pressure in Germany, coupled with a higher-than-expected level of policy terminations.

However, these effects were more than offset by the following positive factors:

- Continued growth momentum in France, with turnover surging almost 30%.
- Significant growth in countries recently added to Coface's scope of operations (Asia and the United States).
- The partnership set up with Export Development Canada (EDC) – Canada's state export credit agency – whose domestic policies have been transferred to Coface's branch in Canada.

Guarantees and other insurance products posted a 9.3% like-for-like increase in turnover.

Italy – which accounts for some 76% of this business's turnover – reported growth of 3% despite a highly competitive environment. Turnover for Germany and Austria climbed 22% and 25% respectively, reflecting a steady upturn in guarantee business.

1.1.1.2. Credit management services

Company and marketing information turnover rose 16.2% to €145.2 million in 2007, including €25.1 million contributed by Kompass France and Kompass Belgium, which Coface acquired in March 2007.

Inversely, company deconsolidations had a significant negative impact of some €10 million. On a like-for-like basis turnover rose 3.7% during the year.

Adjusted for the impact of changes in Group structure, organic growth for the insurance business as a whole came to 6.3% and premiums rose 6.6% on a constant exchange rate basis. This performance was propelled by the robust showing turned in by the export credit insurance business and – albeit to a lesser extent due to its smaller size – the guarantees business.

Receivables management turnover advanced 21.0% to €44 million, reflecting (i) the impact of Newton's portfolio in the United States which was acquired in late 2006; and (ii) 8.1% organic growth, primarily attributable to the 8% increase reported by Germany and the 5% rise achieved by Coface Services in France.

1.1.1.3. Factoring

Factoring turnover surged once again in 2007, up 33.7% year-on-year to €71.8 million. Germany kept up its strong momentum, reporting a 22% increase in net banking income and a 45% rise in total factored receivables. Overall factoring performance was also buoyed by the initial benefits of the business's worldwide roll-out, with the positive effects particularly felt in the United Kingdom, Spain and Italy, which reported 60% growth.

1.1.1.4. Public procedures management

Turnover generated by **public procedures management** rose 4.1% year-on-year.

1.1.2. Turnover by country

In 2007 the Group continued to actively roll out its four core businesses worldwide, resulting in sustained turnover growth for all of its host countries, except the United Kingdom which reported a 24.1% decline.

- The **traditional geographic markets** generated turnover of €870.0 million, up 7.1% on a reported basis and 6.8% based on a constant Group structure. Germany registered overall turnover growth of 4.7%, primarily fuelled once again by the factoring business, which posted a 22% increase in turnover. Turnover also rose in France, with the Kompass acquisition adding nearly 4 points to the growth rate. Austria likewise reported a strong showing, delivering a robust sales and marketing performance that helped to drive up turnover by 14.9%. Altogether, the Group's traditional geographic markets accounted for 60.7% of consolidated turnover in 2007.

- **Other countries** reported overall turnover growth of 6.1%. However, performance was negatively affected by (i) exchange rate impacts (€12.4 million); (ii) the deconsolidation of certain subsidiaries; and (iii) measures taken to improve the quality of the insurance book in the United Kingdom. After stripping out these factors and the impact of acquisitions, total like-for-like growth reported by these countries would have been 13.8%. They accounted for 39.3% of Coface's total consolidated turnover, on a par with 2006.

Comments on the consolidated results

In millions of euros	2006	2007	Change (reported)
France	477.0	513.9	+7.7%
Germany	284.7	298.0	+4.7%
Austria	50.6	58.2	+14.9%
Traditional geographic markets	812.4	870.0	+7.1%
Italy	137.5	147.4	+7.2%
United Kingdom	61.3	46.5	-24.1%
Netherlands	37.9	40.9	+7.8%
Spain	40.5	55.2	+36.1%
Belgium	21.0	26.8	+27.7%
Other European countries	52.6	50.3	-4.5%
North America	82.5	99.5	+20.7%
South America	31.1	25.1	-19.5%
Asia	43.1	54.3	+26.0%
Africa, Middle East and Eastern Mediterranean (AMEEM)	22.7	16.6	-27.0%
Other countries	530.3	562.5	+6.1%
Consolidated turnover	1,342.7	1,432.6	+6.7%

1.2. EXPENSES

1.2.1. Insurance underwriting expenses

1.2.1.1. Claims expenses

At 49%, the overall loss ratio remained at a highly satisfactory level in 2007, unchanged from 2006 at 49% and significantly below the Group's annual forecast of 52%. All product lines contributed to this contained loss experience. The financial crisis of August 2007 did not have a significant impact although there were some signs of a deterioration towards the end of the year in the United States.

In millions of euros	2005	2006	2007	Change (reported) 2007/2006
Export credit insurance	48%	38%	45%	+7
Domestic credit insurance	46%	61%	54%	-7
Guarantees	98%	53%	44%	-9
Total	49%	49%	49%	0

The loss ratio for **export credit insurance** rose 7 points but nevertheless remained low, at 45%. In addition there was an unfavourable basis of comparison with the 2006 figure, due to an exceptional €17 million reduction in claims expenses recorded in that year following a review of the method used to estimate subrogation and salvage in France. Although several medium-sized claims were recorded in Hungary and Belgium, the overall loss experience remained extremely satisfactory in all countries.

In millions of euros	2006	2007	Change (reported) 2007/2006
France (direct business)	24%	42%	+18
Germany	60%	49%	-11
Netherlands	51%	57%	+6
Austria	28%	50%	+22
Italy	46%	41%	-5
United Kingdom	93%	54%	-39
Belgium	24%	47%	+23
Spain	76%	64%	-12
United States	32%	27%	-5
Export	38%	45%	+7

The loss ratio for **domestic credit insurance** improved significantly from 61% to 54%. The decrease, which primarily concerned Germany and Austria, was achieved due to the effect of reversals of prior-year provisions coupled with a low number of new defaults.

The measures implemented in the United Kingdom to improve the quality of the insurance book have paid off, with the country's loss ratio down by some 64 points, making a considerable year-on-year improvement.

The **guarantees business** reported a sharp 9 point decrease in its loss ratio from 53% to 44%, with Germany recording the most marked reduction.

In millions of euros	2006	2007	Change (reported) 2007/2006
Germany	120%	24%	-96
Austria	37%	17%	-20
Italy	53%	53%	+0
United Kingdom	0%	54%	+54
Singapore	24%	22%	-2
Guarantees	53%	44%	-9

1.2.1.2. Reinsurance result

The reinsurance loss narrowed to €51.4 million from €53.4 million in 2006 as a result of the higher rates applied to Group treaties. The overall positive impact of these new rates was, however, partially offset by (i) a €3.8 million reduction in the underwriting balance of ceded business with captives and (ii) a €7.4 million negative impact from provisions for losses on former run-off treaties underwritten by the Group's German subsidiary.

1.2.2. Management expenses

Total management expenses – including business acquisition costs and internal administrative expenses – amounted to €712.2 million, up 9.9% on 2006 compared with the 6.7% increase in turnover.

As the growth rate for management expenses exceeded that for turnover, the overall cost ratio increased to 49.7%. However, adjusted for a number of non-recurring factors such as deconsolidations, acquisitions and certain tax effects, the rise in total management expenses would have been 7.3%, only 0.2 points higher than the like-for-like turnover growth rate.

The increase in management expenses reflects much higher internal costs as well as the service businesses' growing contribution to consolidated turnover. With cost ratios of around 80%, service businesses accounted for 22.5% of total Group turnover in 2007 versus 20.4% in 2006. This increase had a 0.9% structural impact on the overall cost ratio. At the same time, the weighting of insurance operations – with a cost ratio of around 40% – decreased to 77.5% of total turnover from 79.6% one year earlier.

Business acquisition expenses stood at €107.8 million, up 8.3% on a reported basis and 6.6% like-for-like.

Internal management expenses rose by a significant 10.2% on a reported basis and 7.4% based on a constant Group structure, primarily reflecting (i) a considerable increase in IT expenses as major projects began to be rolled out, such as the first deliveries of the Atlas system; (ii) higher VAT in France and Germany; (iii) restructuring costs in the United Kingdom; (iv) an increase in the variable portion of the salaries of Group sales staff in France and Germany as a result of enhanced performance; and (v) strong expansion in the factoring business.

Comments on the consolidated results

1.3. NET FINANCIAL INCOME

The investment portfolio delivered a 4.0% yield in 2007. Details by asset class are provided in the table below:

In millions of euros (IFRS)	Property	Equities	Fixed-income instruments	Sub-total portfolio	Other*	TOTAL
Investments at market value at 31 December 2007	78.8	224.1	1,086.8	1,389.8	236.4	1,626.1
Net investment income (a)	0.4	18.8	44.8	64.0	5.4	69.4
Change in unrealised gains (b)	3.0	(14.0)	1.3	(9.6)	67.2	57.6
Economic investment yield (a)+(b)	3.4	4.8	46.1	54.4	72.6	127.0
Finance costs, foreign exchange losses and investment management expenses						(25.3)
Net financial income						44.1
Investment yield	4.4%	2.1%	4.4%	4.0%	40.0%	8.2%
Realised gains	0.5%	8.0%	4.2%	4.7%	3.0%	4.5%
Change in unrealised gains	4.0%	-6.0%	0.1%	-0.7%	37.1%	3.7%

(*) Investments in associates and non-consolidated companies. The volume of these investments and the amount of related changes in unrealised gains increased in 2007 as a direct result of the number of companies deconsolidated during the year.

1.3.1. Prudent risk allocation in equities

Due to difficult market conditions the equity weighting of the Group's investment portfolio was reduced to 16.1% at 31 December 2007 from 18.2% at end-2006. In addition, between May and December 2007, Coface set up hedges relating to some €60 million. The economic yield of the Group's equity portfolio over the year was 2.1%, exceeding the 1.3% increase in the CAC 40 index but coming in below the 6.8% gain recorded by the Dow Jones EURO STOXX 50 index.

At end-December 2007, net unrealised gains on the equity portfolio represented €32.7 million, compared with €46.7 million at the previous year-end.

1.3.2. Strong performance by fixed-income investments

At 31 December 2007, the market value of fixed-income investments stood at €1,086.8 million, representing 78.2% of Coface's investment portfolio. Money market products accounted for 19.4% of the total and bonds 58.8%. As a result of the company's investment policy, the portfolio's overall sensitivity to an increase in interest rates fell to below 2 at the end of 2007.

The average economic yield on the Group's bond portfolio was 4.6% and the portfolio's sensitivity was 1.7 in 2007. Over the same period,

EuroMTS bond index yields were 3.8% for 1-3 year bonds, with an average sensitivity of 1.9 and 3.3% for 3-5 year bonds, with a sensitivity of 3.8. The 3.7% yield on the money market portfolio was only slightly below that of the Eonia money market index, which gained 4.0% over the year. The assets recognised in Coface's balance sheet are not exposed to any corporate credit risks and the Group does not have any structured credit products which could be affected by the current crisis in the financial markets and the resulting devaluation of such products.

Finance costs came to €19.0 million in 2007 versus €12.8 million one year earlier, reflecting the combined impact of higher short-term interest rates and the financing of new acquisitions.

The Group also recorded exchange losses of €6.3 million in 2007 as a result of the sharp fall in the US dollar, primarily relating to dollar-denominated insurance receivables held directly by Coface SA rather than by its US subsidiary.

1.4. CURRENT OPERATING PROFIT AND NET PROFIT

Current operating profit climbed from €188.9 million to €215.1 million in 2007, chiefly attributable to the increase in net financial income (excluding finance costs). All of the Group's business lines (excluding public procedures management) saw their margins increase significantly during the year, especially services and insurance.

In millions of euros	2005	2006	2007	Change	
Insurance ⁽¹⁾	88.9	103.0	109.4	6.4	+6.2%
Services	12.0	14.0	16.8	2.8	+20.0%
Factoring	11.0	23.6	24.7	1.1	+4.7%
Public procedures management	6.8	5.9	5.6	(0.3)	-5.0%
Net financial income, excluding finance costs	71.6	42.4	58.6	16.2	+38.2%
Current operating profit	190.3	188.9	215.1	26.2	+13.9%
Net profit	116.7	114.5	163.5	49.0	+42.8%

Net profit for the year came in at €163.5 million, boosted by (i) a €17 million deferred tax benefit recorded as a result of the significant reduction in Germany's corporate income tax rate, and (ii) a €5 million positive impact arising from the first-time consolidation of Cerved, an Italian entity specialised in company information which was acquired in December 2007 and is accounted for by the equity method.

(1) Including policy fees

Comments on the consolidated results

2. OTHER BALANCE SHEET ITEMS

2.1. SHAREHOLDERS' FUNDS

Shareholders' funds excluding minority interests (calculated in accordance with IFRS) totalled €1,176 million at 31 December 2007 compared with €1,011 million at the previous year-end. This 16.3% rise reflects (i) the solid net profit figure for the year and (ii) the fact that the €115 million in net profit for 2006 was fully distributed in the form of a scrip dividend.

Reserves were buoyed by a €37 million increase in post-tax unrealised gains on available-for-sale equity and bond holdings.

Return on equity was 14.9% at end-2007, or 13.4% excluding the impact of the change in the German tax rate, up 1.2 points on the 12% recorded for 2006.

2.2. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill rose by €27 million, reflecting (i) a €40 million increase primarily due to the Kompass acquisitions; and (ii) a €10 million reduction following the deconsolidation of 42 entities. Translation adjustments had a negative €2 million impact. Other intangible assets amounted to €95 million, including €52 million in capitalised IT development costs. This item was €28 million higher than in 2006, following an overhaul of all of the production tools used by the Group's four core businesses. Amortisation of the new production tools will begin in 2008 when they are brought into use.

2.3. DEBT

At 31 December 2007, consolidated debt, excluding operating creditors, consisted of €285 million in borrowings, compared with €239 million at end-2006, and €2,338 million in financing for the factoring business, versus €1,520 million at 31 December 2006.

Borrowings primarily comprise €193 million in credit lines, €27 million in finance lease obligations, and €4 million related to the capitalisation of Coface SA finance leases. The Group's gross debt-to-equity ratio stood at 24% at end-2007 compared with 22% the previous year. This rise is attributable to external growth operations and equity injections into the Group's factoring companies as part of the international roll-out of the factoring business.

The 54% year-on-year increase in factoring liabilities to €2,338 million was due to strong growth in this business in Germany and its roll-out to new countries during the year.

OUTLOOK FOR 2008

The macro-economic environment for 2008 is set to be significantly more unsettled than in 2007. World economic growth is expected to be weaker than forecast as a result of the current turmoil in the financial markets, with GDP growth in the United States and the euro zone estimated at only 1.5% and 1.6% respectively. In addition, the International Monetary Fund has warned that there is a risk of this financial unrest feeding through to emerging countries which until now were thought to be capable of offsetting the impact of a slowdown in developed economies.

Despite this backdrop, we expect turnover to rise by around 10%, boosted by a higher pace of growth in the factoring business and the continued roll-out across the globe of the Group's four core businesses.

The credit squeeze has begun to show signs of feeding through at the level of loss experience but we are putting in place protective measures and expect the loss ratio to edge up by just 3 points.

Given the uncertainty of the financial markets, the Group expects its investment income to be on a par with 2007. Operating margin is forecast to improve, however, primarily due to the increased weighting of factoring within the Group's business base and a higher contribution from credit management services.

OPERATING RESULTS FOR THE GROUP'S MAIN COMPANIES

1. Coface SA

Excluding inward reinsurance, **turnover generated by Coface SA** came to €569 million, up 5.8% on 2006. Including inward reinsurance turnover climbed to €652.3 million from €621.5 million, representing an increase of 5%.

Insurance turnover (excluding inward reinsurance) amounted to €508.3 million, up 6% year-on-year.

Insurance turnover in France rose 5.2% to €310.1 million, reflecting the following factors:

- The domestic market was the main growth driver for credit insurance during the year, reporting growth of around 30% as in 2006. However, this business's overall turnover figure was curbed by extremely strong price pressure in a fiercely competitive environment, despite excellent sales performances achieved as a result of changes in the company's commercial structure and a more aggressive selling policy.
- Insurance-related services in France reported a 3% contraction in turnover due to the increasing use of fixed-rate packages and on-line services, which are sold at a lower price.
- Unistrat Coface's turnover contribution was down slightly on 2006 in view of continued measures taken to decentralise the underwriting process to other Group entities.

Turnover for the branches rose by a modest 7.2% compared with 30% in 2006. As detailed below, performance was extremely mixed across the various branches:

- The London branch experienced a 25% contraction in turnover at constant exchange rates as a result of the measures taken to improve the quality of its insurance book.
- The Madrid branch delivered another robust showing, reporting turnover growth of 26.2% thanks to a strong sales performance during the year. In addition, despite considerable competitive pressure, this branch widened its market share to 6% in 2007.
- Coface SA's recently formed entities achieved solid growth rates (notably in Asia and Canada). At constant exchange rates Japan posted a rise in turnover of 45%, Hong Kong 21%, Singapore 29% and Canada 104%.

Comments on the consolidated results

The estimated amount due to Coface SA for 2007 in fees for public procedures management is approximately €61 million, based on negotiations currently under way concerning the financial agreement with the French government for the 2007-2010 period.

Turnover from inward reinsurance held firm at just over €83 million, reflecting the gradual expansion of the local insurance entities.

Total claims expenses (excluding claims handling expenses) came to €257.6 million, versus €226 million in 2006, leading to a 3 point rise in the loss ratio. One of the main reasons for the low loss ratio at end-2006 was an upward revision of forecast subrogation and salvage in France following a tax audit in the credit insurance business.

As a result of the difficult economic conditions experienced during the last few months of 2007, at the year end the company adopted a prudent approach in determining the reference loss ratio for 2007 for all of its entities.

In addition, the overall subrogation and salvage rate for 2007 was reduced in the French credit insurance business due to changes in the risk situation in the domestic market which has lower recovery rates than the export market.

General operating expenses amounted to €312.7 million, up 8.1% or 5.9% based on a constant Group structure and adjusted for the VAT impact in 2006.

Business acquisition costs decreased by more than 5% to €85.6 million. This reduction was due to (i) the combined impacts of higher brokerage business in France reflecting the increase in premium income reported during the year, and (ii) only moderate increases for the branches, as a result of policy terminations in London and a significant reduction in inward reinsurance due to the implementation of fixed-rate fees to replace the fees based on the loss experience level of previous years.

Other general operating expense items totalled €227 million, up 14% or 11% based on a constant Group structure and adjusted for the VAT impact in 2006. For CLD, this increase was notably due to higher consulting fees and selling expenses as well as a strong increase in non-refundable VAT. In addition, the London branch recorded an exceptional level of restructuring costs during the year.

The rise in general operating expenses for the company's recently-formed entities was in line with their expansion.

Underwriting profit (before additions to the claims equalisation provision) amounted to €30 million in 2007, versus €49.5 million in 2006. After additions to the claims equalisation provision the figure came to €27 million, compared with €34 million in 2006.

Net financial income surged to €86.3 million from €36.2 million one year earlier.

Coface SA ended the year with **net profit** of €92 million, up from the €40.7 million recorded in 2006.

2. Coface Services (France)

Coface Services' turnover rose 2.4% in 2007 to come in at €104 million. Turnover from credit information was up 4% but marketing information turnover retreated by 11%. At the same time receivables management posted a significant improvement with turnover rising 4.2%.

Operating expenses were tightly controlled during the year, totalling €90.5 million, on a par with 2006. This achievement helped push up operating margin by 17% to €13.4 million.

The company's net profit held firm at €10.4 million.

3. Kompass France

Kompass France generated €26 million in turnover in 2007, up 5% on the previous year.

Contained costs helped to push down operating expenses by 1% to €22.8 million and drive up operating profit to €3.3 million from €1.8 million in 2006.

Kompass France ended the year with net profit of €2.8 million.

4. Coface Deutschland

The Coface Deutschland sub-group – which operates in Germany, the Netherlands and Scandinavia – reported overall turnover growth of 5.2% for 2007.

Insurance turnover (including insurance-related services) edged up 1.1% in a highly competitive environment. This performance reflects the following factors:

- The German domestic market was particularly hit by a decrease in premium rates and fierce competition for major clients. The export market, however, expanded 6.8%, spurred by the country's solid export performance. Momentum also remained strong in the guarantees business, which reported a 22% rise in turnover despite a decision to limit business volumes.
- The branches reported a very modest 0.1% rise in turnover in 2007. In the Netherlands turnover dipped 1.1% due to highly competitive market conditions and strong price pressure. The Nordic countries, however, reported very healthy growth of 20.4%.

Turnover for Coface Deutschland's services business advanced by an impressive 24.1% to almost €73 million, reflecting the following:

- Information @rating turnover surged by 42.1%.
- The factoring business continued along its high growth track with turnover up 23.8% despite strong competitive pressure.
- The debt recovery business had another good year with turnover up 15.2%.

Coface Deutschland's overall loss ratio remained at a very satisfactory level, down 4.5 points to 48.4%. The main contributors to this reduction were guarantees and export business.

In total the Coface Deutschland sub-group's economic profit was up by a significant 23% to €85.6 million, driven by the insurance business's low loss ratio and another strong performance turned in by the factoring business. In addition, new corporate income tax rules introduced by the German government led to a decrease in Coface Deutschland's average corporate income tax rate, resulting in a positive non-recurring impact of some €17 million on deferred taxes recognized in Coface's consolidated financial statements.

5. Coface Austria

Turnover for Coface Austria advanced 8.4% to €54.8 million in 2007, up 8.4% on 2006, outstripping forecasts. The export business turned in a robust performance, reporting 8.6% growth as forecast, and the company's strategy of focusing on the guarantees activity during the year paid off with turnover for that business rising 16.1%. The domestic market had another year of growth with turnover up 5.4%.

Coface Austria's loss ratio improved 1.6 points in 2007 coming in below the forecast at 53.1%. Loss experience for the domestic market was tightly controlled but the loss ratio for the export business was almost 2 points above forecasts, although it remained at the very satisfactory level of 50.4%.

Comments on the consolidated results

Operating expenses rose 10.3% reflecting both business expansion and the impact of investments required to launch the factoring business during the year. Despite this rise, the cost ratio for 2007 came in at 33.2%, only 0.2 points higher than the previous year.

Economic profit for the year was €10.3 million, up 36.6% year on year.

6. Coface Italia

Coface's Italian platform generated turnover of €147 million in 2007, up 7.7% on 2006, with the insurance business (credit and guarantees) reporting a 6.0% rise. Services turnover jumped 64% to €6.5 million, propelled by strong growth in debt recovery and trade receivables financing, which posted respective turnover increases of 83% and 65%.

Coface Italia's overall loss ratio edged down 0.9 points to 56.1% in 2007. At 64.6%, the ratio for the domestic credit insurance business remained high but its impact was offset by the satisfactory 42.5% and 53% ratios reported by the export and guarantees businesses respectively.

The services business' contribution to Coface Italia's overall turnover rose by 1.5 points year-on-year to 4.4%. As this business incurs higher operating expenses than insurance (for structural reasons) this shift in weighting pushed up Coface Italia's overall cost ratio by 0.3 points to 37.3%.

Economic profit edged up by a modest 1% to €17.8 million.

7. Coface North America

Coface is now licensed to write insurance in the majority of American states and Canadian provinces.

Where a license has not yet been obtained, Coface still operates through a fronting agreement with the insurance company CNA.

The financial data reported below for Coface North America includes the results recorded in both the company's local accounts and in Coface SA's insurance accounts via the reinsurance treaty with CNA Credit.

Coface North America experienced another year of robust growth in 2007, with turnover coming in at €103.4 million, up 29.1% on a reported basis and 15.7% based on a constant Group structure. This performance was achieved despite a significant adverse currency effect during the year. 2007 was the first full year of turnover contribution from Newton, a company specialised in the recovery of trade receivables that Coface North America acquired in late 2006. This acquisition led to a change in Coface North America's structure with services accounting for 17% of total turnover in 2007, 7 points higher than in 2006. In addition, the factoring business was launched in the United States and Canada towards the end of the year.

The Canadian branch, which is managed from the United States, accounted for 25% of the company's turnover in 2007.

As a result of this heavier weighting towards services, Coface North America's overall cost ratio deteriorated during the year, coming in 2.8 points higher at 55.9%. However, at 39.3% its loss ratio remained at an excellent level.

Coface North America ended the year with economic profit of €8.6 million, up 36% year-on-year, but accounting profit contracted 10% to €4.8 million following significant adjustments recorded in relation to deferred taxes.

8. Coface Iberica

Coface Iberica – which encompasses Spain and Portugal – generated turnover of €64 million in 2007, up 29.5% on 2006. Insurance was the main growth driver in volume terms, reporting an increase of over 29% generated by both the domestic and export markets. Services turnover advanced by a significant 31.4%, fuelled by the factoring business launched in late 2006 whose roll-out in Spain has got off to a promising start. Company information in Portugal, marketed by Coface Serviços Portugal, was once again the primary contributor to turnover for Coface Iberica's services business, accounting for over 60% of the total and posting an increase of 8% to €6.6 million.

The loss ratio rose 4 points during the year to 68.9%. The domestic credit insurance bore the brunt of this deterioration with the ratio for Spain and Portugal combined increasing by over 16 points.

Operating expenses rose by a sharp 26% as a result of measures taken to restructure the services offering in Portugal and the company's investment in developing the factoring business. This increase was nevertheless lower than Coface Iberica's turnover growth rate. The cost ratio came in below forecasts at 42%, down one point compared with the previous year.

Thanks to Coface Iberica's strong sales performance in 2007, it ended the year with economic profit of €1.8 million, representing a year-on-year increase of 18.6%.

9. Coface UK

Coface UK's earned premiums rose 10% compared with 2006 coming in at €59.4 million. However, the measures launched in late 2006 to improve the quality of the platform's insurance book following a spike in the loss ratio led to an 18% reduction in written premiums to €52.8 million.

Services business surged 78%, led by factoring whose turnover doubled during the year. Consequently, the weighting of services increased by 5.2 points year-on-year to represent 13.5% of total turnover.

Coface UK's loss experience improved significantly in 2007 with the loss ratio standing at 60.7% compared with the particularly high level of 102% in 2006. This 41-point improvement stemmed from (i) drastic measures taken at the expiry date of policies with the highest loss experience in order to improve the quality of Coface UK's insurance book; and (ii) the implementation of a more selective risk acceptance policy.

Operating expenses were 16.1% higher than in 2006 which, in view of the turnover reported for the year, led to a 21-point increase in the overall cost ratio to 66.8%. The rise in operating expenses was primarily attributable to non-recurring restructuring costs due to a major reorganisation of Coface UK's management structure.

As a result of the above factors and despite the gradual improvement in its loss experience, Coface UK ended the year with a net loss of €2.7 million.

Comments on the consolidated results

APPROPRIATION OF PROFIT

As Coface SA did not have any retained earnings at 31 December 2007, profit available for distribution in 2007 corresponded to the Company's net profit for the year, amounting to €92,037,335.58. The Company is, however, also permitted to pay out to shareholders all or part of its contingency reserve which amounted to €187,856,341.73 at 31 December 2007, bringing the total theoretical amount available for distribution to €279,893,677.31.

On 30 November 2007 an interim dividend was paid in an amount of €39,961,912.32, which should be deducted from profit available for distribution for the year.

In accordance with Article 28 of the Company's bylaws shareholders are invited to approve the following:

- Payment of a total dividend amounting to €163,502,000 breaking down as follows:
 - €92,037,335.58 corresponding to the Company's net profit for the year (less the interim dividend payment of €39,961,912.32)
 - €71,464,664.42 from the contingency reserve.

Shareholders will be given the option to receive their dividend payment in the form of shares. This option will be applicable to an amount of €123,540,087.68, corresponding to the total dividend payment less the interim dividend paid on 30 November 2007.

If approved by shareholders, the dividend for 2007 would therefore amount to €7.20 per share based on the Company's 22,709,334 shares at 31 December 2007, representing a €1.76 interim dividend already paid and €5.44 still payable.

Any new shares issued for the purpose of paying this dividend would carry dividend rights as from 1 January 2008. In accordance with Article L.232-19 of the French Commercial Code, the shares would be issued at a price of €23.01 including a €19.20 issue premium. Also in accordance with said Article, this price has been calculated by dividing the amount of shareholders' funds recorded in the balance sheet at 31 December 2007 by the total number of outstanding shares, and deducting the net amount of the dividend (€5.44) from the figure obtained.

Year	Number of shares	Net dividend	Tax credit	Total
2004	13,069,604	3.60	1.75	5.35
2005	14,427,980	8.10	-	8.10
2006	18,327,083	6.23	-	6.23

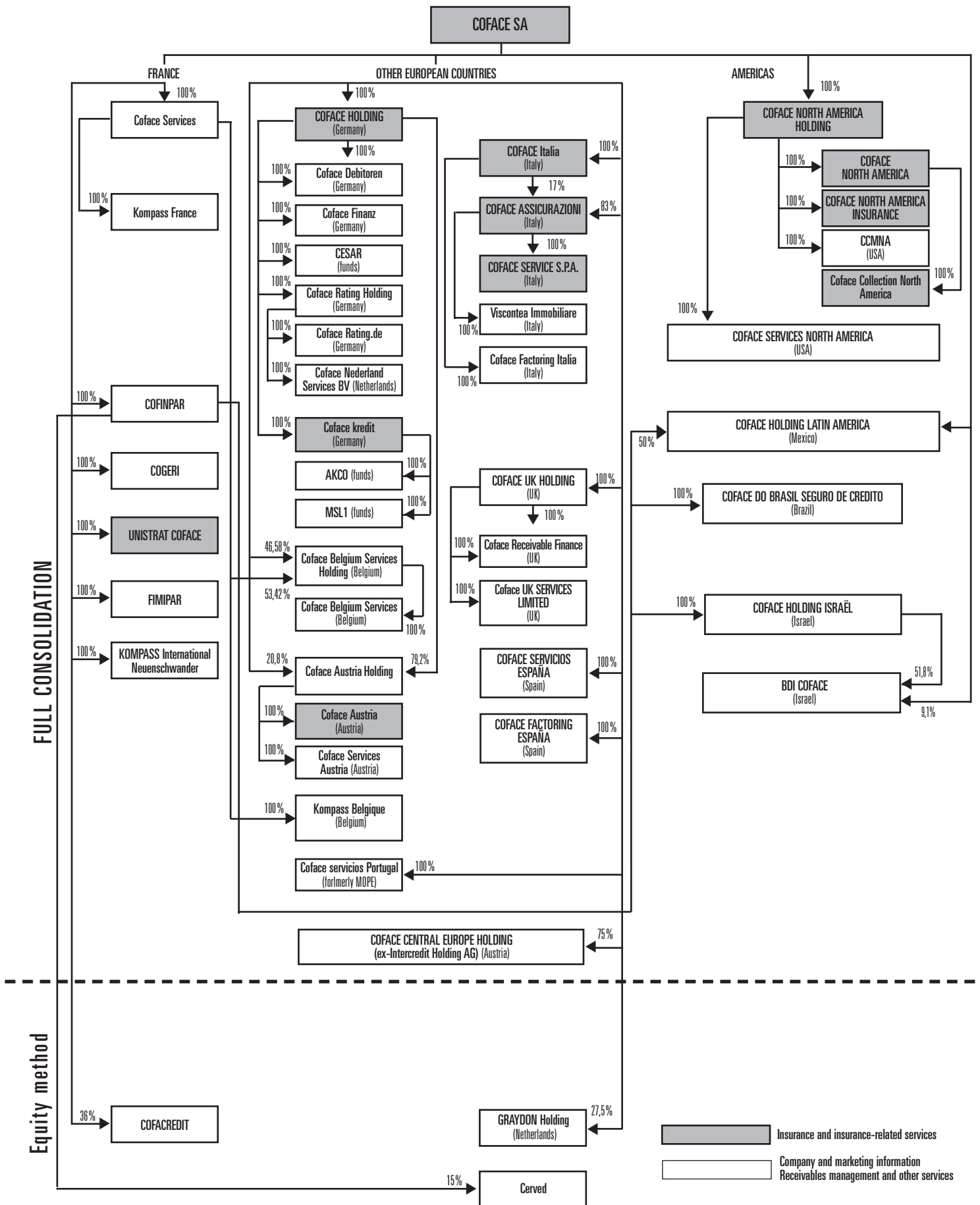
The recommended dividend for 2007 represents the payment of 100% of consolidated net profit for 2007, determined in accordance with IFRS.

Comments on the consolidated results

2007

consolidated financial statements

Organisation chart at 31 December 2007



Consolidated balance sheet

ASSETS (in thousands of euros)	Notes	31/12/2007	31/12/2006	31/12/2005
Intangible assets		400,597	344,590	308,990
Goodwill	4	305,517	277,879	259,357
Other	5	95,080	66,711	49,633
Tangible assets	6	74,711	76,021	80,819
Insurance business investments	7	1,450,397	1,357,230	1,208,965
Investment property	7	995	1,206	2,552
Held-to-maturity securities	7	112,748	112,100	125,250
Available-for-sale securities	7	1,223,195	1,014,969	831,738
Trading securities	7	29,523	164,307	121,824
Loans and receivables	7	83,936	64,648	127,601
Debtors arising from banking and other activities		3,218,214	2,347,103	1,389,694
Investments in associates	8	71,941	19,240	17,697
Reinsurers' share of liabilities relating to insurance and financial contracts	11	269,371	261,547	246,568
Other assets	9	703,141	591,043	550,911
Debtors arising from insurance and reinsurance operations	9	384,225	323,411	305,623
Trade debtors arising from other activities	9	63,235	49,459	40,443
Current taxes	9	18,987	32,362	23,719
Other debtors	9	141,935	86,928	100,280
Deferred tax assets	9 14	71,919	73,611	69,091
Deferred acquisition costs	9	22,840	25,272	11,755
Cash and cash equivalents	10	383,045	200,902	150,998
TOTAL ASSETS		6,571,417	5,197,676	3,954,642

Consolidated balance sheet

LIABILITIES AND SHAREHOLDERS' FUNDS

<i>(in thousands of euros)</i>	Notes	31/12/2007	31/12/2006	31/12/2005
Shareholders' funds excluding minority interests		1,176,656	1,011,959	893,139
Share capital		86,550	69,795	54,957
Additional paid-in capital		284,918	186,186	83,465
Consolidated reserves		573,930	609,187	610,901
Revaluation reserve		76,744	40,039	28,685
Net profit for the period		163,502	114,573	116,752
Cumulative translation adjustment		(8,988)	(7,821)	(1,621)
Minority interests		4,917	2,030	5,049
Total shareholders' funds		1,181,573	1,013,989	898,188
Due to banking-sector companies	17	2,337,727	1,519,881	950,177
Due to customers of banking-sector companies	17	1,045,042	802,890	421,100
Provisions for liabilities and charges	12	68,618	65,709	58,797
Liabilities relating to financing operations	15 16	285,327	225,722	179,919
Liabilities relating to insurance contracts	11	1,016,251	989,816	902,640
Other liabilities		636,879	579,669	543,821
Creditors arising from insurance and reinsurance operations	17	168,374	138,784	136,677
Current taxes	17	56,552	45,406	40,495
Other creditors	17	227,660	223,731	223,440
Deferred tax liabilities	14	184,293	171,748	143,209
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		6,571,417	5,197,676	3,954,642

Consolidated profit and loss account

<i>(in thousands of euros)</i>	Notes	31/12/2007	31/12/2006	31/12/2005
Turnover	18	1,432,588	1,342,705	1,217,917
Premiums written	18	1,099,098	1,060,802	966,985
Change in unearned premium provisions	19	(17,829)	(28,940)	(11,015)
Earned premiums	19	1,081,269	1,031,862	955,970
Income from banking activities	18	71,757	53,673	38,335
Risk cost	21	(11,548)	(8,104)	(6,296)
Net banking income		60,209	45,569	32,039
Revenue or income from other activities	18	261,733	228,230	212,597
Investment income, net of management expenses	24	38,024	27,092	50,506
Gains and losses on disposals of investments	24	20,664	15,328	21,065
Net financial income excluding finance costs	24	58,688	42,420	71,571
TOTAL INCOME FROM ORDINARY ACTIVITIES		1,461,899	1,348,081	1,272,177
Claims-related expenses	20	(544,595)	(512,921)	(480,152)
Expenses from banking activities, excluding risk cost	21	(27,256)	(17,642)	(16,391)
Expenses from other activities		(168,943)	(156,423)	(141,726)
Income from ceded reinsurance	23	205,717	169,455	154,423
Expenses from ceded reinsurance	23	(257,069)	(222,896)	(204,850)
Business acquisition costs	22	(215,997)	(187,672)	(187,607)
Administrative costs	22	(218,917)	(201,643)	(181,616)
Other current income and expenses	22	(19,708)	(29,436)	(24,006)
Total current income and expenses		(1,246,768)	(1,159,178)	(1,081,925)
CURRENT OPERATING PROFIT		215,131	188,903	190,252
Change in value of goodwill				337
Other income and expenses from operations	26	(224)	(1,132)	1,613
OPERATING PROFIT		214,907	187,771	192,202
Finance costs		(14,626)	(10,730)	(10,868)
Share of profits of associates	28	12,444	5,362	4,053
Income tax	27	(48,139)	(66,624)	(67,043)
CONSOLIDATED NET PROFIT BEFORE MINORITY INTERESTS		164,586	115,779	118,344
Minority interests		(1,084)	(1,206)	(1,592)
NET PROFIT		163,502	114,573	116,752
Basic earnings per share (in euros)	31	7.97	7.00	8.50
Diluted earnings per share (in euros)	31	7.95	6.96	8.44

Statement of changes in consolidated shareholders' funds

<i>(in thousands of euros)</i>	Share capital and additional paid-in capital		Consolidated reserves	Unrealised or deferred gains and losses (net of income tax)		Net profit	Shareholders' funds excluding minority interests	Minority interests	Total shareholders' funds
	Share capital	Additional paid-in capital	Consolidated reserves	Cumulative translation adjustment	Changes in fair value of financial instruments				
Shareholders' funds at 1 January 2005 – IFRS Full	49,796	41,224	659,578	(5,818)	8,694		753,474	3,450	756,924
Capital increase	5,161	42,241					47,402		47,402
Payment of 2004 dividends in 2005			(47,051)				(47,051)	(233)	(47,284)
Total shareholder-related movements	5,161	42,241	(47,051)	0	0	0	351	(233)	118
2005 net profit						116,752	116,752	1,592	118,344
Impact of acquisitions and disposals on minority interests							0	228	228
Net unrealised gains and losses on AFS investments					19,991		19,991		19,991
Other movements			(1,626)				(1,626)		(1,626)
Translation adjustments				4,197			4,197	12	4,209
Shareholders' funds at 31 December 2005	54,957	83,465	610,901	(1,621)	28,685	116,752	893,139	5,049	898,188
Capital increase	14,838	102,722					117,560		117,560
Appropriation of 2005 net profit			116,752			(116,752)	0		0
Equity component of share-based compensation			276				276		276
Payment of 2005 dividends in 2006			(116,868)				(116,868)	(631)	(117,499)
Total shareholder-related movements	14,838	102,722	160	0	0	(116,752)	968	(631)	337
2006 net profit						114,573	114,573	1,205	115,778
Impact of acquisitions and disposals on minority interests							0	(1,159)	(1,159)
Call options on securities								(2,424)	(2,424)
Unrealised gains and losses on AFS investments net of deferred taxes					11,354		11,354	9	11,363
Reclassification (correction of accounting error in 2004)			(1,876)				(1,876)		(1,876)
Translation adjustments				(6,200)			(6,200)	(19)	(6,219)
Shareholders' funds at 31 December 2006	69,795	186,187	609,185	(7,821)	40,039	114,573	1,011,958	2,030	1,013,988
Capital increase	16,755	98,731					115,486		115,486
Appropriation of 2006 net profit			114,573			(114,573)	0		0
Payment of 2006 dividends in 2007			(154,139)				(154,139)	(321)	(154,460)
Deferred tax on deconsolidated companies			1,667				1,667	(1,642)	25
Total shareholder-related movements	16,755	98,731	(37,899)	0	0	(114,573)	(36,986)	(1,963)	(38,949)
2007 net profit						163,502	163,502	1,084	164,586
Unrealised gains and losses on AFS investments net of deferred taxes					38,380		38,380	3,782	42,162
Reclassifications			1,675		(1,675)		0		0
Error correction			969				969		969
Translation adjustments				(1,167)			(1,167)	(16)	(1,183)
Shareholders' funds at 31 December 2007	86,550	284,918	573,930	(8,988)	76,744	163,502	1,176,656	4,917	1,181,573

Consolidated cash flow statement

(in thousands of euros)	31/12/2007	31/12/2006	31/12/2005
Net profit (A)	163,502	114,573	116,752
+/- Depreciation and amortisation of tangible and intangible assets	23,041	15,951	17,687
+/- Net additions to technical provisions	11,788	77,377	40,658
+/- Share of profits of associates	(7,658)	(5,362)	(4,053)
+/- Changes in fair value of financial instruments accounted for at fair value through profit or loss	3,202	(2,431)	(1,544)
+/- Other non-cash items	(9,856)	(1,856)	(11,383)
Total adjustments to reconcile net profit to cash flows from operating activities (B)	20,517	83,680	41,365
Cash flows from operating activities (C) = (A) + (B)	184,019	198,253	158,117
Change in creditors and debtors	(43,576)	(10,032)	(3,870)
Net taxes paid	(2,177)	(7,255)	(17,868)
Change in working capital requirement (D)	(45,753)	(17,287)	(21,738)
Change in debtors arising from factoring operations	(885,683)	(960,222)	(607,107)
Change in creditors arising from factoring operations	252,558	386,704	213,952
Change in factoring liabilities	796,619	567,710	638,458
Net cash generated from/(used in) banking and factoring operations (E)	163,495	(5,808)	245,303
Increase in investments	(1,005,948)	(1,274,805)	(959,171)
Decrease in investments	922,646	1,136,985	844,565
Net cash flows from changes in investments (F)	(83,301)	(137,820)	(114,606)
Net cash generated from operating activities (G) (C+D+E+F)	218,459	37,338	267,076
Acquisitions of subsidiaries, net of cash acquired	(32,775)	(20,923)	(7,078)
Disposals of consolidated companies, net of cash transferred		1,916	20,198
Cash flows related to intangible assets	(31,823)	(18,836)	(24,467)
Cash flows related to tangible assets	3	3,758	(3,038)
Net cash used in investing activities (H)	(64,595)	(34,086)	(14,385)
Proceeds from issues of equity instruments	115,487	117,560	47,402
Treasury share transactions			
Dividends paid to shareholders of the parent company	(154,140)	(116,867)	(47,051)
Dividends paid to minority interests in consolidated companies	(321)	(631)	(233)
Cash flows from transactions with shareholders	(38,974)	62	118
Proceeds from issues of debt instruments	395,308	76,972	23,192
Redemptions of debt instruments	(324,280)	(25,223)	(281,541)
Cash flows from/(used in) financing of Group operations	71,028	51,750	(258,349)
Net cash generated from/(used in) financing activities (I)	32,054	51,812	(258,231)
Impact of changes in exchange rates on cash and cash equivalents (J)	(3,776)	(5,161)	1,957

Consolidated cash flow statement

(in thousands of euros)	31/12/2007	31/12/2006	31/12/2005
Net increase/(decrease) in cash and cash equivalents (G+H+I+J)	182,143	49,904	(3,583)
Net cash generated from operating activities (G)	218,459	37,338	267,076
Net cash used in investing activities (H)	(64,595)	(34,086)	(14,385)
Net cash generated from/(used in) financing activities (I)	32,054	51,812	(258,231)
Impact of changes in exchange rates on cash and cash equivalents (J)	(3,776)	(5,161)	1,957
Cash and cash equivalents at opening	200,902	150,998	154,581
Cash and cash equivalents at year-end	383,045	200,902	150,998
Net change in cash and cash equivalents	182,143	49,904	(3,583)

Notes to the consolidated financial Statements

NOTE 1 - SIGNIFICANT EVENTS

During 2007 Coface continued to implement its 2005-2007 strategic plan aimed at rolling out its four core businesses to all key geographic markets. By the end of the year our company and marketing information business was operating in 58 countries, receivables management in 40 countries, credit insurance in 52 countries and factoring in 15 countries.

The main achievements under the 2005-2007 strategic plan were as follows:

- At 9% our average turnover growth was more than double that of our main competitors. Organic growth accounted for 6.5 points of this increase and acquisitions contributed 2.5 points.
- Return on equity stood at 15.4% at end-2007.
- The Group's total headcount increased from 4,619 to 6,687, including 4,625 full-time equivalent employees in consolidated companies.
- We implemented a significant capital spending program for information systems, setting up a target architecture based on the creation of EasyNumber and carrying out four projects (Magellan, Atlas, Iris and Dcon) for our four core businesses.

The strategic plan drawn up for 2008 to 2010 concerns Coface Holding which corresponds to both Coface and Natixis Factor. The plan contains seven objectives, including (i) consolidating our leadership position in France; (ii) extending our presence to 82 countries; and (iii) enhancing our customer service by investing in both information systems and organisational aspects with a view to facilitating the distribution of our four core businesses.

1. CREATION OF COFACE HOLDING

As part of the Natixis Group's internal reorganisation, in 2007 the shares held by Natixis in Coface SA and Natixis Factor were transferred to a wholly-owned subsidiary of Natixis which was subsequently renamed Coface Holding. This new organisational structure will strengthen the visibility of the Credit Management Division (grouping Coface and Natixis Factor) and will ultimately enable Coface to separate its holding activities from its insurance business.

2. ACQUISITION OF KOMPASS COMPANIES

In the first quarter of 2007, through its subsidiary Coface Services, the Group acquired Kompass France and Kompass Belgium as well as their respective branches in Spain and Luxembourg. With an already well-established presence in this market through its subsidiary Kompass International and franchises held in 15 different countries in the Americas, Asia, Europe and the Middle East, Coface now accounts for 56% of the total turnover of Kompass, the world's leading system providing information on companies working in B2B environments. Thanks to these acquisitions Coface has bolstered its overall positioning in the marketing information sector.

3. ACQUISITION OF MIDT FACTORING

In December 2007, Coface Holding AG acquired a 10% interest in the Danish factoring company Midt Factoring along with an option to purchase an additional 65% stake in 2008. Through the acquisition of

this company – which recorded turnover of €14 million in 2007 – Coface has strengthened its position in Denmark, where its four core businesses now hold a 9.7% market share.

4. ACQUISITION OF FIANI & PARTNERS

In January 2008, Coface acquired the assets of Fiani & Partners, a company based in Egypt that specializes in company and marketing information and which holds the Kompass franchise in that country. Through this acquisition, Egypt has become the sixty-fifth country where Coface has a direct presence.

5. CREATION OF COFACE HOLDING AUSTRIA

During the year Coface continued to reorganise its geographic structure by creating Coface Holding Austria to hold the Group's insurance, services and factoring entities in Austria and eastern European countries.

6. DECONSOLIDATED SUBSIDIARIES

Following a review carried out by Natixis concerning its consolidation thresholds and their application within the Coface Group, 42 Coface entities have been deconsolidated since 31 December 2006, primarily in Eastern Europe and South America. These deconsolidations had a €27.6 million negative impact on 2007 turnover and a €4 million effect on consolidated shareholders' funds.

7. COFACE APPROVED AS A RATING AGENCY FOR BANKS

Thanks to its Score @rating service, Coface has been approved by the French Banking Commission as an External Credit Assessment Institution (ECAI) for its ratings business in France. Score @rating supplies default risk data for measuring credit risk to financial institutions using the standard approach under the Basel II regulations for determining capital requirements.

8. SUCCESS FOR EASYNUMBER

EasyNumber is a universal identification system for companies throughout the world based on a unique ID number. The system was developed by Coface and jointly rolled out under a cooperative agreement with CreditReform, the leading player in Germany's company information sector. With over 40 million companies in more than 100 countries already listed, the aim is to reach 50 million by 2008.

9. FINANCIAL STRENGTH RATING

On 21 November 2007, Moody's confirmed the "Aa3" (stable outlook) financial strength rating issued to Coface and its main operating subsidiaries in Germany, Italy, Austria and the United States. On 30 November 2007 Fitch Ratings downgraded Coface and its subsidiaries from "AA+" to "AA". In addition, on 7 December 2007 Standard & Poor's revised the outlook attributed to Coface from "AA" (stable outlook) to "AA" (negative outlook) as a result of its revised outlook for the Group's parent company, Natixis.

Notes to the consolidated financial statements

NOTE 2 - SCOPE OF CONSOLIDATION

2.1. CHANGES IN THE SCOPE OF CONSOLIDATION

The main changes in the scope of consolidation in 2007 were as follows:

NEWLY CONSOLIDATED COMPANIES

- Kompass France and Kompass Belgium, which were acquired in March 2007.
- Coface Factoring Spain, which was created in 2006 and consolidated as from 1 January 2007.
- Coface Belgium Services Holding (formerly RBB), which was previously presented under investments in non-consolidated companies.
- Cerved Business Information SA (previously presented under investments in non-consolidated companies), following Coface's acquisition of an equity interest in the company on 14 December 2006.

DECONSOLIDATED COMPANIES

- 42 companies were deconsolidated following the application of new consolidation thresholds. The shares in these entities were

recorded as AFS securities in the accounts of their respective parent companies based on the proportion of their net equity at 31 December 2006 plus any residual goodwill. At 31 December 2007 these shares were measured at fair value with a corresponding adjustment to shareholders' funds.

- Kompass Holding and Coface Expert, which were merged into Coface SA on 1 January 2007.
- Orchid Telematics, which was liquidated on 1 January 2007.

RESTRUCTURING MEASURES IN AUSTRIA

- During 2007, the Group's insurance business in Austria was transferred to Coface Austria Insurance (a newly-formed company) and the entity that previously held the business was renamed Coface Austria Holding.

2.2. CONSOLIDATED COMPANIES

FRENCH COMPANIES	Consolidation method	Percentage		Percentage		Percentage	
		Control 31/12/07	Interest 31/12/07	Control 31/12/06	Interest 31/12/06	Control 31/12/05	Interest 31/12/05
COFACE 12 Cours Michelet – La Défense 10 92800 Puteaux	Parent company	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
COFACE EXPERT 10 Cours Michelet – La Défense 10 92800 Puteaux	Full		Merged into Coface SA	100,00%	100,00%	100,00%	100,00%
COFACE ORT 7, chemin de Sens 37210 Rochecorbon	Full		Merged into Coface Services	Merged into Coface Services		Merged into Coface Services	
CENTRE D'ETUDES FINANCIERES (CEF) 7, chemin de Sens 37210 Rochecorbon	Full	Deconsolidated		100.00%	100.00%	100.00%	100.00%
OR INFORMATIQUE 2, rue du Général de Gaulle 54340 Pompey	Full	Deconsolidated		100.00%	100.00%	100.00%	100.00%
LIBRAIRIE ELECTRONIQUE 7, chemin de Sens 37210 Rochecorbon	Full	Deconsolidated		100.00%	100.00%	100.00%	100.00%
EIOS 33, rue de Vivienne 75002 Paris	Equity method		Liquidated	29.76%	29.76%	29.76%	29.76%

Notes to the consolidated financial statements

FRENCH COMPANIES	Consolidation method	Percentage		Percentage		Percentage	
		Control 31/12/07	Interest 31/12/07	Control 31/12/06	Interest 31/12/06	Control 31/12/05	Interest 31/12/05
COFACE SCRL (formerly COFACE SCRL participations) 5, quai Jaÿr 69009 Lyon	Full	Merged into Coface Services		Merged into Coface Services		Merged into Coface Services	
AXA ASSURCREDIT 26, Rue Drouot 75 009 Paris	Proportionate	Deconsolidated	40.00%	40.00%	40.00%	40.00%	40.00%
COFACERATING.COM 12 Cours Michelet – La Défense 10 92800 Puteaux	Full	Merged into Coface SA		Merged into Coface SA		Merged into Coface SA	
COFACERATING.FR 12 Cours Michelet – La Défense 10 92800 Puteaux	Full	Liquidated		Liquidated		Liquidated	
COFACREDIT Tour facto – 18, rue Hoche 92988 Paris La Défense Cedex 88	Equity method	36.00%	36.00%	36.00%	36.00%	36.00%	36.00%
COFINPAR 12, cours Michelet – La Défense 10 92800 Puteaux	Full	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
COGERI 12, cours Michelet – La Défense 10 92800 Puteaux	Full	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
FIMIPAR 12 Cours Michelet – La Défense 10 92800 Puteaux	Full	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
KOMPASS France 66 Quai du Maréchal Joffre 92 415 Courbevoie cedex	Full	100.00%	100.00%	-	-	-	-
KOMPASS International Neuwandner Saint Laurent 73800 Cruet	Full	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
UNISTRAT ASSURANCES 161–163, rue de Courcelles 75017 Paris	Full	Merged into Coface SA		Merged into Coface SA		Merged into Coface SA	
UNISTRAT COFACE 161–163, rue de Courcelles 75017 Paris	Full	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
COFACE SERVICES 1, rue de l'Union 92 500 Rueil Malmaison	Full	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
SCI COFIMMO 5, quai Jaÿr 69009 Lyon	Full	Divested on 30/09/05		Divested on 30/09/05		Divested on 30/09/05	
Cofactions 2 Lazard Frères & Cie 121 boulevard Haussmann 75008 Paris	Full	Dissolved on 03/08/07		100.00%	100.00%	100.00%	100.00%
Cofoblig Credit Agricole Asset management 90 boulevard Pasteur 75015 Paris	Full	Dissolved on 30/11/07		100.00%	100.00%	100.00%	100.00%

Notes to the consolidated financial statements

INTERNATIONAL COMPANIES	Country	Consolidation method	Percentage		Percentage		Percentage	
			Control 31/12/07	Interest 31/12/07	Control 31/12/06	Interest 31/12/06	Control 31/12/05	Interest 31/12/05
AKCO FUND								
COMINVEST Asset Management GmbH Platz der Einheit 1 60327 Frankfurt/Main	Germany	Full	100.00%	100.00%	100.00%	100.00%	-	-
COFACE KREDITVERSICHERUNG AG (formerly Allgemeine Kredit Coface)								
Isaac – Fulda – Allee 1 55124 Mainz	Germany	Full	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
COFACE KREDIT INFORMATION (formerly Allgemeine Kredit Coface Informations)								
Isaac – Fulda – Allee 1 55124 Mainz	Germany	Full	Merged into Coface Rating.de		Merged into Coface Rating.de		100.00%	100.00%
COFACE FINANZ (formerly Allgemeine Kredit Coface Finanz)								
Isaac – Fulda – Allee 5 55124 Mainz	Germany	Full	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
COFACE DEBITORENMANAGEMENT GMBH (formerly ADG Coface Allgemeine Debitoren Gesellschaft)								
Isaac – Fulda – Allee 5 55124 Mainz	Germany	Full	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
COFACE RATING HOLDING								
Isaac – Fulda-Allee 1 55124 Mainz	Germany	Full	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Coface DEUTSCHLAND (formerly AK Holding)								
Isaac – Fulda – Allee 1 55124 Mainz	Germany	Full	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
COFACE RATING GMBH								
Isaac- Fulda – Allee 1 55 124 Mainz	Germany	Full	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
MLS 1 FUND								
Deutsche Assetmanagement Investment Gesellschaft Mainzer Landstr. 16 60325 Frankfurt/Main	Germany	Full	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
COFACE NEDERLAND SERVICES (formerly Coface Netherland Services)								
Claudius Prinsenlaan 126 4818 CP Breda	Netherlands	Full	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
COFACE DANMARK SERVICES								
Frederiksberg Alle 26 1820 Frederiksberg	Denmark	Full	Deconsolidated		100.00%	100.00%	-	-
COFACE SERVICIOS ESPAÑA, SL (formerly Cofacerating.espana, S.L)								
Paseo de la Castellana 28046 Madrid	Spain	Full	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
COFACE FACTORING ESPAÑA, SL								
Paseo de la Castellana, 95 28046 Madrid	Spain	Full	100.00%	100.00%	-	-	-	-

Notes to the consolidated financial statements

INTERNATIONAL COMPANIES	Country	Consolidation method	Percentage		Percentage		Percentage	
			Control 31/12/07	Interest 31/12/07	Control 31/12/06	Interest 31/12/06	Control 31/12/05	Interest 31/12/05
COFACE NORTH AMERICA HOLDING COMPANY 1350, Broadway, suite 2000 New York	United States	Full	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
COFACE CREDIT MANAGEMENT NORTH AMERICA (formerly Coface Credit Management Services) Windsor Corporate Park 50, Millstone Road, Building 100 Suite 360, East Windsor NEW – JERSEY 08520	United States	Full	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
COFACE COLLECTION NORTH AMERICA Windsor Corporate Park 50, Millstone Road, Building 100 Suite 360, East Windsor NEW – JERSEY 08520	United States	Full	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
COFACE NORTH AMERICA Windsor Corporate Park 50, Millstone Road, Building 100 Suite 360, East Windsor NEW – JERSEY 08520	United States	Full	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
COFACE NORTH AMERICA INSURANCE COMPANY Windsor Corporate Park 50, Millstone Road, Building 100 Suite 360, East Windsor NEW – JERSEY 08520	United States	Full	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
GRAYDON HOLDING Hullenbergweg 260 1101 BV Amsterdam Z.O	Netherlands	Equity method	27.50%	27.50%	27.50%	27.50%	27.50%	27.50%
COFACE CENTRAL EUROPE HOLDING (ex Group Coface Intercredit Holding AG) Stubenring 24 A – 1011 Vienna	Austria	Full	74.99%	74.99%	74.99%	74.99%	74.99%	74.99%
• COFACE CZECH CMS (formerly Coface Intercredit Czerh Republic)	Czech Rep.	Full Deconsolidated	74.99%	100.00%	74.99%	100.00%	74.99%	74.99%
• COFACE POLAND CMS (formerly Coface Intercredit Poland)	Poland	Full Deconsolidated	74.99%	100.00%	74.99%	97.00%	72.74%	
• COFACE SLOVENIA CMS (formerly Coface Intercredit Slovenia)	Slovenia	Full Deconsolidated	74.99%	100.00%	74.99%	60.00%	74.99%	
• COFACE SLOVAKIA CMS (formerly Coface Intercredit Slovakia)	Slovakia	Full Deconsolidated	74.99%	100.00%	74.99%	100.00%	74.99%	
• COFACE BULGARIA CMS (formerly Coface Intercredit Bulgaria)	Bulgaria	Full Deconsolidated	74.99%	100.00%	74.99%	100.00%	74.99%	
• COFACE ROMANIA CMS (formerly Coface Intercredit Romania)	Roumania	Full Deconsolidated	74.99%	100.00%	74.99%	100.00%	74.99%	
• COFACE HUNGARY CMS (formerly Coface Intercredit Hungary)	Hongria	Full Deconsolidated	74.99%	100.00%	74.99%	100.00%	74.99%	
• COFACE CROATIA CMS (formerly Coface Intercredit Croatia)	Croatia	Full Deconsolidated	74.99%	100.00%	74.99%	100.00%	74.99%	

Notes to the consolidated financial statements

INTERNATIONAL COMPANIES	Country	Consolidation method	Percentage		Percentage		Percentage	
			Control	Interest	Control	Interest	Control	Interest
			31/12/07	31/12/07	31/12/06	31/12/06	31/12/05	31/12/05
COFACE Assicurazioni (formerly Viscontea Coface)								
Via Giovanni Spadolini 4 20141 Milano	Italy	Full	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
VISCONTEA IMMOBILIARE								
Via Giovanni Spadolini 4 20141 Milano	Italy	Full	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
COFACE SERVICE SpA								
Piazza Casalegno n°9/A 13900 Biella	Italy	Full	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
COFACERATING.IT								
Via Giovanni Spadolini 4 20141 Milano	Italy	Full	Liquidated		Liquidated		Liquidated	
COFACE ITALIA								
Via Giovanni Spadolini 4 20141 Milano	Italy	Full	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
COFACE FACTORING ITALIA SpA								
Via Giovanni Spadolini 4 20141 Milano	Italy	Full	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
CERVED								
Via G.B. Morgagni 30/h 00161 ROMA	Italy	Equity method	15.00%	15.00%	-	-	-	-
COFACE UK								
15 Appold Street London EC2A 2DL	UK	Full	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
• CIMCO SYSTEMS LIMITED								
15 Appold Street London EC2A 2DL	UK	Full Deconsolidated	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
• CREDICO LIMITED (formerly CIMCO LTD)								
15 Appold Street London EC2A 2DL	UK	Full Deconsolidated	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
• CREDITORS GROUP HOLDINGS LTD								
15 Appold Street London EC2A 2DL	UK	Full Deconsolidated	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
• THE CREDITORS GROUP LIMITED								
15 Appold Street London EC2A 2DL	UK	Full Deconsolidated	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
• THE CREDITORS INFORMATION CO LTD								
15 Appold Street London EC2A 2DL	UK	Full Deconsolidated	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
• COFACE DEBT PURCHASE								
15 Appold Street London EC2A 2DL	UK	Full Deconsolidated	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
• COFACE UK SERVICES LIMITED (formerly COFACERATING.UK)								
15 Appold Street London EC2A 2DL	UK	Full Deconsolidated	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
• COFACE RECEIVABLES FINANCE (formerly London Bridge Finance Ltd)								
Langley Place, 99 Langley Road Watford Wd17 4bf	UK	Full Deconsolidated	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Notes to the consolidated financial statements

INTERNATIONAL COMPANIES	Country	Consolidation method	Percentage		Percentage		Percentage	
			Control 31/12/07	Interest 31/12/07	Control 31/12/06	Interest 31/12/06	Control 31/12/05	Interest 31/12/05
COFACE SERVICIOS PORTUGAL (formerly Coface Mope)								
Rua de Santa Marta – 43E/F 4e 1150 Lisboa	Portugal	Full	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
COFACE AUSTRIA HOLDING AG (formerly Coface Austria)								
Stubenring 24 1011 Vienna	Austria	Full	100.00%	100.00%	100.00%	100.00%	94.00%	94.00%
COFACE AUSTRIA INSURANCE								
Stubenring 24 1011 Vienna	Austria	Full	100.00%	100.00%	-	-	-	-
COFACE SERVICES AUSTRIA (formerly ÖKV Kreditinformations)								
Stubenring 24 1011 Vienna	Austria	Full	100.00%	100.00%	100.00%	100.00%	100.00%	94.00%
LIETUVOS EKSPORTO IMPORTO DRAUDIMAS (LEID)								
Vilniaus g. 23, LT-01119 Vilnius	Lithuania	Full	Merged into ÖKV		Merged into ÖKV	-	Merged into ÖKV	-
COFACE POLAND INSURANCE SERVICE								
Al.Jeruzolimskie 136 – 02-305 Warszawa	Austria	Full	Deconsolidated		100.00%	100.00%	-	-
SOUS GROUPE KOMPASS HOLDING								
Saint Laurent 73800 CRUET	France	Full	Merged into Coface SA		100.00%	100.00%	100.00%	100.00%
• KOMPASS POLAND								
49, Warszawa Mokotowska – Varsawa	Poland	Full	Deconsolidated		100.00%	100.00%	100.00%	100.00%
• KOMPASS JAPAN								
Kojimachi and Chiyoda – Ku _ Tokyo 102 – 0082	Japan	Full	Deconsolidated		100.00%	100.00%	99.95%	99.95%
• KOMPASS BILGI								
Yildiz Posta Caddesi N°8 Gayretteppe – 80 280 Istanbul	Turkey	Full	Deconsolidated		69.91%	69.91%	69.91%	69.91%
• KOMPASS UNITED STATES								
1255, Route 70 Suite 245 Lakewood NJ 18701	United States	Full	Deconsolidated		100.00%	100.00%	100.00%	100.00%
• KOMPASS SOUTH EAST ASIA								
36 Robinson Road- #19-01 City House Singapore 068877	Singapore	Full	Deconsolidated		100.00%	100.00%	100.00%	100.00%
• KOMPASS CZECH REPUBLIC								
14 Capkova 14 000 Praha 4	Czech Rep.	Full	Deconsolidated		93.00%	93.00%	93.00%	93.00%
COFACE SERVICES NORTH AMERICA GROUP (formerly VERITAS GROUP)								
121 Whitney Avenue – New haven, CT 06510	United States	Full	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
• VERITAS SA (Argentina)								
	Argentina	Full	Deconsolidated		Déconsolidated		100.00%	100.00%
• VERITAS PUERTO RICO CORP.								
	Puerto Rico	Full	Deconsolidated		Déconsolidated		100.00%	100.00%
COFACE HOLDING AMERICA LATINA								
Insurgentes Sur 1787 Piso 10 y 11, Col Guadalupe Inn, 01020, Del. Alvaro Obregon, México, D.F	Mexico	Full	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Notes to the consolidated financial statements

INTERNATIONAL COMPANIES

	Country	Consolidation method	Percentage		Percentage		Percentage	
			Control 31/12/07	Interest 31/12/07	Control 31/12/06	Interest 31/12/06	Control 31/12/05	Interest 31/12/05
• COFACE SERVICIOS CHILE								
Ed. World Trade Center Av. Nueva Tajamaor 481, Torre Norte. Of 1701, Las Condes – Santiago Chile	Chile	Full Deconsolidated			100.00%	100.00%	100.00%	100.00%
• COFACE SERVICIOS COLOMBIA (formerly VERITAS COLOMBIA)								
Carrera 15 No. 91-30 Oficinas 601,602 Bogotá, D.C. Colombia	Colombia	Full Deconsolidated			100.00%	100.00%	100.00%	100.00%
• COFACE SERVICIOS MEXICO SA DE CV (formerly INFORMES VERITAS)								
Insurgentes Sur 1787 Piso 10 y 11, Col Guadalupe Inn, 01020, Del. Alvaro Obregon, Mexico, D.F.	Mexico	Full Deconsolidated			100.00%	100.00%	100.00%	100.00%
• COFACE SERVICIOS ARGENTINA (formerly VERITAS ARGENTINA)								
Ricardo Rojas 401, Piso 7, C1001AEA Buenos Aires Argentina	Argentina	Full Deconsolidated			100.00%	100.00%	100.00%	100.00%
• COFACE SERVICIOS ECUADOR (formerly VERITAS ANDINA)								
Av. Diego de Almagro # 20-33 y Whymper, Ofic.# 501 Quito, Ecuador	Ecuador	Full Deconsolidated			100.00%	100.00%	100.00%	100.00%
• COFACE SERVICIOS COSTA RICA, S.A. (formerly VERITAS DE CENTRO AMERICA)								
Oficentro Ejecutivo La Sabana Edificio 4 Piso 3 Local 5 San José, Rhomoser Costa Rica	Costa Rica	Full Deconsolidated			100.00%	100.00%	100.00%	100.00%
• COFACE SERVICIOS PERU (formerly VERITAS PERU)								
Av. Jorge Basadre 489 Of. 803-804 San Isidro Lima 27 – Perú	Peru	Full Deconsolidated			100.00%	100.00%	100.00%	100.00%
• COFACE SERVICIOS VENEZUELA (formerly VERITAS VENEZUELA)								
Av. Francisco de Miranda, Edif . EASO Piso 5, Of. 5 H – Chacaito 1050, Caracas	Venezuela	Full Deconsolidated			100.00%	100.00%	100.00%	100.00%
• COFACE DO BRASIL SERVIÇOS DE GERENCIAMENTO DE CREDITO LTDA								
Rua Haddock Lobo, 846 13° andar – Torre Alpha 01414-000 Sao Paulo – SP	Brazil	Full Deconsolidated			100.00%	100.00%	100.00%	100.00%
• COFACE SERVICIOS PANAMA								
Avda. 3ra Sur y Calle 77 San Francisco Panama, P.O. Box 7 1990 Panama	Panama	Full Deconsolidated			100.00%	100.00%	100.00%	100.00%

Notes to the consolidated financial statements

INTERNATIONAL COMPANIES

	Country	Consolidation method	Percentage		Percentage		Percentage	
			Control 31/12/07	Interest 31/12/07	Control 31/12/06	Interest 31/12/06	Control 31/12/05	Interest 31/12/05
CIA DE SEGUROS DE CREDITOS								
COFACE CHILE SA								
Avenida Nueva Tajamar 481 Torre Norte Of. 1701 Las Condes Santiago - Chile	Chile	Full Deconsolidated			84.36%	84.36%	84.36%	84.36%
COFACE DO BRASIL SEGUROS DE CREDITO INTERNO SA								
846, Haddock Lobo Street – Cerqueira Cesar District – 01414-000 Sao Paulo Brasil	Brazil	Full	100.00%		100.00%	100.00%	-	-
COFACE BELGIUM SERVICES (formerly N.V. COFACE EURO DB)								
Place de l'Université, 16 B – 1348 Ottignies Louvain La Neuve – Belgique	Belgium	Full	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
• KOMPASS BELGIUM								
256 Avenue Molière 1180 Bruxelles – Belgique	Belgium	Full	100.00%	100.00%	-	-	-	-
ORCHID TELEMATICS LIMITED								
Companies Hous Crown Way – Maindy Cardiff CF 14 3UZ Grande- Bretagne	UK	Full	Liquidated		100.00%	100.00%	100.00%	100.00%
COFACERATING.CH								
Av. de la Gare 4 CH-1003 Lausanne	Switzerland	Full Deconsolidated			100.00%	100.00%	100.00%	100.00%
COFACE SOUTH AFRICA SERVICES (formerly Cual)								
Nyanga Office Park, Inyanga Close, Sunninghill, Sandton South Africa	South Africa	Full Deconsolidated			100.00%	100.00%	100.00%	100.00%
COFACE SOUTH AFRICA INSURANCE COMPANY								
Nyanga Office Park, Inyanga Close, Sunninghill, Sandton South Africa	South Africa	Full Deconsolidated			100.00%	100.00%	100.00%	100.00%
COFACE BELGIUM SERVICES HOLDING (formerly RBB)								
100 Boulevard du souverain 1170 BRUXELLES – Belgique	Belgium	Full	100.00%	100.00%	Not consolidated		Not consolidated	
COFACE HOLDING ISRAËL								
by Haim Zadok & Co. Law Offices 20 Lincoln st. Tel Aviv 67134 Israel	Israel	Full	100.00%	100.00%	100.00%	100.00%	-	-
BDI COFACE								
11 Ben Gurion st. Bnei Brak 51260, Israel	Israel	Full	60.91%	60.91%	60.91%	60.91%	-	-
KOMPASS ISRAEL								
11 Ben Gurion st. Bnei Brak 51260 Israel	Israel	Full Deconsolidated			75.00%	45.68%	-	-

Notes to the consolidated financial statements

NOTE 3 - ACCOUNTING PRINCIPLES

In accordance with European regulation 16/06/02 dated 19 July 2002, the Coface Group has prepared its consolidated financial statements for the year ended 31 December 2007 in accordance with International Financial Reporting Standards (IFRS) applicable at that date, as approved by the European Union.

These financial statements include the balance sheet, profit and loss account, statement of changes in shareholders' funds, cash flow statement and notes. They also include comparative data for 2005 and 2006.

3.1. Accounting options applied under IFRS 1 (First-time Adoption of International Financial Reporting Standards)

As part of the first-time adoption of IFRS, and in accordance with IFRS 1, the main options used by Coface are set out below.

- Business combinations continue to be classified in accordance with previous GAAP. Consequently, there is no retrospective application of IFRS 3 and IAS 21. Only the values attributable to the network recorded in the French GAAP accounts were reclassified from intangible assets to goodwill, as they did not meet the definition of an intangible asset under IAS 38.
- Cumulative translation adjustments relating to net investments in foreign operations have been cancelled, so that proceeds from the future sale of a consolidated entity preparing its financial statements in a foreign currency will not include the translation adjustments existing at 1 January 2004.
- Actuarial gains and losses on pension obligations calculated in accordance with IAS 19 have been recognised in full, with a corresponding adjustment to shareholders' funds. This option does not prevent Coface from deferring any additional actuarial gains and losses that may arise in the future.
- Investment properties are accounted for at fair value through profit or loss, in accordance with IAS 40.

3.2. Basis of consolidation

In accordance with IAS 1, Presentation of Financial Statements, as well as IAS 27, Consolidated and Separate Financial Statements, and IFRS 3, Business Combinations, subsidiaries that are not material in relation to the Group as a whole are not consolidated. Materiality is determined by applying both quantitative (turnover, shareholders' funds, etc.) and qualitative criteria.

In keeping with this principle, non-trading property companies and certain Cofacerating.xx companies (where xx represents the country extension) have not been consolidated because their inclusion would not have had a material impact on the presentation of the consolidated financial statements.

Units in dedicated mutual funds (OPVCM) have been included in the scope of consolidation and fully consolidated. There are no minority interests in these funds.

The consolidation methods applied are as follows:

- Companies over which the Coface Group exercises exclusive control are fully consolidated.

- Companies where the Coface Group shares control with another party are proportionately consolidated.
- Companies over which the Coface Group exercises significant influence are accounted for by the equity method.

Companies in which the Coface Group holds over 40% of the voting rights are considered as being exclusively controlled. Significant influence is generally considered as being exercised in cases where at least 20% of the voting rights are held, although companies in which Coface holds a smaller percentage of the voting rights may also be consolidated when it can be established that Coface exercises control or significant influence.

The parent company of the Coface Group is Natixis.

3.3. Special purpose entities

In accordance with SIC 12, separate legal structures (special purpose entities) are consolidated when the substance of the relationship between Coface and the entity indicates that the entity is controlled by Coface, even where Coface has no capital interest in the entity. SIC 12 lists three criteria that indicate that an entity is controlled, but gives precedence to the first requirement (decision-making power):

- Decision-making power and the power to manage the entity's operations.
- The right to obtain the majority of the benefits of the entity's activities.
- Exposure to the majority of the risks incidental to the activities of the entity.

No specific purpose entities were included in the 2007 consolidated financial statements.

3.4. Balance sheet date and accounting period

All consolidated companies have a 31 December year-end.

3.5. Foreign currency translation

The balance sheets of foreign subsidiaries whose functional currency is not the euro are translated into euros at the year-end exchange rate, except for capital and reserves, which are converted at the historical exchange rate. Differences arising from the translation of foreign subsidiaries' balance sheets are recorded in shareholders' funds.

Profit and loss account items are translated into euros at the average exchange rate for the year. Any differences arising on translation of these items are also recorded in shareholders' funds.

3.6. Intercompany transactions

Material intercompany transactions and balances are eliminated on consolidation.

3.7. General principles

Under IFRS 4, insurance companies may continue to use in their IFRS financial statements the recognition and measurement rules applied under local GAAP with regard to assets and liabilities relating to insurance contracts as defined by the standard. French insurance companies therefore continue to use the recognition and measurement rules applicable under French insurance accounting standards. They are

Notes to the consolidated financial statements

based on Decree no. 94-481 dated 8 June 1994, the Government Order dated 20 June 1994 and the European Council Directive of 19 December 1991 concerning the financial statements of insurance companies and groups.

The financial statements of insurance companies operating in other European countries are presented in accordance with local regulations and the European Council Directive of 19 December 1991. However, IFRS 4 prohibits the recognition of equalisation or catastrophe provisions.

Companies engaged in the sale of credit information and debt recovery services fall within the scope of IAS 18, Revenue.

In accordance with IAS 18, revenue is recognised when i) the entity has transferred the significant risks and rewards of ownership of the goods concerned; ii) it is probable that the economic benefits associated with the transaction will flow to the entity; and iii) the amount of the revenue and costs incurred or to be incurred in respect of the transaction can be measured reliably.

Companies engaged in factoring operations are directly impacted by IAS 39, Financial Instruments: Recognition and Measurement. A financial instrument is a contract that gives rise to a financial asset for one entity (contractual right to receive cash or another financial asset from another entity) and a financial liability or equity instrument for another entity (contractual obligation to deliver cash or another financial asset to another entity).

Under IAS 39, Application Guidance 26, trade debtors fall within the "Loans and receivables" category. They are measured at amortised cost using the effective interest method. The financing commission is recorded over the term of the factoring transaction, and is therefore included in the effective interest rate in view of its short-term nature.

Classification of income and expenses

Insurance companies

The expenses of French and international insurance subsidiaries are initially accounted for by type and are then analysed based on cost accounting principles using appropriate cost allocation keys. Investment management expenses are included under investment expenses. Claims handling expenses are included under claims expenses. Business acquisition costs, administrative expenses and other underwriting expenses are shown separately in the profit and loss account.

Public procedures management

The management by Coface SA of French public credit insurance procedures qualifies as an insurance business and the remuneration received from the French State is therefore reported under "Revenue or income from other activities". The corresponding costs are analysed based on cost accounting principles and are therefore included under the same profit and loss account headings as the expenses incurred by Coface SA in connection with its private market insurance activities. Notes 20 and 22 state the portion of the expenses concerned that are attributable to public procedures management.

Factoring companies

Operating income and expenses of companies engaged in the factoring business are reported under "Income from banking activities" and "Expenses from banking activities" respectively.

Other companies

Operating income and expenses of companies not engaged in the insurance or factoring businesses are respectively reported under "Revenue or income from other activities" and "Expenses from other activities".

Turnover

Consolidated turnover includes:

- Premiums written, policy fees and inward reinsurance premiums, as well as fees for other services provided by insurance companies which are reported under "Other underwriting income".
- The remuneration received by Coface SA from the French State for its services in managing public credit insurance procedures.
- Sales of services corresponding to the turnover of Group company information, receivables management and marketing information subsidiaries. These services consist primarily of providing client access to credit and marketing information and debt recovery services.
- Factoring fees for receivables management and collection services, financing fees corresponding to the gross revenue collected from factoring customers net of financing costs (interest margin), and debt collection fees.

Consolidated turnover is analysed by business segment and 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 insurer is located).

Underwriting transactions

a - Premiums

Gross premiums correspond to premiums written, excluding tax. They are stated net of premium cancellations and rebates and paid bonuses but include an estimate of earned premiums not yet written and premiums to be cancelled after the year-end.

Premiums are primarily based on policyholders' turnover or trade receivables balances which vary according to changes in turnover. Premium income therefore depends directly on the volume of sales made in the countries where the Group is present, especially French exports and German domestic and export sales.

The Group also receives policy fees, corresponding mainly to the cost of monitoring the credit status of insured buyers which is billed to clients and partners.

b - Unearned premium provisions

Unearned premium provisions are calculated separately for each policy, on an accruals basis. The amount charged to the provision corresponds to the fraction of written premiums relating to the period between the year-end and the next premium payment date.

For guarantee business, primarily written by Coface Assicurazioni, 60% of premium income is deferred and recognised over the subsequent six years, in accordance with Italian insurance accounting standards.

Notes to the consolidated financial statements

c - Deferred acquisition costs

Business acquisition costs, including commissions and internal expenses related to contract preparation, are deferred over the life of the contracts concerned according to the same rules as unearned premium provisions.

The amount deferred corresponds to business acquisition costs related to the period between the period-end and the next premium payment date. Deferred acquisition costs are included in the balance sheet under "Other assets".

Changes in deferred acquisition costs are included under "Business acquisition costs" in the profit and loss account. Business acquisition costs are deferred only in the accounts of the French, Italian and American entities.

d - Paid claims

Paid claims correspond to insurance settlements net of recoveries, plus claims handling expenses.

e - Claims provisions

Claims provisions include provisions to cover the estimated total cost of reported claims not settled at the year-end, and provisions for claims incurred but not reported – determined by reference to the Group's claims experience in prior underwriting periods that reflect the final amount of paid claims on expired risks, net of any recoveries.

Claims provisions also include a provision for future economic risks that may impact end-of-year premiums, as well as estimated claims handling expenses.

Specific provisions are also recorded for major claims based on the probability of default and level of risk exposure, estimated on a case-by-case basis.

In the guarantee business, local methods are applied. Provisions are only recorded for claims of which the company concerned has been notified by the year-end. As well as the provision booked in accordance with local methods, an additional provision is recorded where the risk that the guarantee will be called on is higher due to the principal becoming insolvent, even if no related guarantees have been called on. This additional provision is calculated based on the probability of default and the level of risk exposure.

f - Subrogation and salvage

Subrogation and salvage represent estimated recoveries determined on the basis of the total amount expected to be recovered in respect of all open underwriting periods. The accrual includes estimated management expenses.

Reinsurance operations

a - Inward reinsurance

Inward reinsurance is accounted for contract by contract based on actual or estimated results for the year.

Technical provisions are determined based on amounts reported by ceding reinsurers, as adjusted upwards by Coface where appropriate.

Commissions paid to ceding insurers are deferred and recognised in the profit and loss account on the same basis as unearned premiums. Where these commissions vary depending on the level of losses accepted, they are estimated at each period end.

b - Ceded reinsurance

Ceded reinsurance is accounted for in accordance with the terms and conditions of the related treaties.

Reinsurers' share of technical provisions is determined on the basis of technical provisions recorded under liabilities.

Cash deposits received from reinsurers are reported under liabilities.

Commissions received from reinsurers are calculated by reference to written premiums. They are deferred and recognised in the profit and loss account on the same basis as ceded unearned premiums.

Goodwill

Goodwill represents the difference between the cost of shares in consolidated subsidiaries and the Group's equity in the underlying net assets identified at the acquisition date, after the corresponding fair value adjustments.

If new information comes to light during the first financial year that follows the initial consolidation of a newly-acquired company which affects the initial fair values attributed to the assets acquired, the fair values are adjusted and the related goodwill is increased or reduced accordingly.

Goodwill is allocated to the cash-generating units (CGUs) that are expected to derive benefits from the acquisition. It is not amortised but is tested for impairment annually. Impairment testing consists of comparing the carrying amount of the CGU or group of CGUs (including allocated goodwill) with its recoverable amount, which corresponds to the higher of value in use and fair value less costs to sell. Value in use is determined as the present value of estimated future cash flows.

Intangible assets and portfolio value

For acquisitions of service companies, all of the companies' intangible assets are allocated to goodwill and impairment tests are carried out on the relevant CGUs.

For insurance companies, a portion of the difference between shareholders' funds and the cost of the acquisition is reclassified as part of the value of the portfolio, based on the extent to which it exceeds a materiality threshold. The remaining intangible assets are reclassified as goodwill.

The value of the portfolio is amortised on a straight-line basis over the average term of the contracts concerned. If the average term is eight years, turnover is reduced by one eighth each year.

The portfolio value is calculated based on a standardised net profit figure, using fixed assumptions regarding the loss ratio, premium costs and reinsurance and economic rate of return on investments.

Impairment tests on goodwill and intangible assets

For the purposes of impairment testing, Coface entities are allocated to CGUs based on their business segment – Insurance and Insurance-related services, Factoring and Company information/Receivables management.

The carrying amount of each CGU is then compared to its recoverable amount which represents the higher of value in use determined using the discounted cash flows method and fair value determined using revenue multiples data from comparable listed companies as well as comparable recent transactions.

Notes to the consolidated financial statements

The recoverable amount of Coface's three CGUs represents their value in use, as this is higher than their fair value. Value in use is calculated by reference to future cash flow projections based on five-year business plans approved by management.

The impairment tests carried out did not lead to the recognition of any impairment losses in the consolidated financial statements at 31 December 2007.

Intangible assets: IT development costs

Under IFRS, IT development costs must be capitalised and amortised over their estimated useful lives when certain criteria are met. In such cases, an entity must be able to demonstrate the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the current and future availability of adequate resources to complete the development and use or sell the intangible asset; and
- its ability to reliably measure the expenditure attributable to the intangible asset during its development.

Tangible assets: property assets

a - Investment property (IAS 40)

Investment property directly owned by Coface is carried at fair value, in line with the accounting option selected by Coface under IAS 40. The fair value of investment property corresponds to the realisable value of the underlying assets, which in France is determined based on an expert appraisal performed at five-yearly intervals and on calculations of present value.

b - Investment property (IAS 39)

Under IFRS, shares in non-consolidated non-trading property companies are not accounted for as property but as financial instruments in accordance with IAS 39. Consequently, they must be measured at fair value. The realisable value of shares in non-trading property companies is determined on the basis of an expert appraisal performed at five-yearly intervals.

c - Buildings used in the business (IAS 16)

Tangible assets, including buildings used in the business, are measured using the cost model. Under IFRS, each component of a single building is depreciated over an estimated useful life that reflects the pattern in which its future economic benefits will be consumed, if such pattern differs from that for the building as a whole.

Coface has identified the following components of property assets:

Land	Not depreciated
Enclosed/covered structure	Depreciated over 30 years
Technical equipment	Depreciated over 15 years
Interior fixtures and fittings	Depreciated over 10 years

Assets acquired under finance leases are included in assets and an obligation in the same amount is recorded under liabilities. At 31 December 2007, the main asset acquired under a finance lease was the Coface Kredit headquarters building.

A lease is classified as a finance lease if it transfers to the lessee substantially all of the risks and rewards incidental to ownership.

Coface defines indicators of impairment and an impairment loss is recorded if the asset is considered to have suffered a material loss in value. In this case, buildings used in the business are carried at fair value (see a – Investment property).

Financial assets

Coface has applied IFRS 7, Financial Instruments: Disclosures, for the first time in its financial statements for the year ended 31 December 2007.

IFRS lists four categories of financial assets.

a - Available-for-sale (AFS)

Available-for-sale financial assets are carried at fair value plus transaction costs that are directly attributable to the acquisition (hereafter referred to as the purchase price). The difference between the fair value of the securities at the balance sheet date and their amortised purchase price is recorded under "Available-for-sale securities" with a contra-entry in revaluation reserves (no impact on profit). Investments in non-consolidated companies are included in this category.

b - Held for trading

Assets held for trading are recorded at the fair value of the securities at the balance sheet date. Changes in fair value of securities held for trading during the accounting period are taken to the profit and loss account.

c - Held-to-maturity (HTM)

Held-to-maturity investments are carried at amortised cost. Premiums and discounts are included in the calculation of amortised cost and are recognised over the useful life of the financial asset using the yield-to-maturity method.

d - At fair value through profit or loss

Financial assets at fair value through profit or loss are accounted for in the same way as securities held for trading.

e - Impairment tests

An impairment loss is recognised on variable-income available-for-sale securities where there is evidence of a prolonged decline in value, corresponding to a significant unrealised loss (20% to 30% of the security's value) for more than six consecutive months.

For fixed-income available-for-sale securities and other categories of securities, an impairment loss is recognised when there is objective evidence of impairment (a "loss event"). Such evidence includes observable data about the following loss events: significant financial difficulty of the counterparty; a breach of contract; it becoming highly probable that the borrower will enter bankruptcy or other financial reorganisation; or observable data indicating that there is a measurable decrease in the related estimated future cash flows.

Mutual funds are consolidated line by line.

f - Fair value

The fair value of listed securities is their market price at the measurement date. For unlisted securities fair value is determined using the discounted cash flows method.

Notes to the consolidated financial statements

Derivatives and hedging transactions

In accordance with IAS 39, derivatives are measured at fair value in the balance sheet irrespective of whether they are held for trading or for hedging purposes.

After initial recognition, derivatives held for trading are measured at fair value through profit or loss.

A derivative qualifies as a hedging instrument where the criteria set down by IAS 39 are met from the inception of the hedge and throughout its term. These criteria include a requirement for entities to formally document and designate the hedging relationship. That documentation must include information demonstrating that the hedging relationship is effective, based on prospective and retrospective tests. A hedge is deemed to be effective when changes in the actual value of the hedge fall within a range of 80% and 125% of the change in value of the hedged item.

For fair value hedges, gains or losses from remeasuring the hedging instrument at fair value are recognised in profit or loss. These amounts are partially offset by symmetrical gains or losses on changes in the fair value of the hedged items which are also recognised in profit or loss. The net impact on the profit and loss account therefore solely corresponds to the ineffective portion of the hedge.

For cash flow hedges, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in shareholders' funds and the ineffective portion of the gain or loss on the hedging instrument is recognised in profit or loss.

Disposal gains and losses

Gains and losses on disposals of investments are recognised in the profit and loss account in the period of disposal. They are determined by the FIFO (first-in first-out) method or the weighted average cost method.

Debtors and creditors arising from factoring operations

a - Debtors arising from factoring operations

Debtors arising from factoring operations represent total receivables not recovered at the balance sheet date. They are stated at nominal value, corresponding to the amount of factored invoices, including tax. When it appears probable that all or part of the amount receivable will not be recovered, a provision is recorded by way of a charge to the profit and loss account. Debtor balances shown in the balance sheet are stated net of provisions.

The carrying amount of debtors arising from factoring operations is included in the consolidated balance sheet under "Debtors arising from banking and other activities".

b - Creditors arising from factoring operations

Creditors arising from factoring operations include amounts credited to factoring clients' current accounts which have not been paid out in advance by the factor, and factoring contract guarantee deposits.

Creditors arising from factoring operations are recorded on the liabilities side of the consolidated balance sheet. The balance is analysed in Note 17 to the consolidated financial statements.

c - Factoring liabilities

Factoring liabilities correspond to the refinancing of the credit extended to the factoring company's clients.

They are analysed in Note 17 to the consolidated financial statements.

Cash and cash equivalents

Cash includes cash in hand and demand deposits. Cash equivalents include units in money-market funds (SICAV) with maturities of less than three months.

Treasury shares

Coface shares held by the Group are deducted from consolidated shareholders' funds, irrespective of the reason for which they were purchased.

Provisions for liabilities and charges

In accordance with IAS 37, Provisions, Contingent Liabilities and Contingent Assets, a provision is recorded at the balance sheet date if an obligation towards a third party exists at that date and it is probable or certain, as of the date when the financial statements are drawn up, that the obligation will result in an outflow of resources embodying economic benefits to that third party.

Provisions for liabilities and charges mainly consist of the following:

- provisions for pensions and other post-employment benefit obligations (see "Employee benefits");
- provisions for deferred taxes (see "Taxation").

Employee benefits

In certain countries in which Coface operates, employees are awarded short-term benefits (such as paid leave), long-term benefits (including long service awards) and post-employment benefits, such as retirement bonuses.

Short-term benefits are recognised as a liability in the accounts of the Coface companies that grant such benefits.

Other benefits, including long-term and post-employment benefits, are classified as follows:

1/ Defined contribution plans

Under defined contribution plans, a company makes payments to a fund which is subsequently responsible for paying the sums owed to the employees. Consequently, the company's legal or constructive obligation is limited to the amount that it agrees to pay to the fund. These plans are generally state pension plans, which is the case in France.

2/ Defined benefit plans

Under defined benefit plans, the employer has a legal or constructive obligation to provide agreed benefits to current and former employees. In accordance with IAS 19, Coface records a provision to cover its liability, regarding primarily:

- retirement bonuses and pre-retirement paid leave;
- early retirement and supplementary pension payments;
- employer contributions to post-employment health insurance schemes;
- long service awards.

Notes to the consolidated financial statements

Based on the regulations specific to the plan and country concerned, independent actuaries calculate:

■ The actuarial value of future benefits, corresponding to the present value of all benefits to be paid. The measurement of this present value is essentially based on:

- demographic assumptions;
- future benefit levels (retirement bonuses, long service awards, etc.);
- the probability that the specified event will occur;
- an evaluation of each of the factors included in the calculation of the benefits, such as future salary increases;
- the interest rate used to discount future benefits at the measurement date.

Details of the main assumptions used are provided in Note 13

■ The actuarial value of benefits related to service cost (including the impact of future salary increases) is determined using the projected unit credit method which spreads the actuarial value of benefits evenly over the expected average remaining working lives of the employees participating in the plan.

Stock options

In accordance with IFRS 2, Share-based Payment, which defines the recognition and measurement rules concerning stock options, Coface's options are measured at the date of grant. The Group uses the Black and Scholes option pricing model for measuring stock options. Changes in fair value subsequent to the grant date do not impact their initial measurement.

The fair value of options takes into account their expected life, which the Group considers as corresponding to their compulsory holding period for tax purposes. This value is recorded in personnel costs on a straight-line basis between the grant date and the expiry date of the options, with a corresponding adjustment to shareholders' funds.

As allowed under IFRS 2, only plans granted after 7 November 2002 and which had not vested at 1 January 2005 are measured at fair value and recognised in personnel costs. Accordingly the only plan concerned is that set up by the Board of Directors on 3 December 2002 under which the options were exercisable for newly-issued shares.

■ Value of stock options granted under the 3 December 2002 plan

Number of options granted	104,915
Share price at the grant date	€47.43
Volatility rate at the grant date	25%
Risk-free interest rate	2.9%
Expiry date	03/12/2006
<hr/>	
Value per stock option	€12.03
Total value	€1,261,832

Based on these assumptions, the value of the stock options at the grant date was €1,261,832, or €12.03 per option.

Expensing the fair value of options granted results in an increase in personnel costs. This impact is included in the Group's operating margin, with a corresponding adjustment to shareholders' funds. The related provision is recognised over the vesting period.

At 31 December 2006 the full fair value of the options granted had been recorded in the profit and loss account. As the options had expired by 31 December 2007, no related impact was recorded in the 2007 profit and loss account.

Income tax

The tax charge includes both current taxes and deferred taxes resulting from temporary differences and consolidation adjustments.

Deferred taxes are recorded by the liability method for temporary differences between the carrying amount of assets and liabilities at each period-end and their tax basis.

Deferred tax assets and liabilities are recorded for all temporary differences, based on the tax rate that will be in force when the differences are expected to reverse, if this is known, or at the tax rate in force at the balance sheet date.

Debtors and creditors denominated in foreign currencies

Debtors and creditors denominated in foreign currencies are converted at the year-end rate.

Unrealised exchange gains and losses on debtor and creditor balances denominated in foreign currencies are reflected in the profit and loss account, except for those related to the technical provisions carried in the accounts of Coface SA's consolidated branches and those concerning long-term debtors and creditors relating to consolidated companies that are unlikely to be settled in the foreseeable future.

Exchange rate differences concerning debtors or creditors denominated in a foreign currency and relating to a consolidated company are treated as part of Coface's net investment in that company. In accordance with IAS 21, these currency differences are recorded under consolidated shareholders' funds until the sale of the net investment.

Segment reporting

As prescribed by IAS 14, Coface's segment reporting is based on business segments and geographical segments.

Coface uses business segments for its primary reporting format in the Group's consolidated financial statements. These reflect the Group's internal reporting structure, as follows:

- Insurance
- Company and marketing information – Receivables management
- Factoring

The following geographical segments are used for the Group's secondary reporting format: France, Germany, Austria, Italy, United Kingdom, Other European countries, North America, South America, Asia, and Africa, Middle East, East Mediterranean (AMEEM).

Notes to the consolidated financial statements

Control of risk exposure

Currency risk

The vast majority of Coface's investment instruments are euro-denominated. The risk on funds representing liabilities in euros but whose related instruments are denominated in other currencies is hedged with a view to maintaining no open currency positions.

Currency futures involving the US dollar and traded on regulated markets with permanent liquidity are processed through a discretionary asset management agreement entered into with Lazard in order to hedge currency risk. Hedging positions are reviewed on a quarterly basis. Coface's trading room is responsible for carrying out and tracking the transactions. The nominal value of the hedges is limited to the actual foreign currency exposure of the underlying securities and is reviewed and adjusted on a weekly basis.

Counterparty risk

Over 95% of the bonds and other fixed-income instruments held by Coface at 31 December 2007 were rated at least A (or equivalent) by one or more internationally-recognised rating agencies.

Liquidity risk

Approximately 97% of listed equities held by Coface are quoted on an exchange in an OECD country. Consequently, Coface considers its investment portfolio to be sufficiently liquid to cover the funds it may require to meet its obligations.

Hedging policy

When justified by market circumstances and/or the Company's forecasts, Coface is authorized to use swaps, futures and options to hedge its equity market positions and exposure to fluctuations in interest rates. The related hedging instruments may either be traded on a regulated market or over the counter with counterparties rated at least A-.

The nominal amount of the hedges is strictly limited to the amount of the underlying equities or fixed-income instruments held in the portfolio in order to ensure that these assets are effectively hedged. Coface used this authorization in 2007 to set up options with the aim of hedging its exposure to a potential downturn in the equities markets.

Notes to the consolidated balance sheet

In the following notes, all amounts are stated in thousands of euros unless otherwise specified.

NOTE 4 - GOODWILL

The main movements in goodwill in 2007 related to:

- The acquisitions of Kompass France and Kompass Belgium (both of which are now wholly owned by the Group), which generated goodwill of €32,622 thousand and €2,790 thousand respectively.
- The acquisition of Coface Services Belgium by Coface SA and Coface Services, which respectively hold 46.6% and 53.4% of the company's capital.
- The deconsolidation of Group subsidiaries.

The main movements in 2006 related to:

- Coface Collection North America's purchase of Newton's portfolio, which gave rise to €16,028 thousand in goodwill.
- The purchase of Business Data Israël, leading to the recognition of €2,010 thousand in goodwill.
- The acquisition of an additional 6% stake in Coface Austria, which raised the Group's interest to 100% and generated goodwill of €1,407 thousand.

All amounts allocated to goodwill prior to 31 December 2003 have been fixed.

No goodwill impairment losses were recorded at 31 December 2007 and the value attributed to goodwill net of accumulated impairment corresponds to its gross value under IFRS.

Notes to the consolidated financial statements

Goodwill breaks down by subsidiary as follows:

	31/12/2007	31/12/2006	31/12/2005
AKCH Group (formerly AK Group)	112,603	112,603	112,603
Coface Services	94,811	94,962	95,051
Coface Services Belgium Holding	4,725	-	-
Kompass France	32,622	-	-
Kompass Belgium	2,790	-	-
CCNA (Newton)	14,341	16,028	-
Coface Assicurazioni Group (formerly Viscontea Coface)	15,206	15,206	15,206
Kompass Group	9,839	13,605	13,797
Coface Services North America Group	4,711	5,237	5,847
Coface Austria (formerly ÖKVC)	5,333	5,333	3,926
Coface Intercredit Group	2,426	3,800	3,768
Coface UK Holdings	-	3,786	3,711
Coface Mope	3,791	3,791	3,791
Business Data Information	1,976	2,010	-
Axa Assurcrédit	-	707	707
Coface Services South Africa (formerly CUAL)	-	468	577
Other	343	343	373
Net	305,517	277,879	259,357

Movements in goodwill during the year can be analysed as follows:

	31/12/2006	Translation adjustments	Newly-consolidated subsidiaries	Deconsolidations	31/12/2007
AKCH Group (formerly AK Group)	112,603	-	-		112,603
Coface Services	94,962	-		(151)	94,811
Coface Services Belgium Holding	-	-	4,725		4,725
Kompass France	-	-	32,622		32,622
Kompass Belgium	-	-	2,790		2,790
CCNA (Newton)	16,028	(1,687)			14,341
Coface Assicurazioni Group (formerly Viscontea Coface)	15,206	-	-		15,206
Kompass Group	13,605	-		(3,766)	9,839
Coface Services North America Group	5,237	(526)			4,711
Coface Austria (formerly ÖKVC)	5,333	-	-		5,333
Coface Intercredit Group	3,800	-		(1,374)	2,426
Coface UK Holdings	3,786	-		(3,786)	0
Coface Mope	3,791	-		-	3,791
Business Data Information	2,010	(34)		-	1,976
Axa Assurcrédit	707	-		(707)	0
Coface Services South Africa (formerly CUAL)	468			(468)	0
Other	343	-			343
Net	277,879	(2,247)	40,137	(10,252)	305,517

Notes to the consolidated financial statements

NOTE 5 - OTHER INTANGIBLE ASSETS

	31/12/2007	31/12/2006	31/12/2005
	Net	Net	Net
Software development costs	86,722	59,991	33,851
Purchased goodwill	5,964	4,701	3,854
Other	2,394	2,019	11,928
Total	95,080	66,711	49,633

The rise in intangible assets during the year was mainly the result of an increase in software development costs due to significant capital expenditure programs implemented within Coface's four core businesses.

	31/12/2007		
	Gross	Amortisation	Net
Software development costs	165,397	(78,675)	86,722
Purchased goodwill	12,589	(6,625)	5,964
Other	4,828	(2,434)	2,394
Total	182,814	(87,734)	95,080

NOTE 6 - TANGIBLE ASSETS

	31/12/2007	31/12/2006	31/12/2005
	Net	Net	Net
Tangible fixed assets	23,395	25,808	27,885
Buildings used in the business	51,316	50,213	52,934
Total	74,711	76,021	80,819

	31/12/2007		
	Gross	Depreciation	Net
Tangible fixed assets	85,243	(61,848)	23,395
Buildings used in the business	83,032	(31,716)	51,316
Total	168,275	(93,564)	74,711

The market value of buildings used in the business was €77,808 thousand at 31 December 2007, representing an unrealised gain of €26,492 thousand.

At 31 December 2006, the market value of buildings used in the business was €73,655 thousand, representing an unrealised gain of €23,442 thousand.

Notes to the consolidated financial statements

NOTE 7 - INVESTMENTS

7.1. Analysis by category

31 December 2007, the carrying amount of held-to-maturity (HTM) securities was €112,748 thousand; available-for-sale (AFS) securities had a carrying amount of €1,123,053 thousand; and trading securities totalled €28,547 thousand. HTM securities represented an unrealised loss of €2,308 thousand.

At 31 December 2006, the carrying amount of HTM securities was €112,100 thousand; AFS securities had a carrying amount of €960,995 thousand; and trading securities totalled €160,729 thousand. HTM securities represented an unrealised loss of €2,367 thousand.

	Gross	Impairment	IFRS 31/12/07 Net	31/12/06 Net	31/12/05 Net
AFS securities	1,234,151	(10,956)	1,223,195	1,014,969	831,738
Equities	226,977	(3,553)	223,424	244,272	222,212
Bonds and other AFS investments	861,655	(393)	861,261	681,267	570,625
Investments in non-consolidated companies	145,427	(7,010)	138,417	89,328	39,123
Shares in non-trading property companies	92	0	92	102	(222)
HTM securities					
Bonds	112,751	(3)	112,748	112,100	125,250
Fair value through profit or loss – trading securities	28,811	0	28,811	164,197	121,834
Derivative instruments	712		712	110	(10)
Investment property	995	0	995	1,206	2,552
Loans and receivables	84,564	(628)	83,936	64,648	127,601
TOTAL INVESTMENTS	1,461,984	(11,587)	1,450,397	1,357,230	1,208,965

At 31 December 2007, AFS bonds and other AFS investments primarily comprised fixed-rate bonds representing €694,565 thousand and variable-rate bonds amounting to €148,546 thousand. HTM bonds broke down into €107,694 thousand worth of fixed-rate bonds and €5,054 thousand worth of variable-rate bonds.

Since the Cofaction 2 equity fund has been wound up, Coface directly manages currency futures involving the US dollar and the Swiss franc, to hedge currency risk relating to equities held in connection with the Lazard discretionary asset management agreement and denominated in currencies other than the euro. The futures used are set up for three- or six-month

terms and are traded on regulated markets with permanent liquidity. Coface's trading room carries out and tracks the related transactions. The nominal values of the hedges are limited to the actual foreign currency exposure of the underlying equities and are adjusted weekly.

Between May and December 2007, Coface hedged a quarter of its equities portfolio (representing close to €60 million) through purchases of out-of-the-money puts, partially financed by sales of Eurostoxx 50 calls.

At 31 December 2007, 48.6% of the bond portfolio was rated "AAA", 21.7% was "AA", 27.2% was "A" and 0.6% was "A2". Unlisted securities accounted for 1.9% of the Group's total bond portfolio.

Notes to the consolidated financial statements

7.2. Investments in non-consolidated companies - French companies

	Percent interest	31/12/2007		31/12/2006		31/12/2005	
		Cost	Fair value	Cost	Fair value	Cost	Fair value
AXA ASSURCREDIT 26, Rue Drouot 75 009 Paris	40%	*3,260	8,275	Consolidated	Consolidated	Consolidated	Consolidated
UNISTRAT PARIS 161-163, rue de Courcelles 75017 PARIS	100%	Merged		1,489	1,777	1,489	1,785
IDEALINFO 7, rue d'Artois 75 008 PARIS	100%	1,335	1,335	-	-	-	-
GAMEEMS (formerly Soari) 12, cours Michelet – La Défense 92 800 PUTEAUX	100%	656	829	0	0	0	0
CENTRE D'ETUDES FINANCIERES (CEF) 7, chemin de Sens 37210 ROCHECORBON	100%	*378	378	Consolidated		Consolidated	
OR INFORMATIQUE 2, rue du Général de Gaulle 54340 POMPEY	100%	*830	830	Consolidated		Consolidated	
LIBRAIRIE ELECTRONIQUE 7, chemin de Sens 37210 ROCHECORBON	100%	*703	703	Consolidated		Consolidated	
EIOS 33, rue de Vivienne 75002 PARIS	29,76%	Liquidated		Consolidated		Consolidated	
Bim commerce extérieur 12 Cours Michelet – La Défense 10 92800 PUTEAUX	100%	Merged into Coface		0	0	0	0
Cerip Services Banques 1, rue de l'Union 92843 RUEIL MALMAISON CEDEX	62%	157	157	157	157	157	157
Coface RBI 5, rue Alfred de Vigny 75 008 PARIS	100%	76	3 569	76	2,478	76	2,390
Planet rating SAS 13, rue Dieumergard 93 400 SAINT-OUEN	10%	100	100	100	100		-
Triade 55, Bld Valbenoite 42100 ST ETIENNE	100%	Merged		200	200		
Other		57	57	55	55	55	55
SUB-TOTAL – FRENCH COMPANIES		7,552	16,233	2,077	4,767	1,777	4,387

* Shares in deconsolidated companies, valued based on the Group's equity in the underlying net assets of the company concerned at 31 December 2006.

Notes to the consolidated financial statements

7.3. Investments in non-consolidated companies – International companies

	Country	Percent interest	31/12/2007		31/12/2006		31/12/2005	
			Cost	Fair value	Cost	Fair value	Cost	Fair value
COFACE BELGIUM SERVICES HOLDING (formerly RBB)								
100, Boulevard du Souverain 1170 BRUXELLES	Belgium	100%	Consolidated		5,232	5,229	5,232	5,520
ICAP								
64 Vassilissis Sophias Avenue 11528 ATHENES	Greece	20%	Sold		3,862	6,220	3,862	4,756
COFACE CHILE								
WTC, Torre Norte, of 1701 Av. Nueva Tajamar 481 Las Condes SANTIAGO	Chile	84%	*5,319	6,491	Consolidated		Consolidated	
COFACE FACTORING CHILE								
WTC, Torre Norte, of 1601 Av. Nueva Tajamar 481 Las Condes SANTIAGO	Chile	100%	1,150	1,218		944	944	
COFACE SERVICIOS CHILE								
Ed. Worl Trace Center Av. Nueva Tajamar 481, Torre Norte. Of 1701, Las Condes – Santiago Chile	Chile	100%	*(112)	2,514	Consolidated		Consolidated	
COFACE AUSTRIA BANK								
Stubenring 24, 1010 Vienna Austria	Austria	100%	5,050	5,050				
COFACE DO BRASIL SEGUROS DE CREDITO INTERNO SA								
34 Joao Duran Alonso Square Brooklin Novo District Sao Paulo 12 floor	Brazil	100%	Consolidated		Consolidated		2,189	2,189
SEGURADORA BRASILEIRA DE CREDITO								
74/11e rua Senador Dantas RIO DE JANEIRO	Brazil	27%	2,123	2,443	2,123	2,001	2,123	2,130
COFACE SOUTH AFRICAN INSURANCE COMPANY								
13 Wellington Road Parktown South Africa	South Africa	100%	*2,682	6,480	Consolidated		Consolidated	
COFACE SERVICES SOUTH AFRICA (formerly Cual)								
13 Wellington Road Parktown South Africa	South Africa	100%	*1,616	9,292	Consolidated		Consolidated	
CIMCO SYSTEMS LIMITED								
15 Appold Street London EC2A 2DL	UK	100%	*4,095	2,513	Consolidated		Consolidated	
COFACE DEBT PURCHASE								
15 Appold Street London EC2A 2DL	UK	100%	*1,598	1,380	Consolidated		Consolidated	
COFACE POLAND CMS (formerly Coface Intercredit Poland)								
	Poland	75%	*2,604	9,121	Consolidated		Consolidated	
COFACE SLOVENIA CMS (formerly Coface Intercredit Slovenia)								
Cankarjeva 3 1000 Ljubjana	Slovenia	75%	*446	1,110	Consolidated		Consolidated	
COFACE SLOVAKIA CMS (formerly Coface Intercredit Slovakia)								
Soltesojev 14 811 08 Bratislava	Slovakia	75%	*322	2,488	Consolidated		Consolidated	

* Shares in deconsolidated companies, valued based on the Group's equity in the underlying net assets of the company concerned at 31 December 2006.

Notes to the consolidated financial statements

	Country	Percent interest	31/12/2007		31/12/2006		31/12/2005		
			Cost	Fair value	Cost	Fair value	Cost	Fair value	
COFACE BULGARIA CMS (formerly Coface Intercredit Bulgaria) 85/87, Todor Aleksandrov boul. 1303 Sofia	Bulgaria	75%	*157	921	Consolidated		Consolidated		
COFACE ROMANIA CMS (formerly Coface Intercredit Romania) Str. Mihai Eminescu 124 Sc.C, Ap.2, Sector 2	Romania	75%	*533	4,368	Consolidated		Consolidated		
COFACE CROATIA CMS (formerly Coface Intercredit Croatia) Prilaz Gjuro Dezelica 1000 Zagreb	Croatia	75%	*238	1,852	Consolidated		Consolidated		
COFACE HUNGARY CMS (formerly Coface Intercredit Hungary) Tüzolto u.59 H 1094 Budapest	Hungary	100%	*631	3,143	Consolidated		Consolidated		
COFACE CZECH CMS (formerly Coface Intercredit Czech Republic) Seifartava 9 130 00 Prague	Czech Rep.	100%	*608	1,674	Consolidated		Consolidated		
KOMPASS GMBH Melissa Heinrich-von-Stephenstrasse 8b 79 100 Freiburg im Breisgau Germany	Germany	100%	27	2,097		27	28	27	28
COFACE SERVICES SUISSE SA (formerly Cofacering.ch) Av. de la Gare 4 CH-1001 Lausanne	Switzerland	100%	*495	2,834	Consolidated		Consolidated		
REACOMEX Aon Insurance Managers SA 19, rue Bitbourg P.O Box 593 L-2015 Luxembourg	Luxembourg	0%	Divested		Divested			1,896	1,896
COFACE SERVICES SOUTH ASIA PACIFIC 36 Robinson Road- #19-01 City House Singapore 068877	Singapore	100%	6,073	6,290		6,074	8,045	6,073	8,642
BUSINESS DATA INVESTMENT HOLDING 16, Agnanton Street ATHENS	Greece	15%	1,527	1,527		-		-	
INTERMARKET BANK AG Marokkanergasse 5-7 A-1030 WIEN	Austria	9%	1,562	4,820		1,562	2,208	1,562	2,188
COFACE SERVICES GREATER CHINA (formerly Coface Frontline) 20/F Hon Kwok Jordan Centre, 7 Hillwood Road, Tsim Sha Tsui, KOWLOON	Hong-Kong	100%	1,451	2,818		1,452	2,203	1,452	2,006
Cofacering.xx (where xx corresponds to the country extension)			0	0		13	13	95	462
COFACE IGK Holding AG Koblener Strasse 26-28 53173 BONN	Germany	47.5%	804	1,409		129	424	129	587
MECOS 21, Academios Avenue PO BOX 1210 - NICOSIE	Cyprus	15%	Divested			99	174	99	101

* Shares in deconsolidated companies, valued based on the Group's equity in the underlying net assets of the company concerned at 31 December 2006.

Notes to the consolidated financial statements

	Country	Percent interest	31/12/2007		31/12/2006		31/12/2005	
			Cost	Fair value	Cost	Fair value	Cost	Fair value
COFACE SUDAMERICANA WTC, Torre Norte, Av. Nueva Tajamar 481 Las Condes SANTIAGO	Chile	100%	Merged and consolidated		Merged and consolidated		Merged and consolidated	
RECOURS 24, rue Ali Abderrazak CASABLANCA 20 000	Morocco	25%	58	224	58	215	58	357
UNISTRAT HOLDING BV 55 Rokinrood 1012 AMSTERDAM	Netherlands	100%	2,942	2,942	2,942	2,942	2,942	2,942
COFACE SEGURO DE CREDITO MEXICO Insurgentes Sur 1787 Piso 10 y 11, Col Guadalupe Inn, 01020, Del. Alvaro Obregon, México, D.F	Mexico	100%	2,799	2,845	1,999	1,999	19	19
COFACE SIGORTA Ortaklar Cad. Bahceler Sok. No:18/3 34 394 Istanbul – Turkey	Turkey	100%	5,241	5,241	5,241	5,241	-	-
COFACE FACTORING ESPANA Paseo de la Castellana nº 95 4ª Planta - Edificio Torre Europa 28046 Madrid - Spain	Spain	100%	Consolidated		1,000	1,000	-	-
CERVED BUSINESS INFORMATION Via G.B. Morgagni 30/h 00161 ROMA - Italy	Italy	15%	Consolidated		44,620	44,620		
KOMPASS CZECH REPUBLIC 14 Capkova 14 000 Praha 4	Czech Rep.	100%	*1,251	1,052	Consolidated		Consolidated	
KOMPASS POLAND Al Jerozolimskie 136-02305 Warsawa	Poland	100%	*323	1,018	Consolidated		Consolidated	
KOMPASS JAPAN Toranannon Kotohira Tower SF Tokyo 105 001	Japan	100%	*(1,251)	0	Consolidated		Consolidated	
KOMPASS BILGI Buyukdere Cad.Yapi Kredi Plaza 34 330 Istanbul	Turkey	69.9%	*210	0	Consolidated		Consolidated	
KOMPASS UNITED STATES 900 Chapel Street Suite 2 N.H 0650CT	United States	100%	*509	0	Consolidated		Consolidated	
KOMPASS SOUTH EAST ASIA 36 Robinson Road- #19-01 City House Singapore 068877	Singapore	100%	*540	423	Consolidated		Consolidated	
COFACE POLAND SERVICE Al. Jerozolimskie 136 PL-02-305 Warsawa Poland	Poland	100%	*843	843	Consolidated		13	12
COFACE POLAND FACTORING Al. Jerozolimskie 136 PL-02-305 Warsawa Poland	Poland	100%	646	646	-	-	-	-
COFACE SERVICIOS ARGENTINA (formerly VERITAS ARGENTINA) Ricardo Rojas 401, Piso 7, C1001AEA - Buenos Aires Argentina	Argentina	100%	*27	1,354	Consolidated		Consolidated	

* Shares in deconsolidated companies, valued based on the Group's equity in the underlying net assets of the company concerned at 31 December 2006.

Notes to the consolidated financial statements

	Country	Percent interest	31/12/2007		31/12/2006		31/12/2005	
			Cost	Fair value	Cost	Fair value	Cost	Fair value
COFACE SERVICES COLOMBIA (formerly VERITAS COLOMBIA) Carrera 15 No. 91-30 Oficinas 601,602 Bogotá, D.C. Colombia								
Colombia		100%	*143	758	Consolidated		Consolidated	
COFACE SERVICIOS COSTA RICA, S.A. (formerly VERITAS DE CENTRO AMERICA) Oficentro La Virgen, Edificio 3, Piso 1, Zone Industrial Pavas San José, Costa Rica								
Costa Rica		100%	*126	1,727	Consolidated		Consolidated	
COFACE SERVICIOS DO BRASIL 34 Joao Duran Alonso Square Brooklin Novo District Sao Paulo 12 floor								
Brazil		100%	*332	2,947	Consolidated		Consolidated	
COFACE SERVICE ECUADOR (formerly VERITAS ANDINA) Av. Diego de Almagro # 1822 y Alpallana. # Edificio Galicia Ecuador								
Ecuador		100%	*(21)	624	Consolidated		Consolidated	
COFACE SERVICIOS MEXICO SA DE CV (formerly Informes Veritas) Insurgentes Sur 1787 Piso 10 y 11, Col Guadalupe Inn, 01020, Del. Alvaro Obregon, Mexico, D.F.								
Mexico		100%	*(539)	5,356	Consolidated		Consolidated	
Coface Servicios Panama San Francisco calle 72e con avenida los Fundadores num, 108 Panama								
Rep. of Panama		100%	*46	574	Consolidated		Consolidated	
COFACE SERVICES PERU Av. Jorge Basadre 489 Of 803-804 Lima 27								
Peru		100%	*54	421	Consolidated		Consolidated	
COFACE SERVICES VENEZUELA Avenida Francisco de Miranda Edificio EASO Piso 5 Oficina 5H								
Venezuela		100%	*33	352	Consolidated		Consolidated	
COFACE SWEDEN FACTORING Coface Sverige Finans Kungsgatan 30, 9 tr. 111 35 Stockholm								
Sweden		100%	972	972	-	-	-	-
COFACE DANMARK SERVICES c-o Advokatfirma Philip Partenere Vognmagergade 7								
Denmark		100%	*(462)	0	Consolidated		Consolidated	
MIDT FACTORING Nygade 111,DK-7430 Ikast Danemark								
Denmark		10%	3,607	3,607	-	-	-	-
KOMPASS ISRAEL 11 Ben Gurion st. Bnei Brak 51260 Israel								
Israel		100%	*(76)	339	Consolidated		-	-
Other			3,108	4,066	438	1,055	304	901
SUB-TOTAL INTERNATIONAL COMPANIES			62,460	122,184	77,815	84,561	28,075	34,736
TOTAL INVESTMENTS IN NON-CONSOLIDATED COMPANIES			70,012	138,417	79,892	89,328	29,852	39,123

* Shares in deconsolidated companies, valued based on the Group's equity in the underlying net assets of the company concerned at 31 December 2006.

Notes to the consolidated financial statements

NOTE 8 - INVESTMENTS IN ASSOCIATES

8.1. Movements

	31/12/2007	31/12/2006	31/12/2005
Investments in associates at 1 January	19,240	17,697	16,373
Changes in Group structure	* 45,045	0	0
Dividends paid	(4,786)	(3,819)	(2,729)
Share of profits of associates	12,444	5,362	4,053
Investments in associates	71,943	19,240	17,697

* This amount primarily corresponds to the Group's acquired stake in Cerved. It includes (i) goodwill in the amount of €34,920 thousand; (ii) transferred net assets totalling €11,660 thousand; and (iii) a negative €1,350 thousand adjustment relating to dividends on prior-year profits.

8.2. Contribution

	31/12/2007	31/12/2006	31/12/2005
Graydon holding	9,116	8,737	8,786
Cofacrédit	12,387	10,310	8,718
Cerved	50,440	-	-
EIOS	-	193	193
Total	71,943	19,240	17,697

The net investment in Cerved includes €34,920 thousand in goodwill recorded when the company was acquired.

NOTE 9 - OTHER ASSETS

	31/12/2007	31/12/2006	31/12/2005
Debtors arising from direct insurance operations	331,956	280,502	258,042
Debtors arising from reinsurance operations	48,159	42,909	45,003
Reinsurance debtors (estimate)	4,110	-	2,578
Total debtors arising from insurance and reinsurance operations	384,225	323,411	305,623
Trade debtors arising from other activities	63,235	49,459	40,443
Other debtors	141,935	86,928	100,280
Deferred tax assets (Note 14)	71,919	73,611	69,091
Current taxes	18,987	32,362	23,719
Deferred acquisition costs	22,840	25,272	11,755
Total	703,141	591,043	550,911

Notes to the consolidated financial statements

NOTE 10 - CASH AND CASH EQUIVALENTS

	31/12/2007	31/12/2006	31/12/2005
Cash at bank and in hand	375,118	193,565	146,811
Cash equivalents	7,927	7,337	4,187
Total cash and cash equivalents	383,045	200,902	150,998

NOTE 11 - LIABILITIES RELATING TO CONTRACTS

	31/12/2007	31/12/2006	31/12/2005
Provisions for unearned premiums and unexpired risks	212,200	197,481	170,409
Claims provisions	767,249	759,975	708,427
Provisions for bonuses and rebates	36,802	32,360	23,804
Liabilities relating to insurance contracts	1,016,251	989,816	902,640
Liabilities relating to financial contracts			-
Provisions for unearned premiums and unexpired risks	(43,501)	(36,308)	(25,792)
Claims provisions	(216,555)	(218,289)	(217,206)
Provisions for bonuses and rebates	(9,315)	(6,950)	(3,570)
Reinsurers' share of liabilities relating to insurance contracts	(269,371)	(261,547)	(246,568)
Net technical provisions	746,880	728,269	656,072

Management of insurance risks

The Group's activities expose it to two principal types of risk. The first is underwriting risk, which is the risk of losses arising from claims in respect of the insurance portfolio. The second is financial risk, which is the risk that unfavourable movements in interest rates, exchange rates or the market value of securities or property might generate losses. The Group has developed sophisticated tools to manage and strictly control these risks.

Underwriting risk

Credit risk

Credit risk corresponds to the risk of losses on the insurance portfolio. "Frequency risk" is generally distinguished from "catastrophe risk":

- Frequency risk is the risk of a sudden, sharp increase in unpaid debts from a high number of debtors. This risk is measured for each entity based on loss ratio monitoring, and by business segment (domestic credit insurance), country (export credit insurance) or product line (guarantees, single risk, etc.). The loss ratios and the monthly amount and number of defaults for the different underwriting units are also monitored at Group level.
- Catastrophe risk is the risk of an abnormal number of "large" losses in a single accounting period in respect of a single non-paying debtor (or group of debtors), or an accumulation of losses in a single country.

Notes to the consolidated financial statements

As well as monthly controls carried out at the level of each underwriting unit, the Group has a central risk management policy based on:

- the centralisation of potential claims in excess of a certain ceiling (currently €1 million for the two major underwriting units, Coface SA and Coface Kredit, and €0.5 million for all other underwriting units). The Group also has a specialised debt recovery subsidiary (Coface RBI);
- the "Major Risks Committee" which sets the maximum risk exposure and loss severity accepted for the Group's 400 major risks (corresponding to maximum probable claims of over €80 million and loss severity of over €25 million) and defines risk ceilings for emerging countries;
- a rating system for corporate and country risks;
- statistical valuation of severity (maximum potential loss in the event of a claim) by debtor, group of debtors or emerging country.

In view of the current crisis in the financial markets, the Group has carried out a risk vulnerability analysis, based on Coface's ratings and

recommendations and data provided by the Group's underwriting centres in relation to specific risks such as highly leveraged purchase transactions. All of the major risks rated 3, 2 and less (equivalent to the Standard & Poor's rating of BB-) are tracked on a centralised basis both in terms of numbers and monthly movements. For frequency risks the overall scores will be used to identify high-risk categories and the Group plans to put in place more restrictive rating matrices.

(i) Diversification of credit risks

The Group maintains a diversified credit risk portfolio in order to minimise the chances of a default by any debtor, a downturn in any particular industry or an adverse event in any particular country having a disproportionate impact on Coface's overall loss experience. In addition, the overwhelming majority of Coface's exposure is short term, permitting the Group to reduce lines available in respect of individual debtors or groups of debtors relatively rapidly following the occurrence of a deterioration in their credit standing.

Exposure to credit risk on the Group's debtors at 31 December 2007 (excluding guarantees)

Exposure band (in € thousands)	Exposure (in € millions)	Number of limits (in € thousands)	Number of debtors	%
Refusal	0	410,891	327,252	0.0%
1 - 10	3,629	506,289	479,740	1.0%
11 - 20	6,248	418,401	353,750	1.7%
21 - 30	4,092	220,131	149,704	1.1%
31 - 40	3,746	173,189	99,873	1.0%
41 - 50	5,450	166,533	110,207	1.5%
51 - 60	3,084	109,479	53,198	0.8%
61 - 70	3,214	96,971	46,760	0.9%
71 - 80	2,627	77,318	33,326	0.7%
81 - 90	2,025	60,364	22,820	0.6%
91 - 100	6,140	100,508	60,363	1.7%
101 - 150	12,379	258,492	96,132	3.4%
151 - 200	10,352	177,506	56,424	2.8%
201 - 300	16,495	241,415	64,684	4.5%
301 - 400	13,154	162,760	36,642	3.6%
401 - 500	11,143	122,141	24,002	3.1%
501 - 800	25,424	239,647	39,045	7.0%
801 - 1,500	37,145	269,308	33,206	10.2%
1,501 and over	197,588	566,788	37,029	54.3%
Total	363,937	4,378,131	2,124,157	100.0%
Average exposure per debtor	€171,332			

Notes to the consolidated financial statements

Geographical distribution of risks

The debtors underlying Coface's credit insurance policies are heavily concentrated in Western Europe, mainly Germany, Italy, France, and the United Kingdom, which together represented almost 51% of

Coface's total exposure under its credit insurance policies at 31 December 2007. At that date, approximately 20% of Coface's total exposure was represented by debtors from non-OECD countries.

The following table breaks down the Group's debtors by country at 31 December 2007.

Country/region	Exposure (in € millions)	%
Germany	63,614	16.8%
France	56,789	15.0%
Italy	45,685	12.1%
Other OECD countries	32,760	8.6%
Spain	24,997	6.6%
United Kingdom	25,718	6.8%
United States	21,893	5.8%
Netherlands	10,519	2.8%
Austria	8,930	2.4%
Belgium	7,770	2.1%
Japan	5,083	1.3%
Total OECD countries	303,759	80.2%
Africa	5,883	1.3%
Central and South America	13,256	2.9%
Asia	21,999	5.3%
Central and Eastern Europe	20,250	4.6%
Near and Middle East	13,380	3.4%
Other	275	0.1%
Total	378,801	100.0%

Duration of risks

The Group's credit insurance portfolio consists primarily of short-term risks, with over 90% of the Group's exposure at 31 December 2007 represented by accounts of less than 180 days in duration. Over 60%

of the Group's risks with a duration of more than one year arise from domestic guarantee operations (mainly in Italy).

NOTE 12 - PROVISIONS FOR LIABILITIES AND CHARGES

	31/12/2007	31/12/2006	31/12/2005
Provisions for pension and other post-employment benefit obligations (see Note 13)	60,260	56,327	54,113
Other provisions	8,358	9,382	4,684
Total	68,618	65,709	58,797

Notes to the consolidated financial statements

NOTE 13 - EMPLOYEE BENEFITS

Changes in the Group's benefit obligation

	31/12/2007	31/12/2006	31/12/2005
Present value of benefit obligation at 1 January	77,950	76,876	56,540
Acquisitions/mergers	1,023		
Change in method for calculating retirement bonuses ⁽¹⁾	(6,432)		
Past service cost	13		
Current service cost	3,005	3,736	3,850
Interest cost	2,723	2,837	2,526
Actuarial (gains)/losses	(7,815)	920	15,792
Benefits paid	(3,878)	(5,080)	(2,551)
Curtailments and settlements	(144)	(1,339)	779
Present value of benefit obligation at 31 December	66,445	77,950	76,876

Changes in plan assets

Fair value of plan assets at 1 January	1,232	1,179	1,129
Return on plan assets	(4)	53	50
Employers' contributions	3,936	5,080	2,551
Benefits paid	(3,878)	(5,080)	(2,551)
Fair value of plan assets at 31 December	1,286	1,232	1,179

Réconciliation

Present value of benefit obligation at 31 December	66,445	77,950	76,936
Fair value of plan assets	1,286	1,232	1,179
Deficit	(65,159)	(76,718)	(75,757)
Unrecognised past service cost	(5,789)	689	1,419
Unrecognised actuarial losses	10,688	19,702	20,224
Liability recognised in the balance sheet at 31 December	(60,260)	(56,327)	(54,114)

Profit and loss account

Current service cost	3,005	3,736	3,306
Interest cost	2,723	2,837	2,526
Expected return on plan assets	(77)	(52)	(51)
Amortisation of impact of change in method for calculating retirement bonuses	53		
Amortisation of past service cost	13	(609)	87
Amortisation of actuarial gains and losses	1,400	1,441	(1,110)
Curtailments and settlements	(27)	0	779
Expense recorded in the 2007 P&L	7,090	7,353	5,537

(1) In accordance with new legislation introduced in France, employers are subject to higher social security charges on retirement indemnities payable to employees when they are required by their employer to retire under a certain age. Consequently, the Group has amended the assumptions used to calculate the related obligations for its French companies.

The table below sets out the main assumptions used to determine the present value of the Group's future commitments in relation to pension and other post-employment benefits.

	FRANCE	COFACE DEUTSCHLAND	COFACE AUSTRIA	COFACE ASSICURAZIONI
Inflation rate	2.00%	2.00%	2.00%	2.00%
Discount rate	4.20%	5.25%	5.25%	5.25%
Rate of salary increases (including inflation)	3.50%	3.00%	3.00%	4.00%

Notes to the consolidated financial statements

NOTE 14 - DEFERRED TAXES

	31/12/2007	31/12/2006	31/12/2005
Deferred tax assets	71,919	73,611	69,091
Deferred tax liabilities	184,293	171,748	143,209
Net deferred tax liabilities⁽¹⁾	112,374	98,137	74,118
Deferred tax assets:			
Temporary differences	56,888	56,347	46,171
Provisions for pension and other employee benefit obligations	12,203	12,249	15,073
Finance leases ⁽²⁾	2,828	4,848	5,263
Tax loss carryforwards ⁽³⁾	-	167	2,584
Total deferred tax assets	71,919	73,611	69,091
Deferred tax liabilities:			
Temporary differences ⁽⁴⁾	184,293	171,748	139,256
Provisions for pension and other employee benefit obligations	-	-	3,953
Total deferred tax liabilities	184,293	171,748	143,209

(1) Deferred tax assets for the French entities have been calculated at the rate of 34.43% for expected recovery dates after 2007.

(2) Deferred tax assets related to finance leases concern the Coface Deutschland headquarters building.

(3) For reasons of prudence, deferred tax assets corresponding to tax loss carryforwards are no longer recognised.

(4) Temporary differences giving rise to deferred tax liabilities primarily concern the cancellation of the claims equalisation provision in an amount of €140.6 million.

NOTE 15 - LIABILITIES RELATING TO FINANCING OPERATIONS

	31/12/2007	31/12/2006	31/12/2005
• Bank borrowings	256,681	190,023	132,577
• Obligations under finance leases	26,698	30,236	34,084
• Bank overdrafts and other borrowings	1,948	5,463	13,258
Total	285,327	225,722	179,919

NOTE 16 - MATURITIES OF DEBT

	31/12/2007	31/12/2006	31/12/2005
Due within one year:			
• Bank borrowings	225,393	187,599	128,000
• Obligations under finance leases	5,023	4,210	1,687
• Bank overdrafts and other borrowings	175	5,463	13,258
Sub-total	230,591	197,272	142,945
Due between one and five years:			
• Bank borrowings	1,212	2,424	4,577
• Obligations under finance leases	8,638	10,649	7,744
• Other borrowings	1,773	-	-
Sub-total	11,623	13,073	12,321
Due beyond five years:			
• Bank borrowings	30,076	-	-
• Obligations under finance leases	13,037	15,377	24,653
• Other borrowings	-	-	-
Sub-total	43,113	15,377	24,653
Total	285,327	225,722	179,919

At 31 December 2007, debt due within one year consisted mainly of loans from Natixis to Coface Holding AG, Cofinpar and CHNA in the respective amounts of €130 million, €55 million and €33 million. Debt due beyond five years chiefly comprised a €30 million bank loan taken out by Coface Services to finance the acquisitions of Kompass France and Kompass Belgium.

Notes to the consolidated financial statements

NOTE 17 - OTHER LIABILITIES

	31/12/2007	31/12/2006	31/12/2005
Creditors arising from direct insurance operations	62,513	52,589	54,720
Guarantees and deposits received	8,661	3,995	9,652
Creditors arising from reinsurance operations	69,809	53,489	53,496
Cash deposits received from reinsurers	12,392	14,669	10,826
Reinsurance creditors (estimate)	14,999	14,041	7,983
Total creditors arising from insurance and reinsurance operations	168,374	138,783	136,677
Current taxes	56,552	45,404	40,495
<ul style="list-style-type: none"> • Employee profit-sharing fund (blocked account) • Accrued personnel costs • Sundry creditors • Deferred income • Other accruals 	<ul style="list-style-type: none"> 7,003 56,418 128,703 34,651 885 	<ul style="list-style-type: none"> 7,370 52,465 141,936 20,842 1,118 	<ul style="list-style-type: none"> 6,965 47,024 148,588 17,886 2,977
Other creditors	227,660	223,731	223,440
Deferred tax liabilities	184,293	171,748	143,209
Sub-total – Other liabilities	636,879	579,669	543,821
Due to banking-sector companies	2,337,727	1,519,881	950,177
Due to customers of banking-sector companies	1,045,042	802,890	421,100
Total	4,019,649	2,902,435	1,915,098

Notes to the consolidated financial statements

Notes to the consolidated profit and loss account

NOTE 18 - CONSOLIDATED TURNOVER

a) By business segment	31/12/2007	31/12/2006	31/12/2005
Insurance:			
Premiums – direct business	950,562	918,187	817,205
Premiums – inward reinsurance	50,619	40,337	48,828
Premiums net of cancellations	1,001,181	958,524	866,033
Sales of services:			
Policy fees	97,917	102,278	100,952
Other insurance-related services	12,091	8,631	6,297
Insurance-related services	110,008	110,909	107,249
Remuneration of public procedures management services	60,687	58,294	60,048
Company information	93,330	101,847	98,652
Receivables management	43,993	36,365	31,302
Marketing information and other services	51,632	23,093	16,298
Sub-total	188,955	161,305	146,252
Factoring:	71,757	53,673	38,335
Consolidated turnover	1,432,588	1,342,705	1,217,917
b) By country of invoicing	31/12/2007	31/12/2006	31/12/2005
France	513,869	477,009	461,375
Germany	297,986	284,713	264,051
Italy	147,407	137,515	126,586
Austria	58,182	50,644	48,629
United Kingdom	46,512	61,291	49,485
Spain	55,184	40,532	32,436
Other European countries	117,970	111,571	97,846
Americas	124,587	113,631	83,007
Asia	54,338	43,111	44,966
Other	16,553	22,688	9,536
Consolidated turnover	1,432,588	1,342,705	1,217,917
c) Insurance turnover by type of insurance	31/12/2007	31/12/2006	31/12/2005
Credit insurance			
Export	478,659	445,624	400,784
Domestic	462,017	457,128	412,933
Total credit insurance	940,676	902,752	813,717
Guarantees	58,772	53,680	50,242
Other	1,733	2,092	2,074
Total guarantees and other	60,505	55,772	52,316
Total insurance turnover	1,001,181	958,524	866,033

The like-for-like increase in consolidated turnover (based on constant Group structure and exchange rates) came to 7.1%, 0.4 points higher than the 6.7% reported growth figure. Changes in Group structure had a negative effect of 0.5 points, while exchange rates had a positive 0.9-point impact.

Like-for-like data is calculated by applying 2006 exchange rates to the 2007 data and restating 2006 figures based on the 2007 scope of consolidation.

The overall impact of changes in Group structure included (i) a 1.9 point positive effect from companies deconsolidated in 2007 as they were no longer material in relation to the Group as a whole; and (ii) a negative 2.4 effect arising from the first-time consolidations of Kompass France and Kompass Belgium in 2007 and Newton in the last quarter of 2006.

Notes to the consolidated financial statements

NOTE 19 - EARNED PREMIUMS

	31/12/2007	31/12/2006	31/12/2005
Premiums net of cancellations	1,001,181	958,524	866,033
Policy fees	97,917	102,278	100,952
Change in unearned premiums provisions	(17,829)	(28,940)	(11,015)
Total	1,081,269	1,031,862	955,970

NOTE 20 - CLAIMS-RELATED EXPENSES

	31/12/2007	31/12/2006	31/12/2005
Paid claims, net of recoveries and paid policyholder bonuses	(455,143)	(349,627)	(376,413)
Claims handling expenses	(61,350)	(55,252)	(55,404)
Change in claims provisions and provisions for policyholder bonuses	(28,102)	(108,042)	(48,335)
Total	(544,595)	(512,921)	(480,152)

Claims handling expenses include general expenses incurred by Coface SA in connection with the management of public procedures which are accounted for in accordance with cost accounting principles. The related amounts corresponded to €15,490 thousand in 2007 and €14,982 thousand in 2006.

NOTE 21 - EXPENSES FROM BANKING ACTIVITIES

	31/12/2007	31/12/2006	31/12/2005
Risk cost	(11,548)	(8,104)	(6,296)
Operating expenses	(27,256)	(17,642)	(16,391)
Total	(38,804)	(25,746)	(22,687)

NOTE 22 - BUSINESS ACQUISITION/ADMINISTRATIVE COSTS AND OTHER CURRENT EXPENSES

	31/12/2007	31/12/2006	31/12/2005
Commissions	(107,863)	(99,505)	(90,319)
Other business acquisition costs	(108,134)	(88,167)	(97,288)
Total business acquisition costs	(215,997)	(187,672)	(187,607)
Administrative costs	(218,917)	(201,643)	(181,616)
Other current expenses	(19,708)	(29,436)	(24,006)
Total	(454,622)	(418,751)	(393,229)

Expenses incurred by Coface in connection with public procedures management recorded under this item amounted to €39,646 thousand in 2007 and €37,414 thousand in 2006.

Notes to the consolidated financial statements

NOTE 23 - REINSURANCE RESULT

	31/12/2007	31/12/2006	31/12/2005
Ceded premiums	(264,348)	(233,756)	(204,677)
Change in unearned premiums provisions	7,279	10,860	(173)
	(257,069)	(222,896)	(204,850)
Ceded claims	104,794	94,960	90,824
Change in claims provisions, net of recoveries	(1,334)	3,969	(2,693)
	103,460	98,929	88,131
Commissions paid by reinsurers	102,257	70,526	66,292
Reinsurance result	(51,352)	(53,441)	(50,427)

NOTE 24 - NET FINANCIAL INCOME EXCLUDING FINANCE COSTS

	31/12/2007	31/12/2006	31/12/2005
Investment income (excluding net gains/(losses) on assets and liabilities held for trading)	51,420	35,708	37,039
Net gains/(losses) on assets and liabilities held for trading	(3,202)	2,431	1,037
Net gains/(losses) on disposals	20,663	15,328	21,065
Change in provisions for impairment in value	471	3,647	2,063
Net exchange gains/(losses)	(6,258)	(12,591)	13,039
Investment management expenses*	(4,406)	(2,103)	(2,672)
Total	58,688	42,420	71,571

* External investment management expenses were reclassified at 31 December 2007 from "Investment income" to "Investment management expenses", in an amount of €2,363 thousand.

NOTE 25 - FINANCIAL INCOME BY CLASS OF INVESTMENT

	31/12/2007	31/12/2006	31/12/2005
Property	362	471	11,311
Equities	17,925	17,694	14,181
Fixed-income instruments	44,792	39,210	33,522
Derivative instruments	835	507	(507)
Sub-total	63,914	57,882	58,507
Management expenses	(4,406)	(2,103)	(1,528)
Net exchange gains/(losses)	(6,258)	(12,591)	13,039
Dividends received from non-consolidated companies	6,293	651	469
Other income and expenses	(855)	(1,419)	1,084
Total	58,688	42,420	71,571

Notes to the consolidated financial statements

NOTE 26 - OTHER INCOME AND EXPENSES FROM OPERATIONS

	31/12/2007	31/12/2006	31/12/2005
Other income from operations	2,122	3,186	8,805
Other expenses from operations	(2,346)	(4,318)	(7,192)
Net	(224)	(1,132)	1,613

In 2007, other income from operations primarily included:

- A €392 thousand gain arising on the merger of Unistrat Paris into Coface SA.
- Reversals of provisions for (i) employee-related disputes -€770 thousand; and (ii) commercial disputes -€190 thousand.

Other expenses from operations primarily included:

- -€526 thousand in additions to provisions for commercial disputes.
- -€1,134 thousand in additions to provisions for employee-related disputes.

In 2006, other income from operations primarily included:

- €1,081 thousand in tax credits and interest received on overpayment of taxes.
- Reversals of provisions for liabilities in the amount of €860 thousand.

Other expenses from operations primarily included:

- Pre-consolidation losses of Coface Danemark Services, which was not consolidated prior to 2006, amounting to -€350 thousand.
- -€1,823 thousand in additions to provisions for litigation (primarily relating to Coface Services' disputes with INPI and INSEE).
- -€897 thousand in tax on Coface SA's liquidation surpluses.

NOTE 27 - INCOME TAX

	31/12/2007	31/12/2006	31/12/2005
Current taxes	(38,315)	(41,802)	(39,132)
Deferred taxes	(9,824)	(24,822)	(27,911)
Total	(48,139)	(66,624)	(67,043)

The German corporate tax rate has been reduced from 39.65% to 31.23%, effective from 2008. As deferred taxes are measured based on tax rates that have been enacted or substantively enacted by the balance sheet date, the rate of 31.23% was used as of 2007 to calculate taxable temporary differences.

Tax proof

	31/12/2007
Net attributable profit	163,502
Net profit – Minority interests	1,084
Income tax for the period	48,139
Share of profits of associates	(12,444)
Dividends received from non-consolidated companies	(6,293)
Total	193,988
Permanent differences ⁽¹⁾	(4,653)
Consolidated taxable profit	189,335
Theoretical tax rate	34.43%
Theoretical tax	(65,188)
Tax credits on dividends	101
Impact of tax consolidation	2,113
Contribution sociale and other surtaxes	(1,152)
Tax at reduced rates	(36)
Tax reassessments	957
Differences between Group rates/local rates ⁽²⁾	15,079
Deferred taxes not recognized for reasons of prudence	(1,418)
Deferred taxes recognized on temporary differences	1,405
Tax charge for the period	(48,139)

The theoretical tax rate used is the forecast rate at 31 December 2007 for Coface SA which accounts for the bulk of the Group's profit and income tax.

(1) The main permanent differences concern the Coface Austria group and Coface SA.

(2) Principally the 31.23% rate applicable in Germany, the 25% rate applicable in Austria, and the 38.72% rate applicable in Italy (average of several rates).

Notes to the consolidated financial statements

NOTE 28 - SHARE OF PROFITS OF ASSOCIATES

	31/12/2007	31/12/2006	31/12/2005
Cerved	5,211	-	-
Cofacredit	3,013	2,240	1,587
Graydon	4,220	3,122	2,466
Total	12,444	5,362	4,053

NOTE 29 - ANALYSIS OF CURRENT OPERATING PROFIT BY BUSINESS SEGMENT

	Insurance			Insurance-related services			Public procedures management		
	31/12/07	31/12/06	31/12/05	31/12/07	31/12/06	31/12/05	31/12/07	31/12/06	31/12/05
Turnover	1,007,245	962,512	869,478	112,748	110,934	108,532	60,687	58,294	60,048
Change in unearned premiums provisions	(17,794)	(28,940)	(11,015)	(35)					
Claims expenses	(534,021)	(497,939)	(464,383)				(15,490)	(14,982)	(16,235)
External acquisition costs: commissions	(108,336)	(99,505)	(90,319)						
Other administrative costs	(237,048)	(231,265)	(205,570)	(62,026)	(59,337)	(67,431)	(39,646)	(37,414)	(37,006)
Reinsurance result	(51,353)	(53,441)	(50,428)						
Operating margin	58,693	51,423	47,763	50,687	51,596	41,101	5,551	5,898	6,807
Net investment income	42,713	31,638	55,796						
Current operating profit including finance costs	101,406	83,060	103,559	50,687	51,596	41,101	5,551	5,898	6,807

	Company and marketing information/Receivables management			Factoring			Inter-segment transactions *			Total		
	31/12/07	31/12/06	31/12/05	31/12/07	31/12/06	31/12/05	31/12/07	31/12/06	31/12/05	31/12/07	31/12/06	31/12/05
Turnover	199,338	170,404	158,829	65,881	49,331	34,217	(13,310)	(8,771)	(13,187)	1,432,588	1,342,705	1,217,917
Change in unearned premiums provisions	0			0						(17,829)	(28,940)	(11,015)
Claims expenses and risk cost related to factoring	0			(11,548)	(8,104)	(6,296)	4,916		466	(556,143)	(521,025)	(486,448)
External acquisition costs: commissions	0						473			(107,863)	(99,505)	(90,319)
Other administrative costs	(182,480)	(156,424)	(146,858)	(29,664)	(17,642)	(16,881)	7,906	8,771	12,721	(542,959)	(493,311)	(461,025)
Reinsurance result	0									(51,353)	(53,441)	(50,428)
Operating margin	16,857	13,980	11,971	24,669	23,585	11,040	(15)			156,442	146,483	118,682
Net investment income/(expense)	1,277	262	4,906	58	(210)		15			44,063	31,690	60,702
Current operating profit including finance costs	18,134	14,242	16,877	24,727	23,375	11,040	0			200,505	178,173	179,384

(*) Inter-segment transactions correspond to sales by Company information/Receivables management entities to Insurance entities (including insurance-related services) as well as turnover generated by Insurance companies with Factoring companies.

Notes to the consolidated financial statements

Insurance

Insurance segment turnover primarily represents premium income. Gross operating margin corresponds to premiums written plus or minus changes in unearned premiums provisions, less claims expenses, external business acquisition costs and other administrative expenses, net of the reinsurance result. The insurance segment's operating margin corresponds to gross operating margin plus or minus the change in the claims equalisation provision. Current operating profit corresponds to operating margin plus net investment income allocated to the technical account.

The Group uses three ratios to measure the performance of its insurance business – the loss ratio, the cost ratio and the combined ratio. The loss ratio corresponds to the ratio of claims and claims handling expenses to total insurance turnover. The cost ratio corresponds to the ratio of external business acquisition costs and other administrative expenses (excluding investment management expenses) to total insurance turnover. The combined ratio represents the sum of the loss ratio and the cost ratio.

Insurance-related services

Turnover for this segment primarily corresponds to billings for insurance-related services.

Public procedures management

Turnover from public procedures management corresponds to the remuneration paid by the French State. Up until the end of 2002, this remuneration was determined on the basis defined in the May 1997 financial agreement entered into with the French government. According to the calculation formula provided for in this agreement, the remuneration was designed to cover the expenses incurred by Coface SA in connection with its management of these procedures (subject to a ceiling) and provide the Company with a pre-defined margin.

A new financial agreement was signed on 16 February 2004, which provided for the retroactive payment of a lump sum of €62 million for 2003. Under this agreement, for 2004 to 2006, turnover from public procedures

management was based on the volume of activity carried out by Coface, technical performance and the quality of service provided both to the insured and to the French State.

Negotiations are currently underway with the French government concerning a new financial agreement covering the years 2007 to 2010. For the 2007 financial statements turnover of €60 million was recorded for the public procedures management business, in line with the principle of prudence.

Premiums paid by clients are paid over to the State, which is also responsible for paid claims and receives the benefit of any subrogation and salvage. These amounts are therefore not reflected in the Group's consolidated financial statements. The expenses incurred in managing public procedures mainly correspond to the issuance of State guarantees, claims management expenses and the cost of recovering insured bad debts.

Company information and receivables management

Turnover from company and marketing information and receivables management services corresponds primarily to the sale of access to credit information and marketing information, and the sale of debt recovery services. Fees for debt recovery services generally correspond to a percentage of the amount recovered, plus out-of-pocket expense reimbursements in some cases. Expenses consist mainly of the cost of obtaining information and debt recovery expenses, selling expenses, general operating expenses and administrative expenses.

Factoring

Factoring turnover includes factoring fees for receivables management and collection services less insurance premiums paid, as well as commissions for financing outstanding receivables.

Risk cost related to factoring corresponds to provisions for losses on factored receivables, less any settlements received by insurers.

NOTE 30 - ANALYSIS OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT BY GEOGRAPHIC SEGMENT

The analysis by country is based on the country of the legal entity or permanent establishment concerned. Data relating to branches have therefore been broken down based on their country of origin. However, movements relating to inward reinsurance (business from fronting operations with international partners) have been allocated to the

country of the accepting office and not the country of origin, unlike the presentation used in the breakdown of turnover by country of invoicing. This analysis has been used so that the cost of external reinsurance is not exclusively borne by France.

Notes to the consolidated financial statements

	France	Germany	Austria	Italy	United Kingdom	Other European countries	Central Europe	North America	South America	Asia	Rest of the world	Inter-segment and inter-region transactions	Total
Turnover	549,591	312,878	63,676	159,614	50,732	159,896	18,209	121,482	19,542	54,137	6,861	(84,030)	1,432,588
Premiums written	342,710	236,445	59,497	153,374	42,103	126,633	17,911	104,175	19,172	54,137	0	(57,058)	1,099,098
Change in unearned premium provisions	(4,306)	(1,440)	(505)	6,226	5,754	(2,722)	(1,060)	(8,175)	(2,482)	(6,221)		(2,899)	(17,829)
Earned premiums	338,404	235,005	58,992	159,600	47,857	123,912	16,851	96,000	16,690	47,916	0	(59,957)	1,081,270
Income from banking activities		58,984		2,755	6,507	3,117		394					71,757
Risk cost		(11,054)		(161)	(403)			71					(11,548)
Net banking income	0	47,930		2,594	6,104	3,117	0	465	0	0	0	0	60,210
Revenue or income from other activities	206,884	17,449	4,179	3,485	2,122	30,146	298	16,912	370	0	6,861	(26,973)	261,733
Investment income, net of management expenses	7,504	17,408	6,743	1,918	1,735	1,505	571	1,169	1,738	1,491	43	(3,801)	38,024
Gains and losses on disposals of investments	17,160	2,251	(120)	1,322		(38)	90						20,665
Net financial income excluding finance costs	24,664	19,659	6,623	3,240	1,735	1,467	661	1,169	1,738	1,491	43	(3,801)	58,689
TOTAL INCOME FROM ORDINARY ACTIVITIES	569,952	320,043	69,794	168,919	57,818	158,641	17,811	114,546	18,798	49,407	6,904	(90,731)	1,461,901
Claims-related expenses	(179,053)	(91,516)	(25,730)	(79,689)	(29,082)	(70,669)	(10,788)	(34,418)	(13,525)	(24,116)		13,992	(544,595)
Expenses from banking activities, excluding risk cost	(591)	(18,433)		(1,841)	(4,619)	(1,972)		(425)					(27,256)
Expenses from other activities	(121,819)	(5,782)	(2,874)	(45)	(172)	(19,306)		(15,279)	(931)		(5,766)		(168,943)
Reinsurance result	(6,807)	(25,017)	(8,075)	(16,927)	(3,672)	(10,013)	(1,348)	(9,335)	1,799	(2,186)		30,229	(51,352)
Business acquisition costs	(104,329)	(26,993)	(4,648)	(16,401)	(9,182)	(17,700)	(3,120)	(34,079)	(1,198)	(13,450)		15,103	(215,997)
Administrative costs	(99,437)	(49,953)	(11,408)	(29,453)	(12,847)	(16,714)	(2,411)	(12,184)	(2,961)	(4,406)		22,857	(218,917)
Other current income and expenses	13,243	(9,364)	(1,583)	(4,371)	(1,757)	(12,449)	(729)	(2,710)	(1,208)	89		1,131	(19,708)
Total current income and expenses	(498,793)	(227,058)	(54,318)	(148,727)	(61,332)	(148,824)	(18,397)	(108,429)	(18,025)	(44,070)	(5,766)	86,969	(1,246,770)
CURRENT OPERATING PROFIT/(LOSS)	71,159	92,985	15,476	20,192	(3,514)	9,818	(587)	6,117	773	5,337	1,138	(3,762)	215,132
Change in value of goodwill													0
Other income and expenses from operations	(547)	122	0	0	(9)	187	5	20	(2)				(224)
OPERATING PROFIT/(LOSS)	70,612	93,107	15,476	20,192	(3,523)	10,005	(581)	6,137	771	5,337	1,138	(3,762)	214,908
Finance costs	(6,827)	(8,850)	(49)	(371)	(25)	(946)		(1,067)	(63)	(11)	(179)	3,762	(14,626)
Share of profits of associates	3,013			5,211		4,220							12,444
Income tax	(18,244)	(13,060)	(1,516)	(8,572)	(31)	(4,034)	(119)	(871)	(289)	(1,072)	(330)		(48,139)
CONSOLIDATED NET PROFIT/(LOSS) BEFORE MINORITY INTERESTS	48,554	71,197	13,911	16,460	(3,578)	9,244	(701)	4,199	418	4,254	629	0	164,587
Minority interests			(770)								(314)		(1,084)
Net profit/(loss)	48,554	71,197	13,141	16,460	(3,578)	9,244	(701)	4,199	418	4,254	315	0	163,502

Notes to the consolidated financial statements

NOTE 31 - EARNINGS PER SHARE

In accordance with IAS 33, earnings per share are calculated by dividing net profit by the average number of ordinary shares outstanding during the period. For the purposes of determining this average figure, capital increases are weighted based on the date of issue of the shares concerned.

The only dilutive instruments are stock options granted to employees. Diluted earnings per share are calculated using the treasury stock method whereby the proceeds received are assumed to be assigned on a priority basis to the purchase of shares at a price representing the net

asset value per share at the period-end. The theoretical number of shares which would be purchased at that price is then deducted from the number of shares which could be issued on exercise of the rights concerned. The net amount thus determined is added to the average number of ordinary shares outstanding during the period to make up the denominator for the diluted earnings per share calculation in which net profit for the period is the numerator.

	31/12/2007		
	Average number of shares	Net profit (in € thousands)	Earnings per share (in €)
Basic earnings per share	20,511,226	163,502	7.97
Dilutive instruments:			
Number of shares	76,877		
Income net of tax and employee profit-sharing			
Diluted earnings per share	20,588,103	163,502	7.95

	31/12/2006		
	Average number of shares	Net profit (in € thousands)	Earnings per share (in €)
Basic earnings per share	16,366,474	114,573	7.00
Dilutive instruments:			
Number of shares	98,647		
Income net of tax and employee profit-sharing			
Diluted earnings per share	16,465,121	114,573	6.96

	31/12/2005		
	Average number of shares	Net profit (in € thousands)	Earnings per share (in €)
Basic earnings per share	13,742,724	116,752	8.50
Dilutive instruments:			
Number of shares	93,519		
Income net of tax and employee profit-sharing			
Diluted earnings per share	13,836,243	116,752	8.44

Notes to the consolidated financial statements

NOTE 32 - EMPLOYEES

At 31 December 2007, fully consolidated companies had 4,625 employees compared with 4,883 at 31 December 2006.

a) By business segment	31/12/2007	31/12/2006	31/12/2005
Insurance and insurance-related services	2,473	2,447	2,359
Company information – Receivables management and other	2,152	2,436	2,050
Total	4,625	4,883	4,409

b) By country	31/12/2007	31/12/2006	31/12/2005
France	2,153	2,057	2,110
Germany	731	690	672
Italy	177	177	167
United Kingdom	173	177	154
Spain	176	107	91
Portugal	156	152	154
Austria	123	112	105
Other European countries	283	526	471
United States	406	352	121
Other	247	533	364
Total	4,625	4,883	4,409

The net decrease in the number of employees between 31 December 2006 and 31 December 2007 reflects the combined impact of the following:

- Company deconsolidations, which led to an 829-person decrease in Group headcount (in Other European countries, South Africa, South America and Asia).
- The acquisitions of Kompass France and Kompass Belgium by Coface Services (251 and 40 additional employees respectively).
- A significant increase in employee numbers in France, Spain and Germany (96, 69 and 41 additional employees respectively).

Notes to the consolidated financial statements

NOTE 33 - OFF BALANCE SHEET COMMITMENTS

OFF BALANCE SHEET COMMITMENTS	31/12/2007	31/12/2006	31/12/2005
Commitments given	90,803	38,261	38,690
Guarantees	56,668	19,198	23,780
Real estate guarantee	24,113	113	0
Financial commitments in respect of equity interests	6,351	12,747	10,009
of which consolidated subsidiaries	0	1,444	1,444
Currency contracts		0	4,238
Other commitments		0	4
Obligations under finance leases	3,671	6,203	659
Contingencies		-	-
Commitments received	42,662	28,494	83,664
Endorsements and letters of credit	4,889	10,891	22,080
Guarantees	4,392	0	0
Credit lines ⁽¹⁾	19,500	0	20,000
Financial commitments in respect of equity interests	5,316	14,210	14,466
of which consolidated subsidiaries	0	3,051	3,179
Currency contracts ⁽²⁾		0	4,000
Other	8,565	3,393	23,118
Reciprocal commitments	24,000	1,115	21,877
Forward purchases and sales of foreign currencies ⁽²⁾	24,000	1,115	21,877
Guarantees received			
Securities lodged as collateral by reinsurers	212,479	151,859	105,424
Financial market transactions	-	-	-

(1) Undrawn portion of a credit line.

(2) Representing outstanding commitments under Coface exchange risk insurance policies. Cover under these policies is only provided for in US and Canadian dollars, Japanese yen, pounds sterling and Swiss francs. Derivative instruments are used solely for hedging purposes and the Group does not engage in derivatives trading activities.

NOTE 34 - FEES PAID BY COFACE TO THE STATUTORY AUDITORS AND MEMBERS OF THEIR NETWORKS

(in € thousands)	2007			
	DELOITTE & TOUCHE	%	KPMG	%
Audit				
Statutory audit and contractual audits	863		1,066	
Other engagements	6		89	
Sub-total – audit	869	100%	1,155	95%
Other services				
Legal and tax advisory services	0		3	
Other	0		59	
Sub-total – other services	0	0%	62	5%
Total	869	100%	1,217	100%

Statutory auditors' report on the consolidated financial statements

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2007

This is a free translation into English of the Statutory Auditors' report and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in all audit reports, whether qualified or not, and this is presented below the opinion on the consolidated financial statements. This information includes an explanatory paragraph discussing the auditors' assessments of significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual accounting captions or on information taken outside of the consolidated financial statements. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

COFACE

12, Cours Michelet
La Défense 10 - 92800 PUTEAUX

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Coface SA and its subsidiaries for the year ended 31 December 2007.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

1. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform our audit to obtain reasonable assurance that the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the consolidated undertaking at 31 December 2007 and of the results of its operations for the year then ended in accordance with IFRS as adopted for use in the European Union.

2. Justification of our assessments

In accordance with the requirements of Article L.823-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

- Certain technical account items for the insurance and reinsurance businesses, including claims provisions and subrogation and salvage, are estimated based on statistical data. The methods used to determine these items are described in Note 3.7 to the consolidated financial statements ("General principles").

Our audit consisted in assessing the data, assumptions and methods of calculation upon which these accounting estimates are based, particularly in relation to the Company's experience and its economic environment, and in reviewing the calculations made by the Company. Based on these procedures, we assessed whether the estimates made were reasonable.

- At each period-end, goodwill is systematically tested for impairment according to the methods described in Note 3.7 to the consolidated financial statements ("General principles"). We analysed the methods applied in implementing this impairment test together with the assumptions and forecasts based on the Group's strategic business plans.

These assessments were made in the context of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3. Specific verification

In accordance with professional standards applicable in France, we have also verified the information given in the Group's management report. We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Paris and Neuilly-sur-Seine, 31 March 2008

The Statutory Auditors

SALUSTRO REYDEL
Member of KPMG International

Michel SAVIOZ
Partner

DELOITTE & ASSOCIES

Damien LEURENT
Partner

François Arbey
Partner

2007

Statutory financial statements

Statutory financial statements

BALANCE SHEET

(in thousands of euros)

ASSETS	31/12/2007	31/12/2006	31/12/2005
Intangible assets	47,240	36,403	30,882
Investments			
Property	309	313	422
Investments in subsidiaries and affiliates	402,286	422,792	420,696
Other investments	535,312	553,648	563,279
Deposits with ceding insurers	559	2	10
	938,466	976,755	984,407
Reinsurers' share of technical provisions			
Provisions for unearned premiums and unexpired risks	40,899	33,555	21,104
Claims provisions	169,832	154,139	141,762
Provisions for bonuses and rebates	9,186	7,124	3,529
Autres provisions techniques			
	219,917	194,818	166,395
Debtors			
Debtors arising from direct insurance operations			
Accrued premiums	104,072	82,361	84,251
Other	106,297	115,681	95,672
Debtors arising from reinsurance operations	45,103	49,728	51,259
Other debtors:			
Recoverable personnel costs	227	2,974	4,117
Recoverable taxes	7,286	24,284	9,314
Sundry debtors	70,459	62,296	81,345
	333,444	337,324	325,958
Other assets			
Tangible assets used in the business	6,312	5,404	5,322
Cash at bank and in hand	82,314	73,764	33,188
	88,626	79,168	38,510
Prepayments and accrued income			
Prepaid interest and rentals	4,081	2,436	811
Deferred acquisition costs	20,333	16,807	12,070
Other	6,085	6,706	3,882
	30,499	25,949	16,763
Unrealised translation losses	59,322	40,269	20,014
TOTAL ASSETS	1,717,514	1,690,686	1,582,929

Statutory financial statements

BALANCE SHEET (cont'd)

(in thousands of euros)

LIABILITIES AND SHAREHOLDERS' FUNDS	31/12/2007	31/12/2006	31/12/2005
Shareholders' funds and reserves			
Share capital	86,550	69,795	54,957
Share premium account	284,918	186,186	83,464
Reserves	222,618	296,085	361,801
Retained profit	(39,962)		3,965
Net profit for the year	92,037	40,706	47,186
Interim dividend	(39,962)		
	646,161	592,772	551,373
Technical provisions before reinsurance			
Provisions for unearned premiums and unexpired risks	96,702	90,075	78,673
Claims provisions	418,364	392,481	389,879
Provisions for bonuses and rebates	24,947	23,708	18,017
Claims equalisation provision	157,440	154,392	135,914
	697,453	660,656	622,483
Provisions for liabilities and charges	54,770	54,237	42,677
Deposits received from reinsurers	5,246	6,719	7,726
Other creditors			
Creditors arising from direct insurance operations	36,924	38,464	36,797
Creditors arising from reinsurance operations	70,219	69,999	61,576
Bonds			
Bank loans		4,510	4,771
Other creditors:			
Other loans and deposits	14,949	11,337	10,575
Accrued personnel costs	29,262	28,665	28,656
Accrued taxes	21,518	18,661	17,323
Sundry creditors	100,696	171,389	175,354
	273,568	343,025	335,052
Accrued charges and deferred income	16,737	14,253	8,339
Unrealised translation gains	23,579	19,024	15,279
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	1,717,514	1,690,686	1,582,929

Off-balance sheet commitments at 31 December 2007

<i>(in thousands of euros)</i>		31/12/2007	31/12/2006	31/12/2005
COMMITMENTS RECEIVED		29,316	15,325	41,345
1. Guarantees				
From Caisses d'Epargne (Sofrascau run-off)				14,094
2. On investments:				
- Commitment to purchase tax advantaged shares in Seafrance ship in 2007			7,280	7,280
- Commitment to purchase Proparco shares (1,524 between January 2002 and June 2007 and 1,804 between January 2006 and December 2009)		1,804	3,328	3,328
- SCOR SA liability warranty for Unistrat Assurances, maximum amount		2,500	2,500	2,500
- Lireas Holdings liability warranty for CUAL until 9/03/2011: ZAR 1,592,500		159	173	213
- Guarantee provided by Hanover Reinsurance Africa for commitments made by Lireas Holdings: ZAR 1,592,500		159	173	213
- Swanvest liability warranty for CUAL until 9/03/2011: ZAR 1,885,000		188	205	253
- Guarantee provided by Santam for commitments made by Swanvest: ZAR 1,885,000		188	205	253
- IPRJ Investments liability warranty for CUAL until 9/03/2011: ZAR 1,592,500		159	173	213
- Guarantee provided by Kreditinform for commitments made by IPRJ Investments: ZAR 1,592,500		159	173	213
Total		5,316	14,210	14,466
3. Forward purchases of foreign currencies (*):				
USD			200	1,580
JPY				110
EUR		24,000	915	7,095
Total		24,000	1,115	8,785
4. Purchases of interest rate instruments (*):				
EUR				4,000

* Representing outstanding commitments under Coface exchange risk insurance policies. In 2006 and 2005, cover under these policies was only provided in USD and JPY.

Derivative instruments are used solely to hedge Coface's exposure. Coface does not engage in derivatives trading activities. Hedging gains and losses are included in the underwriting result.

Off-balance sheet commitments at 31 December 2007

<i>(in thousands of euros)</i>		31/12/2007	31/12/2006	31/12/2005
COMMITMENTS GIVEN		33,761	17,082	35,840
1. Cautions et avals				
1.1. On loans to employees by UCREPPSA:	EUR 2	2	4	7
1.2. To Caisses d'Epargne (Sofrascau run-off)				14,202
Total		2	4	14,209
2. On investments				
- Commitment to sell tax-advantaged shares in Seafrance ship in 2007			7,280	7,280
- Commitment to subscribe to the E. de Rothschild venture capital investment fund		3,697	1,173	1,285
- Commitment to subscribe to the Ventech Capital venture capital investment fund		2,550	2,850	
- Liability warranty granted on the sale of ICAP to Business Data Investments SA (from 01/02/07 to 05/02/09)		104		
Total		6,351	11,303	8,565
3. Forward sales of foreign currencies and the Cime option (*)				
	JPY			550
	USD 25,488	18,000	915	6,545
	CHF 9,842	6,000		
	EUR		200	1,690
Total		24,000	1,115	8,785
4. Sales of interest rate instruments *				4,238
5. Finance leases on equipment				
- Computer equipment (MC2I) with initial cost, excl. VAT of €32,000 (10/04/04 to 09/04/07)			3	14
- Office equipment (Espace Diffusion) with initial cost, excluding VAT, of €44,000 (01/07/04 to 30/06/08), o/w €5,000 due within 1 year		5	17	29
- Miscellaneous equipment with initial cost, excluding VAT, of €8,562,000 (3 to 5 years), o/w €1,390,000 due within 1 year		3,403	4,640	
Total		3,408	4,660	43
COLLATERAL RECEIVED				
(lodged as collateral for reinsurers' share of technical provision)		212,480	151,859	119,793
Securities lodged as collateral		212,480	151,859	109,465
Letters of credit (Sofrascau run-off)				10,328

* Representing outstanding commitments under Coface exchange risk insurance policies. In 2006 and 2005, cover under these policies was only provided in USD and JPY.

Derivative instruments are used solely to hedge Coface's exposure. Coface does not engage in derivatives trading activities. Hedging gains and losses are included in the underwriting result.

Profit and loss account

TECHNICAL ACCOUNT

(in thousands of euros)

	31/12/2007			31/12/2006	31/12/2005
	Gross	Ceded business	Net	Net	Net
Earned premiums	581,049	(253,394)	327,655	329,233	339,887
Premiums written	587,721	(260,783)	326,938	329,951	324,826
Change in provisions for unearned premiums and unexpired risks	(6,672)	7,389	717	(718)	15,061
Allocated investment income transferred from non-technical account	36,884		36,884	16,010	26,191
Other underwriting income	64,580		64,580	63,132	64,811
Claims expenses	(310,897)	107,239	(203,658)	(168,484)	(196,067)
Paid claims	(230,524)	91,533	(138,991)	(129,784)	(144,427)
Change in claims provisions	(25,897)	15,706	(10,191)	9,179	(4,670)
Claims handling expenses	(54,476)		(54,476)	(47,879)	(46,970)
Policyholders' bonuses					
Change in provisions for policyholders' bonuses	(1,239)	2,062	823	(1,368)	(2,772)
Business acquisition costs and administrative expenses	(240,420)	93,972	(146,448)	(163,793)	(159,446)
Business acquisition costs	(160,739)		(160,739)	(151,617)	(155,274)
Administrative expenses	(79,681)		(79,681)	(77,937)	(68,646)
Reinsurance commissions		93,972	93,972	65,761	64,474
Other underwriting expenses	(13,060)		(13,060)	(9,260)	(8,748)
Change in claims equalisation provision	(3,048)		(3,048)	(18,479)	(10,650)
Underwriting profit	113,849	(50,121)	63,728	46,990	53,206

NON-TECHNICAL ACCOUNT

(in thousands of euros)

	31/12/2007	31/12/2006	31/12/2005
Underwriting profit	63,728	46,990	53,206
Investment income	113,300	60,215	73,490
Interest and dividend income	56,014	37,149	31,601
Other investment income	1,243	4,553	1,021
Gains on disposal of investments	56,043	18,513	40,868
Investment expenses	(26,920)	(24,011)	(15,927)
Internal and external portfolio management expenses and interest expense	(5,570)	(7,146)	(7,016)
Portfolio management expenses	(1,564)	(1,446)	(944)
Other investment expenses	(1,922)	(792)	(4,743)
Losses on disposal of investments	(17,864)	(14,627)	(3,224)
Investment income transferred to technical account	(36,884)	(16,010)	(26,191)
Non-operating income and expense, net	(960)	781	(674)
Non-operating income	2,571	(4,211)	3,422
Non-operating expense	(3,531)	(3,430)	(4,096)
Employee profit-sharing	(6,872)	(7,379)	(10,616)
Corporate income tax	(13,355)	(19,880)	(26,102)
NET PROFIT FOR THE YEAR	92,037	40,706	47,186

Subsidiaries and affiliates

	At 31 December 2007						Year ended 31 December 2007				
	Currency	Capital	Reserves and retained profit (loss)	% interest	Carrying amount of investment		Outstanding loans and advances granted by the Company (1)	Premium income/turnover	Net profit (loss)	Dividends received or recognised by the Company	Comments
	('000s)				Gross	Net					
I. Carrying amount > 1% of Coface's capital (€865,503)											
1. Subsidiaries (> 50%-owned)											
a. French companies											
• Cofinpar 12 Cours Michelet 92065 Paris La Defense	EUR	29,280	15,123	99.99%	29,270	29,270		-	32	365	
• Coface Services 1 Rue de l'Union 92843 Rueil Malmaison Cedex	EUR	18,000	4,800	99.99%	128,260	128,260	104	103,915	10,457	10,086	
• Fimipar 12 Cours Michelet 92065 Paris La Defense	EUR	7,546	292	99.99%	7,576	7,576		4,729	1,247		
• Kompass International Neuenschwander 12 Cours Michelet 92065 Paris La Defense	EUR	47	3,872	100.00%	13,670	13,670		6,654	1,003	808	
• Unistrat Coface 1 Rue de l'Union 92843 Rueil Malmaison Cedex	EUR	859	204	99.99%	975	975		9,144	3,780	2,889	
b. Foreign companies											
• Coface Italia Via Giovanni Spadolini 4 20141 Milan - Italie	EUR	520	879	100.00%	3,971	3,971	2,575	-	607		
• Coface Seguro de Credito Mexico Insurgentes Sur avenue 1787 10th floor, Guadalupe Inn 01020 - Mexico	MXN	37,875	-	99.36%	2,799	2,799		256	(482)		MXN = 14.2279 31/12/06
• Coface North America Holding Company 1350 Broadway suite 2000 New York, NY	USD	10	12,916	100.00%	12,605	12,605	21,582	-	(851)		USD = 1.4721
• Coface South Africa Insurance Company Ltd 13 Wellington Road, Parktown South Africa	ZAR	0.14	19,880	100.00%	2,329	2,329		9,614	562		31/12/06 ZAR = 9.2124
• Coface South Africa Services (idem)	ZAR	501	6,329	100.00%	877	877		4,321	397		31/12/06
• Coface Services South Asia Pacific 36 Robinson Road #19-01 City House Singapore 068877	SGD	12,000	(6,620)	100.00%	6,073	6,073	865	1,302	7		SGD = 2.0202 31/12/06
• Coface Holding Aktiengesellschaft Isaac Fulda Allee 1 55124 Mainz Allemagne	EUR	1,510	113,706	100.00%	91,254	91,254		-	17,088	14,000	
• Coface Greater China Services Ltd 8/F Sunning Plaza, 10 Hysan Av., Causeway Bay Hong Kong	HKD	500	10,311	100.00%	1,452	1,452		1,345	56		31/12/06 HKD = 10.2409 Based on 2006 P&L figures
• Coface Greater China Finance	HKD	11,669	(4,853)	100.00%	1,043	1,043		-	(44)		31/12/06
• Coface Central Europe Holding AG Stubenring 24, 1011 Wien - Autriche	EUR	727	6,619	74.99%	4,563	4,563		2,731	2,547	764	31/12/06
• Coface UK Holdings Ltd 15 Appold Street - London EC2A 2DL	GBP	500	86	99.99%	8,318	8,318		-	862		GBP = 0.6715 31/12/06
• Coface Servicos Portugal Av. Columbano Bordalo Pinheiro 75 1070-061 Lisboa	EUR	200	406	99.95%	5,617	5,617		6,738	(495)		
• Coface Sigorta AS Buyukdere Cad. Yapi Kredi Plaza 34330 Istanbul	TRY	10,300	220,750	100.00%	5,241	5,241		4,140	111		TRY = 1.7170
• Kompass Turkey⁽²⁾	TRY	87	(238)	69.91%	1,089		75	202	(70)		
• Coface Service Bilgi	TRY	47	(1,526)	99.94%	1,135	1,036		730	56		
• Coface Assicurazioni SPA Via Giovanni Spadolini 4 20141 Milan - Italie	EUR	20 000	14 348	83.00%	32 662	32 662		132 852	3 816	3 602	
• Unistrat Holding B.V Rokin 55 - 1012 KK Amsterdam Pays Bas	EUR	2,269	12	100.00%	2,942	2,942		-	(16)		31/12/06

(1) Including cash current accounts.

(2) Subsidiaries of Kompass Holding (full asset transfer on 22 January 2007)

Subsidiaries and affiliates

	At 31 December 2007						Year ended 31 December 2007				
	Currency	Capital	Reserves and retained profit (loss)	% interest	Carrying amount of investment		Outstanding loans and advances granted by the Company (1)	Premium income/turnover	Net profit (loss)	Dividends received or recognised by the Company	Comments
					Gross	Net					
('000s)	Currency				EUR	EUR	EUR	EUR	EUR		
<ul style="list-style-type: none"> • Coface Factoring Chile⁽³⁾ Avenida Nueva Tajamar 481 Torre Norte of. 1601 7550099 Las Condes Santiago - Chile 	CLP	908,335	(151,126)	99.99%	1,149	1,149		192	(107)		CLP= 731.47
<ul style="list-style-type: none"> • Compania de Seguros de Credito Coface Chile⁽³⁾ Torre Norte of. 1701 	CLP	3,401,232	77,984	84.35%	3,569	3,569		8,238	415		CLP = 731.47
<ul style="list-style-type: none"> • Kompass US⁽²⁾ 900 Chapel street suite 2 New Haven 06510 CT 	USD	0.15	(1,158)	100.00%	1,736		903	292	(319)		USD = 1.4721
<ul style="list-style-type: none"> • Kompass Czech Republic a.s⁽²⁾ Capkova 14 - Praha 4 - 140 00 	CZK	1,000	8,467	100.00%	1,108	1,108		1,288	60		CZK = 26.628
<ul style="list-style-type: none"> • Kompass Poland⁽²⁾ 31/12/06Al Jerozolimskie 136 02305 Warszawa 	PLN	1,482	(2,934)	100.00%	2,913	1,018	259	1,229	102		PLN = 3.8310 31/12/06
<ul style="list-style-type: none"> • Kompass Japan⁽²⁾ Toranomom Kotohira Tower 5F Tokyo 105 0001 	JPY	100,000	(417,746)	100.00%	928		2,400	180	(329)		JPY = 164.93
<ul style="list-style-type: none"> • Kompass South East Asia⁽²⁾ 36 Robinson Road #19-01 City House Singapore 068877 	SGD	2,100	(2,560)	100.00%	964	424	130	141	(82)		SGD = 2.1163
2. Affiliates (10% - 50% owned)											
a. French companies											
<ul style="list-style-type: none"> • Axa Assurcredit 26 rue Drouot - 75009 Paris 	EUR	22,868	(14,458)	40.00%	5,333	5,333		14,119	7		31/12/06
<ul style="list-style-type: none"> • Cofacredit Tour Facto - 18 rue Hoche cedex 88 92988 Paris La Defense 	EUR	4,000	21,940	36.00%	1,372	1,372		39,882	7,962	936	
b. Foreign companies											
<ul style="list-style-type: none"> • Coface Austria Holding AG⁽⁴⁾ Stubenring 24, 1011 Vienna - Autriche 	EUR	3,650	13,901	20.83%	5,982	5,982		-	1,972		
<ul style="list-style-type: none"> • Coface Belgium Services Holding 100 boulevard du Souverain 1170 Bruxelles 	EUR	399	6,107	46.58%	5,232	5,232		1,171	273		
<ul style="list-style-type: none"> • Seguradora Brasileira De Crédito A Exportação Rua Senador Dantas 74/11e andar Rio De Janeiro - Brésil 	BRL	9,165	8,223	27.47%	2,123	2,123		5,705	1,114	122	BRL = 2.6018
<ul style="list-style-type: none"> • Graydon N.V Holding Hullenbergweg 260 PO box 12525 1101 BV Amsterdam ZO - Pays Bas 	EUR	1,500	8,822	27.50%	5,250	5,250		71,000	13,968	3,850	
II. Other subsidiaries and affiliates											
1. Subsidiaries (at least 50%-owned)											
a. French companies ⁽²⁾					927	927	2 285				471
b. Foreign companies					1,444	1,112	1,029				225
2. Affiliates (10%-50% owned)											
a. French companies ⁽²⁾					160	157					
b. Foreign companies					304	304					82

Coface SA also operates through branches in Argentina, Belgium, Canada, Hong Kong, Ireland, Japan, Portugal, Singapore, Spain, Switzerland and the United Kingdom.

(1) Including cash current accounts.

(2) Subsidiaries of Kompass Holding (full asset transfer on 22 January 2007)

(3) Subsidiaries owned by the Chilean branch

(4) Shares 50% paid up.

(5) In the case of non-trading property companies, partners' loans are included in shareholders' funds.

Five-year financial summary

(Data disclosed in accordance with Articles 133, 135 and 148 of the French Decree concerning trading companies)

HEADINGS	2003	2004	2005	2006	2007
I - Capital at 31 December (in € thousands)					
a) Share capital	49,736	49,796	54,957	69,795	86,550
b) Number of ordinary shares outstanding	13,049,899	13,065,649	14,419,830	18,313,117	22,709,334
c) Number of shares to be issued (stock options) ⁽¹⁾	8,350	3,955	8,150	13,966	
d) Number of convertible bonds outstanding	None	None	None	None	None
II - Results of operations					
a) Gross premium income excluding taxes ⁽²⁾	702,078	647,745	589,859	621,341	652,301
Ceded premium income excluding taxes	191,878	186,812	200,222	228,259	260,783
b) Profit before tax, depreciation, amortisation and provisions	205,517	93,299	79,334	93,812	138,205
c) Corporate income tax	35,660	12,134	26,102	19,880	13,355
d) Net profit	77,633	23,756	47,186	40,705	92,037
e) Total dividends ⁽¹⁾	18,020	47,050	116,867	114,178	163,502
III - Per share data (in euros)					
a) Profit after tax but before depreciation, amortisation and provisions	13.02	6.21	3.69	4.04	5.50
b) Net profit	5.95	1.82	3.27	2.22	4.05
c) Dividend	1.38	3.60	8.10	6.23	7.20
IV- Personnel					
a) Number of employees at 31 December ⁽³⁾	1,511	1,527	1,561	1,641	1,710
b) Total payroll	65,558	65,030	70,520	76,565	80,992
c) Total benefits	30,130	30,889	32,059	33,770	34,291

(1) Subject to approval at the Annual General Meeting.

(2) Premium income and policy fees, net of cancellations, plus other income and remuneration for public procedures management services.

(3) All Coface employees including staff assigned to public procedures management. All other data reported above relates solely to the Company's private market business.

Notes to the statutory financial statements

I - SIGNIFICANT EVENTS OF THE YEAR

1. RESTRUCTURING OPERATIONS

CREATION OF COFACE HOLDING

The holding company Coface Holding SAS was set up in 2007 in order to align the Group's structure with Natixis' business-based organisation. The role of Coface Holding SAS – which is wholly owned by Natixis – is to hold the shares owned by Natixis in Coface SA and Natixis' factoring subsidiary, Natixis Factor.

The asset transfers required to set up the new company were completed in July 2007 and Coface Holding SA will now represent the Group's receivables management business for parties outside the Natixis group. The creation of this new holding company will also facilitate Coface's financial management.

CREATION OF COFACE HOLDING AUSTRIA

During the year Coface continued to reorganise its geographic structure by creating Coface Holding Austria to hold the Group's insurance, services and factoring entities in Austria and Eastern European countries. Coface SA currently owns 20.83% of Coface Holding Austria's shares.

FULL ASSET TRANSFERS

The following four wholly-owned subsidiaries of Coface SA companies were wound up during the year without being liquidated:

- Coface Expert: wound up on 2 January 2007 with retroactive effect for tax purposes from 1 January 2006 in accordance with the French Administrative Order dated 30 December 2005 (BOI 4I-1-05).
- Kompass Holding, wound up on 22 January 2007 with retroactive effect for tax purposes from 1 January 2006 in accordance with the French Administrative Order dated 30 December 2005 (BOI 4I-1-05).
- BIM, wound up on 5 November 2007 with retroactive effect for tax purposes from 1 January 2007.
- Unistrat Paris, wound up on 29 November 2007.

These transactions generated an aggregate merger deficit of €2,810,000 and an aggregate merger gain of €393,000, which were recognised in financial income and expense.

All of the operations formerly conducted by these companies were taken over by Coface SA.

CREATION OF A BRANCH IN CHILE

A new branch called Coface Branch Chile was set up during the year. This branch now holds Coface SA's shares in Coface Factoring Chile and the insurance company Coface Chile.

PURCHASE OF AN ADDITIONAL STAKE IN COFACE IGK

In 2007 Coface SA acquired 45% of Coface IGK, raising its direct interest in the company to 70%.

2. COFACE APPROVED AS A RATING AGENCY FOR BANKS

Thanks to its Score @rating service, Coface has been approved by the French Banking Commission as an External Credit Assessment Institution (ECAI) for its ratings business in France. Score @rating provides default risk data for measuring credit risk for financial institutions that use the standard approach under the Basel II regulations for determining capital requirements.

3. FINANCIAL STRENGTH RATING

On 21 November 2007, Moody's confirmed the "Aa3" (stable outlook) financial strength rating issued to Coface and its main operating subsidiaries in Germany, Italy, Austria and the United States. On 30 November 2007 Fitch Ratings downgraded Coface and its subsidiaries from "AA+" to "AA". In addition, on 7 December 2007 Standard & Poor's revised the outlook attributed to Coface from "AA" (stable outlook) to "AA" (negative outlook) as a result of its revised outlook for Natixis.

4. LIQUIDATION OF DEDICATED FUNDS

Two dedicated funds managed by Lazard (Cofactions no. 2 – an equities fund) and CAAM (Cofoblig – a fixed-income fund) were liquidated during the second half of 2007. The corresponding assets are now recognised directly in Coface SA's balance sheet but are still managed by the same investment firms under a direct management agreement.

The liquidation of these two funds generated a €26.3 million gain.

II - ACCOUNTING PRINCIPLES AND METHODS

GENERAL PRINCIPLES

The financial statements of Coface S.A. are prepared in accordance with French insurance accounting standards (Decree no. 94-481 dated 8 June 1994, and Government Order dated 20 June 1994) and the European Council Directive of 19 December 1991 concerning the financial statements of insurance companies.

Analysis of expenses by cost accounting principles

The Company's overhead expenses are initially accounted for by type and are then analysed based on cost accounting principles using appropriate cost allocation keys. For this purpose the Company's activities have been broken down into fifteen management processes. The costs attributable to each process are analysed based on their nature. Investment management expenses are included under investment expenses. Claims handling expenses are included under claims expenses. Business acquisition costs, administrative expenses and other underwriting expenses are shown separately in the profit and loss account.

Public procedures management

The management by Coface SA of French public credit insurance procedures qualifies as insurance business and the remuneration received from the French State is therefore reported under "Other underwriting income". The corresponding costs are analysed based on cost accounting principles and are thus included under the same profit and loss accounting headings as the expenses incurred by Coface SA in connection with its private market insurance activities.

TRANSACTIONS IN FOREIGN CURRENCIES

Transactions in foreign currencies are initially recorded in the currency in which the transaction took place. For the preparation of the financial statements, balance sheet items are translated into euros at the period-end exchange rate or at the rate prevailing at the nearest available date prior to the period end. Gains or losses arising on these translations are recorded as foreign currency losses or gains in the balance sheet.

Provisions for liabilities and charges are recorded for net unrealised foreign exchange losses, calculated based on overall figures including all foreign currencies.

Translation adjustments arising on additions to provisions recorded for structural changes relating to certain branches for tax or regulatory reasons are recognised in a specific accruals account that is not taken into consideration when determining provisions for foreign exchange losses.

Notes to the statutory financial statements

FIXED ASSETS

a - Research and IT development costs

In accordance with CNC Recommendation 2004-15 of 23 June 2004, IT development costs are capitalised and amortised as from the date the assets concerned are put into service. In order to recognise development costs as intangible assets, an entity must be able to demonstrate the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;
- how the intangible asset will generate probable future economic benefits;
- the current or future availability of adequate resources to complete the development and use or sell the intangible asset; and
- its ability to reliably measure the expenditure attributable to the intangible asset during its development.

b - Tangible assets

Tangible assets are depreciated using the following methods and over the following useful lives:

	Depreciation method	Useful life
Computer equipment (excluding PCs)	Straight line	5 years
PCs	Straight line	3 years
Furniture, office equipment, fixtures and fittings	Straight line	8 years
Vehicles	Straight line	4 years
Other equipment	Reducing balance	5 years

A standard issued by the French Accounting Board (CNC) requires entities to apply the component approach to tangible assets, whereby the significant parts of individual assets are accounted for as separate units and are depreciated accordingly.

In compliance with this standard, Coface has separated its buildings into the following components:

Land	Not depreciated
Enclosed/covered structures	Depreciated over 30 years
Technical equipment	Depreciated over 15 years
Fixtures and fittings	Depreciated over 10 years

At 31 December 2007, the only operating premises owned by Coface were in the process of disposal and did not represent a material amount.

INVESTMENTS

Investments are recorded at historical cost. A "liquidity risk provision" is recorded in cases where the total fair value of investments represents less than their total cost. This provision is in addition to any provisions for prolonged impairment of value recorded on a case-by-case basis. Coface applies the criteria provided in Recommendation 2002 F issued by the CNC on 18 December 2002 to assess whether impairment in value should be considered prolonged. Where market volatility is low, the impairment is qualified as prolonged if the market value remains more than 20% lower than the investment's carrying amount for a period of over six months. The calculation of the provision takes into account the intended holding period of the assets concerned and the probability of the impairment being reversed over that period. Where market volatility is high, a provision is recorded if the market value of an investment is more than 30% below its carrying amount for a period of six months.

Provisions for prolonged impairment of value were recorded for the first time in 1995, in application of the new French insurance accounting standards. The effect of this change of method on opening net

assets at 1 January 1995 was charged directly to reserves. At the time of sale of the assets concerned, the fraction of the provision corresponding to the actual loss incurred is written back to the profit and loss account and any remaining balance is credited to reserves. The same applies to the fraction of the provision which is no longer required due to the amortisation charge for the period.

Gains and losses on disposals of investments are determined using the First-In First-Out method (FIFO).

a - Property assets

Investment property is depreciated over a period not exceeding fifty years using the straight-line method.

The realisable value of buildings and shares in non-trading property companies is determined based on five-yearly independent valuations, updated annually.

b - Shares in subsidiaries and affiliates

The realisable value of these shares is determined based on the companies' revalued net assets, results, outlook and their value in use for the Company.

Investments that are intended to be held on a long-term basis are written down only in cases where they have suffered a prolonged impairment of value.

c - Forward financial instruments

In 2007 Coface carried out transactions involving forward financial instruments, corresponding to:

- Purchases of put options in order to hedge the risk of a decline in equity values as well as the sale of call options in certain cases in order to finance these purchases.
- Forward currency transactions, designed to hedge the risk of adverse fluctuations in exchange rates.
- Swaps, to hedge the risk of a rise in interest rates.

The nominal amount of these hedges is strictly limited to the amount of the underlying assets held in the portfolio in order to ensure that these assets are effectively hedged.

The options are recorded in an accruals account in accordance with Opinion 2002-09 issued by the CRC (French Accounting Standards Committee) as they qualify as transactions used as part of a yield-raising strategy. At each balance sheet date any unrealised gains or losses on the options are analysed and the gain or loss arising on the effective portion of the hedge is recognised in profit or loss.

Contingent commitments related to these transactions are included in off balance-sheet commitments.

d - Other investments

Coface's investment portfolio essentially comprises listed securities and mutual fund units. The realisable value of these investments is determined based on the closing price on the last trading day preceding the year-end.

The value of unlisted securities is determined in the same way as for investments in subsidiaries and affiliates.

STOCKS-OPTIONS

Where applicable, provisions are recorded at the year-end to reflect the potential cost of stock options in the profit and loss account. The provisions are determined based on the probability of the options being exercised, the exercise price, the exercise period and staff turnover assumptions. Where the shares to be allocated on exercise of stock options have not yet been purchased, the provision also takes into account assumptions concerning the price payable to acquire the required number of shares.

These provisions are recorded under provisions for liabilities and charges.

Notes to the statutory financial statements

EMPLOYEE BENEFITS

Coface contributes to pension plans in accordance with the law and the applicable practices under the collective bargaining agreement for insurance companies. The retirement commitments provided for by Coface SA are included in provisions for liabilities and charges and relate primarily to retirement bonuses, pensions, seniority bonuses, long- service awards and employer contributions to healthcare plans for retired employees.

Based on plan regulations, independent actuaries calculate:

- The actuarial value of future benefits, corresponding to the present value of all benefits to be paid. The measurement of this present value is essentially based on:
 - demographic assumptions;
 - future benefit levels (retirement bonuses, long-service awards, etc.);
 - the probability that the specified event will occur;
 - an evaluation of each of the factors included in the calculation of the benefits, such as future salary increases;
 - the interest rate used to discount future benefits at the measurement date.

The main assumptions used are as follows: inflation rate = 2%; discount rate = 4.20%; and rate of increase of salaries (including inflation) = 3.50%.

- The actuarial value of benefits related to current and, where applicable past, service cost, including the impact of future salary increases, determined using the projected unit credit method which spreads the actuarial value of benefits evenly over the expected average remaining working lives of the employees participating in the plan.

Coface has implemented recommendation 2003-R-01 issued by the CNC on 1 April 2004, relating to retirement commitments. This recommendation sets out a similar basis for measuring retirement commitments as in International Financial Reporting Standards (IAS 19), and allows for unrecognised actuarial gains and losses to be recognised in equity as of 2004.

UNDERWRITING OPERATIONS

a - Premiums

Gross premiums correspond to premiums written, excluding tax. They are stated net of premium cancellations and rebates and paid bonuses, but include an estimate of earned premiums not yet written and premiums to be cancelled after the year-end.

Premiums are primarily based on policyholders' declarations as to their turnover.

The Company's exchange risk cover activity is classified as financial loss insurance.

Coface also receives policy fees, corresponding mainly to the cost of monitoring the credit status of insured buyers, which is billed to clients and partners.

b - Unearned premium provisions

Unearned premium provisions are calculated separately for each policy, on an accruals basis. The amount charged to the provision corresponds to the fraction of written premiums relating to the period between the year-end and the next premium payment date.

The calculation of this provision only concerns policies where the turnover declaration by policyholders is either annual or quarterly (excluding Unistrat and foreign investment insurance).

c - Deferred acquisition costs

Business acquisition costs, including commissions and internal expenses related to contract preparation, are deferred over the life of the contracts according to the same rules as those for unearned premium provisions.

They are recorded in the balance sheet under "Deferred acquisition costs". Changes in deferred acquisition costs are included under "Business acquisition costs" in the profit and loss account.

d - Paid claims

Paid claims correspond to insurance settlements net of subrogation and salvage, plus claims handling expenses.

Losses arising on exchange risk cover are classified as claims and gains are classified as subrogation and salvage.

e - Claims provisions

Claims provisions include provisions to cover the estimated total cost of reported claims not settled at the period-end.

The provision for potential claims is based on defaults notified to the Company accompanied by a request for intervention. The Company also records a provision for claims incurred but not reported, which is estimated based on average growth trends for the components of the Company's claims experience in previous underwriting years. This forward looking method aims to estimate the total settlements expected to be paid in respect of all open underwriting years. It uses bootstrap methodology and a confidence interval of 90%, i.e. 90% of simulated scenarios are covered by the provisioning rate. Since 2005, claims provisions include a provision for future economic risks that may impact end-of-year premiums. The provision also includes estimated claims handling expenses.

In exceptional cases where experts deem that there is a high probability of default in relation to major risks, even though no potential claim has been declared by policyholders, a "Special provision for sensitive risks" is calculated based on the expected loss.

f - Subrogation and salvage

Subrogation and salvage represent estimated recoveries by underwriting year. Since 2006, a forecasting model using bootstrap methodology has been used to calculate this provision. The confidence interval of 90% is identical to the interval used to calculate the final gross claims provision.

g - Provisions for bonuses and rebates

This provision is calculated policy by policy based on the whole portfolio for which policyholders are contractually entitled to bonuses.

Part of the provision corresponds to policyholder bonuses due at the year-end but not yet paid, and part represents an estimate of the fraction of rebates of premiums already written. The latter calculation is based on the loss ratio of each policy by underwriting year.

h - Claims equalisation provision

The claims equalisation provision for credit insurance business is intended to cover possible underwriting losses and is funded by transfers from underwriting profit.

In accordance with Section R 331-33 of Decree no. 91398 of 25 April 1991, 75% of credit insurance underwriting profit is allocated to the claims equalisation provision each year.

The calculation of underwriting profit does not include the fraction of credit insurance revenue corresponding to business that does not qualify as insurance cover or the related direct and indirect costs.

Transfers are no longer compulsory once the claims equalisation provision represents 134% of average annual premium collections for the previous five years, net of ceded premiums but including inward reinsurance premiums. Annual transfers to the provision are used on a first-in first-out

Notes to the statutory financial statements

basis to offset underwriting losses for the year. Annual allocations that have not been utilised for this purpose within ten years are written back to taxable profit in the eleventh year.

If credit insurance operations generate an underwriting loss, an equivalent amount is released from the claims equalisation provision to offset the amount.

REINSURANCE OPERATIONS

a - Inward reinsurance

Inward reinsurance is accounted for contract by contract based on actual or estimated results for the year.

Technical provisions are determined based on amounts reported by ceding reinsurers, as adjusted upwards by Coface where appropriate.

b - Ceded reinsurance

Ceded reinsurance is accounted for in accordance with the terms and conditions of the related treaties.

Reinsurers' share of technical provisions is determined on the basis of technical provisions recorded under liabilities.

Tax consolidation

Coface SA has been a member of the Natexis Banques Populaires tax consolidation group since 1 January 2003.

III - KEY FIGURES

Balance sheet

Intangible assets

Property investments

Subsidiaries and affiliates

Investments

Summary of investments

Debtors and creditors

Shareholders' funds and reserves

Provisions for liabilities and charges

Claims expenses and changes in claims provisions

Other prepayments and accrued income and accrued expenses relating to other creditors

Profit and loss account

Analysis of underwriting income and expense by business line

Payroll costs

Commissions

Gross premiums written

Non-operating income and expense

Analysis of general operating expenses by type

Analysis of investment income and expense

Analysis of current and future tax charge

Notes to the statutory financial statements

GROSS INTANGIBLE ASSETS AT 31 DECEMBER 2007

(in thousands of euros)

	Opening balance	Acquisitions	Disposals	Other movements	Total
Software development costs	43,839	2,438		898	47,175
Software development costs in progress	9,676	11,571	898		20,350
Research costs transferred to Coface SA under full asset transfers		344			344
Software	16,116	1,970	4,516	3	13,573
Software – France	12,236	1,942	3,301		10,877
Software – branches	3,879	29	1,215	3	2,696
Other	2,256				2,256
INTANGIBLE ASSETS	71,887	16,323	5,414	900	83,697

AMORTISATION

(in thousands of euros)

	Opening balance	Acquisitions	Disposals	Other movements	Total
Software development costs	22,796	4,012			26,808
Research costs transferred to Coface SA under full asset transfers		344			344
Software	12,688	1,014	4,402	5	9,305
Software – France	10,198	801	3,301		7,697
Software – branches	2,490	213	1,101	5	1,608
TOTAL AMORTISATION	35,484	5,370	4,402	5	36,457

INTANGIBLE ASSETS

(in thousands of euros)

	Gross	Accumulated amortisation	Net
Software development costs	47,175	26,808	20,367
Software development costs in progress	20,350		20,350
Research costs transferred to Coface SA under full asset transfers	344	344	
Software	13,573	9,305	4,268
Software – France	10,877	7,697	3,180
Software – branches	2,696	1,608	1,088
Other	2,256		2,256
INTANGIBLE ASSETS	83,697	36,457	47,240

Notes to the statutory financial statements

PROPERTY INVESTMENTS AT 31 DECEMBER 2007

(in thousands of euros)

	Opening balance	Acquisitions and current account advances	Disposals and current account repayments	Other movements	Total
Buildings not used in the business	20				20
Shares in property companies (not used in the business)	63	2			65
Buildings used in the business	312				312
TOTAL	395	2			397

DEPRECIATION – YEAR ENDED 31 DECEMBER 2007

(in thousands of euros)

	Opening balance	Additions	Reversals	Total
Buildings not used in the business	7			7
Shares in property companies (not used in the business)	1			1
Buildings used in the business	65	5		70
TOTAL	73	5		78

PROVISIONS FOR IMPAIRMENT IN VALUE OF PROPERTY INVESTMENTS – YEAR ENDED 31 DECEMBER 2007

(in thousands of euros)

	Opening balance	Additions	Reversals	Total
Shares in property companies (not used in the business)	10			10
TOTAL	10			10

PROPERTY INVESTMENTS AT 31 DECEMBER 2007

(in thousands of euros)

	Gross	Impairment/ depreciation	Carrying amount	Realisable value
Buildings not used in the business	20	7	13	230
Shares in property companies (not used in the business)	65	11	54	103
Buildings used in the business	312	70	242	425
TOTAL	397	88	309	758

Notes to the statutory financial statements

MOVEMENTS IN INVESTMENTS IN SUBSIDIARIES IN 2007

(in thousands of euros)	Opening balance	Acquisitions	Disposals	Other (movements (mergers))	TOTAL	Provisions	Carrying amount
UNISTRAT PARIS	1,489		1,489				
KOMPASS INTERNATIONAL NEUENSCHWANDER	13,670				13,670		13,670
KOMPASS HOLDING SA	7,740			(7,740)			
UNISTRAT COFACE	975				975		975
COFACE SERVICES	128,260				128,260		128,260
COFACE EXPERT	143			(143)			
COFINPAR	29,270				29,270		29,270
COFACE GESTION RESEAU INTERNATIONAL (Cogeri)	38				38		38
FIMIPAR	7,576				7,576		7,576
AXA ASSURCREDIT	5,333				5,333		5,333
KOMPASS POLOGNE				2,913	2,913	1,895	1,018
KOMPASS REPUBLIQUE TCHEQUE		105		1,003	1,108		1,108
KOMPASS JAPAN				928	928	928	
KOMPASS TURKEY				1,089	1,089	1,089	
COFACE HOLDING AMERICA LATINA	2				2		2
UNISTRAT HOLDING BV	2,942				2,942		2,942
UNISTRAT CORPORATION OF AMERICA	83				83		83
COFACERATING.BE	61		61				
COFACE SERVICES KOREA	200				200	200	
COFACE SERVICIOS ESPANA	3				3		3
COFACE SERVICES SUISSE (formerly COFACERATING.CH)	67				67		67
COFACE SERVICES JAPAN	100				100	100	
KOMPASS US		502		1,234	1,736	1,736	
COFACE CENTRAL EUROPE HOLDING AG (formerly Coface Intercredit holding AG)	4,563				4,563		4,563
COFACE UK HOLDINGS LIMITED	8,318				8,318		8,318
COFACE ITALIA SRL	3,971				3,971		3,971
COFACE SERVICIOS Portugal (formerly COFACE MOPE)	5,617				5,617		5,617
COFACE NORTH AMERICA HOLDING COMPANY	12,605				12,605		12,605
COFACE HOLDING AKTIENGESELLSCHAFT (formerly AKCH)	91,254				91,254		91,254
COFACE AUSTRIA HOLDING AG (formerly Coface Austria Kreditversicherung AG) (shares not paid up)	5,602	380			5,982		5,982
COFACE SEGURO CREDITO MEXICO	1,982	817			2,799		2,799
COFACE SIGORTA AS	5,241				5,241		5,241
COFACE ASSICURAZIONI SPA (formerly Viscontea Coface)	32,662				32,662		32,662
COFACE SOUTH AFRICA INSURANCE COMPANY LIMITED	2,329				2,329		2,329
COFACE CHILE SA	3,485		3,485				
COFACE SERVICES SOUTH ASIA PACIFIC PTE LTD	6,073				6,073		6,073
COFACE SERVICE TAIWAN	32				32	32	
COFACE FACTORING CHILE (shares not paid up)	945		945				
KOMPASS SEA				964	964	539	425
KOMPASS CHINA INTERNATIONAL INFORMATION SERVICE	92				92		92
COFACE GREATER CHINA FINANCE (formerly COFACERATING.COM HONG KONG)		1,044			1,044		1,044
COFACE ARB LCC	62				62		62
BUSINESS DATA ISRAEL (BDI)	199				199		199
COFACE SOUTH AFRICA SERVICES	877				877		877
COFACE FACTORING CHILE (shares not paid up)	76		76				
COFACE AUSTRIA HOLDING AG (formerly Coface Austria Kreditversicherung AG) (shares not paid up)	380		380				
OUTSTANDING PAYMENTS	(456)	456					
TOTAL	383,861	3,304	6,436	248	380,977	6,519	374,458

Notes to the statutory financial statements

MOVEMENTS IN INVESTMENTS IN AFFILIATES IN 2007

(in thousands of euros)	Opening balance	Acquisitions	Disposals	Other movements (mergers)	Revaluation	TOTAL	Provisions	Carrying amount
COFACREDIT	1,372					1,372		1,372
GRAYDON N.V.HOLDING	5,250					5,250		5,250
Sub-total – Companies accounted for by the equity method	6,622					6,622		6,622
COFACE RBI	76					76		76
BIM COMMERCE EXTERIEUR	362		362					
CERIP SERVICES BANQUES	157					157		157
CEMECA	55					55		55
PLANET RATING SAS	100					100		100
COFACE AMEEM SERVICES (CAMEEMS) (formerly SOARI)	144	511				655		655
COFACE SERVIS BILGI	99	1,036				1,135	99	1,036
COFACE IKG HOLDING AG	129	675				804		804
I.C.A.P.	3,862		3,862					
COFACE SERVICES Belgique HOLDING (formerly RBB)	5,232					5,232		5,232
SEGURADORA BRASILEIRA DE CREDITO A EXPORTACAO	2,123					2,123		2,123
COFACE INDIA CREDIT MANAGEMENT SERVICES					16	16		16
COFACE GREATER CHINA SERVICES (formerly Coface Frontline)	1,452					1,452		1,452
KOMPASS COTE D'IVOIRE	78		78					
COFACE SERVICES WEST AFRICA	2					2		2
SORENCO	28					28		28
RECOURS SA	58					58		58
MECOS	99		99					
Sub-total – Other companies	14,056	2,222	4,401	16		11,893	99	11,794
SUB-TOTAL	20,678	2,222	4,401	16		18,515	99	18,416
Investments in branches								
COFACE CHILE SA		3,750			(181)	3,569		3,569
COFACE FACTORING CHILE		1,334			(186)	1,148		1,148
TOTAL	20,678	7,306	4,401	16	(367)	23,232	99	23,133

Notes to the statutory financial statements

MOVEMENTS IN OTHER INVESTMENTS RELATING TO SUBSIDIARIES AND AFFILIATES IN 2007

(in thousands of euros)	Opening balance	Acquisitions	Disposals	Other movements (mergers)	Revaluation	TOTAL
WARRANTS, BONDS, MONEY-MARKET SECURITIES AND OTHER FIXED INCOME SECURITIES						
LOANS TO SUBSIDIARIES						
COFACE HOLDING AKTIENGESELLSCHAFT (formerly AKCH)	22,000		22,000			
COFACE SERVICES KOREA	389	14				403 *
	22,389	14	22,000			403
KOMPASS POLAND (merger)			81	323	17	259
COFACE SERVICES COLOMBIA	26				(3)	24
COFACE SERVICES ECUADOR	66				(7)	59
COFACE SERVICES PERU	42				(4)	37
	134		81	323	3	379
	22,523	14	22,081	323	3	782
						* Fully covered by provisions
LOANS TO SUBSIDIARIES (Tokyo branch)						
KOMPASS JAPAN	191		182		(9)	
	191		182		(9)	
DEPOSITS WITH BANKS						
OTHER INVESTMENTS AND DEBTORS:						
DEPOSITS WITH CEDING INSURERS:						
COFACE ASSICURAZIONI (formerly Viscontea Coface)	4,398		374			4,021
INVESTMENTS RELATING TO SUBSIDIARIES	27,112	14	22,637	323	(6)	4,803
WARRANTS, BONDS, MONEY-MARKET SECURITIES AND OTHER FIXED-INCOME SECURITIES						
LOANS						
COFACE IGK HOLDING	287					287
KOMPASS COTE D'IVOIRE	96		96			
COFACE CREDIT MANAGEMENT SERVICES (formerly Coface Infoasia Holding)	96		96			
COFACE SERVICES KOREA						
	383		96			287
DEPOSITS WITH BANKS:						
OTHER INVESTMENTS AND DEBTORS:						
DEPOSITS WITH CEDING INSURERS:						
INVESTMENTS RELATING TO AFFILIATES	383		96			287
TOTAL	27,495	14	22,733	323	(6)	5,090

Notes to the statutory financial statements

MOVEMENTS IN PROVISIONS FOR IMPAIRMENT IN VALUE OF INVESTMENTS RELATING TO SUBSIDIARIES AND AFFILIATES IN 2007

(in thousands of euros)	Opening balance	Additions	Reversals	Other movements ⁽¹⁾	Revaluation	Total
Subsidiaries	8,072	502	118	(1,937)		6,519
Affiliates	683		584			99
Loans and debtors - subsidiaries	390	13				403
Loans and debtors - affiliates	96		96			
TOTAL	9,241	515	798	(1,937)		7,021

(1) Kompass merger on 22 January 2007

INVESTMENTS IN SUBSIDIARIES AND AFFILIATES AT 31 DECEMBER 2007

(in thousands of euros)	Gross	Provisions for impairment	Net	Realisable value
Subsidiaries	380,977	6,519	374,458	1,030,101
Affiliates	23,232	99	23,133	75,000
Total	404,209	6,618	397,591	1,105,101
Other investments in subsidiaries	4,803	403	4,400	4,400
Other investments in affiliates	287		287	287
Total	5,090	403	4,687	4,687
TOTAL	409,299	7,021	402,278	1,109,788
		Exchange differences – investments in Chile branch	8	
		Total recorded in the balance sheet	402,286	

MOVEMENTS IN INVESTMENTS IN 2007

(in thousands of euros)	Opening balance	Additions	Disposals	Other movements	Translation adjustment	Total
Listed French equities		22,422	1,962			20,460
Listed foreign equities		35,392	2,181		(1,428)	31,783
Listed foreign equities - branches	308		311		3	
Bond funds	39,905		39,905			
Money-market funds - France	160,728	456,498	584,589		1,481	34,118
Money-market funds - branches	31,215	24,151	14,999		(2,421)	37,946
Other SICAV mutual funds	117,296	33,677	64,574			86,399
Units in listed mutual funds	14,221		14,221			
Shares in venture capital funds	1,477	1,134	962			1,649
Unlisted French and foreign equities	11,085	1,762	1,579		(120)	11,148
Shares in unlisted French insurance companies	517					517
Government bonds	24,053					24,053
AFS bonds	66,652	67,604	8,811			125,445
Indexed government bonds	1,732					1,732
Variable rate bonds	2,000	1,018				3,018
Listed bonds - branches	24,561	26,707	13,161		(289)	37,818
Treasury bills	10,074	1,095				11,169
Treasury bills - branches	7,001	163,418	155,416			15,003
Commercial paper	4,383	1,816	3,182			3,017
Commercial paper - branches	5,871	1,185	7,453		397	
Certificates of deposit		55,000				55,000
SUB-TOTAL	523,079	892,879	913,306		(2,377)	500,275
Marketable securities lodged as collateral for ceding insurers ⁷³					73	
Other deposits with banks	26,733	11,709				38,442
Tax-advantaged part-shares in ships	7,280		7,280			
SUB-TOTAL	557,165	904,588	920,586		(2,377)	538,790
Deposits with other ceding insurers	2	557				559
TOTAL	557,167	905,145	920,586		(2,377)	539,349

Notes to the statutory financial statements

MOVEMENTS IN PROVISIONS FOR IMPAIRMENT IN VALUE OF INVESTMENTS IN 2007

(in thousands of euros)	Opening balance	Additions	Reversals	Other movements	Total
Listed equities					
Unlisted equities	3,518	80	56		3,542
Other loans					
TOTAL	3,518	80	56		3,542

INVESTMENTS AT 31 DECEMBER 2007

(in thousands of euros)	Gross	Provisions for impairment	Premium/discount	Carrying amount	Realisable value
Listed French and foreign equities	52,243			52,243	53,172
Money-market funds - France	34,118			34,118	43,681
Money-market funds - branches	37,946			37,946	29,107
Other SICAV mutual funds and listed mutual fund units	86,399			86,399	99,167
Shares in venture capital funds	1,649			1,649	1,762
Unlisted French and foreign equities	11,665	3,542		8,123	9,092
Government bonds	24,053		(274)	23,779	22,845
Other listed securities – convertible bonds	125,445		(941)	124,504	123,746
Indexed government bonds	1,732		3	1,735	1,525
Variable rate bonds	3,018			3,018	3,404
Listed bonds - branches	37,818			37,818	37,815
Treasury bills	11,169			11,169	11,166
Treasury bills - branches	15,003			15,003	15,012
Commercial paper, medium-term notes and certificates of deposit	58,017			58,017	57,993
SUB-TOTAL	500,275	3,542	(1,212)	495,521	509,487
Marketable securities lodged as collateral for ceding insurers	73			73	76
Other deposits with banks	38,442			38,442	38,442
TOTAL	538,790	3,542	(1,212)	534,036	548,005

Notes to the statutory financial statements

ANALYSIS OF TOTAL INVESTMENTS AT 31 DECEMBER 2007

(in thousands of euros)	Gross	Carrying amount	Realisable value	Unrealised gains/(losses)
BY CATEGORY				
Marketable securities:				
• Bonds and other fixed-income securities	276,326	276,326	273,582	(2,744)
• Bond premiums and discounts		(1,212)		
• Listed equities and other variable income securities	52,244	52,244	53,172	928
• Unlisted equities and other variable income securities	11,666	8,124	9,092	968
• Money-market funds	34,119	34,119	43,681	9,562
• Money-market funds - branches	37,945	37,945	29,108	(8,837)
• Equity funds	88,049	88,049	100,929	12,880
Properties and shares in property companies	398	309	758	449
Shares in subsidiaries	380,977	374,458	1,030,101	655,643
Loans to subsidiaries	782	379	379	
Shares in affiliates	23,232	23,133	75,000	51,867
Loans to affiliates	287	287	287	
Swaps	8	8	(7)	(15)
Sub-total	906 033	894,169	1,616,082	720,701
Other deposits with banks	38,442	38,442	38,442	
Sub-total	944 475	932,611	1,654,524	720,701
Deposits with ceding insurers/subsidiaries	4,021	4,021	4,021	
Deposits with other ceding insurers	559	559	559	
Derivatives/swaps		65		
- Accrued charges and deferred income		160		
+ Prepayments and accrued income		1,372		
TOTAL	949,055	938,468	1,659,104	720,701
		(8)		
		7		
		938,467		

Notes to the statutory financial statements

ANALYSIS OF TOTAL INVESTMENTS AT 31 DECEMBER 2006

(in thousands of euros)	Gross	Carrying amount	Realisable value	Unrealised gains/(losses)
BY CATEGORY				
Marketable securities:				
• Bonds and other fixed-income securities	146,400	146,400	145,356	(1,692)
• Bond premiums and discounts		648		
• Listed equities and other variable income securities	308	308	300	(8)
• Unlisted equities and other variable income securities	11,603	8,085	9,607	1,522
• Money-market funds	160,728	160,728	164,197	3,469
• Money-market funds - branches	31,215	31,215	31,359	144
• Equity funds	132,994	132,994	173,979	40,985
• Bond funds	39,905	39,905	42,306	2,401
Properties and shares in property companies	396	313	727	414
Loans	0	0	0	0
Shares in subsidiaries	383,861	375,789	937,665	561,876
Loans to subsidiaries	22,714	22,325	22,325	
Shares in affiliates	20,677	19,993	56,455	36,462
Loans to affiliates	383	287	287	0
Tax-advantaged part-shares in ships	7,280	7,280	7,280	0
	Sub-total	958,464	1,591,843	645,573
Other deposits with banks	26,733	26,733	26,733	0
	Sub-total	985,197	1,618,576	645,573
Deposits with ceding insurers/subsidiaries	4,398	4,398	4,398	0
Deposits with other ceding insurers	2	2	2	0
- Accrued charges and deferred income		1,378		
+ Prepayments and accrued income		730		
	TOTAL	989,597	1,622,976	

ANALYSIS OF TOTAL INVESTMENTS AT 31 DECEMBER 2005

(in thousands of euros)	Gross	Carrying amount	Realisable value	Unrealised gains
BY CATEGORY				
Marketable securities:				
• Bonds and other fixed-income securities	53,130	53,130	54,380	1,405
• Bond premiums and discounts		(155)		
• Listed equities and other variable income securities				
• Unlisted equities and other variable income securities	10,658	7,147	8,324	1,177
• Money-market funds	190,124	190,124	193,182	3,058
• Money-market funds - branches	28,429	28,429	28,478	49
• Equity funds	201,264	201,264	233,845	32,581
• Bond funds	38,589	38,589	40,080	1,491
Properties and shares in property companies	500	422	753	331
Loans	68	40	40	
Shares in subsidiaries	382,177	371,517	835,923	464,406
Loans to subsidiaries	24,525	24,140	24,140	
Shares in affiliates	20,577	19,893	56,040	36,147
Loans to affiliates	523	427	427	
Tax-advantaged part-shares in ships	7,280	7,280	7,280	
	Sub-total	957,844	1,482,892	540,645
Other deposits with banks	37,276	37,276	37,276	
	Sub-total	995,120	1,520,168	540,645
Deposits with ceding insurers/subsidiaries	4,719	4,719	4,719	
Deposits with other ceding insurers	10	10	10	
- Accrued charges and deferred income		124		
+ Prepayments and accrued income		279		
	TOTAL	999,849	1,524,897	540,645

Notes to the statutory financial statements

MATURITIES OF DEBTORS AND CREDITORS

(in thousands of euros)

DEBTORS	Within 1 year	Between 1 and 5 years	Beyond 5 years	31/12/2007	31/12/2006
Debtors arising from direct insurance operations					
• Accrued premiums	104,072			104,072	82,361
• Other	106,297			106,297	115,681
<i>o/w subsidiaries</i>					
Debtors arising from reinsurance operations	45,104			45,104	49,728
<i>o/w subsidiaries</i>	13,618			13,618	13,064
Other debtors					
• Recoverable personnel costs	128	91	8	227	2,974
• Recoverable taxes	7,286			7,286	24,284
• Sundry debtors	46,302	24,157		70,459	62,296
<i>o/w subsidiaries</i>	9,816	24,157		33,973	38,095
TOTAL	309,188	24,248	8	333,444	337,324

CREDITORS	Within 1 year	Between 1 and 5 years	Beyond 5 years	31/12/2007	31/12/2006
Creditors arising from direct insurance operations					
<i>o/w subsidiaries</i>	2,239			2,239	2,002
Creditors arising from reinsurance operations	70,219			70,219	69,999
<i>o/w subsidiaries</i>	3,756			3,756	18,388
Bonds					
Bank loans					4,510
Other creditors:					
• Other loans and deposits		6,289	8,660	14,949	11,337
• Accrued personnel costs	29,262			29,262	28,665
• Accrued taxes	21,518			21,518	18,661
• Sundry creditors	100,696			100,696	171,389
<i>o/w subsidiaries</i>	53,827			53,827	120,975
TOTAL	258,619	6,289	8,660	273,568	343,025

Notes to the statutory financial statements

SHAREHOLDERS' FUNDS AND RESERVES

(in thousands of euros)	31/12/2007	31/12/2006
Share capital (22,709,334 shares) ⁽¹⁾ o/w 22,701,877 shares held by Coface Holding, 6,439 by Natixis, 20 by directors and 998 by three individual shareholders	86,550	69,795
SHARE PREMIUM ACCOUNT	284,918	186,186
Reserves:		
Crisis reserve	56,511	56,511
Capitalisation reserve	2,271	2,265
Construction gains reserve	488	488
Long-term capital gains reserve – 15%		
Long-term capital gains reserve – 18%		
Long-term capital gains reserve – 19%		
Long-term capital gains reserve – 25%		
Reserve for reinvested capital gains	144	144
Investment reserve	2,399	2,399
Contingency reserve ⁽²⁾	187,856	261,329
Total reserves before deductions	249,669	323,136
Deduction from reserves (Provisions for retirement commitments)	(27,051)	(27,051)
Total reserves after deductions	222,618	296,085
Retained profit	0	0
Net profit for the year	92,037	40,706
- Interim dividend ⁽³⁾	(39,962)	
TOTAL SHAREHOLDERS' FUNDS AND RESERVES AFTER DEDUCTIONS	646,161	592,772

(1) Including 3,667 shares issued following the exercise of options under the 7 December 1999 stock option plan and 24,856 shares issued following the exercise of stock options under the 3 December 2002 plan. 4,367,694 shares were issued on 19 June 2007, at a price of €26.14 per share for the scrip dividend approved at the 10 May 2007 Annual General Meeting.

Natixis transferred its Coface shares to Coface Holding on 11 July 2007.

(2) €73,473,000 was deducted from this reserve in 2007 for the scrip dividend payment.

(3) Interim dividend paid on 30 November 2007 following approval by the Board of Directors on 6 September 2007 (€1.76 on 22,705,635 shares).

PROVISIONS FOR LIABILITIES AND CHARGES

(in thousands of euros)	31/12/2007	31/12/2006
Provisions for losses on shares in affiliates	1,120	1,049
Provision for retirement commitments (including 620 for the Japanese branch)	26,335	25,070
Provision for purchases of shares for allocation on exercise of stock options	192	347
Provision for employee-related disputes	1,578	-
Provisions for building-related charges	-	1,725
Provisions for foreign exchange losses	16,363	9,929
Excess tax depreciation (tax-advantaged part-shares in ships) ⁽¹⁾	0	7,055
Excess tax depreciation on development costs	9,182	9,062
TOTAL	54,770	54,237

(1) The tax-advantaged part-shares in ships held by Coface were sold on 14 May 2007

Notes to the statutory financial statements

CHANGE IN CLAIMS PROVISIONS

Claims provisions increased from €539,248,000 at 1 January 2007 to €577,503,000 at 31 December 2007. The €38,255,000 increase corresponds to opening provisions for outstanding claims incurred in prior years, less settlements for the year, plus provisions for outstanding claims incurred during the year.

Claims expenses and change in claims provisions

Accounting year 2005 (in thousands of euros)	Loss year		
	2003	2004	2005
Claims net of recoveries	260,139	174,342	37,152
Provisions	53,315	72,611	174,035
Total claims expenses	313,454	246,953	211,187
Earned premiums	569,917	528,289	365,804
Loss ratio (in %)	55%	47%	58%

Accounting year 2006 (in thousands of euros)	Loss year			
	2003	2004	2005	2006
Claims net of recoveries	273,681	203,379	160,980	41,217
Provisions	39,102	41,900	71,706	182,673
Total claims expenses	312,783	245,279	232,686	223,890
Earned premiums	558,129	529,989	398,680	445,562
Loss ratio (in %)	56%	46%	58%	50%

Accounting year 2007 (in thousands of euros)	Loss year				
	2003	2004	2005	2006	2007
Claims net of recoveries	279,818	218,674	189,579	187,876	36,741
Provisions	29,664	23,380	24,828	63,164	238,998
Total claims expenses	309,482	242,054	214,408	251,040	275,739
Earned premiums	556,329	527,202	401,248	504,648	435,071
Loss ratio (in %)	56%	46%	53%	50%	63%

OTHER PREPAYMENTS AND ACCRUED INCOME AND ACCRUED EXPENSES RELATING TO OTHER CREDITORS

Other prepayments and accrued income

(in thousands of euros)	31/12/2007	31/12/2006
Accrued premiums inward reinsurance (net of commissions)	4,334	3,648
Prepaid expenses	1,567	1,677
Deferred charges		
Other		
Adjustment to "Other investments"	184	1,381
TOTAL	6,085	6,706

Accrued expenses relating to other creditors

(in thousands of euros)	31/12/2007	31/12/2006
Accrued personnel costs	23,435	24,171
Accrued taxes		
- Social security	8,651	8,067
- Other	4,810	3,735
	13,460	11,801
Sundry creditors	20,089	21,025
TOTAL	56,984	56,997

Notes to the statutory financial statements

ANALYSIS OF UNDERWRITING INCOME AND EXPENSE BY BUSINESS LINE

	Legal protection	Operating losses	Transport	Credit Guarantees	Inward reinsurance	Total 31/12/2007	Total 31/12/2006
1 - EARNED PREMIUMS	249		305	472,653	4,447	103,395	546,808
1A - PREMIUMS	247		305	480,305	7,220	99,644	558,210
- Premiums written	253		305	435,242	7,220	99,256	542,276
- Accrued premiums	(6)			21,612		388	21,994
- Policy fees				26,760			26,760
- Bad debts				(2,397)			(2,397)
- Change in provisions for doubtful premiums				(912)			(912)
1B - CHANGE IN PROVISIONS FOR UNEARNED PREMIUMS AND UNEXPIRED RISKS	2			(7,652)	(2,773)	3,751	(6,672)
2 - CLAIMS EXPENSES	(363)	(1,095)	59	(295,060)	(1,211)	(16,273)	(313,944)
2A - PAID CLAIMS NET OF RECOVERIES	(6)	27	32	(181,704)	(1,097)	(47,776)	(230,524)
2B - CLAIMS PROVISIONS AND OTHER EXPENSES	(357)	(1,123)	27	(113,355)	(115)	31,503	(83,420)
- Claims provisions	(260)	(26)	27	(44,540)	(115)	19,017	(25,897)
- Claims handling expenses	(97)	(1,097)	0	(53,282)		0	(54,476)
- Other technical provisions							0
- Change in claims equalisation provision				(15,534)		12,486	(3,048)
A - GROSS UNDERWRITING PROFIT/(LOSS) (1-2)	(115)	(1,095)	364	177,593	3,235	87,122	267,104
5 - BUSINESS ACQUISITION COSTS	(97)	(1,097)	(30)	(133,972)	(65)	(25,478)	(160,739)
6 - OTHER ADMINISTRATIVE EXPENSES	(113)	1,296	(112)	(29,232)	0	0	(28,161)
- Administrative costs	(96)	(3,720)	(112)	(75,753)			(79,681)
- Other underwriting expenses	(17)	(323)		(12,720)			(13,060)
- Other underwriting income (incl. remuneration for management of public procedures)		5,339		59,241			64,580
B - NET BUSINESS ACQUISITION COSTS AND ADMINISTRATIVE EXPENSES (5+6)	(210)	199	(142)	(163,204)	(65)	(25,478)	(188,901)
7 - INVESTMENT INCOME	15	0	18	31,042	284	5,525	36,884
8 - POLICYHOLDERS' BONUSES				(1,473)		233	(1,239)
C - NET INVESTMENT INCOME (7-8)	15	0	18	29,569	284	5,758	35,645
9 - REINSURERS' SHARE OF EARNED PREMIUMS	0	0	(28)	(59,095)	(41)	(194,230)	(253,394)
- Premiums			(28)	(60,988)	(43)	(199,725)	(260,783)
- Change in unearned premiums and unexpired risk provisions			1,893	1	5,495	7,389	10,684
10 - REINSURERS' SHARE OF PAID CLAIMS			0	21,669	62	69,802	91,533
11 - REINSURERS' SHARE OF CLAIMS PROVISIONS	0	0	(4)	5,936	(776)	10,550	15,706
- Claims provisions			(4)	5,936	(776)	10,550	15,706
- Other technical provisions							0
- Change in claims equalisation provision							0
12 - REINSURERS' SHARE OF POLICYHOLDERS' BONUSES				1,248		814	2,063
13 - REINSURANCE COMMISSIONS RECEIVED			0	27,145	(62)	66,890	93,972
D - REINSURANCE RESULT (10+11+12+13-9)	0	0	(32)	(3,097)	(818)	(46,174)	(47,738)
UNDERWRITING PROFIT/(LOSS) (A+B+C+D)	(310)	(896)	208	40,861	2,636	21,228	63,728

Notes to the statutory financial statements

PAYROLL COSTS

(in thousands of euros)	31/12/2007	31/12/2006
Salaries	80,910	76,469
Retirement benefits	82	96
Payroll taxes	34,184	34,988
Other expenses	167	206
TOTAL	115,344	111,760

COMMISSIONS

(in thousands of euros)	Direct insurance France	Direct insurance other EU countries	Direct insurance outside the EU	Direct insurance Total
31/12/07	29,820	12,204	18,100	60,124
31/12/06	29,482	13,853	14,532	57,867

GROSS PREMIUMS WRITTEN

(in thousands of euros)	Direct insurance France	Direct insurance other EU countries	Direct insurance outside the EU	Direct insurance Total
31/12/07	265,579	98,710	95,056	459,345
31/12/06	269,004	99,410	79,231	447,645

NON-OPERATING INCOME AND EXPENSE

(in thousands of euros)	31/12/2007			31/12/2006		
	Income	Expense	Net total	Income	Expense	Net total
Disposals of assets	8	36	(28)	24	39	(15)
Reductions in taxes and default interest				1,081		1,081
Tax on liquidation surplus		1,232	(1,232)		897	(897)
Additions to and reversals of excess tax depreciation	1,966	2,086	(120)	1,987	2,062	(75)
Additions to and reversals of excess tax depreciation (tax-advantaged part-shares in ships)		94	(94)		225	(225)
Losses/gains on sales of treasury shares	1	32	(31)		201	(201)
Reversals of provisions for purchases of shares for allocation on exercise of stock options	155		155	717		717
Other	442	52	390	402	6	396
o/w branches	405	1	404	307		307
TOTAL	2,572	3,532	(960)	4,211	3,430	781

Notes to the statutory financial statements

ANALYSIS OF GENERAL OPERATING EXPENSES BY TYPE

(in thousands of euros)	31/12/2007	31/12/2006	
	Total	Total	% change
COMMISSIONS			
Commissions paid or due - direct insurance (excluding branches)	19,246	17,951	7.21%
Commissions paid or due - inward reinsurance (excluding branches)	25,533	32,543	-21.54%
Unistrat commissions - direct insurance and inward reinsurance	10,564	11,524	-8.33%
Commissions paid or due (branches)	30,304	28,385	6.76%
Sub-total commissions	85,647	90,403	-5.26%
Commission for rating management	2	30	-92.59%
Total commissions	85,649	90,432	-5.29%
OTHER EXPENSES			
Payroll costs			
SALARIES AND BONUSES			
Salaries	63,750	60,276	5.76%
Transport vouchers	309	280	10.60%
Other personnel-related costs	4,977	3,670	35.61%
Holiday pay and company "Time Savings" plan	2,788	1,922	45.07%
Expenses invoiced to the branches	(1,308)	(1,038)	25.98%
Expenses invoiced to other entities outside France	(1,728)	(1,083)	59.60%
Expenses invoiced to French entities	(5,755)	(4,916)	17.06%
Salaries (branches)	17,960	17,455	2.89%
Sub-total	80,992	76,565	5.78%
Payroll taxes			
Employee-welfare programmes	167	206	-18.92%
Works council	1,794	1,718	4.41%
Restaurant	595	613	-3.00%
Other payroll taxes	29,809	28,713	3.82%
Payroll taxes (branches)	3,467	3,610	-3.94%
Expenses invoiced to French entities	(1,542)	(1,091)	41.33%
Sub-total	34,291	33,770	1.54%
Provision for employee-related commitments	1,135	2,476	-54.15%
Internal expenses to be capitalised	(1,074)	(1,051)	2.21%
Total payroll costs	115,344	111,760	3.21%
Taxes other than income tax			
Business tax	2,535	2,540	-0.18%
Transport tax (gross)	1,520	1,452	4.70%
Apprenticeship tax (gross)	421	475	-11.37%
Unrecovered and irrecoverable VAT	3,584	(2,324)	-254.22%
Wages tax (gross)	1,254	(1,616)	-177.58%
Transfer taxes	2	2	5.79%
Land tax	473	431	9.84%
Office tax	310	271	14.51%
Solidarity tax	541	546	-1.07%
Contribution for disabled workers	170	117	45.24%
Continuing education	321	302	6.24%
Training leave	139	127	9.84%
Other	188	145	29.58%
Annual minimum tax	33	110	-70.23%
Taxes payable outside France	4	91	-95.54%
Taxes other than income tax (branches)	1,815	1,767	2.70%
Taxes other than income tax	13,309	4,435	200.10%

Notes to the statutory financial statements

<i>Works, supplies, external services, transport and travel</i>	31/12/2007	31/12/2006	% change
	Total	Total	
	(in thousands of euros)		
Discounts and rebates obtained	(30)		
Rent and service charges	16,067	14,024	14.57%
Additional property expenses	1,376	1,015	35.58%
Equipment, furniture and office systems rental	713	656	8.60%
Computer equipment rental	3,218	3,249	-0.94%
Building maintenance and repairs	3,078	2,361	30.37%
Cleaning and flower arrangements in buildings	726	701	3.54%
Other maintenance	3,148	3,074	2.40%
Small appliances	335	231	44.91%
Water, gas, electricity, heating	830	798	4.08%
Insurance	240	268	-10.71%
Temporary staff	910	900	1.16%
Seconded personnel	2,679	2,497	7.29%
External works	7,840	4,976	57.55%
Professional fees and royalties	19,858	16,797	18.22%
Arbitration service - France	3,600	3,520	2.27%
Works, supplies & external services outside France (excluding branches)	1,062	1,709	-37.87%
Works, supplies & external services (branches)	12,251	5,465	124.17%
Travel expenses	2,432	2,446	-0.59%
Expenses invoiced to the branches	(11,026)	(8,171)	34.95%
Globaliance service	1,787	1,027	74.08%
Share of network costs	894	836	7.01%
Expenses invoiced to third parties	(6,468)	(6,704)	-3.53%
Transport and travel expenses (branches)	959	865	10.84%
Total works, supplies, external services, transport and travel expenses	66,480	52,542	26.53%
Survey expenses	11,171	10,833	3.12%
Marketing information	(39)	(36)	7.47%
Options invoiced to Cogéri	(8,348)	(7,298)	14.39%
Other expenses to be capitalised	(70)	(68)	2.25%
OVERALL TOTAL	69,195	55,973	23.62%
OTHER ADMINISTRATIVE COSTS			
IT supplies	11	80	-85.85%
Office supplies	442	506	-12.72%
Franking expenses	912	1,068	-14.60%
Telephone	617	661	-6.58%
IT networks	1,746	1,454	20.04%
Grants	285	271	5.40%
Training	1,334	1,603	-16.81%
Entertaining	1,481	1,471	0.67%
Advertising	1,982	1,902	4.20%
Brochures	81	360	-77.58%
Job advertising	37	29	24.19%
Documentation	346	332	4.35%
Electronic data transmission subscriptions	431	446	-3.39%
Trade fairs	755	569	32.70%
Business gifts	43	65	-34.51%
GIE expenses	644	587	9.75%
Membership fees	386	488	-20.75%
Intern expenses	326	219	49.06%
Meeting expenses	118	63	88.00%
Other administrative costs (branches)	11,315	8,319	36.01%
Total other administrative costs	23,291	20,492	13.66%

Notes to the statutory financial statements

Depreciation and amortisation

Equipment	143	148	(3.30%)
Furniture	206	190	8.58%
Fixtures and fittings	321	271	18.43%
Vehicles	29	27	9.40%
Equipment, furniture and fixtures and fittings outside France (excluding branches)	2		
Equipment, furniture and fixtures and fittings (branches)	1,003	726	38.16%
Sub-total - depreciation	1,705	1,362	25.20%
Software development costs (excluding branches)	4,813	4,646	3.59%
Software development costs (branches)	213	481	(55.65%)
Total depreciation and amortisation	6,731	6,489	3.73%
Additions to provisions			
Additions to provisions			
Relating to liabilities and charges	984		
Relating to repairs expenses	(1,726)	(281)	
Reversals of provisions			
Relating to brokers	(55)		
TOTAL COMMISSIONS AND OTHER EXPENSES	312,722	289,300	8.10%

ANALYSIS OF INVESTMENT INCOME AND EXPENSE

	Income and expense concerning investments in subsidiaries and affiliates	Other investment income and expense	Total 2007	Total 2006
(in thousands of euros)				
Income from investments in subsidiaries and affiliates	32,927	5,273	38,200	24,036
Income from property investments		40	40	72
Income from other investments:				
- bonds, treasury bills and medium-term notes		6,594	6,594	3,779
- equities		2,015	2,015	1,923
- loans and deposits	2,375	5,828	8,203	7,146
- derivatives		835	835	
- other financial income	113	13	126	193
Total income from other investments	2,456	10,585	13,041	10,431
Total investment income	35,415	20,598	56,013	37,149
Reversal of provision for impairment in value (utilisation)	2,085	(842)	1,243	4,553
Gains on sales of investments	9	55,641	55,650	18,513
Merger gains		393	393	
Total realised gains on investments	9	56,034	56,043	18,513
Total income	37,509	75,790	113,299	60,215
Property investment expenses		3	3	26
Financial expenses:				
- commissions, professional fees, interest and bank charges	2,385	1,759	4,144	5,948
- on securities		1,423	1,423	1,172
- unrealised losses on derivatives				
Total financial charges	2,385	3,185	5,570	7,146
Provision for impairment in value of investments	516	1,406	1,922	792
Losses on sales of investments		15,054	15,054	14,627
Merger deficit	2,720	91	2,811	
Total realised losses on investments	2,720	15,145	17,865	14,627
Portfolio management expenses		1,564	1,564	1,446
Total expenses	5,621	21,299	26,920	24,011
NET INVESTMENT INCOME	31,888	54,491	86,379	36,204

Notes to the statutory financial statements

I) ANALYSIS OF 2007 TAX CHARGE

(in thousands of euros)

1. Current taxes	13,685
o/w branches: 543	
o/w late payment interest following a tax reassessment: (957)	
2. Long-term taxes	-
3. Tax on non-operating items	(331)
TOTAL	13,355

II) DEFERRED TAXES*

	Deferred tax assets	Deferred tax liabilities	Net
Short-term rate (*): 34.43%			
Long-term rate (*): 1.72%			
1. 1. Temporary differences	28,891	5,634	23,257
Retirement commitments	8,435		
Holiday pay and company "Time Savings" plan	5,613		
Employee profit-sharing	1,064		
Solidarity tax contribution	193		
Non-deductible provisions:	6,237		
Unistrat technical provisions	6,237		
For charges and repairs	-		
Provisions for foreign exchange losses	5,634		
Translation adjustments – CLD		5,634	
Unrealised gains on taxed mutual funds	1,470		
Unrealised gains on forward financial instruments	245		
2. Tax loss carryforwards			-
3. Long-term capital losses			-
TOTAL	28,891	5,634	23,257

* excluding branches

Notes to the statutory financial statements

ALLOCATION OF COFACERATING.COM'S MERGER DEFICIT AT 31 DECEMBER 2007 (CRC STANDARD 2004-01)

(in thousands of euros)

Assets	Carrying amount (gross)	Impairment	Net carrying amount	Actual value	Unrealised gains	Allocation of merger deficit in proportion to and capped at the level of unrealised gains
Assets recognised in the financial statements of:						
Cofacering.ch	66	-	66	2,834	2,767	290
Coface Services España	3	-	3	18,544	18,541	1,944
Coface Services South Asia Pacific	6,073	-	6,073	6,291	218	23
TOTAL	6,143	-	6,143	27,669	21,526	2,257

IV - OTHER INFORMATION

Information on employees and management

Average workforce during the year

Professional category	31/12/2007	31/12/2006
Non-management	477	542
Management	1,233	1,099
TOTAL	1,710	1,641

	Total remuneration for the period	Commitments for retirement benefits	Loans and advances granted during the period
To members of supervisory bodies	118		
To members of management bodies	4,366	553	

Information on the financial statements

A French language version of the complete financial statements of Coface SA may be obtained from the Company.

Notes to the statutory financial statements

DETAILED ANALYSIS OF INVESTMENTS AT 31 DECEMBER 2007: TABLE A - ENTITY: COFACE - CURRENCY: EUR

Number and description of investment	Rate	Carrying amount			Net	Realisable value	Redemption value	
		At cost	Provisions for impairment	At cost				
CAD	CAD/EUR rate	1,4449	26,939,733.06	0.00	26,939,733.06	26,935,856.20	26,752,000.00	
TOTAL TABLE A			26,939,733.06	0.00	26,939,733.06	26,935,856.20	26,752,000.00	
CHF	CHF/EUR rate	1,6547	14,666,613.74	0.00	14,666,613.74	14,604,754.95	14,162,955.00	
TOTAL TABLE A			14,666,613.74	0.00	14,666,613.74	14,604,754.95	14,162,955.00	
EUR	EUR/EUR rate	1	238,435,628.74	(1,211,508.13)	237,224,120.61	235,691,527.11	234,747,096.98	
TOTAL TABLE A			238,435,628.74	(1,211,508.13)	237,224,120.61	235,691,527.11	234,747,096.98	
JPY	JPY/EUR rate	164.93	1,700,265,746.00	0.00	1,700,265,746.00	1,706,468,039.99	1,700,200,000.00	
TOTAL TABLE A EUR EQUIVALENT			1,700,265,746.00	0.00	1,700,265,746.00	1,706,468,039.99	1,700,200,000.00	
			276,252,956.00	(1,211,508.00)	275,041,448.00	273,506,393.00	272,129,717.00	
Number and description of investment								
Number and description of investment	Currency	Allo- cation	Carrying amount			Net	Realisable value	Redemption value
			At cost	Provisions for impairment	At cost			
TOTAL EUR			276,252,956.26	(1,211,508.13)	275,041,448.13	273,506,393.42	272,129,717.20	
23 – INVESTMENTS			276,252,956.26	(1,211,508.13)	275,041,448.13	273,506,393.42	272,129,717.20	
231 – BONDS AND OTHER FIXED-INCOME SECURITIES			276,252,956.26	(1,211,508.13)	275,041,448.13	273,506,393.42	272,129,717.20	
2310 – LISTED BONDS			154,248,780.35	(1,211,508.13)	153,037,272.22	151,520,652.26	150,565,000.00	
900BE000300096BELGIUM 5.50% 05.06.02/28.09.17	EUR	F	994,230.00	16,279.65	1,010,509.65	973,710.00	900,000.00	
2,100BE0000306150BELGIUM 3.75% 14.03.05/28.09.15	EUR	F	2,202,730.00	(22,425.73)	2,180,304.27	2,016,420.00	2,100,000.00	
2,450DE0001135051GERMANY 5.25% 10.11.05/04.01.08	EUR	F	2,572,475.50	(121,847.03)	2,450,628.47	2,450,000.00	2,450,000.00	
950,000FR0000187361GOVERNMENT BONDS 5% 02.02.01/25.10.16	EUR	F	1,030,560.00	(22,499.60)	1,008,060.40	993,225.00	950,000.00	
1,200,000FR0000187874GOVERNMENT BONDS 5% 11.09.01/25.10.11	EUR	F	1,315,320.00	(58,180.55)	1,257,139.45	1,234,920.00	1,200,000.00	
1,650,000FR00000570673GOVERNMENT BONDS TEC 10 25.01.99/25.01.09	EUR	F	1,661,955.00	(7,278.73)	1,654,676.27	1,633,500.00	1,650,000.00	
1,460,000FR00000571218GOVERNMENT BONDS 5.5% 12.03.98/25.04.29	EUR	F	1,618,660.00	(15,096.74)	1,603,563.26	1,625,856.00	1,460,000.00	
1,460,000FR0010061242GOVERNMENT BONDS 4% 06.04.04/25.04.14	EUR	F	1,440,728.00	6,006.40	1,446,734.40	1,442,188.00	1,460,000.00	
980GR0124021552 GREECE 4.60% 17.01.03/20.05.13	EUR	F	1,008,518.00	27,043.88	1,035,561.88	991,515.00	980,000.00	
1,000GR0124024580GREECE 4.50% 13.01.04/20.05.14	EUR	F	1,013,600.00	35,031.06	1,048,631.06	1,005,900.00	1,000,000.00	
4,900GR0124026601GREECE 3.70% 22.02.05/20.07.15	EUR	F	5,026,665.00	(26,631.09)	4,999,999.91	4,966,475.00	4,900,000.00	
3,080GR0133002155GREECE 5.90% 24.04.02/22.10.22	EUR	F	3,803,864.50	(82,925.78)	3,720,938.72	3,432,660.00	3,080,000.00	
355GR0338001531 GREECE 2.90% 27.03.03/25.07.25	EUR	F	363,461.86	(1,256.64)	362,205.22	377,063.25	355,000.00	
TOTAL EUR			24,052,767.86	(273,780.90)	23,778,986.96	22,845,432.25	22,485,000.00	
5,000	DE0001135150	GERMANY 5.25% 12.05.00/04.07.10	EUR	F	5,191,900.00	(47,488.23)	5,144,411.77	5,135,500.00
3,000	DE0002574332	HYPOBK ESSEN 4.25% 15.05.99/06.07.09	EUR	F	3,054,150.00	(27,578.54)	3,026,571.46	2,988,300.00
2,000	DE0003211520	HVB REAL 4% 20.04.99/20.04.09	EUR	F	2,021,540.00	(11,863.44)	2,009,676.56	2,000,000.00
20,950	DE0007763757	DIPA BANK 3.25% 06.03.03/15.04.08	EUR	F	20,991,895.00	(38,024.77)	20,953,870.23	20,843,155.00
5,000	ES0390304006	AYT CEDULAS CAJAS II 4.50% 28.11.01/28.11.08	EUR	F	5,035,500.00	(17,047.54)	5,018,452.46	4,993,000.00
5,000	ES0414970170	CAJA AHOR. BARC. 3.50% 05.03.03/4.03.10	EUR	F	4,915,250.00	22,803.50	4,938,053.50	5,000,000.00
5,000	FR0000188864	CRH 4% 6.12.02/25.10.09	EUR	F	4,987,700.00	3,838.75	4,991,538.75	4,956,000.00
16,000	FR0000472888	DEXIA MUN.AGEN. 3.25% 12.07.03/12.07.08	EUR	F	16,048,800.49	(39,186.84)	16,009,613.65	15,891,200.00
1,600	FR0010093377	CADES 3.75% 23.06.04/12.07.09	EUR	F	1,608,080.00	(4,227.44)	1,603,852.56	1,585,280.00
4,000	FR0010295949	CADES 3.125% 20.02.06/23.02.09	EUR	F	3,929,560.00	29,471.91	3,945,031.91	3,945,800.00
5,000	PT0TEHOE0008	PORTUGAL 5.85% 21.01.00/20.05.10	EUR	F	5,270,500.00	(69,595.91)	5,200,904.09	5,185,050.00
16,000	XS0162248396	BK NED. GEM. 3.50% 31.03.05/31.03.08	EUR	F	16,129,600.00	(115,206.13)	16,014,393.87	15,964,800.00
1,200,000	OB.GR.COFOB	GREECE 4.60% 17.01.2003/20.05.2013	EUR	F	1,253,197.12	(29,084.80)	1,224,112.32	1,214,100.00
2,600,000	PORTU.COFOB	PORTUGAL 5.85% 20.01.2000/20.05.2010	EUR	F	2,793,719.19	(84,333.22)	2,709,385.97	2,696,226.00
1,000,000	BE0000310194	BELGIUM 4% 02.05.2007/28.03.2013	EUR	F	1,020,515.85	(22,573.15)	997,942.70	987,700.00
1,000,000	DE0001135069	GERMANY 5 5/8% 04.01.1998/04.01.2028	EUR	F	1,172,738.36	(25,358.36)	1,147,380.00	1,128,700.00
1,000,000	DE0001135218	GERMANY 4.50% 04.01.2003/04.01.2013	EUR	F	1,068,801.37	(40,742.16)	1,028,059.21	1,014,600.00
1,000,000	DE000A0E8350	KFW 4.375% 04.07.2007/30.06.2009	EUR	F	1,022,438.07	(17,971.57)	1,004,466.50	1,001,900.00
700,000	DE000LBN28C1	LDBK BAD.WUR 4.50% 02.08.2007/04.12.2009	EUR	F	703,425.07	(577.51)	702,847.56	700,000.00
500,000	FI0001005167	FINLAND 5.75% 23.02.00/23.02.2011	EUR	F	523,675.00	(109.33)	523,565.67	523,525.00
500,000	FI0001006066	FINLAND 3.875% 30.05.2006/15.09.2017	EUR	F	492,077.91	(4,397.67)	487,680.24	479,685.00

Notes to the statutory financial statements

DETAILED ANALYSIS OF INVESTMENTS AT 31 DECEMBER 2007: TABLE A - ENTITY: COFACE - CURRENCY: EUR

1,000,000	CRH.COF0B	CRH 4% 06.12.2002/25.10.2009	EUR	F	FRA	997,990.87	(4,240.47)	993,750.40	991,200.00	1,000,000.00
700,000	FR0010112052	OAT 4% 27.08.2004/25.10.2014	EUR	F	FRA	701,876.00	(2,655.64)	699,220.36	689,850.00	700,000.00
500,000	FR0010474189	CIE FINAN. FONC 4.25% 27.05.07/22.05.2009	EUR	F	FRA	511,182.84	(11,666.55)	499,516.29	498,675.00	500,000.00
1,000,000	FR0010500298	CM CIC COVERED 4.75% 27.07.2007/17.07.2012	EUR	F	FRA	1,027,039.18	(16,943.59)	1,010,095.59	1,003,100.00	1,000,000.00
500,000	FR0010526996	CRH 4.375% 11.10.07/11.10.2010	EUR	F	FRA	503,827.23	(3,573.67)	500,253.56	498,000.00	500,000.00
600,000	FR0010532895	BNP 4.50% 16.10.2007/16.10.2009	EUR	F	FRA	604,948.52	(3,817.44)	601,131.08	600,030.00	600,000.00
1,100,000	FR0010547349	DEXIA 4.25% 22.11.07/22.11.2010	EUR	F	FRA	1,099,779.52	(1,427.65)	1,098,351.87	1,093,290.00	1,100,000.00
3,500,000	GR0110018208	GREECE 3.40% 17.03.2006/21.06.2009	EUR	F	GRC	3,520,347.81	(51,469.81)	3,468,878.00	3,460,800.00	3,500,000.00
2,500,000	GR0124006405	GREECE 6.30% 20.01.1999/29.01.2009	EUR	F	GRC	2,694,768.75	(136,973.03)	2,557,795.72	2,553,500.00	2,500,000.00
2,000,000	GR0124015497	GREECE 5.35% 30.01.2007/18.05.2011	EUR	F	GRC	2,137,362.30	(68,271.64)	2,079,090.66	2,064,300.00	2,000,000.00
3,000,000	IT0004008121	BPPS - ITALY 3% 01.02.2006/01.02.2009	EUR	F	ITA	2,998,145.22	(29,036.43)	2,969,108.79	2,965,350.00	3,000,000.00
1,500,000	IT0004026297	BTPS - ITALY 3.50% 15.03.2006/15.03.2011	EUR	F	ITA	1,487,232.69	(11,401.05)	1,475,831.64	1,468,275.00	1,500,000.00
2,900,000	IT0004254352	BTPS - ITALY 4.50% 01.08.2007/01.08.2010	EUR	F	ITA	2,964,205.22	(30,225.19)	2,933,980.03	2,920,300.00	2,900,000.00
1,100,000	IT0004284334	BTPS - ITALY 4.25% 15.10.2007/15.10.2012	EUR	F	ITA	1,114,764.34	(8,054.97)	1,106,709.37	1,099,010.00	1,100,000.00
1,000,000	NL0000102671	NETHERLANDS 5% 15.02.2002/15.07.2012	EUR	F	NLD	1,063,035.52	(19,410.78)	1,043,624.74	1,033,100.00	1,000,000.00
700,000	PTBCU31E0002	BCP 4.75% 29.10.2007/29.10.2014	EUR	F	PRT	711,831.34	(3,956.02)	707,875.32	700,665.00	700,000.00
800,000	PTOTE10E0019	PORTUGAL 4.375% 29.10.2003/16.06.2014	EUR	F	PRT	835,648.09	(7,712.68)	827,935.41	803,108.00	800,000.00
1,200,000	PTOTEU0E0006	PORTUGAL 5.15% 13.03.2007/16.06.2011	EUR	F	PRT	1,236,120.00	(483.36)	1,235,636.64	1,234,530.00	1,200,000.00
TOTAL EUR						125,445,168.87	(940,572.42)	124,504,596.45	123,746,249.01	123,650,000.00
185,000	FR0000186413	GOVERNMENT BONDS 3.40% 01.10.99/25.07.29	EUR	F	FRA	222,589.30	10,327.79	232,917.09	219,114.00	185,000.00
1,245,000	FR0000188013	GOVERNMENT BONDS 3% 31.10.01/25.07.12	EUR	F	FRA	1,509,877.60	(7,482.60)	1,502,395.00	1,305,507.00	1,245,000.00
TOTAL EUR						1,732,466.90	2,845.19	1,735,312.09	1,524,621.00	1,430,000.00
100	FR0000476533	COMPAGNIE DE FINANC.FONC.TX VAR. 08.07.03/08.07.15	EUR	F	LUX	1,000,000.00	0.00	1,000,000.00	1,097,700.00	1,000,000.00
100	X50185626347	BNP PARIBAS 0% 13.02.04/13.02.14	EUR	F	LUX	1,000,000.00	0.00	1,000,000.00	1,323,000.00	1,000,000.00
1,000,000	FR0010451393	BNP PARIB. TV 22.03.2007/22.03.2010	EUR	F	FRA	1,018,376.72	0.00	1,018,376.72	983,650.00	1,000,000.00
TOTAL EUR						3,018,376.72	0.00	3,018,376.72	3,404,350.00	3,000,000.00
5,126	CA683234T21	ONTARIO 4.40% 17.12.07 to 19.11.08	CAD	F	CAN	5,133,688.28	0.00	5,133,688.28	5,141,890.60	5,126,000.00
8,454	CA683234MID7	ONTARIO 5.70% 03.12.07 to 01.12.08	CAD	F	CAN	8,592,814.68	0.00	8,592,814.68	8,578,273.80	8,454,000.00
4,990	CA110709EH18	BRITISH COLUMBIA 6% 06.2008	CAD	F	CAN	5,045,139.50	0.00	5,045,139.50	5,030,419.00	4,990,000.00
8,182	CA13509PAE30	CANADA HOUSING 4.40% 03.08	CAD	F	CAN	8,168,090.60	0.00	8,168,090.60	8,185,272.80	8,182,000.00
TOTAL CAD						26,939,733.06	0.00	26,939,733.06	26,935,856.20	26,752,000.00
TOTAL CAD - EUR EQUIVALENT						18,644,704.17	0.00	18,644,704.17	18,642,021.04	18,514,776.12
400	CH0009046316	MUNICIPAL BONDS (NEUCHATEL) 3.75% 30.09.99/30.09.09	CHF	F	CHE	392,600.00	0.00	392,600.00	408,550.00	400,000.00
300	CH0009757417	MUNICIPAL BONDS (ZURICH) 3% 14.05.99/05.01.09	CHF	F	CHE	306,290.65	0.00	306,290.65	309,205.00	300,000.00
221	X50094001921	ING BANQUE 4.25% 29.01.99/29.01.09	CHF	F	CHE	209,154.25	0.00	209,154.25	258,330.00	220,905.00
300	CH0001085460	SWISS CONFEDERATION 4.25% 24.03.97/08.01.08	CHF	F	CHE	314,650.25	0.00	314,650.25	312,466.99	300,000.00
400	CH0001480083	SWISS CONFEDERATION 4.25% 06.01.94/01.01.14	CHF	F	CHE	456,467.05	0.00	456,467.05	446,517.00	400,000.00
1,000	CH0008399609	LETTRES GAGE BQUES CANT.SUISSES 3.5% 10.12.98/10.02	CHF	F	CHE	1,025,500.00	0.00	1,025,500.00	1,037,703.00	1,000,000.00
1,000	CH0008435551	SWISS CONFEDERATION 3.25% 1998/11.02.2009	CHF	F	CHE	1,025,000.00	0.00	1,025,000.00	1,035,569.00	1,000,000.00
300	CH0008562081	MUNICIPAL BONDS (BERNE) 3% 28.12.98/31.03.08	CHF	F	CHE	302,840.75	0.00	302,840.75	306,780.00	300,000.00
300	CH0009150225	MUNICIPAL BONDS (GENEVA) 3.5% 30.06.98/30.06.08	CHF	F	CHE	298,500.00	0.00	298,500.00	305,760.00	300,000.00
500	CH0009886646	BANQUE DES LETTRES DE GAGE 31.05.99/25.01.11	CHF	F	CHE	512,351.55	0.00	512,351.55	523,453.00	500,000.00
1,000	CH0010356878	BANQUE CANTONALE VAUDOISE 4.25% 2000/10.02.2010	CHF	F	CHE	1,053,500.00	0.00	1,053,500.00	1,061,632.00	1,000,000.00
500	CH0010368829	CREDIT SUISSE 4.625% 2000/10.02.2010	CHF	F	CHE	533,500.00	0.00	533,500.00	534,748.00	500,000.00
1,000	CH0011230593	BANQUE CANTONALE VAUDOISE 4.5% 25.09.00/25.09.08	CHF	F	CHE	1,041,500.00	0.00	1,041,500.00	1,022,850.00	1,000,000.00
500	CH0012025646	CREDIT SUISSE 4.38% 28.03.01/28.03.11	CHF	F	CHE	547,113.75	0.00	547,113.75	528,028.00	500,000.00
250	CH0012031123	BCV 4.50% 22.03.01/22.03.11	CHF	F	CHE	274,279.55	0.00	274,279.55	267,813.00	250,000.00
300	CH0012616782	ZURICH VERSICHERUNGS 3.88% 27.07.01/27.07.11	CHF	F	CHE	320,250.95	0.00	320,250.95	308,841.00	300,000.00
500	CH0014205071	BANQUE CANTONALE DE BALE 3.5% 14.06.02/14.06.10	CHF	F	CHE	517,923.50	0.00	517,923.50	517,028.00	500,000.00
300	CH0014259375	BOUE LETTRES GAGE ZURICH 3.5% 17.06.02/17.06.11	CHF	F	CHE	298,950.00	0.00	298,950.00	311,629.00	300,000.00

Notes to the statutory financial statements

DETAILED ANALYSIS OF INVESTMENTS AT 31 DECEMBER 2007: TABLE A - ENTITY: COFACE - CURRENCY: EUR

1,000	CH0019574620	SKYGUIDE SA. MEYRIN 2.625% 19.10.04/19.10.11	CHF	F	CHE	1,012,500.00	0.00	1,012,500.00	991,396.00	1,000,000.00
790	DE0002760840	KREDITANSTALT FUER WIEDER.5% 04.07.01/04.07.11	CHF	F	CHE	847,383.33	0.00	847,383.33	867,833.96	790,000.00
655	US2254344F69	CREDIT SUISSE NOTES 5.25% 21.03.06/02.03.11	CHF	F	CHE	654,807.60	0.00	654,807.60	579,978.00	655,000.00
393	US298785D.J23	BANQUE EUROPEENNE INVEST.4% 21.03.06/03.03.10	CHF	F	CHE	380,851.19	0.00	380,851.19	347,369.00	393,000.00
599.6	X50099122821	ROCHE HOLDINGS INC 6.75% 18.10.04/06.07.09	CHF	F	CHE	679,118.40	0.00	679,118.40	601,691.00	599,600.00
220.95	X50148941288	BANK FUR ARBEIT UND WIRTSCHAFT 05.06.02/05.06.09	CHF	F	CHE	220,176.70	0.00	220,176.70	255,762.00	220,950.00
632	X50161035943	GENERAL ELECTRIC 4.375% 20.01.03/20.01.10	CHF	F	CHE	651,062.47	0.00	651,062.47	686,583.00	632,000.00
327.5	X50181577213	EURO MEDIUM-TERM 3.5% 05.01.03/05.01.09	CHF	F	CHE	317,422.24	0.00	317,422.24	289,525.00	327,500.00
474	X50204870546	EURO MEDIUM BK AVSTRAKUA 3.375% 12.11.04/12.11.09	CHF	F	CHE	472,919.56	0.00	472,919.56	487,714.00	474,000.00
TOTAL CHF						14,666,613.74	0.00	14,666,613.74	14,604,754.95	14,162,955.00
TOTAL CHF - EUR EQUIVALENT						8,863,608.94	0.00	8,863,608.94	8,826,225.25	8,559,228.32
1	OB.JAP	JAPANESE GOVERNMENT BOND 1.90% 24.02.99/20.03.09	JPY	F	JPN	199,945,746.00	0.00	199,945,746.00	203,243,040.00	200,200,000.00
1	OB.JAP3	JAPANESE GOVERNMENT BOND 0.2% 15.12.05/15.12.07	JPY	F	JPN	499,565,000.00	0.00	499,565,000.00	499,950,000.00	500,000,000.00
1	OB.JAP4	JBP BOND 0.80% 15.08.2006/15.08.2008	JPY	F	JPN	249,950,000.00	0.00	249,950,000.00	250,450,000.01	250,000,000.00
1	OB.JAP5	JBP BOND 0.8% 15.04.2007/15.04.2009	JPY	F	JPN	249,925,000.00	0.00	249,925,000.00	250,425,000.00	250,000,000.00
1	OB.JAP6	JBP BOND 1% 15.08.2007/15.08.2009	JPY	F	JPN	500,880,000.00	0.00	500,880,000.00	502,399,999.98	500,000,000.00
TOTAL JPY						1,700,265,746.00	0.00	1,700,265,746.00	1,706,468,039.99	1,700,200,000.00
TOTAL JPY - EUR EQUIVALENT						10,309,014.41	0.00	10,309,014.41	10,346,620.02	10,308,615.78
10,000	GR0114015408	GREEK TREASURY BILLS 3.50% 05.02.03/18.04.08	EUR	F	FRA	10,074,000.00	0.00	10,074,000.00	10,071,360.54	10,074,000.00
201,000	BBVA34	BBVA TREASURY BILL 4.11% 22.11.07 to 04.01.08	EUR	F	ESP	200,031.46	0.00	200,031.46	200,031.05	200,031.46
1,004,000	BBVA35	BBVA TREASURY BILL 4.20% 06.12.07 to 08.01.08	EUR	F	ESP	1,000,201.97	0.00	1,000,201.97	1,000,199.25	1,000,201.97
900,000	CAIXA41	CAIXA TREASURY BILL 4.91% 18.09.07 to 18.12.07	EUR	F	ESP	900,000.00	0.00	900,000.00	900,000.00	900,000.00
900,000	CAIXA48	CAIXA TREASURY BILL 4.91% 08.10.07 to 08.01.08	EUR	F	ESP	900,000.00	0.00	900,000.00	899,988.76	900,000.00
1,004,000	CAIXA70	CAIXA TREASURY BILL 4.20% 13.11.07 to 17.12.07	EUR	F	ESP	1,000,087.33	0.00	1,000,087.33	1,000,087.33	1,000,087.33
2,013,000	CAIXA71	CAIXA TREASURY BILL 4.48% 13.11.07 to 02.01.08	EUR	F	ESP	2,000,721.61	0.00	2,000,721.61	2,000,718.63	2,000,721.61
1,000,000	CAIXA72	CAIXA TREASURY BILL 4.91% 05.11.07 to 05.02.08	EUR	F	ESP	1,000,000.00	0.00	1,000,000.00	999,962.68	1,000,000.00
1,000,000	CAIXA73	CAIXA TREASURY BILL 4.91% 13.11.07 to 13.02.08	EUR	F	ESP	1,000,000.00	0.00	1,000,000.00	999,960.94	1,000,000.00
1,000,000	CAIXA76	CAIXA TREASURY BILL 4.91% 14.11.07 to 14.02.08	EUR	F	ESP	1,000,000.00	0.00	1,000,000.00	999,960.89	1,000,000.00
1,000,000	CAIXA81	CAIXA TREASURY BILL 4.96% 13.12.07 to 14.01.08	EUR	F	ESP	1,000,000.00	0.00	1,000,000.00	999,995.22	1,000,000.00
2,000,000	CAIXA82	CAIXA TREASURY BILL 4.09% 13.12.07 to 17.12.07	EUR	F	ESP	2,000,000.00	0.00	2,000,000.00	2,000,000.00	2,000,000.00
1,000,000	CAIXA83	CAIXA TREASURY BILL 4.80% 30.11.07 to 02.01.08	EUR	F	ESP	1,000,000.00	0.00	1,000,000.00	999,998.90	1,000,000.00
1,006,000	CAIXA84	CAIXA TREASURY BILL 4.41% 20.11.07 to 02.01.08	EUR	F	ESP	1,000,800.50	0.00	1,000,800.50	1,005,998.76	1,006,000.00
1,000,000	CAIXA85	CAIXA TREASURY BILL 4.91% 16.11.07 to 16.02.08	EUR	F	ESP	1,000,000.00	0.00	1,000,000.00	999,960.91	1,000,000.00
100,000	FR0109970477	BTF 3.869% 09.11.07 to 1.01.08	EUR	F	FRA	99,500.52	0.00	99,500.52	99,993.20	100,000.00
900,000	FR0109970478	BTF 3.869% 09.11.07 to 1.01.08	EUR	F	FRA	895,504.68	0.00	895,504.68	899,938.78	900,000.00
100,000	FR0112270675	BTF 3.87% 22.10.07 to 10.01.08	EUR	F	FRA	99,574.21	0.00	99,574.21	99,998.29	100,000.00
TOTAL EUR						26,170,422.28	0.00	26,170,422.28	26,178,154.13	26,181,042.37
1,200,000	FR0107674006	TREASURY BILL 2.50% 27.06.05 to 12.07.10	EUR	F	FRA	1,225,947.12	0.00	1,225,947.12	1,223,190.46	1,225,947.12
1,150,000	FR0107674007	TREASURY BILL 2.50% 27.06.05 to 12.07.10	EUR	F	FRA	1,175,107.49	0.00	1,175,107.49	1,172,465.15	1,175,107.49
600,000	FR0109970386	TREASURY BILL 3.75% 21.05.07 to 12.01.12	EUR	F	FRA	615,371.50	0.00	615,371.50	597,065.11	600,000.00
TOTAL EUR						3,016,426.11	0.00	3,016,426.11	2,992,720.72	3,001,054.61
10,000,000	FR0112242732	CD Eonia + 0.48 12.10.07 to 14.01.08	EUR	F	FRA	10,000,000.00	0.00	10,000,000.00	10,000,000.00	10,000,000.00
10,000,000	FR0112562469	CD Eonia + 0.48 12.10.07 to 14.01.08	EUR	F	FRA	10,000,000.00	0.00	10,000,000.00	10,000,000.00	10,000,000.00
10,000,000	FR0112563467	CD Eonia + 0.48 12.10.07 to 14.01.08	EUR	F	FRA	10,000,000.00	0.00	10,000,000.00	10,000,000.00	10,000,000.00
10,000,000	FR0112967742	CD Eonia + 0.70 10.12.07 to 10.03.08	EUR	F	FRA	10,000,000.00	0.00	10,000,000.00	10,000,000.00	10,000,000.00
15,000,000	FR0112969490	CD Eonia + 0.70 10.12.07 to 10.03.08	EUR	F	FRA	15,000,000.00	0.00	15,000,000.00	15,000,000.00	15,000,000.00
TOTAL EUR						55,000,000.00	0.00	55,000,000.00	55,000,000.00	55,000,000.00

Notes to the statutory financial statements

DETAILED ANALYSIS OF INVESTMENTS AT 31 DECEMBER 2007: TABLE B – ENTITY: COFACE – CURRENCY: EUR

Number and description of investment réalisation	Exchange rate	Carrying amount		Provisions for impairment	Net	Realisable value
		At cost				
TOTAL TABLE B CHF CHF / EUR rate:	1.6547	10,269,710.00		0.00	10,269,710.00	9,879,450.00
TOTAL TABLE B CLP CLP / EUR rate:	732.609	3,456,403,738.00		0.00	3,456,403,738.00	5,638,938,952.44
TOTAL TABLE B EUR EUR / EUR rate:	1	571,823,051.09		(10,651,527.08)	561,171,524.01	1,280,289,758.54
TOTAL TABLE B GBP GBP / EUR rate:	0.73335	20,750,583.00		0.00	20,750,583.00	20,994,533.00
TOTAL TABLE B PLN PLN / EUR rate:	3.5935	930,926.00		0.00	930,926.00	930,926.00
TOTAL TABLE B TND TND / EUR rate:	1.79493	100.00		0.00	100.00	100.00
TOTAL TABLE B USD USD / EUR rate:	1.4721	27,081,303.00		0.00	27,081,303.00	28,943,910.00
TOTAL TABLE B EUR EQUIVALENT		629,698,472.00		(10,651,527.00)	619,046,944.76	1,342,506,380.00

Number and description of investment réalisation	Currency	Allo- cation	Loca- tion	Carrying amount		Provisions for impairment	Net	Realisable value
				At cost				
Total EUR				629,698,471.84		(10,651,527.08)	619,046,944.76	1,342,506,380.42
21 – PROPERTY INVESTMENTS				397,745.47		(88,363.81)	309,381.66	758,103.54
212 – BUILDINGS (EXCLUDING THOSE USED IN THE BUSINESS)				20,561.61		(7,246.06)	13,315.55	230,000.00
2122 – LAND AND BUILDINGS ACQUIRED BEFORE 1.1.82				20,561.61		(7,246.06)	13,315.55	230,000.00
1 NC200 PARIS - 14, RUE DARU	EUR	F	FRA	20,561.61		(7,246.06)	13,315.55	230,000.00
TOTAL EUR				20,561.61		(7,246.06)	13,315.55	230,000.00
213 – SHARES AND OTHER INTERESTS IN UNLISTED PROPERTY COMPANIES – USED IN THE BUSINESS				64,663.37		(11,251.03)	53,412.34	103,103.54
2130 – SHARES AND OTHER INTERESTS IN UNLISTED PROPERTY COMPANIES				64,663.37		(11,251.03)	53,412.34	103,103.54
1 CCGAMMA GAMMA VALBONNE CURRENT ACCOUNT	EUR	F	FRA	5,469.96		(5,128.02)	341.94	0.00
1 CGGOUNDLGN GOUNOD LOGNES CURRENT ACCOUNT	EUR	F	FRA	30,645.04		0.00	30,645.04	30,645.04
1 CCMOULINS LES MOULINS DE FONTENAY CURRENT ACCOUNT	EUR	F	FRA	195.43		0.00	195.43	0.00
1 CCSOURDRIE LA SOURDRIE MONTIGNY CURRENT ACCOUNT	EUR	F	FRA	2,849.20		(2,849.20)	0.00	0.00
700 NC211 GOUNOD-LOGNES	EUR	F	FRA	10,671.43		0.00	10,671.43	60,900.00
500 NC217 L'HABITAT LOCATIF AIDE	EUR	F	FRA	7,622.45		0.00	7,622.45	7,622.45
150 NC219 34 BD LIBERATION VINCENNES	EUR	F	FRA	2,286.74		0.00	2,286.74	2,286.74
99 NC225 LES MOULINS DE FONTENAY	EUR	F	FRA	151.47		0.00	151.47	151.47
2,750 NC235 O.G.I.F.	EUR	F	FRA	1,524.49		(826.65)	697.84	697.84
40 NC250 GAMMA VALBONNE	EUR	F	FRA	60.98		(60.98)	0.00	0.00
90 NC262 LA SOURDRIE MONTIGNY	EUR	F	FRA	137.20		(137.20)	0.00	0.00
4 NC272 RIE DE LA MADELEINE MARNE LA VALLEE	EUR	F	FRA	3,043.98		(2,248.98)	800.00	800.00
TOTAL EUR				64,663.37		(11,251.03)	53,412.34	103,103.54
219 – BUILDINGS USED IN THE BUSINESS				312,520.49		(69,866.72)	242,653.77	425,000.00
2192 – BUILDINGS				312,520.49		(69,866.72)	242,653.77	425,000.00
1 NC270 DIJON - AVENUE MARECHAL FOCH	EUR	F	FRA	166,169.43		(36,465.71)	129,703.72	220,000.00
1 NC271 STRASBOURG - LE SEBASTOPOL	EUR	F	FRA	146,351.06		(33,401.01)	112,950.05	205,000.00
TOTAL EUR				312,520.49		(69,866.72)	242,653.77	425,000.00
23 – INVESTMENTS				224,022,191.87		(3,542,023.45)	220,480,168.42	235,981,239.92
230 – EQUITIES AND OTHER VARIABLE INCOME SECURITIES				224,022,191.87		(3,542,023.45)	220,480,168.42	235,981,239.92
2300 – LISTED EQUITIES AND SECURITIES				52,243,636.65		0.00	52,243,636.65	53,172,251.17
15,000 FR0000120503 BOUYGUES	EUR	F	FRA	852,000.00		0.00	852,000.00	855,000.00
23,000 FR0000125684 ZODIAC	EUR	F	FRA	1,167,373.84		0.00	1,167,373.84	1,006,020.00
16,000 FR0000120073 AIR LIQUIDE	EUR	F	FRA	1,515,200.00		0.00	1,515,200.00	1,628,640.00
24,000 FR0000121667 ESSILOR INTL	EUR	F	FRA	1,077,840.00		0.00	1,077,840.00	1,047,600.00

Notes to the statutory financial statements

DETAILED ANALYSIS OF INVESTMENTS AT 31 DECEMBER 2007: TABLE B – ENTITY: COFACE – CURRENCY: EUR

8,000	FR0000120321	L'OREAL	EUR	F	FRA	664,960.00	0.00	664,960.00	0.00	783,840.00
8,000	FR0000120693	PERNOD-RICARD	EUR	F	FRA	1,230,080.00	0.00	1,230,080.00	0.00	1,264,800.00
44,000	FR0000120271	TOTAL	EUR	F	FRA	2,470,600.00	0.00	2,470,600.00	0.00	2,500,520.00
22,000	FR0000052292	HERMES INTERNATIONAL SA	EUR	F	FRA	728,400.00	0.00	728,400.00	0.00	864,400.00
22,000	FR0000131104	BNP PARIBAS	EUR	F	FRA	1,813,020.00	0.00	1,813,020.00	0.00	1,632,840.00
22,500	FR0000053225	M6 - METROPOLE TELEVISION	EUR	F	FRA	483,750.00	0.00	483,750.00	0.00	405,000.00
22,000	FR0000120172	CARREFOUR	EUR	F	FRA	1,152,580.00	0.00	1,152,580.00	0.00	1,172,380.00
10,000	FR0000120578	SANOFI-AVENTIS	EUR	F	FRA	605,600.00	0.00	605,600.00	0.00	629,800.00
30,000	FR0000120628	AXA	EUR	F	FRA	870,000.00	0.00	870,000.00	0.00	821,700.00
24,000	FR0000120644	GROUPE DANONE	EUR	F	FRA	1,277,760.00	0.00	1,277,760.00	0.00	1,473,600.00
17,500	FR0000120859	IMERY'S	EUR	F	FRA	1,182,537.91	0.00	1,182,537.91	0.00	984,200.00
18,000	FR0000121014	LVMH MOET HENNESSY VUITTON	EUR	F	FRA	1,467,000.00	0.00	1,467,000.00	0.00	1,488,240.00
10,000	FR0000121139	CASINO GUICHARD PERRACHON - ADP -	EUR	F	FRA	700,100.00	0.00	700,100.00	0.00	643,700.00
5,000	FR0006174348	BUREAU VERITAS	EUR	F	FRA	187,503.72	0.00	187,503.72	0.00	202,500.00
40,000	FR0010307819	LEGRAND	EUR	F	FRA	1,013,600.00	0.00	1,013,600.00	0.00	934,000.00
	TOTAL EUR					20,459,905.47	0.00	20,459,905.47	0.00	20,338,780.00
6,000	CH0012056047	NESTLE NOM. CHF10	CHF	F	CHE	2,778,000.00	0.00	2,778,000.00	0.00	3,120,000.00
15,000	CH0012332372	SCHWEIZERISCHE RUCKVERS. GESEL.	CHF	F	CHE	1,537,500.00	0.00	1,537,500.00	0.00	1,206,750.00
35,000	CH0012005267	NOVARTIS	CHF	F	CHE	2,269,750.00	0.00	2,269,750.00	0.00	2,173,500.00
9,000	CH0012032048	ROCHE HOLDING BJ	CHF	F	CHE	1,918,800.00	0.00	1,918,800.00	0.00	1,760,400.00
1,200	CH0002497458	SGS NOM.	CHF	F	CHE	1,765,660.00	0.00	1,765,660.00	0.00	1,618,800.00
	TOTAL CHF					10,269,710.00	0.00	10,269,710.00	0.00	9,879,450.00
	TOTAL CHF – EUR EQUIVALENT					6,206,387.86	0.00	6,206,387.86	0.00	5,970,538.46
13,332	BE0005591624	FORTIS STRIP VVPR DROITS	EUR	F	FRA	0.00	0.00	0.00	0.00	133.32
25,000	NL0000303600	ING GROEP NLG 1	EUR	F	NLD	767,000.00	0.00	767,000.00	0.00	668,750.00
15,000	DE0006048408	HENKEL ORD.	EUR	F	DEU	507,000.00	0.00	507,000.00	0.00	523,500.00
30,000	IT0003132476	ENI SPA	EUR	F	ITA	749,700.00	0.00	749,700.00	0.00	751,500.00
33,332	BE0003801181	FORTIS	EUR	F	NLD	774,780.00	0.00	774,780.00	0.00	604,642.48
25,000	DE0005003404	ADIDAS	EUR	F	DEU	1,064,000.00	0.00	1,064,000.00	0.00	1,273,250.00
8,000	DE0007236101	SIEMENS	EUR	F	DEU	737,840.00	0.00	737,840.00	0.00	867,360.00
50,000	GB00B03MLX29	ROYAL DUTCH SHELL CL.A	EUR	F	GBR	1,398,500.00	0.00	1,398,500.00	0.00	1,055,500.00
40,000	IT0000062957	MEDIOBANCA	EUR	F	ITA	616,450.00	0.00	616,450.00	0.00	564,800.00
50,000	IT0000072618	INTESA SANPAOLO	EUR	F	ITA	277,000.00	0.00	277,000.00	0.00	270,500.00
	TOTAL EUR					6,892,270.00	0.00	6,892,270.00	0.00	6,579,935.80
60,000	GB0006107006	CADBURY SCHWEPES PL	GBP	F	GBR	355,200.00	0.00	355,200.00	0.00	372,600.00
10,000	GB0007188757	RIO TINTO PLC	GBP	F	GBR	337,400.00	0.00	337,400.00	0.00	531,700.00
25,000	GB00566504	BHP BILLITON	GBP	F	GBR	354,250.00	0.00	354,250.00	0.00	386,500.00
	TOTAL GBP					1,046,850.00	0.00	1,046,850.00	0.00	1,290,800.00
	TOTAL GBP – EUR EQUIVALENT					1,427,490.28	0.00	1,427,490.28	0.00	1,760,141.82
13,000	US1941621039	COLGATE PALMOLIVE	USD	F	USA	874,250.00	0.00	874,250.00	0.00	1,013,480.00
20,000	US2910111044	EMERSON ELECTRIC	USD	F	USA	972,243.00	0.00	972,243.00	0.00	1,133,200.00
40,000	US3696041033	GENERAL ELECTRIC	USD	F	USA	1,561,200.00	0.00	1,561,200.00	0.00	1,482,800.00
30,000	US4581401001	INTEL	USD	F	USA	729,000.00	0.00	729,000.00	0.00	799,800.00
25,000	US4781601046	JOHNSON AND JOHNSON	USD	F	USA	1,525,750.00	0.00	1,525,750.00	0.00	1,667,500.00
20,000	US0258161092	AMERICAN EXPRESS	USD	F	USA	1,218,200.00	0.00	1,218,200.00	0.00	1,040,400.00
20,000	US1667641005	CHEVRON	USD	F	USA	1,677,800.00	0.00	1,677,800.00	0.00	1,866,600.00
25,000	US24702R1014	DELL	USD	F	USA	704,500.00	0.00	704,500.00	0.00	612,750.00
18,000	US30231G1022	EXXON MOBIL CORP	USD	F	USA	1,533,240.00	0.00	1,533,240.00	0.00	1,686,420.00

Notes to the statutory financial statements

DETAILED ANALYSIS OF INVESTMENTS AT 31 DECEMBER 2007: TABLE B – ENTITY: COFACE – CURRENCY: EUR

30,000	US5949181045	MICROSOFT	USD	F	USA	885,600.00	0.00	885,600.00	1,068,000.00
25,000	US7427181091	PROCTER GAMBLE	USD	F	USA	1,582,500.00	0.00	1,582,500.00	1,835,500.00
10,000	US88579Y1010	3M	USD	F	USA	891,200.00	0.00	891,200.00	843,200.00
30,000	US9130171096	UNITED TECHNOLOGIES	USD	F	USA	2,242,800.00	0.00	2,242,800.00	2,296,200.00
17,500	US9311421039	WAL-MART STORES INC	USD	F	USA	817,775.00	0.00	817,775.00	831,775.00
18,000	US9497461015	WELLS FARGO	USD	F	USA	619,560.00	0.00	619,560.00	543,420.00
20,000	US0374111054	APACHE	USD	F	USA	1,615,600.00	0.00	1,615,600.00	2,150,800.00
27,000	US0530151036	AUTOMATIC DATA PROCESSING	USD	F	USA	1,282,770.00	0.00	1,282,770.00	1,202,310.00
30,000	US0640581007	BK NY MELLON	USD	F	USA	1,285,750.00	0.00	1,285,750.00	1,462,800.00
22,000	US7134481081	PEPSICO	USD	F	USA	1,469,820.00	0.00	1,469,820.00	1,669,800.00
17,000	US8832031012	TEXTRON	USD	F	USA	996,370.00	0.00	996,370.00	1,212,100.00
2,000	US9113121068	UNITED PARCEL SERVICE CL. B.	USD	F	USA	918,960.00	0.00	918,960.00	848,640.00
TOTAL USD						25,404,888.00	0.00	25,404,888.00	27,267,495.00
TOTAL USD – EUR EQUIVALENT						17,257,583.04	0.00	17,257,583.04	18,522,855.09
2301 – UNITS IN MUTUAL FUNDS exclusively invested in fixed income securities						72,063,876.21	0.00	72,063,876.21	72,788,529.95
471.98	FR0000019135	DEXIA MONEY 3M (BRANCH)	EUR	F	BEL	9,033,824.63	0.00	9,033,824.63	9,213,436.62
2	FR0000293714	NATIXIS EURIBOR GESTION	EUR	F	FRA	76,372.52	0.00	76,372.52	76,487.04
40	FR0007480280	NATIXIS SECURITE PLUS	EUR	F	FRA	9,720,341.60	0.00	9,720,341.60	9,952,496.80
1,420	FR0010263244	OBJECTIF SECURITE FCP	EUR	F	FRA	5,581,607.90	0.00	5,581,607.90	5,663,457.00
3	FR0010298943	NATIXIS CASH EURO I FCP	EUR	F	FRA	314,770.31	0.00	314,770.31	317,392.98
347.3	FR0000017121	NATIXIS SECURITE JOUR SI.	EUR	F	FRA	18,425,785.38	0.00	18,425,785.38	18,457,831.55
9	SICAVSUC/ESP	NATEXIS SECURITE PLUS (BRANCH)	EUR	F	ESP	2,043,057.69	0.00	2,043,057.69	2,239,311.78
TOTAL EUR						45,195,760.03	0.00	45,195,760.03	45,920,413.77
19,703.733	FUNDS GBP	FUNDS STERLING (BRANCH)	GBP	F	GBR	19,703,733.00	0.00	19,703,733.00	19,703,733.00
TOTAL GBP						19,703,733.00	0.00	19,703,733.00	19,703,733.00
TOTAL GBP – EUR EQUIVALENT						26,868,116.18	0.00	26,868,116.18	26,868,116.18
2302 – UNITS IN OTHER MUTUAL FUNDS						88,048,677.28	0.00	88,048,677.28	100,928,785.90
33,000	FR0000004012	OBJECTIF JAPON	EUR	F	FRA	6,560,400.00	0.00	6,560,400.00	5,708,670.00
48,358	FR0000437808	FRUCTIFDS INTERNATION. OR 2DEC	EUR	F	FRA	1,310,740.40	0.00	1,310,740.40	1,680,870.89
80,495	FR0000437824	FRUCTIFONDS VAL.JAP	EUR	F	FRA	1,684,124.44	0.00	1,684,124.44	1,384,200.07
27,155	FR0000993321	ZELIS ASIE PACIFIQUE FCP 2DEC	EUR	F	FRA	4,028,987.35	0.00	4,028,987.35	5,164,066.35
192	FR0010144634	NATIXIS EURO OPPORTUNITES C.	EUR	F	FRA	28,922,943.79	0.00	28,922,943.79	33,800,154.24
255	FR0010160507	FRUCTIFDS VAEURS EURO.I FCP	EUR	F	LUX	33,459,157.30	0.00	33,459,157.30	37,025,553.50
9,000	FR0010262436	FCP OBJECTIF SMALL CAPS	EUR	F	FRA	3,551,190.00	0.00	3,551,190.00	8,509,320.00
15,000	FR0000174310	OB.SMALL CAPS EURO	EUR	F	FRA	6,880,650.00	0.00	6,880,650.00	5,893,800.00
TOTAL EUR						86,398,193.28	0.00	86,398,193.28	99,166,635.05
239,500	NC118	LCF ROTHCHILD LBO FUNDS	EUR	F	FRA	1,163,500.00	0.00	1,163,500.00	1,024,717.50
2,500	NC119	LCF ROTHCHILD LBO PARTS (B)	EUR	F	FRA	25,000.00	0.00	25,000.00	275,450.00
32,400	NC145	FCPR VENTECH CAPITAL 3 (A)	EUR	F	FRA	420,000.00	0.00	420,000.00	419,999.35
19,960	NC160	LCF ROTHCHILD FUNDS II PARTS A	EUR	F	FRA	7,984.00	0.00	7,984.00	7,984.00
4,000	NC161	LCF ROTHCHILD FUND II PARTS B	EUR	F	FRA	4,000.00	0.00	4,000.00	4,000.00
30,000	NC146	FCPR VENTECH CAPITAL 3 (B)	EUR	F	FRA	30,000.00	0.00	30,000.00	30,000.00
TOTAL EUR						1,650,484.00	0.00	1,650,484.00	1,762,150.85
2305 – UNLISTED EQUITIES AND OTHER SECURITIES						11,666,001.73	(3,542,023.45)	8,123,978.28	9,091,672.90
2,652	NC110	CASHWARE	EUR	F	FRA	1,002,456.00	(1,002,456.00)	0.00	0.00

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845	NC112	OSEO GARANTIE	EUR	F	FRA	28,340.27	0.00	28,340.27	28,340.27
403,500	NC124	LA FINANCIERE PATRIMONIALE D'INVESTISSEMENT	EUR	F	FRA	4,559,550.00	0.00	4,559,550.00	5,114,322.15
1	NC135	SCPI	EUR	F	FRA	2,079.86	(2,079.86)	0.00	0.00
401,244	NC39	SFBT (G.F.F.)	EUR	F	FRA	2,494,784.74	(2,300,181.40)	194,603.34	194,603.34
15,000	NC40	COPRA	EUR	F	FRA	231,975.66	(231,975.66)	0.00	0.00
50	NC42	SEMAH	EUR	F	FRA	762.25	(762.25)	0.00	0.00
112,750	NC50	PROPARCO	EUR	F	FRA	1,804,987.66	0.00	1,804,987.66	2,217,910.19
TOTAL EUR			EUR	F	NLD	10,124,936.44	(3,537,455.17)	6,587,481.27	7,555,175.95
2	NC46	DEXNET DE NLG 5000	EUR	F	NLD	4,537.80	(4,537.80)	0.00	0.00
TOTAL EUR			USD	F	USA	4,537.80	(4,537.80)	0.00	0.00
1,500	NC144	TRADE CARD INC	USD	F	USA	1,500,000.00	0.00	1,500,000.00	1,500,000.00
TOTAL USD			EUR	F	FRA	1,500,000.00	0.00	1,500,000.00	1,500,000.00
TOTAL USD – EUR EQUIVALENT			EUR	F	FRA	1,018,952.52	0.00	1,018,952.52	1,018,952.52
2	NC16	COFACE EGYPT INFORMATION AND ECONOMIC CONSULTANTS	EUR	F	EGY	275.00	0.00	275.00	275.00
2	NC58	S.I.C.R.	EUR	F	CIV	30.48	(30.48)	0.00	0.00
TOTAL EUR			TND	F	TUN	305.48	(30.48)	275.00	275.00
1	NC123	SORENCO INTERNATIONAL	TND	F	TUN	100.00	0.00	100.00	100.00
TOTAL TND			EUR	F	FRA	100.00	0.00	100.00	100.00
TOTAL TND – EUR EQUIVALENT			EUR	F	FRA	55.71	0.00	55.71	55.71
33,927	NC83	STE D'ASSURANCE DE CONSOLIDATION DES RETRAITES	EUR	F	FRA	517,213.78	0.00	517,213.78	517,213.72
TOTAL EUR			EUR	F	FRA	517,213.78	0.00	517,213.78	517,213.72
25 – INVESTMENTS IN SUBSIDIARIES			EUR	F	FRA	381,758,583.52	(6,922,039.89)	374,836,543.63	1,030,479,548.80
250 – SHARES OR EQUIVALENTS			EUR	F	FRA	380,976,789.24	(6,519,142.91)	374,457,646.33	1,030,100,651.50
2505 – SHARES IN UNLISTED FRENCH SUBSIDIARIES			EUR	F	FRA	185,121,839.02	0.00	185,121,839.02	246,046,278.06
3,071	NC101	KOMPASS INTERNATIONAL NEUENSCHWANDER	EUR	F	FRA	13,670,282.90	0.00	13,670,282.90	18,839,102.17
61,364	NC121	UNISTRAT COFACE	EUR	F	FRA	975,103.59	0.00	975,103.59	21,969,415.94
5,999,995	NC129	COFACE SERVICES	EUR	F	FRA	128,259,773.75	0.00	128,259,773.75	142,189,111.51
1,919,999	NC16	COFINPAR	EUR	F	FRA	29,270,196.04	0.00	29,270,196.04	44,767,349.48
247	NC94	COFACE GESTION RESEAU INTERNATIONAL	EUR	F	FRA	37,722.94	0.00	37,722.94	349,406.20
494,799	NC98	FIMPAR	EUR	F	FRA	7,576,132.80	0.00	7,576,132.80	9,656,914.40
60,000	ZZ0007945700	AXA ASSURECREDIT	EUR	F	FRA	5,332,627.00	0.00	5,332,627.00	8,274,978.36
TOTAL EUR			EUR	F	FRA	185,121,839.02	0.00	185,121,839.02	246,046,278.06
2506 – SHARES IN UNLISTED SUBSIDIARIES OUTSIDE FRANCE			EUR	F	POL	195,854,950.22	(6,519,142.91)	189,335,807.31	784,054,373.44
200	NC152	KOMPASS POLAND	EUR	F	POL	2,912,923.29	(1,894,523.29)	1,018,400.00	1,018,400.00
100	NC153	KOMPASS CZECH REPUBLIC	EUR	F	CSK	1,107,777.78	0.00	1,107,777.78	1,051,605.00
2,000	NC155	KOMPASS JAPAN	EUR	F	JPN	928,040.86	(928,040.86)	0.00	1.00
2,433	NC156	KOMPASS TURKEY	EUR	F	TUR	1,089,145.26	(1,089,145.26)	0.00	1.00
25,000	NC125	COFACE HOLDING AMERICA LATINA SA DE CV (CHAL)	EUR	F	MEX	1,651.16	0.00	1,651.16	4,583.55
10,417	NC128	COFACE AUSTRIA HOLDING AG	EUR	F	AUT	5,982,350.50	0.00	5,982,350.50	14,942,667.32
5,000	NC133	UNISTRAT HOLDING BV	EUR	F	NLD	2,942,266.03	0.00	2,942,266.03	2,942,266.03
1,500	NC134	UNISTRAT CORPORATION OF AMERICA	EUR	F	USA	83,405.22	0.00	83,405.22	83,405.22
40,000	NC137	COFACE SERVICES KOREA (shares not paid up)	EUR	F	KOR	199,501.67	(199,501.67)	0.00	0.00
310	NC138	COFACE SERVICIOS ESPANA SL	EUR	F	ESP	3,100.00	0.00	3,100.00	18,544,230.32
1,000	NC139	COFACE SERVICES SUISSES	EUR	F	CHE	66,467.77	0.00	66,467.77	2,833,584.37
200	NC143	COFACE SERVICES JAPAN	EUR	F	JPN	100,099.55	(100,099.55)	0.00	0.00
15,000	NC15	KOMPASS US	EUR	F	USA	1,736,053.34	(1,736,053.34)	1.00	1.00
4	NC29	COFACE CENTRAL EUROPE HOLDING AG	EUR	F	AUT	4,562,844.10	0.00	4,562,844.10	25,998,786.88
99,999	NC51	COFACE UK HOLDINGS LIMITED	EUR	F	GBR	8,317,827.99	0.00	8,317,827.99	19,840,293.59
1,000,000	NC57	COFACE ITALIA SRL	EUR	F	ITA	3,970,564.38	0.00	3,970,564.38	18,919,410.00

Notes to the statutory financial statements

DETAILED ANALYSIS OF INVESTMENTS AT 31 DECEMBER 2007: TABLE B – ENTITY: COFACE – CURRENCY: EUR

39,980	NC76	COFACE SERVICIOS PORTUGAL	EUR	F	PRT	5,617,038.60	0.00	5,617,038.60	6,238,079.40
10,000	NC77	COFACE NORTH AMERICA HOLDING COMPANY	EUR	F	USA	12,604,965.92	0.00	12,604,965.92	86,284,797.80
1	NC80	COFACE HOLDING AKTIENGESELLSCHAFT	EUR	F	DEU	91,253,941.19	0.00	91,253,941.19	485,153,383.00
TOTAL EUR						143,479,964.61	(5,947,362.97)	137,532,601.64	683,855,495.48
37,635.00	NC148	COFACE SEGURO DE CREDITO MEXICO	EUR	F	MEX	2,798,856.76	0.00	2,798,856.76	2,844,189.86
10,299,999	NC149	COFACE SIGORTA AS	EUR	F	TUR	5,240,801.35	0.00	5,240,801.35	5,240,804.29
16,600,000	NC34	COFACE ASSICURAZIONI Spa	EUR	F	ITA	32,662,499.71	0.00	32,662,499.71	67,627,902.00
TOTAL EUR						40,702,157.82	0.00	40,702,157.82	75,712,896.15
7	NC131	COFACE SOUTH AFRICA INSURANCE COMPANY LIMITED	EUR	F	ZAF	2,328,786.33	0.00	2,328,786.33	6,479,646.42
TOTAL EUR						2,328,786.33	0.00	2,328,786.33	6,479,646.42
1,200,000	NC157	KOMPASS SEA	EUR	F	SGP	963,816.40	(539,417.00)	424,399.40	424,399.20
60	NC120	KOMPASS CHINA INTERNATIONAL INFORMATION SERVICE	EUR	F	CHN	92,182.93	0.00	92,182.93	230,891.59
11,669,000	NC126	COFACERATING.COM HK LTD	EUR	F	HKG	1,043,376.31	0.00	1,043,376.31	1,043,458.32
2,123,250	NC132	COFACE ARB LCC	EUR	F	RUB	61,987.49	0.00	61,987.49	61,988.28
TOTAL EUR						6,073,489.52	0.00	6,073,489.52	6,291,458.40
12,000,000	NC141	COFACE SERVICES SOUTH ASIA PACIFIC PTE LTD	EUR	F	SGP	6,073,489.52	0.00	6,073,489.52	6,291,458.40
99,993	NC142	COFACE SERVICE TAIWAN	EUR	F	TWN	32,362.94	(32,362.94)	0.00	0.00
20	NC147	BDI (BUSINESS DATA ISRAEL)	EUR	F	ISR	199,445.40	0.00	199,445.40	661,340.60
501,000	NC99	COFACE SOUTH AFRICA SERVICES	EUR	F	ZAR	877,380.47	0.00	877,380.47	9,292,799.00
TOTAL EUR						9,344,041.46	(571,779.94)	8,772,261.52	18,006,335.39
252 – LOANS						781,794.28	(402,896.98)	378,897.30	378,897.30
2520 – LOANS TO SUBSIDIARIES						781,794.28	(402,896.98)	378,897.30	378,897.30
1	PCOFRATCOREE	COFACE SERVICES KOREA	EUR	L	KOR	402,896.98	(402,896.98)	0.00	0.00
TOTAL EUR						402,896.98	(402,896.98)	0.00	0.00
1	PKOMPPOLAND	KOMPASS POLAND	PLN	F	POL	930,926.00	0.00	930,926.00	930,926.00
TOTAL PLN						930,926.00	0.00	930,926.00	930,926.00
TOTAL PLN – EUR EQUIVALENT						259,058.30	0.00	259,058.30	259,058.30
1	PCOFSECOLOM	COFACE SERVICES COLOMBIA	USD	F	COL	35,000.00	0.00	35,000.00	35,000.00
1	PCOFSEECUAD	COFACE SERVICES ECUADOR	USD	F	EGS	86,415.00	0.00	86,415.00	86,415.00
1	PCOFSERPERU	COFACE SERVICES PERU	USD	F	PER	55,000.00	0.00	55,000.00	55,000.00
TOTAL USD						176,415.00	0.00	176,415.00	176,415.00
TOTAL USD – EUR EQUIVALENT						119,839.00	0.00	119,839.00	119,839.00
26 - INVESTMENTS IN AFFILIATES						23,519,950.98	(99,099.93)	23,420,851.05	75,287,488.16
260 – SHARES IN UNLISTED AFFILIATES						23,232,595.95	(99,099.93)	23,133,496.02	75,000,133.13
2605 – SHARES IN UNLISTED FRENCH AFFILIATES						2,415,671.13	0.00	2,415,671.13	23,331,603.15
4,995	NC115	COFACE RBI	EUR	F	FRA	76,173.76	0.00	76,173.76	3,568,736.73
1,550	NC13	CEPIP SERVICES BANQUES	EUR	F	FRA	156,909.56	0.00	156,909.56	156,909.56
1,000	NC130	CEMECA	EUR	F	FRA	55,000.00	0.00	55,000.00	55,000.00
58,000	NC140	PLAINET RATING SAS	EUR	F	FRA	100,000.00	0.00	100,000.00	100,000.00
72,000	NC15	COFACREDIT	EUR	F	FRA	1,372,041.15	0.00	1,372,041.15	18,622,478.52
240	NC55	COFACE AMEEM SERVICES	EUR	F	FRA	655,546.66	0.00	655,546.66	828,478.34
TOTAL EUR						2,415,671.13	0.00	2,415,671.13	23,331,603.15
2606 – SHARES IN UNLISTED AFFILIATES OUTSIDE FRANCE						20,816,924.82	(99,099.93)	20,717,824.89	51,668,529.98
1,879	NC103	COFACE SERVIS BELGI	EUR	F	TUR	1,134,943.87	(99,099.93)	1,035,843.94	1,035,843.94
453	NC111	COFACE IGK HOLDING AG	EUR	F	DEU	803,742.75	0.00	803,742.75	1,050,000.00

Notes to the statutory financial statements

412.500	NC28	GRAYDON N.V.HOLDING	EUR	F	NLD	5,249,724.85	0.00	5,249,724.85	30,249,999.86
7.500	NC97	COFACE SERVICES BELGIQUE HOLDING (formerly RBB)	EUR	F	BEL	5,231,771.47	0.00	5,231,771.47	5,287,369.64
TOTAL EUR						12,420,182.94	(99,099.93)	12,321,083.01	37,623,213.44
5.062	NC159	COFACE CHILE SUCCUR	CLP	F	CHL	2,614,911,741.00	0.00	2,614,911,741.00	4,748,060,910.33
TOTAL CLP						2,614,911,741.00	0.00	2,614,911,741.00	4,748,060,910.33
TOTAL CLP – EUR EQUIVALENT						3,569,314.25	0.00	3,569,314.25	6,481,030.00
2,500,000	NC91	SEGURADORA BRASILEIRA DE CREDITO A EXPORTACAO SA	EUR	F	BRA	2,122,860.52	0.00	2,122,860.52	2,443,702.50
TOTAL EUR						2,122,860.52	0.00	2,122,860.52	2,443,702.50
83,998	NC158	COFACE FACTORING CHILE SUCCUR	CLP	F	CHL	841,491,997.00	0.00	841,491,997.00	890,878,042.11
TOTAL CLP						841,491,997.00	0.00	841,491,997.00	890,878,042.11
TOTAL CLP – EUR EQUIVALENT						1,148,623.61	0.00	1,148,623.61	1,216,034.80
63,908	NC154	COFACE INDIA CREDIT MANAGMNT SERVICES	EUR	F	IND	15,897.64	0.00	15,897.64	73,029.65
500,000	NC106	COFACE GREATER CHINA SERVICES	EUR	F	HKG	1,451,964.33	0.00	1,451,964.33	2,818,608.00
200	NC127	COFACE SERVICE WEST AFRICA	EUR	F	CMR	1,524.49	0.00	1,524.49	408,190.09
305	NC31	SORENCO	EUR	F	TUN	28,269.15	0.00	28,269.15	380,788.46
6,260	NC35	RECOURS SA	EUR	F	MAR	58,287.89	0.00	58,287.89	223,933.04
TOTAL EUR						1,555,943.50	0.00	1,555,943.50	3,904,549.24
262 – LOANS						287,355.03	0.00	287,355.03	287,355.03
2620 – LOANS TO AFFILIATES						0.00	287,355.03	287,355.03	
1	PIGK	COFACE IGK HOLDING AG	EUR	L	DEU	287,355.03	0.00	287,355.03	287,355.03
TOTAL EUR						287,355.03	0.00	287,355.03	287,355.03

DETAILED ANALYSIS OF INVESTMENTS AT 31 DECEMBER 2007: TABLE F – ENTITY: COFACE – CURRENCY: EUR

Number and description of investment réalisation	EUR / EUR rate:	Exchange rate	Carrying amount		Provisions for impairment	Net	Realisable value
			At cost	Net			
TOTAL TABLE F EUR		1	72,814.37	72,814.37	0.00	72,814.37	75,801.07
TOTAL TABLE F EUR EQUIVALENT			72,814.00	72,814.00	0.00	72,814.00	75,801.00

Number and description of investment réalisation	Currency	Allo- cation	Carrying amount		Provisions for impairment	Net	Realisable value
			At cost	Net			
Total EUR			72,814.37	72,814.37	0.00	72,814.37	75,801.07
23 – INVESTMENTS			72,814.37	72,814.37	0.00	72,814.37	75,801.07
234 – OTHER INVESTMENTS			72,814.37	72,814.37	0.00	72,814.37	75,801.07
2342 – DEBTORS ARISING FROM LOANED SECURITIES			72,814.37	72,814.37	0.00	72,814.37	75,801.07
130.7022	FR0010137323	PALATINE MONETAIRE	68,041.49	68,041.49	0.00	68,041.49	69,725.71
36	FR0000930455	UNI HOUCHE C 3 DEC	4,772.88	4,772.88	0.00	4,772.88	6,075.36
TOTAL EUR			72,814.37	72,814.37	0.00	72,814.37	75,801.07

Notes to the statutory financial statements

SECURITIES LODGED AS COLLATERAL BY REINSURERS AT 31 DECEMBER 2007

Number of securities	Code	Description	<i>(in thousands of euros)</i>	
			Net value	Realisable value
		MARKETABLE SECURITIES		
840,000	FR0000473712	ERAP MTN V03 24-04-08	838	838
1,800,000	FR0107369672	FRANKREICH BTAN 3% V04	1,762	1,762
600,000	AT0000384227	OESTERREICH BUNDESANL. 5% V.98/1	600	600
4,500,000	IT0004014855	CASSA DEPOS 3%09	4,468	4,468
4,231,000	ES0000012916	SPAIN 4.40%04-15	4,423	4,423
470	FR0000471922	FINANC.FONC. 3 5/8% 08	484	484
1,000,000	ES0317044008	FONDO CED. 3.625% 09	1,812	1,812
10,000	FR0000016263	CAAM MONE CASH SI 3 DEC	98	98
49	FR0007061379	CAAM TRESO 1 AN 12	9,165	9,165
2,418	FR0007040084	CEZANNE OBL.FCP	807	807
4,897	FR0000292443	CHATEAUDUN OBL.SI.	1,843	1,843
37,180	LU0324447506	E SWISS I FIX INC	37,131	37,131
46,500	FR000096166	HSBC AM FRENCH GOV.BONDS D SI	9,726	9,726
28,018	FR0000285561	HSBC FRENCH GOVERNMENT BONDS C SI. I	9,273	9,273
5,891	FR0000096166	HSBC FRENCH GOVERNMENT BONDS D SI. I	1,232	1,232
1,426,750	FR0007448568	FRACOM FCP	30,119	30,119
2,958	LU0086914446	PVEOMEDTEBDCD 3DEC	288	288
40	FR0007436654	MUNICH RE PLAC FCP	833	833
2,005,000	FR0010011130	GOVERNMENT BOND 4%1013 OAT	2,000	2,000
357,000	FR0000188690	GOVERNMENT BOND 4.75%02 OAT	369	369
899,200	FR0000187874	GOVERNMENT BOND 5%01 OAT	934	934
2,657,500	FR0000570632	GOVERNMENT BOND 5.25%98 OAT	2,762	2,762
917,000	ZZ3010288357	OAT 3.25% 06-25-04-2016	868	868
17,058	LU0094219127	BNP INSTICASH EUR INST CAPIT	2,235	2,235
15,302,300	FR0106589437	FRA BT BNT 12010	15,221	15,221
470,731	FR0000971301	HSBC AM ETAT EUROLD FCP 3DEC	698	698
1,400,000	XS0143875523	GEN ELEC CAP 5 1/8%02-09 EMTN	1,408	1,408
1,000,000	DE0002760923	KREDIT WIEDER 3.5%04-09 KFW	990	990
420,000	US912828BZ20	USA 3%04-09	288	288
13,500	GB0031734154	UK 5% 08	19	19
1,300,000	XS0238514581	ARLO TV12 MTN	1,129	1,129
800,000	FR0108847049	BTAN FRA BT 3.5%	796	796
569,400	FR0105427795	BTAN FRBTR 08 3.5	589	589
434,000	FR0000471922	FINANC.FONC. 3 5/8%08	447	447
2,000,000	S0231937797	HSBC BK TV 15 EMTN	2,000	2,000
111,000	E000A0E83LS	KDTA WIED TV240718	110	110
2,226,000	FR0000571432	OAT 4%98-09	2,286	2,286
597,750	FR0000186603	OAT 5.5%00-10	639	639
1,500,000	XS0193891974	QUARTZ FIN.TV09	1,500	1,500
33,148	U0100598282	INVESCO PAN.EU.C	452	452
11,055	DE006289309	ISHARES DJES BANKS	452	452
3	FR0000991234	STRATOBLIG FCP	3	3
61,300	GG00B1GHH78	VOLTA FINANCE	383	383
203	FR0000131104	BNP PARIBAS	15	15
30,000	IE0031572434	BFT ALTER OLYMPIA	428	428
58,516	FR0000045072	CREDIT AGRICOLE	1,350	1,350
9,529	IT0003132476	ENI	239	239
12,204	FR0000121667	ESSILOR INTL	533	533
5,737	FR0000120693	PERNOD RICARD	907	907
111,871	FR0000130577	PUBLICIS GROUPE	2,996	2,996
1,725	FR0000120570	SANOFIS AVENTIS	109	109
6,409	FR0000121200	SODEXHO ALLIANCE	269	269
3,000	FR0000120271	TOTAL	170	170
2,642	FR0000120354	VALLOUREC	489	489
45,000	IT0003799597	ITALY 3%10	45	45
560,000	SE000459539	SWEDEN 5% 98-09	590	590
1,567,000	FR0010076521	BNP PAR OBL.C 3 DEC	6,719	6,719
4,766,000	FR0000971301	HSBC AM ETAT EUROLD FCP 3DEC	7,065	7,065
1,295	FR000096166	HSBC AM FRENCH GOV.BONDS D SI	209	209
733	FR0007486634	HSBC MONETAIRE FCP	2,146	2,146
18	FR0000296394	FRANKOPAR SI (ERC FRANKONA)	519	519
360,000	FR0007474259	GERVAFRANC FCP 3DEC (GLOBAL RUCK)	295	295
13,282,000	FR0108847049	BTAN FRA BT 3.5%	13,217	13,217
		Sub-total	191,790	191,790
		SOFRASCAU pledges		
16,070		ENI Action	403	403
251,000		Lloyds TSB tc perp bonds	257	257
		Total SOFRASCAU pledges	660	660
		LETTER OF CREDIT STAND-BY	1,232	1,232
		LETTER OF CREDIT	9,005	9,005
		LETTER OF CREDIT	3,000	3,000
		LETTER OF CREDIT	6,793	6,793
		Total letters of credit	20,030	20,030
		TOTAL MARKETABLE SECURITIES	212,480	212,480

Notes to the statutory financial statements

SUMMARY OF TOTAL INVESTMENTS AT 31 DECEMBER 2007

ENTITY: COFACE – CURRENCY: EUR

	At cost	Net	Realisable value
1. Property investments and property investments in progress	397,745.47	309,381.66	758,103.54
OECD countries	397,745.47	309,381.66	758,103.54
Non-OECD countries	0.00	0.00	0.00
2. Equities and other variable income securities, excluding mutual fund units	468,119,023.57	457,958,757.28	1,167,364,708.70
OECD countries	443,828,889.97	436,334,459.06	1,126,763,074.64
Non-OECD countries	24,290,133.60	21,624,298.22	40,601,634.06
3. Units in mutual funds (other than those mentioned in 4 below)	160,112,553.49	160,112,553.49	173,717,315.85
OECD countries	160,112,553.49	160,112,553.49	173,717,315.85
Non-OECD countries	0.00	0.00	0.00
4. Units in mutual funds exclusively holding fixed income securities	0,00	0,00	0,00
OECD countries	0.00	0.00	0.00
Non-OECD countries	0.00	0.00	0.00
5. Bonds and other fixed income securities	276,325,770.63	275,114,262.50	273,582,194.49
OECD countries	276,325,770.63	275,114,262.50	273,582,194.49
Non-OECD countries	0.00	0.00	0.00
6. Mortgages	0.00	0.00	0.00
OECD countries	0.00	0.00	0.00
Non-OECD countries	0.00	0.00	0.00
7. Other loans	1,069,149.31	666,252.33	666,252.33
OECD countries	287,355.03	287,355.03	287,355.03
Non-OECD countries	781,794.28	378,897.30	378,897.30
8. Deposits with ceding insurers	0,00	0,00	0,00
OECD countries	0,00	0,00	0,00
Non-OECD countries	0,00	0,00	0,00
9. Cash deposits and other investments			
(Deposits other than 8 above)	0,00	0,00	0,00
OECD countries	0,00	0,00	0,00
Non-OECD countries	0,00	0,00	0,00
10. Assets relating to unit-linked products	0,00	0,00	0,00
- Property investments	0,00	0,00	0,00
- Variable income securities excluding units in mutual funds	0,00	0,00	0,00
- Mutual funds exclusively holding fixed income securities	0,00	0,00	0,00
- Other mutual funds	0,00	0,00	0,00
- Bonds and other fixed income securities	0,00	0,00	0,00
11. Other forward financial instruments	7,910.00	7,910.00	(7,090.00)
Swaps	7,910.00	7,910.00	(7,090.00)
11. Total (1 to 10)	906,032,152.47	894,169,117.26	1,616,081,484.91

Statutory auditors' report on the financial statements

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

Year ended 31 December 2007

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether qualified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

COFACE

12, Cours Michelet
La Défense 10- 92800 PUTEAUX

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended 31 December 2007, on:

- the audit of the accompanying financial statements of Coface SA;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

1. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform our audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the Company's financial position and its assets and liabilities, as of 31 December 2007, and of the results of its operations for the year then ended in accordance with the accounting rules and principles applicable in France.

2. Justification of our assessments

In accordance with the requirements of Article L.823-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

- Certain technical account items for the insurance and reinsurance businesses, including claims provisions and subrogation and salvage, are estimated based on statistical data. The methods used to determine these items are described in Note II to the financial statements ("Accounting principles and methods").

Our audit consisted in assessing the data, assumptions and methods of calculation upon which these accounting estimates are based, particularly in relation to the Company's experience and its economic environment, and in reviewing the calculations made by the Company. Based on these procedures, we assessed whether the estimates made were reasonable.

These assessments were made in the context of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3. Specific verifications and information

We have also performed the specific verifications required by law in accordance with professional standards applicable in France.

We have no matters to report regarding:

- the fair presentation and the conformity with the financial statements of the information given in the management report and in the documents addressed to the shareholders with respect to the financial position and the financial statements;
- the fair presentation of the information provided in the management report in respect of remuneration granted to certain company officers and any other commitments made in their favour in connection with, or subsequent to, their appointment, termination or change in function.

In accordance with the law, we have verified that the management report contains the appropriate disclosures regarding the identity of shareholders.

Paris and Neuilly-sur-Seine, 31 March 2008

The Statutory Auditors

SALUSTRO REYDEL
Member of KPMG International

Michel SAVIOZ
Partner

DELOITTE & ASSOCIES

Damien LEURENT
Partner

François Arbey
Partner

Statutory auditors' special report on regulated agreements and commitments with third parties

STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS WITH THIRD PARTIES

Year ended 31 December 2007

This is a free translation into English of the Statutory Auditors' special report on regulated agreements and commitments issued in French and is provided solely for the convenience of English speaking readers. This report on regulated agreements and commitments should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Coface SA, we hereby report to you on regulated agreements and commitments with third parties.

Our responsibility does not include identifying any undisclosed agreements or commitments. We are required to report to shareholders, based on the information provided, about the main terms and conditions of agreements and commitments that have been disclosed to us, without commenting on their relevance or substance. Under the provisions of article R. 225-31 of the French Commercial Code (Code de commerce), it is the responsibility of shareholders to determine whether the agreements and commitments are appropriate and should be approved.

Agreements and commitments entered into during the year

We hereby inform you that we were not informed of any agreements or commitments entered into during the year subject to the provisions of article L.225-38 of the French Commercial Code

Agreements and commitments entered into in prior years which remained in force during the year

In accordance with the French Commercial Code, we were informed of the following agreement approved in prior years, which remained in force during the year.

Service agreement with Coface SCRL (now Coface Services) concerning the merger of sales forces

Under the terms of an agreement entered into on 4 February 2002, modified by the addendum of 29 January 2008, Coface and Coface SCRL (now Coface Services) perform certain services related to the sale of their products, on their own behalf and on that of their partner, within the context of their joint sales network.

In application of this agreement, in 2007 Coface billed a total of €2,500,102.92 (excluding taxes) to Coface Services; and Coface Services billed a total of €3,076,860 (excluding taxes) to Coface, in addition to an adjustment for billable amounts due in respect of 2006, representing €117,600 (excluding taxes).

We performed our procedures in accordance with professional standards applicable in France. Those standards require that we carry out the necessary procedures to verify the consistency of the information disclosed to us with the underlying documents.

Paris and Neuilly-sur-Seine, 31 March 2008

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Risk management

Coface's activities expose it to two principal types of risk. The first is underwriting risk, which is the risk of losses arising from claims in respect of the Group's insurance portfolio. The second is financial risk, which is the risk that unfavourable movements in interest rates, exchange rates or the market value of securities or real estate might generate losses for Coface. The Group has developed sophisticated tools to manage and strictly control these risks.

Underwriting risk has a potential impact on Coface's underwriting result, which consists of the results of insurance activities (earned premiums, less claims expenses, business acquisition and administrative costs). Operating margin on insurance business (excluding insurance-related services) represented approximately 33% of Coface's profit before non-operating items and tax from 2005 to 2007. Coface's risk management policies are designed to ensure with a high degree of statistical confidence that its underwriting result will not be negative.

Net investment income (or net financial income), representing around 31% of Coface's profit before non-operating items and tax from 2005 to 2007, is potentially exposed to financial risk. The risk management tools put in place by Coface are designed to maintain tight control over financial risk and avoid unfavourable market trends from having an adverse effect on net investment income in excess of the limits set.

1. Underwriting risk

Credit risk

Credit risk corresponds to the risk of losses on the insurance portfolio. It is managed globally for all of the Group's insurance companies, based on the impact of stress scenarios that measure the effect of "frequency risk" and "catastrophe risk".

Frequency risk is the risk of a sudden, sharp increase in unpaid debts from a high number of debtors. It is essentially covered by technical provisions, and is measured using a statistical loss experience model that simulates loss ratios based on observed trends and current loss experience data.

Catastrophe risk is the risk of an abnormal number of "large" losses in a single year in respect of a single non-paying debtor (or group of debtors), or a high accumulation of losses suffered in one year in a single country that is exposed to country risk (excluding the more developed countries). It is coverage of this risk that is the main purpose of Coface's reinsurance. It is measured by the following:

- Indicators of the probability of default, through credit ratings adapted to major corporate and country risks ("B2F" ratings and country ratings);
- The level of risk exposure or loss given default;
- A combined indicator that incorporates the two previous concepts.

These indicators are regularly monitored and are included in the Group's risk reporting. In addition, Coface has developed an economic capital model for its insurance risks. This model, which still has to be fine-tuned, is based on Coface's historical claims experience and is used to quantify the capital employed by the Company's underwriting decisions.

Coface's "major risks" correspond to any risks whose level of exposure (after proportional reinsurance) is over approximately 3% of the Group's revalued shareholders' funds, i.e., €30 million. The combined indicator for these risks, which takes into account the probability of default, is over €15 million.

These thresholds are used for the cumulative risks of the Coface Group's various entities, including Coface SA.

Coface's risk management policy is to ensure that none of the three stress scenarios encompassing frequency risk, catastrophe debtor risk and catastrophe country risk causes an underwriting loss.

The strategies used by Coface to ensure this does not occur include:

- Effectively diversifying credit risks;
- Implementing measures aimed at sharing risks with the insured;
- Using a sophisticated risk management system, which notably includes Group-wide monitoring of credit risk ratings and the severity levels of corporate and country risk exposure;
- Adopting a prudent approach in relation to provisions;
- Taking out reinsurance with top-ranking reinsurers.

(i) Diversification of credit risks

Coface maintains a diversified insurance portfolio, so as to minimise the risk that a default by any debtor, a downturn in any particular industry or an adverse event in any particular country might have a significant impact on its loss ratio. In addition, the overwhelming majority of Coface's exposure is short-term, and the insurance policies contain clauses enabling credit limits to be reduced during the term of the contract. Consequently, debtor risks can be extinguished or reduced relatively rapidly following the occurrence of a deterioration in the credit standing of a particular debtor. Since early 2003, risk concentration has been monitored via Group-level reporting schedules.

Coface's insurance policies cover the risk of non-payment of 2,125,000 debtors worldwide. At 31 December 2007, Coface's average exposure per debtor was approximately €171,332.

Over 70% of the debtors underlying Coface's credit insurance policies are located in Europe, mainly in Germany, France, Italy, the United Kingdom and Spain. At the end of 2007, emerging markets represented around 13% of the Coface Group's total portfolio. 95.6% of the Group's portfolio relates to countries classified as investment grade.

The Group's credit insurance portfolio covers a wide range of industry sectors, with no one sector accounting for over 8.3% of the total portfolio at 31 December 2007.

At the same date, the credit insurance portfolio consisted primarily of short-term risks, with over 90.5% represented by accounts of less than 6 months in duration.

Exposure to debtor risk

Coface's insurance policies cover the risk of non-payment by more than 2.1 million debtors worldwide. At 31 December 2007, the average exposure per debtor was €171,332. The vast majority of debtors represent exposures that are not individually material in the context of the Group's overall exposure, since no individual debtor represents more than 1% of the portfolio.

The following table analyses debtors at 31 December 2007, based on Coface's cumulative credit risk exposure, excluding guarantees, in each case:

Risk management

Exposure band (in € thousands)	Exposure (in € millions)	Number of limits (in € thousands)	Number of debtors	In %
Refusal	0	410,891	327,252	0.0
1 - 10	3,629	506,289	479,740	1.0
11 - 20	6,248	418,401	353,750	1.7
21 - 30	4,092	220,131	143,704	1.1
31 - 40	3,746	173,189	9,873	1.0
41 - 50	5,450	166,533	110,207	1.5
51 - 60	3,084	109,479	53,198	0.8
61 - 70	3,214	96,971	46,760	0.9
71 - 80	2,627	77,318	33,326	0.7
81 - 90	2,025	60,364	22,820	0.6
91 - 100	6,140	100,208	60,363	1.7
101 - 150	12,379	258,492	96,132	3.4
151 - 200	10,352	177,506	56,424	2.8
201 - 300	16,495	241,415	64,684	4.5
301 - 400	13,154	162,760	36,642	3.6
401 - 500	11,143	122,141	24,002	3.1
501 - 800	25,424	239,647	39,045	7.0
801 - 1,500	37,145	269,308	33,206	10.2
1,501 and over	197,588	566,788	37,029	54.3
Total	363,937	4,378,131	2,124,157	100.0
Average exposure per debtor	€171,332			

Geographical distribution of risks

The debtors underlying Coface's credit insurance policies are heavily concentrated in Western Europe, particularly Germany, France, Italy and the United Kingdom, which together represented slightly more than half of the Group's total exposure under its credit insurance policies as at December 31, 2007. At that date, approximately 17.5% of Coface's total exposure was represented by debtors outside the OECD.

The following table breaks down the Group's debtors by country at December 31, 2007.

Country/region	Exposure (in € millions)	%
GERMANY	63,614	16.8
FRANCE	56,789	15.0
ITALY	45,685	12.1
UNITED KINGDOM	25,718	6.8
SPAIN	24,997	6.6
UNITED STATES	21,893	5.8
NETHERLANDS	10,519	2.8
AUSTRIA	8,930	2.4
BELGIUM	7,770	2.1
JAPAN	5,083	1.3
OTHER OECD	32,760	8.6
TOTAL OECD COUNTRIES	303,759	71.5

Country/region	Exposure (in € millions)	%
AFRICA	5,883	1.3
CENTRAL AND SOUTH AMERICA	13,256	2.9
ASIA	21,999	5.3
CENTRAL AND EASTERN EUROPE	20,250	4.6
NEAR AND MIDDLE EAST	13,380	3.4
OTHER	275	0.1
TOTAL	378,801	100.0

Duration of risks

The Group's credit insurance portfolio consists primarily of short-term risks, with over 90% of the Group's exposure at 31 December 2007 represented by risks of less than 180 days in duration. Nearly 62% of Coface's risks with a duration of more than one year arise from domestic (mostly Italian) guarantees.

The following table breaks down debtor risks by duration at December 31, 2007.

(in € millions)	Credit insurance	Guarantees	Exposure in 2007	%
1 to 3 months	49,415		49,415	13.0
3 to 6 months	290,258	3,165	293,423	77.5
6 to 12 months	16,849		16,849	4.4
> 1 year	7,415	11,699	19,114	5.0
Total	363,937	14,864	378,801	100.0

(ii) Risk sharing with the insured

An important aspect of Coface's management of underwriting risk is to prevent losses insofar as possible, in the common interest of the insured and the insurer. The service offered includes not only cover for realised losses, but also loss prevention services and assistance in developing a profitable customer base. This community of interest is present at different levels and reflected in several aspects of Coface's policies.

Decision sharing

In general, Coface approves every new debtor presented by the insured, and establishes a maximum exposure level that the insurer is willing to accept with respect to the debtor. As mentioned above, Coface has the option of reducing or cancelling its open credit limits at any time. As an exception, depending on the expertise of the insured, Coface may allow certain policyholders to make discretionary decisions for setting credit limits, up to certain ceilings stipulated in the policy.

Sales-based premiums

As premiums are generally expressed as a percentage of the insured party's sales, it is in Coface's interest to help its insured clients develop their business.

Risk-based premiums and bonuses

Premiums are fixed according to both the statistical loss experience for the profile of the insured, and the actual loss experience of the insured. Premiums are reviewed at the time of policy renewal (generally on an annual basis) on the basis of policy experience. In addition, a number of policies have built in profit-sharing schemes, giving insured companies an incentive to monitor the credit quality of their customer base.

Risk management

Deductibles

In general, the deductible levels in Coface's policies are between 10% and 15% of each loss. Policies may provide for a per-loss deductible and, occasionally, an annual deductible. In addition, the entire sales of a given zone are covered in most cases, without the insured being able to select coverage of individual risks.

Coface requires the majority of its clients to assign it responsibility for recovery of unpaid receivables, giving responsibility to the party bearing the financial risk. Coface begins its recovery procedures immediately upon non-payment with a view to limiting the extent of the losses and, as far as possible, maintaining the client's commercial relations with the debtor. Negotiations and, if necessary, legal recovery procedures are initiated through the Worldwide Recovery Network, which includes the internal resources of the Coface Group and its CreditAlliance partners, as well as recovery agencies and a network of lawyers. The effectiveness of these procedures is demonstrated by the amounts recovered. In 2007, for example, nearly 40% of amounts due as a result of export defaults were recovered within six months. Coface RBI – a subsidiary of Coface SA – participates in the recovery of major amounts under credit insurance policies for all of the Group's entities.

(iii) Proprietary underwriting system (Common Risk System)

Underwriting decisions are made by underwriters located in various underwriting centres, working online in real time on a sophisticated system that centralises internal and external information, known as the Common Risk System (the "CRS"). The CRS provides automatic underwriting decisions up to specified limits for known debtors. New debtors and larger amounts are referred directly to the underwriting staff. Coface's insured clients can also obtain guarantees by consulting their debtors' rating scores.

As underwriters are in direct contact with the insured, the Group's clients know the person responsible for underwriting decisions, and are able to provide explanations and additional information. Each underwriter is assigned an approval limit, depending on his or her expertise. Decisions above these individual limits are made by an underwriting committee. The CRS automatically blocks underwriting decisions in excess of the limit assigned to an underwriter.

The CRS consists of proprietary software and a database developed by Coface and its main subsidiaries, which is used to manage more than 4.3 million credit limits granted to over 2.1 million debtors. At the end of 2007 it also provided access to information relating to more than 50 million businesses located throughout the world, permitting rapid underwriting decisions relating to debtors not covered by existing policies but included in the system.

These underwriting decisions comply with the overall underwriting standards established for the Group as a whole.

In addition, any corporate risks that exceed a certain level are assigned a B2F rating similar to that of the rating agencies, which measures the quality of the risk and the probability of default.

A Group risk management function was created in 2002, headed up by a Group risk director and a Major Risks Committee which manages the main risk exposure to groups of debtors, and monitors country risk strategy and risk management guidelines. It also sets overall limits for each

major corporate or country risk, and allocates these by underwriting centre.

Reinsurance accepted is underwritten in accordance with the same procedures as direct origination. Coface's policy is to reinsure only specifically accepted risks within the CRS.

de risque cédé dans le SRC.

(iv) Provisions

Coface maintains claims provisions against possible losses in respect of its credit insurance portfolio. Specific provisions are made in respect of claims that have been reported at the year end but not settled. In addition, Coface records provisions to reflect estimates of claims to be made in the future on the basis of events that have occurred up to the year end. Estimates are based on statistical models using historical loss experience in relevant industries and countries, adjusted to take account of major events that will have an impact on Coface's claims experience, as determined by management.

Under IFRS, the claims equalisation provision, which is a general provision to cover unusual fluctuations in claims experience, is included directly in equity (after taxes). This provision is also recorded separately in the entities' individual accounts.

(v) Intercompany risk sharing and reinsurance

Coface's risk management system operates through a sophisticated intercompany risk-sharing mechanism implemented in each Group company to cover abnormally high levels of losses, and a centralised reinsurance system operated by Coface against both frequency losses and catastrophe losses. The system works as follows:

- Risk coverage for Coface network entities

The subsidiaries and branches of the Coface Group are covered by Coface La Défense against abnormally high losses through an inter-company stop-loss treaty, under which all losses in a given year above a certain loss ratio level are borne by Coface La Défense. Premiums invoiced by Coface La Défense for this protection of its network take into account both the portion of the Group's total reinsurance expenses represented by each ceding insurer as well as its risk exposure. The annual treaties are designed to encourage the subsidiaries and branches to carefully manage risk as the recovery costs for any past losses are invoiced to them.

- Centralised coverage of the Group's frequency risks and catastrophe risks

The cumulative risks of the Group – i.e., the risks relating to insurance policies underwritten directly by Group entities and the risks associated with Coface SA's reinsurance of the Group's CreditAlliance partners – are covered by a centralised reinsurance programme which involves a quota-share treaty based on gross premiums written and a Group excess loss treaty programme, which covers the risks retained by the Group after ceded quota-share reinsurance, against losses in excess of certain thresholds by debtor or by country. These Group treaties are described below.

Group quota-share treaty

Under this treaty, which covers gross premiums written, the Group undertakes to cede to its reinsurers 22% of total premiums written in

Risk management

2007, as well as the same proportion of corresponding losses. The reinsurers pay the Group a fixed commission of 40% of premiums ceded in the 2007 underwriting year.

Group excess loss treaty programme

The Group excess loss treaty covers an accumulation of losses on retained risks (after ceded reinsurance under the quota share treaty) for Coface and its CreditAlliance partners, through two types of coverage. Debtor coverage protects the Group against losses resulting from the default of a debtor or a group of debtors representing over €25 million in retained risks per debtor. Country coverage protects Coface against any annual accumulation of losses in a given country representing over €25 million in retained risks, after the proportional reinsurance and debtor coverage mechanisms have kicked in. The maximum coverage in both cases is sufficient to cover the maximum probable debtor or country loss.

The excess loss programme deductibles (€25 million per debtor or per country) are set so that the maximum probable excess loss borne by the Group in relation to any one claim resulting from catastrophic events in a single year is limited to around 3% of consolidated shareholders' funds.

Coface's external reinsurance is provided by a total of 15 reinsurers. The reinsurers that cover the largest share of the risks are Swiss Re, Hannover Re, and Partner Re. Standard & Poor's rated the claims paying ability of these principal reinsurers at 'AA-' at 31 December 2007. All of Coface's other reinsurers in 2007 had ratings of between 'A-' and 'AAA' from a major international rating agency.

Coface has never made a claim under its excess loss reinsurance treaty.

Claims equalisation provision

In the parent company accounts, Coface's French claims equalisation provision is used to provide additional protection against all credit risks (net of reinsurance) whether they are underwritten in France, or by subsidiaries, branches or CreditAlliance partners, or return to Coface through reinsurance. All of these risks contribute to additions to the provision, through the allocation of 75% of overall underwriting profit. In turn, all risks are protected, as the provision fully covers any underwriting loss.

Loss ratio

The Group measures its loss experience in part by reference to its loss ratio. The loss ratio corresponds to the ratio of paid claims, claims handling expenses and changes in technical provisions, to gross written premiums. The Group's overall loss ratio, calculated on the basis of consolidated accounting data, was 49% in both 2006 and 2007.

Claims expenses for a given year correspond to losses incurred over several underwriting years. An analysis of cash flows relating to claims expenses shows that approximately 20% of total claims paid during the year relate to losses incurred in the same underwriting year, while 50% relate to losses incurred in y-1, 15% to losses incurred in y-2, and 15% to losses incurred in y-3 or earlier.

2. Financial risks

The Group is exposed to financial risk with respect to its net investment income and to risks relating to different classes of assets. The Group manages its financial risk using stress scenarios. For each main class of assets (property, equities and fixed-income securities), the stress scenario is based on the highest reduction of value in a single year based on longest available statistical data. The confidence level applied is 97.5% which means that the predicted maximum loss (Value at Risk) calculated should only occur once in 40 years. Group policy consists of strictly limiting financial risk, measured on the basis of 3-month VaR for all Group financial assets, other than shares in non-consolidated companies included in admissible assets. The policy sets a ceiling on 3-month VaR of 3.3% of net asset value (NAV), corresponding to €38.8 million at 31 December 2007. Actual VaR at that date stood at €35.4 million, an amount significantly below the ceiling.

For example, an immediate 100 basis point increase in bond interest rates would only produce a decrease of approximately €13.6 million in unrealised capital gains, or approximately 23.5% of the Group's total unrealised capital gains at 31 December 2007 (€58.3 million, excluding long-term investments).

The Group implements its policy through strict control of exposure to currency, liquidity and counterparty risk, optimal allocation between investment instruments, and conservative profit-taking policies.

Control of risk exposure

Currency risk

The vast majority of Coface's investment instruments are euro-denominated. The currency risk on assets underlying liabilities in euros but whose related instruments are denominated in other currencies is hedged with a view to maintaining no open currency positions.

Since the Cofaction 2 equity fund was wound up, Coface can directly manage currency futures involving the US dollar and the Swiss franc and traded on regulated markets with permanent liquidity, to hedge currency risk relating to equities held in connection with the Lazard discretionary asset management agreement and denominated in currencies other than the euro. The hedges seek to protect the Group from adverse exchange rate fluctuations and hedging positions are reviewed on a quarterly basis. Coface's trading room is responsible for carrying out and tracking the transactions.

Counterparty risk

Over 95% of the bonds and other fixed-income instruments held by Coface at 31 December 2007 were rated at least A (or equivalent) by one or more internationally-recognised rating agencies.

Liquidity risk

More than 97% of listed equities held by Coface are quoted on an exchange in an OECD country. Consequently, Coface considers its investment portfolio to be sufficiently liquid to cover the funds it may require to meet its obligations.

Risk management

Optimal allocation between investment instruments

In view of Coface SA's dual role as a holding company for investments in subsidiaries and affiliates and for operating insurance companies, it considers its investment allocation policy to apply only to property investments and financial instruments, which excludes all long-term investments.

The carrying amounts of investments included in the portfolio totalled €617.8 million at 31 December 2007, including cash and cash equivalents, compared with €654.7 million at 31 December 2006.

The investment allocation policy complies with legal requirements applicable in the countries where the Group operates.

This policy is also aimed at obtaining an optimal balance between risks and return. The most significant aspects of the policy are as follows:

- The Group only invests in property used in the business. For reasons of asset/liability management, during the 1990s, the Group decided to dispose of substantially all of its investment property. As a result, the current property portfolio is essentially composed of buildings used in connection with the Group's activities.
- The percentage of the portfolio invested in equities or equity funds was limited to 16% of total financial assets at 31 December 2007. The maximum amount of equities and equity funds that Coface is permitted to include in its portfolio must also respect the monthly VaR calculations as described above.

3. Legal risks

- Coface's private market insurance operations are subject to the specific regulations in force within the countries where its operations are conducted.

The creation of the Single Market has resulted in greater harmonisation of regulations within the European Union. For instance, under European Council Directive no. 92-49 dated 18 June 1992 pertaining to non-life insurance, which was signed into French law under Act no. 94-5 dated 4 January 1994, an insurance company that is licensed to write insurance business in an EU member state can write one or several classes of insurance business in any other EU member state, directly or through branches.

Under the same European Council Directive of 18 June 1992, an insurance company's financial and accounting procedures are governed by the legislation in force within the Company's home country.

As an insurance company, Coface SA is subject to the provisions of the French Insurance Code and is regulated by the Treasury Department of the French Ministry of Finance and the *Autorité de Contrôle des Assurances et des Mutuelles*, or ACAM (French insurance supervisory authority). This independent supervisory body ensures that insurance companies comply with all legal and regulatory requirements relative to the insurance industry. It is also responsible for verifying that insurers can honour commitments to policyholders and that their solvency margins are adequate. In accordance with Decree no. 2006-287 dated 13 March 2006, insurance companies are required to provide ACAM with an annual report on internal control.

Nevertheless, the actual insurance policies underwritten by Coface SA are subject to contract law rather than to the specific provisions of the French Insurance Code, apart from the provisions pertaining to pre-contractual information and obligatory clauses.

In addition to writing insurance business on its own account, Coface covers and manages international trade risks on behalf of the French State, under the latter's supervision. It carries out this mission under the terms and conditions provided for in French Act no. 49-874 of 5 July 1949, Decree no. 94-376 dated 14 May 1994, the agreement on public procedures management signed on 9 April 2001 and the financial agreement last signed on 16 February 2004.

- All underwriting income and expenses concerning public procedures management, excluding the related management fees received by Coface, are segregated in the Company's accounts, in accordance with Article L. 432-4 of the French Insurance Code.
- Company information and receivables management services are not subject to any specific regulations, apart from the debt collection business, which is subject to the specific provisions of the Decree dated 18 December 1996.
 - Litigation

To the best of the Company's knowledge, no claims or litigation are in progress or pending that would be likely to have a material impact on the financial position of Coface SA or the Group.

- Coface is required to comply with the general principles relating to trade secrets.
- To the best of Coface's knowledge, it is not dependent on any other companies, or any marketing, distribution or manufacturing contracts or licences for the conduct of its business.

4. Industrial and environmental risks

To the best of Coface's knowledge, it is not subject to any environmental risk that could have a significant impact on the Group's financial position, business or results of operations.

5. Insurance

Coface SA is covered by the insurance policies taken out by the Natixis Group with regard to business liability, the liability of its corporate officers and fraud. The specific risks covered concern business liability resulting from operations of the business, environmental risks and professional indemnity insurance, particularly for debt collection services provided to clients, and internal and/or external fraud.

Coface SA has also taken out specific policies to cover the various other risks to which its businesses, employees and assets are exposed.

Coface considers that the amounts of insurance cover taken out reasonably cover the financial and other consequences of any losses that may arise. Coface has also set up disaster recovery plan contracts with specialist companies, to avoid any lasting interruption of its business following a major incident.

Risk management

6. Operational risks

Operational risk is defined as the risk of direct or indirect losses resulting from inadequate or failed internal processes, people and systems or from external events.

This definition includes compliance- and reputation-type legal risks.

In 2006, Coface set up a new organization structure and rolled out operational risk control procedures to all of its entities aimed at developing an operational risk self-assessment culture at management level.

A Central Operational Risks unit within the Coface Organisation department develops guidelines and procedures in this area and coordinates the “control and compliance” initiatives of the local managers tasked with reducing and containing operational risks at local level. The Group liaises closely with Natixis in the area of operational risk.

An Operational Risks and Compliance Committee chaired by Coface's Chief Executive Officer approves measures aimed at reducing exposure to identified risks, monitors their implementation, and complies with recommendations resulting from audit engagements.

Operational risk mapping

Coface has developed an operational risk mapping approach based on a method recommended by a specialist firm of consultants in order to enhance operational risk knowledge throughout the Group. At end-2007 the operational risk map of the various entities covered 81% of Group turnover and the Internal Audit department had validated the mapping approach in terms of consistency and methodological compliance.

Centralisation of payment incidents and losses

Since June 2007, all Coface entities report payment incidents and operating losses to the Operational Risks unit.

Level two controls

In December 2007 the Group rolled out level two controls targeting key control objectives.

Business continuity plan

Coface has prepared a business continuity plan to deal with any prolonged or permanent unavailability of its headquarters building at 12, cours Michelet, La Défense, France, or the unavailability of its IT systems.

The continuity plan was developed with the help of a specialist external firm of consultants, and is based on a detailed survey of user needs and generally accepted business continuity practices.

Offsite data back up and IT facilities identical to those used by Coface are provided by a specialist firm at an IT disaster recovery facility in the Paris area.

A backup site run by a specialist firm is available to Coface's headquarters employees in the event of a crisis.

The “information systems” component of the business continuity plan is tested twice a year.

A blueprint was drawn up in 2007 for developing a system of business continuity management throughout the Group.

Corrective measures and action plans

These are the results of the initiatives described above and are designed to reduce or contain operational risk. The Operational Risks unit is in charge of all risk reporting.

Liquidity and capital resources

In the insurance business, liquidity generally defines a company's ability to generate – in the normal course of business and through the management of its investment portfolio – sufficient liquidity to meet its financial commitments. These commitments correspond mainly to the company's obligations towards the insured, under the terms of the policies written by the company. The bulk of the resources of the Group's insurance business consist of premiums and net investment income (including realised gains). These resources are used primarily to settle claims and to cover claims handling expenses as well as other general operating expenses. Net cash provided by operating activities generally represents a substantial amount, because premiums are collected before any claims are incurred or settled.

The standard measurement of an insurance company's liquidity is based on its ability to fulfil its financial commitments. Coface's consolidated liquidity position is comfortably in excess of the minimum laid down in insurance regulations, as follows:

Solvency margin: the solvency margin corresponds to the required level of shareholders' funds, taking into account activity levels as measured by premium income weighted by the average loss ratio. Coface is required to maintain its solvency margin at a certain level, set in insurance regulations. Coface has calculated its minimum solvency margin requirement in accordance with French regulations, as set out in Decree no. 2002-360 dated 14 March 2002 concerning the additional supervision of insurance companies (Ministry of the Economy,

Finance and Industry). At 31 December 2007, the Group's solvency margin stood at €585.7 million, representing nearly four times the required minimum of €139.4 million, compared with €524.1 million at end-2006, representing four times the required minimum of €136.7 million.

Excess of admissible assets over regulated liabilities: based on current regulations, the Group insurance companies are required to hold assets that fulfil the criteria of admissibility in terms of their quality, liquidity and risk diversification to cover their regulated liabilities, consisting essentially of technical provisions. At 31 December 2007, the Coface Group's admissible assets exceeded its regulated liabilities by an amount of €251 million.

The resources of the company information and receivables management business are derived mainly from the sale of credit reports and credit monitoring services, as well as from receivables management fees. The business's primary use of funds is for general operating expenses. The time-lag between the collection of revenues and settlement of the related expenses is not material.

In public procedures management, the main source of funds is the remuneration received from the French State, and general operating expenses represent the main use of funds. In this case also, the time-lag between the collection of revenues and settlement of the related expenses is not material.

General information about the company

Company name and registered office

Company name:

COMPAGNIE FRANÇAISE D'ASSURANCE POUR LE COMMERCE
EXTÉRIEUR – COFACE

Registered office: 12 Cours Michelet, La Défense 10, 92800 Puteaux
Tel.: (33) 1 49 02 20 00

Legal form and applicable legislation

The Company is governed by the French Insurance Code, including the Decree of 14 May 1994, the provisions of the French Commercial Code and the provisions of French Act no. 49-874 of 5 July 1949.

Date of incorporation and term

The Company was founded on 1 May 1948 for a period of ninety-nine years. It may be wound up in advance or its term extended.

Corporate purpose

In accordance with article 4 of the Articles of Association, the Company's corporate purpose is to:

1. Cover credit insurance risk and the proper completion of commercial and financial operations, and also all related insurance and/or reinsurance services and/or services which may encourage the development of said operations;
2. Cover and manage, in the interest of France's foreign trade, risks linked to international exchange, commercial, political, monetary

and disaster risks, and also certain risks referred to as extraordinary risks, on behalf of and under the control of the State. These risks are covered by the State's guarantee, as are the operations concerning the management of rights and/or obligations relating thereto, under Article L. 432-2 of the French Insurance Code;

3. And, more generally, to carry out all civil, commercial, industrial, financial, personal and/or real property operations, which may be connected directly or indirectly with the above-mentioned objects.

Financial year

The financial year begins on 1 January and ends on 31 December.

Disclosure threshold

As Coface provides a public service, in accordance with Article R. 442-6 of the French Insurance Code, any acquisition of 10% of the Company's share capital or voting rights must be discussed by the Board of Directors and then submitted for approval to the Minister of the Economy. This specific provision applies in addition to the general disclosure requirements applicable to insurance companies which stipulate that in the event of any transaction which causes any person or entity to acquire effective control over the management of the Company or to cross the disclosure thresholds of one half, one third, one fifth or one tenth of voting rights, said person or entity must disclose this situation to the Insurance Industry Committee which has three months to veto the transaction.

General information about the company's capital

Share capital

At 31 December 2007, the Company's share capital amounted to €86,550,381.48 divided into 22,709,334 shares.

Changes in capital over the last five years

Dates		Number of shares issued	Increase in capital (€)	Premium per share (€)	Total premiums (€)	New capital (€)	New number of shares	Par value (€)
31 January 2003	Exercise of 4,550 options granted under the 7 December 1999 plan, in connection with the July 2002 public tender offer by Natexis Banques Populaires ⁽¹⁾	4,550	17,341.07	38.19	40,619,408.86	49,736,107.13	13,049,899	3.811225
20 July 2004	Exercise of 12,400 options granted under the 7 December 1999 plan, in connection with the May 2004 public buyout offer by Natexis Banques Populaires ⁽²⁾	11,900	47,259.19	38.19	41,095,305.85	49,783,366.32	13,062,299	3.811225
31 December 2004	Exercise of 3,350 options granted under the 7 December 1999 plan ⁽³⁾	3,350	12,767.60	38.19	41,223,238.25	49,796,133.92	13,065,649	3.811225
20 May 2005	Exercise of 1,455 options granted under the 7 December 1999 plan	1,455	15,073.39	38.19	41,278,804.68	49,811,207.31	13,067,104	3.811225
September 2005	Capital increase via employee dividend payment in respect of 2004	1,345,840	5,129,299.05	31.15	83,200,072.03	54,940,506.36	14,415,444	3.811225
29 December 2005	Exercise of 4,186 options granted under the 7 December 1999 plan	4,186	15,953.79	38.19	83,359,930.24	54,956,460.15	14,419,630	3.811225
30 December 2005	Exercise of 200 options granted under the 3 December 2002 plan ⁽⁴⁾	200	762.25	42.90	83,368,510.00	54,957,222.40	14,419,830	3.811225
30 June 2006	Exercise of 8,618 options granted under the 7 December 1999 plan	8,618	32,845.13	38.19	83,697,620.87	54,990,067.53	14,428,448	3.811225
13 September 2006	Capital increase via employee dividend payment in respect of 2005	3,877,459	14,777,868.68	30.14	185,786,366.45	69,797,936.21	18,305,907	3.811225
28 December 2006	Exercise of 1,035 options granted under the 7 December 1999 plan	1,035	3,944.62	38.19	185,825,891.40	69,771,880.83	18,306,942	3.811225
29 December 2006	Exercise of 6,175 options granted under the 3 December 2002 plan ⁽⁵⁾	6,175	23,534.31	42.90	186,090,791.78	69,795,415.14	18,313,117	3.811225
3 September 2007	Exercise of 2,549 options granted under the 7 December 1999 plan	2,549	9,714.81	38.19	186,188,134.96	69,805,129.95	18,315,666	3.811225
5 September 2007	Exercise of 19,112 options granted under the 3 December 2002 plan	19,112	72,834.34	42.90	187,008,016.35	69,877,964.29	18,334,778	3.811225
6 September 2007	Capital increase via employee dividend payment in respect of 2006	4,367,694	16,646,264.56	22.33	284,533,272.94	86,524,228.85	22,702,472	3.811225
27 December 2007	Exercise of 1,118 options granted under the 7 December 1999 plan	1,118	4,260.95	38.19	284,575,967.99	86,528,480.80	22,703,590	3.811225
28 December 2007	Exercise of 5,744 options granted under the 3 December 2002 plan	5,744	21,891.68	42.90	284,822,378.55	86,550,381.48	22,709,334	3.811225

(1) The Extraordinary General Meeting of 7 December 1999 authorised the Board of Directors to issue 62,466 stock options. Under the terms of the 7 December 1999 stock option plan, the options could be exercised in advance in the event of a tender offer for the Company's shares. Further to Natexis Banques Populaires' tender offer of 19 July 2002, 4,550 options were exercised, representing a capital increase of €17,341.07.

(2) Under the terms of the 7 December 1999 stock option plan, the options could be exercised in advance in the event of a public tender or exchange offer for the Company's shares. Further to Natexis Banques Populaires' public buyout offer followed by a compulsory buyout procedure on 23 April 2004, 11,900 options were exercised, representing a capital increase of €45,353.58.

(3) Under the terms of the 7 December 1999 stock option plan, the options could be exercised as from 7 December 2004.

(4) Under the terms of the 3 December 2002 stock option plan, the options could be exercised in advance (before 3 December 2006) by the heirs of any beneficiary who dies. The heirs of one beneficiary exercised that person's options by subscribing for 200 shares.

(5) Under the terms of the 3 December 2002 stock option plan, the options could be exercised as from 3 December 2006.

Capital and voting rights

OWNERSHIP STRUCTURE AT 31 DECEMBER 2007

The Articles of Association do not contain any clauses allowing for shares to carry double voting rights or setting a ceiling on the number of voting rights that may be exercised at General Meetings. To the best of the Company's knowledge, the Company's shares have not been pledged or otherwise encumbered.

Shareholders	Number of shares	Percentage interest	Percentage voting rights
Coface Holding SAS	22,701,877	99.967%	99.967%
Natixis	6,439	0.028%	0.028%
Other	1,018	0.005%	0.005%
Total credit insurance	22,709,334	100%	100%

CHANGES IN OWNERSHIP STRUCTURE OVER THE LAST THREE YEARS

Shareholders	31 December 2005			31 December 2006			31 December 2007		
	Number of shares	% interest	% Voting rights	Number of shares	% interest	% Voting rights	Number of shares	% interest	% Voting rights
Natixis	14,419,814	99.99	99.99	18,312,226	99.995	99.995	6,439	0.028	0.028
Coface Holding SAS							22,701,877	99.967	99.967
Other	16			894	0.005	0.005	1,018	0.005	0.005
Public	170,267	1.30	1.31						
Total credit insurance	13,065,649	100	100	18,313,117	100	100	22,709,334	100	100

DIVIDENDS

Dividends paid in the last three years and related tax credit

Year	Number of shares	Net dividend in euros	Tax credit ⁽¹⁾ in euros	Total in euros
2004	13,069,604	3.60	1.75	5.35
2005	14,427,980	8.10	-	8.10
2006	18,327,083	6.23	-	6.23

(1) In the above table, the tax credit has been systematically calculated at the rate of 50%.

Corporate governance

COMPOSITION AND OPERATION OF COFACE'S CORPORATE GOVERNANCE BODIES

Board of Directors

The Company is managed by a Board of Directors which met five times in 2007. In accordance with the Company's Articles of Association, Directors remain in office for five years.

The Board of Directors currently comprises 21 members, of which 18 were elected by the General Meeting (on 28 February 2008, Bruno Mettling replaced Michel Goudard who resigned) and 3 were elected by employees in accordance with article 11 of the Articles of Association and Articles L. 225-27 to L. 225-34 of the French Commercial Code.

The following table provides information on the directorships and functions of Coface's Directors as at 31 December 2007.

First name and surname or company name	First appointment	Current term expires	Main function within the Company	Main function outside the Company:	Other directorships or functions held:
François David	27 July 1994	AGM called to approve the financial statements for 2011	Chairman		<ul style="list-style-type: none"> * Chairman of the Board of Directors of: <ul style="list-style-type: none"> . Coface Services . Coface Assicurazioni SpA (Italy) * Chairman of the Supervisory Board of Coface Kreditversicherung AG (Germany) <ul style="list-style-type: none"> . Vice-Chairman of the Supervisory Board of Natixis Finance * Chairman of: <ul style="list-style-type: none"> . La Librairie Electronique (LLE) . Centre d'Etudes Financières . Or Informatique * Director of Vinci * Member of the Supervisory Board of Rexel * Director of the Coface Trade Aid association.
Jérôme Cazes	15 March 1999	AGM called to approve the financial statements for 2011	Chief Executive Officer		<ul style="list-style-type: none"> * Member of the Executive Committee of Natixis * Chief Executive and Director of Coface Services Managing Director of: <ul style="list-style-type: none"> . Coface Holding SAS . La Librairie Electronique . Centre d'Etudes Financières . OR Informatique * Chairman of the Board of Directors of: <ul style="list-style-type: none"> . Kompass Holding (wound up on 22/01/2007) . Kompass International Neuenschwander . Coface North America Holding Cy (USA) . Coface Italia SRL (Italy) . Coface UK Holdings Ltd (UK) * Chairman of the Supervisory Board of Coface Intercredit Information Holding (Austria) <ul style="list-style-type: none"> . Vice-Chairman of: <ul style="list-style-type: none"> . Coface Austria Kreditversicherung AG (Austria) . Coface Assicurazioni SpA (Italy) * Member of the Supervisory Board of: <ul style="list-style-type: none"> . Coface Kreditversicherung AG (Germany) . Graydon Holding NV (Netherlands) * Permanent representative of Natixis on the Board of Directors of Natixis Factor * Director of the Coface Trade Aid association

Corporate governance

First name and surname or company name	First appointment	Current term expires	Main function within the Company	Main function outside the Company:	Other directorships or functions held:
<p>Natixis</p> <p>Represented by François Ladam since 12 December 2006</p>	Became Director on 30 June 2000 to replace Natixis Banque (formerly BFCE) which it took over. Natixis Banque had been a Director of the Company since 23 February 1949. NBP became Natixis following the merger with Ixis, Groupe Caisse d'Épargne (November 2006)	AGM called to approve the financial statements for 2011		Member of the Management Board of Natixis	<ul style="list-style-type: none"> * Member of the Supervisory Board of: <ul style="list-style-type: none"> . Assurances BP IARD . La Compagnie 1818 * Vice-Chairman of the Supervisory Board of CACEIS * Chairman of Coface Holding SAS * Non-voting Director of Banque Fédérale des Banques Populaires * Director of: <ul style="list-style-type: none"> . Ecrinvest 11 . Natixis Altair . Natixis Assurances . Natixis Financement . Natixis Interépargne . Natixis Private Equity . NGAM * Manager of Natixis Arbitrage
Christian Blanc	13 September 2001	AGM called to approve the financial statements for 2011		Deputy (member of Parliament)	* Member of the Supervisory Board of JC Decaux
Claude Cordel	16 May 2006	AGM called to approve the financial statements for 2011		Chairman of the Board of Directors of Banque Populaire du Sud	<ul style="list-style-type: none"> * Chairman of the Board of Directors of Natixis Factor * Vice-President and Director of Banque Fédérale des Banques Populaires * Director of: <ul style="list-style-type: none"> . Natixis Prames International . SAS Dupleix * Member of the Supervisory Board of: <ul style="list-style-type: none"> . Natixis . Foncia * Chairman of: <ul style="list-style-type: none"> . SAS CPSL . SAS Holding Clobia * Manager of: <ul style="list-style-type: none"> . Transports du Pic Saint Loup . L'Oasis
Jean Criton	5 November 2002	AGM called to approve the financial statements for 2011		Chief Executive Officer of Banque Populaire Rives de Paris	<ul style="list-style-type: none"> * Chairman of the Board of Directors of Turbo SA Director of: <ul style="list-style-type: none"> . Natixis Private Equity . Natixis Assurances . Natixis Private Banking * Permanent representative of Banque Populaire Rives de Paris on the Board of Directors of i-BP SNC (Informatique Banques Populaires)

Corporate governance

First name and surname or company name	First appointment	Current term expires	Main function within the Company	Main function outside the Company:	Other directorships or functions held:
Pierre-Mathieu Duhamel	20 February 2007	AGM called to approve the financial statements for 2011		Head of international operations of Groupe Caisse d'Epargne	Member of the Supervisory Board of Financière Océor * Chairman of the Audit Committee of Financière Océor * Chairman of INGEPAR * Chairman of BCP Luxembourg
Edouard Esparbès	11 May 2004	AGM called to approve the financial statements for 2011		Chief Executive Officer of Calyon	* Director and Vice-Chairman of Crédit du Maroc * Director of Banque Saudi Fransi * Vice-Chairman of UBAF
Steve Gentili	5 November 2002	AGM called to approve the financial statements for 2011		Chairman of the Board of Directors of BRED Banque Populaire	* Chairman of the Board of Directors of: . Bred Gestion . Natixis Pramex International . Compagnie financière de la Bred - Cofibred * Chairman of the Supervisory Board of Banque internationale de Commerce - Bred * Director of: . Banque Fédérale des Banques Populaires . Bercy Gestion Finances + . Bred Cofilease . Natixis Algérie . Natixis Pramex International Milan . Prepar IARD . Promepar Gestion . Banque Commerciale Internationale (BCI) * Member of the Supervisory Board of: . Natixis . Prepar Vie * Permanent representative of Bred Banque Populaire on the Board of Directors of BICEC * Permanent representative of Cofibred on the Board of Directors of La Financière immobilière - LFI
Michel Goudard	20 February 2007	AGM called to approve the financial statements for 2011		Chief Operating Officer, Banque Fédérale des Banques Populaires	* Chairman of: . SAS Guidéo . SAS BP Création * Director of: . Partecis . Natixis Altaïr . Natixis Bleichroeder Inc. . Natixis Bleichroeder SA . Natixis Private Equity * Member of the Supervisory Board of MA Banque * Permanent representative of BFBP on the Board of Directors of: . Natixis Assurances . i-BP . BICEC * Permanent representative of BFBP on the Supervisory Board of Natixis * Non-voting Director of Europay * Chairman of Association Banque Populaire pour la Création d'Entreprise * Member of the Executive Committee of CIBP (Confédération Internationale des Banques Populaires) * Member of the Supervisory Board of Fonds de Garantie des Dépôts.
Daniel Karyotis	20 February 2007	AGM called to approve the financial statements for 2011		Chairman of the Management Board of Banque Palatine	* Chairman of the Supervisory Board of Palatine Asset Management * Vice-Chairman of the Supervisory Board and Chairman of the Remuneration Committee of Eurosic Vice-Chairman of Cicobail Director of: . GCE Immobilier . Université GCE

Corporate governance

First name and surname or company name	First appointment	Current term expires	Main function within the Company	Main function outside the Company:	Other directorships or functions held:
					<ul style="list-style-type: none"> * Vice-Chairman of Cicobail Director of: <ul style="list-style-type: none"> . GCE Immobilier . Université GCE * Member of the Supervisory Board of Financière Océor * Permanent representative of Banque Palatine on the Board of Directors of: <ul style="list-style-type: none"> . Ecureuil Gestion FCP . OCBF * Permanent representative of Banque Palatine on the Supervisory Board of: <ul style="list-style-type: none"> . La Compagnie 1818 . GCE Capital . Ecureuil Gestion * Representative of Banque Palatine, sole shareholder of Société Foncière d'Investissement.
Olivier Klein	20 February 2007	AGM called to approve the financial statements for 2011		Chairman of the Management Board of Caisse d'Epargne Rhône Alpes Lyon	
Yvan de La Porte du Theil	5 November 2002	AGM called to approve the financial statements for 2006		Chief Executive Officer of Banque Populaire Val de France	<ul style="list-style-type: none"> * Chairman of the Supervisory Board of MA Banque * Vice Chairman of the Board of Directors of Banque Fédérale des Banques Populaires * Member of the Supervisory Board of: <ul style="list-style-type: none"> . Natixis . Foncia * Director of Natixis Private Banking * Permanent representative of Banque Populaire Val de France on the Board of Directors of i-BP (Informatique Banques Populaires)
Nicolas Merindol	20 February 2007	AGM called to approve the financial statements for 2011		Chief Executive Officer of Caisse Nationale des Caisses d'Epargne et de Prévoyance - CNCE	<ul style="list-style-type: none"> * Chairman of the Supervisory Board of: <ul style="list-style-type: none"> . Banque Palatine . Ecureuil Gestion . Ecureuil Gestion FCP . La Compagnie 1818 . SAS CEMM . SAS GCE Capital * Chairman of the Board of Directors of: <ul style="list-style-type: none"> . Crédit Foncier de France . SAS A.C.E * Chairman of the Supervisory Committee of SAS FLCP * Chairman of SAS Natixis Consumer Finance * Vice- Chairman of the Supervisory Committee of SAS Ixis Asset Management Participations 2 * Vice-Chairman of the Supervisory Board of: <ul style="list-style-type: none"> . Ixis Corporate & Investment Bank . Financière Océor . Natixis Asset Management * Vice-Chairman of the Board of Directors of Natixis Global Asset Management * Director of: <ul style="list-style-type: none"> . Sopassure . GCE Domaines . SAS Erixel . Nexity . Banca Carige . Ixis Asset management US Corporation . CNP Assurances * Permanent representative of CNCE on the Supervisory Board of: <ul style="list-style-type: none"> . Natixis . GIE Girce Stratégie . GIE Gemo RSI * Non-voting Director of SAS the Yunus Movie Project Partners

Corporate governance

First name and surname or company name	First appointment	Current term expires	Main function within the Company	Main function outside the Company:	Other directorships or functions held:
Charles Milhaud	20 February 2007	AGM called to approve the financial statements for 2011		Chairman of the Management Board of Caisse Nationale des Caisses d'Epargne	<ul style="list-style-type: none"> * Member of the Supervisory Board of: <ul style="list-style-type: none"> . Financière Océor . Natixis * Chairman of the Board of Directors of: <ul style="list-style-type: none"> . Centre National d'Enseignement à Distance . GCE Domaines * Vice-Chairman of the Supervisory Board of: <ul style="list-style-type: none"> . Crédit Immobilier et Hôtelier . Europacorp * Vice-Chairman of the Board of Directors of Nexity <ul style="list-style-type: none"> . SAS Erixe . SAS GCE Maroc (and Chairman of the Board) * Director of: <ul style="list-style-type: none"> . Sodexho Alliances . Sopassure . Banque des Mascareignes . Massira Capital Management . SLE Prefecture . Douja Promotion Groupe ADOHA . SAS GCE Maroc Immobilier . Groupement National de la Coopération * Member of the Supervisory Board of: <ul style="list-style-type: none"> . CNP Assurances . SCA Veolia Eau – Cie Générale des eaux . SAS IDF Tele . GCE Habitat (until 02/03/2007) * Permanent representative of GCE Immobilier on the Supervisory Board of SOGIMA * Representative of CNCE, Chairman of: <ul style="list-style-type: none"> . SAS GCE Participations . GCE Promotion Méditerranée . GCE Malraux . GCE Participations, Manager of SNC Participations Ecuireuil . GCE Courtage . GCE Paiements * Vice-Chairman of the European Savings Banks Group * Member of the Executive Committee of Fédération Bancaire Française * Chairman of Fondation Caisses d'Epargne pour la Solidarité * Treasurer of Fondation Belem
Laurence Parisot	20 February 2007	AGM called to approve the financial statements for 2011		Chair of the Board of Directors of IFOP	<ul style="list-style-type: none"> * Chair of Medef * Member of the Supervisory Board of Michelin SCA * Director of BNP Paribas
Eric Pernon	11 May 2004	AGM called to approve the financial statements for 2008	Employee in the Credit Management Unit of the Finance Department.		
Alain Régnier	15 June 1989	AGM called to approve the financial statements for 2008	Manager of the Market Survey Cover Department		
Dominique Remy	20 February 2007	AGM called to approve the financial statements for 2011		Member of the Executive Committee of CIB – BNP Paribas	<ul style="list-style-type: none"> * Chairman of the Board of Directors of BNP Paribas ZAO (Russia) * Director of BNP Paribas Switzerland SA
Patrick Soulard	20 February 2007	AGM called to approve the financial statements for 2011		Deputy Chief Executive Officer of Société Générale Corporate and Investment Banking	<ul style="list-style-type: none"> Director of: <ul style="list-style-type: none"> . Geneval . Havas SG Securities Asia Int Hld (Hong Kong) . FFP . Boursorama
Jean-Louis Warnet	11 May 2004	AGM called to approve the financial statements for 2008	Assistant Manager in the Coface Risk Management Department		<ul style="list-style-type: none"> * Member of the Supervisory Board of NRA Coface ARB (Russia)

Corporate governance

Independent directors

The Board of Directors comprises five independent directors, Christian Blanc, Edouard Esparbès, Laurence Parisot, Dominique Remy and Patrick Soulard.

Directors elected by employees

In accordance with article 11 of the Company's Articles of Association, the Board of Directors includes three directors elected by employees. The status and method of election of these directors are specified in Articles L. 225-27 to L. 225-34 of the French Commercial Code and in the Company's Articles of Association.

In 2007, the three directors elected by employees were Eric Pernon, Alain Régnier and Jean-Louis Warnet.

Committees set up by the Board of Directors

The Board of Directors established three committees on 22 June 1998. An independent director sits on each committee.

The Strategy Committee issues an opinion on the Group's development strategy, investment policies and product strategy. The current members are Yvan de la Porte du Theil (Committee Chairman since May 2006), Christian Blanc, Jérôme Cazes, Olivier Klein and François Ladam. The Strategy Committee met four times in 2007.

The Audit Committee reviews the Company's accounts and the controls and procedures carried out by the Statutory Auditors. The current members are Edouard Esparbès (Committee Chairman since May 2006), Jean Criton, Daniel Karyotis and Alain Régnier (who replaced Jean-Louis Warnet in May 2007). The Audit Committee met three times in 2007.

The main task of the Compensation Committee is to submit recommendations to the Board of Directors relating to the compensation of Company officers. The current members are François Ladam (Committee Chairman since May 2006), Steve Gentili and Nicolas Merindol. The Compensation Committee met once in 2007.

Attendance fees paid to the Company's officers who were also officers of Natixis in 2007

In euros	Coface		Natixis	
	Fixed portion	Variable portion	Fixed portion	Variable portion
Claude Cordel	2,000	2,000	10,000	6,000
Steve Gentili	5,000	3,000	10,000	10,000
Yvan de la Porte du Theil	5,000	4,000	15,000	15,000
Nicolas Merindol	3,500	2,500	12,500	
Charles Milhaud	2,000	1,000	10,000	10,000

Group Executive Committee

This Committee decides the Group's overall strategies and reviews major Group issues. The Committee is made up of the managers of the main Group companies and meets at monthly intervals. The members of the Committee, in addition to François David, Chairman, and Jérôme Cazes, Chief Executive Officer, are:

Thierry Coldefy, Director, Management Accounting;
Daniel Garcia, Director, Information Systems;
Nelly Karcenty, Director, Legal Affairs and Compliance;
François Meunier, Director, Finance;
Françoise Orsini, Company Secretary;
Alain Paupert, Director, Risk Management;
Dominique Tuffrau-Barriant, Director, Marketing and International Affairs;
Stefan Brauel, Member of the Coface Kreditversicherung Management Board;
Benoît Claire, Chairman of the Coface Kreditversicherung Management Board;
Norbert Langenbach, Member of the Coface Kreditversicherung Management Board;
Lionello Albertazzi, Deputy Director, Managing Director, Coface Assicurazioni;
Stéphanie Paix, Chief Executive Officer, Natixis Factor.

Management of main Group entities

In addition to François David, Chairman, and Jérôme Cazes, Chief Executive Officer, the members of the Coface SA Executive Committee are as follows:

Sylvie Arnautu, Director, Risk Cover;
Fouad Bitar, Director, Group Production Organisation;
Alain Camilleri, Director, Commercial Development;
Jenny Clei, Director, Internal Audit;
Thierry Coldefy, Director, Management Accounting;
Daniel Garcia, Director, Information Systems;
Martine Haas, Director, Communications;
Philippe Guéricolas, Director, Human Resources and Administration;
Nelly Karcenty, Director, Legal Affairs and Compliance;
Philippe Liszewski, Director, Litigation;
François Meunier, Director, Finance;
Marc Murcia, Director, Medium-term Insurance;
Françoise Orsini, Company Secretary;
Alain Paupert, Director, Risk Management;
Olivier Poncet, Director, Client Relationships and Marketing;
Alain Régnier, Director, Market Survey Cover;
Dominique Tuffrau-Barriant, Director, Marketing and International Affairs.

Corporate governance

In addition to Jérôme Cazes, Chief Executive Officer, the members of the Coface Services Executive Committee are:

Gérôme Boulay, Director, Information Research and Development;
Philippe Brocca, Director, Receivables Recovery and Management;
Jean-Luc Brizard, Director, Information Systems;
Emmanuel Lejeune, Director, Receivables Recovery and Management for the Group;
Bertrand Macabeo, Director, Marketing Products for the Group and Kompass;
Isabelle Rabaron, Director, Audit;
Jacques Romand, Deputy Managing Director and Director, Human Resources and Administration;
Jacques Tapié de Cleyran, Director, Finance;
Emmanuel Texier, Director, Production;
Eric Vaingnedroye, Director, Group Information.

Coface Kreditversicherung

Chairman of the Management Board: Benoît Claire
Members of the Management Board: Stefan Brauel, Norbert Langenbach;

Coface Belgium

Chief Executive Officer: Olivier Nifle

Coface Holding America Latina

Chief Executive Officer: Bart Pattyn

Coface Hong Kong

Chief Executive Officer: Richard Burton

Coface Iberica

Chief Executive Officer: Juan Saborido

Coface Central Europe Holding

Chairman of the Management Board: Martina Dobringer

Coface Japan

Chief Executive Officer: Hiroyuki Motohashi

Coface Nederland

Chief Executive Officer: Roy Oenen

Coface Singapore

Chief Executive Officer: Jean-Claude Speitel

Coface South Africa

Chief Executive Officer: Garth de Klerk

Coface Suisse

Chief Executive Officer: Jean-François Tarel

Coface UK

Chief Executive Officer: Xavier Denecker

Kompass International Neuenschwander

Chairman of the Board of Directors: Jérôme Cazes
Managing Director: Bertrand Macabeo

Coface Austria Kreditversicherung

Chairman of the Management Board: Martina Dobringer
Members of the Management Board: Gabriele Düker, Christian Berger

Unistrat Coface

Chairman and Chief Executive Officer: Françoise Orsini
Vice President, Deputy Managing Director: Sylviane Greisman

Coface North America Holding Company

Chairman and Chief Executive Officer: Mike Ferrante
Senior Vice-President: Kenneth Moyle

Coface Assicurazioni

Deputy Director, Managing Director: Lionello Albertazzi
Deputy Managing Director: Francesco Ambruso ("délégué")
Deputy Managing Directors: Massimo Coletti, Ernesto de Martinis.

Government Representatives

In addition, as Coface provides a public service, the French Minister of the Economy appoints a representative to monitor Coface's fulfilment of its responsibilities in connection with the management of French State programmes.

The current Government Representative is:

François de Ricolfis, Deputy Director of International Business Development within the Treasury and Economic Policy Department of the French Ministry of Industry, Economy and Finance.

Employee data

1. NUMBER OF EMPLOYEES

	Senior management			Management (excl. Senior management)			Total Management			Employees			Total		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
France	66	29	95	417	519	936	483	548	1,031	50	166	216	533	714	1,247
Branches	14	4	18	145	89	234	159	93	252	66	132	198	225	225	450
TOTAL	80	33	113	562	608	1,170	642	641	1,283	116	298	414	758	939	1,697

In 2007, 55.3% of Coface employees were women, a percentage which has not changed since 2003. The average level of employee qualifications is high, with 75.6% of staff employed at management grades.

a. New hires

	Senior management			Management (excl. Senior management)			Total Management			Employees			Total		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
France															
Permanent contracts	6	3	9	37	53	90	43	56	99	5	14	19	48	70	118
Fixed-term contracts	0	0	0	2	4	6	2	4	6	1	2	3	3	6	9
TOTAL	6	3	9	39	57	96	45	60	105	6	16	22	51	76	127
Branches															
Permanent contracts				16	16					8	23	31	24	39	63
Fixed-term contracts						0					1	1		1	
TOTAL	0	0	0	16	16	0	0	0	0	8	24	32	24	40	64
Total															
Permanent contracts	6	3	9	53	69	90	43	56	99	13	37	50	72	109	181
Fixed-term contracts	0	0	0	2	4	6	2	4	6	1	3	4	3	7	9
Overall TOTAL	6	3	9	55	73	96	45	60	105	14	40	54	75	116	191

No major recruitment problems were encountered in 2007, except with regard to certain specialist functions. The company hired 181 permanent staff. The focus was on using internal resources as efficiently as possible and new hires were kept to a minimum. Coface's strong reputation means that it attracts a large number of unsolicited job applications.

b. Overtime (France only)

	Senior management			Management (excl. Senior management)			Total Management			Employees			Total		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Hours	0.0	0.0	0.0	1,192.3	221.2	1,413.5	1,192.3	221.2	1,413.5	183.7	19.3	203.0	1,376.0	240.5	1,616.5
% of annual quota of 10,900 hours	0.00%	0.00%	0.00%	10.94%	2.03%	12.97%	10.94%	2.03%	12.97%	1.69%	0.18%	1.86%	12.62%	2.21%	14.83%

Less than 15% of annual overtime quota was utilised in 2007. Overtime hours primarily concerned IT projects.

c. Employee terminations

	Senior management			Management (excl. Senior management)			Total Management			Employees			Total		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
France	5	5	10	5	6	11	10	11	21	0	2	2	10	13	23
Branches				3	1	4				3	1	4	6	2	8
TOTAL	5	5	10	8	7	15	13	12	25	3	3	6	16	15	31

All of the above departures were negotiated individually. No redundancy programme was implemented in 2007.

Employee data

d. Temporary staff

Coface employed 71 temporary staff for engagements corresponding to 4,209 man/days in 2007.

2. WORKING HOURS

a. Full time

	Senior management			Management (excl. Senior management)			Total Management			Employees			Total		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
FRANCE															
5-day week	63	23	86	105	85	190	168	108	276	20	28	48	188	136	324
4-day week	3	6	9	149	170	319	152	176	328	18	57	75	170	233	403
Alternate 4/5 day week	0	0	0	102	161	263	102	161	263	10	52	62	112	213	325
4.5-day week	0	0	0	6	25	31	6	25	31	0	3	3	6	28	34
Set no. days	0	0	0	50	26	76	50	26	76	0	0	0	50	26	76
TOTAL	66	29	95	412	467	879	478	496	974	48	140	188	526	636	1,162
BRANCHES	14	4	18	150	92	242	164	96	260	57	112	169	221	208	429
OVERALL TOTAL	80	33	113	562	559	1,121	642	592	1,234	105	252	357	747	844	1,591

b. Part-time

	Senior management			Management (excl. Senior management)			Total Management			Employees			Total		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
FRANCE															
80% to 100%	0	0	0	3	3	6	3	3	6	0	6	6	3	9	12
80%	0	0	0	0	36	36	0	36	36	1	13	14	1	49	50
50% to 80%	0	0	0	0	8	8	0	8	8	1	5	6	1	13	14
50%	0	0	0	2	5	7	2	5	7	0	2	2	2	7	9
SUB-TOTAL	0	0	0	5	52	57	5	52	57	2	26	28	7	78	85
BRANCHES															
80% to 100%	0	0	0	0	0	0	0	0	0	0	3	3	0	3	3
80%	0	0	0	0	2	2	0	2	2	0	0	0	0	2	2
50% to 80%	0	0	0	1	1	2	1	1	2	0	8	8	1	9	10
50%	0	0	0	0	0	0	0	0	0	2	4	6	2	4	6
SUB-TOTAL	0	0	0	1	3	4	1	3	4	2	15	17	3	18	21
TOTAL															
80% to 100%	0	0	0	3	3	6	3	3	6	0	9	9	3	12	15
80%	0	0	0	0	38	38	0	38	38	1	13	14	1	51	52
50% to 80%	0	0	0	1	9	10	1	9	10	1	13	14	2	22	24
50%	0	0	0	2	5	7	2	5	7	2	6	8	4	11	15
OVERALL TOTAL	0	0	0	6	55	61	6	55	61	4	41	45	10	96	106

Part-time working has declined with the introduction of the 4-day working week, with only 6.2% of employees now working on a part-time basis.

Employee data

c. Absenteeism

	Senior management			Management (excl. Senior management)			Total Management			Employees			Total		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
FRANCE															
Sick leave	90.0	22.0	112.0	2,132.0	4,303.0	6,435.0	2,222.0	4,325.0	6,547.0	855.0	3,528.54	383.5	3,077.0	7,853.5	10,930.5
Occupational/journey accident	0.0	0.0	0.0	4.0	265.0	269.0	4.0	265.0	269.0	0.0	21.0	21.0	4.0	286.0	290.0
Maternity/paternity leave	0.0	94.0	94.0	52.0	1,579.0	1,631.0	52.0	1,673.0	1,725.0	0.0	250.0	250.0	52.0	1,923.0	1,975.0
Family circumstances	23.0	44.0	67.0	387.0	1,636.5	2,023.5	410.0	1,680.5	2,090.5	22.0	683.5	705.5	432.0	2,364.0	2,796.0
Unpaid leave	0.0	0.0	0.0	577.0	514.0	1,091.0	577.0	514.0	1,091.0	2.0	439.0	441.0	579.0	953.0	1,532.0
SUB-TOTAL	113.0	160.0	273.0	3,152.0	8,297.5	11,449.5	3,265.0	8,457.5	11,722.5	879.0	4,922.0	5,801.0	4,144.0	13,379.5	17,523.5
% absence/theoretical no. days worked	0.77%	2.37%	1.27%	3.01%	6.62%	4.98%	2.73%	6.41%	4.66%	5.67%	9.94%	8.92%	3.07%	7.37%	5.54%
BRANCHES															
Sick leave	92.0	3.0	95.0	125.0	111.0	236.0	217.0	114.0	331.0	316.5	701.5	1,018.0	533.5	815.5	1,349.0
Occupational/journey accident	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Maternity/paternity leave	0.0	41.0	41.0	17.0	287.0	304.0	17.0	328.0	345.0	11.0	555.0	566.0	28.0	883.0	911.0
Family circumstances	2.0	2.0	4.0	39.5	16.5	56.0	41.5	18.5	60.0	38.0	66.0	104.0	79.5	84.5	164.0
Unpaid leave	0.0	0.0	0.0	0.0	4.5	4.5	0.0	4.5	4.5	8.0	0.0	8.0	8.0	4.5	12.5
SUB-TOTAL	94.0	46.0	140.0	181.5	419.0	600.5	275.5	465.0	740.5	373.5	1,322.5	1,696.0	649.0	1,787.5	2,436.5
TOTAL															
Sick leave	182.0	25.0	207.0	2,257.0	4,414.0	6,671.0	2,439.0	4,439.0	6,878.0	1,171.5	4,230.0	5,401.5	3,610.5	8,669.0	12,279.5
Occupational/journey accident	0.0	0.0	0.0	4.0	265.0	269.0	4.0	265.0	269.0	0.0	21.0	21.0	4.0	286.0	290.0
Maternity/paternity leave	0.0	135.0	135.0	69.0	1,866.0	1,935.0	69.0	2,001.0	2,070.0	11.0	805.0	816.0	80.0	2,806.0	2,886.0
Family circumstances	25.0	46.0	71.0	426.5	1,653.0	2,079.5	451.5	1,699.0	2,150.5	60.0	749.5	809.5	511.5	2,448.5	2,960.0
Unpaid leave	0.0	0.0	0.0	577.0	518.5	1,095.5	577.0	518.5	1,095.5	10.0	439.0	449.0	587.0	957.5	1,544.5
OVERALL TOTAL	207.0	206.0	413.0	3,333.5	8,716.5	12,050.0	3,540.5	8,922.5	12,463.0	1,252.5	6,244.5	7,497.0	4,793.0	15,167.0	19,960.0

The absenteeism rate is moderate. It is slightly higher among non-management staff who represent less than one third of the total workforce.

3. WAGES AND SALARIES AND PAYROLL TAXES (IN EUROS)

a. Annual salary

France	All employees		
	Men	Women	Total
Average annual salary	55,888	44,493	49,363
Payroll taxes	25,827,841		

Average annual gross basic salary (excluding bonuses) of all employees under permanent and fixed-term contracts at 31 December 2007 (1,247 employees). The relatively high average annual salary reflects the high proportion of management staff within the Company.

Branches	All employees		
	Hommes	Femmes	Total
Average annual salary	56,049	33,290	45,664
Payroll taxes	2,974,770		

b. Profit-sharing

Employee profit-sharing for the year ended 31 December 2007 amounted to **€3,090,050**, including 80% based on each individual's salary and 20% corresponding to a fixed amount granted to all employees.

c. Incentive bonuses

Incentive bonuses for the year ended 31 December 2007 amounted to **€3,403,876**, including 80% based on each individual's salary and 20% corresponding to a fixed amount granted to all employees.

Employee data

4. EMPLOYEE RELATIONS

(France only)

a. Coface employees are represented by

- The Coface Works Council which held 11 ordinary meetings and 3 extraordinary meetings in 2007;
- Employee representatives who met 11 times in 2007.
- Five trade unions represented at national level.
- A health, safety and working conditions committee (CHSCT) which met four times in 2007.
- The European Works Council which met once in 2007;
- The Group Works Council for France which met twice in 2007.

b. The following agreements were signed during 2007 with trade union representatives

- | | |
|------------------|---|
| 12 February 2007 | Agreement for Works Council and employee representative elections in 2007. |
| 14 June 2007 | Addendum no. 1 to the supplementary agreement on the adjustment and reduction of work time for sales executives |
| 28 June 2007 | Agreement on professional equality between men and women |
| 12 October 2007 | Addendum no. 1 to the agreement relating to IT personnel on call |

5. HEALTH AND SAFETY (France only)

The Health, Safety and Working Conditions Committee updated the risk prevention report concluding that Coface's business does not give rise to any specific health and safety risks.

6. TRAINING (France only)

In 2007, Coface spent **€3,080,262** on staff training, representing the equivalent of around 4.8% of payroll.

Particular emphasis was placed on language tuition, international trade and financial analysis techniques as well as sales and management skills.

7. DISABLED WORKERS

	Men	Women	Total
France	12	9	21
Branches	2	1	3
Total	14	10	24

8. CHARITABLE CONTRIBUTIONS (France only)

Coface contributed **€5,554,013** to various charities in 2007.

9. SUB-CONTRACTING

	Expenses
France	27,738,672
Branches	90,700
Total	27,829,372

10. IMPACT OF THE COMPANY'S OPERATIONS ON EMPLOYMENT AND REGIONAL DEVELOPMENT

Although Coface's business has a significant regional impact in terms of its contribution to local economic development, as the majority of its staff are located in the Paris area, it has less impact on regional employment levels.

Coface

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