

Coface Announces Launch of New Corporate Rating Agency and Strengthening Ties with Ping An

Coface, the leading international credit insurance and credit management services group, announces the launch of a new rating agency for corporations at the 2009 Coface Credit Risk Conference which takes place today in Hong Kong. Hong Kong is to be one of the first five countries and regions (with France, Germany, UK and Dubai), where Coface introduces its new rating service.

The new service consists of a corporate rating, similar to the ratings proposed by the "Big 3" rating agencies: Standard & Poor's, Moody's and Fitch Ratings, and expressed with letters in a standard scale (from AAA to D). However Coface's rating business model is different. "We will only propose our rating to companies we already assess and monitor on a day-to-day basis, because Coface has a high credit exposure through its credit insurance clients," said Jerome Cazes, CEO of Coface.

Thanks to this original business model, Coface's new rating is an answer to what has been learned of the role of ratings in this crisis. It is as global as its competitors, but more focused, less costly, more independent and responsible:

- as global, since Coface will progressively open this service in its 65 countries of presence,
- more focused, since Coface only rate corporates, a risk that we have monitored for 60 years and not banks, sovereigns or structured credits.
- less expensive (US\$13,000 on average, compared with a price of US\$80,000 to US\$130,000 for the "Big 3"), because the major part of the rating cost is already covered by Coface through credit insurance.
- more independent from the rating revenues, and more responsible on the quality of ratings: in case Coface is wrong on a rating and the company defaults, Coface must indemnify its insured clients for an amount which is 100 to 1,000 times higher than our rating fee.

Coface already rates 1,008 of the biggest companies in the Greater China region (487 in China, 237 in Hong Kong and 284 in Taiwan). From June onwards, those 1,008 companies will be offered to access and use their Coface Rating in their financial communication to reinforce the confidence they inspire to their financial and trade partners worldwide. This will initially be on a confidential bilateral basis pending Coface's request for official recognition for bond ratings with the relevant authorities, beginning with Hong Kong. The production and the monitoring of all the ratings issued by Coface on Hong Kong companies will be done in Hong Kong.

"Dialogue and transparency are key elements in maintaining trust between companies during this crisis period, and rating is a crucial ingredient. We need to rebuild confidence in ratings, through a different model", Jerome Cazes added.

Coface and Ping An Look To Strengthen Ties in Credit Management Services

At the same time, Coface has announced that it is in discussion with Ping An to set up a credit management services platform, to be based in China and Hong Kong to address the rapidly growing need for such services within China, and from companies doing business with China. Services to be provided will include business information, credit scoring, invoice management and collections.

"We have been working with Ping An for five years. During this time, we have observed a growing awareness amongst Chinese companies of the need to better manage their accounts receivables as the adoption of open account increases rapidly. With the support of Ping An, we think this is the right time for us to enter this market together and we intend to become a leading player in this field" said Mr Cazes.

Mr Alex Ren Hui-chuan, Chairman and CEO of Ping An Property and Casualty stated, "We expect China to emerge rapidly from the current economic crisis, in particular we expect the domestic market to be a primary driver in this. We think good credit management will be an essential pillar for future sustained growth."

Ping An and Coface have built up a leading position in the domestic trade credit insurance market since starting their partnership in 2003 and are looking for improved capability to measure and assess risk as the market further develops. Ping An and Coface see this as a great opportunity for this latest move.

"Ping An's extensive distribution network and its diverse information and knowledge of companies in China, combined with Coface's expertise in running credit management service platform around the globe will certainly provide Chinese companies with world-class credit management services" concluded Mr Ren.

About Coface

Coface's mission is to facilitate global business-to-business trade by offering its 130,000 customers four business lines to fully or partly outsource trade relationship management and to finance and protect their receivables: **credit insurance, factoring, ratings and business information** and **receivables management**. Thanks to the worldwide local service delivered by 7,000 staff in 65 countries, over 45% of the world's 500 largest corporate groups are already customers of Coface.

Coface is a subsidiary of Natixis whose share capital (Tier 1) was 13.4 billion euros end December 2008.

For further information, please contact:

Coface Hong Kong Branch
Leo Chak / Joanne Lee
Tel: +852 2585 9188
E-mail: Leo_CHAK@coface.com /
Joanne_Lee@coface.com

Red Edge Public Relations
Sally To / Karis Chiu
Tel: +852 2893 9800 / 2893 8799
E-mail: info@red-edge.com